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August 21, 2006
Adapt Engineering, Inc. Project No. WA06-14230-PHU

Acrowood Corporation, Inc.
4425 South 3rd Avenue
Everett, Washington 98206

Attention: Mr. Phil Hutmaker

Subject: Phase I Environmental Site Assessment Update
Acrowood Corporation Facility
4425 South 3rd Avenue
Everett, Washington 98206

Dear Mr. Hutmaker:

Adapt Engineering, Inc. (Adapt) is pleased to present the results of our Phase I Environmental Site Assessment Update for the above-referenced property. The original Phase I was completed by Adapt Engineering, Inc., Inc. (Project WA99-2582, dated August 20, 1999). The present assessment update was performed in general accordance with ASTM Practice E 1527-00 requirements. Authorization to perform this project was given in the form of a proposed scope of work and cost estimate (Adapt proposal No. P-2973, dated August 14, 2006) signed by Mr. Phil Hutmaker of Acrowood Corporation, Inc.

Adapt appreciates the opportunity to be of service to you on this project. Should you have any questions concerning this report, or if we can assist you in any way, please feel free to contact us at (206) 654-7045.

Respectfully Submitted,

Adapt Engineering, Inc.

Charles C. Cacek, L.E.G.
Senior Project Manager

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Attachments: Appendix A - Figures
Appendix B – Photographs
Appendix C – Adapt Phase I ESA Report
Appendix D – Adapt Closure Report (text and figures only)

1.0 INTRODUCTION

1.1 Purpose

The purpose of the Phase I Environmental Site Assessment (Phase I) Update is to evaluate the subject site for readily apparent recognized environmental conditions. The original Phase I was completed by Adapt Engineering, Inc., Inc. (Project WA99-2582, dated August 20, 1999). Hereinafter, these previous assessments are referred to collectively as "prior environmental assessments." Where applicable, the Phase I Update also strives to satisfy one of the requirements to qualify for the *innocent purchaser/landowner defense* to Comprehensive Environmental Response, Compensation and Liability Act, 42, U.S.C. 9601, et seq. (CERCLA) liability. The Washington Model Toxics Control Act (MTCA), Chapter 70.105D Revised Code of Washington (RCW) has a similar provision for exemption from liability. The Phase I Update endeavors to provide "*all appropriate inquiry into the previous ownership and uses of the property consistent with good commercial or customary practice in an effort to minimize liability*" as stated in CERCLA and MTCA.

1.2 Special Terms and Conditions

Authorization to perform this project was given in the form of a proposed scope of work and cost estimate (Adapt proposal No. P-2973, dated August 14, 2006) signed by Mr. Phil Hutmaker of Acrowood Corporation, Inc.

1.3 Scope of Work

The scope of work for this study consisted of gathering reasonably ascertainable information in general accordance with the American Society for Testing and Materials (ASTM) Standard Practice for Phase I Environmental Site Assessments (ASTM Practice E 1527-00). Specifically, this Phase I update consisted of the following:

- A review of the prior environmental assessments performed for the subject site.
- A reconnaissance to assess the subject site and immediate area surrounding the subject site for recognized environmental conditions.
- A review of regulatory agency (U.S. Environmental Protection Agency, Washington State Department of Ecology, etc.) database lists, and individual site files, if necessary, to evaluate reported environmental concerns near the subject site.
- Preparation of a report documenting the findings of the Phase I Update and our opinion of the possibility that contamination of the subject site may exist due to on-site or nearby off-site land use activities.

1.4 Limitations

This assessment is intended to provide the client with information regarding apparent suspicions of existing and potential recognized environmental conditions associated with the subject property. Adapt warrants that this Phase I Environmental Site Assessment Update was performed using generally accepted, good commercial and customary environmental assessment practices. Adapt believes that the information obtained from the records review

and the interviews concerning the site is reliable. However, Adapt cannot and does not warrant or guarantee that the information provided by these other sources is accurate or complete. No other warranty, either implied or express is given.

Environmental impairment of property because of activities such as illicit or unreported dumping or spilling of hazardous or deleterious materials may not be readily apparent. The opinions and conclusions presented in this report are based on information readily available at the time of the assessment. The collection of quantitative information, such as data generated by the analysis of soil or water samples, was beyond the scope of this assessment. The Phase I Update does not address the ASTM Phase I non-scope issues of radon, lead in drinking water, and wetlands. Other project specific limitations are presented in the appropriate sections of this report.

This report has been prepared for the exclusive use of Acrowood Corporation, Inc., and their agents for specific application to the project site. Use or reliance upon this report by a third party is at their own risk. Adapt does not make any representation or warranty, express or implied, to such other parties as to the accuracy or completeness of this report or the suitability of its use by such other parties for any purpose whatever, known or unknown, to Adapt.

2.0 SITE AND PROJECT DESCRIPTION

A Location/Topographic Map (Figure 1), Parcel Map (Figure 2) and Site Vicinity Plan (Figure 3) and Site Map (Figure 4) are included in Appendix A of this report. Photographs of the site are included in Appendix B. Portions of prior environmental assessment reports are included in Appendices C and D.

2.1 Location

The subject site is located at 4225 South Third Avenue in Everett, Snohomish County, Washington (Section 32, T.29 N., R.5 E., W.M.). The property is located in an area of mixed commercial, industrial, and residential development.

2.2 Site and Vicinity Characteristics

The subject site is an elongate, triangular-shaped property that includes six tax parcels. The tax parcel numbers, including reported acreage, are listed below.

Parcel No.	Acreage	No. of Structures
322905-2-001-0009	10.00	twelve (12) + partial
322905-2-002-0008	3.84	partial (1) Office/lab
322905-2-014-0004	1.39	none
322905-2-059-0000	4.85	none
5005-003-012-0004	0.74	none
292905-05	0.25	none
Total	**21.07**	**13**

The subject site is bordered on the east by the Burlington North Railroad tracks, beyond which is vacant land; on the south by Lowell Park; on the north by automobile repair shops and "bone yards"; and on the west by residential and commercial structures, beyond which is South Third Avenue.

According to the United States Geological Survey (USGS) 7.5 minute series topographic map "Everett" (1953 photo revised in 1973), the subject site is at an elevation of approximately 20 to 60 feet above mean sea level. Topographically, the western edge of the subject site slopes moderately to the east. The central portion of the subject site has been graded level. The eastern edge of the subject site slopes moderately to steeply to the east.

2.3 Description of Improvements

The subject site is currently developed with 13 existing structures and two parking lots. Table 1 summarizes the description of each structure. The structures are located in the northern and central portion of the subject site. The southern portion of the subject site currently is vacant and overgrown with blackberry bushes, trees and weeds. One of the parking lots is located above and west of the main building (building #1). The second parking lot is located adjacent and to the north of building 11. The areas of the site between each building are covered with gravel. The subject site currently is serviced by natural gas, electrical and water utilities and sanitary sewer. No additional structures have been built on the site since the time of the original assessment.

Table 1: Description of Onsite Structures*

Bldg #	Year Built	Construction type	Square footage	Building Description
1	1913	Wood frame w/concrete slab	122,092	Main Building: includes the machine shop and the old foundry, air compressors, maintenance, blacksmith, fabrication shops and miscellaneous storage rooms and areas; west central portion used for offices,
2	1913	2-story wood framed	3,676	Storage of old foundry patterns
3	1945	3-story Block/concrete	4,185	Storage of old foundry patterns
4	1948	1-story Block/concrete	4,746	Storage of old foundry patterns
5	1913	1-story Wood framed and floor	4,376	Storage area for old equipment and parts; wood working for building wooden shipping boxes for manufactured equipment
6	1962	1-story Wood framed	918	Storage of old foundry patterns
7	1957	1-story wood framed	360	Testing of new equipment
8	1947	1-story wood framed with dirt floor	1,542	Garage; parking and storage of competed shipping boxes.
9	1948	Masonry block w/ concrete slab	324	Used for storage of paints and toluene
10	1942	1-story block	174	Unused formerly a laboratory for the foundry
11	1970	2-story	10,112	Main Administration office building;
12	1976	Metal	2,000	Customer equipment testing room
13	?	Open Wood Frame	1,122	Storage area

*See Figure 3 for location of buildings

3.0 SUMMARY OF THE PRIOR ENVIRONMENTAL ASSESSMENTS

Phase I
Adapt previously completed the following environmental assessment reports for the subject property:

- Phase I Environmental Site Assessment, Acrowood Corporation Facility, 4425 South 3rd Avenue Everett, Washington (Completed for Acrowood Corporation, Adapt report No. WA99-2582, dated August 20, 1999).

- Preliminary Phase II Environmental Site Assessment Acrowood Corporation Facility, 4425 South 3rd Avenue Everett, Washington (Completed for Acrowood Corporation, Adapt report No. WA99-2877-2, dated November 30, 1999).

- Supplemental Phase II Environmental Site Assessment Acrowood Corporation Facility, 4425 South 3rd Avenue Everett, Washington (Completed for Acrowood Corporation, Adapt report No. WA99-2877-2, dated May 23, 2000).

- Groundwater Monitoring Well Installation and First Quarter Groundwater Quality Monitoring Report, Acrowood Corporation Facility, 4425 South 3rd Avenue Everett, Washington (Completed for Acrowood Corporation, Adapt report No. WA99-2877-3, dated August 29, 2000).

- Second Quarter Groundwater Quality Monitoring Report, Acrowood Corporation Facility, 4425 South 3rd Avenue Everett, Washington (Completed for Acrowood Corporation, Adapt report No. WA99-2877-3, dated December 6, 2000).

- Third Quarter Groundwater Quality Monitoring Report, Acrowood Corporation Facility, 4425 South 3rd Avenue Everett, Washington (Completed for Acrowood Corporation, Adapt report No. WA99-2877-3, dated March 14, 2001).

- Fourth Quarter Groundwater Quality Monitoring Report, Acrowood Corporation Facility, 4425 South 3rd Avenue Everett, Washington (Completed for Acrowood Corporation, Adapt report No. WA99-2877-3, dated July 2, 2001).

- Closure Report, Acrowood Corporation Facility, 4425 South 3rd Avenue Everett, Washington (Completed for Acrowood Corporation, Adapt report No. WA99-2877-3, dated January 18, 2002).

The Closure Report was prepared to summarize all past site environmental work and assess the risk of identified contaminants to human health and the environment. In addition, the report was completed with the option to be submitted to fee-based review under the Washington Department of Ecology's (Ecology) Voluntary Cleanup program. The Executive Summary of this report stated as follows:

> *"The site is located at 4425 South Third Avenue, in Everett, Washington. The site was first developed in the late 1890s/early 1900s as an iron foundry. The site was then used as a metal fabrication facility from the early 1970s to approximately 1984, and is currently used for metal fabrication of cutting, chipping and sorting equipment for the lumber industry. During subsurface assessments conducted in 1999 and 2000 by LSI*

ADAPT, site soils and groundwater were found to contain pockets of soils with elevated levels of diesel and heavy oil range hydrocarbons, polynuclear aromatic hydrocarbons (PAHs) and trichloroethene (TCE).

After a review of site conditions, it does not appear that site soil conditions pose a significant threat to human health, and the environment. Site soil conditions meet the criteria for site closure as provided by the Washington State Model Toxics Control Act (MTCA) Method B.

Although site groundwater is impacted with TPH and TCE above the criteria defined by MTCA Unrestricted Use, the exhibited groundwater concentrations passes the criteria for MTCA Method B Potable Groundwater Protection, and importantly, evidence does not indicate that significant concentrations of analytes are migrating off site. Risk-based calculations indicate existing on-site concentrations of PAHs in groundwater do not pose unacceptable levels of risk to future industrial site development.

Based on this information, which is discussed in detail below, ADAPT believes the site qualifies for a "no further action" (NFA) letter. We understand that restrictive covenants, as determined by Ecology, may be an appropriate condition for the NFA."

A copy of the Phase I ESA report is included in Appendix C, and a copy of the Closure Report (text and figures only) is included in Appendix D.

4.0 RESULTS OF RECONNAISSANCE

4.1 On-Site Inspection Observations

An Adapt representative conducted a reconnaissance of the project site on August 16, 2006. The purpose of the site reconnaissance was to evaluate current conditions and to look for recognized environmental conditions. The reconnaissance consisted of walking on and observing the subject site to provide an overlapping field of view. Adapt was escorted through the property by Mr. Phil Hutmaker, the controller for Acrowood.

Table 1 summarizes Adapt's observations of the subject property. A discussion of the observed environmental concerns follows Table 1.

TABLE 1
SITE RECONNAISSANCE OBSERVATIONS

Environmental Concerns	Observed by Adapt? Subject property
Above ground indications of underground storage tanks (USTs).	No
Above ground storage tanks of hazardous substances or petroleum.	**Yes**
Drums or other containers of hazardous substances or petroleum.	**Yes**
Surface staining on soil, pavement, or other surfaces that is indicative of a hazardous substance or petroleum release.	**Yes**
Strong, pungent, or noxious odors.	No
Stressed vegetation.	No
Pits, ponds, or lagoons used in connection with waste disposal or waste treatment.	No
Indication of fill including soil or solid waste.	**Yes**
Debris piles or illicit waste disposal including possible suspect asbestos-containing material waste.	No

TABLE 1 SITE RECONNAISSANCE OBSERVATIONS	
Environmental Concerns	**Observed by Adapt?** **Subject property**
Drains or sumps.	**Yes**
Equipment that may contain polychlorinated biphenyls (PCBs).	**Yes**
Wells including water wells, abandoned wells, monitoring wells, and dry wells.	**Yes**
Septic systems.	No
Possible lead-based paint that may be disturbed.	**Yes**
Suspect asbestos-containing materials	**Yes**
Other environmental concerns.	No

General Observations
Our site reconnaissance found on-site conditions similar as those described in the 1999-2001 site reports. The subject site continues to operate as a foundry and factory that fabricates large-scale chipping equipment for the wood products industry. The property is an elongate, north-south-oriented parcel that is developed with thirteen buildings, including an office building and asphalt-paved parking lot on the central portion of the property, with the balance of the buildings and operations on the northern portion of the site (see Figure 3). The southern portion of the site remains undeveloped. The site is accessed from South 3rd Avenue and an elevated parking area located on the western portion of the north side of the site, and a driveway off of South 3rd Avenue farther to the south. The non-building areas on the northern portion of the site are primarily gravel-surfaced. The western margin of the north half of the site is marked by a steep, ascending embankment that diminishes in a southerly direction, and a retaining wall supports the northern portion of the eastern side of the site.

The site reconnaissance did not reveal signs of the presence of the following on the subject site: underground storage tanks containing hazardous substances; lagoons; landfills; pipelines; hazardous waste disposal areas including sumps, pits, ponds; dead and chemically stressed vegetation; discarded electrical transformers and capacitors; construction materials suspected to contain hazardous materials; obvious locations of past and present chemical disposal.

Used Oil AST
We observed one ~500-gallon capacity used oil above ground storage tank located in building #1 (Photo 11). The tank was located within a covered area with secondary containment. While minor surficial staining was apparent in the area of the tank, we did not observe obvious signs of significant surficial spillage.

Drums and Hazardous Materials Containers
We observed several 55-gallon drums located adjacent to building #12 and to the south of building #4. According to the site operator, these drums were either empty or contained wood chips. We observed eight 55-gallon drums of fresh lube oil, hydraulic oil, coolant, and other heavy-end petroleum product stored within the southern portion of building #1. The drums were stored horizontally on saddles, with a secondary spill control basin located under the spigots (Photo 2). Some surficial spillage was observed, but it appeared limited in extent, and was being managed with dry sorbent compound.

We observed approximately twenty (20) used oil and coolant drums stored in a covered area immediately to the south of the used oil AST in the southern portion of building #1 (Photo 10). No

obvious spillage was observed in this location. However, the drums were not provided with secondary spill prevention containment.

We observed three-55 gallon drums containing toluene, and one drum containing used paints within building #9, along with numerous smaller (one to 5-gallon) paint and lacquer containers (Photo 5). We did not observe signs of significant staining or spillage associated with the drums. However, the drums were not provided with secondary containment.

Surficially Stained Pavement and Soils
We observed stained surficially soils in the vicinity of the "pressure" tank adjacent to the north-central portion of building #1 (Photo 9). We also observed stained, paved surfaces within building #1 adjacent to fabrication machinery, within the compressor room, and in the fresh oil storage drum area.

Fill Soils
Based upon the results of Adapt's previous Phase I and Phase II assessments and discussions with the site operations manager, slag and iron-waste fill generated from past on-site foundry operations are present on the eastern portion of the site. However, past subsurface assessment results indicated that these materials did not exhibit elevated concentrations of lead, arsenic, cadmium, and chromium.

Drains
We observed several catch basins within the gravel-surfaced yard on the northern portion of the property. We also observed surfically stained soils adjacent to the catch basin located under the "pressure" tank. According to Adapt's past reports and the operations manager, the drain outfall is located at the retaining wall on the on the eastern portion of the site (Photo 15). We did not observe any surficial staining at the pipe outfall location.

Visual Asbestos Survey
Adapt conducted a limited visual asbestos-containing material (ACMs) survey of the site buildings. Suspect ACMs observed in the office building included gypsum wall board and joint/spackling compounds, suspended T-grid acoustical tile ceilings, 12-inch tile floors and associated mastic, popcorn ceiling texture, and window glazing. Other possible ACMs may include fire doors, wrapped piping, heating system conduit, and roofing materials that were not viewed at the time of our site visit. Currently, there is no regulatory need, nor does Adapt recommend, that a more thorough sampling survey for the site buildings be performed at this time, unless renovation or demolition activities are anticipated. Prior to demolition or renovation, the local clean air agency and other federal and state regulations require that a U.S. EPA AHERA Building Inspector perform a more thorough asbestos survey. The survey would involve the collection and analytical testing of bulk samples of all suspect ACBM. If an asbestos survey confirms the presence of ACBM in a building, the ACBM must first be removed in accordance with applicable regulations prior to renovation or demolition. Potential costs for addressing asbestos issues are undetermined at this time. Depending on the type of ACBM and the removal method, the removal may need to be performed by state certified asbestos workers. If ACBM materials are present, and not damaged, such materials can usually be managed in place with implementation of an appropriate Operations and Management Plan (O&M).

Lead-Based Paint
The site building had various interior and exterior painted surfaces. Prior to its ban in 1978, lead-based paint was used for all types of structures. Considering the reported construction dates of

the site buildings, it is possible that lead-based paint is present. Adapt observed the paint to be generally in poor to fair condition.

Radon
Physical testing for the presence of radon gas in the site building was not performed. According to Mr. Larry Breuscas of the EPA Region 10 office in Seattle, there is generally a low incidence of radon gas above the EPA's action level of 4.0 picoCuries per liter in homes in the Puget Sound region. Mr. Breuscas said this is generally due to the low permeability and wet condition of the area soils.

Polychlorinated Biphenyls
We observed several fluorescent light fixtures in the site office building and several above-ground electrical transformers associated with building #1 (Photos 6 and 8). Fluorescent light ballasts and electrical transformers manufactured prior to 1979 sometimes contained PCB oils. Ballast without "No PCBs" labels should be assumed to contain PCBs. Based on the reported age of the building, it is possible that the light ballasts contain PCBs. According to the operations manager, the fluid within the electrical transformers have been tested, and one bank of transformers has been shown to contain detectable concentrations of PCBs. These results were not available for Adapt's review at the time of this writing. The controller stated that these transformers are closely monitored, and have not exhibited leaks or structural compromise. We did not observe any obvious signs of leakage or surficial staining associated with the transformers at the time of our site visit.

In case of future repair work, remodeling, or demolition of the fluorescent lights, certain regulations concerning the disposal of the ballasts must be followed. EPA Region 10 has established a policy that PCB ballasts must be disposed of in a chemical waste landfill or in a high-temperature incinerator.

Monitoring Wells
Monitoring wells MW-1, MW-2, and MW-3 associated with Adapt's past site work were observed on the eastern margin of the property (Photos 13 and 15). The well monuments remained locked and appeared surficially in good structural condition at the time of our site visit.

4.2 Adjacent Site and Vicinity Observations

A representative of Adapt conducted a reconnaissance of the area surrounding the subject site on August 16, 2006. The purpose of this reconnaissance was to observe land use in the subject site vicinity and to evaluate the potential for nearby businesses to generate, use, or store hazardous substances that may affect the subject site. The off-site reconnaissance was non-intrusive with the adjoining properties observed from the subject site and public rights-of-way. Use of the adjacent area land has not changed from that reported in the prior Phase I.

East
The property is bordered to the east and downslope by a Burlington Northern Railroad right-of-way and tracks. We did not observe any conditions on this property that appeared to represent a significant environmental risk to the subject site. In addition, this property is not identified on any of the reviewed environmental lists.

South
The subject site is bordered to the south and southeast by Lowell Park. We did not observe any conditions on this property that appeared to represent a significant environmental risk to the subject site. In addition, this property is not identified on any of the reviewed environmental lists.

West
The property is bordered to the west and upslope by mostly residential and a few commercial properties, all of which front 3rd Street to the west. We did not observe any conditions on these properties that appeared to represent a significant environmental risk to the subject site. In addition, these properties are not identified on any of the reviewed environmental lists.

North
The subject property is bordered to the north by a concrete retaining wall, beyond which lay an apparent auto repair shop and possible auto storage yard. Due to the presence of the retaining wall, were unable to directly observe much of these adjacent properties. We did not observe any conditions on these properties that appeared to represent a significant environmental risk to the subject site. In addition, these properties are not identified on any of the reviewed environmental lists.

5.0 STANDARD REGULATORY AGENCY ENVIRONMENTAL RECORD SOURCES

Publicly available and practically reviewable regulatory agency reports generated from databases were reviewed with respect to the host parcel. The reports, obtained from federal, state, and local government agencies, were reviewed in an effort to document any reported environmental concerns that have occurred at the host parcel or in the surrounding area. Sites or facilities appearing on the reviewed reports, within a certain search distance of the host parcel, are discussed below. The search distances Adapt utilizes for Phase I reports meet those specified in ASTM Practice E 1527-00.

Table 2 summarizes the regulatory agency reports that were reviewed. The table includes the regulatory agency report, the date of the report, the search distance, and the number of sites or facilities situated within the search distance.

TABLE 2
SUMMARY OF REGULATORY AGENCY REPORTS

Report	Report Date	Search Distance	Sites Within Search Distance
National Priorities List (NPL)	7/14/06	1 Mile	0
Comprehensive Environmental Response, Compensation, and Liability Information System (CERCLIS)	7/14/06	0.5 Mile	0
CERCLIS No Further Remedial Action Planned (NFRAP)	7/14/06	Property & Adjoining	0
Resource Conservation and Recovery Information System (RCRIS) Generators	2/14/06	Property & Adjoining	1
RCRIS non-CORRACTS Treatment, Storage and Disposal (TSD) Facilities	2/15/06	0.5 Mile	0
Corrective Action Report (CORRACTS)	05/13/05	1 Mile	0
Emergency Response Notification System (ERNS)	12/31/99	Property Only	0

TABLE 2 SUMMARY OF REGULATORY AGENCY REPORTS			
Report	**Report Date**	**Search Distance**	**Sites Within Search Distance**
Washington State Department of Ecology (Ecology) Confirmed and Suspect Contaminated Sites List (CSCSL)	7/20/06	1 Mile	**4**
Ecology's Solid Waste Facilities List	October 2005	0.5 Mile	0
Ecology's Listing of Registered Underground Storage Tanks (USTs)	7/20/06	Property & Adjoining	0
Ecology's Listing of Leaking Underground Storage Tanks (LUSTs)	7/20/06	0.5 Mile	**1**

5.1 CERCLIS, NFRAP and NPL

The CERCLIS database is used by EPA to track activity conducted under the Superfund program including sites that represent a long-term threat and are classified on the National Priorities List (NPL). **A review of the EPA's on-line listing (www.epa.gov/superfund) of Superfund program sites (dated July 14, 2006) did not reveal CERCLIS or No Further Remedial Action Planned Sites (NFRAP) sites located within approximately one-half mile of the subject site, nor NPL sites located within approximately one mile of the subject site.**

5.2 Confirmed and Suspected Contaminated Sites Report

Ecology's Confirmed and Suspected Contaminated Sites (CSCS) report is an inventory of suspected or confirmed hazardous substance sites in the state of Washington. **A review of the CSCS report (dated July 20, 2006) included the four CSCS facilities located within approximately one mile of the subject site as follows:**

- Quaker State Minit Lube, 3601 Broadway, 29th Avenue West, confirmed petroleum products in soil, suspected in groundwater. Ecology status "4". Located approximately ¾ mile WNW of the subject site.

- Clyde Pitcher Site, 2202, 36th Street, suspected halogenated and non-halogenated organics and other metals, and confirmed petroleum products and priority metals in soil. Ecology status "4". Located approximately one mile north of the subject site.

- Hansen Towing, 3813/3827 Rucker, confirmed petroleum products, non-halogenated solvents, and PAHs in soil, suspect priority and other metals in soils, suspect petroleum products, non-halogenated solvents, PAHs, priority and other metals in groundwater. Ecology status "4". Located approximately one mile north of the subject site.

- Unocal Station No. 3604, 4101 Rucker Avenue, 3220 – 100th Street SW, confirmed petroleum products in soil and groundwater. Ecology status "4". Located approximately ¾ mile west of the subject site.

These C&SCS facilities are situated in positions that are hydrologically non-tributary to the subject site. Based on the topography, assumed groundwater migration direction, and confirmed impacted media, it is unlikely the reported contamination at these facilities would migrate to the subject site.

5.3 RCRA Total Notifiers, TSD, and CORRACTS TSD

The RCRA total notifiers report is a list of regulated generators, handlers, transporters, and disposers of hazardous materials. Listing on the RCRA report does not indicate a facility has been adversely affected by a hazardous material, but merely that the facility is required to monitor and document hazardous waste activities to the EPA or Ecology. **The reviewed RCRA total notifiers report (dated February 14, 2006) includes the subject site as a conditionally exempt generator. Based upon our query of Ecology files, no supplemental information was available for our review. The list did not include the adjacent properties.**

The RCRA total notifiers report does not include TSD facilities located within one-half mile of the subject site.

The TSD CORRACTS report (dated February 15, 2006) did not include any TSD CORRACTS facilities situated within one mile of the subject site as follows:

5.4 Underground Storage Tanks

Ecology's report of USTs includes USTs that have been registered with the state of Washington, in accordance with the Washington UST Regulations (Chapter 173-360 WAC). **The reviewed report (dated July 20, 2006) did not indicate any registered USTs on the subject site or adjacent properties.**

Adapt reviewed Files for the site provided by the City of Everett's Fire Marshall's office. Their records did not indicate installation or removal of USTs at the site.

5.5 Leaking Underground Storage Tanks

Ecology's leaking UST (LUST) list is limited to reported leaking USTs. **A review of Ecology's listing of LUST facilities (dated July 20, 2006) revealed the following LUST site within approximately one-half mile of the subject site.**

1. Gai's Bakery, 3931 Smith Street, impacted media "soil (reported Cleaned Up). Located over ¼ to ½ mile to the north of the site.

This confirmed LUST facilities is situated in positions that appear to be distant and hydrologically non-tributary to the subject site. In addition, the site status is listed as "reported Cleaned up." Therefore it is unlikely the reported contamination at the facilities would migrate to the subject site.

5.6 Emergency Response Notification System Spill Report

The Emergency Response Notification System (ERNS) Spill Report is a national database used to collect information on reported accidental releases of oil and hazardous substances. The database contains information from spill reports made to federal authorities including the EPA, the United States Coast Guard, the National Response Center, and the United States Department of

Transportation. **A review of the yearly ERNS lists, dated from January 1987 through December 31, 1999 did not reveal the subject site to be listed.**

Adapt reviewed files for the site provided by the City of Everett's Fire Marshall's office. The records did not indicate any hazardous materials spill, incidences, responses or complaints for the site.

5.7 Landfills

Adapt reviewed Ecology's annual report of solid waste facilities located in the state of Washington, the latest of which is for October 2005, for landfills located with approximately one-half mile of the subject site. **A review of the document revealed no listed landfills located within one-half mile of the subject site.**

6.0 CONCLUSIONS AND RECOMMENDATIONS

Based upon the visual evaluation of the subject site and immediate surrounding area, the review of regulatory agency environmental lists, and the past Phase I, Phase II, and groundwater monitoring assessment reports and discussions with site personnel, site activities and operations have generally remained the same since the time of our previous assessments. However, one surficially stained area was noted in the vicinity of the "pressure" tank that was not noted in the Phase I.

Past subsurface assessments revealed areas of limited soil and groundwater impacts which included;

- **Paint Storage Building** - chlorinated solvents present in soil and groundwater in excess of MTCA Method A cleanup levels. Subsequent soil and groundwater sampling suggested these contaminants are limited in occurrence.

- **Former heating Oil UST** – diesel and heavy oil present in soil at concentrations slightly above MTCA Method A cleanup level. Subsequent soil sampling suggested these contaminants were limited in occurrence.

- **Former Fuel Oil Tanks** - diesel and heavy oil present in soil at concentrations slightly above MTCA Method A cleanup level. Subsequent installation of three groundwater monitoring wells and periodic groundwater sampling did not indicate significant peripheral impacts to groundwater in the vicinity. Also, subsequent soil sampling suggested these contaminants were limited in occurrence.

Limited sampling within the slag fill areas and at the stormwater outfall location did not suggest significant contaminant impacts in either of these locations.

Our previous *Closure Report*, (dated January 18, 2002), was completed to address the subsurface conditions at the site, and as was stated within the report, could be submitted to the Washington Department of Ecology for fee-based review under the Voluntary Cleanup Plan. This document concluded that the assessed site conditions did not represent a significant environmental risk to the site, and the identified soil/groundwater contaminant plumes appeared to be limited laterally and vertically, and did not appear to extend beyond property boundaries. However, due to the presence of impacted subsurface media, a restrictive covenant would likely

be required by Ecology as a part of their evaluation. It is also possible that Ecology could request additional assessment work at the site.

In Adapt's opinion, it would be prudent to submit our previous Closure Report to Ecology for review under the fee-based Voluntary Cleanup Program for their review and comment. The response will provide a regulatory opinion with regard to assessed site conditions, and may provide current or future lenders a higher confidence level concerning environmental risk associated with the site.

Though not an immediate concern, Adapt observed the following conditions at the site which may not be in compliance with industry Best Management Practices (BMPs);

- Surficial staining associated with the catch basin located under the "pressure" tank – It would be prudent to control the source of surficial staining at this location, and possibly decommission this catch basin, if not in use.

- Some of the hazardous material drum storage areas died not include secondary spill prevention containment – It would be prudent to provide secondary containment of all hazardous materials drums and containers.

Non ASTM Issues

Asbestos-Containing Material

Adapt completed a limited visual asbestos survey of the site buildings. Suspect asbestos-containing building materials (ACBMs) observed within the buildings included may include gypsum wall board and joint/spackling compounds, window glazing, suspended acoustical tile ceilings, linoleum tile flooring and associated mastic, and popcorn-type ceiling texture. Other potential ACBMs not observed during our survey may include fire doors, wrapped piping, heating system conduit, and roofing materials. Currently, there is no regulatory need, nor does Adapt recommend, that a more thorough sampling survey for the site buildings be performed at this time, unless renovation or demolition activities are anticipated. Prior to demolition or renovation, the local clean air agency and other federal and state regulations require that a U.S. EPA AHERA Building Inspector perform a more thorough asbestos survey. The survey would involve the collection and analytical testing of bulk samples of all suspect ACBM. If an asbestos survey confirms the presence of ACBM in a building, the ACBM must first be removed in accordance with applicable regulations prior to renovation or demolition. Potential costs for addressing asbestos/lead-based paint issues are undetermined at this time. Depending on the type of ACBM and the removal method, the removal may need to be performed by state certified asbestos workers. If ACBM materials are present, and not damaged, such materials can usually be managed in place with implementation of an appropriate Operations and Management Plan (O&M).

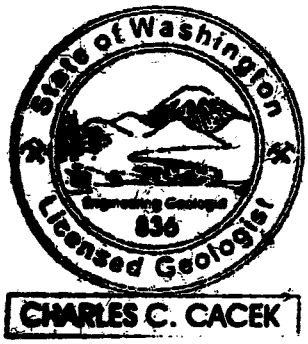
Lead-Based Paint

Considering the reported ages of the site buildings, it is possible that lead-based painted surfaces are present. We recommend that Occupational Safety and Health Administration (OSHA) regulations be followed whenever paint that contains lead, regardless of the concentration, will be disturbed (e.g., during renovation or demolition).

Adapt appreciates the opportunity to be of service to you on this project. Should you have any questions concerning this report, or if we can assist you in any way, please contact us at (206) 654-7045.

Respectfully Submitted,

Adapt Engineering, Inc.



Charles C. Cacek, L.E.G.
Senior Project Manager

(For)
Daryl S. Petrarca, L.H.G.
Principal

CCC/ccc

APPENDIX A

FIGURES

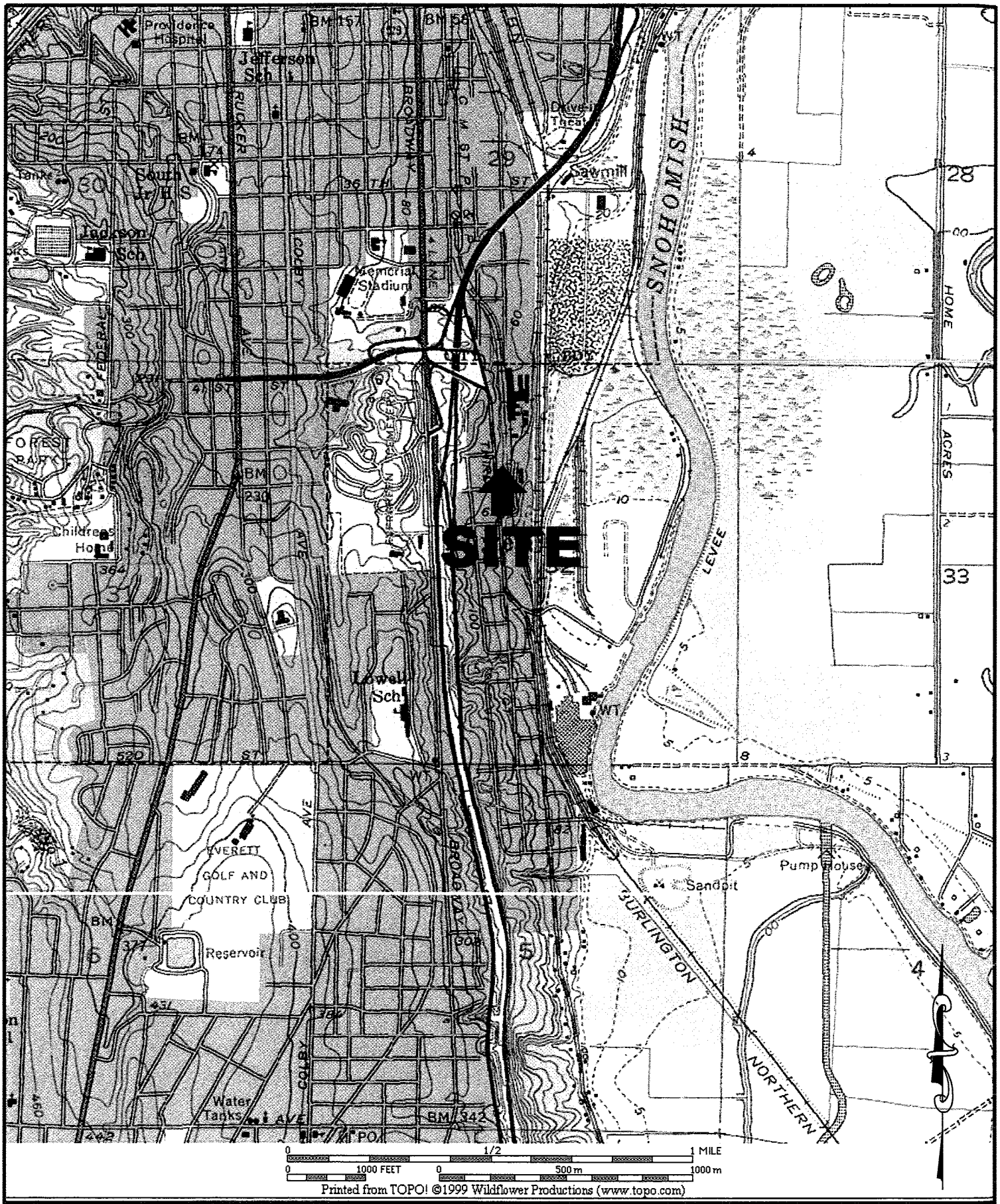


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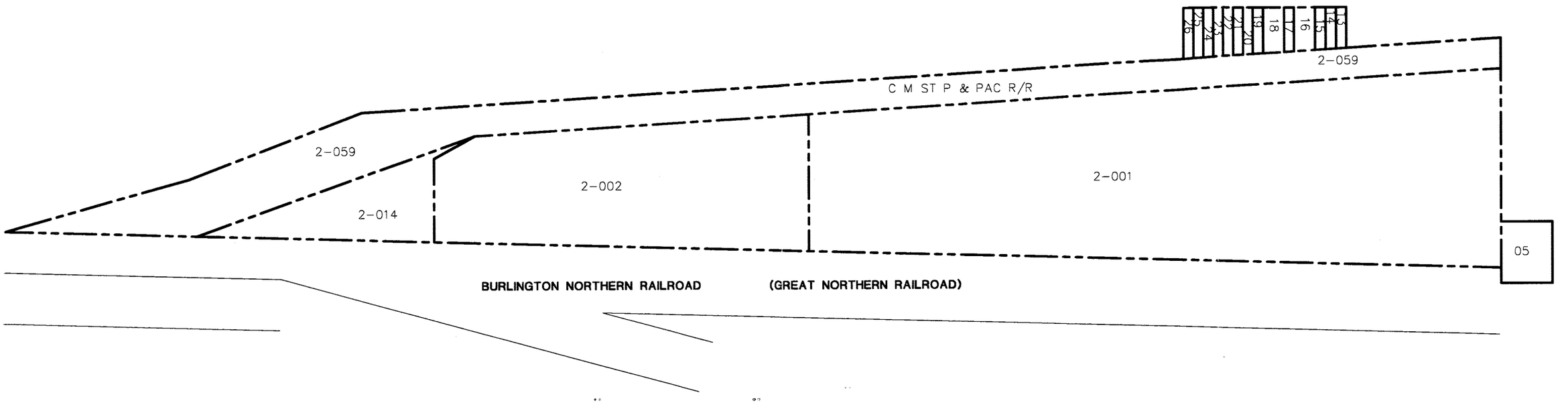
FIGURE 1 - Location/Topographic Map

Project : Acrowood Everett
Location : 4425 3rd Avenue
Everett, WA 98206
Client : Acrowood Corporation
Project No : WA06-14230-PHU **Date** : 08/17/06

PRIMARY STATE HIGHWAY NO 1 (SR 5)



NE-32-29-5

NOT TO SCALE

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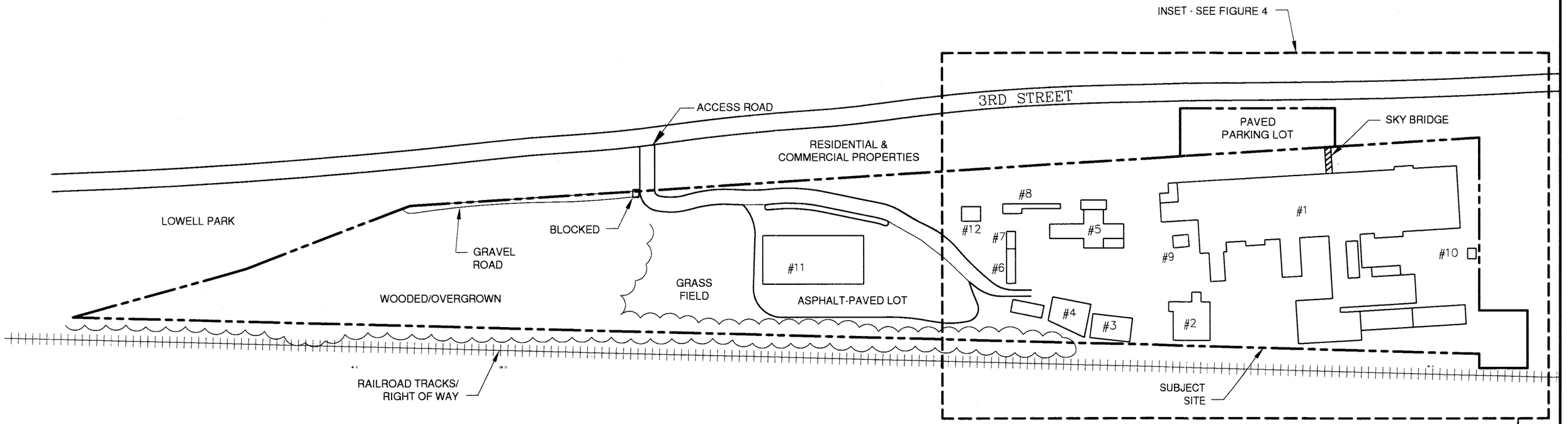
FIGURE 2 - Parcel Map

Project : Acrowood Everett
Location : 4425 3rd Avenue
Everett, WA 98206
Client : Acrowood Corporation
Project No : WA06-14230-PHU **Date** : 08/17/06



BUILDINGS:

- #1 - MACHINE SHOP AND FOUNDRY
- #2 - PATTERN STORAGE
- #3 - PATTERN STORAGE
- #4 - PATTERN STORAGE
- #5 - WOOD WORKING AND PARTS STORAGE
- #6 - PATTERN STORAGE
- #7 - EQUIPMENT TESTING
- #8 - PACKING & SHIPPING BOX STORAGE
- #9 - PAINT AND CHEMICAL STORAGE
- #10 - FORMER LABORATORY
- #11 - MAIN OFFICE BUILDING
- #12 - CUSTUME EQUIPMENT TESTING ROOM

NOT TO SCALE

ADAPT

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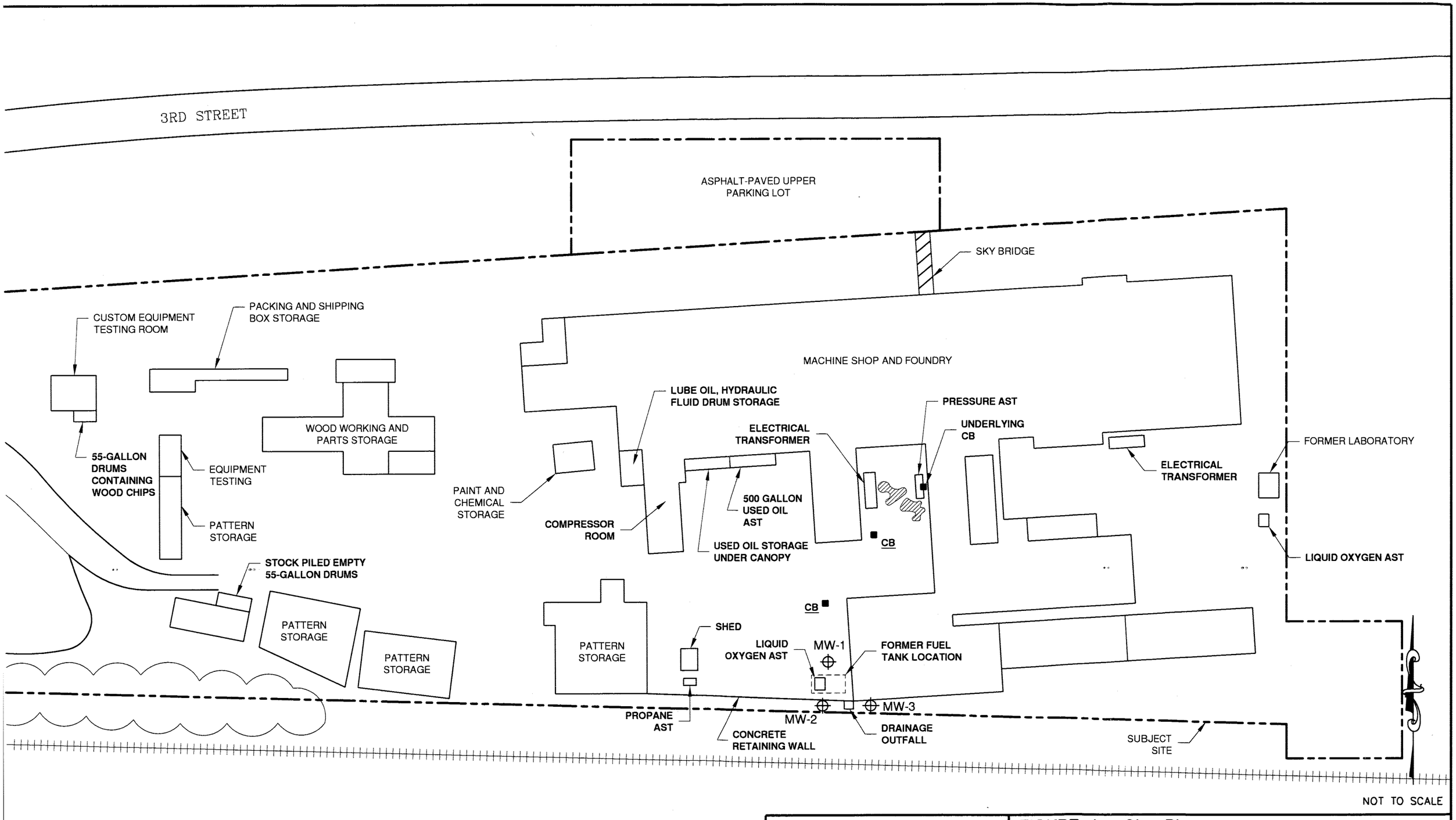
FIGURE 3 - Site and Vicinity Plan

Project : Acrowood Everett
Location : 4425 3rd Avenue
Everett, WA 98206
Client : Acrowood Corporation
Project No : WA06-14230-PHU **Date** : 08/17/06



ADAPT

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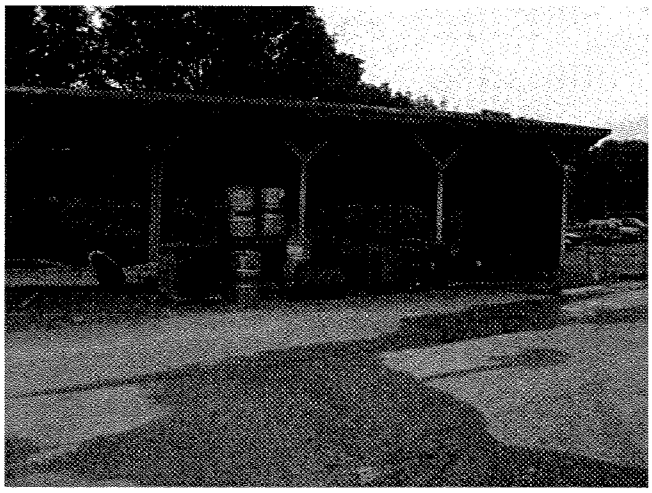
FIGURE 4 - Site Plan

Project : Acrowood Everett
Location : 4425 3rd Avenue
Everett, WA 98206
Client : Acrowood Corporation
Project No : WA06-14230-PHU **Date** : 08/17/06

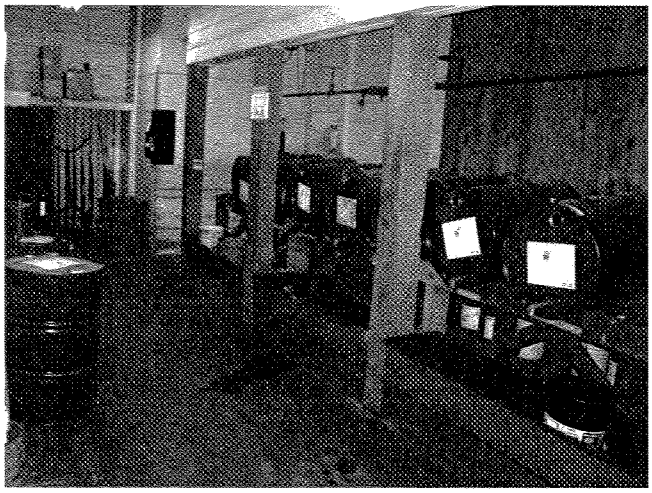
APPENDIX B

PHOTOGRAPHS

1. View looking toward the east at empty 55-gallon drums staged in a shed located just south of building #4.

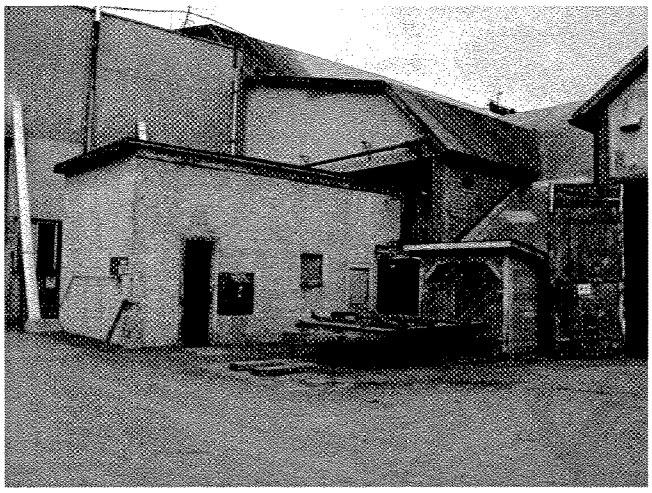


2. Fresh oil drum storage/distribution area within building #1. Note the secondary containment basin located under the fill spigots.

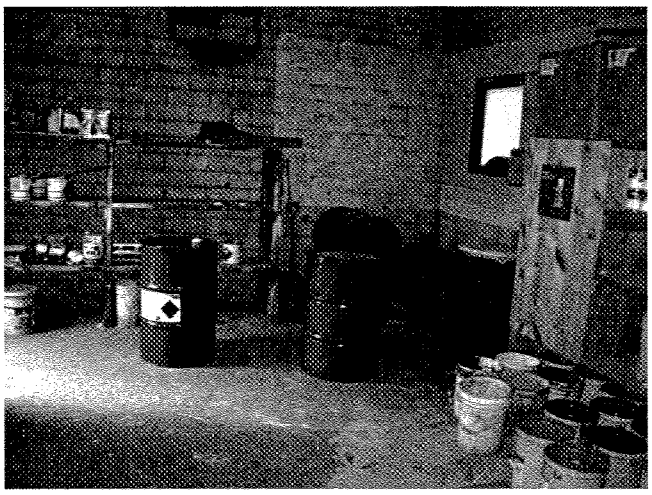


3. View looking at the production and foundry area within building #1.

4. View looking at the paint storage building (building #9) in the foreground, with building #1 in the background.

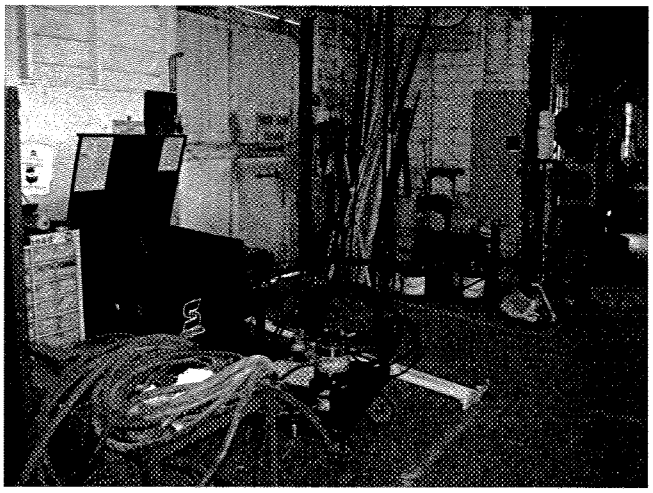


5. View looking at the interior of building #9, with blue 55-gallon drums of toluene in the background.

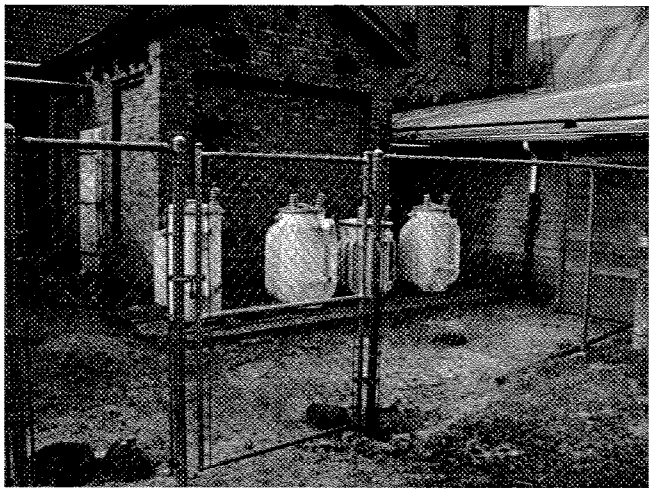


6. View looking toward the west at building #1, with three electrical transformer located between the two power poles.

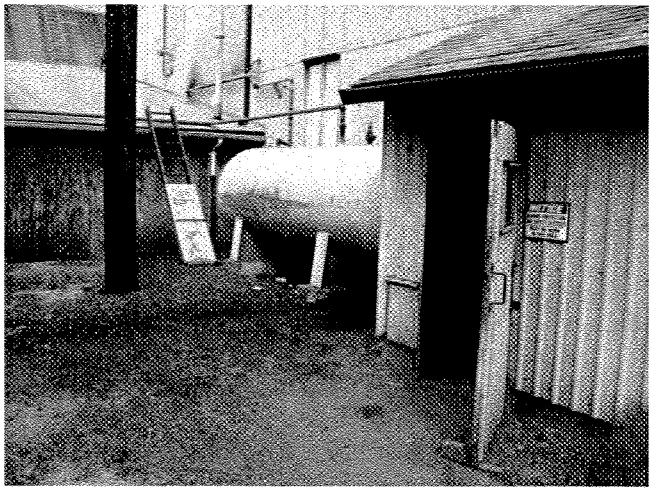
7. View looking at a shop area within building #1, with the red naphtha-based parts cleaning system on the left side of the photograph.



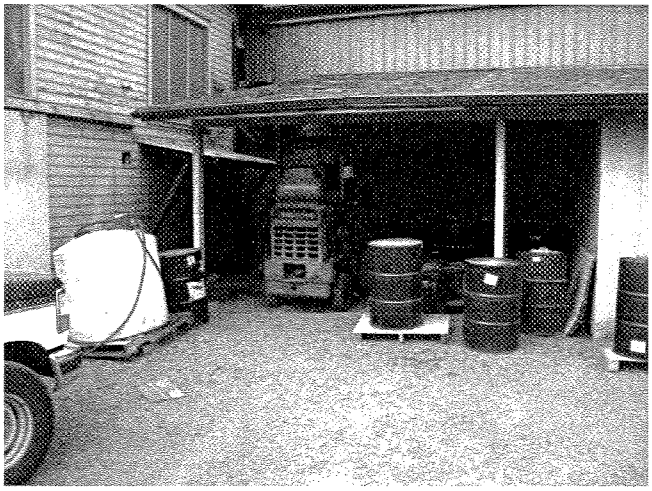
8. View looking toward the south, with three pad-mounted electrical transformers located in the background.



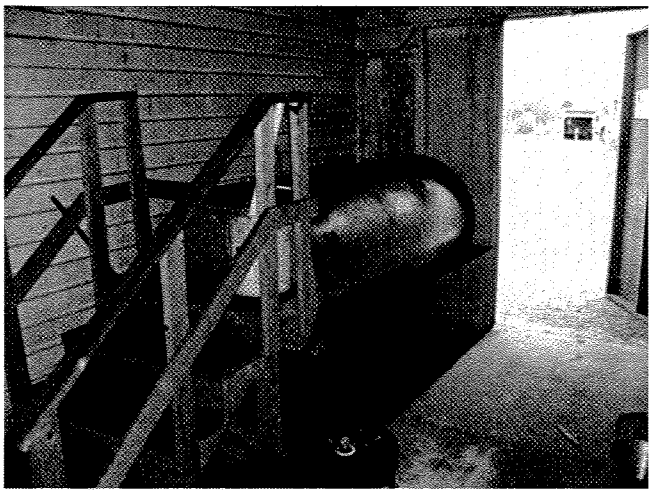
9. View looking toward the northwest, with the horizontal "pressure" tank in the background. Note the stained gravel surfaced area to the left of the tank.



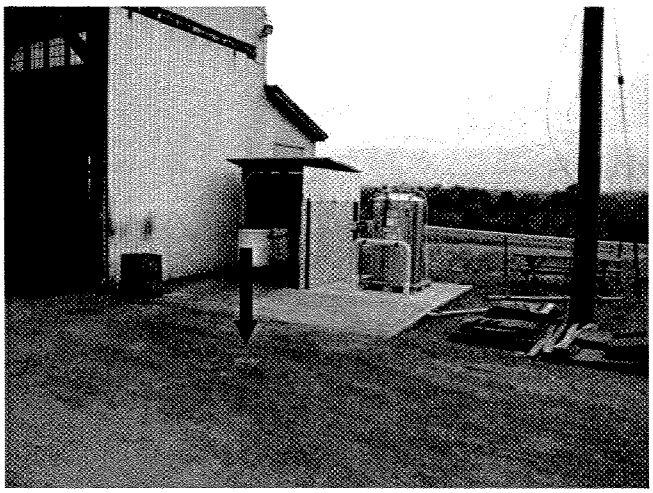
10. View looking toward the west at the covered used oil/coolant drum storage area in building #1. Note the lack of secondary containment.



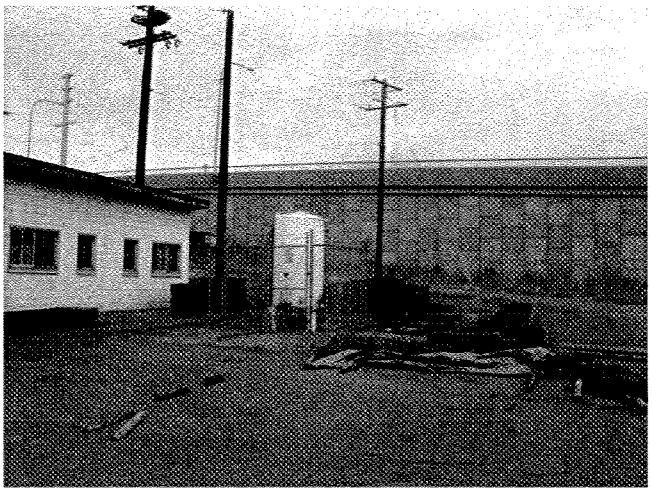
11. View looking at the used oil AST and secondary containment basin located within building #1.



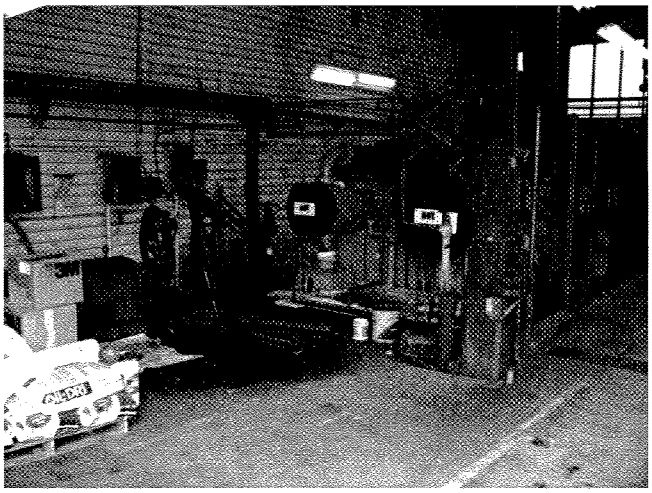
12. View looking toward the east at the former fuel storage tank area. The surface monument for monitoring well MW-1 is indicated by the red arrow.



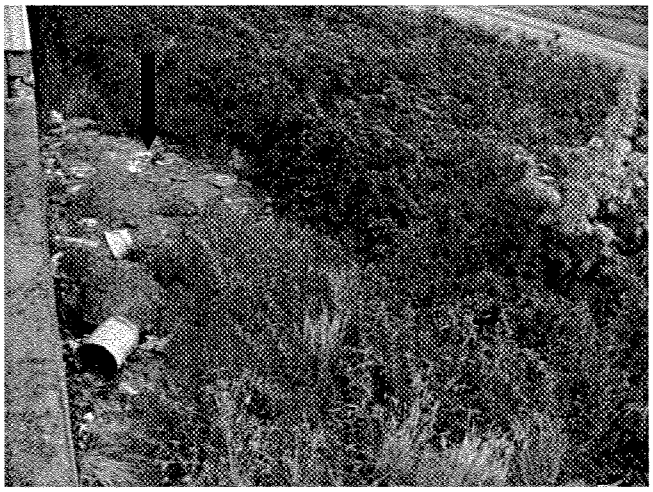
13. View looking toward the north, with the concrete retaining wall that marks the northern property boundary in the background.



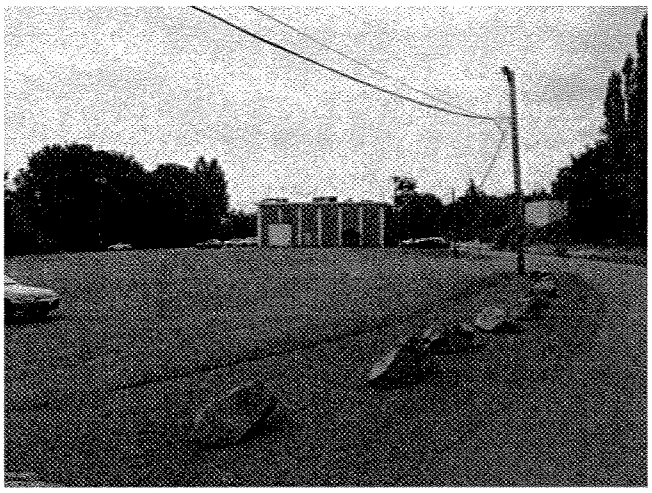
14. View looking within the production area of building #1. Note the stained concrete flooring in the foreground.



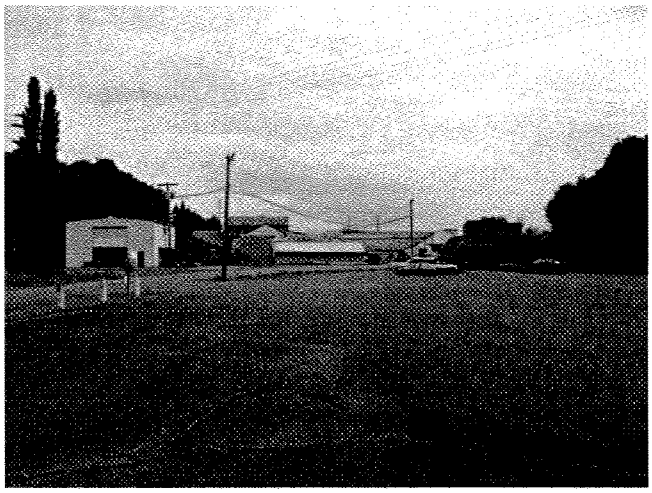
15. View looking toward the northeast at the drainage outfall area and the retaining wall located on the east side of the northern portion of the subject site. The red arrow marks the location of monitoring well MW-3.



16. View looking toward south, with the office building in the background and associated asphalt-paved parking in the foreground.



17. View looking toward the north from near the office building, with the site's industrial buildings in the background.



18. View looking toward the south, with the grassy field in the foreground and the forested portion of the property in the background.

APPENDIX C

ADAPT PHASE I ESA REPORT

Acrowood Corp. Voluntary Cleanup Program (VCP) Site Meeting Agenda
Facility/Site No. 22755667
VCP Project No. NW2151

Location: Washington Dept. of Ecology Northwest Regional Office
3190 160th Avenue SE
Bellevue, Washington 98008

Date: August 26, 2010

Time: 10:00 a.m. – 11:30 a.m.

Attendees: Phil Hutmacher – Acrowood Corp.
Daryl Petrarca – Adapt Engineering, Inc.
John Bhend – Adapt Engineering, Inc.
Russ Olsen – Washington Dept. of Ecology
Bradly Gilmore – Washington Dept. of Ecology

- Site vs. Property Designation for Evaluation of Regulatory Compliance. DOES NOT EFFECT CLEANUP REQ.
- Sufficiency of Remedial Investigation Activities Completed to Date and Scope of Work for Further Site Characterization (if necessary).
  - Former Heating Oil UST Area – NEED G.W.
  - Former Fuel UST Area – OKAY
  - Former Paint and Solvent Storage Area – DONE
- Are Active Cleanup Actions (e.g., soil removal or groundwater treatment) going to be Required for No Further Action (NFA) Determination?
  - Former Heating Oil UST Area – UNKNOWN
  - Former Fuel UST Area – YES – CPAH / TPHd
  - Former Paint and Solvent Storage Area – DONE
- Steps/Milestones for Moving toward NFA Determination.
  - Feasibility Study Completion – EXAMPLE w/ FA
  - Cleanup Action Plan Completion and Implementation
  - Post Cleanup Monitoring and Environmental Covenants – WEBSITE
  - Removal from Hazardous Sites List
- Minimum Work Necessary to Maintain an Active VCP Site Status. WILL TERMINATE AT ~1YR INACTIVE

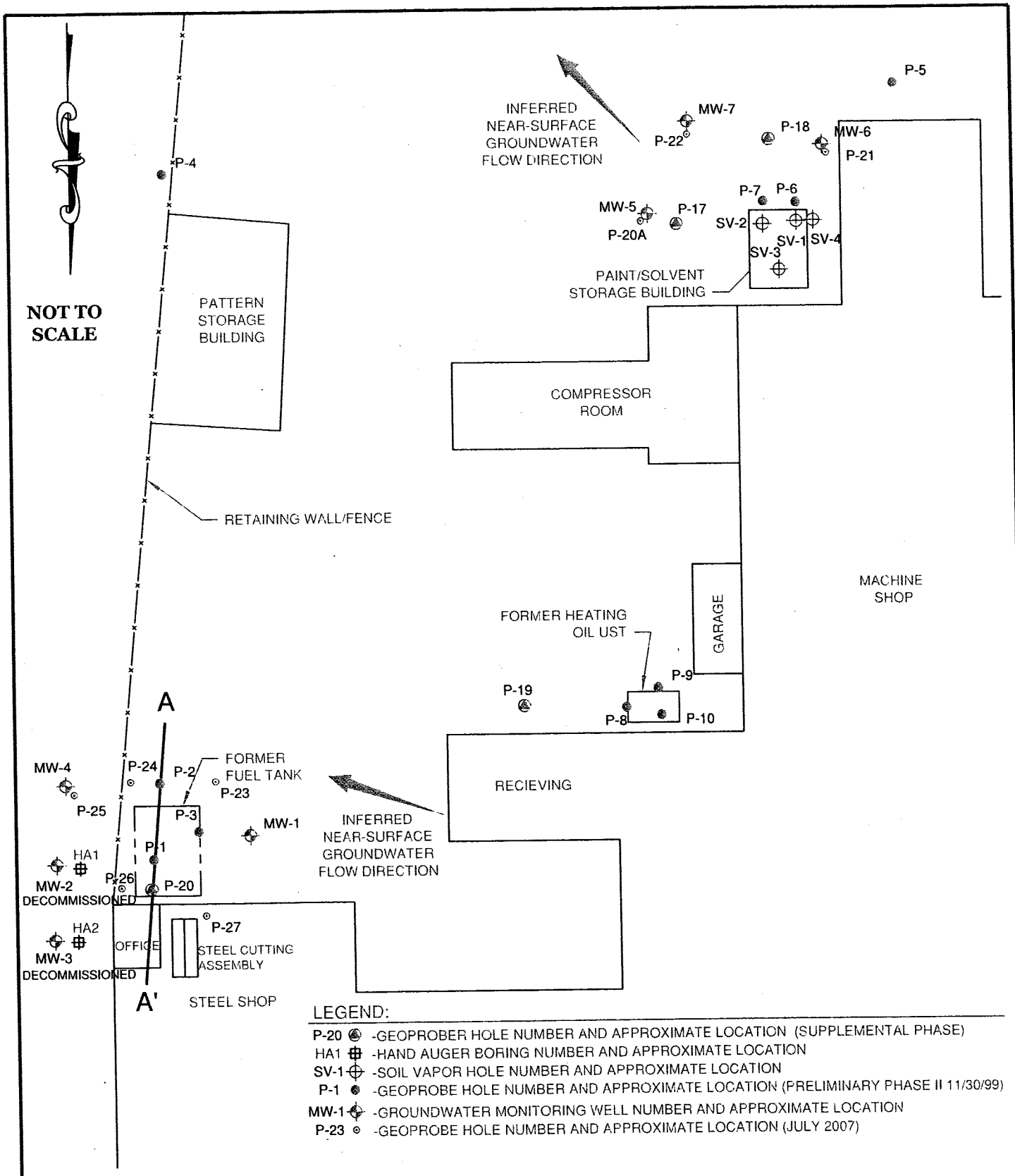


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FIGURE 2 – Site and Exploration Plan

Project : Acrowood Corporate Facility
Location : 4425 South 3rd Avenue
Everett, WA 98206
Client : Acrowood Corporation, Inc.
Project No : WA06-14230-PH2 **Date** : 02/05/09

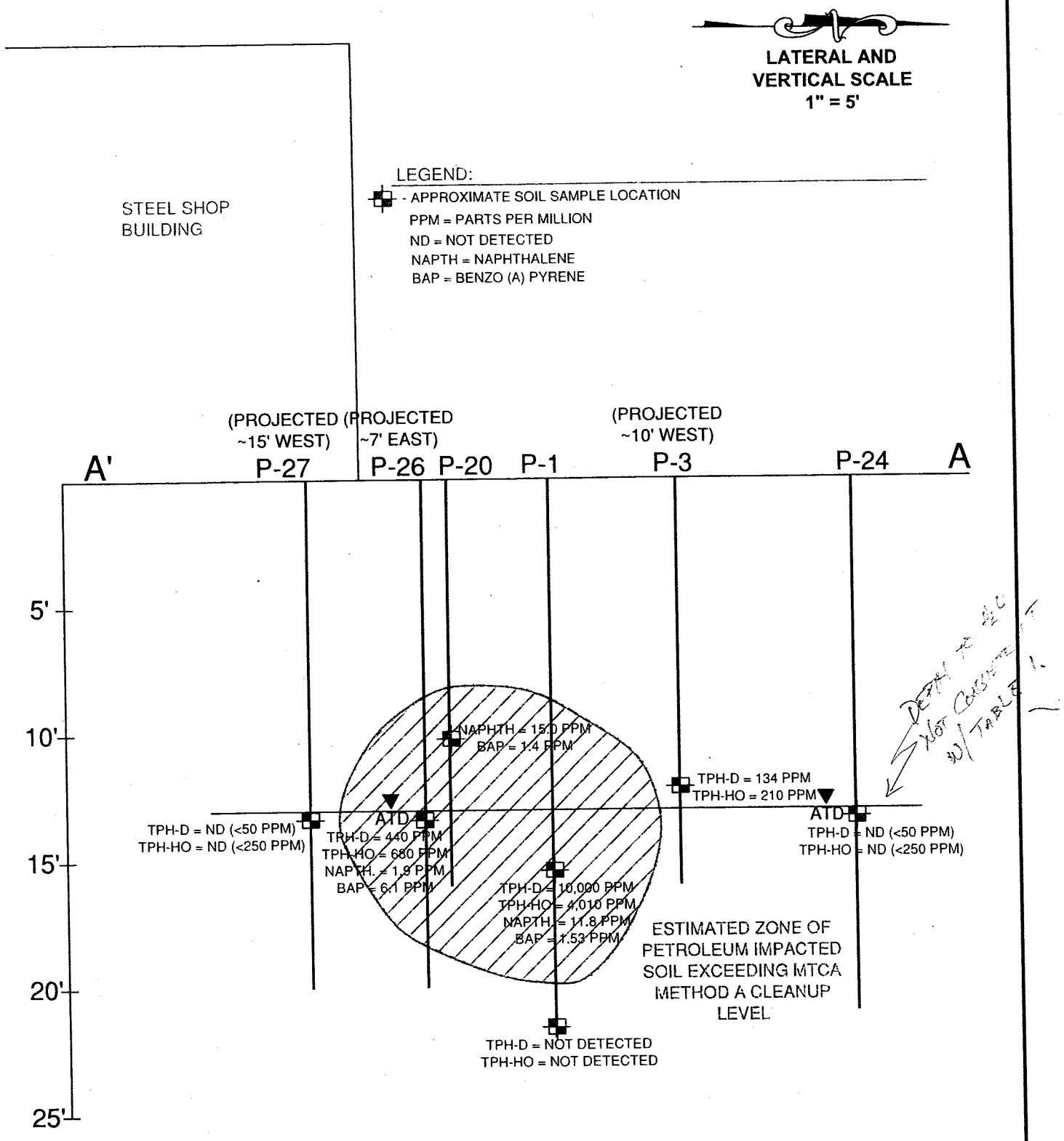

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FIGURE 3 – Cross Section Profile (A–A')

Project : Acrowood Corporate Facility
Location : 4425 South 3rd Avenue
Everett, WA 98206
Client : Acrowood Corporation, Inc.
Project No : WA06-14230-PH2 **Date** : 02/05/09