

ATTACHMENT O

**ENVIRONMENTAL SITE
ASSESSMENT REPORT**

PREPARED FOR
PRESCOTT HOMES

August 22, 2005



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ENVIRONMENTAL SITE ASSESSMENT
EXPANDED PHASE I REPORT
ECHO LAKE PROPERTY
NORTH 199th STREET and
ECHO LAKE PLACE NORTH
SHORELINE, WASHINGTON 98133

ES-0120.001

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Earth Solutions NW LLC

- Geotechnical Engineers
- Geologists
- Environmental Scientists
- Construction Monitoring

EXECUTIVE SUMMARY

This Phase I Environmental Site Assessment has revealed specific environmental contamination. At the time of the site assessment, a further Phase II investigative remediation is warranted for the subject property. This summary discusses the site characteristics and existing conditions that have passed a visual site assessment.

- **Underground Storage Tank:** One underground storage tank was found on subject property. No evidence of product release from it was found. Removal from the site is recommended in accordance with regulatory guidelines.
- **Aboveground Storage Tank:** No aboveground tanks were found on subject property.
- **Asbestos:** No asbestos containing materials were identified on the subject property.
- **Polychlorinated Biphenyl:** No likely sources of PCB (polychlorinated biphenyl) compounds were identified on the subject property.
- **Fill Soil or Suspect Terrain:** No suspect fill soil was found on the subject property.
- **Vegetation:** Minor amounts of stressed vegetation were found associated with an abandoned Truck found on the subject property.
- **Drinking Water:** At the time of the site assessment, no connection for drinking water was identified on the subject property. There is no reason to suspect that tainted water exists on this property.
- **Waste Disposal and Debris:** At the time of the site assessment the environmental assessor found a large slash pile of containing tree stumps and other vegetation waste. However, this debris is not a recognized environmental concern.
- **Containers:** A blue 55-gallon drum labeled as containing "Mineral Spirits" was found on the subject property. Samples taken from its vicinity indicate product release to the environment.
- **Manufacturing Equipment:** No abandoned manufacturing or processing equipment was found on the subject property. However, an abandoned flat-bed truck was found parked partially on the Northeast corner of the property.
- **Chemical or Fuel Stains:** Diesel fuel stains were found on the subject property associated with an abandoned flat bed truck.
- **Adjoining Property:** No contamination from adjoining properties was discovered at the time of the site assessment.
- **Historical Research:** There are no indications that past use of the subject property has generated any current potential environmental contamination.
- **Regulatory Database Search:** At the time of the site assessment, no recognizable environmental concern was identified for the subject property.

1.0 INTRODUCTION

1.1 Purpose

The purpose of this Phase I Environmental Site Assessment is to help defend the innocent purchaser in accordance with the Comprehensive Environmental Response, Compensation and Liability Act (CERCLA) for commercial real estate. This is undertaken by appropriate inquiry for the innocent purchaser defense by obtaining various present, historical, physical, and regulatory information.

Although the site assessor strives to investigate each site sufficiently to discover all possible sources of contamination, the assessor cannot warrant that the work undertaken for this report will provide a due diligence defense asserted under CERCLA or any other federal, state, or local laws. However, the site assessor will follow the guidelines established by the American Society for Testing and Materials Standard Practice for the Phase I Environmental Site Assessment process, (ASTM Designation E 1527-00).

1.2 Project Objectives and Scope of Work

The objective of this Environmental Site Assessment (ESA) is to evaluate the property for current and historical sources of environmental concerns, evidence of hazardous substance disposal or releases from or onto the property, evidence of environmental threats from adjacent properties, and whether further environmental investigation of the subject property is warranted. This report includes the findings from two different parcels. Information from these parcels is combined into this one complete report. For ease of understanding this report, these two parcels are referred to in total as one *Subject Property*. This report meets and/or exceeds ASTM Standards for ESAs.

The site reconnaissance of the subject property was performed on June 20th, 2005 by Nels B. Cone, Washington State Registered Site Assessor. The assessment included a review of the subject property's current and/or previous occupancy and operations, a visual reconnaissance of the former building remains and property, a visual review of adjacent property uses and conditions from public right-of-ways, and a review of state and federal agency database records.

In addition, the history of the Site and adjacent property uses were assessed by evaluating practically available aerial photographs, insurance maps, city and suburban directory listings, tax records, United States Geological Survey topographical maps, and by interviewing appropriate individuals that had knowledge of the subject property and surrounding area.

On July 27, 2005, the scope of work was expanded to include an investigation for an underground storage tank and hazardous chemical sampling. The sampling activities and methods used are explained further with this report. The results from those efforts are discussed in the conclusions.

2.0 SITE DESCRIPTION

2.1 Location and Legal Description

The subject property is located at: North 199th Street and Echo Lake Place North, Shoreline, King County, Washington 98133. The legal description of the property is listed as parcels 222730071 and 222730071, Echo Lake Park Addition, Recorded in King County Plats, Township 26N, Range 4E, Section 6.

2.2 Site Characteristics

This section of the report gives a general visual description that one would expect to see at the subject property. Unless specific problems are discussed, this does not imply that problems were observed, just that the site assessor looked for possible concerns.

2.2.1 Building Lot Size

When the two parcels are combined, the size of the subject property is reported as being 1.12 acre, which is consistent with most combined residential lots in the area.

2.2.2 Topography

The majority of the subject property is level with gentle sloping to the southeastern portion of the site.

2.2.3 Landscaping

The subject property appears to once have had residential landscaping. At the time of the site assessment, most of the property was overgrown with yearly vegetation.

2.2.4 Fencing

The subject property has a chain-link fence running along the Northern property edge. The Eastern property boundary has a discontinuous concrete block fence constructed almost to the waterline of Echo Lake. The Southern property boundary is contained by a wooden fence running its length, again almost to the waterline. The Western property border has no formal fence or enclosure, but is bounded by dense vegetation.

2.2.5 Street Access

The subject property can be accessed by one private paved driveway entering from the West. At the time of the site assessment, an abandoned flat bed truck was located parked partially on the subject property's western entrance.

2.3 Neighborhood Profile

The following section of the report includes general descriptions of the local infrastructure and surrounding properties in the neighborhood that might influence the environmental risks of the subject property.

2.3.1 Energy Supply to the Subject Site

The subject property receives its energy supply from the regional electric utility. At the time of the site assessment, no electrical connection was identified.

2.3.2 Water Supplies for the Subject Site

The subject property receives its drinking water from the municipal water supply. At the time of the site assessment, no water connection was identified.

2.3.3 Sanitary Sewer System

The subject property has the ability to convey its wastewater to the public sanitary sewer system. At the time of the site assessment, the no connection was identified.

2.3.4 Storm Water Disposal

The storm water flows off the subject property to the Southeast. It appears that it then flows into Echo Lake itself. No formal storm sewer drains were observed on the subject property.

2.3.5 Energy Supply to Adjacent Sites

The adjacent sites receive their energy supply from the municipal electric utility, but may be supplied with gas as well.

2.3.6 Water Supplies for the Adjacent Sites

The adjacent properties have public water connections for drinking and lawn irrigation systems with water supplied by the municipal water utility.

2.3.7 Sanitary Sewers for the Adjacent Sites

The adjacent properties have underground sanitary sewers that flow to a municipal wastewater disposal system.

2.3.8 Storm Water Disposal for the Adjacent Sites

The storm water from the adjacent sites flow into an underground system, and then the storm water flows into a regional storm water collection system.

2.3.9 Zoning Restrictions

The subject property land is zoned for residential or multi-family residential use and according to historical records, has been zoned residential use going back at least 30 years.

2.3.10 Flood Zone

The subject property is not within a known flood zone. However, its elevation and proximity to Echo Lake suggest that onsite flooding should not be ruled out.

2.3.11 Fire Station

The Shoreline Fire District has a firehouse (Station #4) located approximately two miles from the subject property. This local fire department has an emergency response level of Two. Level Two is the second of three levels but indicates the ability to extinguish medium containers (e.g., one ton cylinder, portable containers, nurse tanks, and multiple small packages). It can extinguish medium fire and explosion potential items. Special resources can be used to control small chemical leaks or releases. It can handle limited evacuation in a localized area involving hazardous materials.

2.4 Geology and Groundwater

The subject property is approximately at 400 feet above sea level elevation. The dominant soil composition on the subject property is commonly listed as "Alderwood", according to SCS King County Soil Survey data. These gravelly-sandy loam soils drain moderately well with a seasonally fluctuating groundwater table. Based upon observations during the excavation activities, no groundwater or damp soils were encountered at a depth of six feet. The nearest well to the subject site is over one half mile away. Based upon the topography of the site, ground water flow direction is indicated to the East and Southeast corner of the subject property.

3.0 INFORMATION FROM SITE RECONNAISSANCE AND INTERVIEWS

On June 20th 2005, Nels Cone conducted a site reconnaissance of the subject property. The focus of this effort was to identify obvious visual signs of potential environmental concern caused by present and/or past site activities. The entire site was given a walking inspection, and the property owner was interviewed. The results from these efforts are individually identified and presented below. Photographs from this site reconnaissance were also taken and are presented in Appendix A. On July 27th, 2005, additional site investigation for an underground storage tank and hazardous chemical sampling was performed.

3.1 Descriptions of Structures or Other Improvements

During the initial site visit, the environmental site assessor observed the foundation remains of a former single-family residential building and a detached garage. According to the property owner, the former residence was demolished sometime in 1995 and its underground storage tank for home heating oil tank was not removed at that time. Physical condition of the property structure on the day of site assessment appeared only in average condition.

3.2 Physical Settings Analysis

This section of the report includes visual observations of the physical settings made at the time of the site assessment. Unless specific concerns are discussed, this does not imply that these problems were observed, just that the site assessor looked for these possible problems.

3.2.1 Environmental Issues Associated with Storage Tanks

During the initial site visit, a visual inspection for vent pipes, cover plates, fill pipes, accessways, and monitoring wells normally associated with underground storage tanks (USTs) was performed but none were found. On the second site visit, using provided property diagrams and a tracked excavator, a 500-gallon UST was found off the west side of the former residence. Soil exposure beneath the UST, at approximately six feet was made. At no time was soil staining or petroleum odor encountered. However, it was found that the tank had been completely filled with water at some time in the past. One small breach was made half-way down the side of the UST which surprisingly revealed clear water with no sign of petroleum sheen or smell. Given the observable condition of the soil, no soil sampling was performed at that time. None-the-less, this UST is not in compliance with local regulatory requirements. While this UST was not removed from the ground at the time, it will require a properly licensed professional to perform its removal from the subject property. Additionally, all observations indicate that no fuel USTs or AGTs appear present on immediately adjoining properties to the North, East, South or West.

3.2.2 Fill Soil (Suspicious Terrain)

The environmental site assessor did not observe fill soil on the subject property. The site may have been graded at some point in the past, yet no evidence of suspicious terrain was found.

3.2.3 Chemical, Ground, Soil or Pavement Stains

The environmental site assessor did not observe stains at any location on the subject property. However, a 55-gallon drum labeled as "Mineral Spirits" was discovered onsite. Sampling and testing for hazardous chemicals were performed to address probable leakage from this drum.

3.2.4 Corrosion

The environmental site assessor did not observe corrosion at any location on the subject property.

3.2.5 Odors

The environmental assessor detected a strong petroleum odor near the abandoned flat bed truck found onsite. Sampling for diesel range petroleum pollutants was performed and while these chemicals were found, they were below action levels.

3.2.6 Drains, Vaults and Sumps

At the time of the site assessment, no drains, vaults or sumps were observed at any location on the subject property.

3.2.7 Polychlorinated Biphenyls (PCB)

PCB releases are regulated by the Toxic Substance Control Act 15 U.S.C. Section 2601 et. seq. and administered by the Environmental Protection Agency in accordance with "toxic substances." No transformers, capacitors, elevators or other PCB sources were observed on site during the time of the site reconnaissance.

3.2.8 Fuel Stains

As previously indicated, the environmental assessor observed diesel fuels stains beneath the abandoned flat-bed truck found on the western entrance to the subject property. Sampling and testing, (NW-TPH-Dx analysis) for petroleum impacted soils was performed on July 27th 2005, in accordance with the Sampling and Analysis Plan found in Appendix D. Results from these tests revealed petroleum impacted soils beneath the Washington State MTCA Clean-up level of 2000 mg/kg. This vehicle has a Washington State License Plate Number of 07779-W, year dated 2001. Contact information for the owner of this abandoned flat bed truck was obtained on June 27th, 2005.

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3.2.9 Manufacturing Equipment

Abandoned Manufacturing, Distillation or Process Equipment was not found on the subject site. No Treatment, Generation, Disposal, or Storage of Waste Activities was found on the subject site. However, as indicated above, an abandoned flat-bed truck was found partially parked on the Northwest corner of the subject property.

3.2.10 Vegetation

At the time of the site assessment, stressed vegetation was found associated with the abandoned flat-bed truck found near the Northwest entrance to the subject property.

3.2.11 Containers

As previously mentioned, the environmental assessor observed one 55-gallon drum located on the Northwest corner of the subject property. It was empty at the time of its discovery on June 20th, 2005. This drum had the following label on it:

MINERAL SPIRITS	Jan 01	Recycle 1-800-451-3471
8401 15031	UN1268	PGIII
UN 1A1/Y1.6/250	USA/R1231/03RL	

This label describes the chemical product it contains, its date of manufacture, a phone number for a drum recycling business, its international designation for the product (petroleum distillates) that it contains, its packaging group code, along with its U.S. designation for the drum design.

On July 27th, 2005, sampling for volatile (EPA 8260B) and semi-volatile compounds (EPA 8270c/SIM) was performed in accordance with the Sampling and Analysis Plan found in Appendix D. Since this drum appeared to have rolled off the back of the abandoned flat-bed truck, it was placed back on the truck and after speaking with the truck owner by phone, the truck was then pushed westward, off the subject property.

3.2.13 Solid Wastes and/or Debris

Other than the hazardous chemicals associated with the 55-gallon drum mentioned above, no other wastes were found on the day of site assessment. While the environmental assessor also found a large slash pile containing tree stumps and other vegetation waste, this debris is not a regulated environmental concern.

3.2.14 Wells

There are no drinking wells on the subject property, nor within the surrounding quarter mile.

3.3 Present Uses of the Subject Property

The uses of the subject property observed by the environmental site assessor on the day of site assessment are listed below along with potential environmental concerns associated with their uses. Unless specific problems are discussed, this does not imply that these problems were observed, just that the site assessor looked for possible concerns.

At the time of this site assessment, no formal use of the subject property was observed.

3.4 Present Uses of the Adjacent Properties

The uses of the adjacent properties observed by the environmental site assessor on the day of site assessment are listed below along with potential environmental concerns associated with their uses. Unless specific problems are discussed, this does not imply that these problems were observed, just that the site assessor looked for possible concerns.

At the time of the site assessment, to the North of the subject property is a commercial office complex. No processing and/or manufacturing activities were observed.

At the time of the site assessment, to the East of the subject property is a multi-unit apartment complex. No processing and/or manufacturing activities were observed.

At the time of the site assessment, to the South of the subject property is a multi-unit townhouse complex. No processing and/or manufacturing activities were observed.

At the time of the site assessment, to the West of the subject property is a multi-unit townhouse complex. No processing and/or manufacturing activities were observed.

4.0 HISTORICAL USE INFORMATION

4.1 Past Uses of the Subject Property

The following data has been generated from municipal records, real estate data services, present owners, neighboring property owners, and/or other reliable sources.

According to the present property owner, the subject property has been a vacant lot since 1995. Prior to this time, it was it contained a single family residence of unknown age.

4.2 Past Uses of the Adjacent Properties

The following data has been generated from municipal records, real estate data services, present owners, neighboring property owners, and/or other reliable sources.

According to the present owner of the subject property, land directly to the North of the subject property was undeveloped land until a multi-unit office complex was built sometime in late 1970s. The property to the South and West had been developed as a multi-unit apartment complex going back to sometime in the early 1980s. Prior to that time they were large single-family lots going back sometime into the 1950s. The property to the East also remained a large single-family lot up until early 1970s; shortly after which it was developed in to a multi-family apartment. To the best of his knowledge, at no time did these properties have uses that would be of environmental concern

4.3 Aerial Photographs

4.3.1 Subject Property

Past use according to **1964** aerial photographs indicates the subject property with a residential structure and detached garage where the slab foundations are presently seen onsite. Past use according to **1970** aerial photographs also indicates the subject property relatively unchanged from the previous six years. Past use according to **1985** aerial photographs indicates the subject property with a residential structure and detached garage where the slab foundation is presently seen onsite with the most prevalent change from previous photographs being the significant growth of trees and other onsite vegetation. Present use according to recent, **(2002)** aerial photographs indicate an open cleared lot with the remains of a concrete slab foundation as presently seen onsite.

4.3.2 Adjoining Properties

Aerial photographs were also surveyed for uses or structures of the adjacent properties to the North, South, East and West.

Past use according to **1964** aerial photographs indicates single-family residential structures to the South, West, Northwest and Northeast. Undeveloped wooded lots appear to the North and to the East.

Past use according to **1970** aerial photographs indicates single-family residential structures to the West, Northeast and South as previously seen six years earlier. To the North, the lot appears to have been cleared of lumber. To the Northwest appears a large commercial-type building. To the East appears an apartment complex as seen onsite today.

Past use according to **1985** aerial photographs indicates single-family residential structures to the Northwest. To the West, South and East appear to be larger apartment-type complexes as seen onsite to day. To the North appears an office complex and parking lot as is seen onsite today.

Present use according to recent **(2002)** aerial photographs indicates structures on the adjacent properties consistent with those found today. No observable differences are seen.

4.4 Map Research

4.4.1 Fire Insurance Maps for the Subject Property

Historical Sanborn and Kroll Fire insurance maps as far back as 1965 did not show any usage of the subject site indicating that contaminating activities were likely to have occurred.

4.4.2 Fire Insurance Maps for the Adjacent Properties

Historical Sanborn and Kroll Fire insurance maps as far back as 1965 did not show any usage of the nearby properties indicating that contaminating activities were likely to have occurred.

4.4.3 USGS Maps Showing the Subject Property

Most recently updated (1982) USGS topographical map does not show any usage of the subject site indicating that contaminating activities were likely to have occurred.

4.4.4 USGS Maps Showing the Adjacent Properties

Most recently updated (1982) USGS topographical map does not show any usage of the nearby properties indicating that contaminating activities were likely to have occurred.

4.5 Local Fire Department Inquiries

At the time of the site assessment, the subject property lies within the Shoreline Fire District. It is serviced by the Shoreline Station #4 Firehouse. A review of their records by authorized Fire Department personnel was made and their responses are provided below.

4.5.1 Fire Department Inquiries for the Subject Property

Consulting with the local fire department indicates no records of industrial contamination having occurred on the subject property. Nor do their records show any underground storage tanks having been onsite.

4.5.2 Fire Department Inquiries for the Adjacent Properties

Consulting with the local fire department indicates no records of industrial contamination having occurred on the adjacent properties. Nor is there record of any underground storage tanks located on the adjacent properties.

4.6 Title Abstract

The King County Assessor and Recorder's Office was contacted for information regarding title, deeds, liens, restrictions, easements or other issues relating to an environmental site assessment. At the time of the contact, no environmental concerns were reported.

4.7 Department of Environmental Health Review

The King County Department of Environmental Health performed a review of its database for environmental concerns associated with the subject property and adjacent properties going back for a period of seven (7) years. The following programs were reviewed:

- Vector Nuisance/Illegal Dumping Program
- Wastewater Program
- Methamphetamine Lab Program
- Local Hazardous Waste Program
- Tacoma Smelter Plume Project
- Waste Characterization Program

Based upon this review, no environmental concerns relating to the property were found within their records.

4.8 Historical Directories

A review of Polk and Cole historical directories was performed for 1955, 1965, 1979, and 1987. Based upon this review, no business or operation presenting an environmental concern to the subject property or the surrounding properties was identified.

4.9 Building Permits

The King County Department of Development and Environmental Service was contacted to perform a review of its records for the subject property. However, at the time of the site assessment, this public agency database keeps records on file going back only to 1996. Building permits prior to then, when the residential structure was assumed to be built, (1940s), are not available.

5.0 REGULATORY RECORDS REVIEW

The following information was obtained from a contracted EDR Regulatory Database search. This information was deemed as accurate and limited confirmation was made of key parameters, in accordance with standard professional practices. The complete EDR document is included in Appendix F for further review as needed.

5.1 Federal Government Records for the Subject Property

The subject property is not on the National Priorities List. The subject property is not on the Comprehensive Environmental Response, Compensation and Liability Information System (CERCLIS) list. The CERCLIS list is maintained by the United States Environmental Protection Agency. The subject property is not on the Resource Conservation and Recovery Act - Treatment, Storage or Disposal Facility list.

5.2 Federal Government Records for the Adjacent Properties

No properties are on the National Priorities List within the list's qualifying radius of 1.0 mile (1.6 Km). Nearby properties are not on the Comprehensive Environmental Response, Compensation and Liability Information System (CERCLIS) list and are not within the list's qualifying radius of 1.0 mile (1.6 Km). The CERCLIS list is maintained by the United States Environmental Protection Agency. The adjacent properties are not listed under the Resource Conservation and Recovery Act - Treatment, Storage or Disposal Facility List.

5.3 State Government Records for the Subject Property

The subject property is not on the State Environmental List which is equivalent to the National Priorities List (NPL). The subject property is not on the State Environmental List which is equivalent to the Comprehensive Environmental Response, Compensation and Liability Information System (CERCLIS) List. No tanks have ever been registration for placement on the subject site. The subject property is not on the Leaking Underground Storage Tank (LUST) List. No leaking tanks were observed or have been reported. The subject property is neither a solid waste/landfill facility nor list in any government records as such.

5.4 State Government Records for the Adjacent Properties

Nearby properties are not on the State Environmental List which is equivalent to the National Priorities List and are not within the list's qualifying radius of 1.0 mile (1.6 Km). Several **(4)** nearby properties are on the State Environmental List which is equivalent to the Comprehensive Environmental Response, Compensation and Liability Information System (CERCLIS) List and are within the list's qualifying radius of 1.0 mile (1.6 Km). Of these, one is less than 0.125 mile away and is at a higher elevation than the subject property, and is located due west at 19905 Aurora Avenue North, Shoreline. Further research into the Washington State Department of Ecology database reveals this site as having finished remediation for minor amounts of gasoline and diesel product. Given its completed remedial status and nature of pollutant, the likelihood of environmental concern from this site is low.

Two others are at equal or higher elevation than the subject property, yet are over 0.5 miles from the subject property. The remaining one site is also over 0.5 mile away, yet is down gradient at a lower elevation from the subject property. As such, the likelihood of environmental concern from these sites is low.

Several **(3)** nearby properties are on the State Leaking Underground Storage Tank (LUST) List and are within the qualifying radius of 0.5 mile (0.8 Km). Of these, two are at an equal or higher elevation than the subject property, yet are well over 0.25 mile from the subject property. The remaining one is also over a 0.25 mile away, yet is down gradient at a lower elevation than the subject property. As such, the likelihood of environmental concern from these sites is low.

Several (3) nearby properties are on the Washington State Department of Ecology Independent Cleanup Report List. Of these, two are at an equal or higher elevation than the subject property, yet are well over 0.25 mile from the subject property. The remaining one is also 0.25 mile away, yet is also down gradient at a lower elevations than the subject property. As such, the likelihood of environmental concern from these sites is low.

No nearby properties are a solid waste/landfill facility, nor located within 0.5 mile of a solid waste/landfill facility.

5.5 Information Regarding Environmental Liens or Specialized Knowledge

The following information was compiled from government records and Interviews of persons closely associated with the subject property.

5.5.1 No Current Environmental Law Violations or Liens on Property Owner

On the date of site assessment, no environmental liens regarding this site had been placed on the owner of the property, and there are no known citations for environmental law violations regarding this site relating to the owner of this property.

No Past Environmental Law Violations or Liens On Property Owner

On the date of site assessment, no past environmental liens regarding this site had been placed on the owner of the property, and there are no known past citations for environmental law violations regarding this site relating to the owner of this property.

5.5.2 Presence of Dangerous Conditions on the Subject Property

No hazardous substances, petroleum products or environmental violations existed on the subject property on the day of site assessment in quantities believed to be potential contaminants.

Past Dangerous Conditions on the Subject Property

No hazardous substances, petroleum products or environmental violations existed on the subject property in the past in quantities believed to be potential contaminants.

5.5.3 Possible Legal Action Involving the Property Owner

The following information was obtained from interviews of owners and/or adjacent property owners of the site. Unless otherwise noted, no effort was made to verify the accuracy of this information through a review of court or other public records. The following information was disclosed.

No Past Legal Action Taken Against Property Owner

Owners of the site stated that no past lawsuits or administrative proceedings have been filed against the present property owner for the release of hazardous substances or petroleum products. Unless otherwise noted, no effort was made to verify the accuracy of this information through a review of court or other public records.

No Pending Legal Action Taken Against Property Owner

Owners of the site stated that no pending lawsuits or administrative proceedings have been filed against the present Facility Operator for the release of hazardous substances or petroleum products. Unless otherwise noted, no effort was made to verify the accuracy of this information through a review of court or other public records.

6.0 FINDINGS AND CONCLUSIONS

ESNW performed a Phase I Environmental Site Assessment for the property located at North 199th Street and Echo Lake Place North, Shoreline, King County, Washington in accordance with ASTM E 1527-00 Standards. This included a site reconnaissance, key person interviews, historical information review, regulatory agency database review and expanded environmental sampling.

Findings reveal several environmental concerns related to the subject property including diesel fuel leakage from the abandoned Flat-Bed truck, an out of compliance UST associated with the former residence, and hazardous chemical release from a 55-gallon drum found on the subject property. The UST is minimally regulated, yet needs to be decommissioned by licensed professional. A summary of analytical results from soil sampling related to the abandoned truck and 55-gallon drum are presented in the two tables below. The actual laboratory data is presented in Appendix C.

TABLE 1.

Sample Location	Sample ID	Volatiles*	Petroleum (ppm)^
Beneath Eastern End of Flat-Bed Truck	ES-120-01-TR1	NA	1697
Outside Eastern End of Flat-Bed Truck	ES-120-01-TR2	NA	650
Under Blue 55-Gallon Drum	ES-120-01-55GD	ND	NA

*EPA Method 8260B Analysis consists of 68 Compounds of Concern reported in mg/kg, (ppm).

^NW-TPH-Dx, Total Petroleum Hydrocarbons-Extended Diesel Range, MTCA Cleanup Level = 2000 ppm.

NA = Not Applicable or Not Tested, ND = Not Detected.

Based upon the evaluation of the above analytical (Method NW-TPH-Dx) results for the soils tested beneath and near the abandoned flat bed truck, total petroleum hydrocarbon compounds are present, but below cleanup action levels. Base upon the analytical results for soil tested for the presence of volatile (EPA Method 8260B) compounds beneath the 55-gallon drum, no compounds of concern are present. However, when tested for the presence of semi-volatile (EPA Method 8270C/SIM) compounds, the soil beneath the 55-gallon drum shows the presence of several compounds of concern.

TABLE 2.

Sample ES-120-01-55GD	Concentration	Cleanup Level
Compound	mg/kg (ppm)	mg/kg (ppm)
Acenaphthylene	0.042	See benzo[a]pyrene*
Fluorene	0.017	See benzo[a]pyrene*
Phenanthrene	0.18	See benzo[a]pyrene*
Anthracene	0.035	See benzo[a]pyrene*
Di-n-butylphthalate	0.044	800
Fluoranthene	0.3	See benzo[a]pyrene*
Pyrene	0.35	See benzo[a]pyrene*
Butylbenzylphthalate	0.2	1600
Benzo[a]anthracene	0.13	See benzo[a]pyrene*
Chrysene	0.21	See benzo[a]pyrene*
bis(2-Ethylhexyl)phthalate	0.25	70
Benzo[b]fluoranthene	0.26	See benzo[a]pyrene*
Benzo[k]fluoranthene	0.079	See benzo[a]pyrene*
Benzo[a]pyrene	0.2	0.1
Indeno[1,2,3-cd]pyrene	0.13	See benzo[a]pyrene*
Dibenz[a,h]anthracene	0.034	See benzo[a]pyrene*
Benzo[g,h,i]perylene	0.26	See benzo[a]pyrene*

***Benzo[a]pyrene.** MTCA Cleanup level based on direct contact using Equation 740-2. If other carcinogenic PAHs are suspected of being present at the site, test for them and use this value as the total concentration that all carcinogenic PAHs must meet using the toxicity equivalency methodology in WAC 173-340-708(8).

Evaluation of this analytical information for the soil sample tested beneath the 55-gallon drum reveals a reasonable environmental concern. Most all of the compounds that cause this concern are in a class of compounds known as Polycyclic-Aromatic Hydrocarbons, (PAHs); of which the compound Benzo[a]pyrene is used as the determinant chemical to drive cleanup actions. Specifically, a site is considered successfully remediated when all compounds in this class total a concentration no greater than 0.1 mg/kg (ppm). A class of compounds known as phthalates were also found onsite, but are well below cleanup levels.

These analytical results are consistent with field observations in that stressed vegetation was Not found in the vicinity of the 55-gallon drum. Specifically, the low levels of PAHs found onsite are not sufficient to cause plant distress. While it is impossible to predict the exact amount of PAH product associated with the 55-gallon drum, the lack of stressed vegetation and the low levels of these compounds reflect a limited impact to the surrounding environment.

At the time of this site assessment, a further Phase II investigative remediation is warranted for the subject property. These impacted soils will require management as regulated waste. From a cost-containment perspective, an initial excavation of five to ten yards of soil in the vicinity of the 55-gallon drum with confirmatory soil testing is recommended.

7.0 LIMITATIONS AND EXCEPTIONS OF ASSESSMENT

7.1 Limiting Conditions and Influence on Fair Market Value

The professional environmental site assessor has used his or her best judgment and has conducted the ASTM suggested inquiries when conducting this assessment.

This environmental site assessment cannot wholly eliminate uncertainty regarding the potential for recognized environmental conditions concerning the subject site or adjoining properties.

Due to the additional cost needed to obtain information or that the time required to gather it could outweigh the usefulness of the information and, in fact, may be a material detriment to the orderly completion of transactions.

Not every property will require the same amount of site assessment work. Various factors will determine the appropriate level of involvement, such as the type of property being assessed, how it is used, the extent of contamination, and the amount and kind of data collected. Any one of these will determine the appropriate level of environmental site assessment.

Not all inquiries will identify a significant environmental condition existing on the subject property. All environmental assessments are governed by circumstances and conditions that existed on the day of site assessment.

The presence of environmental liabilities and their associated clean up costs may influence the fair market value of the subject property. Market value is understood to be the most probable price estimated in terms of money that the property will bring if exposed for sale on the open market by a seller who is willing but not obliged to sell, allowing a reasonable time to find a buyer who is willing but not obliged to buy, both parties having full knowledge of all the uses to which it is adapted, for which it is capable of being used, or for which it has been used.

The environmental assessor assumes no responsibility for any changes in the fair market value of the property that might result from the performance of the environmental assessment activities, or disclosures of environmental conditions relating to the property

7.2 Certification of Site Assessment

The environmental site assessor certifies and agrees that:

The site assessor has no present or contemplated future interest in the property inspected.

The site assessor has no personal interest in or bias with respect to the subject matter of the assessment report or the participants to the sale. This Environmental Site Assessment Report is not based in whole or in part upon the race, color, or national origin of the prospective owners or Facility Operators of the property inspected, or upon the race, color or national origin of the present owners or Facility Operators of the properties in the vicinity of the property inspected.

The site assessor has personally inspected the property and has made an exterior site assessment of all neighboring properties in the report. To the best of the site assessor's knowledge and belief, all statements and information in this Site Assessment Report are true and correct, and the site assessor has not knowingly withheld any significant information.

The legal description and address furnished is correct according to the information furnished to the site assessor.

This site assessment report has been made in conformity with and is subject to the requirements of the Code of Professional Ethics and Standards of Professional Conduct of the environmental organizations with which the site assessor is affiliated.

All conclusions and opinions concerning the subject site that are set forth in the Site Assessment Report were prepared by the site assessor whose signature appears on the Assessment Report.

7.3 General Qualifications

In the professional judgment of the site assessor, the scope of this investigation was sufficient to determine whether further investigation was warranted, given the nature and specific circumstances of the site. The site assessor performed this Phase I ESA in conformance with the care and skill currently exercised by reputable environmental consulting firms practicing under similar conditions in the state of Washington. No other warranty or representation of any kind, expressed or implied, at common law or created by statute, is extended, made or intended by the site assessor's rendering consulting services or furnishing oral and/or written reports of its findings.

The site assessor has no obligation to any third party who intends to, or will, rely on this report and specifically disclaims any such responsibility. The site assessor assumes no obligation for reporting any facts revealed by the environmental site assessment or contained in the Phase I ESA report to anyone other than the Client.

This report does not constitute legal advice, nor does the site assessor purport to give legal advice. Environmental conditions and regulations are subject to constant change and reinterpretation. It should not be assumed that current conditions and/or regulatory positions will remain constant. Furthermore, because the facts stated in this report are subject to professional interpretation, differing conclusions could be reached by other professionals.

Certain information contained in this report may have been obtained from agencies or through personal interviews. The site assessor cannot warrant that such information is accurate. Except as discussed in the report, the site assessor has not verified the accuracy of such information.

Contaminates may be hidden in the subsurface materials, having been placed there due to the actions of man, or covered by foliage, water, snow, concrete, asphalt, or other materials. This contamination may not be present in predictable locations. The most that the site assessor can do is formulate a logical assessment program to reduce the client's risk of later discovering previously unknown contamination. The greater the extent of exploration on a property, the greater the probability of finding contamination, if present. Even with extensive exploration, it is not possible to say with total certainty that contaminants are not present at a particular site.

Many environmental assessments are undertaken to satisfy the "due diligence" requirement in the federal Comprehensive Environmental Response, Compensation, and Liability Act (CERCLA) and appropriate state requirements. The level of investigative work required to demonstrate "due diligence" has not been legislatively defined by Congress, the U.S. EPA, or appropriate state bodies. Although the site assessor strives to investigate each site to discover all possible sources of contamination, the site assessor cannot warrant that the work undertaken for this report will provide a due diligence defense asserted under CERCLA, or any other federal, state, or local laws.

No warranty can be made that conditions observed were representative of areas not observed. Tests or data collected for this report were obtained only for the purposes stated in this report, and should not be used for reasons other than those intended.

The site assessor assumes no responsibility for legal issues affecting the property inspected, nor does the site assessor render any opinion as to the marketability of title.

Any sketches in the report may show approximate dimensions. Sketches are only included to assist the reader in visualizing the property. The site assessor did not survey the property.

Unless arrangements have been previously made, the site assessor will not be required to give testimony or appear in court because of having made the Environmental Site Assessment with reference to the property in question.

Possession of this Environmental Site Assessment Report does not carry with it the rights of publication, and any parts thereof may not be reproduced in any form without written permission of its writer, or the client who ordered the report.

The site assessor assumes that there are no hidden, unapparent, or latent conditions or defects on the property, subsoil, or structures that would render it more valuable, less valuable or hazardous. The site assessor assumes no responsibility for such conditions or for the site assessment, engineering, or repair that might be required to discover or correct such factors.

Information, estimates, and opinions furnished to the environmental site assessor and contained in the report were obtained from sources considered reliable and believed to be true and correct. The site assessor however, assumes no responsibility for the accuracy of such information.

This Environmental Site Assessment is not intended to (but indeed may) have a direct effect on the value of the property inspected. It is conducted solely for the educational benefit of the principal parties.

The contents of this report, including any conclusions as to value or hazards and the identity of the site assessor shall not be disseminated to the public through advertising media, public relations media, news media, sales media, or any other public means of communication without the prior written consent and approval of the environmental site assessor.