Limited Subsurface Investigation Report

Prepared for:

C-III Capital Partners LLC
717 5th Avenue, 22nd Floor
New York, NY 10022

Tri-Cities Shopping Center
7411 West Canal Drive
Kennewick, Washington

EBI Project No. 12110095

June 21, 2011

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PROJECT NO. 12110095

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June 21, 2011

Mr. Ellison Quijano
C-III Capital Partners LLC
717 5th Avenue, 22nd Floor
New York, NY 10022

Subject: Limited Subsurface Investigation Report
Tri-Cities Shopping Center
7411 West Canal Drive, Kennewick, Washington
EBI Project No. 12110095

Dear Mr. Quijano:

In accordance with the Proposals and Standard Conditions for Engagement approved by yourself on May 6, 2011 and June 3, 2011, EBI Consulting (dba EBI Consulting, hereinafter "EBI") is pleased to submit this Limited Subsurface Investigation Report (Report) for the above-referenced property (herein referred to as the Subject Property).

This report is addressed to *C-III Commercial Mortgage LLC* and such other persons as may be designated by *C-III Commercial Mortgage LLC* and their respective successors and assigns.

Reliance on the report and the information contained herein shall mean (i) the report may be relied upon by *C-III Commercial Mortgage LLC*, in determining whether to make a loan evidenced by a note secured by the Subject Property ("the Mortgage Loan"); (ii) the report may be relied upon by any loan purchaser in determining whether to purchase the Mortgage Loan from *C-III Commercial Mortgage LLC*, or an interest in the Mortgage Loan or securities backed or secured by the Mortgage Loan, and any rating agency rating securities representing an interest in the Mortgage Loan or backed or secured by the Mortgage Loan; (iii) the report may be referred to in and included, in whole or in part, with materials offering for sale the Mortgage Loan or an interest in the Mortgage Loan or securities backed or secured by the Mortgage Loan; (iv) the report speaks only as of its date in the absence of a specific written update of the report signed and delivered by EBI Consulting.

The information contained in this report has received appropriate technical review and approval. The conclusions represent professional judgments and are founded upon the findings of the investigations identified in the report and the interpretation of such data based on our experience and expertise according to the existing standard of care. No other warranty or limitation exists, either express or implied.

The conclusions of this Report are based on soil analytical data prepared by TestAmerica, soil screening results obtained utilizing a field screening instrument, and field observations recorded by EBI personnel.

There are no intended or unintended third party beneficiaries to this Report, except as expressly stated herein.

EBI is an independent contractor, not an employee of either the issuer or the borrower, and its compensation was not based on the findings or recommendations made in the Report or on the closing of any business transaction.

Thank you for the opportunity to prepare this Report, and assist you with this project. Please call us if you have any questions or if we may be of further assistance.

Respectfully submitted,
EBI CONSULTING

David Oliver, REA I Author/Program Manager	Richard George Reviewer/Program Director 954.483.6722	Rich MacAulay Client Manager

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1.0 INTRODUCTION

In accordance with our Proposals and Standard Conditions for Engagement, EBI Consulting (EBI) is pleased to submit our *Limited Subsurface Investigation Report (Report)* on the property identified as Tri-Cities Shopping Center located at 7411 West Canal Drive in Kennewick, Washington (the Subject Property). Mr. David Oliver of EBI Consulting conducted the investigation at the Subject Property on May 16, 2011 and June 16, 2011.

Background

EBI was requested to conduct a limited subsurface investigation to evaluate the potential impact to the Subject Property from the former automotive service center based on the following recognized environmental concerns identified in EBI's (April 25, 2011) Phase I ESA report:

- Suite K, located on the northwest corner of Building 4, was occupied by a Kmart/Penske auto service center from 1976 until approximately 2002. According to the prior environmental reports, five in-ground lifts were in operation in the space for approximately 20 years. Since the lifts appear to have been original (circa 1976), the in-ground hydraulic equipment may potentially have contained PCBs. The lifts were reportedly removed and replaced with above-ground lifts. The above-ground lifts were removed when the space was vacated by the tenant in 2002. No closure documentation regarding the removal of the in-ground lifts was provided to or identified by EBI. Based on the unknown condition of the former in-ground hydraulic lifts at the time of removal, the potential exists that the underground hydraulic lift systems had impacted subsurface conditions at the Subject Property. This is currently considered a *recognized environmental condition (REC)*.

- EBI observed what appears to be an underground oil-water separator located outside of the former service bays on the west side of the former Kmart building. According to the prior report by LACS, the oil-water separator is connected to floor drains in the bay areas and was associated with the incidental water drainage from vehicles inside of the bays. LACS reviewed manifests for the disposal activities of oily water by Safety Kleen during the April 2001 site inspection. No final documentation of the oil/water separator waste disposal was provided to LACS. According to Ms. Gayle Stack, the Subject Property Manager, the oil/water separator is still present, but no longer in use as the tenant space has been vacant since approximately 2002. Based on the lack of service records and information regarding the current condition of the oil/water separator, this is considered a *recognized environmental condition (REC)*.

2.0 PURPOSE AND SCOPE OF WORK

This Limited Subsurface Investigation was conducted utilizing a standard of good commercial and customary practice that was consistent with the ASTM Practice E 1903-97 (Reapproved 2002). Any significant scope-of-work additions, deletions or deviations to ASTM Practice E 1903-97 (Reapproved 2002) are noted below or in the corresponding sections of this report.

The primary purpose of this investigation was to evaluate the potential impact to the Subject Property in the areas of the noted in-ground hydraulic lifts and oil-water separator.

In order to achieve the objectives of this investigation, EBI performed the following tasks:

- Contacted the local utility locating service Washington Utility Notification Center (Ticket #s 11092188 and 11118761) prior to undertaking subsurface explorations on-site.

- Advanced a total of 15 borings by direct push drilling method to depths of 7 to 15 feet below ground surface (bgs).

- Collected four foot soil samples every four feet, field screened the vapor headspace of the soil samples for total ionizable volatile organic compounds (VOCs) using a photoionization detector (PID), and described the physical characteristics of the soil samples on boring logs. See Sections 4.3 and 4.4 for additional details.

- Selected one to two soil samples per boring, prepared, and submitted the samples under chain-of-custody documentation to a Washington-certified independent laboratory. For the soil samples collected from borings B-1 to B-6, one soil sample per boring was analyzed and one soil sample per boring was held at the laboratory pending the results of the initial laboratory sample analysis. One to two soil samples were analyzed from each of the borings B-7 to B-14. The soil samples collected from adjacent to the in-ground lifts were analyzed for polychlorinated biphenyls (PCBs) by EPA Method 8082 and polynuclear aromatic hydrocarbons (PAHs) by EPA Method 8270C. The soil samples collected from adjacent to the oil-water separator were analyzed for volatile organic compounds (VOCs) via EPA Method 8260 and PAHs by EPA Method 8270C. See Section 4.5 for additional details.

- Prepared this summary of pertinent information obtained during this investigation including accompanying illustrations and appendices, along with EBI's findings and preliminary conclusions regarding the presence or absence of contamination in soils beneath the Subject Property in the areas investigated.

A detailed description of investigation methods is provided in Section 4.0 of this report.

3.0 SUBJECT PROPERTY DESCRIPTION/PHYSICAL SETTING

3.1 SUBJECT PROPERTY DESCRIPTION

The Subject Property is known as the Tri-Cities Shopping Center and is located at 7411 West Canal Drive in Kennewick, Washington. The Subject Property is located in the southeast quadrant of the intersection of West Canal Drive and North Columbia Center Boulevard. The Subject Property includes five, one-story buildings, one split-level three-story building, and three ground leases, with a total net rentable area of approximately 173,673-square feet and situated on a 14.178-acre lot. The existing buildings were reportedly constructed in 1976 through 1979 and 2006.

According to the Benton County Assessor's Office and Mr. Michael Donoghue, CEO of Sierra Kennewick Ltd, the Subject Property is currently owned by Kennewick Associated Limited Partnership.

At the time of inspection, the Subject Property was occupied by a retail strip plaza, including five anchor retail tenant spaces occupied by David's Bridal, Burlington Coat Factory, Tuesday Mornings, Dollar Tree, and Craft Warehouse, and 16 commercial retail tenant spaces located in a total of six buildings. In addition, there are three ground leases occupied by two fast food tenants and a bank branch. Seven vacant tenant spaces were identified at the time of inspection. Historically, a Kmart (then Penske) auto service center was located in Suite K on the northwest corner of Building 4. There are currently no manufacturing or industrial operations conducted at the Subject Property.

Figure 1 is a Subject Property Locus Map showing the location of the Subject Property on a street map of Kennewick, Washington. Figure 2 is a Subject Property Location map showing the location of the Subject Property on a section of the United States Geological Survey Kennewick, Washington topographic quadrangle.

3.2 PHYSICAL SETTING

Regional Geology/Bedrock

No bedrock outcroppings were observed at the Subject Property. Information concerning the geology of the Subject Property was obtained from the USGS National Water Summary, Washington region (1984). The Subject Property is located within the Columbia Plateau physiographic province, which is a flat but deeply incised plateau whose surface ranges from 300-6,000 feet in elevation and is underlain by a series of layered volcanic flows. Bedrock was not encountered at the maximum depth of soil exploration of 15 feet bgs.

Surficial

According to the Natural Resources Conservation Service (NRCS) Web Soil Survey (WSS) website (http://websoilsurvey.nrcs.usda.gov/app/), the dominant soil composition in the vicinity of the Subject Property is classified as Burbank loamy fine sand, 0 to 2 percent slopes (BbA). This soil consists of very deep, excessively drained soils formed in basaltic glacial outwash or alluvium. The soil extends to a depth of 60 inches. Burbank soils are slightly alkaline or moderately alkaline. Permeability is rapid and runoff is very slow to medium.

The ground surface outside the buildings is undulating, with a gentle slope to the northwest. Stormwater runoff from the asphalt-paved parking discharges to catch basins and then into three dry wells located along the north boundary. No prior soil studies or borings were presented to EBI for review. No indication of cross-lot runoff, swales, drainage flows, or active rills or gullies were observed on the Subject Property.

Soil stratigraphy encountered during the completion of soil borings consisted of fine sand from surface to four feet bgs, grading to fine sandy gravel with some silt to a depth of 15 feet bgs, the maximum depth of investigation.

Hydrogeology

Shallow groundwater was not encountered in soil borings advanced at the Subject Property.

Local groundwater gradient is expected to follow surface topography; therefore, groundwater flow near the Subject Property is expected to flow to the north-northwest. Groundwater depths and flow gradients are best evaluated by a subsurface investigation involving the installation of at least three groundwater-monitoring wells, survey of well elevations, and precise measurements of hydraulic head. Calculation of groundwater flow directions based on relative differences of hydraulic head on the Subject Property was not included in this scope of work.

4.0 FIELD ACTIVITIES

4.1 RATIONALE FOR SOIL BORING PLACEMENT

On May 16, 2011, EBI conducted a limited subsurface investigation to assess subsurface conditions in the areas of the in-ground hydraulic lifts and oil-water separator at the Subject Property. On June 16, 2011, EBI conducted additional investigation to further assess subsurface conditions in the vicinity of the oil-water separator. The areas investigated and the associated boring numbers are described below:

- Borings B1 through B5, located adjacent to the interior hydraulic lifts
- Borings B6 and B7, located adjacent to the east of the oil-water separator
- Boring B8, located approximately 10 feet to the east of the oil-water separator
- Boring B9, located adjacent to the south of the oil-water separator
- Borings B10 and B10A, located adjacent to the west of the oil-water separator
- Boring B11, located adjacent to the north of the oil-water separator
- Boring B12, located approximately 12 feet north of the oil-water separator
- Boring B13, located approximately 12 feet south of the oil-water separator
- Boring B14, located approximately 16 feet east of the oil-water separator

4.2 PRE-DRILLING ACTIVITIES

EBI requested Washington Utility Notification Center to mark-out the location of Subject Property utilities on May 9, 2011 (Ticket #11092188) and June 8, 2011 (Ticket #11118761). Clearance for drilling at the Subject Property was granted by May 12, 2011 and June 10, 2011, respectively. No additional pre-drilling activities were performed as part of this investigation.

4.3 ADVANCEMENT OF SOIL BORINGS

A total of 15 borings were advanced at the Subject Property. All of the soil borings were advanced using a truck-mounted, direct-push rig operated by ESN Northwest of Olympia, Washington. Four-foot soil samples were collected continuously during the advancement of the borings. EBI recorded soil sampling information and the physical characteristics of each soil sample onto boring logs presented in Appendix B.

TABLE 4.3
SUMMARY OF SOIL BORING DETAILS

Soil Boring #	Sample ID	Analytical Analysis	Refusal (reason)	Depth To GW
B1	1 (8)	Not analyzed	NA	NA
B1	2 (10)	PCBs, PAHs	Equipment	NA
B2	1 (7)	Not analyzed	NA	NA
B2	2 (11)	PCBs, PAHs	Equipment	NA
B3	1 (7)	Not analyzed	NA	NA
B3	2 (10)	PCBs, PAHs	Equipment	NA
B4	1 (7)	Not analyzed	NA	NA
B4	2 (10)	PCBs, PAHs	Equipment	NA
B5	1 (6)	Not analyzed	NA	NA
B5	2 (7)	PCBs, PAHs	Equipment	NA
B6	1 (6)	Not analyzed	NA	NA
B6	2 (10)	VOCs, PAHs	Equipment	NA
B7	1 (6)	VOCs, PAHs	Equipment	NA
B8	1 (8), 2 (14.5)	VOCs, PAHs	Equipment	NA
B9	1 (7.5), 2 (11.5)	VOCs, PAHs	Equipment	NA
B10	1 (13)	VOCs, PAHs	Equipment	NA
B10A	1 (6)	VOCs, PAHs	Equipment	NA
B11	1 (12)	VOCs, PAHs	Equipment	NA
B12	1 (7.5), 2 (12)	VOCs, PAHs	Equipment	NA
B13	1 (8), 2 (10)	VOCs, PAHs	Equipment	NA
B14	1 (8), 2 (10)	VOCs, PAHs	Equipment	NA
Notes: PCBs – Polychlorinated Biphenyls via EPA Method 8082 VOCs - Volatile organic compounds via EPA Method 8260 PAHs - Polynuclear aromatic hydrocarbons via EPA Method 8270C (8) – Depth below grade sample collected.				

4.4 FIELD SCREENING

The vapor headspace of each soil sample was field-screened using a photoionization detector (PID). The PID provides a reading of total ionizable VOCs. The PID was calibrated with an isobutylene standard, to measure total VOCs as isobutylene equivalents. The PID has a practical sensitivity of approximately one part per million by volume (ppmV). PID readings should not be considered as exact measurements, but as relative readings of VOCs between locations. The soil samples were placed in a ziplock bag approximately three-quarters full with the soil to be analyzed, which was sealed for approximately 10 minutes in a warm (>60˚ F) location for equilibration. The headspace analysis was conducted by inserting the probe of the PID through an opening in the zip-lock bag and into the space above the soil sample.

No visual or olfactory evidence of contamination or elevated PID readings above background was observed in soil samples collected in borings B1 through B5. Stained and odorous soil was noted in an approximate three inch thick lense in boring B6 at a depth of 9.5 feet bgs.

4.5 SOIL SAMPLING AND ANALYSIS

Selected soil samples were collected in laboratory-provided sample containers. Each sample was labeled/logged onto a chain-of-custody form, and placed in a cooler with ice for preservation in accordance with current Federal EPA SW-846 (3rd ed.). The samples were submitted to an independent qualified laboratory (TestAmerica) for analyses. The soil samples collected from adjacent to the in-ground lifts were analyzed for polychlorinated biphenyls (PCBs) by EPA Method 8082 and polynuclear aromatic hydrocarbons (PAHs) by EPA Method 8270C. The soil samples collected from adjacent to the oil-water separator were analyzed for volatile organic compounds (VOCs) via EPA Method 8260 and PAHs by EPA Method 8270C.

4.6 ABANDONMENT OF BORINGS

Upon completion of the soil sampling activities, each soil boring was filled with the soil cuttings generated during the sampling activities. The remaining void in each borehole was filled with bentonite pellets. The top two to four inches were backfilled with concrete grout.

5.0 RESULTS

Boring locations are illustrated on Figure 3, Boring Location Map.

5.1 SOIL ANALYSIS RESULTS

The soil samples collected from adjacent to the in-ground lifts were analyzed for polychlorinated biphenyls (PCBs) by EPA Method 8082 and polynuclear aromatic hydrocarbons (PAHs) by EPA Method 8270C. The soil samples collected from adjacent to the oil-water separator were analyzed for volatile organic compounds (VOCs) via EPA Method 8260 and PAHs by EPA Method 8270C. The following table presents only the contaminants identified above the laboratory method detection limits:

Table 5.1 – Soil Analytical Results

SAMPLE IDENTIFICATION (Results in µg/kg)							
Parameter	**#B1-2**	**#B6-2**	**#B7-1**	**#B8-1**	**#B9-1**	**#B10A-1**	**Washington State MTCA Method A**
Sample Depth (ft.)	**10**	**10**	**6**	**8**	**7.5**	**6**	
VOLATILE ORGANIC COMPOUNDS (VOCs)							
N-BUTYLBENZENE	NA	807	ND	ND	ND	ND	NS
SEC-BUTYLBENZENE	NA	313	ND	ND	ND	ND	NS
2-CHLOROTOLUENE	NA	3,450	ND	ND	ND	ND	NS
1,3-DICHLOROBENZENE	NA	494	ND	218	ND	ND	NS
1,4-DICHLOROBENZENE	NA	7,190	ND	2,200	288	224	NS
ETHYLBENZENE	NA	781	ND	ND	ND	ND	6,000
NAPHTHALENE	NA	2,100	ND	ND	ND	ND	5,000
N-PROPYLBENZENE	NA	763	ND	ND	ND	ND	NS
TETRACHLOROETHENE (TETRACHLOROETHYLENE)	NA	**212**	**534**	**418**	**686**	**64.9**	50
TOLUENE	NA	427	ND	ND	ND	ND	7,000
1,2,4-TRIMETHYLBENZENE	NA	4,980	ND	ND	ND	ND	NS
1,3,5-TRIMETHYLBENZENE	NA	5,200	ND	ND	ND	ND	NS
O-XYLENE	NA	4,400	ND	ND	ND	ND	9,000
M,P-XYLENE	NA	3,430	ND	ND	ND	ND	9,000
1,2-DICHLOROBENZENE – RE1	NA	35,500	ND	ND	ND	ND	NS
1,2-DICHLOROBENZENE	NA	ND	ND	553	161	ND	NS
POLYNUCLEAR AROMATIC HYDROCARBONS (PAHs)							
FLUORANTHENE	15.9	ND	ND	ND	ND	ND	100
PHENANTHRENE	22.8	ND	ND	ND	ND	10.8	100
ANTHRACENE	ND	ND	ND	ND	ND	10.8	100
PYRENE	21.4	27.0	ND	ND	ND	20.1	100
NAPHTHALENE	ND	195	ND	ND	ND	ND	5,000
BENZO (A) ANTHRACENE	ND	ND	ND	ND	ND	15.1	100
BENZO (GHI) PERYLENE	ND	ND	ND	ND	ND	11.5	100

Notes: All results are shown in micrograms per kilogram (µg/kg)
ND = Non-detected above laboratory detection limits

NA = Not Analyzed
NS = No Standard Listed
Bold font indicates exceedance of the applicable standards

The analytical results revealed that no concentrations of PCBs were detected above laboratory detection limits (LDLs) in the soil samples collected and analyzed.

Three constituents of polynuclear aromatic hydrocarbons (PAHs) were detected in sample B1-2 (10') above LDLs, two PAHs were detected above the LDLs in sample B6-2 (10'), and five PAHs were detected above the LDLs in sample B10A-1 (6'). Sample B1-2 was collected from adjacent to an in-ground hydraulic lift on the north side of the shop area. Sample B6-2 was collected from adjacent to the east of the oil-water separator. Sample B10A-1 was collected adjacent to the west of the oil-water separator. EBI compared the detected concentrations of the PAHs to the *Washington State Department of Ecology Method A Soil Cleanup Levels For Unrestricted Land Uses from the Model Toxics Control Act Regulation (MTCA)*, dated November 2007. Each of the constituent concentrations of the PAHs detected were below the applicable cleanup levels for contamination in soils.

A total of 16 different volatile organic compounds (VOCs) were detected above the LDLs in samples B6-2 (10'), B7-1 (6'), B8-1 (8'), B9-1 (7.5'), and B10A-1 (6'), which were all collected in the vicinity of the oil-water separator. EBI compared the detected concentrations of the VOCs to the *Washington State Department of Ecology Method A Soil Cleanup Levels For Unrestricted Land Uses from the Model Toxics Control Act Regulation (MTCA)*, dated November 2007. Ten of the detected VOC constituents do not have a cleanup standard listed. Five of the VOC constituents exhibited concentrations that were below the applicable cleanup levels. Tetrachloroethene was detected in five of the soil samples collected from the vicinity of the oil-water separator at concentrations of 64.9 to 686 µg/kg, which exceed the applicable unrestricted cleanup level of 50 µg/kg.

Laboratory soil analytical results and complete laboratory data sheets and chain-of-custody documentation are presented in Appendix C.

6.0 FINDINGS & CONCLUSIONS

The results of EBI's Limited Subsurface Investigation revealed:

- The investigation focused on interior areas of the former automotive servicing facility at the Subject Property in the vicinity of six former hydraulic lifts and at exterior areas in the vicinity of an oil-water separator.

- Six soil borings, identified as B1 through B6, were advanced at the Subject Property on May 16, 2011. Borings B1 through B5 were advanced in the vicinity of the hydraulic lifts and boring B6 was advanced adjacent to the east of the oil-water separator. On June 16, 2011, nine additional soil borings, identified as B7 through B14 (including B10A) were advanced in the vicinity of the oil-water separator to further evaluate the initial results.

- Boring depths ranged from 7 to 15 feet below the ground surface (bgs). No visual or olfactory evidence of contamination or elevated PID readings above background was observed in soil samples collected from the interior borings (B1 through B5). An approximate three inch thick lense of stained and odorous soil was observed at 9.5 feet in the exterior boring B6. Shallow groundwater was not encountered in any of the borings.

- For the soil samples collected from borings B-1 to B-6, one soil sample per boring was analyzed and one soil sample per boring was held at the laboratory pending the results of the initial laboratory sample analysis. One to two soil samples were analyzed from each of the borings B-7 to B-14. The soil samples collected from adjacent to the in-ground lifts were analyzed for polychlorinated biphenyls (PCBs) by EPA Method 8082 and polynuclear aromatic hydrocarbons (PAHs) by EPA Method 8270C. The soil samples collected from adjacent to the oil-water separator were analyzed for volatile organic compounds (VOCs) via EPA Method 8260 and PAHs by EPA Method 8270C.

- The analytical results revealed that no concentrations of PCBs were detected above the laboratory detection limits (LDLs) in the soil samples collected and analyzed. Based on the results of the soil investigation activities, additional investigation is not warranted for the in ground hydraulic lifts.

- Three constituents of polynuclear aromatic hydrocarbons (PAHs) were detected in sample B1-2 (10') above LDLs, two PAHs were detected above the LDLs in sample B6-2 (10'), and five PAHs were detected above the LDLs in sample B10A-1 (6'). Sample B1-2 was collected from adjacent to an in-ground hydraulic lift on the north side of the shop area. Sample B6-2 was collected from adjacent to the east of the oil-water separator. Sample B10A-1 was collected adjacent to the west of the oil-water separator. EBI compared the detected concentrations of the PAHs to the *Washington State Department of Ecology Method A Soil Cleanup Levels For Unrestricted Land Uses from the Model Toxics Control Act Regulation (MTCA)*, dated November 2007. Each of the constituent concentrations of the PAHs detected were below the applicable cleanup levels for contamination in soils. Based on these findings additional PAH investigation is not warranted.

- A total of 16 different volatile organic compounds (VOCs) were detected above the LDLs in samples B6-2 (10'), B7-1 (6'), B8-1 (8'), B9-1 (7.5'), and B10A-1 (6'), which were all collected in the vicinity of the oil-water separator. EBI compared the detected concentrations of the VOCs to the *Washington State Department of Ecology Method A Soil Cleanup Levels For Unrestricted Land Uses from the Model Toxics Control Act Regulation (MTCA)*, dated November 2007. Ten of the detected VOC constituents do not have a cleanup standard listed. Five of the VOC constituents exhibited concentrations that were below the applicable cleanup levels. Tetrachloroethene (PCE) was detected in five of the soil samples collected from the vicinity of the oil-water separator at concentrations of 64.9 to 686 µg/kg, which exceed the applicable cleanup level of 50 µg/kg.

Based on the results of the investigation activities, EBI has identified a localized impact to the soils in the vicinity of the oil-water separator with concentrations of Tetrachloroethene (PCE) above the Washington State MTCA Method A soil cleanup standards. Based on the findings of the additional investigation it appears the contamination is localized to the area surrounding B-6, B-7, B-8, B-9 and B-10. The vertical extent of impacted soils appears to extend from approximately 6 feet bgs to approximately 11.5 feet bgs in this area.

EBI notes that the Method A soil cleanup is an unrestricted soil standard that is intended to be protective of groundwater. Groundwater was not encountered during this investigation and based on information from surrounding sites groundwater is estimated at approximately 50 feet bgs.

According to the information provided online by the Washington State Department of Ecology, Toxics Cleanup Program Policy 300, property owners and operators are required to report the discovery of a release of hazardous substances that may pose a threat to human health or the environment to the Washington State Department of Ecology within ninety (90) calendar days of discovery. After reporting the discharge, additional actions will likely be required to address the identified impacts.

There are several options to address the impacted soils identified at the site to achieve Washington State Department of Ecology requirements. Depending on the site and project conditions, these options could include petitioning for an alternative standard, leaving contamination in place, and excavation and off-site disposal of contaminated soils. Accordingly, EBI recommends a conducting a meeting with the Washington State Department of Ecology to discuss the available options to address the impacted soils encountered at the site. EBI adds that remedial options could also be tailored to meet the needs of the lender and borrower to achieve financing and project goals.

7.0 RECOMMENDATIONS

EBI recommends meeting with Washington State Department of Ecology to discuss the results and the potential remedial options associated with impacted soils identified at the site.

8.0 LIMITATIONS

This *Report* was prepared for the use of C-III Capital Partners LLC. It was performed in accordance with generally accepted practices of other consultants undertaking similar studies at the same time and in the same locale under like circumstances. The conclusions provided by EBI are based solely on the information obtained during the subsurface investigation. EBI renders no opinion as to the presence of potential contamination in the areas not investigated. The observations in this *Report* are valid on the date of the investigation. Any additional information that becomes available concerning the Subject Property should be provided to EBI so that our conclusions may be revised and modified, if necessary. This *Report* has been prepared in accordance with the proposal approved by C-III Capital Partners LLC and with the limitations described in *Attachment A*, all of which are integral parts of this *Report.* No other warranty, expressed or implied, is made.

ATTACHMENT A
LIMITATIONS

1. The observations described in this *Report* were made under the conditions stated herein. The conclusions presented are based solely upon the services described, and not on scientific tasks or procedures beyond the scope of described services or the time and budgetary constraints imposed by Client. The work described in this *Report* was carried out in accordance with terms and conditions in our *Authorization Letter* and *Agreement for Environmental Services* regarding the Site, which are incorporated herein by references.

2. In preparing this *Report*, EBI has relied on certain information provided by state and other referenced parties, and on information contained in the files of federal, state and/or local agencies available to EBI at the time of the assessment. Although there may have been some degree of overlap in the information provided by these various sources, EBI did not attempt to independently verify the accuracy or completeness of all information reviewed or received during the course of these *Environmental Services*.

3. Observations were made of the Site and of structures on the Site as indicated within the *Report*. Where access to portions of the Site or to structures on the Site was unavailable or limited, EBI renders no opinion as to the presence of oil or hazardous materials (OHM) in that portion of the Site or structure. In addition, EBI renders no opinion as to the presence of OHM or the presence of indirect evidence relating to OHM where direct observation of the interior walls, floor, or ceiling of a structure on a Site was obstructed by objects or coverings on or over these surfaces. No representations concerning insulating material is expressed or implied.

4. EBI did not perform testing or analyses to determine the presence or concentration of asbestos, radon, or lead at the Site unless specifically stated otherwise in the *Report*. Similarly, no investigation of dust or air quality was conducted unless specifically stated otherwise in the *Report*.

5. The purpose of this *Report* is to assess the physical characteristics of the Site with respect to the presence of OHM in the environment. No specific attempt was made to determine the compliance of present or past owners or operators of the Site with federal, state, or local laws or regulations (environmental or otherwise).

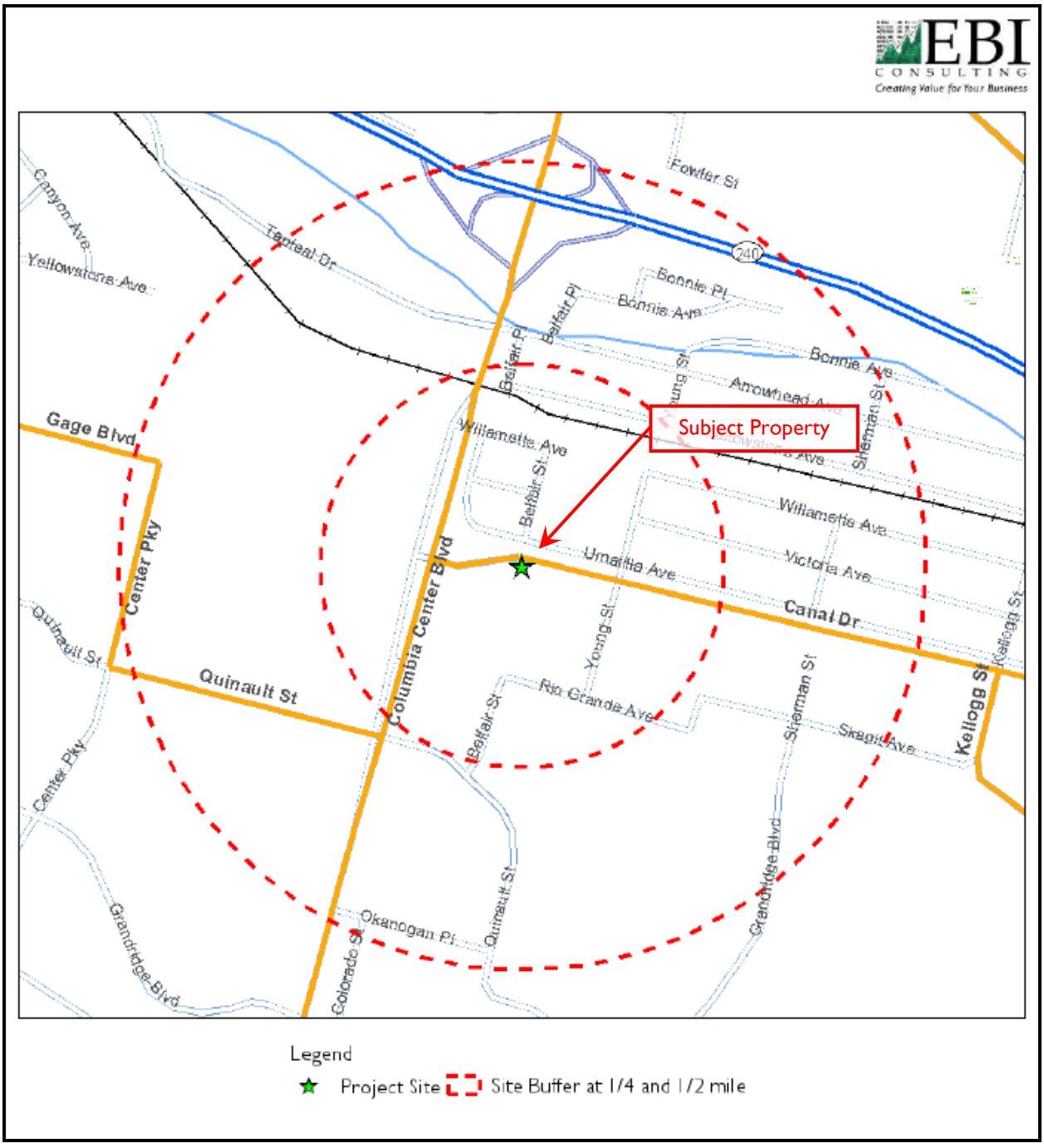
6. Except as noted in the *Report*, no quantitative laboratory testing was performed as part of the assessment. Where such analyses have been conducted by an outside laboratory, EBI has relied upon the data provided, and has not conducted an independent evaluation of the reliability of this data.

7. Any qualitative or quantitative information regarding the Site, which was not available to EBI at the time of this assessment may result in a modification of the representations made herein.

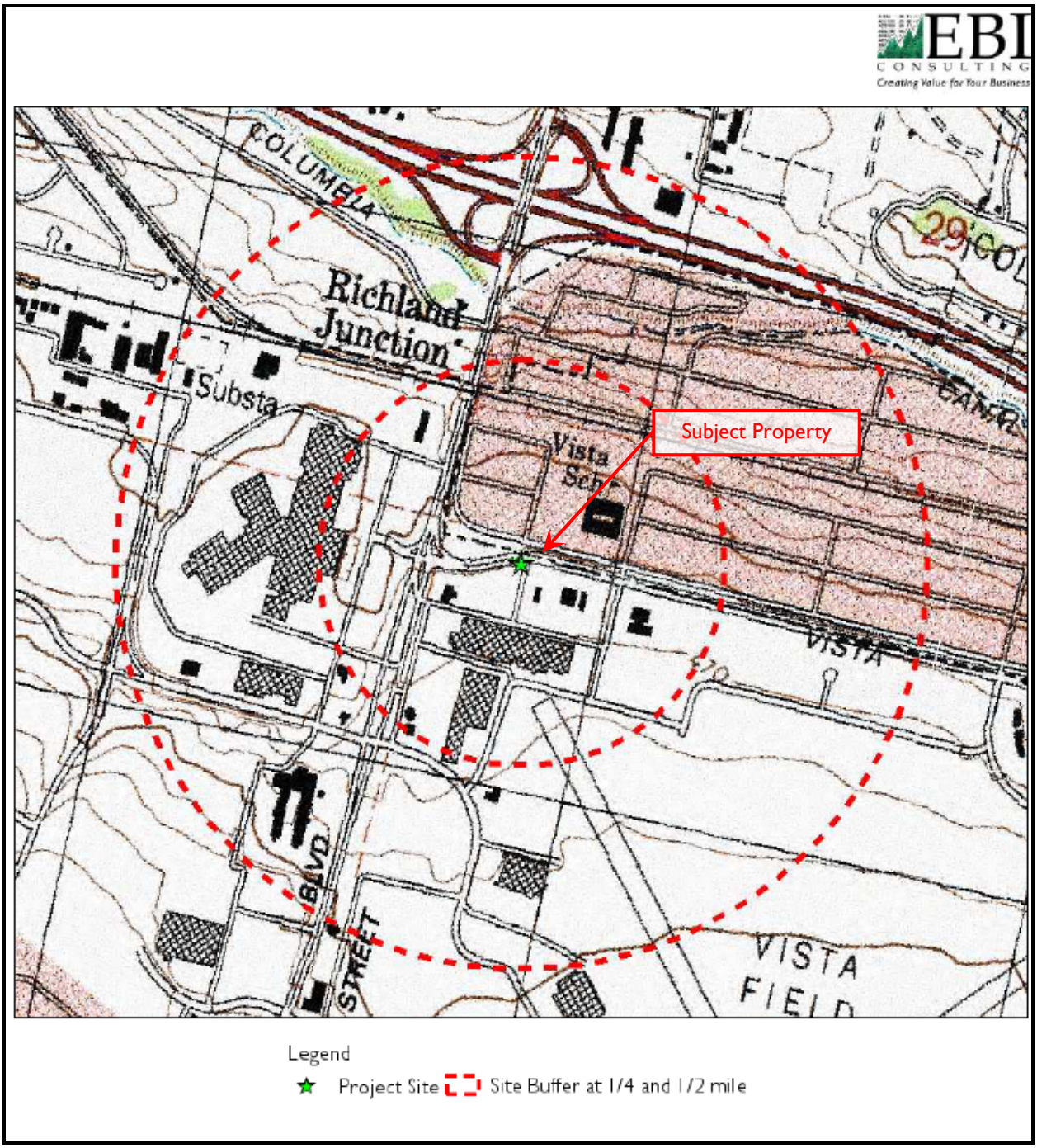
8. It is acknowledged that EBI judgments shall not be based on scientific or technical test or procedures beyond the scope of the Services or beyond the time and budgetary constraints imposed by Client. It is acknowledged further that EBI conclusions shall not rest on pure science but on such considerations as economic feasibility and available alternatives. Client also acknowledges that, because geologic and soil formations are inherently random, variable, and indeterminate in nature, the Services and opinions provided under this Agreement with respect to such Services, are not guaranteed to be a representation of actual conditions on the Site, which are also subject to change with time as a result of natural or man-made processes, including water permeation. In performing the Services, EBI shall use that degree of care and skill ordinarily exercised by environmental consultants or engineers performing similar services in the same or similar locality. The standard of care shall be determined solely at the time the Services are rendered and not according to standards utilized at a later date. The Services shall be rendered without any other warranty, expressed or implied, including, without limitation, the warranty of merchant ability and the warranty of fitness for a particular purpose.

9. Client and EBI agree that to the fullest extent permitted by law, EBI shall not be liable to Client for any special, indirect or consequential damages whatsoever, whether caused by EBI's negligence, errors, omissions, strict liability, breach of contract, breach of warranty or other cause of causes whatsoever.

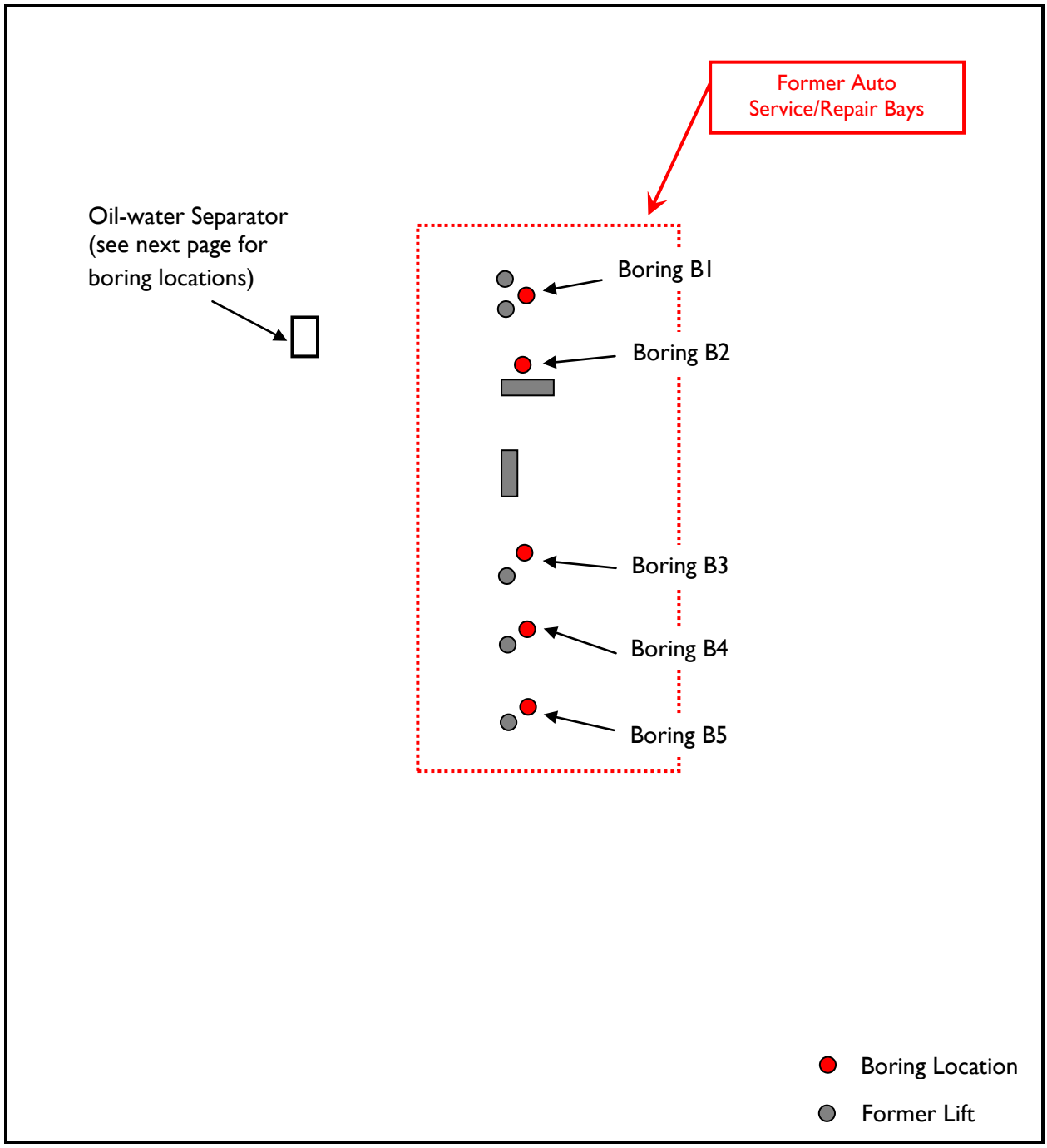
APPENDIX A
FIGURES



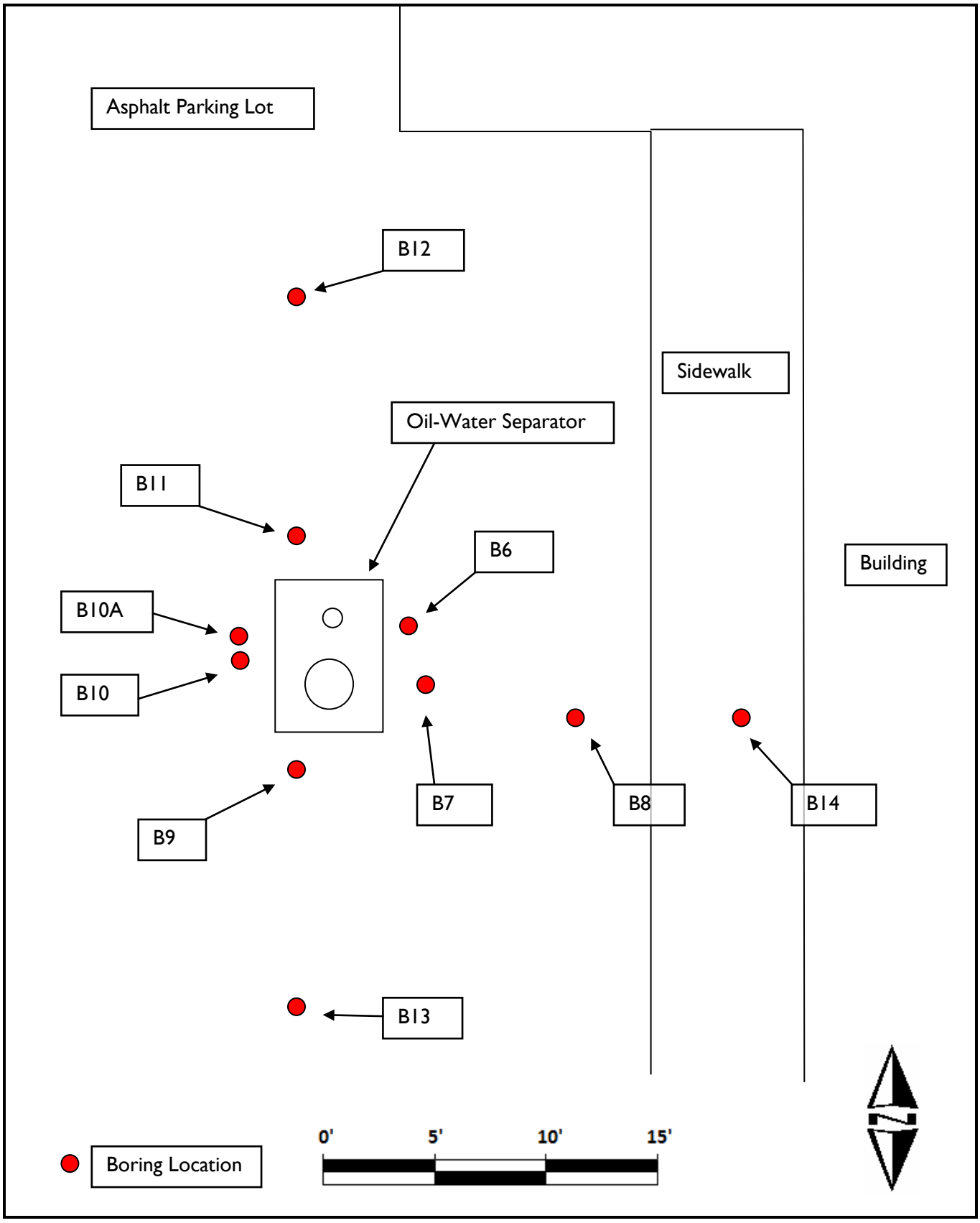
Site Location Map



Topographic Map



Boring Location Map



Boring Location Map

APPENDIX B
SOIL BORING LOGS

APPENDIX C
LABORATORY ANALYTICAL RESULTS AND CHAIN-OF-CUSTODY DOCUMENTATION