

2016



STATE OF WASHINGTON
DEPARTMENT OF ECOLOGY

PO Box 47775 : Olympia, Washington 98504-7775 • (360) 407-6300
711 for Washington Relay Service • Persons with a speech disability can call 877-833-6341

January 26, 2016

Mr. Gregory Clay
PIH Olympia LLC
111 Congress Ave, Suite 2600
Austin, TX 78701-4062

Re: Request for Information on Status of VCP Project for the following Site:

- **Site Name:** Phoenix Inn
- **Site Address:** 415 Capitol Way North, Olympia, Thurston County
- **Facility/Site No.:** 1571525
- **Cleanup Site ID No:** 5257
- **VCP Project No.:** SW1111

Dear Mr. Clay:

The Department of Ecology (Ecology) appreciates your decision to clean up the Phoenix Inn facility (Site) independently. However, our records indicate that you have not conducted any remedial actions during the past year at the Site. This letter requests information on the status of your cleanup and your continued interest in the Voluntary Cleanup Program (VCP).

Request for Information

Please submit the following information to Ecology within 30 days of the date of this letter:

1. Cleanup status report.
2. Any reports documenting the cleanup.
3. Plan and schedule for completing the cleanup.

Next Steps

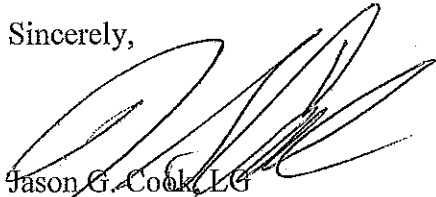
Based on your response, Ecology will decide whether to continue providing you services under the VCP. We will notify you of our decision in writing. Please note that we will terminate the Agreement governing this Project if you do not respond to this request.

Mr. Gregory Clay
January 26, 2016
Page 2

Contact Information

We are committed to working with you to accomplish the prompt and effective cleanup of the Site. If you have any questions about this request, please contact me at (360) 407-6528 or by email at jason.cook@ecy.wa.gov.

Sincerely,



Jason G. Cook, LG
VQP Site Manager
Toxics Cleanup Program, Southwest Regional Office

By certified mail [9171082133393970394037]

cc: Richelle Perez, Ecology
Dolores Mitchell, Ecology

2015



STATE OF WASHINGTON
DEPARTMENT OF ECOLOGY

PO Box 47775 • Olympia, Washington 98504-7775 • (360) 407-6300
711 for Washington Relay Service • Persons with a speech disability can call 877-833-6341

October 26, 2015

Mr. Gregory Clay
Pih Olympia LLC
111 Congress Ave, Ste 2600
Austin, TX 78701-4062

Re: Site Manager Change for the following Site:

- **Site Name:** Phoenix Inn
- **Site Address:** 415 Capitol Way N, Olympia, WA 98501; Thurston
- **Facility/Site No.:** 1571525
- **Cleanup Site ID No.:** 5257
- **VCP Project No.:** SW1111

Dear Mr. Clay:

I am the new site manager for the Phoenix Inn facility (Site). As your cleanup progresses, please keep me informed as to the status of the cleanup and your plan for completing the cleanup. My contact information is:

Jason Cook
Department of Ecology
Toxic Cleanup Program, Southwest Regional Office
PO Box 47775
Olympia, WA 98504-7775
Phone: (360) 407-6528
E-mail: jason.cook@ecy.wa.gov

We appreciate your continued commitment to cleanup and interest in the VCP. Please contact me if you have any questions.

Sincerely,

Jason Cook
VCP Site Manager
Toxics Cleanup Program, Southwest Regional Office

By Certified Mail [9171082133393970388357]

2012



STATE OF WASHINGTON
DEPARTMENT OF ECOLOGY

PO Box 47775 • Olympia, Washington 98504-7775 • (360) 407-6300

October 15, 2012

Mr. Gregory Clay
PIH Olympia LLC
111 Congress Ave., Suite 2600
Austin, TX 78701-4062

Re: Request for Information on Status of VCP Project for the following Site:

- **Site Name:** Phoenix Inn
- **Site Address:** 415 Capitol Way N, Olympia
- **Facility/Site No.:** 1571525
- **Cleanup Site ID No.:** 5257
- **VCP Project No.:** SW1111

Dear Mr. Clay:

The Department of Ecology (Ecology) appreciates your decision to clean up the Phoenix Inn facility (Site) independently. However, our records indicate that you have not conducted any remedial actions during the past year at the Site. This letter requests information on the status of your cleanup and your continued interest in the Voluntary Cleanup Program (VCP).

Request for Information

Please submit the following information to Ecology within 30 days of the date of this letter:

1. Cleanup status report.
2. Any reports documenting the cleanup.
3. Plan and schedule for completing the cleanup.

Next Steps

Based on your response, Ecology will decide whether to continue providing you services under the VCP. We will notify you of our decision in writing. Please note that we will terminate the Agreement governing this Project if you do not respond to this request.

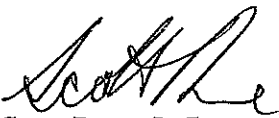


Mr. Gregory Clay
October 15, 2012
Page 2

Contact Information

We are committed to working with you to accomplish the prompt and effective cleanup of the Site. If you have any questions about this request, please contact me at (360) 407-6347 or via email at scott.rose@ecy.wa.gov.

Sincerely,



Scott Rose, L.G.
Unit Supervisor
Toxics Cleanup Program
Southwest Region

SR/ksc:Phoenix Inn Project Status Request

By certified mail: (7010 0780 0002 3400 9065)

cc: Paul Stemen – Stemen Environmental

SENDER: COMPLETE THIS SECTION	COMPLETE THIS SECTION ON DELIVERY
<ul style="list-style-type: none"> Complete items 1, 2, and 3. Also complete item 4 if Restricted Delivery is desired. Print your name and address on the reverse so that we can return the card to you. Attach this card to the back of the mailpiece, or on the front if space permits. 	<p>A. Signature <i>[Signature]</i> <input type="checkbox"/> Agent <input type="checkbox"/> Addressee</p> <p>B. Received by (Printed Name) <i>Michelle Campbell</i> C. Date of Delivery <i>10/18/12</i></p>
<p>1. Article Addressed to:</p> <p>Mr. Gregory Clay PIH Olympia LLC 111 Congress Ave., Suite 2600 Austin, TX 78701-4062</p>	<p>D. Is delivery address different from item 1? <input type="checkbox"/> Yes If YES, enter delivery address below: <input type="checkbox"/> No</p> <p style="text-align: center;">OCT 22 2012</p> <p>3. Service Type <input checked="" type="checkbox"/> Certified Mail <input type="checkbox"/> Express Mail <input type="checkbox"/> Registered <input type="checkbox"/> Return Receipt for Merchandise <input type="checkbox"/> Insured Mail <input type="checkbox"/> C.O.D.</p> <p>4. Restricted Delivery? (Extra Fee) <input type="checkbox"/> Yes</p>
<p>2. Article Number (Transfer from serv) <i>7010 0780 0002 3400 9065</i></p>	<p><i>SW1111</i></p>
<p>PS Form 3811, February 2004 Domestic Return Receipt <i>Scott Rose</i> 02595-02-M-1540</p>	

U.S. Postal ServiceTM
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(Domestic Mail Only; No Insurance Coverage Provided)

For delivery information visit our website at www.usps.com

Scott Rose *SW1111*

7600 Postage	\$	45
Certified Fee		2 95
Return Receipt Fee (Endorsement Required)		2 35
Restricted Delivery Fee (Endorsement Required)		
		\$ 75

Mr. Gregory Clay
PIH Olympia LLC
111 Congress Ave., Suite 2600
Austin, TX 78701-4062

OLYMPIA, WA
 Postmark Here
 OCT 16 2012
 USPS

7010 0780 0002 3400 9065

2010



STATE OF WASHINGTON
DEPARTMENT OF ECOLOGY

May 6, 2010

PO Box 47775 • Olympia, Washington 98504-7775 • (360) 407-6300

Mr. Gregory W. Clay
PIH Olympia LLC
111 Congress Avenue, Suite 2600
Phoenix AZ 78701

Dear Mr. Clay:

Your complete application for the Voluntary Cleanup Program (VCP) was accepted on May 5, 2010. The purpose of this letter is to acknowledge receipt of your application and to provide you with the name of the Site manager assigned to your cleanup site.

Site Name: Phoenix Inn (existing site name)
Site Manager: Scott Rose
VCP Identification: SW1111

Our database has been updated to reflect your participation in the Voluntary Cleanup Program. I have enclosed a signed copy of the VCP agreement for this project for your records. If you have any questions, your Site Manager can be reached at 360-407-6347.

I need to advise you of our new Data Submittal Requirements defined in Policy 840 (enclosed). This policy mandates that all Environmental Monitoring Data generated during Contaminate Site Investigation and Cleanup activities shall be required to be submitted to Ecology in both written and electronic format. Policy Item #3 (attached) applies to the Voluntary Cleanup Program and reads: "All reports on Independent Remedial Actions submitted after October 1, 2005, under Ecology's VCP program shall not be reviewed until the data have been submitted in compliance with this policy." Questions regarding this policy and how it affects your Voluntary Cleanup Program project can be discussed with your site manager.

Thank you for your commitment to the environment and the Voluntary Cleanup Program.

Sincerely,

Scott Rose, L.G.
Acting VCP Unit Manager
Southwest Regional Office
Toxics Cleanup Program

SR/ksc:acceptance letter sw1111
Enclosures

cc: Paul Stemen, Stemen Environmental Inc.
Steve Johnson, VIPs Hotels Inc.,
Scott Rose, Ecology
Dolores Mitchell, Ecology
Kim Cross, Ecology





STATE OF WASHINGTON
DEPARTMENT OF ECOLOGY

PO Box 47775 • Olympia, Washington 98504-7775 • (360) 407-6300

May 5, 2010

Mr. Steven Johnson
VIPS Hotels, Inc.
201 Liberty Street SE
Salem, OR 97301

Re: Termination of VCP Agreement for the following Site:

- **Site Name:** Phoenix Inn
- **Site Address:** 415 Capitol Way N, Olympia
- **Facility/Site No.:** 1571525
- **VCP Project No.:** SW0747

Dear Mr. Johnson:

The Department of Ecology (Ecology) is terminating the VCP Agreement governing Project No. SW0747. The project involved the cleanup of the Phoenix Inn facility (Site). The effective date of termination is the date of this letter. We are providing this notice in accordance with the terms of the Agreement.

Ecology is terminating the Agreement because we were informed by your consultant, Stemen Environmental, that you are no longer involved in the project and no longer own the property. Furthermore, the new property owner, PIH Olympia LLC, has expressed an interest in continuing with cleanup activities and has since submitted a new contract agreement to facilitate continued involvement in VCP. Under the Agreement, the Customer is the person authorized to request services from Ecology and is responsible for paying for those requested services. To facilitate this change, we must terminate the Agreement with you and enter into a new Agreement with PIH Olympia LLC.

If you have any questions about this notice, please contact our regional VCP Coordinator, Scott Rose, at (360) 407-6347 or via email at sros461@ecy.wa.gov.

Sincerely,

Rebecca S. Lawson, P.E., LHG
Section Manager
Toxics Cleanup Program
Southwest Regional Office

RSL/SR/ksc:Phoenix Inn Project Termination

By certified mail: (7009 2820 0001 7160 8784)

cc: Paul Stemen – Stemen Environmental
Carol Johnston – Ecology
Scott Rose – Ecology
Dolores Mitchell - Ecology



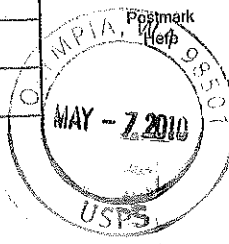
U.S. Postal Service™
CERTIFIED MAIL™ RECEIPT
 (Domestic Mail Only, No Insurance Coverage Provided)

For delivery information, visit our website at www.usps.com

Scott Rose SW0747

7009 2820 0001 7160 8784

Postage	\$.44
Certified Fee	2.80
Return Receipt Fee (Endorsement Required)	2.90
Restricted Delivery Fee (Endorsement Required)	
	3.54



Mr. Steven Johnson
 VIPS Hotels, Inc.
 201 Liberty Street SE
 Salem, OR 97301

SENDER: COMPLETE THIS SECTION	COMPLETE THIS SECTION ON DELIVERY
<ul style="list-style-type: none"> Complete items 1, 2, and 3. Also complete item 4 if Restricted Delivery is desired. Print your name and address on the reverse so that we can return the card to you. Attach this card to the back of the mailpiece, or on the front if space permits. 	<p>A. Signature <input type="checkbox"/> Agent <input checked="" type="checkbox"/> Addressee</p> <p><i>Tarry Perkins</i></p> <p>B. Received by (Printed Name) C. Date of Delivery <i>Tarry Perkins</i> <i>5/10/11</i></p> <p>D. Is delivery address different from Item 1? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No If YES, enter delivery address below:</p>
<p>1. Article Addressed to:</p> <p>Mr. Steven Johnson VIPS Hotels, Inc. 201 Liberty Street SE Salem, OR 97301</p>	<p>3. Service Type</p> <p><input type="checkbox"/> Certified Mail <input type="checkbox"/> Express Mail <input type="checkbox"/> Registered <input type="checkbox"/> Return Receipt for Merchandise <input type="checkbox"/> Insured Mail <input type="checkbox"/> C.O.D.</p> <p>4. Restricted Delivery? (Extra Fee) <input type="checkbox"/> Yes</p>
<p>2. Article Number (Transfer from ser)</p> <p>7009 2820 0001 7160 8784</p>	<p><i>SW0747</i></p>
<p>PS Form 3811, February 2004 Domestic Return Receipt <i>Scott Rose</i> 102595-02-M-1540</p>	

VCP Application Process Sheet

Site Name: Phoenix Inn

VCP #: SW1111

Ecology F/S No.: 1571525

Please assign the attached VCP application to:

- Chuck Cline
- Scott Rose
- Tom Middleton
- Gene Radcliff
- Steve Teel (No New VCP Sites)
- Paul Turner (LUST Site only)
- Carol Johnston (LUST Sites only)
- Guy Barrett (TSP Sites only)

Yes No Is this VCP Site within the Tacoma Smelter Plume (TSP) area?

Yes No Is this VCP Site a Puget Sound Initiative Site (PSI)?

Yes No Has VCP agreement been signed by the applicant?

Yes No Has VCP agreement been signed by Ecology?

Yes No Were reports included with the application?
If so, what reports were included?

- This is a resubmission of an existing site
- Customer is changing

old
5/5/10



RECEIVED Voluntary Cleanup Program

MAY 03 2010

Washington State Department of Ecology
Toxics Cleanup Program

WA State Department
of Ecology (SWRO)

APPLICATION FORM

Under the Voluntary Cleanup Program (VCP), the Department of Ecology (Ecology) may provide informal site-specific technical consultations to persons conducting independent remedial actions at a hazardous waste site. Ecology may provide such consultations under the authority of the Model Toxics Control Act (MTCA), Chapter 70.105D RCW, and its implementing regulations, Chapter 173-340 WAC.

To enter the VCP, complete and submit to the Department of Ecology (Ecology) a VCP Application. The Application consists of the following two documents:

1. Application Form (including required attachments). ← THIS DOCUMENT
2. Agreement.

For guidance on how to complete your Application, please refer to the Application Instructions, which are available separately on the VCP web site: www.ecy.wa.gov/programs/tcp/vcp/vcpmain.htm.

Part 1 - ADMINISTRATION

A. Customer Information. The Customer is the person or organization requesting services from Ecology under the VCP, and is responsible for paying the costs incurred by Ecology. The authority and duty of the Customer are explained in the Agreement.

Name of Customer: PEH Olymport LLC

What type of entity is the Customer?

Person

If the Customer is a "person," then the Customer shall serve as both the Manager and Billing Contact for the Project. When identifying the Project Manager below, please enter the name of the Customer and his or her contact information.

Organization

If the Customer is an "organization," then please identify below both a Manager and Billing Contact for the Project. Those persons must be employed by the organization.

What is the Customer's involvement at the Site? Please check all that apply.

- | | |
|--|--|
| <input checked="" type="checkbox"/> Property owner | <input type="checkbox"/> Business owner (operator) |
| <input type="checkbox"/> Past property owner | <input type="checkbox"/> Mortgage holder |
| <input type="checkbox"/> Future property owner | <input type="checkbox"/> Consultant |
| <input type="checkbox"/> Property lessee | <input type="checkbox"/> Attorney |
| <input type="checkbox"/> Other - please specify: _____ | |

If not the current property owner, is the Customer acting as the agent for the property owner?

Yes No

If not the current property owner, is the Customer authorized to grant access to the property?

Yes No

SWRO, TCP ID# SW1111
F/S# 1571525
1

RECEIVED

MAY 03 2010

WA State Department
of Ecology (SWRO)

Part 1 – ADMINISTRATION continued

B. Project Manager Information. Ecology will send this person all official correspondence. Please enter the required information below.

Name: GREGORY W. CLAY		Title: VICE PRESIDENT	
Mailing address: 111 CONGRESS AVENUE SUITE 2600			
City: AUSTIN	State: TEXAS	Zip: 78701	
Phone: 512 539 3600	Fax: 512 539 3601	E-mail: GCLAY + JMIREALTY.COM	

C. Project Billing Contact Information. Ecology will send this person monthly invoices.

Is the Project Billing Contact the same as the Project Manager?

Yes If you answered "YES," then skip to the next question.

No If you answered "NO," then please enter the required information below.

Name:		Title:	
Mailing address:			
City:	State:	Zip:	
Phone:	Fax:	E-mail:	

D. Project Consultant Information.

Is the Customer a consultant?

Yes If you answered "YES," then skip to the next question.

No If you answered "NO" and the Customer hired a consultant to conduct the independent remedial action, then enter the required information below.

Name: PAUL STEWENS		Title: VICE PRESIDENT	
Organization: STEWENS ENVIRONMENTAL INC.			
Mailing address: PO BOX 3644			
City: WAUCH	State: WA	Zip: 98309	
Phone: 360 438 9521	Fax: 360 412 1225	E-mail: STEWEN@ENVIRONMENTALWASH.COM	

Do you want Ecology to contact the Project Consultant?

Yes No

E. Property Owner Information.

Is the Customer the owner of the property where independent remedial action is being conducted?

Yes If you answered "YES," then enter the type of entity and skip to the next question.

No If you answered "NO," then please enter all of the required information below.

Name:		Title:	
Organization:			
Mailing address:			
City:	State:	Zip:	
Phone:	Fax:	E-mail:	

Part 1 – ADMINISTRATION continued

What type of entity is the property owner? Please check only one.

- | | |
|--|--|
| <input checked="" type="checkbox"/> Private | <input type="checkbox"/> County |
| <input type="checkbox"/> Tribal | <input type="checkbox"/> Municipal |
| <input type="checkbox"/> Federal | <input type="checkbox"/> Mixed |
| <input type="checkbox"/> State | <input type="checkbox"/> Public School |
| <input type="checkbox"/> Other – please specify: _____ | |

F. Request for Written Opinion.

Are you submitting a remedial action plan or report with your VCP Application?

- Yes No

If you answered "YES" above, do you want Ecology to provide you with a written opinion on the planned or completed remedial action?

- Yes No

Please note that Ecology's opinion will be limited to:

- Whether the planned or completed remedial action at the site meets the substantive requirements of the Model Toxics Control Act (MTCA), and/or
- Whether further remedial action is necessary at the site under MTCA.

Do you expect to request additional written opinions in the future?

- Yes No

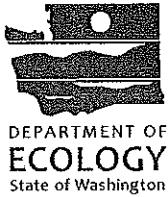
G. Reporting Requirements.

Please comply with the following reporting requirements when requesting written opinions on planned or completed remedial actions:

- Licensing.** Documents submitted containing geologic, hydrologic, or engineering work must be under the seal of an appropriately licensed professional, as required by Chapters 18.43 and 18.220 RCW.
- Data Submittal.** Environmental sampling data must be submitted in both a printed form and an electronic form capable of being transferred into Ecology's data management systems. For instructions on how to submit the data, please refer to the following Ecology web site:
www.ecy.wa.gov/programs/tcp/data_submittal/Data_Requirements.htm.

Failure to comply with these requirements may result in unnecessary delays. **Ecology will not issue a No Further Action (NFA) opinion unless these requirements are satisfied.**

VCP AGREEMENT



INSTRUCTIONS: Submit this Agreement (original) to Ecology as part of your Application. Before submitting, enter the Customer's name and the Site's address on the first page and sign the Agreement on the second page. If your Application is accepted, then Ecology will do the following: 1) identify the Site and VCP project in the box below; 2) sign the Agreement; and 3) send you a copy of the completed Agreement.

This document constitutes an Agreement between the State of Washington Department of Ecology (Ecology) and PIH Olympia LLC (Customer) to provide informal site-specific technical consultations under the Voluntary Cleanup Program (VCP) for the Site identified below and associated with the following address:

Phoenix Inn Site, 415 Capitol Way N., Olympia WA.

The purpose of this Agreement is to facilitate independent remedial action at the Site. Ecology is entering into this Agreement under the authority of the Model Toxics Control Act (MTCA), Chapter 70.105D RCW, and its implementing regulations, Chapter 173-340 WAC. If a term in this Agreement is defined in MTCA or Chapter 173-340 WAC, then that definition shall govern.

Services Provided by Ecology

Upon request, Ecology agrees to provide the Customer informal site-specific technical consultations on the independent remedial actions proposed for or performed at the Site consistent with WAC 173-340-515(5). Those consultations may include assistance in identifying applicable regulatory requirements and opinions on whether the remedial actions proposed for or conducted at the Site meet those requirements.

Ecology may use any appropriate resource to provide the Customer with the requested consultative services. Those resources may include, but shall not be limited to, those of Ecology and the Office of the Attorney General. However, Ecology shall not use independent contractors unless the Customer provides Ecology with prior written authorization.

In accordance with RCW 70.105D.030(1)(i), any opinions provided by Ecology under this Agreement are advisory only and not binding on Ecology. Ecology, the state, and officers and employees of the state are immune from all liability. Furthermore, no cause of action of any nature may arise from any act or omission in providing, or failing to provide, informal advice and assistance under the VCP.

Payment for Services by Customer

The Customer agrees to pay all costs incurred by Ecology in providing the informal site-specific technical consultations requested by the Customer consistent with WAC 173-340-515(6) and 173-340-550(6). Those costs may include the costs incurred by attorneys or independent contractors used by Ecology to provide the requested consultative services. Ecology's hourly costs shall be determined based on the method in WAC 173-340-550(2).

Ecology shall mail the Customer a monthly itemized statement of costs (invoice) by the tenth day of each month (invoice date) that there is a balance on the account. The invoice shall include a summary of the costs incurred, payments received, identity of staff involved, and amount of time staff spent on the project.

The Customer shall pay the required amount by the due date, which shall be thirty (30) calendar days after the invoice date. If payment has not been received by the due date, then Ecology shall withhold

FOR COMPLETION BY ECOLOGY ONLY	Facility / Site Name:	Phoenix Inn
	Facility / Site No.:	1571525
	VCP Project No.:	SW111

any requested opinions and notify the Customer by certified mail that the debt is past due. If payment has not been received within sixty (60) calendar days of the invoice date, then Ecology shall stop all work under the Agreement and may, as appropriate, assign the debt to a collection agency under Chapter 19.16 RCW. The Customer agrees to pay the collection agency fee incurred by Ecology in the course of debt collection.

Reservation of Rights / No Settlement

This Agreement does not constitute a settlement of liability to the state under MTCA. This Agreement also does not protect a liable person from contribution claims by third parties for matters addressed by the Agreement. The state does not have the authority to settle with any person potentially liable under MTCA except in accordance with RCW 70.105D.040(4). Ecology's signature on this Agreement in no way constitutes a covenant not to sue or a compromise of any Ecology rights or authority.

Ecology reserves all rights under MTCA, including the right to require additional or different remedial actions at the Site should it deem such actions necessary to protect human health and the environment, and to issue orders requiring such remedial actions. Ecology also reserves all rights regarding the injury to, destruction of, or loss of natural resources resulting from the release or threatened release of hazardous substances at the Site.

Effective Date, Modifications, and Severability

The effective date of this Agreement shall be the date on which this Agreement is signed by the Toxics Cleanup Program's Section Manager or delegated representative. This Agreement may be amended by mutual agreement of Ecology and the Customer. Amendments shall be in writing and shall be effective when signed by the Toxics Cleanup Program's Section Manager or delegated representative. If any provision of this Agreement proves to be void, it shall in no way invalidate any other provision of this Agreement.

Termination of Agreement

Either party may terminate this Agreement without cause by sending written notice by U.S. mail to the other party. The effective date of termination shall be the date Ecology sends notice to the Customer or the date Ecology receives notice from the Customer, whichever occurs first. Unless otherwise directed, issuance of a No Further Action opinion, either for the Site as a whole or for a portion of the real property located within the Site, shall constitute notice of termination by Ecology.

Under this Agreement, the Customer is only responsible for costs incurred by Ecology before the effective date of termination. However, termination of this Agreement shall not affect any right Ecology may have to recover its costs under MTCA or any other provision of law.

Representations and Signatures

The undersigned representative of the Customer hereby certifies that he or she is fully authorized to enter into this Agreement and to execute and legally bind the Customer to comply with the Agreement.

STATE OF WASHINGTON
DEPARTMENT OF ECOLOGY

Rebecca Lawson

Signature Rebecca S. Lawson

Printed Name

Section Manager, SWRO
Toxics Cleanup Program Section

Date: 05-05-2010

PIH Olympia LLC
Name of Customer

[Signature]

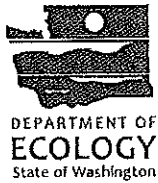
Signature GREGORY W. CLAY

Printed Name of Signatory

VP
Title of Signatory

Date: 4-10-10

If you need this document in an alternative format, please call the Toxics Cleanup Program at 360-407-7170. Persons with hearing loss can call 711 for Washington Relay Service. Persons with a speech disability can call 877-833-6341.



Voluntary Cleanup Program

Washington State Department of Ecology
Toxics Cleanup Program

CHANGE OF CONTACT FORM

Use this form to notify the Department of Ecology (Ecology) of any changes to the designated points of contact for a project under the Voluntary Cleanup Program (VCP). Include any changes to the contact information for those persons (for example: phone number or address). Please submit only one form for each point of contact.

Step 1: IDENTIFY HAZARDOUS WASTE SITE	
Please identify below the hazardous waste site for which you are providing new contact information. This information may be found on the VCP Agreement.	
Facility/Site Name: Phoenix Inn Site	
Facility/Site Address: 415 Capitol Way N.	
Facility/Site No: 1571525	VCP Project No.: SW0747

Step 2: IDENTIFY CONTACT PERSON		
Please identify the role of the person for whom you are providing new contact information. Check all that apply.		
<input type="checkbox"/>	Project Manager	
<input checked="" type="checkbox"/>	Project Billing Contact	
<input type="checkbox"/>	Project Consultant	
<input type="checkbox"/>	Project Attorney	
<input checked="" type="checkbox"/>	Property Owner	
<input type="checkbox"/>	Other – please specify:	
Please provide below the new contact information for this person:		
Name: Gregory W. Clay		Title: Vice President
Organization: PIH Olympia LLC		
Mailing address: 111 Congress Avenue Suite 2600.		
City: Austin	State: TX.	Zip code: 78701
Phone: 512 539 3600	Fax: 512 539 3601	E-mail: GCLAY@JMIREALTY.COM

SWRO, TCP ID# SW1111

Step 3: IDENTIFY PRIOR CONTACT PERSON (IF APPLICABLE)

Is the new contact person replacing an existing point of contact?

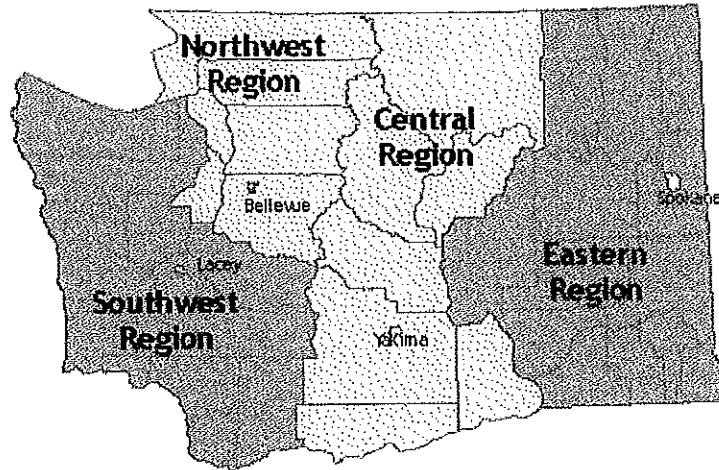
- Yes
- No

If you answered "YES" above, please identify below the person who is being replaced:

Name: Steve Johnson		Title: Vice Pres.	
Organization: VIPs Hotels Inc.			
Mailing address: 29755 SW Boones Ferry Road			
City: Wilsonville		State: Oregon	Zip code: 97070
Phone: 503 682 9284	Fax: 503 779 1667	E-mail:	

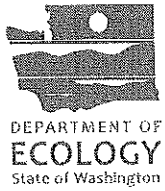
Step 4: SUBMITTAL

Please mail your completed form to the Ecology site manager assigned to your Site. If a site manager has not yet been assigned, please mail your completed form to the Ecology regional office for the County in which your Site is located.



Northwest Region: Attn: Sara Nied 3190 160 th Ave. SE Bellevue, WA 98008-5452	Central Region: Attn: Mark Dunbar 15 W. Yakima Ave., Suite 200 Yakima, WA 98902
Southwest Region: Attn: Scott Rose P.O. Box 47775 Olympia, WA 98504-7775	Eastern Region: Attn: Patti Carter N. 4601 Monroe Spokane WA 99205-1295

If you need this publication in an alternate format, please call the Toxics Cleanup Program at 360-407-7170. Persons with hearing loss can call 711 for Washington Relay Service. Persons with a speech disability can call 877-833-6341.



Voluntary Cleanup Program

Washington State Department of Ecology
Toxics Cleanup Program

CHANGE OF CONTACT FORM

Use this form to notify the Department of Ecology (Ecology) of any changes to the designated points of contact for a project under the Voluntary Cleanup Program (VCP). Include any changes to the contact information for those persons (for example: phone number or address). Please submit only one form for each point of contact.

Step 1: IDENTIFY HAZARDOUS WASTE SITE

Please identify below the hazardous waste site for which you are providing new contact information. This information may be found on the VCP Agreement.

Facility/Site Name: Phoenix Inn Site

Facility/Site Address: 415 Capitol Way N.

Facility/Site No: 1571525

VCP Project No.: SW0747

Step 2: IDENTIFY CONTACT PERSON

Please identify the role of the person for whom you are providing new contact information. Check all that apply.

- Project Manager
- Project Billing Contact
- Project Consultant
- Project Attorney
- Property Owner
- Other – please specify:

Please provide below the new contact information for this person:

Name: Gregory W. Clay

Title: Chief Investment Officer

Organization: JMI Realty

Mailing address: 111 Congress Avenue Suite 2600.

City: Austin

State: TX.

Zip code: 78701

Phone: 512 539 3600

Fax: 512 539 3601

E-mail: GCLAY@JMIREALTY.COM

Step 3: IDENTIFY PRIOR CONTACT PERSON (IF APPLICABLE)

Is the new contact person replacing an existing point of contact?

- Yes
 No

If you answered "YES" above, please identify below the person who is being replaced:

Name: Steve Johnson

Title: Vice Pres.

Organization: VIPs Hotels Inc.

Mailing address: 29755 SW Boones Ferry Road

City: Wilsonville

State: Oregon

Zip code: 97070

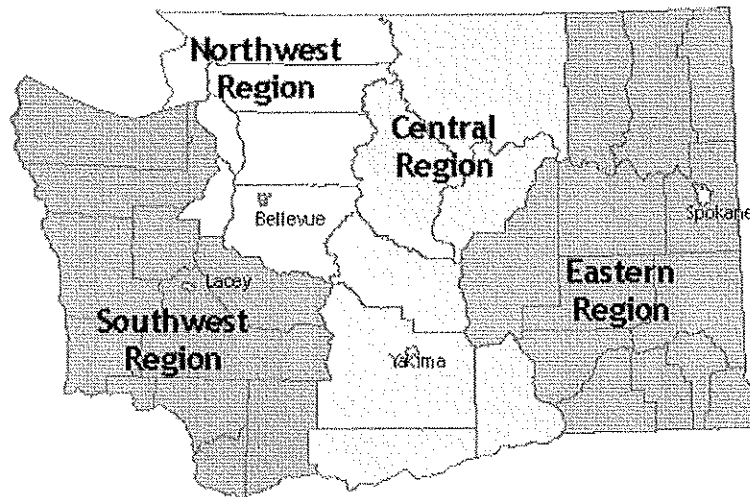
Phone: 503 682 9284

Fax: 503 779 1667

E-mail:

Step 4: SUBMITTAL

Please mail your completed form to the Ecology site manager assigned to your Site. If a site manager has not yet been assigned, please mail your completed form to the Ecology regional office for the County in which your Site is located.



Northwest Region: Attn: Sara Nied 3190 160 th Ave. SE Bellevue, WA 98008-5452	Central Region: Attn: Mark Dunbar 15 W. Yakima Ave., Suite 200 Yakima, WA 98902
Southwest Region: Attn: Scott Rose P.O. Box 47775 Olympia, WA 98504-7775	Eastern Region: Attn: Patti Carter N. 4601 Monroe Spokane WA 99205-1295

If you need this publication in an alternate format, please call the Toxics Cleanup Program at 360-407-7170. Persons with hearing loss can call 711 for Washington Relay Service. Persons with a speech disability can call 877-833-6341.

2006



WASHINGTON STATE
DEPARTMENT OF
E C O L O G Y

Southwest Regional Office
Toxics Cleanup Program
PO Box 47775
Olympia, WA 98504-7775
360-407-6240

TRANSMITTAL MEMO

Date: June 12, 2006

TO: Mr. Steven Johnson
Olympia Inn Properties LLC

RE: *Phoenix Inn*
SW0747

Subject: Explanation of Timeline

NOTE: The date on the determination letter reflects the date the decision was made and the billing process began. We do not release determination letters until payment has been received.

Ecology Determination date: May 23, 2006

Ecology Billing Sent: May 30, 2006

Your Payment Processed: June 9, 2006

Ecology Determination letter mailed/sent: June 12, 2006

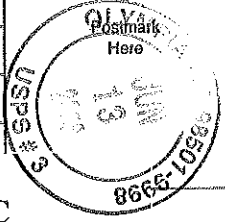
7005 2570 0000 4820 1157

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Restricted Delivery Fee (Endorsement Required)		
Total Postage & Fees		4.88



Mr. Steven Johnson
 Olympia Inn Properties LLC
 29755 SW Boones Ferry Road
 Wilsonville, OR 97070-7202

PS Instructions

SWRO
VCP SITE REVIEW SUMMARY

Part I: Site Checklist – Scott Rose

Site Name: Phoenix Inn

VCP Number: SW0747

Priority: High (pending property transaction, bank loan, etc.)
 Normal

Final NFA (attach draft NFA/opinion letter and previous interim NFA letter and/or opinion letter(s))

Opinion Letter Other

Was technical assistance provided?

- No (received VCP application/cleanup report after cleanup completed)
 Yes (If yes, then check box(s) below that apply)
 before cleanup activities
 during cleanup activities
 after cleanup activities

Yes No Is this an UST/LUST site?

Yes No If so, has the LUST database manager been notified?

Yes No Is the site ranked? If yes, what is its rank: (1-5)?

EEOS notified of pending delisting (only if site is ranked)?

Public notice completed for delisting?

Yes No Coordination with Local Government/County Health Department?

Yes No Is this site in the Tacoma Smelter Plume area?

Yes No Has Site owner been notified of potential for arsenic/lead contamination?

Yes No Does the cleanup meet substantive requirements of MTCA? Example: Required reports (e.g., RI/FS, CAP, Sampling and Analysis plan, etc..) need not be the same in title or format; however, the documents must still contain sufficient information to serve the same purpose. The scope and level of detail in these documents may vary from site to site depending on the site specific conditions and the complexity.

Yes No Has site (anywhere contamination has come to be located) been fully characterized (all media)?

Yes No Does contamination remain on-site (definition of "site/facility") after cleanup?

Site is still in remedial phase.

Yes No Restrictive covenants/deed restrictions /institutional controls required?

Yes No Has a filed restrictive covenant been received and entered into database?

Site is still in remedial phase.

Yes No Site logs submitted to VCP data manager?

1. Site Description (include site address (street, city, county), physical description, current and historical uses of site, etc.):

The Phoenix Inn site is located at 415 Capitol Way N in Olympia, Thurston County, Washington. The 1.38-acre parcel is currently occupied by the Phoenix Inn hotel. The two-story hotel building, constructed on site in 1999, occupies the eastern portion of the parcel and the hotel's asphalt-paved parking lot occupies the western portion. The site is bordered to the north by A Avenue, to the east by Capitol Way N, to the south by Thurston Avenue, and to the west by Columbia Street NW. The site is located in an area that was formerly a marine intertidal zone, until filling for commercial purposes occurred in the late 1800s/early 1900s.

Historically, bulk fuel storage facilities were operated on the properties located directly southwest and north of the site. Available information documents the release of petroleum products to the soil and/or groundwater beneath these properties. A commercial office building is currently located on the northerly property, while a public park occupies the southwesterly property.

Available information indicated that the site has historically been occupied by a bulk fuel storage facility, a furniture store, a variety store, a marine sales/service/repair facility, a storage warehouse, a vehicle fueling station, and the Farmers Market. Underground and aboveground storage tanks (USTs and ASTs) were used in conjunction with the operations of some of the former occupants of the site.

Soils underlying the site consist of marine fill deposits of fine-grained sand, clay, and organic silt containing seashells at certain depths. The source of these fill materials are likely, at least in part, dredged sediments from Budd Inlet.

The depth to groundwater on site is between 4 and 7 feet below ground surface (bgs). A groundwater elevation survey with respect to tidal fluctuations was conducted on site in March 2006. Groundwater measurements were collected at two separate times in one day over the course of a 15.5-foot tide. The results of the study indicated that groundwater flows to the northeast across a majority of the site, with an anomaly in the southwest corner that appeared to direct groundwater easterly and possibly southerly. The evaluation attributed the anomaly to development filling and regrading, and indicated that it was possible that it could be the result of a preferential pathway such as utility pipe bedding in the fill. Tidal influence did not reverse the groundwater flow direction on site; however, it did influence groundwater elevations in the southwest corner of the site sufficiently to reduce the anomaly in that area. Under the influence of a low tide, groundwater flow in the southwest portion of the site appeared to be to the east, with a negligible southerly component.

2. Describe affected media (soil, groundwater, surface water, sediment, air):

SOIL:

In January 2006, 11 soil borings (S-1 through S-11) were advanced throughout the parking lot on the western portion of the site. One to two soil samples were collected from each soil boring and submitted for laboratory analysis for gasoline-range petroleum hydrocarbons by Ecology Method NWTPH-Gx, diesel- and heavy oil-range petroleum hydrocarbons by Ecology Method NWTPH-DX/Extended, and benzene, toluene, ethylbenzene, and xylene (BTEX) compounds by EPA Method 8021B.

Analytical results indicated the presence of BTEX compounds and petroleum hydrocarbons in excess of their respective Model Toxics Control Act (MTCA) Method A cleanup levels. Benzene concentrations ranged from 0.08 milligrams per kilogram (mg/kg) in S-8 to 17 mg/kg in S-6, which exceeds its cleanup level of 0.03 mg/kg. Toluene was detected at 12 mg/kg in S-6 and 17 mg/kg in S-7, which exceeds its cleanup level of 7 mg/kg. Ethylbenzene concentrations ranged from 16 mg/kg in S-6 (8 feet bgs) to 55 mg/kg in S-6 (11 feet bgs), which exceeds its cleanup level of 6 mg/kg. Total xylenes were detected at 20 mg/kg in S-6 and 35 mg/kg in S-7, which exceeds its cleanup level of 9 mg/kg. Gasoline-range petroleum hydrocarbons ranged from 40 mg/kg in

S-8 to 2,500 mg/kg in S-6, which exceeds its cleanup level of 30 mg/kg. Diesel-range petroleum hydrocarbons ranged from 2,300 mg/kg in S-6 to 9,700 mg/kg in S-11, which exceeds its cleanup level of 2,000 mg/kg.

GROUNDWATER:

In January 2006, during the advancement of the soil borings, grab groundwater samples were collected from selected boring locations (all borings, except S-7 and S-11) and submitted for laboratory analysis for gasoline-range petroleum hydrocarbons by Ecology Method NWTPH-Gx, diesel- and heavy oil- range petroleum hydrocarbons by Ecology Method NWTPH-DX/Extended, and BTEX compounds by EPA Method 8021B. Analytical results of the sample collected from S-6 indicated the presence of benzene [250 micrograms per liter ($\mu\text{g/L}$)], ethylbenzene (830 $\mu\text{g/L}$), gasoline-range petroleum hydrocarbons (19,000 $\mu\text{g/L}$), and diesel-range petroleum hydrocarbons (18,000 $\mu\text{g/L}$), which exceeds their respective MTCA Method A cleanup levels of 5 $\mu\text{g/L}$, 700 $\mu\text{g/L}$, 800 $\mu\text{g/L}$, and 500 $\mu\text{g/L}$. Diesel-range petroleum hydrocarbons were also detected in excess of its cleanup level in S-10 at 42,000 $\mu\text{g/L}$.

Between January and March 2006, 18 monitoring wells/microbe injection wells (PMW-1 through PMW-18) were installed on site and along public right-of-ways located adjacent to the site boundaries. Groundwater samples were collected from selected newly installed monitoring wells and from selected existing monitoring wells installed as part of previous investigations. The wells selected for sampling were predominantly located along the site boundary on all sides, except for PMW-2, which was located in the area of the highest detected petroleum contaminant concentrations. The groundwater samples were submitted for laboratory analysis for gasoline-range petroleum hydrocarbons by Ecology Method NWTPH-Gx, diesel- and heavy oil- range petroleum hydrocarbons by Ecology Method NWTPH-DX/Extended, and BTEX compounds by EPA Method 8021B. Analytical results of the sample collected from PMW-2 indicated the presence of benzene (15 $\mu\text{g/L}$), gasoline-range petroleum hydrocarbons (3,800 $\mu\text{g/L}$), and diesel-range petroleum hydrocarbons (3,000 $\mu\text{g/L}$), which exceeds their respective MTCA Method A cleanup levels of 5 $\mu\text{g/L}$, 800 $\mu\text{g/L}$, and 500 $\mu\text{g/L}$. No other contaminants were detected in excess of MTCA Method A cleanup levels in any of the other groundwater samples.

3. Cleanup method used:

- Method A
- Method B
- Method C

4. Describe cleanup activities (for each media) and if contamination remains on-site (including confirmational sampling/analysis, points of compliance, etc...):

No cleanup activities are known to have been conducted to date for this site. The consultant has proposed to use in-situ bioremediation technologies to address the petroleum impacted soil and groundwater. This remedy is to include the introduction of a minimum of 200 gallons of microbes to the adversely impacted media on selected portions of the site on a bi-monthly basis via the recently installed monitoring wells/injection wells. Nutrients will be supplied to the microbes on a regular basis. Furthermore, approximately 2,000 gallons of oxygen-releasing solution will be introduced on a quarterly basis via the on-site injection wells. The solution will be introduced in small quantities throughout the 3-month period. Progress screening soil and groundwater samples are proposed to be collected twice per year, and the results will be presented in interim remediation project progress reports to be submitted to Ecology.

5. Describe restrictive covenant (e.g., contamination remains under structure, groundwater restrictions, 5-year review):

Not yet applicable.



STATE OF WASHINGTON
DEPARTMENT OF ECOLOGY

PO Box 47600 • Olympia, WA 98504-7600 • 360-407-6000
TTY 711 or 800-833-6388 (for the speech or hearing impaired)

May 26, 2006

STEVEN JOHNSON
VIPS HOTELS INC.
29755 SW BOONES FERRY ROAD
OREGON, WA 97070

Dear Mr. Johnson:

Re: Voluntary Cleanup Program **INVOICE**
VCP Project # SW 0747 – PHOENIX INN

Enclosed is an **INTERIM** billing for services provided by Ecology. The \$500.00 deposit received on February 15, 2006, has been credited to your account. If you have not submitted payment within 30 days, Ecology will consider your account balance delinquent.

Please send payment of \$ 197.08 to:

Department of Ecology
Cashiering Section
P.O. Box 5128
Lacey, WA 98509-5128

Ecology has prepared an Opinion letter which will be mailed to you as soon as your payment has been received.

If you have any questions regarding the enclosed invoice, please contact me at (360) 407-7230. If you have questions about the number of hours charged for reviewing your file, please contact Site Manager Scott Rose at (360) 407-6347.

Sincerely,

Trish Akana
Voluntary Cleanup Program

TA:taa
Enclosures



For Ecology Assistance on:

PHOENIX INN
415 CAPITOL WAY N
OLYMPIA, WA 98501

PRIOR CHARGES

HOURS BILLED

TCP Staff Member	Month	Year	Hours	Hourly Rate	Amount
ROSE, SCOTT	5	2006	3.0	85.01	\$255.03
ROSE, SCOTT	3	2006	5.0	85.01	\$425.05
ROSE, SCOTT	4	2006	0.2	85.01	\$17.00

Total Billable Hours: \$697.08

CREDITS TO DATE

Payment Type	Cash Journal #	Receipt #	Date Received	Amount
Initial Deposit	461K1078	06-017042	02/15/2006	\$500.00

Total Credits to Date: (\$500.00)

Amount Due (Refund Due): \$197.08

If you have questions regarding this account summary, please contact the Toxics Cleanup Program Receptionist at (360) 407-7170 and ask to speak to the VCP Financial Manager.

Department of Ecology
Cashiering Section
P.O. Box 5128
Lacey, WA 98509-5128

Invoice for Voluntary Cleanup Program Project ID # SW0747 (FS ID: 1571525)

May 26, 2006

STEVEN JOHNSON, VIPS HOTELS INC
29755 SW BOONES FERRY RD
OREGON, WA 97070

For Ecology Assistance on:
PHOENIX INN
415 CAPITOL WAY N
OLYMPIA, WA 98501

Total Prior Charges:	
Total Billable Hours Charged:	\$697.08
Less Total Credits to Date:	(\$500.00)
Amount Due (Refund Due):	\$197.08

Please pay the amount due upon receipt of this invoice. Amount will become overdue 30 days after mail date. Please submit bottom portion of invoice with payment. Review results will be finalized after payment is made. Thank you.

If you have questions regarding this invoice, please contact the Toxics Cleanup Program Receptionist at (360) 407-7170 and ask to speak to the VCP Financial Manager.

PHOENIX INN

Project Number: SW0747

FS ID: 1571525

Invoice Number: VL06 236

Due Date: 6/25/2006

Amount Due: **\$197.08**

Fiscal Code: 173-VCPREC-04-34-005001-5001 10

**WASHINGTON STATE DEPARTMENT OF ECOLOGY
TOXICS CLEANUP
VOLUNTARY CLEANUP PROGRAM SITE LOG**

SITE NAME Phoenix Inn MONTH May YEAR 2006
 NAME Scott Rose PAYROLL 1-15
 SIC J1C55 VCP ID#: SW0747 FS ID # 1571525 PERIOD 16-31 x

DATE WORKED	HOURS	ACTIVITY DESCRIPTION
5/23/06	0.5	- Reviewed Remedial/Cleanup Action Plan and updated Site Review Summary
5/23/06	2.5	- Generated Proposed Cleanup Action Opinion Letter and generated internal review package

3

EMPLOYEE'S SIGNATURE Ecology Site Manager
Scott Rose

DATE 5/23/06

DATA ON THIS FORM IS IN AGREEMENT WITH EMPLOYEE TIME SHEETS.

SUPERVISOR'S SIGNATURE Ecology Supervisor
[Signature]

DATE 5-23-06

[Handwritten signature]

Ball Opinion



SIDLEY AUSTIN LLP
 787 SEVENTH AVENUE
 NEW YORK, NY 10019
 (212) 839 5300
 (212) 839 5599 FAX

cobrien@sidley.com
 (212) 839-8769

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Washington State
 Department of Ecology

April 11, 2006

By Email and Post

Chuck Cline
 Voluntary Cleanup Program Coordinator
 Department of Ecology
 PO Box 47775
 Olympia WA 98504-7775
 chcl461@ecy.wa.gov

Re: Notice of Sale; 415 Capitol Way N., Olympia, WA

Dear Chuck:

Please be advised that as of March 31, 2006, the hotel property located at 415 Capitol Way N., Olympia, WA was sold by Olympia Inn Properties, LLC. As you are aware, the property was recently enrolled in the Voluntary Cleanup Program by Olympia Inn Properties, LLC.

The new owner of the property is PIH Olympia LLC. We will be in contact soon regarding the property's status in the Voluntary Cleanup Program. In the meantime, if you have any questions, feel free to contact me.

Sincerely,

Colin C. O'Brien

cc: Payton Mayes
 Randall Rothschild
 Matthew E. Fernand

WASHINGTON STATE DEPARTMENT OF ECOLOGY
TOXICS CLEANUP
VOLUNTARY CLEANUP PROGRAM SITE LOG

SITE NAME Phoenix Inn MONTH April YEAR 2006
NAME Scott Rose PAYROLL 1-15 x
SIC J1C55 VCP ID#: SW0747 FS ID # 1571525 PERIOD 16-31

DATE WORKED	HOURS	ACTIVITY DESCRIPTION
4/4/06	0.2	- Edited Follow-up (90-day) Letter

EMPLOYEE'S SIGNATURE Ecology Site Manager Scott Rose DATE 4/17/06

DATA ON THIS FORM IS IN AGREEMENT WITH EMPLOYEE TIME SHEETS.

SUPERVISOR'S SIGNATURE Ecology Supervisor [Signature] DATE 4-19-06

[Large Handwritten Signature]

**WASHINGTON STATE DEPARTMENT OF ECOLOGY
TOXICS CLEANUP
VOLUNTARY CLEANUP PROGRAM SITE LOG**

SITE NAME Phoenix Inn **MONTH** March **YEAR** 2006
NAME Scott Rose **PAYROLL** 1-15
SIC J1C55 **VCP ID#:**SW0747 **FS ID #**1571525 **PERIOD** 16-31 x

DATE WORKED	HOURS	ACTIVITY DESCRIPTION
3/28/06	1.5	- Reviewed VCP application and 2006 Limited Phase II Assessment Report
3/28/06	1	- Initiated Site Review Summary
3/29/06	0.2	- Phone conversation with site consultant
3/29/06	1.5	- Continued generating Site Review Summary
3/30/06	0.5	- Continued generating Site Review Summary
3/31/06	0.3	- Generated Follow-up (90-day) Letter

5

EMPLOYEE'S SIGNATURE Ecology Site Manager *[Signature]* **DATE** 5/23/06

DATA ON THIS FORM IS IN AGREEMENT WITH EMPLOYEE TIME SHEETS.

SUPERVISOR'S SIGNATURE Ecology Supervisor *[Signature]* **DATE** 5-23-06

*Reviewed
PC*

*Bill
1 item
opinion*



STATE OF WASHINGTON
DEPARTMENT OF ECOLOGY

PO Box 47775 • Olympia, Washington 98504-7775 • (360) 407-6300

CERTIFIED MAIL

March 31, 2006

Steven Johnson
Olympia Inn Properties LLC
29755 SW Boones Ferry Road
Wilsonville, Oregon 97070

Dear Mr. Johnson:

RE: Phoenix Inn; 415 Capitol Way N, Olympia, Washington – VCP # SW0747

Thank you for submitting the Voluntary Cleanup Program (VCP) Application for the above site. Ecology appreciates your initiative in pursuing this administrative option under the Model Toxics Control Act (MTCA).

In a telephone conversation I had with your consultant, Mr. Paul Stemen of Stemen Environmental, Inc., on March 29, 2006, Mr. Stemen indicated that he had additional documentation regarding the proposed in-situ bioremediation plan for the site that he would forward to Ecology for review. I am writing you this letter as a follow-up to that conversation. In development of the bioremediation plan for the site, Ecology recommends that you review the following guidance to ensure that the requirements for such a cleanup proposal are being met: Guidance on Remediation of Petroleum-Contaminated Groundwater By Natural Attenuation. This guidance can be found on Ecology's website at: <http://www.ecy.wa.gov/biblio/0509091.html>

Once Ecology receives and reviews the additional information, the Opinion Letter will be generated and provided to you. Working with Ecology throughout the remediation process will help ensure the issuance of a No Further Action (NFA) Letter.

If you have any questions about any of the information presented in this letter, please contact me at (360) 407-6347 or via e-mail at sros461@ecy.wa.gov.

Sincerely,

Scott Rose
Site Manager
Toxics Cleanup Program
Southwest Regional Office

SR/ksc:Phoenix Inn Document request ltr

Cc: Paul Stemen – Stemen Environmental, Inc
Carol Johnston - Ecology
Chuck Cline – Ecology
Bob Warren - Ecology



7004 1350 0004 1791 6806

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Restricted Delivery Fee (Endorsement Required)		1.85
Total		4.64

Sent to: Steven Johnson
 Olympia Inn Properties LLC
 29755 SW Boones Ferry Road
 Wilsonville, Oregon 97070

PS Form 3811, August 2001 See Reverse for Instructions



SENDER: COMPLETE THIS SECTION	COMPLETE THIS SECTION ON DELIVERY
<ul style="list-style-type: none"> Complete items 1, 2, and 3. Also complete item 4 if Restricted Delivery is desired. Print your name and address on the reverse so that we can return the card to you. Attach this card to the back of the mailpiece, or on the front if space permits. 	<p>A. Signature <i>Cindy Callahan</i> <input type="checkbox"/> Agent <input checked="" type="checkbox"/> Addressee</p> <p>B. Received by (Printed Name) <i>Cindy Callahan</i> C. Date of Delivery <i>4-10-06</i></p> <p>D. Is delivery address different from item 1? <input type="checkbox"/> Yes If YES, enter delivery address below: <input type="checkbox"/> No</p>
<p>1. Article Addressed to:</p> <p>Steven Johnson Olympia Inn Properties LLC 29755 SW Boones Ferry Road Wilsonville, Oregon 97070</p>	<p>3. Service Type</p> <p><input checked="" type="checkbox"/> Certified Mail <input type="checkbox"/> Express Mail <input type="checkbox"/> Registered <input type="checkbox"/> Return Receipt for Merchandise <input type="checkbox"/> Insured Mail <input type="checkbox"/> C.O.D.</p> <p>4. Restricted Delivery? (Extra Fee) <input type="checkbox"/> Yes</p>
<p>2. Article Number (Transfer from service label) <i>7004 1350 0004 1791 6806</i></p>	<p>PS Form 3811, August 2001 Domestic Return Receipt <i>Scott Rose</i> 102595-02-M-1540</p>

STEMEN ENVIRONMENTAL, INC.

P.O. BOX 3644
LACEY, WASHINGTON 98509-3644
CONTR. LIC. #STEMEE1081J9

Telephone 360-438-9521 Fax 360-412-1225

March 26, 2006

Mr. Steve Johnson
VIP'S Hotels
29755 SW Boones Ferry Road
Wilsonville, Oregon 97070-7202

Dear Mr. Johnson:

RE: REMEDIAL INVESTIGATIONS AND SITE CHARACTERIZATION REPORT FOR
THE PHOENIX INN PROPERTY LOCATED AT 415 CAPITOL WAY N., OLYMPIA,
WASHINGTON.

1.0 INTRODUCTION

This letter documents the results of recent investigations of the soils and/or groundwaters present on the subject property and the selected areas immediately surrounding the subject property. The initial on-site investigations included the advancement of eleven (11) soil borings using a Direct Push Sampling System supplied and operated by Licensed Geologists from Environmental Services Network Northwest Inc., Olympia, Washington. Discreet soil and/or groundwater samples were obtained from these borings and selected samples were immediately submitted for appropriate laboratory analyses.

To facilitate further characterization of the groundwaters associated with the site, monitoring wells were installed at selected locations on the subject property and the adjacent public "right of ways".

Additionally, four (4) monitoring wells that were installed as part of previous remedial investigations associated with the subject property and/or neighboring properties, were accessed for groundwater sampling and elevation measurement purposes.

Groundwater characterization samples were obtained from selected monitoring wells and the samples were submitted for appropriate laboratory analyses.

Groundwater elevation data was obtained from the monitoring wells on numerous occasions to determine the groundwater gradients on the subject property and neighboring areas, and to assess any potential tidal influences on the flow of groundwater across the subject

property. All groundwater elevation data was submitted to Ms. Leslie Conner, a Licensed Hydrogeologist, for appropriate interpretation.

A detailed description of the above listed investigations/studies and the documented results of these investigations/studies are presented in the following reports.

2.0 SITE CHARACTERISTICS AND BACKGROUND

2.1 Site Characteristics

The subject property, Tax Parcel #78500100300, consists of 1.38 acres of commercially developed property. The subject property is located in section 14, township 18 north, range 2 west.

The subject property is located at 415 Capitol Way N., Olympia, Washington. The subject property is immediately bordered on the north by A Avenue, on the east by Capitol Way N., on the west by Columbia Street N.W., and on the south by Thurston Avenue.

The subject property is located less than 300 feet east of the shoreline of the western arm of Budd Inlet.

The Phoenix Inn hotel building currently occupies the subject property. The two-story hotel building, constructed on the property in 1999, lies on the eastern portion of the property, the hotel's asphalt surfaced parking lots occupies the western portion of the property.

The subject property is located in an area that is currently occupied by multi-family residential buildings, professional office buildings, light industrial facilities, municipal parks, government offices and facilities, waterfront properties, and commercial/retail businesses.

2.2 Site Background

The subject property is located in an area that was formerly a marine intertidal zone, until filling for commercial purposes occurred in the late 1800s/early 1900s.

In previous years bulk fuel storage facilities were operated on the properties located directly southwest and north of the subject property. Available information documents the release of petroleum products to the soils and or/groundwaters beneath these sites. Remedial Investigations and Remedial Corrective Action Projects have been performed on these sites and the results have been reported to Ecology. A commercial office building is currently located on the northerly site while a public park occupies the southwesterly site.

Available information indicates that in previous years the subject property has been occupied by a bulk fuel storage facility, a furniture store, a variety store, a marine sales, service, and repair facility, a storage warehouse, a vehicle fueling station, and the Farmers Market. Underground and aboveground fuel storage tanks were used in conjunction with the operations of some of the above listed former occupants of the subject property.

Soils present beneath the investigated portions of the subject property consisted of dark colored fine grain sand clay/marine type silts intermixed with seashell fragments at selected depths.

Groundwater is present in the fill materials on the subject property at reported depths of 4 to 7 feet below ground surface (b.g.s.).

2.3 Previous Environmental Assessments

Environmental assessments of the subject site were previously performed by Enviros, Inc. (Enviros), ATEC Associates (ATEC), Shannon & Wilson, Environmental Project Management, Inc. (EPMI), and GeoDesign Inc.

In summary, the above listed reports document the following information:

1. The historical presence of underground and aboveground fuel storage tanks on the subject property and neighboring properties.
2. The excavation and removal and/or closure of underground fuel storage tanks at selected locations on the subject property.
3. The sampling of the soils and groundwaters on the subject property on multiple occasions by various Consulting Firms.
4. The confirmed presence of gasoline range T.P.H., diesel fuel range T.P.H., and B.T.E.X.'s at levels that exceed Ecology's Method "A" Clean Up Levels in the soils and groundwaters beneath selected locations on the subject property. The reports indicate that the on-site petroleum contaminated soils and groundwaters are the result of releases from on-site aboveground and underground fuel storage tanks and/or off-site sources.
5. The installation of groundwater monitoring wells on the subject property and the neighboring public "right of ways".
6. The monitoring and contouring of the groundwaters on the subject property, neighboring properties and/or in the neighboring public "right of ways". The results of the groundwater monitoring and contouring events indicate that the inferred direction of groundwater flow across the subject property and neighboring properties is primarily to the northeast.
7. The presence of gasoline range T.P.H., diesel fuel range T.P.H., and/or B.T.E.X.'s in soils and groundwaters at off-site and up-gradient locations.
8. Recommendations for the in-situ bioremediation of the petroleum contaminated soils and groundwaters on the subject property.
9. The installation of enzyme injection pipes and vapor recovery piping at selected locations on the southern portion of the subject property. The lateral piping that was installed still

exists and can be used in conjunction with the vertical injection/monitoring wells that have been installed on the subject property recently.

3.0 INVESTIGATIVE SOIL AND GROUNDWATER SAMPLING

The purpose of this on-site investigation of the subsurface soils and waters beneath the subject property was to assess and characterize the current environmental integrity of the subject property.

On January 12, and 20, 2006 I obtained seventeen (17) discreet soil samples and nine (9) discreet groundwater samples from eleven (11) separate selected sampling locations on the subject property using a Direct Push Sampling System supplied and operated by a Licensed Geologist from Environmental Services Network Northwest Inc. of Olympia, Washington.

Investigative soil and groundwater sampling locations were based on information obtained from historical site records/reports, and on this consultant's on-site observations.

All investigative soil boring locations are depicted on the Soil Bore Location Map.

SAMPLING LOCATION S-1

Sampling location S-1 was located near the northwest corner of the subject property. Available information indicates that an underground fuel storage tank was removed from this immediate area in recent years.

The soil boring was extended to an approximate depth of 12 feet b.g.s.

Soils removed from this soil boring possessed no noticeable signs (staining/odor/sheen) of being adversely impacted by petroleum products.

Soil sample S-1 4/8 was obtained from black marine sands intermixed with seashell fragments present at an approximate depth of 8 feet b.g.s.

Groundwater sample S-1-W was obtained from subsurface waters present at an approximate depth of 5 feet b.g.s.

Laboratory analyses results for investigative soil sample S-1-4/8 indicated no detectable presence of gasoline range T.P.H., diesel fuel range T.P.H., heavy oil range T.P.H., mineral oil range T.P.H., and/or B.T.E.X.'s (Benzene, Toluene, Ethylbenzene, and Xylenes).

Laboratory analyses results for water sample S-1-W indicated no detectable presence of gasoline range T.P.H., diesel fuel range T.P.H., heavy oil range T.P.H., mineral oil range T.P.H., and/or B.T.E.X.'s.

Level D protection. First Aid materials and properly trained personnel were present on-site at all times.

4. The immediate perimeter of the work area was secured at all times by orange hazard cones.

8.0 SUMMARY

8.1 Consultant's Comments:

The results of this on-site investigation confirm the presence of gasoline range T.P.H., diesel fuel range T.P.H., and B.T.E.X.'s at levels that exceed Ecology's Method "A" Clean Up Levels, in the subsurface soils and groundwaters beneath selected portions of the subject property. The presence of the petroleum contaminated soils and/or groundwaters appears to be limited to the central, south central, and southwestern portions of the subject property. These findings are consistent with the reported findings of remedial investigations performed on the subject property in previous years.

The results of this remedial investigations indicate that the presence of the petroleum contaminated soils and groundwaters, that were adversely impacted by releases from on-site sources, are limited to areas within the boundaries of the subject property and are not migrating off-site.

The inferred direction of groundwater flow across the subject property is primarily to the east/northeast.

The direction of groundwater flow across the subject property is discussed in the accompanying Groundwater Gradients Report issued Ms. Leslie Conner of KTA Associates.

A confirmed presence of gasoline range T.P.H. and B.T.E.X.'s at levels that exceed Ecology's Method "A" Clean Up Levels, in the subsurface soils and groundwaters beneath selected portions of the subject property has been properly reported to Ms. Carol Johnston of Ecology's Toxics Clean Up Program-Southwest Regional Office.

The site has been entered into Ecology's Voluntary Clean Up Program for the purposes of eventually receiving a notice of No Further Action Required for the soils and groundwaters on the site.

8.2 Consultants Recommendations:

1. The in-situ treatment of the petroleum products impacted soils and groundwaters on the subject property using enhanced bioremediation techniques. The introduction of microbes and oxygen releasing compounds to the adversely impacted medias via the sixteen (16) on-site monitoring/injection wells that are distributed throughout the adversely impacted portions of the subject property will accelerate the degradation of petroleum range contaminants;

Additionally, the horizontal air injection piping that was installed in previous years will provide a means to further oxygenate the adversely impacted medias present on the selected portions of the site.

2. The quarterly monitoring of groundwaters using eight (8) of the monitoring wells located at selected locations on the subject property and the neighboring public "right of ways". The selection of the specific wells to be monitored will be determined by Ms. Leslie Conner, a Licensed Hydrogeologist.

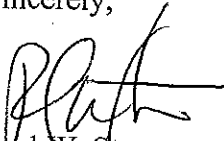
3. The periodic sampling of the groundwaters via the on-site monitoring/injection wells to monitor the progress of the in-situ bioremediation process.

8.3 Limitations

All opinions, observations, recommendations, and statements set forth in this report are based on currently available information, current regulations, and current on-site conditions, and we cannot predict or report on the impacts of future events and/or changing regulatory requirements on this site.

If you have any questions or need further information please feel free to contact us at the above phone number.

Sincerely,



Paul W. Stemen
Ecology-Registered Site Assessment Supervisor
ASTM Certified
IFCI #0874201-U2

cc: Department of Ecology- Toxics Clean Up Program
File

TABLE 1

SOIL LABORATORY ANALYSES CHARTS FOR SOIL BORINGS
METHOD 8021B

BTEX COMPOUNDS (PPM)

TOTAL PETROLEUM
HYDROCARBONS (PPM)

SAMPLE NUMBER	SAMPLE DATE	SAMPLE DEPTH	BTEX COMPOUNDS (PPM)				TOTAL PETROLEUM HYDROCARBONS (PPM)			MINERAL OIL		
			BENZENE	TOLUENE	ETHYL-BENZENE	TOTAL XYLENES	GASOLINE	DIESEL	OIL			
S-1 4/8	1/13/2006	8'	ND	ND	ND	ND	ND	ND	ND	ND	ND	ND
S-2 4/8	1/13/2006	8'	ND	ND	ND	ND	ND	ND	ND	ND	ND	ND
S-3 4/8	1/13/2006	8'	ND	ND	ND	ND	ND	ND	ND	ND	ND	ND
S-4 4/8	1/13/2006	8'	ND	ND	ND	ND	ND	ND	ND	ND	ND	ND
S-5 4/8	1/13/2006	8'	ND	ND	ND	ND	ND	ND	ND	ND	ND	ND
S-6 4/8	1/13/2006	8'	2.7	2.2	16	7.3	440	5600	750	200	200	ND
S-7 4/8	1/13/2006	8'	12	17	21	35	1300	3500	820	ND	ND	ND
S-8 4/8	1/13/2006	8'	0.08	0.11	2	1.5	40	820	ND	ND	ND	ND
S-9 4/8	1/13/2006	8'	ND	ND	ND	ND	ND	ND	ND	ND	ND	ND
S-10 4/8	1/13/2006	8'	0.1	0.14	0.27	0.14	73	5800	ND	ND	ND	ND
S-2 8/12	1/17/2006	11'	ND	ND	ND	ND	ND	ND	ND	ND	ND	ND
S-4 8/12	1/17/2006	11'	ND	ND	ND	ND	ND	ND	ND	ND	ND	ND
S-5 8/12	1/17/2006	11'	ND	ND	ND	ND	ND	ND	ND	ND	ND	ND
S-6 8/12	1/17/2006	11'	17	12	55	20	2500	2300	ND	ND	ND	ND
S-8 8/12	1/17/2006	11'	ND	ND	ND	ND	ND	ND	ND	ND	ND	ND
S-11 4/8	1/20/2006	7'	ND	ND	ND	0.31	ND	9700	ND	ND	ND	ND
S-11 8/12	1/20/2006	11'	ND	ND	ND	ND	ND	ND	ND	ND	ND	ND
Method "A Clean Up Levels			0.03	7	6	9	30	2000	2000	2000	4000	

TABLE 2

WATER LABORATORY ANALYSES CHARTS FOR SOIL BORINGS
METHOD 8021B

BTEX COMPOUNDS (PPB)

TOTAL PETROLEUM
HYDROCARBONS (PPB)

SAMPLE NUMBER	SAMPLE DATE	SAMPLE DEPTH*	BTEX COMPOUNDS (PPB)			TOTAL PETROLEUM HYDROCARBONS (PPB)			MINERAL OIL
			BENZENE	TOLUENE	ETHYL-BENZENE	TOTAL XYLENES	GASOLINE	DIESEL	
S-1-W	1/13/2006	5'	ND	ND	ND	ND	ND	ND	ND
S-2-W	1/13/2006	5'	ND	ND	ND	ND	ND	ND	ND
S-3-W	1/13/2006	5'	ND	ND	ND	ND	ND	ND	ND
S-4-W	1/13/2006	5'	ND	ND	ND	ND	ND	ND	ND
S-5-W	1/13/2006	5'	ND	ND	ND	ND	ND	ND	ND
S-6-W	1/13/2006	5'	250	130	830	290	19000	18000	ND
S-8-W	1/13/2006	5'	1.9	2.6	31	11	790	ND	ND
S-9-W	1/13/2006	5'	ND	ND	ND	ND	ND	ND	ND
S-10-W	1/13/2006	5'	ND	ND	ND	ND	ND	42000	ND

Method "A" Clean Up Levels 5 1000 700 1000 800 500 500

* Approximate groundwater sample depth measurements are based on depths below ground surface at individual sampling locations

TABLE 3											
WATER LABORATORY ANALYSES CHARTS FOR MONITORING WELL SAMPLES											
METHOD 8021B											
BTEX COMPOUNDS (PPB)											
SAMPLE NUMBER	SAMPLE DATE	SAMPLE DEPTH	BENZENE	TOLUENE	ETHYL-BENZENE	TOTAL XYLENES	TOTAL PETROLEUM HYDROCARBONS (PPB)			MINERAL OIL	
							GASOLINE	DIESEL	OIL		
MW-10	1/27/2006	4.99"	ND	ND	ND	ND	ND	ND	ND	ND	ND
6MW	1/27/2006	5.00"	ND	ND	ND	ND	ND	ND	ND	ND	ND
PMW-1	1/27/2006	6.29"	ND	ND	ND	ND	ND	ND	ND	ND	ND
PMW-2	1/27/2006	5.84'	15	43	24	7.7	3800	3000	ND	ND	ND
PMW-3	1/27/2006	5.33'	ND	ND	ND	ND	ND	ND	ND	ND	ND
MW-2	1/27/2006	4.59'	ND	ND	ND	ND	ND	ND	ND	ND	ND
MW-2	1/30/2006	4.01'	ND	ND	ND	ND	ND	ND	ND	ND	ND
PMW4	3/16/2006	5.25'	ND	ND	ND	ND	ND	ND	ND	ND	ND
Method "A" Clean Up Levels			5	1000	700	1000	800	500	500	500	500

COLUMBIA ST.

"A" AVE.

CAPITOL WAY

THURSTON AVE.

PHOENIX INN

S-1

S-2

S-3

S-9

S-11

S-8

S-4



S-7

S-5

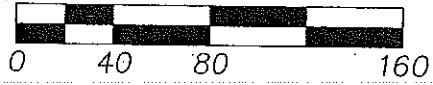
S-10

S-6

LEGEND

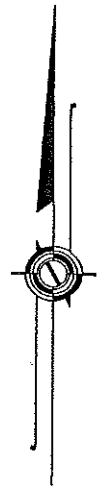
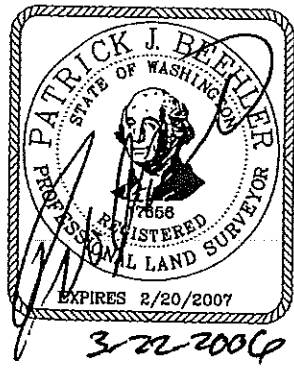
-  FOUND CASED MONUMENT
-  SOIL BORE

SCALE: 1"=80 FEET



BASIS OF BEARING:

PER CITY OF OLYMPIA HELD N04°05'06"W
 BETWEEN FOUND CASE MONUMENTS ON
 COLUMBIA STREET AS SHOWN



DESIGNED BY: JMM	CHECKED BY: PJB				
DRAWN BY: JMM	APPROVED BY: PJB				
LAST EDIT: _____	PLOT DATE: 03/22/06				
DATE	BY	REV#	REVISION	CK'D	APPR.

W&H PACIFIC
 724 Columbia Street NW
 Suite 140
 Olympia, Washington 98501
 (360) 754-3375
 (360) 754-1166 Fax
 whpacific.com

**STEMEN ENVIRONMENTAL
 SOIL BORE LOCATION**

OLYMPIA		WASHINGTON	
SCALE: 1"=80'	PROJECT NO. 034507	DRAWING FILE NAME: 34507-SURV-SB01	1 SHEET 1

03/22/2006 15:36:16
 USER: JMMUNRU / JMM / 03/22/2006 15:36:16

N: =634585.64
E: =401318.82
EL: =10.46

MW-1
N: =634603.16
E: =401420.55
EL: =10.52

MW-2
N: =634609.71
E: =401510.44
EL: =10.69

N: =634607.16
E: =401618.27

PMW-1
N: =634512.37
E: =401607.55
EL: =11.37

PMW-3
N: =634397.76
E: =401375.22
EL: =11.23

N: =634276.33
E: =401340.91
EL: =10.63

MW-6
N: =634225.72
E: =401364.76
EL: =10.76

MW-10
N: =634264.28
E: =401456.27
EL: =10.73

N: =634297.89
E: =401640.50

PMW-15

PMW-13

PMW-9

PMW-4

PMW-15

PMW-13

PMW-9

PMW-4

PMW-18

PMW-5

PMW-17

PMW-7

PMW-16

PMW-14

PMW-8

PMW-6

PMW-2

PMW-10

PMW-11

PMW-12

THURSTON AVE.

"A" AVE.

COLUMBIA ST.

CAPITOL WAY

PHOENIX INN

LEGEND

⊙ FOUND CASED MONUMENT

⊞ MONITOR WELL

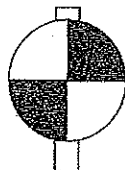
⊞ Wells sampled

SCALE: 1"=80 FEET



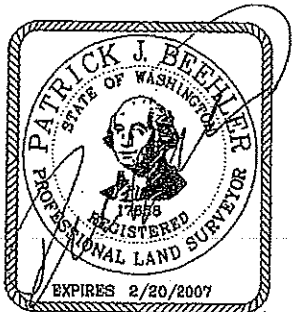
BASIS OF BEARING:

PER CITY OF OLYMPIA HELD N04°05'06"W
BETWEEN FOUND CASE MONUMENTS ON
COLUMBIA STREET AS SHOWN



VERTICAL DATUM
MEAN SEA LEVEL (MSL)
EL. =10.63

FOUND CASED MONUMENT, 6" DIA.
CONCRETE MONUMENT WITH LEAD AND
SCREW AT THE INTERSECTION OF
COLUMBIA ST. AND THURSTON AVE.
BENCH MARK NO. 180



3-1A-2006

Office: OLYMPIA | System: WWP-OLY-3C/KC91 | User: JUNZEE | Time: 03/14/2006 13:33:50

DESIGNED BY:	JMM	CHECKED BY:	PJB	
DRAWN BY:	JMM	APPROVED BY:	PJB	
LAST EDIT:		PLOT DATE:	03/14/06	
DATE	BY	REV#	REVISION	CK'D/APP'R
3/14/06	JWL	1	ADDITIONAL WELLS	



724 Columbia Street NW
Suite 140
Olympia, Washington 98501
(206) 754-3375
(206) 754-1186 Fax
whpsata.com

STEMEN ENVIRONMENTAL
MONITOR WELL LOCATION/ELEVATIONS

OLYMPIA	WASHINGTON
SCALE: 1"=80'	PROJECT NO. 034507
DRAWING FILE NAME: 34507-SURV-SB01	1 SHEET 1

STEMEN ENVIRONMENTAL, INC.

P.O. BOX 3644
LACEY, WASHINGTON 98509
CONTR. LIC. #STEMEEI081J9

Telephone 360-438-9521 Fax 360-412-1225

March 24, 2006

Mr. Steve Johnson
VIP's Hotels
29755 SW Boones Ferry Rd
Wilsonville OR 97070-7202

Dear Mr. Johnson:

RE: SCOPE OF WORK FOR PROPOSED REMEDIAL CORRECTIVE ACTIONS,
REMEDIAL CORRECTIVE ACTIONS MONITORING, AND GROUNDWATER
MONITORING PROJECT FOR PHOENIX INN SITE, OLYMPIA, WASHINGTON.

1. The quarterly groundwater monitoring of the groundwaters on the subject property and the public "right of ways" located directly adjacent to the subject property. Groundwater elevations will be measured on all 22 of the monitoring wells associated with the subject property.

As per guidance supplied by Ms. Leslee Conner, a Licensed Hydrogeologist, to answer site control questions, water samples will be obtained from monitoring wells PMW-1, PMW-2, PMW-4, MW-6, MW-10, MW-1 and MW-2.

All water samples will be submitted for appropriate laboratory analyses and will be screened for gasoline range T.P.H., diesel fuel range T.P.H., heavy oil range T.P.H., mineral oil range T.P.H., and B.T.E.X.'s.

All groundwater monitoring well results and data will be reviewed and interpreted by a Licensed Hydrogeologist. A quarterly groundwater monitoring report will be filed with all interested parties and Ecology.

2. The in-situ bioremediation of the on-site petroleum contaminated media will include the introduction of a minimum of 200 gallons of microbes to the adversely impacted media located on selected portions of the site on a bi-monthly basis. The microbes will be introduced via the recently installed monitoring wells/injection wells. The fifteen (15) on-site wells that are located in the adversely impacted portions of the site will facilitate very thorough distribution of the microbes throughout the contaminated media. Nutrients will be supplied to the microbes on a regular basis.

3. The in-situ bioremediation treatment of the on-site adversely impacted media will be enhanced by the introduction of approximately 2000 gallons of oxygen releasing solution on a quarterly basis. The liquid solution will be introduced in small quantities throughout the three (3) month period. The oxygen releasing solutions will be introduced throughout the adversely impacted portions of the site via the on-site injection wells.

4. The progress of the remediation project will be monitored on a continual basis using field screening techniques. Progress screening soil and groundwater samples will be obtained on a biannual (twice a year) basis. All progress screening samples will be submitted for appropriate laboratory analyses. All laboratory analyses for screening samples will be properly reviewed and then presented in an interim remediation project progress report that will be presented to all interested parties and Ecology.

5. Project oversight for this remediation will be provided by Mr. Paul Stemen, a Licensed U.S.T. Site Assessor and Licensed General Contractor specializing in the environmental remediation field, and Ms. Leslee Conner, a Washington State Licensed Hydrogeologist.

Based on the results of the periodic progress screening of the remediation project, the Scope of Work and/or Work Plan for the project may be revised. Any revisions would require the approval of Ecology and all interested parties, and would be made to further enhance the remediation project and the surrounding environment.

The above in-situ bioremediation activities will be performed until all laboratory analyses results for confirmation soil and/or groundwater samples indicate no remaining presence of petroleum range contaminants at levels that exceed Ecology's applicable clean up levels for this site.

If you have any questions, please contact me.

Sincerely,

Paul W. Stemen
Vice President



A Professional Environmental Service Corporation

KTA Associates, Inc.
800 5th Avenue
Suite 4100
Seattle, WA 98104
206-447-1450
www.ktainc.net

March 22, 2006

Mr. Paul Stemen
Stemen Environmental, Inc.
P.O. Box 3644
Lacey, WA 98509

**RE: Groundwater Gradients
Phoenix Inn Property
415 Capital Way North
Olympia, Washington**

Dear Mr. Stemen:

This letter documents the results of our evaluation of groundwater elevation data obtained from the Phoenix Inn property in Olympia, Washington.

Background

Stemen Environmental is currently contracted to the property owner, Mr. Steve Johnson, to evaluate site environmental conditions and to address residual soil and groundwater contamination in anticipation of a property sales transaction. Stemen Environmental has installed monitoring wells on the property and hired KTA Associates to provide interpretation of groundwater elevation data from those wells.

Site

The Phoenix Inn property comprises the entire block that is defined by Capital Way North on the east side, Columbia Street NW on the west, Thurston Avenue to the south, and "A" Avenue on the north side. The Phoenix Inn hotel building lies on the eastern portion of the property, with its main entrance off the parking lot that occupies the western portion of the property.

The property is located in an area that formerly was a marine intertidal zone, until filling for commercial development occurred in the late 1800s/early 1900s. The source of the fill material for this area is not known for certain. Boring logs from wells installed at the property in 1994 indicate subsoils to include poorly sorted medium to coarse sand with abundant shell fragments from ground surface to a depth of 15 to 16 ft. Therefore, the fill appears to be, at least in part, dredged sediments from Budd Inlet, the west arm of which lies less than 300 ft from the western edge of the property.

Groundwater

Shallow groundwater at the property occurs in the fill material, at depths recorded from 4 to 7 ft below ground surface (bgs). Below the fill, poorly sorted gravelly sand was encountered in well borings from

the southeast quadrant of the property, whereas sandy pebbly silt was encountered in a well boring in the north central portion of the property.

Water level data from February 1994 indicated that shallow groundwater flowed "from the west and south toward the northeast and that a very steep groundwater gradient exists at the southwestern end" of the property (Enviros 1994). A short tidal evaluation (less than 4 hours) in February 1994 resulted in the conclusion that tidal variation in Budd Inlet had a negligible influence on water levels at the site. A review of tides in Budd Inlet during the hours of that evaluation indicate that the tidal evaluation in 1994 was conducted on a rising tide, from approximately 1.5 hours after a low tide of 7.7 ft to the following high tide of 13.7 ft (a tidal range of 6 feet).

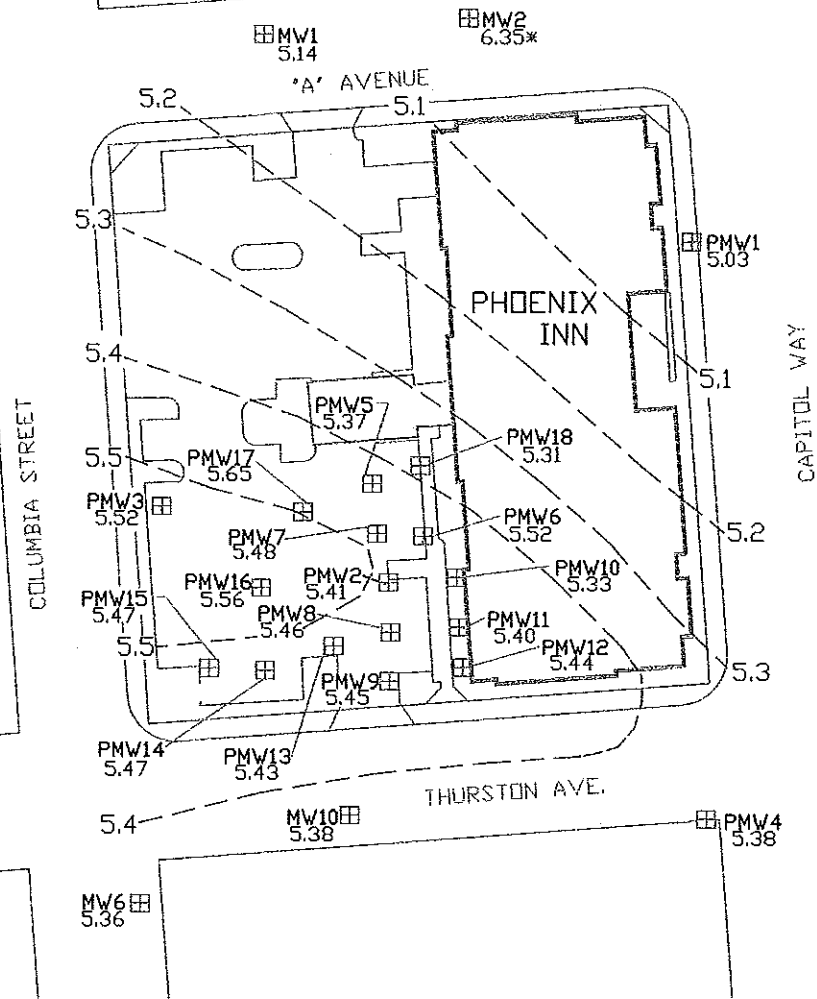
To support the Stemen Environmental property evaluation, advantage was taken of 22 wells available on and just off the property, and a significant tidal range (15.5 ft) during the daylight hours of March 3, 2006. On March 3, water level measurements were obtained by Stemen Environmental around 8:30 a.m. and 3:30 pm, which corresponded to approximately 1.5 hours after the day's highest tide of 16.0 ft and the day's lowest tide of 0.5 ft, respectively. The water level measurements were converted to elevations (Table 1) and the elevations were contoured to provide an indication of groundwater flow directions. Figure 1 illustrates the groundwater elevations and inferred groundwater contours following the morning high tide, and Figure 2 illustrates these following the afternoon low tide.

As seen on Figure 1, groundwater flow interpretations (groundwater flows perpendicular to groundwater elevation contours) of the March 2006 data agree closely with the 1994 Enviros interpretation: groundwater flows to the northeast across most of the property, with an anomaly in the southwest corner that appears to direct groundwater more easterly and possibly, southerly. Enviros attributed the anomaly in the southwest corner to development filling and regrading; it also is possible that the anomaly could result from preferential pathways such as utility pipe bedding in the fill.

As seen on Figure 2, tidal influence at the site is not negligible over the tidal range captured in the March 3 measurements. The tidal influence does not reverse the groundwater flow direction at the property, but it does influence groundwater elevations in the southwest corner of the property sufficiently to reduce the anomaly in that area. Under the influence of a low tide, groundwater flow in the southwest portion of the property appears to flow easterly, with a negligible southerly component.

The southerly flow component reflected in the March 3 high tide data was evaluated further due to its implications with respect to groundwater contamination that remains in the south central portion of the property. For this, a limited number of additional water level measurements were collected on March 17, 2006 on a tidal phase that, as closely as possible during daylight hours, matched the March 3 post-high-tide data (the March 17 data were collected 1.5 hours after the day's high tide of 14.2 ft). Those measurements, converted to groundwater elevations and plotted on Figure 3, indicate no southerly flow component. This is interpreted to indicate that the groundwater gradient anomaly in the southwest corner of the site that is induced by extreme high tides is only transient in nature, and because it apparently does not occur during the majority of high tides (the mean tide in Budd Inlet is 8.5 ft and Mean High High Water in Budd Inlet is 14.6 ft), it would not result in appreciable, if any, flow to the south along the property's southern boundary.

Also as seen on Figures 1 and 2, the March 3 water level data included several measurements that are not consistent with the surrounding water levels, and because of the magnitude of the differences, were not used in contouring. These inconsistent measurements occurred at MW-2 in both data sets, and at MW-10 in the afternoon data set. The consistency of the MW-2 variance suggests a well-related issue (e.g., different screened interval) and was not investigated further for this evaluation (the well log for MW-2 was not available for review). The inconsistency in the measurement at MW-10 was theorized to be a data recording error, and was further evaluated using the additional water level data collected on March 17. The March 17 data support the theory that the anomalous value from the March 3 low tide data set was a transcription error.



VERTICAL DATUM
MEAN SEA LEVEL (MSL)
ELEV. = 10.63

* Value not used in contouring
** Following 7:38am high tide of 16.0 ft. in Budd Inlet

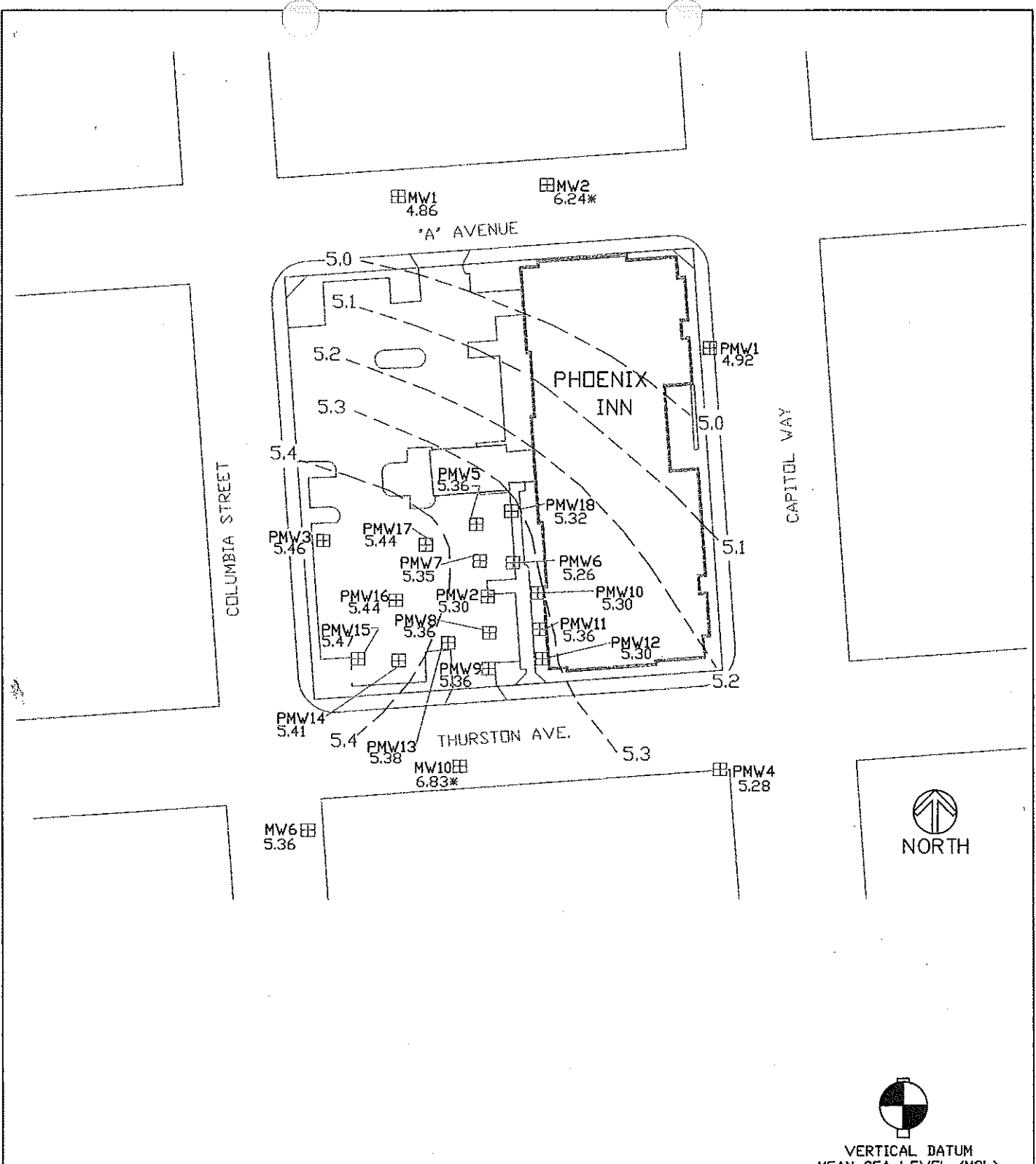
NOTE: Site plan based on information received from W&H Pacific and City of Olympia, WA

LEGEND	
	MONITORING WELL




Inferred & Generalized
Groundwater Contours
Groundwater Elevations March 3, 2006 at 8:30am **
PHOENIX INN OLYMPIA, WASHINGTON


Scale: 1"=80'-0"	Drawn by: cct
Date: 3/17/2006	Fiau



* Value not used in contouring
 ** Following 2:27 pm low tide of 0.5 ft. in Budd Inlet

NOTE: Site plan based on information received from W&H Pacific and City of Olympia, WA

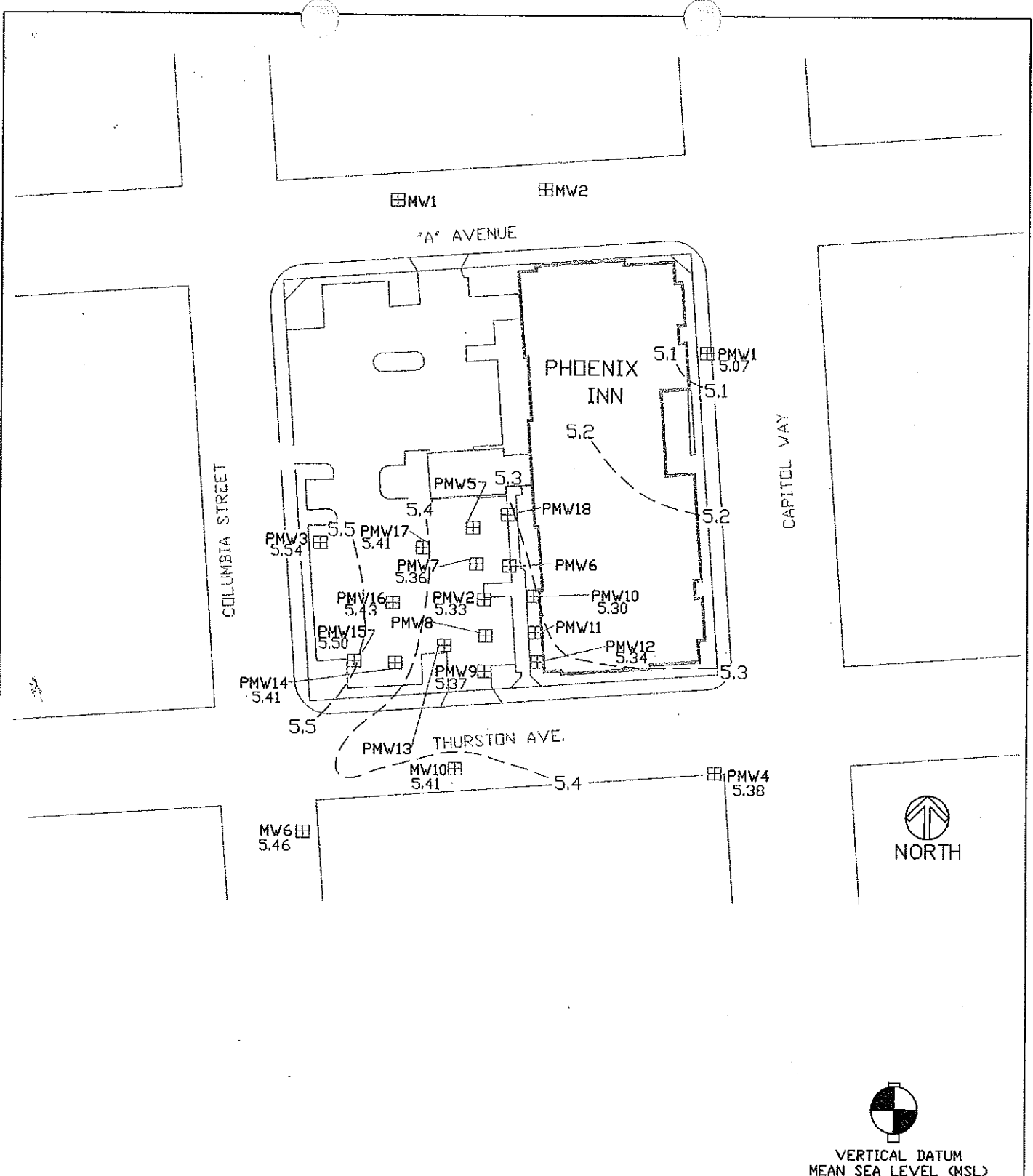

 VERTICAL DATUM
 MEAN SEA LEVEL (MSL)
 ELEV. = 10.63


LEGEND	
	MONITORING WELL



Inferred & Generalized
 Groundwater Contours
 Groundwater Elevations March 3, 2006 at 3:30pm **
 PHOENIX INN OLYMPIA, WASHINGTON

Scale: 1"=80'-0"	Drawn by: cct
Date: 3/20/2006	Fiau




 VERTICAL DATUM
 MEAN SEA LEVEL (MSL)
 ELEV. = 10.63

* Following 6:40am high tide of 14.2 ft. in Budd Inlet

NOTE: Site plan based on information received from W&H Pacific and City of Olympia, WA

LEGEND	
☒	MONITORING WELL



**Inferred & Generalized
 Groundwater Contours**
 Groundwater Elevations March 17, 2006 at 8:15am *
 PHOENIX INN OLYMPIA, WASHINGTON

Scale: 1"=80'-0"	Drawn by: cct
Date: 3/17/2006	Fiau



STATE OF WASHINGTON
DEPARTMENT OF ECOLOGY

PO Box 47775 • Olympia, Washington 98504-7775 • (360) 407-6300

March 20, 2006

Mr. Steven V. Johnson
VIPS Hotel Inc.
29755 SW Boones Ferry Rd.
Wilsonville, OR 97070

Dear Mr. Johnson:

Your complete application for the Voluntary Cleanup Program (VCP) was received on March 20, 2006, the purpose of this letter is to acknowledge receipt of your application and to provide you with the name of the Site Manager assigned this review.

Site Name: Phoenix Inn
Site Manager: Scott Rose
VCP Identification Number Assigned: SW0747

Our database has been updated to reflect your participation in the Voluntary Cleanup Program. If you have any questions your Site Manager can be reached at 360-407-6347

I need to advise you of our new Data Submittal Requirements defined in Policy 840 (attached). This policy mandates that all Environmental Monitoring Data Generated during Contaminated Site Investigations and Cleanups shall be required to be submitted to Ecology in both a Written and Electronic Format. Policy Item #3 (attached) applies to VCP and reads: *"All reports on Independent Remedial Actions submitted after October 1, 2005, under Ecology's VCP program shall not be reviewed until the data have been submitted in compliance with this policy."* Questions regarding this policy and how it affects your VCP project can be discussed with your site manager.

Thank you for your commitment to the environment and the Voluntary Cleanup Program.

Sincerely,

Kim Cross
Voluntary Cleanup Program Data Manager
Southwest Regional Office
Toxics Cleanup Program
(360) 407-6240

ksc:VCP ACK Letter 110805

cc: Mr. Paul W. Stemen, Stemen Environmental Inc.
Scott Rose, Department of Ecology
Bob Warren, Department of Ecology
Chuck Cline, Department of Ecology
Trish Akana, Department of Ecology, Toxic Cleanup Program, HQ (SW0747)



Voluntary Cleanup Program

Washington State Department of Ecology - Toxics Cleanup Program



APPLICATION TO REQUEST ASSISTANCE

This application is for individuals requesting assistance from the Voluntary Cleanup Program to plan, conduct, or evaluate an independent cleanup. The applicant may be a site owner, former site owner, site operator, or consultant on behalf of the owner or operator.

RECEIVED
FEB 13 2006
Washington State
Department of Ecology

PLEASE ANSWER THE FOLLOWING QUESTIONS TO THE BEST OF YOUR KNOWLEDGE.

Have you discussed this site with an Ecology representative? YES
If yes, what is that person's name CHARLES CLINE
What is the approximate date? 1/2006
Has Ecology already received reports or records pertaining to this site? YES
If yes, what do they pertain to? ON-SITE CONDITIONS
Is this a leaking underground storage tank site? YES
Is this site a Brownsfield? NO
(Brownsfields are properties that are abandoned or underused because of environmental contamination from past industrial or commercial practices.)

PS # : 1571525

PLEASE DETERMINE IF PERMITS ARE REQUIRED.

Local, state, and/or federal permits may be required for cleanup activities at your site. To determine if a permit(s) is required for your cleanup action, please check with Ecology's Permit Assistance Center at 1-800-917-0043.

APPLICANT COMPLETES THIS SECTION (NOTE! THE APPLICANT IS RESPONSIBLE FOR ALL BILLINGS.)

Applicant Name <u>Olympia Inn Properties LLC</u>	Phone <u>503-682-9284</u>
Applicant Address <u>29755 SW Boones Ferry Road</u>	
City <u>Wilsonville</u> State <u>Oregon</u> Zip Code <u>97070</u>	
Site Name <u>Phoenix Inn</u> Alternate Name _____	
Site Address <u>415 Capitol Way N.</u>	
City <u>Olympia</u> State <u>WA</u> Zip Code <u>98501</u> County <u>Thurston</u>	
Site Owner Name <u>Olympia Inn Properties LLC</u> C/O <u>STEVEN V. JOHNSON</u>	
Site Owner Address <u>29755 SW Boones Ferry Road</u> Phone <u>503-682-9284</u>	
City <u>Wilsonville</u> State <u>Oregon</u> Zip Code <u>97070</u>	

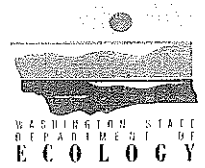
Olympia Inn Properties LLC
I, C/O STEVEN V JOHNSON, request the assistance of the Department of Ecology. With this application, I have enclosed an initial deposit of \$500. I understand this payment is the equivalent of approximately (5) hours of staff review on the cleanup of my contaminated site. If total charges exceed \$500, I will be billed and will pay the remaining balance. Any excess payments will be refunded to me.

by STEVEN V JOHNSON, MEMBER
Signature of Applicant 2-9-06
Date

SWRO-1 LUST

Voluntary Cleanup Program

Washington State Department of Ecology – Toxics Cleanup Program



SITE SUMMARY

This form is a required component of your request for assistance under the Voluntary Cleanup Program. Please include it with your application, consultation fee, and terrestrial ecological evaluation form (if applicable).

WHICH OF THE FOLLOWING APPLY TO YOUR SITE?

- You are requesting assistance on a planned cleanup.
- You are requesting assistance on an ongoing cleanup.
- You are requesting review of a completed cleanup.
- You are requesting review of monitoring reports.

RECEIVED

MAR 20 2006

Washington State
Department of Ecology

PERSON/ORGANIZATION MAKING REQUEST FOR ASSISTANCE

Name: Steve Johnson		
Firm: VIP's Industries Inc.		
Mailing address: 29755 Boones Ferry rd.		
City: Wilsonville	State: Oregon	Zip code: 97070
Telephone number: 503-682-9284	Fax number: 503-682-9257	E-mail address:

WHICH BEST DESCRIBES YOUR INVOLVEMENT AT THIS SITE (CHECK AS MANY THAT APPLY)

Current Owner	Former Owner	Potential Purchaser	Current Operator	Former Operator	Environmental Consultant	Attorney	Insurance Carrier	Other
x								
If other, please specify:								

SITE IDENTIFICATION

Name of site: Phoenix Inn			
Alternative name(s) for site: Former Yardbirds Site or Former Farmers Market Site			
Site address: 415 Capitol Way N.			
City: Olympia	State: WA.	Zip code: 98501	County: Thurgston
UBI Number: 65-11-63725			

Township: 18n Range: 2 w Section: 14 Quarter-Quarter:

Latitude: Degrees: 47 Minutes: 2 Seconds: 51.0
Longitude: Degrees: 122 Minutes: 54 Seconds: 7.8

What method did you use to calculate latitude and longitude?

How many acres is the site? 1.38

Property type? Commercial Industrial Residential Other Please specify:

Is the property currently being used? yes

Are there plans for change in use? no If yes, please specify:

STANDARD INDUSTRIAL CLASSIFICATION (SIC) CODES

Please list all that apply. If you do not know the SIC code(s), list the activities conducted at the site (i.e. automotive repair and maintenance, construction equipment storage, etc.)

TANK INFORMATION

Please complete the table below for all above ground tanks (AST) and underground storage tanks (UST) existing or formerly existing on the property, including unregulated tanks.

TANK ID	AST/UST	SIZE	WAS FREE PRODUCT ENCOUNTERED?		IN EXCAVATION	**TANK STATUS & DATE
			*PRODUCT	ON GW		
1	ust	2500	GASOLINE	UNK	UNK	REMOVED
2	ust	500	HEATING OIL	YES	unk	REMOVED

* Unleaded, leaded diesel, bunker-C, waste oil, heating oil, aviation fuel, other (please identify)

**Left in-place, removed, closed-in-place

SITE MAPS

Please include an area map that shows the general location of the site (mark the site location) and a site diagram that shows sampling and well locations.

DANGEROUS WASTE FACILITIES Does the facility have a dangerous waste identification (WAD) number?

NO

If yes, please specify.

SITE ASSESSMENT OR SITE REMEDIATION WORK COMPLETED TO-DATE

Has site assessment work been completed at the site		yes
If yes, when?	2006	Were the results reported to Ecology? yes
Has site cleanup work been conducted at the site?		Not to my knowledge
If yes, when?	2001	Were the results reported to Ecology? unknown
Does contamination remain on-site after cleanup?		yes
If yes, please describe the contamination? Recent remedial investigations confirm the presence of TPH and B.T.E.X.s in the soils and groundwaters beneath selected locations on the subject property.		

INSTITUTIONAL CONTROLS (I.E. RESTRICTIVE COVENANT, ENGINEERED CONTROLS, FENCING)

Were institutional controls used at the site? If yes, please specify. _____

DOCUMENTATION

Please list all known assessment and/or cleanup reports completed for the site. Include the title of the report, the name of the consulting firm that did the work, and the year it was completed.

TITLE	CONSULTING FIRM	DATE
REMEDIAL INVESTIGATIONS REPORT-PHOENIX INN SITE	STEMEN ENVIRONMENTAL INC.	3/17/05
PLEASE SEE ATTACHED LISTS OF REPORTS GENERATED FOR THE SUBJECT PROPERTY AND/OR NEIGHBORING PROPERTIES.	VARIOUS	VARIOUS

METHODS & TREATMENT TECHNOLOGIES USED AT SITE

Please check all applicable boxes that apply to your site.

CLEANUP METHOD USED	SOIL	GROUND WATER	SURFACE WATER	DRINKING WATER	AIR	SEDIMENTS
Method A	X	X				
Method B						
Method C						
TREATMENT TECHNOLOGY USED	SOIL	GROUND WATER	SURFACE WATER	DRINKING WATER	AIR	SEDIMENTS
Air Sparging/Air Stripping						
Bioventing						
Capping (asphalt, concrete, topsoil, RCRA cover, soil-clay, synthetic membrane)						
Carbon Adsorption						
Containment On-Site						
Containment Off-Site						
Free-product Recovery		X				
In Situ Chemical Oxidation						
Natural Attenuation (dilution, volatilization, biodegradation, adsorption)						
Permeable Reactive Barriers						
Phytoremediation						
Soil Flushing						
Soil Vapor Extraction						
Thermal Desorption						
Other (please specify) In-situ bioremediation	X	X				

DRINKING WATER & AQUATICS INFORMATION

Are there any drinking wells within ½ mile of the site? yes	If yes, how many? 1
Was a drinking water system affected? unk	If yes, was an alternate drinking water source provided?
Was the affected drinking water system public, private, or both?	
Are there any creeks, streams, ponds, wetlands, or shorelands on or adjacent to the site? yes	Within ¼ mile of the site?
Yes. Shoreline of Budd Inlet.	
If yes, where are they located? Approximately 500 feet west of site	
Were they impacted by the contamination from the site? Unknown	

OWNER/OPERATOR HISTORY

Please complete as many of the below boxes as possible. For type of owner/operator, please use the following codes: (1) Private, (2) Municipal, (3) County, (4) Federal, (5) State, (6) Tribal, (7) Mixed, (8) Other, (9) Unknown, (10) Public Entitle Acquisition via Bankruptcy.

Current site owner: VIPS Industries Inc.	Type: 1
Street address: 29755 Boones Ferry Road	
City: Wilsonville	State: Oregon
Zip code: 97070	
Contact person (if different than owner listed above): Steve Johnson	
Street address: 29755 Boones Ferry Road	
City: Wilsonville	State: Oregon
Zip code: 97070	
Phone: 503 682 9284	Fax: 503 682 9257
E-mail address:	
Date of ownership 1999 to current	

Current operator: same as above	Type: 1
Street address:	
City:	State:
Zip code:	
Contact person (if different than owner listed above):	
Street address:	
City:	State:
Zip code:	
Phone:	Fax:
E-mail address:	
Date of operation: to	

Former site owner:	Yardbirds Properties Limited Partnership	Type: 1
Street address: 500 N. Capitol Way		
City: Olympia	State: WA.	Zip code: 98501
Contact person (if different than owner listed above): Ryan, Swanson and Cleveland (attorneys)		
Street address: 1201 Third Avenue		
City: Seattle	State: Wa.	Zip code: 98101-3034
Phone:	Fax:	E-mail address:
Date of ownership: to		

Former operator:	same	Type:
Street Address:		
City:	State:	Zip code:
Phone:	Fax:	E-mail address:
Date of operation: to		

Environmental consultant:	see listed reports	Type:
Representing:		
Firm:		
Street address:		
City:	State:	Zip code:
Phone:	Fax:	E-mail address:

SITE CONTACT PERSON (IF OTHER THAN OWNER/OPERATOR)

This is someone who is available during normal working hours and has knowledge about the site and the activities conducted at the site.

Name: Paul W. Stemen		
Relation to site owner/operator: Consultant/ Contractor		
Firm: Stemenb Environmental Inc.		
Street address: PO Box 3644		
City: Lacey	State: Wa	Zip code: 98509
Phone: 360 438 9521	Fax: 360 438 9521	E-mail address: STEMENENVIRO@MSN.COM
Date of involvement with site: 12/2006 to CURRENT		

Name:		
Relation to site owner/operator:		
Firm:		
Street address:		
City:	State:	Zip code:
Phone:	Fax:	E-mail address:
Date of involvement with site:		to

Name:		
Relation to site owner/operator:		
Firm:		
Street address:		
City:	State:	Zip code:
Phone:	Fax:	E-mail address:
Date of involvement with site:		to

STEMEN ENVIRONMENTAL, INC.

P.O. BOX 3644
LACEY, WASHINGTON 98509-3644
CONTR. LIC. #STEMEEI081J9

Telephone 360-438-9521 FAX 360-412-1225

ATEC Associates, Inc., Phase I Environmental Site Assessment, Yard Birds Shopping Center, 500 North Capitol Way, Olympia, Washington 98501, ATEC Project No. 93-00059, June 24, 1993.

Stemen Environmental, Inc., Remedial/Corrective Actions Report, Vacant Commercial Property, 503 N. Capitol Way, Olympia, Washington. May 12, 2001.

Stemen Environmental, Inc, Monitoring Well Installation and Groundwater Monitoring Report, Former Yardbirds Site, 503 Capitol Way North, Olympia, Washington,

September 15, 2003. Enviros, Inc., Environmental Site Assessment, Final Report of the Yard Birds Property. Olympia, Washington, June 1, 1994,

Enviros, Inc., January 1995 Quarterly Groundwater Monitoring Report of the Yard Birds Property, Olympia, Washington, April 19, 1995.

Enviros, Inc., April 1995 Quarterly Groundwater Monitoring Report of the Yard Birds Property, Olympia, Washington, June 13, 1995.

Enviros, Inc., August 1995 Quarterly Groundwater Monitoring Report of the Yard Birds Property, Olympia, Washington, September 14, 1995.

Enviros, Inc., December 1995 Quarterly Groundwater Monitoring Report of the Yard Birds Property, Olympia, Washington, January 26, 1996,

EPMI, Transmittal Letter 8003.44. Update, Yard Birds Project February 10, 2000.

Geo Design, Inc., Design Recommendations for Vapor Mitigation, Intersection of Capitol Way and Thurston Avenue, Olympia, Washington, GDI Project: VIP's-5



WASHINGTON STATE DEPARTMENT OF ECOLOGY

RECEIPT 204904

RECEIVED FROM: STEVEN ENVIRONMENTAL INC. CONTR. LIC. STEVEN 108159
FUND: FIVE HUNDRED DOLLARS 500.00

DATE: 2/13/06

LOCATION: SWARO General: USF WWD Other: TCP Cash: 77.20

PURPOSE: V.C.F. LUST

CAPITAL WAY N. OLYMPIA

TCP ID # SWD747

010-144

By: [Signature] Thank You