June 7, 2004

Mr. Andrew Lonseth Island Senior Community, LLC 755 Winslow Way, Suite 200 Bainbridge Island, Washington 98110

Re: Subsurface Investigation - 240 NW Weaver Avenue Property

Dear Mr. Lonseth:

On June 2, Robinson, Noble & Saltbush, Inc. personnel conducted a Phase II Environmental Site Assessment (ESA) at 240 NW Weaver Avenue, Bainbridge Island, Washington (Figure 1). The subject site is generally located in the southwest quarter of the southeast quarter of Section 27, Township 25 North, Range 02 East, W.M. Kitsap County. The property is indicated as one tax parcel assigned account number 272502-4-006-2000. This site consists of approximately 4.10 acres of land improved with one permanent structure, a small cottage/shed, at the southwest corner of the property. The site lies in an area that is a mixture of residential and forested land. The purpose of the study was to evaluate the presence/absence of volatile organic compounds (VOCs) and total metals (lead, chromium, cadmium, arsenic, and mercury).

A review of recommendations contained in previous reports indicated that the historical use of the site had the potential to cause adverse impact and that further investigation was warranted. Previous uses of the property included boat repair and maintenance, as well as several office and storage spaces set aside for general contracting (painting). Samples of the subsurface were obtained using direct-push techniques utilizing a Strataprobe SP-11 drilling rig. The drilling work was accomplished by Environmental Services Network (ESN) of Lacey, Washington.

Prior to drilling, a site reconnaissance was conducted in order to avoid damaging utilities with the drilling equipment. On June 2, a representative of Robinson, Noble, & Saltbush was on site to conduct field investigation during drilling. A total of 12 borings were drilled to investigate subsurface conditions. These borings are labeled "B1" through "B12" and the location of each is shown on Figure 1.

At each boring location, casing was advanced until either groundwater was encountered or the subsurface materials became too hard to advance the boring deeper. Each boring was completed to a total depth of eight feet with the exception of B12, which was completed to ten feet. The soil core from each boring was screened in the field for both visual signs of contamination (i.e. staining, sheens, or odors) and using a hand-held photo ionization detector (PID) to measure for potential organic compounds. With the exception of B2, field screening did not reveal the presents of any contamination. In soil from B2, the PID indicated a very low-level concentration of organic material (1 ppm).

The upper material encountered in the borings is interpreted to be fill (it appeared to be disturbed). In borings B1 through B6 and in B9 (generally the southwest portion of the site), the thickness of this fill material ranged from five to six feet. In the remaining borings (B7, B8, and B10 through B12; generally the eastern portion of the site), the fill material was significantly thinner, ranging from one to three feet. Below the fill material in each boring, the first one to two feet of native materials observed consisted generally of moderately loose, brown, silty sand and gravel. This material was, in turn, underlain by dense, grey, sandy gravelly silt.

Ground water was not present in B8 and B9. Ground water in the remaining borings occurred generally within the loose layer of silty sand and gravel and appears to be perched on the denser, underlying silt unit. This particular groundwater zone appeared to occur at an elevation just slightly higher (one to three feet depending on location) than the observed high tide level along the adjacent shoreline of Eagle Harbor (Figure 1). A small pump was used to collect groundwater samples in the borings containing water. Samples were subsequently submitted to Libby Environmental, LLC of Olympia for analysis of volatile organic compounds (VOCs) and total metals (lead, chromium, cadmium, arsenic, and mercury).

The laboratory results did not reveal the presence of any organic compounds at levels above applicable MTCA limits (analytical reports are attached). However, some metals above Model Toxic Controll Act (MTCA) method A cleanup levels were found. The results of the water sampling are presented in Table 1. Additionally, soil samples were collected in each boring, generally at or near the groundwater interface. The soil samples were also submitted to the laboratory but are currently pending analysis.

Table 1

Boring	Borehole Depth (ft)	Lead (mg/l)	Chromium (mg/l)	Cadmium (mg/l)	Arsenic (mg/l)	Mercury (mg/l)
MTCA Cleanup Level		0.005	0.015	0.005	0.050	0.005
B-1	8	0.021	0.04	nd	0.082	nd
B-2	8	0.021	0.03	nd	0.035	nd
B-3	8	0.018	0.05	nd	nd	nd
B-4	8	0.042	0.07	nd	0.027	nd
B-5	8	0.19	0.08	nd	0.045	nd
B-6	8	0.005	0.02	nd	0.034	nd
B-7	8	0.11	0.76	nd	0.12	nd
B-8*	8					
B-9*	8		q			
B-10	8	0.027	0.04	nd	0.047	nd
B-11	8	0.092	0.36	nd	0.06	nd
B-12	10	0.067	0.18	nd	0.025	nd

nd indicates not detected at above laboratory detection limits

Bold indicates concentrations of analytes above MTCA Method A cleanup levels

^{*} no water sample collected

Island Senior Communities June 7, 2004 Page 3

Based on the above results the ESA conducted by Robinson, Noble & Saltbush at 240 NW Weaver Avenue Bainbridge Island, Washington did detect evidence of contamination in the vicinity of the site. Each of the borings tested exceeded one or more of the MTCA method A clean up levels for metals in groundwater. Additionally the concentrations of lead, arsenic, and chrome in ground water above MTCA Method A cleanup levels for ground water represent a condition that must be reported to the property owner as established in WAC 173-340.

This study was only designed to evaluate the presence or absence of impact to the subject property. Therefore, it is not possible to determine the ultimate resolution to the contamination issues presented herein. Determining such resolution will require additional investigation. Consequently, based on the information gathered to date, further investigation is recommended and should include at a minimum the following:

- •The analysis of soil samples collected during this investigation and if appropriate additional subsurface soil sampling to evaluate the presence and extent of any soil contaminant plumes
- •The installation of a ground water monitoring well network and its subsequent periodic sampling for both total and dissolved concentrations of lead, arsenic, and chromium

Depending on the results of such further investigation, it is equally possible that either corrective action strategies could be accurately determined or that yet further investigation could be needed to reach the point of selecting an appropriate, corrective solution.

Thank you for this opportunity to provide our expertise to this project. If you have any questions or require further assistance with this matter, please do not hesitate to contact us.

Sincerely,

Robinson, Noble & Saltbush

Richard A. Bieber

Project Hydrogeologist

John F. Hildebrand Associate Environmental Scientist

enclosure

The statements, donclusions and ecommendations provided in this report are to be exclusively used where this document. They are based upon generally accepted environmental and hydrogeologic practices and are the result of analysis by Robinson, Noble & Saltbush, Inc. staff. This report, and any attachments to it, is for the exclusive use of Island Senior Communities, LLC. Unless specifically stated in the document, no warranty, expressed or implied, is made.

lydrogeologist 306



