

STEMEN ENVIRONMENTAL, INC.

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

July 1, 2015

Robyn D. Neely, Esq.
420 South Orange Avenue
Suite 1200
Orlando, Florida 32801

RE: PROPOSED ENVIRONMENTAL INVESTIGATIONS FOR THE FORMER PHOENIX INN SITE PROPERTY LOCATED AT 415 CAPITOL WAY N., OLYMPIA, WASHINGTON.

The purpose of the proposed on-site investigations is to assess the current environmental integrity of the subsurface soils and groundwater on the subject property.

Services shall include:

1. Sampling of subsurface soils at a minimum of fifteen (15) selected locations on the subject property. Selected sampling locations will be in the **areas of confirmed** during previous on-site environmental investigations. A minimum of two (2) investigative soil samples will be obtained from various depths in each investigative borehole.

All investigative soils will be obtained using a Direct Push Sampling System supplied and operated by Licensed Well Drillers/Geologists from ESN Northwest, Inc., Olympia, Washington.

All investigative soil samples will be submitted for appropriate laboratory analyses. All soil samples will be analyzed for the presence gasoline, diesel, and heavy oil range T.P.H. (total petroleum hydrocarbons), and volatile organic compounds (VOCs). Due to the anticipated elevated presence of organics due to the introduction of microbes, laboratory analyses methods will include a Silica Gel Screen.

Estimated cost for all equipment, labor, laboratory analyses, and consultants services for the performance of this project is \$10,500.00.

2. The sampling of groundwater beneath the subject property and the adjacent City of Olympia Public Right of Ways via the previously installed twenty-two (22) groundwater monitoring/injection wells.

All groundwater samples will be obtained using a peristaltic pump. All sampling tubing will be discarded after each individual sampling event to prevent cross sample contamination.

All groundwater depth to water measurements will be obtained using an electronic water level indicator.

All groundwater samples will be submitted for appropriate laboratory analyses. All groundwater samples will be analyzed for the presence gasoline, diesel, and heavy oil range

T.P.H. (total petroleum hydrocarbons), and volatile organic compounds (VOCs). Due to the anticipated elevated presence of organics due to the introduction of microbes, laboratory analyses methods will include a Silica Gel Screen.

The determination of groundwater flow direction beneath the subject property by a Washington State Licensed Hydrogeologist.

Estimated cost for all equipment, labor, laboratory analyses, and consultants services for the performance of this project is \$7,500.00.

3. Documentation of all on-site sampling activities, laboratory analyses results, conclusions and recommendations in a Combined Soil and Groundwater Sampling Report.

A copy of the Report will be distributed to all interested parties and appropriate regulatory agencies.

Prior to the commencement of any on-site activities, all underground utilities will be located by an independent utilities locating services contractor.

Any further work would require additional arrangements between client and consultant/contractor.

All materials, tools, machinery and labor needed to perform this project will be supplied by the consultant/contractor.

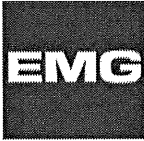
It is anticipated that the on-site soil sampling event can be completed in one (1) working day.

It is anticipated that the on-site water sampling event can be completed in one (1) working day.

If you have any questions, please contact me.

Sincerely,

Paul W. Stemen
Vice President



EMG
Corporate Headquarters
222 Schilling Circle, Suite 275
Hunt Valley, Maryland 21031
Phone: 800.733.0660
Fax: 410-785-6221
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September 9, 2011

JMI Realty

Phoenix Inns Hotel Co. LLC, a Delaware limited liability company
Merrill Lynch L.P. Holdings, Inc., a Delaware corporation
PIH Olympia LLC, a Delaware limited liability company
Bank of America, N.A., as administrative agent for the lenders

Re: Phoenix Inn Suites - Olympia
415 Capitol Way N
Olympia, Washington 98501

EMG Project No. 98954.11R-003.135

To Whom it May Concern,

EMG performed a Phase I Environmental Site Assessment, that included on-site observations of the accessible areas of the Phoenix Inn Suites - Olympia (the "Project"), on August 12, 2011. The Project is located at 415 Capitol Way N in Olympia, Washington 98501, and consists of approximately 1.38 acres. In response to a call on September 7, 2011, the following information is presented to clarify outstanding questions regarding the Project:

The "Yardbirds" Property

- The Project was formerly a part of the original "Yardbirds" property. Subsequent to the "Yardbirds" property being established with the Washington Department of Ecology (WDE) as a UST, ICR, ALLSITES, VCP, and CSCSL NFA site, it was separated into two entities. The northern entity, which lies north of Avenue A NW, remains the "Yardbirds" property, while the southern entity, known as the Project, lies south of Avenue A NW.
- The current "Yardbirds" property has been granted Unrestricted No Further Action status. Such status is awarded only when contamination, if any, has been investigated and/or remediated in accordance with the regulatory standards accepted at the time closure was granted.
- The current Project is actively undergoing remediation and monitoring, as discussed in EMG Report #98954.11R-003.135.



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Delineation of Project Contamination

- As a part of the on-going remediation and monitoring activities at the Project, Stemen Environmental has placed seven monitoring wells off-site, in all directions. According to Stemen Environmental, the most recent sampling events indicate that no contamination has been identified in any of these off-site monitoring wells. As such, it is not likely that the on-site contamination has migrated off-site.

If you have any comments or questions regarding this correspondence, please contact the Senior Environmental Consultant listed below at 800.733.0660, Ext. 6579.

Sincerely,

A handwritten signature in black ink that reads "Justin J. Arias".

Justin J. Arias
Senior Environmental Consultant
