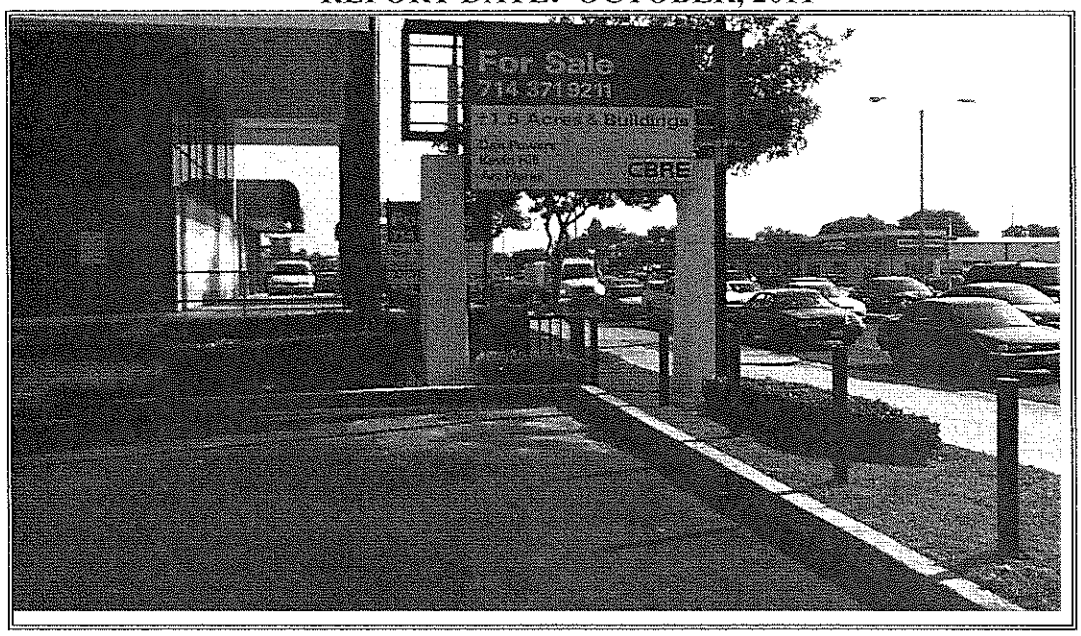
PHASE I ENVIRONMENTAL SITE ASSESSMENT

FOR

CITY OF GARDEN GROVE

13650 SOUTH HARBOR BOULEVARD
GARDEN GROVE, CALIFORNIA 92843

REPORT DATE: OCTOBER, 2011



PHASE ONE INC.

THE NATIONWIDE ENVIRONMENTAL SPECIALISTS

"Setting the Due Diligence Industry Standard"

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PHASE ONE INC.

ENVIRONMENTAL ASSESSMENT SPECIALISTS

October 31, 2011

Carlos Marquez
City of Garden Grove
11222 Acacia Parkway, 3rd Floor
Garden Grove, California 92840

RE: Phase I Environmental Site Assessment Report
Subject Site Location: 13650 South Harbor Boulevard, Garden Grove, California 92843
***PHASE ONE* INC.** Project No. 7126

Dear Mr. Marquez:

Enclosed with this letter are copies of the Phase I Environmental Site Assessment Report completed by ***PHASE ONE* INC.** for the site referenced above. As you will note in the report, our conclusions regarding the environmental condition of the site are summarized both in Section 1.0, ***Executive Summary***, and Section 6.0, ***Conclusions and Recommendations***.

Please don't hesitate to contact us should you have any questions regarding the environmental assessment, or if we can be of additional assistance. We look forward to working with you again in the future.

Sincerely,

Eric Kieselbach
President

Enclosure

23282 Mill Creek Drive, Suite 160 Laguna Hills CA 92653 Tel: (714) 669-8055 • Fax: (714) 669-8025

PHASE I ENVIRONMENTAL SITE ASSESSMENT REPORT

13650 SOUTH HARBOR BOULEVARD
GARDEN GROVE, CALIFORNIA 92843

PROJECT NO. 7126

BY

***PHASE ONE* INC.**
23282 MILLCREEK DRIVE, SUITE 160
LAGUNA HILLS, CA 92653
(800) 524-8877

THIS REPORT WAS PREPARED FOR THE SOLE USE AND BENEFIT OF OUR CLIENT, CITY OF GARDEN GROVE, AND IS BASED, IN PART, UPON DOCUMENTS, WRITINGS, AND INFORMATION OWNED AND POSSESSED BY OUR CLIENT. NEITHER THIS REPORT, NOR ANY OF THE INFORMATION CONTAINED HEREIN, SHALL BE USED OR RELIED UPON FOR ANY PURPOSE BY ANY PERSON OR ENTITY OTHER THAN OUR CLIENT. ALL STANDARD TERMS, CONDITIONS, AND LIMITATIONS BY ***PHASE ONE* INC.** APPLY AT ALL TIMES AND FOR THIS REPORT AND ALL REPORTS ISSUED BY ***PHASE ONE* INC.**

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SECTION 1.0

EXECUTIVE SUMMARY: FINDINGS AND CONCLUSIONS

1.1 FINDINGS

This report presents the results of the Phase I Environmental Site Assessment conducted by ***PHASE ONE*** **INC.** at 13650 South Harbor Boulevard, Garden Grove, California 92843 (see Figure 1, ***Site Location Map***). The Phase I assessment was undertaken at the request of Carlos Marquez, City of Garden Grove, in accordance with ***PHASE ONE*** **INC.**'s ***Standard Terms and Conditions***, as outlined in ***PHASE ONE*** **INC.**'s ***Letter of Intent/Authorization*** for Project N° 7126. The findings and conclusions of this investigation are based upon a review of historic site-use activities, contact with and records from governmental regulatory agencies, regulatory database searches, as well as a site reconnaissance and interviews with the client, site personnel, data supplied by others, and possibly others who may have knowledge of various aspects of the subject site.

At the time of this assessment, the site consisted of approximately 1.3 acres of developed land of with a vacant 13,125 sq. ft. building that was formerly occupied by a car sales/repair service business. Information gathered in the course of this assessment indicates that the subject site is currently owned by Verde Investments.

The principal findings of ***PHASE ONE*** **INC.**'s Phase I Environmental Site Assessment for this site are as follows:

The subject site is currently affected by

- Two recognized environmental condition(s) (REC); and
- Two *de minimis,* or historical recognized environmental condition(s).
- The potential for soil or groundwater contamination of the subject property from either on or off-site sources appears to be medium.
- Given the findings and conclusions of ***PHASE ONE*** **INC.**'s Phase I Environmental Site Assessment, further investigation is recommended at this time.
- ***PHASE ONE*** **INC.** has performed this Phase I Environmental Site Assessment of the subject site in conformance with the scope and limitations of the Environmental Protection Agency, Standards and Practices for All Appropriate Inquiries, 40 CFR Part 312 and the standard practice set forth in the American Society for Testing and Materials (ASTM) Designation: E1527-05, "Standard Practice for Environmental Site Assessments: Phase I Environmental Site Assessment Process." Any exceptions to, or deletions from, these practices are described in Section 1.4 of this report.
- This assessment has revealed no evidence of recognized environmental conditions in connection with the property except for those listed in Section 1.2.

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1.2 CONCLUSIONS SUMMARY

Based on the findings of this Phase I Environmental Site Assessment, ***PHASE ONE*** **INC.** has identified the following recognized environmental condition(s):

RECOGNIZED ENVIRONMENTAL CONDITION(S)

Condition #	Location	Description of Condition
1	**Northwest portion of site**	A 1,000-gallon fuel tank was reported to exist in the northwest section of the site during the 1960s when the site was used for boat sales and repairs as indicated in a 1984 hand drawn site sketch. No records were available for review that documented the underground storage tank was properly removed, and that soil samples were collected and analyzed from the tank excavation to verify that the subsurface had not been impacted from any leakage from the former fuel tank. The exact location of the tank was unknown; consequently, a geophysical survey was conducted on October 19, 2011 that located two backfilled excavations in the northwest area where the former UST was reported to have been located.
2	**Service Bays**	An inactive two-stage clarifier and floor drains exist in the service bays in the eastern portion of the building. The floor drains are in the former service bays and are connected to a clarifier in the northeastern corner of the building. During the site inspection, three floor drains were identified. In 2000, soil samples were collected near two of the floor drains. Solvent use has been documented and repair operations continued until 2007, after the floor drains were sampled. In addition, only two of the three floor drains were sampled in 2000. In 2010, two samples were collected near the ends of the clarifier. Since the site has remained vacant since the clarifier was sampled in 2010, the clarifier is unlikely pose a significant concern.

Note: Descriptions of conditions are given again in further detail in Section 6.0, ***Conclusions and Recommendations***, along with recommendations as to how to address the conditions and the estimated costs of completing any recommended next-step action. ***PHASE ONE*** **INC.** classifies a recognized environmental condition, per the ASTM Standard E 1527-00 definition, as the presence or likely presence of any hazardous substances or petroleum products on a property under conditions that indicate an existing release, a past release, or a material threat of a release of any hazardous substances or petroleum products into structures on the property or into the ground, groundwater or surface water of the subject property.

Based on the findings of this Phase I Environmental Site Assessment, ***PHASE ONE*** **INC.** have identified the following *de minimis* or historical recognized environmental conditions:

***DE MINIMIS*, OR HISTORICAL RECOGNIZED ENVIRONMENTAL CONDITION(S)**

Condition #	Location	Description of Condition	Condition
3	Entire Site	In a 1953 aerial photo of the site vicinity, only orchards and agricultural or undeveloped land is shown. Although the site was possibly used for agricultural purposes in the past, the subsequent commercial development of the site minimizes the probability for the on-site soil to still harbor any significant amount of agricultural chemicals and for occupants to come in contact with the soil.	*De minimis*

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Condition #	Location	Description of Condition	Condition
4	Service Bays	Ten underground lifts remain from former automotive repair activity. In 2000, all ten lifts were inspected and pressure tested for leaks. One lift showed signs of repair and according to an interview had possibly leaked in the past. Soil samples were collected near the lift. Analysis showed no indication of contamination.	*De minimis*

Note: Descriptions of conditions are given again in further detail in Section 6.0, *Conclusions and Recommendations*, along with recommendations as to how to address the conditions. *PHASE ONE* INC. classifies an environmental condition as a *de minimis* (potential or possible) condition when it appears to pose no immediate threat to the subject site and/or requires no immediate action given the current knowledge of site conditions. This condition with time, groundwater movement, demolition or other disturbances, or sometimes with the acquisition of further information, may come to pose a long-term, immediate or chronic environmental risk; and/or this condition may appear to have a negligible monetary/physical impact on the subject property, and therefore, does not require additional investigation at this time. *PHASE ONE* INC. classifies a historical recognized environmental condition as an issue which was considered a recognized environmental condition in the past, but is no longer considered a recognized environmental condition as a result of prior investigation and/or mitigation.

1.3 SITE FACTS

Current Owner(s): Verde Investments, LLC

Current Use: Vacant Building

Current Occupants: None

Total # of Existing Buildings: 1

Total Sq. Ft. of Building: 13,125 sq. ft.

Date Oldest Building was Built: 1985 (previously built structures demolished0

Total # of Units: One

Total # of Units Visually Inspected: One

Specific Units Inspected: 13650 South Harbor Boulevard, Garden Grove, California 92843

The subject site obtains its potable water from municipal sources.

The subject site disposes of its sewage through use of the local municipal sewer system.

The subject building is heated and/or cooled by a heating and air-conditioning system. The heating and air-conditioning system obtains its fuel from electricity.

Site Contact: Dan Powers

Field Assessor: Jay Badiei

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Report Writer: Jay Badiei

Parcel #: 101-080-66 and 101-080-27

Address(es) Provided by Client: 13650 South Harbor Boulevard, Garden Grove, California 92843

Additional/Previous Address(es): None

Total Acreage of Land: 1.3 acres

Date of Site Reconnaissance: September 22, 2011

Total # of Wells (water, oil, gas, other) identified onsite: None

Areas/Units that were inaccessible to the ***PHASE ONE*** **INC.** field assessor: The roof and the former air compressor housing (boarded up) were not accessible.

Were enough (units/offices/buildings/acres) inspected to ensure that the inspection was homogenous? Yes

Did the field assessor notice any unusual odors on or from the subject site or adjoining sites during the site reconnaissance? No

1.4 EXCEPTIONS AND/OR DELETIONS TO ASTM E 1527

There are no exceptions to ASTM E 1527.

Due to low light (no electricity) and existing debris on several portions of the floor, some features could not be photographed, inspected or documented.

No owner questionnaire was completed.

1.5 NON-SCOPE ISSUES

According to client request, no other environmental issues that are "non-scope considerations" under ASTM E 1527-00 / ASTM E 1527-05, such as asbestos-containing materials, radon, lead-based paint, and lead in drinking water, were assessed.

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SECTION 2.0

INTRODUCTION

2.1 PURPOSE OF A PHASE I ESA

The purpose of this Phase I Environmental Site Assessment is to assess (1) the likelihood of contamination of the subject site as a result of either past or present land-use practices; and (2) the potential for future environmental contamination which may occur as a result of current conditions or operations and maintenance activities at either the subject site or properties adjoining the subject site, thereby identifying real or potential environmental or economic impact to the subject site. In this way, the client may satisfy a requirement to qualify for the innocent landowner defense to the Comprehensive Environmental Response, Compensation and Liability Act (CERCLA) liability by completing "all appropriate inquiry into the previous ownership and uses of the property consistent with good commercial and customary practice." To meet these objectives, ***PHASE ONE*** **INC.** attempted to complete the tasks outlined in this section except as noted in Section 1.4.

2.2 SCOPE OF WORK

The Scope of Work that has been followed for this assessment is identified in Section 1.1, Page 1-1.

2.2.1 Site Description

Site photographs were taken during the site reconnaissance. The photographs and their summary descriptions can be found in **Appendix A.**

PHASE ONE **INC.** reviewed pertinent, reasonably ascertainable information on the soil types and groundwater conditions in the vicinity of the subject site. For the purposes of this assessment, the depth from the ground surface and the direction (or gradient) of the groundwater flow are of particular significance. Such findings are used by ***PHASE ONE*** **INC.** report writers, in conjunction with additional information about environmental conditions on nearby sites, to assess the risk that is faced by the subject site from off-site sources of contamination.

It should be noted that ***PHASE ONE*** **INC.**'s geological and hydrological research does not include investigation of seismological concerns (i.e., fault lines) that may affect the area of the subject site. Although the existence of faults in an area may be of concern to property owners and residents in that area, it is not considered to be an environmental concern, and so is not usually a component of a Phase I Environmental Site Assessment. (However, in the event that it is required, ***PHASE ONE*** **INC.** can assist the client in completing a seismological investigation.)

2.2.2 Site Reconnaissance

A ***PHASE ONE*** **INC.** field assessor conducted a visual reconnaissance of the subject property to identify observable signs of environmental impairments, including on-site operations and

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maintenance activities which may lead to possible environmental impairment. As a part of the site reconnaissance, ***PHASE ONE*** **INC.** visually inspected the site for obvious indications of:

- Existing and previously existing storage tanks (aboveground and underground)
- Hazardous substances storage and handling
- Clarifiers, sumps, trenches, and industrial discharge sources
- Equipment which may contain polychlorinated biphenyls (PCB) (fluorescent light ballasts are not inspected)
- Indications of spillage of hazardous substances, and the general condition of concrete, asphalt, soil, and other surfaces
- Indications of stressed vegetation as a result of on-site contamination

During the site reconnaissance, ***PHASE ONE*** **INC.** field assessors may make note of basic compliance issues which, may be environmental in nature, however are not issues directly associated with the potential for site contamination (i.e., the specific objective of our assessment). However, as a service to our clients, and because these compliance issues may contribute to our overall understanding of site operations, ***PHASE ONE*** **INC.** may comment on the site's basic compliance status. The review of the site's compliance status is not intended to be complete or comprehensive and may or may not include all items identified during the site reconnaissance.

Again, the compliance review is not intended as a comprehensive compliance audit. Rather, the compliance review is only intended to aid ***PHASE ONE*** **INC.** in determining the likelihood that the subject site may have been impacted by releases of hazardous substances.

When the storage or use of hazardous substances are encountered on a site, the ***PHASE ONE*** **INC.** field assessor will look for or inquire about the on-site presence of Material Safety Data Sheets (MSDSs). MSDSs are prepared by the manufacturers of hazardous substances (pursuant to OSHA's Hazard Communication Standard), and they detail the components, dangers, and proper handling procedures for the hazardous substance for which they have been prepared. The presence or absence of MSDSs for on-site hazardous substances will be noted in 3.5, ***Hazardous Substances Storage and Handling***. However, some sites may use or store hundreds of various chemical compounds. In such cases, it is practically impossible for the field assessor to match-up each substance with its corresponding MSDS. Still, the field assessor will inquire about MSDSs and copies of representative MSDSs that were made available will be included in Appendix G.

PHASE ONE **INC.** may have (based on contract) inspected and reviewed information for the subject site regarding the presence of specific hazardous substances which are relatively common sources of environmental concern. The substances in question include:

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- Common building materials that may contain or are suspected of containing asbestos
- Radon (at elevated levels)
- Lead-contaminated drinking water
- Lead-based paints

Based on ASTM E1527, federal, state, and other regulatory agency guidelines, the following presumptions were in force if and when ***PHASE ONE*** INC. inspected the subject site for specific hazardous substances:

- Structures built after 1980 are considered asbestos-free.
- Structures built after 1979 are considered lead-free (with respect to both water and painted surfaces).
- Fluorescent light ballasts will be considered PCB-free and will not be noted in the report regardless of their date of manufacture, unless ***PHASE ONE*** INC. is instructed to do otherwise in writing by the client.

PHASE ONE INC. also inspected the properties that adjoin the subject site. In general, this inspection included a "drive-by" survey to note the operations which may pose an imminent or potential environmental threat to the subject site.

2.2.3 Review of Historical Information

For this assessment, ***PHASE ONE*** INC. may have reviewed reasonably ascertainable historical aerial photographs and United States Geologic Survey (U.S.G.S.) topographic maps of the subject site and vicinity. This review consisted of examining the reasonably ascertainable available photographs and topographic maps for evidence of activities on or development of the subject site and adjoining sites that may show an environmental condition or concern which may currently affect the subject site. The specific aerial photographs and U.S.G.S. maps that were reviewed for this assessment are identified and their environmentally relevant features are described in Section 4.1.

PHASE ONE INC. may have also reviewed any reasonably ascertainable Historic Maps of the subject site and vicinity. Such maps have been prepared by fire insurance companies in order to determine the potential risk of fire damage to buildings in metropolitan areas. These maps have been produced since the mid-1850s and, for some areas, they are still produced today. For the purposes of a Phase I Environmental Site Assessment, these maps may contain helpful information on the ages and past uses of buildings, as well as information about on the storage of hazardous and flammable substances. However, because it was only worthwhile for fire insurance companies to map metropolitan areas, the scope of coverage of these maps is somewhat limited. If Historic Maps have provided coverage of the subject site, and if the specific maps were reasonably ascertainable,

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then the specific maps that were reviewed for this assessment are identified, and their environmentally relevant features described, in Section 4.2.

One of the least known yet most complete and comprehensive historical sources are historical city or street directories. These texts may have been reviewed by ***PHASE ONE*** **INC.** to the extent that they have provided coverage of the subject site and were reasonably ascertainable. ***PHASE ONE*** **INC.** reviews historical city or street directories (also known as criss cross or reverse indexed directories) for information on the past occupants of and activities on the subject site and adjoining sites. These directories were prepared by companies that catered to the needs of salespeople by providing the names of the occupants at a given address (that is, unlike a traditional telephone book, the entries of a reverse directory are arranged by address, not by name). However, like Historical Maps, the scope of coverage of these directories is limited to mostly metropolitan areas. If they were reasonably ascertainable, they were reviewed and Section 4.3 contains listings of the current or past occupants of the subject site that were found by researching historical city or street directories.

PHASE ONE **INC.** has contacted various state, county, and municipal agencies having current or past jurisdiction over the subject site, in an attempt to review reasonably ascertainable records that contain specific information about environmental conditions on the subject site that these agencies may have on file, or to establish that no environmentally relevant records are on file for the subject site. The client should be aware that most regulatory agencies file their records by address or corporate name (as opposed to parcel number or site name). If no specific address has been assigned to a site, then, typically, no environmental records related to the site will be forthcoming from the state, county, or municipal regulatory agencies.

The findings of this records search are reported in Section 4.4, ***Agency Contacts***. The addresses, phone numbers, names of the persons contacted within the various agencies are listed on the Regulatory Contacts Sheet, which is included in Appendix B. Copies of any records obtained from regulatory agencies can be found in Appendix C. In some instances, ***PHASE ONE*** **INC.** may not yet have received a reply from one or more of the agencies that were contacted. (Some agencies will take six weeks or longer to reply to a verbal or written request.) In the event of such delays in response, rather than delaying the issuance of the report, ***PHASE ONE*** **INC.** has indicated in the report that a response to the request for records is pending, and a copy of the regulatory request form has been included in Appendix B. Any pertinent information that is subsequently received from the pending agency will be addressed and forwarded to the client in the form of an addendum to this report.

PHASE ONE **INC.** has also reviewed a vendor-supplied, computer-generated federal, state, and regional one-mile regulatory database search in an effort to determine whether the subject site is listed on an agency environmental database and to identify possible regulatory-listed sites of concern within a one-mile radius of the subject site. In general, these documents list known or suspected hazardous-waste generators, release sites, landfills, unauthorized disposal sites, sites with registered underground storage tanks, and sites currently under investigation for known or suspected environmental violations or releases. In conjunction with the findings on the geological and hydrological conditions, information obtained from the database search can be used to assess the environmental risk faced by the subject site from past or present off-site sources of contamination. Additionally, the database search may provide information about on-site sources of contamination. The regulatory database review can be found in Section 4.5; a copy of the complete database search

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document and a detailed description of the databases that were searched are included in Appendix D.

When requested, ***PHASE ONE*** **INC.** will compile and review a chain-of-title abstract for the subject property. The chain-of-title abstract can help the client and ***PHASE ONE*** **INC.** to better understand the history of the use of the subject site. The chain-of-title abstract is typically compiled from documents obtained from the County Recorder's Office or Tax Assessor's Office. The chain-of-title abstract review, if completed for this report, can be found in Section 4.6. The County Assessor also may be contacted to determine whether the subject site has been assigned addresses in the past which are different from its current address. It is the client's responsibility to supply ***PHASE ONE*** **INC.** with any records of environmental liens or other such documents.

On occasion, the client, the client's representatives, or on-site personnel will make available environmental documents pertaining to the subject site. These documents may be prior Phase I Reports, environmental site remediation reports, foundation soil reports, or occupancy records, among others. If these are made available prior to the issuance of the report, ***PHASE ONE*** **INC.** will review the conclusions of these documents, which may help to confirm or disprove any tentative findings that ***PHASE ONE*** **INC.** has developed independently. If the client has supplied environmental documents for review as part of this assessment, the findings are included in Section 4.7.

After the above information from existing historical records, regulatory agencies, interviews, and other additional environmental documents has been reviewed and evaluated, ***PHASE ONE*** **INC.** presents the site uses for the subject property as well as adjoining site uses in a chronological table. This historic site use summary assists the client, as well as the field assessors and reviewers to have a perspective of the historical uses of the subject site. The ***Historical Site Use*** is presented in Section 4.8.

2.2.4 Interviews

PHASE ONE **INC.** attempts to interview various individuals who may have knowledge of various aspects of the subject site. Typically, the interviewees might include:

- Current and previous owners
- Site and operations managers
- Tenants
- Local regulatory personnel

The interviews are summarized in Section 5.0 and interview notes are included in Appendix F.

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2.2.5 Conclusions and Recommendations

Section 6.0, ***Conclusions and Recommendations***, provides detailed descriptions of the recognized environmental conditions and the *de minimis* or historical environmental conditions that, in the professional opinion of ***PHASE ONE*** **INC.**, currently affect the subject site. Section 6.0 also recommends or suggests the next-step actions that may be required to begin addressing the conditions.

The essential information on a condition at a given location is contained in the "Description of Condition" and the "Action Suggested" boxes of the table for that location. The section numbers refer to those sections in the report that describe the research tasks and findings behind the conclusions. This reporting method allows the reader to quickly go to those sections that are pertinent to the condition.

2.3 INTERPRETATION OF THE REPORT

Following the completion of the tasks outlined above, ***PHASE ONE*** **INC.** prepared this report to present our findings and conclusions clearly and consistently. In an attempt to aid the reader and bring organization to pieces of seemingly unrelated information, ***PHASE ONE*** **INC.** has developed a report format that is both innovative and concise. Each piece of information is described in the context of the research or assessment task under which it was found. Typically, an environmental condition will incorporate a number of specific findings. So, in Section 6.0, ***Conclusions and Recommendations***, the various particular findings are grouped together and collectively presented with the description of the environmental condition that is corroborated by those findings.

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SECTION 3.0

SITE DESCRIPTION AND RECONNAISSANCE

The subject site is surrounded by an area of predominantly commercial and residential properties. On the date of the site reconnaissance the subject site consisted of a vacant building and parking lot. The site was previously occupied by Drive Time who was engaged in the business of auto sales. The following subsections describe the physical characteristics of the subject site and are a compilation of the observations made during the visual site inspection.

3.1 SITE PHOTOGRAPHS

A ***PHASE ONE*** **INC.** field assessor completed a reconnaissance of the subject site, at which time a number of photographs were taken to document the current condition and use of the site. Please see Figure 2, ***Site Plan***, for photograph locations. The photographs with their descriptions can be found in **Appendix A.**

3.2 GEOLOGIC AND HYDROGEOLOGIC CONDITIONS

According to United States Geological Survey (U.S.G.S.) STATSGO data, the most common native soil type in the vicinity of the subject site is Urban Land. It is not known whether imported fill materials were used during the grading or development of the site; therefore, it is unknown if fill materials is a concern for the subject site. The elevation of the subject site appears to be 88 feet above mean sea level.

Groundwater in the site vicinity as reported by the *SAIC's 2006 Soil and Groundwater Investigation Report* for former Chevron Station #9-8365 located at 13501 Harbor Blvd. (600 feet due northwest), Garden Grove, California to occur at a depth of approximately 21 feet below ground surface and flow towards the southwest. However, the flow direction may change and is unknown for the subject site. It should be noted that the flow direction and depth of groundwater may be influenced by rainfall, tidal activity (shore properties), and local groundwater pumping operations. It should also be noted that shallower, unreported, perched groundwater zones may occur in the immediate site vicinity.

During the site reconnaissance and the review of historical maps and photographs, the following was determined to exist or not to exist on the subject site:

- No waterways
- No wetlands
- No pits
- No lagoons
- No ponds

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In-addition, the following was determined to exist or not to exist immediately adjacent to the subject site:

- One waterway (Flood Control Channel on the north side of property)
- No wetlands
- No pits
- No lagoons
- No ponds

According to FEMA Q3 Data, the site is located within a greater than 100-year flood zone. Storm water discharge across the site appears to flow to the west. The storm water runoff appears to discharge to storm drains. The direction and destination of storm water discharge does not appear to be a source of environmental concern to the subject site.

3.3 EXISTING STORAGE TANKS

No evidence of any existing aboveground or underground storage tanks was observed on the subject site during the site reconnaissance nor noted in the research conducted for this assessment.

3.4 PREVIOUSLY EXISTING STORAGE TANKS

Based upon the site-specific reports, historical and/or regulatory research three previously existing (not known to currently exist) underground storage tanks were formerly operated at the subject site. The following table summarizes the information regarding the previously existing tank or tanks.

PREVIOUSLY EXISTING STORAGE TANKS (GENERAL INFORMATION)

ID #	Above/ Underground	Location and Photo #	Why or Why Not a Concern?	Condition
1	Underground	Northeast of the Building (No photograph)	This tank was removed in 1999; received regulatory agency closure from OCHCA-EH after removal and sampling.	None
2	Underground	Northeast of the Building (No photograph)	This tank was removed in 1999; received regulatory agency closure from OCHCA-EH after removal and sampling.	None

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ID #	Above/ Underground	Location and Photo #	Why or Why Not a Concern?	Condition
3	Underground	Northwest portion of the site. (No photograph)	A 1,000 gallon pre-mixed fuel tank was reported to exist in the 1960s during the site's use for boat sales and repairs. According to the AEI's Geophysical Survey conducted in October 2011, no tanks were found in the suspected area of this tank's location. As a result of the survey, this tank appears to have been removed. The backfilled areas of the potential tank's location have not been sampled.	REC

Notes:
OCHCA-EH = Orange County Health Care Agency-Environmental Health
REC = recognized environmental condition

PREVIOUSLY EXISTING STORAGE TANKS (SPECIFICATIONS)

ID #	Tank Construction	Tank Monitoring	Status	Approx. Size (Gal.)	Contents	Age of Tank
1	Steel	N/A	Removed (1999)	550	Waste Oil	Unknown
2	Steel	N/A	Removed (1999)	2,000	Gasoline	Unknown
3	Unknown	N/A	Removal date Unknown	1,000	Pre-mixed fuel	Unknown

3.5 HAZARDOUS SUBSTANCE STORAGE AND HANDLING

No storage, use or handling of hazardous substances was observed in the areas inspected during the site reconnaissance. The site has been vacant since 2008 and no repair or maintenance has been conducted. However, historic usage of solvents has been reported during the boat repair activities at the site in the 1960s and 1970s.

3.6 SPECIFIC HAZARDOUS SUBSTANCES RECONNAISSANCE

3.6.1 Summary of Specific Hazardous Substances Reconnaissance (Beyond ASTM Scope)

At the request of the client, non-scope items, as defined in the ASTM Standard were not addressed. These non-scope items are asbestos, radon, lead water and lead paint.

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3.7 POLYCHLORINATED BIPHENYLS (PCBS)

The ***PHASE ONE*** **INC.** site reconnaissance does not include checking on-site fluorescent light fixtures for potential PCB content. Although fluorescent light ballasts may contain PCBs, the amount contained is considered to be so inconsequential that the ASTM (*Standard Practice*, E 1527) has stated: "Fluorescent light ballast likely to contain PCBs does not need to be noted." in a Phase I Environmental Site Assessment Report.

No known or suspected PCB-containing equipment or materials were observed on-site during the site reconnaissance.

3.8 CLARIFIERS, SUMPS, TRENCHES, AND INDUSTRIAL DISCHARGE SOURCES

The site reconnaissance, historical and/or regulatory research conducted for this assessment indicates that the following were operated at the subject site:

- One clarifier
- No sumps
- No trenches
- Three industrial floor drains

The following table summarizes the information that was gathered regarding the above items.

CLARIFIERS, SUMPS, TRENCHES, INDUSTRIAL FLOOR DRAINS, AND INDUSTRIAL DISCHARGE SOURCES

ID #	I/O	Location and Photo #	Type	Description Of Processes Involved	Status	Condition
1	I	Northeast Corner of Service Bays (No photograph)	Clarifier and Conveyance Line	A two-stage oil/sand clarifier was reported to exist in the service bays; it was not visible during the site reconnaissance, as the area had no lighting, and several items covered the floor area. There is a conveyance line connected to the clarifier unit for the outflow of effluent from the clarifier.	Inactive	None
2	I	Inside the Service Bays (no photos)	Floor drains	Three floor drains are located in the service bays/shop area that drains to the clarifier unit.	Inactive	REC

I/O = Inside/Outside

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3.9 SURFACE CONDITIONS

No significant areas of staining or other unusual surface conditions were observed during the site reconnaissance. Surface cap (asphalt or concrete) was cracked and in disrepair in some areas.

3.10 STRESSED VEGETATION

No disfigured, discolored, dying, or otherwise stressed vegetation was observed on-site during the site reconnaissance.

3.11 PRIOR OR CURRENT AGRICULTURAL LAND USE

On the basis of a review of aerial photographs, U.S.G.S. topographic maps, site observations, regulatory research, and/or interviews, ***PHASE ONE*** **INC.** has concluded that the site was used for agricultural purposes. This information is detailed in the following table.

PRIOR OR CURRENT AGRICULTURAL LAND USE

Approx. Date Range	Description	Condition
1953	Aerial photograph shows agriculture on the subject site.	*De minimis*

3.12 OTHER ENVIRONMENTAL CONDITIONS

During the site reconnaissance, further evidence of environmental conditions that were not already noted in this section, or that were not yet fully discussed in this section, were observed on the subject site. These observations are described in the following table.

OTHER ENVIRONMENTAL CONDITIONS

ID #	Location and Photo #	Description	Condition
1	Inside Shop Area (No photograph)	Ten in-floor hydraulic lifts remain in the service bays, and there was minor oil staining on the wall. There is an inactive part cleaning station in the service bays. Due to low light and existing debris on several portions of the floor, some features could not be photographed, inspected or documented.	*De minimis*

3.13 VISUAL OBSERVATIONS, ADJOINING SITES

During the site reconnaissance, the ***PHASE ONE*** **INC.** field assessor also visually inspected and documented the use of those properties which immediately adjoin the subject property. The

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observations of the adjoining properties were made by the ***PHASE ONE*** **INC.** field assessor on the date of the site reconnaissance. A concrete-lined flood control channel also lies immediately along the northern property line of the subject site. A small residential subdivision exists northeast of the site. Hundreds of rubber mats have been abandoned across the fence near the northeast corner of the site.

VISUAL OBSERVATIONS, ADJOINING SITES

Description		Condition
Northerly View:		None
Address:	13612 S. Harbor Boulevard	
Company Name:	One Day Paint & Body	
Apparent Current Use of Property:	Commercial	
Visual Concerns:	None	
Easterly View:		None
Address:	Santiago High School 12342 Trask Ave.	
Company Name:	School Athletic Field (Baseball, Football, Track)	
Apparent Current Use of Property:	Athletic Field	
Visual Concerns:	None	
Southerly View:		None
Address:	13666, 13682 S. Harbor	
Company Name:	Harbor Auto Center, American Tire	
Apparent Current Use of Property:	Commercial	
Visual Concerns:	None	
Westerly View:		None
Address:	13631 S. Harbor Boulevard, Units A & B	
Company Name:	Wellness Clinic & Public Auto Auction	
Apparent Current Use of Property:	Commercial	
Visual Concerns:	None	

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SECTION 4.0

REVIEW OF HISTORICAL INFORMATION AND REGULATORY AGENCY RECORDS

4.1 HISTORICAL AERIAL PHOTOGRAPH AND U.S.G.S. TOPOGRAPHIC MAP REVIEW

***PHASE ONE* INC.** reviewed readily available and reasonably ascertainable aerial photographs and U.S.G.S. topographic maps of the area of the subject site. (A copy of a U.S.G.S. map, if available, has been included as Figure 1.) These aerial photographs and maps may have been obtained from ***PHASE ONE* INC.**'s library and/or another source (all sources identified in Appendix B). Each aerial photograph was reviewed for the subject property and, where applicable, adjacent property use. In addition, each photograph was reviewed to identify the presence of areas of dumping, staining, buildings, and/or aboveground storage tanks.

Aerial photographs for the years of 1953, 1972, 1995, 2003 and 2008, and a U.S.G.S. topographic map (photo-revised) for the year of 1981 were reviewed. No recognized environmental conditions and one de *minimis* environmental condition was identified in the following aerial photographs.

HISTORICAL AERIAL PHOTOGRAPH/U.S.G.S. TOPOGRAPHIC MAP

Collection Reference #	Date of Document	Description of Condition	Condition
Historic Aerials	1953	Orchards and agricultural or undeveloped land is visible on the subject site and vicinity.	*De minimis*

4.2 HISTORICAL MAP REVIEW

***PHASE ONE* INC.** contacted the source(s) identified in Appendix B in an effort to review readily available historical and fire insurance maps with coverage of the subject site and vicinity that might be included in their collections. However, a search of the reasonably ascertainable historical and fire insurance maps found that none provided coverage of the area of the subject site.

4.3 HISTORICAL CITY OR STREET DIRECTORY REVIEW

***PHASE ONE* INC.** did not review historical city or street directories for one or more of the following reasons:

1. Based on a reasonable amount of research, the information was not readily available, as defined in the ASTM Standard.

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2. Sufficient historical information was available from other sources to identify the past property uses.

4.4 AGENCY CONTACTS (RECORDS SEARCH)

4.4.1 Building Department Records

PHASE ONE INC. submitted a request to the local Building agency for the purpose of reviewing reasonably ascertainable, relevant building permits, original plumbing and finish schedules, building plans, or other readily available, relevant documents pertaining to the subject site that are on file with this agency (all sources are identified in Appendix B). The following table presents the results of this review. (Copies of the reviewed documents, when available and/or necessary are included in Appendix C.)

SUMMARY OF BUILDING DEPARTMENT RECORDS

Date of Document	Listed Owner of Site	Description of Permit/Plan	Condition
7/3/1957	Rae Simonson	Building permit for 30' x 89' structure to relocate a retail boat sales and outboard motors to the subject property	None
4/2/1965	Rae Simonson	Permit to remove an existing residence. Building was vacant at the time.	None
5/12/1969	Marine Entpses.	Permit to construct a carport near the northeast corner of the lot.	None
10/19/1984	Bill Van	Permit to construct a proposed auto dealership	None

4.4.2 Fire Department Records

PHASE ONE INC. submitted a request to the local Fire Department for copies of readily available records this agency may have on file for the subject site pertaining to hazardous substances storage, underground storage tanks, and other related environmental issues. The City of Garden Grove Fire Department responded to this request on October 21, 2011, indicating that no records were available for the subject site.

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4.4.3 Health or Environmental Agency Records

PHASE ONE **INC.** submitted a request to the local Health Department and/or Environmental agency for the purpose of reviewing readily available environmental records that may be on file with this agency for the subject site. To date, this agency has not responded to this request, and, consequently, the review of these records (if there are any) is pending. Information subsequently received by ***PHASE ONE*** **INC.** will be forwarded to the client in the form of an addendum to this report. (A copy of any regulatory request document is included in Appendix B and the source is identified in Appendix B.)

4.4.4 Sanitation Agency Records

PHASE ONE **INC.** submitted a request to the Sanitation Agency for the purpose of reviewing readily available environmental records pertaining to industrial wastewater discharge permits, NPDES permits, and related documents on file with this agency for past and present businesses of the subject site. However, ***PHASE ONE*** **INC.** was informed that no records for the subject site were on file with this agency (all sources are identified in Appendix B).

4.4.5 Water Quality Agency Records

PHASE ONE **INC.** submitted a request to the Water Quality Agency for the purpose of determining if past and present businesses at the subject site are listed on regulatory lists (such as leaking underground tank lists, site cleanup lists, etc.). However, ***PHASE ONE*** **INC.** was informed that no records for the subject site are on file with this agency (all sources identified in Appendix B).

4.4.6 Oil and Gas Agency Records or Maps

PHASE ONE **INC.** submitted a request to the local Oil and Gas Agency for copies of readily available oil and gas related records pertaining to environmental issues on the subject site. However, ***PHASE ONE*** **INC.** was informed that no records for the subject site are on file with this agency (all sources are identified in Appendix B).

4.4.7 Other Pertinent Records

There are no additional regulatory agencies known to ***PHASE ONE*** **INC.** that are likely to have further relevant environmental information pertaining to the subject site.

4.5 REVIEW OF ENVIRONMENTAL RECORDS SEARCH

The ***PHASE ONE*** **INC.** review of the computer-generated, environmental records search document (the complete environmental records search document is included in Appendix D) found the subject site is a regulatory-listed site. The environmental records search occurrence summary table below identifies the number of sites listed in each database included in the record search document (the complete environmental records search document is included in Appendix D).

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LISTED OCCURRENCE SUMMARY

LIST SEARCHED	DISTANCE SEARCHED MILES	0.125	0.25	0.5	1.0	TOTAL SITES LISTED
NPL	1	0	0	0	0	0
CERCLIS	0.5	0	0	0	-	0
Cal Superfund Active	1	0	0	0	0	0
Cal State Response Active	1	0	0	0	0	0
Cal School Active	0.5	0	0	0	-	0
Cal VCP Active	0.5	0	0	0	-	0
Cal Eval-Hist	0.5	0	0	0	-	0
Cal Military Active	1	0	0	0	0	0
Tribal-LUST-Open	0.5	0	0	0	-	0
LUST-Open	0.5	0	1	1	-	2
County-CA-LUST-OPEN	0.5	0	0	0	-	0
SLIC-Open	0.5	0	0	1	-	1
RESPONSE-CA	0.125	0	-	-	-	0
ROD-ZZ	0.5	0	0	0	-	0
WIP-Active	0.5	0	0	0	-	0
RCRA-COR	1	0	0	0	0	0
RCRA-TSD	0.5	0	0	0	-	0
ERNS	0.125	0	-	-	-	0
Cal State Response Other	0.5	0	0	0	-	0
Cal Superfund Other	1	0	0	0	0	0
Cal Military Other	1	0	0	0	0	0
Cal VCP Other	0.5	0	0	0	-	0
Cal School Other	0.5	0	0	0	-	0
Land Disposal-CA	0.5	0	0	0	-	0
County-Landfills	0.5	0	0	0	-	0
US-BF	0.5	0	0	0	-	0
SWIS	0.5	0	0	0	-	0
Hist-Controls-CA	0.5	0	0	0	-	0
Controls-CA	0.5	0	0	1	-	1
US-IC	0.5	0	0	0	-	0
US-EC	0.5	0	0	0	-	0
Hist-US-IC	0.5	0	0	0	-	0
Hist-US-EC	0.5	0	0	0	-	0
CDL-CA	0.125	0	-	-	-	0
Emissions-CA	0.5	0	0	2	-	2
CHWF-CA	0.5	0	0	0	-	0
HWT-CA	0.125	0	-	-	-	0
CORTESE-CA	0.125	0	-	-	-	0
WIP-Backlog	0.5	0	0	0	-	0
HAULERS-CA	0.125	0	-	-	-	0
OGW	0.25	0	0	-	-	0

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LIST SEARCHED	DISTANCE SEARCHED MILES	0.125	0.25	0.5	1.0	TOTAL SITES LISTED
SWRCY-CA	0.125	0	-	-	-	0
Hist-FIFRA-ZZ	0.125	0	-	-	-	0
FUDS-ZZ	1	0	0	0	0	0
MINES	0.25	0	0	-	-	0
AFS	0.125	0	-	-	-	0
PADS	0.125	0	-	-	-	0
SSTS-ZZ	0.25	0	0	-	-	0
HMIS-ZZ	0.125	0	-	-	-	0
FRS-ZZ	0.125	7	-	-	-	7
Hist-Trucking	0.25	0	2	-	-	2
Hist-Cleaners	0.125	0	-	-	-	0
Hist-Agriculture	0.125	0	-	-	-	0
Hist-RV-Dealers	0.125	0	-	-	-	0
Hist-Salvage	0.125	0	-	-	-	0
Hist-Mortuaries	0.125	0	-	-	-	0
Hist-Printers	0.125	0	-	-	-	0
Hist-Service Stations	0.125	0	-	-	-	0
Hist-Petroleum	0.125	0	-	-	-	0
Hist-Vehicle-Parts	0.125	0	-	-	-	0
Hist-Auto Dealers	0.125	5	-	-	-	5
Hist-Tire Dealers	0.125	2	-	-	-	2
Hist-Chemical Manufacturing	0.125	0	-	-	-	0
Cerclis-Archived	0.5	0	0	2	-	2
RCRA	0.125	7	-	-	-	7
Cal State Response NFA	0.5	0	0	0	-	0
Cal Superfund NFA	1	0	0	0	0	0
Cal VCP NFA	0.5	0	0	0	-	0
Cal School NFA	0.5	0	0	0	-	0
Cal Military NFA	0.5	0	0	0	-	0
Cal Eval-Hist NFA	0.5	0	0	0	-	0
Tribal-LUST-Closed	0.5	0	0	0	-	0
County-CA-LUST-CLOSED	0.5	0	0	0	-	0
LUST-Closed	0.5	2	2	8	-	12
Tribal-UST	0.125	0	-	-	-	0
UST	0.125	4	-	-	-	4
Hist-UST	0.125	0	-	-	-	0
County-CA-UST	0.125	0	-	-	-	0
SLIC-Closed	0.5	0	0	1	-	1
EGRID	0.5	0	0	0	-	0
RADINFO	0.5	0	0	0	-	0
WIP-Historical	0.5	0	0	0	-	0
USGS-WaterWells	1	0	0	0	0	0
PCS	0.125	0	-	-	-	0

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LIST SEARCHED	DISTANCE SEARCHED MILES	0.125	0.25	0.5	1.0	TOTAL SITES LISTED
HWIS-CA	0.125	22	-	-	-	22
ICIS-FEC	0.5	0	0	1	-	1
Historical-CA	0.5	0	0	0	-	0

The following table identifies the subject site and sites that are either a recognized environmental condition, a *de minimis* environmental condition, or a historical recognized environmental condition.

ENVIRONMENTAL RECORDS SEARCH SITES OF CONCERN

Map Location #	Site Name and Location	Distance from Site (Miles)	Listing Agencies	Site Status	Condition
1	Drive Time 13650 Harbor Blvd.	Subject Site	Hist-Auto Dealers	Listed: This is listed on the historical database; not on the regulatory database. Listed as auto/truck dealer	None
2	Graden Grove Mazda, 13650 Harbor Blvd	Subject Site	UST	Listed: The subject site has historically had three underground storage tanks. The 550 gallon waste oil UST, and the 2,000 gallon UST were removed in 1999 and received closure. It is unknown when the 1,000 gallon pre-mixed fuel tank was removed. Soil sampling was not conducted, nor was agency closure issued for this removed tank.	REC
5	Ugly Duckling Car Sales Inc. 13650 Harbor Blvd.	Subject Site	HWIS-CA	Listed: The subject site is listed as a hazardous waste generator. A 1997 listing includes solvent use.	REC

Note: Map Location #s match the Map ID numbers of the sites used in the document located in Appendix D. Listings of unmapped sites were reviewed to identify the subject site or any sites that are obviously adjacent to the subject property. Other unmapped sites are listed only in Appendix D.

4.6 CHAIN-OF-TITLE ABSTRACT AND/OR REVIEW

At the request of the client, a chain-of-title abstract was not requested or completed for this project.

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4.7 ADDITIONAL ENVIRONMENTAL DOCUMENTS

During the course of this assessment, ***PHASE ONE*** **INC.** was provided with additional documents regarding the environmental condition of the subject site by others. The conclusions of these materials were reviewed only. ***PHASE ONE*** **INC.** relies upon the author/and corresponding companies' conclusions and expertise. ***PHASE ONE*** **INC.** does not evaluate the methodology, interpretation of results, analysis type or results, or verify in any way the completeness or correctness of the conclusions or procedures. ***PHASE ONE*** **INC.** relies upon the report and associated conclusions of the reports provided to ***PHASE ONE*** **INC.** The conclusions of these materials are described in the following table. (Copies of the records, if available, are on file at ***PHASE ONE*** **INC.**)

SUMMARY OF ADDITIONAL ENVIRONMENTAL DOCUMENTS

Date of Document	Document Type and Reference	Author Name and Company	Relevant Information	Condition
August 28, 1997*	Phase I ESA	Western Technologies Inc.	This report identified two Recognized Environmental Conditions: 1) Two USTs located on site that were installed in 1985 and are not in use by current occupant. The tanks should be removed and a closure assessment performed. 2) A prior Phase I ESA had recommended sampling near the tanks, lifts, and sump.	None
September 28, 2000*	Letter	Autolift Services	All ten lifts were visually inspected and pressure tested. All lifts were full of hydraulic fluid to working level. All lifts passed pressure testing. Lift 10 appeared to have had underground work performed previously.	None
October 12, 2000*	Phase II EA	Western Technologies Inc.	Soil samples were collected near two floor drains, near lift 10. The report concluded that a release had not occurred and further assessment or remediation is not recommended.	None
July 8, 2008*	Phase I ESA	AEC	The report concluded that there were no recognized environmental conditions. The former UST systems were considered a Historical Recognized Environmental Condition.	None

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Date of Document	Document Type and Reference	Author Name and Company	Relevant Information	Condition
April 23, 2010	Phase I ESA	AEI Consultants	The report identified two Recognized Environmental Conditions. 1) A plot plan attached to a 1984 demolition permit showed a gas tank in the northwestern portion of the site. Fire Department records listed a 1,000 premix outboard fuel. AEI concluded this was the same tank. There were no indications of the removal of this tank. 2) The site had a regulatory listing indicating solvent use. Since soil samples had not been collected near the clarifier, AEI concluded that additional sampling was needed. The report also identified a Historical Recognized Environmental Condition relating to the former UST systems. Historical site use included agricultural, residential, a café, and a rabbitry from the 1940s to the 1970s.	REC
July 1, 2010	Phase II site assessment	AEI Consultants	AEI performed a geophysical survey to identify the location of the former 1,000 gallon tank. Evidence of an excavation was located and soil samples were collected from the excavation area as well as from the ends of the clarifier. All samples were non-detectable for petroleum products and solvents. NOTE: The geophysical survey was conducted in the wrong location and therefore, it does not eliminate the concern related to the 1,000 gallon tank. Please see the document titled "Inconsistencies Related To The Former 1,000 Gallon Underground Storage Tank" located in Appendix G for more details.	None
October 19, 2011	Geophysical Survey	AEI Consultants	On October 11, 2011, AEI conducted a geophysical survey in the northwestern quadrant of the subject site to identify the location of a former 1,000 gallon pre-mixed fuel tank that reportedly existed at the site in the 1960s. Evidence of two backfilled excavations was found; one back-filled excavation was 15 feet x 17 feet, and the other back-filled excavation was 30 feet x 40 feet. No soil sampling was conducted in either back-filled excavation.	REC

REC = recognized environmental condition

* These documents and/or their summaries were included in the AEI Consultants Phase I ESA dated April 23, 2010

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4.8 HISTORICAL SITE USE

The chronological historical site use summary is based on reviewed aerial photographs, maps, regulatory agency files, interviews, and additional environmental documents. The historical site use summary for the subject site and the adjoin sites is presented in the following table. The rows of this table are organized in chronological order, according to the date range of a specific site use.

HISTORICAL SITE USE

Date Range	Subject Site	Adjoining Sites
1938	Agricultural	Agricultural
1947- 1953	Two dwellings and a rabbitry	Residential and Agriculture
1957 - 1984	Harbor Boat House (boat sales and repairs)	Residential, school, commercial
1982 - 1984	Kruz Boat Repair G&H Marine and Sporting Ctr.	Commercial
1984-1985	Existing buildings were demolished and the current building was erected	Commercial
1987- 1994	Garden Grove Mazda	Commercial
1997 - 2000	Ugly Duckling & Kars Yes Car Sales/Lease	Commercial
2003 - 2007	Drive Time Car Sales	Commercial
2008 - present	Vacant	Commercial

4.9 IDENTIFICATION OF HISTORICAL DATA GAPS

During the course of this assessment, ***PHASE ONE*** **INC.** identified no data gaps within the chain of historic documents regarding the environmental condition of the subject site.

4.10 REVIEW OF TITLE AND/OR JUDICIAL RECORDS FOR ENVIRONMENTAL LIENS OR ACTIVITY AND LAND USE LIMITATIONS (E.G., ENGINEERING AND INSTITUTIONAL CONTROLS)

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The client provided ***PHASE ONE*** **INC.** with documents regarding title and/or judicial records for environmental liens or activity and land use limitations for the subject site. ***PHASE ONE*** **INC.** relies upon the author/and corresponding companies' expertise. ***PHASE ONE*** **INC.** does not verify in any way the completeness or correctness of the documents. ***PHASE ONE*** **INC.** relies upon the documents provided. The discussion of these materials is described in the following table. (Copies of the records, if available, are included in Appendix G.)

REVIEW OF TITLE AND/OR JUDICIAL RECORDS FOR ENVIRONMENTAL LIENS OR ACTIVITY AND LAND USE LIMITATIONS (E.G., ENGINEERING AND INSTITUTIONAL CONTROLS) SUMMARY

Date of Document	Type of Document	Company	Description (If a concern, why?)	Condition
Sept. 2, 2011	Preliminary Title Report	ITC Investors Title Company	No environmental liens, records of environmental activity and/or environmental land use limitations were identified.	None

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SECTION 5.0

INTERVIEWS

5.1 INTERVIEWS WITH OWNER, PROPERTY MANAGER, USER, AND OTHERS

As part of the Phase I Assessment, ***PHASE ONE*** **INC.** attempts to interview various individuals who may have knowledge of different aspects of the subject site as it pertains to environmental conditions. The comments of the interviewees are noted by the ***PHASE ONE*** **INC.** interviewer on Interview Note Forms, which are included in Appendix F. The following table summarizes the relevant portions of these notes.

SUMMARY OF INTERVIEWS

ID #	Date of Interview	Name of Interviewee	Title	Relevant Discussions	Condition
1	9/16/11	Greg Brown	Sr. Project Manager, City of Garden Grove (User)	Mr. Brown works for the City of Garden Grove; he acknowledged that Verde Investments (Phoenix AZ) has owned the property since January 2002. He was not aware of the previous owner's identity. He is familiar with the subject site for the past one year. He stated that the site has been used as auto dealership and the proposed use is for public use. He said the reason for the Phase I investigation is due to purchase of the site. He is not aware of any land use restrictions, engineering controls, or environmental liens due to hazardous materials or petroleum products. He knows of no sources of recognized environmental condition (REC) related to the site or the adjoining properties.	None

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ID #	Date of Interview	Name of Interviewee	Title	Relevant Discussions	Condition
2	9/20/11	Daniel Powers	VP. CB Richard Ellis, Inc. (Site Contact)	Mr. Powers is a broker and acknowledged that Verde Investments has owned the property since January 2002. He was not aware of the previous owner's identity. He is familiar with the subject site for the past one year. He stated that the building is 17,216 square feet and has been used as auto dealership in the past. The proposed use is as museum for the City. He is not aware of any land use restrictions due to hazardous materials or petroleum products. He knows of no sources of recognized environmental condition (REC) related to the site or the adjoining properties. The fair market price of the property is the same as sales price.	None
Regulatory	9/28/11	Sabrina Soltis	Garden Grove Fire Department (GGFD)	Sabrina Soltis faxed a copy of the request form to the GGFD. On October 21, 2011, the GGFD responded that there were no records for the subject site.	None

5.2 PURCHASE PRICE VERSUS FAIR MARKET VALUE INTERVIEW

***PHASE ONE* INC.** uses data supplied by the client to determine if a difference between the purchase price of the property and the fair maket value of the property is due to the effect of any releases or threatened releases of hazardous substances or petroleum products. On September 16, 2011, ***PHASE ONE* INC.** contacted Greg Brown, City of Garden Grove for the purpose of ascertaining any difference between the purchase price and fair market value of the property. According to Greg Brown there is no difference between the purchase price and fair market value of the property. Therefore, a determination on the effect of any releases or threatened releases of hazardous substances on the purchase price of the property was not performed as this is not applicable.

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SECTION 6.0

CONCLUSIONS AND RECOMMENDATIONS

6.1 RECOGNIZED ENVIRONMENTAL CONDITIONS

This section contains full descriptions of any recognized environmental conditions (REC) that have been identified as a result of the ***PHASE ONE*** **INC.** Phase I Environmental Site Assessment for the subject site. ***PHASE ONE*** **INC.** classifies a condition as a REC (as opposed to a *de minimis* condition) when it is one that involves a condition for which, in the opinion of ***PHASE ONE*** **INC.**, further investigation and/or remediation is recommended. In addition to the descriptions of condition, this section also contains a statement of the recommended next-step actions for any conditions that are described in the following tables.

Each identified condition receives its own table, and that table will collect together the particular findings from the body of the report that have been used to support ***PHASE ONE*** **INC.**'s conclusion as to the presence of a recognized environmental condition. For the benefit of the reader, the tables also contain the section numbers of the findings cited in support of the condition.

CONDITION # 1	**IDENTIFIED CONDITION APPEARS TO BE A RECOGNIZED ENVIRONMENTAL CONDITION**
LOCATION: Northwest Portion of Subject Site	

SECTION #	COMMENTS
3.4, 4.5	Identification of former 1,000-gallon on-site UST(s)
4.7	Client Supplied Documents related to a former ,1000-gallon UST

DESCRIPTION OF CONDITION: A 1,000-gallon fuel tank was reported to exist in the northwest section of the site during the 1960s when the site was used for boat sales and repairs as indicated in a 1984 hand drawn site sketch. No records were available for review that documented the underground storage tank was properly removed, and that soil samples were collected and analyzed from the tank excavation to verify that the subsurface had not been impacted from any leakage from the former fuel tank. The exact location of the tank was unknown; consequently, a geophysical survey was conducted on October 19, 2011 that located two backfilled excavations in the northwest area where the former UST was reported to have been located.

ACTION SUGGESTED: Contact ***PHASE ONE*** **INC.** or another environmental firm to install sample borings, collect subsurface soil samples, and analyze the soil samples to determine if there is any impact to the subsurface in the locations of the two backfilled excavations.

TOTAL ESTIMATED COST TO COMPLETE
SUGGESTED NEXT STEP ACTION† $10,000 - $13,000

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CONDITION # 2	IDENTIFIED CONDITION APPEARS TO BE A RECOGNIZED ENVIRONMENTAL CONDITION
LOCATION: Service Bays	

SECTION #	COMMENTS
3.8	Identification of floor drains and a clarifier.
4.5	Documented solvent use

DESCRIPTION OF CONDITION: An inactive two-stage clarifier and floor drains exist in the service bays in the eastern portion of the building. The floor drains are in the former service bays and are connected to a clarifier in the northeastern corner of the building. During the site inspection, three floor drains were identified. In 2000, soil samples were collected near two of the floor drains. Solvent use has been documented and repair operations continued until 2007, after the floor drains were sampled. In addition, only two of the three floor drains were sampled in 2000. In 2010, two samples were collected near the ends of the clarifier. Since the site has remained vacant since the clarifier was sampled in 2010, the clarifier is unlikely pose a significant concern.

ACTION SUGGESTED: Contact ***PHASE ONE*** INC. or another consultant to sample the subsurface in the location of the floor drains to determine the extent, if any impact, to the subsurface soils. If the clarifier is not going to be used after the property is re-developed, it should be abandoned in accordance with regulatory agency guidelines. Remove and properly dispose of any soils which may have been impacted. Soils and other materials contaminated with hazardous materials are considered hazardous waste and must be disposed of in accordance with federal, state, and local regulations.

TOTAL ESTIMATED COST TO COMPLETE
SUGGESTED NEXT STEP ACTION† $5,000 - $8,000 (sampling only)

†Note The estimated cost to complete the next-step action is based on ***PHASE ONE*** INC.'s professional opinion as based on our experience with similar problems under similar circumstances. The estimated cost given above is only meant to give the client a *ballpark* estimate, not an exact dollar figure for the cost to complete the next-step action. This cost could easily vary by +/- 30% or greater. In many cases and when requested, ***PHASE ONE*** INC. can assist the client by providing a fixed cost quote.

6.2 *DE MINIMIS* OR HISTORICAL RECOGNIZED ENVIRONMENTAL CONDITIONS

This section contains descriptions of *de minimis* or historical RECs that have been identified in the ***PHASE ONE*** INC. Phase I Environmental Site Assessment for the subject site. ***PHASE ONE*** INC. classifies an issue as a *de minimis* condition (as opposed to a REC) when (1) it involves issues that appear to pose no immediate or imminent threat to the subject site, but which over time (with the occurrence of groundwater movement, demolition, disturbance, etc.) may come to pose an actual or present REC for the subject site and/or when (2) it involves areas that currently appear to have a negligible impact on the subject property and which do not, therefore, require additional investigation at this time, but of which ***PHASE ONE*** INC. feels the client should be made aware. ***PHASE ONE*** INC. classifies a historical REC as an issue which was considered a REC in the past, but is no longer considered a REC as a result of prior investigation and/or mitigation.

Each identified condition receives its own table, and that table will collect together the particular findings from the body of the report that has been used to support ***PHASE ONE*** INC.'s conclusion as to the presence of that condition. For the benefit of the reader, the table also contains the section numbers of the findings cited in support of the condition.

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CONDITION # 3	IDENTIFIED CONDITION APPEARS TO BE A *DE MINIMIS CONDITION*
LOCATION: Entire Site	

SECTION #	COMMENTS
4.1	Observation of agricultural land during review of aerial photos.

DESCRIPTION OF CONDITION: In a 1953 aerial photo of the site vicinity, only orchards and agricultural or undeveloped land is shown. Although the site was possibly used for agricultural purposes in the past, the subsequent commercial development of the site minimizes the probability for the on-site soil to still harbor any significant amount of agricultural chemicals and for occupants to come in contact with the soil.

ACTION SUGGESTED: Agricultural chemicals do not represent a recognized environmental condition and no action is suggested, recommended and/or warranted at this time. However, if the property were to be redeveloped (especially for use by a sensitive receptor like residential, day care, medical, etc.), or if site occupants come into contact with the soil, then additional investigation, soil sampling, would be recommended.

CONDITION # 4	IDENTIFIED CONDITION APPEARS TO BE A *DE MINIMIS CONDITION*
LOCATION: Service Bays	

SECTION #	COMMENTS
3.12	Identification of below ground lifts.

DESCRIPTION OF CONDITION: Ten underground lifts remain from former automotive repair activity. In 2000, all ten lifts were inspected and pressure tested for leaks. One lift showed signs of repair and according to an interview had possibly leaked in the past. Soil samples were collected near the lift. Analysis showed no indication of contamination.

ACTION SUGGESTED: No action is suggested, recommended and/or warranted at this time. If the lifts will not be used after the property is redeveloped, they should be removed and samples collected from beneath them in accordance with regulatory agency guidelines.

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SECTION 7.0

LIMITATIONS

To achieve the study objectives stated in this report, we were required to base ***PHASE ONE*** INC.'s conclusions and recommendations on the best information available during the period the investigation was conducted and within the limits prescribed by ***PHASE ONE*** INC.'s client in the contract/authorization agreement and standard terms and conditions.

PHASE ONE INC.'s professional services were performed using that degree of care and skill ordinarily exercised by environmental consultants practicing in this or similar fields. The findings were mainly based upon examination of historic records, maps, aerial photographs, and governmental agencies lists. The hazardous waste site lists represented in this report represent only a search of the specific government records as listed above. It should be noted that governmental agencies often do not list all sites with environmental contamination; the lists could be inaccurate and/or incomplete. Recommendations are based on the historic land use of the subject property, as well as features noted during the site walk and examined records. The absence of potential gross contamination sources, historic or present, does not necessarily imply that the subject property is free of any contamination. This report only represents a "due diligence" effort as to the integrity of the subject property. No warranty or guarantee, expressed or implied, is made as to the professional conclusions or recommendations contained in this report. The limitations contained within this report supersede all other contracts or scopes of work, implied or otherwise, except those stated or acknowledged herewith.

This report is not a legal opinion. It does not necessarily comply with requirements defined in any environmental law such as the "innocent landowner defense" or "due diligence inquiry." Only legal counsel retained by the client is competent to determine the legal implications of any information, conclusions, or recommendations in this report. The compliance status, discussed in Section 3.0, is not intended for use as a guide to compliance for the present owner. Its intended use is to identify environmental impairments to the subject property and is not to be used as a guide to the legal compliance to any regulations of any kind.

The findings, conclusions, recommendations, and professional opinions contained in this report have been prepared by the staff of ***PHASE ONE*** INC., in accordance with generally accepted professional practices. All cost estimates in Section 6.0, are purely estimates only, and may not represent the actual costs. Without further investigative assessment, exact, actual costs cannot be fixed. The costs associated with ***PHASE ONE*** INC.'s recommendations are for budgetary purposes only.

This report does not address, in any way, septic systems, leach fields, septic tanks, or related health hazards.

All asbestos, lead, or any other sampling is sampled in a good faith effort by ***PHASE ONE*** INC. assessors. Sample results should not be construed as conclusive and binding in any way. All sampling conducted is only for the purposes of general screening and does not imply that all materials, locations, or hazardous materials have been identified nor was the sampling intended to identify every instance of the materials sampled. No interpretation of the sample results is made or implied. ***PHASE ONE*** INC. only relays the information supplied by the laboratory conducting the analysis.

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SECTION 8.0

FIGURES

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SECTION 9.0

APPENDICES

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APPENDIX A

SITE PHOTOGRAPHS

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APPENDIX B

SUMMARY OF AGENCY CONTACTS

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COPIES OF RECORDS

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ONE-MILE RADIUS REGULATORY DATABASE REPORT

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SAMPLING AND ANALYSIS DOCUMENTS

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INTERVIEW NOTES

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MISCELLANEOUS INFORMATION

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REFERENCES

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RESUMES

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APPENDIX J

ENVIRONMENTAL ACRONYMS AND DEFINITIONS

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