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TRANSMITTAL MEMORANDUM

Ken Hilliard
P O Box 711
Dallas Texas
75221-0711

ENVIRONMENTAL PROTECTION
AUG 26 2009
7-ELEVEN, INC.
DALLAS TEXAS

DATE: August 20, 2009

RE: Store # 25331

ENCLOSED: Letter/Analysis/DOE Report

- For your information
- Please review and call me
- Please sign and mail
- Per your request
- For your approval before we send
- Take the action, or provide the information requested, in the enclosed
- Please sign where indicated and return to me
- Remarks: As we discussed, here is the background information. Please feel free to

call me with any questions. I look forward to hearing from you as soon as possible.

Thank you,

Ken Longley

kl/enc.

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E-MAIL
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July 21, 2009

7-Eleven Inc.
Attn: Director of Property
2824 North Haskell Ave.
Dallas, TX 75204

Re: Store # 25331
Property Address: 12720 4th Avenue West, Everett Washington

Dear Sir/Madam:

I am the attorney for Empire Holdings, Inc., the current property owner of the above location. My client recently applied for re-financing of its loan on the property and the lender required a Limited Phase II Environmental Site Assessment. This Assessment was performed by Adapt Engineering, Inc. on June 19, 2009. Enclosed is a complete copy of the Assessment. As you can see from the Assessment, there is ground contamination which strongly suggests active leaks from the tanks and or piping system associated with your store.

As a result of the findings in this Assessment, the lender declined to make the loan and has further established conditions for making the loan in the future. These conditions include: providing copies of line and tank tightness tests for the last 12 months; description of the monitoring system in place; providing copies of current UST registration/permits; providing a remediation plan and cost estimate to obtain regulatory closure. As a result of the Assessment, my client is required by law to report this to the Washington State Department of Ecology. It is in the process of doing so.

My client has requested a proposal from another local engineering company to move forward with the communication with the DOE, to further study the problem and to develop a remediation plan and to obtain regulatory closure. I have enclosed a copy of the proposal from Golder Associates, Inc. As you can see, they have broken the proposal down to separate costs allocable to the 7-Eleven site from those allocable to the dry cleaning site.

I would greatly appreciate it if you would review the enclosed materials at your earliest convenience and contact me with your proposal for remedying the situation associated with the

contamination and probable leaks associated with the above store. If you do not already have a relationship with an environmental engineering firm in the area, I would encourage you to contact Golder Associates Inc. and engage them to move forward with the further analysis and remediation of this property. a

Thank you in advance for your co-operation in this matter,

Very truly yours,

Ken Longley

KLL/encl.
cc: Client



Adapt Engineering, Inc.

615 – 8th Avenue South
Seattle, Washington 98104

Tel (206) 654-7045
Fax (206) 654-7048

June 19, 2009

Adapt Project No. WA06-14002-PH2

Empire Holdings, Inc. c/o
56120 Riviera
La Quinta, California 92253

Pro Realty Options, Inc.
318 164th Street SW
Lynnwood, Washington 98087

Attention: Mr. Larry Krause

Subject: Limited Phase II Environmental Site Assessment
Commercial Property
12720 4th Avenue West
Everett, Washington 98204

Dear Mr. Krause,

Adapt Engineering, Inc. (Adapt) is pleased to provide you with the results of our Limited Phase II Environmental Site Assessment for the above-referenced site. This report is provided for the exclusive use of Empire Holdings, Inc. and Pro Realty Options, Inc. and their agents. If this report is to be reproduced and/or transmitted to a third party, it must be reproduced and/or transmitted in its entirety. Any exceptions will be made only with the written permission of Adapt. Authorization to perform this project was given in the form of a signed proposal (Adapt Proposal No. P-3329, dated May 19, 2009).

Adapt appreciates the opportunity to be of service to you on this project. Should you have any questions concerning this report, or if we can assist you in any way, please feel free to contact us at (206) 654-7045.

Respectfully Submitted,

Adapt Engineering, Inc.

John T. Bhend, L.G.
Senior Project Manager

JTB/jtb

TABLE OF CONTENTS

1.0 INTRODUCTION.....1

 1.1 SITE DESCRIPTION1

 1.2 PROJECT BACKGROUND.....1

 1.3 PURPOSE.....2

 1.4 SCOPE OF WORK AND AUTHORIZATION2

2.0 ACTIVITIES2

 2.2 SAMPLE COLLECTION AND OBSERVATIONS.....2

3.0 RESULTS3

 3.1 SUBSURFACE CONDITIONS - SOIL3

 3.2 SUBSURFACE CONDITIONS - GROUNDWATER.....3

 3.3 QUANTITATIVE ANALYSES.....3

5.0 LIMITATIONS.....5

Attachments:

- Appendix A – Figures
- Appendix B – Subsurface Exploration Procedures and Boring Logs
- Appendix C – Laboratory Certification

1.0 INTRODUCTION

1.1 Site Description

The subject site is located at 12720 4th Avenue West in Everett, Snohomish County, Washington (Section 25, Township 28 North, Range 4 East, W.M.), as shown on Figure 1.

The subject Site is comprised of one tax parcel that cover a reported total of 1.65 acres. Currently, the Site parcel is developed with an one-story, multi-tenant L-shaped building that is occupied by the following: 7-Eleven gasoline station and convenience store, dry cleaner, two restaurants, catering service, nail salon, driving school, income tax / short term loan office, mailbox rental / copy services / moving equipment rental office, tattoo parlor, and hair salon.

The remainder of the Site parcel is covered by asphalt parking areas and concrete in the areas surrounding the pump island and above underground storage tanks (USTs) associated with the 7-Eleven gasoline station.

1.2 Project Background

Adapt Engineering previously completed the following reports for the subject site:

- Phase I Environmental Site Assessment and Limited Soil Vapor Sampling & Testing, 4th Avenue Retail Center 12720 – 4th Avenue West, Everett, Washington (Adapt Report No. WA99-3021-1, dated December 2, 1999).
- Limited Subsurface Assessment for Dry Cleaning Solvents, 4th Avenue Retail Center 12720 – 4th Avenue West, Everett, Washington (Adapt Report No. WA99-3021-2, dated December 2, 1999).
- Supplemental Limited Subsurface Assessment, 4th Avenue Retail Center 12720 – 4th Avenue West, Everett, Washington (Adapt Report No. WA06-14002-PH2).

The Phase I Environmental Site Assessment (Phase I) and Limited Vapor Sampling and Testing report indicated that development on the subject site included a gasoline station and dry cleaners. The conclusions section of this report indicated that the USTs and piping associated with the gasoline station appeared to be in compliance with the Washington UST regulations at the time of the Phase I, but that the gasoline station may be considered a potential source of a release. The vapor testing work indicated detectable levels of tetrachloroethene (PCE) at four sampling locations located in the vicinity of the dry cleaners tenant space.

The Limited Subsurface Assessment for Dry Cleaning Solvents consisted of the completion of one boring located adjacent to the dry cleaning machinery associated with the dry cleaners. The summary report indicated that relatively low levels of PCE were detected were detected in shallow soils (i.e., about 1.5 feet below grade) beneath the concrete slab in the vicinity of the dry cleaning machinery. PCE was not detected in a soil sample collected at a depth range of 9.5 to 11 feet below grade at this same location.

The Supplemental Limited Subsurface Assessment consisted of the completion of one boring located to the east of the dry cleaners to assess for potential downgradient impacts. The summary report indicated that PCE was not detected in soil samples collected at the following depths: 6 to 7.5 feet below grade; 7.5 to 9 feet below grade; 20 to 21.5 feet below grade; and 60 to 60.5 feet below grade. No measurable or recoverable groundwater was encountered in this

boring at the time of drilling. The conclusions of this report indicated that due to the observed lack of recoverable or measurable groundwater within 60 feet of the ground surface and the presence of relatively dense and impervious glacial till soils underlying the site; it appeared unlikely that underlying groundwater conditions had been significantly impacted, the previously confirmed solvent release appeared to be limited in nature, and no additional assessment work appeared necessary at the time. However, it was also stated that pockets of chlorinated solvent impacted soils may exist that were not encountered in the limited study.

1.3 Purpose

The purpose of our assessment is to evaluate the potential for a large-scale release related to the operations of the 7-Eleven gasoline station at the subject site and generally consists of assessing soil at these areas. This proposed scope of services does not include the work scope required to fully delineate the exact vertical and lateral extent of possible on-site or off-site contamination.

1.4 Scope of Work and Authorization

The scope of work for this project originally consisted of the collection and analytical testing of soil and soil vapor samples for gasoline range petroleum hydrocarbons and benzene, toluene, ethylbenzene, and xylenes (BTEX). As field screening activities completed during the performance of drilling activities appeared to indicate obvious gasoline petroleum hydrocarbon impacts to soil, the scope of work was revised to eliminate the soil vapor sampling work and to increase the number of soil samples collected to further assess the magnitude of the observed impacts. Authorization to perform this project was given in the form of a signed proposal (Adapt Proposal No. P-3329, dated May 19, 2009).

2.0 ACTIVITIES

2.1 Sample Collection and Observations

This phase of work involved drilling four (4) direct push method borings to depths between approximately 17 feet to 20 feet below ground surface (bgs) near the pump island and USTs associated with the 7-Eleven gasoline station (Figure 2). The borings were advanced using a direct push drill rig owned and operated by ESN Northwest, under subcontract to our firm. The borings were supervised, sampled, and logged by an Adapt Licensed Geologist.

Soil samples were collected continuously from the site explorations. Recovered soil samples were collected from each exploration for description, screening, observation for field indications (visual and olfactory) of impact and quantitative laboratory analyses. All sampling equipment was thoroughly cleaned prior to and after each sampling episode. Discrete soil samples for volatile compounds were collected in compliance with EPA Method 5035A. Samples were collected using a Power Stop Handle and Easy Draw Syringe. The syringe was pushed into the core or the bottom of the borehole to obtain an approximately 5-gram soil sample. The soil core was then placed in an empty 40 ml glass vial with a Teflon® lined lid with septum. Discrete soil samples from non-volatile compounds were collected using a gloved hand and transferred to a clean 4-ounce glass jar with a Teflon® lined lid. The jars were filled minimizing headspace. A field split was then allowed to sit in a warm environment for approximately 15 minutes. The resulting headspace was screened by inserting a photoionization detector (PID) probe into the

sample container. The PID screen provided a qualitative assessment of total volatile organic constituent concentration in the sample headspace and provide a basis for selection of samples to be submitted for quantitative laboratory analyses. After collection, the samples were immediately transported to a subcontracted analytical laboratory under Adapt's chain-of-custody procedures.

Figure 2 shows the approximate locations of the sampling sites, site boundaries, and pertinent site features. Subsurface exploration logs and soil sampling procedures are described in Appendix B.

3.0 RESULTS

3.1 Subsurface Conditions - Soil

The four completed borings generally disclosed moist, brown to gray silt/clay with varying amounts of sand and gravel, which was interpreted to be glacial till to the maximum depth explored of approximately 20 feet bgs. A layer of moist, dark brown organic silt with varying amounts of sand and gravel was observed in boring GP-2 at a depth of about 4 feet to 5 feet bgs, in boring GP-3 at a depth of about 2 feet to 4 feet bgs, and in boring GP-4 at a depth of about 3 feet to 6 feet bgs. A layer of moist, brown to gray sand was observed in boring GP-2 at a depth of about 8 feet to 15 feet bgs and in boring GP-3 at a depth of about 14 feet to 18 feet bgs.

All recovered soil samples were field screened using a MiniRae Photoionization Detector (PID). Samples collected from GP-1 and GP-4 exhibited elevated PID readings (up to 380 ppm for GP-1 and 1,537 ppm for GP-4) and gasoline petroleum odors. Samples collected from GP-2 and GP-3 did not exhibit obvious signs of contaminant impacts such as stains, or odors were observed and measurable PID readings were relatively low at levels varying between 0.0 and 6.1 parts-per-million.

3.2 Subsurface Conditions - Groundwater

No measurable groundwater was encountered in borings GP-1 through GP-4 at the time of drilling. A prior subsurface assessment completed at the subject property by Adapt in April 2006 indicated that no measurable groundwater was observed at depths of up to approximately 60 feet bgs.

3.3 Quantitative Analyses

The analytical testing was performed by the Friedman & Bruya, Inc. laboratory in Seattle, Washington, which is a Washington state certified laboratory. A total of eight soil samples were analyzed for gasoline range petroleum hydrocarbons by the NWTPH-Gx Method and BTEX by EPA Method 8260.

Soil samples GP-1:8-10' and GP-4:8-10' exhibited detectable concentrations of gasoline range TPH at a concentration of 280 ppm and 1,900 ppm, respectively, which are both above the MTCA Method A Soil Cleanup Level for Unrestricted Land Uses (Method A Soil Cleanup Level) value of 30 ppm. Gasoline range TPH were not detected in any of the other samples submitted for analytical testing.

Soil samples GP-1:8-10', GP-2:8-10', GP-4:8-10', and GP-4:18-20' exhibited detectable concentrations of benzene which were above the Method A Soil Cleanup Level value of 0.03 ppm. Soil sample GP-4:8-10' exhibited a detectable concentration of ethylbenzene which was above the Method A Soil Cleanup Level value of 6 ppm. Ethylbenzene was also detected in samples GP-1:8-10' and GP-4:18-20', but at concentrations below the Method A Soil Cleanup Level value of 6 ppm. Soil sample GP-1:8-10' exhibited a detectable concentration of toluene which was above the Method A Soil Cleanup Level value of 7 ppm. Toluene was also detected in sample GP-4:8-10', but at a concentration below the Method A Soil Cleanup Level value of 7 ppm. Soil samples GP-1:8-10' and GP-4:8-10' exhibited detectable concentrations of xylenes which were above the Method A Soil Cleanup Level value of 9 ppm. Xylenes were also detected in sample GP-4:18-20', but at a concentration below the Method A Soil Cleanup Level value of 9 ppm.

Analytical test results are summarized in Table 1 below, and analytical test certificates are included in Appendix C.

Sample No.	Depth (feet)	PID	TPH-Gx	Benzene	Toluene	Ethylbenzene	Xylenes
GP-1	8-10	380	280	0.4	7.1	2.9	17
	18-20	4.3	<10	<0.02	<0.05	<0.05	<0.15
GP-2	8-10	0.0	<10	0.5	<0.05	0.08	<0.15
	15-17	0.0	<10	<0.02	<0.05	<0.05	<0.15
GP-3	2-4	6.1	<10	0.02	<0.05	<0.05	<0.15
	16-18	0.0	<10	<0.02	<0.05	<0.05	<0.15
GP-4	8-10	1,537	1,900	4.6	3.8	10.6	56
	18-20	0.0	<10	0.3	<0.05	0.1	0.4
MTCA Method A Soil Cleanup Level for Unrestricted Land Uses		NA	30/100 ^(a)	0.03	7	6	9

All concentrations given in parts per million (ppm), which is equivalent to milligrams per kilogram

Bolded values indicates exceedance of the MTCA Method A cleanup level

PID = Photo-ionization Detector

(a) = Value is 30 ppm if benzene is detected, 100 ppm if benzene is not detected

ND = Not detected

TPH-Gx = Total petroleum hydrocarbons – gasoline

MTCA = Model Toxics Control Act

4.0 CONCLUSIONS AND RECOMMENDATIONS

The purpose of this assessment was to evaluate the potential for a large-scale release related to the operations of the 7-Eleven gasoline station at the subject site.

The results of Adapt's Limited Phase II ESA appear to indicate that impacts to soil, at concentrations above the applicable MTCA Method A Cleanup Levels, have possibly resulted from the operations of the existing 7-Eleven gasoline station. The lateral and vertical extent of these impacts was not fully evaluated, however, the impacts do not appear to be widespread.

based on the available sampling data. The observed impacts generally appear to be limited to depths of less than approximately 20 feet bgs in the areas explored. Based on the findings of a previously completed subsurface assessment by Adapt in May 2006, which appeared to indicate that the depth to groundwater beneath the subject Site appears to be greater than 60 feet bgs, it is unlikely that the observed gasoline petroleum hydrocarbon related impacts have significantly impacted groundwater beneath the subject site.

The lateral extent of soil contamination has not been fully characterized. If a No Further Action (NFA) determination from Ecology is desired, additional investigation will most likely be required as Ecology typically requires full characterization of the lateral and vertical extents of impacted media (e.g., soil or groundwater) prior to making a NFA determination. The MTCA Cleanup Regulation Chapter 173-340-300(2) describes the requirements for reporting hazardous substances to Ecology. It is Adapt's professional opinion that it would be prudent for the site owner to consult with an environmental attorney to discuss issues relating to the reporting requirements, and how they may apply to the conditions at the subject site.

5.0 LIMITATIONS

Given that our assessment was limited and peripheral to the potential source areas, it is possible that a release may have occurred that was not discovered during our assessment. If future subsurface work encounters, stained, odorous, or otherwise contaminated soils, such soils should be managed as contaminated material, which may include additional analytical testing an off-site treatment or disposal.


Information contained in this report is based upon site characterization, field observations, and the laboratory analyses completed for this study. Conclusions presented are professional opinions based upon our interpretation of the analytical laboratory test results, as well as our experience and observations during the field activities. The location and depth of the exploration, as well as the analytical scope were completed within the site and proposal constraints. Adapt's observations and the analytical data are limited to the vicinity of each test probe and do not necessarily reflect conditions across the site. No other warranty, express or implied is made. In the event that additional information regarding either the site or surrounding properties becomes known, or changes to existing conditions occurs, the conclusions in this report should be reviewed, and if necessary, revised to reflect the updated information. Project specific limitations are presented in the appropriate sections of this report.

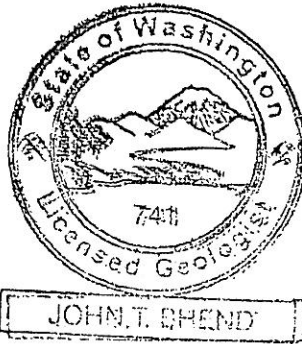
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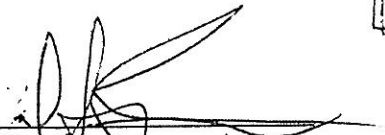
Adapt appreciates the opportunity to be of service to you on this project. Should you have any questions concerning this report, or if we can assist you in any way, please contact us at (206) 654-7045.

Respectfully Submitted,

Adapt Engineering, Inc.


John T. Bhend, L. G.
Senior Project Manager

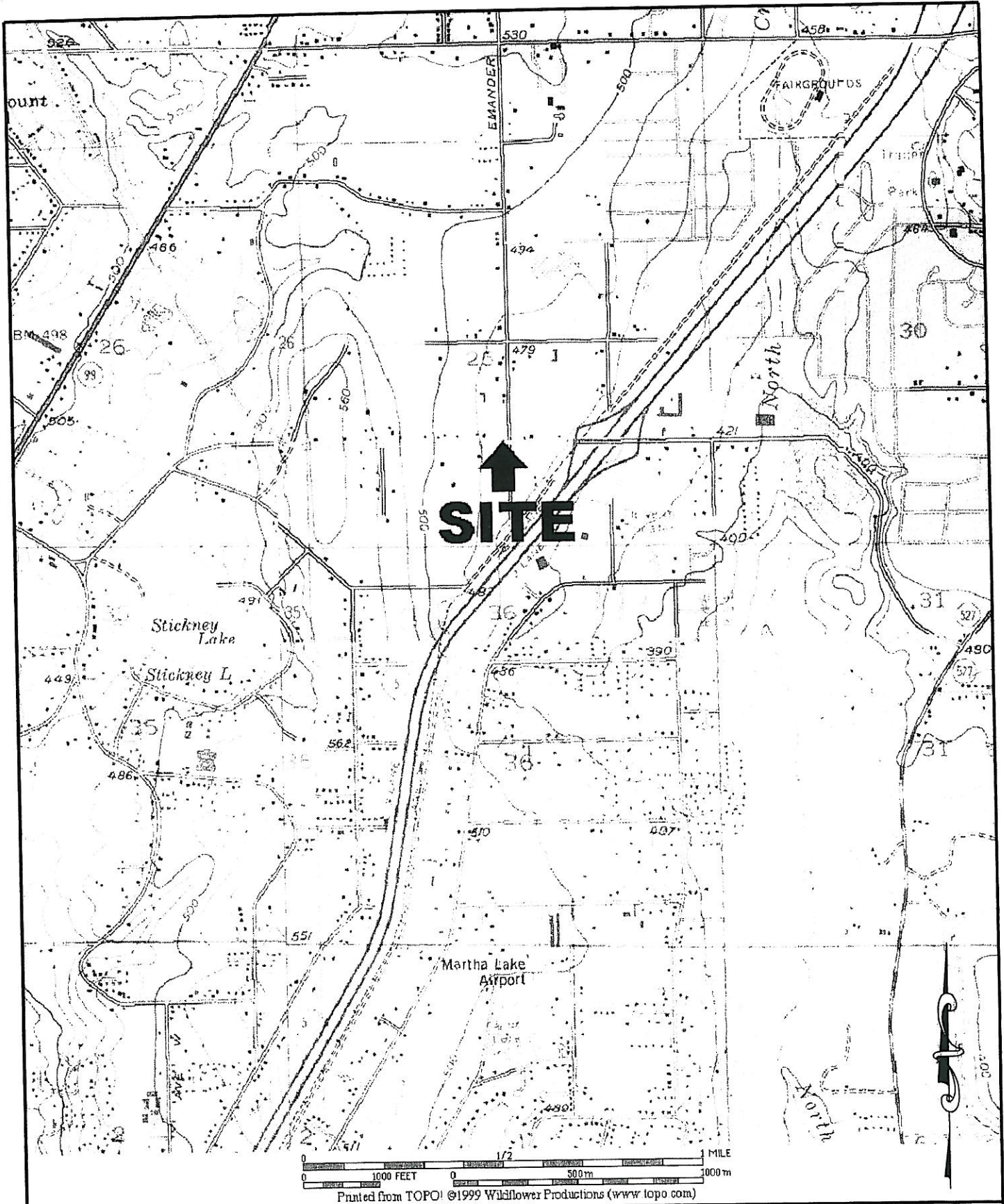



Daryl S. Petrarca, L.H.G.
Principal

JTB/jtb

APPENDIX A

FIGURES



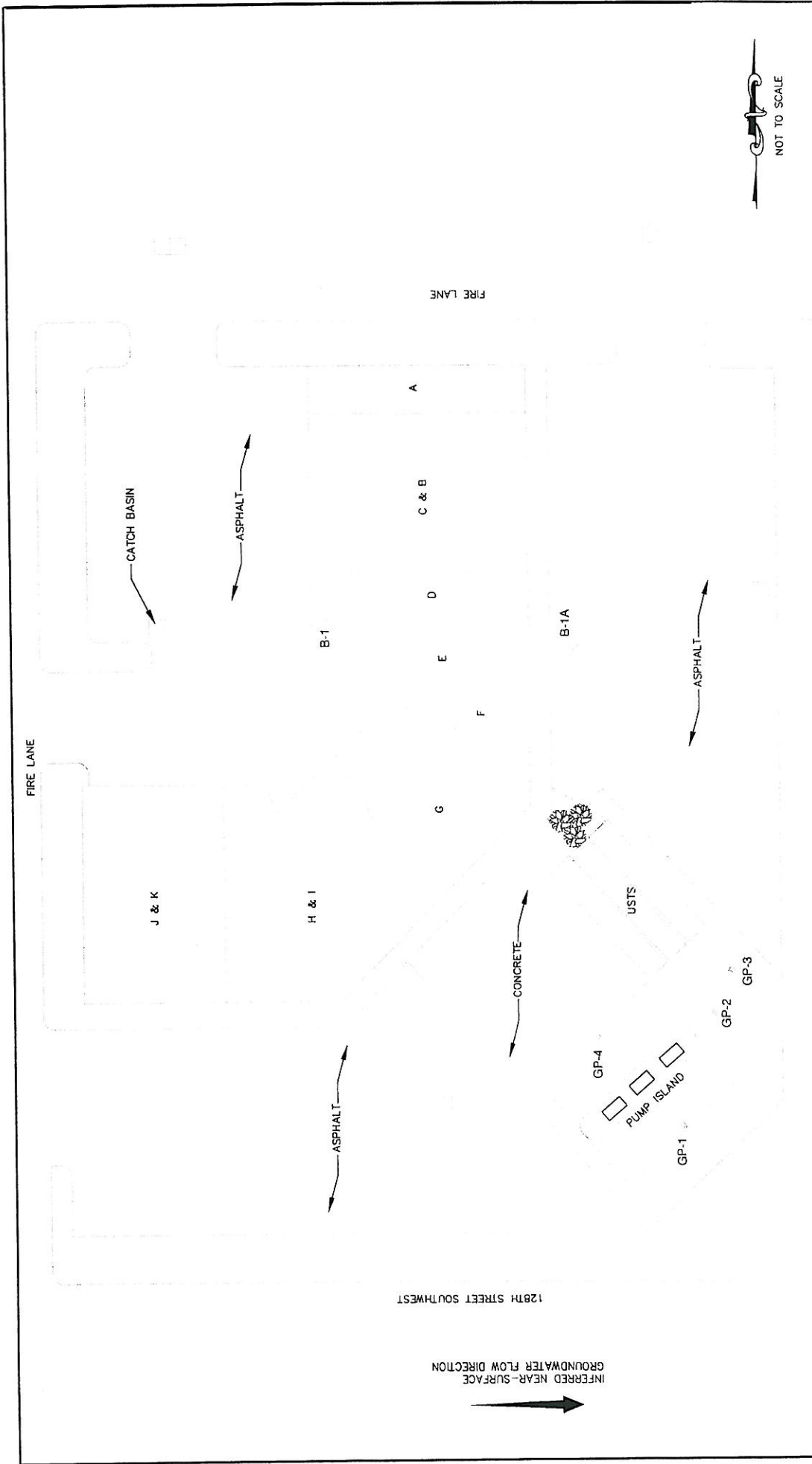
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FIGURE 1 – Location/Topographic Map

Project : 4th Avenue Commercial Property
Location : 12720 4th Avenue West
 Everett, WA
Client : Empire Holdings c/o Pro Realty Options
Project No : WA06-14002-PH2 **Date** : 06/17/09



ADAPT Engineering, Inc.
 615 - 8th Avenue South
 Seattle, Washington 98104
 Tel (206) 654-7045
 Fax (206) 654-7048

ADAPT

FIGURE 2 - Site and Exploration Plan
 Project : 4th Avenue Commercial Property
 Location : 12720 4th Avenue West
 Everett, WA
 Client : Empire Holdings c/o Pro Realty Options
 Project No : WA06-14002-PH2 Date : 08/17/09

4TH AVENUE WEST

128TH STREET SOUTHWEST

B-1
B-1A
GP-1

APPENDIX B

**SUBSURFACE EXPLORATION PROCEDURES
AND BORING LOGS**

APPENDIX B

SUBSURFACE EXPLORATION PROCEDURES AND BORING LOGS

Direct Push Method Borings

The field exploration program conducted for this study consisted of advancing four (4) direct push method borings. The approximate location is illustrated on Figure 2. These locations were obtained in the field by taping and pacing from existing site features.

The direct push method boring was advanced on June 4, 2009 by ESN Northwest, a local exploration drilling company under subcontract to our firm. The borings consisted of driving a 1.5-Inch outside diameter drill rod and attached sample barrel and probe tip with a truck-mounted drill rig. Prior to each boring, the drilling equipment and sampling tools were scrubbed with a stiff brush and a solution of Liquinox (a phosphate free detergent) and water, and then rinsed with potable water and deionized water. The drill rod was pushed to the desired sampling depth then the sample barrel was pushed either two-feet or four feet dependent on soil sampler length. Soil samples were continuously obtained using either a two-foot or four-foot long sampler. Borings were continuously observed and logged in the field by a geologist from our firm. Prior to each boring, the drilling equipment and sampling tools were decontaminated.

Upon completion, the test probe holes were abandoned by placing dry bentonite into the probe holes, which was then hydrated. The probe holes were sealed to match the existing surface. The probe and sampling equipment were decontaminated between each sampling event using water and Alconox wash and water rinse.

Characterization of Soil

Relatively undisturbed soil samples were collected continuously by using a four-foot long split spoon sample barrel lined with an acetate liner. The split spoon sample barrel was pushed to the desired depth and then pushed into undisturbed soil at the bottom of the boring.

All soil samples were field screened using a MiniRae 10.6ev Photoionization Detector (PID). Field screen samples were collected from the remaining soil in the sampled interval. A representative soil sample was placed in a Ziplock® type plastic bag and sealed. The sample was allowed to volatilize for at least 10 minutes prior to obtaining a reading. The PID tip was inserted in small hole poked in the bag just prior to reading. The highest PID reading observed was recorded on the boring log sheet, as were any subjective olfactory impressions of the sample by the on-site geologist.



Adapt Engineering, Inc.
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GEOPROBE LOG

Project : 4th Avenue Commercial Property
Location : 12720 4th Avenue West
 Everett, WA
Client : Empire Holdings c/o Pro Realty Options
Project No : WA06-14002-PH2

Geoprobe No. :
GP-1

Ground Surface Elevation : N/A
 Elevation Reference : N/A

Casing Elevation : N/A

Page 01 of 01

DEPTH (feet)	SOIL DESCRIPTION	SAMPLE TYPE	SAMPLE NUMBER	BLOW COUNT	PID READING	GROUND WATER	AS-BUILT WELL DES GN	LABORATORY TESTING
0	4" concrete over moist, brown to gray, sandy SILT/CLAY with gravel							
			0'-4'		109 ppm			
5			4'-8'		29 ppm			
			8-10'		380 ppm			TPH-Gx BTEX
10			10-12'		124 ppm			
			12-14'		106 ppm			
15	SILT/CLAY with trace sand and gravel		14-16'		144 ppm			
			16-18'		4.5 ppm			
20	Gravelly sand lens (~6" thick) SILT/CLAY with trace sand and gravel Geoprobe terminated @ ~20.0' bgs due to refusal. Groundwater not encountered.		18-20'		4.3 ppm			TPH-Gx BTEX
25								
30								

LEGEND

- GeoProbe Sampler
- Sample not Recovered
- TV Torvane Reading (tsf)
- PP Pocket Penetrometer Reading (tsf)
- Static Water Level at Time of Drilling
- Static Water Level Reading
- Perched Groundwater
- Type of Analytical Testing Performed
- D.O.T. Approved Flush-Mounted Well Monument with Concrete Seal
- 2' I.D. Schedule 40 PVC with Bentonite Backfill
- 2' Schedule 40 PVC with 0.20-Inch lots and Select 10-20 Sand Backfill
- Bentonite Backfill

File Name : Geoprobe Log 1.dwg

Start Date : 06/04/09

Completion Date : 06/04/09

Logged By : J.T.B.



Adapt Engineering, Inc.
 615 - 8th Avenue South
 Seattle, Washington 98104
 Tel (206) 654-7045
 Fax (206) 654-7048

GEOPROBE LOG

Project : 4th Avenue Commercial Property
Location : 12720 4th Avenue West
 Everett, WA
Client : Empire Holdings c/o Pro Realty Options
Project No : WA06-14002-PH2

Geoprobe No. :
GP-2













Ground Surface Elevation : N/A
 Elevation Reference : N/A

Casing Elevation : N/A

Page 01 of 01

DEPTH (feet)	SOIL DESCRIPTION	SAMPLE TYPE	SAMPLE NUMBER	BLOW COUNT	PID READING	GROUND WATER	AS-BUILT WELL DES GN	LABORATORY TESTING
0	3" concrete (No recovery due to rock plugged in tip of sampler)							
5	Moist, dark brown organic SILT intermixed with brown sand and gravel (fill)		4-6'		0.0 ppm			
	Moist, gray, sandy SILT/CLAY with little gravel		6-8'		0.0 ppm			
	Moist to wet, gray silty fine SAND		8-10'		0.0 ppm			TPH-Gx BTEX
10			10-12'		0.5 ppm			
	Decrease in silt content		12-13.5'		0.3 ppm			
			13.5-15'		0.0 ppm			
15	Moist, gray, sandy SILT/CLAY with little gravel		15-17'		0.0 ppm			TPH-Gx BTEX
	Geoprobe terminated @ ~17.0' bgs due to refusal. Groundwater not encountered.							
20								
25								
30								

LEGEND

-  GeoProbe Sampler
-  Sample not Recovered
-  TV Torvane Reading (tsf)
-  PP Pocket Penetrometer Reading (tsf)
-  ATD Static Water Level at Time of Drilling
-  DATE Static Water Level Reading
-  Perched Groundwater
-  WPH+D Est 8010 Type of Analytical Testing Performed
-  D.O.T. Approved Flush-Mounted Well Monument with Concrete Seal
-  2" I.D. Schedule 40 PVC with Bentonite Backfill
-  2" Schedule 40 PVC with 0.20-Inch seats and Select 10-20 Sand Backfill
-  Bentonite Backfill

File Name : Geoprobe Log 1.dwg

Start Date : 06/04/09

Completion Date : 06/04/09

Logged By : J.T.B.



Adapt Engineering, Inc.
 615 - 8th Avenue South
 Seattle, Washington 98104
 Tel (206) 654-7045
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GEOPROBE LOG

Project : 4th Avenue Commercial Property
Location : 12720 4th Avenue West
 Everett, WA
Client : Empire Holdings c/o Pro Realty Options
Project No : WA06-14002-PH2

Geoprobe No. :
GP-3

Ground Surface Elevation : N/A
 Elevation Reference : N/A

Casing Elevation : N/A

Page = 01 of 01

DEPTH (feet)	SOIL DESCRIPTION	SAMPLE TYPE	SAMPLE NUMBER	BLOW COUNT	PID READING	GROUND WATER	AS-BUILT WELL DESIGN	LABORATORY TESTING
0	3" concrete over moist, brown, SAND with trace silt		0-2'		0.0 ppm			
	Moist, dark brown, sandy and gravelly SILT with asphalt debris		2-4'		6.1 ppm			TPH-Gx BTEX
5	Moist, brown, silty SAND with little gravel		4-6'		0.0 ppm			
	Moist, gray SILT/CLAY with little sand and gravel		6-8'		0.0 ppm			
			8-11'		0.0 ppm			
10			11-12.5'		0.0 ppm			
			12.5-14'		0.0 ppm			
15	Dry to moist, light brown, SAND with little gravel		14-16'		0.0 ppm			
			16-18'		0.0 ppm			TPH-Gx BTEX
20	Geoprobe terminated @ ~18.0' bgs due to refusal. Groundwater not encountered.							
25								
30								

LEGEND

- GeoProbe Sampler
- Sample not Recovered
- TV Torvane Reading (tsf)
- PP Pocket Penetrometer Reading (tsf)
- ATD Static Water Level at Time of Drilling
- DATE Static Water Level Reading
- Perched Groundwater
- Type of Analytical Testing Performed
- D.O.T. Approved Flush-Mounted Well Monument with Concrete Seal
- 2" I.D. Schedule 40 PVC with Bentonite Backfill
- 2" Schedule 40 PVC with 0.20-inch s/s and Select 10-20 Sand Backfill
- Bentonite Backfill

File Name : Geoprobe_Log_1.dwg

Start Date : 06/04/09

Completion Date : 06/04/09

Logged By : J.T.B.



Adapt Engineering, Inc.
 615 - 8th Avenue South
 Seattle, Washington 98104
 Tel (206) 654-7045
 Fax (206) 654-7048

GEOPROBE LOG

Project : 4th Avenue Commercial Property
Location : 12720 4th Avenue West
 Everett, WA
Client : Empire Holdings c/o Pro Realty Options
Project No : WA06-14002-PH2

Geoprobe No. :
GP-4

Ground Surface Elevation : N/A
 Elevation Reference : N/A

Casing Elevation : N/A

Page : 01 of 01

DEPTH (feet)	SOIL DESCRIPTION	SAMPLE TYPE	SAMPLE NUMBER	BLOW COUNT	PID READING	GROUND WATER	AS-BUILT WELL DESIGN	LABORATORY TESTING
0	4" concrete over moist, brown sandy SILT with trace organic matter		0-2'		3.0 ppm			
	Moist, gray fine to medium SAND with little silt		2-4'		781 ppm			
	Moist, dark brown, sandy SILT with organic matter		4-6'		565 ppm			
5			6-8'		414 ppm			
			8-10'		1,537 ppm			TPH-Gx BTEX
10	Moist, light brown/tan SILT/CLAY with trace sand and gravel		10-12'		93 ppm			
			12-14'		106 ppm			
15			14-16'		39 ppm			
			16-18'		122 ppm			
			18-20'		0.0 ppm			TPH-Gx BTEX
20	Geoprobe terminated @ ~20.0' bgs due to refusal. Groundwater not encountered.							
25								
30								

LEGEND

- Geoprobe Sampler
- Sample not Recovered
- TV Torvane Reading (tsf)
- PP Pocket Pentameter Reading (tsf)
- ATD Static Water Level at Time of Drilling
- DATE Static Water Level Reading
- Perched Groundwater
- Type of Analytical Testing Performed
- D.O.T. Approved Flush-Mounted Well Monument with Concrete Seal
- 2" I.D. Schedule 40 PVC with Bentonite Backfill
- 2" Schedule 40 PVC with 0.20-inch slots and Select 10-20 Sand Backfill
- Bentonite Backfill

File Name : Geoprobe Log 1.dwg

Start Date : 06/04/09

Completion Date : 06/04/09

Logged By : J.T.B.

APPENDIX C

LABORATORY CERTIFICATION



Environmental
Services Network

June 12, 2009

John Bhend
Adapt Engineering, Inc.
615 8th Avenue South
Seattle, WA 98104

Dear Mr. Bhend:

Please find enclosed the analytical data report for 4th Avenue West Property Project in Everett, Washington. Probe services were conducted on June 4, 2009. Soil samples were analyzed for Gasoline by NWTPH-Gxand BTEX by Method 8260 on June 10, 2009.

The results of the analyses are summarized in the attached tables. All soil values are reported on a dry weight basis. Applicable detection limits and QA/QC data are included. An invoice for this analytical work is also enclosed.

ESN Northwest appreciates the opportunity to have provided analytical services to Adapt Engineering for this project. If you have any further questions about the data report, please give me a call. It was a pleasure working with you on this project, and we are looking forward to the next opportunity to work together.

Sincerely,

Michael A. Korosec
President

ESN NORTHWEST CHEMISTRY LABORATORY

Adapt Engineering, Inc
 4TH AVE WEST PROPERTY PROJECT
 Client Project #WA06-14002-PH2
 Everett, Washington

ESN Northwest
 1210 Eastside Street SE Suite 200
 Olympia, WA 98501
 (360) 459-4670 (360) 459-3432 Fax
 lab@esnnw.com

Analyses of Gasoline (NWTPH-Gx) & BTEX (EPA Method 8260) in Soil

Sample Number	Date Analyzed	Benzene (mg/kg)	Toluene (mg/kg)	Ethylbenzene (mg/kg)	Xylenes (mg/kg)	Gasoline (mg/kg)	Surrogate Re-covery (%)
Method Blank	6/9/2009	nd	nd	nd	nd	nd	94
LCS	6/9/2009	93%	95%	78%	107%	---	81
GP-1: 8-10	6/10/2009	0.4	7.1	2.9	17	280	87
GP-1: 18-20	6/10/2009	nd	nd	nd	nd	nd	94
GP-2: 8-10	6/10/2009	0.5	nd	0.08	nd	nd	92
GP-2: 15-17	6/10/2009	nd	nd	nd	nd	nd	90
GP-2: 15-17 DUP	6/10/2009	nd	nd	nd	nd	nd	91
GP-3: 2-4	6/10/2009	0.02	nd	nd	nd	nd	94
GP-3: 16-18	6/10/2009	nd	nd	nd	nd	nd	89
GP-4: 8-10	6/10/2009	4.6	3.8	10.6	56	1900	93
GP-4: 18-20	6/10/2009	0.3	nd	0.1	0.4	nd	89
MS	6/9/2009	79%	84%	71%	99%	---	86
MSD	6/9/2009	96%	100%	79%	112%	---	89
Method Detection Limits		0.02	0.05	0.05	0.15	10	

"---" Indicates not tested for component.
 "nd" Indicates not detected at the listed detection limits.
 "int" Indicates that interference prevents determination.

ACCEPTABLE RECOVERY LIMITS FOR SURROGATE (Chlorobenzene) & LCS : 65% TO 135%

August 6, 2009

093-93351-01.1

Toxics Cleanup Program
Washington Department of Ecology
3190 160th Avenue SE
Bellevue, WA 98008-5452

RE: RELEASE NOTIFICATION

Dear Sir/Madam:

On behalf of Empire Holdings, Inc. Golder Associates Inc. (Golder) is reporting a release in accordance with WAC 173-340-300, Site Discovery and Reporting.

1.0 SITE LOCATION

The Site location is at 12720 4th Avenue West, Everett, Washington (Section 25, Township 28 North, Range 4 East). The discovered release locations are at the 7-Eleven gasoline station at the southeastern corner of the property, and a dry cleaner shop located in Suite E of the Site building.

2.0 SITE OWNER

The property owner is Empire Holdings, Inc. whose address is 56120 Riviera, La Quinta, California 92253. However, the 7-Eleven gasoline station and the dry cleaner businesses are Site tenants under lease and are operated by different entities other than Empire Holdings, Inc.

3.0 RELEASE

The release circumstances and the specific release date or timeframe are unknown. Release discovery occurred during prior subsurface investigations initiated during property, financial, and business ownership transactions.

3.1 Dry Cleaner Release

The release discovery at the dry cleaner shop occurred during subsurface investigations by others in 1999, 2005, and 2006. The subsurface investigations included analysis of soil and soil vapor samples. Analytical results indicated concentrations of tetrachloroethylene (PCE) in soil vapor and soil samples. PCE concentrations in soil ranged from 0.198 mg/kg to 0.73 mg/kg. No measurable and recoverable groundwater was reportedly encountered in any of the borings, which had been drilled to depths ranging from 6 to 60 feet below ground surface.

3.2 Gasoline Station Release

The release discovery at the 7-Eleven gasoline station occurred during a subsurface investigation by others in June 2009. The subsurface investigation at the gasoline station included analysis of soil samples collected from borings installed to 20 feet below ground surface. The soil analytical results indicated concentrations of the following in soil:

- Gasoline detections ranged from 280 mg/kg to 1,900 mg/kg.
- Benzene detections ranged from 0.3 mg/kg to 4.6 mg/kg.
- Toluene detections ranged from 3.8 mg/kg to 7.1 mg/kg.
- Ethylbenzene detections ranged from 0.1 mg/kg to 10.6 mg/kg.
- Total xylene detections ranged from 0.4 mg/kg to 56 mg/kg.



No groundwater was encountered in any of the borings.

3.3 Additional Release Investigation

Empire Holdings, Inc. has contracted Golder to conduct subsurface investigations to further characterize the vertical and horizontal extent of impacted soil at the gasoline station and at the dry cleaner sites.

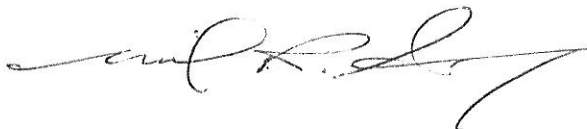
Future correspondence regarding this Site should be directed to Empire Holdings, Inc. at the address cited above as well as their agent, Pro Realty Options, Inc. in care of Larry Krause, 318 164th Street Southwest, Lynnwood, Washington 98037.

GOLDER ASSOCIATES INC.

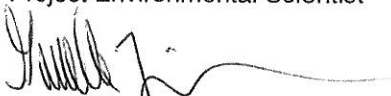


FOR

Kirsi S. Longley
Project Environmental Scientist



Neil R. Gilham, LG
Senior Environmental Geologist



Gary L. Zimmerman
Associate and Senior Consultant

cc: Ken Longley
Larry Krause
Yang Shin

KL/GZ/NRG/sb