

**PHASE I ENVIRONMENTAL SITE ASSESSMENT
SPENCER'S CROSSING RESIDENTIAL DEVELOPMENT
TENTATIVE TRACT MAP 37053, FRENCH VALLEY
UNINCORPORATED AREA OF RIVERSIDE COUNTY
CALIFORNIA**

Prepared For:

RIVERSIDE MITLAND 03, LLC

3090 Bristol Street, Suite 200
Costa Mesa, California 92626

Project No. 10978.006

April 6, 2016



Leighton and Associates, Inc.

A LEIGHTON GROUP COMPANY



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Attention: Mr. Adrian Peters


**Subject: Phase I Environmental Site Assessment
Spencer's Crossing Residential Development, Tentative Tract Map
37053, French Valley, Riverside County, California**

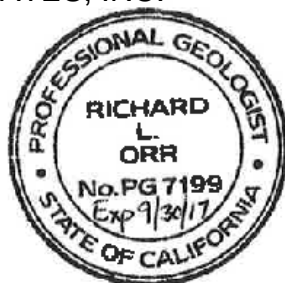
Leighton and Associates, Inc. (Leighton) is pleased to present this Phase I Environmental Site Assessment Report for the proposed residential development located north of Baxter Road and West of Leon Road, French Valley, an unincorporated area of Riverside County, California (subject site). Leighton declares that, to the best of our professional knowledge and belief, we meet the definition of Environmental Professional as defined in §312.10 of 40 Code of Federal Regulations (CFR) 312, and the ASTM International E1527-13.

Leighton has the specific qualifications based on education, training, and experience to assess a property of the nature, history, and setting of the subject site. Leighton has developed and performed the all appropriate inquiries in conformance with the standards and practices set forth in 40 CFR Part 312.

If you have questions regarding this report, please contact us. We appreciate the opportunity to be of service to Riverside Mitland 03, LLC.

Respectfully submitted,
LEIGHTON AND ASSOCIATES, INC.


Richard L. Orr, P.G.
Associate Geologist



Distribution: (1) Addressee (electronic)

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1.0 INTRODUCTION

1.1 Authorization

Leighton and Associates, Inc. (Leighton) performed a Phase I Environmental Site Assessment (ESA) for the property located north of Baxter Road and West of Leon Road, French Valley, an unincorporated area of Riverside County, California (subject site – Figure 1) in accordance with Riverside Mitland 03, LLC 's (Client) authorization.

1.2 Purpose

The purpose of the Phase I ESA was to identify, to the extent feasible and pursuant to the processes prescribed in ASTM International (ASTM) E1527-13, recognized environmental conditions (RECs), historical RECs (HRECs), or controlled RECs (CRECs) in connection with the subject site.

- RECs are defined, according to ASTM E1527-13 as *“the presence or likely presence of any hazardous substances or petroleum products in, on, or at a property: (1) due to any release to the environment; (2) under conditions indicative of a release to the environment; or (3) under conditions that pose a material threat of a future release to the environment. De minimis conditions are not RECs.”*
- HRECs are defined, according to ASTM E1527-13 as *“a past release of any hazardous substances or petroleum products that has occurred in connection with the property and has been addressed to the satisfaction of the applicable regulatory authority or meeting unrestricted use criteria established by a regulatory authority, without subjecting the property to any required controls.”*
- CRECs are defined, according to ASTM E1527-13 as *“a REC resulting from a past release of hazardous substances or petroleum products that has been addressed to the satisfaction of the applicable regulatory authority, with hazardous substances or petroleum products allowed to remain in place subject to the implementation of required controls.”* (ASTM E1527-13, 2013).

1.3 Scope of Work

The scope of work was performed in accordance with Leighton's proposal and included the following tasks:

- A reconnaissance-level visit of the subject site for evidence of the release(s) of hazardous materials and petroleum products and to assess the potential for onsite releases of hazardous materials and petroleum products;
- Records review (including review of previous environmental reports, selected governmental databases, and historical review);
- Interviews; and
- Preparation of a report presenting our findings.

1.4 Significant Assumptions

Leighton and Associates assumes that the purpose of this Phase I ESA is to provide appropriate inquiry into the previous ownership and use of the subject site so that the Client may qualify for the Comprehensive Environmental Response, Compensation and Liability Act (CERCLA) landowner liability protections as defined in CERCLA, 42 USC §9601(35)(B). Leighton and Associates also assumes that the information provided by the Client and its agents, regulatory database provider, and regulatory agencies is true and reliable.

1.5 Limitations and Exceptions

Leighton and Associates performed the Phase I ESA in conformance with the scope and limitations of ASTM Practice E1527-13 of the subject site. Other than the non-scope items shown in Section 1.6 that were not applicable, there were no exceptions to, or deletions from, this practice.

Property-specific activities performed by Leighton and Associates and information collected regarding these activities are summarized in the following sections. The findings of this Phase I ESA are presented in Section 7.0. Opinions and conclusions drawn by Leighton and Associates, based on the information collected as part of the Phase I ESA, are presented in Sections 8.0 and 9.0, respectively. References are included as Appendix A. Site Photographs are presented in Appendix B. Client supplied documentation is included as Appendix C. Research of Environmental Liens is documented in

Appendix D. The Environmental Radius Report is included as Appendix E. Regulatory records requests and responses are included as Appendix F. Historical documentation is provided in Appendix G.

This Phase I ESA was conducted in a manner consistent with the level of care and skill ordinarily exercised by members of the profession currently practicing in the same locality under similar conditions.

The observations and conclusions presented in this report are professional opinions based on the scope of activities, work schedule, and information obtained through the Phase I ESA described herein. Opinions presented herein apply to property conditions existing at the time of our study and cannot necessarily be taken to apply to property conditions or changes that we are not aware of or have not had the opportunity to evaluate. It must be recognized that conclusions drawn from these data are limited to the amount, type, distribution, and integrity of the information collected at the time of the investigation, and the methods utilized to collect and evaluate the data. Although Leighton and Associates has taken steps to obtain true copies of available information, we make no representation or warranty with respect to the accuracy or completeness of the information provided by others.

This practice does not address whether requirements in addition to all appropriate inquiry have been met in order to qualify for the landowner liability protections including the continuing obligation not to impede the integrity and effectiveness of activity and use limitations, or the duty to take reasonable steps to prevent releases, or the duty to comply with legally required release reporting obligations. Users should also be aware that there are likely to be other legal obligations with regard to hazardous substances or petroleum products discovered on the subject site that are not addressed in this practice and that may pose risks of civil and/or criminal sanctions for non-compliance.

1.6 Special Terms and Conditions

The scope of work for this Phase I ESA did not include non-scope considerations, such as, but not limited to, those listed in Section 13 of ASTM E1527-13. The scope of work for this Phase I ESA did not include non-scope items such as testing of electrical equipment for the presence of polychlorinated biphenyls (PCBs) or collection of other environmental samples, such as, water, building materials, paint or other media; assessment of natural hazards such as naturally

occurring asbestos, radon gas, methane gas, or mold; assessment of the potential presence of radionuclides, biological agents, or lead in drinking water; assessment of indoor air quality (such as vapor intrusion assessment); or assessment of nonchemical hazards such as the potential for damage from earthquakes or floods, or the presence of endangered species or wildlife habitats. This Phase I ESA also did not include an extensive assessment of the environmental compliance status of the subject site or of businesses operating at the subject site, or a health-based risk assessment.

1.7 User Reliance

This report is for the exclusive use of Riverside Mitland 03, LLC and their Lender. Use of this report by any other party shall be at such party's sole risk.

1.8 Important Information about Geoenvironmental Reports

The Client is referred to Appendix H regarding important information provided by the Geoprofessional Business Association (GBA) on geoenvironmental studies and reports.

2.0 SITE DESCRIPTION

2.1 Location and Legal Description

The subject site is located north of Baxter Road and West of Leon Road, French Valley, an unincorporated area of Riverside County, California (Figure 1). The Riverside County Assessor's office identifies the subject site as portions of the Assessor Parcel Number (APNs) portions of 472-050-005, 472-050-024, 472-050-026, 472-050-027, 472-050-028, 480-670-030, 480-670-031, 480-660-016, 480-010-017, -018, -019, a portion of -020, -022 through -026, 480-020-009, 480-020-013, portions of 480-020-010, 480-020-011, 480-020-014, 480-020-021, 480-020-032, 480-020-035. An address of 30748 Flossie Way was found associated with APN 480-010-022 located in the northeastern area of the subject site. A legal description of the subject site is included in the Environmental Lien Search Report provided by NETR (Appendix D).

2.2 Property and Vicinity General Characteristics

The site vicinity and the surrounding area consist of single family residences commercial properties, agricultural land, and vacant undeveloped land.

2.3 Current Use of the Subject Property

The subject site currently consists of 225-acres of vacant and recently graded land with residential and storage structures located in the northern area (Photos 1 through 20, Appendix B).

2.4 Descriptions of Structures, Roads and Other Improvements on the Property

A mobile home with a detached garage and various storage sheds is located in the northeastern area of the subject site (Photos 14 and 15, Appendix B). Hilton Road is located in the northeastern area of the subject site. A dirt road trending southwest to northeast is located in the southern area of the subject site. The following utilities are expected to provide future service to the subject site:

Natural Gas:	The Southern California Gas Company
Source of Potable Water:	Eastern Municipal Water District (EMWD)
Electric:	Southern California Edison (SCE)
Sewage Disposal:	EMWD

2.5 Current Uses of Adjoining Properties

The subject site is bordered by Keller Road to the north followed by single family homes with associated storage sheds and horse barns. Flossie Way borders the subject site to the northeast followed by vacant land, a commercial nursery and residential structures. Vacant land borders the subject site to the southwest and southeast. The western adjacent properties are currently rural residential properties, graded residential housing lots, and vacant undeveloped land. A Riverside County Wildlife Conservation Area is also located to the north and northwest of the subject site. Baxter Road borders the subject site along the southern border. Leon Road borders the subject site to the east.

3.0 USER PROVIDED INFORMATION

The user of this Phase I ESA is identified as Riverside Mitland 03, LLC. As a part of the ASTM E1527-13 process, Mr. Shaun Bower, Assistant Project Manager with Riverside Mitland 03, LLC, completed a questionnaire for the subject site. A copy of this questionnaire is provided in Appendix C.

3.1 Environmental Liens or Activity and Use Limitations

Leighton researched environmental liens through NETR Real Estate Research & Information (NETR). According to the Environmental Lien Search, dated March 29, 2016, environmental liens or activity use limitations were not identified for the subject site. A copy of the lien search is included in Appendix D and references are provided in Appendix A.

3.2 Specialized Knowledge

Riverside Mitland 03, LLC indicated that they did not have specialized knowledge related to the subject site or nearby properties.

3.3 Commonly Known or Reasonably Ascertainable Information

Riverside Mitland 03, LLC is not aware of commonly known or reasonably ascertainable information related to the subject site.

3.4 Valuation Reduction for Environmental Issues

Riverside Mitland 03, LLC noted that they are the owners of the subject site.

3.5 Owner, Property Manager, and Occupant Information

Riverside Mitland 03, LLC noted that they are the owners of the subject site.

3.6 Reason for Performing Phase I ESA

According to the user questionnaire, reason for requesting this Phase I ESA is for site research in support of a CEQA review of the subject site.

3.7 Other

Leighton was not provided with additional information from Riverside Mitland 03, LLC.

4.0 RECORDS REVIEW

4.1 Physical Setting Source(s)

Leighton reviewed pertinent maps and readily available literature for information on the physiography and hydrogeology of the subject site. A summary of this information is presented in the following subsections.

4.1.1 Topography

The subject site is located in Section 30 of Township 6 South, Range 2 West of the San Bernardino Baseline and Meridian. Topographic map coverage of the site vicinity is provided by the United States Geological Survey (USGS) “Bachelor Mountain” Quadrangle, “Winchester” Quadrangle, “Murrieta” Quadrangle and “Romoland” Quadrangle (2012). The elevation of the property is approximately 1,405 feet above mean sea level and slopes to the southwest.

4.1.2 Surface Water

Surface water was not observed on the subject site. The San Diego Aqueduct is located beneath Leon Road approximately 600 feet east of the subject site.

4.1.3 Geology and Soils

The subject site is located within the Perris block of the Peninsular Ranges Physiographic province. This block is characterized by relatively shallow alluvial basins and limited seismic activities in comparison with the surrounding regions (California Geological Survey, 2002). Underlying the central and southern areas of the subject site is middle to early Pleistocene age alluvium valley deposits consisting of gravels, sands, silts and clay-bearing alluvium (Morton, 2003). Underlying the northern area of the subject site is Cretaceous age foliated biotite-hornblende tonalite, a member of the Peninsular Ranges batholith.

4.1.4 Hydrogeology

The subject site is situated in the French Hydrologic Sub-Area, within the Murrieta Hydrologic Area of the Santa Margarita Hydrogeologic Unit

(California Regional Water Quality Control Board, San Diego Region [RWQCB], 1995).

Groundwater has been reported by the State of California, Department of Water Resources (CDWR), Water Data Library website at depths greater than 20+ feet below ground surface (bgs) in the region (CDWR, 2015). Groundwater flow direction is anticipated to follow topography, towards the southwest.

4.1.5 Oil and Gas Fields

On March 22, 2016, Leighton reviewed the California Department of Conservation, Division of Oil, Gas, and Geothermal Resources, Online Mapping System. Evidence of oil wells or oil field-related facilities was not indicated on the subject site or adjacent properties.

4.2 **Standard Environmental Record Sources**

A search of selected government databases was conducted by Leighton using the Environmental EDR Radius Report environmental database report system. Details and descriptions of the database search are provided in the EDR report. The report meets the government records search requirements of ASTM E1527-13 Standard Practice for Environmental Property Assessments: Phase I Environmental Property Assessment Process. The database listings were reviewed within the specified radii established by the ASTM E1527-13. A copy of this report is included in Appendix E.

4.2.1 Subject Property

The subject site was not identified in the EDR database report.

4.2.2 Offsite

The offsite listings in the database report were reviewed and were not interpreted to represent an adverse effect to the subject site at the time of this report preparation based on one or more of the following:

- Nature of the database listing and not appearing on a database that reports unauthorized releases of hazardous substances,
- Reported regulatory agency status (e.g., Case Closed),

- Reported nature of the case (e.g., soil contamination only),
- Distance of the facility to the subject site, and/or
- Location of the facility with respect to anticipated groundwater flow direction.

Unmapped Listings: Orphan listings in the EDR report, are properties without a complete street address and therefore cannot be located on a map. The five unmapped listings identified in the radius report were reviewed and were not interpreted to represent an adverse effect to the subject site.

4.2.3 Regulatory Agency Contacts

On March 22 and 23, 2015, Leighton requested regulatory records for APNs associated with the subject site. The following agencies were contacted:

- Department of Toxic Substances Control (DTSC) – Cypress and Chatsworth Divisions;
- National Pipeline Mapping System (NPMS);
- South Coast Air Quality Management District (SCAQMD)
- Riverside County Department of Building and Safety (RCDBS)
- California Regional Water Quality Control Board, San Diego Region (RWQCB); and
- Riverside County Department of Environmental Health (RCDEH)

Records were not found at the agencies contacted except RCDBS. A response from the RCDEH has not been received as of the date of this report. Copies of records requests and responses are provided in Appendix F.

A representative from RCDBS contacted Leighton to indicate that the requested building permits can be viewed online at the Riverside County Transportation and Land Management Agency (RCTLMA) website. Leighton reviewed building permits for the subject site on the RCTLMA website and found records for permits from the years 1998 and 1999. The online records included permits for site preparation for a mobile home, installation of a mobile home, installation of a 460 square foot (sq ft) patio enclosure, and installation of a 440 sq ft detached garage.

Radon

Radon is not regulated within the State of California. Nonetheless, the California Department of Health Services (CDPH) and the United States Environmental Protection Agency (US EPA) both recommend a threshold of 4 picocuries per liter (pCi/L) above which certain precautions be taken to mitigate radon buildup in structures.

The California Department of Health Services maintains a database of indoor radon levels that are sorted by zip code. While the subject sites zip code was not listed in the document, the nearby City of Wildomar had 5 tests completed for the zip code 92595 and zero tests exceeded 4pCi/L. Therefore, the potential for elevated radon levels at the subject site appears to be low.

4.2.4 Other Reports

Leighton reviewed the following Phase I ESA reports provided:

- Leighton and Associates Inc., Review of Phase I Environmental Site Assessment, Tract No. 32290-1, in the French Valley Area of Riverside County, California, Project No. 10978.004, January 6, 2016.

In January of 2016, Leighton and Associates Inc., (Leighton) completed a review of the previous Phase I ESA in regards to Tract No. 32290-1, and determined that the RECs, pertaining to hydrocarbon impacted soil from the former Amcor biowaste operations yard pertained to land located offsite to the south of Tract No. 32290-1. RECs were not identified for the parcels of land belonging to Tract No. 32290-1.

- Leighton and Associates, Inc., Phase I Environmental Site Assessment, Proposed Residential Development, Parcels 1 and 4 of Tract 15737, Southwest of the Intersection of Leon Road and Keller Road, French Valley, Unincorporated Area of Riverside County, California

In September of 2014, Leighton completed a Phase I ESA for parcels 1 and 4 of Tract 15737 located southwest of the intersection of Leon Road and Keller Road, in the French Valley area of the unincorporated area of Riverside County. This Phase I ESA pertained to APNs 480-010-019 and 480-010-022 both located in the northern area of the current subject site. RECs were not identified for these two parcels of land.

- Leighton and Associates Inc., Phase I Environmental Site Assessment Report, 608-Acre Spencer's Crossing Project, (Tract No. 30694, 30695, 30696, 32290, and 32289) in the French Valley Area of Riverside County, California, Project No. 111444-001, January 12, 2005.

In January of 2005, Leighton completed a Phase I ESA for the 608-acre site, to which the current subject site was a portion. Leighton identified RECs that pertained to hydrocarbon impacted soil from the former Amcor biowaste operations yard and soil stockpiles. These RECs were identified for land located offsite to the south of the current subject site. RECs were not identified for the parcels of land that belong to the current subject site.

4.3 Historical Use Information on the Property

Leighton reviewed selected historical information on the subject site. These references were reviewed for evidence of activities, which would suggest the presence of hazardous substances at the subject site and to evaluate the potential for the subject site to be impacted by offsite sources of contamination. The following paragraphs are a chronological summary of the review.

4.3.1 Aerial Photographs

Historical aerial photographs were reviewed for information regarding past subject site uses. Aerial photographs dated 1938, 1949, 1953, 1961, 1967, 1978, 1985, 1989, 1996, 2002, 2005, 2006, 2009, 2010, and 2012 were reviewed. References are provided in Appendix A and copies of the aerial photographs are included in Appendix G.

In the **1938** aerial photograph, the subject site and adjacent properties were observed to be vacant land that had been grubbed of vegetation or utilized for dry farming purposes. Keller Road, a dirt road, was observed along the northern border of the subject site. Leon Road, a dirt road, was observed along the eastern border of the eastern adjacent property. Structures were observed on the western, eastern and southeastern adjacent properties.

Significant changes with the subject site and the adjacent properties are not shown in the **1949, 1953, 1961, 1967** and **1978** aerial photographs.

In the **1985** and **1989** aerial photographs, the majority of the subject site was observed to be utilized for dry farming purposes. The remaining

portions of the subject site were observed to be vacant land, grubbed of vegetation. Additional structures were observed north, west, and east of the subject site. Structures were no longer observed in the eastern adjacent property. In the 1989 photograph, residential structures and orchard trees were observed in the northern and eastern adjacent properties, and a structure owned by EMWD was observed in the central eastern adjacent property.

In the **1996** aerial photograph, significant changes were not observed on the subject site or adjacent properties with the exception of the removal of the orchard trees previously observed in the northern adjacent property.

In the **2002** aerial photograph, residential and storage structures were observed in the northeastern area of the subject site, in APN 480-010-022. The remaining portions of the subject site were observed to have been grubbed of vegetation or utilized for dry farming purposes. Significant changes were not observed with the adjacent properties.

In the **2005** and **2006** aerial photographs, the eastern area of the subject site was observed to have been utilized for dry farming purposes. The western area of the subject site was observed to have been vacant land, grubbed of vegetation. Significant changes were not observed with the adjacent properties with the exception of grading activities within the southern and southeastern adjacent properties.

In the **2009** aerial photograph, significant changes were not observed with the subject site. Finished graded housing pads were observed in the southern and southeastern adjacent properties. Finished residential housing tracts were observed southeast of the subject site.

Significant changes were not noted on the **2010** and **2012** aerial photographs with the exception of finished houses within the southern adjacent properties.

4.3.2 Historical Topographic Maps

Historical topographic maps were reviewed to obtain information regarding past site uses. For the years 1953, 1973, and 2012 the subject site is depicted on the Winchester, Murrieta, Bachelor Mountain, and Romoland. The EDR Topographic Map report did not depict the majority of the subject

site found on the Bachelor Mountain quadrangle for the 1979 topographic map, therefore the United States Geological Survey Historical Topographic Map Explorer online database, was used to view the *Bachelor Mountain Quadrangle 7.5-minute topographic map of 1978*. Topographic map coverage of the site vicinity is provided by “*Elsinore*” Quadrangle (1901), “*Murrieta*” Quadrangle (1942, 1943, 1953, 1973 and 1979), “*Bachelor Mountain*” Quadrangle (1953, 1973 and 2012), “*Winchester*” Quadrangle (1953, 1973 and 1979 and “*Romoland*” (1953, 1973, 1979 and 2012). References are provided in Appendix A and a copy of the report is included in Appendix G.

Elsinore 1901: Structures, tanks, or wells are not depicted on the subject site or adjacent properties. It should be noted that due to the scale of the topographic map, specific details were difficult to distinguish.

Murrieta 1942 and 1943: Structures, tanks, or wells were not depicted on the subject site on the northern, southern and western adjacent properties. Square structures are depicted in the northeastern and western adjacent properties. Leon Road is depicted as an unimproved road along the eastern boundary of the subject site. Briggs Road is depicted west of the subject site.

Lake Mathews 1953: Structures, tanks, or wells are not depicted on the subject site or the southern and eastern adjacent properties. A gravel pit is depicted on the northern adjacent property. An unnamed drainage channel is depicted on the southeastern adjacent property. Square structures and windmills are depicted in the northeastern, southeastern and western adjacent properties. A natural gas pipeline is depicted west of the subject site. An aqueduct is depicted along Leon Road that is depicted as a paved road along the eastern boundary of the subject site. Briggs Road is depicted west of the subject site.

Significant changes were not depicted in the **1973, 1978, 1979** and **2012** topographic maps.

4.3.3 Fire Insurance Maps

Fire insurance maps, or Sanborn® maps, are detailed city plans showing building footprints, construction details, use of structure, street address, etc. The maps were designed to assist fire insurance agents in

determining the degree of hazard associated with a particular property. Sanborn Maps were produced from approximately 1867 to the present for commercial, industrial, and residential sections of approximately 12,000 cities and towns in the United States.

It is Leighton's experience that fire insurance maps were only published for developed areas. Since the subject site has been historically located in a rural area fire insurance maps were not reviewed.

4.3.4 Historical City Directories

It is Leighton's experience that historical city directories were only published for developed areas. Since the subject site has been historically located in a rural area without a listed address, city directories were not reviewed.

4.3.5 Building Permits

A representative from RCDBS contacted Leighton to indicate that building permits could be viewed online at the RCTLMA website. Leighton reviewed the building permits from 1998 and 1999 associated with installation of a mobile home, detached garage and patio enclosure at the subject site, as described in Section 4.2.4, above.

4.3.6 Summary of Historical Land Use

Based on historical records, land usage is summarized as follows:

Time Period	Land Usage	Reference
Prior to 1901	Unknown	None Available
Approximately 1901 to approximately 1938	Vacant undeveloped land or dry farming	Topographic Maps
Approximately 1938 to approximately 1998	Agricultural – dry farming and vacant land	Aerial Photographs Topographic Maps
Approximately 1998 to present	Agricultural – dry farming, Residential and vacant land	Building Permits Aerial Photographs Topographic Maps Site Reconnaissance

5.0 SITE RECONNAISSANCE

5.1 Methodology and Limiting Conditions

On March 22, 2016, a representative of Leighton conducted a reconnaissance-level assessment of the subject site. The property reconnaissance consisted of observing and documenting existing conditions of the subject site and nature of the neighboring development within 0.25-miles of the subject site. Photographs of the subject site are presented in Appendix B and their view directions are noted on Figure 2. Items noted during the property reconnaissance are also depicted on Figure 2.

5.2 General Property Setting

The subject site currently consists of 225-acres of vacant land (Photos 1 through 20, Appendix B, Figure 2). The subject site is not fenced and access to the property is obtained from Leon Road and Keller Road.

5.3 Exterior and Interior Observations

5.3.1 Hazardous Substances, Drums, and Other Chemical Containers

Hazardous substances, drums, or other chemical containers were not observed on the subject site.

5.3.2 Storage Tanks

Evidence of underground storage tanks (USTs) or aboveground storage tanks (ASTs) (such as vent lines, fill or overfill ports) were not observed on the subject site.

5.3.3 Polychlorinated Biphenyls (PCBs)

PCBs were once used as industrial chemicals whose high stability contributed to both their commercial usefulness and their long-term deleterious environmental and health effects. PCBs can be present in coolants or lubricating oils used in older electrical transformers, hydraulic systems, and other similar equipment. In 1979, the USEPA generally prohibited the domestic manufacture of PCBs in electrical capacitors, electrical transformers, vacuum pumps, hydraulic pumps, and gas turbines.

A pad-mounted transformer was observed on APN 480-010-022, located in the northeastern area of the subject site (Photo 16, Appendix B, Figure 2). Due to lack of access Leighton was not able to observe if staining was beneath or around this transformer. Since this transformer was likely installed when the mobile home was constructed in 1998, it is not suspected of containing PCBs. Other PCB containing equipment was not observed on the subject site.

5.3.4 Waste Disposal

Waste Management provides waste disposal for the occupied residences.

5.3.5 Dumping

Evidence of a dumped couch and concrete debris were observed in the northern area of the subject site (Photos 17 and 18, Appendix B, Figure 2).

5.3.6 Pits, Ponds, Lagoons, Septic Systems, Wastewater, Drains, Cisterns, and Sumps

Evidence of pits, ponds, lagoons, septic systems, wastewater, drains, sumps, and cisterns was not observed on the subject site.

5.3.7 Pesticide Use

Pesticides and pesticide use was not observed on the subject site.

5.3.8 Staining, Discolored Soils, Corrosion

Areas of stained soil were not observed at the subject site.

5.3.9 Stressed Vegetation

Stressed vegetation was not observed on the subject site.

5.3.10 Unusual Odors

Unusual odors were not detected on the subject site.

5.3.11 Onsite Wells

One water well was observed on the northern portion of the subject property in APN 480-010-022. An associated vessel, presumed to contain water, was observed adjacent to the well (Photo 19, Appendix B, Figure 2).

5.3.12 Other Observations

Soil stockpiles were observed in the south-central area of the subject site. The soil stockpiles were locally derived from precise grading activities from the adjacent Tract 32289, located in the western adjacent property (Photo 20, Appendix B, Figure 2).

6.0 INTERVIEWS

Leighton conducted interviews with persons having knowledge of current or past subject site usage. Interviews were conducted either orally or in the form of a written questionnaire. Mr. Shaun Bower, Assistant Project Manager with Riverside Mitland 03, LLC completed an owner questionnaire for the subject site. A copy of this questionnaire is provided in Appendix C.

6.1 Interview with Owners

Leighton interviewed Mr. Shaun Bower, Assistant Project Manager with Riverside Mitland 03, LLC on March 18, 2016. Mr. Bower stated that the past property use was vacant land. Mr. Bower answered no to many of the questions posed to him; however, stated that he was not aware of environmental concerns associated with the subject site or adjacent properties. Mr. Bower indicated that fill material was onsite, but confirmed that the material was from the grading of the property and not derived from offsite sources.

6.2 Interview with Site/Property Manager

Leighton did not interview the subject site Property Manager as the property is vacant, undeveloped land.

6.3 Interviews with Occupants

The subject site is vacant, undeveloped land therefore there were no occupants to interview.

6.4 Interviews with Local Government Officials

Leighton did not interview employees with local government agencies to request information regarding historic and current uses of the subject site with the exception of those noted in Section 4.3.1.

6.5 Interviews with Others

Leighton did not conduct additional interviews for this Phase I ESA with the exception of the User interview discussed in Section 3.

7.0 FINDINGS

Leighton and Associates, Inc. (Leighton) performed this Phase I ESA for the property located north of Baxter Road and West of Leon Road, French Valley, an unincorporated area of Riverside County, California in accordance with Riverside Mitland 03, LLC's authorization.

7.1 Onsite

Historically, the subject site has been utilized for dry farming purposes and vacant undeveloped land until approximately 1998. According to building permits, the mobile home and detached garage were installed around 1998 and 1999. The subject site currently consists of 225-acres of vacant land in the process of being rough graded (Photos 1 through 20, Appendix B).

Hazardous substances, drums, or other chemical containers were not observed on the subject site. Evidence of underground storage tanks (USTs) or aboveground storage tanks (ASTs) (such as vent lines, fill or overfill ports) were not observed on the subject site.

A pad-mounted transformer was observed on APN 480-010-022, located in the northeastern area of the subject site (Photo 16, Appendix B, Figure 2). Due to lack of access Leighton was not able to observe if staining was beneath or around this transformer. Since this transformer was likely installed when the mobile home was constructed in 1998, it is not suspected of containing PCBs. Other PCB containing equipment was not observed on the subject site.

Evidence of a dumped couch and concrete debris were observed in the northern area of the subject site (Photos 17 and 18, Appendix B, Figure 2).

One water well, with a vessel suspected to contain water observed adjacent to the water well, was observed within the northern portion of the subject site and in APN 480-010-022 (Photo 19 Appendix B, Figure 2).

Soil stockpiles were observed in the south-central area of the subject site. The soil stockpiles were locally derived from precise grading activities from the adjacent Tract 32289, located in the western adjacent property (Photo 20, Appendix B, Figure 2).

A search of selected government databases was conducted by Leighton using the EDR Radius Report environmental database report system. Details of the database search along with descriptions of each database researched are provided in the EDR database report. The report meets the government records search requirements of ASTM E1527-13 Standard Practice for Environmental Property Assessments: Phase I ESA Environmental Property Assessment Process. The database listings were reviewed within the specified radii established by the ASTM E1527-13. The subject site was not listed in the database report.

7.2 Offsite

Historically, the adjacent properties were utilized as vacant undeveloped land, dry farming, rural residential properties and a commercial nursery. The subject site is bordered by Keller Road to the north followed by single family homes with associated storage sheds and horse barns. Flossie Way borders the subject site to the northeast followed by vacant land, a commercial nursery and residential structures. Vacant land borders the subject site to the southwest and southeast. The western adjacent properties are currently rural residential properties, graded residential housing lots, and vacant, undeveloped land. A Riverside County Wildlife Conservation Area is also located to the north and northwest of the subject site. Baxter Road borders the subject site along the southern border. Leon Road borders the subject site to the east.

Surrounding properties with environmental concern were not identified in the EDR report.

7.3 Data Gaps

Data gaps were identified by Leighton:

- Historical records prior to 1901 were not available. It is Leighton's opinion that this data gap is not significant to identifying recognized environmental conditions on the subject site.
- Leighton was unable to enter the residential and storage structures found within the northern area of the subject site. It is Leighton's opinion that this area is residential use as of the 1990's, and is not likely to pose a significant risk of environmental conditions.

- Responses from RCDEH have not been received as of the date of this report. Leighton will forward any received response altering the conclusions and recommendations of this report in an addendum letter. It is Leighton's opinion that due to the subject sites history of being native land; this data gap is not significant to identifying recognized environmental conditions on the subject site.

8.0 OPINION

8.1 Onsite

The subject site has been utilized for dry farming uses from at least 1938 to approximately 2015. According to the DTSC's Interim Guidance for Sampling Agricultural Properties, "Dry farming is the practice of growing a crop without irrigation. Many dry-land farming fields are not treated with pesticides, or are infrequently treated, since the lack of water does not provide a desirable habitat for most agricultural pests. Properties that clearly qualify as dry-land farming do not need further investigation for pesticides or metals" (DTSC, 2008). Due to the redevelopment of the subject site, continued grubbing, and the natural attenuation conditions, it is Leighton's opinion that sampling for pesticides is not warranted.

No HRECs or CRECs were identified for the subject site.

8.2 Offsite

No offsite RECs, HRECs, or CRECs were identified that would negatively impact the subject site.

9.0 CONCLUSIONS

We have performed a Phase I ESA in conformance with the scope and limitations of ASTM E1527-13 for the proposed Spencer's Crossing residential development, Tentative Tract Map 37053 and for APNs, 480-010-017, -018, -019, a portion of -020, -022 through -026, portions of 472-050-005, 472-050-024, 472-050-026, 472-050-027, 472-050-028, 480-670-030, 480-670-031, 480-660-016, 480-020-009, 480-020-013, portions of 480-020-010, 480-020-011, 480-020-014, 480-020-021, 480-020-032, 480-020-035, in an unincorporated area of Riverside County, California, the subject site. Exceptions to, or deletions from, this practice are described in Section 1.5 of this report. This assessment has not revealed evidence of RECs, HRECs, or CRECs in connection with the subject site.

The water well located on the northern portion of the subject site should be properly abandoned under permit in accordance with state regulations.

In general, observations should be made during future property development for areas of possible contamination such as, but not limited to, the presence of underground facilities, buried debris, waste drums, and tanks, stained soil or odorous soils. Should such materials be encountered, further investigation and analysis may be necessary at that time.

10.0 DEVIATIONS

Leighton did not deviate from or alter the scope of work, as defined in Section 1.3 of this report. Significant data gaps were not identified that affect the ability of Leighton and Associates to identify recognized environmental conditions at the subject site.

11.0 ADDITIONAL SERVICES

Leighton did not perform work outside the scope of work as defined in Section 1.3 of this report.

12.0 QUALIFICATIONS OF ENVIRONMENTAL PROFESSIONALS

12.1 Corporate

Leighton is a California corporation, providing geotechnical and environmental consulting services throughout California. We are solely a consulting firm without interests in real property other than our offices in Southern California. We provide professional environmental consulting services including application of science and engineering to environmental compliance, hazardous materials/waste assessment and cleanup, and management of hazardous, solid and industrial waste. Phase I Environmental Property Assessments are a part of this practice area and have been conducted by us.


12.2 Individual

The qualifications of the Associate Geologist and the other Leighton and Associates environmental professionals involved in this Phase I ESA meet the Leighton and Associates corporate requirements for performing Phase I ESAs as specified by ASTM E1527-13.

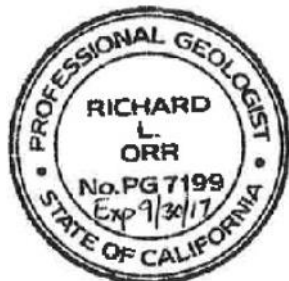
12.3 Environmental Professional Statement

I declare that, to the best of my professional knowledge and belief, I meet the definition of Environmental Professional as defined by §312.10 of 40 CFR Part 312.

I have the specific qualifications based on education, training, and experience to assess a property of the nature, history, and setting of the subject site. I have developed and performed all the appropriate inquiries in conformance with the standards and practices set forth in 40 CFR Part 312.



Richard L. Orr, P.G.
Associate Geologist



APPENDIX A
REFERENCES

APPENDIX A

References

- ASTM International, 2013, Standard Practice for Environmental Site Assessments: Phase I Environmental Site Assessment Process, Designation E1527-13, dated November 6, 2013.
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United States Geological Survey Topographic Map, "Winchester" Quadrangle, (1953, 1973, 1979 and 2012).

United States Geological Survey Topographic Map, "Murrieta" Quadrangle, (1942, 1943, 1953, 1973, 1979 and 2012).

United States Geological Survey Topographic Map, "Romoland" Quadrangle, (1953, 1973, 1979 and 2012).

APPENDIX B
SITE RECONNAISSANCE PHOTOS

APPENDIX C
CLIENT SUPPLIED DOCUMENTATION

APPENDIX D
ENVIRONMENTAL LIEN SEARCH REPORT

APPENDIX E
ENVIRONMENTAL RADIUS REPORT

APPENDIX F
REGULATORY RECORDS DOCUMENTATION

APPENDIX G
HISTORICAL RESEARCH DOCUMENTATION

APPENDIX H
GBA GEOENVIRONMENTAL REPORT