



## **G. Phase I Environmental Site Assessment Report**

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December 10, 2024

Chris Yeager  
City of Costa Mesa  
77 Fair Drive  
Costa Mesa, CA 92626  
VIA EMAIL

**RE: Phase I ESA for the Hive Office Campus**

A Phase I ESA was performed by Targus Environmental in 2018. The Hive Office Campus was an office use at the time the Phase I was completed. The office use of the Hive Office Campus has remained consistent from 2018 through the date of circulation of the EIR for the proposed Hive Live mixed-use project.

Sincerely,

*Timothy J. O'Brien*  
Timothy O'Brien  
Senior Managing Director

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**Prepared for:**

**The Hive Creative Office, Inc.  
c/o Invesco Advisers, Inc.  
2001 Ross Avenue, Suite 3400  
Dallas, Texas 75201**

**Prepared by:**

**Targus Associates, LLC  
Dallas, Texas**

**REPORT OF PHASE I  
ENVIRONMENTAL SITE ASSESSMENT  
AND ADDITIONAL ENVIRONMENTAL SERVICES**

**The Hive  
3333, 3335, and 3337 South Susan Street  
Costa Mesa, Orange County, California 92626**

**Targus Project T18-3821**

**September 28, 2018**



September 28, 2018

**The Hive Creative Office, Inc.  
c/o Invesco Advisers, Inc.  
2001 Ross Avenue, Suite 3400  
Dallas, Texas 75201**

Attention: Scott Ballard

Subject: **Report of Phase I Environmental Site Assessment  
and Additional Environmental Services  
The Hive  
3333, 3335, and 3337 South Susan Street  
Costa Mesa, Orange County, California 92626  
Targus Project T18-3821**

Dear Mr. Ballard:

Targus Associates, LLC (Targus) is pleased to submit this report of the Phase I Environmental Site Assessment and Additional Environmental Services for The Hive property, located at 3333, 3335, and 3337 South Susan Street in Costa Mesa, Orange County, California. This report discusses background information, purpose and scope of work, execution of work, and conclusions.

ASTM E 1527-13 states that an ESA "meeting or exceeding" this practice and completed less than 180 days prior to the date of acquisition or intended transaction is presumed to be valid if the report is being relied on by the *user* for whom the assessment was originally prepared and the following components were completed: interviews, searches for recorded environmental cleanup liens, regulatory review, site visit, and the declaration by the environmental professional responsible for the assessment. Based on this requirement, this report is presumed to be valid for 180 days after September 10, 2018.

We appreciate your selection of Targus for this project and look forward to assisting you further on other projects. If you have any questions, please do not hesitate to contact either of the undersigned.

Sincerely,  
**Targus Associates, LLC**

A handwritten signature in black ink, appearing to read 'Gracie Waresback', written over a light blue horizontal line.

Gracie Waresback  
Associate Professional

A handwritten signature in black ink, appearing to read 'Chris McCaslin', written over a light blue horizontal line.

Chris McCaslin  
Project Professional

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Topographic Map  
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## 1.0 SUMMARY

The Hive  
3333, 3335, and 3337 South Susan Street  
Costa Mesa, Orange County, California

On behalf of The Hive Creative Office, Inc., Invesco Advisors, Inc. (Invesco) has engaged Targus Associates, LLC (Targus) to perform a Phase I Environmental Site Assessment (ESA) and Additional Environmental Services of The Hive property, located at 3333, 3335, and 3337 South Susan Street in Costa Mesa, Orange County, California (subject property). The subject property encompassed approximately 14 acres of land and was improved with three, two-story office buildings totaling approximately 180,000 square feet (sf), concrete sidewalks, asphalt parking lots, a football field, and limited landscaped areas. Construction of the improvements was completed in approximately 2003 with additional renovations in 2015/2016. The subject property was occupied by multiple tenants and professional offices with amenities including a fitness center and an executive conference center. The subject property was located in an area characterized by office buildings, vacant land, retail businesses, and single family residences.

Based on the information obtained to date, Targus' findings, opinion, and conclusions are as follows:

- The results of Targus' subject property and area reconnaissance did not indicate *recognized environmental conditions* associated with observed subject property or surrounding land use.
- Review of historical and regulatory agency information did not indicate on-site or off-site sources of *recognized environmental conditions* associated with recent or historical subject property or surrounding land use.
- Targus conducted additional services in accordance with the proposed scope of work, including the assessment of those enumerated in Section 8.0.

### 1.1 ASTM SERVICES

Targus has performed a Phase I ESA of The Hive property, located at 3333, 3335, and 3337 South Susan Street in Costa Mesa, Orange County, California in general conformance with the scope and limitations of ASTM Practice E 1527-13 and the authorized scope of work. Exceptions to, or deletions from, this practice are described in Section 7.3 of this report.

Based upon the information obtained, as reflected in this report, this assessment has revealed no evidence of *recognized environmental conditions* in connection with the subject property.

### 1.2 NON-ASTM SERVICES

In accordance with the proposed scope of work, Targus conducted additional environmental services as discussed in Section 8.0 of this report. Based on Targus' understanding of the Client's objectives, risk tolerance, and future plans for the subject property, this assessment/review did not identify *business environmental risk* associated with the additional environmental services performed.

No additional assessment is recommended at this time.

This summary is for convenience only and should not be relied upon without first reading the full contents of this report, including appendix materials<sup>1</sup>.

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<sup>1</sup> Irrespective of verb tense used in the text, this report is considered to be written and effective as of the date of the site visit.

## 2.0 INTRODUCTION

### 2.1 LOCATION AND LEGAL DESCRIPTION

The subject property was located at 3333, 3335, and 3337 South Susan Street in Costa Mesa, Orange County, California. Figures depicting the subject property are located in the appendices. A legal description and/or survey for the subject property was provided by Invesco. The boundaries indicated on Targus' site plan were identified on the provided survey and confirmed by the site contact specified by Invesco.

#### 2.1.1 Subject Property and Vicinity General Characteristics

The subject property and area reconnaissance, performed on September 18, 2018, consisted of visual observations made during a foot and vehicular tour of the subject property and adjoining land areas. The area reconnaissance was performed on foot within areas that were reasonably accessible and at Targus' discretion by automobile along publicly accessible roads. Targus' area reconnaissance observations are described in Section 2.1.4, and subject property observations are described in Section 5.0.

#### 2.1.2 Observed Use of the Subject Property

The on-site office buildings were occupied by multiple office tenants. Targus noted that each tenant space typically consisted of professional offices where administrative and/or sales activities were conducted.

Information concerning the tenants is presented in the following table.

Tenant List				
Building Number	Address	Tenant	Description of Activities	SREC Y/N
Building A	3337 South Susan Street	Lazy Dog Café	Corporate office building (under renovation)	N
Building B	3335 South Susan Street	LA Chargers	Office building	N
		Coding Dojo	Website building school	
		Agility	Office building	
		The Lost Bean	Coffee shop	
		Steelwave	Management Company	
Building C	3333 South Susan Street	LA Chargers	Office building, media center, and practice field for LA Charger football team	N

SREC-Suspect recognized environmental condition

#### 2.1.3 Descriptions of Structures, Roads, Other Improvements on the Subject Property

The subject property encompassed approximately 14 acres of land and was improved with three, two-story office buildings totaling approximately 180,000 square feet (sf), concrete sidewalks, asphalt parking lots, a football field, and limited landscaped areas. Construction of the improvements was completed in approximately 2003 with the additional renovations in 2015/2016. No other paved roadways or other structures were located on-site.

## 2.1.4 Observed Uses of the Adjoining Properties

Observed uses of adjoining properties are discussed as follows according to their respective geographic relationship to the subject property. Historical use of the adjoining properties is discussed in Section 4.4.

### North

The subject property was adjoined to the north (beyond Sunflower Avenue from west to east) by vacant land, Lake Center (medical office buildings) a pond, and the United States Postal Service (USPS). The USPS was identified during regulatory review and is discussed further in Section 4.1.1.

### East

The subject property was bordered to the east by Susan Street, and adjoined beyond by (from north to south) a single-family residential neighborhood, townhomes, and a parking lot.

### South

The subject property was bordered to the south by South Coast Drive, and adjoining beyond by (from east to west) vacant land, Ikea (home furnishing store) and an associated parking lot.

### West

The subject property was bordered to the west by a 15-foot railroad right of way with The Press (former LA Times and future redevelopment creative office and retail) located beyond. This facility was identified during regulatory review and is discussed further in Section 4.1.1.

### Northwest

The subject property was adjoined to the northwest by a Mesa Water District Public Drinking supply well.

## 2.2 CONTRACTUAL DETAILS

### 2.2.1 Purpose

The purpose of this Phase I Environmental Site Assessment (ESA) was to identify *recognized environmental conditions* in connection with the subject property. As defined by ASTM E 1527-13, “The term *recognized environmental conditions* means the presence or likely presence of any *hazardous substances* or *petroleum products* in, on, or at a *property*: (1) due to any *release* to the *environment*; (2) under conditions indicative of a *release* to the *environment*; or (3) under conditions that pose a *material threat* of a future *release* to the *environment*.” The presence of *hazardous substances* or *petroleum products* considers substances present in any form or phase, whether solid, liquid, or gas, at the surface or subsurface in soil, water, or vapor.

The term *historical recognized environmental condition* applies to “a past *release* of any *hazardous substances* or *petroleum products* that has occurred in connection with the *property* and has been addressed to the satisfaction of the applicable regulatory authority or meeting unrestricted use criteria established by a regulatory authority, without subjecting the property to any required controls (for example, *property* use restrictions, *activity and use limitations*, *institutional controls*, or *engineering controls*). Before calling the past *release* a *historical recognized environmental condition*, the *environmental professional [EP]* must



determine whether the past *release* is a *recognized environmental condition* at the time the *Phase I Environmental Site Assessment* is conducted (for example, if there has been a change in the regulatory criteria). If the EP considers the past *release* to be a *recognized environmental condition* at the time the Phase I ESA is conducted, the condition shall be included in the conclusions section of the report as a *recognized environmental condition*.”

Similarly, a *controlled recognized environmental condition* is “a *recognized environmental condition* resulting from a past *release* of *hazardous substances* or *petroleum products* that has been addressed to the satisfaction of the applicable regulatory authority (for example, as evidenced by the issuance of a no further action letter or equivalent, or meeting risk-based criteria established by regulatory authority), with *hazardous substances* or *petroleum products* allowed to remain in place subject to the implementation of controls (for example, *property use restrictions*, *activity and use limitations*, *institutional controls*, or *engineering controls*). A condition considered by the *environmental professional* to be a *controlled recognized environmental condition* shall be listed in the findings section of the *Phase I Environmental Site Assessment report*, and as a *recognized environmental condition* in the conclusions section of the *Phase I Environmental Site Assessment report*.”

A *de minimis condition* is “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. Conditions determined to be *de minimis conditions* are not *recognized environmental conditions* nor *controlled recognized environmental conditions*.”

The term suspect *recognized environmental condition* as used throughout this report is cited from Section 12.5 of ASTM E 1527-13. Targus uses this term for conditions that have a potential to be known *recognized environmental conditions*, *controlled recognized environmental conditions*, *historical recognized environmental conditions*, or *de minimis conditions* and warrants further discussion as presented within the text of this report. Section 7.0 summarizes each of the known or suspect *recognized environmental conditions* associated with the subject property and presents Targus’ opinion of the potential impact a known or suspect *recognized environmental condition* has on the subject property and whether or not the suspect *recognized environmental condition* is currently a *de minimis condition*, a *recognized environmental condition*, a *controlled recognized environmental condition* or a *historical recognized environmental condition*, based on site-specific characteristics.

ASTM E 1527-13 states that an ESA “meeting or exceeding” this practice and completed less than 180 days prior to the date of acquisition or intended transaction is presumed to be valid if the report is being relied on by the *user* for whom the assessment was originally prepared. The components of the practice to be completed within 180 days include: interviews, searches for recorded environmental cleanup liens, regulatory review, site visit and the declaration by the environmental professional responsible for the assessment. The ASTM E 1527-13 practice also states that within this 180 day period, if the assessment will be used by a *user* different than whom the assessment was originally prepared, the subsequent user must also satisfy the *user’s* responsibilities.

### 2.2.2 Detailed Scope-of-Services

The scope of services was performed in general conformance with the ASTM E 1527-13 document *Standard Practice for Environmental Site Assessment: Phase I Environmental Site Assessment Process*<sup>2</sup> and Client-specified requirements (see Section 2.2.5).

The Phase I ESA consisted of a historical review of the subject property and area use, regulatory database review, assessment of the physical setting, subject property and area reconnaissance, and a report of Targus' findings, opinions, and conclusions. Data gaps or deviations from this standard, if applicable, are described in Section 7.3.

#### Subject Property and Area Use

Using selected sources of reasonably ascertainable public information, Targus attempted to review recent and historical uses of the subject property. The Phase I ESA historical review extends back until 1940 or, for uses prior to that date, back to the time the subject property was undeveloped. Sources of historical use information relating to the subject property and its adjoining properties were acquired and reviewed according to the reasonable availability of the information, the time limits provided for data acquisition and review, as permitted, by the project schedule and cost, and Targus' judgment of the likely value of the information for indicating environmental conditions. Historical sources reviewed by Targus are listed in Section 9.0 and typically include local city directories, aerial photographs, and a topographic map. If available through the database provider, the historical sources reviewed also included Fire Insurance Maps.

#### Regulatory Status Review

Targus reviewed a report of select regulatory databases published for the local area to identify facilities potentially constituting a suspect *recognized environmental condition* in regard to the subject property. Targus reviewed the databases to identify recorded facilities located on, or in proximity to, the subject property using the ASTM E 1527-13 standard environmental record sources and recommended approximate minimum search distances.

Targus attempted to obtain additional information regarding listed facilities that, in its professional judgment, may constitute *recognized environmental conditions* in connection with the subject property. In addition, local agencies were contacted regarding recorded information, incidents, or activities of environmental concern relating to the subject property and its immediate environs.

#### Subject Property Physical Setting

Targus obtained and reviewed reasonably ascertainable published subject property information to characterize the physical setting of the subject property. Sources reviewed are listed in Section 9.0 of this report. If reasonably ascertainable, Targus reviewed the *USGS 7.5 Minute Topographic Map* showing the area on which the subject property is located. Targus reviewed one or more physical setting sources at the discretion of the environmental professional to obtain information about the geological, hydrogeological, hydrological, and/or topographical characteristics of the subject property. Discretionary physical setting sources may have been sought if: (1) conditions had been identified in which hazardous substances

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<sup>2</sup> ASTM E 1527-13 is incorporated by reference; Targus can assist the Client with obtaining a copy upon request. It should be noted that the ASTM standard is not intended to represent or replace the standard of care by which the adequacy of a given professional service must be judged, nor should the document be applied without consideration of a project's many unique aspects. The word "Standard" in the title of the document means only that the document has been approved through the ASTM consensus process.

or petroleum products are likely to be present on-site or to migrate to the subject property from off-site sources; and (2) more information is generally obtained, pursuant to local good commercial or customary practice.

#### Subject Property and Area Reconnaissance

The subject property reconnaissance consisted of field observations of the subject property and adjoining land areas by Targus personnel experienced in environmental site assessments. Targus observed and documented uses of the subject property and indicators of hazardous substances, petroleum products, storage tanks, odors, pools of liquid, drums, containers, liquid polychlorinated biphenyls<sup>3</sup> (PCBs), heating and cooling systems, stains, corrosion, drains and sumps, pits, ponds, lagoons, stressed vegetation, wastes, wells, and septic systems. The area reconnaissance was performed on foot within areas that were reasonably accessible and at Targus' discretion by automobile along publicly accessible roads.

#### Additional Services

As requested by the Client, Targus conducted certain specified additional services in an attempt to identify *business environmental risk* associated with the subject property. As defined by ASTM E 1527-13, the term *business environmental risk* is a potential environmental condition or environmentally-driven financial impact that could materially affect the identified or planned use of the subject property. These conditions are not necessarily limited to those environmental issues required to be assessed under ASTM E 1527-13. Rather, consideration of *business environmental risk* typically is associated with one or more Client-specified, non-ASTM scope assessment activities such as described in Section 8.0 of this report.

#### Report

Targus has prepared this report, which includes the findings concerning known or suspect *recognized environmental conditions* and an opinion as to the potential impact those conditions would have on the subject property. Targus' services also included assessment of *recognized environmental conditions* or other issues that may constitute potential *business environmental risks* at the time of the Phase I ESA. Finally, this report concludes whether or not the assessment revealed *recognized environmental conditions*, or *business environmental risks*, and provides recommendations, if appropriate.

#### 2.2.3 Significant Assumptions

Targus relied on information obtained from the Client, the Client's representative, individuals interviewed, and prior environmental reports unless Targus' reasonable inquiries clearly revealed otherwise<sup>4</sup>.

Conditions observed were considered to be representative of areas that were not observed unless otherwise indicated.

An explanation of our understanding of groundwater can be found in Section 4.2.

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<sup>3</sup> A limited assessment of the presence of polychlorinated biphenyls (PCBs) is included in the ASTM work scope. Accordingly, our assessment of the presence of PCBs is limited to those potential sources specified in the ASTM E 1527-13 Standard as "electrical or hydraulic equipment known or likely to contain PCBs...to the extent visually and or physically observed or identified from the interview or records review."

<sup>4</sup> Pursuant to ASTM E1527-13 Section 7.5.2.1.

#### 2.2.4 Limitations and Exceptions

The findings and opinions presented are relative to the dates the work was conducted and should not be relied on to represent conditions at later dates. The opinions included herein are based on information obtained during the assessment and Targus' experience. If additional information becomes available that may impact Targus' environmental assessment findings, Targus requests the opportunity to review the information, reassess the potential concerns, and modify Targus' opinions, if warranted.

This assessment included visual observations to identify obvious features or conditions indicative of *recognized environmental conditions*.

Although this assessment has attempted to identify *recognized environmental conditions*, Targus cannot eliminate all uncertainty as to *recognized environmental conditions* in connection with the subject property nor represent or warrant that the subject property contains no hazardous substances or petroleum products or other latent conditions beyond those identified through the scope of work identified herein. Other features, conditions, and constituents may have escaped detection due to: (1) the limited scope of this assessment as driven by Client objectives; (2) the inaccuracy of public records; (3) environmental incidents that may have gone undetected or unreported prior to this assessment; (4) inaccessible areas; and/or (5) deliberate concealment of detrimental information.

Although this assessment has attempted to identify *business environmental risk*, potential *business environmental risk* may have escaped detection due to: (1) the limited scope of this assessment; (2) the inaccuracy of public records; (3) the presence of undetected or unreported environmental incidents; (4) inaccessible areas; (5) deliberate concealment of detrimental information; (6) the subjective nature of materiality to the *user* with respect to *business environmental risk*; (7) a lack of understanding of the future use of the subject property; and/or (8) the limited degree of the current state of knowledge for certain non-ASTM scope items.

Targus' professional services have been performed using that degree of care and skill ordinarily exercised, under similar conditions, by reputable environmental consultants undertaking similar studies and practicing in this locality during the same timeframe. No other warranty, express or implied, is intended or made with respect to this report or Targus' services. This assessment was not exhaustive and *users* of this report should consider the scope and limitations related to these services when developing opinions as to risks associated with the subject property. These potential risks may be more thoroughly evaluated as an additional service in an effort to further reduce, but not eliminate, uncertainty. Upon request Targus can provide options for additional research or assessment and anticipated additional cost and timing requirements.

This report presents an assessment of the subject property as defined by information provided by the Client, Client's representative, or Key Site Manager. Targus' findings, opinions, conclusions, and recommendations are based on the locations and boundaries of the subject property as evident in the field and on maps or plats provided by the Client, Client's representative, or Key Site Manager.

### 2.2.5 Special Terms and Conditions

Targus' work was conducted in general conformance with Targus' proposal No. P18-5542, dated September 6, 2018, and the terms and conditions established therein. The *user* is defined as the party seeking to use ASTM E 1527-13 to complete an ESA of the property. The *user* of this Phase I ESA is Targus' Client, The Hive Creative Office, Inc., and Invesco (collectively the Client).

There are no special terms and conditions between the user and Environmental Professional.

### 2.2.6 User Reliance

This report represents Targus' services as of the date hereof. As Targus' final document, it may not be altered after final issuance. This assessment and report were prepared on behalf of and for the exclusive use of The Hive Creative Office, Inc., and Invesco (collectively the Client) solely for its use and reliance, subject to the terms and conditions agreed upon between Targus and Invesco. The Client and Targus were solely involved in shaping the scope of services. Accordingly, reliance on this report by any other party may involve assumptions leading to an unintended interpretation of findings and opinions. As such, reliance by other parties on the contents of this document is not granted, and any such reliance shall be at the sole risk of the using party. With the consent of Targus and the Client and for a fee, Targus may offer reliance to third parties or contract with other parties to develop findings and opinions related to such party's specific risk management objectives. Except as otherwise agreed in writing, any and all third party reliance upon this Phase I ESA shall be subject to the terms in Targus' standard Terms and Conditions; the \$50,000 liability limitation listed in Targus' standard Terms and Conditions (available upon request) constitutes Targus' aggregate liability to any and all relying third parties for any and all claims.

## 3.0 USER-PROVIDED INFORMATION

ASTM E 1527-13 requires that the environmental professional request from the *user* of the Phase I ESA, the Client, certain information (discussed as follows) concerning the subject property that will help identify the possibility of *recognized environmental conditions* in connection with the subject property or to request from the *user* the names of other individuals who can provide this information.

To meet the requirements of 40 CFR 312.20 and 312.25, a search for the existence of *environmental liens* and AULs that are filed or recorded against the *property* must be conducted. ASTM E 1527-13 assigns to the Client or its representative the responsibility to report to the environmental professional any environmental liens or AULs<sup>5</sup> (including institutional controls, physical or engineered controls, land use restrictions, restrictive covenants, easements, etc.) known to it. That practice does not impose on the *environmental professional* the responsibility to undertake a review of *recorded land title records* and judicial records for *environmental liens* and AULs. The *user* should either: (1) engage a title company, real estate attorney, or title professional to undertake a review of *reasonably ascertainable recorded land title records* and lien records for *environmental liens* and AULs recorded against

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<sup>5</sup> See ASTM E2091 for additional information about *activity and use limitations* (AULs), their use and function, and standard means to check for existence and evaluate compliance with these controls. Targus can assist the Client with obtaining a copy on request.

or relating to the *property*; or (2) negotiate such an engagement of a title company, real estate attorney, or title professional as an addition to the scope of work of the *environmental professional*. The search for *environmental liens* and AULs is in addition to the *environmental professional's* search of *institutional control* and *engineering control* registries.

Depending on available information and specific site conditions, Targus may conclude that the failure of the *user* to provide environmental lien/AUL search documentation does not present a significant data gap and therefore, can declare that Targus has developed and performed the all appropriate inquiries in conformance with the standards and practices set forth in 40 CFR Part 312. However, failure of the *user* to provide the information or to engage the environmental consultant or others to obtain and consider that information may separately weaken a defense to liability under the Comprehensive Environmental Response, Compensation and Liability Act (CERCLA).

If the Client or its representative is aware of specialized knowledge or experience that is material to the identification of *recognized environmental conditions*, or if it has actual knowledge that the purchase price of the subject property is significantly less than the purchase price of comparable properties, ASTM E 1527-13 assigns to the Client the obligation to communicate that information to the environmental professional prior to the subject property reconnaissance. ASTM E 1527-13 requires that an explanation of a significant decrease in purchase price be provided in writing.

ASTM E 1527-13 assigns to the Client or its representative the responsibility to inform the environmental professional of the reason it wants the Phase I ESA performed and to provide commonly known, reasonably available information about the subject property that is material to *recognized environmental conditions*. Absent information to the contrary, the purpose for assessment is assumed to be in preparation for a *commercial real estate transaction*.

As part of Targus' engagement to conduct this work, this information was requested from Invesco or its representative. In addition, Targus has requested from Invesco or its representative helpful documents such as those specified in Section 10.8 of ASTM E 1527-13 and as listed in the appendices. Finally, Targus inquired whether Invesco or its representative was aware of: (1) any pending, threatened, or past litigation relevant to hazardous substances or petroleum products in, on, or from the property; (2) any pending, threatened, or past administrative proceedings relevant to hazardous substances or petroleum products in, on, or from the subject property; or (3) any notices from governmental entities regarding possible violations of environmental laws or possible liabilities relating to hazardous substances or petroleum products.

Information known to and reported by the Client and provided at the time of authorization is discussed below in Sections 3.1 through 3.8. Information provided by others is discussed in Section 6.0. Information and excerpts from reports provided by Invesco, its representative, or others are included in the Appendices of this report and are listed in Section 9.0.

### 3.1 TITLE RECORDS

Invesco or its representative did not provide Targus with title records that documented the chain of historical ownership. However, at the request of Invesco, Targus obtained a chain-of-title from Environmental Data Research (EDR). Available information indicated that the subject property was owned from prior to 1938 until present by various individuals and

business entities. Available information did not document prior occupants or use that indicated suspect *recognized environmental conditions*.

### 3.2 ENVIRONMENTAL LIENS OR ACTIVITY AND USE LIMITATIONS

As documented in Appendix G, Invesco reported that it was not aware of information indicative of environmental liens, AULs, or governmental notification relating to violations of environmental laws with respect to the subject property. However, at the request of Invesco, Targus obtained an environmental lien/AUL search from EDR. According to the search, no environmental liens/AULs were identified for the subject property. A copy of the EDR environmental lien/AUL search has been included in the appendices.

### 3.3 SPECIALIZED KNOWLEDGE

As documented in Appendix G, Invesco reported that it was not aware of specialized environmental knowledge or experience indicative of *recognized environmental conditions* in connection with the subject property.

### 3.4 VALUATION REDUCTION FOR ENVIRONMENTAL ISSUES

As documented in Appendix G, Invesco reported that the purchase price of the subject property was not significantly less than the purchase price of comparable properties.

### 3.5 COMMONLY KNOWN OR REASONABLY ASCERTAINABLE INFORMATION

As documented in Appendix G, Invesco reported that it was not aware of commonly known or reasonably ascertainable information about the subject property within the local community that would be material to *recognized environmental conditions*.

### 3.6 OWNER, PROPERTY MANAGER, AND OCCUPANT INFORMATION

The Client requested that Targus contact Ms. Rosie Jarkin of Steelwave to obtain information and access to the subject property. Ms. Jarkin accompanied Targus during the site walk and provided detailed information regarding operations and history. Ms. Jarkin indicated that she was a representative of the owner of the subject property and had been associated with the subject property for the past three years. Ms. Jarkin stated that she had good knowledge of the uses and physical characteristics of the subject property and was therefore considered the Key Site Manager. Information obtained from interviews with the Key Site Manager is presented in Section 6.0.

The owner was identified by the survey and lien/ AUL search as SWGS Susan Street, LLC.

At the time of the subject property reconnaissance, Targus noted that the subject property was occupied by a multi-tenant office building complex.

### 3.7 REASON FOR PERFORMING PHASE I

Targus understands this assessment was required prior to the proposed acquisition of an interest in the subject property. Targus understands that the purpose of this assessment was to complete an evaluation that meets the applicable standard of "all appropriate inquiries into the previous ownership and uses of the subject property consistent with good commercial or



customary practice” with the objective of assembling documentation that may help to support one of the threshold criteria for satisfying one or more defenses to CERCLA liability (landowner liability protections<sup>6</sup>) and to assist the Client in understanding potential environmental conditions that could materially impact the operation of the business associated with the subject property (*business environmental risk*).

### 3.8 OTHER

Other information that was provided is listed in Section 9.0 and is discussed throughout this report in applicable sections.

## 4.0 RECORDS REVIEW

### 4.1 STANDARD ENVIRONMENTAL RECORD SOURCES

Targus reviewed selected federal, state, and local regulatory information in an attempt to identify recorded information concerning environmental impacts or conditions or concerns associated with the subject property. Targus reviewed the regulatory report included in the following table as obtained from Environmental Data Resources (EDR). Pertinent sections of the database report are attached in the appendices, including a listing of the databases, an explanation of each database, and figures depicting the approximate locations of regulated facilities in the near vicinity of the subject property.

Regulatory listings are limited and include only those facilities or incidents that are known to the regulatory agencies at the time of publication to be contaminated, in the process of evaluation for potential contamination, or to store/ generate potentially hazardous substances, waste, or petroleum. Those listings are compiled by the third-party information services provider engaged by Targus, who is responsible for the accuracy and completeness of its work product.

#### 4.1.1 Federal, State, and Tribal Lists

The following table includes the approximate minimum search distances and a list of the databases reviewed. These databases were selected based on minimum requirements of ASTM E 1527-13. The number of facilities indicates the number of regulated facilities identified by the database provider to be present within the approximate minimum search distance for a particular database.

ASTM FEDERAL, STATE, & TRIBAL DATABASE LISTS		
Database	Approximate Minimum Search Distance	* No. of Facilities
NPL/ Equivalents	One Mile	0
Delisted NPL	One-half Mile	0
CERCLIS/ Equivalents	One-half Mile	0
CERC-NFRAP Sites	One-half Mile	1
CORRACTS or Violators/ Enforcement	One Mile	1
RCRA Generators/ Equivalents (IHW, HAZNET, ETC.)	Subject Property and Adjoining	3
RCRA TSD Facilities	One-half Mile	1

<sup>6</sup> Landowner liability protections (LLPs) include the innocent landowner, contiguous property owner, and bona fide prospective purchaser limitations on CERCLA liability; see CERCLA (1980), SARA (1986), “Lender Liability Act” (1996), and “Brownfields Amendments” (2001).



ERNS	Subject Property	0
SHWS	One Mile	11
SWF/LF Report	One-half Mile	0
LUST List/ Equivalents	One-half Mile	12
UST List	Subject Property and Adjoining	1
VCP List	One-half Mile	0
AST	Subject Property and Adjoining	1
LIENS	Subject Property	0
Drycleaners	One-quarter Mile	1
AUL	Subject Property and Adjoining	0
Institutional Control/ Engineering Control Registries	Subject Property and Adjoining	0
Brownfields Sites	One-half Mile	0

\*If a facility was listed more than once on a particular database, it was counted as one facility for the purposes of this table.

Targus reviewed the regulatory information provided in the database report to identify listed facilities located within the approximate minimum search distances. Significant facilities identified are included in the following table along with their distance from the subject property, the regulatory database on which the facility was listed, the apparent hydrologic relationship to the subject property, information provided in the database report, Targus' observation of the facility during the area reconnaissance (if pertinent) and/or comments, and whether or not the facility was considered to be a suspect *recognized environmental condition* to the subject property. Additional facilities may have been identified by the database provider but not presented as follows based on Targus' judgment of significance. Those facilities are documented for reference by the reader in the appended report.

Significant Facilities Identified Within Approximate Minimum Search Distance				
Location	Database	Database Information	Additional Information	SREC (Y/N)
<b>SUBJECT PROPERTY</b>				
Emulex Building D  Subject Property	CIWQS	<b>California Integrated Water Quality System (CIWQS):</b> • Stormwater construction permit	The Subject property was listed on the CIWQS database for a stormwater permit active during development and construction at the subject property which is consistent with the previous renovations taking place at the subject property. Based on the type of regulatory listing, Targus does not consider this permit to present a suspect <i>recognized environmental condition</i> .	N
	HAZNET	<b>HAZNET:</b> • TSD EPA ID: CAD044429835 • Year: 2016 • Listed "oil/water separation sludge". Disposal Method: Storage, Bulking, and/or transfer off site	The subject property was listed on the hazardous waste tracking system (HAZNET) for off-site disposal of approximately three tons of fluid listed as listed as "oil/water separation sludge". According to the Property Manager, Ms. Rosie Jarkin, the HAZNET listing regarded the service and cleaning of the three elevator sump pumps in April of 2016. Ms. Jarkin indicated that the elevator sump pumps are cleaned out every few years or as needed. Additionally, it was noted that a prior consultant assessed the sumps and observed no oily water, just apparent accumulated rainwater. Based on the offsite disposal of the fluid, interviews with the property manager, and observation by Targus and others, Targus does not consider the HAZNET listing to be a <i>suspect recognized environmental condition</i> .	N
<b>NEARBY SIGNIFICANT FACILITIES</b>				

<p>Former LA Times</p> <p>1375 West Sunflower Avenue</p> <p>Approx. 15-feet west</p> <p>Down-gradient</p>	<p>CPS-SLIC, SLIC, LUST, RGA LUST, HIST CORTESE, SWEEPS UST, CA FID UST, UST, HIST UST, AST, RCRA, HAZNET, Orange Co. Industrial Site, ENVIROSTOR, ENF, ICIS, EMI, NPDES, WDS, FINDS, ECHO</p>	<p><b>Cleanup Program Sites - Spills, Leaks, Investigations, and Cleanups (CPS-SLIC):</b></p> <ul style="list-style-type: none"> <li>• Facility Status: Open – Site Assessment</li> <li>• Status Date: 1/12/2018</li> <li>• Substances: PCE, TCE, diesel</li> <li>• Lead Agency: State (RWQCB)</li> <li>• Global ID: T10000011210</li> </ul> <p><b>Spills, Leaks, Investigations, and Cleanups (SLIC):</b></p> <ul style="list-style-type: none"> <li>• Type: Surface Water</li> <li>• Facility Status: Closed</li> <li>• Substance: Chromium</li> </ul> <p><b>Leaking Underground Storage Tank (LUST) / RGA LUST:</b></p> <ul style="list-style-type: none"> <li>• <b>LA Times North Tank Area</b> <ul style="list-style-type: none"> <li>• Status: Open – Verification Monitoring</li> <li>• Status Date: 5/10/2018</li> <li>• Lead Agency: Orange County Local Oversight Program (LOP)</li> <li>• LOC Case Number: 92UT073</li> <li>• Potential Media Affected: Other Groundwater (uses other than drinking water)</li> <li>• Potential Contaminants: Gasoline</li> </ul> </li> <li>• <b>LA Times South Tank Area</b> <ul style="list-style-type: none"> <li>• Status: Completed – Case Closed</li> </ul> </li> <li>• <b>“Original” LUST</b> <ul style="list-style-type: none"> <li>• Status: Completed – Case Closed</li> <li>• Status Date: 09/26/1990</li> <li>• Potential Media Affected: Soil</li> <li>• Potential Contaminants: Diesel</li> </ul> </li> </ul> <p><b>Historic CORTESE:</b></p> <ul style="list-style-type: none"> <li>• Regulatory ID: 083001520T</li> <li>• Regulated by: LTNKA</li> <li>•</li> </ul> <p><b>Statewide Environmental Evaluation and Planning System (SWEEPS) USTs/ CA Facility Inventory Database (FID) UST/ HIST UST/ UST:</b></p> <p>Multiple petroleum USTs</p> <p><b>Aboveground Storage Tank (AST):</b></p> <ul style="list-style-type: none"> <li>• Owner: LA Times</li> <li>• Total Gallons: 1,320</li> </ul> <p><b>Resource Conservation and Recovery Act (RCRA):</b></p> <ul style="list-style-type: none"> <li>• Listed Years: 1990, 1996, 2000 <ul style="list-style-type: none"> <li>◦ Classification: Small and Large Quantity Generator</li> </ul> </li> </ul>	<p>See discussion below.</p>	<p>Y</p>
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		<ul style="list-style-type: none"> <li>o Facility has multiple administrative-based violations 1993-2011</li> <li>o Wastes: D001, D002, D011, D039</li> </ul> <p><b>HAZNET:</b></p> <ul style="list-style-type: none"> <li>• Off-specification, aged or surplus organics: Storage, bulking, and/or transfer off-site – no treatment/ recovery</li> <li>• Unspecified organic liquid mixture: Fuel blending prior to energy recovery at another site</li> <li>• Unspecified organic liquid mixture: Other recovery of reclamation for reuse including acid regeneration, organics recovery etc.</li> </ul> <p><b>Orange Co. Industrial Site:</b></p> <ul style="list-style-type: none"> <li>• Case ID: 91IC005</li> <li>• RO0000337</li> <li>• Current Status: Close 05/15/1991</li> <li>• Released Chemical: Ink/ Solvent</li> </ul> <p><b>ENVIROSTOR:</b></p> <ul style="list-style-type: none"> <li>• Facility ID: 71003669</li> <li>• Tiered Permit: Inactive</li> </ul> <p><b>ENFORCEMNT (ENF):</b> Facility ID: 246123</p> <ul style="list-style-type: none"> <li>• Admin Civil Liability</li> <li>• Order/ Resolution No: 89-031</li> <li>• Achieve Date: 03/06/1989</li> <li>• Description: Spill of cooling water with chromate solution</li> </ul> <p>Facility ID: 246123</p> <ul style="list-style-type: none"> <li>• Admin Civil Liability</li> <li>• Order/ Resolution No 90-039</li> <li>• Achieve Date: 02/21/1990</li> <li>• Description: Three separate discharges 11/22/89-12/26/89, 11/27/89, and 1/22/90</li> </ul> <p><b>ICIS/ US AIRS/Emissions Inventory Data (EMI):</b></p> <ul style="list-style-type: none"> <li>• Administrative Order – Enforcement in AIR Program</li> <li>• Air Program: Major Operator, National and Secondary Ambient Air Quality Standards Violations, Title V Permits</li> </ul> <p>Multiple listings for regulated emissions</p> <p><b>NPDES/ WDS:</b></p> <ul style="list-style-type: none"> <li>• Facility Status: Active</li> <li>• Regulatory Measure ID: 465690</li> </ul> <p><b>FINDS/ECHO:</b> Environmental Interest: State Master</p>	
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USPS Santa Ana  3101 W Sunflower Avenue  Adjoining northeast  Up to cross-gradient	RCRA-SQG. FINDS/ECHO	<b>RCRA-SQG:</b> <ul style="list-style-type: none"> <li>Date violation determined: 02/12/1991</li> <li>Classification: Small Quantity Generator</li> <li>Area of violation – generator – manifest</li> <li>Date achieved compliance: 05/04/1992</li> </ul> <b>FINDS/ECHO:</b> <ul style="list-style-type: none"> <li>The FINDS and ECHO databases indicate the facility under RCRA.</li> </ul>	This facility was located adjoining northeast in an up-to-cross-gradient position. Based on the nature of its operations and lack of reported releases, spills, or violations, Targus does not consider this facility to be a suspect <i>recognized environmental condition</i> to the subject property.	N
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Based on information provided in the preceding table, Targus considers the following facility(ies) to constitute a suspect *recognized environmental conditions* to the subject property. Additional information concerning these suspect *recognized environmental conditions* is presented as follows. As indicated in the table, the remaining facilities were not considered to be suspect *recognized environmental conditions* and are not further discussed.

Former LA Times (1375 West Sunflower Avenue)

The former LA Times facility is located in nearby (15-foot) proximity west and down-gradient of the subject property. Numerous regulatory listings for the former facility were identified including several listings indicating documented releases that have affected groundwater at that location. Based on these releases in proximity to the subject property, Targus considers the Former LA Times to be a suspect *recognized environmental condition*.

To further evaluate the potential of impacts to the subject property, Targus reviewed online State files available on Envirostor and Geotracker (online repositories maintained by the CalEPA), along with actual soil and groundwater data from this site available based on Targus' involvement with facility-wide cleanup on behalf of Client. Targus' review of potentiometric surface data indicates a southwesterly groundwater gradient away from the subject property and depth to groundwater measured generally between 10 to 20 feet below ground surface. Affected media includes soil, soil vapor, and groundwater, the majority of these areas of impact lie beneath or beyond the facility to the west. Petroleum-based impacts were identified along the eastern side of the facility building; however, based on review of concentrations in numerous borings/ wells along this area (west of the subject property boundary) along with the noted measured groundwater gradient, impacts to the subject property were not apparent. Based on the information reviewed, Targus does not consider the former LA Times to be a *recognized environmental conditions* in connection to the subject property.

The remaining facilities identified within their respective approximate minimum search distance included one or more LUST (and equivalent related) facilities, SEMS-Archive, CORRACTS, RCRA-TSDF, ENVIROSTOR, Drycleaners. These facilities were located at least 1,000 feet from the subject property in topographically down- to cross-gradient positions. Based on distance and other facility-specific characteristics, these facilities are not considered to present suspect *recognized environmental conditions* to the subject property.

Several other facilities were identified on the database report. Area research did not indicate that these facilities were located within their respective approximate minimum search distances.

The database report listed three “orphan” facilities (facilities that were not mapped in the database report due to poor or inadequate address information). The orphan facilities did not appear to be present within the respective minimum search distances for the databases listed. Based upon Targus’ area reconnaissance, apparent distances of separation, type of regulatory listings identified for the listed facilities, and/or conditions typical of the identified facility activities, the orphan facilities do not present suspect *recognized environmental conditions* to the subject property.

EDR provides proprietary databases that may identify historical cleaners, auto stations, and manufactured gas plants that are known to EDR, typically based on city directory reviews and/or Sanborn Maps. Facilities included on this database typically operated before modern regulations requiring notification/ registration. These facilities may not be listed on regulatory databases but may be suspect *recognized environmental conditions* due to proximity to the subject property. Targus reviewed the proprietary databases, and several facilities were identified to be located within one-quarter mile of the subject property, but at distances greater than 1,200 feet or topographically down- to cross-gradient. These facilities were not identified on regulatory databases and were not observed during the area reconnaissance.

#### 4.1.2 Additional Environmental Record Sources

Targus conducted the following local inquiries to enhance and supplement the ASTM E 1527-13 standard environmental record sources when, in the judgment of the environmental professional, such additional records were deemed to be reasonably ascertainable; were sufficiently useful and accurate, and complete in light of the objective of the records review; and were generally obtained pursuant to local good commercial or customary practice.

Additional Environmental Record Sources/ Local Inquiries				
Database/Source	Entity	Facility	Response Received Y/N	Pertinent Information Available Y/N
Municipal Inquiry	Costa Mesa Fire Department	Subject Property	Y	N
Municipal Inquiry	Costa Mesa City Clerk	Subject Property	N	NA
County Inquiry	Orange County Health Care Agency	Subject Property	Y	Y- Information obtained is discussed below and in Section 5.2.
State Inquiry	Regional Water Quality Control Board (RWQCB)	Subject Property	Y	N
		The Press	Y	Y – Information obtained is discussed in Section 4.1.1. information obtained via <a href="https://geotracker.waterboards.ca.gov/">https://geotracker.waterboards.ca.gov/</a>
State Inquiry	California Department of Toxic Substances (DTSC)	Subject Property	Y	N- information obtained via <a href="https://www.envirostor.dtsc.ca.gov/public/">https://www.envirostor.dtsc.ca.gov/public/</a>

ASTM E 1527-13 requires regulatory agency files to be obtained and reviewed if the subject or any adjoining property is identified on one or more of the standard federal, state, or tribal environmental record sources as listed in Section 8.2.1 of the ASTM standard. File review as required by ASTM E 1527-13 was conducted as discussed in Section 4.1.1.

Pertinent information regarding the adjoining west property, The Press was obtained via Geotracker and Envirostor website. Additionally The Orange County Health Care Agency

provided documentation regarding the handling of the chemicals left on the property by the former tenant as discussed in Section 5.2.

#### 4.2 PHYSICAL SETTING SOURCES

Physical setting sources specified in Section 9.0 of this report were reviewed to provide information about the geology and hydrogeology of the subject property.

##### Surface Drainage

Based upon the topographic map reviewed, the subject property sloped gently to the west/southwest toward the Santa Ana River, located approximately one mile west of the subject property (see the Topographic Map in the appendices). The subject property had an average surface elevation of approximately 30 feet above the National Geodetic Vertical Datum presented on the topographic map reviewed. Observation of the subject property topography corresponded with information presented on the topographic map.

##### Geological Setting

Review of the referenced sources indicated that the subject property is located in the Coastal Plain Basin in Orange County. The Coastal Plain consists of coalescing alluvial fans that originate from the Santa Anna Mountains to the east and gently slope toward the Pacific Ocean to the west. The majority of the soil underlying the subject property is described as fluvial deposits composed of inter-bedded clay, silt, and sand with minor gravel.

##### Groundwater

Review of referenced sources, including several groundwater-monitoring reports for nearby properties, indicated that the subject property was located in the Coastal Plain Basin and is recharged by the Santa Ana River, located approximately one mile west of the subject property. According to the report, the freshwater bearing materials within the coastal plain consist of unconsolidated sand, gravel, and conglomerates with some silt and clay and occurs in three separate groundwater systems referenced as the upper, middle, and lower aquifer systems. The Upper Aquifer System consists of water-bearing strata above the main aquifer, has an average thickness of 800 feet, and occurs in recent alluvial deposits and semi-consolidated gravels, sands, and silts of the Upper Pleistocene Lakewood and La Habra formations. The principal shallow aquifers in this zone are the Talbert Aquifer and the 80-foot gravel aquifer. Additionally, numerous semi-perched aquifers of limited extent are also present in the shallow portion of the Upper Aquifer System.

Shallow groundwater may be encountered in the vicinity of the subject property but, as a result of low or intermittent yield and questionable quality, was not known to be used as a source of drinking water. Shallow water levels will vary depending upon seasonal moisture fluctuations and local waterway levels. Based on Targus' understanding of the available information (at the west-adjointing property), shallow groundwater is expected to be present within 10 to 20 feet below ground surface.

Shallow groundwater generally flows in directions subparallel to the ground surface slopes and under the influence of gravity toward points of discharge such as creeks, swamps, drainage swales, or pumped groundwater wells. Consistent with the topographic map, assessment data (measured groundwater gradient) at the nearby west property documented that the primary groundwater flow direction in the uppermost water-bearing unit was to the southwest, toward the Santa Ana River.

According to the EDR report, two water production wells were located within a 1,000 feet of the subject property. The first well was located adjoining northwest of the subject property and was owned by the Mesa Water District and listed as a United States Geological Survey (USGS) California Water Science Center well. The well was drilled to a depth of 600 feet in to the California Coastal Basins Aquifer. The second well located approximately 800 feet west of the subject property and appears to also be owned by the Mesa Water District. The well depth and extraction source was not identified in the EDR report. In addition to these wells, available assessment data indicates that numerous groundwater monitoring wells are present at The Press facility which was previously discussed in Section 4.1.1.

#### 4.3 HISTORICAL USE INFORMATION ON THE SUBJECT PROPERTY

Historical sources specified in Section 9.0 of this report were reviewed to assess on-site historical activities. Targus' findings are presented in the following table. A 2017 aerial photograph of the subject property is appended to this report, as are additional aerial photographs reviewed.

Table of Historical Subject Property Usage			
Observed Use/ Location	Prior Use	Source	Comments
The Hive office building complex and football practice field	Undeveloped/ agricultural land Prior to 1938 to 1990s  Emulux Corporation/ Avago Technologies Early 2000s to 2016  The Hive office building complex and football practice field 2016 to present	A, CD,COT, I, PR, T	Review of available historical information indicated that the office buildings were formerly occupied by the headquarters of the Emulux Corporation (Avago Technologies), a company that provided network connectivity, monitoring, and management hardware and software.

A - Aerial Photographs  
PR - Previous Report

COT – Chain-of-Title  
T - Topographic Map

CD - City Directory abstract<sup>7</sup>

I - Interviews

Review of historical information indicated that the subject property was used as agricultural land from prior to 1938 through the 1990s. On cultivated land where agricultural chemicals have been applied, it is not uncommon to find residual fertilizers, pesticides, herbicides or related compounds in the soil and groundwater. Geometric patterns evident on the subject property in aerial photographs dated 1938 through 1995 were consistent with the appearance of land cultivated with row crops. Given historical practices in this area, these crops were likely treated with agrochemicals during production. Targus reviewed several subsurface soil investigation reports for work conducted at the subject property in the early 2000s based on the potential concern identified by others during that time. Investigations at the subject property prior to development identified low concentrations of residual agrochemicals and/or associated components, namely, dichlorodiphenyldichloroethylene (DDE), toxaphene, and arsenic, which did not exceed then used screening values (commercial/industrial Preliminary Remediation Goals (PRG) and background concentrations). These reports are discussed further in Section 4.5. In consideration that the entire site was subsequently graded for development in 2003, residual, persistent, or immobile pesticides would not be expected to

<sup>7</sup> Targus reviewed an abstract of city directories in an attempt to identify prior occupants of the subject property or adjoining parcels. The abstract was obtained from a third-party service provider Environmental Data Resources (EDR) who is responsible for the accuracy and completeness of its work product.

remain concentrated at the ground surface. Based on the collective information and observations during the subject property and area reconnaissance, information obtained from prior reports, review of the available regulatory databases, redevelopment, and length of time since agricultural activities occurred (greater than 20 years), the documented presence of residual agricultural chemicals on the subject property is considered a *de minimis* condition and not a *recognized environmental condition*.

In addition to the historical information presented in the preceding table, an assessment as to whether or not historical uses are considered to present a suspect *recognized environmental condition* to the subject property was based on whether or not addresses for the subject property were listed on the regulatory databases reviewed (Section 4.1.1), interviews with local agency personnel (Section 4.1.2), information obtained from prior reports (Section 4.5), Targus' subject property reconnaissance observations (Section 5.0), or interviews with the Key Site Manager and/or owner's representative (Sections 5.0 and 6.0). Based on information obtained by Targus and as presented in the previously-referenced sections, other than as previously discussed, historical uses of the subject property did not present suspect *recognized environmental conditions* to the subject property.

#### 4.4 HISTORICAL USE INFORMATION ON ADJOINING PROPERTIES

Nearby property usage could potentially impact the surface and subsurface conditions at a subject property. Developing a history of past uses or occupancies can provide an indication of the potential for *recognized environmental conditions* associated with the subject property. Historical information specified in Section 9.0 of this report was reviewed to assess off-site activities. Targus' findings are presented in the following table.

Table of Historical Surrounding Land Usage			
Observed Use/ Location	Prior Use	Source	Comments
<b>North:</b> Vacant land (across Sunflower Avenue)	Vacant/ agriculture land Prior to 1938 to present	A, PR, T	No suspect recognized environmental conditions were identified.
Multitenant office building and pond 3401 West Sunflower Avenue	Vacant/agriculture land Prior to 1938 to late 1970s/ early 1980s  Multitenant office building and pond Late 1970s/ early 1980s to present	A, CD, T	According to city directories former tenants included real estate agencies, financial institutions, professional offices, and medical offices.  No suspect <i>recognized environmental conditions</i> were identified.
USPS 3101 West Sunflower Avenue	Vacant/ agriculture land Prior to 1938 to late 1970s/ early 1980s  USPS Late 1970s/ early 1980s to present	A, CD, T	This property was identified during regulatory review and was previously discussed in Section 4.1.1.
<b>East:</b> Single-family residences Multiple addresses (across South Susan Street)	Vacant/ agriculture land Prior to 1938 to late 1990s/ early 2000s  Single-family residences Late 1990s/ early 2000s to present	A, PR, T	No suspect <i>recognized environmental conditions</i> were identified.



Table of Historical Surrounding Land Usage			
Observed Use/ Location	Prior Use	Source	Comments
Town homes Multiple addresses (across South Susan Street)	Vacant/ agriculture land Prior to 1938 to late 1990s/ early 2000s  Townhomes Late 1990s/ early 2000s to present	A, PR, T	No suspect <i>recognized environmental conditions</i> were identified.
Parking lot	Vacant/ agriculture land Prior to 1938 to early/ mid-1990s  Parking lot Early/ mid-1990s to present	A, PR, T	No suspect <i>recognized environmental conditions</i> were identified.
<b>South:</b> Vacant land (across South Coast Drive)	Vacant/ agriculture land Prior to 1938 to present	A, PR, T	No suspect <i>recognized environmental conditions</i> were identified.
IKEA and associated parking lot 1475 South Coast Drive	Undeveloped/ agricultural land Prior to 1938 to 2000s  IKEA 2000s to present	A, CD, PR, T	No suspect <i>recognized environmental conditions</i> were identified.
<b>West:</b> Southern Pacific Railroad	Undeveloped/ agricultural land Prior to 1938 to late 1960s	A, CD, PR, I, T	No suspect <i>recognized environmental conditions</i> were identified.
Former LA Times facility/The Press 1375 West Sunflower Avenue	Undeveloped/ agricultural land Prior to 1938 to late 1960s  LA Times facility/The Press Late 1960s to present	A, CD, PR, I, T	This property was identified during regulatory review and is discussed further in Section 4.1.1.
<b>Northwest:</b> Mesa Water District – Well 09	Undeveloped/ agricultural land Prior to 1938 to at least 1940s  Small structure 1940s to 1990s (possible water well/well house)  Mesa Water District – Well 09 1990s to present	A, PR, T	No suspect <i>recognized environmental conditions</i> were identified.

A - Aerial Photographs  
Topographic Map

CD - City Directories

I - Interviews

PR - Previous Report T -

An assessment as to whether or not historical adjoining land use was considered to present a suspect *recognized environmental condition* to the subject property was based on whether or not the property or occupants were listed on the regulatory databases reviewed (Section 4.1.1), interviews with local agency personnel (Section 4.1.2), information obtained from prior reports (Section 4.5), Targus' area reconnaissance observations (Section 2.1.4), and

interviews with the site contact and/or owner's representative (Sections 5.0 and 6.0). Based on information obtained by Targus and as presented in the previously-referenced sections, other than discussed, prior historical surrounding land usage was not considered a suspect *recognized environmental condition* to the subject property.

#### 4.5 REVIEW OF PREVIOUS REPORTS

Targus reviewed several prior reports provided by the Client as summarized in the following table.

Consultant, Report Title, Date	Pertinent Information	Conclusions
<p>Gale/ Jordan Associates, Inc. (G/Ja)</p> <p>Phase II Subsurface Soil Investigation – Emulex Site, Costa Mesa, California</p> <p>May 13, 2002</p>	<p>Based on provided figures, it appeared the property assessed by G/Ja generally corresponded to the property assessed by Targus. At the time of this investigation, the subject property consisted of vacant land.</p> <p>The purpose of G/Ja's investigation was to obtain information concerning soil conditions given the potential presence of agrochemicals to be present in soil based on the historical use of the site for cultivated agricultural use.</p> <p>Subsurface conditions were evaluated by advancing ten hand augured soil borings to a maximum depth of five feet bgs. Soil samples were collected from each of the test borings (at an approximate depth of one-foot) and analyzed for volatile organic compounds (VOCs), total recoverable petroleum hydrocarbons (TRPH), organochlorine pesticides, herbicides, title 22 metals. G/Ja reported that no apparent discoloration was observed during the drilling activities and groundwater was not encountered in the borings.</p> <p>DDE and DDT were detected at concentrations in soil below residential PRGs, Total Threshold Limit Concentrations (TTLC), and 10X Soluble Threshold Limit Concentrations (STLC); toxaphene was detected at concentrations above residential PRGs (below commercial PRGs), but below TTLCs and STLCs; TPH at one location considered to be low (39 mg/kg); and arsenic at a concentration above its residential PRG and STLC. Other detected metals were below their respective screening criteria. No VOCs or herbicides were detected.</p>	<p>Based on exceedances of residential-based PRGs and/or other screening criteria, G/Ja recommended that further field investigation be conducted to determine the vertical limits of the detected compounds.</p> <p>Targus noted that arsenic was detected at concentrations ranging from 38 to 65 mg/kg, but later (as discussed in other prior reports below) re-analyzed and reported at much lower concentrations.</p>
<p>MFG, Inc. (MFG)</p> <p>Phase II Investigation Report, Proposed Emulex Site, Sunflower Avenue and Susan Street, Costa Mesa, California</p> <p>June 13, 2002</p>	<p>Based on provided figures, it appeared the property assessed by MFG generally corresponded to the property assessed by Targus. The purpose of MFG's investigation was to obtain and verify the results of the Limited Phase II Subsurface Soil Investigation performed by Gale/ Jordan discuss above.</p> <p>MFG conducted additional work including:</p> <ul style="list-style-type: none"> <li>• Advancement of 12 soil borings to a total depth 10 feet bgs for the collection and analysis of additional samples.</li> <li>• Arranged the transport of soil collected by Gale/ Jordan (discussed below) for re-analysis.</li> <li>• Perform statistical analysis of the data, including calculating statistically valid estimates of average chemical concentrations in soil at the site. Select samples were analyzed for pesticides and/or arsenic.</li> </ul>	<p>MFG concluded the following:</p> <ul style="list-style-type: none"> <li>• Toxaphene, DDT, and DDE residue in soil would pose an insignificant risk to human health after development.</li> <li>• Arsenic concentrations in soil are consistent with naturally occurring background in the state of California.</li> <li>• Concentrations of arsenic, toxaphene, DDT, and DDE were well below California and federal hazardous waste criteria.</li> </ul>

<p>Gale/ Jordan Associates, Inc. (G/Ja)</p> <p>Phase II Subsurface Soil Investigation Revised Report–Emulex Site, Costa Mesa, California</p> <p>July 1, 2002</p>	<p>Based on provided figures, it appeared the property assessed by G/Ja generally corresponded to the property assessed by Targus. The purpose of G/Ja's report was to re-evaluate their prior findings in light of new, subsequent MFG investigative findings (summarized above) which re-analyzed soils for arsenic which were reported at much lower concentrations (reported within background) along with comparison of results of the two investigations to commercial PRGs consistent with the future use of the property.</p>	<p>G/Ja concluded "Based on the proposed improvements that are reported to be non-residential in nature, there appear to be no significant concern with regard to the found levels of detected chemicals at the subject site."</p>
<p>Partner Engineering and Science, Inc. (Partner)</p> <p>Phase I ESA Report, Emulex Corporate Headquarters, 3333 South Susan Street, Costa Mesa, California</p> <p>July 1, 2014</p>	<p>The property assessed by Partner consisted of the subject property assessed by Targus.</p> <p>At the time of Partner's assessment the site was improved with three, two-story buildings that were occupied by Avago Technologies (research and development of high-tech engineering, offices, and a data center). Partner indicated that the site was formerly undeveloped/ agricultural land.</p> <p>Partner observed a 200-gallon diesel fuel and natural gas emergency generator and one liquid nitrogen AST on the subject property. The subject property was identified on the NPDES database for construction stormwater permitting that was terminated in 2011, no violations were reported. Partner did not expect the listing to represent significant environmental concerns. Partner identified several other regulated facilities including SWEEP UST, EMI, RCRA, NPDES, and LUST for nearby facilities but did not consider these facilities to present a <i>recognized environmental condition</i> to the subject property.</p>	<p>Partner concluded, "this assessment has revealed no evidence of recognized environmental conditions in connection with the subject property".</p> <p>Partner recommended if redevelopment of the subject property is planned for residential use, sampling related to the agriculture use is recommended.</p>
<p>Haley &amp; Aldrich, Inc. (Haley &amp; Aldrich)</p> <p>Phase I ESA, 3333 South Susan Street, Costa Mesa, California</p> <p>September 14, 2015</p>	<p>The property assessed by Haley &amp; Aldrich consisted of the subject property assessed by Targus.</p> <p>At the time of Haley &amp; Aldrich's assessment, the site was improved with three, two story buildings which include office space, data centers, and laboratory work spaces. The buildings were occupied by Avago Technologies headquarters (formerly Emulex).</p> <p>Haley &amp; Aldrich observed a 200-gallon diesel fuel belly tank associated with an emergency generator, boilers, and cooling towers. Haley &amp; Aldrich observed hydraulic oil staining in the elevator pit of Building B and elevator machine rooms of Building B and C. A floor drain was observed in the elevator pit that was connected to the overflow sump accessed via manhole. Haley &amp; Aldrich indicated the sumps were inspected and appeared to be in good condition. Haley &amp; Aldrich identified the staining as <i>de minimis</i> and not as a <i>recognized environmental condition</i>.</p> <p>Haley &amp; Aldrich identified several regulated facilities including a NPDES and SCAQMP listing for the subject property. Haley &amp; Aldrich identified several other regulated facilities including LUST, Envirostor, Spills, leaks, Investigations, and Cleanup (SLIC), Hist UST, CORRACTS, and RCRA facilities but did not consider these facilities to present a <i>recognized environmental condition</i> to the subject property.</p> <p>Haley &amp; Aldrich' historical review indicated that the subject property was used as agriculture land until its current developed use.</p>	<p>Haley &amp; Aldrich concluded, "This Phase I has revealed no evidence of RECs, HRECs, or CRECs associated with the subject site."</p>

## 5.0 SUBJECT PROPERTY RECONNAISSANCE

### 5.1 METHODOLOGY AND LIMITING CONDITIONS

Targus visually and physically observed accessible areas of the subject property. The periphery of the subject property was visually and/or physically observed, as well as the periphery of structures on the subject property. The subject property was viewed from adjacent public thoroughfares. In the interiors of structures, Targus observed accessible common areas expected to be used by occupants or the public, as well as maintenance and repair areas. Targus also observed a representative sample of tenant spaces. No limitations imposed by physical obstructions or other limiting conditions except for:

- Targus was not provided access to the elevator pits.
- Targus was not provided access to all of tenant spaces including the LA Chargers and Coding Dojo.

### 5.2 GENERAL SUBJECT PROPERTY SETTING

The subject property reconnaissance was performed by Ms. Gracie Waresback, a professional experienced in environmental site assessments, in an attempt to identify apparent visual indications of present or past activities that have or could have contaminated the subject property. Targus was accompanied during the subject property reconnaissance by the property manager, Ms. Rosie Jarkin of Steelwave. Ms. Jarkin had been familiar with the subject property for three years. A Site Plan has been included in the appendices.

The observed use of the subject property was discussed in Section 2.1.2. A description of structures, roads, and other improvements on the subject property, if any, was presented in Section 2.1.3.

General Subject Property Observations		
Description	Reported or Observed On-site (Y/N)	Comments (Observations considered to be SRECs are further discussed after the table.)
Hazardous Substances and Petroleum Products in Connection with Identified Uses	Y	Small quantities of paints and cleaning supplies were noted in the janitorial closets. A two-gallon gasoline tank was observed in the emergency generator enclosure. The chemicals were in closed containers without apparent leakage or spills.
Storage Tanks	N	Targus observed one bi-fuel emergency generator with a 200-gallon diesel, double-walled belly tank. According to Ms. Jarkin the emergency generator is fuel by natural gas with a diesel startup system. No evidence of spills, stains, releases, or odors were observed in the vicinity of the on-site generator. Additionally no evidence of drains, cracked concrete, or other observable pathways to the subsurface were identified. Based on observations, lack of reported leaks, spills or releases, Targus does not consider the emergency generator to present suspect <i>recognized environmental condition</i> to the subject property.
Strong, Pungent, or Noxious Odors	N	
Pools of Liquid	N	
Drums	N	

General Subject Property Observations		
Description	Reported or Observed On-site (Y/N)	Comments (Observations considered to be SRECs are further discussed after the table.)
Hazardous Substances and Petroleum Products Containers Not in Connection with Identified Uses	N	
Unidentified Substance Containers	Y	Targus observed two, five-gallon buckets of liquid labeled non-hazardous material in the emergency generator enclosure. According to Ms. Rosie Jarkin, the buckets belonged to the previous occupant (Broadcom Limited which vacated the site in 2017) of the subject property that had left them behind. Ms. Jarkin indicated that she had submitted a request for the chemicals to be picked up and transferred offsite. Targus reviewed a letter provided by the Orange County Health Care Agency confirming the request for removal. The substances were in closed containers without apparent leakage or spills. Targus does not consider the presence of these substances to be a <i>recognized environmental condition</i> . However, proper characterization and disposal of the substances is recommended.
Potential Polychlorinated Biphenyls (PCB)-Containing Hydraulic or Electrical Equipment	Y	Four pad-mounted electrical transformers were observed on the subject property. The transformers were in undamaged physical condition and displayed no visible evidence of leakage. According to Ms. Rosie Jarkin the transformers were property-owned and new at the time of construction. Labeling regarding PCB content was not evident.
Hydraulic Equipment	Y	Three hydraulic elevators that provided access to the second floor of each building were observed on the subject property. The presence of hydraulic elevators presents a suspect <i>recognized environmental condition</i> and is discussed as follows.
Contracted Maintenance Services	Y	Lawn care and pest control activities were reported by the site representative to be conducted by Commercial Landscaping and Fenn Termite and Pest Control. No chemicals typically associated with lawn care or pest control activities were observed by Targus during the site reconnaissance or reported to be present on site by the Key Site Manager.
Utilities and Stormwater Management	Y	Natural gas and electricity were supplied to the subject property by Southern California Edison and Southern California Gas Company. The City of Cost Mesa (Mesa Water District) provided water and wastewater services to the subject property.  Surface water runoff from the subject property was expected to drain into various storm drain inlets located throughout the parking lot of the subject property and into adjoining street-side gutters. Stormwater from surrounding properties was not expected to drain onto the subject property.
Other		

#### Hydraulic Elevators

Three hydraulic elevators that provided access to the second floor of each building were observed on the subject property. Property management stated that the elevators seemed to function properly and had not been repaired for fluid loss or removed from service in the previous three years. According to property management, the elevators were maintained by Schindler Elevator Corporation (Schindler) under a service agreement. Ms. Jarkin provided access to the elevator reservoir/ pump room, the reservoir/ pump equipment for the hydraulic

elevators appeared to be in good condition. Ms. Jarkin stated that the elevators were installed in 2003 and that to her knowledge had not experienced leaks. Targus contacted Schindler in an attempt to get more information on the subject property elevators, but has not received a response as of the date of this report.

Exterior Observations		
Description	Reported or Observed On-site (Y/N)	Comments (Observations considered to be SRECs are further discussed after the table.)
Pits, Ponds, Lagoons, and Surface Waters	N	
Stained Soil or Pavement	Y	Typical parking lot staining, associated with automobile crankcase leakage, was observed.
Stressed Vegetation	N	
Solid Waste	Y	Solid waste dumpsters were observed in the parking lot. According to the site representative, Waste Management serviced these dumpsters on a regular basis.
Process/ Industrial Wastewater Discharges	N	The local municipality has provided sanitary disposal services to the subject property since its first developed use. No process or industrial wastewater discharges were identified.
Wells	N	
Septic Systems	N	

Interior Observations		
Description	Reported or Observed On-site (Y/N)	Comments (Observations considered to be SRECs are further discussed after the table.)
Heating/ Cooling	Y	Natural gas heat with electrical cooling units.
Stains or Corrosion	N	
Drains and Sumps	Y	Drains were not observed or reported to be present on the subject property, other than drains in the janitorial closets, bathrooms/showers, and stormwater drains in the parking lot. Targus was informed by Ms. Rosie Jarkin that there was a sump inlet located in each of the three elevator pits that could be accessed via manhole outside of each building. According to Ms. Jarkin, the sumps were for overflow and were pumped out every few years or as needed by Safety-Kleen Systems as discussed in Section 4.1.1. Targus did not observe stains; strong, pungent, or noxious odors; or evidence of improper disposal of material associated with these drains.

## 6.0 INTERVIEWS

ASTM E 1527-13 requires that a reasonable attempt be made to interview past and present owners, operators, and occupants who are likely to have material information about uses and conditions that could present a suspect *recognized environmental condition* to the subject property. ASTM E 1527-13 requires that the owner or its representative be asked to identify a person with good knowledge of the uses and physical characteristics of the subject property who is defined as the Key Site Manager. The interviews were conducted in person, by telephone, or in writing and are discussed in the following table.

Name/ Company	Title/ Position	Comments
SWGS Susan Street, LLC	Owner	The owner of the subject property was not available. Targus interviewed a representative of the owner as discussed below.
Ms. Rosie Jarkin	Key Site Manager  Property Manager	Targus interviewed the Key Site Manager. Information provided is included in relevant sections of this report. No information regarding environmental liens, AULs, or governmental notification relating to past or recurrent violations of environmental laws with respect to the subject property was reported to Targus during this interview. Targus inquired whether the Key Site Manager was aware of (1) any pending, threatened, or past litigation relevant to hazardous substances or petroleum products in, on, or from the property; (2) any pending, threatened, or past administrative proceedings relevant to hazardous substances or petroleum products in, on or from the subject property; or (3) any notices from governmental entities regarding possible violations of environmental laws or possible liabilities relating to hazardous substances or petroleum products. Targus also requested whether the Key Site Manager could provide helpful documents such as those specified in Section 10.8 of ASTM E 1527-13 and as listed in the appendices. Documents provided by the Key Site Manager are listed in Section 6.0 or 9.0.

Records of communication for the interviews conducted are provided in the appendices.

## 7.0 EVALUATION

This section documents the findings, opinions and conclusions of the Phase I Environmental Site Assessment.

### 7.1 FINDINGS AND OPINION

Based on the information obtained by Targus to date, the following summarizes Targus' findings and opinion regarding the known or suspect *recognized environmental conditions* identified and the environmental professional's rationale for concluding that a condition is currently a *recognized environmental condition*, a *controlled recognized environmental condition*, a *historical recognized environmental condition*, *de minimis* condition, or not a *recognized environmental condition*.

Description (Address)	Distance & Direction	Report Section	Opinion
Documented releases at Former LA Times (1375 W. Sunflower Avenue)	Off-site	4.1	Targus reviewed online State files available on Envirostor and Geotracker (online repositories maintained by the CalEPA), along with actual soil and groundwater data from this site available based on Targus' involvement with facility-wide cleanup. Targus' review of potentiometric surface data indicates a southwest groundwater gradient away from the subject property and depth to groundwater measured generally between 10 to 20 feet below ground surface. Affected media includes soil, soil vapor, and groundwater, the majority of these areas of impact present beneath the facility building or to the west of the off-site building. Petroleum-based impacts were identified along the eastern side of the facility building; however, based on review of concentrations in numerous borings/wells along this area (west of the subject property boundary) along with the noted measured groundwater gradient, impacts to the subject property were

Description (Address)	Distance & Direction	Report Section	Opinion
			not apparent. Based on the information reviewed, Targus does not consider the former LA Times to be a <i>recognized environmental conditions</i> in connection with the subject property.
Former agricultural activities	On-site	4.3	Based on the collective information and observations during the subject property and area reconnaissance, information obtained from prior reports, review of the available regulatory databases, redevelopment, and length of time since agricultural activities occurred (greater than 20 years), the presence of residual agricultural chemicals on the subject property is considered a <i>de minimis</i> condition and not a <i>recognized environmental condition</i> .
Hydraulic elevators	On-site	5.2	Based on the 2003 installation date of the elevators, proper maintenance, and considering that property management was not aware of significant releases of hydraulic fluid, the elevators on the subject property were not considered to be a <i>recognized environmental condition</i> .

## 7.2 CONCLUSIONS

Targus has performed a Phase I Environmental Site Assessment of The Hive property, located at 3333, 3335, 3337 South Susan Street in Costa Mesa, Orange County, California in general conformance with the scope and limitations of ASTM Practice E 1527-13. Exceptions to, or deletions from, this practice are described in Section 7.3 of this report.

Based upon the information obtained, as reflected in this report, this assessment has revealed no evidence of *recognized environmental conditions* in connection with the subject property.

## 7.3 DATA GAPS AND DELETIONS

Data gaps are defined as a lack of or inability to obtain information required by ASTM E 1527-13 despite good faith efforts. Data gaps identified are discussed below and were not considered to be significant data gaps that affected the ability of the environmental professional to identify *recognized environmental conditions*. Known deviations or deletions from the scope of work defined by ASTM E 1527-13 were not intentionally made.

- Data failure (a type of data gap) was encountered during the historical review of the subject property. Historical data sources may have had gaps of greater than a five-year interval. Targus does not consider the data failure discussed above to present a significant data gap.

The listed standard historical sources were not reviewed. It is Targus' opinion that these sources would not provide additional meaningful and complete information, or the sources were not considered to be practically reviewable or reasonably ascertainable.

- Property tax files;
- Building department records; and
- Zoning/ land use records.



## 7.4 SIGNATURES AND QUALIFICATIONS OF ENVIRONMENTAL PROFESSIONAL(S)

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



Samuel W. Johnson  
Environmental Professional

In accordance with ASTM E 1527-13, this report includes the qualifications of the environmental professional, and the qualifications of the personnel conducting the site reconnaissance and interviews, if conducted by someone other than an environmental professional. These qualifications are documented in the appendices. A Statement of Qualifications for the company has not been included with this report but can be provided upon request.

## 8.0 Non-ASTM SERVICES

### 8.1 FINDINGS

In accordance with the proposed scope of work, Targus conducted additional services as discussed in Section 8.0 of this report. Based on Targus' understanding of the Client's risk tolerance and future plans for the subject property, this assessment/ review did not identify *business environmental risk* associated with the additional services performed.

### 8.2 INDIVIDUAL SERVICES

#### 8.2.1 Asbestos

A visual asbestos survey of the subject property was performed on September 18, 2018 by Ms. Gracie Waresback, an EPA-certified asbestos inspector experienced in regulations and procedures governing asbestos. This survey consisted of a walk-through of limited building areas, and observation of suspect asbestos-containing materials (ACM). On-site personnel provided access to the areas observed by Targus. No asbestos O&M program was provided or reported to exist for the subject property.

The visual asbestos survey scope of work was intended to identify the potential presence of major classes of accessible suspect ACM at the subject property and addresses very limited objectives relating to the characterization of asbestos within the project. Estimation and determination of exact quantities and locations of these materials at the subject property was beyond the scope of this survey. These data alone are not appropriate for planning specific response actions or for health hazard assessment, nor are they sufficient for renovation or

demolition activities. In the event renovation or demolition activities are planned, a comprehensive asbestos survey would be required prior to initiation of such activities.

Improvements included three, two-story buildings and a football field. According to property management, the subject property improvements were constructed in a single phase however renovations took place in 2016 and 2017; therefore, suspect ACM of like appearance was not assumed by Targus to be homogenous. Suspect ACM observed included various wall and ceiling systems (including wallboard, joint compound, and texture), numerous colors and patterns of sheet flooring (linoleum) and floor tile with floor tile mastic, caulking, thermal system insulation, and ceiling tiles. The suspect ACM was observed by Targus to be in good condition and non-friable with the exception of the ceiling tiles which were friable but in good condition.

Although testing was not conducted, in buildings of similar age and type of construction the presence of large quantities of asbestos in major suspect materials is uncommon. Notwithstanding date of construction or likelihood of asbestos, the National Emission Standard for Hazardous Air Pollutants (NESHAP) regulations consider certain building materials that have not been thoroughly tested to be suspect ACM regardless. Such materials number in excess of 30,000 products, but those commonly encountered in modern building systems include flooring materials, mastics, sealants, finish textures, ceiling tiles, non-fiberglass thermal and other insulation, roofing components, and fireproofing.

Based on the good condition of the suspect ACM identified, asbestos is not considered to be a *business environmental risk* to the subject property. However, the asbestos survey was not comprehensive and should not be relied upon in preparation of renovation or demolition projects. Prior to demolition/ renovation activities or other activities that could potentially disturb suspect ACM, additional sampling and analysis of the materials using protocols specified in AHERA (40 CFR 763) should be performed. Alternatively, the material can be assumed to contain asbestos and treated accordingly. Future activities that involve the disturbance or removal of confirmed or suspect ACM are required to be conducted in accordance with NESHAP and other applicable local, state, and federal regulations.

### 8.2.2 Radon

Radon ( $\text{Rn}^{222}$ ) is a naturally occurring inert, colorless, odorless radioactive gas derived from the decay of radium ( $\text{Ra}^{226}$ ). Radium occurs in geological formations containing uranium, granite, shale, phosphate, or pitchblende and was commercially used in luminescent products. Radium decays into reactive, radioactive daughter particles that attach themselves to other particles such as dust and are a lung cancer risk. Radon can move through permeable rocks and soils and can eventually seep into buildings. The movement of radon into buildings is controlled largely by the soil permeability under a foundation and access to the interior of buildings through openings in the foundation.

According to the *EDR-Radius Map with GeoCheck* and the California radon report for zip code 92626 of Orange County, The Hive was located in EPA Radon Zone 3 (average indoor level less than 2 picoCuries per liter [(pCi/L)]).

### 8.2.3 Lead-Based Paint

Based upon the recent construction date of the improvements (2003), and in consideration that the subject property was commercially occupied with no on-site residents or child-

occupied facilities, a survey for lead-based paint was not conducted per the Invesco scope of work.

#### 8.2.4 Lead-in-Drinking Water

Drinking water for the subject property was supplied by the City of Costa Mesa. Targus reviewed the consumer confidence water system report for water distributed by this system. Data published since 2018 did not identify health-based violations associated with lead-in-drinking water supplied by this system. Based on the age of the facility, non-residential occupancy, and information provided from the consumer confidence water system report, no lead-in-drinking water testing was conducted.

#### 8.2.5 Wetlands

During the subject property reconnaissance no on-site marshy areas, ponds of water, low-lying areas, or streams were identified. It was noted that the subject property was paved or covered by buildings with the exception of small landscaped areas. Review of historical aerial photographs, topographic maps, and the United States Fish and Wildlife Service (USFWS) National Wetlands Inventory (NWI) Map did not indicate the presence of wetlands, ponds, or streams located on or abutting the subject property. Based on the review of this information, there is a low probability that wetlands are located on the subject property.

#### 8.2.6 Endangered Species

Based on information reviewed on the USFWS Information for Planning and Conservation (IPaC) website, endangered species for Orange County, and their listing status' are identified as follows.

Common Name	Scientific Name	Type
Pacific Pocket Mouse	<i>Perognathus longimembris pacificus</i>	Mammal
California Least Tern	<i>Sterna antillarum browni</i>	Bird
Least Bell's Viero	<i>Viero belli pusillus</i>	Bird
Light-footed Clapper Rail	<i>Rallus longirostris levipes</i>	Bird
Southwestern Willow Flycatcher	<i>Empidonax trailli extimus</i>	Bird
San Diego Fairy Shrimp	<i>Branchinecta sandiegonensis</i>	Crustaceans
Salt March Bird's-beak	<i>Cordylanthus maritimus ssp. Maritimus</i>	Flowering Plants
San Diego Button-celery	<i>Eryngium aristulatum var. parishii</i>	Flowering Plants
Ventura March Milk-vetch	<i>Astragalus pycnostachyus var. lanosissimus</i>	Flowering Plants

As part of this assessment, Targus' endangered species review included the following:

- On-site observations for listed species and/or their critical habitat as documented on the USFWS website;
- The utilization of the USFWS Information, Planning, and Conservation (IPaC) application; and
- A comparison of critical habitat and territory information to conditions observed on the subject property.

Based on the list of endangered species identified within Orange County, local observations, habitat comparisons, and absence of critical habitat on the subject property (according to the

IPaC application), the potential for endangered species to be present at the subject property on a non-transient basis is considered to be low.

#### 8.2.7 High-Voltage Power Lines

No high-power transmission lines were noted within a 500-foot approximate minimum search distance of the subject property.

#### 8.2.8 Mold/ Moisture

A limited survey for moisture intrusion, visible fungal growth, and physical deficiencies conducive to mold (i.e., “*mold survey*”) of the subject property was performed by Targus’ field observer Ms. Waresback on September 18, 2018. The objective of this *mold survey* was to observe and report on the apparent presence of, or potential for, moisture intrusion and visible fungal growth in readily accessible representative areas of the subject property to the extent feasible within the process described in Targus’ authorized scope. The rationale for and approach to this assessment draws heavily from that laid out in the ASTM Standard Guide for Readily Observable Mold and Conditions Conducive to Mold in Commercial Buildings: Baseline Survey Process (Designation: E 2418-06), but may deviate from that practice in light of our understanding of the Client’s objectives and risk tolerance. As defined by the authorized scope, the degree of thoroughness of this *mold survey* was intended to represent a commercially prudent and reasonable inquiry that balanced the competing goals of limiting time and cost with the reduction of uncertainty about unknown conditions. This *mold survey* was not intended to be comprehensive in all or most building systems and was not intended to eliminate the risk of moisture intrusion or fungal growth. No limited survey can wholly eliminate uncertainty regarding the potential for moisture intrusion or fungal growth.

Property management and maintenance personnel were interviewed in an attempt to gain information indicative of moisture intrusion or fungal growth. Targus was informed by Ms. Rosie Jarkin that tenants had not reported complaints of mold growth.

Targus’ field observer walked the outside perimeter of each of the three buildings at the subject property to make exterior visual observations. Areas observed included the ground surface and exterior walls. Additional exterior areas may have also been observed as judged by the field observer to merit inclusion.

Additionally, Targus’ field observer made visual observations of the interiors of the subject property improvements. Those observations included readily-accessible common (doorways and patios), maintenance/ repair, mechanical, and support areas. In general, interior areas selected for observation included cabinets under kitchen sinks and toilet room vanities, along window frames and perimeter walls and wall penetrations, around showers, toilets, HVAC closets and equipment, ceilings beneath cooling equipment. These named areas were included as locations where moisture infiltration and fungal growth commonly occur and can often be evident from visual observations. Additional interior areas may have also been observed as judged by the field observer to merit inclusion.

No indicators of interior excessive moisture, water-affected building materials, visible fungal growth, or other conditions were observed.

#### 8.2.9 Oil and Gas Activity

Based on the subject property and area reconnaissance, review of the topographic map and aerial photographs, no activities or conditions were observed that would indicate the presence

of exploration, production, or distribution of oil and gas on or in the immediate vicinity of the subject property.

#### 8.2.10 Flood Plain

According to the Federal Emergency Management Agency (FEMA) Flood Insurance Rate Maps (FIRM), Orange County, California, Community Panel Number 06059C 0258J, Map Number 258, dated December 3, 2009, the subject property was located in Zone X (areas of 0.2% annual chance flood, areas of 1% annual chance flood with average depths of less than 1 foot or with drainage areas less than 1 square mile; and areas protected by levees from 1% annual chance flood).

#### 8.2.11 Right-to-Know Requirements

The *Emergency Planning and Community Right-to-Know Act* (EPCRA) establishes what are commonly known as “Right-to-Know Requirements” concerning environmental and safety hazards posed by the storage and handling of toxic chemicals. Targus did not identify the subject property occupants to possess chemical inventories in sufficient quantities or be engaged in business operations to which these “right-to-know” requirements apply.

#### 8.2.12 Limited Vapor Encroachment Screening

In accordance with the proposed scope of work, Targus conducted a Limited Vapor Encroachment Screening (limited VES) at the *target property* (herein referred to as the “subject property”). The American Society for Testing Materials (ASTM) has published a *Standard Guide for Vapor Encroachment Screening*<sup>8</sup> that is implemented by some for evaluating potential *business environmental risk* associated with volatile compounds in the subsurface. The practices laid out in the guide<sup>9</sup> provide useful information for evaluation of the potential condition using terminology that is clearly defined and widely recognized. Additionally, the guide presents assessment approaches that are beyond the scope of this section of Targus’ report. In accordance with Targus’ engagement, the scope of this project is limited, and although this assessment draws upon the concepts laid out in ASTM E 2600-10 and uses the terminology defined therein, in the interest of efficiency and economy, this section represents services that differed from an ASTM Tier 1 VES. Moreover, the information on which this limited VES is based is limited solely to that identified during the course of the Phase I ESA of which this section is a part.

Based on review of current and historical subject and surrounding property operations and on assessment information from The Press facility, Targus did not identify a Vapor Migration Condition.

#### 8.2.13 Limited PCB-Containing Building Materials Screening

The improvements located on the subject property were constructed in 2003, after the 1979 ban on PCB manufacture or distribution in commerce within the United States under the Toxic

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<sup>8</sup> *Standard Guide for Vapor Encroachment Screening on Property Involved in Real Estate Transactions*. Designation E2600-10. Note that this document replaces the prior guide of the same designation that was previously titled *Standard Practice for Assessment of Vapor Intrusion into Structures on Property Involved in Real Estate Transactions*. Designation E2600-08.

<sup>9</sup> The copyrighted guide is available for purchase; Targus can assist the client in obtaining a copy for its review and edification.

Substance Control Act (TSCA). As such, the scope of work did not include screening or testing for the potential presence of PCBs in building materials.

## 9.0 REFERENCES

- *Costa Mesa, CA Quadrangle*, U.S. Geological Survey (USGS) 7.5 minute series Topographic Map, photorevised 1981;
- *EDR-Radius Map with GeoCheck, 3333,3335, and 3337 South Susan Street*, Inquiry Number 57419574.2s, dated September 11, 2018;
- Aerial photographs purchased from EDR, dated 1938, 1947, 1953, 1963, 1972, 1977, 1987, 1995, 2005, and 2012;
- Aerial photograph obtained from Google Earth, dated 2017;
- *EDR-City Directory Abstract, The Hive, 3333, 3335, 3337 South Susan Street, Costa Mesa, CA 92626*, Inquiry Number 5419574.5, dated September 21, 2018
- Historical Fire Insurance Maps were requested from EDR. According to EDR, no Historical Fire Insurance Maps were available for the subject property;
- *Limited Phase II Subsurface Soil Investigation*, Emulex Site, Costa Mesa, California, G/Ja Project No. CE02004, dated May 13, 2002, prepared by Gale/ Jordan Associates, Inc.;
- *Phase II Investigation Report*, Proposed Emulex Site, Sunflower Avenue at Susan Street Costa Mesa, California, MFG Project No. 110123, dated June 13, 2002, prepared by MFG, Inc.;
- *Revised Report Limited Phase II Subsurface Soil Investigation*, Emulex Site, Costa Mesa, California, G/Ja Project No. CE02004, dated July 1, 2002, prepared by Gale/ Jordan Associates, Inc.;
- *Phase I Environmental Site Assessment*, Emulex Corporate Headquarters, 3333 South Susan Street, Costa Mesa, California, Partner Project No. 15-140909.1, dated July 1, 2015, prepared by Partner Engineering and Science, Inc.;
- *Phase I Environmental Site Assessment*, 3333 South Susan Street, Costa Mesa, California, Haley & Aldrich Project No. 42566.000, dated September 14, 2015, prepared by Haley & Aldrich, Inc.; Environmental Chain-of-Title performed by EDR, dated September 21, 2018;
- Environmental Lien Search performed by EDR, dated September 12, 2018;
- Federal Emergency Management Agency (FEMA) Flood Insurance Rate Map (FIRM), dated December 3, 2009, Community Panel Number 06059C0258J, Map Number 258;
- USFWS NWI map, obtained online at <http://www.fws.gov/wetlands/Data/Mapper.html>;
- EPA Map of Radon Zones, viewed online at <http://www.epa.gov/radon/zonemap.html>;

- Regulatory file information, obtained online at <https://geotracker.waterboards.ca.gov/>;
- Regulatory file information, obtained online at <https://www.envirostor.dtsc.ca.gov/public/>;
- ALTA/NSPS Survey in Costa Mesa, California, dated June 22, 2018; and
- Interviews with Ms. Rosie Jarkin Steelwave (property management firm).

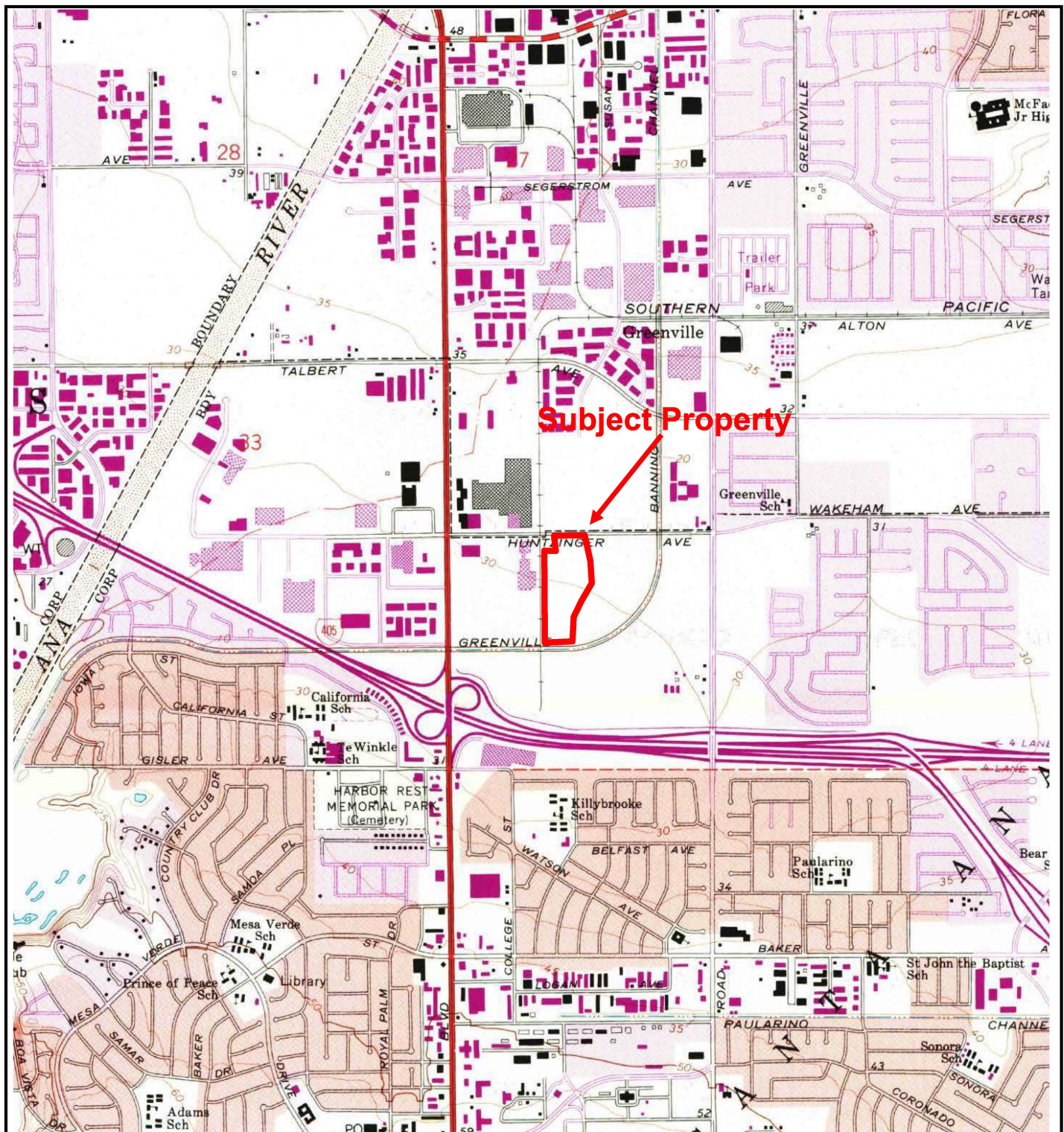
## **Appendices**

**This copy of the report is not exhaustive. The full version of this assessment may include additional appendix materials that are not contained herein due to practical or technological limitations. Those additional materials are available to the Client and relying parties on request and are hereby incorporated by reference.**



## **Appendix A**

### **Figures**



Source: Costa Mesa, CA Quadrangle, USGS 7.5 minute series Topographic Map, Photo-revised 1981  
Not to Scale

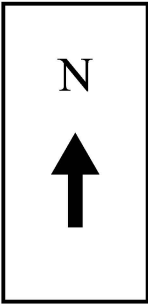
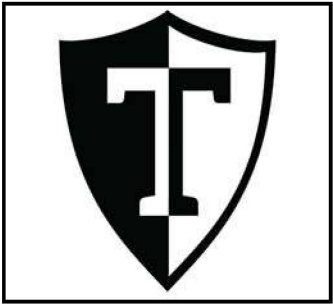
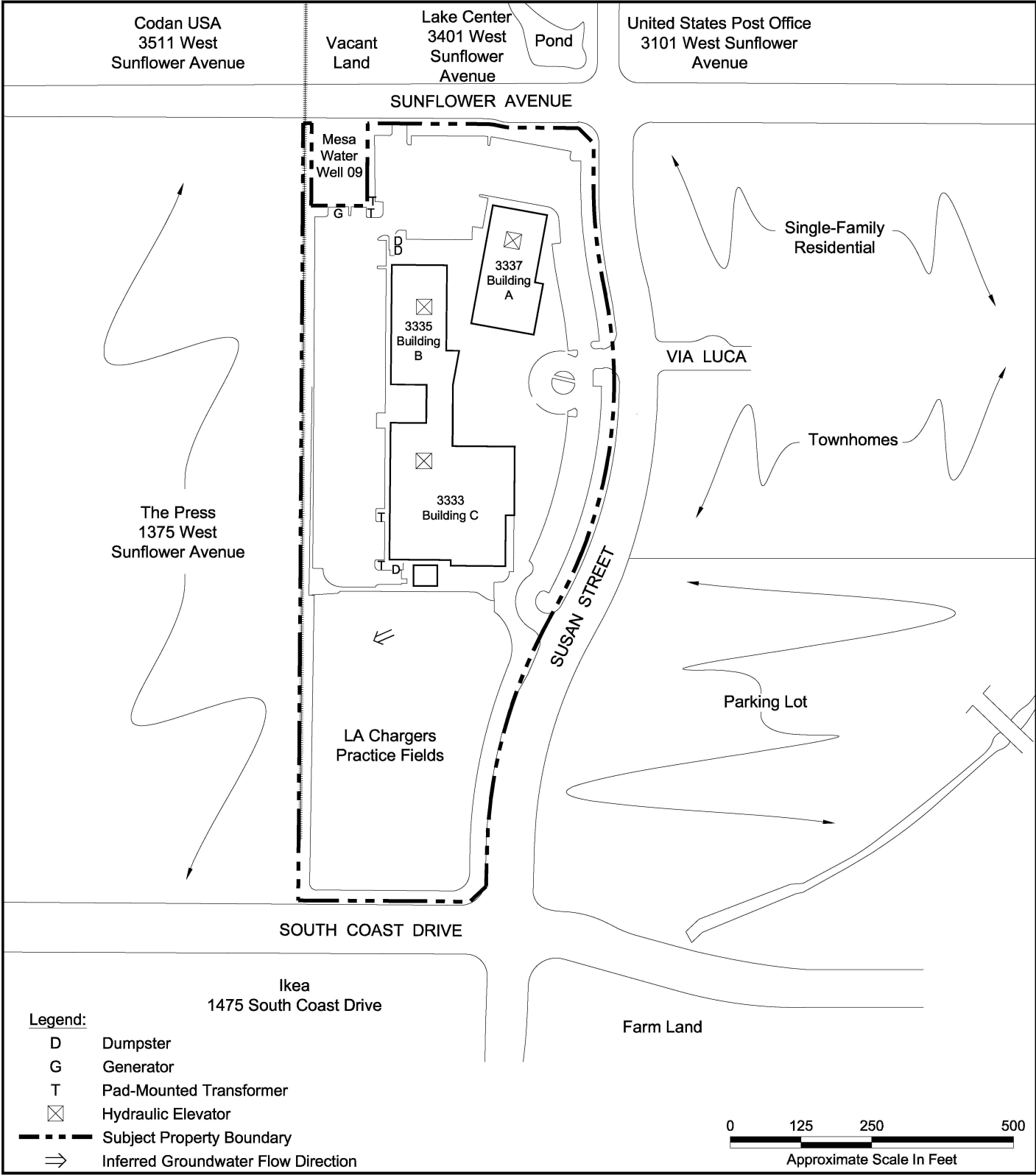
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## TOPOGRAPHIC MAP

THE HIVE  
3333, 3335, AND 3337 SOUTH SUSAN STREET  
COSTA MESA, CALIFORNIA 92626

Targus Project T18-3821

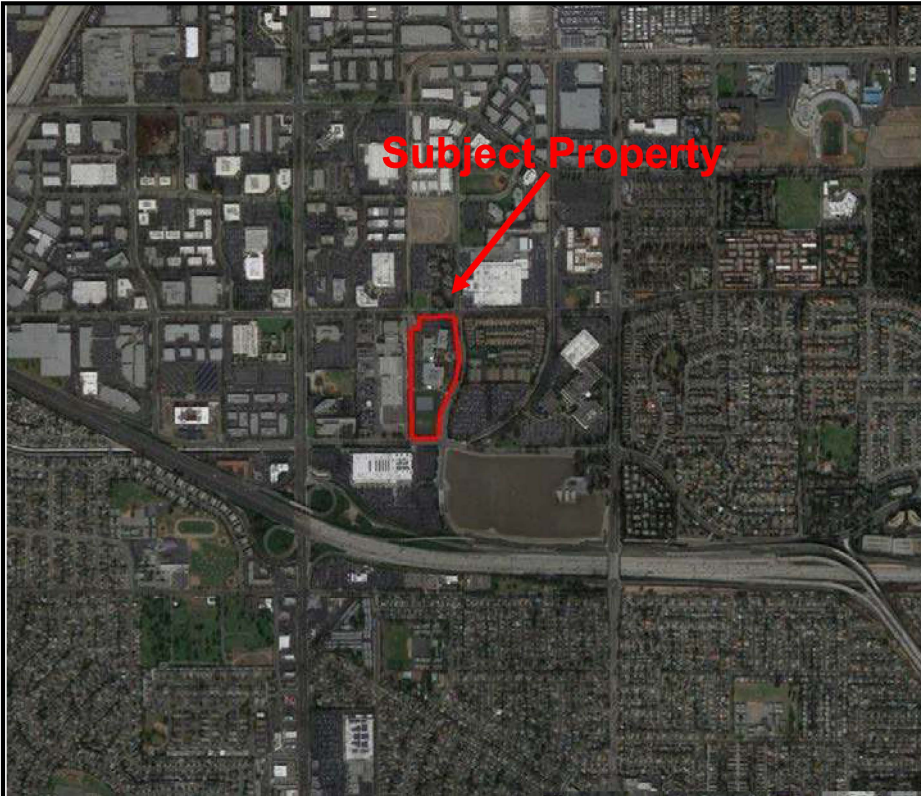


**SITE PLAN**

**THE HIVE**  
3333, 3335, 3337 SOUTH SUSAN STREET  
COSTA MESA, CALIFORNIA 92626

Targus Project T18-3821





Source: Google Earth, 2017  
Not to Scale



Source: Google Earth, 2017  
Not to Scale



# SITE (VICINITY) MAP

THE HIVE  
3333, 3335, AND 3337 SOUTH SUSAN STREET  
COSTA MESA, CALIFORNIA 92626

Targus Project T18-3821

## **Appendix B**

### **Photographs**





1. View of the subject property, facing west.



2. View of the subject property, facing north.



3. View of the subject property, facing northwest.



4. View of a typical pad-mounted transformer.



5. View of the emergency generator.



6. View of the football practice field, facing south.





7. Typical View of the elevator equipment.



8. View of the maintenance storage.



9. View of a typical boiler.



10. View of a typical dumpster.



11. Typical interior view.



12. Vacant building interior view.