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**PHASE I  
ENVIRONMENTAL SITE ASSESSMENT**

**Avila Beach Cottages**  
Harford Drive  
Avila Beach, California 93405

AEI Project No. 275971

Prepared For

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## EXECUTIVE SUMMARY

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AEI Consultants (AEI) was retained by The Dewey Group to conduct a Phase I Environmental Site Assessment (ESA), in conformance with the scope and limitations of ASTM Standard Practice E1527-05 and the Environmental Protection Agency Standards and Practices for All Appropriate Inquiries (40 CFR Part 312) for the property located at Harford Drive in an unincorporated area of San Luis Obispo County, California, known as Avila Beach. Any exceptions to, or deletions from, this practice are described in Section 1.2 of this report.

### *Property Description*

The subject property is located on the north side of Harford Drive in a mixed residential and undeveloped area of Avila Beach. The property totals approximately 22-acres and is undeveloped.

Based on a review of historical sources, the subject property has never been developed.

The immediately surrounding properties consist of a residence to the north, the San Luis Bay Inn to the east, undeveloped land to the west, and a coastal bluff to the south.

Based upon topographic map interpretation, the direction of groundwater flow beneath the subject property is inferred to be to the south-southeast, and present at a depth of approximately 55 feet below ground surface (bgs).

### *Findings*

Recognized environmental conditions (RECs) are defined by the ASTM Standard Practice E1527-05 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. AEI's investigation has revealed the following recognized environmental conditions associated with the subject property or nearby properties:

- No on-site recognized environmental conditions were identified during the course of this investigation.

Historical recognized environmental conditions (HRECs) are defined by the ASTM Standard Practice E1527-05 as an environmental condition which in the past would have been considered a recognized environmental condition, but which may or may not be considered a recognized environmental condition currently. AEI's investigation has revealed the following historical recognized environmental conditions associated with the subject property or nearby properties:

- No on-site historical recognized environmental conditions were identified during the course of this investigation.

Environmental issues include environmental concerns identified by AEI that warrant discussion but do not qualify as recognized environmental conditions, as defined by the ASTM Standard Practice E1527-05. AEI's investigation has revealed the following environmental issues associated with the subject property or nearby properties:

- No on-site environmental issues were identified during the course of this investigation.

### ***Conclusions, Opinions, and Recommendations***

We have performed a Phase I Environmental Site Assessment for the property located at Harford Drive in the City of Avila Beach, San Luis Obispo County, California, in conformance with the scope and limitations of ASTM Standard Practice E1527-05 and the Environmental Protection Agency Standards and Practices for All Appropriate Inquiries (40 CFR Part 312). Any exceptions to, or deletions from, this practice are described in Section 1.2 of this report. This assessment has revealed no evidence of recognized environmental conditions in connection with the property. AEI recommends no further investigations for the subject property at this time.

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## **1.0 INTRODUCTION**

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This report documents the methods and findings of the Phase I Environmental Site Assessment (ESA) performed in conformance with the scope and limitations of ASTM Standard Practice E1527-05 and the Environmental Protection Agency Standards and Practices for All Appropriate Inquiries (40 CFR Part 312) for the property located at Harford Drive in the City of Avila Beach, San Luis Obispo County, California (Figure 1: Site Location Map, Figure 2: Site Map, and Appendix A: Property Photographs).

### **1.1 Scope of Work**

The purpose of the Phase I Environmental Site Assessment is to identify potential environmental liabilities associated with the presence of hazardous materials, their use, storage, and disposal at and in the vicinity of the subject property, as well as regulatory non-compliance that may have occurred at the subject property. Property assessment activities focused on: 1) a review of federal, state, tribal and local databases that identify and describe underground fuel tank sites, leaking underground fuel tank sites, hazardous waste generation sites, and hazardous waste storage and disposal facility sites within the ASTM approximate minimum search distance; 2) a property and surrounding site reconnaissance, and interviews with the past and present owners and current occupants and operators to identify potential environmental contamination; and 3) a review of historical sources to help ascertain previous land use at the site and in the surrounding area.

The goal of AEI Consultants in conducting the environmental site assessment was to identify the presence or likely presence of any hazardous substances or petroleum products on the property that may indicate an existing release, a past release, or a material threat of a release of any hazardous substance or petroleum product into the soil, groundwater, or surface water of the property.

### **1.2 Significant Assumptions**

The following assumptions are made by AEI Consultants in this report. AEI Consultants relied on information derived from secondary sources including governmental agencies, the client, designated representatives of the client, property contact, property owner, property owner representatives, computer databases, and personal interviews. Except as set forth in this report, AEI Consultants has made no independent investigation as to the accuracy and completeness of the information derived from secondary sources including government agencies, the client, designated representatives of the client, property contact, property owner, property owner representatives, computer databases, or personal interviews and has assumed that such information is accurate and complete. AEI Consultants assumes information provided by or obtained from governmental agencies including information obtained from government websites is accurate and complete. Groundwater flow and depth to groundwater, unless otherwise specified by on-site well data, or well data from adjacent sites are assumed based on contours depicted on the United States Geological Survey topographic maps. AEI Consultants assumes

the property has been correctly and accurately identified by the client, designated representative of the client, property contact, property owner, and property owner's representatives.

### 1.3 Limitations

Property conditions, as well as local, state, tribal and federal regulations can change significantly over time. Therefore, the recommendations and conclusions presented as a result of this study apply strictly to the environmental regulations and property conditions existing at the time the study was performed. Available information has been analyzed using currently accepted assessment techniques and it is believed that the inferences made are reasonably representative of the property. AEI Consultants makes no warranty, expressed or implied, except that the services have been performed in accordance with generally accepted environmental property assessment practices applicable at the time and location of the study.

Considerations identified by ASTM as beyond the scope of a Phase I ESA that may affect business environmental risk at a given property include the following: asbestos-containing materials, 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, mold, vapor intrusion, and high voltage lines. These environmental issues or conditions may warrant assessment based on the type of the property transaction; however, they are considered non-scope issues under ASTM Standard Practice E1527-05.

If requested by the client, these non-scope issues are discussed in Section 6.2. Otherwise, the purpose of this investigation is solely to satisfy one of the requirements for qualification of the innocent landowner defense, contiguous property owner or bona fide prospective purchaser under the Comprehensive Environmental Response, Compensation and Liability Act (CERCLA). ASTM Standard Practice E1527-05 and the EPA Standards and Practices for All Appropriate Inquiries (40 CFR Part 312) constitute the "all appropriate inquiry into the previous ownership and uses of the property consistent with good commercial or customary practice" as defined in:

- 1) 42 U.S.C § 9601(35)(B), referenced in the ASTM Standard Practice E1527-05.
- 2) Sections 101(35)(B) (ii) and (iii) of CERCLA and referenced in the EPA Standards and Practices for All Appropriate Inquiries (40 CFR Part 312).
- 3) 42 U.S.C. 9601(40) and 42 U.S.C. 9607(q).

The Phase I Environmental Site Assessment is not, and should not be construed as, a warranty or guarantee about the presence or absence of environmental contaminants that may affect the property. Neither is the assessment intended to assure clear title to the property in question. The sole purpose of investigation into property title records is to ascertain a historical basis of prior land use. All findings, conclusions, and recommendations stated in this report are based upon facts, circumstances, and industry-accepted procedures for such services as they existed at the time this report was prepared (i.e., federal, state, and local laws, rules, regulations, market



conditions, economic conditions, political climate, and other applicable matters). All findings, conclusions, and recommendations stated in this report are based on the data and information provided, and observations and conditions that existed on the date and time of the property visit. Responses received from local, state, or federal agencies or other secondary sources of information after the issuance of this report may change certain facts, findings, conclusions, or circumstances to the report. A change in any fact, circumstance, or industry-accepted procedure upon which this report was based may adversely affect the findings, conclusions, and recommendations expressed in this report.

#### **1.4 Data Gap and Data Failure**

According to ASTM E1527-05, data gaps occur when the Environmental Professional is unable to obtain information required, despite good faith efforts to gather such information.

Data failure is one type of data gap. According to ASTM E1527-05 “data failure occurs when all of the standard historical sources that are reasonably ascertainable and likely to be useful have been reviewed and yet the objectives have not been met”. Pursuant to ASTM Standards, historical sources are required to document property use back to the property’s first developed use or back to 1940, whichever is earlier.

No data gaps were identified during the course of this investigation.

#### **1.5 Reliance**

This investigation was prepared for the sole use and benefit of The Dewey Group, Beachport Resort, LLC and First Regional Bank. Neither this report, nor any of the information contained herein shall be used or relied upon for any purpose by any person or entity other than The Dewey Group, Beachport Resort, LLC and First Regional Bank.

## **2.0 SITE AND VICINITY DESCRIPTION**

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### **2.1 Site Location and Description**

The subject property is located in an unincorporated area of San Luis Obispo County, known as Avila Beach. The subject property is approximately 22-acres in size and is undeveloped.

The Assessor's Parcel Number (APN) for the subject property is 076-174-009. Although the subject property is undeveloped, heating and cooling systems in the area of the subject property are fueled by natural gas and electricity provided by Pacific Gas and Electric (PG&E). Potable water and sewage disposal are provided by municipal services.

Refer to Figure 1: Site Location Map, Figure 2: Site Map, and Appendix A: Property Photographs for site location.

### **2.2 Site and Vicinity Characteristics**

The subject property is located in a mixed residential and undeveloped area of Avila Beach. The immediately surrounding properties consist of a residence to the north, the San Luis Bay Inn (3254 Avila Beach Drive) to the east, undeveloped land to the west, and a coastal bluff to the south.

### **2.3 Geology and Hydrogeology**

According to information obtained from the US Geological Survey (USGS), the area surrounding the subject property is underlain by soils of the Pismo formation. Based on a review of the USDA Soil Survey for the area of the subject property, the soils in the vicinity of the subject property are classified as the Miocene Series. Soils from this series are characterized as massive, white to tan, calcareous, arkosik sandstone.

Based on a review of the USGS Pismo Beach, California Quadrangle Topographic Map, the subject property is situated approximately 323 feet above mean sea level, and the local topography gently slopes toward the south-southeast with an adjacent cliff to the south. The nearest surface water is the San Luis Obispo Bay, located approximately 545 feet to the south. Based upon topographic map interpretation, the direction of groundwater flow beneath the subject property is inferred to be to the south-southeast. Based on information obtained from nearby groundwater monitoring, the depth to groundwater in the vicinity of the subject property is expected to be encountered at approximately 55 feet below ground surface (bgs).

### **3.0 HISTORICAL REVIEW OF SITE AND VICINITY**

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According to historical sources, the subject property has always been undeveloped. No potential environmental concerns were identified in association with the current or historical use of the subject property.

#### **3.1 Aerial Photograph Review**

On November 21, 2007, AEI Consultants reviewed aerial photographs of the subject property and surrounding area. Aerial photographs were reviewed for the following years:

Date: 1939  
Scale: 1"= 500'

Date: 1971  
Scale: 1"=666'

Date: 1949  
Scale: 1"= 500'

Date: 1989  
Scale: 1"=666'

Date: 1956  
Scale: 1"= 500'

Date: 1994  
Scale: 1"=666'

Date: 1969  
Scale: 1"= 500'

Date: 2002  
Scale: 1"=666'

In the 1939 aerial photograph the subject property is undeveloped. A residence and associated buildings are visible on the property adjacent to the north. The property adjacent to the east is used for agricultural purposes and is developed with a small rural residence and associated buildings. An unpaved road does go through the property, allowing access to the north adjacent property's residence.

No significant changes were noted on the subject property or adjacent properties in the 1949 and 1956 aerial photographs.

In the 1969 aerial photograph the subject property is undeveloped. The adjacent property to the east has been redeveloped with a large building. Grading around the building indicates the property is still in the process of development.

In the 1971 aerial photograph, no significant changes were noted on the subject property. The adjacent property to the east has developed three parking lots in the southeast corner of the property.

No significant changes were noted on the subject property or adjacent properties in the 1989 and 1994 aerial photographs.

In the 2002 aerial photograph the subject property remains undeveloped. The adjacent property to the east has added several buildings to the northwest corner of the property.

If available, high-quality copies of reviewed aerial photographs are included as Figure 3.

### **3.2 Regulatory Agencies**

Local and state agencies, such as environmental health departments, fire prevention bureaus, and building and planning departments are contacted to identify any current or previous reports of hazardous materials use, storage, and/or unauthorized releases that may have impacted the subject property. In addition, information pertaining to Activity and Use Limitations (AULs), defined as legal or physical restrictions, or limitations on the use of, or access to, a site or facility, is requested. Specifically AULs are comprised of engineering controls (EC) and institutional controls (IC).

*Engineering Controls* are defined as physical modifications to a site or facility to reduce or eliminate the potential for exposure to hazardous substances or petroleum products in the soil or ground water on the property. *Institutional Controls* are defined as a legal or administrative restriction on the use of, or access to, a site or facility to 1) reduce or eliminate the potential for exposure to hazardous substances or petroleum products in the soil or ground water on the property, or 2) to prevent activities that could interfere with the effectiveness of a response action, in order to ensure maintenance of a condition of no significant risk to public health or the environment.

#### **3.2.1 Health Department**

On November 16, the San Luis Obispo County Public Health Department (SLOCPHD) was contacted to review files on the subject property. Files at the SLOCPHD may contain information regarding hazardous materials storage, as well as information regarding unauthorized releases of petroleum hydrocarbons or other contaminants that may affect the soil or groundwater in the area.

No information indicating current or prior use or storage of hazardous materials, or the existence of AULs was on file for the subject property with the SLOCPHD.

#### **3.2.2 Fire Department**

On November 15, 2007, the San Luis Obispo County Fire Department (SLOCFD) was contacted for information on the subject property to identify any evidence of previous or current hazardous material usage.

No information indicating current or prior use or storage of hazardous materials, or the existence of AULs was on file for the subject property with the SLOCFD.