Notice of Environmental Contamination

Grantor: State of Alaska

Department of Environmental Conservation

Contaminated Sites Program

Grantee: Commercial Property - 900 East Dowling Road

KDG Alaska LLC

Legal Description: WESTFORK TR 1 REM in Section 6, Township 12 North, Range 3 West,

Seward Meridian, in the Anchorage Recording District

Recording District: Anchorage Recording District

Return to: Joshua Barsis

Environmental Program Specialist ADEC Contaminated Sites Program

555 Cordova Street Anchorage, AK 99501

State Business- No Charge

NOTICE OF ENVIRONMENTAL CONTAMINATION

As required by the Alaska Department of Environmental Conservation, Grantor, pursuant to 18 AAC 75.375 KDG Alaska LLC, Grantee, as the owner of the subject property, hereby provides public notice that the property located at 900 East Dowling Road, Alaska, 99518, and more particularly described as follows:

WESTFORK TR 1 REM in Section 6, Township 12 North, Range 3 West, Seward Meridian, in the Anchorage Recording District

has been subject to a discharge or release and subsequent cleanup of oil or other hazardous substances, regulated under 18 AAC 75, Article 3, revised as of June 17, 2015. This release and cleanup are documented in the Alaska Department of Environmental Conservation (ADEC) contaminated sites database at http://www.dec.state.ak.us/spar/csp/db_search.htm under Hazard ID number 26409.

ADEC reviewed and approved, subject to this and other institutional controls, the cleanup as protective of human health, safety, welfare, and the environment. No further cleanup is necessary at this site unless new information becomes available that indicates to ADEC that the site may pose an unacceptable risk to human health, safety, welfare, or the environment. ADEC determined, in accordance with 18 AAC 75.325 – 390 site cleanup rules, that cleanup has been performed to the maximum extent practicable even though residual petroleum contamination remains in the subsurface soil.

Attached is a site diagram drawn to scale that shows the property boundaries, locations of existing structures and the approximate location of remaining soil contamination.

Petroleum contamination remains in sub-surface soil above MTG cleanup levels; however ADEC has determined there is no unacceptable risk to human health or the environment as long as the contamination is properly managed, subject to the following conditions:

- Any future change in land use may impact the exposure assumptions cited in this
 document. If land use and/or ownership changes, these management conditions may not
 be protective and ADEC may require additional remediation and revised conditions.
 Therefore KDG Alaska LLC shall report to ADEC every 5 years to document land use, or
 report as soon as KDG Alaska LLC becomes aware of any change in land ownership
 and/or use, if earlier.
- 2. A Notice of Environmental Contamination (deed notice) shall be recorded in the State Recorder's Office as an institutional control (IC) that identifies the nature and extent of contamination at the property and the conditions that the owners and operators are subject to in accordance with this decision document (enclosed).
- 3. Installation of groundwater wells requires ADEC approval.

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- 4. Sub-surface soil contamination is located sporadically across the property. If contamination is encountered in the future or if the soil becomes accessible, the soil must be evaluated and contamination addressed in accordance with an ADEC approved work plan.
- 5. Benzene contamination remains in the subsurface soils above MTG cleanup levels. If in the future a structure (temporary or permanent) is constructed within 30 feet of the known contamination, ADEC must be contacted and a vapor intrusion (VI) evaluation will likely be required.
- 6. Any proposal to transport soil or groundwater off-site requires ADEC approval in accordance with 18 AAC 75.325. A "site" [as defined by 18 AAC 75.990 (115)] means an area that is contaminated, including areas contaminated by the migration of hazardous substances from a source area, regardless of property ownership.
- 7. Movement or use of contaminated material in a manner that results in a violation of 18 AAC 70 water quality standards is prohibited.

In the event that the remaining contaminated soil becomes accessible (by the building or other structure being removed or through some other action that fits the site circumstances), or other information becomes available which indicates that the site may pose an unacceptable risk to human health, safety, welfare or the environment, the land owner and/or operator are required under 18 AAC 75.300 to notify ADEC and evaluate the environmental status of the contamination in accordance with applicable laws and regulations; further site characterizations and cleanup may be necessary under 18 AAC 75.325-.390.

Pursuant to 18 AAC 75.325(i)(1) and (2), DEC approval is required prior to moving soil or groundwater that is, or has been, subject to the cleanup rules found at 18 AAC 75.325-.370. At this site, in the future, if soil is removed from the site it must be characterized and managed following regulations applicable at that time.

This NEC remains in effect until a written determination from ADEC is recorded that states that soil at the site has been shown to meet the most stringent soil cleanup levels in method two of 18 AAC 75.340 and that off-site transportation of soil is not a concern.

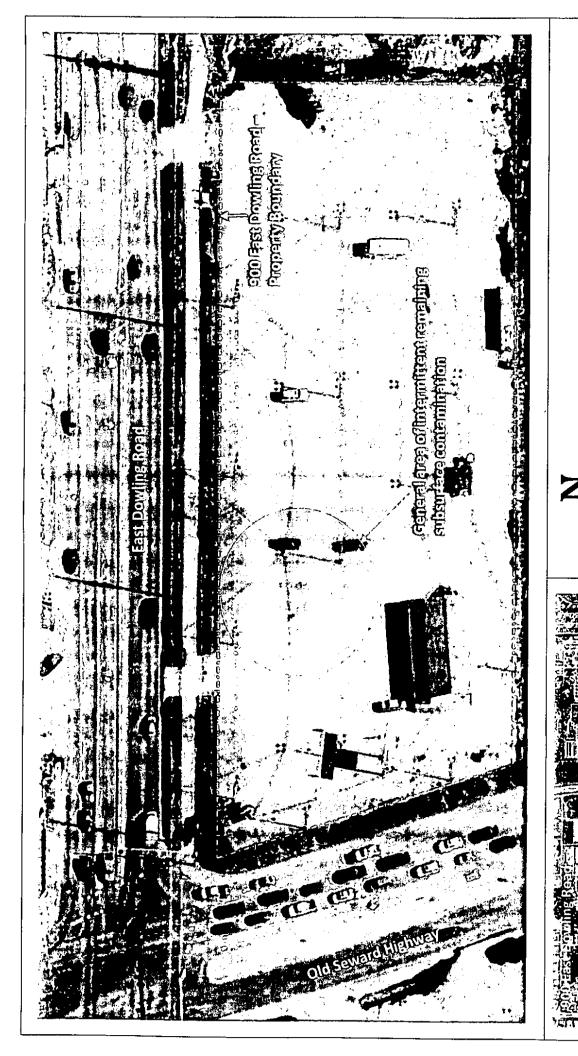
For more information on the contaminated site in this Notice of Environmental Contamination, please see ADEC Contaminated Sites Program file number 2100.38.554 for the site named Commercial Property - 900 East Dowling Road.

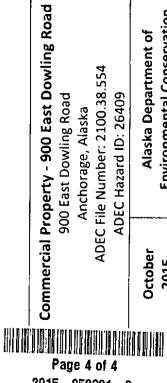
Signature of Authorized ADEC Representative

Date

12-22-15

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ADEC Hazard ID: 26409

October 2015

Environmental Conservation Alaska Department of