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PHASE I
ENVIRONMENTAL SITE ASSESSMENT
On
Former Sunsweet Dryers Facility – 2.38 Acres
90 East 3rd Street, 55 East 4th Street, 91 East 4th Street, and
17250 Depot Street
Morgan Hill, California 95037

For

GLENROCK BUILDERS

by

GeoSolve, Inc.

Project No. 2014-08
February 6, 2014

1807 Santa Rita Road, Suite D-165 • Pleasanton, CA 94566
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Project No. 2014-08
February 6, 2014

Mr. Rocke Garcia
Glenrock Builders, Inc.
1000 Old Quarry Road
San Jose, California 95123

Subject: Former Sunsweet Dryers Facility – 2.38 Acres
90 East 3rd Street, 55 East 4th Street, 91 East 4th Street, 17250 Depot Street
Morgan Hill, California 95037
PHASE I ENVIRONMENTAL SITE ASSESSMENT

Dear Mr. Garcia:

At your request, ***GeoSolve, Inc.*** has conducted a Phase I Environmental Site Assessment for the above referenced site. The following is a copy of the report, which presents the results of our assessment according to ASTM E1527-2013 standard.

Should you have any questions relating to the contents of this report or require any additional information, please contact our office at your convenience.

Sincerely,
GeoSolve, Inc.

Robert D. Campbell, M.S., P.G., C.E.G., Q.S.D.
Principal Engineering Geologist

Copies: 1 to Glenrock Builders

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PHASE I ENVIRONMENTAL SITE ASSESSMENT

1.0 INTRODUCTION

1.1 Objective

The purpose of conducting this Phase I Environmental Site Assessment (ESA) is to evaluate the property for contaminants within the scope of the Comprehensive Environmental Response, Compensation and Liability Act (CERCLA) 42 U.S.C. §9601 and petroleum products, also known as Recognized Environmental Concerns (RECs). As such, this Phase I ESA is intended to permit a user to satisfy one of the requirements to quality for the innocent landowner, continuous landowner, or bona fide prospective purchaser limitations on CERCLA liability or known as "landowner liability protections" through conducting All Appropriate Inquiries (AAI) into the previous ownership and uses of the property consistent with good commercial and customary practice as defined at 42 U.S.C. §9601(35)(B). ***GeoSolve, Inc.*** has conducted detailed assessment of the past use of the property, historical research, site visit, file reviews and/or file searches and interviews with the site managers/property owners as summarized in this Phase I ESA, which complies with ASTM E1527-2013 for real for secondary potential contaminated sites within a 1-mile radius of the property.

The entire site consists of 2.38 acres of commercial and light industrial land, which is occupied by three structures and an attached open garage. The subject site consists of four properties: 90 East 3rd Street, 55 East 4th Street, 91 East 4th Street, and 17250 Depot Street in Morgan Hill, California, with Assessor Parcel Numbers (APNs) 726-13-043, 726-13-033, 726-13-043, and 726-13-044.

This Phase I Environmental Site Assessment was prepared for the use of our client, Glenrock Builders, who can rely on this report for evaluating the environmental conditions of the property. If commencement of development of this property is not initiated by August 6, 2014, an Updated Phase I Environmental Site Assessment must be performed if Glenrock Builders or another buyer plans to pursue future development of this property.

1.2 Scope

GeoSolve, Inc. was authorized by Mr. Rocke Garcia of Glenrock Builders on January 22, 2014 to perform the following:

a) Perform a field reconnaissance of the subject property for significant surficial signs of hazardous waste release, storage of hazardous materials, and surficial indications for the presence of USTs, and water wells;

b) Off-site research into past land use of the property involving, as applicable, telephone and personal interviews with government personnel and the review of historical documents;

c) A review of available aerial photographs for obvious surficial features indicative of past land use with attention to indicators of hazardous materials or waste use, disposal, or storage;

d) An interview with the current property owner(s);

e) A review of fuel leak and chemical release lists and files for soil and groundwater contamination cases within a 1-mile radius from the subject property as made available through the appropriate Federal and State and local regulatory agencies, if available;

f) Documentation of the site with photographs; and

g) Preparation of this report.

2.0 SITE LOCATION AND DESCRIPTION

2.1 Location

The subject property is situated within the greater San Francisco Bay Region within the southern Santa Clara Valley. The site is comprised of four properties at 90 East 3rd Street, 55 East 4th Street, 91 East 4th Street, and 17250 Depot Street in Morgan Hill, California. The properties have Santa Clara County APNs 726-13-043, 726-13-033, 726-13-043, and 726-13-044, which totals approximately 2.38-acres. The property is occupied by three structures and one attached open garage. The largest building is situated on 90 East 3rd Street, which has an address of 100 East 3rd Street at the site. This larger concrete tilt-up building was formerly used by Sunsweet as a fruit dryer and smaller concrete tilt up building is situated on 91 East 4th Street. A smaller office building is situated on 17250 Depot Street. Vacant parcel is situated on 55 East 4th Street. The location of the site is shown on Figure 1, Site Vicinity Map and the layout of the property is shown on Figure 2, and Site Plan.

2.2 Topography and Drainage

The local topography is relatively flat at approximately 330 feet above mean sea level (msl), which gradually slopes to the northeast. Little Llagas Creek is situated approximately 2,000 feet south of the site and flows east-northeast. Drainage of the property appears to be to the southeast along topography.

2.3 Geology/Hydrogeology

The materials underlying the site are mapped as Late Pleistocene alluvium (Qpa) by Helley and Lajoie (1979), which consist of weakly consolidated, slightly weathered, poorly sorted, irregular interbedded clay, silt, sand and gravel units. The Late Pleistocene alluvium contains local accumulations of fresh water gastropods and pelecypods and continental vertebrate fauna, including camel, bison, horse, sloth, and mammoth fossils. The Late Pleistocene alluvium has a maximum thickness of 150 feet and ranges in age from 35,000 to 70,000 years old, which was deposited from flowing water in stream channels, on stream terraces, and on alluvial fans.

The active traces of the Calaveras Fault and San Andreas Fault the is situated approximately 4.8-miles northeast and 9.6-miles southwest of the subject site, and are considered active according to the Alquist-Priolo Earthquake Fault Zones Act (1997), and are strike-slip faults with right-lateral motion (http://gmw.consrv.ca.gov/shmp/download/quad/MOUNT_MADONNA/maps/MT_MDNA.PDF) and (http://gmw.consrv.ca.gov/shmp/download/quad/MORGAN_HILL/maps/MORGANHILL.PDF).

Depth to groundwater, according to the Santa Clara Valley Water District (SCVWD), ranges from 60 feet to 65 feet bgs based on data from groundwater well 09S03E22P005 in the Llagas Sub-basin and flows toward the southeast, along local topography (http://www.heynoah.com/Services/GroundwaterMonitoring.aspx). Localized depth to groundwater may be less than 60 feet bgs beneath the subject site.

2.4 Site Visit

A ***GeoSolve, Inc.*** field geologist visited the site on Thursday, January 23, 2014, and made the following observations:

- The subject property consists of one sub-square area consisting of four adjoining parcels totaling approximately 2.38-acres, which includes is located between East 3rd, East 4th and Depot Streets in Morgan Hill, California. The property was occupied by three structures (one larger concrete tilt-up structure with an open garage area, a smaller concrete tilt-up structure,

and an office building). No groundwater wells were observed on the property and water and sewer were supplied by SCVWD and City of Morgan Hill. The exterior of the buildings appeared to be painted with lead-based paint (LBP) and may contain asbestos containing materials (ACMs). The subject property was bounded by commercial properties to the west, East 3rd Street to the north, Depot Street to the east, and East 4th Street to the south.

- The larger and smaller buildings were being utilized by Glenrock Builders for storage of antiques, church pews, furniture, equipment, home products, and other decorating items. No drums or hazardous waste were identified within the buildings or were observed on the site. A square metal form was observed within the entrance of the larger building, and may indicate the former UST and/or hydraulic hoists used in previous fruit drying operations. Lumber and storage containers were observed on the northern portion of the unpaved site and a soil pile was also observed in this area as well. Digital photos of the site are shown on Photos 1A through 6B.

- No visual evidence for the presence of USTs was ascertained from our site visit and no other visual evidence of hazardous wastes and/or hazardous substances was observed on the subject site. No visual evidence of sumps, drains or pits were noted at the subject property. No visual evidence of polychlorinated biphenyls (PCBs) was observed on the subject property. The United States Geological Survey (USGS) considers this a low exposure potential area for radon.

3.0 SITE HISTORY REVIEW

GeoSolve, Inc. examined thirteen (13) aerial photographs, three (3) Sanborn Maps, and eleven (11) historical topographic maps, and City Directories. No Sanborn Map coverage was available for the subject site. All historical information was provided by Environmental Data Resources, Inc (EDR). Data for the photographs and topographic maps are tabulated below:

AERIAL PHOTOGRAPHS EXAMINED		
Flight Date	**Approximate Scale**	**Identification Number**
1939	1:6000	Fairchild – 3840641.11
1949	1:6000	Aero – 3840641.11
1956	1:6000	USGS - 3840641.11
1968	1:6000	USGS - 3840641.11
1974	1:6000	USGS - 3840641.11

AERIAL PHOTOGRAPHS EXAMINED		
Flight Date	**Approximate Scale**	**Identification Number**
1982	1:6000	USGS – 3840641.11
1998	1:6000	EDR – 3840641.11
1999	1:6000	WAC – 3840641.11
2005	1:6000	EDR - 3840641.11
2006	1:6000	EDR - 3840641.11
2009	1:6000	EDR - 3840641.11
2010	1:6000	EDR - 3840641.11
2012	1:6000	EDR – 3840641.11

SANBORN MAPS	
Date	**Scale**
1908	1" ≈ 150'
1926	1" ≈ 150'
1941	1" ≈ 150'

HISTORICAL TOPOGRAPHIC MAPS		
Date	**Scale**	**USGS Topographic Map**
1917	1:62500	15-Minute Morgan Hill Quadrangle
1955	1:24000	7.5-Minute Morgan Hill Quadrangle
1955	1:24000	7.5-Minute Mount Madonna Quadrangle
1968	1:24000	7.5-Minute Morgan Hill Quadrangle
1968	1:24000	7.5-Minute Mount Madonna Quadrangle
1973	1:24000	7.5-Minute Morgan Hill Quadrangle
1973	1:24000	7.5-Minute Mount Madonna Quadrangle
1980	1:24000	7.5-Minute Morgan Hill Quadrangle
1980	1:24000	7.5-Minute Mount Madonna Quadrangle
1994	1:24000	7.5-Minute Mount Madonna Quadrangle
1996	1:24000	7.5-Minute Mount Madonna Quadrangle

3.1 Regional and Local History

3.11 Regional History

The language family which anthropologists call the Costanoan occupied the region from Monterey up to the San Francisco Bay Area. Costanoan is derived from the Spanish word meaning "coast people." Another general term that is used to designate speakers of the Coastanoan language is Ohlone, which is the most common term used for the San Jose and San Francisco de Asis Indians (http://www.missionscalifornia.com/content/native-americans-san-jose.html).

The number of natives in the San Francisco Bay Area declined steadily after the mission era ended. Most of the Native Americans became laborers on area ranches. In the 1840s, there were a number of multiethnic Indian communities in the area, composed of the people who had lived at the missions; however, decreased in population as the young people moved away. The Indian Scholar Richard Levy reported "the Costanoan languages were probably all extinct by 1935." No official Federal government recognition has ever been given to the Costanoans.

Further land changes took place when Mexico became independent from Spain in 1822. In 1834 all mission land was secularized and became the property of the Mexican government. In 1835, the Mexican Land Grants transferred the land to the property owners who then had control of a few immense ranches.

Prior to the arrival of Spanish expeditions en route from Mexico, peaceful tribes of Native Americans had inhabited the lush Santa Clara Valley for more than 6,000 years. Under Spanish and Mexican jurisdictions, instituted in 1778, a vast region that includes present day Morgan Hill was one of the most substantial Spanish land grants for nearly three quarters of a century.

3.12 Local History

In 1845, Martin Murphy, Sr. acquired 9,000 acres known as the Rancho Ojo de Agua de la Coche. Murphy had been a leader of the first party of pioneers to cross the Sierra Nevada range at Truckee Pass, later to become the route for the Southern Pacific Railroad. The Murphy family made its home in the valley below El Toro Mountain. By 1870 Martin's seven sons and daughters had managed to acquire more than 70,000 acres.

In 1851, the youngest son, Daniel, married Maria Fisher, heiress to the neighboring 19,000 acre Rancho Laguna Seca. In 1882, Diana, their precocious daughter, secretly married Hiram Morgan

Hill. When Daniel Murphy died, Diana inherited 4,500 acres of their original rancho in the shadow of El Toro.

Diana and Hiram Morgan Hill built their estate, the Villa Mira Monte, between the railroad and Monterey Road in 1884. When the first Southern Pacific station was built in 1898, the railroad referred to this area as Huntington. Many visitors would request the train stop at "Morgan Hill's Ranch," changing the name to Morgan Hill.

By 1896, the growing community had a population of 250, with a post office, depot, two hotels, a restaurant, and several churches and shops. There was much controversy over the incorporation of the city. The Times printed many editorials supporting the issue, while those opposed were fearful of higher taxes. Nevertheless, the "yes" vote won by a margin of 65-36 and Morgan Hill became incorporated November 10, 1906. By 1909 the population rose to 1,000.

The first school was built in 1894, but was soon outgrown and in 1907 a new elementary school and high school were constructed. Then in 1924 architect William H. Weeks designed and built a new grammar school, selling the old Morgan Hill Grammar School Building to the Morgan Hill Grange Association. By the 1920s, the City was known for its agricultural products including prunes, apricots, peaches, pears, apples, walnuts, and almonds. The region boasted prosperous vineyards until Prohibition demanded that production temporarily cease. Around the 1950s, Morgan Hill experienced an economic transformation from an agricultural center to a suburban residential community. Growth began to accelerate rapidly in the 1970s as Silicon Valley developed and workers were attracted to Morgan Hill's small-town atmosphere, sense of community and reasonable housing prices. On November 3, 1973 the Morgan Hill Civic Center and library were proudly dedicated to the community of 7,000. By 1980 the population increased to approximately 18,000 residents. The 2000 census confirmed that 33,000 citizens called Morgan Hill their home.

Morgan Hill is located in southern Santa Clara Valley, approximately 12 miles south of San Jose, 10 miles north of Gilroy, and 15 miles inland from the Pacific Coast. The Valley is approximately 4 miles wide and is surrounded by the Santa Cruz mountain range to the west, and the Diablo mountain range to the east. Parks and open spaces abound, making Morgan Hill one of the last communities in the region with a charming, small town atmosphere (http://www.morgan-hill.ca.gov/index.aspx?NID=315).

3.2 Aerial Photographic Site Features

Historical aerial photographs revealed several changes occurring at the subject property over the past 75 years. In 1939, the subject site was occupied by a large rectangular building and several

smaller out-buildings. The larger rectangular building was observed along Depot Street. East 3rd Street, East 4th Street and Depot Street were observed around the site, along with Monterey Highway and Southern Pacific Railroad tracks to the southwest and northeast. Sporadic residences and buildings were observed in the surrounding area. Orchards were observed east of Southern Pacific Railroad and the City of Morgan Hill was observed north and west of the site. By 1949 and 1956, no significant changes were observed on the subject site. Increased development was observed in the surrounding area. By 1968, the current configuration of the subject site was observed and the rectangular building was not observed on the site. The orchards were observed as diminished east of the railroad tracks and increased development was observed in the city of Morgan Hill. No significant changes were observed on the subject site from 1974 through 2005 and increased development was observed surrounding the subject site. By 2006, no significant changes were observed on the site; however, soil appeared to be stockpiled on the northern portion of the vacant area of the site and no significant changes to the subject site or surroundings were observed in 2009 through 2012. Copies of the aerial photographs are attached to the appendix.

3.3 Historical Topographic Map Site Features

In 1917, the subject property was vacant and Monterey Highway and Southern Pacific Railroad tracks were mapped southwest and northeast of the site. East 3rd Street and East 4th Street were also mapped as dirt roads; however, the subject site was mapped as vacant. By 1955, a large rectangular building was mapped along Depot Street, structures (residences) were mapped along the roads surrounding the site, and orchards were mapped east of Southern Pacific Railroad tracks. Monterey Road was mapped as Highway 101. No significant changes were mapped on the subject site by 1968 and increased development was also mapped in the area. No significant changes were observed on the site from 1973 through 1995, and excessive development was mapped in the surrounding area. Copies of the historical topographic maps are attached to the appendix.

3.4 Review of Environmental LienSearch™ Report

As stated previously, the subject site is comprised of four properties. Details of the property ownership are summarized in the table below. No environmental liens or other activity and use limitations were documented for the parcels. A copy of the EDR Environmental LienSearch™ Report is attached to the appendix.

Parcel Number	Property Owner	Previous Owner	Date Recorded	Instrument Number
726-13-032	Glenrock Builders	Sunsweet Growers	10/29/1996	13498846
726-13-043	Glenrock Builders	Sunsweet Growers	10/29/1996	13498846
726-13-044	Glenrock Builders	Sunsweet Growers	10/29/1996	13498846
726-13-033	City of Morgan Hill	Morgan Hill Economic Development Corporation	6/10/2013	22256768

3.5 Sanborn Map Review

Historical Sanborn Maps revealed several changes occurring at the subject property from 1908 through 1941. In 1908, the subject site was mapped as vacant land and East 3rd Street was mapped as Nob Hill Avenue, while Depot Street was mapped as "Depot Grounds." Morgan Hill Public School was mapped immediately southwest of the site and residences and Monterey Road was mapped further to the west. By 1926, the subject site was developed as Growers Packing and Warehousing Association Plant No. 2, and included a railroad spur along current Depot Street and a large rectangular building immediately west of the railroad spur. Boilers and tanks were mapped underneath the current large building on 90 East 3rd Street and two sheds were mapped north of the boiler and north of the rectangular building. Nob Hill Avenue was mapped as East 4th Street and Sterling Lumber Mill Company was mapped immediately southwest. By 1941, the subject site was mapped as California Prune and Apricot Association Plant No. 2 and a tank was mapped immediately south of the boilers. A prune storage shed was also mapped on the former Sterling Lumber Company yard immediately southwest of the site.

3.6 Review of EDR City Directory Abstract

The following listings were recorded for the subject site as listed in the table below.

CITY DIRECTORY LISTING		
Date	**Address**	**Listing**
2013	No Listing	No Listing
2008	No Listing	No Listing
2003	100 East 3rd Street	Glenrock Builders
2003	91 East 4th Street	Glenrock Group
1999	91 East 4th Street	Glenrock Group
1996	91 East 4th Street	Sunsweet Dryers
1991	91 East 4th Street	Western Recycling
1986	91 East 4th Street	Sunsweet Dryers

CITY DIRECTORY LISTING		
1980	55 East 4th Street	Pedro Alcala
1980	91 East 4th Street	Sunsweet Growers
1975	55 East 4th Street	Pedro Alcala

A copy of the EDR City Directory Abstract is attached to the appendix.

3.7 EDR Vapor Encroachment Screen

EDR performed a Vapor Encroachment Screen report for the subject site. Based on the data, no sources of vapor intrusion were documented near or beneath the site. A copy of the EDR Vapor Encroachment Screen report is attached to the appendix.

3.8 Review of City and County Records

GeoSolve, Inc. contacted the City of Morgan Hill Building and Planning Departments to ascertain the past use of the property. ***GeoSolve, Inc.*** met with Ms. Elizabeth Bassett, Building Services Technician, who searched the city files ***GeoSolve, Inc.*** for permits and documents. Ms. Bassett stated the City of Morgan Hill only has filed back to 1964. Only two files were found for the subject site, which was for 55 East 4th Street. No permits or files were available for the other properties, which comprise the former Sunsweet Dryer facility.

The property situated at 55 East 4th Street was occupied by a single family residence since at least 1981 and was owned by Mr. Bob Lum. An electrical permit was issued on November 17, 1981 for general service and a notice of building violation was issued on December 9, 1985 for structural defects, including the foundation. A foundation permit (number 86-225) was issued on April 12, 1986 to reinforce the foundation at the site. An electrical permit (86-275) was issued for the residence on April 28, 1986 for lighting fixtures. On May 21, 1986, the entire wiring was replaced within the residence. Another electrical permit (86-177) was issued for installation of outlets on July 2, 1986. On October 11, 1995, a demolition permit was issued for the residence (951284). An application to move a residence from 310 East Dunne Avenue or 1105 San Pedro to the subject site was issued on August 26, 1999. A demolition permit for the re-located residence was issued for the site on January 22, 2007. Copies of these permits and documents from the City of Morgan Hill are attached to the appendix.

Since initial development of the subject site was completed between 1908 and 1926 and the Sunsweet Dryer facility was developed between 1949 and 1956, no files would be available for the other three properties at 90 East 3rd Street, 91 East 4th Street and 17250 Depot Street.

3.9 Review of Previous Environmental Reports

No previous environmental reports were indentified for the subject site during the course of performing this Phase I ESA; however, the author of this Phase I ESA conducted a Phase II ESA on the site associated with gasoline and hydraulic-oil hydrocarbons for Terrasearch, Inc. in 1996 through 1997. Elevated concentrations of hydraulic-oil and gasoline hydrocarbons were detected in the soil and groundwater was not evaluated.

3.10 Interviews with Property Owner

GeoSolve, Inc. contacted the current property owner through Mr. Rocke Garcia; however, the property owners have not completed the Property Owner Questionnaire as of the date of this Phase I ESA.

4.0 REVIEW OF PUBLIC RECORDS OF REGULATORY AGENCIES

4.1 Primary Contamination Sources

GeoSolve, Inc. conducted a review of files at City of Morgan Hill Fire Department (MHFD), County of Santa Clara Department of Environmental Health (CSCDEH), and the California Regional Water Quality Control Board – Region 3 (RWQCB) using the Geotracker website to ascertain property information for the site. ***GeoSolve, Inc.*** visited the CSCDEH and met with Ms. Rina Banks in order to review files for all four properties comprising the site. According to Ms. Banks, no files were available for review. This was confirmed from on the on-line search of their on-line files as well (http://lustop.sccgov.org/). ***GeoSolve, Inc.*** then visited SCVWD in order to review files for all four properties; however, no files were available for review as well. According to the RWQCB, one file was available for the property, which indicated the site at 91 East 3rd Street was closed on December 16, 1998 for a gasoline spill in soil; however, no files were available to review at the CSCDEH, most likely since the site was regulated by the SCVWD, who transferred most files to the CSCDEH on July 1, 2004. (http://geotracker.waterboards.ca.gov/map/?CMD=runreport&myaddress=90+east+3rd+street%2C+morgan+hill%2C+ca) and (http://geotracker.waterboards.ca.gov/profile_report.asp?global_id=T0608500009).

GeoSolve, Inc. also contacted the California Department of Toxic Substances and Control (DTSC) to ascertain if any files documenting the presence of hazardous wastes and/or hazardous substances were available for the subject site. No other SLIC files were identified (http://www.envirostor.dtsc.ca.gov/public/mapfull.asp?global_id=&x=-119&y=37&zl=18&ms=640,480&mt=m&findaddress=True&city=90%20east%203rd%20street,%20morgan%20hill,%20ca&zip=&county=&federal_superfund=true&state_response=true&voluntary_cleanup=true&school_cleanup=true&ca_site=true&tiered_permit=true&evaluation=true&military_evaluation=true&school_investigation=true&operating=true&post_closure=true&non_operating=true).

The following is a summary of the potential Hazardous Substances in connection with identified uses:

ACMs and/or LBP

GeoSolve, Inc. conducted a walk-through and visually observed the exteriors of the structures located the subject site. Since the structures were built prior to 1926, the paint on the interior and exterior may be LBP, and may pose a lead-based material (LBM) hazard.

The subject building appeared to be very old and apparent lead-based paint (LBP) was observed on the structure due to the peeling-nature of the old paint.

A LBM hazard is defined as a condition that causes exposure to lead from lead-contaminated dust, lead-contaminated soil, lead-contaminated paint that is deteriorated or present in accessible surfaces, friction surfaces, or impact surfaces *that would result in adverse human health effects* as established by the appropriate federal agency. LBP is considered to be hazardous under the following conditions:

- Children under age seven chewing or mouthing on painted surfaces or when they are exposed to LBP dust, soil contaminated with lead, LBP which is in deteriorated condition (i.e., flaking, peeling, or cracking); and

- Prolonged or repeated exposure of other facility occupants or workers to airborne LBP dust. Certain types of paint applied before 1980 are more likely to contain lead. These are oil-based paints used in industrial facilities as well as residences, applied primarily to kitchens, bathrooms, and interior and exterior wood trim in residences. Latex paint for architectural use, which normally does not contain lead, became popular after 1960, and nearly all paint applied after 1980 to the interior and exterior of houses and non-industrial buildings was latex. However, because of their durable properties and lack of federal regulation, LBP continued to be used in industrial facilities, on steel structures, and for pavement markings. Additionally,

LBP may also be found in non-industrial facilities, primarily in primers on ferrous metal surfaces.

A second concern may be the presence of ACM within ceiling and floor tiles in all the buildings. Asbestos products were used heavily in building construction from 1960 to 1980, and have been used as thermal, fireproof, and acoustical insulation after 1980. It has also been woven into fabrics for use in expansion joints of ductwork as well as for fireproof curtains. It has been used as a strengthening agent in concrete, floor tile, mortar, grout, and drywall speckling compounds. In general, asbestos has been identified in over 3,000 materials typically used in buildings.

Radon Gas

According to the EDR Radius Report, the Federal EPA Radon Zone for Santa Clara County is 2 and based on that the indoor radon average level is < 2 pCi/L. Radon gas levels exceeding 4 pCi/L within residential buildings is considered by the EPA to be inhabitable without radon gas mitigation.

Facility Storage Tanks (above or below ground)

No USTs were documented or permitted for the subject site and no visual evidence of USTs was identified during our site visit at the site. However, heating oil boiler tanks were indentified on the Sanborn maps in 1926 and 1941 beneath the larger building on 90 East 3rd Street. Furthermore a gasoline UST was removed from the subject site in 1998 and additional contamination maybe present beneath the site since groundwater was not analyzed.

Transformers or Other Electrical Equipment that uses Dielectric Fluid

No transformers were observed on and/or near the property.

Remediation and Site Closures

The subject site was closed by the RWQCB for a former gasoline UST. However, additional contaminants maybe present beneath the site based on historical research reviewed during this Phase I ESA.

Other Environmental Concerns

Since the subject site was utilized as a fruit packing and dryer facility since at least 1926 to the middle 1990s, organochloride pesticide, additional petroleum-hydrocarbon, chlorinated-hydrocarbons, and metal residues maybe present within the surficial soil. In addition, due to the use of the property as a fruit packing facility, PCBs maybe present in the surficial soil. . In addition, hydraulic-hoists were used in previous fruit-drying operations based on personal information obtained during the initial environmental work conducted in 1996 and 1997 at the site.

4.2 Secondary Contamination Source Sites

For the purposes of this investigation, a search was made of 88 State and Federal regulatory agency lists of contaminated or potentially contaminated sites, or properties where transportation, handling, storage, and/or disposal of hazardous materials occurs or has occurred.

In accordance with recently adopted standards by the American Standard for Testing and Materials (ASTM, 2013), details of the 88 databases which were searched are within the attached EDR, Inc. Report. It should be noted that listings reported without location data were found to be more distant than the standard minimum search distance. In addition, some of the databases consist of lists of handlers, transporters, and generators of toxic materials rather than contaminated sites.

Out of all databases searched, eight (8) potential sites were identified within a 0.13-mile radius of the subject site, which is summarized in the table below. There of these sites are situated on the site:

EDR RADIUS MAP FINDINGS			
Map ID	**Direction & Distance**	**Databases**	**Main Impact**
A1, 12	91- East 3rd Street - Subject Site	HAZNET, HIST UST	Disposal of Asbestos Containing Waste, Oil UST
A2-A4	100 East 100 3rd Street – Subject Site	EMI, CUPA Listings, CDL	Discharge of NOX and SOX vapors to the air and discharge of solvents
A5-A8	91 East 4th Street – Subject Site	LUST, FINDS, SPILLS 90, ENVIROSTOR	Leaking and Closed Gasoline UST, hazardous air

EDR RADIUS MAP FINDINGS			
			pollutant inventory, and historical discharges
B9-B11	70 4th Street, 169 feet south-southeast, ***lower in elevation***	HIST CORTESE, RGA LUST, LUST, HIST LUST	Closed Gasoline UST
C13-C14	17165 Depot Street, 324 feet east-southeast, ***lower in elevation***	EDR US Hist Auto Stat, CUPA Listings, HAZNET	Recycler of waste oil and disposal of hazardous wastes
D15	17290 Monterey Street, 526 feet west-southwest, ***higher in elevation***	LUST, RGA LUST	Closed Gasoline UST
D16	17295 Monterey Road, 591 feet west-southwest, ***higher in elevation***	CUPA Listings	Silver waste disposal
D17	17305 Monterey Road, 607 feet west-southwest, ***higher in elevation***	HIST CORTESE, LUST, RGA LUST	Closed Oil, Motor Oil and Hydraulic-Oil USTs

Additionally, four (4) wells were identified within a 1-mile radius of the property, which included two Aquiflow wells, one public-water well and one CA Well. Aquiflow wells are used by EDR to provide data on the general direction of groundwater flow at specific points as well as depth to water table information. A summary of the water-wells situated within 1-mile are tabulated below.

AQUIFLOW Site ID number	Distance from Site	Measurement Date	Flow Direction	Depth to water (feet bgs)
A1	⅛ - ¼ mile, S	8/28/1992	North-Northeast	5-7
A2	⅛ - ¼ mile, S	10/10/1995	Northwest	3-6
3	⅛ - ¼ mile, NW	Not Reported	Not Reported	Not Reported
B4	¼ - ½ mile, N	Not Reported	Not Reported	Not Reported

Based on EDR report dated January 28, 2014, the subject site is situated within a FEMA 100-year Flood Zone.

No Coal Gas site was found in a search of Real Property Scan's ENVIROHAZ database.

5.0 DATA GAPS

The following Data Gaps were recognized:

- Twelve (12) "orphaned sites" were not mapped for the database report. This data gap was filled by reviewing the location of the streets or by physically driving the neighborhood of the subject property to confirm that these orphaned sites were outside the search radius.

- ***GeoSolve, Inc.*** did not receive a completed Owner's Interview Form as of the date of this Phase I ESA.

These data gaps did not alter our findings and/or recommendations for the site.

6.0 SUMMARY OF FINDINGS

GeoSolve, Inc. has performed a Phase I Environmental Site Assessment in conformance with the scope and limitations of ASTM Practice E1527-13 at 90 East 3rd Street, 55 East 4th Street, 91 East 4th Street, and 17250 Depot Street with APNs 726-13-043, 726-13-033, 726-13-043, and 726-13-044 in Santa Clara County, California, the property. Any exceptions to, or deletions from, this practice are described in Section 5.0 of this report. This assessment has revealed three (3) RECs in connection with the property; namely: 1) potential presence of PCBs, metal and organochloride pesticide residues within the surficial soil associated with past fruit processing and drying procedures; 2) possible presence of metals, petroleum-hydrocarbons and chlorinated-hydrocarbon residues within the subsurface soil and groundwater beneath the site; and 3) possible presence of ACMs and/or LBP on and within the structures at the site.

The following summarizes the assessment of the subject site:

- The subject property is situated within the greater San Francisco Bay Region within the southern Santa Clara Valley. The site is comprised of four properties at 90 East 3rd Street, 55 East 4th Street, 91 East 4th Street, and 17250 Depot Street in Morgan Hill, California. The properties have Santa Clara County APNs 726-13-043, 726-13-033, 726-13-043, and 726-13-044, which totals approximately 2.38-acres. The property is occupied by three structures and one attached open garage. The largest building is situated on 90 East 3rd Street, which has an address of 100 East 3rd Street at the site. This larger concrete tilt-up building was formerly used by Sunsweet as a fruit dryer and smaller concrete tilt up building is situated on 91 East 4th Street. A smaller office building is situated on 17250 Depot Street. Vacant parcel is situated on 55 East 4th Street.

- Based on site observations, review of historical aerial photographs and topographic maps, and file review information, the property was formerly utilized as a fruit packing facility between 1908 and 1926, when it was originally developed. A gasoline UST was removed from the site in 1996 and closed by the RWQCB in 1998. However, additional chemicals of concern (COCs) may be present beneath the site. These include PCBs, arsenic, and organochloride pesticides within the surficial soil, and metals, petroleum-hydrocarbon (including hydraulic-oil) and chlorinated-hydrocarbon residues within the subsurface soil and groundwater. Due to the age of the structures, ACMs and/or LBP materials may be on and within the structures. Two structures were demolished on the 55 East 4th Street parcel, one in 1995 and again in 2007. The second structure was moved from another location in Morgan Hill. No visual evidence to the existence of USTs was identified at the site. No ponds and/or lagoons, archeological findings or noxious odors were noted at the property.

- RECs for the subject site include the following: 1) potential presence of PCBs, metal and organochloride pesticide residues within the surficial soil associated with past fruit processing and drying procedures; 2) possible presence of metals, petroleum-hydrocarbons and chlorinated-hydrocarbon residues within the subsurface soil and groundwater beneath the site; and 3) possible presence of ACMs and/or LBP on and within the structures at the site.

- Based on EDR information dated January 28, 2014, eight (8) secondary potential sites were identified within a 0.13-mile radius of the subject property, including three on the subject site. The three sites listed for the subject site are additional reasons to conduct a Phase II ESA at the site.

7.0 SITE-SPECIFIC RECOMMENDATIONS

In view of the above findings, it is the opinion of ***GeoSolve, Inc.*** additional environmental assessment of the subject property **is warranted**, and should include the following:

- Eight (8) surficial soil samples should be randomly collected from the site in accordance with the *Interim Guidance for Sampling Agricultural Properties (Third Revision) California Department of Toxic Substances Control (DTSC) dated August 7, 2008* for surficial soil. The soil samples should be delivered to a State-certified hazardous waste testing laboratory and analyzed for total organochloride pesticides, polychlorinated biphenyls (PCBs), and arsenic using Environmental Protection Agency (EPA) Methods SW846/8081 and 6020/7000 series on a 5-day turnaround basis. In addition, two background metal samples will be randomly collected from approximately 5 feet below ground surface to establish background concentrations for arsenic at the site. The soil samples should be delivered to a State-

certified hazardous waste testing laboratory and analyzed for arsenic using EPA Methods SW846/6020/7000 series on a 5-day turnaround basis.

- Based on the possible presence of residual petroleum-hydrocarbons, chlorinated-hydrocarbons, and metals within the subsurface soil and groundwater, seven (7) randomly located borings should be drilled to approximately 20 feet bgs or first-encountered groundwater using dual-tube stainless-steel sampling rods, lined with acetate liners. Soil samples will be obtained at five-foot intervals and each boring will be continuously cored, and logged in accordance with the Unified Soil Classification System (USCS) by the field geologist. Once the soil samples have been collected from each boring, groundwater "grab" samples will be collected from each boring using clean and small diameter Teflon tubing connected to a clean hand-pump. Selected soil and groundwater samples will be delivered to a State-certified hazardous waste testing laboratory under chain-of-custody documentation for analysis. Subsurface soil samples collected from approximately 5 feet bgs and immediately above groundwater and groundwater samples will be analyzed for total petroleum hydrocarbons reported as gasoline (TPHg), total extractable petroleum hydrocarbons reported as diesel, motor-oil and hydraulic oil (TEPHd, TEPHmo, and TEPHho) with silica gel cleanup, VOCs, pH, and CAM 17 metals using EPA Methods SW846/8021, 8015 (modified), 8260B, 9045-H^+, and 6020/7000 series on a 5-day turnaround basis. The groundwater samples to be analyzed for CAM 17 metals will be pre-filtered prior to analysis.

8.0 GENERAL RECOMMENDATIONS

In addition, the following recommendations should be considered if any future development of the property is planned:

- During grading activities of the property, soil technicians and operators must be aware of any basements, buried foundations, or reservoir discovered on the property. If any one of these conditions is encountered, then the Soil Engineer must be notified and the specific condition appropriately remedied in accordance with local, county and state requirements.

- During any grading activities of the property, soil technicians and operators must be aware of any unknown USTs, buried debris, or other potential adverse environmental condition which may be discovered on the property. If any one of these conditions is encountered, then the Soil Engineer must be notified and the specific condition appropriately remedied in accordance with the local, county, and state and RWQCB requirements.

- Demolition permits are required for proper demolition of the structures, which will require a LBP and ACM survey by a California Certified Asbestos Consultant (CAC) and Certified Lead Consultant (CLC).

9.0 LIMITATIONS

This environmental site assessment was performed according to the recommended guidelines established by ASTM designation E1527-2013 *Standard Practice for Environmental Site Assessments: Phase I Environmental Site Assessment Process*. This report has been prepared for the specific application to this project in a manner consistent with the level of care and skill normally exercised by members of the environmental science profession currently practicing under similar conditions in this area. This report contains information reported to ***GeoSolve, Inc.***, by other sources, accordingly, and errors or omissions may be present that ***GeoSolve, Inc.*** cannot be responsible for. The findings of this report apply to the present condition of the subject property only (as of January 23, 2014); the opinions expressed herein are subject to revision in light of new information relevant to the site and/or in its immediate surroundings. Results from Phase I environmental investigations are based on surficial evidence and public records and databases only. Subsurface conditions of the site cannot be properly evaluated without performing a subsurface environmental investigation and actually testing of the soil, and groundwater for potential contaminants.

10.0 INFORMATION SOURCES

ASTM, November 2013. *Standard Practice for Environmental Site Assessments: Phase I Environmental Site Assessment Process*: ASTM Standards E1527-13.

Campbell, R.D., March 2006. *Evaluation of Arsenic Levels and Speciation in Groundwater within Pleasanton, California, California State University East, Bay M.S. Geology Thesis, 165 pp.*

Chang, Andrew C., Page, Albert L. and Krage, Natalie J., November 2004. *Role of Fertilizer and Micronutrient Applications on Arsenic, Cadmium and Lead Accumulation in California Cropland Soils*, University of California at Riverside, Department of Environmental Sciences submitted to California Department of Food and Agriculture, 124 pages.

City of Morgan Hill Building and Planning Departments.

City of Morgan Hill Department.

County of Santa Clara Department of Environmental Health.

Environmental Data Resources (EDR) Radius Report dated January 28, 2014.

EDR Aerial Photography Decade Package dated January 28, 2014.

EDR Building Permit Report dated January 28, 2014.

EDR Environmental Lien and AUL Search Report dated January 30, 2014.

EDR Property Tax Map Report dated January 28, 2014.

EDR City Directory Image Report dated January 28, 2014.

EDR City Directory Abstract dated January 28, 2014.

EDR Sanborn Map Notice dated January 28, 2014.

EDR Historical Topographic Map Report dated January 28, 2014.

Helley, E.J and LaJoie, K.R. *Flatland Deposits of the San Francisco Bay Region, California – Their Geology and Engineering Properties and Their Importance to Comprehensive Planning.* Professional Paper 943, Plate 2.

Regional Water Quality Control Board – Central Coast Region

Santa Clara Valley Water District.

United States Geological Survey, 15-Minute Morgan Hill Quadrangle Topographic Map dated 1917, Scale 1:62500.

United States Geological Survey, 7.5-Minute Mount Madonna and Morgan Hill Topographic Maps dated 1955, 1968, 1973, 1980, and 1994.

Online Documents/Resources

http://gmw.consrv.ca.gov/shmp/download/quad/MOUNT_MADONNA/maps/MT_MDNA.PDF

http://gmw.consrv.ca.gov/shmp/download/quad/MORGAN_HILL/maps/MORGANHILL.PDF

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http://lustop.sccgov.org

http://geotracker.waterboards.ca.gov/map/?CMD=runreport&myaddress=90+east+3rd+street%2C+morgan+hill%2C+ca

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http://www.envirostor.dtsc.ca.gov/public/mapfull.asp?global_id=&x=-119&y=37&zl=18&ms=640,480&mt=m&findaddress=True&city=90%20east%203rd%20street,%20morgan%20hill,%20ca&zip=&county=&federal_superfund=true&state_response=true&voluntary_cleanup=true&school_cleanup=true&ca_site=true&tiered_permit=true&evaluation=true&military_evaluation=true&school_investigation=true&operating=true&post_closure=true&non_operating=true

11.0 ENVIRONMENTAL PROFESSIONAL QUALIFICATION

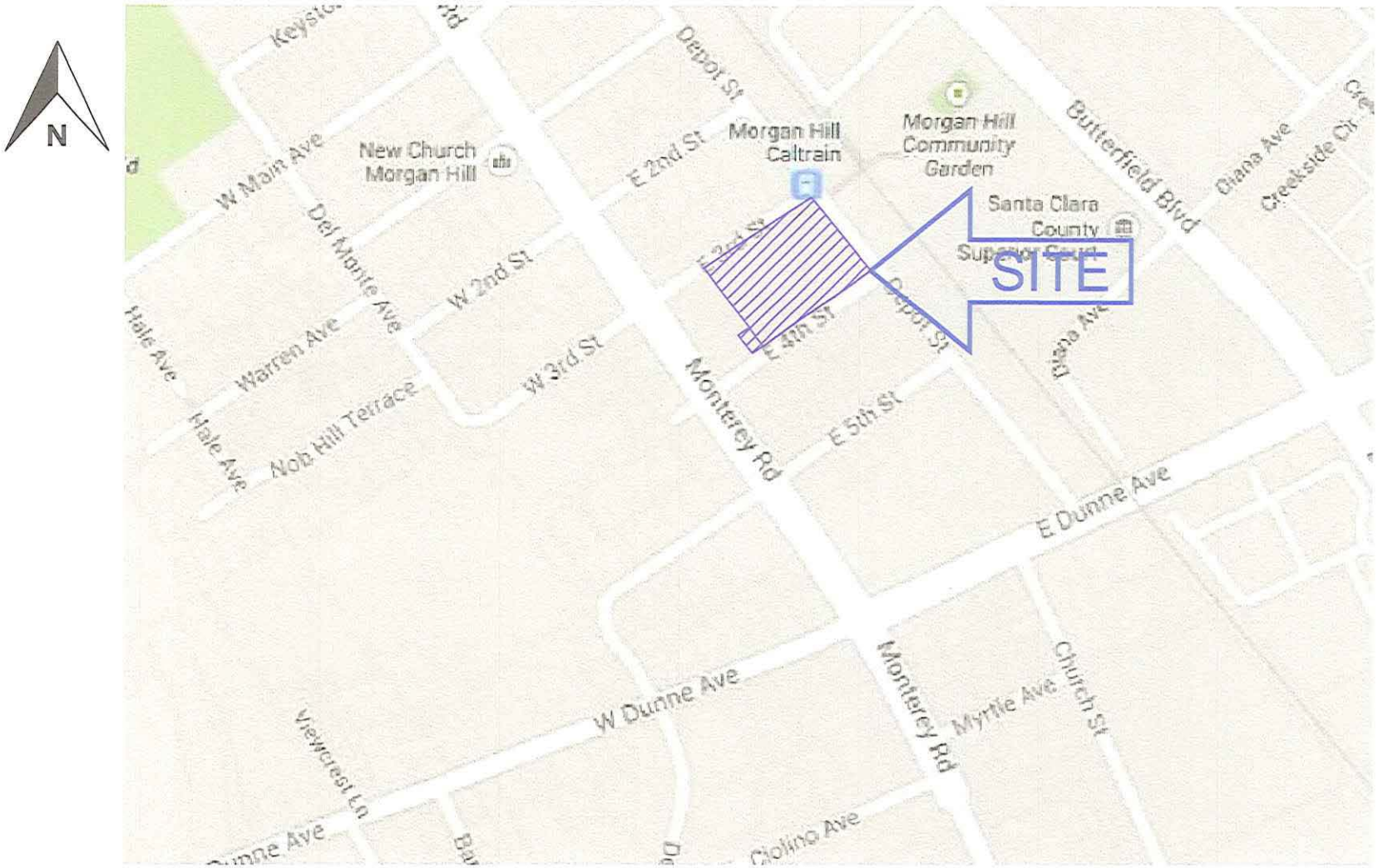
This Phase I Environmental Site Assessment was performed by Mr. Robert D. Campbell, a qualified Environmental Professional as defined in 40 CFR Part 312.10.

Mr. Campbell holds a Baccalaureate degree from U.C. Davis (an accredited institution of higher education) and a Masters of Science degree from C.S.U. East Bay (an accredited institution of higher education) in the discipline of Geology. Mr. Robert D. Campbell holds a valid Professional Geology license in the State of California (6454); a valid Certified Engineering Geology license in the State of California (2089); and a valid Professional Geology license in the State of Arizona.

Mr. Campbell has over 24 years of environmental, geological and hydrogeological experience, more specifically in environmental assessments including Phase I and Phase II Environmental Site Assessments (ESAs), which exceeds the regulatory requirement of three years of relevant experience.

Mr. Campbell remains current in his field and has received 1.6 Continuing Education Units (CEUs) and 12 Professional Development Hours (PDHs) in the previous 12 month period. He is also compliant with OSHA HAZWOPER 8-hour refresher requirements, including medical surveillance. As required in 40 CFR 312.27, Mr. Campbell directly conducted the Field Visit including the visual inspection of the Site, adjacent properties and surrounding areas on October 21, 2013 as shown below.

"All Appropriate Inquiry" was also conducted by Mr. Campbell as were all interviews. The record search, historical photo and topographic map search were conducted by EDR, Inc. The findings, opinions and recommendations of this Phase I Environmental Site Assessment are those of ***GeoSolve, Inc.*** as formulated by Mr. Robert D. Campbell.



Reference: Google Maps, 2014

GeoSolve, Inc.
Geoscience solutions rather than Status-Quo
Address: 1807 Santa Rita Rd, Suite D-165
Pleasanton, California 94566

VICINITY MAP

GLENROCK BUILDERS
PHASE I - ENVIRONMENTAL SITE ASSESSMENT
MORGAN HILL, CALIFORNIA

Project No.	Drawn by:
2014-08	GC
Scale:	Date:
NTS	02/2014

Figure No. 1

N

LEGEND

Property Line

0 50 100 200

Approximate Scale (feet)

Reference: Google Earth, 2014

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SITE PLAN

GLENROCK BUILDERS
PHASE I - ENVIRONMENTAL SITE ASSESSMENT
MORGAN HILL, CALIFORNIA

Project No.	Drawn by:
2014-08	GC
Scale:	Date:
AS SHOWN	02/2014

Figure No.
2