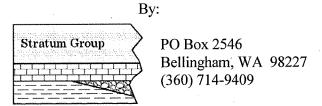
REPORT ENVIRONMENTAL SITE ASSESSMENT PHASE I

ALOHA MOTEL 301 AND 315 NORTH SAMISH WAY WHATCOM COUNTY PARCELS 380331425243 & 380331421256 BELLINGHAM, WASHINGTON 98225

For:

City of Bellingham
Planning and Community Development
210 Lottie Street
Bellingham, Washington 98225



October 23, 2014

Stratum Group

PO Box 2546, Bellingham, Washington 98227 Phone: (360) 714-9409

October 23, 2014

David Stalheim
Housing and Human Services Program Manager
City of Bellingham Planning and Community Development Department
210 Lottie Street
Bellingham, Washington 98225

Re: Report

Environmental Site Assessment: Phase I

Aloha Motel 301 and 315 North Samish Way Whatcom County Parcels 380331425243 and 380331421256 Bellingham, Washington 98225

Dear Mr. Stalheim:

Stratum Group is pleased to present the results of our Phase I Environmental Site Assessment (ESA) for the above referenced commercial use property located on North Samish Way in Bellingham, Washington. This Phase I Assessment was conducted in general conformance with ASTM Standard Practice E 1527-13 and the Federal Standards and Practices for All Appropriate Inquiries (40 CFR Part 312).

The site is developed with two motel buildings and is operated as the Aloha Motel. Our investigation revealed two recognized environmental conditions on the site:

- 1) Methamphetamine contamination has been confirmed within motel rooms in both buildings on the site
- 2) An underground heating oil tank was identified in the southern portion of the property

Methamphetamine contamination has been identified by the local health department in ten of the 28 motel rooms on the site. All of the rooms tested by the local health department have been identified as contaminated and therefore additional rooms are suspected to be contaminated. The contamination in the rooms is due to smoking of methamphetamine. No indications of meth labs have been identified by the health department or were suspected during our site visit, so the contamination is likely limited to the building materials. We recommend that additional testing take place to determine the extent of the contamination, or alternatively, all the rooms within the buildings should be assumed to be contaminated. We recommend following the corrective action prescribed by Whatcom County Health Department for decontamination and/or demolition of the buildings.

A fill and vent pipe for an underground storage tank (UST) were observed along the south side of the southern motel building. The tank is assumed to be a former heating oil tank used for heating the smaller motel building. Based upon the age of the tank, likely installed at time of the building construction in 1939, a release may have taken place in association with the tank. The tank is no

longer in use and therefore we recommend removal of the tank. Heating oil tanks are exempt from Department of Ecology regulations for USTs; however we recommend that soil sampling be conducted at the time of the tank removal to verify soil conditions. If desired, soil sampling can be completed prior to property purchase and/or tank removal to determine if contamination is present.

No other recognized environmental conditions were identified based on our site visit, historical research, and evaluation of identified potential off-site risks.

Should you have any questions concerning this Environmental Site Assessment, please do not hesitate to contact us at (360) 714-9409.

Sincerely,

Stratum Group

Kim Ninnemann, B.S. Licensed Geologist

Kim Ninremann

Lori Anderson, M.Sc. Environmental Scientist

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Figure 2 – Aerial Map of Subject Property and Vicinity

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Environmental Questionnaire Sanborn Fire Insurance Map (1932 and 1963) Historical Aerial Photographs (1950, 1963, 1975, 1988, 1997) Historic Assessor Notes

APPENDIX III

Historical Use and Public Records Search References Stratum Group Indemnity

SECTION 1: EXECUTIVE SUMMARY

As requested by Mr. David Stalheim of the City of Bellingham Planning and Community Development Department, Stratum Group conducted a Phase I Environmental Site Assessment for the commercial property at 301 and 315 N Samish Way in Bellingham, Washington on October 13, 2014. The phase I report was completed as environmental due diligence in association with a potential purchase of the property by the City of Bellingham under eminent domain.

Two commercial buildings, used as the Aloha Motel, are located on the property. The remainder of the property is covered by asphalt parking and grass and landscape covered areas. Two recognized environmental conditions were identified in association with the site:

- 1) Methamphetamine contamination within numerous rooms of the motel
- 2) Presence of an underground heating oil tank

The Whatcom County Health Department has issued administrative notices of violation of county health code on ten of the 28 rooms associated with the motel due to methamphetamine contamination. The notice requires the current property owners to perform corrective action (decontamination) of the rooms. No indication of methamphetamine labs or chemical dumping were observed during our site visit. Based upon our site visit and review of health department findings, the contamination is likely due to smoke damage from methamphetamines and therefore, soil and groundwater contamination are not suspected. We recommend sampling all remaining rooms for methamphetamine contamination to further define the extent of contamination. Alternatively, it can be assumed that all the rooms are impacted by methamphetamine contamination. Room decontamination and/or demolition of the buildings should be completed in compliance with health department and solid waste disposal regulations.

A heating oil UST was identified on the southern portion of the site during our October 13, 2014 site visit. The volume and contents of the tank have not been determined. The tank is not currently in use, but may have been installed as early as 1939, in coordination with the construction of the smaller motel building. Due to the potential age of the tank, a release may have taken place. We recommend that the tank be removed and soil sampling be conducted to determine if contamination is present. If more certainty regarding potential contamination is desired, testing of soil around the UST could be performed in advance of the property purchase.

Our historical review indicates that the site was vacant in the early 1900s. The smaller of the two existing buildings was constructed in the southern portion of the property in 1939. The northern building was constructed in 1960. The property has been utilized as a motel since at least 1939. No other historical uses of the site were identified.

No potential off-site contamination sources were identified in our review of public records within

the ASTM search radius that pose a risk of contamination to the subject property.

SECTION 2: INTRODUCTION

2.1 Purpose and Scope

The purpose of this Phase I Environmental Site Assessment is to identify, to the extent feasible pursuant to the processes prescribed within the Federal Standards and Practices for All Appropriate Inquiries (40 CFR Part 312) and ASTM Standard Practice E 1527, recognized environmental conditions in connection with the subject property. A recognized environmental condition is defined as the presence or likely presence of any hazardous substances or petroleum products on a property under conditions that indicate an existing release, a past release, or a material threat of a release of any hazardous substances or petroleum products into structures on the property or into the ground, ground water, or surface water of the property, even under conditions in compliance with existing laws. The term is not intended to include *de minimis* conditions that generally do not present a material risk of harm to public health or the environment and that generally would not be the subject of an enforcement action if brought to the attention of appropriate governmental agencies.

The scope of our services included:

- Inspection of the property, including the interior and exterior of the building, for indications of hazardous substances, petroleum products, stained soil, stressed vegetation, garbage dumping, or careless manufacturing or industrial practices which may be present.
- Document the storage and waste management practices and the condition of the materials, if present.
- Review of Federal, State, and local records as to locations of nearby hazardous waste sites, leaking underground storage tanks, and landfills
- Review of historic aerial photographs, Sanborn Fire Insurance maps, and other available public records to determine past usage of the property and surrounding areas
- Review of Whatcom County Health Department records on file for the subject property
- Interviews with people knowledgeable about the site, including the current property owners and manager
- Review of the physical setting, geology, and geohydrology of the site
- Preparation of this report describing the conditions encountered and recommendations for further study, if necessary

2.2 Special Terms and Conditions

Stratum Group has prepared this report using reasonable efforts in each phase of its work to estimate the liabilities associated with recognized environmental conditions on the subject properties and in the vicinity of the subject properties. No environmental site assessment can wholly eliminate uncertainty regarding the potential for recognized environmental conditions in

connection with a property. This report is intended to reduce, but not eliminate, uncertainty regarding the existence of recognized environmental conditions in connection with the subject property, in recognition of reasonable limits of time and cost. Stratum Group makes no warranty, expressed or implied, as to the accuracy of information contained in public records.

This report is not definitive and should not be assumed to be a complete or specific definition of all conditions above or below grade. Recognized environmental conditions in the subsurface, if present, can only be identified by a subsurface investigation. An evaluation of area-wide atmospheric deposition of contaminants is not evaluated within this report.

Should the conditions on the subject property differ from the descriptions provided in this report please contact Stratum Group for an additional evaluation.

As is now common in the industry, it is understood that, to the fullest extent permitted by law, our clients agree to defend, indemnify and hold harmless Stratum Group, its owners, employees, subcontractors and agents, from any (past, present, or future) pollution-related claims or damages at the site, including potential claims from third parties that may name Stratum Group as a claimant.

2.3 Qualifications and Methodology Used

The methodology used during the production of this report is as prescribed Federal Standards and Practices for All Appropriate Inquiries (40 CFR Part 312) and as generally prescribed in the ASTM E 1527 standard.

We declare that, to the best of our professional knowledge and belief, we meet the definition of Environmental Professional as defined in §312.10 of this part [Federal All Appropriate Inquiries]. We have the specific qualifications based on education, training, and experience to assess a property of the nature, history, and setting of the subject property. We have developed and performed the all appropriate inquiries in conformance with the standards and practices set forth in 40 CFR Part 312.

2.4 Data Gaps and Limiting Conditions

No data gaps or limiting conditions were encountered during the conduct of this Phase I Environmental Site Assessment, except that:

- 1. The EPA databases for Superfund (NPL) and CERCLIS sites have not been updated since November 2013.
- 2. Unable contact former property owners for an interview

The public databases available through the EPA are currently being updated. Ms. Lynn Kershner, Information Management Coordinator for Seattle's EPA office, was interviewed via telephone on June 6, 2014. Ms. Kershner stated that the EPA's entire database system is being

replaced and that EPA personnel do not have access to changes to the Superfund and CERCLIS databases and therefore a Freedom of Information request (FOIA) would not provide additional information related to EPA sites within the ASTM standard. Based upon this information, any changes to the EPA's databases from November 2013 to present is not feasibly ascertainable. The above mentioned data gaps do not significantly alter our evaluation of the environmental conditions on the subject property.

No former owners were able to be interviewed for this report. Previous ownership information back to 1973 was available through the Whatcom County Assessor; however, due to corporations being inactive, owners not having listing phone numbers, or former owners being deceased, we were unable to interview any of the former owners. However, based upon available history of the site through local resources, the lack of interviews does not impact our ability to assess the potential environmental risk associated with the site.

The above mentioned data gaps do not significantly alter our evaluation of the environmental conditions on the subject property.

SECTION 3: SITE CHARACTERIZATION

3.1 Location

The subject property consists of two parcels that are roughly triangular and total approximately 1.5 acres. The parcels are located along the west side of North Samish Way and in the intersection of North Samish Way, Otis Street, and East Laurel Street within the city limits of Belligham, Washington. The site utilizes the addresses 301 and 315 North Samish Way in Bellingham, Washington. The site is located in portions of the northeast and southeast quarters of Section 31, Township 38 North, Range 3 East of the Willamette Meridian. The location of the subject property is indicated on the site vicinity map in Figure 1 of Appendix I.

3.2 Site and Vicinity Physical Characteristics

The subject property is situated on the eastern slope of Sehome Hill, a local topographic high. A residential neighborhood is located on Sehome Hill, above the subject property. Commercial businesses are located along North Samish Way, east and south of the subject property. Interstate 5 is located 0.1 miles east of the subject property. The site is developed with two buildings that comprise the Aloha Motel. The property is located at between approximately 208 to 230 feet above mean sea level. The land slopes to the east-northeast in the vicinity of the site.

3.2.1 Geologic Summary

The following descriptions of the surficial deposits in the vicinity of the subject property were interpreted from the *Geologic Map of the Bellingham 1:100,000 Quadrangle, Washington* (Lapen,

2000). The map indicates that the site is underlain by the Padden Member of the Chuckanut Formation. The Chuckanut bedrock is made of sandstone and conglomerate layers with some interbedded mudstone and coal.

The Natural Resources Conservation Service (USDA, online 2013),, describes the soil as Chuckanut- Urban land complex with 5-20 percent slopes. The soil forms on hill slopes from parent material of volcanic ash and colluvium derived from glacial drift and sandstone bedrock. The soil is well drained with a moderately high to high capacity to transmit water. The area has a general soil profile of ashy loam from the surface to a depth of six inches, gravelly loam from a depth of six inches to 48 inches, and weathered bedrock from 48 to at least 52 inches.

3.2.2 Geohydrologic Summary

The City of Bellingham Watersheds and Subbasins Map (April 2004) maps the subject property near the boundary line between the Lincoln Creek and Connelly Creek watersheds. Lincoln Creek flows northward into Whatcom Creek and Connelly Creek flows south into Padden Creek. Based on the surficial topography of the site, shallow groundwater flow likely flows in a g northeasterly direction, toward Lincoln Creek

3.3 Site Description

Stratum Group visited the subject property on October 13, 2014. The site is developed with two commercial buildings that comprise the Aloha Motel and an associated asphalt drive and parking lot. An aerial map of the site is provided in Figure 2. Site photographs are provided in Figures 3 through 10. Figures 1 through 10 are located in Appendix I.

3.3.1 Public Utilities

The site is connected to natural gas, electricity and communications. Public water and sanitary sewer utilities serve the site.

3.3.2 Building Conditions

Two buildings housing a total of 28 motel units are located on the site. The building on the northern portion of the property was constructed in 1960 of wood siding on a concrete foundation (Building A). The building on the southern portion of the property was built in 1939 and is constructed with wood siding on a concrete foundation (Building B).

The motel office is located at the northeast end of the northern building (Building A). A laundry room is adjacent to the office. One floor drain is located under the utility sink in the laundry room.

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According to a motel maintenance worker, the drain is connected to the sewer lines. Two industrial-sized dryers (natural gas powered) and one washing machine are located in the laundry room. A few household cleaning supplies are stored on shelves.

All rooms are accessed by doors to the outside. Old windows, sheetrock, and appliances were stored in sheds attached to the north side of Building A. Rooms in Building B are accessed by concrete stairs leading to the exterior door. A storage room located in Building B was inspected during our site visit. Paint buckets, and some furniture were being stored there. An electric hot water heater was also located in the storage room.

Ten of the 28 motel rooms on the site were condemned by the city of Bellingham for methamphetamine contamination at the time of our site visit. Contaminated rooms were posted with orange signs on the doors. Decontamination had begun in many of them, including piles of sheetrock on the room floors. We did not enter the contaminated rooms.

Our October 13, 2014 interior observations as required by ASTM Standard Practice E 1527 are presented in Table 1.

TABLE 1
Interior Observations Checklist

ASTM Observation	Yes/No	Comments
Heating	Yes	Electric and natural gas.
Stains/Corrosion	No	No
Drains/Sumps	Yes	Floor drain in laundry room of Building A. Laundry facilities and motel room drains are connected to the public sanitary sewer system.
PCBs	No	
Hazardous Containers	No	Laundry soaps, paints, and other small containers of chemicals used for maintaining the property are stored onsite.
Odors	No	

3.3.3 Surface Conditions

Maintained lawn, rock terracing and trees and shrubs are located on the east-central portion of the property. Concrete walkways are located along the front entrances of both motel buildings and the back (southwest) of Building B. A U-shaped asphalt drive accesses the property from North

October 23, 2014 301 & 315 N Samish Way, Bellingham, Washington

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Samish Way and connects to asphalt-paved parking lots adjacent to each building. Paved parking is also located along the southwest side of Building B, accessed from East Laurel Street.

A vent and fill pipe were observed protruding from the ground along the southwestern exterior wall of Building B. The vent pipe is located against the exterior wall of Building B (Figure 8); the fill pipe protrudes from the concrete walkway a few feet distant from the building (Figure 9). Pairs of pipes that may be associated with former sewer lines protrude from the ground near each room on the southwest side of Building B.

Trash receptacles are located on an open concrete pad on the northwest side of Building A. An underground drain runs southwest to northeast behind Building A. We observed no signs of chemical disposal or dumping in these locations or elsewhere on the property.

Our October 13, 2014 exterior observations as required by ASTM Standard Practice E 1527 are presented in Table 2.

TABLE 2 Exterior Observations Checklist

ASTM Observation	Yes/No	Comments
Hazardous Containers	No	
Storage Tanks	Yes	A vent and fill pipe located behind Building B indicate the presence of an underground storage tank.
Solid Waste Disposal	No	Waste collected by Sanitary Services and disposed of off- site.
Odors	No	-
PCBs	No	
Pits, Ponds, Lagoons	No	
Stained Soil	No	
Stressed Vegetation	. No	
Waste Water	No	
Septic Systems	No	None observed.

3.3.4 Adjoining Properties

Otis Street bounds the subject property to the northwest. A home, an apartment building, and a

commercial building utilized by Cascade Herb Company (cannabis sales) are located across Otis Street. North Samish Way bounds the subject property to the east. Two restaurants and a grass and asphalt covered open space are located across North Samish Way. Abbott Street bounds the subject property to the south. The Days Inn motel is located across Abbott Street. East Laurel Street bounds the subject property to the southwest. The Samish Way Holistic Center and two townhomes are located across East Laurel.

3.4 Site Documents

Records obtained from the Whatcom County Health Department for the subject property were reviewed for this report. The Health Department file contained lab results for methamphetamine testing completed in motel rooms 2, 3, 9, 12, 17, 18, 19, 22, 24, and 25 between January and October of 2014. In all cases, samples tested positive and above the decontamination standard (0.1 ug/100cm²) for methamphetamine. Sample results ranged from 1.8 to 64 ug/100 cm².

The Health Department issued Notices of Violation to the property owners for each of the incidences of contamination. The notices outlined corrective action necessary in order to avoid civil penalties. For each violation, the health department required a decontamination work plan (prepared by a state-certified decontamination contractor) be submitted to the Whatcom County Health Department by a specified date. Each plan required approval by the health department, and work was required to be completed by a specific date. The owner would then be required to re-sample each contaminated unit and prove that decontamination levels had been achieved by a specified date. Copies of the health department records can be provided, upon request.

An environmental questionnaire was completed by Greg Greenan, the lawyer for the current property owners, on October 12, 2014. The responses to the questionnaire indicate that no environmental cleanup liens or land use restrictions have been placed on the site. The responses indicate that fair market value was paid for the site. The responses indicate that the site has been used as a motel. When asked about chemicals on the site, the questionnaire indicates that the city, newspaper and health department have indicated methamphetamine has been smoked in some of the rooms, but otherwise no chemicals are known. No chemical spills, environmental cleanups or underground storage tanks are located on the site, according to questionnaire responses. The questionnaire indicates that no contamination is present on the site to the best of their knowledge. A copy of the questionnaire is provided in Appendix II.

No other environmental documents were available for review during the conduct of this report.

3.5 Interviews

We contacted the Whatcom County Environmental Health Department for more information on the known methamphetamine contamination as well as any information on other potential environmental concerns for the subject property on October 13, 2014. The health department

responded with a phone call on October 15, 2014. We spoke with Jeff Hegedus, Environmental Health Supervisor for the Whatcom County Public Health Department. Mr. Hegedus told us that the health department had collected samples from ten units in the Aloha Motel and tested them for methamphetamines. All ten units were contaminated. He stated that it was the health department's opinion that the contamination was from meth use (smoking) not meth production. The health department saw no sign that methamphetamine was being "cooked" or manufactured on site. According to Mr. Hegedus, the health department has no other complaints or violations on record for the subject property. Mr. Hegedus provided copies of the health department files regarding the methamphetamine contamination for our review.

The Whatcom County Fire Marshal was contacted regarding any permits on file for removal of underground storage tanks for the site on October 14, 2014. The fire marshal had no files on records for the two property addresses back to 1993.

The current property owners, Sang and Mi Yi, were interviewed through a Korean interpreter (Mr. Richard Pak) during our site visit on October 13, 2014. The owners stated that they have owned the property for seven years. The Yi's did not know the former owners and do not have contact information regarding the previous owners. They stated that the site has 28 rooms that are heated by electricity. Natural gas is used to power the hot water heater. The Yi's were unaware of a heating oil tank or any other tank on the site. The owners did not have any knowledge of finding chemicals in the room or dumping around the exterior of the property. They stated that one lawn mower is located on the site for maintaining the lawn.

Efforts were made to contact former owners; however no contact information was available for Sang Dae & Soon Ja Ahn (owners from 1991-2007), the former owner of Northwoods Motel Inc, Mr. Kenneth L Kellar is deceased (owner from 1989-1991), no response was received by Mr. Lieb Alexander (owner from 1987-1989), and no phone number listings were available for Terry & Carla White (owners from 1973 to 1987?) and Floyd and Phyllis Baird (owner prior to 1973).

3.6 Past Use of Site and Adjoining Properties

Whatcom County assessor records, historic aerial photographs, Polk City Directories, Sanborn Fire Insurance Maps, and interviews were used in gathering historic information for the past use of subject property. Copies of the Sanborn Fire Insurance Map of 1917-1932 and 1933-1963, and historic aerial photographs from 1950, 1963, 1975, 1988, 1997, and 2006 are provided in Appendix II. A list of the references for the historic research is provided in Appendix II.

3.6.1 Summary of Past Site Use

The Sanborn Fire Insurance Map of 1917-1932 covers only the northern portion of the subject property and indicates that it was vacant and undeveloped until at least 1932. The first record of development on the property is the 1939 motel construction on the southern portion of the site. The

motel building on the northern portion of the site was constructed in 1960. All historical records indicate that the site has operated as a motel since 1939. We found no record of another business having utilized the site, based upon review of City of Bellingham Polk City Directories back to 1935.

3.6.2 Summary of Past Site Use of Adjoining Properties

Northwest: Otis Street has bound the subject property to the northwest since at least 1917. Two homes were located across Otis Street by 1932. Four homes were located across Otis Street by 1963. An apartment building and one home have been located across Otis Street since 1973. A commercial building was constructed across Otis Street, adjacent to Samish Way, since 2006.

East: Vacant land bound the subject property to the east in the 1930s and 1940s. North Samish Way was constructed along the eastern property boundary by 1950. A gas station was located across North Samish Way from the south end of the subject property by 1955. The gas station operated through at least 1973 and the building remained until the late 2000s. Various buildings were located across North Samish Way from the northern portion of the subject property between 1950 and present. The Polk City Directories indicate that the buildings were utilized by various restaurants over the years; however our interpretation of the aerial photographs indicates an additional gasoline station may have been present.

South: Abbott Street has bound the subject property to the south since at least 1950. A few structures, likely residential homes or rented cabins, were located across Abbott Street in 1950. The structures were removed and a motel was constructed by 1973. No significant changes have taken place since the construction of the motel building.

Southwest: Vacant, vegetated land was located across Laurel Street until the mid-1990s. Two homes and a doctor's office were constructed across Laurel Street by at least 1997.

SECTION 4: POTENTIAL CONTAMINANT SOURCES

4.1 Standard ASTM Environmental Record Sources

The public documents, listed in Table 3, have been reviewed to identify off-site contamination sources in the vicinity of the subject property that have a potential to negatively impact the subject property's soil, ground water, or surface water. The public databases were retrieved and reviewed by Stratum Group personnel on October 13 and October 17, 2014.

Eighteen potential off-site contamination sources were identified within ASTM search radii in the public databases. The locations of the sites are presented in Figure 1. Three of the sites are listed on more than one database and therefore 21 sites are identified on Table 3. A list of the references used

to determine the potential off-site contamination sites is presented in Appendix II.

TABLE 3 Environmental Records Review

AGENCY	DOCUMENT	SEARCH RADIUS	IDENTIFIED SITES	
	National Priorities List (NPL or SUPERFUND)	1 Mile	0	
	De-listed NPL Site	½ Mile	0	
	Resource Conservation and Recovery Act Transfer, Storage, and/or Disposal Facility with no corrective action (RCRA TSD, non-CORRACTS)	½ Mile	0	
Federal	RCRA CORRACTS (RCRA corrective action sites)	1 Mile	0	
Environmental Protection Agency	RCRA Hazardous Waste Handler or Generator records and permits (HWG)	Adjacent	0	
	CERCLIS (Active)	½ Mile	0	
	De-listed CERCLIS Sites (NFRAP)	½ Mile	0	
	Emergency Response Notification System (ERNS) / National Response Center Database (NRC)	Subject Property	0	
	Institutional or Engineering Control Registry	Subject Property	0	
	Confirmed and Suspected Contaminated Sites (CSCS)	1 Mile	18	
	Leaking Underground Storage Tank List (LUST)	½ Mile	3	
Washington State Department of Ecology	Underground Storage Tank List (UST)	Adjacent	0	
Dopardinent of Leology	State Brownfield Site	½ Mile	0	
	Institutional or Engineering Control Registry	Subject Property	0	
Whatcom County	Solid Waste / Landfill Sites (SW)	¹½ Mile	0	

4.2 Risk Evaluation of Potential Off-Site Sources

The sites found within the search radius, as identified by the ASTM standard, were evaluated to determine their potential effect on the subject property. Factors such as location, topography, groundwater flow direction, type of contamination, and the actions taken to remove the contamination are all considered to determine each off-site contamination source's potential impacts on the subject property.

The topography of the property and vicinity is presented on the topographic site vicinity map in Figure 1 (portions of Bellingham North and Bellingham South, Washington quadrangles, USGS map version 1994 and 1998, respectively). The subject property is located on east-northeast sloping topography.

Based upon their relative locations, elevations and local topography, none of the identified sites is located up gradient to the subject property, therefore none of the sites is likely to pose a risk of contamination to the subject property.

A former gasoline station, located across North Samish Way from the southern portion of the subject property, was identified through our historic research. The site was formerly called the Swift Building and utilized the address 218 N Samish Way. The site is not listed as a former UST site, but received a "no further action" determination from Department of Ecology in 2012, based upon a cleanup that took place. The former station is located down gradient of the subject property and therefore does not pose a risk of contamination to the subject property.

It is our opinion that the risk of contamination to the subject property from off-site sources is low.

4.3 Potential On-Site Sources

A representative of Stratum Group visited the subject property on October 13, 2014. The purpose of the site visit was to identify, to the extent feasible pursuant to the processes prescribed within the ASTM Standard Practice E 1527 and the Federal All Appropriate Inquiries, recognized environmental conditions in connection with the subject property.

Stratum Group found no evidence of chemical waste burial or dumping on the subject property during our site visit on October 13, 2014. There was no evidence of methamphetamine production, or of the disposal of waste from methamphetamine production, on the site; however 10 of the motel rooms have been condemned for methamphetamine contamination. Signs on the doors identified the rooms where contaminated was confirmed.

An underground storage tank is located on the southern portion of the site, along the southwest side of Building B. It is likely the tank was used to store heating oil for heating Building B in the 1940s and 1950s. Due to the length of time the tank has been located on the site, the tank is beyond a typical lifespan of a tank. If the tank was left in place with fuel, a release may have

taken place and therefore the former heating oil UST poses a potential risk of petroleum contamination to the soil and/or groundwater in the vicinity. Heating oil tanks are exempt from Department of Ecology regulations and therefore soil sampling is not required at the time of tank closure; however we recommend that sampling take place when the tank is closed as a good management practice to document the site conditions and for future property re-sale.

Our historical research indicates that no other businesses (such as gas stations or dry cleaners) have operated on the subject property that pose an environmental risk to the site.

SECTION 5: CONCLUSIONS

We have performed a Phase I Environmental Site Assessment in general conformance with the scope and limitations of ASTM Practice E 1527 and the Federal Standards for All Appropriate Inquiries 40 CFR Part 312 for the Aloha Motel, located at 301 and 315 North Samish Way in Bellingham, Washington.

Two recognized environmental conditions were identified in association with the property:

- 1. Methamphetamine contamination was confirmed by Whatcom County Health Department in ten of the 28 motel rooms on the site in 2014
- 2. An underground storage tank was identified on the southern portion of the property. The tank was likely used to store heating oil for the southern motel building, but is no longer in use.

We recommend that additional methamphetamine sampling take place within the buildings to define the extent of contamination or assume that all the motel rooms have been impacted by methamphetamine smoke. The methamphetamine contamination is present in the building materials, but no evidence of release to the soil and/or groundwater was identified during our site evaluation. Health department and solid waste regulations should be followed for decontamination and/or demolition processes.

The heating oil UST poses a potential risk of petroleum contamination to the soil and/or groundwater at the site. The size, age, and/or contents of the tank are currently unknown. Based upon the tank being no longer in use, we recommend that the tank be removed and soil sampling take place around the tank. If more certainty is desired to define the potential risk of contamination posed by the heating oil tank, sampling can be conducted prior to the property purchase or tank removal.

The site has been utilized as a motel since 1939. No other uses of the site are evident in the historical record. No other sources of contamination are suspected based upon the site history.

Eighteen potential off-site contamination sources were identified and mapped within the ASTM

search radius. None of the sites was identified as posing a risk of contamination to the subject property based on all of the off-site sources being in down-gradient or laterally-gradient positions in relationship to the subject property. Therefore, it is our opinion that none of the sites pose a risk of contamination to the subject property.

APPENDIX I

Figure 1 - Site Vicinity Map

Figure 2 - Aerial Map of the Subject Property and Vicinity

Figures 3 through 10 - Site Photographs

Figure 1. Site Vicinity Map

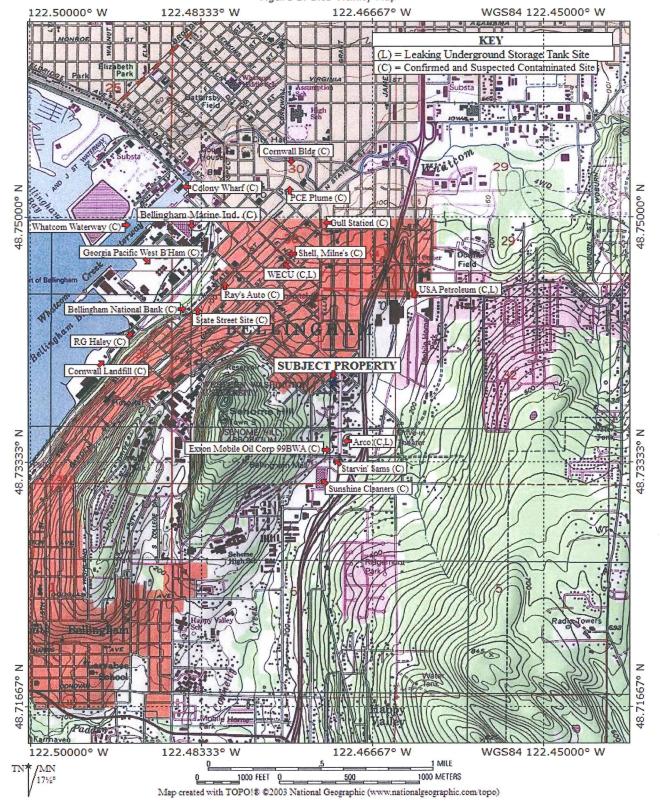




Figure 2. Aerial photo of subject property and vicinity (Google Earth 2011).



Figure 3. View of Building A and parking lot. Photo is taken looking northeast from southern portion of property.



Figure 4. Building B on southern portion of property.

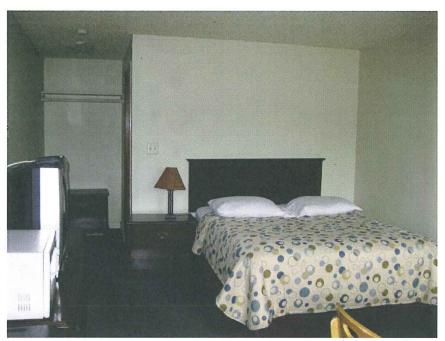


Figure 5. Interior of an actively rented motel room in Building A.



Figure 6. Interior of a contaminated room in process of decontamination in Building B.



Figure 7. Floor drain beneath utility sink in laundry room, Building A.

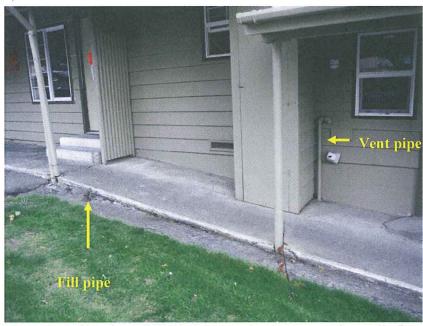


Figure 8. Location of heating oil UST along southwestern exterior wall of Building B.



Figure 9. Close-up of fill pipe associated with Building B.

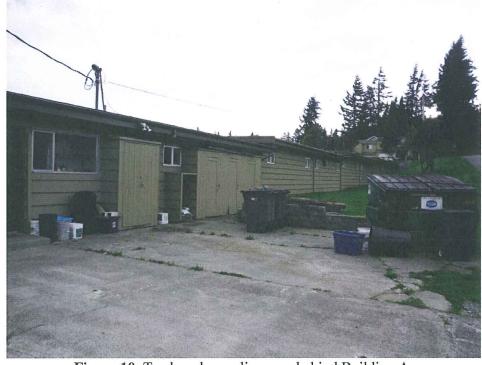


Figure 10. Trash and recycling area behind Building A.

APPENDIX II

Environmental Questionnaire

Sanborn Fire Insurance Maps (1932 and 1963)

Historical Aerial Photographs (1950, 1963, 1975, 1988, 1997, and 2006)

Historic Assessor Notes

PHASE I ENVIRONMENTAL SITE ASSESSMENT USER QUESTIONNAIRE

Property: 301 and 315 North Samish Way Bellingham, Washington 98225

- (1.) Are you aware of any environmental cleanup liens against the *property* that are filed or recorded under federal, tribal, state or local law?
- (2.) Are you aware of any activity and use limitations on the property, such as *engineering* controls, land use restrictions or *institutional controls* that are in place at the site and/or have been filed or recorded in a registry under federal, tribal, state or local law?
- (3.) Did the purchase price paid (or proposed payment) for this *property* reasonably reflect the fair market value of the *property*? If the fair market value was not paid, could the lower purchase price be based on the presence or suspected presence of contamination at the *property*?
- (4.) Are you aware of commonly known or *reasonably ascertainable* information about the *property* that would help the *environmental professional* to identify conditions indicative of releases or threatened releases? For example, as *user*,
- (a.) Do you know the past uses of the *property*? Describe former buildings, occupants, and owners, if known. As a motel, 6-5 far as we know.
- (b.) Do you know of specific chemicals that are present or once were present at the property?

 Describe. apparently, according to the city, heatth dept and newspaper, methamphatamine has been smoked in some of the rooms. Otherwise: Mo.
 - (c.) Do you know of spills or other chemical releases that have taken place at the *property*? Describe.

- (d.) Do you know of any environmental cleanups that have taken place at the *property*? If so, please provide details.
- (e.) Are there currently or have there previously been any underground or above ground tanks located on the site? If so, please describe.

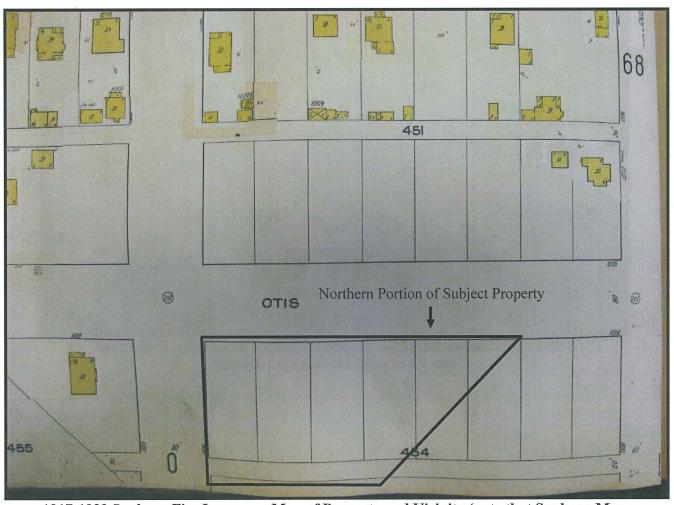
 Howledge.
- (5.) As the *user* of this *ESA*, based on your specialized knowledge and experience related to the *property* are there any *obvious* indicators that point to the presence or likely presence of contamination at the *property*?

Questionnaire completed by: Greenan (print and sign)

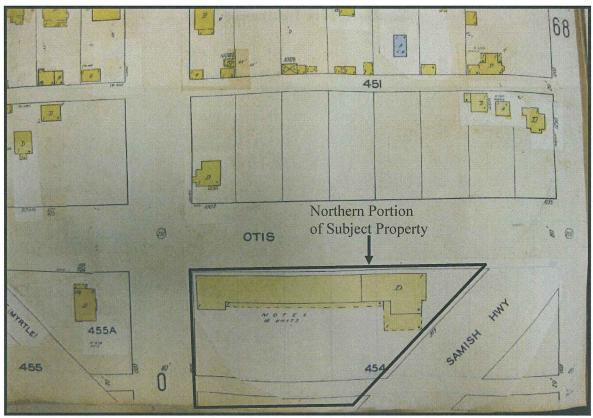
Relationship to property: owners' lawyer

Date: 10/13/19

Sanborn Fire Insurance Map

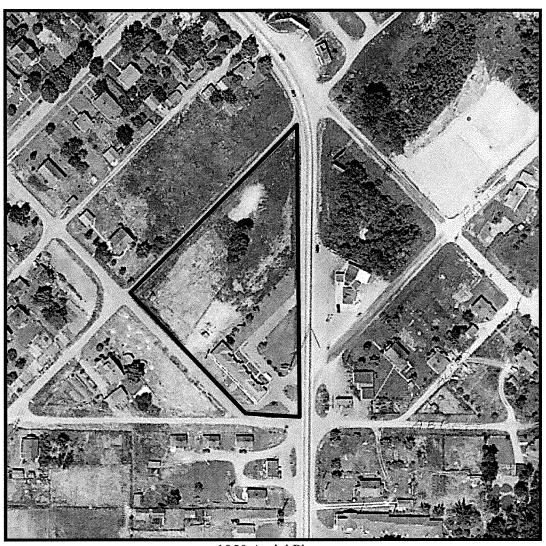


1917-1932 Sanborn Fire Insurance Map of Property and Vicinity (note that Sanborn Maps did not cover southern portion of property).

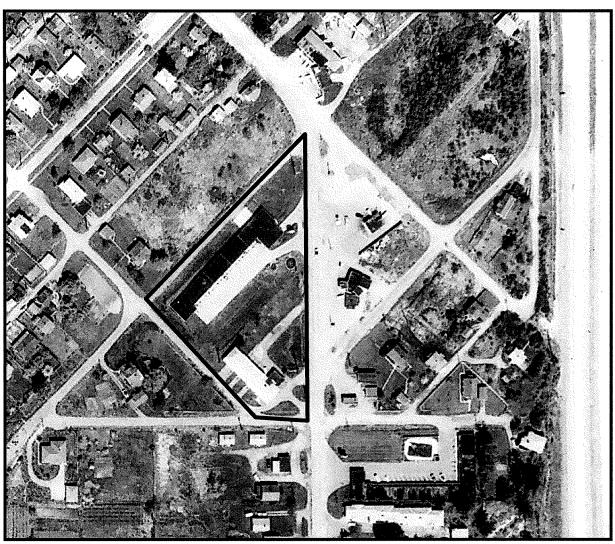


1933-1963 Sanborn Fire Insurance Map of Property and Vicinity. (Note: southern portion of property was not covered.)

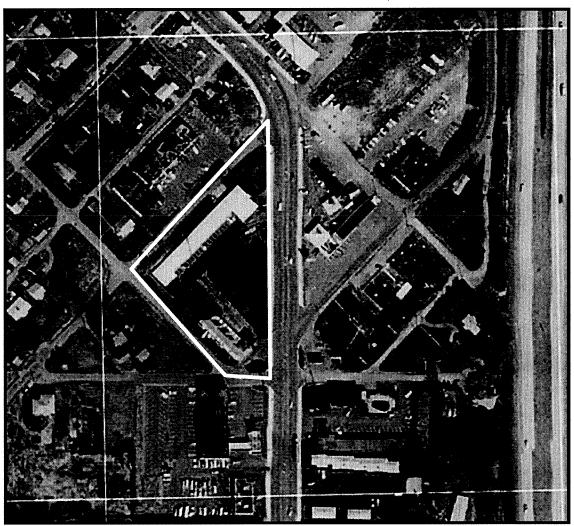
Historical Aerial Photographs



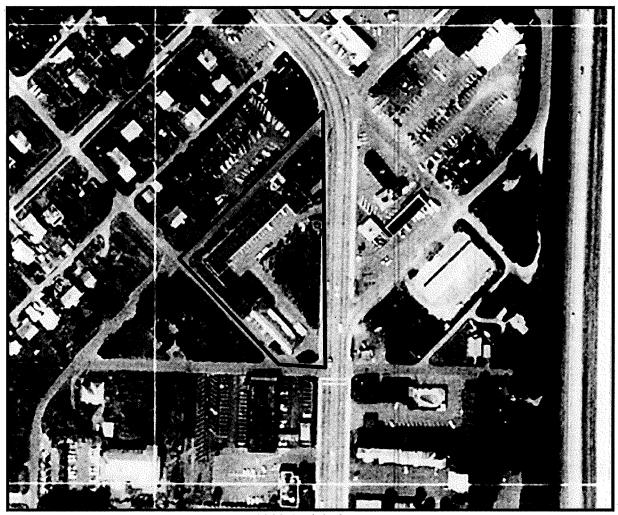
1950 Aerial Photo



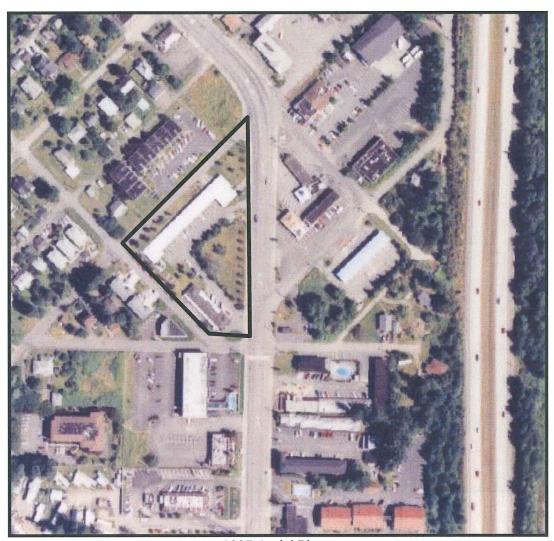
1963 Aerial Photo



1975 Aerial Photo



1988 Aerial Photo



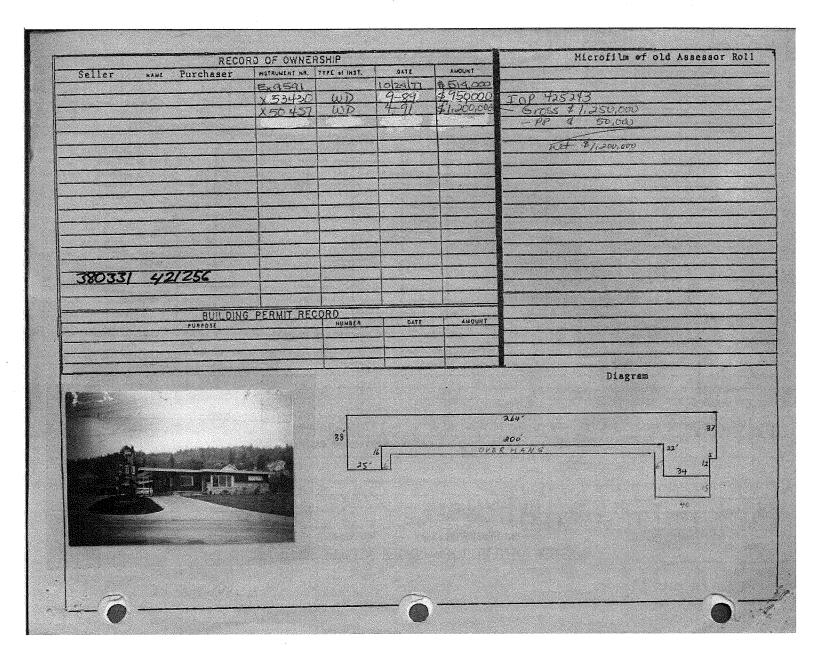
1997 Aerial Photo



2006 Aerial Photo

SQUARE FOOT COSTS	CALCULATOR COST 1			Sheet	10
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3. Owner's address					
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24. Area (Back of this 25. Line 23 x Line 24.					
26. Lump sums (Line 32) 27. Replacement Cost (L. 28. Depreciation % (Section 29. Depreciation arount	ine 25 + 26)				
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WHATCOM COUNTY ASSESSOR



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3.	Owner's address							
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APPENDIX III

Historical Use and Public Records Search References
Stratum Group Indemnity

Historical Use and Public Records Search References

Historic Use Source References

- 1. Historic aerial photographs dated 1950, 1963, 1975, 1988, and 1997 available through the City of Bellingham online at http://www.cob.org/services/maps/aerial/index.aspx
- 2. Aerial photograph dated 2006 and 2011 available through Google Earth.
- 3. Property assessor records maintained by the Whatcom County Assessor's Office
- 4. Sanborn Fire Insurance Maps of Bellingham dated 1917-1932 and 1963, available at the Bellingham Public Library in Bellingham, Washington
- 5. Polk City Directories of Bellingham dated 1935 through 2001 (reviewed approximately every five years), available at the Bellingham Public Library in Bellingham, Washington

Public Records Database Search References

Public Records search was completed through internet research. Each database is searched by city, county, zip code or through mapping programs.

- "Envirofacts Data Warehouse." <u>U.S. Environmental Protection Agency.</u> http://www.epa.gov/emefdata/em4ef.home>.
- "Cleanup in Region 10." <u>U.S. Environmental Protection Agency</u>. http://yosemite.epa.gov/r10/cleanup.nsf/webpage/Washington+Cleanup+Sites
- "Superfund Site Information" <u>U.S. Environmental Protection Agency.</u>, updated monthly http://www.epa.gov/superfund/sites/cursites/index.htm
- "National Response Center." <u>U.S. Environmental Protection Agency</u>. http://www.nrc.uscg.mil/foia.html>
- "Integrated Site Information System (Web Reporting)." <u>Washington State Department of Ecology</u>., updated weekly, < https://fortress.wa.gov/ecy/tcpwebreporting/Default.aspx>.
- "Washington Facility/Site Atlas." <u>Washington State Department of Ecology Geographic Information System. < http://apps.ecy.wa.gov/website/facsite/viewer.htm</u>>.
- "34x44 Solid Waste Facilities 2004." <u>Whatcom County Health Department</u>, < http://www.co.whatcom.wa.us/health/pdf/water/solwst_facilities.pdf>

Stratum Group Indemnity

Stratum Group has prepared this report using reasonable efforts in each phase of its work to estimate the liabilities associated with recognized environmental conditions on the subject property and in the vicinity of the subject property. No environmental site assessment can wholly eliminate uncertainty regarding the potential for recognized environmental conditions in connection with a property. This report is intended to reduce, but not eliminate, uncertainty regarding the existence of recognized environmental conditions in connection with the subject property, in recognition of reasonable limits of time and cost.

Stratum Group makes no warranty, expressed or implied, as to the accuracy of information contained in public records.

This report is not definitive and should not be considered a complete or specific definition of all conditions above or below grade. Subsurface exploration of the site was not within the scope of this study. Recognized environmental conditions in the subsurface, if present, could only be identified by a subsurface investigation. An evaluation of area-wide atmospheric deposition of contaminants is not evaluated within this report. The presence and/or absence of lead or asbestos-containing materials were not evaluated as part of this report.

As is now common in the industry, it is understood that, to the fullest extent permitted by law, our clients agree to defend, indemnify and hold harmless Stratum Group, its owners, employees, subcontractors and agents, from any (past, present, or future) pollution-related claims or damages at the site, including potential claims from third parties that may name Stratum Group as a claimant.