

**REPORT ON PHASE I ENVIRONMENTAL
SITE ASSESSMENT**

DESIGNATION: Parcel 1A

LOCATION: Northeast of Dixileta Road and Pima Road
Scottsdale, Arizona

CLIENT: City of Scottsdale -Capital Improvements

PROJECT NO: 142402EA

DATE: February 16, 2015

AAI DATE: January 3, 2015

TABLE OF CONTENTS

1.0 INTRODUCTION	1
1.1 PURPOSE AND SCOPE OF REPORT	1
1.2 PROPERTY BACKGROUND	3
1.2.1 Property Location	3
1.2.2 Property Description	3
2.0 PHYSICAL SETTING	4
2.1 TOPOGRAPHY	4
2.2 GEOLOGY	5
2.3 REGIONAL CLIMATOLOGY, SURFACE WATER HYDROLOGY, AND HYDROGEOLOGY	6
3.0 STANDARD HISTORICAL SOURCES	6
3.1 AERIAL PHOTOGRAPHS	7
3.2 FIRE INSURANCE MAPS	8
3.3 PROPERTY TAX FILES	9
3.4 RECORDED LAND TITLE RECORDS	9
3.5 USGS TOPOGRAPHIC MAPS	9
3.6 LOCAL STREET DIRECTORIES	9
3.7 BUILDING DEPARTMENT RECORDS	10
3.8 ZONING/LAND USE RECORDS	10
3.9 OTHER HISTORICAL SOURCES	10
3.10 PREVIOUS ENVIRONMENTAL SITE ASSESSMENTS	10
3.11 HISTORICAL DATA GAPS	10
4.0 INTERVIEWS	11
4.1 OCCUPANTS, OWNERS, USER AND KEY SITE MANAGER	11
4.2 LOCAL GOVERNMENT OFFICIALS	12
5.0 CURRENT CONDITIONS	12
5.1 CURRENT PROPERTY USE	12
5.2 TRANSFORMERS	14
5.3 DRY WELLS	14
5.4 ADJOINING LAND USE	14
6.0 STANDARD ENVIRONMENTAL RECORD SOURCES	14
7.0 NON-SCOPE CONSIDERATIONS	17
7.1 ASBESTOS	17

TABLE OF CONTENTS (Continued)

7.2 BUSINESS ENVIRONMENTAL RISK DATABASES/ISSUES..... 18
8.0 FINDINGS AND CONCLUSIONS..... 19
9.0 RECOMMENDATIONS 20
10.0 LIMITATIONS 20
11.0 RELIANCE..... 21
12.0 REPORT CERTIFICATION 22
13.0 REFERENCES CITED AND REVIEWED 23

- APPENDIX:** A. Surface Photographs
B. Regulatory Database (ASTM) Search
C. Project Personnel Credentials



1.0 INTRODUCTION

This report presents the results of a Phase I Environmental Site Assessment (ESA) conducted on the subject Property identified as Parcel 1A located northeast of Dixileta Road and Pima Road in Scottsdale, Arizona. The work was authorized by Mr. Dave Lipinski of the City of Scottsdale and was performed in accordance with our Proposal No. 52674E dated December 15, 2014.

1.1 Purpose and Scope of Report

This ESA report is conducted in conformance with ASTM Standard Practice E 1527-13 (herein denoted ASTM 1527) dated November 2013 to reflect a commercial and customary practice in the United States of America for conducting an environmental site assessment of a parcel of commercial real estate with respect to the range of contaminants within the scope of Comprehensive Environmental Response, Compensation and Liability Act (CERCLA) (42 U.S.C. §9601) and petroleum products. Per ASTM 1527, this practice is intended to permit a user to satisfy one of the requirements to qualify for the innocent landowner, contiguous property owner, or bona fide prospective purchaser limitations on CERCLA liability (hereinafter, the “landowner liability protections,” or “LLPs”): that is, the practice that constitutes “all appropriate inquiries into the previous ownership and uses of the property consistent with good commercial and customary practice” as defined at 42 U.S.C. §9601(35)(B).

In defining a standard of good commercial and customary practice for conducting an environmental site assessment of a parcel of property, the goal of the process established by this practice is to identify, to the extent feasible pursuant to ASTM 1527, *Recognized Environmental Conditions* (RECs) in connection with the Property. The term REC is defined as the presence or likely presence of any hazardous substances or petroleum products in, on, or at a Property due to any release to the environment under conditions indicative of a release to the environment under conditions that pose a material threat of a future release to the environment. A *de minimis* condition is defined as a condition that generally does not present a threat to human 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. A *Controlled Recognized Environmental Condition* (CREC) is defined 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. A *Historical Recognized Environmental Condition* (HREC) is defined as a past release of 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 (for example, Property use restrictions, activity and

use limitations, institutional controls, or engineering controls). *De minimis* conditions are not RECs nor CRECs. (ASTM).

The scope of work for the assessment is in accordance with our above noted proposal and ASTM 1527 and included the following:

- ◆ All services were performed by an environmental professional under the direction of a professional engineer, geologist and/or certified remediation specialist registered in the state of Arizona.
- ◆ Interviews (in person, by telephone or in writing) were attempted with owners, occupants, key site managers, and local government officials, as reasonable, regarding RECs on the Property.
- ◆ ASTM Federal and State Standard Environmental Record Sources as well as selected additional local Environmental Record Sources, were reviewed (when reasonably ascertainable and to limits equal to or exceeding the minimum ASTM search distances) regarding RECs on the Property.
- ◆ Standard Historical Sources were reviewed as reasonably ascertainable to develop a history of the previous uses of the Property and surrounding area in order to identify those uses, which may have led to RECs in connection with the Property.
- ◆ A site reconnaissance of the Property was conducted including a site visit to visually and physically observe the general physical site setting, as well as the site components and structures for current and past Property uses and conditions (so far as these uses and conditions are observable). Additionally, current and past uses of adjoining sites were identified to the extent that these uses were observable during the on-site visit.
- ◆ This final report was written to describe indications of RECs observed during this assessment, our professional opinion thereto, and any recommendations for further investigation, as needed.

The scope of work for our Phase I ESA is based on the items identified herein which follow the general requirements set forth in ASTM Practice E 1527 and the EPA Standards and Practices for AAI Rule, 40 CFR 312. This scope does not address whether requirements in addition to all appropriate inquiries have been met in order to qualify for the LLPs. This scope of work also does not address requirements of any state or local laws or of any federal laws other than the all appropriate inquiries provisions of the LLPs. The scope of work does not include, unless otherwise stated/included herein, chemical analyses of site soils, air or

groundwater, or vapor intrusion. Further, the scope also does not include inquiry into other issues such as wetlands, regulatory compliance, cultural and historic resources, industrial hygiene, health and safety, ecological resources, endangered species, indoor air quality unrelated to releases of hazardous substances or petroleum products into the environment, high voltage power lines, asbestos-containing building materials, radon, lead-based paint, lead in drinking water, biological agents, and mold (considered by the ASTM Standard to be Business Environmental Risks and outside the standard scope of the ASTM practice). It should also be noted that this list of non-scope considerations is not intended to be all-inclusive. Some substances may be present on a property in quantities and under conditions that may lead to contamination of the property or of nearby properties but are not included in CERCLA's definition of hazardous substances (42 U.S.C. §9601(14)) or do not otherwise present potential CERCLA liability.

This report included the items listed in the *Shelf Life of AAI Documents*, which specifies that all appropriate inquiries must be conducted within a one-year period prior to the date a property is acquired. The Environmental Protection Agency (EPA) has defined the acquisition date to be the date on which the property title is transferred. To ensure full coverage under the AAI rule, a valid ESA report must be completed within a 12-month period prior to transfer of title. The AAI date included on the cover of this report indicates the earliest date that research was performed for the different components of this project.

1.2 Property Background

1.2.1 Property Location

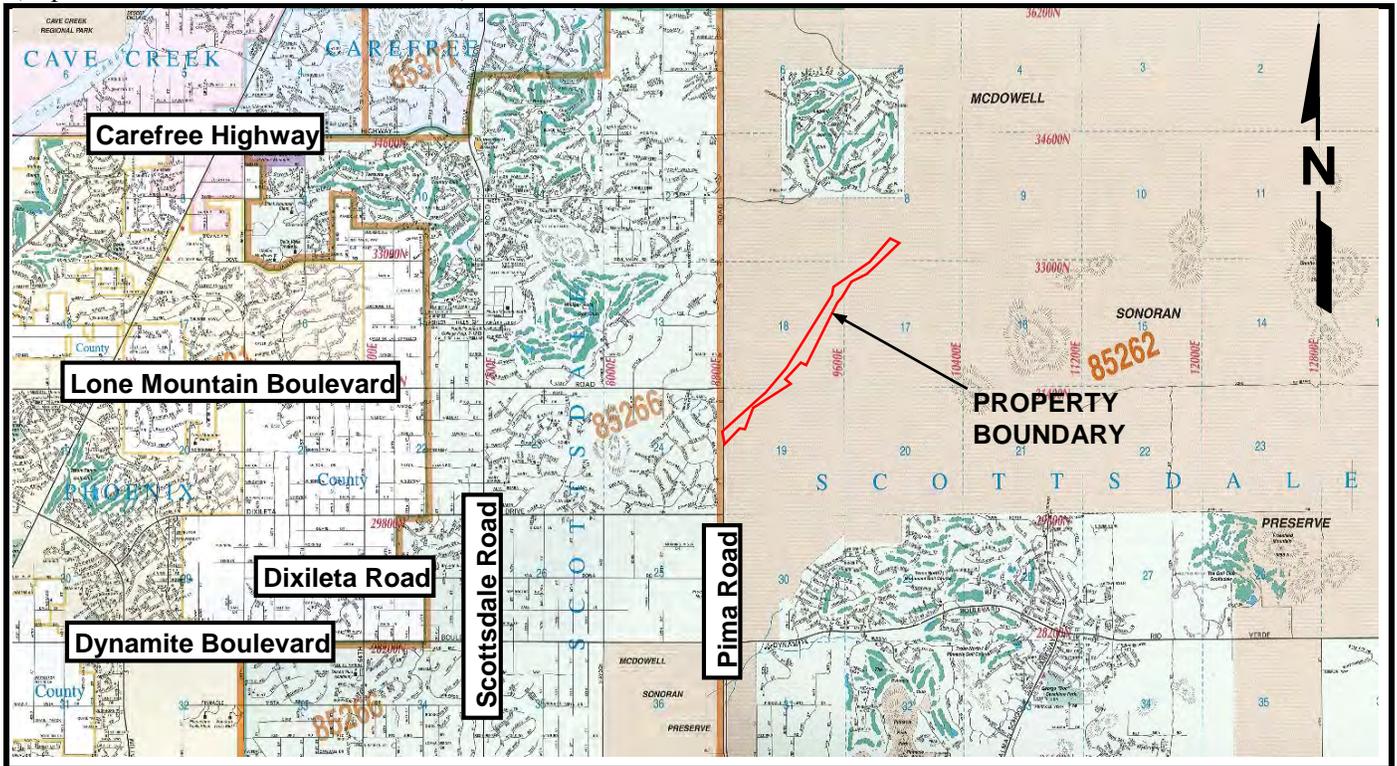
The subject Property is a strip of land that is situated diagonally from northeast to southwest through Sections 8, 17, 18, and 19 of Township 5 North, Range 5, East of the Gila and Salt River Base and Meridian, Maricopa County, Arizona. No physical address was identified for the subject Property. The Property is generally located northeast of Dixileta Road and Pima Road in Scottsdale, Arizona. The Property is generally bound on the west by Pima Road and on the northwest, north, east, and south by native desert land marked with survey stakes (See Figure 1.2.1.1).

1.2.2 Property Description

At the time of the site visit, the Property consisted of approximately 114 acres of native desert land. Ground cover consisted of indigenous desert vegetation. No structures or dedicated site uses were observed on the Property. The Property was accessed from Pima Road, which bordered the Property to the west.

Figure 1.2.1.1 - Property Location

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2.0 PHYSICAL SETTING

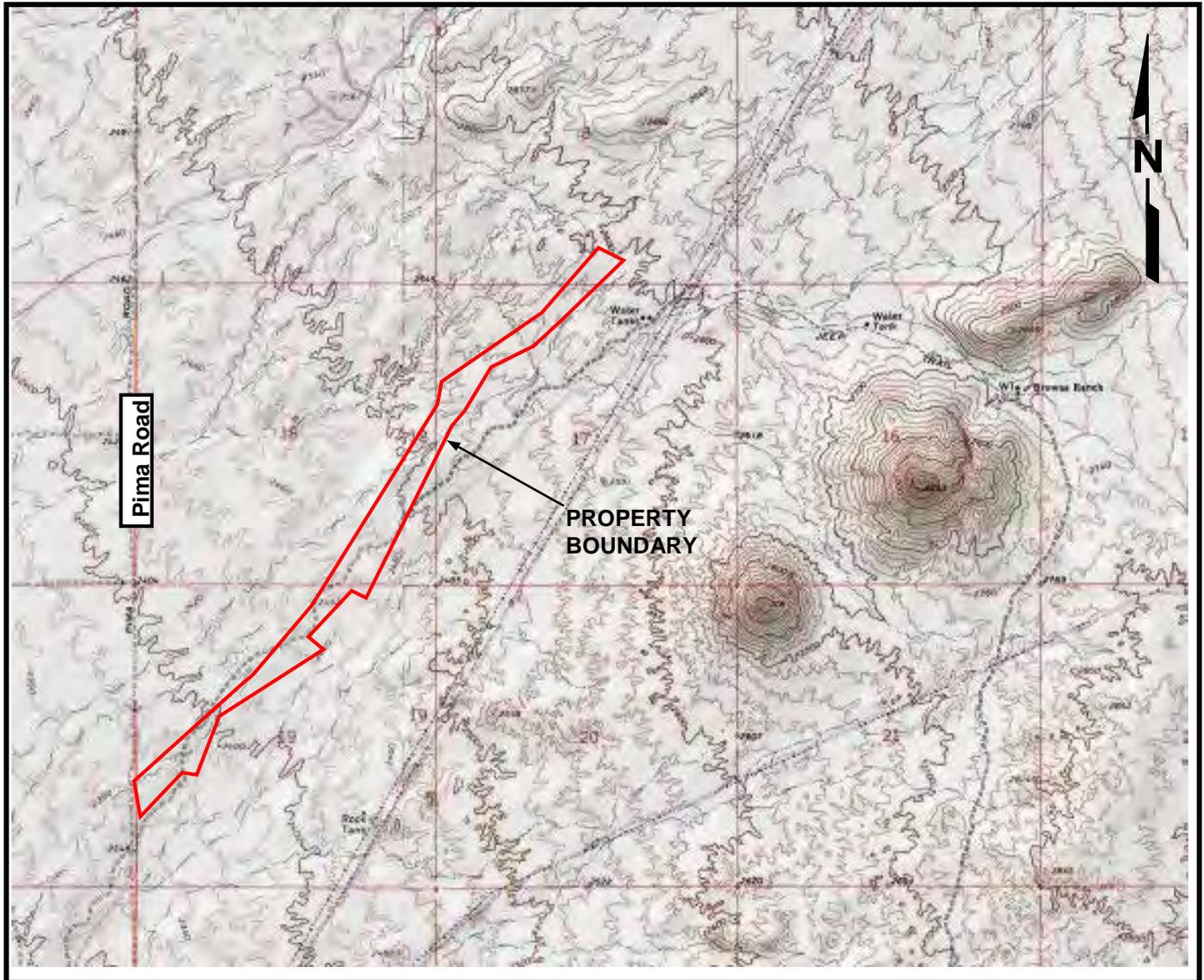
2.1 Topography

Approximate Property elevation: As depicted on the United States Geological Survey (USGS) 7.5 Minute Series Topographical Map (Figure 2.1.1), the Property elevation appears to be approximately 2,300 to 2,600 feet above mean sea level (USGS).

General down slope contour: West (ibid.).

Flooding zone: The Property is located within Zone AE and Zone X. Zone AE is defined as the 1% annual chance flood (100-year flood), also known as the base flood, which is the flood that has a 1% chance of being equaled or exceeded in any given year. The Special Flood Hazard Area is the area subject to flooding by the 1% annual chance flood. Areas of Special Flood Hazard include Zones A, AE, AH, AO, AR, A99, V and VE. The Base Flood Elevation is the water-surface elevation of the 1% annual chance flood. Base Flood Elevation is determined for Zone AE. Zone X are areas determined to be outside the 0.2% annual chance (500-year) floodplain (FEMA).

Figure 2.1.1 – Property Topography



2.2 Geology

Local soils: The Property soil is generally classified as Gran-Rock outcrop-Lehmans, with moderately steep and steep, non-gravelly and very gravelly, loamy and clayey soils, and Rock outcrops on hill slopes. (USDA).

Site specific conditions: Determination of site-specific geologic conditions was not within the scope of work for this phase of the study.

2.3 Regional Climatology, Surface Water Hydrology, and Hydrogeology

Average regional temperatures: 70-80°F to 100-110°F in July, 35-40°F to 65-70°F in January (Rascona).

Average regional precipitation: 7 to 9 inches per year (ibid.).

Average regional evaporation: 65 to 70 inches per year (ibid.).

Regional groundwater elevation: Regional groundwater maps developed by the Arizona Department of Water Resources (ADWR) revealed one (1) well located within a one-mile radius of the Property. Based on general contours, the regional groundwater elevation appeared to be approximately 2665 feet above mean sea level (30 feet below ground surface) with a southwesterly groundwater flow direction. However, groundwater flow resulting from local groundwater gradients may vary considerably in the area due to surface recharge, groundwater pumping and local subsurface geology (Rascona).

On-site water wells: ADWR Well Registry Reports were reviewed by Allands. The Allands report identified one (1) water well with coordinates which corresponded to the area encompassing the subject Property. This well was registered to the Arizona State Land Department and the type of well was not identified (Allands). This well did not appear to be located on the subject Property, and no obvious visual indications of water wells were observed on the subject Property during the site visit.

Potable water source: City of Scottsdale (Ekblaw).

On-site surface water: No surface water was observed on the Property at the time of the site visit. However, natural washes were visible extending in a northeast to southwest direction across the Property. It appeared that excess surface water could migrate across the Property boundaries. Given that the surface area of the Property was contiguous with the adjoining areas, on-site run-on may occur from up-gradient land and off-site discharges to down-gradient land. The washes that traverse the Property may transport off-site discharges onto/across the Property.

3.0 STANDARD HISTORICAL SOURCES

Standard Historical Sources were reviewed as necessary to develop a history of the previous uses of the Property and surrounding area in order to identify those uses that are likely to have led to RECs in connection with the Property. These sources were reviewed in five (or less) year intervals in an attempt to identify all obvious uses of the Property from the present until 1940 or until the Property's first developed use, whichever is earlier. Standard Historical Sources include Aerial Photographs, USGS 7.5 Minute Topographical Maps, Zoning/Land Use Records, Building Department Records, Local Street Directories, Fire Insurance Maps, Property Tax Files, Recorded Land Title Records, Previous Site Studies and Other Historical Sources. The specific sources used to identify the historical use of the subject Property are described in the

following sections. The earliest historical source reviewed during this assessment was an aerial photograph dated 1949. Historical research data was not reasonably ascertainable prior to 1949. Based on information gathered during this assessment, the Property appeared to have been indigenous native desert.

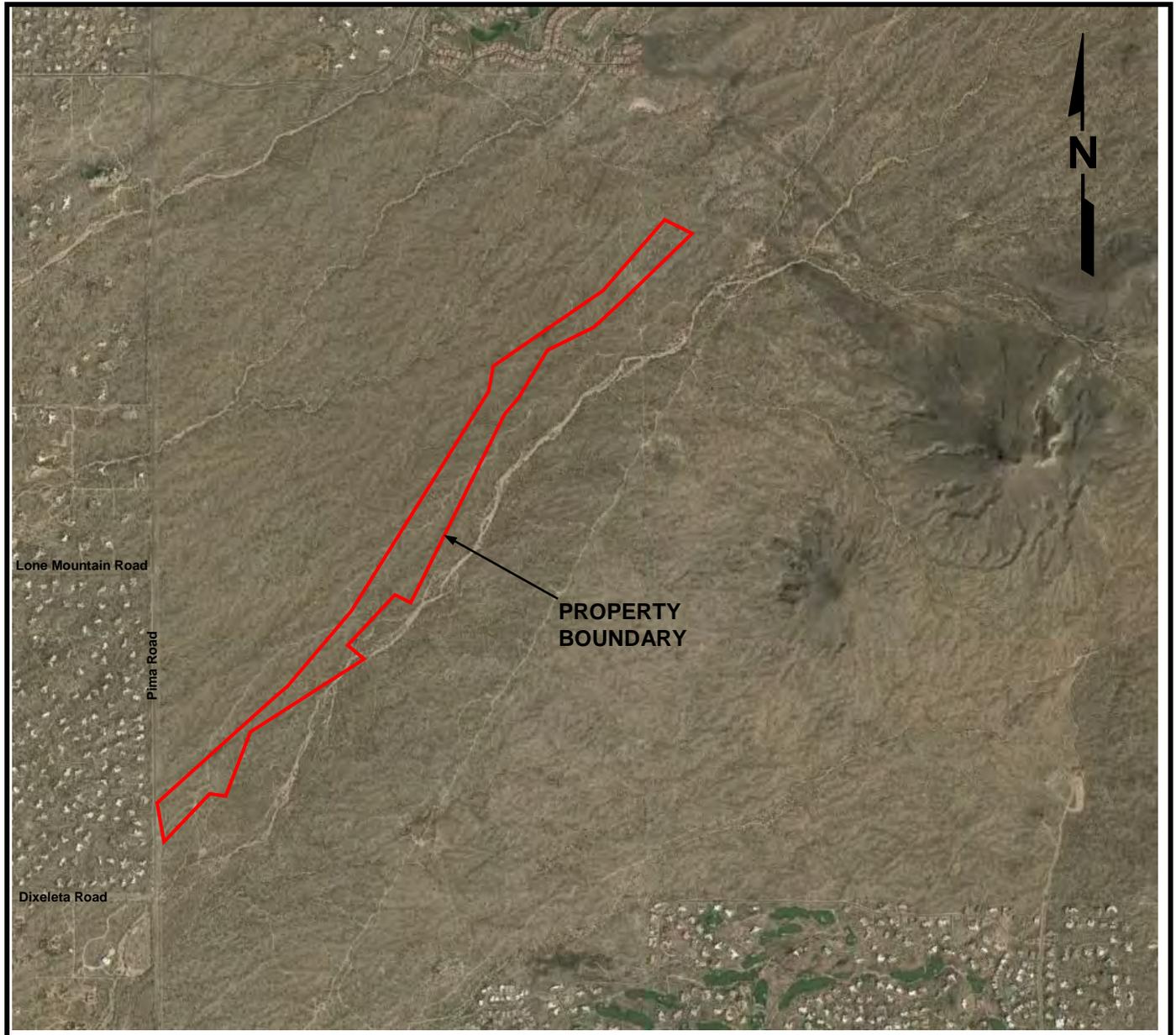
3.1 Aerial Photographs

A review of selected aerial photography from 1949 to 2014 was conducted at Arizona State University (ASU), the Maricopa County Assessor's Office and Flood Control District web pages (Maricopa), Nationwide Environmental Title Research, LLC (NETR), Google Earth Web Page (Google Earth), and TerraServer Online Imagery (TerraServer) to identify past uses and characteristics of the Property, and to determine and evaluate the nature of previous activities existing on-site, on adjoining sites or within the adjacent area. A copy of a selected photograph is included in Figure 3.1.1.

Subject Property: In the 1949 aerial photograph, the subject Property appeared to be primarily native desert land with natural washes. Except for a dirt road that intermittently crossed through portions of the Property, the Property appeared essentially the same in the 1953 to 2014 aerial photographs (ASU; Maricopa; NETR; Google Earth; TerraServer).

Adjacent Areas: In the 1949 and 1953 aerial photographs, the surrounding area appeared to be primarily native desert land with natural washes. In the 1962 aerial photograph, a dirt road and power line alignment that extended in a northeast to southwest direction was visible to the east of the Property. A dirt road in the alignment of Pima Road bordered the Property to the west. No aerial photographs were available between 1963 and 1991. In the 1992 aerial photograph, rural residential development was prevalent to the northwest, west, and southwest. The north, east, and south adjacent areas remained native desert land. Except for additional residential development, the adjacent areas appeared essentially the same from 1993 to 2014 (ASU; Maricopa; NETR; Google Earth; TerraServer).

Figure 3.1.1 - 2014 Aerial Photograph



3.2 Fire Insurance Maps

Fire insurance maps that show uses of properties at specified dates are produced by private fire insurance companies. The Sanborn Fire Insurance Maps, available at the Arizona State Capital were reviewed by Allands. The subject Property is not located within the boundaries of the Sanborn maps available at the Arizona State Capital (Allands).

3.3 Property Tax Files

Property tax files identify past owners of a Property and may contain appraisals, maps, sketches, photographs and other information concerning a Property. Property tax files accompanying the Allands report identified no parcel number as the Property is State Trust Land. No addresses were identified on the Property tax files. No improvements were indicated in the Property tax files. The Property's assessed site use was listed as State Trust Land (Allands).

3.4 Recorded Land Title Records

Recorded land title records are various documents regarding past use of a Property such as fee ownership, leases, land contracts, easements, liens, activity use limitations, and other relevant documents that are potentially descriptive of former site use. As part of this assessment, Allands reviewed appropriate public records in an effort to identify activity and use limitations recorded against the Property's legal description. The activity and use limitations researched included environmental permits, Brownfields and/or Voluntary Cleanup Programs, State Institutional/Engineering control registries, Voluntary Environmental Mitigation Use Restrictions (VEMURs), Declaration of Environmental Use Restriction (DEURs), and/or Environmental Liens. The documents reviewed identified no apparent indications of the above activity and use limitations for the subject Property (Allands).

3.5 USGS Topographic Maps

Topographic maps may identify structures, roads and general use of a Property for the year determined by the date of the map. The 1965 topographic map depicted natural washes and a dirt road that trended in a northeast to southwest direction intermittently across the subject Property. The 1981 photorevision did not depict any additional features on the Property (USGS).

Additional topographic maps were reviewed online on NETR's webpage. The topographic maps were dated 1939, 1950, 1959, 1963, 1967, 1973, 1982, 1995, and 2007. No additional features were depicted on the Property on the historical topographic maps (NETR).

3.6 Local Street Directories

City street directories can provide ownership information and/or use of a property as referenced by a street address, once identified. Since no physical address was identified for the Property, city directories were not reviewed.

3.7 Building Department Records

Building department records are those records associated with the construction, alteration, or demolition of improvements on a property. These records are available at the City of Scottsdale Planning and Development Records and are sorted by address. Since no physical address was identified for the Property, building department records were not reviewed.

3.8 Zoning/Land Use Records

Zoning/land use records show the uses allowed by the local government in the area encompassing a property. Mr. Kirk Wheeler, a representative with the City of Scottsdale Planning and Development Records Department, was contacted regarding zoning for the Property. Mr. Wheeler reported that the Property is currently zoned R1-43 ESL, R1-130 ESL, and R1-190 ESL, which he defined as single-family residential environmentally sensitive land. No historical zoning information was provided by Mr. Wheeler. The Property was reportedly annexed by the City of Scottsdale on October 6, 1983 (Wheeler; Scottsdale).

3.9 Other Historical Sources

Other historical sources may be reviewed in addition to the previously identified Standard Historical Sources to identify past uses of the Property. Other historical sources include, but are not limited to: miscellaneous maps, newspaper archives, internet sites, community organizations, local libraries, historical societies, current owners or occupants of neighboring properties, or records in the files and/or personal knowledge of the Property owner and/or occupants. No other historical sources were reviewed as part of the current Phase I ESA.

3.10 Previous Environmental Site Assessments

Previous environmental assessments are obtained, when possible, and reviewed for indications of previously identified RECs that may have existed on or near the Property. No previous environmental assessments were provided to Speedie and Associates for review and we received no indication that previous environmental assessments have been conducted on the Property.

3.11 Historical Data Gaps

The standard historical sources were reviewed as part of this Phase I ESA and none of these sources were excluded from this assessment. The earliest reasonably ascertainable historical source reviewed during this assessment was a topographic map dated 1939 and a 1949 aerial photograph. Based on the

historical information gathered during this assessment, the Property appeared to have been indigenous native desert. While historical information prior to 1939 was not reasonably ascertainable, based on the location of the Property as well as the growth and use patterns in the Property area, it is Speedie and Associates opinion it is Speedie and Associates opinion that the Property was likely native desert land.

4.0 INTERVIEWS

Interviews were attempted with users, owners, occupants, key site managers, and local government officials as necessary, regarding RECs for the Property. These interviews were attempted in person, by telephone, or by a written questionnaire.

4.1 Occupants, Owners, User and Key Site Manager

As part of Speedie and Associates' Phase I ESA procedures, a questionnaire is provided to the client, owner, and key site manager, as necessary to obtain historical and current data about the subject Property prior to the site visit. However, due to the typical brisk period between project initiation and the site visit, it is unusual for all three (3) contacts to have been made prior to the site visit. A questionnaire was sent to City of Scottsdale - Capital Improvements, the client. Mr. Kroy Ekblaw reported that currently the Property is vacant land. Historically, the Property was used for grazing cattle. He also reported that the City of Scottsdale provides water, the Arizona Public Service (APS) is the electrical service provider, and Southwest Gas is the natural gas provider for the subject Property. Mr. Ekblaw reported that he had no information regarding the presence of any environmental liens or activity use limitations on the Property, and he had no specialized knowledge regarding the Property. He indicated that he was not aware of anything that would impact the purchase price of the Property, and he was not aware of obvious indicators of the presence of contamination on the Property. He identified Arizona State Land Department as the current Property owner (Ekblaw).

Mr. Bruce Campbell, Environmental Program Specialist with the Arizona State Land Department completed an environmental questionnaire. Mr. Campbell reported that currently and historically, the Property has consisted of undeveloped desert land. He indicated that the Arizona State Land Department has owned the Property since 1923. He further reported that he was unaware of presence of any environmental liens or activity use limitations on the Property, and he had no specialized knowledge regarding the Property. He indicated that unaware of current market values, and he was not aware of obvious indicators of the presence of contamination on the Property. He identified Arizona State Land as the current Property owner and himself as the key site manager (Campbell).

4.2 Local Government Officials

Interviews were conducted with local agency personnel and other persons noted in the appropriate sections of this report. Typically, the local fire authority is contacted to determine if the documents regarding hazardous materials permits, hazardous materials incidents, or underground storage tank (UST) activities exist for the subject Property. However, the local fire authority maintains their records based on street address. Since no street address and no indications of significant previous development on the Property were identified, the local fire authority was not contacted.

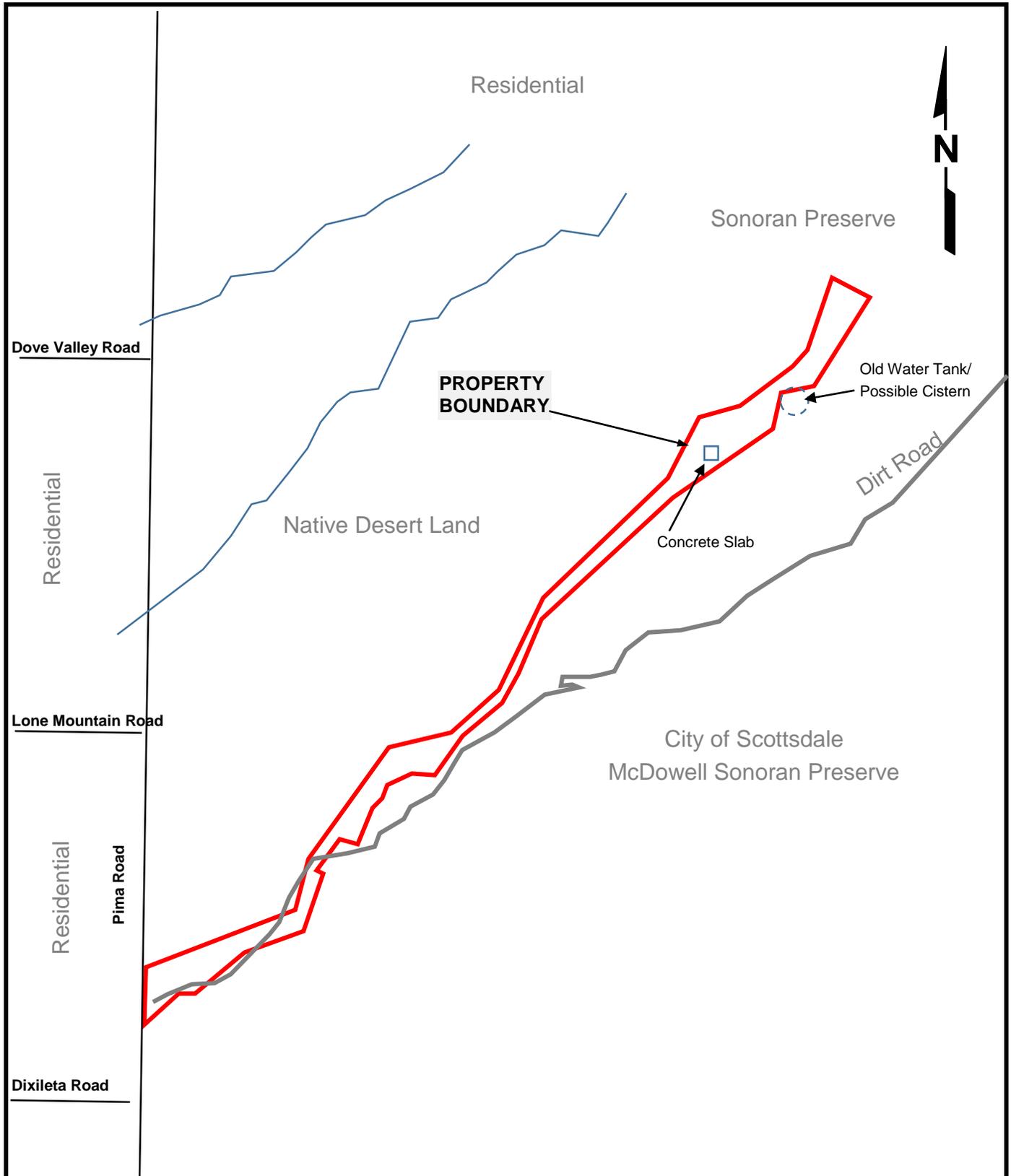
5.0 CURRENT CONDITIONS

5.1 Current Property Use

A site reconnaissance was conducted to observe and record information concerning present site development, use, and conditions. A visual and physical survey of the existing Property was conducted on January 11, 2015 by Mr. Tim J. Rheinschmidt of Speedie and Associates. Complete visual assessment of the Property was hindered by vegetation and terrain. The site visit was conducted by walking about the Property. Selected photographs, taken on the site visit, are included in Appendix A (Surface Photographs). Figure 5.1.1 identifies Property boundaries.

At the time of the site reconnaissance, the subject Property consisted of 114 acres of native desert land. The Property surface generally consisted of bare soil with native vegetation, including brush, shrubs, trees, and cacti. A wash extended northeast to southwest partly through and adjoining the Property. Hikers and bicycle riders were observed on the trails that were observed throughout the Property. The property was generally void of trash; however a small amount of debris was noted. Granitic rock outcrops were observed on the northern portion of the Property. There was the foundation of a structure observed on the northern side of Property. An old water tank and remnants from a cistern were located near the northeastern boundary of the Property. No signs of unusual stains or odors were detected during the site reconnaissance. No other significant features were observed on the Property at the time of the site visit.

Figure 5.1.1 - Property Plan



5.2 Transformers

In the past, oil found in electrical transformers contained Polychlorinated Biphenyls (PCBs), which have been found to be a human carcinogen. Since 1984, manufacturers of transformers have been certifying them “non-PCB”, containing less than 50 parts per million (ppm). No (0) transformers were observed on the Property at the time of the site visit.

5.3 Dry Wells

The ADEQ maintains a database of dry wells, the registration of which has been required since 1986. Allands reviewed this database for dry wells registered within a 0.125-mile radius of the subject Property. Based on this review, no (0) dry wells were identified within the search radius (Allands). Further, no (0) dry wells were observed on the subject Property at the time of the site visit.

5.4 Adjoining Land Use

A visual survey of the adjoining sites and areas were conducted on January 11, 2015 by Mr. Tim J. Rheinschmidt of Speedie and Associates. The Property was bound on the west by Pima Road followed by rural residential properties. The Property to the northwest was native desert land owned by Arizona State Land with rural residential properties further to the northeast. The Property was bound on the north, east, and south by the City of Scottsdale McDowell Sonoran Preserve.

6.0 STANDARD ENVIRONMENTAL RECORD SOURCES

A report of Federal and State Standard Environmental Record sources located with the ASTM prescribed search parameters was generated by Allands. A copy of the Allands report is located in Appendix B. Speedie and Associates reviewed this report for indication of RECs affecting the subject Property. The report revealed no (0) facility records within the search parameters (Allands).

National Priority List Sites: Under Section 105 of CERCLA the Environmental Protection Agency (EPA) established a National Priorities List (NPL) of Superfund sites. Inclusion on the NPL reflects a significant risk to public health and the environment and indicates a Federal Priority to remediate the site. The Allands report identified no (0) NPL sites within a 1.0 mile radius of the Property boundary (Allands).

Delisted NPL Sites: Sites may be delisted from the NPL where no further response is appropriate. The Allands report identified no (0) Delisted NPL sites within a 0.5 mile radius of the Property boundary (Allands).

CERCLIS/NFRAP Sites: The Comprehensive Environmental Response, Compensation and Liability Information System (CERCLIS) list contains sites which are either proposed to or on the NPL and sites which are in the screening and assessment phase for possible inclusion on the NPL. Those sites on the No Further Remedial Action Planned (NFRAP) list are CERCLIS sites which have no further remediation action planned. The Allands report identified no (0) CERCLIS/NFRAP sites within a 0.5 mile radius of the Property boundary (Allands).

RCRA Generators: Under the Resource Conservation and Recovery Act (RCRA) the EPA compiles a database of facilities that are involved in the generation of hazardous materials. RCRAInfo is EPA's comprehensive information system, providing access to data supporting the RCRA of 1976 and the Hazardous and Solid Waste Amendments (HSWA) of 1984. This database includes selective information on sites which generate, transport, store, treat and/or dispose of hazardous waste as defined by RCRA and is checked for Federal RCRA Conditionally Exempt Small Quantity Generators (CESQG – generate less than 100 kg of hazardous waste, or less than 1 kg of acutely hazardous waste per month); Federal RCRA Small Quantity Generators (SQG – generate between 100 kg and 1,000 kg of non-acutely hazardous waste per month) and Large Quantity Generators (LQG – generate over 1,000 kg of hazardous waste, or over 1 kg of acutely hazardous waste per month). The Allands report identified no (0) RCRA generators within a 0.125 mile radius of the Property boundary (Allands).

RCRA CORRACTS TSD Facilities: Under RCRA, the EPA compiles a database of facilities that are involved in the generation, transportation, treatment, storage, or disposal of hazardous materials, and have been found to be in non-compliance of regulations and have had to implement corrective actions. The Allands report identified no (0) RCRA CORRACTS Treatment Storage and Disposal (TSD) facilities within a 1.0 mile radius of the Property boundary (Allands).

RCRA Non-CORRACTS TSD Facilities: Under RCRA, the EPA compiles a database of facilities that are involved in the transportation, treatment, storage, or disposal of hazardous materials. Inclusion on the TSD Facilities list does not exclude being on the CORRACTS Facility List and is merely a list of TSD facilities compliant with the EPA's registration requirements. The Allands report identified no (0) RCRA Non-CORRACTS TSD facilities within a 0.5 mile radius of the Property boundary (Allands).

RCRA Compliance Facilities: The RCRA Compliance Log lists facilities that have been or presently are under investigation for non-compliance with RCRA regulations. Inclusion of any facility on this list

indicates a history of compliance problems and RCRA regulatory violation. This database is from the ADEQ RCRA Compliance Log. The Allands report identified no (0) RCRA Compliance Log facilities within a 0.125 mile radius of the Property boundary (Allands).

ERNS List: The Emergency Response Notification System (ERNS) list is a national database used to collect information on reported releases of oil and hazardous substances. This database is provided by EPA through the Right of Know Net by OMB Watch and Unison Institute. The Allands report identified no (0) ERNS sites within a 0.125 mile radius of the Property boundary (Allands).

WQARF Areas: The state of Arizona established a remedial program under A.R.S. 49-282 to facilitate the conservation and clean-up of Arizona drinking water and water sources. Under the authority of the Water Quality Assurance Revolving Fund (WQARF) program, the state actively identifies any actual or potential impact upon state waters, evaluates the extent of contamination, identifies parties responsible, and provides money grants to assist in clean-up activities. The Allands report identified no (0) WQARF Registry sites within a 1.0 mile radius of the Property boundary (Allands).

Arizona Superfund Program List: The Arizona Superfund Program List replaces the Arizona CERCLIS Information Data System (ACIDS). This list is more representative of the sites and potential sites within jurisdiction of the ADEQ Superfund Programs Section (SPS). This database is provided by ADEQ. The Allands report identified no (0) Arizona Superfund sites within a 0.5 mile radius of the Property boundary (Allands).

Solid Waste Facilities/Landfill Sites: The state of Arizona maintains listings of closed and permitted, operating landfills and solid waste dump sites. Lists of closed facilities are not necessarily complete - older dumping areas may not be documented. This database is from the ADEQ Waste Programs Division; Solid Waste Section Directory of Arizona Active and Inactive Landfills. The Allands report identified no (0) Landfill facilities within a 0.5 mile radius of the Property boundary (Allands).

Brownfields/Voluntary Cleanup Program: The Arizona Department of Environmental Quality has developed an AZURITE Database, which includes sites that are part of the ADEQ Voluntary Remediation Program and/or the ADEQ Brownfields Program. The Allands report identified no (0) Voluntary Remediation or Brownfields Sites within a 0.5 mile radius of the Property boundary (Allands)

Registered Underground Storage Tanks (USTs): State (A.R.S. 49-1001 to 1014) and Federal (RCRA Subtitle I) laws require that persons who own or have owned USTs containing “regulated substances” complete a notification form and register the tank with the state. This database is from the ADEQ UST Log. The Allands report identified no (0) UST sites within a 0.125 mile radius of the Property boundary (Allands).

Leaking Underground Storage Tank (LUST) Incident Reports: Owners of USTs are required to report to ADEQ any and all releases of tank contents for which ADEQ maintains an ongoing file documenting the nature of contamination and the status of each such incident. The Allands report identified no (0) LUST facilities within a 0.5 mile radius of the Property boundary (Allands).

Hazardous Materials Incident Emergency Response Logbook: The ADEQ Response Team documents spills and incidents involving hazardous materials that are reported to the unit. This database is from the ADEQ Emergency Response Log. The Allands report identified no (0) Hazardous Materials Incidents within a 0.125 mile radius of the Property boundary (Allands).

Drycleaners: The ADEQ maintains a Drycleaners Inventory List that summarizes current and historic dry cleaners sites located throughout the state of Arizona. The database is dated June 2006. The Allands report identified no (0) drycleaners located within a 0.125 mile radius of the Property boundary (Allands).

7.0 NON-SCOPE CONSIDERATIONS

The following non-scope issues are not RECs and therefore are of no consequence regarding Appropriate Inquiry (CERCLA liability) per ASTM 1527. However, in an attempt to provide further information that may be required by future Property owner/occupant(s), Speedie and Associates provides the following information.

7.1 Asbestos

Asbestos Containing Material is a given material that contains > 1% Asbestos fibers by volume/layer of building material, and suspect ACMs are those materials that are other than wood, glass, or steel. The asbestos industry is one of the most regulated fields in today's market. Both the Occupational Safety & Health Administration (OSHA) and the EPA have rules that govern the asbestos industry. These rules affect our clients because they govern asbestos containing materials (ACMs), which may be found in all buildings, regardless of the size or age of the structure. OSHA regulations govern the identification and management of ACMs within a structure, and the protection of employees who may disturb ACMs. The EPA governs ACMs within schools, and the disturbance of ACMs within any other structure that is deemed a "facility." The EPA identifies a "facility" as any institutional, commercial, public, industrial, or residential structure, installation, or building (including any structure, installation, or building containing condominiums or individual dwelling units operated as a residential cooperative, but excluding residential buildings having four or fewer dwelling units). No structures deemed a "facility" were identified on the Property.

7.2 Business Environmental Risk Databases/Issues

Business Environmental Risk (BERs) are databases/sources of information which contain data that is outside of the Scope of the ASTM Standard. The additional data may and can have potential implication on a commercial real estate transaction; however, for the purpose of CERCLA liability, the data is not considered by the ASTM Standard. The following additional databases/environmental business risk issues were researched by Speedie and Associates and Allands, the result of which are discussed below and/or included in the Allands report in the Appendix.

Wetlands: The National Wetlands Inventory (NWI) maintains and updates 1:24k quadrangle maps and digital data representing wetland locations and classifications as defined by the US Fish and Wildlife Service. One (1) recorded Freshwater Pond was located within a 1.0 mile radius to the south of the subject Property (Allands).

Cultural, Historic, and Archeological Resources: Established in 1966 by the Historic Preservation Act (NHPA), the National Register of Historic Places is the nation's official list of properties considered worthy of preservation. The National Register Information System (NRIS), maintained by the National Park Service, contains information on every property in the Register, and is the official list of districts, sites, buildings, structures and object significant in American History. No (0) standing historic structures were found within the 1.0 mile search radius and no historic properties or districts were found in the City of Scottsdale historic property information.

The ASU AZSITE Public Database was searched for cultural/archaeological resources sensitivity in Sections 8, 17, 18 and 19 of Township 5 North, Range 5 East. Allands reported that the survey density (the percentage of land within the square mile) that was surveyed by archaeologists is 60.3% and the site density (the percentage of land within the section) that contains a recognized archaeological/historical site for each of the sections is a follows (Allands):

Survey density of Section 8 is 27.5%, and archaeological site density is 0.0%.

Survey density of Section 17 is 10.3 %, and archaeological site density is 1.0%.

Survey density of Section 18 is 5.7%, and archaeological site density is 0.3%.

Survey density of Section 19 is 11.4%, and archaeological site density is 9.0%.

Ecological Resources and Endangered Plant & Animal Species: The US Fish and Wildlife Service maintain a list of endangered plant and animal species, which can be sorted by geographical areas. Based on a review of this listing performed by Allands, several endangered and threatened species occur in

Maricopa County; however, none (0) were specifically recorded on the Property or the surrounding area. The list of endangered and threatened species located within Maricopa County can be found in the Allands report located in the Appendix (Allands). As part of the subject assessment, an official inspection for the presence of endangered and threatened species was not performed.

Wilderness: This database is comprised of information from the Bureau of Land Management Wilderness Areas, National Park Service Lands, National Forest Service Lands, National Parkways and Scenic Rivers, and the State of Arizona Parks Service. No (0) wilderness areas were located within a 1.0 mile radius of the subject Property (Allands).

National Wildlife Refuges: This database is comprised of information from the United States Fish and Wildlife Service. No (0) national wildlife refuges were located within 1.0 mile radius of the subject Property (Allands).

High Voltage Power Lines: At the time of the site inspection an electrical substation and two (2) high tension electrical transmission lines were observed on or near the Property.

TSCA or FINDS: The Toxic Substances Control Act Inventory includes the location of more than 70,000 processors and manufacturers of chemicals. This database is no longer released by the US EPA. FINDS contains both facility information and “pointers” to further sources that contain more details. No (0) TSCA or FINDS facilities were located within a radius equal to, or less than, 0.125 mile of the subject Property (Allands).

8.0 FINDINGS AND CONCLUSIONS

At the time of the site reconnaissance, the subject Property consisted of 114 acres of native desert land. The Property surface generally consisted of bare soil with native vegetation, including brush, shrubs, trees, and cacti. A wash extended northeast to southwest partly through and adjoining the Property. Hikers and bicycle riders were observed on the trails that were observed throughout the Property. The property was generally void of trash; however a small amount of debris was noted. Granitic rock outcrops were observed on the northern portion of the Property. There was the foundation of a structure observed on the northern side of Property. An old water tank and remnants from a cistern were located near the northeastern boundary of the Property. No signs of unusual stains or odors were detected during the site reconnaissance. No other significant features were observed on the Property at the time of the site visit.

Historically, the Property appeared to be indigenous native desert with natural washes from at least 1939 and 1949. A dirt road intermittently crossed through portions of the Property. The Property appeared unchanged from 1953 to 2014.

The Property and adjoining properties were not identified in the environmental regulatory databases. No other environmental regulatory listings were identified in the vicinity of the Property.

We have performed a Phase I ESA in conformance with the scope and limitations of ASTM Standard Practice E 1527 for the subject Property identified as Parcel 1A located northeast of Dixileta Road and Pima Road in Scottsdale, Arizona. Any exceptions to, or deletions from, this practice are described in Section 1.1 of this report. Based on information collected during Phase I ESA procedures and analysis, this assessment has revealed no evidence of RECs, controlled recognized environmental conditions (CRECs), historical recognized environmental conditions (HRECs), or *de minimis* conditions in connection with the Property.

9.0 RECOMMENDATIONS

Based on information collected during Phase I ESA procedures and analysis, we recommend no further investigation in regards to RECs at the subject Property at this time.

10.0 LIMITATIONS

Our investigation has been carried out with diligence and detail consistent with prevailing standards and engineering practice. The scope of this investigation was limited to visual and physical observations made during the site visit, interviews with public agency personnel and a review of reasonably ascertainable records and literature. As a result, our conclusions are based largely on information supplied by others. We as environmental professionals are not required to verify the information, but may rely on the information unless actual knowledge concerning the validity of the information is known or is obvious to the professional, based on other collected information. The assessment focus was on identifying 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. We are unable to predict events, which may occur after our site visit and result in Property contamination, such as “midnight” dumping or accidental spillage.

No environmental site assessment can wholly eliminate uncertainty regarding the potential for RECs in connection with a Property. Performance with ASTM Practice environmental 1527 is intended to reduce, but not eliminate uncertainty, in connection with a Property while recognizing reasonable limits of time and cost. It should not be concluded or assumed that an inquiry was not appropriate inquiry merely because the inquiry did not identify RECs in connection with a Property. Additionally, it cannot be assumed that any RECs identified during the assessment are the only conditions to exist for the Property. Any conclusion should not be construed as a guarantee for absence, or an attempt at quantification of materials creating RECs, but merely the results of the assessment.

11.0 RELIANCE

We have performed our services for this project in accordance with our proposal and the report is solely for the use of City of Scottsdale and Arizona State Land Department. Any reliance on this report by any other party shall be at such party's sole risk.

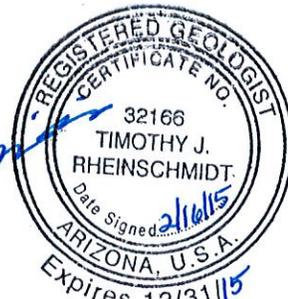
12.0 REPORT CERTIFICATION

This environmental site assessment was performed by an environmental professional or conducted under the supervision or responsible charge of an environmental professional. We declare that, to the best of our professional knowledge and belief, the individuals associated with the preparation of this report meet the definition of Environmental professional as defined in §312.10 of 40 CFR 312 and we have the specific qualifications based on education, training, and experience to assess a property of the nature, history, and setting of the subject property. We have developed and performed the all appropriate inquiries in conformance with the standards and practices set forth in 40 CFR Part 312. A summary of Project Personnel Credentials is included in Appendix C.

Respectfully submitted,
Speedie and Associates



Connie F. Jiron
Project Manager



Timothy J. Rheinschmidt, R.G./C.R.S.
Environmental Division Manager



Gregg A. Creaser, P.E.



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**APPENDIX A:
SURFACE PHOTOGRAPHS**

APPENDIX A: Surface Photographs



Photo No. 1: Southwest corner of the Property facing east along the southern boundary.



Photo No. 2: Southwest corner of the Property facing northeast and looking across the Property.



Photo No. 3: Southwest corner of the Property facing north along the western boundary.



Photo No. 4: Northwest corner of the Property near Pima Road facing south along the western boundary.



Photo No. 5: Near the northwest corner of the Property and Pima Road facing northeast and looking along the northwest Property boundary.



Photo No. 6: Typical desert terrain facing northeast.

APPENDIX A: Surface Photographs



Photo No. 7: Typical desert terrain near the center of the Property.



Photo No. 8: Typical stake marking the edge of the Property.



Photo No. 9: Northeast side of the Property facing west.



Photo No. 10: Power lines near the northeast end of the Property.



Photo No. 11: View of concrete slab near the northeast portion of the Property.



Photo No. 12: Typical stake marking the edge of the Property.

APPENDIX B:
REGULATORY DATABASE (ASTM) SEARCH



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Historical Title and Environmental Research

REGULATORY DATABASE (ASTM) SEARCH With NEPA PROFILE

YOUR FILE NO: 142402EA

ALLANDS FILE NO: 2015-01-017D

DATE OF REPORT: January 3, 2015

ALLANDS hereby reports the search results of Federal and State Databases according to ASTM standards for Phase I Environmental Site Assessments E 1527-13. Allands is not responsible for errors in the available records. The total liability is limited to the fee paid for this report. This is a confidential, privileged and protected document for the use of Speedie & Associates.

1. The land referred to in this report is located in Maricopa County, Arizona, described as follows:

State Land Property located Northeasterly of Pima Road and Dixileta Drive, Scottsdale, Arizona, being in Sections 7, 8, 18 and 19, Township 5 North, Range 5 East, Gila and Salt River Base and Meridian.

REGULATORY DATABASE SEARCH SUMMARY

Database	Date of Database	Approximate Minimum Search Distance (miles)	Reported Facilities
Standard Federal ASTM Environmental Record Sources			
NPL (National Priorities List) / Proposed NPL / DOD (Department of Defense Sites)	10/14	1.0	0
Delisted National Priorities List	10/14	0.5	0
CERCLIS (Comprehensive Environmental Response, Compensation and Liability Information System)/No Further Remedial Action Planned (NFRAP)	01/14	0.5	0
RCRA (Resource Conservation and Recovery Act)	10/14	0.125	0
RCRA – CORRACTS TSDFs (Corrective Action Treatment, Storage, and Disposal Facilities)	10/14	1.0	0
RCRA – Non-CORRACTS TSDFs	10/14	0.5	0
ERNS (Emergency Response Notification System)	10/14	0.125	0
Standard State ASTM Environmental Record Sources			
WQARF (Water Quality Assurance Revolving Fund) Areas	10/14	1.0	0
Superfund Program List (replaces ACIDS)	08/04	0.5	0
Solid Waste Facilities/Landfill Sites – Operating and Closed	05/99 & 05/04	0.5	0
Control Registries	10/14	Site and adjoining	0
Brownfields / Voluntary Remediation Program	01/14	0.5	0
Registered USTs (Underground Storage Tanks) (includes Tribal Records)	03/14	0.125	0
LUSTs (Leaking Underground Storage Tanks) Incident Reports (includes Tribal Records)	03/14	0.5	0

REGULATORY DATABASE SEARCH SUMMARY

(cont.)

Additional Environmental Record Sources			
RCRA Compliance Facilities	10/14	0.125	0
Hazardous Materials Incidents Emergency Response Logbook	1984-06/01	0.125	0
ADEQ Drywell Registration Database (includes Tribal Records)	10/14	0.125	0
Environmental Permits	10/14	Site	0
Fire Insurance Maps	Various	Site and adjoining	0
Topographical / Aerial Maps	See text	Site and adjoining	3
VEMUR / DEUR / LIENS / DEURTRACKER	10/14	Site	0
DRYCLEANER	06/06	0.125	0
WILDERNESS/WILDLIFE REFUGES	12/14	1.0	0
WETLANDS / ENDANGERED	12/14	1.0	See text
NATIONAL REGISTER	12/14	1.0	See text
FINDS/TSCA	12/14	Site	0
COASTAL / HISTORICAL	12/14	Site	0
Arizona Department of Water Resources Well Registration Database	04/14	Site and adjoining	See Text

Allands contacts the appropriate sources on a quarterly basis to maintain currency of data

Standard Federal ASTM Environmental Record Sources

SUPERFUND NATIONAL PRIORITIES LIST (NPL)

Under Section 105 of the Comprehensive Environmental Response, Compensation and Liability Act the Environmental Protection Agency established a National Priorities List (NPL) of Superfund sites. In addition, Proposed NPL and DOD (Department of Defense) Sites are researched in the section. These databases are provided by the EPA and the Arizona Department of Environmental Quality, dated October, 2014, and searched to identify all NPL/Proposed NPL/ DOD sites within a 1.0 mile search distance from subject property exterior boundaries.

Note: Due to inconsistency between the general area site description in the Narrative site information and the detailed site map, the distance/directions are determined based upon the most current site map available from ADEQ.

No National Priorities List (NPL) / Proposed NPL / DOD Sites were found located within a 1.0 mile search distance from subject property exterior boundaries.

DELISTED NATIONAL PRIORITIES LIST

Site may be delisted from the National Priorities List where no further response is appropriate. This database is provided by the Environmental Protection Agency, dated October, 2014, and searched to identify all Delisted NPL Sites within a 0.5 mile search distance from subject property exterior boundaries.

No Delisted National Priorities List (NPL) Sites were found located within a 0.5 mile search distance from subject property exterior boundaries.

FEDERAL CERCLIS / NFRAP LIST

The CERCLIS list contains sites which are either proposed to or on the NPL and sites which are in the screening and assessment phase for possible inclusion on the NPL. Those sites on the NFRAP list have no further remedial action planned. This database is provided by EPA dated January, 2014, and searched for facilities within a 0.5 mile search distance from subject property exterior boundaries.

No CERCLIS / NFRAP facilities were found located within a 0.5 mile search distance from subject property exterior boundaries.

RESOURCE CONSERVATION AND RECOVERY ACT FACILITIES (RCRA)

Under RCRA the Environmental Protection Agency compiles a database of facilities that are involved in the generation of hazardous materials. This database is from the Arizona Department of Environmental Quality RCRAInfo Database, dated October, 2014 and checked for Federal RCRA facilities located within a ≤ 0.125 mile search distance from subject property exterior boundaries.

No Federal RCRA handlers were found located within a ≤ 0.125 mile search distance from subject property exterior boundaries.

CODES:

LQG: Large quantity generator (more than 1000 kg per month)
SQG: Small quantity generator (100 – 1000 kg per month)
CEG: Conditionally exempt small quantity generator (less than 100 kg per month)
N : Not a generator verified or inactive generator

CORRACTS FACILITIES

Under RCRA the Environmental Protection Agency compiles a database of Corrective Action Sites, sites with known contamination. Also known as the RCRA CORRACTS List, this is a list maintained by the EPA of RCRA sites at which contamination has been discovered and where some level of corrective clean-up activity has been undertaken. For example, a site may have been on the RCRA TSD or the RCRA Generators site list, and was placed on the CORRACTS list once contamination was discovered and remediation was underway. This database is dated October, 2014, and checked for facilities which occurred within a 1.0 mile search distance from subject property exterior boundaries.

No Facilities were found which occurred within a 1.0 mile search distance from subject property exterior boundaries.

TSD FACILITIES

Under RCRA the Environmental Protection Agency compiles a database of facilities that are involved in the transportation, treatment, storage, or disposal of hazardous materials. This database is from the Arizona Department of Environmental Quality Arizona Hazardous Waste Treatment, Storage and Disposal Facilities, dated October, 2014, and checked for Facilities which occurred within a 0.5 mile search distance from subject property exterior boundaries.

No TSD Facilities were found which occurred within a 0.5 mile search distance from subject property exterior boundaries.

FEDERAL EMERGENCY RESPONSE NOTIFICATION SYSTEM (ERNS) LIST

The ERNS list is a national database used to collect information on reported releases of oil and hazardous substances. This database is provided by the National Response Center and the EPA through the Right of Know Net by OMB Watch and Unison Institute from 1983 to October, 2014, and checked for incidents located within a ≤ 0.125 mile search distance from subject property exterior boundaries.

No incidents were found located within a ≤ 0.125 mile search distance from subject property exterior boundaries.

Standard State ASTM Environmental Record Sources

WATER QUALITY ASSURANCE REVOLVING FUND (WQARF)

The state of Arizona established a remedial program under A.R.S. 49-282 to facilitate the conservation and clean-up of Arizona drinking water and water sources. Under the authority of the WQARF program, the state actively identifies any actual or potential impact upon state waters, evaluates the extent of contamination, identifies parties responsible, and provides money grants to assist in clean-up activities. This database is provided by the Arizona Department of Environmental Quality dated October, 2014, and searched to identify all WQARF sites within a 1.0 mile search distance from subject property exterior boundaries.

Note: Due to inconsistency between the general area site description in the Narrative site information and the detailed site map, the distance/directions are determined based upon the most current site map available from ADEQ.

No WQARF Registry List sites were found located within a 1.0 mile search distance from subject property exterior boundaries.

ARIZONA SUPERFUND PROGRAM LIST

The Arizona Superfund Program List replaces the Arizona CERCLIS Information Data System (ACIDS). This list is more representative of the sites and potential sites within jurisdiction of the Arizona Department of Environmental Quality Superfund Programs Section (SPS). This database is provided by the Arizona Department of Environmental Quality, dated August, 2004, and searched to identify all sites within a 0.5 mile search distance from subject property exterior boundaries.

No facilities on the Arizona Superfund Program List were found located within a 0.5 mile search distance from subject property exterior boundaries.

Program Status codes:

Pending PI	WQARF Preliminary Investigation (PI) is scheduled or in process
On Registry	PI has resulted in inclusion of a site on the WQARF Registry
ACTIVE	The Department of Defense is presently addressing the site
On NPL	site has been listed on the CERCLA National Priorities List

LANDFILLS

The state of Arizona maintains listings of closed and permitted, operating landfills and solid waste dump sites. Lists of closed facilities are not necessarily complete - older dumping areas may not be documented. This database is from the Arizona Department of Environmental Quality 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 a 0.5 mile search distance from subject property exterior boundaries.

No active nor inactive landfills were found located within a 0.5 mile search distance from subject property exterior boundaries.

Codes:

MSWLF: **Municipal Solid Waste Landfills**
CSWLF: **Closed Solid Waste Landfills**
CSWOD: **Closed Solid Waste Dumps**

CONTROL REGISTRIES

Under ASTM E 1527-13, Federal, State and Tribal institutional control / engineering control registries need to be researched. The Arizona Department of Environmental Quality has developed the AZURITE Database, reviewed through ADEQ GIS eMaps, which retrieves any institutional or engineering controls, dated October, 2014, and searched for sites which occurred at subject property or adjoining properties.

No institutional or engineering controls were found which occurred at subject property or adjoining properties.

BROWNFIELDS / VOLUNTARY CLEANUP PROGRAM

The Arizona Department of Environmental Quality has developed the AZURITE Database, reviewed through ADEQ GIS eMaps, which includes the ADEQ Voluntary Remediation Program and the ADEQ Brownfields Tracking System, dated January, 2014, and searched for sites which occurred within a 0.5 mile search distance from subject property exterior boundaries.

No brownfield sites were found which occurred within a 0.5 mile search distance from subject property exterior boundaries.

REGISTERED UNDERGROUND STORAGE TANKS (UST)

State (A.R.S. 49-1001 to 1014) and Federal (RCRA Subtitle I) laws require that persons who own or have owned underground storage tanks containing “regulated substances” complete a notification form and register the tank with the state. Tribal UST records are researched when subject property exterior boundaries are within search distance of Tribal lands. This database is from the Arizona Department of Environmental Quality UST Log dated March, 2014, and searched for UST sites located within a ≤ 0.125 mile search distance from subject property exterior boundaries.

No registered underground storage tanks were found located within a ≤ 0.125 mile search distance from subject property exterior boundaries.

REGISTERED LEAKING UNDERGROUND STORAGE TANKS (LUST)

Owners of USTs are required to report to the Arizona Department of Environmental Quality any and all releases of tank contents for which ADEQ maintains an ongoing file documenting the nature of contamination and the status of each such incident. Tribal LUST records are researched when subject property exterior boundaries are within search distance of Tribal lands. This database is from the ADEQ LUST Log dated March, 2014, and searched for LUST sites located within a 0.5 mile search distance from subject property exterior boundaries.

No registered leaking underground storage tanks were found located within a 0.5 mile search distance from subject property exterior boundaries.

Additional Environmental Record Sources

RESOURCE CONSERVATION AND RECOVERY ACT (RCRA) COMPLIANCE FACILITIES

The RCRA Compliance Log lists facilities that have been or presently are under investigation for non-compliance with RCRA regulations. Inclusion of any facility on this list indicates a history of compliance problems and RCRA regulatory violation. This database is from the Arizona Department of Environmental Quality RCRA Compliance Log, dated October, 2014, and searched for compliance facilities within a ≤ 0.125 mile search distance from subject property exterior boundaries.

No compliance facilities were found located within a ≤ 0.125 mile search distance from subject property exterior boundaries.

HAZARDOUS MATERIAL INCIDENTS

The Arizona Department of Environmental Quality (ADEQ) Response Team documents spills and incidents involving hazardous materials that are reported to the unit. This database is from the Arizona Department of Environmental Quality Emergency Response Log from 1984 through June, 2001, and checked for hazardous material incidents located within a ≤ 0.125 mile search distance from subject property exterior boundaries.

No hazardous material incidents were found located within a ≤ 0.125 mile search distance from subject property exterior boundaries.

ADEQ DRY WELL REGISTRATION DATA BASE

Dry wells are constructed for the purpose of collecting storm waters. Dry wells are required to be registered with ADEQ. Tribal Drywell records are researched when subject property exterior boundaries are within search distance of Tribal lands. This database is from the ADEQ dry well registration database dated October, 2014, and searched for dry wells located within a ≤ 0.125 mile search distance from subject property exterior boundaries.

No registered dry wells were found located within a ≤ 0.125 mile search distance from subject property exterior boundaries.

ENVIRONMENTAL PERMITS

These lists include Groundwater Permits, Reuse Permits; National Pollutant Discharge Elimination System (NPDES) Permitted Facilities and Aquifer Protection Permits. Any facility which discharges a material that directly or indirectly adds any pollutant to the waters of the state may be required to obtain a permit as required by the Aquifer Protection Permit Rules. These databases are from the Arizona Department of Environmental Quality through its AZURITE Database System and the Environmental Protection Agency and updated to October, 2014, and checked for inclusion of subject property.

Subject property was not found on these lists.

FIRE INSURANCE MAPS

A review was made at the Arizona State Capital Archives for Fire Insurance Maps, more commonly known as Sanborn Maps, which covered the area in which the subject property is located. Subject property is not located within the boundaries of available maps.

USGS 7.5 MINUTE TOPOGRAPHICAL MAPS AERIAL PHOTOS

The United States Geological Survey Topographic maps and Aerial Photos are derived from Terrain Navigator Software from My Topo, a Trimble Company. (www.mytopo.com) and are for informational purposes only.

NAME	TYPE	DATE	REVISION	CONTOUR INTERVAL
Cave Creek	Topo	1965	1981	20 feet
Curry's Corner	Topo	1964	1982	10 feet
Bing	Aerial	2014		

VOLUNTARY ENVIRONMENTAL MITIGATION USE RESTRICTIONS BY OWNERS (VEMUR'S); DECLARATION OF ENVIRONMENTAL USE RESTRICTIONS (DEUR); AND ENVIRONMENTAL LIENS

A.R.S. 49-152. This states that the Director of the Arizona Department of Environmental Quality shall allow property owners, who have voluntarily elected to remediate their property for nonresidential uses, to record in the applicable county recorder's office a VEMUR limiting, by legal description, the area necessary to protect public health and the environment to nonresidential uses if contamination remains on the property at or above certain levels. In accordance with Arizona Administrative Code (A.A.C.) R18-7-201 et. Seq., a Declaration of Environmental Use Restriction (DEUR) is a voluntary notice to deed which restricts the use of a property to non-residential use. ADEQ maintains a repository listing of sites remediated under programs administered by the department. This is called the Remediation and DEUR Tracking System (RDT) ADEQ's RDT was researched for inclusion of subject property.

No VEMUR'S, DEUR'S; nor Environmental Liens were found listed for subject property.

DRYCLEANERS

The Drycleaners Inventory List summarizes current and historic dry cleaners sites throughout the state of Arizona and is not all inclusive. This database is from the Report for the Arizona Department of Environmental Quality Dry Cleaners Inventory Project, dated June, 2006, and searched for dry cleaners sites located within a <=0.125 mile search distance from subject property exterior boundaries.

No drycleaners were found located within a <=0.125 mile search distance from subject property exterior boundaries.

WILDERNESS

This database is comprised of information from the Bureau of Land Management Wilderness Areas, National Park Service Lands, National Forest Service Lands, National Parkways and Scenic Rivers, and the state of Arizona State Park Service. This list has been searched for wilderness areas located within a 1.0 mile search radius from the exterior boundaries of subject property.

No wilderness areas were found located within a 1.0 mile search radius of subject property.

NATIONAL WILDLIFE REFUGES

This database is comprised of information from the United States Fish and Wildlife Service. This list has been searched for national wildlife refuges located within a 1.0 mile search radius from the exterior boundaries of subject property.

No national wildlife refuges were found located within a 1.0 mile search radius of subject property.

WETLANDS AND ENDANGERED PLANT AND ANIMAL SPECIES

The National Wetlands Inventory (NWI) maintains and updated 1:24k and 1:24k quadrangle maps and digital data representing wetland locations and classifications as defined by the US Fish and Wildlife Service. In addition the US Fish and Wildlife Service maintains a list of endangered plant and animal species.

The following list contains endangered plant and animal species for Maricopa County; however no endangered plant and animal species were recorded on the property:

<u>Common Name</u>	<u>Scientific Name</u>	<u>Listing Status</u>
Arizona agave	<i>Agave arizonica</i>	Endangered
Arizona cliffrose	<i>Purshia subintegra</i>	Endangered
Arizona hedgehog cactus	<i>Echinocereus triglochidiatus arizonicus</i>	Endangered
Desert pupfish	<i>Cyprinodon macularius</i>	Endangered
Gila topminnow	<i>Poeciliopsis occidentalis occidentalis</i>	Endangered
Lesser long-nosed bat	<i>Leptonycteris curasoae yerbabuena</i>	Endangered
Mexican spotted owl	<i>Strix occidentalis lucida</i>	Threatened
Razorback sucker	<i>Xyrauchen texanus</i>	Endangered
Sonoran pronghorn	<i>Antilocapra americana sonoriensis</i>	Endangered
Southwestern willow flycatcher	<i>Empidonax traillii extimus</i>	Endangered
Yuma clapper rail	<i>Rallus longirostris yumanensis</i>	Endangered

One Freshwater Pond was found to the South of subject property.

NATIONAL REGISTER OF HISTORIC PLACES AND LOCAL HISTORIC PROPERTY REGISTERS

This database is comprised of information from the National Park Service, National Register Information System (NRIS) which is the official list of districts, sites, buildings, structures and objects significant in American History. In addition, online City of Scottsdale historic property information has been reviewed. These lists have been searched for historic places located within a 1.0 mile search radius from the exterior boundaries of subject property.

No historic properties or historic districts within the 1.0 mile search radius were found on the National Register of Historic Places, and no historic properties or districts were found in the City of Scottsdale historic property information.

ASU AZSITE PUBLIC DATABASE

The ASU AZSITE Public Database has been searched for cultural/archaeological resource sensitivity in Sections 8, 17, 18, and 19, Township 5 North, Range 5 East.

Survey density of Section 8 is 27.5%, and archaeological site density is 0.0%.
Survey density of Section 17 is 10.3 %, and archaeological site density is 1.0%.
Survey density of Section 18 is 5.7%, and archaeological site density is 0.3%.
Survey density of Section 19 is 11.4%, and archaeological site density is 9.0%.

FINDS and TSCA

The Toxic Substances Control Act Inventory includes the location of more than 7000 processors and manufacturers of chemicals. This database is no longer released by the US EPA, but archival info has been found at the RTK (Right-to-Know) Net databases and dated May, 1986 with supplement in 1993 . Finds contains both facility information and “pointers” to further sources that contain more details.

No FINDS nor TSCA facilities were found located within a ≤ 0.125 mile search radius of subject property.

COASTAL BARRIER IMPROVEMENT ACT AND HISTORICAL PRESERVATION CLASSIFICATION

The purpose of the Coastal Barriers Resources Act (CBRA) is to promote more appropriate use and conservation of coastal barriers along the Atlantic, Gulf, and Great Lakes coastlines. "Coastal barriers" are defined as bay barriers, barrier islands, and other geological features composed of sediment that protect landward aquatic habitats from direct wind and waves. The Coastal Barrier Resources System (CBRS) disclose communities, coastal barriers, and other protected areas identified by the Department of the Interior legislation in either the Coastal Barrier Resources Act of 1982 or the Coastal Barrier Improvement Act of 1990. Established in 1966 by the National Historic Preservation Act (NHPA), the National Register of Historic Places is the nation's official list of properties considered worthy of preservation. The National Register Information System (NRIS) contains information on every property in the Register.

Subject property was not found on these lists.

ARIZONA DEPARTMENT OF WATER RESOURCES WELL REPORT

This database is from the Arizona Department of Water Resources Well Report Operations Division Report, dated April, 2014. This report identifies existing wells sequenced by legal description and checked for inclusion of subject site and adjacent properties within 10 Acres.

Imaged Records are available at: <http://www.water.az.gov/adwr/Content/ImagedRecords/default.htm>

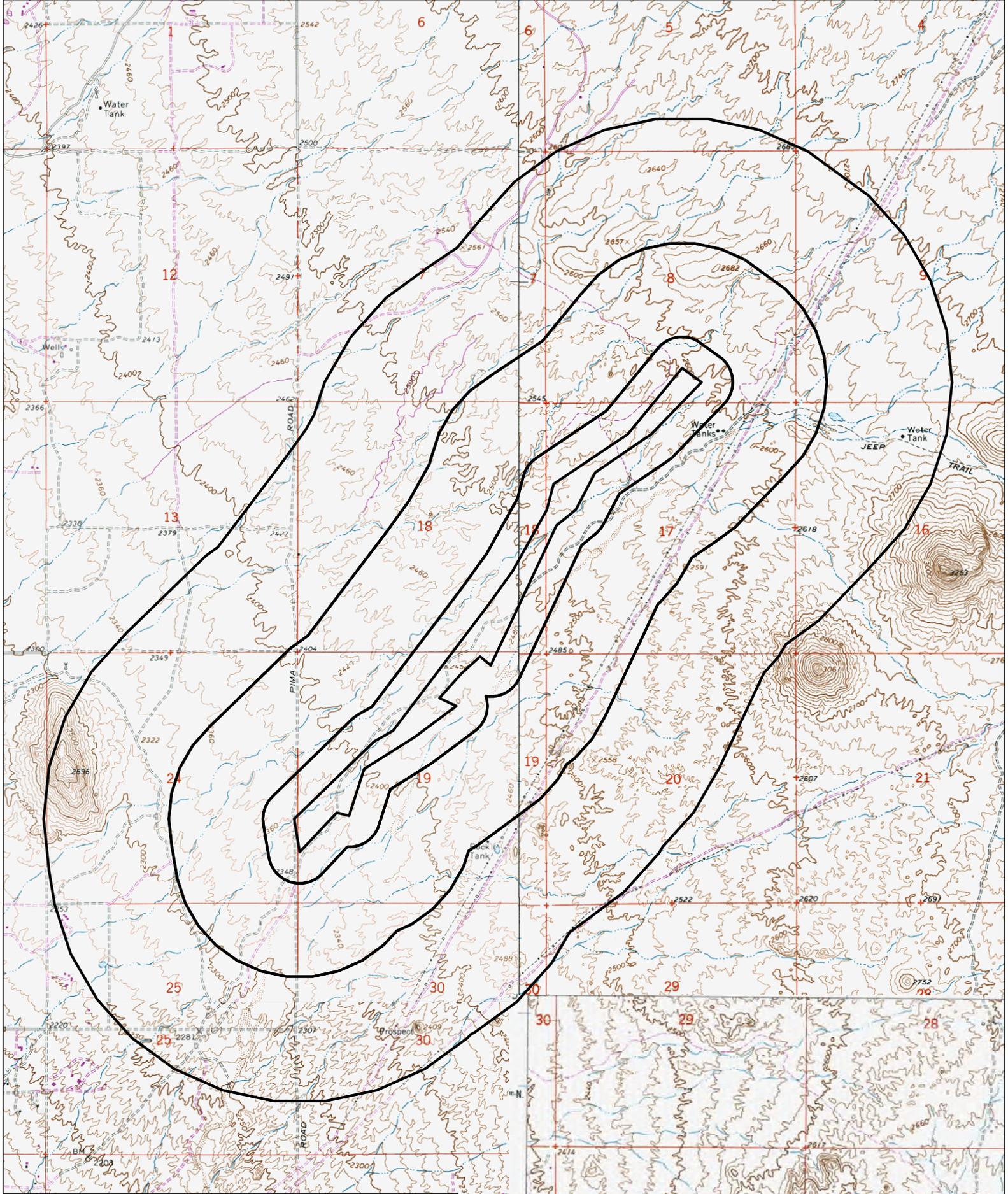
Water Uses (WU)

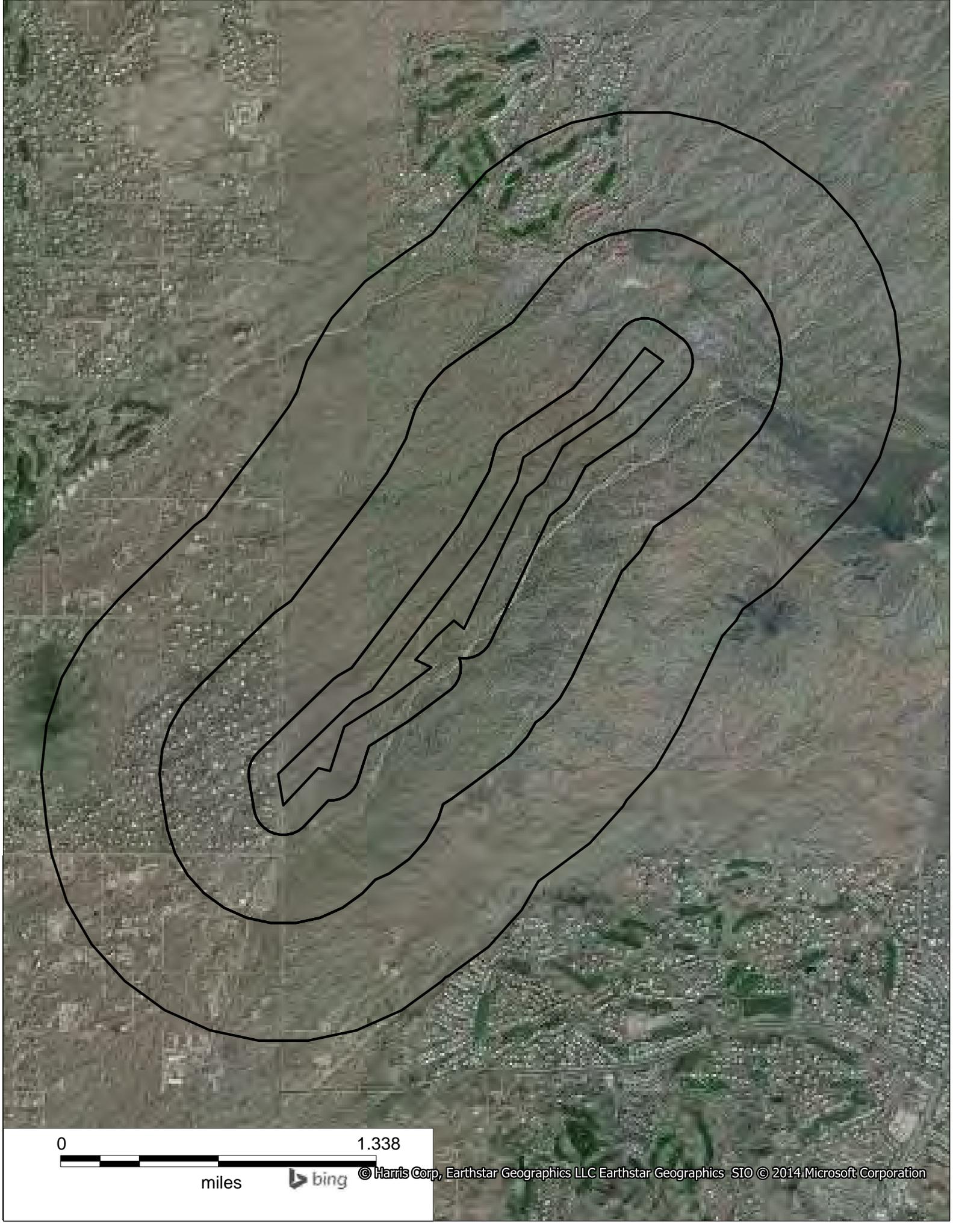
A Irrigation
 B Utility (Water Co.)
 C Commercial
 D Domestic
 E Municipal
 F Industrial
 G Recreational
 H Remediation
 I Mining
 J Stock
 K Other - Exploration
 L Drainage
 M Monitoring
 N None
 O Other - Non-Production
 P Remediation
 R Recharge
 T Test
 U Unknown
 V Dewatering

Legal Description

T Township
 N/S North or South
 R Range
 E/W East or West
 S Section
 Q1 Quarter of Section (160 Acres)
 Q2 Quarter Quarter of Section (40 Acres)
 Q3 Quarter Quarter Quarter of Section (10 acres)
 ID Well Registration Number
 WD Well Depth
 WL Water Level
 DIA Casing width

ID	T	N/S	R	E/W	S	Q1	Q2	Q3	WU	WD	WL	DIA	NAME
614033	5	N	5	E	17	NE	NW	SE		39	25	6	AZ State Land Dept,



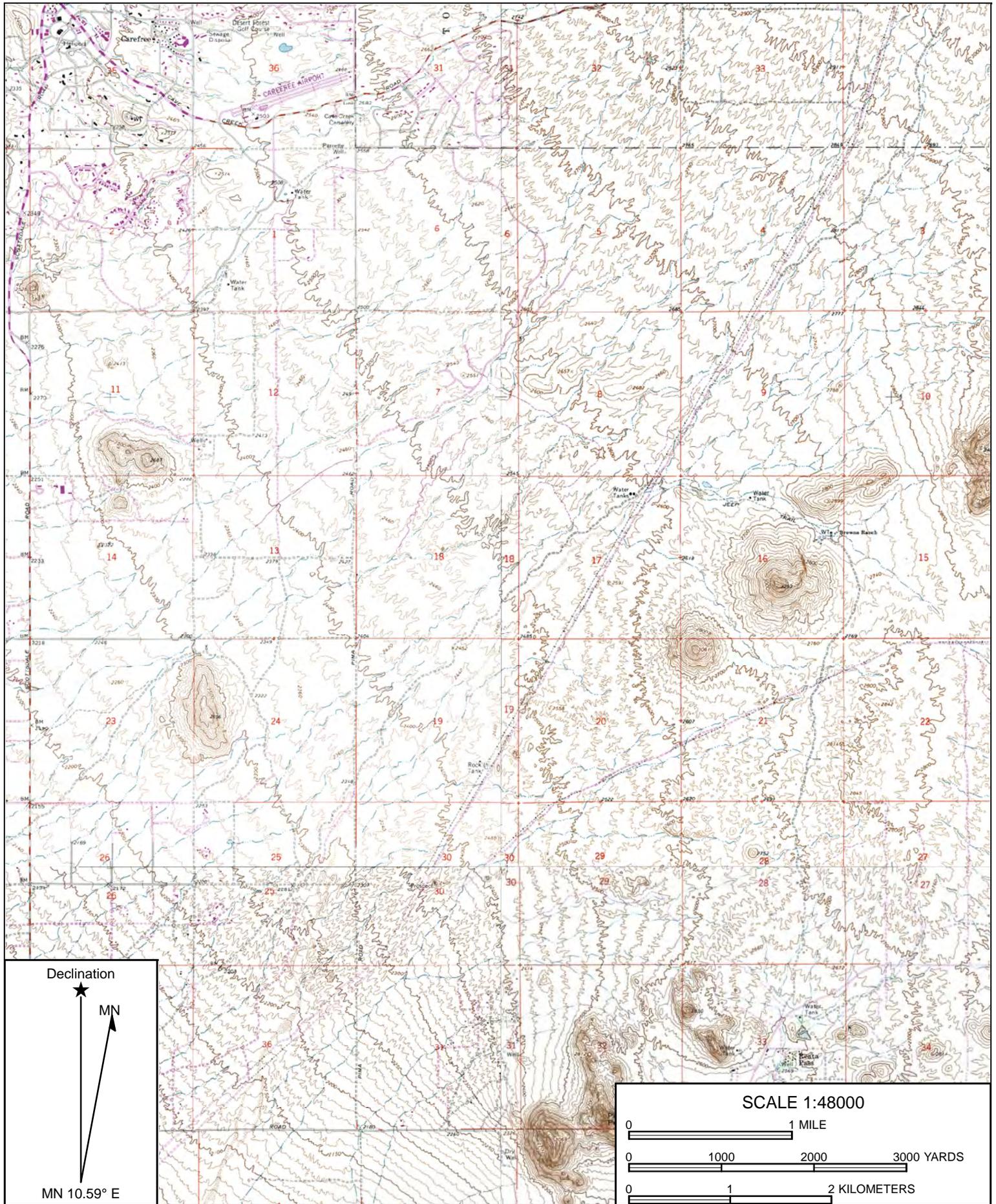


0 1.338

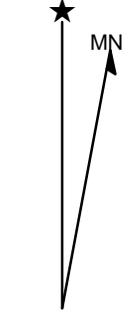
miles



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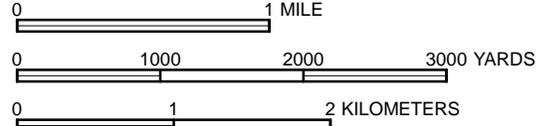


Declination



MN 10.59° E

SCALE 1:48000



Name: CAVE CREEK
 Date: 01/03/15
 Scale: 1 inch = 4,000 ft.

Location: 033° 46' 23.84" N, 111° 52' 31.28" W
 2015-01-017

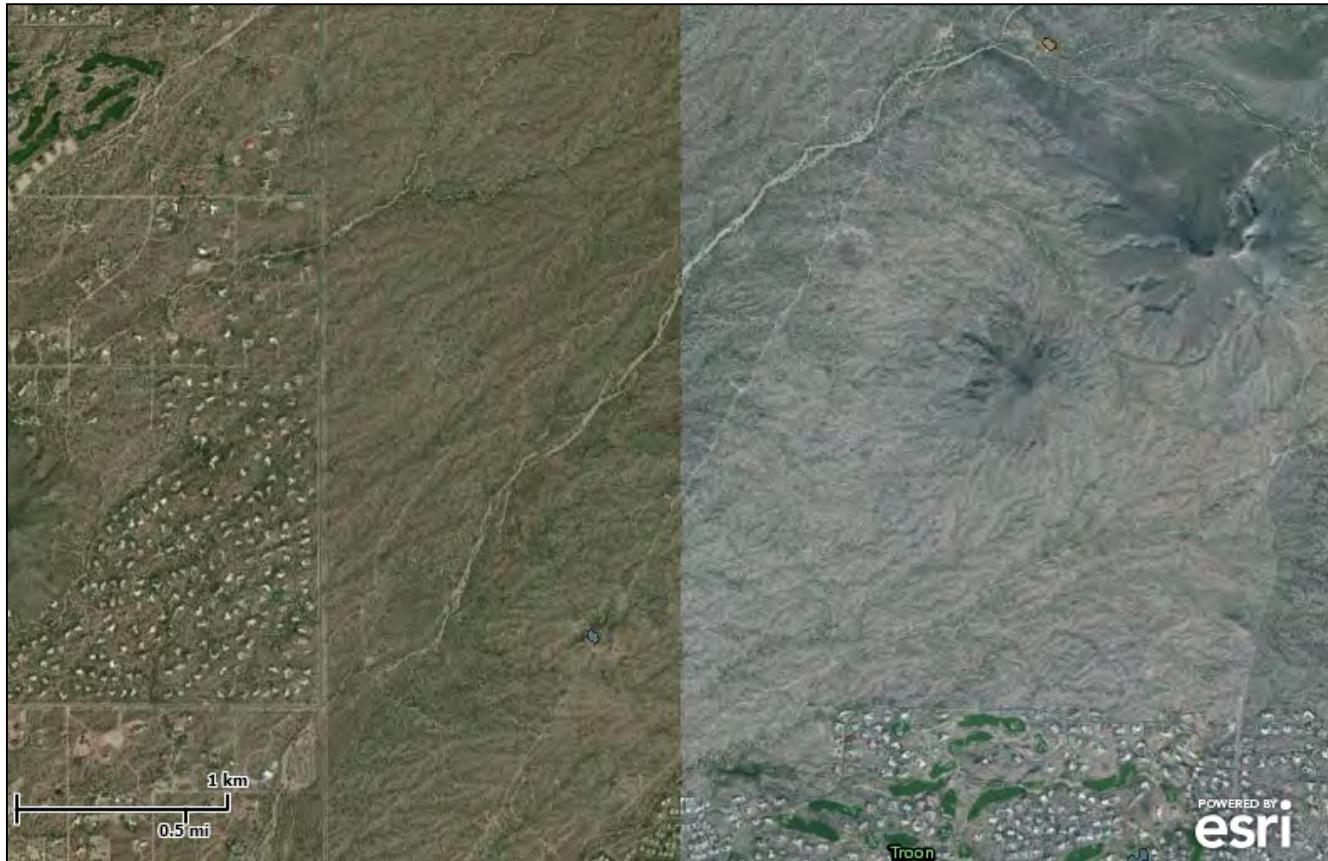


U.S. Fish and Wildlife Service

National Wetlands Inventory

2015-01-017

Jan 3, 2015

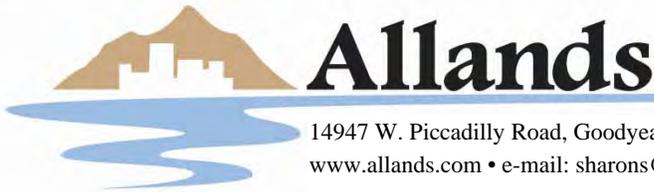


Wetlands

-  Freshwater Emergent
-  Freshwater Forested/Shrub
-  Estuarine and Marine Deepwater
-  Estuarine and Marine
-  Freshwater Pond
-  Lake
-  Riverine
-  Other

This map is for general reference only. The US Fish and Wildlife Service is not responsible for the accuracy or currentness of the base data shown on this map. All wetlands related data should be used in accordance with the layer metadata found on the Wetlands Mapper web site.

User Remarks:



14947 W. Piccadilly Road, Goodyear, AZ 85395 • Phone: 623-535-7800 • Fax: 623-535-7900
www.allands.com • e-mail: sharons@allands.com

Historical Title and Environmental Research

**TITLE AND JUDICIAL RECORDS FOR ENVIRONMENTAL LIENS AND
ACTIVITY AND USE LIMITATIONS; VOLUNTARY ENVIRONMENTAL
MITIGATION USE RESTRICTIONS BY OWNERS (VEMUR) AND
DECLARATION OF ENVIRONMENTAL USE RESTRICTIONS (DEUR)**

YOUR FILE NO: 142402EA

ALLANDS FILE NO: 2015-01-017E

Date of Report: January 3, 2015

Title Plant Date***: December 22, 2014

***The Title Plant Date reflects the most current data made available by the information sources used at the time the research was performed.

ALLANDS hereby presents an Environmental Search Report to the land described below. The total liability is limited to the fee paid for this report. Allands is not responsible for errors in the available records. The total liability is limited to the fee paid for this report. This is a confidential, privileged and protected document for the use of Speedie & Associates.

1. The land referred to in this report is located in Maricopa County, Arizona.
2. State Trust Land located in Sections 8, 17, 18 and 19, Township 5 North, Range 5 East, Gila and Salt River Base and Meridian
3. No VEMUR'S, DEUR'S; Environmental Liens, Brownfields, institutional controls, engineering controls, or activity and use limitations, if any, were found currently recorded against the property as searched at the subject county recorder's office.

**APPENDIX C:
PROJECT PERSONNEL CREDENTIALS**

APPENDIX C: Project Personnel Credentials

CONNIE F. JIRON –*Project Manager*

Ms. Jiron has more than 20 years of experience as an environmental professional in environmental engineering and consulting. Her areas of expertise include management, interpretation, and presentation of data generated by small and large multi-task projects. Ms. Jiron has performed and managed over 750 single- and multi-family environmental site assessments. She is responsible for performing all components of Environmental Due Diligence (Phase I and II ESAs), including the site reconnaissance, regulatory review, historical research, interviews, records review, and technical report preparation. She also has experience performing soil and groundwater sampling, supervision of subcontractors, interpretation of laboratory analytical results, oil-water separator profiling and management, asbestos and lead inspections, and oversight of abatement of remediation projects.

TIMOTHY J. RHEINSCHMIDT, R.G./C.R.S. – *Environmental Division Manager*

Mr. Rheinschmidt is a registered geologist and certified remediation specialist in the state of Arizona with more than 24 years of experience performing hazardous and non-hazardous waste investigations, vadose zone characterization, regulatory compliance and permitting, and groundwater investigations. Mr. Rheinschmidt received his Bachelor degree in geology from San Jose State University, a Hazardous Waste Management Certificate from the University of California at Santa Barbara and has performed numerous Phase I, II and III investigations in both Arizona and California.