Phase I Environmental Site Assessment Report Puget Sound Coatings and PacRim Properties Seattle, Washington

March 2, 1998

For

Sebco, Inc.

GeoEngineers

March 2, 1998

Consulting Engineers and Geoscientists
Offices in Washington, Oregon, and Alaska

Sebco, Inc.
4020 East Madison, Suite 320
Seattle, Washington 98112

Attention: Jay Ayers

GeoEngineers is pleased to submit four copies of our "Phase I Environmental Site Assessment Report, Puget Sound Coatings and PacRim Properties, Seattle, Washington." Our services were completed in general accordance with our proposal dated November 11, 1997. We received written authorization for our services from Jay Ayers on November 11, 1997. Our scope of services expanded during the course of this project to include a detailed review of regulatory agency file information for nearby properties. In addition, we reviewed environmental information that was not available in regulatory files for the adjacent Fruehauf Trailer site.

We appreciate the opportunity to work with Sebco, Inc. on this project. Please contact us if you have questions regarding this report or other aspects of the project.

Yours very truly,

GeoEngineers, Inc.

James A. Miller, P.E.
Principal

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EXECUTIVE SUMMARY

GeoEngineers has completed a Phase I Environmental Site Assessment (ESA) of the Puget Sound Coatings (PSC) and PacRim properties (collectively, the "site"), located at 9220 and 9400 8th Avenue South in Seattle, Washington, respectively. Our study did not identify evidence of significant releases of hazardous substances at the site. Other properties identified as contaminated during our regulatory list search, located north and east of the site, either are located a significant distance from the site, or are in a crossgradient or downgradient position relative to the site. In our opinion, it is unlikely that contaminants from these off-site sources have impacted the site. Properties located south and southwest of the site (Advanced Electroplating, Inc., Fruehauf Trailer Corporation, Terres & Sommers, Inc., Allied Body Works, Inc., and Selland Auto Transport) represent potential sources of ground water contamination to the site. No explorations have been conducted to determine whether these sites actually pose a risk to ground water quality. However, based on current definitions in the Model Toxics Control Act, it is our opinion that these upgradient properties do not represent a significant environmental liability to the site.

PHASE I ENVIRONMENTAL SITE ASSESSMENT REPORT
PUGET SOUND COATINGS AND PACRIM PROPERTIES
SEATTLE, WASHINGTON
FOR
SEBCO, INC.

1.0 INTRODUCTION

This report summarizes the results of our Phase I ESA of the Puget Sound Coatings (PSC) and PacRim properties (collective, the "site") located at 9220 and 9400 8th Avenue South in Seattle, Washington, respectively. The site is shown relative to surrounding physical features in Figure 1. The site layout and surrounding properties are shown in Figures 2 and 3. Our study was completed at the request of Jay Ayers of Sebco, Inc. (Sebco).

We understand that Sebco owns the site and is considering using the property as loan collateral. We further understand that the results of this Phase I ESA will be used by Sebco as part of their evaluation of environmental liabilities associated with ownership of the site.

1.1 SCOPE OF SERVICES

The purpose of this Phase I ESA is to evaluate the presence or likely presence of hazardous substances, including petroleum products, that may have resulted from current or past activities on the site or in the site vicinity. GeoEngineers' qualifications for performing ESAs are presented in Appendix A.

GeoEngineers' scope of services was completed in general accordance with American Society for Testing Materials (ASTM) Standard E1527-97 for Phase I ESAs. Our specific scope of services completed for this Phase I ESA is as follows:

1. Review readily available geotechnical reports, environmental reports, and/or other relevant documents pertaining to environmental conditions at the subject site.
2. Review federal, state and local environmental databases provided by an outside environmental service, for listings of known or suspected environmental problems at the site or nearby properties. The specific databases and minimum search distances reviewed are as follows:

U.S. Environmental Protection Agency (EPA) Lists	Minimum Search Distance
a. National Priorities List (NPL)	1 mile
b. Comprehensive Environmental Response, Compensation and Liability Information System (CERCLIS)	0.5 mile
c. Resource Conservation and Recovery Act (RCRA), Corrective Action Report (CORRACTS), Facilities List	1 mile
d. RCRA non-CORRACTS, Treatment, Storage and Disposal (TSD) Facilities List	0.5 mile
e. RCRA Notifiers List, Generators and Transporters	Site and Adjoining Properties
f. Emergency Response Notification System (ERNS) List	Site

State and Local Health Department Lists

a. Washington State Department of Ecology (Ecology) Toxics Cleanup Program Confirmed & Suspected Contaminated Sites (C&SCS) List	1 mile
b. Model Toxics Control Act (MTCA) Site Register	1 mile
c. Ecology Registered Underground Storage Tank (UST) Sites List	Site and Adjoining Properties
d. Ecology Leaking UST (LUST) Sites List	0.5 mile
e. Solid Waste Disposal Facilities	0.5 mile

3. Review regulatory agency files regarding listed sites of potential environmental concern.
4. Identify a key person with specific knowledge of past and present site use and request that he or she meet a GeoEngineers representative on site for an interview during the visual site reconnaissance.
   Interview the key person by phone if he or she is unable to attend a site meeting.
5. Interview a representative of the local fire department, health department and/or Ecology regarding history of the subject site and surrounding properties relative to the likely presence of hazardous substances.
6. Review historical aerial photographs, fire insurance maps, United States Geological Survey (USGS) maps and city directories, as available and appropriate, to identify past development history on and adjacent to the site relative to the possible use, generation, storage, release or disposal of hazardous substances. We identified uses of the site from 1938 to the present.
7. Interview current and past property owners, or others familiar with past and present uses of the site and its vicinity.
8. Review current USGS topographic map(s) to identify the physical setting of the property.
9. Identify the source(s) of potable water for the site; the type of heating and cooling systems for site structures, if any; and the type and age of the sewage disposal system(s) used at the site.
10. Conduct a visual reconnaissance of the site and adjacent properties to identify any visible evidence of possible contamination and potential sources of contamination by hazardous substances.
11. Provide a written opinion regarding the possible presence of hazardous substances that could impact the site, based on the results of our study.

Our scope of services did not include an environmental compliance audit, a survey of suspect asbestos containing materials (ACMs), or an evaluation of the potential presence of polychlorinated biphenyls (PCBs) in light ballasts, lead-based paint, lead in drinking water, or urea-formaldehyde insulation in on-site structures. Specific contamination evaluation activities

such as soil or ground water sampling and chemical analysis, are not included in this scope of services. Our proposed scope of services does not include a review of a 65-year title history report, which, in our opinion, is not necessary for this site because other historical sources provide adequate historical information.

1.2 INVOLVED PARTIES

The site is owned by Sebco. PSC (the current tenant and operator) leases the active site from Sebco, including the PacRim property. Additionally, we understand that Pacific Cargo Company occupies a portion of the site located east of paint booth #3 (Figure 2).

1.3 PREVIOUS ENVIRONMENTAL/GEOTECHNICAL INVESTIGATIONS

GeoEngineers has completed previous site characterization and remedial action activities at the site. No other geotechnical or environmental reports are available for the site. GeoEngineers prepared the following three environmental reports for the site: "Progress Report of Remedial Action, Diesel Tank Remedial Excavation, Puget Sound Coatings Property, Seattle, Washington" dated October 7, 1992; "Report of Remedial Action, Protective Coating Release, Puget Sound Coatings Property, Seattle, Washington" dated February 17, 1993; and "Results of Site Characterization Activities, Puget Sound Coatings Property, Seattle, Washington" dated March 19, 1993. Copies of these reports are on file at Sebco. A summary of our past reports follows.

Based on our initial site characterization, diesel-range petroleum hydrocarbons were detected at concentrations greater than the Model Toxics Control Act (MTCA) Method A cleanup level in soil at approximately 10 feet below the ground surface at the former UST location in the east yard (Figure 2). We recommended remedial excavation of diesel-contaminated soil at the former diesel UST location. GeoEngineers obtained soil samples from the limits of the UST excavation for chemical analytical testing. Contaminants either were not detected or were detected at concentrations less than the MTCA Method A cleanup level in soil samples obtained from the limits of the remedial excavation (Figure 2). Approximately 506 cubic yards of petroleum-contaminated soil generated from excavation activities were removed and disposed of at Coal Creek Landfill in King County, Washington and Roosevelt Regional Landfill in Klickitat County, Washington. The UST excavation was backfilled with imported sand and gravel. Ground water was observed in the excavation at approximately 11 feet below ground surface (bgs).

An undated release of protective coating (Corrocote II) material occurred north of paint booth #1 (Figure 2). Two soil samples were obtained from this location during March 1992. Total petroleum hydrocarbons (TPH), carcinogenic polycyclic aromatic hydrocarbons (CPAHs), arsenic and lead were detected in the soil at the release location at concentrations exceeding regulatory cleanup levels. We monitored the excavation of 50 cubic yards of soil from the release location. The soil was classified as a dangerous waste and was disposed of at Arlington Regional Landfill in Arlington, Oregon. Chemical analytical results from the

samples obtained at the excavation limits either were not detected or were detected at concentrations less than MTCA Method A cleanup levels. Drums containing the coating fluid were removed in 1991. The excavation was backfilled with imported sand and gravel.

We also completed a subsurface soil evaluation during March 1992 in the vicinity of a transformer located in the east-central portion of the site and two areas of sandblast grit in the east portion of the site (SG-1 and SG-2). Polychlorinated biphenyls (PCBs) were not detected in soil samples obtained from the vicinity of the transformer. TPH was detected in one soil sample (slightly exceeding the residential [Method A] cleanup level) obtained near the transformer area located east of the compressor room in the northeast portion of the site (Figure 2). Seattle City Light owns the transformer. Based on our understanding of current regulatory climate and toxicity of TPH, it is our opinion that the risk to human health and/or the environment from this TPH concentration is low. Contaminants detected in the two sandblast grit samples were less than Method A and/or B cleanup levels.

2.0 GENERAL SITE CHARACTERISTICS

2.1 LOCATION AND LEGAL DESCRIPTION

The site is located at 9220 and 9400 8th Avenue South in Seattle, Washington. The site is in the southwest quarter of the southeast quarter of Section 32, Township 24 North, Range 4 East of the Willamette Meridian.

2.2 SITE RECONNAISSANCE OBSERVATIONS

A representative of GeoEngineers performed a visual reconnaissance of the site on December 3, 1997. The GeoEngineers representative was accompanied by Rich Tieman, manager of PSC, and Jay Blasingame of Sebco during the site reconnaissance. The approximate locations of the features discussed in this section are shown in Figures 2 and 3. Photographs of the site were taken to document observations made during our reconnaissance. Selected photographs are presented in Figures 4a and 4b. Site features of potential environmental significance are discussed below.

2.2.1 Site Improvements

The site is divided into seven sections known as the north, south, east, west, maintenance, wheel and Pacific Cargo Company yards (Figures 2 and 3). The site is occupied by five steel-frame structures (former PacRim Building, an empty shed in the southeast corner of former PacRim property, a sandblasting and painting building, a maintenance/wheelhouse/assembly area, and a paint locker) in the north-central portion of the PSC property, three trailers (Pacific Cargo Company office [southeast corner of PSC property] and two PSC locker-rooms [central portion of PSC property]), a diesel tank UST shed, a dome-covered storage structure for water-sensitive material (near north of site boundary), newly paved access roads, parking lots, and minimal landscaping extending along the west portion of the former PacRim Building. A fence surrounds the site on all sides with the exception of the south property boundary which is

separated from the adjacent property by a drainage ditch and blackberries. The site comprises approximately 4.88 acres. The site is currently used for sandblasting and painting of metal equipment and items such as aboveground storage tanks (ASTs), USTs, vehicle chassis, pipes, I-beams and trash bins. The maintenance shop (northeast portion of site) is used to repair and maintain electrical and mechanical equipment used in the sandblasting and painting processes. The wheelhouse and assembly area are used to prepare metal items for painting. Sandblasting and painting occur in the main site buildings. The paint locker stores paint. Two of the three trailers are locker-rooms. The third trailer belongs to Pacific Cargo Company and is used as an office.

2.2.2 Pits, Ponds or Lagoons

No pits or lagoons were observed on the site. However, a drainage ditch separates the Fruehauf and PSC properties. Additionally, a surface water detention pond is located at the southeast corner of the site. We did not observe the pond, due to its isolated location relative to the drainage ditches and blackberries at the property boundary. According to Jay Blasingame, surface water runoff from the southern portion of the site (former PacRim property) is collected by on-site catch basins that drain into an on-site oil/water separator (described later in this report) located at the southeast corner of the site. The overflow from the oil/water separator flows through underground piping to the surface water detention pond. The Puget Sound Coating's site manager indicated to us that water from the pond is diverted to the city's combined storm and sanitary sewer system located beneath South 96th Street.

2.2.3 Site Drainage

Surface drainage at the site appears to be directed to on-site catch basins. The catch basins are connected to the City of Seattle's sanitary sewer system. Runoff from the southern portion of the site is collected as described above in Section 2.2.2. The site's northern portion surface drainage system is not connected to the detention pond at the southeast corner of the site. Instead, the surface water in the northern portion of the site is directed to a detention pipe extending in an east-west trending direction near the northern property boundary. The water collected flows from the detention pipe into an oil/water separator located in the northeast corner of the site. The overflow from the oil/water separator at this location is believed to discharge to the combined storm and sanitary sewer system off site.

2.2.4 Stressed Vegetation, Stained Soil or Pavement

No stressed vegetation or areas of stained soil or pavement believed to be associated with hazardous substances were observed on the site. Localized dark stains were observed on the asphalt parking surface. These stains appear consistent with the type of surface staining resulting from periodic low volume oil leakage from parked vehicles. All of these surface stained areas were less than 1 foot in diameter and, in our opinion, appear to have been caused

by low volumes of oil or grease. These stained areas, therefore, are not likely to have caused significant subsurface contamination. No other stains were observed on the site surface.

2.2.5 Water Wells, Sumps and Drains

No evidence of water wells, sumps or drains was observed on site, except as noted earlier in this report. The oil/water separators are serviced and cleaned approximately two times per year by Ventilation Power Cleaning, Inc., an outside disposal service. This outside service also cleans out the detention pipe and catch basins on site.

2.2.6 Areas of Standing Water or Other Liquids

No areas of standing water or other liquids were observed on the site. The detention pond located in the southeast corner of the site was not observed (Section 2.2.2).

2.2.7 Waste Generation and Disposal

No uncontained refuse and/or debris was observed on the site. Waste oil generated by maintenance activities is routinely picked up by an outside recycling disposal service (Basin Oil Company). Solvents used for parts cleaning are routinely picked up for disposal by Safety Kleen Corp. Waste oil and spent solvents are stored in drums prior to disposal off site. Paint and coatings waste generated from on site activities are disposed of by Sol-Pro, an off-site service.

2.2.8 Storage Tanks and Containers

The following aboveground storage containers were observed on site:

- Approximately fifteen 55-gallon drums of water-based paint were observed inside the northwest corner of the former PacRim Building (Figure 3).
- Two 55-gallon drums of new oil, four 55-gallon drums new gear compound, and one self-contained solvent parts cleaning sink are located in the maintenance shop (Figure 2). The parts cleaning sink is serviced by Safety Kleen Corp.
- One 1,000-gallon diesel fuel AST, several approximately 300-gallon drums of paint sludge (to be processed), one 350-gallon drum of paint sludge (processed), and several 55-gallon drums of water-based paint/coating were observed at or near the diesel fuel AST storage area in the east yard (Figure 2). Paint sludge is removed from the site by Sol-Pro.
- Approximately 20 empty 55-gallon drums of hydraulic oil were observed west of the maintenance yard (Figure 2).
- One 55-gallon drum storing compressor oil and one drum of air-dryer pellets were observed in the compressor room (Figure 2).
- Several 1- and 5-gallon cans/buckets of paint and coatings were observed in the paint locker located in the northeastern portion of the site.
- One wooden pallet storing 5-gallon buckets of paint was observed in the southwest corner of paint booth #3 (Figure 2).

- One flammable liquids cabinet was observed in the northeast corner of the former PacRim Building (Figure 3). The cabinet stores 1- and 5-gallon paint containers (maximum of 50 gallons).
- One medium-sized propane tank was observed northeast of the baghouse (Figure 2).

All observed drums appeared to be in good condition. The paint locker contents are contained within a seamless concrete basin covered by a metal shed. No staining or other evidence of hazardous substance releases was observed in the vicinity of the containers, the drums, the ASTs, and the parts cleaning area. However, a sticky greenish stain was observed at the east side of the compressor room. According to Rich Tieman of PSC, the stain is the result of an overflow of water and compressor oil from the air compressor. The release is contained within the compressor room. No evidence of existing USTs or buried drums was observed on site.

2.2.9 Indications of PCBs, Transformers and Utilities

One large pad-mounted transformer was observed south of the paint locker and east of the compressor room. According to Rich Tieman, the transformer was replaced approximately two years ago. At the time of replacement, the underlying gravel from the former transformer was removed. According to past remedial activities performed at the site, the former transformer contained PCBs of concentrations less than MTCA Method A cleanup levels. The current transformer does not appear to be labeled with regard to the presence of PCBs. We contacted Mary Yoda Williams of Seattle City Light on December 12, 1997 regarding the transformer's status. She stated that their records indicate that the new transformer contains less than 1 part per million (ppm) PCBs. Additionally, three transformers owned by Square D. Company were observed in the maintenance shop, Pacific Cargo Company office, and on the southern wall of the former PacRim Building. According to Ron Carney of Square D. Company, these three transformers are "dry."

The existing on-site buildings are heated by natural gas. The site is serviced by the City of Seattle for storm, sanitary sewer, and potable water.

2.2.10 Radon

We contacted the Washington State Department of Health (DOH) regarding the potential for radon gas in Western Washington. According to DOH, the potential for radon gas in the Puget Sound region is very low. It is estimated that only one percent of houses in the Puget Sound region have radon gas concentrations exceeding 4 picocuries per liter (pCi/L). The national average for radon gas concentrations in building structures is 4 pCi/L. According to DOH, radon gas is typically not a problem in larger buildings that have forced air or better ventilation.

We also contacted the Environmental Protection Agency's (EPA) Radiation Protection Program. EPA representatives concur with the opinion of DOH regarding the radon gas

potential in the Puget Sound region. Additionally, EPA suggested that radon gas concentrations in the Puget Sound region are low for the following reasons: (1) a low uranium content in soils (radon gas is a decay product of uranium 238), (2) moist soil conditions (moisture inhibits radon movement), and (3) a high degree of fines in soil (lower permeability soils inhibit radon gas movement).

Based on our conversations with personnel from the EPA and DOH, it is our opinion that the potential for radon gas at concentrations in excess of 4 pCi/L at the site is low.

2.2.11 Other Conditions of Concern

We did not observe other environmental conditions of concern at the site.

2.3 ADJACENT PROPERTY AND VICINITY OBSERVATIONS

The site is surrounded by light industrial properties (warehouses and offices). Western Ports Transportation, Inc., Pure Water Corporation and Chatel Corporation are located west of the site. Team One Exhibits, Jack Hozack, Inc., and Pacific Wholesale Distributors, Inc. are located east of the site. Fruehauf Trailers and Laidlaw are located south and north of the site, respectively. The warehouses located east and west of the site generally are distributors. According to Rich Tieman, Laidlaw to the north, repairs buses and other related vehicles. Freuhauf Trailers apparently maintains and paints trailers. Physical evidence of such activities on the northern and southern adjacent properties was not observed. We did not observe evidence of significant past or present use, storage, generation, disposal or release of hazardous substances on nearby properties during our reconnaissance.

3.0 ENVIRONMENTAL SETTING

Our knowledge of the general physiographic setting, geology and ground water occurrence in the site vicinity is based on our review of the USGS South Seattle Quadrangle (topographic) Map, dated 1949 (photo revised 1968 and 1973); USGS "Preliminary Geologic Map of Seattle and Vicinity, Washington", dated 1962, our subsurface explorations on site, and our general experience in the area.

3.1 REGIONAL PHYSIOGRAPHIC CONDITIONS

The subject site is located in the valley floor of the Duwamish River (Figure 1). The surface elevation of the site is approximately 25 feet above mean sea level.

3.2 SOIL AND GEOLOGIC CONDITIONS

Subsurface conditions at the site generally consist of silty fine sand with gravel (fill) to approximately 6 feet bgs. The fill is underlain by native silt from 6 to 9 feet which overlies fine to medium alluvial sand to 12 feet bgs. The total thickness of alluvial sediment at the site is estimated to be greater than 30 feet.

3.3 GROUND WATER CONDITIONS

Based on our previous explorations at the site, ground water was observed at approximately 11 feet below the ground surface. Ground water levels fluctuate with seasonal precipitation in the area. The inferred direction of shallow ground water flow in the site vicinity generally is to the north-northeast, toward the Duwamish River. The site is located approximately 3/4 mile west of the river.

4.0 ENVIRONMENTAL RECORDS REVIEW

GeoEngineers reviewed pertinent environmental records (regulatory lists) for those facilities that currently or previously have occupied properties within an ASTM-specified distance from the subject site. The information reviewed was provided by a subcontracted regulatory list search service, Environmental Data Resources (EDR). The EDR report is presented in Appendix B. The report includes details regarding the listed facilities identified and maps showing the locations of the listed facilities.

Those facilities found within the specified distances from the subject site were evaluated for potential impact to the subject site. The listed facilities either are located 1/4 mile or greater from the site or are located at an inferred down- or cross-gradient location relative to the site, with the following exceptions:

- Advanced Electroplating, Inc. is located approximately one block south of the site. This property is listed on the C&SCS list, the RCRA list as a large quantity generator, the registered UST list (does not appear on the LUST list), and the CERCLIS list for no further remedial action planned. Additionally, Advanced Electroplating has an existing violation regarding generator compliance. The property is at an inferred upgradient location relative to the site.
- Selland Auto Transport, Inc. is located approximately one block southwest of the site. This property is listed as a RCRA small quantity generator. Oil is recycled at this site according to the EDR report (Appendix B). Selland Auto Transport also is listed on the Registered UST list. The property does not appear on Ecology's LUST list. The property is at an inferred upgradient location relative to the site.
- Allied Body Works, Inc. is located approximately one block southwest of the site. This property is listed as a RCRA small quantity generator. The site is at an inferred upgradient location relative to the site.
- Terres & Sommers, Inc. is located approximately one block southwest of the site. This property is listed as a RCRA small quantity generator. Terres & Sommers is at an inferred upgradient location relative to the subject site.
- Fruehauf Trailer Corporation is located immediately south of the PacRim property. The Freuhauf property is listed on the Registered UST list. However, the property does not exist on Ecology's LUST list. We understand that activities on this property are similar to

the PSC operations and likely generate paint and coating waste. The Freuhauf property appears to be at an inferred upgradient location relative to the subject site.

Of the upgradient sites listed above, only Advanced Electroplating is listed with Ecology as having confirmed soil and/or ground water contamination.

5.0 ECOLOGY/EPA FILE REVIEW

5.1 GENERAL

An Ecology and/or EPA file review for the properties mentioned in Section 4.0 was completed by a GeoEngineers representative on January 5 and 13, 1998. A summary of the files and our opinions regarding impacts to the Sebco property are outlined below.

5.2 ADVANCED ELECTROPLATING INC. (9585 8TH AVENUE SOUTH)

The Advanced Electroplating Inc. (AEI)(currently known as Advanced Companies Inc.) is located approximately 400 feet upgradient (southwest) of the subject site. The following summary is based on our review of the Ecology and EPA files and our January 12, 1998 conversation with Thor Cutler, an EPA project manager that managed a cleanup at the AEI site in 1995.

We understand that AEI electroplated metal for automobile parts from approximately 1964 to 1992.

Ecology completed several inspections of the AEI site between 1987 and 1992. During these inspections Ecology found multiple chemical and hazardous waste storage and maintenance violations. Additionally, the file indicated that a METRO wastewater discharge permit (#7221) was violated in 1992 because of high concentrations of copper and nickel in the wastewater.

Dangerous waste forms in the Ecology file indicated that AEI generated 1-1-1 trichloroethane (TCA) and wastewater and sludge contaminated with copper, nickel, chromium and zinc.

A "Site Hazard and Assessment Summary Report" dated July 1991 located in the Ecology file indicated that ground water samples obtained from one monitoring well (MW-1) onsite had high concentrations of chromium, zinc, TCE, cyanide and low (acidic) pH that exceeded regulatory cleanup levels.

Thor Cutler of the EPA provided us the following two reports completed by Ecology & Environment Inc. (E&E) that summarize cleanup activities and follow-up ground water monitoring of MW-1. The reports are; "Advanced Electroplating Removal Report TDD: 96-01-0010" dated July 1997 and a letter describing preliminary ground water monitoring results dated November 11, 1997.

The EPA completed a cleanup action at AEI in 1995. The following was removed from the site and transported to chemical waste management's hazardous waste landfill located in Arlington, Oregon according to the E&E report: 3,000 gallons of cyanide liquid waste, 27,555 gallons of acid liquids, 7,700 gallons of base liquids, 12,600 gallons of wastewater, 1,400

gallons of flammable liquids, 15 gallons of gasoline and water, 80 cubic yards of cyanide sludge, 40 cubic yards of acid sludge, three 55-gallon drums of heavy metal sludge, 140 55-gallon drums of base sludge, three tons of non-hazardous waste debris, approximately 2,000 tons of soil containing mixtures of the hazardous chemicals listed above, 150 tons of chromium-contaminated soil, and miscellaneous volumes of hydrogen peroxide, bases, sodium sulfide, sodium nitrite, paints and labpack wastes. Additionally, 1,365 tons of soil contaminated with volatile organic compounds (VOCs) was treated onsite prior to offsite disposal.

The EPA indicated that contaminated soil was not excavated beneath structural foundations and areas that could not be accessed by excavation equipment.

Thor Cutler indicated that the storm drains were removed and replaced on the site during the remedial action. He speculated that contaminants likely migrated offsite through the storm drains. He also speculated that contaminant migration may have been to the south and east (toward South 96th Street) within the storm drain. He indicated that Hamm Creek is directed into a storm drain beneath 96th Avenue. He did not have any information regarding the original pathway of Hamm Creek. He also indicated that the ground water flow direction in this area has not been evaluated because only one monitoring well (MW-1) exists on the AEI site.

E&E's November 11, 1997 letter to EPA indicates that concentrations of TCE, 1-1-1-TCA and chromium, as well as other contaminants, remain elevated in the ground water sample obtained from MW-1. Thor Cutler indicated that no further assessment is being conducted at the site by the EPA at this time.

5.3 SELLEND AUTO TRANSPORT (615 SOUTH 96TH STREET)

We observed the following in the Ecology file:

- A 1989 complaint indicating that wash water containing hydrofluoric acid, antifreeze and paint stripper was pumped into a storm drain (a similar complaint was also filed in 1992).
- Ecology visited the property in 1989 and observed that the property was a truck repair facility that utilized 3 USTs for storing oil, gasoline and diesel fuel.
- An oil/water separator and wash rack berm were approved by METRO in 1992.
- Ecology visited the site in 1992 and reported that an 8,000 to 20,000 gallon UST used to store wash rack water is located in front of the office building.

5.4 ALLIED BODY WORKS (625 SOUTH 96TH STREET)

The Ecology file indicates the following:

- An Ecology inspection report dated 1993 indicates that the facility distributes auto and truck parts, manufactures flat beds, and assembles van bodies.
- The facility uses solvent sinks. Spent solvents are removed by an outside recycling service.
- An oil/water separator is located near the production building and is tied into Val-Vue Sanitary System according to the file.
- A 200-gallon waste oil UST is located outside the production building (actual location not identified).

5.5 FRUEHAUF TRAILER CORP. (9426 8TH AVENUE SOUTH)

We identified the following in the Ecology file:

- Cancellation of wastewater discharge permit no. 3239 that was provided to Fruehauf in 1979.
- A 1985 Notice of Dangerous Waste Activities document indicates that Fruehauf is a generator and a transporter of mixed flammable paints.
- Paint thinner, diesel fuel, hydraulic oil and gear oil is used on the property.
- An oil/water separator was installed in 1983. Apparently waste from the oil/water separator was removed from the site by Northwest Enviroservice.
- A repair shop on the property uses and maintains solvent sinks that are serviced by Safety Kleen.
- According to the file, there are three USTs located beneath the parking lot. These tanks apparently store storm water. The tanks are pumped once a year.

We also reviewed a Phase I ESA dated February 5, 1990 and a Draft Phase II ESA dated August 1, 1990 prepared by Dames & Moore for the Fruehauf property. These reports are attached as Attachment D. The Phase I and II ESAs were not in the Ecology file but were provided to us by Sebco.

5.5.1 Phase I ESA

The following provides a general summary of the Phase I ESA for the Fruehauf property.

- Surface oil stains were observed at several locations on the Fruehauf property.
- A cement kiln dust disposal site consisting of up to 7 feet of kiln dust fill was reported east of the Fruehauf site.
- A 1,500-gallon waste oil UST was observed on the property but the location was not identified.
- An oil/water separator located in the central portion of the property and a leach field in the north central portion of the property were identified. The oil/water separator apparently drains into the leach field, which is located adjacent to the southern boundary of the Sebco property.

5.5.2 Phase II ESA

As part of the Phase II ESA, 4 shallow (less than 5 feet deep) monitoring wells (SB-1 through SB-4) were installed by Dames & Moore. Ground water measurements indicated a ground water flow direction to the east beneath the Fruehauf property. Soil and ground water samples were obtained from the monitoring well borings and wells, respectively. Additionally, a soil sample was obtained from a detention pond north of the leach field. The detention pond is located on the Sebco site.

The results of Dames & Moore's Phase II ESA chemical testing indicated that petroleum hydrocarbons exceeded MTCA Method A cleanup levels in the soil samples obtained from three of the four borings and from the shallow soil samples obtained from the detention pond. Additionally, arsenic, lead and mercury were detected at concentrations exceeding MTCA cleanup levels beneath portions of the Fruehauf site. Metal concentrations were less than MTCA cleanup levels in the soil samples submitted from the detention pond.

Dames & Moore concluded that it was likely that petroleum contamination originated from releases from the oil/water separator at the Fruehauf site. These releases appear to have impacted the leach field and detention pond (located on the Sebco property). Dames & Moore also speculated that solvents were discharged into the oil/water separator. However, no chemical testing was done for solvents during their Phase II ESA services.

5.6 TERREL & SOMMERS (9508 8TH AVENUE SOUTH)

Ecology did not have a file for this property.

6.0 SITE HISTORY

Our understanding of the history of the site is based on a review of:

- Historical aerial photographs dated 1936, 1946, 1956, 1960, 1969, 1974, 1980, 1985, 1990, 1995, and 1997 were reviewed by GeoEngineers at Walker & Associates in Tukwila, Washington. The scale of the photographs reviewed allowed for the interpretation of general site development/configuration, such as identifying most structures, roadways and clearings. However, the scale of the photographs did not allow for identification of specific site features, such as fuel pumps, wells or chemical storage areas on the site, if any.
- Historical maps: Sanborn Fire Insurance Maps were not available for the site and vicinity.
- State tax assessment records: The Washington State Archives was contacted on December 4, 1997. The Archives records were reviewed back to 1938.
- Interviews with individuals familiar with the subject site:
  1. Jay Blasingame, property owner (Sebco), interviewed December 3, 1997.
  2. Rich Tieman, PSC Site Facility Manager, interviewed December 3, 1997.
  3. Angela Neitzel and Peter Haney, City of Seattle Fire Department, interviewed December 8, 1997.
  4. Kathy Cahill, affiliate of former PacRim business, interviewed December 8, 1997.
  5. Lisa Gee, Seattle Public Utilities-Water, interviewed December 1, 1997.
  6. Rob Carney, Square D. Company, interviewed December 9, 1997.
  7. Mary Yoda Williams, Seattle City Light, interviewed December 10, 1997.

We attempted to contact John Buchanan with Seattle Public Utilities-Sewer on December 1, 4, and 8, 1997 but did not receive a reply, prior to this report. We have assumed that the site has always been connected to Seattle sanitary sewer.

We attempted to identify past site use dating back to 1940, or to the time of initial development, whichever was earlier. The historical sources encountered indicate that the site and adjacent properties were developed for farmland and residences from at least 1903 to at least 1969. Reproductions of the 1969 and 1997 aerial photographs are included in Appendix C. A warehouse garage was constructed on the south portion of the site in 1969. The site structures were constructed sometime between 1974 and 1980, according to the aerial photographs reviewed. Development on adjacent properties began around 1980 based on aerial photographs we reviewed. Sebco has owned the property since approximately 1988. The PSC business and property were owned by Dick Horgan prior to 1988. Machinist Inc. has operated the PSC business from 1992 to the present. PacRim leased the southernmost structure on site from approximately 1985 to 1996. PacRim was a distributor of building materials.

6.1 ENVIRONMENTAL LIENS

During the course of our research, we did not find that environmental liens had been filed against the site.

7.0 CONCLUSIONS

GeoEngineers has performed a Phase I ESA of the site located at 9220 and 9400 8th Avenue South in Seattle, Washington. The Phase I ESA was conducted in general accordance with the scope and limitations of ASTM E 1527-97. Based on the results of this study, it is our opinion that the risk of contamination by hazardous substances originating at the subject site is low. Our study did not identify evidence of significant releases of hazardous substances on the subject site. Past remedial actions at the site have adequately addressed previously identified areas of soil contamination from onsite sources.

Contaminated off-site properties identified during our regulatory list search, located north and east of the site, either are located a significant distance from the site, or are in an inferred crossgradient or downgradient position relative to the site. In our opinion, it is unlikely that contaminants from these offsite sources have impacted the site.

Properties located south and southwest of the site (Advanced Electroplating, Inc., Fruehauf Trailer Corporation, Terrel & Sommers, Inc., Allied Body Works, Inc., and Selland Auto Transport) represent potential sources of ground water contamination to the site. However, based on (1) the latest revisions to MTCA statutes, (2) our current understanding of subsurface conditions beneath the subject site and (3) our understanding of current contaminants observed at offsite properties, Sebco can demonstrate that it has had no connection to the off-site sources of potential ground water contamination. Under the latest revisions to the Model Toxics Control Act statutes, Sebco is excluded from liability for possible ground water contamination originating from these offsite properties (RCW 70.105D.020(12)(6)(iii)).

We reviewed Ecology and/or EPA files for the potential upgradient sites to complete a due diligence evaluation of potential impacts to the Sebco property. Based on our review of regulatory information for these sites, it is our opinion that a risk of ground water

contamination exists from the Fruehauf Trailer, Allied Body Works, Selland Auto Transport and/or Advanced Electroplating facilities because of historic uses of petroleum, solvent and paint products at these sites. It is our opinion that the highest risk of ground water contamination from the suspected upgradient sites, listed above, is the Advanced Electroplating site. Specifically, the Advanced Electroplating site represents a risk of contaminating the ground water beneath the subject site because: (1) soil contaminated with solvents, metals, cyanide and low pH remain beneath structures at Advanced Electroplating, (2) TCE, 1,1,1-TCA and chromium-contaminated ground water was observed in MW-1 during the most recent sampling event on the Advanced Electroplating site (October 1997), and (3) the Advanced Electroplating site is located 400 feet southwest of the subject site. Although the Advanced Electroplating site appears to represent a risk to ground water beneath the Sebco site, the business is no longer in operation and remedial activities conducted by EPA likely have improved the ground water quality beneath and near the Advanced Electroplating property.

Supplemental reports that we reviewed for the Fruehauf property indicated that petroleum hydrocarbons are present in soil and ground water beneath the Fruehauf property. Additionally, these reports indicate that releases from an oil/water separator on the Fruehauf site has impacted a leach field adjacent to the southern boundary of the Sebco site and a detention pond located on the Sebco property. The soil sample tested from the detention pond had a petroleum hydrocarbon concentration (2,200 mg/kg) that exceeded the MTCA Method A cleanup level (200 mg/kg). It is possible that the detected petroleum hydrocarbons are related to petroleum contaminated surface water that accumulated in the detention pond and/or from parking lot runoff from the Fruehauf and/or Puget Sound Coatings/PacRim properties. In our experience, petroleum hydrocarbon concentrations observed in the Sebco detention pond sediments is not uncommon for detention ponds that receive runoff from parking lots.

Contaminated ground water from the Advanced Electroplating site (if any) and releases from the oil/water separator on the Fruehauf property have the potential to impact ground water beneath the Sebco site, in our opinion. However, based on the "plume law" referenced above, there does not appear to be a need for testing ground water beneath the site at this time.

8.0 LIMITATIONS

This Phase I ESA has been prepared for use by Sebco and its authorized agents. This report is not intended for use by others, and the information contained herein is not applicable to other sites. If a lending agency or other parties intend to place reliance on the product of our services, we require that those parties indicate in writing their acknowledgement that the scope of services provided, and the general conditions under which the services were rendered including the limitation of liability, are understood and accepted by them. This is to provide our firm with reasonable protection against open-end liability by third parties with whom there would otherwise be no contractual limits to their actions.

GeoEngineers makes no warranties or guarantees regarding the accuracy or completeness of information provided or compiled by others. The information presented in this report is based on the above-described research and a single recent site visit. GeoEngineers has relied upon information provided by others in our description of historical conditions and in our review of regulatory databases and files. The available data do not provide definitive information with regard to all past uses, operations or incidents at the site or adjacent properties.

No ESA can wholly eliminate uncertainty regarding the potential for recognized environmental conditions in connection with a property. Performance of this practice is intended to reduce, but not eliminate, uncertainty regarding the potential for recognized environmental conditions in connection with a property. There is always a potential that areas with contamination that were not identified during this Phase I ESA exist at the site or in the study area. Further evaluation of such potential would require additional research, subsurface exploration, sampling and/or testing.

Some substances may be present in the site vicinity in quantities or under conditions that may have led, or may lead, to contamination of the subject site, but are not included in current local, state or federal regulatory definitions of hazardous substances or do not otherwise present current potential liability. GeoEngineers cannot be responsible if the standards of all appropriate inquiry or regulatory definitions of hazardous substances change, or if more stringent environmental standards are developed in the future.

GeoEngineers has performed this Phase I ESA of the Puget Sound Coatings and PacRim properties in general accordance with the scope and limitations of our proposal, dated November 11, 1997 and ASTM E 1527-97, standard of practice for Phase I ESAs. Within the limitations of scope, schedule and budget, our services have been executed in accordance with the generally accepted environmental science practices for Phase I ESAs in this area at the time this report was prepared. No warranty or other conditions, express or implied, should be understood.

We appreciate the opportunity to be of service to Sebco. Please call if you have questions regarding this report.

Respectfully submitted,

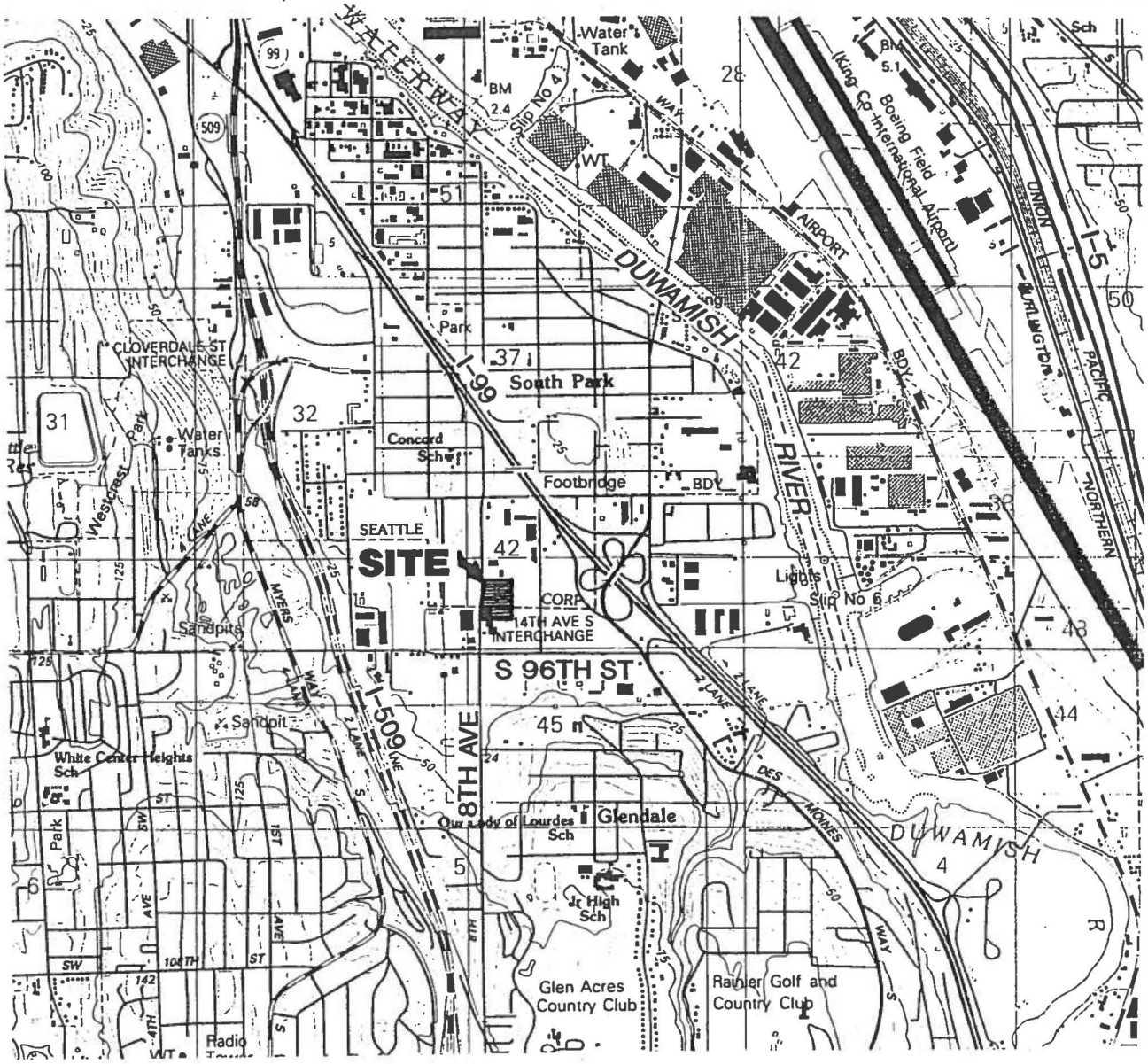
GeoEngineers, Inc.

Tina M. King
Environmental Geologist

David A. Cook
Project Geologist

James A. Miller, P.E.
Principal

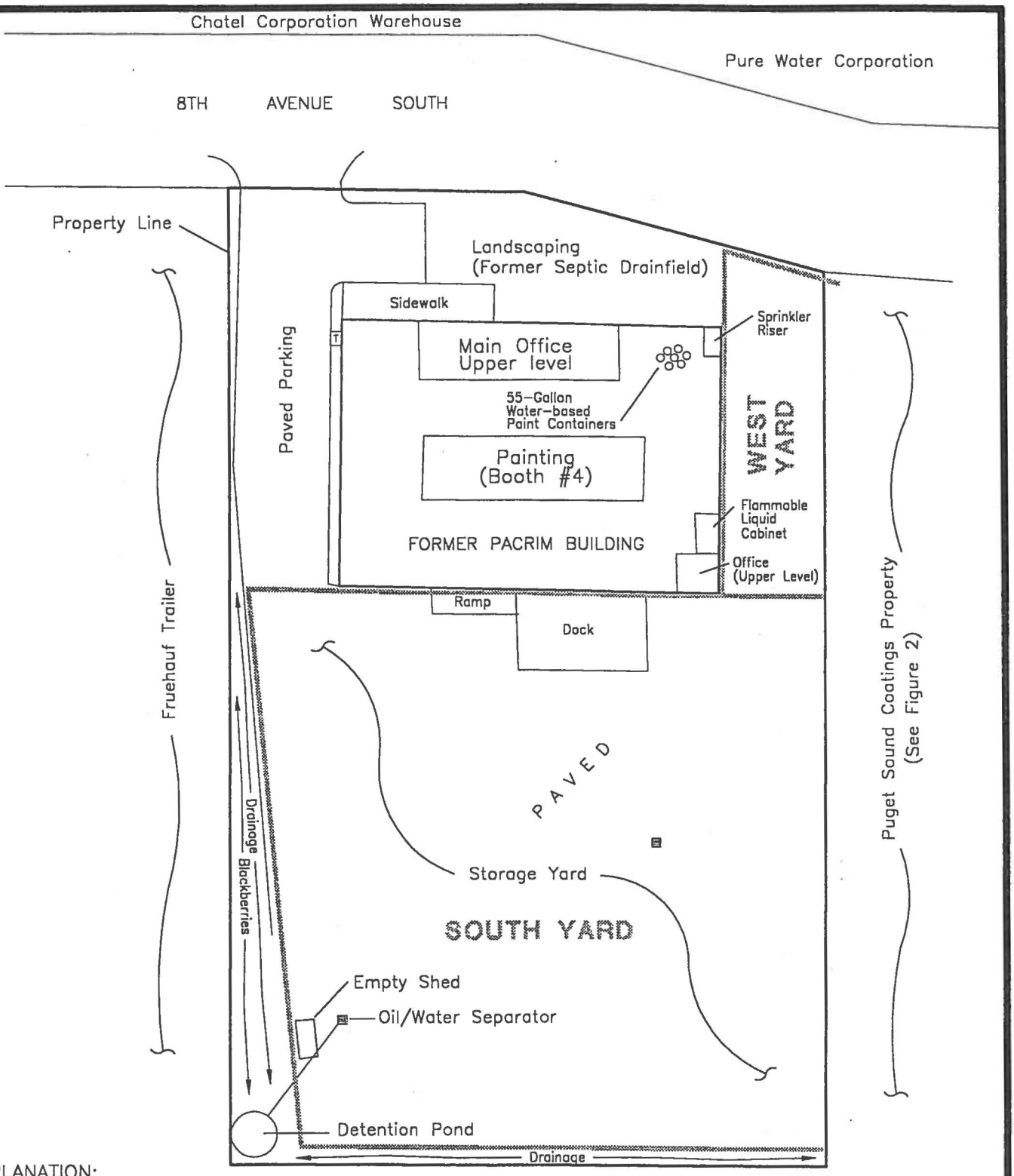
TMK:DAC:JAM:cdl
Document ID: P:\2455031.ESA



Reference: USGS topographic bathymetric map "Seattle South, Wash.," dated 1983.

GeoEngineers	**VICINITY MAP**
	FIGURE 1

TMK:KKT 2455-031-04



EXPLANATION:

- T — PAD-MOUNTED TRANSFORMER
- CB — CATCH BASIN
- YARD OUTLINES

Note: The locations of all features shown are approximate.

Reference: Site Plan provided by Sebco, Inc. on 01/97.

N

0 50 100

SCALE IN FEET

TMK:HLA D:\2455\031\2455031B.DWG 01/06/98

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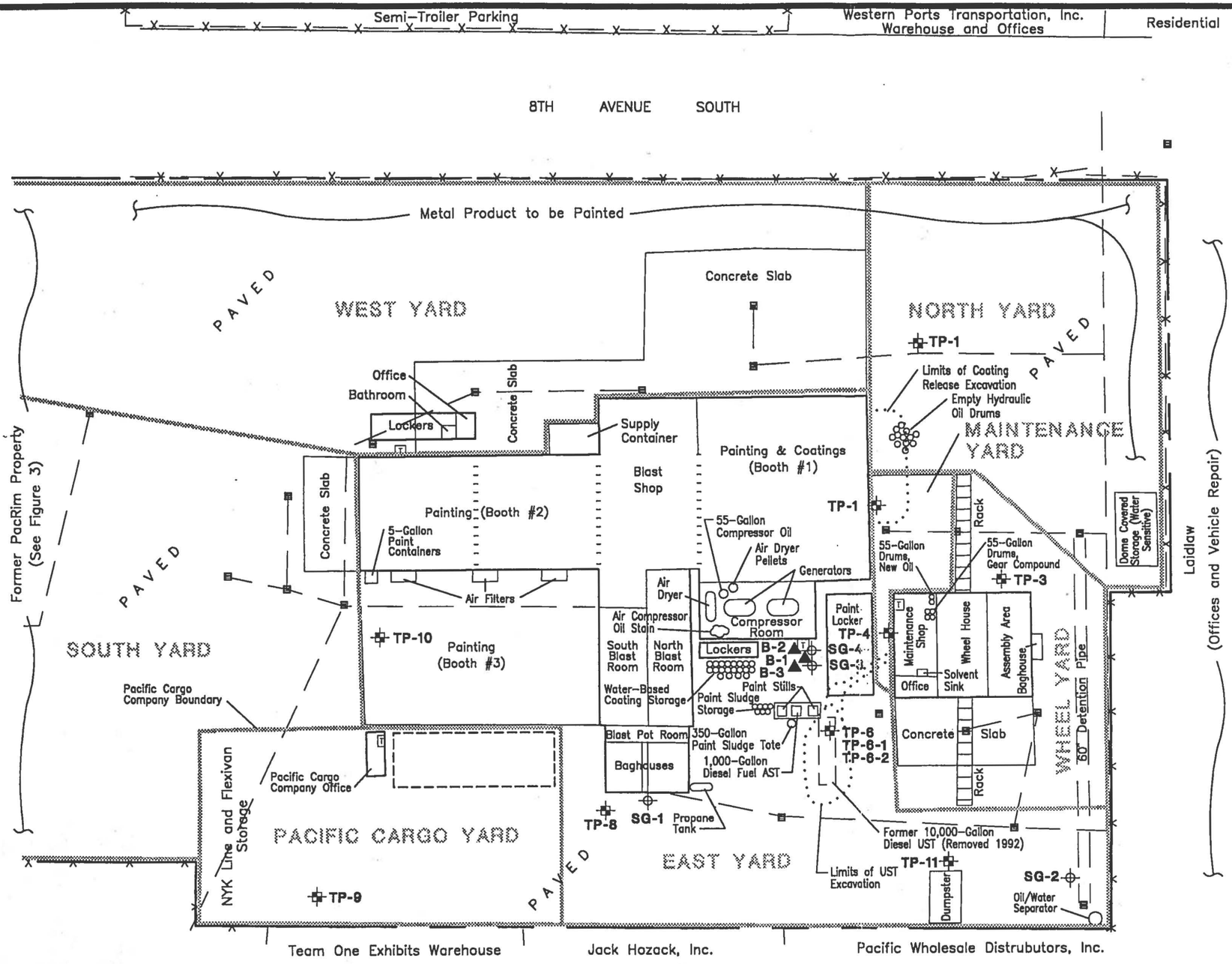
SITE PLAN - PACRIM PROPERTY

FIGURE 3



N

0 50 100

SCALE IN FEET

EXPLANATION:

- TP-1 ⊕ TEST PIT COMPLETED ON 11/26/91
- SG-1 ⊕ SURFACE SAMPLE COLLECTED ON 11/26/91
- B-1 ▲ HAND-AUGERED EXPLORATION COMPLETED ON 03/05/92
- T PAD-MOUNTED TRANSFORMER
- CATCH BASIN
- AST ABOVERGROUND STORAGE TANK
- UST UNDERGROUND STORAGE TANK
- HEAVY CURTAIN DIVIDER
- TEMPORARY STRUCTURE
- YARD OUTLINES

Note: The locations of all features shown are approximate.

Reference: Drawing by Gary L. Van Ness, Professional Land Surveyor, entitled "Topographic & Boundary Survey Map, Puget Sound Coating, 9220 8th Avenue South, Seattle, Wash.," dated 10/30/87 and site reconnaissance.

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SITE PLAN - PUGET SOUND COATINGS

FIGURE 2

12/24/97 D:\2455\031\2455031A.DWG TMK:KKT

APPENDIX A

APPENDIX A

PHASE I ESA STATEMENT OF QUALIFICATIONS

GeoEngineers has researched and assessed possible subsurface contamination for more than 1,000 projects located in the states of Washington, Oregon, Idaho, California and Alaska. We are very experienced with the interpretation of environmental information with regard to potential liabilities associated with property ownership or transfer. We have been involved with property assessments at sites ranging from small commercial properties with no apparent environmental problems to large industrial properties with complex histories. We also conduct specific subsurface exploration programs during Phase II ESAs, develop remedial plans for contaminated properties, and monitor and document remedial activities.

Internal guidelines for conducting Phase I ESAs have been developed by our firm. The primary objectives of the guidelines are to respond to client needs, standardize our technical approach, facilitate completion of the projects, and maintain high levels of quality and cost control. The guidelines incorporate procedures and data resources into a comprehensive document used by all technical staff responsible for performing these types of projects. The guidelines were developed after a thorough review of applicable regulations, standards and practices generally employed in the consulting industry for Phase I ESAs. Our standard procedures for conducting Phase I ESAs are, at a minimum, in conformance with the scope and limitations of ASTM Standard E 1527-97, Standard Practice for Phase I ESAs.

GeoEngineers has field and office staff who are specifically trained in performing ESAs. Historical research and agency database searches are accomplished by staff specialists, who are experienced with the wide range of documents and databases available for evaluation of historical land use and identification of sites with known or suspected environmental concerns. The site reconnaissance is completed by an experienced member of our staff with proven capabilities in identifying visual evidence of the possible use, generation, storage, release or disposal of hazardous substances.

Jim Miller and Dave Cook have primary responsibility for this Phase I ESA project. Mr. Miller has been responsible for more than 500 Phase I ESA projects in the Puget Sound region. Dave Cook has also completed numerous ESAs for property transfers in this area and Puget Sound Region.