

Compliant with All Appropriate Inquiry

Final Rule: 40 CFR Part 312

PHASE I

ENVIRONMENTAL

SITE ASSESSMENT

Subject Property:

CHO PROPERTY

4820 – 196th Street Southwest

Lynnwood, Washington 98036

AEROTECH

Environmental Consulting Inc.

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Prepared by:

AEROTECH

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Final Rule: 40 CFR Part 312**

**PHASE I
ENVIRONMENTAL
SITE ASSESSMENT**

Client(s):	Mr. Steve Cho 6100 – 219 th Street Southwest, Suite 580 Mountlake Terrace, Washington 98043
Point of Contact:	Mr. Steve Cho
Subject Property:	CHO PROPERTY <i>Former Alfy's Pizza</i> 4820 – 196 th Street Southwest Lynnwood, Washington 98036-6403
Snohomish County Assessor:	Parcel No: 00608-4002-00103 Wallene Interurban Trail Blk 002 / D-03
User(s):	Mr. Steve Cho
Key Site Manger:	Mr. Steve Cho
NAICS Classification:	Code No:722.511
Commercial Activity:	Restaurants full-service
Environmental Assessor:	Alan T. Blotch (360) 710-5899 / alan.blotch@earthlink.net
Project Number:	No. 21-0408
Report Date:	April 21 2021

EXECUTIVE SUMMARY

The subject of this Phase I Environmental Site Assessment is rectangular-shaped approximately 0.91-acre Parcel located on the south side of 196th Street Southwest in Lynnwood, Washington. One Parcel east is 48th Avenue Southeast; Wilcox Park is one block west; Highway 99 is one-half of a mile west; and U.S. Interstate 5 is one mile to the east. Significant bodies of water include Scriber Lake two blocks to the west.

The subject Property is developed with a two-story restaurant building vacant at the time of the Site Reconnaissance, but most recently occupied by *Alfy's Pizza*.

The subject Property building is a rectangular-shaped concrete slab on grade structure on a sloping lot so the front of the building is level with the street while the rear of the Building basement exits directly onto the rear lower parking lot. The main floor is approximately 3,878 square feet, the second floor is 1,292 square feet, and the basement dining room "party room" is 2,400 square feet. The main Building entrance is on the north side directly leading into a large open area. At the time of the Site Reconnaissance the interior had been demolished to the metal wall studs. Access to the second floor is from the interior first floor. The basement was formerly used as an overflow dining room and a semi-private children's "party room". Adjoining to the rear is a very large asphalt-paved parking lot.

The subject Property was originally part of a substantially larger Parent Parcel that extended along the south side of 196th Street Southwest. Prior to 1953, the Property was developed with a single-family residence. In 1978, the Property was redeveloped with the currently configured building originally occupied by a restaurant. By 1980, the eastern adjoining property was developed with a gasoline station and drive thru car wash. In 2009, the eastern adjoining gas station was demolished and a new station constructed. The subject Property has been continuously occupied by a restaurant, most recently by *Alfe's Pizza*.

The subject Property is located in a mixed-use business and retail area with aerial and main thoroughfares and residential development on the side streets. To the north are commercial businesses; to the south is an apartment complex; to the east is an ARCO station (for a detailed discussion of this Site refer to pages 33 through 36 of this Report), and to the west is an Arby's Restaurant.

■ **Recommendation: No Further Action.** As a result of the on-site Reconnaissance, records research, historical investigation, and review of Federally reported environmental information, this Assessment has revealed no obvious evidence of potential environmental risks or Recognized Environmental Conditions indicating the presence of hazardous or other conditions that could reasonably be expected to environmentally impact the Site. Based upon this Phase I Assessment, it is reasonable and prudent to believe that the risk of contamination at the Site is so minimal that no further investigation is warranted.

Upon the completion of this Assessment, no further investigation, remediation, or response actions are indicated, suggested, or recommended relative the potential environmental conditions at the subject Property other than those previously discussed. Based upon this Phase I Assessment, and with those discussed exceptions, it is reasonable and prudent for the Client to believe there is no other significant risk of contamination that has not been notated.

ASTM PROTOCOL CONCLUSION

We have performed a *Phase I Environmental Site Assessment* in conformance with the scope and limitations of ASTM Practice 1527-13 (Revision 2013) for 4820 196th Street Southwest in Lynnwood, Washington, the *property*. Any exceptions to, or deletions from, this practice are described in Possible Report Exceptions To All Appropriate Inquiry Rule Section¹ of this *report*.

This Assessment has revealed no evidence of *recognized environmental conditions*² in connection with the *property*.

This Assessment has revealed no evidence of an *historical recognized environmental condition* in connection with the *property*³.

This Assessment has revealed no evidence of a *controlled recognized environmental conditions*⁴ in connection with the *property*.

¹ Refer to page 5 of this Assessment.

² *Recognized Environmental Condition* - the presence or likely presence of any *hazardous substances* or *petroleum products* on a *property* under conditions that indicate an existing release, a past release, or a *material threat* of a release of any *hazardous substances* or *petroleum products* into structures on the *property* or into the ground, ground water, or surface water of the *property*. The term includes *hazardous substances* or *petroleum products* even under conditions in compliance with laws. The term is not intended to include *de minimis conditions* that generally do not present a threat to human health or the environment and that generally would not be the subject of an enforcement action if brought to the attention of appropriate governmental agencies. Conditions determined to be *de minimis* are not *recognized environmental conditions*.

³ *Historical Recognized Environmental Condition* - a past release of any hazardous substance or petroleum product that has occurred in connection with the property and has been addressed to the satisfaction of the applicable regulatory agency or meeting the unrestricted residential use criteria established by a regulatory authority, without subjecting the property to any required controls such as property use restrictions, activity and use limitations, institutional controls, or engineering controls - at the time of the completion of the Environmental Site Assessment.

⁴ *Controlled Recognized Environmental Condition* - a past release of hazardous substances or petroleum products that has been addressed to the satisfaction of the applicable regulatory authority with hazardous substances or petroleum products allowed to remain in place subject to the implementation of required controls. A condition identified as a Controlled Recognized Environmental Condition does not imply that the Assessment has evaluated or confirmed the adequacy, implementation, or continued effectiveness of the required control that has been, or is intended to be implemented.

This Phase I Environmental
Site Assessment was performed in
**Compliance with the
All Appropriate Inquiry (AAI)
Final Rule: 40 CFR Part 312⁵**

POTENTIAL REPORT EXCEPTIONS TO ALL APPROPRIATE INQUIRY RULE:

§ 40 CFR Part 312.25 Searches for recorded environmental cleanup liens. (a) All appropriate inquiry must include a search for the existence of environmental cleanup liens against the subject property that are filed or recorded under federal, tribal, state, or local law.

§ 40 CFR Part 312.28 Specialized knowledge or experience on the part of the defendant. (a) Persons to whom this part is applicable per § 312.1(b)⁶ must take into account, their specialized knowledge of the subject property, the area surrounding the subject property, the conditions of adjoining properties, and any other experience relevant to the inquiry, for the purpose of identifying conditions indicative of releases or threatened releases at the subject property, as defined in § 312.1(c).

§ 40 CFR Part 312.29 The relationship of the purchase price to the value of the property, if the property were not contaminated. (a) Persons to whom this part is applicable per § 312.1(b) must consider whether the purchase price of the subject property reasonably reflects to fair market value of the property, if the property were not contaminated.

POINTS IN TIME:

Elements of the Environmental Site Assessment are based upon the conditions which are subject to change. For example, observations of hazardous materials storage may reveal no evidence of a release, though a release could occur as the Environmental Assessor observes other areas of the Property or adjoining properties. As a result, the Assessment is intended to represent conditions at the time of the Property Reconnaissance.

⁵ A copy of excerpts from the *Standards and Practices for All Appropriate Inquiries; Final Rule* U.S. EPA, 40 CFR Part 312, 70 FR 66070, November 1, 2005, is included in the Appendix of this Report, in the Section entitled Supplemental Documents.

⁶ § 312.1(b). *Applicability*. The requirements of this part are applicable to: (1) Persons seeking to establish: (i) The innocent landowner defense pursuant to CERCLA sections 101(35) and 197(b)(3); (ii) The bona fide prospective purchaser liability protection pursuant to CERCLA sections 101(40) and 107(r); (iii) The contiguous property owner liability protection pursuant to CERCLA section 107(q); and (2) persons conducting site characterization and assessments with the use of a grant awarded under CERCLA section 104(k)(2)(B).

ASSESSMENT OVERVIEW

Purpose:

The purpose of this Assessment is to comply with selected sections of the standards and practices for “all appropriate inquiry” for the purposes of CERCLA sections 101(35)(B)(i)(I) and 101(35)(B)(ii) and (iii), as defined in *Standards and Practices for All Appropriate Inquiries; Final Rule*, U.S. EPA, 40 CFR Part 312 (70 FR 66070). Some of the requires contained in Part 312 are excluded from this Assessment, as delineated in the preceding Section entitled “Report Exceptions to All Appropriate Inquiry Rule.”

The business purpose of this Phase I Environmental Site Assessment was to investigate, review, assess, and evaluate – through historical research, document and record review, generally available environmental data, visual or physical observations, and inspection by a trained assessor – the presence or likely existence of:

- Contamination by hazardous materials, generally recognized environmental contaminants, visible pollutants, underground contaminants, and asbestos-containing materials.
- The possibility that these materials are or may have been introduced – by internal generation, external introduction, or unknown sources – into the structure or subject Property.
- A brief overview, evaluation, and assessment of the severity of the current potential environmental risk based upon known standards or applicable regulations.

Unless specifically noted within the text of this Report, this Phase I Environmental Site Assessment does not include or address groundwater, soil, or extraneous material contamination upon or under the surface soils, with respect to testing, coring, or sampling analysis.

Protocol:

The procedure for this Environmental Site Assessment was to perform in practical and reasonable steps--employing currently available technology, existing regulations, and generally acceptable engineering practices – an investigation to ascertain the possibility, presence, or absence of environmental releases, threatened releases, or Recognized Environmental Conditions, as limited by the Scope of Work. As such, this Assessment was performed in substantial compliance with the ASTM Standard Practice for Environmental Site Assessments: Phase I Environmental Site Assessment Process (Designation E 1527-13).

Objectives:

- To attempt to accomplish all appropriate inquiry into ownership and uses of the Property consistent with good commercial or customary practice, in an effort to minimize liability.
- To conduct an investigation of the Property that will assist ownership's positioning within the "safe harbor" section of the Federal Superfund liability in 42 U.S.C. §9601(35), the Lender Liability Final Rule, and the CERCLA amendments enacted as part of the 2002 Brownfields Act.
- To provide environmental information that will assist in evaluating ownership's risk of potential loss or value impairment of the security interest due to environmental defects; and information for decisions and operational limitations concerning the National Pollution Contingency Plan.

While this Phase I Assessment cannot absolutely quantify and qualify every possible past and present environmental risk, the Assessment does provide a partial information basis for reasonable decision making regarding the potential for environmental liabilities and risk, based upon the current Site-specific situation, Assessment limitations, and methods of evaluation.

TABLE OF CONTENTS

Page No:

EXECUTIVE SUMMARY	3
ASTM PROTOCOL CONCLUSION	4
POTENTIAL REPORT EXCEPTIONS TO ALL APPROPRIATE INQUIRY RULE	5
§ 40 CFR Part 312.25 Searches for recorded environmental cleanup liens	5
§ 40 CFR Part 312.28 Specialized knowledge or experience on the part of the defendant	5
§ 40 CFR Part 312.29 The relationship of the purchase price to the value of the property, if the property were not contaminated	5
POINTS IN TIME	5
ASSESSMENT OVERVIEW	6
Purpose	6
Protocol	6
Objectives	6
GENERAL SITE RECONNAISSANCE OVERVIEW	10
SUBJECT PROPERTY SITE DESCRIPTION	10
Visual Description	10
Geological Survey Data	11
USGS Topographical Map Data	11
Surficial and Subsurface Soils Components	12
Surficial Water Flow	12
Reported Ground Water Flows	12
HISTORICAL USAGE	13
Historical Research Data Gaps	14
Aerial Photograph Review	14
Building Permit/Inspection Department	16
City and Telephone Directories	16
Historical Information - Knowledgeable Individuals	16
Sanborn Fire Insurance Maps	16
Recorded Land Title Records	17
Washington Commercial Real Estate Disclosure	17
Washington Business Registration	18

CURRENT USAGE	18
City of Lynnwood - Emergency Release Reports/SARA§304	18
Local/State Waste Disposal Compliance	18
OBSERVATIONS AND INFORMATION	19
Site Reconnaissance: Personal Interviews / Site Document Review	19
Structure Exterior Observations	19
Structure Interior Access Limitations	20
Structure Interior Observations	20
Business Operations (Current and Historic) NAICS Classification	21
Historical Site Operations Recognized Conditions	22
MATERIAL, PRODUCT, AND WASTE-STREAM	22
Materials/Products Handling and Storage	22
Medical Waste Discharges	22
Storage Tanks - Above and Below Ground	22
Waste Stream Processing and Disposal	23
Hazardous Waste Processing and Disposal	23
Wastewater, Storm Water Discharges	23
ADJACENT AND ADJOINING PROPERTIES	23
CONTAMINATION SOURCES	24
Presumed Asbestos-Containing Building Materials	24
Formaldehyde	25
Lead-Based Paint	25
Lead-Based Paint Pre-Renovation Limitations	25
Lead-Based Paint OSHA §1926.62 Regulations	26
Lead in Drinking Water	26
PCB-Containing Exterior Electrical Transformers	27
Radon	27
Underground Storage Tanks	28
Vapor Intrusion	28
Vapor Encroachment Evaluation	31
HISTORICAL CONTAMINATION SOURCES	31
Historical Site Operations Recognized Conditions	31
Regulatory Agency Records Information	32
Activity and Use Limitations	32
POTENTIAL OFF-SITE CONTAMINATION	32

Adjacent and Adjoining Property Contamination Receptors	32
Adjacent and Adjoining Property Contamination Sources	33
ENVIRONMENTAL DATABASE INFORMATION	36
Review of Federally Reported Environmental Data	36
Review of State of Washington Reported Environmental Data	38
STATEMENT OF THE ENVIRONMENTAL PROFESSIONAL	40
Statement of Quality Assurance	40
Statement of Regulatory Compliance	40
Environmental Assessment Report Limitations	41
REFERENCES AND CITATIONS	42
INTERVIEWS WITH KNOWLEDGEABLE PARTIES	43
TERMS AND DEFINITIONS	46
VAPOR ENCROACHMENT TERMS AND DEFINITIONS	53
APPENDIX	56
ENVIRONMENTAL CONTRACTOR'S CERTIFICATION	59
Statement of Environmental Professional Qualifications	61

GENERAL SITE RECONNAISSANCE OVERVIEW

Mr. Steve Cho engaged Aerotech Environmental Consulting, Inc. ("Aerotech") to perform a Phase I Environmental Site Assessment on the subject Property. This Assessment was additionally performed as required by the U.S. Small Business Administration ("SBA") Environmental Policy Guidelines for Phase I Environmental Site Assessments (SOP 50 10 6⁷), and the "All Appropriate Inquiry" standard as promulgated by the U.S. Environmental Protection Agency in 40 CFR Part 312.

This Site consists of a commercial Parcel developed with a currently vacant restaurant. Mr. Cho identified himself as the Key Site Manager. The *Key Site Manager* is the person identified by the Client or the Owner of the Property as having the most reliable knowledge as to the previous uses and current condition of the subject Property and is in a position to provide reasonably accurate information to the Environmental Assessor. The Assessor performed the on-site Reconnaissance on April 17, 2021.

According to the information provided verbally by the Key Site Manager, no Phase I Assessments, Environmental Investigations or Site Assessments, or other environmentally-related activities or studies, have been performed at, or for, the subject Property. None of the client provided information, reports, or documents indicated the potential presence of environmental impact or a Recognized Environmental Condition.

SUBJECT PROPERTY SITE DESCRIPTION

Visual Description:

The subject of this Phase I Environmental Site Assessment is rectangular-shaped approximately 0.91-acre Parcel located on the south side of 196th Street Southwest in Lynnwood, Washington developed with a two-story restaurant building vacant at the time of the Site Reconnaissance, but most recently occupied by *Alfy's Pizza*.

Adjoining and adjacent properties and landmarks include 48th Avenue Southeast is one parcel east; Wilcox Park is one block west; Highway 99 is one-half of a mile west; and U.S. Interstate 5 is one mile to the east. Significant bodies of water include Scriber Lake two blocks to the west.

The subject Property building is a rectangular-shaped concrete slab on grade structure on a sloping lot sited so the front of the building is level with the street while the rear of the Building basement exits directly onto the rear lower parking lot. The main floor is approximately 3,878 square feet, the second floor is 1,292 square feet, and the basement dining room "party room" is 2,400 square feet. The main Building entrance is on the north side directly leading into a large open area. At the time of the Site Reconnaissance the interior had been demolished to the metal wall studs. Access to the second floor is from the interior first floor. The basement was formerly

⁷SOP effective October 10, 2020.

used as an overflow dining room and a semi-private children's "party room". Adjoining to the rear is a very large asphalt-paved parking lot.

The Site Reconnaissance activities did not observe any readily observed visual indicators of active underground storage tanks, stained soils, stressed vegetation, oily sheens, or discolorations on standing water surfaces on the visible surfaces. There was no evidence of foul odors. Additionally, the Site Reconnaissance did not reveal the presence of discarded drums, barrels, or containers, construction debris, damaged or discarded containers of chemicals, paints, or pesticides. There are no waste storage or treatment lagoons, pits, ponds, or impoundments on the Property.

The subject Property was originally part of a substantially larger Parent Parcel that extended along the south side of 196th Street Southwest. Prior to 1953, the Property was developed with a single-family residence. In 1978, the Property was redeveloped with the currently configured building originally occupied by a restaurant. By 1980, the eastern adjoining property was developed with a gasoline station and car drive thru car wash. In 2009, the eastern adjoining gas station was demolished and a new station constructed. The subject Property has been continuously occupied by a restaurant, most recently by *Alfe's Pizza*.

The subject Property is located in a mixed-use business and retail area with aerial and main thoroughfares and residential development on the side streets. To the north is *KC Martin Auto Service* and *Hearthside and Home*; to the south is an apartment complex; to the east is an ARCO station (4812 – 196th St), and to the west is an *Arby's Restaurant*, and *Kennelly Keys Music* (4918 – 196th Street).

Geological Survey Data

The Report observations are based upon the current United States Geological Survey ("USGS") 7.5 Minute Topographic Quadrangle Map ("topo map") containing the subject Property. The USGS 7.5 Minute quad map has an approximate scale of 1" to 2,000 feet, and shows physical features such as wetlands, water bodies, roadways, mines, and buildings. These physical and natural features shown should be the areas of visual emphasis if an on-site inspection of the subject Property is conducted. The USGS 7.5 quad map is the only reference used for this portion of the research. The applicable USGS topo map is identified as *Edmonds East, WA*, dated 2017, Quadrangle Number 210 416 000 03.

USGS Topographical Map Data:

The precise subject Property location is Latitude 47° 6206 294 and Longitude -122° 2987 162. The Site is located within Universal Transverse Mercator Zone No.10. The Property is approximately 277 feet above mean sea level. As observed during the Site visit and confirmed on the USGS topographic map, the subject Property exhibits Site Specific a surficial drainage towards the south based upon overall Site topography. The general topographical gradient is south.

During the course of the on-site observations, particular attention was directed towards (i) pools of liquid; (ii) roads and paths that might be used for unauthorized entry; (iii) drains and sumps; (iv) stressed vegetation; (v) pits, ponds, or lagoons; (vi) surface or soil staining; (vii) ditches, catch

basins, or dry wells; (viii) unidentified substance containers; (ix) location of manholes, sewer grates, sewer outfalls; and (x) other subterranean accesses. All roads, driveways, paths, and other vehicular access areas were identified and evaluated for suspected use as an avenue for transport or disposal of hazardous materials, regulated substances, or petroleum products. Railroad tracks and previous right-of-ways are also identified if present on the subject Property. Potential wetland area indicators were considered during the on-site activities. These indicators include (i) wetland characteristic soil types; (ii) areas that appear permanently wet during most of the year; (iii) the presence of wetlands-related submergent or emergent plants; and (iv) wetland indicative wildlife.

Surficial and Subsurface Soils Components:

The surficial soils are *Custer Fine Sandy Loam*, a very deep, poorly drained soil in basins on outwash plains. It was formed in glacial outwash. The average precipitation is about 40 inches per year. Typically, the surface layer is very dark grayish brown fine sandy loam about 7 inches thick. The lower part is gray and olive sand about 19 inches thick and had iron-cemented concentrations that form a discontinuous hardpan. The substratum is gray sand about 14 inches thick over gravelly coarse sand that in some areas extends to a depth of 60 inches or more. In some areas, the hardpan is not present in the subsoil.

Permeability of this soil is moderately slow in the discontinuous hardpan and very rapid below it. Available water capacity is low; the seasonal high water table can occur at depths of about 12 inches below ground surface. Runoff is very slow, and ponding occurs from November through March. This soil unit is in capability subclass Ivw. These descriptions have been provided by the U.S. Department of Agriculture Soil Conservation Service, soil survey STATSGO map data, and represent generalized subsurface soil conditions based upon observable landscape. The information is contained in the *Soil Survey of Snohomish County Area, Washington* as published by the United States Department of Agriculture Soil Conservation Service, dated 1978.

Surficial Water Flow:

The Site topography is generally level, with surficial drainage towards the south as partially influenced by previous Site grading activities. The General Topographic Gradient has been determined from the USGS 1 Degree Digital Elevation Model, which allows the inference of the general surficial groundwater flows.

Reported Ground Water Flows:

Hydrogeologic information was obtained from the reported ground water flows at wells in the immediate area. This inference, while accurate in the general sense, may not be an accurate predictor of groundwater flow between adjoining sites, or locations in close proximity to one another. Local gradient under the subject Property may be influenced naturally by zones of higher or lower permeability, or artificially by nearby pumping or recharge, and may deviate in any location for the overall regional trend. Groundwater is inferred to flow to the west southwest.

The principal aquifers in the Puget Sound Region occur in glacial drift, that along with finer grained interglacial sediments, underlies the basin lowland to depths of more than 1,00 feet. The sand and gravel units in the glacial drift form the principle aquifers. These aquifers receive ample recharge from the typically heavy precipitation characteristic of western Washington. The glacial drift in the Puget Sound region varies greatly in composition and water yielding capacity.

Typically, wells in glacial drift that tap silt, clay, or till in the Region at approximately 75 to 100 feet below ground surface may have yields of 100 gallons or more per minute. Deeper wells tapping thick, saturated layers of highly permeable gravel and coarse sand, typically at depths greater than 250 feet below ground surface, can yield more than 1,000 gallons per minute. Ground is inferred at 15 to 20 feet below ground surface with a flow to the west southwest.

HISTORICAL USAGE STANDARD INFORMATION SOURCES: LOCAL AND STATE

The Historical Usage Information Section research is considered satisfied when both the Fifty-Year Complete Source and Developmental Complete Source have been researched and identified. These historical research requirements are satisfied by two separate sources with respect to the milestone or time constraints. A single source cannot simultaneously fulfill both source requirements.

The *Historical Site milestones* can include (i) construction activities that involve structural, renovation, or remodeling at any location within the subject Property; (ii) major changes in the topography or grade of the Site; (iii) installation or construction of roads, utilities, water or sewer systems; (iv) installation, removal, or modification of permanent equipment; or (v) installation, removal, or modification of above or below ground tanks.

Standard Historical Sources are categorized as either Fifty-Year Complete or Developmental Complete. A *Fifty-Year Complete* source is a Standard Historical Source that provides the required information through and back to the 1945 cutoff date in either reasonable time intervals or Property milestone events. A *Developmental Complete* source is a Standard Historical Source which provides the required information from the point that the Property exhibited development (other than agricultural use) or structure construction continuously to the present in either reasonable time intervals or Property milestone events.

Fifty-Year Complete Standard Historical Source Summary:

The subject Property was originally part of a substantially larger Parent Parcel that extended along the south side of 196th Street Southwest. Prior to 1953, the Property was developed with a single-family residence. In 1978, the Property was redeveloped with the currently configured building originally occupied by a restaurant. By 1980, the eastern adjoining property was developed with a gasoline station and car drive thru car wash. In 2009, the eastern adjoining gas station was demolished and a new station constructed. The subject Property has been continuously occupied by a restaurant, most recently by *Alfe's Pizza*.

Historical Research Data Gaps:

As defined in the Standards and Practices for All Appropriate Inquiries; Final Rule (70 FR 66070) promulgated November 1, 2005, and effective November 1, 2006,

“Data gap means: a lack or inability to obtain information required by the standards and practices listed in subpart C of this part despite good faith efforts by the environmental professional or persons identified under § 312.1(b), as appropriate, to gather such information pursuant to §§ 312.20(e)(1) and 312.20(e)(2).” [§ 312.10 Definitions].

Such Data Gaps result from insufficient information – as delineated in standards and practices – relative to the historical development of the subject Property.

“To the extent there are data gaps (as defined in § 312.10) in the information developed as part of the inquiries in paragraph (e) of this section that affect the ability of persons (including the environmental professional) conducting the all appropriate inquiries to identify conditions indicative of releases or threatened releases in each area of inquiry under each standard and practice such persons should identify the sources of information consulted to address such data gaps, and comment upon the significance of such data gaps with regard to the ability to identify conditions indicative of releases or threatened releases of hazardous substances [and in the case of persons identified in § 312.1(b)(2), hazardous substances, pollutants, contaminants, petroleum and petroleum products, and controlled substances (as defined in 21 U.S.C. 802)] on, at, in, or to the subject property.” [§ 312.20(g)].

In the opinion of the preparer of this Assessment and the Environmental Professional, no such Data Gaps as defined above, were identified during the preparation of this Assessment. No further investigation is necessary relative to issues resulting from Data Gaps.

Aerial Photograph Review:

Originally performed under government contracts, aerial photographs of the general area are available beginning with the 1940's. The scales for these aerials can range from 1"=1667' to 1"=2500'; aerials taken by private contractors were generally taken at lower altitudes and provide a larger scale. Depending upon the resolution, the photographs can provide valuable information on land use and site development of both the subject and adjoining properties. Ultimately, the scale, clarity, and resolution serves as the limitations on visual interpretation. Aerial photographs for the subject Property were reviewed as available at the Natural Resources Conservation Service District Offices and third party sources.

Date:
1952

Development:

The subject Property is developed with a single-family residence surrounded by woods and open land. Adjoining to the east is a residence and to the west is vacant wooded land.

- 1969 The subject Property is developed with a single-family residence surrounded by woods and level land. Adjoining to the east is a residence with multiple accessory buildings; and to the west is vacant wooded land.
- 1980 The subject Property is developed with commercial building with a large parking lot at the rear. Adjoining to the east is a gasoline station building in the center and a drive thru car wash adjoining the western property line. To the west is a small building at the front and an "L-shaped" building at the rear. To the south is an apartment complex.
- 1980 The subject Property is developed with commercial building with a large parking lot at the rear. Adjoining to the east is a gasoline station building in the center and a drive thru car wash adjoining the western property line. To the west is a small building at the front and an "L-shaped" building at the rear. To the south is an apartment complex.
- 1990 The subject Property is developed with commercial building with a large parking lot at the rear. Adjoining to the east is a gasoline station building in the center, a large canopy to the north, and a drive thru car wash adjoining the western property line. To the west is a small building at the front and an "L-shaped" building at the rear. To the south is an apartment complex.
- 2002 The subject Property is developed with commercial building with a large parking lot at the rear. Adjoining to the east is a gasoline station building in the center, a large canopy to the north, and a drive thru car wash adjoining the western property line. To the west is a small building at the front and an "L-shaped" building at the rear. To the south is an apartment complex.
- 2006 The subject Property is developed with commercial building with a large parking lot at the rear. Adjoining to the east is a gasoline station building in the center, a large canopy to the north, and a drive thru car wash adjoining the western property line. To the west is a small building at the front and an "L-shaped" building at the rear. To the south is an apartment complex.
- 2009 The subject Property is developed with commercial building with a large parking lot at the rear. Adjoining to the east is the former a gasoline station facility has been demolished and the Site is under redevelopment. To the west is a small building at the front and an "L-shaped" building at the rear. To the south is an apartment complex.

- 2011 The subject Property is developed with commercial building with a large parking lot at the rear. To the east is the ARCO station configured as observed during the Site Reconnaissance. To the west is a small building at the front and an “L-shaped” building at the rear. To the south is an apartment complex.
- 2015 The subject Property is developed with commercial building with a large parking lot at the rear. To the east is the ARCO station configured as observed during the Site Reconnaissance. To the west is a small building at the front and an “L-shaped” building at the rear. To the south is an apartment complex.

Building Permit/Inspection Department - Permit Review:

The Property is located in the City of Lynnwood. Due the time required to obtain building department records via Freedom of Information requests ("FOIA"), this method of research was deemed to be reasonably ascertainable¹. However, due to the access limitations imposed by the City due to the Covid-19 restrictions, review of the Building Department permits was not reasonably ascertainable.

City and Telephone Directories:

Local directories based upon physical surveys of residents have been compiled since the late 1880's for use as city planning and marketing database tools. Commonly referred to as "reverse directories" or "city directories," these directories are generally maintained at public libraries. The historical reverse directories compiled by the Cole and Polk Companies were not reviewed.

Historical Information - Knowledgeable Individuals:

Historical sources may include persons with documented knowledge of the subject or adjoining properties. According to the ASTM *Standard Practice for Environmental Site Assessments: Phase I Environmental Site Assessment Process* (ASTM E1527-13) *Other Historical Sources* “means any source or sources other than those designated in 8.3.4.1 through 8.3.4.8 that are credible to a reasonable person and that identify the past uses of the property. This category includes, but is not limited to:... current owners or occupants of neighboring properties .. or personal knowledge of the property owners and/or occupants.” (ASTM E 1527-13, § 8.3.4.9).

Sanborn Fire Insurance Maps:

In 1867 the Sanborn Map Company began preparing detailed street maps of densely populated areas throughout the United States. The purpose of the mapping process was to assist insurance agents in rating the degree of fire hazard for a particular area or property. The maps drawn

by the Sanborn Mapping Company indicate the type of building construction, the nature of land use, the configuration of buildings and the surrounding land, as well as identifying the location of above and below ground storage tanks.

The recent purchase by Environmental Data Resources (“EDR”) of the Sanborn Map Company included the acquisition of all copyrights associated with the Sanborn Maps. The Sanborn copyright prohibits the photocopying of the maps without the prior written permission of EDR². However, EDR has granted permission for one set of photocopies to be made from the Sanborn maps that may be included in this Report.

This Assessment has relied upon the collection of Sanborn maps previously owned by the Sanborn Mapping and Geological Information Service Company, known as the “Sanborn Library.” Due to the alternative sources of historical information, Sanborn maps were not produced for the subject Property.

Recorded Land Title Records:

Recorded land titles are records usually maintained by the municipal clerk or county recorder of deeds which detail ownership fees, leases, land contracts, easements, liens, deficiencies, and other encumbrances attached to or recorded against the subject property in the local jurisdiction having control for or reporting responsibility to the subject Property.

Due to state land trust regulations and laws, land title records will often only provide trust names, bank trust numbers, owner’s names, or easement holders, and not information concerning previous uses or occupants of the subject Property. Additionally, environmental liens recorded against the subject Property are considered outside the scope of recorded land title records. For these reasons, this Environmental Site Assessment has relied upon other information sources assumed to be either more accurate or informative than recorded land titles.

With an abundance of caution, the Site tax records at the Office of the Snohomish County Assessor. The tax records contained no substantive information:

<i>Date:</i>	<i>Excise No:</i>	<i>Description:</i>
03/11/2011	428607	Property transfer filing - Statutory Warranty Deed
03/11/2011	428607	Olson Family Group, LLC Sale to Golden Stream, LP
12/13/2001	270793	Property transfer filing - Quit Claim Deed
12/13/2001	270793	Judith Olson Transfer to Olson Family Group, LLC
xx/xx/1978		Construction of two-story commercial restaurant building

Washington Commercial Real Estate Disclosure:

On February 28, 2010, the State of Washington Legislature passed Substitute Senate Bill

No.6749, concerning the transfer of commercial real estate – commonly known as the *Commercial Real Estate Disclosure Act*.

As required in the Act, a seller of commercial real estate must provide a buyer with a Disclosure Statement about the land – whether improved or unimproved – unless the buyer waives the right to receive it. The Disclosure for commercial real estate concerns title, water, sewer and on-site sewage, structure, systems, fixtures, and environmental.

The Disclosure Statement must be provided within five business days, or as otherwise agreed to, after mutual acceptance of a written purchase agreement between a buyer and a seller. Within three business days of receiving the Disclosure Statement, the buyer has the right to approve and accept the Statement or rescind the Agreement for purchase. If the seller fails to provide the Disclosure Statement, the buyer may rescind the transaction until the transfer has closed. If the Disclosure Statement is delivered late, the buyer's right to rescind expires three days after receipt of the Disclosure Statement. A completed Commercial Real Estate Disclosure Statement was not provided prior to the completion of the Phase I Environmental Site Assessment.

Washington Business Registration:

The State of Washington Business Licensing Service maintains records of all business licenses issued within the State of Washington. In order to thoroughly evaluate potential environmental issues, a search of business licenses issued through the Washington State Business Licensing Service was completed for the subject Property. No registrations were noted.

CURRENT USAGE INFORMATION SOURCES: LOCAL AND STATE

City of Lynnwood - Emergency Release Reports/SARA§304:

The Property is located in Lynnwood, Washington. According to interviews with the Municipal Office of the Fire Marshal, the Site has not reported any Emergency Release incidents. This information is consistent with the State ERNS records.

Local/State Waste Disposal Compliance:

According to supplied information, the Site is not required to file, submit, or operate under any environmental permits, approvals, or notifications that were previously in place, or are known to be required in the future. Moreover, according the same supplied information and statements, the Site is not received prior notification of environmental violations, litigation, citations, claims, complaints, administrative actions, or environmental clean up or remedial actions pertaining to the Property or the operations conducted on the Property. This is consistent with the information reported in the Environmental Database prepared for the subject Site.

VISUAL AND PHYSICAL OBSERVATIONS AND INFORMATION: STRUCTURAL AND BUSINESS OPERATIONAL

Mr. Steve Cho identified himself as the Key Site Manager. The *Key Site Manager* is the person identified by the Client or the Owner of the Property as a person having the most reliable knowledge as to the previous uses and current condition of the subject Property and is in a position to provide reasonably accurate information for the Environmental Questionnaire. The Site Reconnaissance was conducted on April 17, 2021.

Site Reconnaissance: Personal Interviews / Site Document Review:

The Aerotech Assessor and Environmental Professional⁸, Alan T. Blotch, performed the on-site Reconnaissance on April 17, unaccompanied by the *Key Site Manager* and the Property Owner. Interviews were conducted with Property Owner during to the Site Reconnaissance. He was interviewed prior to the Site Reconnaissance regarding the current Site operations, required environmental operating permits, his knowledge of current and historical environmental issues, past uses of the Property, and possible environmental concerns.

If an adjoining property represented an obvious Recognized Environmental Condition or a visual reconnaissance of the site indicated a potential environmental concern, the owner or operator of that site was also contacted regarding the type, nature, and potential impact of the environmental concern. The information obtained and conclusions reached during the course of these interviews and document review has been incorporated in this Assessment; while the specific source of the information may not be identified in the text of the Assessment Report.

Structure Exterior Observations:

The subject of this Phase I Environmental Site Assessment is a commercial Parcel located on the south side of 196th Street Southwest in Lynnwood, Washington developed with a two-story restaurant building vacant at the time of the Site Reconnaissance, but most recently occupied by *Alfy's Pizza*.

The Building is a rectangular-shaped concrete slab on grade structure on a sloping lot so the front of the building is level with the street while the rear of the Building basement exits directly onto the rear lower parking lot. Adjoining to the rear is a very large asphalt-paved parking lot.

As observed and notated by the Aerotech Environmental Professional during the on Site Reconnaissance, there were no readily observed visual indicators of active underground storage tanks, stained soils, stressed vegetation, oily sheens, or discolorations on standing water surfaces.

⁸ "Environmental Professional" as defined in the *Standards and Practices for All Appropriate Inquiries; Final Rule*; U.S. EPA, 40 CFR Part 312 (70 FR 66070) November 1, 2005, as specifically stated in § 312.10.

There was no evidence of foul odors. Additionally, the Site Reconnaissance did not reveal the presence of discarded drums, barrels, or containers, construction debris, damaged or discarded containers of chemicals, paints, or pesticides. There are no waste storage or treatment lagoons, pits, ponds, or surface impoundments on the Site, or the adjoining properties. Attention was paid to indicators of petroleum based sheens or releases on the standing water; none were observed.

Structure Interior Access Limitations:

The State of Washington has previously stated that “face coverings are required statewide in all public spaces because they are effective in slowing the spread of COVID-19, especially when combined with 6 feet of physical distance.”

The State of Washington has promulgated revised *Covid-19 Response Guidelines for Employers* (November 15, 2020). These Guidelines include in part:

“6. **Miscellaneous Venues:** All retail activities and business meetings are prohibited. Miscellaneous venues include: convention / conference centers, designed meeting spaces in a hotel, events centers, fairgrounds, sporting events, nonprofit establishments, or similar venue.

9. **Real Estate:** Open houses are prohibited.

13. **Professional Services** are required to mandate that employees work from home when possible and close offices to the public if possible. Any office that must remain open must limit occupancy to 25 percent of indoor occupancy limits.

14. **Professional Services** are limited to 25 percent of outdoor occupancy limits.

* * * * *

For employers and workers: Washington employers must ensure workers wear face coverings at work in almost all situations. Employers must provide face coverings at work in almost all situations. Employers must provide face coverings if workers do not have them. Employers must comply with this order, which is enforced by the Department of Labor & Industries.”

Due to the State of Washington COVID-19 requirements Aerotech employees shall limit their interior contact with others whenever possible. If the interior configuration of a space or area does not allow Aerotech employees to obtain such an objective, then portions of, or the entire interior of the Property will be observed without entrance into the area or building.

Structure Interior Observations:

The main floor is approximately 3,878 square feet, the second floor is 1,292 square feet,

and the basement dining room “party room” is 2,400 square feet. The main Building entrance is on the north side directly leading into a large open area. At the time of the Site Reconnaissance the interior had been demolished to the metal wall studs. Access to the second floor is from the interior first floor. The basement was formerly used as an overflow dining room and a semi-private children’s “party room”.

Sensitive Receptors

Sensitive receptors are those receptors that would be especially or adversely affected by a release of hazardous substances on the Property. Sensitive receptors would include: exposed soil, surface water bodies and watercourses (including streams, washes, lakes, drainage ditches, or swales), impoundments (including lagoons, recharge basins, and detention basins), swamps, or wetlands, on-site groundwater monitoring or production wells, on-site hospitals or health care facilities, child daycare facilities, or parks and natural reserves. No such Sensitive Receptors were observed on the subject or adjoining properties.

Business Operations (Current and Historic) NAICS Classification:

The North American Industry Classification System (“NAICS”) is the classification that was developed for use by Federal Statistical Agencies for the collection, analysis, and publication of statistical data related to the U.S. Economy. Additionally, the goal was to develop a North American standard. It is the first economic classification system based on a single economic concept. It was adopted in 1997 to replace the Standard Industrial System (“SIC”).

Prior to 1953, the Property was developed with a single-family residence. In 1978, the Property was redeveloped with the currently configured building originally occupied by a restaurant. By 1980, the eastern adjoining property was developed with a gasoline station and car drive thru car wash. In 2009, the eastern adjoining gas station was demolished and a new station constructed. The subject Property has been continuously occupied by a restaurant, most recently by *Alfe’s Pizza*.

The NAICS Classification Code of 722.511 for *restaurants full-service*. The Small Business Administration SOP 50 10 6, effective October 1, 2020, requires all properties except a Multi-Unit Building are compared to the SOP Appendix. 6: *NAICS Codes of Environmentally Sensitive Industries* for a match.⁹ The comparison must include the Property’s current and known prior uses. (A copy of the NAICS listing is included in the *Supplement Documents Section* of the Appendix of this Report. The subject Property does Not appear on the *NAICS Codes of Environmentally Sensitive Industries*.

This NAICS Classification category is not identified within the class of industries with a higher probability of environmental risk. This classification is based upon the NAICS Code reported by the business as applicable to its operation. Had the Site historic business operations been in the general category of business operations identified by the EPA of U.S. SBA as a higher risk industry,

⁹ See, SBA SOP 50 10 6 E, §1(4)(a).

particular attention would have been paid to those activities that possibly presented an elevated environmental impact.

Historical Site Operations Recognized Conditions:

As defined under the ASTM Phase I Standard Practice, a Historical Recognized Environmental Condition is an environmental condition which in the past would have been considered a Recognized Environmental Condition – but which may or may not be considered a Recognized Environmental Condition currently. The final determination will be influenced by the current impact of the Historical Recognized Environmental Condition (“HREC”) on the property. For example, if a past release of any hazardous substances or petroleum products has occurred in connection with the property and has been remediated, with such remediation accepted by the responsible regulatory agency, this condition shall be considered an HREC.

The prior Site business operations, as defined above, do not represent such Historical Recognized Environmental Conditions.

MATERIAL, PRODUCT, AND WASTE-STREAM HANDLING AND PROCESSING

Materials/Products Handling and Storage:

No improper storage of materials or products was observed at the Site. Reporting under the Spill Prevention, Control and Countermeasures program to address accidental chemical spills (40 CFR §§109-114) is not required. Additionally, no activities were observed that could be interpreted to be indicative of improper classification of waste material³.

Medical Waste Discharges:

For the purposes of this Assessment, medical waste is defined in the *Medical Waste Tracking Act* (“MWTa”) 42 U.S.C. §§ 6992-92k, “as waste materials produced in the diagnosis, treatment, or immunization of human beings or animals, in research pertaining thereto, or in the production or testing of biologicals. Specifically covered are cultures and stocks of infectious agents and associated biologicals, human pathological wastes, human blood and blood products, sharps (both used and unused), animal waste, and isolation waste.” For the purposes of this Assessment, bloodborne pathogen waste material is defined in paragraph (b) of the *Occupational Exposure to Bloodborne Pathogens; Final Rule*, 29 CFR § 1910.1030 as “blood” and “other potentially infectious materials.” No improper medical waste storage or discharge was observed.

Storage Tanks - Above and Below Ground:

During the course of on-site activities, particular attention was directed toward indicators of above or below ground storage tanks, including (i) fill pipes, overflow pipes, vent pipes; (ii) areas

of abnormal or heavy staining; (iii) man ways, manholes, or access covers; (iv) abandoned concrete saddles or gravity racks; (v) abandoned pumping equipment or gasoline pumps; (vi) concrete pads not homogeneous with surrounding surfaces; (vii) concrete build-up areas potentially pump islands or non-homogeneous patching; or (viii) new fill areas or piles of fill.

Waste Stream Processing and Disposal:

During the on-site observations, particular attention was directed toward activities or situations that could be considered contamination indicators by a regulated substance⁴. Potential indicators of contamination or violation can include: (1) stained or discolored sinks, drains, catch basins, drip pads, or sumps; (2) spills around loading docks, fueling areas, catch basins, or surface drains; (3) waste disposal areas, dumpsters, and other storage containers--evidence of spills or staining should be recorded; (4) pipes, gutters, spouts, or tubes protruding into bodies of water; or (5) waste that may require a RCRA permit. No areas of potential concern were observed.

Hazardous Waste Processing and Disposal:

In addition to solid waste disposal⁵, the on-site observations considered the potential existence of hazardous waste, defined as a solid waste which, due to quantity, concentration, or other characteristics, may cause an increase in mortality or illness, or may pose a hazard to human health or the environment, under RCRA 42 USC §6903(5). The Assessor did not observed any such waste processing or disposal activities at the Site.

Wastewater, Storm Water Discharges:

All point source discharges regulated by the Clean Water Act ("CWA") are subject to the applicable water quality-based standards as established in the National Pollutant Discharge Elimination System ("NPDES") codification 40 CFR Subpart D §131.36. Additionally, CWA Sections 402 (p)(1) and (p)(2) have created categories of storm water discharges within Permit Issuance and Permit Compliance Deadlines for Phase I Storm water Discharges effective October 1, 1993, that may also be applicable to the subject Property (as detailed in the Federal Register, Volume 57, Number 244). Any significant change in the usage of the subject Property could require the submittal an NPDES initial storm water discharge permit under 40 CFR §122.26 or 40 CFR Chapter I - Preamble Appendix A. However, no requirements for NPDES permitting were discovered that are currently applicable to the subject Property.

VISUAL AND PHYSICAL OBSERVATIONS AND INFORMATION: ADJACENT AND ADJOINING PROPERTIES

For the Scope of this Assessment, properties are defined and categorized based upon their physical proximity to the subject Property. An *adjacent* property is any real property

located within 0.25 mile of the subject Property's border. An *adjoining* property is any real property whose border is contiguous or partially contiguous with the Property, or that would be if the properties were not separated by a roadway, public thoroughfare, river, or stream.

Adjoining Properties Description:

The subject Property is located in a mixed-use business and retail area with aerial and main thoroughfares and residential development on the side streets. To the north is KC Martin Auto Service and Hearthside and Home; to the south is an apartment complex; to the east is an ARCO station, and to the west is an Arby's Restaurant, and Kennelly Keys Music.

Adjoining and Adjacent Properties:

Adjoining properties - north:	To the north is <i>KC Martin Auto Service and Hearthside and Home</i> ;
Adjoining properties - south;	To the south is an apartment complex;
Adjoining properties - east;	To the east is an <i>ARCO station</i> (4812 – 196 th St),
Adjoining properties - west:	To the west is <i>Arby's Restaurant</i> , and <i>Kennelly Keys Music</i> (4918 – 196 th Street).

Adjoining and adjacent properties and landmarks include 48th Avenue Southeast is one parcel east; Wilcox Park is one block west; Highway 99 is one-half of a mile west; and U.S. Interstate 5 is one mile to the east. Significant bodies of water include Scriber Lake two blocks to the west.

POTENTIAL ON-SITE CONTAMINATION SOURCES

Presumed Asbestos-Containing Building Materials:

During the on-site Reconnaissance, the following materials were observed¹⁰, including but not limited to gypsum wall and ceiling surfacing materials, insulation, floor tiles and associated

¹⁰ The Site Reconnaissance observations were performed by an Accredited AHERA Asbestos Building Inspector trained and Certified to determine the presence, condition, and need for Response Actions for Suspected and Presumed Asbestos-Containing Building Materials. However, the Site Reconnaissance activities were not an asbestos building survey, Good Faith Survey, or assessment pursuant to the regulatory requirements of AHERA.

mastic and roofing materials. As defined in NESHAP §61.141, the observed materials may be classified as suspect regulated asbestos-containing materials. Prior activities that may disturb, contact, or remove the suspected materials, either they should be tested by an appropriated Certified Asbestos Building Inspector, or they should be treated as asbestos-containing.

Based upon the age of the Building, the presence of asbestos is possible.

Formaldehyde:

Formaldehyde is an extremely popular chemical used in a variety of both building materials and furnishing products. Currently national usage is estimated in the billions of pounds per year. EPA has now classified formaldehyde as a "probable human carcinogen" suspected of inducing cancer in humans. Studies have shown that after installation, indoor formaldehyde levels require years of decline and reach residual background levels. During the off-gassing process, the indoor levels can be a significant source of irritation to hypersensitive individuals.

The formaldehyde product investigated within the scope of this Assessment is urea-formaldehyde foam insulation ("UFFI"), used in the 1970's primarily as wall cavity insulation. The release potential of UFFI from wall cavities is dependent upon factors such as; water-damaged walls, unpainted wall surfaces, or cracked paint or wall covering. While interior air sampling and analysis is the only conclusive method to delineate formaldehyde concentrations, visual and physical inspection of the subject Property indicate a virtually non-existent potential for UFFI contamination.

Lead-Based Paint:

In 1978 the Federal Government banned the use of lead-based paint in residential applications, however use in general industry continued at a decreased rate to the present. Lead-based paint presents a hazard through inhalation or ingestion of paint chips or vapor fumes. The greatest cumulative health threat is to young children, and for this reason the Department of Housing and Urban Development ("HUD") has promulgated lead standards and survey requirements for buildings affected by HUD funding. This HUD regulation represents the only Federal requirement for lead-based paint hazard management applicable to privately owned structures.

Lead-Based Paint Pre-Renovation Limitations:

As controlled by the *Lead-Based Paint Pre-Renovation Rule*⁶ renovations or repairs are regulated in residential housing constructed prior to January 1, 1978. The Lead-Based Paint Pre-Renovation Rule ("Lead PRE") applies with limited exceptions to all residential dwellings built before January 1, 1978⁷. The Rule requires anyone whose compensated work disturbs painted surfaces in regulated housing – including rental property owners and managers, general contractors, and special trades contractors – larger in size than two square feet of lead-based painted surfaces to: (i) distribute the pamphlet, *Protect Your Family From Lead In Your Home*⁸, to the owners, occupants, and tenants before initiating the repairs or renovations; (ii) obtain confirmation of the receipt of this pamphlet; and (iii) retain those records for three years.

The requirements of the *Lead PRE* may be the applicable to the subject Property depending upon the future use, development, or occupancy of the Site.

Lead-Based Paint OSHA §1926.62 Regulations:

During the Site observations¹¹, suspected lead-based paint (“LBP”) surfaces were not identified with paint in poor or delaminated condition. As defined in the OSHA *Lead Standard in Construction and General Industry*, and applicable State regulations, prior to any activity that may disturb suspect LBP surfaces, either an inspection should be performed by an appropriately qualified Inspector, or the materials should be handled as lead-containing. Additionally, as required by 29 CFR §1926.62, (i) a limited response action should be initiated where necessary, and (ii) potentially impacted employees and occupants should be provided training. Based upon the observed conditions at the time of the Site Reconnaissance, an immediate response action is not indicated or recommended.

Lead in Drinking Water:

Based upon the lack of developed structures at the Site, there is a low potential for any still existing interior plumbing to contain lead in the pipes or lead-based solder, based upon construction standards before 1987 (40 CFR §141.11). The presence or absence of elevated lead concentrations in the water can only be confirmed through laboratory testing. However, no current Federal regulations require individual property owners to test for lead in drinking water.

Micro Biological Contaminants:

The presence of micro biological organisms and their byproducts is ubiquitous throughout the indoor and outdoor environments. Mold, also known as fungi, are a species of micro biological organisms can detrimentally effect buildings via the presence of their spores, off gassing, and airborne suspension of the organisms themselves. In the presence of both excess moisture and a nutrient supply, molds can grow rapidly to produce larger colonies with potentially adverse consequences.

While it is generally accepted that in particular environments, molds can be allergenic, and occasionally infectious or toxic, there is both no clear scientific evidence to support the conclusions that the mere presence of micro organisms is in itself a recognized environmental condition, or that

¹¹ The Lead-Based Paint Survey and Assessment was completed by a Federally Certified Lead Inspector (Certification No.3521-09-09-5377) and Federally Certified Lead Risk Assessor (Certification No.3522-09-09-5361), also Licensed in the State of Washington Lead Risk Assessment (Certification No.6084, expires October 15, 2012) as required under the Washington Administrative Code §365-230 and is certified to conduct Lead-based Paint activities pursuant to Washington Administrative Code §365-230-200.

any threshold level exists of airborne organisms of byproducts above which a negative impact to human health will likely result ⁹. In particular, the U.S. EPA has stated “no EPA or other federal limits have been set for mold or mold spores...”¹⁰

In spite of the lack of scientific data – in response to the growing public concern over the potential adverse health effects of mold exposure – a variety of public agencies and regulatory authorities have published recommendations and guidelines for the assessment and remediation of mold. In recognition of both the increased public awareness and scientific limitations regarding mold, the observations conducted on Site attempted to identify clearly known indicators of potential micro biological impact.

These readily observable indicators typically include: (i) obvious visual indications of micro biological organism growth in readily accessible areas; (ii) indicators of extensive or continued water intrusion or severe staining; (iii) secondary indicators such as smells and odors; and (iv) information obtained from the Key Site Manager and other knowledgeable personnel. Since the majority of micro biological growth tends to occur in enclosed, covered, and otherwise inaccessible building and interstitial spaces, the likelihood that micro organisms would not be observed even though present, is possible. As such, even though no readily visible observations or indicators of micro biological impact were observed during the Site visit, a micro biologically-based problem could be present at the Site, even though not observed. However, the Site Reconnaissance did not reveal the obvious potential presence of microbial impact.

PCB-Containing Exterior Electrical Transformers:

The Assessor did not observed any leaking pole-mounted electrical transformers on the subject Property. All transformers are owned by the utility company, and not the responsibility of the Property owner.

Radon:

Radon is emitted by the natural breakdown and radioactive decay of uranium in rocks and soils, which then enters buildings through cracks in the foundation, sump pumps, areas around drainage pipes and other openings. In addition, radon may enter a structure as a water contaminant, natural gas contaminant, or off-gas by-product of building materials. Once inside an enclosed space, radon can accumulate. No visual estimation technique exists that accurately predicts the potential radon risk within a building. The radon risk is a function of site location, soils composition, building construction, foundation integrity, and previous landfill practices. Actual physical testing of a building is the only way to accurately determine the radon levels. Radon health risks can be controlled by recognizing the potential for a problem, by testing and by reduction of radon levels in the building. In response to the unknown health risks of radon, the US EPA conducted a radon survey that attempted to generalize the radon health risks by County.

Radon is emitted by the natural breakdown and radioactive decay of uranium in rocks and soils, which then enters buildings through cracks in the foundation, sump pumps, areas around drainage pipes and other openings. In addition, radon may enter a structure as a water contaminant,

natural gas contaminant, or off-gas by-product of building materials. Once inside an enclosed space, radon can accumulate. No visual estimation technique exists that accurately predicts the potential radon risk within a building. The radon risk is a function of site location, soils composition, building construction, foundation integrity, and previous landfill practices. Actual physical testing of a building is the only way to accurately determine the radon levels. Radon health risks can be controlled by recognizing the potential for a problem, by testing and by reduction of radon levels in the building. In response to the unknown health risks of radon, the US EPA conducted a radon survey that attempted to generalize the radon health risks by County.

The Property is located in Snohomish County, Washington. The U.S. Environmental Protection Agency ("USEPA") with assistance from the State of Washington, has sampled the radon concentrations throughout the State and classified those measurements based upon the risk to human health. the following matrix was developed by the USEPA:

**Radon Testing Results
Shohomish County, Washington**

Area	Average Activity	% < 2 pCi/L	% 2 - 3.9 pCi/L	% > 4 pCi/L
1 st Floor / Living	N/A	95%	3%	2%
2 nd Floor / Living	N/A	N/A	N/A	N/A
Basement	N/A	N/A	N/A	N/A

Based upon these reported results, the County of Snohomish has been rated by the U.S. Environmental Protection Agency as a Radon Zone3; the anticipated generalized level of Site radon is less than 2 Pico curies per liter ("pC/L"). As such, further radon response actions are not indicated.

Underground Storage Tanks:

Careful observations were made during the Site reconnaissance for visual indicators of underground storage tanks, as typically exhibited by: fill pipes, overflow pipes, or vent pipes; areas of abnormal or heavy surficial staining; manways, manholes, or access covers; abandoned concrete saddles for gravity racks; concrete pads not homogeneous with surrounding surfaces; concrete build-up areas potentially indicating the locations of former pump islands; abandoned pumping equipment or gasoline pumps; or areas of non-homogeneous patching, new fill areas, piles of fill. No observations were made or documents discovered, that were indicative of the presence or former presence of an underground storage tank.

Vapor Intrusion:

The subject and adjoining properties were evaluated for Vapor Intrusion employing the

Standard Guild for Vapor Encroachment Screening on Property Involved in Real Estate Transactions, ASTM Standard Practice designation E2600-15 approved October 1, 2015

The term *Vapor Encroachment Screen* (“VES”) is an evaluation of a Property to identify a Vapor Encroachment Condition (“VEC”). The objective is to identify:

The presence of likely presence of COC [chemicals of concern] vapors in the vadose zone of the *target property* (TP) caused by the release of vapors in the vadose zone of the *target property* (TP) caused by the release of vapors from contaminated soil and/or groundwater either on or near the TP as identified by Tier 1 (see section 8) or Tier 2 (see section 9) procedures.

The VES process is a two-tiered screen process. The purpose of this Investigation is to determine if a *Vapor Encroachment Condition*¹² effects the subject Property. The procedure is to determine if a VEC exists or does not exist.

TIER 1 SCREENING PROCESS

The Tier 1 Screening begins with the default AOC¹³ defined by the appropriate minimum search distances adjusted as appropriate for local conditions, and then determining if known or suspected contaminated properties with COCs within the established AOC.

The default Area of Concern is one-third of a mile around the Target Property for the Contaminants of Concern and one-tenth of a mile for petroleum hydrocarbons Contaminants of Concern. The Area of Concern is measured from the Target Property boundary to the contaminated property with known or suspected Contaminant of Concern contamination of soil or groundwater, or both.

Area of Concern Adjustments

The default Area of Concern is one-third of a mile around the Target Property for the Contaminants of Concern; however, the distance for petroleum hydrocarbons is one-tenth of a mile. The term *appropriate minimum search distance* is used in lieu of radius to include irregularly shaped properties.

¹² *Vapor Encroachment Condition* (“VEC”) presence or likely presence of COC vapors in the vadose zone of the *TP* caused by the vapors from contaminated soil and/or groundwater either on or near the *TP* as identified by the Tier1 (see Section 8) or Tier 2 (see Section 9) procedures in this guide. (§ 3.2.37).

¹³ *Area of Concern* (“AOC”) defined by the *appropriate minimum search distance* adjusted as appropriate. When the AOC is defined by the *appropriate minimum search distance* without adjustment, the AOC is the default *AOC*. (§ 3.2.3)

If groundwater¹⁴ flow is known or can be inferred, the default AOC in the down-gradient may be reduced to the area within the critical distance. The default Area of Concern in the down-gradient direction may be reduced to the area within the critical distance (i.e., 100 feet). The Area of Concern in the cross-gradient direction may also be reduced, depending upon the critical distance and the width of the COC-contaminated plume associated with a known or likely COC-contaminated property.

Other Factors of Consideration

Gradient and Subsurface Changes. The closer a known or suspected COC-contaminated property is to the target Property, the greater the probability for a VEC to exist, subsurface conditions being equal. When evaluating the location of a known or suspected *COC-contaminated properties* within the established AOC, the Environmental Professional should also take into consideration locations where the existing gradient can change significantly such as seasonal influences, tidal effects, and others. Soil gas migration maybe independent of the groundwater gradient. (§ 8.5.1.3 (1)).

Vapor Conduits, Design, and Aging. Man-made conduits¹⁵ such as utility corridors, sanitary sewers, and storm sewers and significant natural conduits such as Karst terrain or fractured bedrock can sometimes create a sufficiently direct partway from a vapor contaminant source to the subsurface of the Target Property such that vapor encroachment may be a concern. Vapor encroachment may also be influenced by the age and design of infrastructure features associate with these conditions.

Site Cleanup Status. The date of a prior release, the volume or quantity of the COC release, and the response measures implement for the release.

If the linear distance from the nearest edge of a Contaminated Plume to the nearest structure on the subject Property – or to the subject Property boundary if there are no structures on the subject Property – or less than 100 feet, then the condition is considered to be a potential Vapor Encroachment Condition (“VEC”). If the Chemicals of Concern are dissolved petroleum hydrocarbons, the distance must be less than 30 feet in order for a potential VEC to exist.

Tier 1 Conclusions

Once the Area of Concern is established, Tier 1 screening involves evaluating whether any

¹⁴ *Groundwater* – water contained in the pore spaces of saturated geological media. (§ 3.2.15)

¹⁵ *Conduit* – preferential pathway along which vapors released from contaminated soil and/or groundwater may migrate onto the *TP* or away from the *TP*. (§ 3.2.6)

known or suspected properties that may be associated with COCs are located within the established Area of Concern. The Tier 1 Conclusion from the screen is (1) a Vapor Encroachment Condition exists, or (2) a Vapor Encroachment Condition does not exist.

TIER 2 SCREENING PROCESS

Tier 2 focuses on characteristics of the contaminated plume associated with contaminated properties and the proximity of said contaminated plume to the *TP*. The information to conduct a Tier 2 screen is often found in state regulatory files and may also be obtained from other available documents or information.

Vapor Encroachment Evaluation:

This Evaluation has not identified the presence of a Contaminated Plume within the ASTM specific distance as delineated in E 2600-08 §§ 8.5.1 - 8.5.3. As such, no further investigation relative to potential Vapor Encroachment Conditions is recommended.

POTENTIAL ON-SITE HISTORICAL CONTAMINATION SOURCES

The Historical Usage Information research activities included a review of Standard Historical Sources, including but not limited to: (i) aerial photographs, (ii) fire insurance maps, (iii) property tax files, (iv) recorded land title records, (v) United States Geological Services topographical maps, (vi) local street directories, (vii) building department records, (viii) zoning or land use records, and (ix) other historical sources¹⁶. The historical information contained in this Section may also include reviews of applicable Agency records, files, and database information.

Historical Site Operations Recognized Conditions:

As defined under the ASTM Phase I Standard Practice, a Historical Recognized Environmental Condition is an environmental condition which in the past would have been considered a Recognized Environmental Condition – but which may or may not be considered a Recognized Environmental Condition currently. The final determination will be influenced by the current impact of the Historical Recognized Environmental Condition (“HREC”) on the property. For example, if a past release of any hazardous substances or petroleum products has occurred in connection with the property and has been remediated, with such remediation accepted by the

¹⁶ As defined in the *ASTM Standard Practice for Environmental Site Assessments E1527-13* (§ 8.3.4.9), “other historical sources” can include: miscellaneous maps, newspaper archives, internet sites, community organizations, local libraries, historical societies, current owners or occupants of neighboring properties, or records and files of the Property Owner or occupants.

responsible regulatory agency, this condition shall be considered an HREC.

Additionally, trade practice occasionally identifies Controlled Recognized Environmental Conditions, which can be defined as a Recognized Environmental Condition which involves the past release of hazardous substances or petroleum products that has been addressed to the satisfaction of the applicable regulatory agency, subject to restrictions or conditions of use or implementation of activity and use limitations on the Property.

The prior Site activities and agency interactions, as defined above, do not represent such a Historical Recognized Environmental Condition or Controlled Recognized Environmental Condition. Had such been present, additional investigation in that regard would have been performed.

Regulatory Agency Records Information:

When indicated, an informational review is conducted of the authoritative controlling agencies that previously interacted with the subject Property in a manner that indicated the presence of a potential environmental issue or Recognized Environmental Condition.

Activity and Use Limitations:

Activity and Use Limitations (“AUL”) include both legal and physical or engineering controls that may be required by an authoritative agency. Agencies, organizations, and jurisdictions may define or utilize these terms differently. An AUL is often recorded in land title records. AUL information may often be recorded in the restrictions of record on the title, rather than a within the chain of title. The historical research and review has not encountered an Activity or Use Limitation that is applicable to the subject Property.

POTENTIAL OFF-SITE CONTAMINATION: SOURCES AND RECEPTORS

An adjacent property is defined as any real property located within 0.25 mile of the subject Property's border. *An adjoining property* is defined as any real property whose border is contiguous or partially contiguous with the subject Property, or that would be if the properties were not separated by a roadway, street, public thoroughfare, river, or stream.

Potential Adjacent and Adjoining Property Contamination Receptors:

Environmentally sensitive receptors were investigated within a thousand feet of the borders of the subject Property. The sensitive receptors are materials or structures particularly susceptible to environmental damage or stress from migrating contamination. The major receptor groups investigated were water supplies, surface water bodies, residential structures, and other public receptors. During the course of on-site visual and physical inspection, no indicators of sensitive receptor contamination from the subject Property were observed.

Potential Adjacent and Adjoining Property Contamination Sources: ARCO Station:

ARCO STATION 6214
4812 – 196th Street Southwest
Lynnwood, Washington 98036

UST ID: 8806
Cleanup Site ID: 11158
Facility/Site ID: 94656129

Original Site Development:

The subject Property was originally developed as a kiosk and drive thru car wash. Two pump islands were located in the center of the Site with three tanks adjoining to the south: one 6,000-gallon and two 8,000-gallon. The Site was redeveloped in 2009.

Subsequently subsurface investigations have reported the Site soils as compacted beds of very dense till interbedded with sands, silts, and gravels with occasional lacustrine deposits to the explored depths of 30 feet below ground surface. Groundwater depth varies from 2 to 18 feet below ground surface. Ground flow direction seasonally varies from south to southwest.

Tank Removal and Upgrade - 1988:

In 1988, the three underground tanks were removed and three new Xerxes 12,000-gallon double-walled fiberglass tanks were installed on the north side of the drive thru car wash. New fiberglass connecting piping was also installed.

Upon tank removal on December 5, 1988, elevated levels of petroleum hydrocarbons were encountered at the bottom of the excavation and along the east wall. On December 10, 1988, the tank floor was excavated to 18.5 feet below ground surface – to apparently clean soil. The western pipe trench was further excavated; however, slightly elevated levels of petroleum remained present in the west end of the trench. (*Phase I Tank Pull Report*, prepared by Brown and Caldwell, dated March 6, 1989).

Groundwater Well Installation and Monitoring:

In August of 1989, three groundwater monitoring wells were installed on the west and south sides of the former underground tank location. Inferred groundwater flow was to the southwest. The wells were installed to a depth of 23 to 30 feet below ground surface. Depth to groundwater varied between 8.70 feet (MW-3) and 15.87 feet (MW-1). The study concluded:

“The results of this investigation indicate the presence of slight hydrocarbon contamination in the soils adjacent to the [former] USTs at the site. The highest soil concentrations of TPH were detected in the sample collected from W-2 [south of former tank pit]. None of the analyzed samples exceeded the WDOE cleanup levels for BTEX in soil.

Relatively low concentrations of gasoline constituents were detected in the groundwater sample collected from W-2. None of the BTEX constituents exceeded the DSHS¹⁷ action levels for hydrocarbons in groundwater.”

(Phase II Site Investigation, prepared by Brown and Caldwell, dated March 29, 1990, page 9). In 1992 and 1993, periodic groundwater monitoring was performed at the Property. Groundwater seasonally varied between 12 and 17 feet below ground surface. Groundwater flow was determined to be to the south during high water levels; and southwest during low water levels. Reported results included elevated lead concentrations, total petroleum, and benzene. *(Quarterly Groundwater Monitoring Report August 1992 through November 1993, performed by Geraghty & Miller, Inc., dated March 8, 1994).*

Discovery of Liquid Phase Hydrocarbons - 2002:

On August 22, 2001, approximately 1.5 feet of Liquid Phase Hydrocarbons (“LPH”) was discovered in Monitoring Well W-1. The source of the LPH was determined to be a leaking filter on dispensers 7 and 8. The Release was reported to the State of Washington Department of Ecology (“WDOE”). Three subsurface borings were subsequently completed as 4-inch groundwater monitoring wells (MW-7, MW-8, and MW-9). The soil samples contained slightly elevated levels of benzene. *(Subsurface Investigation Report, prepared by Delta Environmental Consultants, Inc., dated April 12, 2002).*

Off Site Monitoring Well Installations - 2004:

In October of 2004, three groundwater monitoring wells were installed at the Site. Monitoring Well MW-10 was located along the western Property boundary adjoining the car wash. Wells MW-11 and MW-12 were installed in the parking lot of the southern adjoining Woodland Green Apartments. Well MW-10 was screened from 10 to 25 feet; Wells MW-11 and MW-12 were screen from 5 to 20 feet). Subsequent analyses did not reported elevated levels of petroleum in the these three wells. *(Subsurface Investigation Report ARCO Facility No.6214, prepared by Delta Environmental Consultants, Inc., dated April 1, 2005).*

Facility Reconstruction - 2009:

In the second quarter of 2009, the Site structures and all associated petroleum storage and dispensing equipment was removed from the Property. At that time, the facility address was changed from 4812 196th Street Southwest to 4806 196th Street Southwest. The current 3,823 square foot building and canopy was constructed. Three 12,000-gallon underground storage tanks and nine double-sided pumps with under dispenser containment vaults islands were installed fed by new distribution and vapor lines. The facility opened in December of 2009.

¹⁷ State of Washington Department of Social and Health Services Action Levels.

During the construction excavation activities, soil sampling was performed in the accessible subsurface areas. The Sampling Report concluded:

“Impacted soil was not detected in the southern portion of the site during re-grading or during storm water vault excavation and construction activities. Hydrocarbon impacted soil above MTCA Method A cleanup levels was identified in the area of the former dispenser islands and beneath the new dispenser canopy. A total of 380.90 tons of soil were transported off-site to Cemex for thermal treatment and disposal.”

(*Environmental Activities During Site Reconstruction, prepared by ARCADIS U.S., Inc*, dated February 26, 2010, page 3). During the Site reconstruction activities, Monitoring Wells MW-1, MW-4, MW-5, and MW-6 were removed or abandoned

**State of Washington Department of Ecology:
Voluntary Cleanup Program Application - 2010:**

In August of 2009, the Department of Ecology “Ecology”) made a proposed Finding of Liability to Atlantic Richfield Company (“ARCO”) under RCW 70.105D.040 for the release of hazardous substances at the subject Property (included in the listing of ARCO “Heritage” Sites).

ARCO responded on October 16, 2009, regarding the subject Property that:

“ARC records indicate past/current ownership/operations at the site. Environmental cleanup underway.”

(*Reported Release of Hazardous Substances Atlantic Richfield Company Site List*, from Atlantic Richfield Company, dated October 16, 2009). On August 23, 2010, the Ecology Northwest Regional Office accepted the ARCO application for entry into the Voluntary Cleanup Program as part of the *ARCADIS-US Multi Site Agreement*. (See attached, *Voluntary Cleanup Program Application* included in the Appendix). According to Department of Ecology information,

“This site is under the ARCADIS voluntary cleanup agreement between ARCADIS and the Washington State Department of Ecology (Ecology) to clean up contamination at multiple current and former gas station sites. Ecology and ARCADIS finalized the agreement for the project in July, 2011. ARCADIS agrees to accelerate the study and cleanup as needed at 40 locations in King, Snohomish, Skagit, and Whatcom counties. Ecology’s Northwest Regional Office in Bellevue will coordinate the cleanup process with ARCADIS.”

(Department of Ecology website, ARCO No. 6214). Note that the VCP Agreement is between ACCADIS and Ecology. The Site subsequently left the VCP Property and entered the Pollution Liability Insurance Agency LUST Release Property.

Summary of Remaining On Site Contamination:

The remaining subsurface contamination is generally located along the east side of the Property, east and southeast of the concrete dispenser pad. an *Air Sparging / Soil Vapor Extraction* trench is located on the east and southeast sides of the concrete pad and extends along the eastern side of the Property south to in front of the station building.

Recent Groundwater Monitoring - 2017:

The most recent available groundwater monitoring report is the *2016 Annual Site Status Report*, prepared by ARCADIS Design & Consultancy dated January 19, 2017.

The four quarters of groundwater monitoring completed in 2016 reported consistent groundwater flow to the southwest which corresponded with the historical Rose Diagram of groundwater gradient direction. Groundwater was measured at depths varying from 12.68 to 14.54 inches below the top of the well casing ("btoc").

The groundwater monitoring wells that consistently reported elevated levels of contaminants were MW-1R (adjoining the concrete pad on the center south); MW-7 (adjoining the concrete pad on the south - east side); MW-6 (adjoining the southeast corner of the concrete pad); and MW-6R (on the eastern property boundary).

The groundwater monitoring wells in closest proximity to the subject Property were MW-10 (on the southwest corner of the concrete pad); MW-3 (directly in front of the center exterior of the station building); MW-5 (underneath the station building pad on the west side); MW-4 (behind the center exterior of the station building); MW-12 (at the rear of the property near the boundary with the subject Property); and MW-11 (at the rear center of the property) all reported no contaminates above the laboratory detection limits in January and September of 2016.

ENVIRONMENTAL DATABASE INFORMATION

For the Scope of this Analysis, properties are defined and categorized based upon their physical proximity to the subject Property. An *adjacent property* is any real property located within 0.25 mile of the subject Property's border. An *adjoining property* is any real property whose border is contiguous or partially contiguous with the subject Property, or that would be if the Properties were not separated by a roadway, street, public thoroughfare, river, or stream. These definitions are consistent with ASTM Standards.

Review of Federally Reported Environmental Data:

This review of the existing compilation of the Federal environmental databases attempts to identify environment problem sites, activities, and occurrences from the records and reports of the U.S. Environmental Protection Agency ("US EPA"). A detailed listing is included in the Appendix, *Environmental Databases*.

National Priorities List (“NPL”) of Superfund Sites:

The NPL is the EPA's database of hazardous waste sites currently identified and targeted for priority cleanup action under the Superfund program. A search of the January 2020 National Priorities List revealed no Superfund sites within the subject Property's database search range.

Comprehensive Environmental Response, Compensation and Liability Act (“CERCLA”) of 1980:

Mandated as part of the 1980 Superfund Act, the CERCLIS (Comprehensive Environmental Response, Compensation and Liability Information System) list is an EPA compilation of the sites investigated or currently being investigated for a release or potential release of a regulated hazardous substance under the CERCLA regulations. A search of the January 2020 database revealed no CERCLIS sites within the subject Property's database search range.

CERCLIS No Further Remedial Action Planned (“NFRAP”) Sites:

The No Further Remedial Action Planned Report – also commonly known as the CERCLIS Archive report – contains information pertaining to sites which have been removed from the U.S. EPA CERCLIS database. NFRAP sites may be sites where, following an initial investigation, either not contamination was found, contamination was discovered and immediately remediated, or the contamination concentrations of threat to human health or the environmental was not serious enough to warrant Federal intervention, Superfund action, or NPL consideration. A review of the January 2020 designated database search range revealed no NFRAP sites within the selected and designated distance parameters.

Superfund Enterprise Management System Sites (“SEMS”):

The Superfund Enterprise Management System (“SEMS”) tracks hazardous waste sites, potentially hazardous waste sites, and remediation activities performed in support of the EPA Superfund Program across the United States. The list formerly known as CERCLIS was renamed to SEMS by the US EPA. The database additionally contains sites which are either proposed to or on the National Priorities List (“NPL”) and the sites which are in the screening and assessment phase for possible inclusion on the NPL. A review of the January 2020 SEMS database revealed no sites within one-quarter of a mile of the subject Property.

Superfund Enterprise Management System Sites Archives (“SEMS-ARCHIVE”):

The Superfund Enterprise Management System Archives (“SEMS-ARCHIVE”) tracks sites that have no further interest under the Federal Superfund Programs based on available information. This list was formerly known as the CERCLIS-NFRAP, renamed to SEMS ARCHIVE by the U.S. EPA in 2015. The database additionally contains sites which are either proposed to or on the National Priorities List (“NPL”) and the sites which are in the screening and assessment phase for possible inclusion on the NPL. A review of the January

2020 SEMS database revealed no sites within one-quarter of a mile of the subject Property.

RCRA Corrective Action Order Sites ("CORRACTS"):

The CORRACTS database contains information concerning the RCRA facilities that have conducted, or are currently conducting a Corrective Action. This occurs when a RCRA Corrective Action Order is issued pursuant to RCRA §3008(h), when there has been a release of a hazardous waste or constituents into the environment from a RCRA or potentially RCRA regulated facility. Additionally, Corrective Actions may be imposed as a prerequisite to receiving or maintaining a RCRA TSDF operating permit. A review of the February 2020 designated search range has revealed no CORRACTS sites within the appropriate distances.

Resource Conservation and Recovery Act ("RCRA") Facilities:

The RCRA program identifies and tracks hazardous waste from generation source to the point of ultimate disposal. The RCRA facilities database is the composite of reporting facilities that generate, store, transport, treat, or dispose of controlled or hazardous waste. A search of the February 2020 RCRA facilities database found no RCRIS-TSD facilities, one Large Quantity Generator sites, no Small Quantity Generator site, and two Conditionally Exempt Small Quantity Generator site within the Property's database search range.

None of these RCRA Generator sites are reasonably anticipated to environmentally impact the subject Property.

Review of State of Washington Reported Environmental Data:

This review of the existing compilation of the State environmental databases attempts to identify environment problem sites, activities, and occurrences from the records and reports of the applicable State Agencies. A detailed listing is included in the Appendix.

State of Washington - Registered Underground Storage Tank ("UST") Sites:

Underground Storage Tanks are regulated under Subtitle I of RCRA and must be registered with the appropriate State agency. The State of Washington requires registration through the Department of Ecology. A search of the May 2020 State UST database found four UST sites within one-eighth mile of the subject Property; and no sites located within one-quarter mile of the subject Property.

The UST site in closest proximity to the subject Property is identified as previously discussed *ARCO Station 6214*.

State of Washington - Leaking Underground Storage Tank ("LUST") Incident Location Sites:

Underground Storage Tank incident releases are regulated under RCRA and must be reported within 48 hours to the State of Washington Department of Ecology. The Agency maintains a database of all reported LUST incident sites. A search of the May 2020 State LUST database found four LUST sites within one-eighth mile, and no sites within one-quarter mile of the subject Property.

The LUST site in closest proximity to the subject Property is identified as previously discussed *ARCO Station 6214*.

State of Washington - Voluntary Cleanup Program ("VCP") Sites:

The State of Washington Department of Ecology ("Ecology") has received remedial action reports from site owners and operators for Response Actions that were conducted without Department approval or oversight, and not under the requirements of an order or decree. These reports were received before 1993 were entered into the Independent Cleanup Program, and starting January 1, 1993, were entered into the Voluntary Cleanup Program. A search of the May 2020 Department of Ecology VCP database found one VCP sites within one-eighth mile and no sites within one-quarter of a mile of the subject Property.

The VCP site in closest proximity to the subject Property is identified as previously discussed *ARCO Station 6214*.

State of Washington Waste Landfill Facilities:

The State Solid Waste Landfill Facilities ("LF") listing is the sites identified by the State of Washington Department of Ecology, Waste Management Division, as either currently operating or previously identified as a solid waste landfill. This classification can be a result of either RCRA Part B permitting or prior identification by the Board. A search of the March 2020 database revealed one SWLF sites within one-half mile of the Site.

State of Washington - Environmental Report Tracking System ("ERTS") Sites:

The State of Washington Department of Ecology ("Ecology") maintains a list of reported environmental incidents received from the US EPA, county, and local agencies and sources known as the Environmental Report Tracking System ("ERTS") database. Every incident entered into the ERTS is assigned a unique ERTS Number. The ERTS system generally contains details of the reported incident including, but not limited to: initial contact and their description of the incident, responsible Agency and responding personnel, actions taken in response to the incident, and recommendations for further action if required. A search of the May 2020 Department of Ecology ERTS database found no incident sites within one-eighth mile of the subject Property.

STATEMENT OF THE ENVIRONMENTAL PROFESSIONAL

Statement of Quality Assurance

I have performed this Assessment in accordance with generally accepted environmental practices and procedures, as of the date of this Report. I have employed the degree of care and skill ordinarily exercised under similar circumstances by reputable environmental technologists practicing in this area. The conclusions contained within this Assessment are based upon site conditions I observed or were reasonably ascertainable and present at the time of my inspection.

The objective of this Environmental Site Assessment was to ascertain the potential presence or absence of environmental releases or threatened releases that could impact the subject Property, as delineated by the Scope of Work. The Scope of this Assessment does not purport to encompass every report, record, or other form of documentation relevant to the Property being evaluated. Additionally, this Assessment does not include or address reasonably ascertainable Environmental Liens currently recorded against the Property.

The procedure was to perform reasonable steps in accordance with the existing regulations, currently available technology, and generally accepted engineering practices in order to accomplish the stated objective.


The conclusions and recommendations stated in this Report are based upon personal observations made by myself and other employees of Aerotech, and also upon information provided by others. I have no reason to suspect or believe that the information provided is inaccurate.

Statement of Regulatory Compliance

I have performed this Assessment in compliance with requirements set forth in the *Standards and Practices for All Appropriate Inquiries; Final Rule* ("AAI"); U.S. EPA, 40 CFR Part 312, 70 FR 66070, November 1, 2005.

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

Signature of Environmental Professional:



Signature - Alan T. Blotch:

Environmental Assessment Report Limitations:

The enclosed Phase I Environmental Site Assessment has been performed for the exclusive use of the Client(s) for the transaction at issue concerning:

CHO PROPERTY
4820 – 196th Street Southwest
Lynnwood, Washington 98036

This Assessment has been performed in accordance with generally accepted environmental practices and procedures, as of the date of the Report. All services have been performed employing that degree of care and skill ordinarily exercised under similar circumstances by reputable environmental technologists practicing in this, or similar localities. No other warranty or guarantee, expressed or implied, is made or offered.

The conclusions and recommendations stated in this Report are based upon observations made by employees of Aerotech Environmental Consulting, Inc. and also upon information provided by others. We have no reason to suspect or believe that the information provided is inaccurate. However, we cannot be held responsible for the accuracy of the information provided to us by others. The Scope of this Assessment does not purport to encompass every report, record, or other form of documentation relevant to the Property being evaluated.

This Assessment does not include or address reasonably ascertainable Environmental Liens currently recorded against the subject Property.

The observations contained within this Assessment are based upon site conditions readily visible and present at the time of our Site inspection. These site observations are unable to specifically address conditions of subsurface soil, groundwater, or underground storage tanks, unless specifically mentioned. This Phase I Environmental Site Assessment does not attempt to address the past or forecast the future Site conditions.

REFERENCES AND CITATIONS

1. For the purposes of this Assessment, information is considered reasonably ascertainable if it is (1) publicly available, (2) obtainable from its source within reasonable time and cost constraints, and (3) practically reviewable. The length of time required to obtain information from the City Building and Zoning Department is considered to be reasonable.

2. It is a violation of copyright law to photocopy Sanborn Maps regardless of their location or source. This includes maps located at local libraries, universities, historical societies, or private collections. Sanborn Maps contained on microfiche collections are included in the prohibition against photocopying.

3. *Solid Waste*: defined as garbage, refuse, sludge, and other discarded material including solid, semi-solid, and contained gaseous waste per RCRA 42 USC §6903(27). For visual assessment purposes, any material that is discharged is a solid waste. A majority of the regulatory exclusions do not apply to discharges made within a structure.

4. *Regulated Substance*: defined as a substance that is (i) regulated under RCRA via direct definition; or (ii) regulated under CERCLA or the Clean Air Act, that may become subject to RCRA regulations as a result of the CERCLA classification.

5. *Disposal*: defined as the discharge, deposit, injection, dumping, spilling, leaking, or placing of any solid waste or hazardous waste into or on any land or water so that such solid waste or hazardous waste or constituent thereof may enter the environment or be emitted into the air or discharged into the waters, including ground waters, per RCRA 42 USC §6903(3).

6. Refer to, *Federal Register* Volume 61 Number 9064, March 6 1996, *Lead; Requirements for Disclosure of Known Lead-Based Paint and/or Lead-Based Paint Hazards in Housing*.

7. EPA and HUD consider "housing constructed before 1978" to mean housing for which a construction permit was obtained before January 1, 1978. If no permit was obtained, then housing in which construction was started before January 1, 1978.

8. The Lead PRE required the distribution of the pamphlet *Protect Your Family From Lead In Your Home*, available from the U.S. Environmental Protection Agency, U.S. Consumer Product Safety Commission, and the U.S. Department of Housing (Publication No. EPA-K-99-001). Contact: (800) 424-LEAD or www.epa.gov/lead.

9. The American Conference of Governmental Industrial Hygienists has concluded that there are no mandatory numerical limits against which investigators can compare measurements of air or source concentrations for the majority of substances of biological origin that are associated with building-related exposures.

10. See, U.S. EPA Publication: *A Brief Guide to Mold, Moisture, and Your Home*, page 13, Publication No. EPA 402-K-02-003, 2002.

INTERVIEWS WITH KNOWLEDGEABLE PARTIES

Qualification(s) of Knowledgeable Parties

Knowledgeable parties are those persons who may be aware of, have good or actual knowledge of, or: (1) the physical characteristics of the subject Property (§10.5.1); (2) the prior occupant(s) and uses of the subject Property; (3) the current occupant(s) of the subject Property; (3) any specialized knowledge or experience that may be material to a Recognized Environmental Condition that may effect the subject Property (§6.3); (4) actual knowledge of any Environmental Lien in connection with or encumbering the subject Property (§6.4); (5) knowledge of an Activity or Use Limitations in connection with the subject Property (§6.4); (6) any pending, threatened, or past litigation relevant to hazardous substances or petroleum products in, on, or from the subject Property; (7) any pending, threatened, or past administrative proceedings relevant to hazardous substances or petroleum products in, on or from the subject Property;(8) any notices from any governmental agency regarding any possible violation of environmental laws or possible liability relating to hazardous substances or petroleum products that may effect the subject Property.

Key Site Manager Identification

The Key Site Manager is the person identified by the owner or operator of the property as having good knowledge of the uses and physical characteristics of the property. (§3.2..47) Prior to the Property Reconnaissance, the Property Owner shall be asked to identify the Key Site Manager. (§10.5.1)

If the User is the current Property Owner, the User has the obligation to identify a Key Site Manager, even if it is the User is himself or herself. (§10.5.10)

Key Site Manager Interview

If a Key Site Manager is identified, the Environmental Assessor conducting the Site Reconnaissance shall make at least one reasonable attempt (in writing or by telephone) to arrange a mutually convenient appointment for the Site Reconnaissance when the Key Site Manager agrees to be present. If the attempt is successful, the Key Site Manager shall be interviewed in conjunction with the Site Reconnaissance and requested to complete verbally or answer in writing the questions contained within the *Environmental Questionnaire*.

If such attempt is unsuccessful, when performing the Site Reconnaissance the Environmental Assessor shall inquire whether an identified Key Site Manager (if any) or if a person with good knowledge of the uses and physical characteristics of the subject Property is available to be interviewed at that time; if so, that person shall be interviewed. In either situation, it is within the discretion of the Environmental Assessor to decide which questions to ask before, during, or after the Site Reconnaissance or in some combination thereof. (§10.5.1)

User Identification

The User is the person seeking to rely upon the Phase I Environmental Site Assessment of the subject Property. A User may include, without limitation, a potential Purchaser of subject Property, a potential tenant of the subject Property, the Owner of the subject Property, a lender, or a Property Manager. (§3.2.98)

User Interview

The User has specific obligations for completing a successful application of this Practice. (§3.2.98) The User should provide to the Environmental Assessor: (1) any specialized knowledge or experience that is material to Recognized Environmental Conditions in connection with the subject Property (§6.3); (2) actual knowledge of any environmental lien encumbering the subject Property; and (3) actual knowledge of any Activity or Use Limitation encumbering the subject Property (§6.4).

The User should communicate any information based on such knowledge or experience to the Environmental Assessor before the Assessor conducts the Site Reconnaissance. (§6.4)

User - “the Party seeking to use the Practice E1527-13 to complete an environmental site assessment of the property. A user may include, without limitation, a potential purchaser of property, a potential tenant of the property, the owner of the property, a lender, or a property manager. The user has specific obligations for completing a successful application of this practice outlined in Section 6.” §3.2.98. “If the user has any specialized knowledge or experience that is material to recognized environmental conditions in connection with the property, the user should communicate any information based on such knowledge or experience to the environmental professional. The user should do so before the environmental professional conducts the site reconnaissance.” §6.3. “*Actual Knowledge of the User* – If the user has actual knowledge of any environmental lien or AULs encumbering the property or in connection with the property, the user should communicate such information to the environmental professional. The user should do so before the environmental professional conducts the site visit.” §6.4

“6.2 *Review of Title and Judicial Records for Environmental Liens and Activity and Use Limitations (AULs)*... Any environmental liens and AULs [activity and use limitations] known to the user should be reported to the environmental professional conducting a Phase I Environmental Site Assessment. Unless added by a change in the scope of work to be performed by the environmental professional, this practice does not impose on the environmental professional the responsibility to undertake a review of recorded land titles and judicial records for environmental liens and AULs.” §6.2

“6.8 *Other* – Either the user shall make known to the environmental professional the reason why the user wants to have the Phase I Environmental Site Assessment performed or, if the user does not identify the purpose of the Phase I Environmental Assessment, the environmental professional shall assume the purpose is to qualify for an LLP to CERCLA liability and state this in the report.” §6.8

“10.7.1 *User* – If the person to be interviewed is the user (the person on whose behalf the Phase I Environmental Site Assessment is being conducted), the user has an obligation to answer all questions posed by the person conducting the interview, in good faith, to the extent of his or her actual knowledge or to designate a key site manager to do so. If answers to questions are unknown or partially unknown to the user or such key site manager, this interview shall not thereby be deemed incomplete.” §10.7.1

Incomplete Interviews

While the Environmental Assessor conducting the interview(s) has an obligation to ask questions, in many instances the person to whom the questions are addressed will have no obligation to answer them. Additionally, incomplete answers will be recorded as received. (§10.7)

If the User of the Phase I Environmental Site Assessment is not available or not identified, the Environmental Assessor shall assume that the purpose of the Assessment is to qualify for an LLP to CERCLA liability. Such an assumption, if made by the Environmental Assessor, shall be stated in the Assessment. (§10.7.1)

“10.9 *Proceedings Involving the Property* – Prior to the site visit, the property owner, key site manager (if any is identified), the user (if different from the property owner) shall be asked whether they know of: (1) any pending, threatened, or past litigation relevant to hazardous substances or petroleum products in, on, or from the property; (2) any pending, threatened, or past administrative proceedings relevant to hazardous substances or petroleum products in, on or from the property; and (3) any notices from any governmental agency regarding any possible violation of environmental laws or possible liability relating to hazardous substances or petroleum products.” §10.9

TERMS AND DEFINITIONS

(Effective April 1, 2019)

Description of Terms Specific to this Report

<i>activity / use limitations</i>	Legal or physical restrictions or limitations on the use of, or access to, a site or facility: (1) to reduce or eliminate potential exposure to hazardous substances or petroleum products in the soil, soil vapor, ground water, or surface water on the property, or (2) to prevent activities that could interfere with the effectiveness of a response action, in order to ensure maintenance of a condition of no risk to public health or the environment. These legal or physical restrictions, which may include institutional and/or engineering controls, are intended to prevent adverse impacts to individuals or populations that may be exposed to hazardous substances in the soil, soil vapor, ground water, or surface water on the property. (ASTM E 1527-13, § 3.2.3 <i>Definitions</i>).
<i>adjacent property</i>	any real property located within 0.25 mile of the subject Property's border.
<i>adjoining property</i>	any real property the border of which is contiguous (i.e., touching) or partially contiguous with that of the property, or that would be contiguous or partially contiguous with that of the subject property but for a street, road, or other public thoroughfare separating them. If the properties in question are separated by a public roadway with a minimum of four lanes and limited access, then the properties are not considered to be adjoining; they are adjacent.
<i>ASTM</i>	formerly the American Society for Testing and Materials; a non profit organization that developed the standard industry guidance for the performance of environmental site assessments.
<i>business environmental risk</i>	a risk which can have a material environmental or environmentally-driven impact on the business associated with the current or planned use of a parcel of commercial real estate, not necessarily limited to those environmental issues evaluated in a Transaction Screen or Phase I Site Assessment.
<i>Business Environmental Risk</i>	A risk which may have a material environmental or environmentally-driven impact on the business associated with the current or planned use. This risk is not necessarily limited to those environmental issues required to be investigated pursuant to the Scope of Work for an ASTM Scope Environmental Site Assessment. (ASTM E 1527-13, § 3.2.11 <i>Definitions</i>). Substances may be present on a property in quantities or under conditions that may lead to contamination of the property or health risks, but if such contaminants do not present clear CERCLA liability, they are considered outside the ASTM Phase I Scope of Work and are considered an ASTM "Non-scope consideration."

Commercial Real Estate

Any real property except a dwelling or property with no more than four dwelling units exclusively used for residential use (except when a dwelling or property has a commercial function such as the construction for profit). This includes, but is not limited to, undeveloped real property and real property used for industrial, retail, office, agricultural, other commercial, medical, or education purposes. (ASTM E 1527-13, § 3.2.12 *Definitions*).

Controlled Recognized Environmental Condition

A Recognized Environmental Condition resulting from a past release of hazardous substances or petroleum products that has been addressed to the satisfaction of the applicable regulatory authority (for example, as evidenced by the issuance of a no further action letter or equivalent, or meeting risk-based criteria established by regulatory authority), with hazardous substances or petroleum products allowed by remain in place subject to the implementation of required controls. A condition identified as a Controlled Recognized Environmental Condition does not imply that the Assessment has evaluated or confirmed the adequacy, implementation, or continued effectiveness of the required control that has been, or is intended to be implemented. For example, if a leaking underground storage tank has been cleaned up to a “commercial use” or “Commercial - Industrial” regulatory standard, but does not meet the most unrestricted residential standard, this is considered a Controlled Recognized Environmental Condition; the “control” is represented by the restriction that the property remain commercial - industrial. (ASTM E 1527-13, § 3.2.18).

De Minimis Condition

The general regulatory definition is: insignificant in amount (either weight or volume) and toxicity or hazard. De minimis is derived from the Latin term meaning “at the least.” In a legal context, de minimis is something or an act “which does not rise to the level of sufficient importance to be dealt with judicially” (*Black’s Law Dictionary*, Third Edition). Originally, the term was used by the U.S. Environmental Protection Agency to describe waste contributions to Superfund sites that were minimal in either quantity or toxicity, or not significantly greater than the other contributors hazardous wastes present at a site. (*Superfund and Small Waste Contributors*, U.S. Environmental Protection Agency Department of Cleanup Enforcement, published June 24, 2010). The term de minimis has been expanded to include small amounts of hazardous waste of generally low toxicity that – due to their volume or quantity – would typically not result in Agency action. (*Policy 520B De Minimis Contribution Settlements*, State of Washington Department of Ecology, Effective January 6, 2006). As a general rule, with low toxicity substances this has translated into a volume of waste that can be contained in a single fifty-five gallon drum. The American Society for Testing and Materials (“ASTM”) has stated in their Standard Practices that de a minimis condition is a condition that generally

does not present a threat to human health or the environment and that generally would not be the subject of an enforcement action if brought to the attention of appropriate governmental agencies and such a condition is not a Recognized Environmental Condition or Controlled Recognized Environmental Condition. (ASTM E 1527-13, § 3.2.22, *Definitions*).

<i>Deteriorated Paint</i>	Any interior or exterior paint or other coating that is peeling, chipping, chalking, or cracking, or any paint or coating located on the interior of exterior surface or fixture that is otherwise damaged or separated from the substrate. (WAC Chapter 365-230-020(26)).
<i>dry wells</i>	underground areas where soil has been removed and replaced with pea gravel, coarse sand, or large rocks. Dry wells are used for drainage, to control storm runoff, for the collection of spilled liquids (intentional and non-intentional) and wastewater disposal (often illegal). Because the function of a dry well is to hold drainage and storm water until it soaks into the ground, these structures are capable of leaching potentially contaminated liquids into the subsurface soil and then into the ground water.
<i>dwelling</i>	any structure all or part of which is designed or used for human habitation, ie.; a place of residence or abode.
<i>engineering controls</i>	physical modifications to a site or facility (for example, capping, slurry walls, or point of use water treatment) to reduce or eliminate the potential for exposure to hazardous substances in the soil or ground water on the property.
<i>environmental audit</i>	the investigative process to determine if the operations of an existing facility are in compliance with applicable environmental laws and regulations. This term should not be used to describe Transaction Screens or Phase I Site Assessments, although an environmental audit may include an site assessment or, if prior audits are available, may be part of an environmental site assessment.
<i>Environmental Professional</i>	(for the performance of Environmental Site Assessments) a person possessing sufficient training and experience necessary to conduct a site reconnaissance, interviews, and other activities in accordance with the practices of the ASTM, and from the information generated by such activities, having the ability to develop opinions and conclusions regarding recognized environmental conditions in connection with the property in question. Status of an individual as an environmental professional may be limited to the type of assessment to be performed or to specific segments of the assessment for which the professional is responsible.
<i>Environmental Questionnaire (SBA)</i>	a questionnaire used by a Lender to determine the likelihood that Contamination may be present at Property offered to secure an SBA guaranteed loan.

Environmental Questionnaires must be completed or reviewed by a Lender that has made at least one site visit to the Property and a good faith effort to conduct an interview with the current owner or operator of the Property. An Environmental Professional may, but is not required to, assist with the responses to the questionnaire. An Environmental Questionnaire may be considered if it was completed up to 1 year prior to submission. The current owner or operator of the Property must sign the Environmental Questionnaire the Environmental Questionnaire. If the current owner or operator of the Property will not sign the Environmental Questionnaire it cannot be used and lender must then, at a minimum, obtain a Transaction Screen.

field screen questionnaire

the environmental questionnaire normally completed by the Key Site Manager, that asks the respondent to answer all questions to the best of their actual knowledge and good faith. The answers provide further details on the appropriateness of the investigation and areas of potential environmental concern.

*historical recognized
environmental condition*

an environmental condition which in the past would have been considered a recognized environmental condition, but presently may or may not be considered a recognized environmental condition. If a past release of any hazardous substances or petroleum products has occurred in connection with the property and has been remediated, with said remediation accepted by the responsible regulatory agency (for example, by the issuance of a No Further Action letter), this condition is generally considered to be an historical recognized environmental condition. As such, it still should be referenced in the findings or conclusions section of the assessment report. The environmental professional preparing the report may provide an opinion of the current impact upon the property of this historical recognized environmental condition.

Historical Recognized Environmental Condition

A past release of any hazardous substance or petroleum product that has occurred in connection with the property and has been addressed to the satisfaction of the applicable regulatory agency or meeting the unrestricted residential use criteria established by a regulatory authority, without subjecting the property to any required controls such as property use restrictions, activity and use limitations, institutional controls, or engineering controls – at the time of the completion of the Environmental Site Assessment. (ASTM E 1527-13, § 3.2.41, *Definitions*).

Judicial Records for Environmental Liens: Search and Review

To meet the requirements of the All Appropriate Inquiry Standard 40 CFR §§ 312.20 and 312.25, a review of title and judicial records for Environmental Liens recorded against the Property must be performed by the User of this Assessment and provided to the Environmental Professional for review. The Scope of Work

for this Assessment states that the Firm and Environmental Professional will not perform a search for Environmental Liens.

Key Site Manager a person identified by the owner of the Property as having the best reliable knowledge of the previous uses, current conditions, and physical characteristics of the Property, and in a position to provide reasonably accurate information for the Field Screen Questionnaire.

institutional controls a legal or administrative restriction (for example a deed restriction, restrictive zoning) on the use of, or access to, a site or facility to reduce or eliminate potential exposure to hazardous substances in the soil or ground water on the property.

Material Fact information that substantially adversely affects the value of a property of a party's ability to perform its obligations in a real estate transaction, or operates to materially impair or defeat the purpose of the transaction (State of Washington Laws, Chapter 58, Section 1(9)).

material threat a physically observable or obvious threat which is reasonably likely to lead to a release that, in the opinion of the environmental professional, is threatening and might result in impact to the public health or the environment.

Migration The movement of hazardous substances or petroleum products in any form, including but not limited to: solid and liquid at the surface or subsurface, and vapor in the subsurface. (Vapor in the subsurface is also described in the *Vapor Encroachment Screen on Property Involved in Real Estate Transactions*, ASTM Standard Practice No. E2600-08; however, this Environmental Site Assessment has not applied the E 2600-15 Practice to the subject Property in order to achieve compliance with the E 1527-13 Standards). (ASTM E 1527-13, § 3.2.55 *Definitions*).

obvious that which is plain or evident; a condition or fact that could not be ignored or overlooked by a reasonable observer while visually or physically observing the property.

Phase I Environmental Site Assessment the process described in the ASTM practice E 1527-13, *Standard Practice for Environmental Site Assessments: Phase I Environmental Site Assessment Process*. See also 40 CFR § 312.20.) The process by which a person or entity seeks to determine if a particular parcel of property including improvements is subject to recognized environmental conditions. The process does not purport to address all of the safety, environmental concerns, and regulatory compliance applicability

associated with its use.

practically reviewable information that is practically reviewable means that the information is provided by the source in a manner and in a form that, upon examination, yields information relevant to the property without the need for extraordinary analysis of irrelevant data. Records that cannot be feasibly retrieved by reference to the location of the property or a geographic area in which the property is located are not generally practically reviewable.

primary collateral the project site that is acquired or improved through the loan proceeds; and any business real property to be taken as collateral when it represents over 50% of the total collateral value. Primary collateral includes leasehold applications.

reasonable time and cost information is obtainable within reasonable time and cost if the information will be provided by the source within 20 calendar days of receiving a written, telephonic, or in-person request at no more than nominal cost intended to cover the source's cost of retrieving and duplicating the information.

reasonably ascertainable for the purposes of environmental assessments, information that is (1) publicly available, (2) obtainable from its source within reasonable time and cost constraints, and (3) practically reviewable.

***Recognized
Environmental
Condition***

Defined by the ASTM as the presence or likely presence of any hazardous substances or petroleum products on a property under conditions that indicate an existing release, a past release, or a material threat of a release of any hazardous substances or petroleum products into structures on the property or into the ground, ground water, or surface water of the property. The term is not intended to include de minimis conditions that generally do not present a material risk of harm to health or the environment and would not be the subject of an enforcement action if brought to the attention of appropriate governmental agencies.

Recognized Environmental Condition

The presence or likely presence of any hazardous substances or petroleum products in, on, or at the property (1) due to any release, (2) under conditions indicative of a release to the environment, (3) under conditions that pose a material threat of a future release to the environment. De Minimis Conditions are not Recognized Environmental Conditions. (ASTM E 1527-13, § 3.2.77 *Definitions*).

***Records Search with
Risk Assessment***

as defined by the U.S. Small Business Administration means and includes (1) a

search of the government databases identified in 40 CRF § 312.26 for an AAI compliant Phase I as well as a search of historical use sources (for example, aerial photography, city directories, reverse directories and/or fire insurance maps) pertaining to the Property and Adjoining Properties; and a risk assessment by an Environmental Professional based on the results search as to whether the Property is either “low risk” or “elevated risk” or “high risk for Contamination. While the choice of standard historical sources to be reviewed on any particular site is at the discretion of the Environmental Professional in his or her professional judgment, the historical sources should identify property uses back to the property’s first developed use, or back to 1940, whichever is earlier. The Environmental Professional need only review as many of the standard historical sources as are necessary, reasonably ascertainable, and likely to be beneficial.

Regulatory Agency File and Records Review

If a property or any of the adjoining properties is identified on one or more of the *Standard Environmental Record Sources* as delineated in the ASTM E 1527-13 § 8.2.1, pertinent regulatory agency files and/or records associated with the listing should be reviewed in order to obtain sufficient information to assist in the determination of the presence of a Recognized Environmental Condition, Historical Recognized Environmental Condition, Controlled Recognized Environmental Condition, or a De Minimis Condition. The Assessment will provide a written summary of the reviewed materials. If such a review is not warranted, the Assessment will provide the justification for not conducting the regulatory file review.

residential building any room, group of rooms or other interior areas of a structure designed or used for human habitation; common areas accessible by inhabitants; and the surrounding property.

Site Assessment Many state agencies refer to the Phase II level of investigation as “Site Assessment,” typically performed in the preliminary stages of a response action to recently discovered contamination, whose objective is to determine in an expeditious manner if the level or extent of site contamination poses an immediate risk to human health or the environment, thereby necessitating an immediate response action.

Site Characterization A Phase III investigation conducted in order to delineate and quantify the extent of contamination upon the subject Property, and generate sufficient information and data with which to reasonably estimate the cost of remediation or other response actions.

Site Reconnaissance Report A Reconnaissance Report is a written summary of the information and observations of the Site Assessor who personally performed the Site Visit at the subject Property. This Report is completed following the guidelines and procedures delineated in the *Aerotech Environmental Consulting Guidance for*

Performing the Site Visit and Reconnaissance Report.

Title Records for Environmental Liens: Search and Review

To meet the requirements of the All Appropriate Inquiry Standard 40 CFR §§ 312.20 and 312.25, a review of title and judicial records for Environmental Liens recorded against the Property must be performed by the User of this Assessment and provided to the Environmental Professional for review. The Scope of Work for this Assessment states that the Firm and Environmental Professional will not perform a search for Environmental Liens.

Transaction Screen

Site Assessment

the process described in the ASTM E 1528-14 standard, *Standard Practice for Environmental Site Assessments: Transaction Screen Process*.

VAPOR ENCROACHMENT TERMS AND DEFINITIONS

(Effective December, 2020)

Appropriate Minimum

Search Distances

are provided in the in the E2600-15 Standard Practice

Area of Concern

("AOC") defined by the *appropriate minimum search distance* adjusted as appropriate. When the AOC is defined by the *appropriate minimum search distance* without adjustment, the AOC is the default *AOC*. (§ 3.2.3)

Business Environmental

Risk

risk that can have a material environmental or environmentally drive impact on the transaction or the business associated with the current or planned use of a parcel of property, not limited to environmental issues that are investigated pursuant to this guide. (§ 3.3.2)

Chemicals of Concern

("COCs") a chemical that is present in the subsurface environment... and can potentially migrate as a vapor into the vadose zone of the *TP*; can also include volatility and toxicity and include volatile organic compounds, semi-volatile organic compounds.

Conduit

preferential pathway along which vapors released from contaminated soil and/or groundwater may migrate onto the *TP* or away from the *TP*. (§ 3.2.6)

Contaminated Plume

plume in which concentrations of COC are known to be present in the soil or groundwater or both at concentrations exceeding levels that generally would be the subject of an enforcement action if brought to the attention of appropriate governmental agencies. (§ 3.2.8)

A contaminated plume can take the form of a groundwater or soil contaminated plume. In a groundwater contaminated plume, COC may be conveyed as solutes

away from the point at which they were introduced into groundwater. They move with the migrating groundwater mass in the direction of the groundwater flow. When dispersion within the groundwater contaminated plume brings a dissolved COC to the groundwater-soil gas interface, the COC may transition from the dissolved state to the vapor state and migrate from groundwater into soil gas in the vadose zone. Once a COC migrates into soil gas in the vadose zone, its migration may no longer be dependent on or related to groundwater movement.

In a soil contaminated plume, COC volatilized from the soil mix freely with soil gas that exists within soil voids in the vadose zone. The COC in soil gas can also be introduced from underlying contaminated groundwater, as result of a liquid spill into vadose zone soils, or by the direct release of vapors from a leaking underground source. Migration of COC contaminated soil gas through the vadose zone may be in any direction; however, it preferentially follows the path of least resistance. Fluctuations in barometric pressure may cause movement of air and vapors into and out of the vadose zone through preferential pathways.

Critical Distance	the Critical Distance is the lineal distance in any direction between the nearest edge of the Contaminated Plume and the nearest Target Property boundary, and is equal to 100 feet for COCs or 30 feet for dissolved petroleum hydrocarbons COC. The critical distance represents an estimate of the lineal distance COC vapors volatilized from contaminated groundwater or contaminated soil might migrate in the vadose zone to the Target Property.
Groundwater	water contained in the pore spaces of saturated geological media. (§ 3.2.15).
Preferential Pathway	pathway that has the least amount of constraint on the migration of COC vapors (§ 3.2.25)
Recognized Environmental Condition	(REC") the presence or likely presence of any hazardous substances or petroleum products in, on, or at a property: (1) due to any release to the environment; (2) under conditions <i>indicative of a release</i> to environment; or (3) under conditions that pose a material threat of a future release to the environment. (§ 3.3.22)
Saturated Zone	zone in which all of the voids in the rock or soil are filled with water at a pressure that is greater than atmospheric. (§ 3.2.29).
Solute	a substance that can be dissolved by a solvent to create a solution. A solute can come in many forms; it can be gas, liquid, or solid. The solvent or substance that dissolves the solute, breaks the solute apart and distributes the solute molecules equally. A solvent can dilute various amounts of solute, depending on how strong of a solvent is used and how strong of a solvent is used and how easily the solute molecules come apart. This property of solutes to dissolve in a solvent is known as solubility.

Vadose zone (also referred to as the unsaturated zone) zone between the land surface and the water table within which moisture content is less than saturation (except in the capillary fringe) and pressure is less than atmospheric. (§ 3.2.29).

Vapor Encroachment Condition (“VEC”) presence or likely presence of COC vapors in the vadose zone of the *TP* caused by the vapors from contaminated soil and/or groundwater either on or near the *TP* as identified by the Tier1 (see Section 8) or Tier 2 (see Section 9) procedures in this guide. (§ 3.2.37).

APPENDIX

- Site Location and Photographs
- Project Contract Documents
- Supplemental Documents
- Environmental Database

■ Site Location and Photographs

Cho Property - Lynnwood, Washington

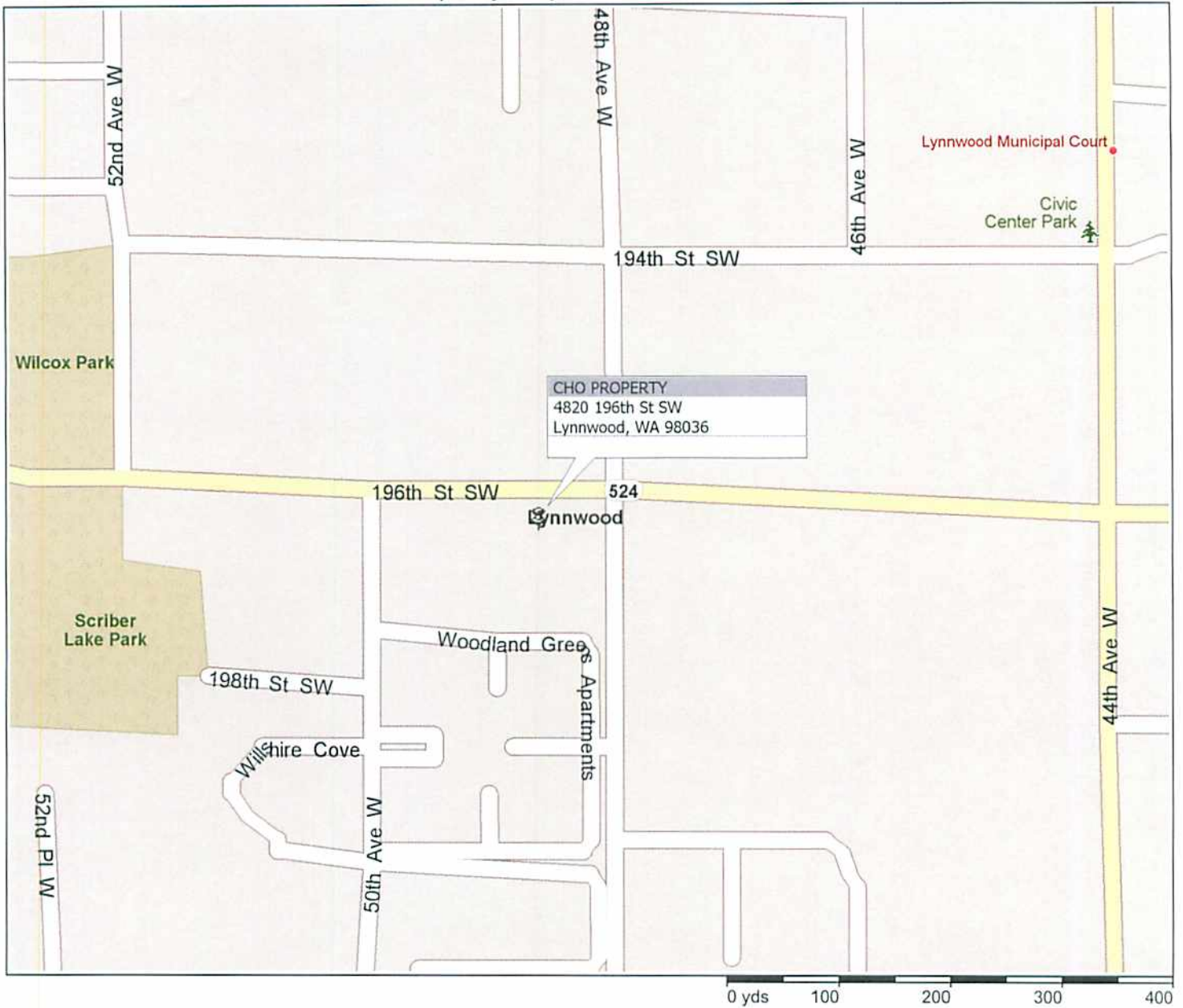


Pushpins



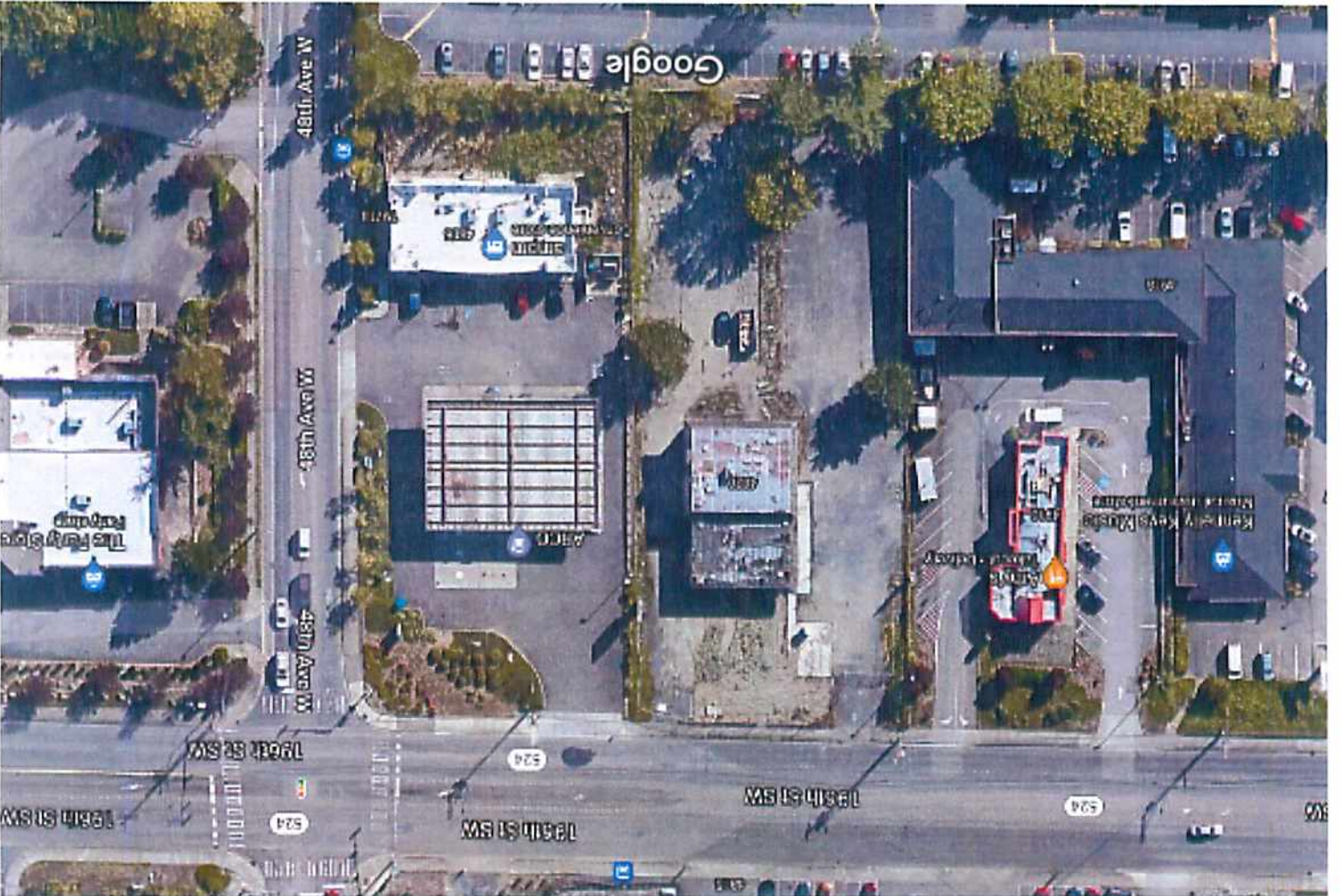
My Pushpins

Cho Property - Lynnwood, Washington



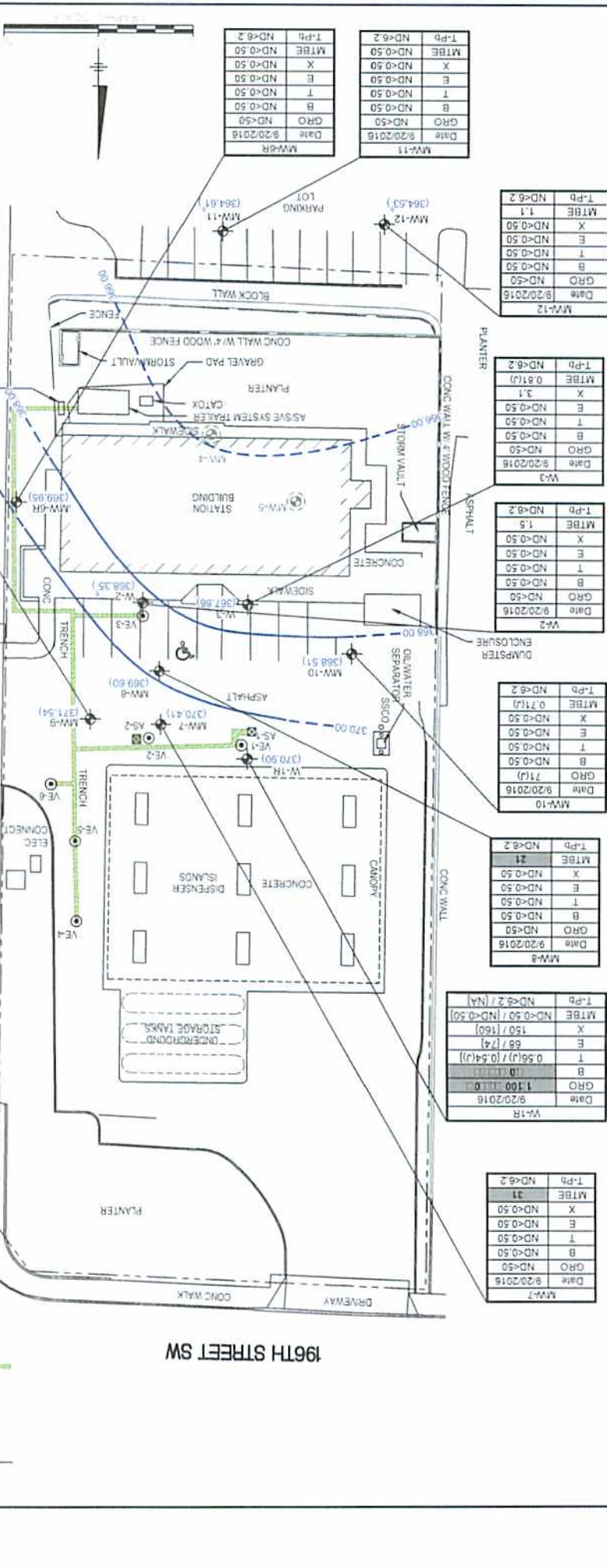
Pushpins

My Pushpins



Imagery ©2021 Maxar Technologies, U.S. Geological Survey, Map data ©2021

50 ft



Front of Property



Property viewed from street

Front of the Building



Cho Property
Lynnwood, Washington
Page 2 of 4

Rear of the Property
viewed to the north



East side of Property
(adjoining ARCO Station)

West side of property



East side of Building



Rear of Building

West side of Building
(viewed to the north)



Main floor former dining area



Main floor rear

Basement former dining
room



■ Project Contract Documents

ENVIRONMENTAL CONTRACTOR'S CERTIFICATION

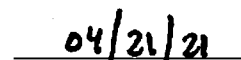
CHO PROPERTY
4820 – 196th Street Southwest
Lynnwood, Washington 98036

1. Contractor's Name: Aerotech Environmental Consulting, Inc.
2. Contractor's Address: 14220 Interurban Avenue South, Suite 116, Tukwila, WA 98168
3. Name and title of person completing this certification: Alan T. Blotch / President
4. Answer the following questions about each employee that contractor will have perform the assessment or prepare the report showing the results of the inspection:
 - a. Name and Title of Employee: Alan T. Blotch – Environmental Assessor
 - b. Length of experience doing environmental assessments: 41 years
 - c. Education degrees received: Masters of Business Administration
Juris Doctor – Environmental Law
 - d. Relevant training received: ASTM E50 Environmental Assessment Committee Meetings
5. Identify any certifications and approvals issued to contractor pursuant to an official Federal, State or local program or policy to conduct environmental assessments: Registered Environmental Assessor
Issued by State of California (1993-2012)
6. Describe the generally recognized standards which the contractor will use to perform the assessment.
Standard Practice for Environmental Site Assessments: Phase I Assessment (ASTM E 1527-13)
Standard Practice for Environmental Site Assessments: Transaction Screen Process (ASTM E 1528-14)
7. Disclose the nature of any previous environmental inspections contractor has ever performed for the owner of the property: None.
8. Disclose the nature of any affiliation or association contractor now has, or ever had, with the above referenced seller of the property, of the above referenced buyer of the property - Phase I Assessment (2018)
9. Describe the liability insurance carried by contractor to cover claims in the event that it fails to discover adverse environmental conditions during an environmental inspection.
Professional Errors & Omissions Coverage \$1,000,000 / claim and \$1,000,000 aggregate liability

THE UNDERSIGNED HEREBY CERTIFIES, UNDER PENALTY OF THE CRIMINAL AND/OR CIVIL PENALTIES IN 18 U.S.C. § 1001 FOR FALSE STATEMENTS TO THE UNITED STATES GOVERNMENT, THAT THE ABOVE INFORMATION IS TRUE AND CORRECT.



Signature



Date

Statement of Environmental Professional Qualifications:

CURRICULUM VITAE

Alan T. Blotch

Mr. Blotch was previously the Corporate General Counsel for a national industrial safety and environmental consulting firm, with offices throughout the United States. Since 2000, he has been the President of an environmental consulting firm while continuing his law practice, specializing in insurance defense litigation orientated towards construction, products liability, environmental, health, and safety matters.

Mr. Blotch has over 41 years experience in the industrial safety and environmental consulting industry, including both field assessment and management positions. For nine years he held a variety of positions with a national consulting firm, including division manager, marketing vice president, and executive vice president.

Additionally, Mr. Blotch has been involved since 1991 in the development of the ASTM E50 Committee Phase I Environmental Site Assessment Standard Practice, ASTM Standard for the Survey of Asbestos Building Materials, EPA/HUD contract NIBS Lead-Based Paint Operations Manual, and NIBS Asbestos Operations and Maintenance Guidance manual.

Education:

University of Illinois at Chicago Circle – undergraduate pre-law
Illinois Benedictine College – Masters of Business Administration
Chicago-Kent College of Law – Juris Doctor of Law
with Certificate in Environmental and Energy Law

Certifications / Licenses:

Registered Environmental Assessor – State of California (1993 - 2012)
Asbestos Supervisor, Project Manager – AHERA Accredited
Asbestos Building Inspector, Management Planner, Project Designer - AHERA Accredited
Attorney at Law – State of Washington & State of Oregon
Lead-Based Paint Inspector and Risk Assessor - US EPA Accredited
Lead-Based Paint Risk Assessor - State of Washington Licensed

Organization Memberships:

American Bar Association
– Section of Environmental, Energy, and Natural Resources, member.
American Industrial Hygiene Association
American Society of Safety Engineers
– Board of Directors, Puget Sound Chapter, former member;
– Former Chairman, Regulatory Affairs Committee
American Society for Testing and Materials (ASTM)
– Environmental Standards Committee E50, Environmental Site Assessments, member;
– Asbestos Inspection Protocol for the Survey of Asbestos Building Materials Working Group, member;
– Environmental Standards Committee E06, Performance of Buildings, member.
Association of Trial Lawyers of America

Defense Research Institute, Inc.

National Institute of Building Sciences

- Operations Committee of Consultative Council; member, Project Committee on Lead-Based Paint O&M Work Practices Manual and Procedures Development, member;
- Project Committee on Asbestos Management, and Operations and Maintenance Manual Development, member;
- Project Committee on Asbestos Specifications and Response Actions Standards Revision, former member.

Occupational Safety and Health Administration

- Advisory Committee on Construction Safety and Health, former participant.

Puget Sound Area Construction Safety Summit

Washington Defense Trial Lawyers Association

- Association magazine editorial board, former member.

Washington State Trial Lawyers Association

Washington State Bar Association

- Attorney Character and Fitness Committee / former Hearing Officer

Professional and Standards Development:

ASTM Phase I Environmental Site Assessment Practice. Beginning in 1991, Mr. Blotch was involved in the drafting and review of the American Society for Testing and Materials (“ASTM”) Environmental Standards Committee E50, Environmental Site Assessments, charged with the responsibility of developing the ASTM Phase I Environmental Site Assessment Standard Practice. This involvement in the committee’s work continues to the present, included the 2006 Standard Revisions.

ASTM Survey of Asbestos in Buildings Practice. In 1993, the ASTM formed a working group to develop an Asbestos Inspection Protocol for the Survey of Asbestos Building Materials Working Group. Mr. Blotch personally performed the drafting of significant portions of the initial Survey document. His involvement continues to the present.

National Institute of Building Sciences (“NIBS”) Lead-Based Paint Work Practices Manual. In 1992, Mr. Blotch was invited to join the newly formed NIBS Operations Committee of Consultative Council, Project Committee on Lead-Based Paint O&M Work Practices Manual and Procedures Development pursuant to a NIBS contract with the EPA and HUD. For two years Mr. Blotch attended the committee meetings and discussion groups and participated in the development and review of the Manual, which was subsequently published by the EPA.

NIBS Asbestos Operations and Maintenance Manual. Beginning in 1994, Mr. Blotch was invited to join the newly formed Project Committee on Asbestos Management, and Operations and Maintenance, charged with the responsibility of developing an Asbestos O&M Manual. This work included both the attendance of working group committee meetings and document review. This project was completed within two years.

NIBS Asbestos Specifications Revision. In order to ensure compliance with the revised OSHA asbestos regulations, in 1997, NIBS formed a Project Committee on Asbestos Specifications and Response Actions Standards Revision, of which Mr. Blotch was a member. His involvement included review and comment on the draft Specification revisions to the NIBS Asbestos MASTERSPEC® Removal and Response document.

State of Washington Industrial Hygiene & Safety Title Protection Act. Instrumental in drafting the 2001 Session Washington State Industrial Hygiene and Professional Safety Title Protection Act, Chapter 18

of the Washington Revised Code. Testified before the Legislature's combined House and Senate Committee on Commerce and Industry in support of the Title Protection Act.