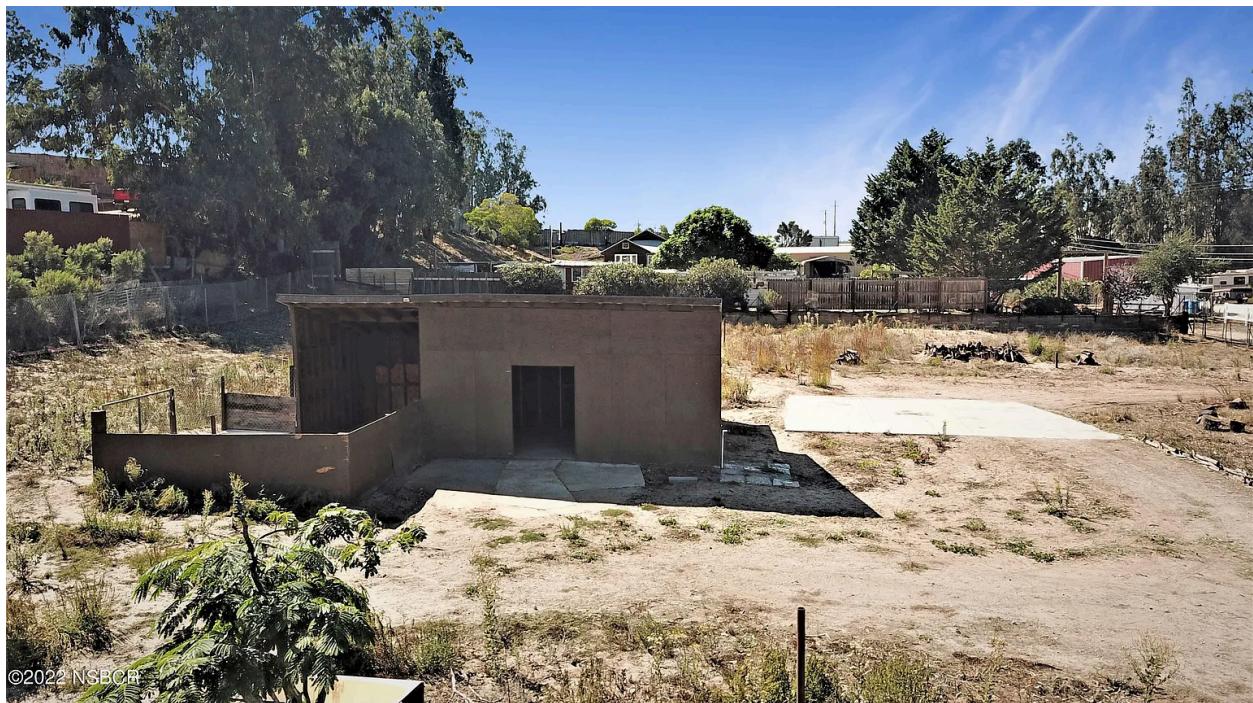


R.V.J. Consulting

Site Evaluation for Cactus Farm and Resident Dwelling

2129 Hillview PI, Arroyo Grande, CA 93420
April 26, 2023

Client - MDJ Inc.



VIVIAN LIANG, RACHEL ALVARADO, JOHNNA ROBERTS

April 26, 2023

Mr. Menso De Jong
MDJ Inc.
Imagination Division
123 Awesome Street
Santa Barbara, California 93102

**Subject: LAND EVALUATION FOR MDJ INC. INTENDING TO GROW CACTI ON
PARCEL, 2129 HILLWOOD PL, ARROYO GRANDE, CA 93420**

Dear Mr. de Jong,

We understand that MDJ Inc. intends to buy a parcel in Arroyo Grande, San Luis Obispo County, California to plant edible and ornamental cacti. The requested site is located at 2129 Hillview Pl, Arroyo Grande, CA 93420. Given the information provided, we reviewed available state regulated databases and aerial imagery from federal and historical maps.

Although the direct surrounding area of the parcel seems to be uncontaminated, the land further out shows signs of industrialization as early as 1957 when the first oil refinery was built. By 2001, an influx of people led to natural pollution of motor cars, industrial processes, and harmful waste.

Despite these nearby industrial activities, we do recommend that MDJ Inc. pursue this purchase of land. The land itself remains relatively untouched and is not in the vicinity of flooding in the area. Any potential hazards are not relatively destructive to the property.

Sincerely,

R.V.J Consulting
Rachel Alvarado, Vivian Liang, Johnna Roberts

INTRODUCTION

As per the statement of MDJ Inc., we understand that the company has proposed the purchase of a parcel of land in Arroyo Grande, San Luis Obispo County, California (Figure 1). Understanding the goal of the purchase is to grow edible and decorative cacti and include a residential dwelling for the caretaker, we have compiled and evaluated the feasibility of building a dwelling and planting cacti on the property.

Using available federal and state databases, we have analyzed the geologic, tectonic, and hydrologic settings of the area as a whole, as well as the specific topography of the property and surrounding area, and compiled key details in the environmental setting of the proposed parcel.

The following report is divided into two parts, including settings and historical review. In the setting, the legal description, geology, and hydrology of the site are reviewed. In addition, there is a historical review of the site included, which may provide a better sense of your investment by discussing some potential concerns.

SETTING

The property is located at 2129 Hillview Pl, Arroyo Grande, San Luis Obispo County, CA 93420. The Assessor's Parcel Number (APN) for this property is 091-193-049. The total parcel size is 0.90 acres. The parcel as a whole, sits at just below 200 m elevation, or about 670 ft above sea level (Figure 1).

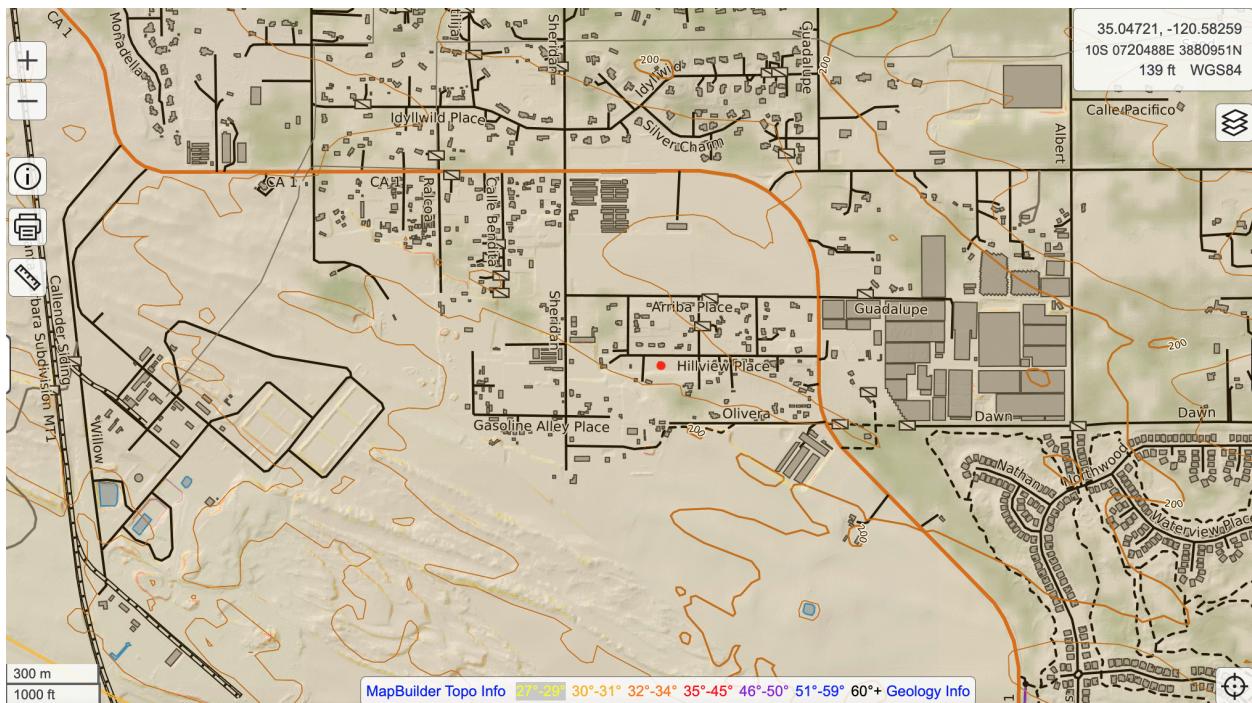


Figure 1: Topographic map of 2129 Hillview Pl Arroyo Grande, San Luis Obispo County, California, as well as surrounding areas. (Red dot denotes parcel location.) (USGS)

REGIONAL GEOLOGY

The city of Arroyo Grande, and therefore the proposed property, sit at the southernmost end of the Coast Ranges, a series of mountains that are generally north-south trending, and run parallel to the shoreline of California (Figure 2.1). Being that Arroyo Grande is a coastal city, it does also sit within range of the active strike-slip tectonics of the San Andreas Fault Zone, which spans the western portion of the state. The prominent rock types in the region are surficial deposits, or marine and continental sedimentary rocks (Figure 2.2). These units are believed to be between 2.58 million years old and 11,700 years old, making them relatively young rock units in geologic terms. It can be expected that the shallower ground would consist largely of sands, possibly silts and clays, and potentially pebble sized deposits.

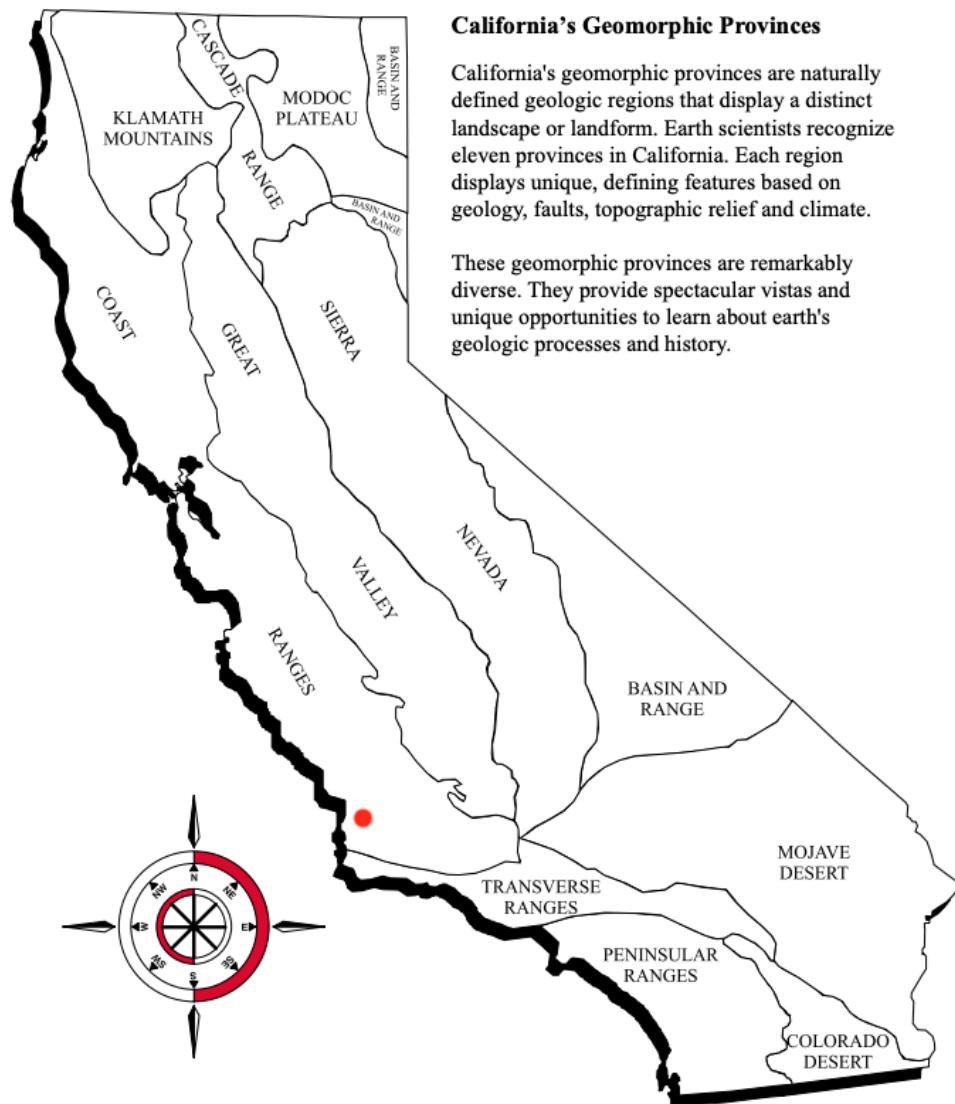


Figure 2.1: Geologic provinces of California. (Red dot denotes general location of Arroyo Grande, California.)

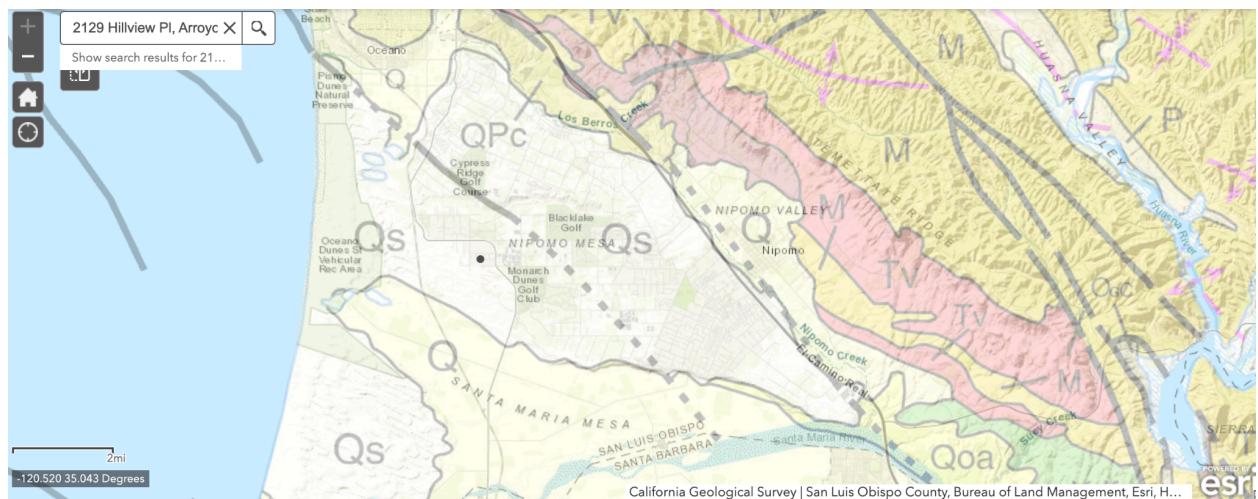


Figure 2.2: Geologic map of Arroyo Grande, California and surrounding areas. (Black dot within Qs section, denotes 2129 Hillview Pl Arroyo Grande, SLO County, CA.) (esri)

SITE SPECIFIC GEOLOGY

Seeing as the property is in a well developed area, and upon inspecting imagery of the property, there don't appear to be any bedrock outcrops that would be of concern in regards to the expected cactus farming or dwelling on the land.

Being that the parcel is in California, a potential hazard to be aware of is the common occurrence of earthquakes in the region due to the San Andreas Fault Zone. These faults tend to be strike-slip faults and commonly experience low magnitude quakes regularly throughout the year, with the occasional large magnitude earthquake every so many years. The parcel at 2129 Hillview PI, sits roughly 1.06 miles southwest of the Oceano Fault, and roughly 6 miles east-northeast of the Hosgri Fault Zone (Figure 3). While the Hosgri Fault Zone has a known vertical dip direction, the Oceano and San Luis Range Fault System (further to the east) have unspecified dip directions, likely indicating that those faults are not entirely exposed at the surface. Luckily, the Oceano Fault itself is a zone of relatively low activity within the greater San Andreas system. Not immediately concerning, but an element to be conscious of, (earthquake insurance would be recommended).

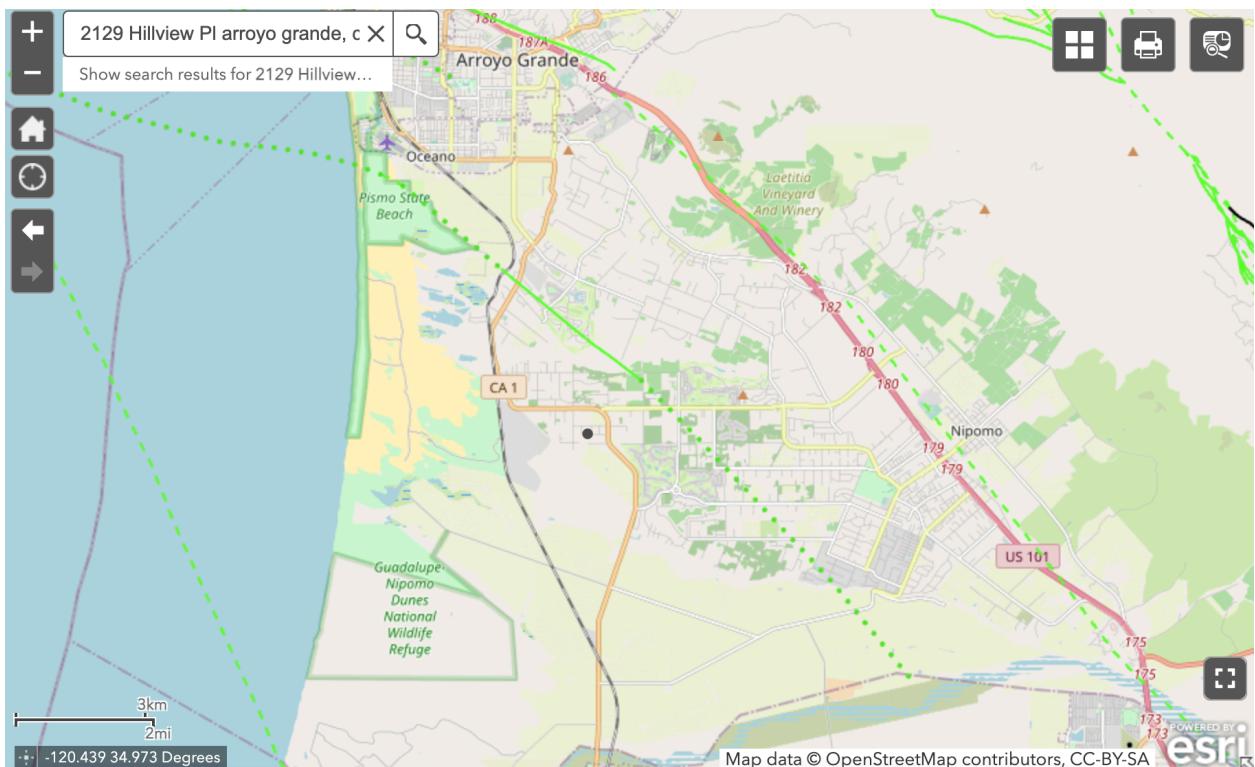


Figure 3: Geologic map of Arroyo Grande and nearest faults to proposed property at 2129 Hillview PI Arroyo Grande, CA. Green dashed, and solid, lines mark the boundaries of nearest faults of concern. (Black dot denotes parcel under review.) (esri)

HYDROLOGY

The project site is relatively flat with a slope grade of about 2° at a height of 143 ft above sea level. However, there is a steep slope located about 1.29 miles away from the site in the northeast direction with a slope about 35° . Based on the topography map, it's observed that our project site is lower than the surrounding areas, which may infer that it is located in a basin where surface water will stay around and accumulate. The elevation of the site is still slightly higher than that of the west side, indicating that surface water may flow westward for a short distance (Figure 4). Still, the chance of flooding is relatively low according to the data from FEMA's National Flood Hazard Layer (NFHL) (Figure 5). Figure 5 shows that our site is situated in the area noted as "Minimal Flood Hazard", meaning that the site is unlikely to be flooded.

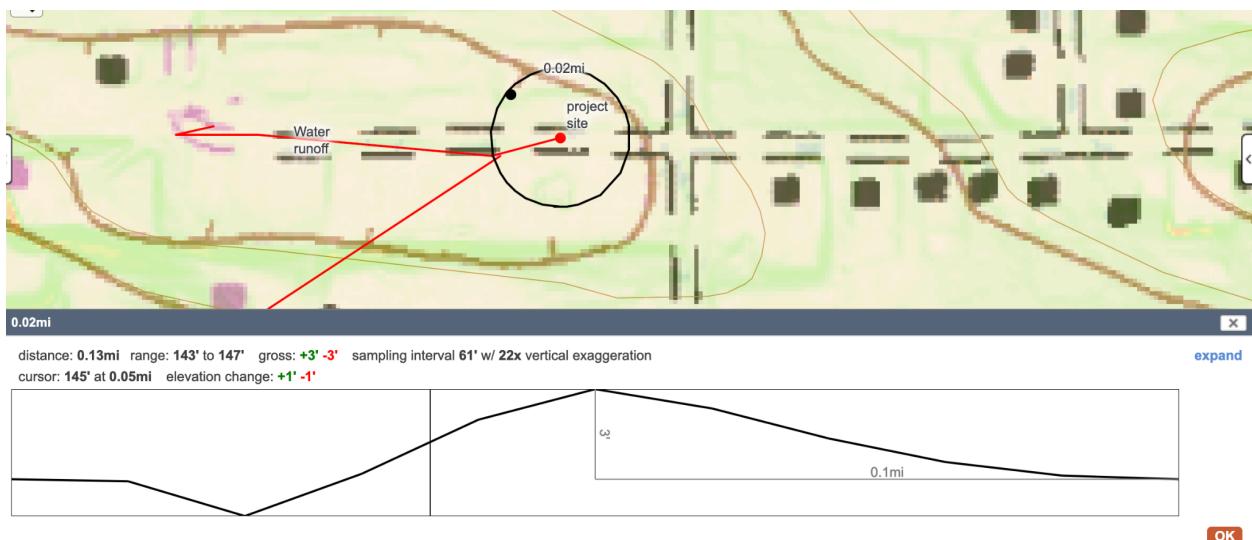


Figure 4. CalTOPO. Elevation around the project site and proposed runoff track. The red dot represents the project site. The red line represents the potential water runoff direction. The black circle is to plot the elevation around the project site to identify potential flowing direction.

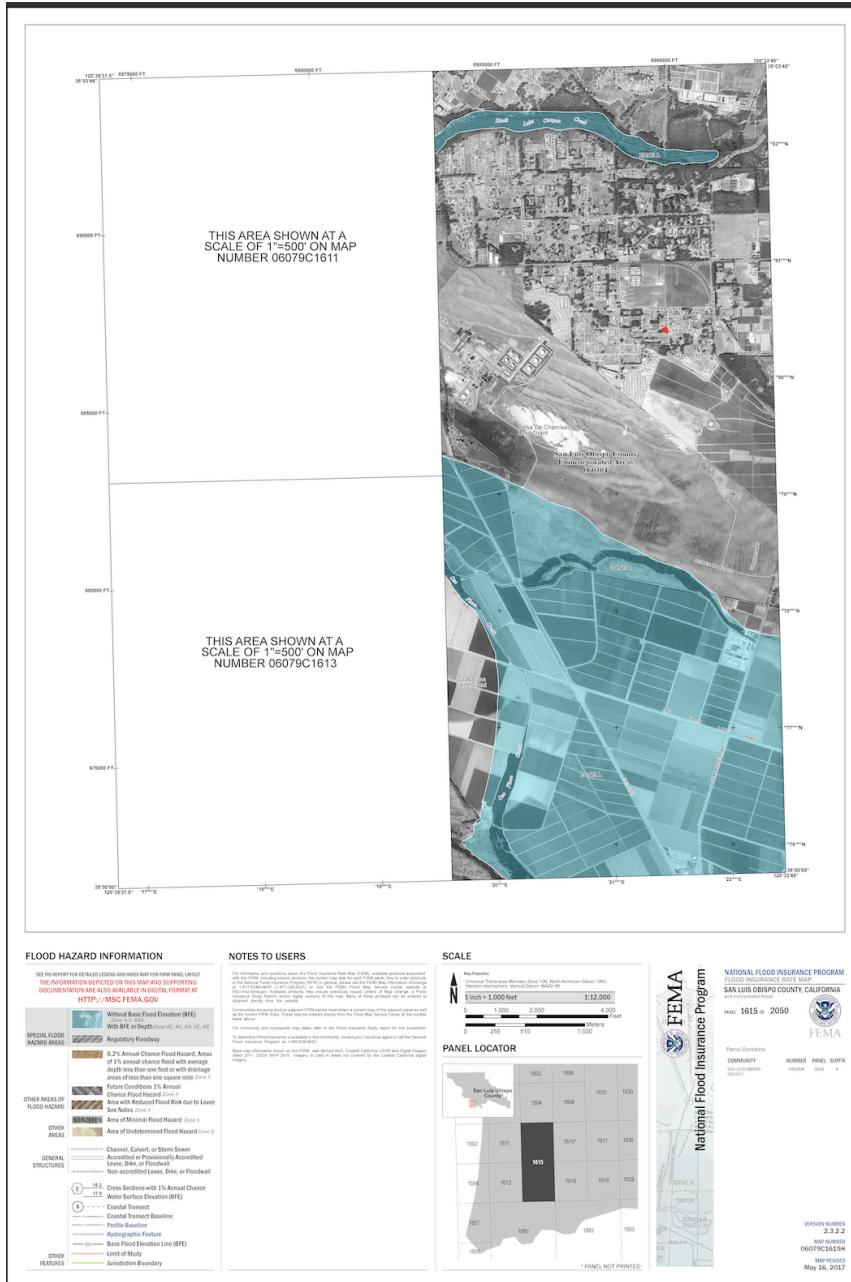


Figure 5. FEMA National Flood Hazard Layer (NFHL) Viewer. The red dot on the graph is the project site. The site is located in the gray area which is denoted as “area of minimal flood hazard”.

From the Geologic map, the nearest creek is located near the Black Lake Canyon, which is about 0.9 mi from the project site in the north direction. It's a perennial stream that flows year-round. The creek generally flows from east to west and finally discharges to the marsh at the end of the creek. Since the marsh is capable of containing a large amount of water, surface water may seep into the subsurface slowly.

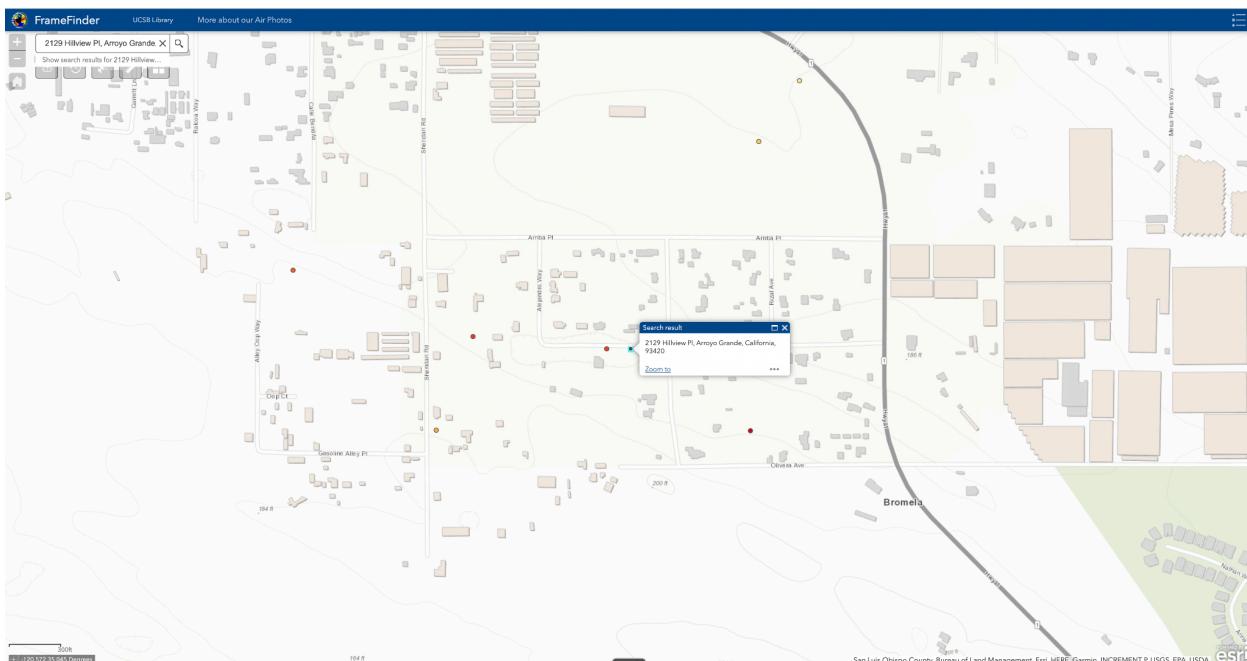
AERIAL IMAGERY REVIEW

Changes to natural landscape

Seemingly no creeks or water sources that were channelized in the area. From 1930 to 1949, planes were mostly pastures of field and dirt. In 1957, the appearance of an oil refinery structure and farming fields emerged, some places cleared of rocks and vegetation to make room for potential structures. By the time of 2001, much of the plants and trees were cleared and several new structures emerged including: farming fields, housing, areas dedicated to solar panels, and water wells.

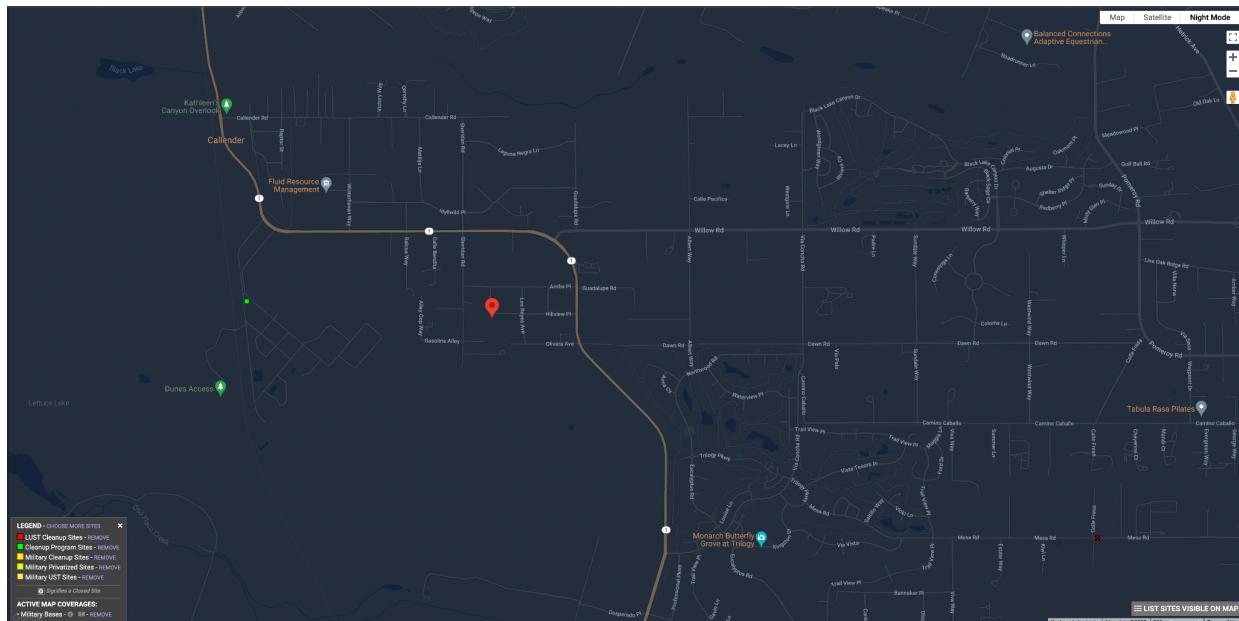
Evidence of contamination sources

With the influx of people moving into the area, there is naturally more pollution from motor cars, industrial processes, and harmful waste. Water wells have been built for the crops and cleanup program sites have been implemented in the area to control waste.

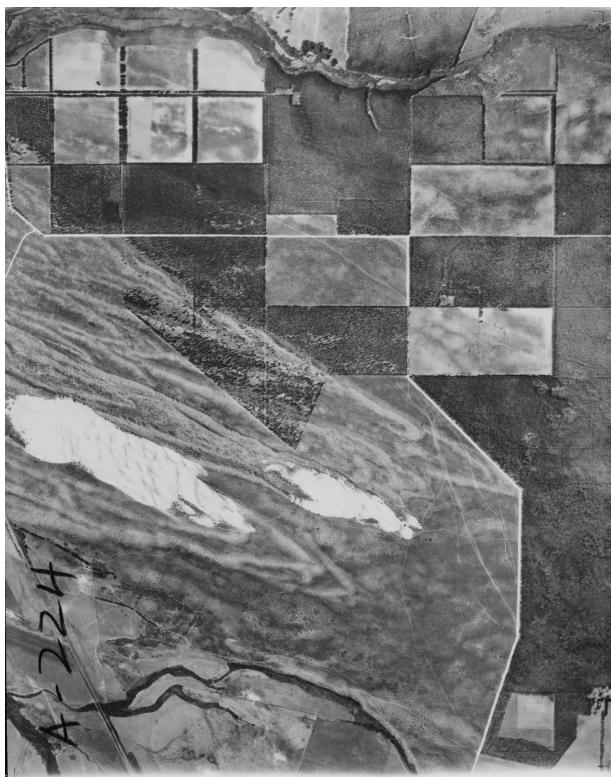


UCSB Maps and Imagery Finder (MIL) <https://mil.library.ucsb.edu/>

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Imagery Review - Development History



1930

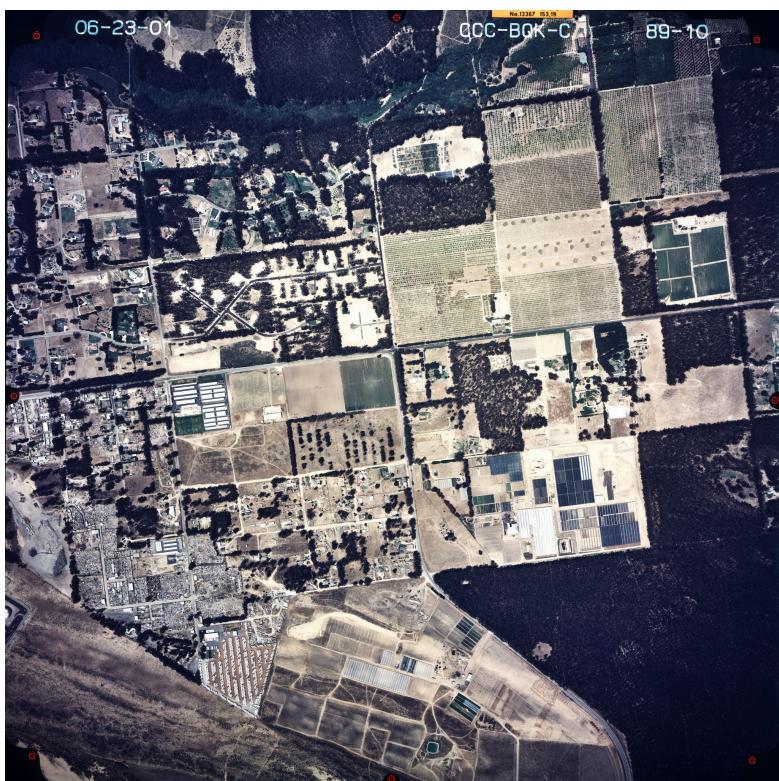


1949

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1957



2001 (A)

CONCLUSIONS

Overall, the analysis shows that the parcel in Arroyo Grande, San Luis Obispo, California is situated in the low lying, sedimentary zone of the southernmost Coast Ranges. In terms of hydrology, the site is situated at a height of 143 ft above sea level, with a slope of 2°. Surface water could possibly be retained in place due to the basin characteristics on the site, but outside of unseasonable amounts of rain, should pose no serious damage to the property. Despite the basin feature of the site, the chance of flooding is low, and therefore it may not be a significant factor to consider. The nearest creek, at the Black Lake Canyon is approximately 0.9 mi north of the site, water there flowing from east to west and discharging into the marsh at the end of the creek.

Lastly, by comparing aerial images over time, it was observed that the natural landscape has been changed drastically. The land was mostly pasture until 1949 when the first signs of farming emerged and 1957 when the first oil refinery emerged within a few miles of the property. About three and a half decades later, the entire area boomed in population, inviting housing structures, water wells, and pollution from homes and vehicles. There is an effort to control contamination sites by implementing cleanup programs.

Despite the tectonic hazards, low-lying topography of the parcel, and any human related pollutants to the area as a whole, there is nothing to directly indicate that this parcel would be a bad investment for MDJ Inc.. All potential hazards are aspects of property ownership that would be found in any coastal city in California. Therefore, we will suggest that MDJ Inc. purchase this land for their proposed agricultural and residential purposes.

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