

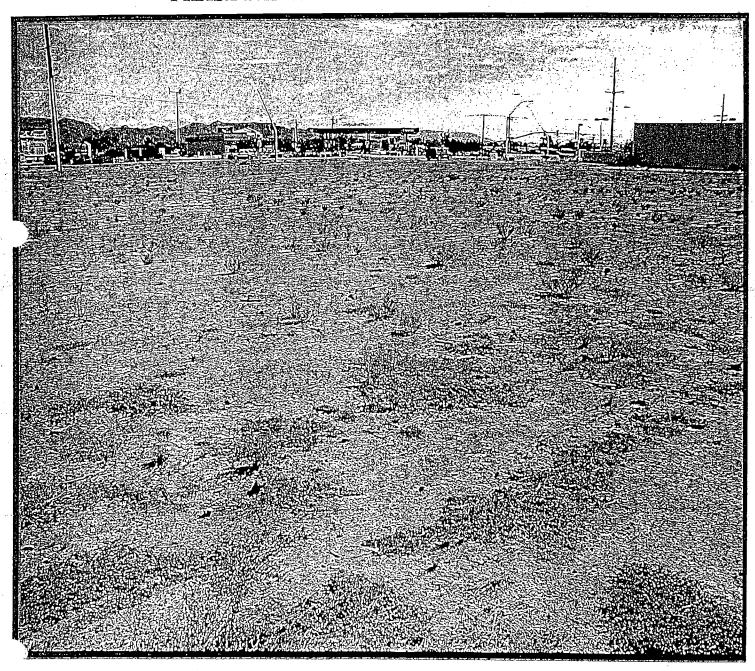
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Helping to Make It Last Since 1990

ASTM STANDARD E 1527-00 PHASE I ENVIRONMENTAL SITE ASSESSMENT



Vacant Land
West of the Southwest Corner of Ellsworth Road and Southern Avenue
Mesa, Maricopa County, Arizona
CES Project #03226N01D07E33 A A A

PHASE I ENVIRONMENTAL SITE ASSESSMENT ASTM STANDARD E 1527-00

Vacant Land
West of the Southwest Corner of Ellsworth Road and Southern Avenue
Mesa, Maricopa County, Arizona 85208

PREPARED FOR

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PREPARED BY

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CES Project #03226N01R07E33AAA

DATE

August 29, 2003

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EXECUTIVE SUMMARY

This report represents the results of a Phase I Environmental Site Assessment (ESA) conducted by Certified Environmental Services (CES) on the property described as the Vacant Land located West of the Southwest Corner of Ellsworth Road and Southern Avenue, Mesa, Maricopa County, Arizona. The work was authorized through a contract signed on August 20, 2003, by Mr. Fred Moll, Chief Estimator of LGE Corporation.

No records found for the subject site indicated the site has been subjected to any Environmental Regulatory Action requiring further investigation or deed use restriction. This assessment has revealed no evidence of recognized environmental conditions in connection with the subject site.

Summary of Significant Findings:

- Since 1984, there has been one (1) incident involving hazardous materials reported to the Arizona Department of Environmental Quality (ADEQ) Emergency Response Unit on a property located within a one-quarter (1/4) mile radius of the subject site.
- A review of the UST database indicated three (3) USTs currently in use are registered to a facility adjacent to the east of subject property. One (1) of the north adjacent properties is also a gasoline station; however, CES observed the storage tanks on this site to be vaulted, and, therefore, they are not required to be registered with ADEQ.
- One (1) drywell is registered to the north adjacent property.

These are the Recognized Environmental Conditions found within the ASTM recommended search radiuses. There is no evidence these Recognized Environmental Conditions have had any impact on the subject site.

Based on visual inspection of the site, review of historic records, and interviews with government agencies and individuals familiar with the area, it is CES's opinion the past and present activities conducted at the site and the properties adjoining it have had no apparent adverse environmental effects on the subject property. CES sees no reason to recommend further environmental investigation of the subject site at this time.

Our services did not include sampling of soil, groundwater, radon, lead or review of title documents.

CLIENT RELIANCE

CES has completed a Phase I Environmental Site Assessment of the Vacant Land located West of the Southwest Corner of Ellsworth Road and Southern Avenue, Mesa, Maricopa County, Arizona. This assessment was performed at the request of the Client utilizing methods and procedures consistent with good commercial or customary practice designed to conform to acceptable industry standards. This report is exclusively for the use and benefit of the Client and identified Users on the first page of this report and is not for the use or benefit of, nor may it be relied upon by, any other person or entity without the advanced written consent of CES. The independent conclusions represent CES's best professional judgment based on information and data available to us during the course of this assignment. CES certify that the information provided is true and correct in accordance with 18 U.S.C.§ 1001. Factual information regarding operations, conditions and test data provided by the client, owner or their representative has been assumed to be correct and complete. Additionally, the conclusions presented are based on the conditions that existed and the information available at the time of the assessment.

CES has no present nor do we contemplate any future partnership with the Client. CES has no interest in the property to be inspected which could adversely affect CES's ability to perform an objective assessment; and neither the employment of CES to conduct the Phase I ESA, nor the compensation for it, is contingent on the results of the Phase I ESA.

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Surveyed by:

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Rodney T. Bowen

Consultant

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1.0 INTRODUCTION

Purpose

The purpose of this Phase I Environmental Site Assessment is to identify, to the extent feasible pursuant to the processes prescribed herein, "recognized environmental conditions" associated with the subject property. The term "recognized environmental conditions," as defined by ASTM: "the presence or likely presence of any hazardous substance or petroleum product on a property under conditions that indicate an existing release, a past release, or a material threat of release of any hazardous substances or petroleum products into structures on the property or into the ground, groundwater or surface water of the property."

This practice is to define good commercial and customary practice in the United States of America for conducting an environmental site assessment of a parcel of commercial real estate with respect to the range of contaminants within the scope of the Compensation and Liability Act (CERCLA) and petroleum products. As such, this practice is intended to permit a user to satisfy one of the requirements to qualify for the innocent landowner defense to CERCLA liability: that is, the practices that constitute "all appropriate inquiry into the previous ownership and uses of the property consistent with good commercial or customary practice" as defined in 42 USC § 9601 (35) (B).

This is not a "Business Environmental Risk Assessment." An evaluation of business environmental risk associated with a parcel of commercial real estate may necessitate investigation beyond that identified in this practice.

2.0 SCOPE AND LIMITATIONS OF WORK

This assessment has been conducted in accordance with the ASTM "Standard Practice for Environmental Site Assessments: Phase I Environmental Site Assessment Process" E 1527-00. The ASTM E 1527-00 protocol specifies the degree and type of investigation, which constitutes "appropriate inquiry into the previous ownership and uses of the property consistent with good commercial or customary practice." Compliance to this protocol may enable this Phase I ESA to constitute "all appropriate inquiry" under CERCLA. In all cases, the documents, sources and minimum search distances established by ASTM E 1527-00 were either met or exceeded in the conduct of this Phase I Assessment.

2.1 Client Responsibilities

The ASTM Standard E 1527-00 identifies the following user responsibilities, which do not require the technical expertise of an Environmental Professional and may be performed by the user:

Title Search-Checking of Title Records for Environmental Liens or Activity and Land Use Limitations should be checked by the user to identify environmental liens or activity and use limitations. If any are found this information should be reported to the Environmental Professional. The ASTM Standard E 1527-00 does not impose the responsibility of a title search on the Environmental Professional.

Specialized Knowledge or Experience of the User-If the user is aware of any specialized knowledge or experience that is material to recognized environmental conditions in connection with the subject property, it is the users responsibility to inform the Environmental Professional of this information or knowledge prior to the site reconnaissance.

Significant Lower Purchase Price-If the user should have actual knowledge that the purchase price of the property is significantly less than the purchase price of comparable properties due to environmental concerns on the subject property or adjacent properties, the user should impart this information to the Environmental Professional prior to the site reconnaissance.

The user shall make known to the Environmental Professional in writing the reason the users want to have the Phase I Environmental Assessment performed. If the user does not identify the purpose for the Phase I Environmental Assessment the Environmental Professional shall perform the assessment with the understanding that the purpose is to qualify for the innocent landowners defenses to CERCLA liability and state this in the report. It is the users responsibility to identify to the Environmental Professional the purpose and to modify the Scope of Work under this practice for special circumstances, such as but not limited to the potential environmental conditions that could materially impact the operation of a business associated with the parcel of land.

2.2 Scope of Work

The following Scope of Work was agreed upon by both parties and is limited to:

A reconnaissance of the site and the adjoining properties, as allowed by readily available access, will be undertaken to visually identify indications of actual or potential site contamination. This does not include any type of inspection that would require extraordinary effort to obtain.

A review of reasonably ascertainable historical records, site use documents, street directories, plat plans and aerial photographs available through standard government agencies and commercial services will be performed. Historical records will be reviewed to 1940 or first development if after 1940.

The records obtained and reviewed, following ASTM E 1527-00, will meet or exceed the minimum search distance. In case of large, irregular shaped sites, the distance shall be measured from the nearest property boundary. Reduction of the minimum search distance would be based on the density of the setting, and the likely migration of hazardous substances or petroleum products, based on local geologic or hydrogeologic conditions.

A vehicular reconnaissance of the adjacent properties and the immediate surrounding area of the subject property will be performed to identify current land use and to determine its potential to adversely affect the subject property.

A review of published hydro-geological information; geological maps and records will be performed to evaluate the potential migration characteristics of the area and to determine depth to groundwater in the area of the site.

Interviews will be conducted with individuals who are familiar with the subject property and who may have experience or special knowledge regarding environmental concerns on the site or the surrounding area. An individual most knowledgeable of the subject property will be given the questionnaire containing the environmental questions established by ASTM Standard 1528-00 Transaction Screen. The written answers to this questionnaire will be included in this report.

All technical services are performed by an environmental professional with training and education in environmental technology with emphasis on hazardous materials handling and regulations.

A Phase I ESA Report summarizing our findings, opinions and, if required, our recommendations for further investigation, will be completed.

2.3 Limitations

This ESA is a visual observation of apparent environmental concerns. The scope of the work does not include the sampling and chemical analysis of soil, groundwater, air or building materials. Nor does this report include the investigation of process/operations of an existing facility in compliance with applicable environmental laws and regulations.

In preparing this report, CES must rely on information obtained from government agencies; some of this information requires a legal description of the site. If the client does not provide this legal description, then some historical data cannot be obtained and this section will show no legal provided, data unobtainable.

In preparing this report, CES has relied upon certain information provided by federal, state and local officials and knowledgeable individuals, as well as information contained in the files of federal, state and county agencies. CES did not attempt to independently verify the accuracy or completeness of all information provided during the course of this investigation. No warranty is made regarding the accuracy of any publicly documented information or the opinions of officials or other persons consulted.

In the event that counsel or title examiner or peer review for the Client obtains information on environmental or hazardous waste issues at the subject site not contained in this report, such information shall be brought to CES's attention immediately. CES will evaluate such information and, based on this evaluation, may modify the conclusions stated in this report.

In certain instances, alternatives have been substituted for the standard sources stated in ASTM Standard Practice E 1527-00. This has been done only in those situations when these alternatives are of equal or better reliability and detail, or if a standard source is not readily ascertainable.

Factual information regarding the operations, conditions and test data provided by the Client, owner and/or their representatives have been assumed to be correct and complete.

The conclusions and recommendations presented in this report are based upon reasonable visual inspection of the site and research of readily available documentation. This information is relevant to the date of our site visit and should not be relied upon to represent conditions later. CES is not responsible for the impact of any change in environmental standards, practices or regulations, subsequent to the performance of its services.

This report does not consider *de minims* conditions (i.e., small amounts of hazardous substances) that generally do not pose a risk of material harm to public health or the environment and generally would not be the subject of enforcement action if brought to the attention of appropriate government agencies.

Time constraints limit some receipt of information such as fire department and other agencies, which require written requests and up to two weeks or more to respond to these requests. Whenever possible CES will endeavor to obtain this information however when it is not possible CES will state: DATA FAILURE DUE TO TIME CONSTRAINTS.

Completion of this report in the prescribed time is contingent on the receipt of the requested documents from the Government agency, client and/or owner of the subject site as requested.

Unrestricted access to all portions of the building or buildings must be provided. If additional visits to the site are required to finish the site reconnaissance due to tenant refusal to allow entry to the site, an additional charge will be added to the price of the Report. The owner or owner's agent must notify the tenant the assessor will be visiting the site prior to the time of the site reconnaissance.

The information provided in the site reconnaissance is relevant to the date of the on site work and should not be relied on to represent conditions at later dates.

Use of this Phase I ESA without the expressed written permission of Certified Environmental Services, Inc. (CES), releases CES from any liability that may arise from the use of this report.

Reasonably Ascertainable for purposes of this report is information that is (1) publicly available, (2) obtainable from it source within reasonable time and cost constraints, and (3) practically reviewable.

This environmental assessment does not address issues that are not necessarily relevant to the environmental characteristics of the subject site, such as: geotechnical suitability; economic profitability; appropriate zoning; condition of the plumbing, electrical, roofing, and HVAC systems; and building structure.

Specific areas to which access was limited by site conditions or conditions outside of CES's control included the following: None.

2.4 Non-Scope Issues

The following non-scope issues to the ASTM Standard E 1527-00 are included as part of this report.

Radon information for the zip code of the subject property is attained from the State Radon Records dated 1988/89.

All other non-scope issues must be identified prior to starting the Phase I Procedure. These issues may include but are not limited to Comprehensive and Limited Asbestos surveys, Radon testing and Lead Testing.

Our services did not include sampling of soil, groundwater, radon, lead or review of title documents.

EXCEPTIONS AND/OR DEVIATIONS:

■ If there are any changes, deletions or additions to the Standard E 1527-00 Phase I Environmental Site Assessment procedure they are agreed to by the Client and CES and are included in the contract. All of these deviations will be noted in this section of the report.

None.

3.0 SUMMARY OF FINDINGS

CES has performed this Phase I Environmental Site Assessment of the property described as the Vacant Land located West of the Southwest Corner of Ellsworth Road and Southern Avenue, Mesa, Maricopa County, Arizona, in conformance with the scope and limitations of ASTM Practice E 1527-00. Any exceptions to, or deletions from, this practice are described in Section 2.0 of this report. Our review of available historical documents including aerial photographs, government records and site usage records, in addition to a video-recorded site reconnaissance, are included in this assessment. A synopsis of the information collected and the observations made as part of this investigation follows:

- The owner's agent has completed and returned the questionnaire on the subject site.
- Aerial photographs of the site have been examined and evaluated.
- Previous telephone listings have been reviewed using the Cole and local telephone directories.
- The Sanborn Maps are not available for the area.
- The site reconnaissance has been detailed in Section 8.0 of this report.
- The adjoining sites and current tenants have been identified.
- The elevation of the subject is approximately 1,480 feet above mean sea level with a gradient to the west, southwest.
- Groundwater in the area of the subject property is approximately 419 feet below the surface level.
- The subject property is located within Flood Zone X.
- The City of Mesa supplies drinking water for the area.
- Soil permeability of the Gilman Series of soils is moderate, runoff is slow, and soil blowing and water erosion are not a hazard.
- Soil permeability of the Antho Series of soils is moderately rapid, runoff is very slow, and soil blowing is a slight hazard.
- The site is in the East Salt River Sub-Basin (ESRV), and a brief description of the ESRV is included.
- The subject site is not located within a one-half (½) mile radius of a Superfund Site or within a one-mile (1) radius of a National Priorities List (NPL) site.

- No facility located on the subject site is included on the Department of Defense Site List. No facility located within one-half mile (1/2) of the subject site is included on the Department of Defense Site List.
- No facility located on the subject site is included in the No Further Remedial Action Planned (NFRAP) database. No facility adjacent or within one-eighth (1/8) mile of the subject site is listed on the NFRAP database.
- No facility located on the subject site is listed on the Federal RCRA database for Corrective Action workload (CORRACTS) as a treatment, storage and disposal (TSD) facility. No facility located within a one (1) mile radius of the subject property is listed on the Federal RCRA Database as CORRACTS TSD facilities.
- The subject site is not listed as a non-CORRACTS facility. No facility listed for non-corrective action workload (non-CORRACTS) is located within a one-half (½) mile radius of the subject site.
- The subject site is not listed on the RCRA database as a generator. No facilities adjacent to or within a one-eighth (1/2) mile radius of the subject property have been listed on the RCRA database as generators.
- No facility located on the subject property is included on the State RCRA Compliance Log for non-compliance with RCRA regulations. No facilities located within a one-half (½) mile radius of the subject property are listed for non-compliance with RCRA regulations.
- No Emergency Response Notification System (ERNS) incidents have been reported for the subject site.
- The site is not located within a one (1) mile radius of a Water Quality Assurance Revolving Fund (WQARF) area.
- The subject site is not included on the ASPL database. No facilities within one-half (½) of a mile of the subject site are listed on the Arizona Superfund Program List (ASPL) database.
- The subject site is not included on the AVRP database. No facility adjacent to the subject site is listed on the Arizona Voluntary Remediation Program (AVRP) database.
- Since 1984 there have been no incidents involving hazardous materials reported to the ADEQ Emergency Response Unit by facilities on the subject property.
- The subject site is not located within a one-half (½) mile radius of any known past or present landfill/dump site.

- There are no registered aboveground and underground storage tanks located on the subject property.
- There are no reported Leaking Underground Storage Tanks (LUSTs) on the subject site. There are no reported LUSTs within a one-half (½) mile radius of the subject site.
- No drywells were registered to or identified on the subject property.
- No groundwater production wells are located on the subject property.
- No Groundwater/Aquifer Protection Permits (APP) have been issued to any business located on the subject property. No facility within a one-quarter (1/4) mile radius of the subject site has been issued a Groundwater/Aquifer Protection Permit.
- Toxic chemical release inventory (TRI) reporting indicated no registration to the subject site. No facilities within a one-quarter (1/4) mile radius of the site have filed a TRI form R.
- The subject site has not been issued an Air Quality Permit by Maricopa County.
- No facility located on the subject property is, or needs to be, a Superfund Amendments and Reauthorization Act (SARA) Title III Notifier. No site located within a one-quarter (1/4) mile radius of the subject site is a SARA Title III Notifier.
- Fire Department Records-Data Failure. City of Mesa Fire Department records are not available for immediate public review.

4.0 SITE DESCRIPTION

4.1 Legal Description

The property, described in this report as West of the Southwest corner of Ellsworth Road and Southern Avenue, is in the City of Mesa, County of Maricopa, State of Arizona, and is described as follows:

The Client did not provide a legal description of the subject property.

Maricopa County Parcel Number 218-58-008-Y

4.2 Site Ownership and General Characteristics

Mr. Russell Scaramella, 6929 North Hayden Road, Scottsdale, Arizona 85250, currently owns the subject property.

■ Lot Size

The subject site consists of 55,930 square feet of land and is rectangular in shape.

■ Site Improvements

The subject site has not been improved with any buildings. Sewer, gas, water and electric power are not connected to the site, but are available to the area.

Zoning

The subject site is zoned AG, Agricultural, by the City of Mesa.

■ Area Utilities/Services

- Water: City of Mesa
- Gas Service: Southwest Gas Corporation
- Sewer System: City of Mesa
- Electric Power: Salt River Project (SRP)
- On-site Non-Hazardous Waste Collection: N/A
- On-site Regulated and /or Hazardous Waste Collection: N/A

4.3 Current Use of the Property

The subject property is undeveloped; there are no current tenants.

5.0 CLIENT OWNER PROVIDED INFORMATION

5.1 Specialized Knowledge and Experience of Owner

According to the ASTM 'Standard Practice for Environmental Site Assessments: Phase I Environmental Site Assessment Process' E 1527-00, the owner of the property should be contacted in order to obtain information regarding the presence, or absence, of recognized environmental conditions in connection with the subject property. In conformance to this protocol, CES sent the owner's agent a copy of the following questionnaire.

1. Is the property or any adjoining property used for an industrial use?

Owner's Agent: Not to my knowledge.

CES: No

2. Did you observe evidence or do you have any prior knowledge that the property or any adjoining property has been used for an industrial use in the past?

Owner's Agent: Not to my knowledge.

CES: No

3. Is the property or any adjoining property currently used as a gasoline station; motor repair facility, commercial printing facility, dry cleaners, photo developing laboratory, junkyard, landfill, waste treatment, storage, disposal, processing or recycling facility?

Owner's Agent: Not to my knowledge.

CES: The east and north adjacent properties are gas stations.

4. Did you observe evidence or do you have any prior knowledge that the property or any adjoining property has been used in the past as a gasoline station; motor repair facility, commercial printing facility, dry cleaners, photo developing laboratory, junkyard, landfill, waste treatment, storage, disposal, processing or recycling facility?

Owner's Agent: Not to my knowledge.

CES: Same as #3.

5. Are there currently, or did you observe evidence or do you have prior knowledge that there are or have been previously, any damaged or discarded automotive or industrial batteries; pesticides, paints, or other chemicals in individual containers of greater than 5 gallons (19 Liters) in volume or 50 gallons (190 Liters) in aggregate, stored on or used at the subject property or at the facility?

Owner's Agent: Not to my knowledge.

CES: No

6. Are there currently, or did you observe evidence or do you have any prior knowledge that there are or have been previously, any industrial drums (typically 55-gallon) or sacks of chemicals located on the property or at the facility?

Owner's Agent: Not to my knowledge.

CES: No

7. Did you observe evidence or do you have any prior knowledge that fill dirt has been brought onto the property that originated from a contaminated site or that is of an unknown origin?

Owner's Agent: Not to my knowledge.

CES: No

8. Are there currently, or did you observe evidence or do you have any prior knowledge that there are or have been previously, any pits, ponds or lagoons located on the property in connection with waste treatment or waste disposal?

Owner's Agent: Not to my knowledge.

CES: No

9. Is there currently, or did you observe evidence or do you have any prior knowledge that there have been previously, any stained soil on the property?

Owner's Agent: Not to my knowledge.

CES: No

10. Are there currently, or did you observe evidence or do you have any prior knowledge that there are or have been previously, any registered or unregistered storage tanks (above or underground) located on the property?

Owner's Agent: Not to my knowledge.

CES: No

11. Are there currently, or did you observe evidence or do you have any prior knowledge that there are or have been previously, any vent pipes, fill pipes, or access ways indicating a fill pipe protruding from the ground on the property or adjacent to any structure located on the property?

Owner's Agent: Not to my knowledge.

CES: No

12. Are there currently, or did you observe evidence or do you have any prior knowledge that there are or have been previously, any flooring, drains or walls located within the facility that are stained by substances other than water or are emitting a foul odor?

Owner's Agent: Not to my knowledge.

CES: No

13. If the property is served by a private well or non-public water system, is there evidence or did you have prior knowledge that contaminants have been identified

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Mesa, Maricopa County, Arizona
CES Project #0222 (NOID DOTTED A A A

in the well or system that exceed guidelines applicable to the water system or has the well been designated as contaminated by any government environmental or health agency?

Owner's Agent: Not to my knowledge.

CES: No

14. Does the property discharge wastewater (not including sanitary waste or storm water) onto or adjacent to the property and/or into sanitary sewer system?

Owner's Agent: Not to my knowledge.

CES: No

15. Did you observe evidence or do you have any prior knowledge that any hazardous substances or petroleum products, unidentified waste materials, tires, automotive or industrial batteries or any other waste materials have been dumped above grade, buried and/or burned on the property?

Owner's Agent: Not to my knowledge.

CES: No

16. Is there a transformer, capacitor or any hydraulic equipment for which there are records indicating the presence of Polychlorinated Biphenyls (PCBs)?

Owner's Agent: Not to my knowledge.

CES: No

17. Is there or has there ever been a Septic System on the Subject Property?

Owner's Agent: No

CES: No

18. Are there currently, or did you observe evidence of, or do you have any prior knowledge that there are, or have been previously, any drywells on the subject property?

Owner's Agent: Not to my knowledge.

CES: No

19. Has the price of the Subject Property been reduced due to environmental conditions on the subject property or on an adjacent property?

Owner's Agent: Not to my knowledge.

- 20. Has the owner or occupant of the property been informed of the past or current existence of hazardous substances or petroleum products or environmental violations with respect to the property or any facility located on the property?

 Owner's Agent: Not to my knowledge.
- 21. Does the owner or occupant of the property have any knowledge of any environmental site assessment of the property or facility that indicated the presence of hazardous substances or petroleum products on, or contamination of, the property or recommended further assessment of the property?

Owner's Agent: Not to my knowledge.

22. Does the owner or occupant of the property know of any past threatened or pending lawsuits or administrative proceedings concerning a release or threatened release of any hazardous substances or petroleum products involving the property by any owner or occupant of the property?

Owner's Agent: Not to my knowledge.

23. Does the owner or occupant of the property have any knowledge of environmental liens or government notification relating to past or current violations of environmental laws with respect to the property or any facility located on the property?

Owner's Agent: Not to my knowledge.

The owner's questionnaire was completed by:

Name: Mr. Fred J. Moll

Title: Chief Estimator

Firm: LGE Corportation

Address: 740 North 52nd Street, Phoenix, Arizona 85008.

Phone Number: (480) 966-4001

Date: August 19, 2003

Preparer's relationship to the site: Agent for the owner. Preparer's relationship to user: Is the user of the report.

The site inspector's questionnaire was completed by:

Name: Mr. Rodney T. Bowen

Title: Environmental Professional

Firm: Certified Environmental Services, Inc.

Address: 1348 East Missouri Avenue, Phoenix, Arizona 85014

Phone Number: (602) 230-1471

Date: August 20, 2003

Preparer's relationship to the site: Performed the Phase I Environmental site

assessment on the subject site.

Certified Environmental Services has retained a copy of the original signed questionnaire in the report file.

5.2 User/Clients Reason for Phase I Assessment

The Clients purpose for this Phase I Environmental Site Assessment is to identify if any "recognized environmental conditions" are associated with the property, and to determine the environmental soundness of the property as part of a real estate transaction.

5.3 Title Search

The Client did not provide a title search for the subject property nor did the Client request CES to provide a title search as part of this report.

6.0 RECORDS REVIEW

The purpose of the record review is to ascertain the potential for environmental concerns on the subject property resulting from current and previous on-site and nearby land use activities. During this portion of the Phase I ESA, numerous documents, which are prepared and maintained, by various Federal, State and local government agencies are reviewed. The results of this investigation are discussed in the following sections:

FEDERAL RECORDS REVIEWED

6.1 National Priorities List (NPL)

The Comprehensive Environmental Response, Compensation and Liability Act (CERCLA), also known as the `Superfund' law, provides for the clean-up and long term care of properties contaminated with hazardous substances. Through CERCLA, the Environmental Protection Agency (EPA) is empowered to investigate sites suspected of hazardous substance contamination.

When a site requiring remediation is discovered by the EPA, it is placed on the National Priorities List (NPL) according to the risk it poses to human health, its potential for contaminating drinking water, and the threat of destroying sensitive ecosystems. Properties placed on the NPL represent a significant risk to health and the environment, and have been given the highest priority for clean up under the Superfund Law (CERCLA). Only those sites appearing on the NPL are eligible for Federal funding for the remediation of the contamination. These records were reviewed for sites within a one (1) mile radius of the subject site.

The subject property is not located within a one (1) mile radius of a currently designated National Priorities List (NPL) Site.

6.2 Federal CERCLA NFRAP/Superfund Site/Department of Defense Site

CERCLIS (Comprehensive Environmental Response, Compensation and Liability Information System) List has been compiled by the Environmental Protection Agency (EPA), a Federal agency. It lists sites, which have been investigated, or are currently being investigated, for potential hazardous substance and petroleum product contamination. Petroleum products are those substances that include petroleum, crude oil or any fraction thereof, which is not otherwise specifically listed or designated as a hazardous substance in 42 U.S.C. Section 9601 (14).

CERCLIS NFRAP are sites where, following an initial investigation, no contamination was found, contamination was removed quickly, or the contamination was not serious enough to require Federal Superfund action or NPL consideration.

■ Superfund List Sites

The subject property is not located within a one-half (½) mile radius of a currently designated Superfund Site.

■ Department of Defense List Sites

No facility on the Subject Property was listed on the Department of Defense List. No facility within a one-half (½) mile radius of the Subject Property was listed on the Department of Defense List.

■ No Further Remedial Action Planned (NFRAP) List

The subject site is not listed on the NFRAP List. No site adjacent to or within a one-eighth (1/8) mile radius of the subject site is on the NFRAP List.

6.3 Resource Conservation and Recovery Act (RCRA)

■ Federal RCRA Database

This database is an EPA maintained listing of facilities involved in the generation, transport, treatment, storage and/or disposal of hazardous wastes. Hazardous waste is any waste having characteristics identified under or listed pursuant to Section 301 of the Solid Waste Disposal Act (42 USC section 6921). RCRA defines hazardous waste as "solid waste or combination of solid wastes, which because of its quantity, concentration or physical, chemical or infectious characteristics may; (A) cause, or significantly contribute to an increase in mortality or an increase in serious irreversible, or incapacitating reversible, illness; or (B) pose a substantial present or potential hazard to human health or the environment when improperly treated, stored, transported, or disposed of, or otherwise managed." Each facility on this list has obtained an EPA identification number and the facility is classified according to the type of hazardous waste involved and activity conducted. This database was reviewed for the following:

■ RCRA TSD CORRACTS

TSD Facilities subject to corrective Action Under RCRA. This CORRACTS list database was reviewed to identify each TSD facility within a one (1) mile radius of the subject site.

No CORRACTS TSD facilities were identified on the subject property. No CORRACTS TSD facility was identified within a one (1) mile radius of the subject site.

■ RCRA TSD non-CORRACTS

TSD Facilities which are not subject to corrective action, involved in the treatment, storage and disposal of there own on site hazardous waste or other facilities hazardous waste. This non-CORRACTS list database was reviewed to identify each non-CORRACTS facility within a one-half (½) mile radius of the subject site.

No non-CORRACTS facility is identified on the subject property. No non-CORRACTS facility was identified within a one-half (½) mile radius of the subject property.

■ RCRA Generators

The RCRA database was reviewed in order to identify any facility on the subject property or any site adjacent to or within a one-eighth (1/s) mile radius of the subject property, actively involved in the generation or transportation of hazardous wastes.

No facility on the subject site is included on the RCRA database as a generator. No facility adjacent to or within a one-eighth (1/8) mile radius of the subject site is listed as a generator.

■ RCRA Compliance Log

The State of Arizona maintains a database, which lists those facilities presently, or in the past, under investigation for non-compliance with RCRA regulations.

The review of this database identified no facility located on the subject site for non-compliance with RCRA regulation. No facilities within a one-half (½) mile radius of the subject property are listed for non-compliance with RCRA regulations.

6.4 ERNS List

The EPA's Emergency Response Notification System (ERNS), list of reported CERCLA hazardous substance releases or spills in quantities greater than the reportable quantity, as maintained at the National Response Center. Notification requirements for such releases or spills are codified in 40 CFR Parts 302 and 355.

According to the ERNS list, there are no reported ERNS on the subject site.

STATE OF ARIZONA RECORDS REVIEWED

6.5 Water Quality Assurance Revolving Fund (WOARF) Sites

The WQARF program is the State of Arizona's equivalent of the Federal CERCLA (Superfund) program in that WQARF provides funding to facilitate the clean up and conservation of Arizona's drinking water and water sources. Since 1981, the Arizona Department of Health Services (ADHS) and the Arizona Department of Environmental Quality (ADEQ) have surveyed the state's groundwater and public drinking water supplies to determine the location and extent of groundwater contamination and to identify conditions, which have the potential to adversely impact State waters.

Under the authority of the WQARF program, the Arizona Department of Environmental Quality (ADEQ) is empowered to identify actual contamination and evaluate the extent of the contamination, identify the parties responsible, and provide funding to expedite the remediation effort. Several sites have been given priority by ADEQ officials under this program.

ADEQ maintains reports prepared by the State on WQARF Priority List Sites. Sites identified as a State WQARF Priority List Site may, or may not, appear on the Federal NPL List. These records were reviewed within one (1) mile radius and it was determined that the subject property is not located within a currently designated WQARF Priority List Site area.

6.6 Arizona Superfund Program List (ASPL)

The Arizona Department of Environmental Quality's Office of Waste Programs maintains a database known as the Arizona Superfund Program List. This database consists of those sites and facilities subject to investigation under either the Federal CERCLA program or the State WQARF program for known, alleged, or potential contamination of soil, surface water or groundwater. The inclusion of a site on the ASPL List does not necessarily imply the location is contaminated, causing contamination, or in violation of State or Federal statutes, only that the site is subject to investigation.

Arizona Superfund Program List (ASPL)

No areas of investigation listed on the ASPL and the ASPL

No areas of investigation listed on the ASPL are located within one-half (½) of a mile of the subject site. The subject site is not included on the ASPL database.

Arizona Voluntary Remediation Program

No facility adjacent to the subject site is listed on the AVRP database. The subject site is not included on the AVRP database.

6.7 Hazardous Materials Incidents Logbook

The Arizona Department of Environmental Quality-Emergency Response Unit (ERU) maintains logbooks which document all chemical spills or threats of spill incidents, which are referred to the unit.

The review of the ERU Logbooks dating back to 1984 indicated no reported incidents have occurred on the subject property. One (1) incident involving reportable quantities of hazardous substances has been reported at a location within a one-quarter (1/4) mile radius of the subject property. This is a recognized environmental condition; however, there is no evidence this incident impacted the subject site.

Valley El Oro RV Resort

1452 South Ellsworth Road, Mesa

Incident Date: 10/12/98 Incident No: 99-042-D

Response: Assisted with a sewage release of less than 100 gallons from a sewer pipe. Referred to Maricopa County Environmental Services Department on

10/12/98.

6.8 Landfills

The Arizona Department of Environmental Quality (ADEQ) Office of Waste Programs maintains directories, which list Active Municipal Solid Waste Landfills (MSWLFs), Rubbish Landfills (RLFs), Solid Waste Facilities Not Open to the Public (SWFNOP), Inactive Municipal Solid Waste Landfills, and Closed Solid Waste Landfills (CSWLFs).

A review of these five (5) directories indicated there is no facility located within a one-half (½) mile radius of the subject property. Please note: these directories are not necessarily complete. Older landfills and dumping areas may not be known and therefore not be included in these directories. The true content of the landfills is often unknown.

6.9 Underground Storage Tanks (UST)

Both State and Federal law require all Underground Storage Tanks, which contain petroleum products or other hazardous, or regulated substances must be registered with the Arizona Department of Environmental Quality. The ADEQ maintains a database, which lists the status, contents, capacity and construction type of each registered UST.

The Underground Storage Tanks List indicated no UST is currently registered to the subject site. No evidence of a UST was observed during the site reconnaissance. No subsurface magnetometer investigation was performed on the subject property to determine the presence of USTs and/or buried drums.

A review of the UST database indicated three (3) USTs currently in use are registered to a facility adjacent to the east of subject property. One (1) of the north adjacent properties is also a gasoline station; however, CES observed the storage tanks on this site to be vaulted, and, therefore, they are not required to be registered with ADEQ. These are a recognized environmental condition; however, there is no evidence they represent a threat to the subject site at the present time.

Arco AM/PM, 1208 South Ellsworth, Mesa Facility #0-009687(East Adjacent)

| # | Product | Size | Status | Date Installed |
|---|----------|--------|--------|----------------|
| 1 | Gasoline | 20,000 | Active | 5/16/00 |
| 2 | Gasoline | 10,000 | Active | 5/16/00 |
| 3 | Diesel | 10,000 | Active | 5/16/00 |

6.10 Leaking Underground Storage Tanks (LUST)

Owners of underground storage tanks are required to report any and all releases of tank contents and the remedial action taken to the Arizona Department of Environmental Quality (ADEQ). This information is compiled to create the Leaking Underground Storage Tank, or 'LUST' database.

According to the ADEQ LUST list, there are no reported LUSTs on the subject site itself. There are no LUST sites within a radius of one-half (½) mile of the subject site.

6.11 Drywells

A drywell as defined by the State of Arizona is a bored, drilled or driven shaft or hole whose depth is greater than its width. Drywells are constructed solely for the collection of storm water and its dissemination to an aquifer. The drywell typically has an upper settling chamber and lower section. The lower section is filled with pea gravel, coarse sand or large rocks. There may or may not be a standpipe that allows water from one chamber to overflow into a lower deeper chamber or shaft. Drywells are not to be used for the disposal of hazardous materials, controlled substances, regulated substances, or household or automotive wastes. Since 1986, the State of Arizona has required the registration of all drywells with the Arizona Department of Environmental Quality (ADEQ) Plan Review and Permit Section. Drywells should be inspected on a yearly basis.

Drywells are regulated by Aquifer Protection Program (APP), established under Title 49, Chapter 2 of the Environmental Quality Act of 1986 and revision effective 01-01-2001, as outlined by the Arizona Administrative Codes R18-9-101-403 and Arizona Revised Statutes 49-331-336. All drywells are required to meet Aquifer Protection Program (APP) requirements. Some commercial and industrial owners of drywells will be required to obtain a permit before December 31, 2003 to be compliant with Arizona Regulations. Application for Determination Of Applicability can be made to ADEQ. Any drywell that is out of compliance with these regulations as of December 31, 2003 may be subject to Civil Penalties of up to \$5,000 per day per incident.

Our review of the ADEQ Drywell Registration database indicated no drywell is registered to the subject property. One (1) drywell is registered to a facility adjacent to the subject property. This is a recognized environmental condition; however, there is no evidence this drywell has had an environmental impact on the subject site at the

present time.

Kids Inc. Day Care, 9132 East Southern Avenue (North Adjacent)
 Number of Wells registered: 1
 Well Registration numbers: 20631

6.12 Groundwater/Aquifer Protection Program

The Aquifer Protection Program (APP), established under Title 49, Chapter 2 of the Environmental Quality Act of 1986 and revision effective 01-01-2001, is the most significant of the strategies established for the management, control, remediation and regulation of sources of groundwater pollution in the State of Arizona.

Under the APP, any individual or facility responsible for the discharge, or potential discharge, of a pollutant to an aquifer, the land surface, or to the vadose zone, which has a reasonable probability of reaching groundwater, must obtain a general permit. A drywell that drains an area where regulated or hazardous substances are used, stored, loaded or treated must obtain a general permit. The permits granted to such facilities might establish limits on the quantity and chemical quality of wastes discharged and may specify the type of disposal method to be used. Regulated facilities include, but are not limited to, wastewater treatment facilities, on-site sewerage disposal systems (septic systems), mines, landfills, land (soil) treatment facilities, injection wells, groundwater recharge projects using wastewater effluent, and agricultural applications of wastewater sludge. All existing facilities must be brought into compliance with the APP regulations. Facilities not in compliance December 31, 2003 can be subjected to civil penalties of up to \$5,000 per day.

The State Permitted Facilities List, maintained by ADEQ, lists all facilities that have been issued a general permit. A review of this document indicated no facility located on the subject site has been issued a general permit. No facility within a radius of one-quarter (1/4) mile of the subject property has been issued a general permit under the Aquifer Protection Program.

6.13 Toxic Chemical Release

Many Arizona facilities are required to complete a Toxic Chemical Release Inventory (TRI) Reporting Form R to inform the public about the types and amounts of toxic chemicals used at the facility and released from the facility into the environment. The Arizona Department of Environmental Quality (ADEQ) receives, reviews, and summarizes this data, provides the data to the Arizona Emergency Response Commission and makes it available to the public through this report and through specific requests. ADEQ also reviews the data trends as a tool to measure the success of Arizona's Pollution Prevention Regulations and to encourage pollution prevention statewide.

A review of the current registration data indicated there were no toxic chemical releases located on the subject site, and no facility within a one-quarter (1/4) mile radius of the subject property has filed a TRI Form R.

6.14 Air Quality Permits

These permits are issued in accordance with the Maricopa County Air Pollution (MCAP) Control Regulations, Rule 200, Section 303 and Arizona Revised Statutes, § 49-480. There were no permits issued to the subject site.

LOCAL RECORDS REVIEW INCLUDING CITY AND COUNTY

6.15 Superfund Amendments and Reauthorization Act (SARA)

SARA Title III (also known as the `Emergency Planning' and 'Community Right-To-Know Act of 1986') is intended to increase the public's knowledge and access to information regarding the presence of hazardous chemicals in their communities and the releases of hazardous substances into the environment. This legislation assists communities to better meet their responsibilities by establishing requirements regarding emergency planning for potential chemical emergencies, and 'community-right-to-know' reporting on hazardous and toxic chemicals.

Facilities are required to prepare and make available copies of Material Safety Data Sheets (MSDS) for the hazardous chemicals they produce, use or store on site. Each MSDS explains the chemical properties of a particular substance, the effects it may have on human health, and how to treat victims exposed to the substance. Under the Community Right-to-Know portion of SARA, facilities, which must prepare MSDSs, are also required to submit copies of the individual MSDS (or a list of these chemicals) to the local emergency planning committee, the State Emergency Response Commission and the local Fire Department.

According to information supplied by the Maricopa County Department of Emergency Management, no business located on the subject site is a Notifier. No facility within a one-quarter (1/4) mile radius of the subject site is a SARA Title III Notifier.

6.16 Fire Department Review/Hazardous Substance Permits

In an attempt to review the file information at the City of Mesa Fire Prevention Office, CES was informed the Mesa Fire Department file information is not available for immediate public review.

6.17 Aerial Photograph Review

Aerial photographs dating back to 1981 were reviewed by CES. These aerial photographs were from the City of Phoenix Public Library, Arizona Room.A brief description of each photograph reviewed follows.

1981

■ This aerial photograph shows two (2) structures on large lots are developed north of the subject site. The subject site and all of the other adjacent sites are undeveloped desert land.

1990 & 1995

■ These aerial photographs show two (2) residential structures on large lots adjacent to the north. The subject site and all of the other adjacent sites are undeveloped desert land.

2003

■ In this aerial photograph, the subject site is undeveloped land. North across Southern Avenue, on the southwest corner of Ellsworth Road and Southern Avenue is a service station. Also adjacent north is a commercial structure and residential structure. Immediately adjacent to the west is undeveloped land. Immediately adjacent to the east is a service station. Immediately adjacent to the south is a single-family home sub-division.

A copy of a portion of the 2003 aerial photograph is in Section 14.0 of this report.

A review of these aerial photographs provided no evidence the subject property was subjected to past activities, which would represent an environmental threat to the property.

6.18 Site Historical Use

The subject site always has been undeveloped land. No structures have ever been developed on the site.

6.19 Other Historical Sources

Sanborn Fire Insurance Maps and Geographic Information Service, Pelham, New York. The Sanborn Fire Insurance Map Series illustrates detailed historical information on the development in some of the older areas from the years 1890 through 1968. These maps typically provide historical information such as the types and uses of buildings constructed on property and the surrounding area, identifying industrial or manufacturing businesses, delineating the locations of underground storage tanks and other structures which may be of environmental concern.

Generally, the absence of Sanborn Maps for a given area tends to support evidence the area was not significantly developed during the years covered by the map collection. The subject property was not included in the Sanborn Maps.

Cole's and Telephone Directories: The directories from 1990 to 2003 were reviewed for the City of Mesa and vicinity. The names to which telephones have

been registered at a particular address provide insight into the types of business activities conducted at that site, and the potential environmental concerns associated with those businesses. However, it must be noted that the Cole's Cross Reference Telephone and City Directories provide only the names of the individuals or businesses to which a telephone has been registered. These listings are often incomplete, and it is often impossible to determine the actual activities conducted on a site by the names listed in a telephone directory.

The review of the historical directories shows the subject site has never been listed. All references are documented in Section 13.0 of this Report.

7.0 PHYSICAL SETTING SOURCES

7.1 Topography

The subject property is situated within the Basin and Range Province, which is characterized by alluvial plains separated by predominantly north to northwest trending mountain ranges. The mountains consist of tilted and sometimes structurally deformed crystalline, igneous and metamorphic rocks that have been severely eroded. Deposits of gravel, cobble and boulders can be found near wash and drainage systems. The land surface elevations range from less than 800 feet above mean sea level to over 6,000 feet above mean sea level.

The United States Geologic Service (USGS) 7.5 Minute Topographical Map for the Buckhorn, Arizona Quadrangle was reviewed to determine the hydro-geologic and topographic characteristics of the area in the vicinity of the subject property. This map indicates that the subject property is at an elevation of approximately 1,480 feet above mean sea level. The subject site is generally flat, the topographic gradient trends to the west, southwest.

A portion of the USGS 7.5 Minute Topographical Map for the Buckhorn, Arizona Quadrangle, N3322.5-W11137.5/7.5, 1956 Photo revised 1982 has been included in Section 14.0 of this report.

7.2 Surface Water Hydrology

Surface Water

There are no ponds, lakes, streams, rivers, washes, watercourses or canals on, or adjacent to, the subject property. The Central Arizona Project Canal is located approximately one and three-quarters (1 ¾) miles northeast of the subject site.

Area Drainage Pattern

The natural surface water drainage pattern is generally in a down gradient direction toward the nearest surface water body. Based upon on our review of the USGS 7.5-Minute Topographical Map for the Buckhorn, Arizona Quadrangle, surface drainage near the subject property is anticipated to follow the contour of the land to the west, southwest.

The natural drainage of the subject property has not been significantly changed. Our observation of site specific drainage indicated the majority of the storm water falling on the subject property would flow to the low spots of the site where it would be absorbed into the ground or evaporate. Some of the storm water falling on the site flows off of the site onto the west adjacent site.

Floodplain Designation

In an interview with Ms. Clarice Kimbell of the Maricopa County Floodplain Management Department, it was determined that the subject property is located in Flood Zone X. This is located in a 500-year flood Plain. This information was obtained using the most current Floodplain Map, Panel #2220E dated July 19, 2001.

7.3 Hydrology/Registered Wells (Groundwater Conditions)

The Arizona Department of Water Resources (ADWR) maintains a database of all registered wells in the State of Arizona. In a review of the Arizona Department of Water Resources-Well Registry, it was determined that no hydrology wells have ever been registered on the subject property. No evidence of any well was observed during our reconnaissance of the site.

Based on the information recorded for the well nearest to the subject site, for which relatively current information is available, the groundwater beneath the subject site is approximately 300 feet below the ground surface (bgs). This information was recorded from ADWR Hydraulic 1992 Map Series #27, for a well located approximately one-half (½) of a mile southeast of the subject site.

7.4 Soil Conditions

According to the U.S. Soil Conservation Service Soil Survey of Eastern Maricopa and Northern Pinal Counties Area, Arizona, sheet #11, the soil in the general vicinity of the subject site consists primarily of soil of the:

Gilman Series

The Gilman series consists of level or nearly level, well-drained soils on flood plans and alluvial fans of the Salt River, Queen Creek Wash, and other large streams. These soils have slopes of no more than 1 percent. They formed in mixed alluvium derived from basic and acidic igneous rocks. The vegetation is creosote bush, mesquite, saltbush, annual grasses, and weeds. Elevations range for 1,075 to 1,600 feet. Gilman soils are associated mainly with Avondale, Antho, Estrella, Glenbar, Trix, and Vint soils.

In representative profile the surface layer is pale-brown loam and about 13 inches thick. The underlying material is light yellowish-brown loam that extends to a depth of 60 inches or more. The profile commonly contains a few fine veins and seams of lime, and it is moderately alkaline and calcareous throughout.

Gilman Loams - These deep and well-drained soils are on flood plains and alluvial fans. They formed in alluvium derived dominantly from acid and basic igneous rock. Slope is zero to three percent. Most of the areas used as cropland have slopes of less than one percent. Elevation is 1,100 to 2,200 feet. The average annual

precipitation is seven to 10 inches, and the average annual air temperature is 70 of 73 degrees Fahrenheit.

About 40 percent of this unit is Gilman loam that is non-calcareous in the upper five inches and is calcareous below, and 40 percent is Gilman loam that is calcareous throughout. The components of this unit are so intricately intermingled that it was not practical to map them separately at the scale used.

Typically, the upper five inches of these Gilman soils is reddish yellow loam. The next 38 inches is reddish yellow loam and very fine sandy loam. Below this to a depth of 60 inches or more is reddish yellow fine sandy loam.

Included in this unit are small areas of Antho and Carrizo soils in drainage ways; Estrella, Glenbar, Maripo, Valencia, and Vint soils scattered throughout the unit; and Denure, Momoli and Carrizo soils on fan terraces. Also included are small areas of soils that are similar to these Gilman soils but are underlain by very gravelly sand at a depth of less than 40 inches. The included areas make up about 20 percent of the total acreage. The percentage varies from one area to another.

Permeability of these Gilman soils is moderate. Runoff is slow and the hazard of water erosion is slight. Where unprotected, the soils are subject to rare periods of flooding.

Gilman Loam (Gm) - This soil is in areas of 300 acres in size. It has the profile described as representative for the Gilman Series.

Included with this soil in mapping were small, long and narrow areas where the surface layer is clay loam or fine sandy loam; small areas of Antho, Avondale, Estrella, and Vint soils; and small areas of saline and alkaline soils.

Permeability is moderate. Runoff is slow. Soil blowing and water erosion are not a hazard.

Antho Series

The Antho series consists of well-drained soils on flood plains and alluvial fans. These soils have slopes of 0 to 3 percent. They formed in mixed alluvial material. The vegetation is creosotebush, mesquite, Palo Verde, annual grasses, weeds, saguaro cactus, and cholla cactus. Elevations range from 1,100 to 1,700 feet. The average annual rainfall is 6 to 8 inches, the average annual soil temperature is 72° to 74° F., and the frost-free period is 240 to 300 days. Antho soils are associated manly with Gilman, Valencia, Vint, Mohall, and Tremant soils.

In a representative profile, the surface layer is light-brown sandy loam about 17 inches thick. The next layer, also light brown, is light sandy loam about 29 inches

thick. Below this and extending to a depth of 60 inches or more is light-brown heavy loam. These soils are moderately alkaline and are generally calcareous throughout.

Permeability is moderately rapid, and available water capacity is moderate. Runoff is slow. Roots can penetrate to a depth of 60 inches or more.

These soils are used for most of the irrigated crops commonly grown in the survey area. They are also used for desert range, as home sites, and as a source of material for engineering structures.

0 to 17 inches, light brown (7.5YR 6/4) sandy loam, dark brown (7.5YR 4/4) when moist; massive; slightly hard when dry, very friable when moist, nonsticky and slightly plastic when wet; few very fine roots; common, fine, interstitial pores; slightly effervescent; moderately alkaline; abrupt, smooth boundary, 78 to 18 inches thick.

17 to 46 inches, light brown, (7.5YR 6/4) light sandy loam, dark brown (7.5YR 4/4) when moist; massive; slightly hard when dry, very friable when moist, nonsticky and nonplastic when wet; few very fine roots; few, fine, tubular and common, fine, interstitial pores; slightly effervescent; moderately alkaline; clear, smooth boundary, 32 to 52 inches thick.

46 to 60 inches, light brown (7.5YR 6/4) heavy loam, reddish brown (5YR 4/4) when moist; weak, medium, subangular blocky structure; hard when dry, friable when moist, slightly sticky and plastic when wet; many, very fine and micro, tubular pores; common moderately thick clay films on ped surfaces and in tubular pores; many, fine and medium, distinct, pinkish white (7.5YR 8/2) mottles and lime filaments; strongly effervescent; moderately alkaline.

Antho sandy loam, 0 to 1 percent slopes (AnA). - This nearly level soil is on flood plains and alluvial fans that extend outward from nearby mountains. It has the profile described as representative for the Antho series.

Included with this soil in mapping were small areas of Antho gravelly sandy loam, Gilman fine sandy loam, and Valencia sandy loam. Also included were small areas of Antho sandy loam, 1 to 3 percent slopes.

Soil blowing is a slight hazard. Runoff is very slow. This Antho soil is used for irrigated cotton, sorghum (fig.3), citrus, small grains, and flowers. Some areas are used as desert range.

7.5 Hydrogeology

The property is located within the East Salt River Sub-Basin (ESRV). The ESRV is a broad, gently-sloping alluvial plain bounded on the north and east by the New River, McDowell, Usery, Goldfield, and Superstition Mountains, on the south by

the Santan and Sacaton Mountains, and on the west by the South Mountains, the Papago Buttes, the Phoenix Mountains, the Union Hills, and the Deem Hills. Depth to bedrock ranges from less than 100 feet near the basin margins to approximately 5,000 feet in the Paradise Valley area and over 10,000 feet southeast of Gilbert (Arizona Department of Water Resources, 1991b).

Most of the water supply wells in the East Central Phoenix area are perforated in the Upper Alluvial Unit and the Lower Conglomerate Unit. The Upper Alluvial Unit directly overlies the Lower Conglomerate Unit in the East Central Phoenix area. Because the Middle Fine-grained Unit is absent in the East Central Phoenix area the Upper Alluvial Unit and Lower Conglomerate Unit appear to have a free hydraulic connection. The absence of the Middle Fine-Grained Unit may enable contaminants to migrate from the Upper Alluvial Unit to the Lower Conglomerate Unit. Most of the SRP Irrigation water supply wells in the area are perforated in both the Upper Alluvial Unit and Lower Conglomerate Unit. Some of the shallower private wells draw water from the Upper Alluvial Unit.

In the ESRV's depth to bedrock ranges from less than 100 feet near the basin margins to approximately 5,000 feet in the Paradise Valley area and over 10,000 feet south east of Gilbert.

Three hydrogeologic units are recognized within the basin-fill sequence an upper sand and gravel unit. This upper unit is highly variable, ranges from dense sand, gravel, and cobbles. There is a middle silt and clay unit. This middle silt and clay unit in many areas has deposits of heavily cemented sandy clay and clayey sand called caliche. The deepest unit is the lower conglomerate unit (Brown and Pool, 1989). Upper sand and gravel unit, a middle silt and clay unit, and a lower conglomerate unit (Laney and Hahn, 1986). The upper unit mainly consists of sand and gravel with some interbedded silt and clay; the unit is coarser near the Salt and Gila Rivers. The upper unit ranges in thickness from less than 100 feet near the basin margins to over 350 feet in some parts of the basin (Arizona Department of Water Resources, 1991b).

The middle unit consists mainly of silt and clay with some interbedded sand and gravel. Near the basin margins, the unit is coarser, and typically cannot be distinguished form the upper and lower units. The middle unit ranges in thickness from less than 100 feet near the basin margins to over 1,800 feet southeast of Gilbert (Arizona Department of Water Resources, 1991b).

The lower unit consists mainly of conglomerate near the basin margins, becoming finer toward the center of the basin. The unit ranges in thickness from less than 100 feet near the basin margins to over 9,000 feet southeast of Gilbert (Arizona Department of Water Resources, 1991b).

Groundwater flow enter the ESRV as underflow from: the Lake Pleasant sub-basin, south of New River; from the Eloy sub-basin, east of the Santan Mountains; and

between the Santan and Sacaton Mountains. Prior to development, groundwater flowed toward and along the Salt and Gila Rivers, and into the West Salt River Valley sub-basin (WSRV) between the Papago Buttes and the South Mountains. Groundwater also flowed between the South Mountains and Sierra Estrella Mountains, through the northern part of the Pinal AMA (Anderson, 1968)

Today, most of the groundwater flows toward three large cones of depression created by groundwater pumping for agricultural or municipal use. These areas are located near Scottsdale, Mesa, and Queen Creek. Although groundwater still flows into the WSRV south of South Mountain, groundwater pumping in the Maricopa-Stanfield sub-basin to the south has diverted some of the underflow. The area between the Papago Buttes and South Mountains is now a groundwater divide (Arizona Department of Water Resources, 1991b).

7.6 Source of Drinking Water

The City of Mesa, a public supplier, supplies the water for the area of the subject property.

The quality of the water delivered by public supplies, including those supplied by groundwater sources, is strictly monitored for a variety of contaminants. The water is proven to be within all acceptable limits of the Safe Drinking Water Standards as set forth by the Arizona Department of Environmental Quality and other Federal standards.

7.7 Septic/Sewer System

The Aquifer Protection Program (APP), established under Title 49, Chapter 2 of the Environmental Quality Act of 1986 and revision effective 01-01-2001, is the most significant of the strategies established for the management, control, remediation and regulation of sources of groundwater pollution in the State of Arizona.

Under the Aquifer Protection Program (APP), any individual or facility responsible for the discharge, or potential discharge, of a pollutant to an aquifer, the land surface, or to the vadose zone, which has a reasonable probability of reaching groundwater, must obtain a general permit. All active septic systems must obtain a general permit. The permits granted to such facilities might establish limits on the quantity and chemical quality of wastes discharged and may specify the type of disposal method to be used. Regulated facilities include, but are not limited to, wastewater treatment facilities, on-site sewerage disposal systems (septic systems), mines, landfills, land (soil) treatment facilities, injection wells, groundwater recharge projects using wastewater effluent, and agricultural applications of waste water sludge. All existing facilities must be brought into compliance with the APP regulations. Facilities not in compliance with Arizona Aquifer Protection Program (APP) regulations after December 31, 2003 can be subjected to civil penalties of up to \$5,000 per day.

No evidence of abandoned or active septic systems was observed on the subject property. The subject property is not currently connected to the City of Mesa sanitary sewer system, but is available to the area. Septic systems are not in use at the site and, based on the site history, are not likely to have been installed in the past.

8.0 SITE RECONNAISSANCE

8.1 Methodology

- The assessor walked the property in a systematic way to view the site and adjoining sites before performing the site reconnaissance.
- An 8-mm video recording of the site inspection was performed to document observable features.
- The adjoining sites were viewed from the subject site, public roadways, other public access ways and did not include entering the sites.
- Photographs were taken and included in the report to better visualize the features found on the site.

At 9:25 a.m. on August 20, 2003, Mr. Rodney T. Bowen, assessor for CES, visited the Vacant Land located West of the Southwest Corner of Ellsworth Road and Southern Avenue, Mesa, Maricopa County, Arizona. The purpose of this visit was to determine if the land use activities at the site, or adjoining properties have created, or have the potential to create, a recognized environmental condition for the subject property.

Access to the subject site was authorized through a written agreement signed by Mr. Russell Scaramella of Mesa Auto Center, owner of the subject site. The subject site has frontage along Southern Avenue, which is an asphalt-surfaced street. The nearest major streets are Southern Avenue to the north, Baseline Road to the south, and Ellsworth Road to the east of the subject site. The site location is marked on the Neighborhood Map and on the Topographic Map, and color photographs of the site are included in Section 14.0 of this report.

8.2 Site Structures

There are no buildings or other improvements on the subject property.

8.3 Hazardous and Regulated Materials

No reportable quantities of hazardous or regulated materials were observed on the site, nor were any activities observed on the subject property, which would generate significant quantities of hazardous wastes.

8.4 Salvage Storage

There are no salvage materials stored on the site.

8.5 Drums

There are no 55-gallon drums on the site.

8.6 Property Grounds/Vegetation

No formal landscaping was observed on the site, as the site has never been developed. Only native weeds and a few shrubs were observed on the site at the time of the site reconnaissance. Although some of this vegetation was stressed, it is probable that this results from the lack of water or seasonal conditions rather than an indication of contamination.

8.7 Concrete/Asphalt Areas

The subject property is devoid of asphalt or other paved surfaces; no areas of stained asphalt or pavement were observed on the subject property.

8.8 Surface Abnormalities/Depressions

The presence of environmentally unusual and/or other suspicious surface abnormalities can be indicative of possible waste dumpsites, leach fields or other subsurface activities. No unusual mounds, depressions or surface abnormalities, suggesting trash or other solid waste disposal were observed on the subject property.

8.9 Rubbish/Debris

Paper, plastic, wood, and glass debris was observed along the perimeters of the subject property. The majority of this debris probably was carried on to the site by pedestrians traversing the subject property, or has been windblown onto the subject property from adjacent properties and roadways. Several used tire were observed in various area of the site. Our cursory visual inspection of this debris revealed no evidence or other indications of the disposal of hazardous or regulated substances, which would constitute a significant environmental concern.

8.10 Solid Waste

No solid waste is generated on the subject property. No dumpsters were observed on the subject property at the time of the site reconnaissance.

8.11 Liquid Waste/Pits/Ponds/Lagoons

Pits, ponds, lagoons and sumps are man-made or natural depressions in the ground surface that are likely to hold liquids or sludge containing hazardous substances or petroleum product. Other devices, such as grease traps, in-line wastewater separators and sumps are used for the pretreatment of liquid wastes prior to their disposal. None of these features were observed on the subject property during the site reconnaissance.

8.12 Surface Drainage

Based upon site surface characteristics, it is expected that the majority of the storm water falling on the subject property would flow to the low spots of the site where it would be absorbed into the ground or evaporate. Some of the storm water falling on the site flows off of the site onto the west adjacent site.

The subject property does not appear to receive significant storm water runoff from any adjoining property.

Surface Drainage Obstructions

The subject property is protected from surface water run-off from adjoining properties to the north by curbing, to the east by curbing and a concrete perimeter wall and to the south by a concrete perimeter wall.

8.13 Water Retention

There are no water retention areas on the subject site.

8.14 Stained Ground Surfaces

No areas of stained soil were observed on the subject property.

8.15 Fill Dirt

Fill dirt is dirt, soil, sand, or other earth that is obtained off site and used to fill holes or depressions, form mounds, or otherwise artificially change the grade or elevation of real property. There was evidence of fill dirt observed on the site. The site appeared to have been elevated with fill dirt and a pile of fill dirt was observed in the southeast corner of the site. None of the materials observed appeared hazardous or regulated in nature.

8.16 Drywells

No drywells or storm drains were observed on the subject property. No record of the installation of a drywell on the property was found during our records review at the Arizona Department of Environmental Quality.

8.17 Other Wells

There are no production or monitoring wells on the site.

8.18 Under/Aboveground Storage Tanks

No underground storage tanks were observed on the subject property. Nor did our visual inspection identify any surface connections, which would be indicative of underground storage tank installations. The review of State UST lists indicated that there are no registered underground storage tanks on the subject property.

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Aboveground Storage Tanks

No aboveground storage tanks or containers containing hazardous wastes or regulated substances were observed on the subject property.

8.19 Electrical Transformers

Prior to their ban in the 1970s, Polychlorinated Biphenyls (PCBs) were used in dielectric fluids and oils in a variety of electrical equipment, such as transformers and capacitors, and in hydraulic equipment.

Salt River Project (SRP), a local public utility company, provides electrical service for the subject property and the surrounding area. The site investigation identified no pole-mounted or pad-mounted electrical transformers on the subject property itself. This precludes the potential for the release of Polychlorinated Biphenyl (PCB) containing fluids from such devices.

At the time of our site reconnaissance, the subject property was observed to be free of petroleum product staining, unusual odors, surface depressions, unidentified pipes, containers, or other evidence suggesting the use, storage, or disposal of petroleum products, or other indications of hazardous substance contamination.

9.0 ADJOINING SITES

In most situations, these 'off-site' observations did not include entering the site. The assessors viewed the adjacent sites from the subject site and from public roadways for evidence of chemical storage, improper waste disposal, or other indications of adverse environmental conditions. Due to the migratory nature of certain environmental contaminants, the present land usage of adjoining properties was observed to determine their potential to adversely impact the subject property.

9.1 Adjoining Properties

A brief description of the properties immediately adjoining the subject property follows:

- To the north, adjacent to the subject site across Southern Avenue, addressed at 1148 East Ellsworth Road, is Chevron. CES observed the storage tanks on this site to be vaulted, and, therefore, registration is not required by ADEQ. Also adjacent, addressed at 9132 East Southern Avenue, is Kid's Inc. This site has one (1) registered drywell. A single-family home is also located north across Southern Avenue.
- To the south, immediately adjacent to the subject site, is a single-family home sub-division.
- To the east, immediately adjacent to the subject site, addressed at 1208 South Ellsworth Road, is ARCO. This site has three (3) registered underground storage tanks.
- To the west, immediately adjacent to the subject site, is vacant land.

There was no evidence found during our cursory inspection of the adjoining sites, that they have had an adverse environmental impact on the subject site.

9.2 Past Use of Adjoining Properties

The land north of the subject site across Southern Avenue was developed with two (2) residential structures sometime before 1981. Only one (1) of the structures remain adjacent to the north of the subject site. One (1) was removed and a commercial structures, which are currently occupied by a day care facility which was constructed between 2001 and 2002 and a service station which was constructed prior to 2001. The land to the south of the site remained undeveloped desert land until 2002 when it was developed with a single-family home sub-division. The land to the west of the site remains undeveloped. The land to the east of the site was developed with a service station also sometime between 1995 and 2001.

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9.3 Area Reconnaissance

A vehicular reconnaissance of the area surrounding the subject site was conducted in order to determine, in very general terms, whether the current land use of these properties poses an environmental threat to the subject site. The area usage has the potential to pose an environmental threat to the subject site. The properties in the general vicinity of the subject site are commercial and residential.

10.0 NON-SCOPE CONSIDERATIONS

10.1 Radon Gas

According to information provided by Mr. John Stewert, Public Information Officer for the Arizona Radiation Regulatory Agency (ARRA), area homes throughout Arizona were tested for radon levels using the Environmental Protection Agency (EPA) protocol for Short Term Testing. The Short Term evaluation method measures radon levels at selected homes in a particular area during a two-day (48 hour) period rather than the Long Term method, which would measure average radon levels over a 12-month period.

The EPA's suggested guideline for radon in homes is 4 Pico Curies per liter of air. If the results obtained from short term testing exceed this level, the EPA suggests that a long-term survey of the property be performed. The results obtained from the long-term evaluation are typically one-half the level of radon measured during the short-term study of the same property.

The Phase I Radon Study done in 1987 and 1988 did include Zip Code, 85208. Twelve (12) homes in the same zip code as the subject property were tested employing the Short Term Protocol. No reading of the homes in the study exceeded the 4.0 Pico Curie limits. The twelve (12) homes read from <0.50 to =3.90 Pico Curies per liter of air.

A Phase II Radon Study done in 1988 and 1989 did include Zip Code 85208. One (1) home in the same zip code as the subject property was tested employing the Short Term Protocol. The reading of the home was 1.10 Pico Curies per liter of air.

It must be realized, however, that the level of radon may vary drastically from one structure to another within that same area. The Environmental Protection Agency and the Surgeon General have determined that radon is the second greatest cause of lung cancer in the US. EPA strongly recommends testing of all homes, schools and public facilities. ARRA concurs with these recommendations.

11.0 INTERVIEWS OR SUPPLIERS OF INFORMATION

Mr. Fred J. Moll, Chief Estimator LGE Corporation Owner's Agent

Mr. Bruce Hammett
Water Resources Specialist
Arizona Department of Water Resources
(602) 255-1543

Mr. Clarke Bullock
AVRP Data
Arizona Department of Environmental Quality
(602) 771-4156

Maricopa County
Department of Environmental Health
Engineering Section
(602) 506-6666

Hazardous Materials Planner
Maricopa County Department of Emergency Management
(602) 273-1411

Karl Kohlhoff
City of Mesa Water Department
(480) 644-3306

Mr. Vince Contreras City of Mesa Fire Department Division of Fire Prevention (480) 644-3663

Ms. Clarice Kimbell Maricopa County Flood Plain Management (602) 506-1501

Mr. John Stewert
Public Information Officer
Radiation Regulatory Agency of Arizona
(602) 255-4845

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12.0 FINDINGS, OPINIONS AND CONCLUSIONS

Based upon our Phase I ESA investigation on the Vacant Land located West of the Southwest Corner of Ellsworth Road and Southern Avenue, Mesa, Maricopa County, Arizona, the subject site was observed to be free from hazardous substance and petroleum product contamination. No odors or other indication of hazardous substances was observed on the subject property at the time of the site reconnaissance.

There are recognized environmental conditions found within the ASTM recommended search radiuses. These conditions do not appear to present an environmental risk to the subject site at the present time.

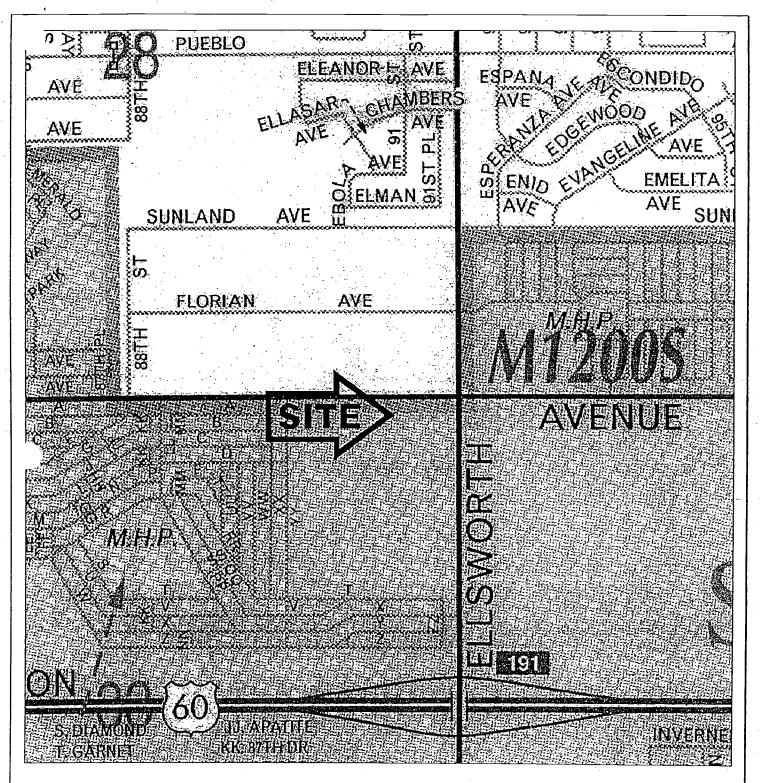
No records found for the subject site indicated the site has been subjected to any Environmental Regulatory Action requiring further investigation or deed use restriction. This assessment has revealed no evidence of recognized environmental conditions in connection with the subject site.

Based on the information found and records reviewed during the investigation of this site CES sees no reason to recommend further investigation or remedial action in regards to the environmental conditions of the subject property at this time.

13.0 REFERENCES CITED AND REVIEWED

| Services Division-"A Survey of Historical and Current Agricultural Pesticide Use in Arizona" | |
|---|-----------------|
| Arizona Voluntary Remediation Program | August 18, 2003 |
| Maricopa County Emergency Planning SARA report. | March 2001 |
| City of Phoenix Architectural Services Department/City of Phoenix Public Library Arizona Room | Various |
| Coles Directories/Sanborn Maps/City of Mesa Directories | Various |
| REFERENCE MATERIALS | DATE |
| USDA Soil Conservation Service - Soil Survey of Eastern Maricopa and Northern Pinal Counties Area, Arizona | November 1974 |
| Landiscor Aerials | Various |
| Brown and Pool | 1989 |
| Laney and Hahn | 1986 |
| ASTM E 1527-00 Standard Environmental Site Assessment: Phase I Environmental Site Assessment Process. | July 2000 |

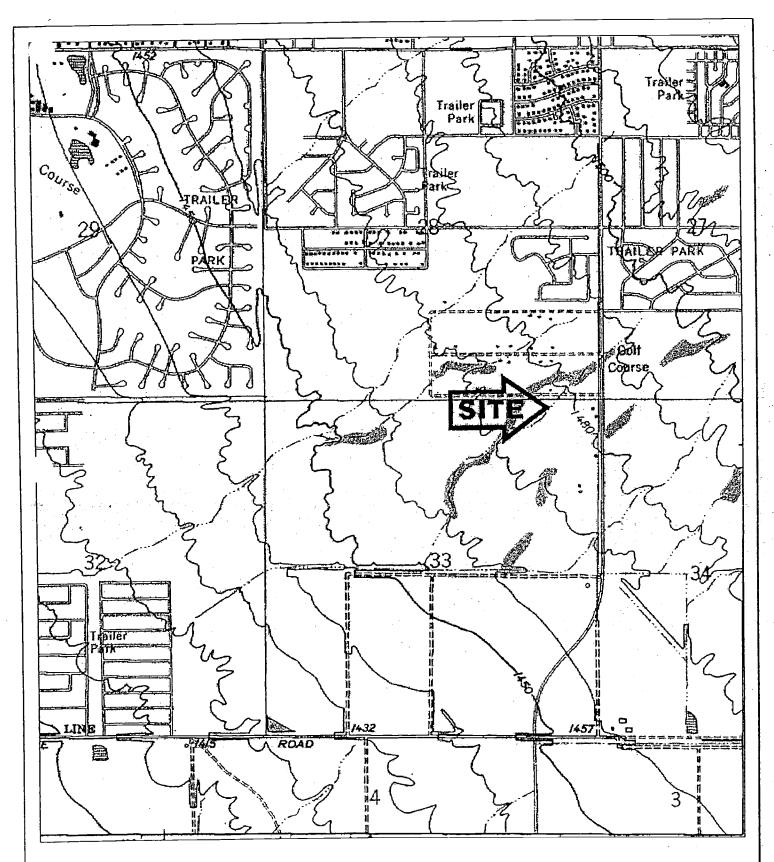
14.0 MAPS, DOCUMENTS, DRAWINGS AND PHOTOGRAPHS



NEIGHBORHOOD MAP

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USGS 7.5 MINUTE TOPOGRAPHICAL MAP

* Locations and size are approximate and not to scale





Mc. Parcel Numbers:

Abo Lot Numbers

D Parcels

TRANSPORTATION:

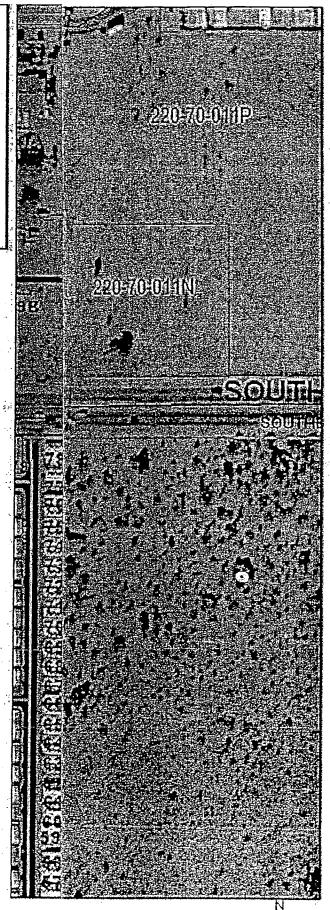
Abc Street Names

- Streets (MCDOT)

Streets (ASSR)

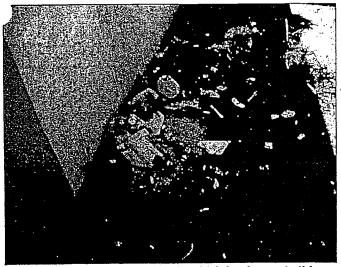
AERIAL PHOTOS

2003 Aerial Photos

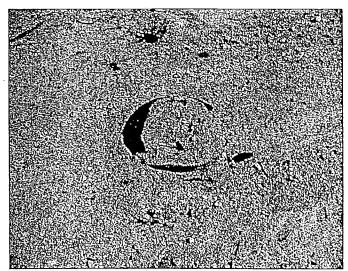


SCAL

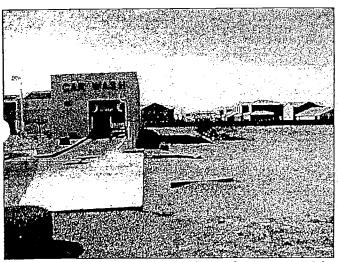
Λ



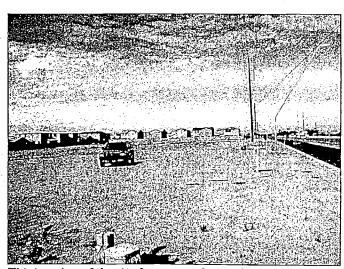
This is a view of the typical trash, which has been windblown or discarded on the subject property.



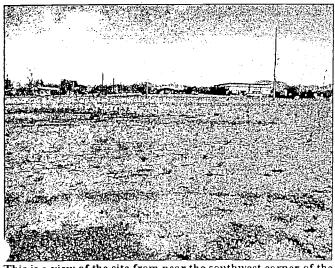
This is a view of a partially buried waste tire located on the subject site.



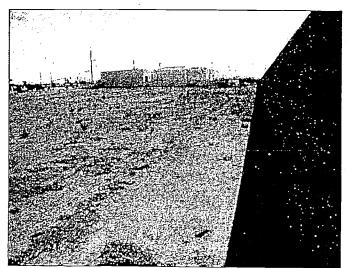
This is a view of the site from near the northeast corner of the site looking south along the eastern boundary of the site.



This is a view of the site from near the northeast corner of the site looking west along the northern boundary of the site.



This is a view of the site from near the southwest corner of the site looking north along the western boundary of the site.



This is a view of the site from near the southwest corner of the site looking east along the southern boundary of the site.

15.0 ENVIRONMENTAL CONSULTANT QUALIFICATIONS

Derek E. Longstaff, Senior Consultant

EDUCATION

Master of Technology Program-Hazardous Materials and Waste Management, ASU Advanced Business Administration Program Certificate, Arizona State University BS Chemistry, Arizona State University

REGISTRATIONS AND CERTIFICATIONS:

Registered Environmental Assessor I (REA I) State of California #REA-07507 EPA Certified Lead Risk Assessor #AZ-05-122004-306 Certified Indoor Air Quality Professional #457

AFFILIATIONS:

Active Member of ASTM E-50 Committee: Environmental Committee Manufacturing Engineer
Member of the National Association of Environmental Professionals
Member Environmental Professional of Arizona
Member American Indoor Air Quality Council
Member National Lead Assessment and Abatement Council

Environmental Courses, Certified Completion:

- Hazardous Waste Management
- Certified in ASTM Std. 1528/1527
- OSHA/RCRA 40 Hour Hazardous Materials Handling
- ♦ Site Assessment, Phase I, II & III
- Due Diligence Environmental Inspector "DEI"
- Completion of ASTM Regulatory Environmental Compliance Audit Course
- EPA Certified Lead Abatement and Lead Risk Assessor

Rodney T. Bowen, Consultant and Marketing Specialist

EDUCATION BS CIS from DeVry Asbestos Institute

AFFILIATIONS:

Member Environmental Professional of Arizona Active Member of ASTM

Environmental Courses, Certified Completion:

- AHERA Asbestos Certified Management Planner
- ♦ AHERA Asbestos Certified Building Inspector
- ◆ Certified in ASTM Std. 1528/1527
- OSHA/RCRA 40 Hour Hazardous Materials Handling

16.0 GENERAL

Certified Environmental Services has performed this Environmental Site Assessment of the Vacant Land located West of the Southwest Corner of Ellsworth Road and Southern Avenue, Mesa, Maricopa County, Arizona, in compliance with the scope and limitations of ASTM Standard Practice E 1527-00 which represents industry standards for a Phase I ESA regarding the degree and type of investigation which constitutes appropriate inquiry into the previous ownership and uses of the property in accordance with a reasonable understanding of the regulatory standards which existed at the time the work was performed.

The scope of this investigation was limited to observations made during site reconnaissance, interviews with the property owner or the owner's agent and a review of readily available reports and literature. As a result, our conclusions are based largely on information supplied by others. Whereas CES is not obligated to independently verify the information provided by individuals, or to identify mistakes or insufficiencies in the historic records reviewed, we have made a reasonable effort to compensate for mistakes or insufficiencies when possible. No warranty is made regarding the accuracy of any publicly documented information or the opinions of officials or any other person consulted.

No environmental property assessment can wholly eliminate uncertainty regarding the potential for recognized environmental conditions. The performance of this Phase I ESA according to ASTM standard practice E 1527-00 is intended to reduce, but not eliminate, the potential for recognized environmental conditions in connection with the property.

The conclusions and recommendations made are based upon conditions observed at the time of the site reconnaissance, and should not be relied upon to represent conditions later. Obviously, we are unable to predict events that may occur after our site visit, which may have resulted in site contamination.

We have performed our services for this project in accordance with our contract and understanding with Mr. Fred J. Moll, Chief Estimator of LGE Corporation. This report is for the exclusive use of LGE Corporation and The U.S. Small Business Administration. The contents of the report may not be relied upon by any party other than the aforementioned clients, without the express written consent of CES. Any reliance on this report by anyone other than the above mentioned shall be at such party's sole risk. CES is not responsible for the conclusions, opinions or recommendations made by others based on this information.