

March 10, 2009

Ms. Jennifer St. John
Santa Cruz County
2150 N. Congress Drive
Nogales, Arizona 85637

Re: Phase I Environmental Site Assessment - Hazardous Substances
La Loma Grande, LLC Property; Nogales, Arizona (Parcel No. 113-49-006)

Dear Ms. St. John:

Allwyn Environmental is submitting this Phase I Environmental Site Assessment (ESA) for the La Loma Grande, LLC-owned property (Parcel No. 113-49-006) located in Nogales, Arizona. The Phase I ESA has been performed to meet the requirements of the Standard Practice for Environmental Site Assessments: Phase I Environmental Site Assessment Process (ASTM E1527-05). We have completed this work in accordance with Santa Cruz County's Notice to Proceed dated February 20, 2009. We sincerely appreciate the opportunity to work with Santa Cruz County on this project. Should you have any questions concerning this report, please contact the undersigned at your convenience.

Sincerely,



ALLWYN ENVIRONMENTAL
Tod R. Whitwer, PE
As Managing Member for Allwyn Priorities, LLC

PHASE I
ENVIRONMENTAL SITE ASSESSMENT
HAZARDOUS SUBSTANCES

LA LOMA GRANDE, LLC PROPERTY
NOGALES, ARIZONA
(PARCEL NO. 113-49-006)

PREPARED FOR:
SANTA CRUZ COUNTY
2150 N. Congress Drive
Nogales, Arizona 85621

MARCH 10, 2009

Allwyn Environmental Job No. 010-015

Prepared By:

ae

**ALLWYN ENVIRONMENTAL
GLENDALE, ARIZONA**

EXECUTIVE SUMMARY

This report presents the findings of the Phase I Environmental Site Assessment (ESA) performed by Allwyn Environmental for the La Loma Grande Property located in the Mariposa Canyon area of Nogales, Arizona (referred to as the subject property in this Phase I Report). The entire property consists of one parcel (113-49-006) and covers approximately (66.84) acres. The subject property is located in the Mariposa Canyon area of Nogales, Arizona with its center located at a latitude of approximately 31.347952 North and longitude of approximately 110.973038 West. The subject property is located within Section 13, Township 24 South, Range 13 East of the Gila and Salt River Baseline and Meridian System.

The Phase I ESA was completed for Santa Cruz County to document known environmental risks and conditions associated with the property. The Phase I ESA was completed in accordance with the requirements of the Standard Practice for Environmental Site Assessments: Phase I Environmental Site Assessment Process (ASTM Designation: E1527-05). The objective of the Phase I ESA was to identify recognized environmental conditions (RECs) at the property. Allwyn Environmental performed historical research review, environmental records and databases evaluation, site reconnaissance, and interviews with persons knowledgeable with the site. This assessment has revealed evidence of the following recognized environmental condition in connection with the property:

- Large quantities of bullet fragments were observed throughout the northeast portion of the subject property, which is located west of a practice shooting range used by the U.S. Border Patrol. Bullet fragments varied in size and were found in large concentrations in the wash and hillside directly behind the shooting range. Allwyn Environmental also observed bullet fragments as far as 200 yards west of the shooting range. The bullet fragments likely result in elevated concentrations of lead in the soil. Further assessment of the soil through soil sample collection and analysis, and/or alternate means (e.g., X-ray fluorescence) should be conducted to evaluate the extent and magnitude of potential lead impact of the soil.

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1.0 INTRODUCTION

1.1 PROJECT BACKGROUND

Allwyn Environmental was retained by Santa Cruz County, Arizona to conduct a Phase I Environmental Site Assessment (ESA) for Parcel No. 113-49-006 (herein referred to as the subject property) which is owned by La Loma Grande LLC and located in the Mariposa Canyon area of Nogales, Santa Cruz County, Arizona (see Figure 1 for the approximate location of this site). This document presents the Phase I ESA in accordance with the requirements of the Standard Practice for Environmental Site Assessments: Phase I Environmental Site Assessment Process (ASTM Designation: E1527-05).

1.2 PROJECT OBJECTIVES

The objective of the Phase I ESA is to identify recognized environmental conditions (RECs) at the subject site. A REC is defined in ASTM E-1527-05 as:

*“The presence or likely presence of any hazardous substances or petroleum products on a property under conditions that indicate an existing release, a past release, or a material threat of a release of any hazardous substances or petroleum products into structures on the property or into the ground, groundwater, or surface water of the property. The term includes hazardous substances or petroleum products even under conditions in compliance with laws. This term is not intended to include de minimis conditions that generally do not present a threat to public health or the environment and that generally would not be the subject of an enforcement action if brought to the attention of appropriate governmental agencies. Conditions determined to be de minimis are not recognized environmental conditions ”.*¹

1.3 SCOPE OF WORK

Allwyn Environmental completed the following scope of services for the Phase I ESA in accordance with ASTM E1527-05:

- Review Santa Cruz County-provided information
- Review standard environmental record sources within minimum search distance
- Review readily-available historical sources (potentially including aerial photographs, fire insurance maps, property tax files, recorded land title records, and topographical maps)
- Conduct a site reconnaissance, including site visit of the exterior features of buildings and structures and a representative evaluation of adjoining property uses
- Conduct interviews with owner, occupant, or other persons knowledgeable with the site history and operations
- Disseminate and evaluate information to formulate professional opinion and conclusions
- Prepare report

1.4 REASON FOR PERFORMING PHASE I

The Phase I ESA is intended to permit Santa Cruz County to satisfy one of the requirements for the innocent landowners defense to the Comprehensive Environmental Response, Compensation, and Liability Act (CERCLA) liability, namely “all appropriate inquiry into the previous ownership and uses of the property consistent with good commercial or customary practice”. In addition, persons that receive a Brownfields grant from the U.S. Environmental Protection Agency (EPA) awarded under CERCLA section 104(k)(2)(B) and use the grant money to conduct site characterization or assessment activities must do so using All Appropriate Inquiries (AAI) which is satisfied by completing a Phase I ESA in accordance with ASTM 1527-05.

1.5 USER RELIANCE

This document and the information contained herein have been prepared solely for the use of Santa Cruz County and their authorized representatives. Any reliance on this report by other parties shall be at such party’s sole risk. Any future consultation or provision of services to third parties related to the property requires written authorization from Santa Cruz County or their representatives. Any such services may be provided at Allwyn Environmental’s sole discretion and under terms and conditions acceptable to Allwyn Environmental, including potential additional compensation.

2.0 SITE INFORMATION

2.1 SITE LOCATION AND LEGAL DESCRIPTION

The property consists of one parcel (113-49-006) located in the Mariposa Canyon area of Nogales, Arizona and covers approximately 66.84 acres. The subject property is located in Nogales, Arizona with its center located at a latitude of approximately 31.347952 North and longitude of approximately 110.973038 West. The subject property is located within Section 13, Township 24 South, Range 13 East of the Gila and Salt River Baseline and Meridian System. The legal description for the parcel comprising the subject property is:

Parcel No. 102-03-001K

AG/Vacant Land/Non-Profit – Real Property and Improvements. A PT NW4 located in Section 13, Township 24 South, Range 13 East of the Gila and Salt River Baseline and Meridian System.

2.2 ENVIRONMENTAL SETTING

2.2.1 Topography

The site lies within coverage of the Nogales, Arizona 7.5 Minute Quadrangle United States Geological Service (USGS) map. The terrain of the subject property is rugged and hilly with elevations ranging from approximately 3960 to 4130 feet above mean sea level (msl). The 1981 Arizona topographic map for the Nogales quadrangle encompassing the site is included in Appendix A.

2.2.2 Regional and Site Geology

The physiography of the study area is characterized by mountains and basins formed by large scale normal faulting during the Basin and Range disturbance about 14 to 6 million years ago. The basin is underlain by the sediments of the Tertiary-age Nogales Formation and Mesozoic-age intrusive volcanics, unconformably overlaid with a veneer of Quaternary-age sediments in the valleys. The Nogales Formation consists of mechanically deposited volcanic conglomerate with layers of sandstone and grit. The area is extremely dry desert lowland separated by linear-trending mountain ranges, with Nogales located in a narrow valley with an elevation of approximately 1,200 meters.

The study area is prone to erosion due to steep slopes, occasional intense rain storm events, and wind.

The soils in the study area are primarily shallow and rocky with unweathered clasts of andesite and rhyolite tuffs, granites, and small areas of clay shales. The steeper slopes have numerous rock outcroppings and shallow loamy soils. Five soil associations dominate the area: Comoro-Pima, Continental-Sonoita, Caralampi-White House - Hathaway, Lampshire-Chiracahua-Graham, and Faraway-Rock Outcrop-Barkerville. The first three are typically deep soils and sandy loams with varying amounts

of gravel and clay, generally appearing in or along floodplains and streambeds. The latter two are typically shallow cobbled clay or sandy loams occurring in the upper elevations on foothills and mountains (IBWC).²

2.2.3 Regional Groundwater Conditions

The property lies within the boundaries of the Santa Cruz Active Management Area (AMA), principally concentrated around a 45 mile reach of the Santa Cruz River from the international border to a few miles north of the Santa Cruz/Pima County line. The Santa Cruz AMA was designed to address groundwater overdraft in the area, whereby groundwater withdrawal is occurring at twice the rate of recharge. As a result, water management in this area is intensive. Within the Santa Cruz AMA, groundwater can be withdrawn legally only through a groundwater right or permit, unless groundwater is withdrawn from an exempt well (maximum capacity of 35 gallons per minute or less). These rights or permits take the form of grandfathered rights, service rights, or withdrawal rights.³

The basin-fill sediments along the Santa Cruz River form three aquifers (listed in ascending order): the Nogales Formation, the Older Alluvium, and the Younger Alluvium. These three aquifers are shared between the two countries. Both alluvial units are generally unconfined, hydraulically connected, and yield water to wells. The Younger Alluvium ranging in depth from 40 to 150 feet is present along the river and some of its tributaries. According to the ADWR, this aquifer is the most productive and widely used in the region providing about 75-percent of the total water in the Santa Cruz AMA, with some wells yielding more than 1,000 gallons per minute (gpm).

Although the Older Alluvium aquifer (ranging from a few feet to about 1,000 feet) is the most extensive geologic unit within the Santa Cruz AMA, its transmissivity is generally low and well yields are often small. The Nogales Formation (at least 5,000 feet thick) is not generally considered an aquifer, since groundwater occurs primarily in fracture zones and unconsolidated layers within the formation (average yields are less than 30 gpm).

The highly seasonal nature of surface water flow, the high transmissivity of the Younger Alluvium, and the discharge of effluent from the Nogales International Wastewater Treatment Plan (NIWTP) complicate the analysis of water level change. According to the Arizona Department of Water Resources, the water level elevations (elevation of the water table above mean sea level) range from 3,000 to 4,000 feet in the Santa Cruz AMA. The Santa Cruz River serves as a major source of recharge for the Younger Alluvium by seasonal methods: mountain front recharge, irrigation seepage, effluent discharge, and natural surface water flow.

Local water table levels fluctuate with variations in weather patterns, water withdrawals within the Santa Cruz River basin (in Mexico and the U.S.), and incidental recharge from agricultural irrigation and NIWTP discharge. The shallow depth of the basin's aquifers and the high transmissivity of the alluvium make many portions responsive to precipitation events and susceptible to droughts.⁴

2.2.4 Site Groundwater

Imaged Records for wells registered with the Arizona Department of Water Resources (ADWR) were reviewed to identify wells in the vicinity of the subject property (See Appendix B). Based on the information provided in the Well Driller Report from a well located within the same section of the subject property (ADWR Well No.55-636229), groundwater is located approximately 135 feet below ground surface. There does not appear to be a continuous clay layer in the site area. Based on site topography, the groundwater flow in the vicinity of the subject property is likely to the north to northwest.

2.3 CURRENT PROPERTY USE AND DESCRIPTION

The subject property consists of one parcel (113-49-006) and covers approximately 66.84 acres. The subject property consists of rugged and hilly undeveloped native desert land. There are no structures located on the subject property. There are dirt roads located on the subject property.

2.4 PUBLIC UTILITIES

The subject property is served by the following utilities and providers:

- Electric – Unisource
- Potable Water – City of Nogales
- Wastewater – City of Nogales
- Solid Waste – City of Nogales and Private Haulers
- Natural Gas – Unisource

2.5 CURRENT USES OF ADJOINING PROPERTIES

The current uses of properties immediately adjoining the subject property are summarized below:

- North (moving from northwest to northeast of property)
 - Undeveloped native desert land
 - Graded, vacant lots used to store tractor trailers
- East (moving from northeast to southeast of property)
 - Shooting Range
 - Undeveloped native desert land
- South (moving from southeast to southwest of property)
 - Undeveloped native desert land
- West (moving from southwest to northwest of property)
 - Undeveloped native desert land
 - Coronado National Forest

3.0 USER PROVIDED RECORDS

In order to qualify for the landowner liability protections offered by the Small Business Liability Relief and Brownfields Revitalization Act of 2001, the Phase I ESA user must provide certain information to the environmental professional. Allwyn Environmental developed a User Information Documentation Form to solicit this information from the property owner to achieve this liability protection. Mr. Nohe Garcia, property owner, was interviewed by Allwyn Environmental on March 3, 2009 in order to complete this form. This information is summarized below and a copy of the completed form is included in this report in Appendix C.

3.1 ENVIRONMENTAL LIENS OR DUERS

Mr. Garcia was not aware of any environmental cleanup liens against the property that are filed or recorded under federal, tribal, state, or local law. Mr. Garcia was not aware of any activity and use limitations (AULs), such as engineering controls, land use restrictions, or institutional controls that are in place at the site and/or have been filed or recorded in a registry under federal, tribal, state, or local law. The Title Report included in this report confirmed that no environmental liens or AULs are in place at the site and/or have been filed or recorded in a registry under federal, state, or local law.

3.2 SPECIALIZED KNOWLEDGE

Mr. Garcia indicated that he had no specialized knowledge or experience related to the property or nearby property.

3.3 COMMONLY KNOWN OR REASONABLY ASCERTAINABLE KNOWLEDGE

Mr. Garcia indicated that he was not aware of commonly known or reasonably ascertainable information about the property that would help the environmental professional to identify conditions indicative of releases or threatened releases.

3.4 VALUATION REDUCTION FOR ENVIRONMENTAL ISSUES

Mr. Garcia indicated that he was uncertain whether the purchase price of this property reasonably reflects the fair market value of the property or that a lower purchase price does not exist because contamination is known or believed to be present at the subject property.

3.5 INDICATORS OF PRESENCE OR LIKELY PRESENCE OF CONTAMINATION

Mr. Garcia indicated that he was not aware of obvious indicators that point to the presence or likely presence of contamination at the subject property.

4.0 HISTORICAL USE

ASTM E1527-05 requires the environmental professional to identify all obvious uses of the property from the present back to the property's first developed use or 1940, whichever is earliest. This information is collected to identify the likelihood that past uses have led to RECs in connection with the property. This task is accomplished by reviewing standard historical sources to the extent that they are necessary, reasonably ascertainable, and likely to be useful. These standard records include aerial photographs, fire insurance maps, property tax files, land title records, topographic maps, city directories, building department records, and zoning/land use records.

The general type of historical use (i.e., commercial, retail, residential, industrial, undeveloped, office) should be identified at 5-year intervals, unless the specific use of the property appears to be unchanged over a period longer than 5 years. The historical research is complete when the use is defined or when data failure occurs. Data failure occurs when all of the standard historical sources have been reviewed, yet the property use cannot be identified back to its first developed use or to 1940. Data failure is not uncommon in trying to identify the use of the property at 5-year intervals back to first use of 1940, whichever is earlier.

Historical records were researched and obtained by Allwyn Environmental to identify obvious uses of the property from the present back to the property's first developed use, or to 1940, whichever is earlier. The results of this research and data failure, if encountered, are presented in the following sections.

4.1 AERIAL PHOTOGRAPH REVIEW

Aerial photographs were reviewed by Allwyn Environmental for the years 1973, 1982, 1992, 1996, 1998, 2004, and 2006. The 2006 aerial photograph is provided as Figure 3. A brief description of each aerial photograph follows:

- **September 29, 1973 Aerial Photograph (1:24,000 scale) Reviewed at the U of A Library.**

Property Features

The subject property consists of undeveloped native desert land.

Surrounding Property Features

There appears to be a dirt landing strip to the north of the subject property. The other properties immediately adjacent to the subject property consist of undeveloped native desert land.

- **March 4, 1982 Aerial Photograph (1:25,000 scale) Reviewed at Pima County Library**

Property Features

The uses on the subject property appear unchanged from the 1973 aerial photograph.

Surrounding Property Features

The uses on the properties immediately adjacent to the subject property appear unchanged from the 1973 aerial photograph.

- **April 25, 1992 Aerial Photograph Reviewed at Google Earth**

Property Features

Other than the appearance of dirt roads along the southern border, the uses on the subject property appear unchanged from the 1982 aerial photograph.

Surrounding Property Features

Sparse development has occurred east of the subject property. North of the subject property, the graded area that contained the airstrip seems to have expanded in size. The uses on the other properties immediately adjacent to the subject property appear unchanged from the 1982 aerial photograph.

- **October 3, 1996 Aerial Photograph Reviewed at Google Earth**

Property Features

The uses on the subject property appear unchanged from the 1992 aerial photograph.

Surrounding Property Features

The uses on the properties immediately adjacent to the subject property appear unchanged from the 1992 aerial photograph.

- **1998 Aerial Photograph Reviewed at Cooper Aerial.**

Property Features

The uses on the subject property appear unchanged from the 1992 aerial photograph.

Surrounding Property Features

Tractor trailers have appeared on the property northeast of the subject property. The uses on the other properties immediately adjacent to the subject property appear unchanged from the 1992 aerial photograph.

- **Jan 12, 2004 Aerial Photograph Reviewed at Google Earth**

Property Features

The uses on the subject property appear unchanged from the 1998 aerial photograph.

Surrounding Property Features

An industrial structure has appeared northeast of the subject property and the number of tractor trailers being stored along the property north of the subject property has increased. The uses on the other properties immediately adjacent to the subject property appear unchanged from the 1998 aerial photograph.

- **November 11, 2006 Aerial Photograph Reviewed at Google Earth**

Property Features

The uses on the subject property appear unchanged from the 2004 aerial photograph.

Surrounding Property Features

There appears to be an area of standing water north northwest of the subject property. The uses on the properties immediately adjacent to the subject property appear unchanged from the 2003 aerial photograph.

4.2 SANBORN MAP REVIEW

Sanborn Map fire insurance maps were created to assist fire insurance agents in assessing the fire hazards of particular pieces of property in towns and cities throughout the United States. The maps indicate the size, shape, and construction materials of residences, commercial properties and factories and often include such details as building use, house and block numbers, widths of streets and locations of water mains. Sanborn maps were regularly updated, making them a valuable tool for documenting the changes in structure and building use in American cities.

On February 24, 2009, Allwyn Environmental reviewed Sanborn fire insurance maps at the University of Arizona Library and found no coverage for the subject property.

4.3 PROPERTY TAX FILES

On-line Santa Cruz County Tax Assessor records were researched for the subject property. The assessor's records show that the subject property is owned by La Loma Grande LLC.

4.4 ENVIRONMENTAL LIENS OR ACTIVITY AND USE LIMITATIONS (AUL) REPORT

Allwyn Environmental contracted with All Lands to prepare an Environmental Liens or AUL report. The report is contained in Appendix D. The report confirms the subject property ownership as La Loma Grande, LLC which was deeded ownership of the property on August 13, 2004 and recorded on August 17, 2004.

Finally, the Environmental Liens or AUL report indicates that there are no Voluntary Environmental Mitigation Use Restrictions (VEMURs), Declaration of Environmental Use Restrictions (DEURs), Environmental Liens, or activity and use restrictions currently recorded against the property as searched at the Santa Cruz County Records Office.

4.5 USGS TOPOGRAPHIC MAPS

USGS 7.5 Minute Topographic maps for the Nogales, Arizona quadrangle were reviewed for the years 1981 and 2004. In addition, a USGS 15 minute series map for the Nogales, Arizona quadrangle was reviewed for 1958. The 1981 topographic map is shown in Appendix A.

The topographic maps show the subject property to be primarily undeveloped to the north, west, and south (as indicated by the absence of structures). The topographic map does show some development to the east and northeast of the subject property. With regard to earlier topographic maps, no industrial, commercial, or manufacturing uses on the subject property or adjacent to the subject property are indicated or can be inferred from the historical topographical maps.

4.6 CITY DIRECTORY

Allwyn Environmental attempted to obtain City Directory abstracts from the Nogales Public Library and Santa Cruz Historical Society. These records were not available.

4.7 BUILDING DEPARTMENT RECORDS

Allwyn Environmental contacted Ms. Norma B. Northcross, Central Permits Coordinator for the Santa Cruz County Building Department on February 24, 2009 to review building records for the subject property. According to Ms. Northcross no records existed for the subject property and she also noted that the City of Nogales maintained building records for parcels located within the City of Nogales City Limits. Historical building department records were reviewed by Allwyn Environmental at the City of Nogales Public Works Department on February 24, 2009. According to staff there are no building

permits on file for parcel 113-49-012 nor have any addresses been issued.

4.8 ZONING/LAND USE RECORDS

Zoning information was obtained from the City of Nogales Public Works Department. The subject property zoning is designated as LI: Light Industrial.

4.9 FIRE DEPARTMENT RECORDS

Allwyn Environmental contacted Jesus Gomez, City of Nogales Fire Marshal, to request information regarding hazardous material responses and other environmental data maintained by the fire department such as inspections, chemical storage records, or underground storage tanks. According to Mr. Gomez, the City of Nogales Fire Department has no records related to the subject property.

4.10 SUMMARY OF PROPERTY HISTORICAL USE INFORMATION

4.10.1 Site Specific Historical Use

This section provides a summary of the historical use of the subject property based on review of readily-available historical documentation. Historical records indicate that the subject property has never been developed. Aerial photography indicates dirt roads appeared along the southern border of the subject property between 1982 and 1992. Currently, there is evidence of vehicular traffic taking place on the subject property.

4.10.2 Summary of Adjacent Properties Historical Use Information

The properties west and south of the subject property have never been developed and still consist of undeveloped native desert land. Grading and Industrial development began on the properties north and northeast of the subject property sometime between 1982 and 1992 and continues to take place. Aerial photography also indicates that flooding occurs to the north northwest of the subject property.

5.0 REGULATORY REVIEW

5.1 DATABASE INFORMATION

Allwyn Environmental conducted a review of readily-available local, state, and federal standard environmental record sources to assess whether current and past property usage and practices at the property parcels and surrounding properties (within appropriate minimum search distances) may have caused a REC at the site. Information from these sources was gathered either by Allwyn Environmental personnel directly or by a paid database search service (Allands of Goodyear, Arizona). A copy of the Allands report is provided in Appendix B. The databases that were reviewed and the approximate minimum search distances (in parentheses) were:

- Federal ASTM Standard Records
 - National Priorities List (NPL)/Proposed NPL Sites (1.0 mile)
 - Delisted NPL Sites (0.5 mile)
 - Comprehensive Environmental Response, Compensation, and Liability Information System (CERCLIS) (0.5 mile)
 - CERCLIS-No Further Remedial Action Planned (NFRAP) (0.5 mile)
 - RCRA Generator (Property and adjoining properties) (0.125 mile)
 - Resource Conservation and Recovery Act (RCRA) Corrective Action Report (CORRACTS) Sites (1.0 mile)
 - RCRA non-CORRACTS Treatment, Storage, or Disposal (TSD) Site (0.5 mile)
 - Emergency Response Notification System (ERNS) (0.125 mile)
- State of Arizona ASTM Standard Records
 - Water Quality Assurance Revolving Fund (WQARF) Sites (1.0 mile)
 - Arizona Superfund Program List (0.5 mile)
 - Solid Waste Facility/Landfill Lists (0.5 mile)
 - DUER Institutional Control/Engineering Control Registry (AUL) Sites (Property and Adjoining)
 - Brownfields Tracking System (BROWNFIELDS)/ Voluntary Remediation Program (VRP) Sites (0.5 mile)
 - Registered Underground Storage Tank List (UST) Sites (0.125 mile)
 - Leaking Underground Storage Tank List (LUST) Sites (0.5 mile)
- Additional Environmental Record Sources
 - RCRA Compliance Facilities
 - Hazardous Materials Incidents Emergency Response Logbook
 - ADEQ Drywell Registration Database
 - Environmental Permits

Note: The objective of this database search is to evaluate the potential impact of a listed facility on the property that is the subject of the Phase I ESA. The data tables for each section provide the relative position of groundwater flow at the listed facility in relationship to the subject property based

on the assumption that groundwater flow generally tends to the northwest in this area. Therefore, facilities that are indicated as “Upgradient” of the subject property can potentially impact the facility and may be considered to be RECs.

5.2 SUMMARY OF STANDARD RECORDS REVIEW

This section summarizes the findings of the standard records review within the applicable search radius from the subject property. The subject property was not listed in any of the records searched by Allands. Records for other properties within the appropriate search radius are found in Table 5.1. Detailed information for each standard record is provided in the Sections 5.3 through 5.6.

TABLE 5.1
RECORDS SUMMARY FOR PROPERTIES WITHIN ASTM-DEFINED SEARCH RADIUS

Site Name	Address	Record	Relative Elevation
Granite Construction Nogales	1700 W. La Quinta Road	RCRA	Downgradient

5.3 FEDERAL ASTM STANDARD RECORDS REVIEW RESULTS

5.3.1 National Priorities List (NPL) Sites

The Environmental Protection Agency (EPA) maintains the National Priorities List (NPL), a list of hazardous waste sites in the United States and its territories eligible for long-term remedial action financed under the federal Comprehensive Environmental Response, Compensation, and Liability Act (CERCLA or “Superfund”) program. The list contains national priorities among the known releases or threatened releases of hazardous substances, pollutants, or contaminants and is intended primarily to guide the EPA in determining which sites warrant further investigation.

Outcome: Allwyn Environmental’s review of the June 2008 NPL database and/or regulatory agency database did not result in the identification of facilities located on the property or within the 1.0-mile search radius.

5.3.2 Proposed NPL Sites

EPA maintains a list of sites that are proposed for inclusion on the NPL.

Outcome: Allwyn Environmental’s review of the June 2008 NPL database and/or regulatory agency database did not result in the identification of facilities located on the property or within the 1.0-mile search radius.

5.3.3 Delisted NPL Sites

EPA may determine that all appropriate response actions under CERCLA have been completed at a site listed on the NPL. These sites are considered to be “de-listed” from the NPL and, no further remedial action pursuant to CERCLA is appropriate or required.

Outcome: Allwyn Environmental’s review of the June 2008 NPL Deletions database and/or regulatory agency database did not result in the identification of facilities located on the property or within the 0.5-mile search radius.

5.3.4 Comprehensive Environmental Response, Compensation, and Liability Information System (CERCLIS)

The Comprehensive Environmental Response, Compensation and Liability Information System (CERCLIS) is a list maintained by EPA of suspected hazardous waste sites throughout the United States. This federal database contains information on preliminary assessments, potential and actual hazardous waste sites, site inspections, and cleanup activities. CERCLIS sites are candidates for addition to the federal and state Superfund lists. The database is updated periodically as new sites are discovered.

Outcome: Allwyn Environmental’s review of the April 2008 CERCLIS database and/or regulatory agency database did not result in the identification of the any facilities located on the property or within the 0.5-mile search radius.

5.3.5 CERCLIS - No Further Remedial Action Planned (NFRAP)

No Further Remedial Action Planned (NFRAP) sites have been removed from the CERCLIS list by EPA and are no longer considered an environmental concern. NFRAP sites may be designated as such when, following initial investigation, either no contamination was found, contamination was removed quickly without the need for the site to be placed on the NPL, or the contamination was not serious enough to require federal Superfund action or NPL consideration.

Outcome: Allwyn Environmental’s review of the April 2008 NFRAP database and/or regulatory agency database did not result in the identification of any facilities located on the property or within the 0.5-mile search radius.

5.3.6 RCRA Generator

EPA’s RCRAInfo provides information on sites that generate, transport, store, treat, and/or dispose of hazardous waste as defined and regulated by the Resource Conservation and Recovery Act (RCRA). Conditionally exempt small generators (CESQGs) generate less than 100 kilograms (kg) of hazardous waste per month, or less than 1 kg of acutely hazardous waste per month. Small quantity generators (SQGs) generate between 100 and 1,000 kg of hazardous waste per month. Large quantity

generators (LQGs) generate over 1,000 kg of hazardous waste per month, or more than 1 kg of acutely hazardous waste per month. Non-generators do not presently generate hazardous waste.

Outcome: Allwyn Environmental's review of the September 2008 RCRAInfo database and/or regulatory agency database resulted in the identification of the following facility located on the property or within a 0.125-mile search radius.

RCRA Generator Facilities				
Facility Name	Facility Identification Number/ Generator Type	Address	Distance and Direction From Property	Groundwater Flow at Facility Relative to Subject Property
Granite Construction Nogales	AZR000001149/ RCRA-NONGEN	1700 W. La Quinta Road	0.1 mi NW	Downgradient

5.3.7 RCRA Corrective Action Report (CORRACTS)

RCRA Corrective Action Sites (CORRACTS) list is a list maintained by EPA of hazardous waste treatment, storage, or disposal facilities and other RCRA-regulated facilities (due to past interim status or storage of hazardous waste beyond 90 days) that have been notified by EPA to undertake corrective action under RCRA. The CORRACTS list is a subset of the EPA database that manages RCRA data.

Outcome: Allwyn Environmental's review of the June 2008 CORRACTS database and/or regulatory agency database did not result in the identification of facilities located on the property or within the 1.0-mile search radius.

5.3.8 RCRA Non-CORRACTS Treatment, Storage, and Disposal (TSD) Facilities

EPA maintains a list of RCRA Non-CORRACTS Treatment, Storage, and Disposal (TSD) facilities. These facilities treat, store, and/or dispose of hazardous waste, as defined and regulated by RCRA, but have not been subject to corrective action.

Outcome: Allwyn Environmental's review of the June 2008 RCRAInfo database and/or regulatory agency database did not result in the identification of facilities located on the property or within the 0.5-mile search radius.

5.3.9 Emergency Response Notification System (ERNS) Facilities

The Emergency Response Notification System (ERNS) is maintained by the National Response Center. This database contains EPA's list of reported CERCLA hazardous substance releases or spills in quantities greater than the reportable quantity.

Outcome: Allwyn Environmental's review of the June 2008 ERNS list and/or regulatory agency database did not result in the identification of facilities located on the property or within the 0.125-mile search radius.

5.4 STATE OF ARIZONA ASTM STANDARD RECORDS

5.4.1 Water Quality Assurance Revolving Fund (WQARF)

ADEQ maintains a list of sites that may have an actual or potential impact upon the waters of the state caused by hazardous substances. The WQARF program provides matching funds to political subdivisions and other state agencies for clean-up activities.

Outcome: Allwyn Environmental's review of the June 2008 database and/or regulatory agency database did not result in the identification of facilities located on the property or within the 1.0-mile search radius.

5.4.2 Arizona Superfund Program List (SPL)

The Arizona Superfund Program List (SPL) is maintained by the ADEQ Superfund Program Section (SPS) and includes sites listed on any of the following:

- Water Quality Assurance Revolving Fund (WQARF) Registry List
- Potential WQRF Registry Sites
- National Priority List
- Department of Defense sites requiring SPS oversight

WQARF is the State of Arizona's equivalent to the federal Superfund program. ADEQ, SPS uses WQARF, created under the Environmental Quality Act of 1986, to support hazardous substance cleanup efforts in the State of Arizona. Sites are placed on the WQARF Registry List based on an approved eligibility and evaluation (E&E) model for evaluating risk and other environmental factors.

Outcome: Allwyn Environmental's review of the August 2004 SPL database and/or regulatory agency database did not result in the identification of facilities located on the property or within the 0.5-mile search radius.

5.4.3 Solid Waste Facility/Landfill

ADEQ inventory of solid waste disposal facilities and landfills in the State of Arizona. These are active or inactive facilities or open dumps that failed to meet RCRA Subtitle D criteria for solid waste landfills or disposal sites. The database is from the ADEQ Waste Programs Division; Solid Waste Section Directory of Arizona Active and Inactive Landfills dated May, 1999 and May, 2004, and checked for active and inactive landfills located within the search radius of the subject property.

Outcome: Allwyn Environmental's review of the May 2004 Solid Waste Facilities database and/or regulatory agency database did not result in the identification of facilities located on the property or within the 0.5-mile search radius.

5.4.4 DEUR Institutional Control/Engineering Control Registry (AUR)

The Arizona Unified Repository for Informational Tracking of the Environment (AZURITE) database stores core data for all of ADEQ's programs and allows structured searches of data subsets. The Remediation and DEUR Tracking (RDT) System is one such database subset used to track institutional and engineering controls authorized by ADEQ for site remediation projects. Institutional and administrative controls in Arizona have historically consisted of the following two mechanisms:

- Declaration of Environmental Use Restriction (DEUR). A restrictive land use covenant that is required when a property owner elects to use an institutional (i.e., administrative) control or engineering (i.e., physical) control as a means to meet remediation goals. The DEUR runs with and burdens the land, and requires maintenance of any institutional or engineering controls.
- Voluntary Environmental Mitigation Use Restriction (VEMUR). A restrictive land use covenant that, prior to July 18, 2000, was required when a property owner elected to remediate the property to non-residential uses. Effective July 18, 2000, the DEUR replaced the VEMUR as a restrictive use covenant.

Outcome: Allwyn Environmental's review of the June 2008 RDT database did not result in the identification of facilities with institutional controls associated with the property or adjoining properties.

5.4.5 Brownfields Tracking System (BROWNFIELDS)/Voluntary Remediation Program (VRP)

ADEQ's Voluntary Remediation Program (VRP) allows property owners, prospective purchasers, and other interested parties investigate or clean up a contaminated site in cooperation with ADEQ. VRP results in a streamlined process for program participants who work with a single point of contact at ADEQ to address applicable cross-program remediation efforts. ADEQ reviews these voluntary remedial actions and provides a closure document for successful site remediation that is accepted by all relevant ADEQ programs. The ADEQ AZURITE database contains the Brownfields Tracking System (BTS) that comprise sites within the VRP and ADEQ Brownfields Program.

Outcome: Allwyn Environmental's review of the June 2008 VRP and BTS databases did not result in the identification of any VRP facilities on the property or within the 0.5 mile search radius.

5.4.6 Underground Storage Tanks (UST)

Under State of Arizona and federal RCRA Subtitle D rules, persons who own or have owned underground storage tanks (USTs) that contain regulated substances are required to complete a

notification form and submit it to the State of Arizona. ADEQ Tanks Program maintains a list of these registered USTs in the State of Arizona.

Outcome: Allwyn Environmental's review of the May 2008 UST registration list and/or regulatory agency database did not result in the identification of facilities located on the property or within the 0.125-mile search radius from the site.

5.4.7 Leaking Underground Storage Tanks (LUSTs)

The ADEQ Tank Programs maintains a list of known or reported incidents of leaking underground storage tanks (LUSTs).

Outcome: Allwyn Environmental's review of the May 2008 LUST database and/or regulatory agency database did not result in the identification of facilities located on the property or within the 0.5-mile search radius.

5.5 ADDITIONAL ENVIRONMENTAL RECORD SOURCES

5.5.1 RCRA Compliance Facilities

The RCRA Compliance Log is a list maintained by ADEQ of facilities that have been or are under investigation for non-compliance with RCRA regulations.

Outcome: Allwyn Environmental's review of the June 2008 RCRA Compliance Log and/or regulatory agency database did not result in the identification of facilities located on the property or within the 0.125 mile search radius.

5.5.2 Hazardous Materials Incidents

The State of Arizona, Emergency Response Unit tracks chemical spills and incidents in the Hazardous Materials Logbook (SPILLS) database.

Outcome: Allwyn Environmental's review of the June 2001 Hazardous Materials Logbook database and/or regulatory agency database did not result in the identification of facilities located on the property or within the 0.125-mile search radius.

5.6.3 Dry Well Registration (DRY WELL)

A listing maintained by ADEQ of registered dry wells.

Outcome: Allwyn Environmental's review of the December 2008 DRY WELL database and/or regulatory agency database did not result in the identification of facilities located on the

property or within the 0.125 mile search radius.

5.6.4 Environmental Permits

These lists include Groundwater Permits, Reuse Permits, National Pollutant Discharge Elimination System (NPDES) permits, and Aquifer Protection Permits (APP). These databases are from ADEQ through the AZURITE Database System and the EPA.

Outcome: Allwyn Environmental's review of the June 2008 Environmental Permits database and/or regulatory agency database did not result in the identification of facilities located on the property.

6.0 SITE RECONNAISSANCE

6.1 METHODOLOGY AND LIMITING CONDITIONS

Mr. Tod Whitwer and Mr. Derek Koller of Allwyn Environmental conducted a site reconnaissance of the subject property on February 27, 2009.

The purpose of the site reconnaissance was to observe the subject property to identify potential recognized environmental conditions. Site observations were recorded by Mr. Koller in the Site Reconnaissance Documentation Form, a copy of which is included in Appendix E. Photographs of relevant portions of the site are included in Appendix F.

6.1.1 Methodology

The subject property is approximately 66.84 acres of vacant and undeveloped native desert land. The terrain is rugged and hilly (See Photographs No.3, No.5, and No.8 in the Photographic Log contained in Appendix F), with some evidence of vehicular traffic occurring on the southern border of the subject property. There were no buildings on the subject property at the time the site reconnaissance was performed.

Allwyn Environmental established a grid system approximately 200 yards wide following a north-south line using a global positioning system (GPS). The property boundary and site were then traversed in order to complete the site reconnaissance.

6.1.2 Limiting Conditions

There were no limiting conditions present during the site reconnaissance.

6.2 OBSERVATIONS

6.2.1 Hazardous Substances and Petroleum Products in Connection with Identified Uses

Allwyn Environmental did not observe any present uses on the property that likely use, treat, store, generate or dispose hazardous substances or petroleum products. In addition, records review and interviews conducted during the course of this Phase I ESA did not indicate that these features are present on the property.

6.2.2 Storage Tanks

Allwyn Environmental did not observe any aboveground storage tanks or any cracked or depressed areas, vent pipes, fill ports, or access ways that would suggest the presence of underground storage tanks on the property. In addition, records review and interviews conducted during the course

of this Phase I ESA did not indicate that these features are present on the property.

6.2.3 Odors

Allwyn Environmental did not detect any strong, pungent, or noxious odors on the property. In addition, records review and interviews conducted during the course of this Phase I ESA did not indicate that these features are present on the property.

6.2.4 Pools of Liquids

Allwyn Environmental did not observe any standing surface water, sumps, or pools containing liquids likely to contain hazardous substances or petroleum products on the property. In addition, records review and interviews conducted during the course of this Phase I ESA did not indicate that these features are present on the property.

6.2.5 Drums and Containers

Allwyn Environmental did not observe drums or containers on the property. In addition, records review and interviews conducted during the course of this Phase I ESA did not indicate that these features are present on the property.

6.2.6 PCB-Containing Equipment

Allwyn Environmental did not observe any electrical or hydraulic equipment known to contain PCBs on the property. In addition, records review and interviews conducted during the course of this Phase I ESA did not indicate that these features are present on the property.

6.2.7 Pits, Ponds, or Lagoons

Allwyn Environmental did not observe any pits, ponds, or lagoons on the property or on adjoining properties. In addition, records review and interviews conducted during the course of this Phase I ESA did not indicate that these features are present on the property.

6.2.8 Stained Soil or Pavement

Allwyn Environmental did not observe any areas of stained soil on the property. In addition, records review and interviews conducted during the course of this Phase I ESA did not indicate that these features are present on the property.

6.2.9 Stressed Vegetation

Allwyn Environmental did not observe any areas of stressed vegetation that would indicate the

presence of contamination on the property. In addition, records review and interviews conducted during the course of this Phase I ESA did not identify the presence of these features.

6.2.10 Solid Waste

Allwyn Environmental observed solid waste on the subject property in several locations. Bullet fragments (Photographs No.1 and No.2) were found in large concentrations in the northeast section of the subject property directly behind the practice shooting range used by the United States Border Patrol at a latitude of 31.347199 North and a longitude of 110.970094 West (Figure 3: Mark A). Bullet fragments were observed more than 200 yards west of the shooting range (Photograph No.3) at a latitude of 31.346833 North and a longitude of 110.971133 West (Figure3: Mark B). Two discarded tires (Photograph No.6) were observed along the southern fence line. In addition, discarded water bottles, clothing, backpacks, and other items presumably discarded by border crossers were observed throughout the subject property. Records review and interviews conducted during the course of this Phase I ESA did not identify the presence of any other such features.

6.2.11 Wastewater

Based on observation of the site topography, Allwyn Environmental concluded that storm water runoff from the property is likely discharged from all directions from the subject property. In addition, some storm water would run through the washes located on the subject property and/or would be retained on site. Allwyn Environmental did not observe additional wastewater or other liquid on the exterior of the property that may discharge into a drain, ditch, underground injection system, or stream on or adjacent to the property. In addition, records review and interviews conducted during the course of this Phase I ESA did not indicate that these features are present on the property.

6.2.12 Wells

Allwyn Environmental did not observe any wells on the property. In addition, records review and interviews conducted during the course of this Phase I ESA did not identify the presence of these features on the exterior of the property.

6.2.13 Septic System

Allwyn Environmental did not observe any septic systems or cesspools on the property. In addition, records review and interviews conducted during the course of this Phase I ESA did not identify the presence of these features on the exterior of the property.

7.0 INTERVIEWS

Mr. Nohe Garcia, property owner, was interviewed by Mr. Tod Whitwer of Allwyn Environmental on March 3, 2009. Details of the interview were recorded on an Interview Documentation form contained in Appendix G. Pertinent information gathered from Mr. Garcia during the interview has been incorporated into this Phase I ESA report.

8.0 FINDINGS AND CONCLUSIONS

8.1 SUMMARY

This section provides a summary of the historical use of the subject property based on review of readily-available historical documentation. Historical records indicate that the subject property has never been developed, however dirt roads did appear along the southern border of the subject property between 1982 and 1992.

The subject property does not appear on any historical record sources reviewed by Allwyn Environmental. Records review revealed the presence of conditions that would suggest the presence of one REC at the site as described in Section 8.3. The following feature found in the records review was given consideration as a potential REC, but was found not to represent a REC for the given reason:

Site Name	Reason Not Considered to be a REC
Granite Construction Nogales.	Located downgradient of the subject property.

8.2 DATA GAPS

A data gap is defined as the lack or inability to obtain information required by ASTM E1527-05 despite good faith efforts by the environmental professional to gather such information. The environmental professional is required to document and comment on the significance of only those data gaps that affect the ability of the environmental professional to identify conditions indicative of releases or threatened releases of hazardous substances, pollutants, contaminants, petroleum and petroleum products, and controlled substances on, at, in, or to the subject property.

Allwyn Environmental identified one data gap in the preparation of this Phase I ESA. Specifically, Allwyn Environmental was unable to identify the earliest use of the subject property back to 1940. However, this data gap is not significant and does not affect the Environmental Professional's ability to identify a REC at this site.

8.3 RECOGNIZED ENVIRONMENTAL CONDITIONS

Allwyn Environmental has performed a Phase I Environmental Site Assessment in conformance with the scope and limitations of ASTM Practice E 1527-05 for the property located in the Mariposa Canyon area in Nogales, Arizona (Parcel No. 113-49-006). Any exceptions to, or deletions from, this practice are described in Section 9.0 of this report. This assessment revealed evidence of one recognized environmental conditions in connection with the property:

- Large quantities of bullet fragments were observed throughout the northeast portion of the subject property, which is located west of a practice shooting range used by the U.S. Border Patrol. Bullet fragments varied in size and were found in large concentrations in

the wash and hillside directly behind the shooting range. Allwyn Environmental also observed bullet fragments as far as 200 yards west of the shooting range. The bullet fragments likely result in elevated concentrations of lead in the soil. Further assessment of the soil through soil sample collection and analysis, and/or alternate means (e.g., X-ray fluorescence) should be conducted to evaluate the extent and magnitude of potential lead impact of the soil.

9.0 DEVIATIONS

This Phase I ESA was performed in general accordance with the requirements of the Standard Practice for Environmental Site Assessments: Phase I Environmental Site Assessment Process (ASTM Designation: E1527-05). There were no substantive deviations, deletions, or additions to this practice, including client-imposed limitations.

10.0 QUALIFICATIONS OF ENVIRONMENTAL PROFESSIONAL

10.1 ENVIRONMENTAL PROFESSIONAL EXPERIENCE

Mr. Tod Whitwer, PE is a Registered Professional Engineer in the State of Arizona and has 20 years of experience in the environmental field. Mr. Whitwer's technical expertise includes site assessment and remediation; regulatory compliance; process engineering; Brownfields redevelopment; and project management services. He has participated in numerous Phase I ESAs as the lead professional, Principal, or staff professional for a diverse range of properties including industrial, manufacturing, commercial, residential, and undeveloped. He has extensive project management experience, including leading multiple task, multi-million dollar contracts. Mr. Whitwer holds a Bachelor of Science degree in Chemical Engineering and a Masters degree in Business Administration. Mr. Whitwer's resume is provided in Appendix H.

10.2 ENVIRONMENTAL PROFESSIONAL SIGNATURE AND STATEMENT

I declare that, to the best of my professional knowledge and belief, I meet the definition of Environmental Professional as defined in §312.10 of 40 CFR. I have the specific qualifications based on education, training, and experience to assess a property of the nature, history, and setting of the subject property. I have developed and performed the all appropriate inquiries in conformance with the standards and practices set forth in 40 CFR Part 312.

Signature of the Environmental Professional:

Tod R. Whitwer, PE
Allwyn Environmental
Environmental Professional

11.0 LIMITATIONS

Allwyn Environmental has performed our services for this project in accordance with Santa Cruz County's Notice To Proceed dated February 20, 2009, and with the Standard Practice for Environmental Site Assessments: Phase I Environmental Site Assessment Process (ASTM E1527-05). No other guarantees or warranties are expressed or implied. These services were performed to the degree of skill and diligence normally employed by experienced professionals performing the same or similar services in the same geographic area at the time the services were performed.

This Phase I ESA was conducted solely to permit Allwyn Environmental to render a professional opinion regarding the likelihood of a recognized environmental condition (REC) being present on, in, or beneath the subject site at the time services were performed. No Phase I ESA is thorough or exhaustive enough to wholly eliminate uncertainty regarding the potential for RECs in connection with the property. In addition, the level of inquiry for each Phase I ESA is variable, consistent with good commercial or customary practice, and will consider the type of property subject to assessment, the expertise and risk tolerance of the user, and the information developed in the course of the inquiry.

Allwyn Environmental has examined and relied on written documents, oral statements, and observations made by others. We have assumed this information is true, correct, accurate, and complete, and have not conducted an independent examination of the materials and statements. Allwyn Environmental shall not be responsible for conditions or consequences arising from relevant facts that were concealed, withheld, or not fully disclosed, or for items that were not visible, accessible, or present on the site and adjoining sites at the time of the site reconnaissance.

Santa Cruz County, including its directors, officers, partners, employees, agents, contractors and their respective assigns, agree to limit Allwyn Environmental's liability (whether arising from contract, statutory violation, or tort) to the greater of \$25,000 or the amount of Consultant's fee. This limitation of liability shall apply to all phases of Services performed in connection with this Project, whether subsequent to or prior to the execution of this Agreement. In no event shall Consultant be liable for liquidated, consequential, incidental or special damages. To the fullest extent permitted by law, Santa Cruz County, including its directors, officers, partners, employees, agents, contractors and their respective assigns, agrees to indemnify, defend, and hold harmless Allwyn Environmental, its directors, officers, employees and subcontractors from and against all claims, liability, damages, or expenses ("Claims") arising out of, in connection with or relating to any alleged act, failure to act, or other conduct of Allwyn Environmental, including but not limited to, Claims alleging the negligence or other fault of Allwyn Environmental, but specifically excepting Claims arising out of Allwyn Environmental's sole negligence or willful misconduct. Santa Cruz County shall indemnify Allwyn Environmental even if Santa Cruz County is partially or wholly without fault for such Claims.

The laws of the State of Arizona shall govern interpretation of these terms and conditions. If any term is deemed unenforceable, the remainder of the Agreement shall stay in full force and effect.

Santa Cruz County and Allwyn Environmental shall attempt resolution of any dispute arising under or related to this Agreement by mediation in the State of Arizona. Notwithstanding the foregoing, in the event of non-payment by Santa Cruz County, Allwyn Environmental may, at its sole option, waive mediation. Either party may demand mediation by serving a written notice on the other party stating the essential nature of the dispute. The mediation shall be conducted in accordance with the AAA Construction Industry Mediation Rules then in effect within forty-five (45) days from the service of notice. The parties shall share the fees equally. If mediation fails, either party may institute litigation in the State of Arizona. The prevailing party shall be entitled to reasonable attorneys' fees, cost, including costs incurred in the mediation and costs of enforcement of any judgment. The parties expressly waive any statute of limitations for a longer period of time and agree that any action shall be brought within one year from the date of Allwyn Environmental's final invoice. The parties expressly waive any and all rights to a trial by jury in any action, proceeding, or counterclaim brought by either of the parties against the other with respect to any matter relating to, arising out of or in any way connected with this Project.

Environmental regulatory criteria are continually changing. Therefore, environmental conditions, such as contaminant concentrations in certain media that are considered legal and acceptable at the time of this report may in the future be subject to different regulatory standards. Professional opinions and judgments expressed in this Phase I ESA are based on our understanding and interpretations of current regulatory standards and practices. This report is not meant to provide or represent legal opinions.

This document and the information contained herein have been prepared solely for the use of Santa Cruz County and their authorized representatives. Any reliance on this report by other parties shall be at such party's sole risk. Any future consultation or provision of services to third parties related to the property requires written authorization from Santa Cruz County or their representatives. Any such services may be provided at Allwyn Environmental's sole discretion and under terms and conditions acceptable to Allwyn Environmental, including potential additional compensation.

Allwyn Environmental shall sign certifications only if (a) Allwyn Environmental approves the form of such certification prior to the commencement of Services; (b) such certification is included in Allwyn Environmental's Services; (c) Allwyn Environmental receives additional compensation, if requested by Allwyn Environmental; and (d) the certification is limited to a statement of professional opinion and does not constitute a warranty or guarantee, express or implied. Any certification shall not relieve any entity of its obligations.

According to ASTM E1527-05, Phase I ESAs are generally valid for 180 days, unless site conditions or usage have changed to impact site environmental conditions. If within this period, the Phase I ESA is to be used by a different user than for whom the assessment was originally prepared, the new user must meet the User Responsibilities described in ASTM 1527-05.

This Phase I ESA may be used for up to 1 year from the date of issue, provided that the following inquiries are updated or conducted within 180 days of the date of purchase:

- Interviews with owners, operators, and occupants
- Searches for recorded environmental liens
- Review of federal, tribal, state, and local government records
- Visual inspection of the property and adjoining properties
- Declaration of the environmental professional responsible for the assessment or update

Our scope of services specifically did not address the following issues:

- Asbestos-Containing Material (ACM)
- Radon
- Lead-Based Paint
- Lead in Drinking Water
- Wetlands
- Regulatory Compliance
- Cultural and Historic Resources
- Industrial Hygiene
- Health and Safety
- Ecological Resources
- Endangered Species
- Indoor Air Quality
- High Voltage Powerlines

12.0 REFERENCES

¹ ASTM; Standard Practice for Environmental Site Assessments: Phase I Environmental Site Assessment Process (Designation: E-1527-00); May 2000.

² Environmental Protection Agency; Environmental Assessment for Water System Improvements; City of Nogales, Sonora, Mexico; December 1999.

³ Arizona Department of Water Resources; Overview of the Arizona Groundwater Management Code; <http://www.azwater.gov/dwr/WaterManagement/Content/AMAs/SantaCruzAMA/default.htm>

⁴ Environmental Protection Agency; Environmental Assessment for Water System Improvements; City of Nogales, Sonora, Mexico; December 1999.

10.0 QUALIFICATIONS OF ENVIRONMENTAL PROFESSIONAL

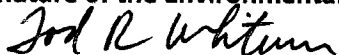
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Signature of the Environmental Professional:



Tod R. Whitwer, PE
Allwyn Environmental
Environmental Professional