Kent Poulsbo RV
aka Valley I-5

LSI Adapt
615 Eighth Avenue South
Seattle, Washington 98104

Tel (206) 654-7045
Fax (206) 654-7048
www.lsidapt.com

VCP NW 1486
LUST 591986

June 14, 2004

LSI Adapt Project No. WA04-11238-PH1

U.S. BANCORP
Real Estate Technical Services
PD-WA-T6F1
1420 Fifth Avenue, Suite 600
Seattle, Washington 98101

Attention: Mr. Robert M. Wearn, MAI, SRA

Subject: Phase I Environmental Site Assessment
Poulsbo RV
23051 Military Road South
Kent, Washington 98032
(RETECHS File No. CCV04-316/2300 SEA)

Dear Mr. Wearn:

LSI - Adapt (Adapt) is pleased to present the results of our Phase I Environmental Site Assessment for the above-referenced property. This assessment was performed in general accordance with ASTM Practice E 1527-00. This work was authorized by Mr. Robert M. Wearn, in the form of a signed confirmation letter, dated May 18, 2004 (RETECHS File No. CCV04-316/2300SEA).

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,

LSI Adapt

Lisa Davidson (FOR)

Anders F. Olin
Senior Project Manager

AFO/afo

RETECHS ENVIRONMENTAL REVIEW

CONSULTANT			
Firm: LSI Adapt	Report Signature(s)	Registration/State	Degree
Poulsbo RV 23051 Military Road South Kent, WA 98032	Anders F. Olin	WA	Juris Doctor
Date of the Report: 6/14/04			
Type of Report:	☐ Transaction Screen X Phase I ESA ☐ Phase II ESA ☐ Borrower Questionaire/RM Site Inspection Form ☐ Other (describe):		

Suspected or Existing Environmental Condition(s)	Consultant's Findings		
	Not Suspected	More info needed to make determination	Field sampling or testing recommended
Underground Storage Tank(s) / UST	X	☐	☐
Above Ground Storage Tank(s) / AST	☐	X see conclusions	☐
Septic System With On-Site Drainfield	X	☐	☐
Oil/Water Separator	☐	X see conclusions	☐
Dry Wells or Injection Wells	X	☐	☐
Lack of Secondary Containment (Drums or AST's)	☐	X see conclusions	☐
Contamination of Soil	X	☐	☐
Contamination of Ground Water	X	☐	☐
Use of Pesticides On Site	X	☐	☐
PCB's (transformers/ballasts etc.)	☐	X see conclusions	☐
Asbestos Containing Material (ACM) Present (pre-1980 construction)	☐	X see conclusions	☐
Lead-based Paint (pre-1979 construction)	☐	X see conclusions	☐
Potential Lead in Drinking Water Supply	X	☐	☐
Radon	X	☐	☐
Wetland	X	☐	☐
Mold (excessive indoor moisture)	X	☐	☐
Impact from offsite source(s)	X	☐	☐

Other (see Consultant's Recommendations identified below)	X	☐	☐
CONSULTANT'S RECOMMENDATIONS (Items checked for "more info needed" and for "field sampling or testing")			
			Estimated Cost

Conclusions

Adapt performed a Phase I ESA in general conformance with the scope and limitations of ASTM E:1527-00 of the Poulsbo RV property, located at 23051 Military Road South, in Kent, King County, Washington. Any exceptions to, or deletions from, this practice are described in Section 2.4 of this report.

This assessment has revealed possible recognized environmental conditions in connection with the property, including:

- Three decommissioned underground hydraulic hoists were identified on the site during the site reconnaissance.
- A review of historical aerial photographs, atlas maps, and directories suggests that a large area of the southern portion of the site may have been occupied by a construction company and used as an equipment staging yard;
- A 10,000-gallon gasoline underground storage tank reportedly was removed from the site in September 1991.

The hoists were observed within the service garage area of the south building. The presence of decommissioned hydraulic hoists represents a potential environmental condition and potential environmental risk based on their potential for releasing, or having released, petroleum product into the subsurface environment of the site. Due to the apparent lack of documentation regarding the hoists, Adapt was unable to ascertain whether the decommissioned underground hoist locations have been subject to environmental assessment. Current site personnel report no personal or anecdotal awareness of any structural or environmental problems associated with the hoists; however, in the event that an underground hydraulic hoist (or hoists) had experienced structural failure, it is conceivably possible that localized zones of contaminant impacts may exist in their vicinity that remain uncharacterized. **Further quantification of the potential for on-site environmental impairment and cleanup liability that may be associated with the hoists would require additional Phase II subsurface characterization.**

Adapt's review of historical aerial photographs, atlas maps, and city directories disclosed evidence that the southern portion of the site, or a large portion thereof, may have been used as an equipment staging yard for a construction company ("National Construction Co.") in the early to mid-1970s. Due to the sparsity of documentation regarding the former construction company on the site, Adapt was unable to ascertain whether former construction company activities involved the storage or use of petroleum or other chemical substances on the site. If a release of petroleum or other chemical substances had occurred on the site, it is conceivably possible that localized zones of contamination may exist within site soil that remains uncharacterized; however, given the current site usage and predominantly paved nature of the subject site, the potential for contact with hypothetical residual contamination is low. **In the event that future re-development of the subject site should involve the excavation and removal of site soil, it is possible that limited sampling of soil maybe required at that time for purposes of appropriate disposal characterization. As it is Adapt's current understanding that re-development of the subject site is not contemplated in the near future, it is Adapt's professional opinion that further subsurface investigation of the suspected staging yard area of the site is unwarranted at this time.**

A review of Ecology records revealed that a 10,000-gallon underground gasoline tank was removed from the northern portion of the subject site on September 16, 1991. Following its removal, the tank was visually inspected and was found to be in good condition. The three soil samples collected during the removal procedure indicated that subsurface contamination was not present at levels exceeding Model Toxics Control Act (MTCA) Method A cleanup levels. None of the samples contained gasoline-range hydrocarbons above the method detection limit of 50 part per million (ppm). Only one sample contained a slight concentration of ethylbenze (0.2 ppm) and xylene (0.84 ppm). **The results of laboratory analysis reveals that the former presence of the UST on the site – considered an historical, as opposed to a current, recognized environmental condition – has not compromised the environmental integrity of the subject site.**

Aboveground Storage Tanks: The site reconnaissance revealed the existence of approximately ½ dozen aboveground storage tanks (ASTs) at several locations of the site. The observed ASTs were all approximately 100- to 150-gallons in capacity and contained new and used oil. All but three of the ASTs were located within the interior service garages of the northern and southern buildings. Two ASTs (one apparently empty) were observed within a contained, partially enclosed steel shed located on the north side of the north building, while a third AST was observed within a non-contained partially enclosed steel compound located immediately adjacent the southeast exterior wall of the south building. Each of the ASTs appeared to be in good, non-leaking physical condition. In addition, the site reconnaissance revealed one aboveground propane storage tank along the western edge of the site. Because propane tanks, in general, represent a potential explosive, rather than a soil or groundwater contaminant risk, the existence of the propane tank on the site is not considered a significant adverse environmental condition.

Oil/Water Separator: Interior floor drains within the service garage of the south building are tied in to an oil/water separator that is located within the partially enclosed steel shed located immediately adjacent the southeast exterior wall of the south building. The separator reportedly is maintained on a regular basis.

Lack of Secondary Containment: An approximately 150-gallon new oil AST and several small gasoline containers were observed within a partially enclosed steel shed located immediately adjacent the southeast exterior wall of the south building. The AST and gasoline containers were standing on level concrete pavement within the shed, but without benefit of containment. Each of the containers appeared in good, non-leaking physical condition. Minor oil-like staining was observed upon the concrete flooring within the shed, but no staining was observed immediately outside the shed.

Drains and/or Sumps: Surface water on the paved portions of the site is routed into a network of storm water catch basins that are strategically emplaced around the site. Collected surface water is ultimately discharged into the municipal storm water sewer system after first passing through an oil/water separator. Adapt also observed several floor drains within the service area of the south building. According to on-site personnel, no petroleum or other chemical substances are dumped into the floor drains. In addition, on-site personnel state that the service area flooring is routinely cleaned to prevent the inadvertent release of hazardous substances into interior floor drains. The drains reportedly discharge into the municipal storm water system after first passing through an oil/water separator

PCBs: The site reconnaissance revealed the existence of a number of pole-mounted transformers along the eastern edge of the site (within the Military Rd. So. right-of-way), as well as a pad-mounted transformer along the western edge of the site. The transformers are owned and maintained by Puget Sound Energy. A bank of three transformers mounted on a pole along the eastern edge of the site exhibited "No PCBs" stickers, but the other pole- and pad-mounted transformers observed elsewhere on or immediately adjacent the site did not exhibit such labeling, and are assumed by operation of law to be PCB-containing. However, in the event of a hypothetical release of PCBs from the transformers, responsibility for remediation would lie with the transformer owner (Puget Sound Energy) as specified by EPA regulations (40 CFR 761.3). In any event, the observed transformers appeared to be in apparently good physical, non-leaking condition. Adapt's site reconnaissance revealed fluorescent light fixtures within the on-site buildings. Fluorescent light ballasts within fixtures manufactured prior to 1977 sometimes contained PCBs. A comprehensive survey for PCB ballasts was beyond the scope of work for this Phase I assessment; however, given the time period of construction of the older buildings, it is conceivably possible that at least some of the existing fluorescent light fixtures within the building harbor PCB ballasts. Ballasts without "No PCBs" labels should be assumed to contain PCBs. 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. In any event, Adapt's visual reconnaissance revealed observed fixtures to be in apparently good physical condition.

Asbestos-Containing Material: Based on the reported years of construction of the two subject site buildings (1973 and 1980), it is conceivably possible that asbestos-containing material (ACM) may be present in either building, although the potential for ACM to exist in the newer building would be considered relatively low. However, a building's date of construction does not exempt a building from asbestos-related regulations. 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 ACM. If an asbestos survey confirms the presence of ACM 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 ACM 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). As a general observation, however, all observed building materials appeared to be in good, non-friable condition.

Lead-Based Paint: Based on the reported years of construction of the on-site buildings, it is conceivably possible that painted surface areas associated with both buildings may contain lead, although the potential for lead paint to be associated with the newer building would be considered relatively low. As a general observation, however, all observed painted surfaces appeared to be in good, non-flaking/non-peeling condition. The U.S. Department of Labor and the WSDLI require that the Washington State Construction Standards for Lead be followed during "New construction, alteration, repair, or renovation of structures, substrates, or portions thereof, that contain lead, or materials containing lead." These standards consider any detectable concentration of lead to be a potential hazard during such construction activities, and therefore employees performing certain activities at a site where there is possible exposure to lead dust will be required to wear respirators until air sample results can document that exposure to lead is below the permissible exposure limit (50 $\mu g/m^3$). Under working conditions, an action level of 30 $\mu g/m^3$ in air as an 8-hour TWA has been established by OSHA (29 CFR 1910.1025 and 29 CFR 1926.62) and Washington State Construction Standard for Lead (WAC 296-155-176). Contractors performing construction work should be aware of the lead construction standard and provide proper worker protection. In addition to the human health aspect, according to WAC 173-303, a solid waste that exceeds 5 milligrams per liter in the Toxicity Characteristic Leaching Procedure (TCLP) for lead would be designated a dangerous waste, and would have to be properly disposed of at a licensed hazardous waste facility.

THE SECTION BELOW IS FOR U.S. BANK USE ONLY RETECHS REVIEWER
Signature:
Name:
Title:
Date:
usbancorp. Real Estate Technical Services – RETECHS

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1.0 EXECUTIVE SUMMARY

Adapt is pleased to present the results of the Phase I Environmental Site Assessment (Phase I) for the subject site, located at 23051 Military Road South, in Kent, King County, Washington. Following is a summary of the Phase I:

Site Description/Observations: The subject site is an irregular-shaped parcel that is composed of two separate tax lots (tax lot numbers 1522049027 and 7260200060) having a total reported area of approximately 291,485 square feet, or 6.7 acres. The site is occupied by Poulsbo RV, a recreational vehicle sales and service facility. The site is located in an area characterized by mixed commercial-residential development.

The majority of the site is asphalt paved, with facility buildings located in the northern and southern portions of the site. Commercial property occupied by a Gai's Bakery thrift outlet store all but separates the northern and southern portions of the site, with a narrow asphalt drive linking the two portions of the site along the western perimeter.

Notwithstanding the location of Gai's Bakery between the northern and southern portions of the site, the site is bordered on the north by a heavy equipment sales business ("Jerry's Equipment"); on the east by Military Road South; on the south by a Metro Park & Ride lot; and on the west by the Interstate 5 right-of-way.

Three decommissioned underground hydraulic hoists were observed within the service area of the south building. Interviews with knowledgeable site personnel suggest that the decommissioned underground hoist locations have not been environmentally assessed.

Recreational vehicle servicing activities conducted on site involve the storage, use, or generation of various chemical substances. These substances include, but are not limited to, transmission fluid, new and waste anti-freeze, parts cleaning solvent, brake fluid, and new and waste oil. The substances were observed to be stored in plastic and steel containers of various size, ranging from small spray cans to 150-gallon ASTs. These observed substances appeared to be stored and handled, for the most part, in appropriate fashion, with only relatively minor staining observed on the concrete flooring or pavement within the interior and exterior portions of the site. The only notable exception to the generally good storage practices observed on the site would be within the partially enclosed steel storage shed located immediately adjacent the southeast exterior wall of the south building, where an approximately 150-gallon new oil AST was noted to stored without secondary containment.

Site History: The subject site reportedly was occupied by several single-family residences and associated outbuildings from the late 1930s through the early to mid-1970s. Adapt's review of historical aerial photographs, atlas maps, and city directories also disclosed evidence that the southern portion of the site, or a large portion thereof, may have been used as an equipment staging yard for a construction company ("National Construction Co.") in the early to mid-1970s. The existing buildings were constructed on the site in 1973 and 1980, respectively. Prior to its occupancy by Poulsbo RV (or its predecessor Valley I-5 RV Center) in the mid 1980s, the northern building was previously occupied by a glass window and marketing businesses. A 10,000-gallon gasoline UST was removed from the northern portion of the site in September 1991. Results of laboratory analysis of samples collected at the time of removal revealed that the site had not been adverse impacted by the former UST.

Regulatory List Review: Adapt's review of local, state, and federal environmental databases revealed the subject site to be listed in EPA's RCRA notifiers database as a small quantity generator of regulated substances, and in Ecology's UST database as a former UST facility.

Although numerous listed off-site facilities have been identified within the applicable ASTM search radii, none of the facilities are likely to pose a significant risk of adverse environmental impairment, based on their respective separation distances, reported absence of adverse groundwater impacts associated with them, and/or their assumed hydrologically non-tributary locations relative to the subject site.

Conclusions and Recommendations

Adapt performed a Phase I ESA in general conformance with the scope and limitations of ASTM E:1527-00 of the Poulsbo RV property, located at 23051 Military Road South, in Kent, King County, Washington. Any exceptions to, or deletions from, this practice are described in Section 2.4 of this report.

This assessment has revealed possible recognized environmental conditions in connection with the property, including:

- Three decommissioned underground hydraulic hoists were identified on the site during the site reconnaissance.
- A review of historical aerial photographs, atlas maps, and directories suggests that a large area of the southern portion of the site may have been occupied by a construction company and used as an equipment staging yard;
- A 10,000-gallon gasoline underground storage tank reportedly was removed from the site in September 1991.

The hoists were observed within the service garage area of the south building. The presence of decommissioned hydraulic hoists represents a potential environmental condition and potential environmental risk based on their potential for releasing, or having released, petroleum product into the subsurface environment of the site. Due to the apparent lack of documentation regarding the hoists, Adapt was unable to ascertain whether the decommissioned underground hoist locations have been subject to environmental assessment. Current site personnel report no personal or anecdotal awareness of any structural or environmental problems associated with the hoists; however, in the event that an underground hydraulic hoist (or hoists) had experienced structural failure, it is conceivably possible that localized zones of contaminant impacts may exist in their vicinity that remain uncharacterized. Further quantification of the potential for on-site environmental impairment and cleanup liability that may be associated with the hoists would require additional Phase II subsurface characterization.

Adapt's review of historical aerial photographs, atlas maps, and city directories disclosed evidence that the southern portion of the site, or a large portion thereof, may have been used as an equipment staging yard for a construction company ("National Construction Co.") in the early to mid-1970s. Due to the sparsity of documentation regarding the former construction company on the site, Adapt was unable to ascertain whether former construction company activities involved the storage or use of petroleum or other chemical substances on the site. If a release of petroleum or other chemical substances had occurred on the site, it is conceivably possible that localized zones of contamination may exist within site soil that remains uncharacterized;

however, given the current site usage and predominantly paved nature of the subject site, the potential for contact with hypothetical residual contamination is low. In the event that future re-development of the subject site should involve the excavation and removal of site soil, it is possible that limited sampling of soil maybe required at that time for purposes of appropriate disposal characterization. As it is Adapt's current understanding that re-development of the subject site is not contemplated in the near future, it is Adapt's professional opinion that further subsurface investigation of the suspected former staging yard area of the site is unwarranted at this time.

A review of Ecology records revealed that a 10,000-gallon underground gasoline tank was removed from the northern portion of the subject site on September 16, 1991. Following its removal, the tank was visually inspected and was found to be in good condition. The three soil samples collected during the removal procedure indicated that subsurface contamination was not present at levels exceeding Model Toxics Control Act (MTCA) Method A cleanup levels. None of the samples contained gasoline-range hydrocarbons above the method detection limit of 50 part per million (ppm). Only one sample contained a slight concentration of ethylbenzene (0.2 ppm) and xylene (0.84 ppm). The results of laboratory analysis reveals that the former presence of the UST on the site – considered an historical, as opposed to a current, recognized environmental condition -- has not compromised the environmental integrity of the subject site.

Recreational vehicle servicing activities conducted on site involve the use or generation of various chemical substances. These substances include, but are not limited to, transmission fluid, new and waste anti-freeze, parts cleaning solvent, brake fluid, and new and waste oil. The substances were observed to be stored in plastic and steel containers of various size, ranging from small spray cans to 150-gallon ASTs. These observed substances appeared to be stored and handled, for the most part, in appropriate fashion, with only relatively minor staining observed on the concrete flooring or pavement within the interior and exterior portions of the site. Because best management practices, for the most part, appear to be exercised with respect to the observed petroleum and chemical substances on the site, their presence is considered a *de minimis* condition in that they generally do not present a material risk of harm to public health or the environment (in their current state) and that they generally would not be the subject of an enforcement action if brought to the attention of appropriate governmental agencies. The only notable exception to the generally good storage practices observed on the site would be within the partially enclosed steel storage shed located immediately adjacent the southeast exterior wall of the south building, where an approximately 150-gallon new oil AST was noted to stored without secondary containment.

Non-ASTM Issues

Asbestos-Containing Material

Based on the reported years of construction of the two subject site buildings (1973 and 1980), it is conceivably possible that asbestos-containing material (ACM) may be present in either building, although the potential for ACM to exist in the newer building would be considered relatively low. However, a building's date of construction does not exempt a building from asbestos-related regulations. 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 ACM, which in the

case of the subject site buildings include, but may not be limited to, vinyl floor coverings, suspended acoustical panels, gypsum wallboard, and "popcorn" ceiling material. If an asbestos survey confirms the presence of ACM in a building, the ACM 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 ACM and the removal method, the removal may need to be performed by state certified asbestos workers. If ACM 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). As a general observation, however, all observed building materials appeared to be in good, non-friable condition.

Lead-Based Paint

Based on the reported years of construction of the on-site buildings, it is conceivably possible that painted surface areas associated with both buildings may contain lead, although the potential for lead paint to be associated with the newer building would be considered relatively low. As a general observation, however, all observed painted surfaces appeared to be in good, non-flaking/non-peeling condition.

The U.S. Department of Labor and the WSDLI require that the Washington State Construction Standards for Lead be followed during "New construction, alteration, repair, or renovation of structures, substrates, or portions thereof, that contain lead, or materials containing lead." These standards consider any detectable concentration of lead to be a potential hazard during such construction activities, and therefore employees performing certain activities at a site where there is possible exposure to lead dust will be required to wear respirators until air sample results can document that exposure to lead is below the permissible exposure limit (50 $\mu g/m^3$). Under working conditions, an action level of 30 $\mu g/m^3$ in air as an 8-hour TWA has been established by OSHA (29 CFR 1910.1025 and 29 CFR 1926.62) and Washington State Construction Standard for Lead (WAC 296-155-176). Contractors performing construction work should be aware of the lead construction standard and provide proper worker protection.

In addition to the human health aspect, according to WAC 173-303, a solid waste that exceeds 5 milligrams per liter in the Toxicity Characteristic Leaching Procedure (TCLP) for lead would be designated a dangerous waste, and would have to be properly disposed of at a licensed hazardous waste facility.

This summary is intended for introductory purposes only and should be used in conjunction with the full text of this report. The project description, site conditions, and results of our assessment are presented in the text of this report.

2.0 INTRODUCTION

2.1 Purpose

The purpose of the Phase I is to evaluate the host parcel for indications of recognized environmental conditions due to previous or ongoing, on-site and off-site activities or conditions. Where applicable, the Phase I 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 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.

2.2 Special Terms and Conditions

Authorization to perform this Phase I was given in the form of a signed confirmation letter from Mr. Robert M. Wearn, MAI, SRA of U.S. Bank, dated May 18, 2004 (RETECHS File No. CCV04-370/2351 SEA).

2.3 Scope of Work

The scope of work for this study consisted predominantly 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 consisted of the following:

- A site reconnaissance to assess for the existence of recognized environmental conditions.
- A reconnaissance of the area immediately surrounding the site for the purpose of evaluating adjoining sites 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, for the purpose of evaluating reported environmental concerns in the vicinity of the host parcel.
- A survey of available local geologic and topographic maps, as well as additional information concerning public and private water sources in the project vicinity.
- A review of historical sources including available business directories, aerial photographs, maps, tax assessment records, and building/planning department records. The historical information was used to evaluate past and present land use at the site and in the site vicinity to document businesses, activities, or conditions that could possibly compromise the environmental integrity of the site.
- A limited visual survey for suspect asbestos-containing materials (ACMs) for the site building to make the client aware of the presence of building materials that may contain asbestos. The visual survey for suspect ACMs does not satisfy the "Good Faith Inspection" requirements specified in Chapter 296-62-07721 Washington Administrative Code, and other federal, state, and local regulations for buildings that are to be renovated or demolished.
- Preparation of a report documenting the findings of the Phase I and our opinion of the possibility that contamination of the property may exist due to on-site or nearby off-site land use activities.

2.4 Limitations

This assessment is intended to provide the client with information regarding apparent suspicions of existing and potential recognized environmental conditions associated with subject property. Adapt warrants that this Phase I Environmental Site Assessment 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 as a result 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 does not include a detailed condition assessment of the ASTM Phase I non-scope issues of asbestos, radon, lead-based paint, 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 U.S. Bancorp, 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.

3.0 SITE DESCRIPTION

A Location Map (Figure 1), Parcel Map (Figure 2), Site Plan (Figure 3) are included in Appendix A.

3.1 Location

The subject site is located at 23051 Military Road South, in Kent, King County, Washington (NW ¼ of Section 15, Township 22 North, Range 4 East, Willamette Meridian).

3.2 Site and Vicinity Characteristics

The subject site is an irregular-shaped parcel that is composed of two separate tax lots (tax lot numbers 1522049027 and 7260200060) having a total reported area of approximately 291,485 square feet, or 6.7 acres. The site is occupied by Poulsbo RV, a recreational vehicle sales and service facility. The site is located in an area characterized by mixed commercial-residential development.

The majority of the site is asphalt paved, with facility buildings located in the northern and southern portions of the site. Commercial property occupied by a Gai's Bakery thrift outlet store all but separates the northern and southern portions of the site, with a narrow asphalt drive linking the two portions of the site along the western perimeter.

Notwithstanding the location of Gai's Bakery between the northern and southern portions of the site, the site is bordered on the north by a heavy equipment sales business ("Jerry's Equipment"); on the east by Military Road South; on the south by a Metro Park & Ride lot; and on the west by the Interstate 5 right-of-way.

The current taxpayer for the subject site is "Poulsbo RV, Inc."

3.3 Description of Improvements

Improvements currently existing of the site consist of two large office/warehouse-type buildings that house administrative and sales and service functions for Poulsbo RV. The older of the two buildings, located on the northern portion of the site, reportedly was constructed in 1973. The 1-story building is constructed of pre-fabricated steel and has a total reported area of 12,250 square feet.

The newer of the two buildings, located in the southern portion of the site, reportedly was constructed in 1980. The 1-story building is of wood frame construction and has a total reported area of 21,300 square feet.

Both buildings reportedly are heated by natural gas and served by municipal water and sanitary sewer utilities.

4.0 INTERVIEWS, REPORTS, AND ENVIRONMENTAL LIENS

Persons who may have information concerning environmental conditions at and surrounding the site were interviewed.

In a telephone interview, Ms. Sally Alexander, Central Records Custodian with Ecology's Northwest Regional Office, stated that a search of various internal Ecology environmental databases did not reveal any records of hazardous materials releases, complaints, or other concerns pertaining to the subject site, which was cross-referenced in the database search by way of parcel number and address. According to Ms. Alexander, the only record pertaining to the subject site consisted of a 1991 report documenting the removal of a 10,000-gallon gasoline underground storage tank from the northern portion of the site.

In a telephone interview, Mr. Randy Faber, of Poulsbo RV, stated that there are no environmental liens or deed restrictions associated with the site.

In an in-person interview, Ms. Gloria Lynn, Poulsbo RV Service Manager, revealed that regulated wastes are generated as a by-product of automotive servicing activities, and that these wastes (primarily waste oil and waste antifreeze) are picked up on an as-needed basis by Safety-Kleen. Ms. Lynn stated she was unaware of any uncontrolled releases of hazardous substances on the site, and that she was unaware of any underground storage tanks on the site. She further stated that she was unaware of any environmental assessments conducted in the vicinity of the decommissioned underground hydraulic hoists in the south building service garage.

Adapt contacted the City of Kent Fire Department regarding hazardous materials responses for the subject site. Ms. Jane Olson, Fire Department Administrative Secretary, in an in-person

interview, stated that a search of incident records dating back to 1992 revealed no hazardous materials responses to the subject site.

Adapt reviewed a report for the subject site entitled "Tank Removal Observation and Limited Environmental Assessment of Valley I-5," prepared by Enviros, dated October 15, 1991. The report's pertinent findings and conclusions are further discussed in Section 8.4 (Underground Storage Tanks) of this report.

5.0 PHYSICAL SETTING

5.1 Regional Physiographic Conditions

The subject site is located in the Puget Sound Lowland Physiographic Region of Washington, on a high plateau above the Green River. According to the United States Geological Survey (USGS) 7.5-minute series topographic map for the "Des Moines, WA Quadrangle," the site is situated at an approximate elevation of 375 (+/-) feet above mean sea level.

5.2 Geologic and Soil Conditions

Glacially derived sediments characterize the geology of the subject area. These sediments were deposited and eroded during past glaciation periods, which ended about 13,500 years ago. The advance of the Vashon Glacier deepened and widened north-south trending valleys. Thick bodies of sand, gravel, and till were deposited over the greater Puget Sound area. With the retreat of the glacier, ice-contact stratified drift was deposited over much of the area. This was followed by a period of alluvial valley filling, localized peat deposition, minor erosion, and soil development.

According to the United States Geological Survey publication entitled *"Geologic Map of the Des Moines Quadrangle, Washington,"* the native geological formation in the subject site vicinity is comprised of ground moraine deposits, consisting chiefly of compact unoxidized till.

The consulted General Soil Map included within the United States Department of Agriculture (Soil Conservation Service) publication entitled *"Soil Survey of King County Area, Washington"* indicates Alderwood association soils mantling the subject site vicinity. This soils association is further described as moderately well drained, undulating to hilly soils that have dense, very slowly permeable glacial till at a depth of 20 to 40 inches.

5.3 Groundwater Conditions

Based on the reported presence of glacially overridden deposits, there is a possibility of perched groundwater conditions to exist within the subject area. Deeper confined aquifers may be present at considerable depths, within permeable horizons in the deep alluvium or glacially consolidated, pre-alluvium sediments. These deeper aquifers typically are isolated from near-surface, local recharge sources. A review of Ecology records reveals that perched groundwater was encountered on the immediately adjoining Gai's Bakery parcel at a depth of 10 feet below ground surface at the time of a September 1997 UST assessment conducted on that parcel.

Although groundwater flow direction is difficult to predict without the installation of at least three monitoring wells that measure water levels over time, an estimate of possible near-surface groundwater flow direction is provided to help evaluate potential on-site and off-site contaminant

impacts. Groundwater flow direction is the path along which dissolved contaminants might migrate if present in groundwater supplies. Typically, in this region, the near-surface groundwater flow direction generally follows topography. Based on site topography, the inferred groundwater flow direction beneath the subject site is toward the southeast, although variations in the assumed flow direction may exist that would remain uncharacterized without performing a subsurface exploration program with groundwater monitoring wells, which is beyond the Phase I scope of work.

5.4 Drinking Water Supplies and Water Wells

Potable water to the subject site vicinity is provided by the municipal water supply system. A review of Ecology's water well log database revealed no documented water wells within the subject site vicinity.

6.0 HISTORICAL USE INFORMATION

This section is divided into two subsections. The first subsection (Section 6.1) summarizes the various historical sources that were consulted. The second subsection (Section 6.2) is a decade-by-decade discussion of the historical uses of the site and immediate surrounding area.

6.1 Historical Sources

The land use history of the host parcel and immediate surrounding area was researched utilizing the various reasonably ascertainable sources described below.

Tax Assessment Records

We reviewed tax assessment information at the King County Assessor's Office. The subject site is identified by tax parcel numbers 1522049027 and 7260200060.

Aerial Photographs

Adapt reviewed aerial photographs from the years 1936, 1946, 1960, 1969, 1974, 1980, 1990, 1995, 2000, and 2002 at Walker & Associates, Inc. of Tukwila, Washington. The photographs range in scale from 1": 1,000' to 1": 2,000', and are black and white and color. In the review of the aerial photographs, observations are interpretative and limited to the area within approximately one-quarter-mile of the host parcel. The scale of each photograph did not provide a clear image of specific site characteristics. However, we were able to discern the absence and presence of structures on the host parcel, as well as developmental trends in the area.

Historical Maps

We reviewed the on-line collection of Sanborn Map Company fire insurance maps on the Seattle Public Library website. Sanborn maps, as they are commonly referred, typically detail building construction type and use, and may show underground and above ground storage tanks, chemical storage areas, and other recognized environmental conditions. The Sanborn Map Company published maps dating from 1867 to the present for various cities and towns, and therefore the maps are a good source for identifying the past uses of a property. The reviewed collection did not provide coverage for the subject property and vicinity.

We reviewed historical Kroll's Seattle Atlases (South Supplement)1942, 1953, and 1973 at the Seattle Public Library.

We reviewed historical USGS 7.5-minute series topography maps of the "Des Moines, WA Quadrangle" for the years 1973 (photorevised from 1949 and 1968) and 1995 (photorevised from 1949 at the University of Washington's Suzzallo Library.

Business Directories

In an effort to document past uses of the host parcel and surrounding area, Adapt reviewed available historical directories at the Seattle Public Library. The available collection of Cole Greater Seattle & Vicinity directories ranged from 1969 through 2003.

Building Department Records

Current and historical building permit records were researched at the City of Kent Building Department.

6.2 Historical Findings

1930s

The reviewed 1936 aerial photograph depicts the subject site, as well as immediately adjoining parcels to the north, west, south, and east (across Military Rd. So.), as vacant, undeveloped, and densely wooded. Interstate 5 does not exist west of the site. The reviewed archived tax assessment records revealed that two houses were constructed on the southern portion of the site in 1933 (23013 Military Rd. So.) and 1937 (23011 Military Rd. So.), respectively. Outbuildings associated with the 23011 Military Road South residence reportedly included a detached shed, while outbuildings associated with the 23013 residence reportedly included a fruit cellar, a chicken house, and two sheds. Both residences reportedly were heated by a stove, without further elaboration as to whether the stoves were fired by wood, oil, or some other fuel source.

1940s

The reviewed 1946 aerial photograph depicts the subject site proper to be occupied by as many as three single-family residences associated outbuildings, although one of the residences may actually reside on the Gai's Bakery property that separates the northern and southern portions of the site. Interstate 5 does not exist west of the site, while scattered residences exist to the east of the site, across Military Road South. The reviewed 1942 Kroll's atlas did not include coverage of the subject site. A 1940-dated appraiser's photograph of the front and side portions of the 23011 Military Road South residence, contained in archived tax records, showed no visibly apparent UST vent pipes or ASTs associated with the residence.

1950s

The reviewed 1953 Kroll's atlas map depicts three structures on the subject site. One of the structures (non-labeled as to address) is located in the northern portion of the site, while the other two structures (labeled "23011" and "23013") are depicted in the southern portion of the

site. A 1952-dated appraiser's photograph of the front and side portions of the 23011 Military Road South residence, contained in archived tax records, showed no visibly apparent UST vent pipes or ASTs associated with the residence. The archived records further reveal that another house (23003 Military Rd. So.) was moved onto the northern portion of the site in 1958. The records reveal the house was originally constructed in 1926, and that it was heated at some point in time by an oil-burning stove. The records do not specify the time period in which the house was heated by oil, or whether it remained so after its move onto the site.

1960s

The reviewed 1960 aerial photograph depicts as many as three single-family residences and associated outbuildings on the site. Interstate 5 remains undeveloped to the west of the site, although its corridor appears cleared of native vegetation. The reviewed 1969 aerial photograph depicts the subject site as occupied by as many as four single-family residences and associated outbuildings. A house and associated outbuildings also exists on the immediately adjacent Gai's Bakery property, as well as on the property to the immediate south of the subject site. Interstate 5 exists immediately west of the site. Single-family residences, with the former Kent Highlands Landfill beyond, are visibly apparent east of the site. The reviewed archived tax assessment records reveals that another house was moved onto the southern portion of the site in 1960, that was burned down by September 1961. The reviewed 1969 Cole directory revealed subject site occupants to include: "Julian Lopez" (23003 Military Rd. So.); Mrs. Frederick Darby (23011 Military Rd. So.); and "David Jordan" (23057 Military Rd. So.).

1970s

The reviewed 1974 aerial photograph depicts the north building to exist at its current location on the site, while the southern portion of the site appears to be occupied by as many as three single-family residences and associated outbuildings. The area lying immediately west of one of the residences appears to be occupied by numerous parked vehicles or stored equipment, suggestive of a possible construction company staging yard. With regard to adjoining properties, the existing Gai's Baker building exists at its current location, while an apparent residence exists on the parcel immediately south of the subject site. The reviewed 1973 Kroll's atlas map depicts the northern portion of the site to be occupied by two separate structures, the westernmost of which is labeled "23003". The reviewed Kroll's atlas map also depicts two structures located in the southern portion of the site, labeled ""23011" and "23057," respectively. The larger portion of the southern portion of the site, which includes the 23011 structure, is owned by "National Construction Co." The reviewed 1973 USGS topography map depicted one structure in the north portion of the site (north of Gai's) and three structures located in the southern portion of the site. The reviewed 1970-71 Cole directory revealed the following site occupants: "Not Published" (23003 Military Rd. So.); "Not Published" (23011 Military Rd. So.); "John M. Ware" (23013 Military Rd. So.); and "Duane M. Hollis" (23057 Military Rd. So.). The reviewed 1975 directory revealed the following site occupants: "Not Published" (23003 Military Rd. So.); "The Glass Doctor" and "Marketing Promotions" (23005 Military Rd. So.); "National Construction" (23011 Military Rd. So.); "Greg Mulhair" (23013 Military Rd. So.); and "Not Published" (23057 Military Rd. So.).

1980s

The reviewed 1980 aerial photograph depicts the subject site in its general present configuration, with both existing structures depicted at their respective current locations.

Numerous recreational vehicles are visibly apparent on the southern portion of the site. The reviewed 1980-81 Cole directory revealed the following site occupants: "The Glass Doctor", "Marketing Promotions," and "Insulated Windows" (23005 Military Rd. So.); "Valley Garage" and "Valley I-5" (23051 Military Rd. So.); and "Not Published" (23057 Military Rd. So.). The reviewed 1985-86 Cole directory revealed the following site occupants: "The Glass Doctor" and "Marketing Promotions" (23005 Military Rd. So.); "Valley I-5" (23051 Military Rd. So.); and "Not Published" (23057 Military Rd. So.).

1990s – 2000s

The reviewed aerial photographs spanning the years 1990 through 1996 depicts the subject site in its general current configuration, with numerous recreational vehicles visibly apparent on the site. The reviewed 1990-91 Cole directory revealed the following site occupants: "Not Published" (23005 Military Rd. So.); "Valley I-5" (23051 Military Rd. So.); and "Not Published" (23057 Military Rd. So.). The reviewed 1990-91,1994-95, 1998, and 2000 Cole directories revealed the following site occupants: "Not Published" (23005 Military Rd. So.); "Valley I-5" (23051 Military Rd. So.); and "Not Published" (23057 Military Rd. So.). The reviewed 2003 Cole directory revealed "Poulsbo RV" and "Valley I-5 RV Center" as the sole site occupants (listed at 23051 Military Rd. So.).

7.0 RESULTS OF RECONNAISSANCE

7.1 On-Site Inspection Observations

An Adapt representative conducted a limited reconnaissance of the subject site on May 26, 2004. The purpose of the site reconnaissance was to evaluate current conditions at the site and to look for recognized environmental conditions. The reconnaissance consisted of walking and observing the site to provide an overlapping field of view.

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.	No
Debris piles or illicit waste disposal including possible suspect asbestos-containing material waste.	No
Drains or sumps.	**Yes**
Equipment that may contain polychlorinated biphenyls (PCBs).	**Yes**

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

Aboveground Storage Tanks

The site reconnaissance revealed the existence of approximately ½ dozen aboveground storage tanks (ASTs) at several locations of the site. The observed ASTs were all approximately 100- to 150-gallons in capacity and contained new and used oil. All but three of the ASTs were located within the interior service garages of the northern and southern buildings. Two ASTs (one apparently empty) were observed within a contained, partially enclosed steel shed located on the north side of the north building, while a third AST was observed within a non-contained partially enclosed steel compound located immediately adjacent the southeast exterior wall of the south building. Each of the observed ASTs appeared to be in good, non-leaking physical condition. In addition, the site reconnaissance revealed one aboveground propane storage tank along the western edge of the site. Because propane tanks, in general, represent a potential explosive, rather than a soil or groundwater contaminant risk, the existence of the propane tank on the site is not considered a significant adverse environmental condition

Drums and other Containers of Hazardous Substances or Petroleum

Recreational vehicle servicing activities conducted on site involve the storage, use, or generation of various chemical substances. These substances include, but are not limited to, transmission fluid, new and waste anti-freeze, parts cleaning solvent, brake fluid, and new and waste oil. The substances were observed to be stored in plastic and steel containers of various size, ranging from small spray cans to 150-gallon ASTs. These observed substances appeared to be stored and handled, for the most part, in appropriate fashion, with only relatively minor staining observed on the concrete flooring or pavement within the interior and exterior portions of the site. The only notable exception to the generally good storage practices observed on the site would be within the partially enclosed steel storage shed located immediately adjacent the southeast exterior wall of the south building, where an approximately 150-gallon new oil AST was noted to stored without secondary containment.

According to Ms. Gloria Lynn, Poulsbo RV Service Manager, waste oil and waste antifreeze are picked up on an as-needed basis by Safety-Kleen Corporation.

Surface Staining

Adapt observed relatively minor oil-like staining on the concrete flooring within the service garage areas of both the north and south buildings. The degree of staining appeared to be typical of similarly situated full-service automotive repair facilities and non-representative of a significant environmental condition. Minor staining was also noted within the partially enclosed

steel storage sheds located immediately adjacent the north side of the north building and the southeast exterior wall of the south building, where ASTs and other stored chemical substance containers were observed. The staining appeared localized and confined to paved surface areas, and therefore non-representative of a significant adverse environmental condition, although it should be noted that the AST and other chemical substance containers within the storage shed adjacent the south building were stored without benefit of secondary containment.

Drains and/or Sumps

Surface water on the paved portions of the site is routed into a network of storm water catch basins that are strategically emplaced around the site. Collected surface water is ultimately discharged into the municipal storm water sewer system after first passing through an oil/water separator.

Adapt also observed floor drains within the service area of the south building. According to on-site personnel, no petroleum or other chemical substances are dumped into the floor drains. In addition, on-site personnel state that the service area flooring is routinely cleaned to prevent the inadvertent release of petroleum product or other chemical substances into interior floor drains. The drains reportedly discharge into the municipal storm water system after first passing through an oil/water separator.

Equipment that May Contain PCBs

The site reconnaissance revealed the existence of a number of pole-mounted transformers along the eastern edge of the site (within the Military Rd. So. right-of-way), as well as a pad-mounted transformer along the western edge of the site. The transformers are owned and maintained by Puget Sound Energy. A bank of three transformers mounted on a pole along the eastern edge of the site exhibited "No PCBs" stickers, but the other pole- and pad-mounted transformers observed elsewhere on or immediately adjacent the site did not exhibit such labeling, and are assumed by operation of law to be PCB-containing. However, in the event of a hypothetical release of PCBs from the transformers, responsibility for remediation would lie with the transformer owner (Puget Sound Energy) as specified by EPA regulations (40 CFR 761.3). In any event, the observed transformers appeared to be in apparently good physical, non-leaking condition.

Adapt's site reconnaissance revealed fluorescent light fixtures within the on-site buildings. Fluorescent light ballasts within fixtures manufactured prior to 1977 sometimes contained PCBs. A comprehensive survey for PCB ballasts was beyond the scope of work for this Phase I assessment; however, given the time period of construction of the older building, it is conceivably possible that at least some of the existing fluorescent light fixtures within the building harbor PCB ballasts. Ballasts without "No PCBs" labels should be assumed to contain PCBs. 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. In any event, Adapt's visual reconnaissance revealed observed fixtures to be in apparently good physical condition.

Other Environmental Concerns

Adapt observed surficial indications of at least three decommissioned underground hydraulic hoists associated with the service garage area of the south building. Ms. Gloria Lynn, Poulsbo RV Service Manager, stated that she was unaware of any environmental problems associated with the decommissioned hoists, although she also stated that she was unaware of any environmental assessments being conducted of the decommissioned hoists. In the event that an underground hydraulic hoist (or hoists) had experienced structural failure, it is conceivably possible that a localized zone of subsurface contaminant impact may exist in its vicinity that remains uncharacterized.

Possible Lead Paint

Based on the reported years of construction of the on-site buildings, it is conceivably possible that painted surface areas associated with both buildings may contain lead, although the potential for lead paint to be associated with the newer building would be considered relatively low. As a general observation, however, all observed painted surfaces appeared to be in good, non-flaking/non-peeling condition.

Suspect Asbestos-Containing Materials

Based on the reported years of construction of the two subject site buildings (1973 and 1980), it is conceivably possible that asbestos-containing material (ACM) may be present in either building, although the potential for ACM to exist in the newer building would be considered relatively low. Observed suspect ACM associated with one or both structures include, but may not be limited to, vinyl floor coverings, acoustic ceiling panels, and "popcorn" ceiling material. As a general observation, however, all observed suspect materials appeared to be in good, non-friable condition.

7.1.1 Radon

Physical testing for the presence of radon gas in the on-site garage was not performed. According to the Washington State Department of Health, Division of Radiation Protection, publication entitled *"SPECIAL REPORT: Radon in Washington"* (1994), the Puget Sound Lowlands, of which the subject site is a component, are covered either by glacial deposits of low radon potential, or other rock types not associated with uranium deposits. On average, only 2 out of every 100 houses tested have been found to exhibit radon concentration levels in excess of 4 picoCuries per liter of air (4 pCi/l), the established threshold standard. EDR's report reveals that King County has been accorded an EPA Radon Zone 3 designation. A Zone 3 designation means that the average indoor radon concentration level is <2 pCi/L.

7.2 Adjacent Site and Vicinity Observations

A representative of Adapt conducted a reconnaissance of the area surrounding the host parcel on May 26, 2004. The purpose of this reconnaissance was to observe land use in the 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. That is, the adjoining properties were observed from the host parcel and public right-of-ways.

North

The subject site is bordered on the north by a commercial property currently occupied by Jerry's Equipment Sales, an apparent heavy equipment sales business. Although the adjacent property appeared to be somewhat cluttered with several heavy equipment vehicles, wood debris, and other miscellaneous items, we did not observe any obvious conditions on this adjacent property that appeared to represent a significant risk to the subject site. In addition, the property is not included on any of the governmental lists discussed in the following section of this report.

East

The site is bordered on the east by Military Road South, and beyond by existing single-family residences. We did not observe any obvious conditions on these properties that appeared to represent a significant risk to the subject site. In addition, none of these immediately adjacent properties are included on any of the governmental lists discussed in the following section of this report.

South

The site is bordered on the south by a Metro Park & Ride lot. We did not observe any obvious conditions on this adjacent property that appeared to represent a significant risk to the subject site. In addition, the property is not included on any of the governmental lists discussed in the following section of this report.

West

The site is bordered on the west by the Interstate 5 right-of-way. We did not observe any obvious conditions on this adjacent feature that appeared to represent a significant risk to the subject site.

Gai's Bakery

As stated previously, the northern and southern portions of the site are bisected by commercial property occupied by a Gai's Bakery thrift outlet store. We did not observe any obvious conditions on this adjacent property that appeared to represent a significant risk to the subject site.

8.0 REGULATORY DATABASE RECORDS REVIEW

As a part of this Phase I study, current federal, state and county environmental database listings were obtained from Environmental Data Resources, Inc. (EDR) for the subject property and vicinity. The EDR report, dated May 21, 2004, was reviewed by Adapt to identify possible environmental concerns in the area of the subject site. These lists are not necessarily complete or fully up to date. The EDR report also includes a list of unmappable sites due to limited information available in the regulatory files. Adapt reviewed the list of unmappable sites for any listings in the proximity of the subject property and included them in the following database report where applicable. The search radii ADAPT utilizes for its standard Phase I reports meet or exceed those specified in ASTM Standard E:1527-00. A copy of the EDR database search report is archived in Adapt's project file and is available for review upon requested.

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)	4-27-04	1 Mile	2
Comprehensive Environmental Response, Compensation, and Liability Information System (CERCLIS)	2-26-04	0.5 Mile	1
CERCLIS No Further Remedial Action Planned (NFRAP)	3/14/04	Property & Adjoining	0
Corrective Action Report (CORRACTS)	3-15-04	1 Mile	0
Resource Conservation and Recovery Information System (RCRIS) non-CORRACTS TSD	4-13-04	0.5 Mile	0
RCRIS Generators	4-13-04	Property & Adjoining	1
Emergency Response Notification System (ERNS)	12-31-03	Property Only	0
Washington State Department of Ecology (Ecology) Confirmed and Suspect Contaminated Sites List (CSCSL)	1-14-04	1 Mile	6
Ecology's Solid Waste Facilities List	10-1-03	0.5 Mile	0
Ecology's Listing of Registered Underground Storage Tanks (USTs)	4-7-04	Property & Adjoining	1
Ecology's Listing of Leaking Underground Storage Tanks (LUSTs)	4-7-04	0.5 Mile	4

8.1 CERCLIS, NFRAP and NPL

The CERCLIS database is used by the EPA to track activity conducted under the Superfund program. Three types of sites are listed on this inventory: sites that may be hazardous and require a preliminary investigation (CERCLIS); sites for which no further remedial action is planned (NFRAP); and sites that represent a long-term threat and are classified on the National Priorities List (NPL).

The consulted CERCLIS report does not list the subject site, but does identify one facility within an approximate ½-mile radius of the subject site. The identified facility, Seattle Municipal Landfill (Kent Highlands), is located approximately 1/8th mile east of the subject site at its nearest point. From June 1968 through December 1986, the City of Seattle filled approximately 60 acres of a 90-acre ravine on a hillside above the Green River. Seattle leased the site from Kentview Properties, Inc. and operated it under a Nonconforming Permit from the Seattle-King County Department of Public Health ("SKCDPH"). In addition to municipal wastes from Kent and Seattle, the landfill also accepted sandblast grit, some industrial sludge, and other industrial wastes, according to SKCDPH records. In 1985, a consultant to the county detected various heavy metals and manganese in monitoring wells. Leachate seeps on the

east side of the landfill mix with run-off from the landfill, which is routed through drainage lines to settling ponds that eventually discharge into the Green River. A landfill gas mitigation system has been installed to prevent landfill gas from concentrating on the landfill site or migrating off site. Based on its separation distance and hydrologically downgradient location relative to the subject site, the former landfill facility is unlikely to pose a significant risk of adverse environmental impairment to the subject site.

The consulted CERCLIS-NFRAP report does not list the subject site or any other facility within an approximate ¼-mile radius of the subject site.

The consulted NPL report does not list the subject site, but does identify two separate facilities within a 1-mile radius of the subject site. The identified facilities are the aforementioned Seattle Municipal Landfill (Kent Highlands) and Midway Landfill, which is located nearly one mile southwest of the subject site at 24800 Pacific Highway South. Based on their respective separation distances and assumed hydrologically non-tributary locations relative to the subject site, neither facility is likely to pose a significant risk of adverse environmental impairment to the subject site.

8.2 Confirmed and Suspected Contaminated Sites Report

Ecology's Confirmed and Suspected Contaminated Sites (CSCS) report lists suspected or confirmed hazardous substance sites in the state of Washington. **The consulted CSCS report does not list the subject site, but does identify six (6) separate facilities within an approximate 1-mile of the subject site.** The identified facilities, as presented by EDR, are as follows:

Equal/Higher Elevation	Address	Dist / Dir
SOUTHGATE OIL	*23428 PACIFIC HWY S*	*1/4 - 1/2 SW*
MIDWAY MOTORS	22834 PACIFIC HWY S	1/4 - 1/2 WNW
MIDWAY CLEANERS	*23647 PACIFIC HWY S*	*1/4 - 1/2 SW*
HIGHLINE MARKET	*23845 PACIFIC HIGHWAY S*	*1/2 - 1 SW*
SEATTLE PUBLIC UTILITIES KENT	*23076 MILITARY RD S*	*1/2 - 1 SSE*
Lower Elevation	**Address**	**Dist / Dir**
NORTHWEST POWDER COATS	24453 PACIFIC HWY S	1/2 - 1 SSW

Based on their respective separation distances, reported absence of groundwater impacts, and/or assumed hydrologically non-tributary locations relative to the subject site, none of the listed facilities are likely to pose a significant risk of adverse environmental impairment to the subject site.

8.3 RCRA Total Notifiers, TSD, and CORRACTS

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 EPA or Ecology.

The consulted RCRA database of generators of regulated substances lists the subject site (under the name Valley I-5) as a small quantity generator of regulated substances. EDR reports no compliance violations associated with the Valley I-5/Poulsbo RV facility.

The consulted RCRA database of non-CORRACTS TSD facilities does not list the subject site or any other facility within an approximate ½-mile radius of the subject site.

The consulted RCRA database of CORRACTS TSD facilities does not list the subject site or any other facility within an approximately 1-mile radius of the subject site.

8.4 Underground Storage Tanks

Ecology's report of registered USTs lists registered USTs in the state of Washington. **The consulted UST database lists the subject site (under the name Valley I-5) and the immediately adjoining Gai's Bakery facility (listed under the name Gai's Seattle French Baking Company – 23009 Military Rd. So.) as former UST facilities.**

A review of Ecology records revealed that a 10,000-gallon underground gasoline tank was removed from the northern portion of the subject site on September 16, 1991. Following its removal, the tank was visually inspected and was found to be in good condition. The three soil samples collected during the removal procedure indicated that subsurface contamination was not present at levels exceeding Model Toxics Control Act (MTCA) Method A cleanup levels. None of the samples contained gasoline-range hydrocarbons above the method detection limit of 50 part per million (ppm). Only one sample contained a slight concentration of ethylbenzene (0.2 ppm) and xylene (0.84 ppm). No organic vapors were observed during the field activities. The UST assessment and removal activities are summarized in a report entitled "Tank Removal Observation and Limited Environmental Assessment of Valley I-5," prepared by Enviros, dated October 15, 1991.

With regard to the immediately adjacent Gai's Bakery facility, Ecology records reveal that three USTs were formerly operational at that facility that have since been decommissioned. Two of the USTs reportedly were closed in place, while the third UST reportedly has been removed. A review of Ecology records reveals that an approximately 10,000-gallon unleaded gasoline tank was removed from the Gai's Bakery facility on September 9, 1997, and that tank removal activities included the removal of the UST, one fuel dispenser and associated piping; backfilling the excavation; and installing new asphalt pavement over the area of excavation. Upon removal, the outside of the tank was visually inspected and found to be in good condition with no obvious holes. The consultant collected soil samples from the sides and bottom of the excavation and submitted them to an independent analytical laboratory for chemical analysis of TPG-G and BTEX. The results of chemical analysis indicated that TPH-G and BTEX concentrations exceeding MTCA Method A cleanup levels were not detected in samples collected from the sides and bottom of the excavation, or in the sample collected from the excavated soil.

The results of laboratory analysis reveals that neither the subject site nor immediately adjacent Gai's Bakery facility have been adverse impacted by UST-related contaminants at the locations assessed and evaluated.

8.5 Leaking Underground Storage Tanks

Ecology's leaking UST (LUST) list is limited to reported leaking USTs. **The consulted LUST database does not list the subject site, but does identify four (4) separate facilities within**

an approximate ½-mile radius of the subject site. The identified facilities, as presented by EDR, are as follows:

Equal/Higher Elevation	Address	Dist / Dir
MIDAS MUFFLER & BRAKE SHOP	23100 PACIFIC HWY S	1/4 - 1/2 W
TEXACO STATION #63-232-1420	23031 PACIFIC HWY S	1/8 - 1/2 W
TEXACO STARMART	23419 PACIFIC HWY S	1/4 - 1/2 SW
MURRAY'S COLLISION CENTER	23605 30TH AVENUE SOUTH	1/4 - 1/2 SSW

Based on their respective separation distances, reported absence of groundwater impacts, and/or assumed non-tributary locations relative to the subject site, none of the identified facilities are likely to pose a significant risk of adverse environmental impairment to the subject site.

8.6 Emergency Response Notification System Spill Report

The ERNS list 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. **The consulted ERNS report does not list the subject site.**

8.7 Landfills

A review of Ecology's listing of Solid Waste/Landfill (SWLF) facilities located in the State of Washington revealed no SWLF facilities within an approximate ½-mile radius of the subject site.

8.8 Fire Department Records

Adapt's inquiry of the City of Kent Fire Department revealed no reported hazardous materials incidents or other environmental concerns on the subject site that have required a fire department response.

9.0 CONCLUSIONS AND RECOMMENDATIONS

Adapt performed a Phase I ESA in general conformance with the scope and limitations of ASTM E:1527-00 of the Poulsbo RV property, located at 23051 Military Road South, in Kent, King County, Washington. Any exceptions to, or deletions from, this practice are described in Section 2.4 of this report.

This assessment has revealed possible recognized environmental conditions in connection with the property, including:

- Three decommissioned underground hydraulic hoists were identified on the site during the site reconnaissance.
- A review of historical aerial photographs, atlas maps, and directories suggests that a large area of the southern portion of the site may have been occupied by a construction company and used as an equipment staging yard;

- A 10,000-gallon gasoline underground storage tank reportedly was removed from the site in September 1991.

The hoists were observed within the service garage area of the south building. The presence of decommissioned hydraulic hoists represents a potential environmental condition and potential environmental risk based on their potential for releasing, or having released, petroleum product into the subsurface environment of the site. Due to the apparent lack of documentation regarding the hoists; Adapt was unable to ascertain whether the decommissioned underground hoist locations have been subject to environmental assessment. Current site personnel report no personal or anecdotal awareness of any structural or environmental problems associated with the hoists; however, in the event that an underground hydraulic hoist (or hoists) had experienced structural failure, it is conceivably possible that localized zones of contaminant impacts may exist in their vicinity that remain uncharacterized. **Further quantification of the potential for on-site environmental impairment and cleanup liability that may be associated with the hoists would require additional Phase II subsurface characterization.**

Adapt's review of historical aerial photographs, atlas maps, and city directories disclosed evidence that the southern portion of the site, or a large portion thereof, may have been used as an equipment staging yard for a construction company ("National Construction Co.") in the early to mid-1970s. Due to the sparsity of documentation regarding the former construction company on the site, Adapt was unable to ascertain whether former construction company activities involved the storage or use of petroleum or other chemical substances on the site. If a release of petroleum or other chemical substances had occurred on the site, it is conceivably possible that localized zones of contamination may exist within site soil that remains uncharacterized; however, given the current site usage and predominantly paved nature of the subject site, the potential for contact with hypothetical residual contamination is low. In the event that future re-development of the subject site should involve the excavation and removal of site soil, it is possible that limited sampling of soil maybe required at that time for purposes of appropriate disposal characterization. As it is Adapt's current understanding that re-development of the subject site is not contemplated in the near future, it is Adapt's professional opinion that further subsurface investigation of the suspected staging yard area of the site is unwarranted at this time.

A review of Ecology records revealed that a 10,000-gallon underground gasoline tank was removed from the northern portion of the subject site on September 16, 1991. Following its removal, the tank was visually inspected and was found to be in good condition. The three soil samples collected during the removal procedure indicated that subsurface contamination was not present at levels exceeding Model Toxics Control Act (MTCA) Method A cleanup levels. None of the samples contained gasoline-range hydrocarbons above the method detection limit of 50 part per million (ppm). Only one sample contained a slight concentration of ethylbenze (0.2 ppm) and xylene (0.84 ppm). The results of laboratory analysis reveals that the former presence of the UST on the site – considered an historical, as opposed to a current, recognized environmental condition -- has not compromised the environmental integrity of the subject site.

Recreational vehicle servicing activities conducted on site involve the use or generation of various chemical substances. These substances include, but are not limited to, transmission fluid, new and waste anti-freeze, parts cleaning solvent, brake fluid, and new and waste oil. The substances were observed to be stored in plastic and steel containers of various size, ranging from small spray cans to 150-gallon ASTs. These observed substances appeared to be stored and handled, for the most part, in appropriate fashion, with only minor to locally moderate

staining observed on the concrete flooring within the interior of the service areas. Because best management practices, for the most part, appear to be exercised with respect to the observed petroleum and chemical substances on the site, their presence is considered a *de minimis* condition in that they generally do not present a material risk of harm to public health or the environment (in their current state) and that they generally would not be the subject of an enforcement action if brought to the attention of appropriate governmental agencies. The only notable exception to the generally good storage practices observed on the site would be within the partially enclosed steel storage shed located immediately adjacent the southeast exterior wall of the south building, where an approximately 150-gallon new oil AST was noted to stored without secondary containment.

Non-ASTM Issues

Asbestos-Containing Material

Based on the reported years of construction of the two subject site buildings (1973 and 1980), it is conceivably possible that asbestos-containing material (ACM) may be present in either building, although the potential for ACM to exist in the newer building would be considered relatively low. However, a building's date of construction does not exempt a building from asbestos-related regulations. 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 ACM. 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). As a general observation, however, all observed building materials appeared to be in good, non-friable condition.

Lead-Based Paint

Based on the reported years of construction of the on-site buildings, it is conceivably possible that painted surface areas associated with both buildings may contain lead, although the potential for lead paint to be associated with the newer building would be considered relatively low. As a general observation, however, all observed painted surfaces appeared to be in good, non-flaking/non-peeling condition.

The U.S. Department of Labor and the WSDLI require that the Washington State Construction Standards for Lead be followed during "New construction, alteration, repair, or renovation of structures, substrates, or portions thereof, that contain lead, or materials containing lead." These standards consider any detectable concentration of lead to be a potential hazard during such construction activities, and therefore employees performing certain activities at a site where there is possible exposure to lead dust will be required to wear respirators until air sample results can document that exposure to lead is below the permissible exposure limit (50 $\mu g/m^3$). Under working conditions, an action level of 30 $\mu g/m^3$ in air as an 8-hour TWA has been established by OSHA (29 CFR 1910.1025 and 29 CFR 1926.62) and Washington State

Construction Standard for Lead (WAC 296-155-176). Contractors performing construction work should be aware of the lead construction standard and provide proper worker protection.

In addition to the human health aspect, according to WAC 173-303, a solid waste that exceeds 5 milligrams per liter in the Toxicity Characteristic Leaching Procedure (TCLP) for lead would be designated a dangerous waste, and would have to be properly disposed of at a licensed hazardous waste facility.

Closure

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,

LSI - Adapt

Lisa Davidson (FOR)

Anders F. Olin
Senior Project Manager

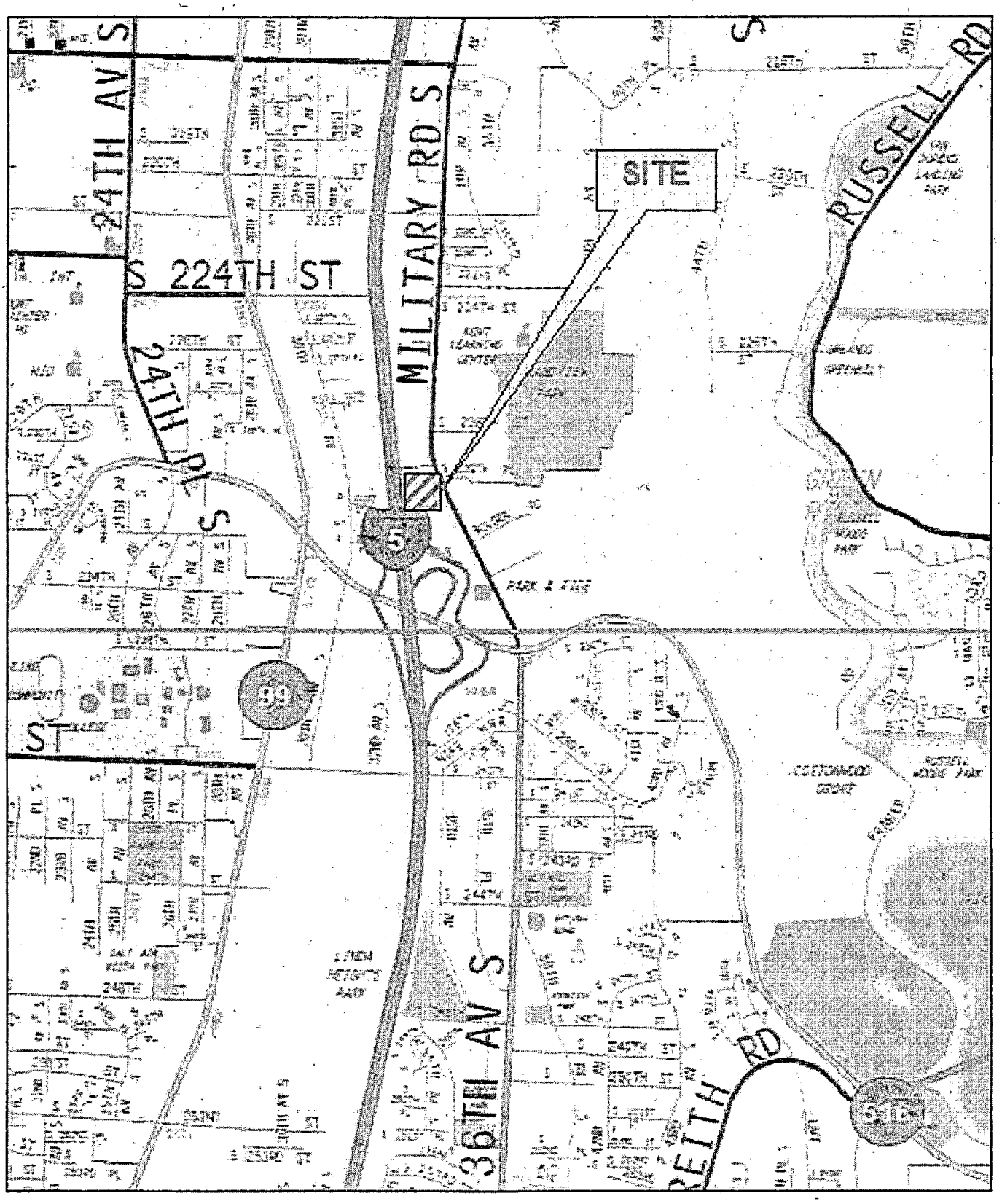
Daryl S. Petrarca, L.H.G.
Senior Reviewer

State of Washington
Hydrogeologist
975
Licensed Geologist

Daryl S. Petrarca

APPENDIX A

FIGURES



LSI ADAPT

615 8th Avenue South
Seattle, Washington 98104

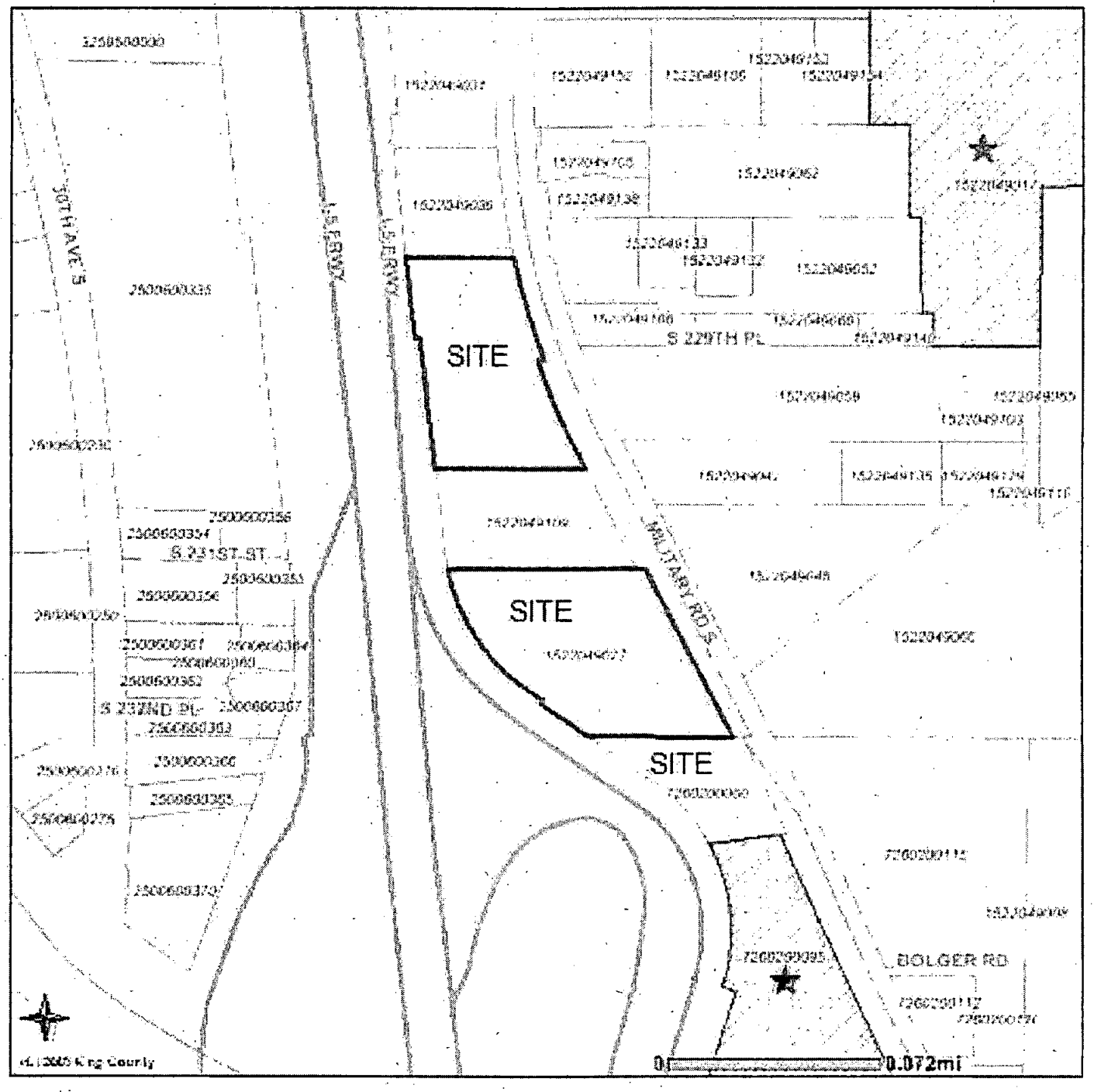
Ph : 206.654.7045 Fax : 206.654.7048

FIGURE 1 – Location Map

Project : Poulsbo RV
Location: 23061 Military Road South
Kent, Washington 98032
Client: U S BANCORP
Date: 06/14/04

NOT TO SCALE

Job. SHWA-04-11233-PH1



LSI ADAPT
815 8th Avenue South
Seattle, Washington 98104

Ph : 206.654.7045 Fax : 206.654.7048

FIGURE 2 – Parcel Map

Project : Poulsbo RV
Location: 23051 Military Road South
Kent, Washington 98032
Client: U.S. BANCORP
Date: 05/14/04

NOT TO SCALE

Job: S-WA-04-11238-P-H1

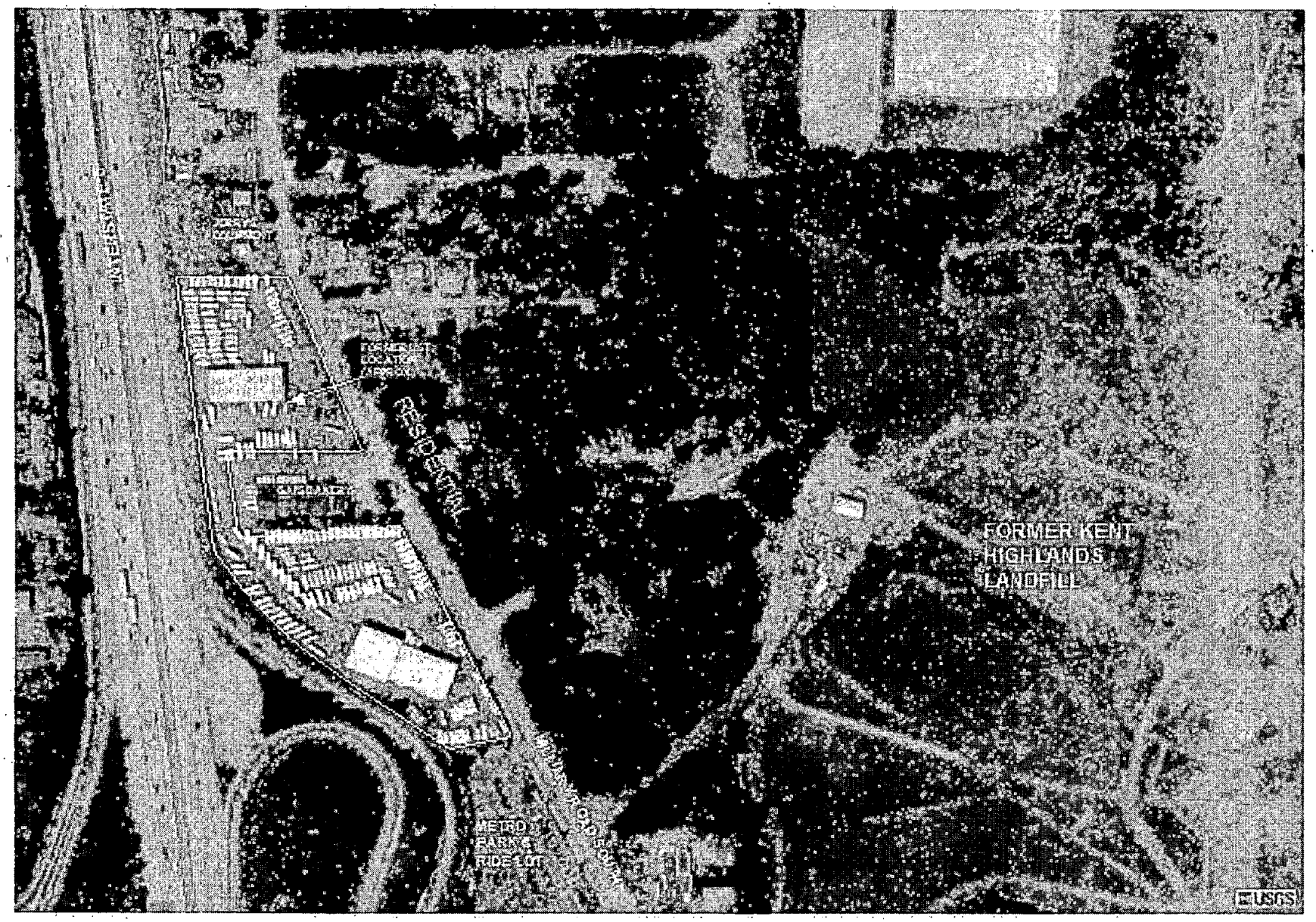


Photo Date: June 10, 2003
Source: Terraserver-USA

LSI ADAPT
615 8th Avenue South
Seattle, Washington 98104
Ph: 206.654.7045 Fax 206.654.7048

FIGURE 3 – Site & Vicinity Plan

Project : Foulsbo RV
Location: 23051 – Military Road South
Kent, Washington 98032
Client: U.S. BANCORP
Date: 06/14/04 Job: SWA-04-11233-PH1

N

NOT TO SCALE

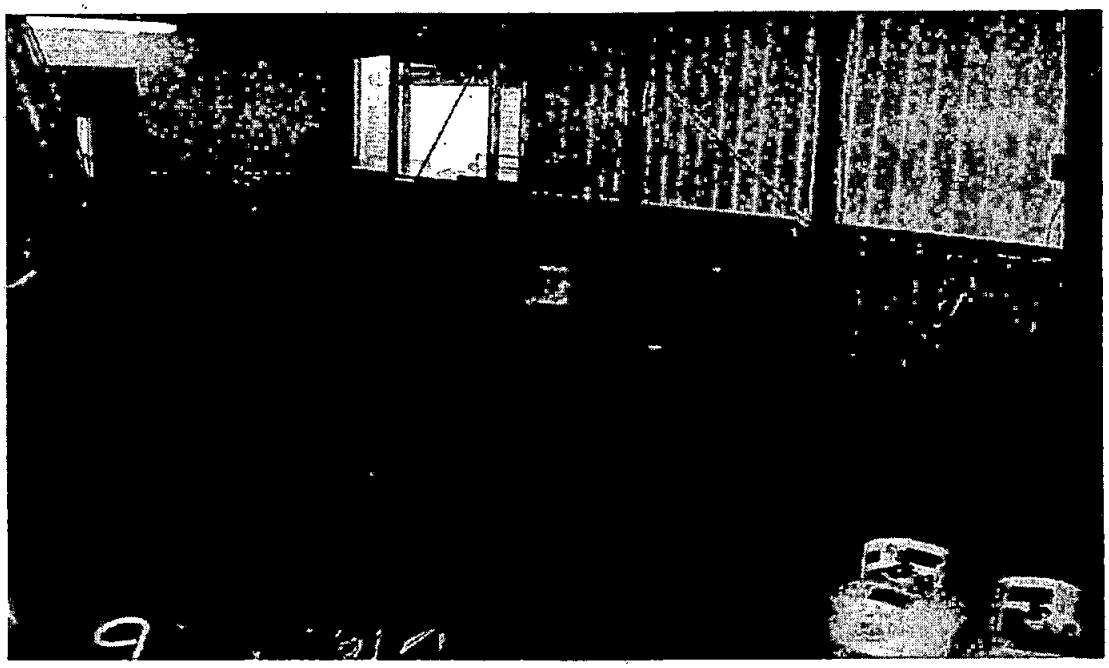
APPENDIX B

SITE PHOTOGRAPHS

View of new oil AST and gasoline containers within steel storage shed immediately adjacent the southeast exterior wall of the south building. Note lack of secondary containment.

View of one of three decommissioned hydraulic hoists in service area of south building.

View of AST, storage drum, and propane canisters in service area of south building.



View of two ASTs (far side of shed), compressor, and white container of spill absorbent within storage shed on north side of north building. ASTs are situated within a steel containment. Blue drum at left of photo was empty.