1147 Dock Street
SIC: JIAR9
Site: 1359

STATE OF WASHINGTON
DEPARTMENT OF ECOLOGY
PO Box 47775 • Olympia, Washington 98504-7775 • (360) 407-6300

OVERNIGHT MAIL

March 25, 2008

William A. Looney, President
Federal Asset Recovery, Inc.
P.O. Box 1435
Tacoma, WA 98401

Dear Mr. Looney:

Subject: Agreed Order No. DE 3373, 1147 Dock Street Cleanup Site – Satisfaction of conditions of Order, removal from Hazardous Sites List, and No Further Action Determination

In my letter of January 24, 2008, I informed you that the "1147 Dock Street" site was eligible to be removed from the Washington State Department of Ecology's (Ecology) Hazardous Sites List, and that Ecology would issue a letter of no further action and determination that the conditions of Agreed Order No. DE 3373 were met when all payments due under the Agreed Order were received by Ecology.

Ecology has now received payment in full for this account in the form of two checks received from Ticor Title Insurance Company on February 29 and March 17, 2008 in the total amount of $366,477.93. This amount covers the amount due under the Promissory Note dated November 21, 2006, and payment towards Ecology's costs in overseeing the order. You will be reimbursed for any amount above what is owed for Ecology oversight costs once the final invoice is calculated (which will be by the end of April).

I have included the original Promissory Note, Deed of Trust, and Subordination Agreement with this letter, along with a request for full reconveyance of the Deed of Trust. Ticor Title Insurance will ensure the documents are recorded and the originals are returned to you.

Now that payment has been received, I have changed the status of the site on Ecology's site database to "Removed from Hazardous Sites List". The next version of the physical list will be published in August.

In accordance with Section IX of Agreed Order No. DE 3373, by this letter I am informing you that the terms and conditions of the Agreed Order have been satisfied.

Federal Asset Recovery
March 25, 2008

Ecology has determined that the remedial action conducted at the Site is sufficient to meet the substantive requirements contained in MTCA and its implementing regulations, Chapter 70.105D RCW and Chapter 173-340 WAC, for characterizing and addressing the contamination at the Site. Therefore, unless new contamination is discovered at the site, Ecology is issuing this opinion that **no further remedial action is necessary** at the Site under MTCA.

Thank you for your cooperation with Ecology throughout this process. Please call me at (360) 407-6260 if you have questions or need to discuss this matter.

Sincerely,

Joyce Mercuri
Site Manager
Southwest Region
Toxics Cleanup Program

JM/ksc:Final NFA and Order Satisfaction Letter

cc: Mark K. Funke, Attorney
Carol Hartman, Ticor Title Company
Jeff Jones, J.S. Jones and Associates
John Level, Ecology Assistant Attorney General
Katherine Scott, Ecology Cost Recovery Coordinator
Dawn Merryman, Ecology Fiscal Office
Rebecca Lawson, Ecology
Scott Rose, Ecology

Enclosures sent with original letter to Carol Hartman, Ticor Title Insurance Company

RECEIVED
NOV 27 2006
Washington State
Department of Ecology

PROMISSORY NOTE

$300,000.00 Principal | Nov. 21, 2006 Date | Tacoma, City | WA State | 98401

FOR VALUE RECEIVED, Federal Asset Recovery, Inc., hereinafter "Maker" promises to pay to State of Washington, Department of Ecology, hereafter "Holder" or order at Department of Ecology, Cashiering Section, P.O. Box 5128, Lacey, WA 98509 or in person at 300 Desmond Drive, Lacey, WA 98503 referencing the Site name and the following identification number: 1T000204, or other such place as may be designated by the Holder from time to time, the principal sum of three hundred thousand U.S. dollars ($300,000.00), with interest thereon from the date of this Note on the unpaid principal at the rate of twelve percent (12%) per annum, compounded monthly, as provided under WAC 173-340-550(4) as follows:

1. **DUE DATE:** The entire balance of this Note together with any and all interest accrued thereon shall be due and payable in full at the earlier date of (1) 365 days after the above written date of this Note, or (2) upon transfer of the property encumbered by the deed of trust by which this Note is secured.

2. **DEFAULT INTEREST:** After maturity, or failure to make any payment, any unpaid principal shall accrue interest at the rate of twelve percent (12%) per annum, compounded monthly OR the maximum rate allowed by law, whichever is less, during such period of Maker's default under this Note.

3. **ALLOCATION OF PAYMENTS:** Each payment shall be credited first to any interest and the remainder to principal.

4. **PREPAYMENT:** Maker may prepay all or part of the balance owed under this Note at any time without penalty.

5. **CURRENCY:** All principal and interest payments shall be made in lawful money of the United States.

6. **ACCELERATION:** If Maker fails to make any payment owed under this Note, or if Maker defaults under any Deed of Trust or any other instruments securing repayment of this Note, and such default is not cured within 30 days after written notice of such default, then Holder may, at its option, declare all outstanding sums owed on this Note to be immediately due and payable, in addition to any other rights or remedies that Holder may have under the Deed of Trust or other instruments securing repayment of this Note.

7. **ATTORNEYS' FEES AND COSTS:** Maker shall pay all costs incurred by Holder in collecting sums due under this Note after a default, including reasonable attorneys' fees, whether or not suit is brought. If Maker or Holder sues to enforce this Note or obtain a declaration of its rights hereunder, the prevailing party in any such proceeding shall be entitled to recover its reasonable attorneys' fees and costs incurred in the proceeding (including those incurred in any bankruptcy proceeding or appeal) from the non-prevailing party.

REQUEST FOR FULL RECONVEYANCE

The undersigned beneficiary is the legal owner and holder of the promissory note in the original sum of $300,000.00 secured by that certain Deed of Trust dated November 21, 2006 in which Federal Asset Recovery Inc. is /are grantor(s) and Ticor Title Company is trustee, filed for record on December 6, 2006, as Auditor's File No. Recording Number 200612060534, and recorded in Pierce County Washington

The note and all other indebtedness secured by said Deed of Trust having been fully satisfied, the note and Deed of Trust are herewith surrendered to you for cancellation and reconveyance

You are therefore requested, upon payment of all sums owing to you, to reconvey without warranty, to the person(s) entitled thereto, the right, title, and interest now held by you there under.

Dated: 3/24/2008

State of Washington, Department of Ecology (Beneficiary)

Rebecca S. Lawson

By: Rebecca S, Lawson

Regional Section Manager

Southwest Regional Office

Toxics Cleanup Program

Department of Ecology

8 TICOR

30867765A-C

200612060535 3 PGS
12/06/2006 3:44pm $34.00
PIERCE COUNTY, WASHINGTON

After Recording Return to:
Joyce Mercuri
Department of Ecology
P.O. Box 47775
Olympia, WA 98504-7775

RECEIVED
JAN 08 2007
Washington State
Department of Ecology

SUBORDINATION AGREEMENT

Grantor: William A. Looney
Grantee: State of Washington, Department of Ecology
Legal: Tacoma Tidelands S ½ L 12, L 13 & 14, & N ½ L 15, B 62 SEG G 0662
Tax Parcel Nos.: 8950001971
Cross Reference: deed of trust under AFN 200604041033

KNOW ALL MEN BY THESE PRESENTS, That William A Looney, the owner and holder of that certain Deed of Trust bearing the date April 1, 2004, executed by Federal Asset Recovery, Inc., and recorded in the office of the County Auditor of Pierce County, State of Washington, on the 4th day of April, 2006, under Auditor's File Number 200604041033, affecting the property legally described in Exhibit A hereto does hereby agree that the lien of said Deed of Trust shall be subordinate to the interest of the State of Washington, Department of Ecology, under that Deed of Trust dated November 21, 2006, executed by Federal Asset Recovery, Inc, and recorded in the records of Pierce County, Washington under Auditor's File Number 200612060534

IN WITNESS WHEREOF, the grantor has hereunto set its hand and seal this 21 day of November, 2006.

William A. Looney
William A Looney

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8. WAIVER OF PRESENTMENTS: Maker waives presentment for payment, notice of dishonor, protest and notice of protest.

9. NON-WAIVER: No failure or delay by Holder in exercising Holder's rights under this Note shall be a waiver of such rights.

10. SEVERABILITY: If any clause or any other portion of this Note shall be determined to be void or unenforceable for any reason, such determination shall not affect the validity or enforceability of any other clause or portion of this Note, all of which shall remain in full force and effect.

11. INTEGRATION: There are no verbal or other agreements which modify or affect the terms of this Note. This Note may not be modified or amended except by written agreement signed by Maker and Holder.

12. CONFLICTING TERMS: In the event of any conflict between the terms of this Note and the terms of any Deed of Trust or other instruments securing payment of this Note, the terms of this Note shall prevail.

13. COMMERCIAL PROPERTY: Maker represents and warrants to Holder that the sums represented by this Note are being used for business, investment or commercial purposes, and not for personal, family or household purposes.

14. THIS NOTE IS SECURED BY A DEED OF TRUST OF EVEN DATE.

Maker
FEDERAL ASSET RECOVERY, INC.
Federal Asset Recovery, Inc
By: William A. Toomey
Title: President

Maker's address for all notices given by Holder under this Note: PO BOX 1435
Tacoma, WA 98401

DO NOT DESTROY THIS NOTE
WHEN PAID this original Note together with the Deed of Trust securing the same, must be surrendered to the Trustee for cancellation and retention before any reconveyance can be processed.

STATE OF WASHINGTON)
)
County of PIERCE)

On this day personally appeared before me WILLIAM A LOONEY _____, to me known to be the individual(s) described in and who executed the within and foregoing instrument and acknowledged that **he/~~she/they~~** signed the same as **his/~~her/their~~** free and voluntary act and deed for the uses and purposes therein mentioned.

Given under my hand and official seal this 21 day of November, 2006.



Notary Public in and for the State of Washington, residing at University Place.
My appointment expires 12/9/2007.

EXHIBIT A

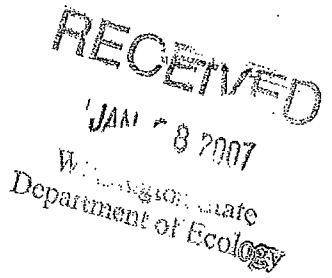
The south half of lot 12, all of lots 13 and 14, and the north half of lot 15, block 62, map of the Tacoma Tide Lands as surveyed and platted by the Board of tide Land Appraisers for Pierce County, according to the Plat filed for record September 14, 1895, in the office of the County Auditor, in Pierce County, Washington. Commonly known as 1147 East Dock Street, Tacoma WA 98402.

(1) TICOR

20807165A-C



After Recording Return to:
Joyce Mercuri
Department of Ecology
P.O. Box 47775
Olympia, WA 98504-7775



DEED OF TRUST

Grantor: Federal Asset Recovery, Inc
Grantee: State of Washington, Department of Ecology
Legal: Tacoma Tidelands S ½ L 12, L 13 & 14, & N ½ L 15, B 62 SEG G 0662
Tax Parcel Nos.: 8950001971
Cross Reference:

THIS DEED OF TRUST, made November 21, 2006 between Federal Asset Recovery, Inc. GRANTOR, whose address is PO Box 1435 Tacoma 98401 TICOR TITLE COMPANY, TRUSTEE, whose address is 1120 Pacific Avenue, Tacoma, WA 98402, and State of Washington, Department of Ecology, BENEFICIARY, whose address is 300 Desmond Drive, Lacey WA 98503.

WITNESSETH: Grantor hereby bargain(s), sell(s), and convey(s) to Trustee in trust, with power of sale, the following described real property in Pierce County, Washington:

The south half of lot 12, all of lots 13 and 14, and the north half of lot 15, block 62, map of the Tacoma Tide Lands as surveyed and platted by the Board of tide Land Appraisers for Pierce County, according to the Plat filed for record September 14, 1895, in the office of the County Auditor, in Pierce County, Washington. Commonly known as 1147 East Dock Street, Tacoma, WA 98402

Assessor's Property Tax Parcel/Account Number: 895000-197-1 which real property is not used principally for agricultural or farming purposes, together with all the tenements, hereditaments, and appurtenances now or hereafter thereunto belonging or in any wise appertaining, and the rents, issues, and profits thereof.

This deed is for the purpose of securing performance of each agreement of Grantor(s) herein contained, and payment of the sum of THREE HUNDRED THOUSAND Dollars ($300,000.00) with interest, in accordance with the terms of a promissory note of even date herewith, payable to Beneficiary or order, and made by Grantor(s), and all renewals, modifications, and extensions thereof, and also such further sums as may be advanced or loaned by Beneficiary to Grantor(s), or any of his/her/their successors or assigns, together with interest thereon at such rate as shall be agreed upon.

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To protect the security of this Deed of Trust, Grantor(s) covenant(s) and agree(s):

1. To keep the property in good condition and repair; to permit no waste thereof; to complete any building, structure, or improvement being built or about to be built thereon; to restore promptly any building, structure, or improvement thereon which may be damaged or destroyed; and to comply with all laws, ordinances, regulations, covenants, conditions, and restrictions affecting the property.

2. To pay before delinquent all lawful taxes and assessments upon the property; to keep the property free and clear of all other charges, liens, or encumbrances impairing the security of this Deed of Trust.

3. To keep all buildings now or hereafter erected on the property described herein continuously insured against loss by fire or other hazards in an amount not less than the total debt secured by this Deed of Trust. All policies shall be held by the Beneficiary, and be in such companies as the Beneficiary may approve and have loss payable first to the Beneficiary, as its interest may appear, and then to the Grantor(s). The amount collected under any insurance policy may be applied upon any indebtedness hereby secured in such order as the Beneficiary shall determine. Such application by the Beneficiary shall not cause discontinuance of any proceedings to foreclose this Deed of Trust. In the event of foreclosure, all rights of the Grantor(s) in insurance policies then in force shall pass to the purchaser at the foreclosure sale.

4. To defend any action or proceeding purporting to affect the security hereof or the rights or powers of Beneficiary or Trustee, and to pay all costs and expenses, including cost of title search and attorney's fees in a reasonable amount, in any such action or proceeding, and in any suit brought by Beneficiary to foreclose this Deed of Trust.

5. To pay all costs, fees, and expenses in connection with this Deed of Trust, including the expenses of the Trustee incurred in enforcing the obligation secured hereby and Trustee's and attorney's fees actually incurred, as provided by statute.

6. Should Grantor(s) fail to pay when due any taxes, assessments, insurance premiums, liens, encumbrances, or other charges against the property hereinabove described, Beneficiary may pay the same, and the amount so paid, with interest at the rate set forth in the note secured hereby, shall be added to and become a part of the debt secured in this Deed of Trust.

IT IS MUTUALLY AGREED THAT:

1. In the event any portion of the property is taken or damaged in an eminent domain proceeding, the entire amount of the award or such portion as may be necessary to fully satisfy the obligation secured hereby, shall be paid to Beneficiary to be applied to said obligation.

2. By accepting payment of any sum secured hereby after its due date, Beneficiary does not waive its right to require prompt payment when due of all other sums so secured or to declare default for failure to so pay.

3. The Trustee shall reconvey all or any part of the property covered by this Deed of Trust to the person entitled thereto, on written request of the Grantor(s) and the Beneficiary, or upon satisfaction of the obligation secured and written request for reconveyance made by the Beneficiary or the person entitled thereto.

4. Upon default by Grantor(s) in the payment of any indebtedness secured hereby or in the performance of any agreement contained herein, all sums secured hereby shall immediately become due and payable at the option of the Beneficiary. In such event and upon written request

of Beneficiary, Trustee shall sell the trust property, in accordance with the Deed of Trust Act of the State of Washington, at public auction to the highest bidder. Any person except Trustee may bid at Trustee's sale. Trustee shall apply the proceeds of the sale as follows: (1) to the expense of the sale, including a reasonable Trustee's fee and attorney's fee; (2) to the obligation secured by this Deed of Trust; and (3) the surplus, if any, shall be distributed to the persons entitled thereto.

5. Trustee shall deliver to the purchaser at the sale its deed, without warranty, which shall convey to the purchaser the interest in the property which Grantor(s) had or had the power to convey at the time of his/her/their execution of this Deed of Trust, and such as he/she/they may have acquired thereafter. Trustee's deed shall recite the facts showing that the sale was conducted in compliance with all the requirements of law and of this Deed of Trust, which recital shall be prima facie evidence of such compliance and conclusive evidence thereof in favor of bona fide purchaser and encumbrancers for value.

6. The power of sale conferred by this Deed of Trust and by the Deed of Trust Act of the State of Washington is not an exclusive remedy; Beneficiary may cause this Deed of Trust to be foreclosed as a mortgage.

7. In the event of the death, incapacity, disability, or resignation of Trustee, Beneficiary may appoint in writing a successor trustee, and upon the recording of such appointment in the mortgage records of the county in which this Deed of Trust is recorded, the successor trustee shall be vested with all powers of the original trustee. The trustee is not obligated to notify any party hereto of pending sale under any other Deed of Trust or of an action or proceeding in which Grantor(s), Trustee, or Beneficiary shall be a party unless such action or proceeding is brought by the Trustee.

8. This Deed of Trust applies to, inures to the benefit of, and is binding not only on the parties hereto, but on his/her/their heirs, devisees, legatees, administrators, executors, and assigns. The term Beneficiary shall mean the holder and owner of the note secured hereby, whether or not named as Beneficiary herein.

Federal Asset Recovery, Inc.

William A. Looney

William A Looney, President

STATE OF Washington)
)
COUNTY OF Pierce)

I certify that I know or have satisfactory evidence that WILLIAM A LOONEY (is/~~are~~) the person(s) who appeared before me, and said person(s) acknowledged that (he/~~she/they~~) signed this instrument, on oath stated that (he/~~she/they~~) (is/~~are~~) authorized to execute the instrument and acknowledged it as the President of Federal Asset Recovery, Inc. to be the free and voluntary act of such party(ies) for the uses and purposes mentioned in this instrument.

Dated: November 21, 2006

LINDSAY T. KEETON NOTARY PUBLIC STATE OF WASHINGTON COMMISSION EXPIRES 12-9-07

Notary Public in and for the state of University Place

My appointment expires: 12/9/07