

CERES

Prospect Estates II, LLC

**PHASE I
ENVIRONMENTAL SITE ASSESSMENT ***

**Commercial Property
8705 Marrokal Lane
Santee, California**



CERES, Corp.

4617 CALAVO DRIVE
LA MESA, CALIFORNIA 91941
Phone (800) 258-1490

* Based on guidelines designated in ASTM E 1527-13 for the Phase I Environmental Site Assessment Process

CERES

To the user:

This Phase I Environmental Site Assessment (ESA) report is designed by CERES and is based on the *Standard Practice for Environmental Site Assessments: Phase I Environmental Site Assessment Process* developed by the American Society for Testing and Materials (ASTM) Committee E-50 on Environmental Assessment, designated E 1527-13. The purpose of E 1527-13 is to define good commercial and customary practice in the United States of America for conducting an ESA of a parcel of commercial real estate with respect to the range of contaminants within the scope of Comprehensive Environmental Response, Compensation and Liability Act (CERCLA) and petroleum products. As such, this practice is intended to permit a user to satisfy one of the requirements to qualify for the innocent landowner, contiguous property owner, or bona fide prospective purchaser limitations on CERCLA liability; that is, the practices that constitute “all appropriate inquiry into the previous ownership and uses of the property consistent with good commercial or customary practice” as defined in 42 USC Section 9601(35)(B). An evaluation of business environmental risk associated with a parcel of commercial real estate may necessitate investigation beyond that identified in this practice (ASTM E 1527-13, Section 1.1).

We declare that, to the best of our professional knowledge and belief, we meet the definition of Environmental Professional as defined in Section 312.10 of 40 CFR 312 and we have the specific qualifications based on education, training, and experience to assess a property of the nature, history, and setting of the subject property. Unless otherwise indicated herein, we have developed and performed the all appropriate inquiries in conformance with the standards and practices set forth in 40 CFR Part 312 (ASTM E 1527-13, Sections 12.13.1 and 12.13.2). Qualifications of the individuals who prepared this report are included in Appendix A - Professional Qualifications (ASTM E 1527-13, Section 12.14).

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COVER: View of the central portion of the Property looking eastward

CERES

Prepared for:

Prospect Estates II, LLC

8510 Railroad Avenue
Santee, California 92071

PHASE I ENVIRONMENTAL SITE ASSESSMENT

Commercial Property
8705 Marrokal Lane
Santee, California

Project C482-01

Prepared by:



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Senior Environmental Specialist

Reviewed by:



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(E 1527-13, Section 12.12)

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May 23, 2017

TABLE OF CONTENTS

	Page
1.0 SUMMARY, CONCLUSIONS, AND RECOMMENDATIONS	1
2.0 PHYSICAL SETTING	2
2.1 UNITED STATES GEOLOGICAL SURVEY (USGS) MAP REVIEW	
2.2 PROPERTY ENVIRONMENTAL CONDITIONS	
3.0 PROPERTY RECONNAISSANCE	3
3.1 PROPERTY AND ADJOINING SITES DESCRIPTION	
3.2 HAZARDOUS MATERIALS	
4.0 INTERVIEWS AND DATABASE REVIEW	6
4.1 INTERVIEWS	
4.2 ENVIRONMENTAL DATABASE REVIEW	
5.0 HISTORICAL REVIEW	8
5.1 HISTORICAL AERIAL PHOTOGRAPHS AND TOPOGRAPHIC MAP	
5.2 BUILDING DEPARTMENT RECORDS	
5.3 ADDITIONAL HISTORICAL SOURCES	
5.4 SUMMARY OF HISTORICAL USE	
6.0 LIMITATIONS	12
7.0 PROPERTY PHOTOGRAPHS	13

FIGURES

Figure 1 - Property Location Maps

Figure 2 - Property Map

APPENDICES

Appendix A - Professional Qualifications

Appendix B - Additional Records

Appendix C - Environmental Database Report

1.0 SUMMARY, CONCLUSIONS, AND RECOMMENDATIONS

At the request of Prospect Estates II, LLC, CERES, Corp., (CERES) completed a Phase I Environmental Site Assessment (ESA) of a commercial property located at 8705 Marrokal Lane within the city limits of Santee, San Diego County, California (Property) (refer to Figure 1 - Property Location Maps). The Phase I ESA included: a Property and adjoining sites reconnaissance; interviews with informed persons; reviews of public records, historical topographic maps, aerial photographs, and an environmental database report.

The reported 3.61-acre Property is located between Prospect Avenue to the south and Mission Gorge Road to the north. A narrow section of the Property serves as a driveway from Prospect Avenue and may be considered the private portion of Marrokal Lane. This “driveway” did not appear to be currently in use. Marrokal Lane as a public street connects the Property to Mission Gorge Road.

The Property has been assigned Assessor’s Parcel Number 383-112-32-00 and is reportedly owned by Hazel Sheffer (FirstAmerican Company, 2017, *FastWeb Property Profile*). The Property was developed with a single-family residence at the time of the Property reconnaissance. This residence was occupied by the current owner at the time of the Property reconnaissance. What appeared to be the foundation of a former small single-family residence, and sheds which appeared to have been used by a former plant growing operation (likely not commercial), were observed in the central portion of the Property. A small shed was also observed along the southern Property border. Undeveloped portions of the Property were mostly covered with grasses, shrubs, and scattered trees (refer to Figure 2 - Property Map).

The Property appeared to be in residential use from before 1953 (but after 1928) to the present time. This past use does not represent a significant environmental concern. Although small underground storage tanks/aboveground storage tanks (USTs/ASTs) for storing oil and/or diesel fuel are generally characteristic of early residences on large lots, CERES did not find documentation or other evidence that would suggest these features were present at the Property. It is CERES’ opinion that minor releases of hazardous materials/wastes that may have occurred during the past use of the Property (including what appeared to have been a small plant growing operation), if any, likely represent a dispersed and *de minimis* condition to the Property subsurface. If “hot spots” are found during future construction grading activities, mitigation should not be a costly endeavor.

CERES has performed a Phase I ESA in conformance with the scope and limitations of ASTM E 1527-13 of the Property and to the limitations provided in Section 6.0 of this report. Any exceptions to, or deletions from, this practice, if any, are described herein. This assessment has revealed no evidence of recognized environmental conditions (including historical and other controlled) in connection with the Property (E 1527-13, Section 12.8.2). Based on the findings of this assessment, CERES does not recommend additional assessment at this time (E 1527-13, Sections 12.5. and 12.6).

2.0 PHYSICAL SETTING

2.1 UNITED STATES GEOLOGICAL SURVEY (USGS) MAP REVIEW (E 1527-13, Section 8.2.4)

The elevation of the Property ranges from approximately 345 to 370 feet above mean sea level (amsl). The immediate surrounding area of the Property generally slopes northward at a gradient of 7.0×10^{-2} feet per foot. The nearest surface water is the San Diego River located approximately 1,200 feet north of the Property (United States Geological Survey [USGS], 1967, *La Mesa Quadrangle, California - San Diego County, 7.5 Minute Series (Topographic)*; photorevised 1975, scale 1:24,000).

2.2 PROPERTY ENVIRONMENTAL CONDITIONS (E 1527-13, Section 9.4.1.6)

The Property is underlain by Mesozoic-age granitic rocks (gr_3) characterized as light- to dark-colored biotite granite with abundant coarse pink to gray feldspar and biotite (California Division of Mines and Geology, 1992, *Geologic Map of California, San Diego-El Centro Sheet*). Soil underlying the Property is described as Diablo clay, 2 to 9 percent slopes (DaC). This gently to moderately sloping soil is 34 to 40 inches deep over rock. DaC has slow to medium runoff and its erosion hazard is slight to moderate. The Diablo series consists of well drained, moderately deep to deep clays derived from soft calcareous sandstone and shale (United States Department of Agriculture, Soil Conservation Service and Forest Service, 1973, *Soil Survey, San Diego Area, California*).

Depth to groundwater beneath the Property was not found. Groundwater reportedly ranged from 13.97 to 14.98 feet below ground surface as measured from eleven groundwater monitoring wells placed at a gasoline station located about 2,900 feet northeast of the Property. These measurements were made on November 5 and 6, 2015 (EnviroApplications, Inc., February 23, 2016, *COD Gas & Oil Groundwater Monitoring Report, 9035 Mission Gorge Road, Santee, CA 92071*). Groundwater flow direction from this site was reported to be northwestward. Based on an interpretation of elevation contours, groundwater is expected to flow approximately northward beneath the Property.

The Property is located in the Santee Hydrologic Subarea of the Lower San Diego Hydrologic Area of the San Diego Hydrologic Unit of the San Diego Basin Planning Area (907.12). Groundwater in the El Cajon Hydrologic Subarea is beneficial for municipal, agricultural, and industrial supply/process uses (California Regional Water Quality Control Board, 1994, *Water Quality Control Plan for the San Diego Basin (9)*).

3.0 PROPERTY RECONNAISSANCE

3.1 PROPERTY AND ADJOINING SITES DESCRIPTION

An unaccompanied walking reconnaissance of the Property was made by Mr. Scott Green on May 15, 2017. Environmental irregularities, problems, and concerns, if noted, were marked on a map drawn by CERES in the field (E 1527-13, Section 9.2.3). The Property was observed for evidence of hazardous substances that may affect the environmental quality of the Property. CERES observed the Property for evidence of aboveground and underground storage tanks (ASTs and USTs), surface staining, hazardous materials, suspected polychlorinated biphenyls (PCBs)-containing devices, asbestos-containing building materials (ACBMs), and other indications of environmental concern.

The reported 3.61-acre Property is developed with a single-family residence that was occupied by the current Property owner at the time of the Property reconnaissance. Due to privacy concerns the interior of this house was not accessed. A narrow section of the Property serves as a driveway from Prospect Avenue and may be considered the private portion of Marrokal Lane. This portion of Marrokal Lane did not appear to be used as an access to Prospect Avenue at the time of the Property reconnaissance. Marrokal Lane as a public street connects the Property to Mission Gorge Road and is used to gain access to the Property. What appeared to be a foundation of a former small single-family residence, and sheds which appeared to have been used by a former plant growing operation (likely not commercial), were observed in the central portion of the Property. Undeveloped portions of the Property were mostly covered with grasses, shrubs, and scattered trees. Other salient features of the Property included a drinking water well along the western Property border, bird enclosures near the former plant growing area, and a small shed along the southern Property border. Refer to Figure 2 and Photographs 1 through 14 in Section 7.0 - Property Photographs (E 1527-13, Section 9).

POTABLE WATER (E 1527-13, Section 9.4.1.9)

A drinking water well that apparently serves as the source of drinking and irrigation water for the Property was observed along the western Property border. If not intended to remain in use, this well should be properly abandoned prior to redevelopment.

HEATING AND COOLING (E 1527-13, Section 9.4.3.1)

The source of heating, ventilation and air conditioning energy is San Diego Gas and Electric (SDG&E).

SEWAGE DISPOSAL SYSTEM (E 1527-13, Sections 9.4.1.10 and 9.4.4.7)

Sewage disposal for the Property is apparently provided by a septic tank located near the residence. It is not known when the tank was last serviced. Padre Dam Municipal Water District's municipal sewer system will likely provide this service after redevelopment.

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INTERIOR--STAINS, CORROSION, DRAINS, AND SUMPS (E 1527-13, Sections 9.4.3.2 and 9.4.3.3)

Significant staining, corrosion, drains, and sumps inside accessible areas of the Property sheds and other structures were not observed. The interior of the Property residence was not accessed due to privacy concerns.

EXTERIOR--PITS, PONDS, LAGOONS, SURFACE STAINING, STRESSED VEGETATION, AND WELLS (E 1527-13, Sections 9.4.4.1, 9.4.4.2, 9.4.4.3, and 9.4.4.6)

Pits, ponds, lagoons, significant surface staining, and stressed vegetation were not observed on the Property. One drinking water well was observed along the western Property border.

SOLID WASTE AND WASTE WATER (E 1527-13, Sections 9.4.4.4 and 9.4.4.5).

Other than small quantities of discarded trash strewn about the Property, solid waste and waste water were not observed on the Property.

CURRENT AND PAST USES OF ADJOINING SITES AND SURROUNDING AREA (E 1527-13, Sections 9.4.1.3, 9.4.1.4, and 9.4.1.5)

Undeveloped land covered mostly in weedy vegetation adjoins the northern and southern Property borders. The area adjoining the Property to the east is currently undergoing construction activities. Mission Gorge Villa Mobile Home Park adjoins the western Property border. The immediate surrounding area of the Property is either undeveloped or in residential use.

3.2 HAZARDOUS MATERIALS

HAZARDOUS MATERIALS (E 1527-13, Sections 9.4.2.3, 9.4.2.8 and 9.4.2.9)

Evidence of hazardous materials was not observed at the Property.

STORAGE TANKS (E 1527-13, Section 9.4.2.4)

Evidence of USTs, ASTs, clarifiers, and other hazardous materials storage tanks was not observed during the Property reconnaissance.

ODORS, POOLS OF LIQUID, DRUMS (E 1527-13, Sections 9.4.2.5, 9.4.2.6 and 9.4.2.7)

Evidence of unusual odors, pools of liquid, or drums was not observed during the Property reconnaissance.

POLYCHLORINATED BIPHENYLS (PCBs) (E 1527-13, Section 9.4.2.10)

PCBs were not observed at the Property. Two pole-mounted transformers were observed over the western Property border. These units appeared to be in good condition and leaks were not observed.

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ASBESTOS (E 1527-13, Section 13.1.5.1)

Bulk sampling of potential ACBMs, which is necessary to confirm the presence or absence of asbestos in many materials, was not conducted during this Phase I ESA. Since Property structures were reportedly constructed prior to 1980, it is possible that ACBMs were used in their construction. Asbestos sampling should be conducted by a State of California-certified Asbestos Consultant prior to demolition of Property structures.

4.0 INTERVIEWS AND DATABASE REVIEW

4.1 INTERVIEWS

- CERES interviewed Ms. Shannon Hines, a representative of the prospective Property buyer (Prospect Estates II, LLC), for information regarding past uses of the Property and the use, storage, or disposal of hazardous materials on the Property. Ms. Hines indicated that to the best of her knowledge the Property has been in residential use, and that she was not aware of any issues regarding hazardous materials/wastes. She was also not aware of the presence or past presence of Property USTs, or whether Property residential structures were on a septic/leach field system for sanitary sewage disposal (E 1527-13, Section 10).
- Mr. Michael Grant, a prospective Property buyer, completed a *User Questionnaire* (UQ) provided by CERES. Mr. Grant did not indicate environmental issues regarding the Property on the UQ. Refer to Appendix B - Additional Records for a copy of the completed UQ (E 1527-13, Section 10).
- CERES contacted the County of San Diego Department of Environmental Health (DEH) with a request to research UST and hazardous materials files for the Property address. According to Mr. Edwin C. Andrus of the DEH, records for the Property address were not found (E 1527-13, Section 11).

All pertinent records may not have been available for this review. If a site is currently under litigation, the file information will not be made available. In addition, some public records may be filed by information that was not given to CERES, i.e. incident date, and thus may not have been accessed.

4.2 ENVIRONMENTAL DATABASE REVIEW

CERES subcontracted the services of an environmental database search firm to provide a list of sites within designated distances of the Property that are listed by regulatory agencies as having potential environmental concern (refer to Appendix C - Environmental Database Report). This is done to assess the potential for offsite contamination which may adversely affect the environmental quality of the Property. A table is provided in Appendix C indicating referenced agency lists and the distances from the Property for which searches are conducted (E 1527-13, Section 8.2.1.1).

The environmental database report was generated on May 11, 2017. Selected sites found on referenced agency lists within the designated distances of the Property are discussed below. Sites which are listed as not requiring further action (NFA) or were deemed by CERES to be too distant to represent an environmental concern, are excluded from the discussion. Acronyms placed in bold letters, if any, refer to database lists and the bold number is the map identification number. The Property and its adjoining sites were not found on referenced agency lists.

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The nearest listed site to the Property is Terry Allen's Auto Body, addressed 8665 Mission Gorge Road, and located 0.18 miles northeast of the Property. This facility is listed on **HAZNET** for generating 0.2293 tons of paint sludge in 1993. Santee Limited Volume Transfer Operation, near the Mission Gorge Road and Highway 52/125 intersection, is listed on **SWF/LF** as a closed transfer station located 0.30 miles east-northeast of the Property. Based on distance and/or case status, the sites listed in the database report are not considered by CERES to represent a significant environmental concern to the Property.

A site with an unauthorized release case was listed to be located 0.5 miles north-northwest of the Property. Carlton Oaks Lodge and Country Club, 9200 Inwood Drive is listed on **SAN DIEGO CO. SAM** and Leaking UST (**LUST**) under DEH Case H20821-001. The release impacted the "soils only" with gasoline. The case was opened in April 1992, and closed by the DEH on November 2, 1993.

Munger Map Book, California-Alaska Oil and Gas Fields, 1994, is a compilation of maps produced by the State of California Department of Natural Resources - Division of Oil and Gas, Oil Operators, Munger Oilgram, and other journals of present or past drilling locations for oil and gas exploration. CERES reviewed the map book to assess if oil wells were located on the Property. Wells were not depicted on the Property or on its adjoining sites.

5.0 HISTORICAL REVIEW

5.1 HISTORICAL AERIAL PHOTOGRAPHS AND TOPOGRAPHIC MAP

Historical aerial photographs were reviewed by CERES using an Abrams Instrument Corporation stereoscope, model CB-1, with a built-in 2-power magnifier, and 4-power binoculars. During review, CERES looked for evidence of hazardous materials and features that might affect the environmental quality of the Property, such as sumps, pits, ponds, lagoons, ASTs, landfills, outside storage of hazardous materials, and general land use (E 1527-13, Section 8.3.4.1).

This review has been supplemented by geographic place names and other data obtained in other assessment activities of this ESA. Thirteen single aerial photographs, two stereoscopic aerial photographs, and one topographic map were reviewed as follows.

SOURCE	YEAR/DATE	PRINTED SCALE	MEDIUM
County of San Diego	1928	1 inch equals 1,000 feet	Stereoscopic Aerial Photographs
historicaerials.com	1953	not printed	Single Aerial Photograph
CERES Archives (XI-SD-12-40/41)	March 4, 1958	1 inch equal 3,250 feet	Stereoscopic Aerial Photographs
historicaerials.com	1964	not printed	Single Aerial Photograph
historicaerials.com	1966	not printed	Single Aerial Photograph
historicaerials.com	1968	not printed	Single Aerial Photograph
historicaerials.com	1971	not printed	Single Aerial Photograph
historicaerials.com	1980	not printed	Single Aerial Photograph
historicaerials.com	1989	not printed	Single Aerial Photograph
Google Earth	October 1, 1995	not printed	Single Aerial Photograph
Google Earth	June 27, 2002	not printed	Single Aerial Photograph
Google Earth	March 10, 2003	not printed	Single Aerial Photograph
Google Earth	May 15, 2005	not printed	Single Aerial Photograph
Google Earth	January 31, 2008	not printed	Single Aerial Photograph
Google Earth	November 13, 2013	not printed	Single Aerial Photograph
United States Geological Survey	1967, Photorevised 1975	1 inch equals 2,000 feet	La Mesa Quadrangle Topographic Map

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Aerial Photographs

- 1928** - The Property and its adjoining sites were cleared of natural vegetation and appeared to be fallow agricultural land. Prospect Avenue was present south of the Property and appeared to be unpaved, and Mission Gorge Road was present to the north of the Property.
- 1953** - The Property appeared to be developed with a small house and possibly a few sheds along its southern border. Remaining areas of the Property appeared to be covered in grass or other low-growing vegetation. The northern Property border was adjoined by undeveloped land similarly covered. The southern Property border was adjoined by a large parcel with a small structure located near Prospect Avenue. What appeared to be about two dozen greenhouses and numerous planter boxes characterized most of the rest of this parcel (thus, appearing to be a plant nursery). A large area adjoining the Property to the east was an undeveloped field. A large undeveloped field adjoined the Property to the west. Marrokal Lane was a narrow, unpaved road along the western Property border.
- 1958** - Although difficult to discern due to scale, the adjoining site to the south appeared to be developed with the small structure observed in the 1953 photograph, and a small warehouse-type structure located near the southwest corner of the parcel. Greenhouses and planters appeared to be present as well. Significant discernible changes to the Property and its other adjoining sites were not observed from what was noted in the 1953 photograph.
- 1964** - The Property was developed with what appeared to be a small house and several outbuildings (sheds). A looped driveway was present near the house. Remaining areas of the Property were mostly covered in vegetation and portions may have been in agricultural use. The adjoining area to the west, across unpaved Marrokal Lane, was either undeveloped or was the southern end of a mobile home park that extended toward Mission Gorge Road. Significant discernible changes to the adjoining sites to the south and east were not observed from what was noted in the 1958 photographs.
- 1966** - The Property appeared to be developed additionally with a large house located between the smaller houses/outbuildings and Marrokal Lane (i.e., the existing occupied house). Mission Gorge Villa Mobile Home Park adjoined the Property to the west, across Marrokal Lane. Significant discernible changes to the Property's other adjoining sites were not observed from what was noted in the 1964 photograph.
- 1968** - Significant discernible changes to the Property and its adjoining sites were not observed from what was noted in the 1966 photograph.
- 1971** - The adjoining parcel to the south was developed with the two structures noted in previous photographs. Greenhouses and planters had been removed. This parcel did not appear to be in use. Significant discernible changes to the Property and its other adjoining sites were not observed from what was noted in the 1968 photograph.

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- 1980-** The adjoining parcel to the south was developed with the smaller structure observed in previous photographs. The warehouse-style structure had been removed. The use of this parcel was not apparent. Except that a horse corral had been built on the Property and more trees were apparent, significant discernible changes to the Property and its other adjoining sites were not observed from what was noted in the 1971 photograph.
- 1989 -** The adjoining parcel to the south was mostly covered in grasses and weeds and did not appear to be in use. The small structure observed in the 1980 photograph was apparent. Baseball fields adjoined the Property to the east. Significant discernible changes to the Property and its other adjoining sites were not observed from what was noted in the 1980 photograph.
- 1995 -** Significant discernible changes to the Property and its adjoining sites were not observed from what was noted in the 1989 photograph.
- 2002 -** Significant discernible changes to the Property and its adjoining sites were not observed from what was noted in the 1995 photograph.
- 2003 -** The adjoining parcel to the south was undergoing extensive clearing and grading activities, including the portion of Marrokal Lane that appeared to be part of the Property (i.e., the access from Prospect Avenue). Construction equipment was apparent. The northeasternmost portion of this parcel was not affected by these activities. Significant discernible changes to the Property and its other adjoining sites were not observed from what was noted in the 2002 photograph.
- 2005 -** The adjoining parcel to the south was undeveloped and mostly bare of vegetation. The result of the clearing and grading in 2003 was apparent. Baseball fields adjoining the Property to the east appeared to have been abandoned. Significant discernible changes to the Property and its other adjoining sites were not observed from what was noted in the 2003 photograph.
- 2008 -** Significant discernible changes to the Property and its adjoining sites were not observed from what was noted in the 2005 photograph.
- 2013 -** Significant discernible changes to the Property and its adjoining sites were not observed from what was noted in the 2008 photograph.

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Topographic Map (E 1527-13, Section 8.3.4.5)

CERES reviewed *La Mesa Quadrangle, California - San Diego County, 7.5 Minute Series (Topographic)* map printed at a scale of one inch equals 2,000 feet (USGS, 1967, photorevised 1975). This map depicts features from 1967 and 1975 as photorevisions, as follows:

1967 - The Property was depicted with one small structure located approximately at the site of the largest house. Two small structures were depicted on the adjoining site to the south. The adjoining area to the west, across Marrokal Lane, was labeled “trailer park”. Structures were not depicted on the adjoining area to the north and east.

1975 - Photorevised features were not depicted on the Property or on its adjoining sites.

5.2 BUILDING DEPARTMENT RECORDS

CERES requested a review of building department records for the Property at the City of Santee Building Department. Building Department staff informed CERES that records were not found for the Property address (E 1527-13, Section 8.3.4.7).

5.3 ADDITIONAL HISTORICAL SOURCES

The aforementioned sources of historical information provided historical information of the Property use pursuant to Section 8.3 of E 1527-13; thus, additional information and reports were not reviewed for this ESA.

5.4 SUMMARY OF HISTORICAL USE

The Property was undeveloped and possibly fallow agricultural land in 1928. By 1953, a small house and associated sheds appeared to be present near the Property’s southern border. Sometime between 1958 and 1964, additional outbuildings were constructed in the vicinity of the house. By 1966, a larger house had been constructed to the west-northwest of the other house (i.e., the existing occupied house). The Property appeared to be in residential use (with possibly a small agricultural operations) from as early as 1953 to the present time. Reasonably ascertainable historical information dated prior to 1928, was not found during the assessment activities of this Phase I ESA (E 1527-13, Section 8.3.2).

6.0 LIMITATIONS

The scope of work described herein is designed to meet the minimum requirements of ASTM document E 1527-13. However, it is not intended to be all inclusive, identify all potential concerns, or eliminate the possibility of the Property having some degree of environmental problems. It is possible that variations in soil or groundwater conditions or unpermitted, undocumented, or concealed improvements or alterations to the Property could exist beyond what was found during this ESA. Changes in observed conditions could also occur in the future due to variations in environmental and physical conditions.

Any geologic and hydrogeologic data are gathered for drawing conclusions, by CERES, within the context and timing of this report only.

No ESA can wholly eliminate uncertainty regarding the potential for recognized environmental conditions in connection with a property. Performance of Practice E 1527-13 is intended to reduce, but not eliminate, uncertainty regarding the potential for recognized environmental conditions in connection with a property, and this practice recognizes reasonable limits of time and cost (E 1527-13, Section 4.5.1).

All appropriate inquiry does not mean an exhaustive assessment of a clean property. There is a point at which the cost of information obtained or the time required to gather it outweighs the usefulness of the information and, in fact, may be a material detriment to the orderly completion of transactions. One of the purposes of E 1527-13 is to identify a balance between the competing goals of limiting the costs and time demands inherent in performing an ESA and the reduction of uncertainty about unknown conditions resulting from additional information (E 1527-13, Section 4.5.2). Not every property will warrant the same level of assessment (E 1527-13, Section 4.5.3).

Much of the information on which the conclusions and recommendations of this ESA are based comes from data provided by others. CERES is not responsible for the accuracy or completeness of this information. CERES is not required to verify independently the information provided [from others] but may rely on information provided (E 1527-13, Section 7.5.2.1). Inaccurate data or information that was not found or made available to CERES may result in a modification of the presented conclusions and recommendations.

REPORT USE

This report was prepared for the sole use and benefit of Prospect Estates II, LLC. This report is not a legal opinion and does not offer warranties or guarantees.

CERES would like to thank Prospect Estates II, LLC, for the opportunity to work on this project. We look forward to working together on future projects.

7.0 PROPERTY PHOTOGRAPHS



Photograph 1: View of the private portion of Marrokal Lane (and of the Property) looking southward from near the southwest corner of the main portion of the Property



Photograph 2: View of the beginning of the driveway looking eastward near the southwest corner of the main portion of the Property



Photograph 3: View of the western Property border (an extension of Marrokal Lane looking northward near the southwest corner of the main portion of the Property)



Photograph 4: View of the eastern portion of the Property looking eastward



Photograph 5: View of the occupied Property residence looking northward



Photograph 6: View of the occupied Property residence looking southeastward



Photograph 7: View of the former plant growing area in the approximate center of the Property, looking eastward



Photograph 8: Another view of the former plant growing area



Photograph 9: View of the former plant growing area



Photograph 10: View of a small building foundation near the south-central portion of the Property, looking northward



Photograph 11: View of the shed along the southern Property border, looking southeastward



Photograph 12: View of the interior of a small shed in the former plant growing area

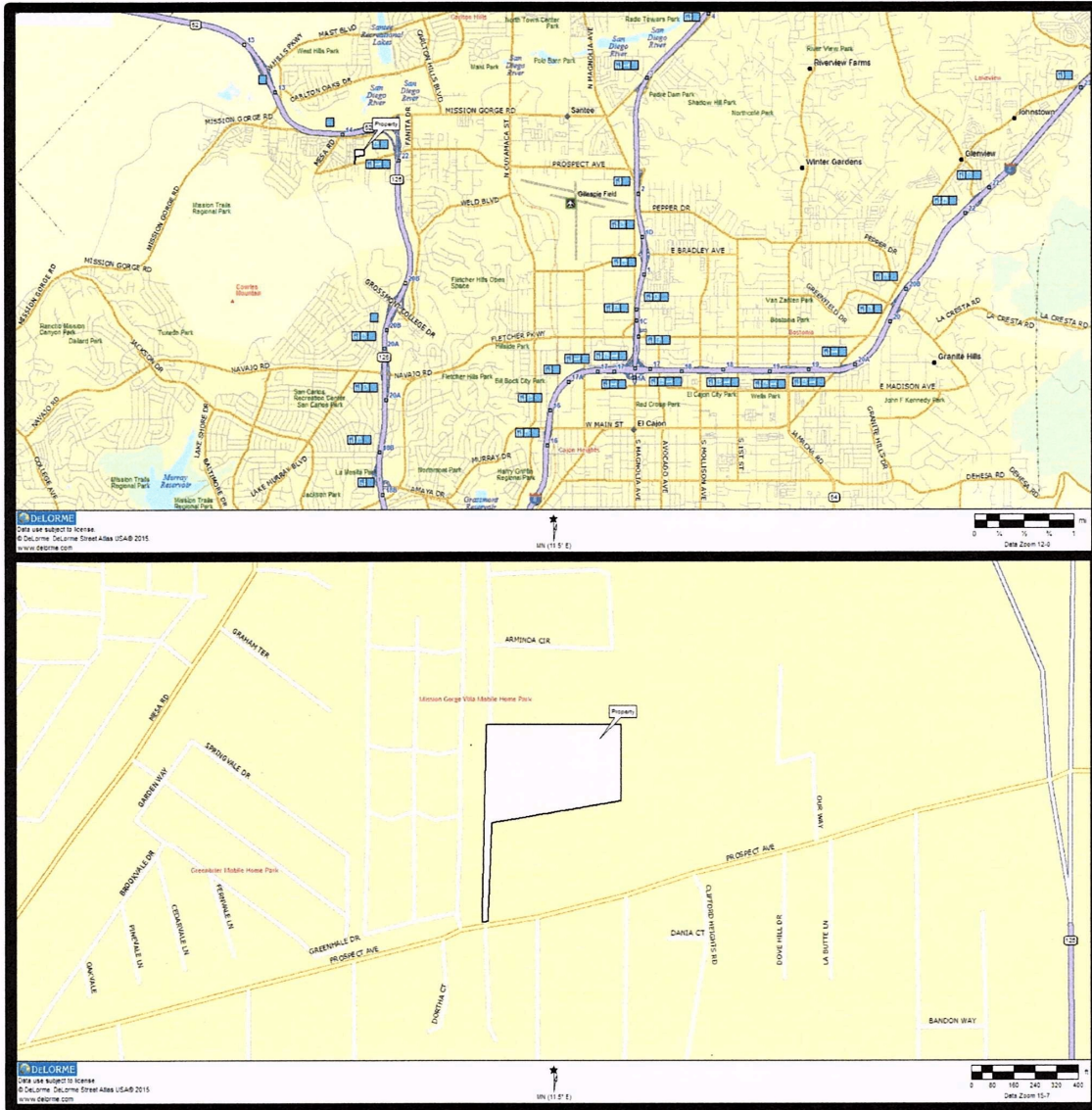


Photograph 13: View of bird enclosures in the central portion of the Property



Photograph 14: View of a drinking water well located near the western Property border

FIGURES



Delorme Street Atlas USA 2015

Commercial Property
 8705 Marrokal Lane
 Santee, California



Property
 Location Maps

FIGURE
1



Project C482-01 May 2017



Approximate scale: 1 inch = 105 feet

underlying image courtesy of Google Earth collection date: November 8, 2016

Commercial Property
8705 Marrokal Lane
Santee, California

- approximate Property border
- pole-mounted transformer
- drinking water well
- Adjoining sites in italics*



Property Map	FIGURE 2
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Project C482-01

May 2017

APPENDIX A
PROFESSIONAL QUALIFICATIONS

SCOTT W. GREEN

SENIOR ENVIRONMENTAL SPECIALIST

Education

Degree

Bachelor of Science, Environmental Science, University of California, Santa Barbara, California

Certification

OSHA, Hazardous Waste Operators and Emergency Response (HAZWOPER) Standard, 29 CFR 1910.120(e) and 8 CCR 5192(e), Environmental Training and Compliance

Registration

State of Nevada, Certified Environmental Manager

Summary of Experience

Mr. Green has twenty-three years experience in conducting and managing environmental investigations. His experience includes supervision of assessment and remediation projects associated with contaminated soil and groundwater sites, including underground storage tank removals, groundwater and vadose zone well completions, and soil and groundwater quality assessment and mitigation. He is experienced in interfacing with clients and regulatory agencies. Mr. Green is also experienced in conducting and managing Phase I, II, and III Environmental Site Assessments (ESAs) and Transaction Screen Assessments (TSAs) for property transfers. He has conducted these assessments and surveys at a large variety of sites, including commercial, residential, agricultural, and undeveloped properties throughout California, Arizona, and Nevada.

JEFFREY B. FLEMING
PRESIDENT/ENVIRONMENTAL SPECIALIST

Education

Degrees

Bachelor of Science, Physics/Scientific and Technical Communication, University of Washington, Seattle, Washington

Master of Arts, Physical Geography, San Diego State University, San Diego, California

Registrations

National Registry of Environmental Professions, Registered Environmental Property Assessor (REPA) #994321

Mr. Fleming was a State of California Registered Environmental Assessor (#7055) from 1997 through 2012. The State of California discontinued this program in 2012.

Summary of Experience

Mr. Fleming has twenty-seven years experience conducting and managing environmental investigations, teaching environmental science, and managing environmental risk. His environmental work experience includes private consulting, County government, banking, and college-level instruction. He has conducted or managed Phase I, II, and III Environmental Site Assessments (ESAs), Transaction Screens, Second Level Reviews, asbestos surveys, and lead-in-paint sampling. He has conducted these assessments and surveys at a large variety of sites, including commercial, residential, agricultural, and undeveloped properties. His fieldwork experience includes borehole drilling; underground storage tank removal; groundwater, surface water, soil, and soil vapor sampling; and geophysical surveys.

As an Environmental Resources Specialist III with the Orange County Environmental Management Agency, California, Mr. Fleming was tasked with the management of Phase I ESAs, conducted storm water sampling and gauging, and assisted in the development of Best Management Practices in the control of storm water runoff quality. As an Environmental Analyst with a major bank in the State of California, Mr. Fleming assessed and managed environmental risk associated with collateralized loans and foreclosures. He was active in the supervision of Phase II assessments and Phase III characterization activities. His teaching experience at San Diego State University and the University of Wisconsin - Madison included undergraduate instruction in physiography, hydrology, and climatology.

APPENDIX B
ADDITIONAL RECORDS

CERES

CERES PROJECT NUMBER: C482-01

CERES, Corp., is conducting a Phase I Environmental Site Assessment of:
Commercial Property, 8705 Marrokal Lane, Santee, California (Property)

Property Name and Address

Please complete this User Questionnaire in order to qualify for one of the Landowner Liability Protections offered by the Small Business Liability Relief and Brownfields Revitalization Act of 2001. Failure to provide this information could result in a determination that "all appropriate inquiry" is not complete (E 1527-13, Appendix X3). After completion, please fax back to 208.765.1745, email to jefffleeming@roadrunner.com, or call 800.258.1490 for mailing instructions.

- 1) Are you aware of any environmental cleanup liens against the Property that are filed or recorded under federal, tribal, state or local law?
YES NO Comments:

- 2) Are you aware of any Activity and Use Limitations (AULs), such as engineering controls, land use restrictions or institutional controls that are in place at the Property and/or have been filed or recorded in a registry under federal, tribal, state or local law?
YES NO Comments:

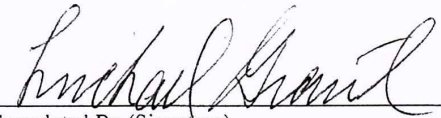
- 3) Do you have any specialized knowledge or experience related to the Property or nearby properties? For example, are you involved in the same line of business as the current or former occupants of the Property or an adjoining property so that you would have specialized knowledge of the chemicals and processes used by this type of business?
YES NO Comments:

- 4) Does the purchase price being paid for this Property reasonably reflect the fair market value of the Property? If you conclude that there is a difference, have you considered whether the lower purchase price is because contamination is known or believed to be present at the Property?
YES NO Comments:

- 5) Are you aware of commonly known or reasonably ascertainable information about the Property that would help the environmental professional to identify conditions indicative of releases or threatened releases? [For example: past uses(s), chemical use, spills/releases, environmental cleanups].
YES NO Comments:

- 6) Based on your knowledge and experience related to the Property, are there any obvious indicators that point to the presence or likely presence of contamination at the Property?
YES NO Comments:

- 7) Do you have any other knowledge or experience with the Property that may be pertinent to the environmental professional? [For example: copies of prior environmental site assessment reports, correspondence, etc.].
YES NO Comments:

 5/10/17
Completed By (Signature) Date

Michael Grant, Pres.
Printed Name Title
M. Grant Corp. Managing
Member

APPENDIX C
ENVIRONMENTAL DATABASE REPORT