

**Phase I Environmental Site Assessment
3607 and 3609 Spenard Road
Anchorage, Alaska**

September 2012

Submitted To:
Alaska Department of Environmental Conservation
555 Cordova Street
Anchorage, Alaska 99501

Shannon & Wilson, Inc.
5430 Fairbanks Street, Suite 3
Anchorage, Alaska 99518
Phone: (907)561-2120
Fax: (907)561-4483
e-mail: tmt@shanwil.com

32-1-17525-001

EXECUTIVE SUMMARY

This report documents the results of our Phase I Environmental Site Assessment (ESA) of 3607 and 3609 Spenard Road, Anchorage, Alaska (the Property). The purpose of this Phase I ESA was to develop a professional opinion as to the presence of recognized environmental conditions (RECs), as defined by ASTM International (ASTM) Standard E 1527-05. A vicinity map is included as Figure 1, a site plan overview is included as Figure 2, and a detailed site plan is included as Figure 3. Aerial photographs of the Property are included as Figures 4 through 6.

This Phase I ESA included a records review and a visual evaluation of the Property grounds. Prior to the on-site evaluation, historical aerial photos were examined to identify areas of potential concern. Records at municipal and state offices and local utilities were reviewed to determine ownership information, public utility services to the Property, and incidents relating to spills or chemical releases. The records review also included researching state and federal databases to determine if listed contaminated sites, underground storage tanks (USTs), or leaking USTs (LUSTs) are present in the project vicinity.

Due to the extensive number of environmental conditions observed, the findings of our inquiry should not be construed as comprehensive. Based on the nature of the commercial activity at the site, the number of petroleum products and potentially hazardous substances used on the Property, and the observed surface conditions, it is possible that environmental conditions in addition to those mentioned in this report are present at the subject Property. To more fully assess the Property, we recommend conducting a comprehensive inventory of items that may pose environmental risk.

Note that due to site access restrictions, the following areas were not evaluated during the August 17, 2012 site visit:

- the underground storage area,
- the northern two bays of the car wash structure,
- the lower floor of the 3609 Spenard Road structure,
- the interior of two connex storage containers near the southeast corner of the Property,
- the interior of the northern outbuilding north of the 3609 Spenard Road structure, and
- the interior of sheds adjacent to the 3607 Spenard Road and car wash structure

Recognized Environmental Conditions

A REC is the presence or likely presence of a hazardous substance or petroleum product under conditions that indicate an existing release, a past release, or a material threat of a release into structures on the Property or into the Property's ground, groundwater, or surface water. This

assessment revealed no evidence of RECs in connection with the Property and the surrounding parcels except the following:

On-Site Recognized Environmental Conditions

The Property was used as a fuel service station and is listed as an “active” LUST site on the Alaska Department of Environmental Conservation’s (ADEC) list of contaminated sites. According to the ADEC database, petroleum-impacted soil and groundwater are present at the site. Although multiple site characterization and cleanup efforts have been conducted, the extent of soil and groundwater contamination has not been fully delineated.

Based on aerial photograph review and conditions observed during our site visit, the Property has been used to store unused and/or discarded materials that may be classified as solid waste per state and federal environmental regulations. Among the miscellaneous items visible throughout the Property, potential sources of contamination include but are not limited to current or former contents of vehicles, fuel storage tanks, 55-gallons drums, and chemical containers with the potential to contain both petroleum and non-petroleum hazardous material contaminants.

Numerous surface stains were noted throughout the Property on both paved and unpaved surfaces during the August 17, 2012 site visit. In addition, areas of discolored soil were visible in aerial photographs taken in the 1960s, 1970s, and 1980s. The nature of the discolored soil is unknown and in some instances, may have been paved over with asphalt.

Floor drains were observed in the 3607 Spenard Road structure, the car wash structure, and adjacent to the car wash structure. The discharge point of these drains is unknown and may be associated with a dry well(s). The dry well(s), if present, may be classified as a Class V injection well subject to ADEC and Environmental Protection Agency (EPA) regulations. In addition, containers of petroleum products, solvent-based tire dressing, and commercial-grade cleaners were observed in close proximity to the drains suggesting a potential for these chemicals to enter the drain system.

An exterior battery storage area is located east of the car wash structure. In addition, vehicle batteries were observed on top of discarded vehicles in the vehicle storage area in the eastern portion of the Property. There is a potential that weathered and corroded batteries could impact the Property’s soil and/or groundwater.

According to Mr. Rasim Kadriu, owner of Alpina Auto Repair and tenant of the 3607 Spenard Road structure, a hydraulic lift was abandoned prior to his occupancy in 1989. In our experience, it is not unusual for hydraulic lifts to leak fluids over time. There is a potential that leaked hydraulic fluid may have impacted the Property’s subsurface soil and/or groundwater.

Off-Site Recognized Environmental Conditions

The Gull's Inc. parcel located at 3704 Wilson Street, approximately 175 feet southeast of the Property, is an ADEC-registered UST site. According to the ADEC database a 500-gallon gasoline UST is permanently out of use. Because groundwater flow direction is generally to the west/northwest, releases from the abandoned UST could potentially impact the Property's subsurface soil and/or groundwater.

Historical Recognized Environmental Conditions

A historical REC is an environmental condition that may have constituted a REC in the past, but has been closed by a regulatory agency or otherwise is no longer considered to pose a material threat.

On-Site Historical Recognized Environmental Conditions

No historical RECs were identified on the Property.

Off-Site Historical Recognized Environmental Conditions

No off-site historical RECs were identified on the Property.

Other Environmental Conditions

Other Environmental Conditions include known, suspected, or potential sources of hazardous substances or petroleum products that are not considered RECs due to (a) the absence of a confirmed release or other material threat, (b) insufficient information to adequately evaluate the condition, (c) de minimis conditions that are not expected to be subject to regulatory action or (d) exclusion from the ASTM definition of hazardous material (e.g. ACM). The following Other Environmental Conditions were identified on the Property:

Due to the construction date of the on-site structures (pre-1950 for the 3609 Spenard Road structure, pre-1964 for the 3607 Spenard Road structure, and pre-1970 for the car wash structure), it is possible that ACMs and/or lead-based paint were used in construction materials. ACM is a regulated hazardous air pollutant under the Clean Air Act, and is therefore subject to federal regulation as a hazardous substance. However, the ASTM standard explicitly identifies ACM as outside the base scope of the ASTM standard of practice. Prior to performing remodeling, demolition, repair, or cleaning using abrasive agents in the structures, we recommend that a comprehensive building material survey be performed by a qualified inspector.

Based on our aerial photograph review and ENSTAR and AWWU records, structures were present on the Property and adjacent parcels prior to natural gas service and municipal sewer and water services. It is possible that heating oil USTs and private wells and septic systems were

utilized in this area. Releases from active and/or abandoned tanks associated with these structures could potentially impact the Property's soil and/or groundwater.

The presence of an on-site drinking water well potentially increases the risk posed by the recognized environmental conditions and other environmental conditions at the site.

In the aerial photograph from 1999, liquid appears to be draining to the west from the car wash structure and south and west from the 3607 Spenard Road structure. The nature of the liquid is unknown.

Off-site fill has reportedly been deposited on the Property. The nature of the fill is unknown.

TABLE OF CONTENTS

	Page
EXECUTIVE SUMMARY	i
ACRONYMS AND ABBREVIATIONS	vii
1.0 INTRODUCTION.....	1
1.1 Purpose	1
1.2 Special Terms and Conditions.....	1
1.3 Limitations and Exceptions.....	1
1.4 User Reliance	2
1.5 Report Viability Date	2
2.0 SITE AND PROJECT DESCRIPTION	3
2.1 Location and Legal Description	3
2.2 Site and Vicinity Characteristics	3
2.3 Description of Improvements on the Property	3
2.4 Past and Current Use of Property	4
2.5 Environmental Assessments Conducted on the Property.....	4
2.6 Past and Current Uses of Adjoining Properties.....	4
3.0 USER-PROVIDED INFORMATION	5
3.1 Environmental Liens	5
3.2 Questionnaire	5
4.0 RECORDS REVIEW	5
4.1 Historical Use Information.....	5
4.1.1 Aerial Photographs.....	6
4.1.2 Public Ownership Documents.....	8
4.2 Physical Setting.....	9
4.2.1 Groundwater Characteristics.....	9
4.2.2 Soils/Geology.....	9
4.2.3 Historical Maps.....	10
4.3 Regulatory Database Search.....	10
4.3.1 Federal Records Sources.....	10
4.3.2 State Records Sources.....	11
4.3.3 Local Agency Sources	14
5.0 SITE RECONNAISSANCE	15
5.1 Interior Evaluation.....	15
5.2 Property Grounds Evaluation	18
5.3 Surrounding Properties Evaluation	20
5.4 Hazardous Substances and Petroleum Products.....	20
5.5 Storage Tanks	21
5.6 Drums	21
5.7 Asbestos-Containing Materials and Lead-based Paint.....	21
5.8 Transformers	21
5.9 Solid Waste Disposal	22

TABLE OF CONTENTS (continued)

	Page
6.0 INTERVIEWS	22
6.1 Government Official	22
6.2 Current Owners / Occupants of the Property	22
7.0 OTHER ENVIRONMENTAL CONSIDERATIONS	23
8.0 FINDINGS AND CONCLUSIONS.....	24
8.1 Recognized Environmental Conditions.....	25
8.1.1 On-Site Recognized Environmental Conditions.....	25
8.1.2 Off-Site Recognized Environmental Conditions	26
8.2 Historical Recognized Environmental Conditions.....	26
8.2.1 On-Site Historical Recognized Environmental Conditions	26
8.2.2 Off-Site Historical Recognized Environmental Conditions	26
8.3 Other Environmental Conditions	26
9.0 QUALIFICATIONS OF ENVIRONMENTAL PROFESSIONALS	27
10.0 CLOSURE/LIMITATIONS.....	27

TABLES

- 1 Registered Underground Storage Tanks Within 0.25-Mile Radius
- 2 Leaking Underground Storage Tanks Within 0.5-Mile Radius
- 3 Contaminated Sites from ADEC Database Within 1.0-Mile Radius

FIGURES

- 1 Vicinity Map
- 2 Site Plan Overview
- 3 Detailed Site Plan
- 4 May 23, 1964 Aerial Photograph
- 5 June 2, 1976 Aerial Photograph
- 6 September 26, 2011 Aerial Photograph
- 7 Former Underground Storage Tanks and Dispenser Islands

APPENDICES

- A Copy of Shannon & Wilson Proposal Dated July 31, 2012
- B Phase I Environmental Site Assessment Questionnaires
- C Ownership Documents
- D Site Photographs
- E Important Information About Your Environmental Site Assessment/Evaluation Report

ACRONYMS AND ABBREVIATIONS

ACM	Asbestos-Containing Material
ADEC	Alaska Department of Environmental Conservation
ADNR	Alaska Department of Natural Resources
ASTM	ASTM International
AWWU	Anchorage Water and Wastewater Utility
CERCLIS	Comprehensive Environmental Response Compensation and Liability Information System
CIHA	Cook Inlet Housing Authority
CORRACTs	TSD Facilities Subject to Corrective Action
DRO	Diesel Range Organics
EPA	Environmental Protection Agency
ERNS	Emergency Response Notification System
ESA	Environmental Site Assessment
GEET	Gilfililian Engineering & Environmental Testing, Inc.
GRO	Gasoline Range Organics
LUST	Leaking Underground Storage Tank
mg/kg	Milligram per kilogram
MOA	Municipality of Anchorage
NONCORRACTS	TSD Facilities Not Subject to Corrective Action
NPL	National Priorities List
PCBs	Polychlorinated Biphenyls
REC	Recognized Environmental Condition
RCRA	Resource Conservation and Recovery Act
TSD	Treatment, Storage, and Disposal
USACE	U.S. Army Corps of Engineers
USFWS	U.S. Fish and Wildlife Service
USGS	United States Geological Survey
UST	Underground Storage Tank
WELTS	Well Log Tracking System

**PHASE I ENVIRONMENTAL SITE ASSESSMENT
3607 AND 3609 SPENARD ROAD
ANCHORAGE, ALASKA**

1.0 INTRODUCTION

This report documents the results of our Phase I Environmental Site Assessment (ESA) prepared for 3607 and 3609 Spenard Road, Anchorage, Alaska (the Property). The Property encompasses 75,363 square feet and is located on the northeast corner of Spenard Road and Chugach Way.

1.1 Purpose

The purpose of the Phase I ESA was to develop a professional opinion regarding recognized environmental conditions (REC), as defined by American Society for Testing of Materials International (ASTM) Standard E 1527-05. This term is defined by ASTM as the presence or likely presence of a hazardous substance or petroleum product under conditions that indicate an existing release, a past release, or a material threat of a release into structures on the Property or into the Property's ground, groundwater, or surface water.

1.2 Special Terms and Conditions

The Phase I ESA was prepared for the Alaska Department of Environmental Conservation (ADEC). This work was performed in general accordance with our proposal for environmental services dated July 31, 2012, and with ASTM E 1527-05. A copy of our proposal is included in Appendix A. Authorization to proceed with the Phase I ESA was provided by the ADEC in the form of Notice to Proceed 18-4002-12-52 dated August 6, 2012.

1.3 Limitations and Exceptions

The following elements of the Phase I ESA constitute deviations, exceptions, and/or data gaps, with respect to the standard requirements of ASTM E 1527-05. In our opinion, none of these considerations impacts our ability to identify RECs at the subject property.

- The ADEC List of Contaminated Sites is assumed to be equivalent to a hazardous waste sites list and includes voluntary cleanup sites.
- Tribal lists of environmental concerns were not reviewed. The tribal lists are identified as "standard environmental sources" in ASTM Section 8.2.1. To our knowledge, such databases do not exist for the State of Alaska.

- Historical use of the Property is identified back to 1950, not to 1940, as required by ASTM E 1527-05. The oldest historical record is an aerial photograph from 1950 that shows what appears to be a residential structure near the southern Property boundary.
- All of the Standard Historical Sources listed in ASTM Section 8.3.4 were not researched for this ESA because they were not reasonably ascertainable and likely to be useful. For example, fire insurance maps, local street directories, building department records, and property tax files were not researched.
- Shannon & Wilson did not interview the previous Property owners. Contact information for the previous owners was not available from the ADEC or the current Property owner.

1.4 User Reliance

This report can be relied upon by, and has been prepared for the exclusive use of the ADEC. The ADEC can convey this report to an affiliate, subsidiary, lender, title insurer, regulatory/city agent or current property owner(s) and their agents, but further dissemination requires prior written approval from Shannon & Wilson, Inc. The limitations of the report are further described in Section 10.

1.5 Report Viability Date

The following table includes the date information used to calculate the report viability date.

Table of Critical Dates	
Report Issuance Date	September 28, 2012
Earliest Date of Interview of Owners and Occupants	August 17, 2012
Date of Recorded Environmental Cleanup Lien Search	August 10, 2012
Earliest Date of Government Record Review	August 7, 2012
Date of Visual Inspection of Subject and Adjoining Properties	August 17, 2012
Earliest Date of Interviews, Lien Search, Records Reviews, and Inspections	August 7, 2012
Report Viability Date	February 3, 2013

2.0 SITE AND PROJECT DESCRIPTION

2.1 Location and Legal Description

The street address for the Property is 3607 and 3609 Spenard Road, Anchorage, Alaska. The Property, located in a commercial/residential area, comprises one parcel encompassing 1.73 acres. A Vicinity Map showing the Property and surrounding area is included as Figure 1. Figure 2 is a site plan depicting general site features of the Property and adjacent parcels and Figure 3 is a detailed site plan of the Property.

The Property is located in the southeast $\frac{1}{4}$ of Section 25, Township 13 North, Range 4 West, Seward Meridian, Alaska, as referenced by the United States Geological Society (USGS) Anchorage A-8 NW quadrangle. According to the Municipality of Anchorage (MOA) Assessors office, the legal description of the Property is a portion of the north $\frac{1}{2}$ of the northeast $\frac{1}{4}$ of the northwest $\frac{1}{4}$ of the southeast $\frac{1}{4}$ of Section 25, Township 13 North, Range 4 West, Anchorage, Alaska. MOA identifies the Property as Parcel No. 010-113-48-000.

2.2 Site and Vicinity Characteristics

The Property is located in a commercial/residential area on the northeast corner of Spenard Road and Chugach Way in the Spenard neighborhood of Anchorage. Three commercial structures are currently located on the Property. The western half of the Property is paved and is used in conjunction with an automotive repair company and various vehicle rental companies. The eastern half of the Property is unpaved and is primarily used by a firewood supply company and to store unused/abandoned vehicles.

The Property is bound to the north by a vehicle sales lot and a bakery. A residential neighborhood is located east of the Property. The Property is bound to the south by Chugach Way and to the west by Spenard Road. Commercial parcels are located south and west of the adjacent roads.

2.3 Description of Improvements on the Property

An aerial photograph from 1950 shows the 3609 Spenard Road structure near the southern Property boundary. Between 1962 and 1964, the 3607 Spenard Road structure was completed in the western portion of the Property. Also by 1964, a fuel dispenser island was constructed west of the 3607 Spenard Road structure. Between 1968 and 1970 the Property's present day car wash structure was completed near the northern Property boundary. By 1976, a fuel dispenser

island was constructed south of the 3607 Spenard Road structure. A third fuel dispenser island was constructed south of the 3607 Spenard Road structure between 1976 and 1986. In the aerial photograph from 1996, the fuel dispenser islands were no longer visible on the Property.

2.4 Past and Current Use of Property

Aerial photographs taken in 1950 and 1960 indicate the 3609 Spenard Road structure was used as a residence. Aerial photographs taken after 1964 show numerous vehicles around the 3609 Spenard Road structure suggesting that the structure was no longer used as a private residence but as a commercial structure. Aerial photographs show that the 3607 Spenard Road structure was constructed between 1962 and 1964 and operated as a fuel filling station until 1993. The car wash structure was completed between 1968 and 1970 suggesting that the Property has been used commercially since at least 1964.

2.5 Environmental Assessments Conducted on the Property

According to ADEC records, multiple environmental assessments have been recorded for the Property (See Section 4.3.2). A UST site assessment was conducted by Gilfilian Engineering & Environmental Testing, Inc. (GEET) in 1995. The entire UST system consisting of nine USTs, eight dispensers, and product piping to fourteen dispenser locations was removed from September 13 to 19, 1995. In 1996, GEET conducted a release investigation at the site and installed Monitoring Wells MW-1, MW-2, and MW-3. An additional release investigation was conducted in 1997 in which Monitoring Wells MW-4, MW-5, and MW-6 were installed. A passive bioventing system to treat petroleum hydrocarbon impacted soil was installed during the additional release investigation. In 2001, 1,120 tons of contaminated soil were excavated from the Property and Monitoring Well MW-7 was installed. Monitoring Wells MW-8 and MW-9 were installed in 2003 in conjunction with a release investigation. Quarterly groundwater monitoring of the site's wells was last conducted in June 2009.

2.6 Past and Current Uses of Adjoining Properties

Based on aerial photograph review (See Section 4.1.1), the parcels adjacent to and north of the Property have been used commercially since 1960. A residential neighborhood was established east of the Property by 1960 and the parcels continue to be used as such today. The parcels south of the Property, beyond Chugach Way, were originally developed as residential parcels in the 1950s and 1960s; the majority of the residential structures were replaced by commercial structures in the 1970s.

3.0 USER-PROVIDED INFORMATION

The Phase I ESA user questionnaire was provided to Mr. John Carnahan, ADEC Brownfield Coordinator, but completed by the end user, Mr. Jeff Judd, Senior Vice President of Real Estate, Cook Inlet Housing Authority (CIHA).

3.1 Environmental Liens

Environmental liens were not identified on the Property during our research on August 10, 2012.

3.2 Questionnaire

A Phase I ESA Questionnaire was completed by Mr. Judd. According to Mr. Judd, environmental cleanup liens, institutional controls, and/or engineering controls have been filed or recorded against the site. According to Mr. Judd, in March 2011, a CIHA subcontractor performed a Phase I ESA for the parcel adjacent to and west of the Property at 3604 Spenard Road. According to the March 2011 Phase I ESA report, contamination attributed to the Property is impacting the soil and groundwater at the 3604 Spenard Road parcel. Mr. Judd stated that he has no knowledge of the past use of the Property or adjoining parcels other than information provided in existing ADEC reports regarding the Property. Mr. Judd stated that he does not have information regarding specific chemicals that are present or were once present on the Property. Mr. Judd indicated that he is aware of obvious indicators pointing to the presence or likely presence of contamination at the Property based on ADEC documents regarding known contamination on the Property. The completed Phase I ESA Questionnaire is included in Appendix B.

4.0 RECORDS REVIEW

The purpose of the records review was to identify previous activities that may have constituted environmental misuse and/or contributed to the presence of waste residuals at the Property. Standard Environmental Record Sources and the Additional Environmental Record Sources identified in ASTM E 1527-05 were reviewed to the extent reasonably ascertainable and likely to be useful.

4.1 Historical Use Information

Two methods were used to verify previous land use: review of historical aerial photographs and review of available land ownership information. As part of this review, telephone contacts were made to firms and individuals knowledgeable of the Property, as described below.

4.1.1 Aerial Photographs

Aerial photographs from Aero-Metric USA, Inc. were reviewed to evaluate prior land use in this area. The photos that are included in this report are from 1964, 1976, and 2011. These photos are included as Figures 4 through 6, respectively, and are each enlarged to an approximate scale of 1 inch equals 100 feet. Although not chosen to print, aerial photographs from 1950, 1960, 1962, 1966, 1968, 1970, 1986, 1993, 1995, 1996, 1997, 1999, and 2005 were also reviewed. The approximate Property boundary is shown in red on the figures for reference.

In the 1950 aerial photograph, the Property has been cleared of vegetation and what appears to be a residential structure is present near the southern Property boundary. The overall size and configuration of the structure appears similar to the present day 3609 Spenard Road structure. The parcels adjacent to and north and east of the Property are vegetated and undeveloped. Chugach Way has been constructed along the Property's southern boundary and appears to be unpaved. Three residential structures are visible southwest of the Property, beyond Chugach Way. Spenard Road is present along the western Property boundary. What appears to be a commercial structure is visible southwest of the Property, beyond Spenard Road.

In the 1960 aerial photograph, two outbuildings have been constructed near the Property's residential structure. Areas of discolored soil are visible south and southwest of the residential structure. What appears to be a garden plot is visible northwest of the residential structure. Unidentifiable debris is present in the west-central portion of the Property. A commercial structure and Quonset hut are located on the parcel adjacent to and north of the Property. Additional residential structures, a commercial building, a soil stockpile, and a trailer court are visible north of the Property, beyond West 36th Avenue. A residential neighborhood has been established east of the Property. Fish Creek is visible near the southeast corner of the Property. What appears to be a residential structure is visible southeast of the Property, beyond Fish Creek. A commercial structure and three residential structures have been constructed south and southwest of the Property, beyond Chugach Way. West of the Property, across Spenard Road, seven commercial structures are visible and multiple vehicles are parked around the structures. With the exception of a soil stockpile visible on the parcel northeast of the Property, the 1962 aerial photograph appears similar to the 1960 photo. The remaining parcels appear similar to the 1950 photograph.

The May 23, 1964 aerial photograph is included as Figure 4. The 3607 Spenard Road structure has been constructed in the western portion of the Property. The overall size and configuration of the building appears similar to present day. A fuel dispenser island is visible

west of the structure. Unidentifiable debris is visible adjacent to and east of the structure. Three outbuildings have been constructed in the eastern portion of the Property. An unpaved road bisects the east-central portion of the Property and appears to connect Chugach Way and Wilshire Avenue. Areas of discolored soil are visible throughout the Property. Approximately 30 vehicles are visible on the Property. Most of the vehicles are located south of the 3607 Spenard Road structure and near the Property's northwest corner. North of the Property, beyond the adjacent parcel, the intersection of Spenard Road and 36th Avenue is under construction. A commercial structure has replaced the Quonset hut near the northeast corner of the Property. Additional residential structures are present east and southeast of the Property. Southeast of the Property, trenches have been installed to direct Fish Creek. The remaining parcels appear similar to the 1960 photograph.

In the 1966 and 1968 aerial photographs, numerous vehicles are visible along the northern Property boundary. An additional structure has been constructed on the adjacent parcel north of the Property. The remaining parcels appear similar to the 1964 aerial photograph.

In the 1970 aerial photograph, the Property's present day car wash structure is visible near the northern Property boundary. Unidentifiable debris is visible west of the 3607 Spenard Road structure and north of the car wash structure. A canopy has been constructed above the fuel dispenser island in the western portion of the Property. A Quonset hut is present on the parcel south of the Property, beyond Chugach Way. The residential structures that were visible southwest of the Property in the 1966 aerial photograph have been replaced by two commercial structures. The remaining parcels appear similar to the 1966 aerial photograph.

The June 2, 1976 aerial photograph is included as Figure 5. A second fuel dispenser island is present south of the 3607 Spenard Road structure. Surface staining is visible in the immediate vicinity of the dispenser islands. Additional surface staining is visible east of the car wash structure. At least 14 vehicles are visible near the 3609 Spenard Road structure. Unidentifiable debris is visible on the parcel east of and adjacent to the southeast corner of the Property. A second Quonset hut has been erected on the parcel south of the Property. The remaining parcels appear similar to the 1970 photograph.

A third fuel dispenser island is visible south of the 3607 Spenard Road structure in the 1986 aerial photograph. In addition, the western half of the Property appears paved and surface stains are no longer visible near the pump dispensers. Approximately 20 vehicles surround the 3609 Spenard Road structure. An area of discolored soil is visible near the southeast corner of the structure. The commercial structure is no longer visible on the parcel near the northwest

corner of the Property. Fish Creeks appears to have been fully culvertized and is no longer visible near the southeast corner of the Property. The remaining parcels appear similar to the 1976 aerial photograph.

In the 1993 aerial photograph, a soil stockpile, approximately the size of the 3607 Spenard Road structure, is visible along the east-central Property boundary. An outbuilding is present south of the stockpile. The soil stockpile is no longer visible in the 1995 aerial photograph. In the aerial photographs from 1996 and 1997, dispenser islands are no longer visible south and west of the 3607 Spenard Road structure.

In the aerial photograph from 1999, liquid appears to be draining to the west from the car wash structure and south and west from the 3607 Spenard Road structure. Multiple vehicles are present on the unpaved parcel adjacent to and north of the Property. Areas of discolored soil are visible on the parcel. The remaining parcels appear similar to the 1997 aerial photograph.

In the 2005 aerial photograph, what appear to be surface stains are visible on the paved surface adjacent to and east and west of the car wash structure. Numerous vehicles are visible on the eastern portion of the Property. The remaining parcels appear similar to the 1999 aerial photograph.

The September 26, 2011 aerial photograph is included as Figure 6. In general, the Property appears much as it did during the August 17, 2012 site visit, as described in Section 5.0.

4.1.2 Public Ownership Documents

The Alaska Department of Natural Resources (ADNR) Records Office database was reviewed on August 10, 2012 to gather historical information about the Property ownership. A summary of the ownership documents beginning in 1976 is listed below, with copies included in Appendix C:

- A Partition Deed was recorded on December 6, 1976 between Robert E. and Geneva L. Stobaugh. This document was not found at the Records Office.
- A Warranty Deed was recorded on May 31, 1985. Robert E. and Geneva L. Stobaugh convey the Property to George Cada and Roger Hyde.

- A Deed in Lieu of Foreclosure was recorded on June 16, 1987. George Cada, Roger Hyde, and Diversified Petroleum Services convey the Property to Robert E. and Geneva L. Stobaugh.
- A Trustee's Deed was recorded on April 11, 1996. Stewart Title Company of Alaska, successor in interest to Safeco Title Agency, Inc., conveys the Property to the current Alatna, Inc (with Mr. Randy Hahn as owner of Alatna, Inc.).

4.2 Physical Setting

Geologic, hydrogeologic, hydrologic, and topographic characteristics of the Property were researched to further develop an understanding of the previous and current uses of the Property and surrounding area.

4.2.1 Groundwater Characteristics

Based on information presented in previous assessment reports, the direction of groundwater flow has ranged from the southwest to the northwest. The gradient has ranged from 0.3 to 2.6 percent. Based from the ADEC database regarding the Property, the local groundwater flow direction is generally to the west with seasonal variations to the northwest and southwest.

The State of Alaska Well Log Tracking System (WELTS) was researched to provide information about drinking water wells on or near the Property. The WELTS database, reviewed on August 10, 2012, does not identify drinking water wells on the Property. However, according to Mr. Hahn, the Property is currently serviced by a private drinking water well. A well log was not provided.

4.2.2 Soils/Geology

Information used in this discussion of soils and geology was provided by the Alaska Geological Society. Concurrent with the uplift of the Chugach Mountains, several glaciations occurred at the Upper Cook Inlet. During the Naptowne Glaciation, ice fronts completely surrounded the Anchorage area creating a lacustrine environment. As a result, the silts and clays of the Bootlegger Cove Formation were accumulated. These relatively impermeable sediments were deposited over, and interfingered with, the alluvial fan deposits derived from the Chugach Mountains. As a result of this sequence of events, the highly permeable water-bearing sands and gravels of the alluvial fans are confined below the fine-grained Bootlegger sediments, as well as separated internally into distinct water-bearing zones.

As the glaciers retreated, uplift of the Chugach Mountains continued and the Bootlegger Cove Formation was buried beneath more recent alluvial fan, stream deposits, and glaciodeltaic deposits. These fan and glacial deposits are common to this part of Anchorage and are probably the dominant soils at the site. Bedrock in the Anchorage area consists of tertiary clastic sediments of the Kenai Group overlying Mesozoic rocks of the McHugh Complex. The depth to bedrock ranges from several hundred to over one thousand feet. The bedrock is very seldom encountered in deep boreholes in the Anchorage Bowl area except near the south boundary of the city.

4.2.3 Historical Maps

A 1994 USGS 1:25,000 Topographic Map was reviewed, and the portion of the map showing the Property and vicinity is included as Figure 1. The Property and adjacent parcels are mapped as developed. Spenard Road and Chugach Way are visible west and south of the Property, respectively. North of the Property, beyond the neighboring parcel, 36th Avenue is present. A mobile home park is mapped east of the Property, beyond the adjacent parcel.

A historical USGS 1:63,360 Topographic Map from 1952 with limited revisions in 1963 was also reviewed. The Property and adjacent parcels are mapped as developed. Spenard Road and Chugach Way are visible west and south of the Property, respectively. North of the Property, beyond the neighboring parcel, 36th Avenue is present. Fish Creek, oriented northeast-southwest, is mapped southeast of the Property, beyond the neighboring parcel.

4.3 Regulatory Database Search

Federal and state database records were researched during the week of August 6, 2012 for pertinent information regarding the environmental condition of the Property and adjacent parcels. In addition, local agency sources were contacted as part of the database search. This database search complies with ASTM E 1527-05, with the exceptions noted in Section 1.3.

4.3.1 Federal Records Sources

The National Priorities List (NPL) specifies those properties assigned the Environmental Protection Agency's (EPA) highest cleanup priority. The EPA website was reviewed for NPL sites in Alaska. There are two listed NPL sites in the Anchorage area: Elmendorf Air Force Base and Fort Richardson. There is also one NPL Equivalent site in the Anchorage area: Anchorage Terminal Reserve. These sites are greater than 1.0 mile from the Property.

The Comprehensive Environmental Response, Compensation, and Liability Information System (CERCLIS) is also compiled by the EPA and includes sites the EPA has investigated or is currently investigating for potential hazardous substance contamination for possible inclusion on the NPL. According to the CERCLIS list, seven CERCLIS sites are located in the Anchorage area. These seven sites are the Alaska Railroad Anchorage Yard, Elmendorf Air Force Base, Fort Richardson, the Fourth Avenue and Gamble Parking Lot, the Post Road Drum Site, the Standard Steel and Metal Savage Yard, and the Univar Inc. property. These sites are not located within 1.0 mile of the Property.

According to the EPA Region 10 report, there are no Resource Conservation and Recovery Act (RCRA) treatment, storage, or disposal (TSD) facilities subject to corrective action (CORRACTS) within 1 mile of the Property. TSD facilities not subject to corrective action (NONCORRACTS) are not located within 0.5 mile of the Property. There are three listed hazardous materials TSD facilities in the Anchorage area: Alaska Railroad Corporation, Crowley Environmental Services, and U.S. Department of Defense/U.S. Air Force Joint Base Elmendorf-Richardson. These three sites are not located within 0.5 mile of the Property.

The Emergency Response Notification System (ERNS) lists reported hazardous substance releases in quantities greater than the reportable quantity. The Property is not listed on the ERNS list.

The Brownfield list contains eight EPA Brownfield Assessment, Cleanup, and Revolving Loan Fund Grantees in Anchorage. These eight sites are the Knik Arm Power Plant; the Mountain View Subdivision on Mountain View Drive between 5th Avenue and Pine Street; 3901 Mountain View Drive; John's Motel and RV Park; Wizard Wash Tesoro Station; 3130, 3142, and 3150 Mountain View Drive; the Wilhour and Warner Trust Properties; and Peacock Cleaners. These sites are not located within 0.5 mile of the Property.

4.3.2 State Records Sources

The ADEC Spills List was reviewed for information regarding spills on the Property. The list does not include the Property.

The State Landfill/Solid Waste Disposal Site List was reviewed on August 11, 2012. According to the ADEC's Solid Waste Management database, no landfills or solid waste disposal sites are identified within 0.5 mile of the Property.

Registered Underground Storage Tank Database

The ADEC registered Underground Storage Tank (UST) records, available on the ADEC website were viewed on August 7, 2012. Information regarding the registered UST sites listed on the database is summarized in Table 1.

The ADEC records indicate that the Property is a registered UST site. According to the database, nine USTs have been removed from the ground. The former tanks included: two 12,000-gallon gasoline tanks, one 4,000-gallon gasoline tank, one 3,000-gallon gasoline tank, one 2,000-gallon gasoline tank, two 2,000-gallon diesel tanks, one 10,000-gallon diesel tank, and one 500-gallon used oil tank. The Property is also listed on the ADEC's Leaking Underground Storage Tank (LUST) database and is discussed below.

Nine additional registered UST sites are identified within 0.25 mile of the Property. Other than the Property, the nearest listed site is the parcel identified as 3704 Wilson Street, approximately 175 feet southeast of the Property. According to the database, one 500-gallon gasoline UST is permanently out of use. The next-nearest listed site is located approximately 650 feet north of the Property, at 3304 Spenard Road. The site was formerly occupied by the Shell #24 fuel service station (aka Texaco Service Station 63-057-0024). According to the database, 11 USTs have been removed from the ground. The former tanks included: one 12,000-gallon, two 10,000-gallon, one 6,000-gallon, and four 4,000-gallon gasoline tanks; one 8,000-gallon diesel tank; and two 550-gallon used oil tanks. This site is also listed on the ADEC's LUST database and is discussed below.

The Fountain Chevron fuel service station is located at 3608 Minnesota Drive, approximately 750 feet west of the Property. According to the ADEC records, six USTs have been removed from the ground. The former tanks included: two 10,000-gallon and one 5,000-gallon gasoline tanks, one 1,000-gallon used oil tank, one 500-gallon diesel tank, and one 40-gallon diesel tank. In addition, one 15,000-gallon diesel tank and two 15,000-gallon gasoline tanks are currently in use at the site.

The remaining registered UST sites are located 800 feet or more from the Property.

Leaking Underground Storage Tank Database

The ADEC's LUST database was reviewed on August 8, 2012, for information regarding registered LUST sites within 0.5 mile of the Property. Information regarding the LUST sites listed on the database is summarized in Table 2.

ADEC records identify the Property as a LUST site. During construction in the summer of 1987, a citizen complained of gasoline odors near the Property, which at the time was operating as Tesoro – Olson Gas Services Store #1. In October 1988, the ADEC conducted a site inspection of the Property and noted that the Property was “messy” and could have LUSTs on site. Tank tightness tests conducted in November 1990 indicated that the tanks were not leaking. According to ADEC database, on January 3, 1993, the service station was closed and the USTs were emptied. In June 1993, an EPA representative inspected the Property and found that five USTs were out of compliance due to dormancy. In September 1995, nine USTs and associated piping and dispensers were removed from the Property. The approximate location of the former USTs is shown on Figure 7. According to Gilfilian Engineering & Environmental Testing, Inc.’s (GEET) October 1995, UST site assessment report, 50 tons of diesel-impacted soil, 30 tons of gasoline-impacted soil, and 20 tons of used-oil impacted soil were thermally treated at an off-site facility. Confirmation soil samples identified diesel range organics (DRO) concentrations of 23,800 milligrams per kilogram (mg/kg), gasoline range organics (GRO) concentrations of 5,194 mg/kg, benzene concentrations of 65.6 mg/kg, and lead concentrations of 540 mg/kg remaining in the Property’s soil. In September 2001, approximately 1,120 tons of impacted soil were excavated from the former tank and dispenser areas and thermally treated off-site. Confirmation samples revealed concentrations of GRO (8,410 mg/kg), DRO (9,520 mg/kg), and benzene (28.6 mg/kg) remaining in the site’s soil. Groundwater monitoring wells were installed in 1996, 1997, 2001, and 2003. Analytical groundwater samples have routinely detected GRO, DRO, and benzene concentrations above the regulated cleanup levels. After multiple pilot tests, an air sparge/vapor extraction system began operation in May 2003. According to the ADEC, the extent of soil and groundwater contamination has not been defined. The ADEC has requested additional field work be completed for the site.

Of the 22 additional LUST sites within 0.5 mile of the Property, the following is a synopsis of the LUST site nearest to the Property.

The closest off-site LUST site, located approximately 650 feet north of the Property, is the Texaco Service Station 63-057-0024 (aka Shell #24) at 3304 Spenard Road. The site was added to the ADEC LUST database in 1996 when petroleum-impacted soil was encountered during facility upgrades. Approximately 40 cubic yards of impacted soil was excavated and disposed off site. Groundwater monitoring wells were installed in 1997, 2001, and 2006 and sample analytical results routinely identified benzene concentrations above the regulated cleanup level. In December 2008, five fuel USTs, associated piping and dispensers, and two hydraulic hoists were removed. Approximately 100 cubic yards of soil were excavated during the tank removal activities. Confirmation soil samples collected at the base of the former gasoline and

diesel tank excavation contained benzene concentrations (up to 0.31 mg/kg) exceeding the ADEC Method 2 cleanup level. In May 2011, the ADEC conditionally approved a work plan to advance and collect soil samples from eight soil borings, 3 to 6 of which were to be completed as groundwater monitoring wells. A report detailing the 2011 field activities is pending. Note that this site is downgradient from the Property with respect to groundwater flow direction.

Contaminated Sites Database

The ADEC Contaminated Sites database was reviewed on August 8, 2012 for sites within 1 mile of the Property. This list is assumed to be equivalent to a State Hazardous Waste Sites list, as required by ASTM E 1527-05. Twenty-six contaminated sites were identified within 1 mile of the Property. Information regarding the contaminated sites is summarized in Table 3.

The Property is listed as a LUST site but is not listed as a contaminated site on the ADEC database. The closest off-site “active” contaminated site, located approximately 1,050 feet west of the Property, is the M&M Enterprises site at 3603 Wyoming Drive. The site was added to the ADEC Contaminated Sites database after a neighbor complained of sulfuric acid draining off site. A Phase II ESA performed in December 2001 documented lead in the soils at concentrations greater than ADEC cleanup levels. Three monitoring wells were installed in May 2004. Analytical soil samples identified several metal concentrations above ADEC cleanup levels in the upper 2 feet of soil. Contamination was not identified in the groundwater. In August 2005, approximately 372 tons of lead-contaminated soil was removed from the site. In April 2007, an asphalt cap was installed where elevated lead levels had been previously detected. In June 2012, the asphalt cap was replaced with a gravel cap, retaining walls were installed, and a dry well was installed to facilitate drainage. This site remains “active.”

The remaining contaminated sites are located 1,600 feet or more from the Property, or are listed as “cleanup complete” on the ADEC database. Detailed evaluations of these sites were outside the scope of this assessment, and we cannot form definitive opinions regarding their potential impact to the Property. Based on our experience, however, it is unlikely that these sites will impact the Property based on considerations of distance to the Property; typical release, fate, and transport mechanisms; and the ADEC’s assessed cleanup priorities.

4.3.3 Local Agency Sources

The Anchorage Water and Wastewater Utility (AWWU) was contacted on August 20, 2012 to gather information about water and sewer mains in the area. According to AWWU records, a sewer main was installed near the eastern Property boundary in July 1962 and a water

main was installed in the Spenard Road right-of-way (ROW) in 1963. AWWU records indicate that the Property is connected to municipal sewer services; however, a connection date could not be confirmed. AWWU records show water services have been stubbed to the Property but are not utilized.

ENSTAR as-built records were researched to determine when natural gas service was available to the Property and adjacent parcels. According to ENSTAR records, a natural gas main was installed along Chugach Way in 1962. The ENSTAR records indicate one connection was made to the 3609 Spenard Road structure in 1963. ENSTAR records indicate natural gas service was available to the area north of the Property in 1963, to the areas east and south of the Property in 1965, and to the area west of the Property in 1962. Based on aerial photographs, the Property's 3609 Spenard Road structure and structures on parcels southwest and west of the Property predate the availability of natural gas service to the area.

5.0 SITE RECONNAISSANCE

A Shannon & Wilson representative (Ms. Jennifer Simmons) visited the Property on August 17, 2012 to observe and document potential sources or impacts of petroleum hydrocarbons and/or hazardous substances. Significant findings observed during site reconnaissance activities are reported below. Photographs taken during site reconnaissance activities are included in Appendix D.

5.1 Interior Evaluation

The following buildings were evaluated during our site visit.

3607 Spenard Road - Alpina Auto Repair Building

Alpina Auto Repair currently occupies the 3607 Spenard Road structure (Photo 1). Mr. Rasim Kadriu, owner of Alpina Auto Repair, accompanied Ms. Simmons during the August 17, 2012 site visit. Mr. Kadriu has been a tenant of the Property since 1989.

The first floor of the structure comprises office space, storage rooms, and a mechanic garage. Four overhead garage doors provide access to the garage space. A strip floor drain, oriented north-south, extends the length of the garage portion of the structure (Photo 2). The floor drain is connected to an oil/water separator accessed via a manhole in the garage. According to Mr. Kadriu, the oil/water separator is typically cleaned annually. It is unknown if the oil/water separator is connected to the municipal sewer system. What appeared to be an abandoned floor

drain and perhaps an abandoned lift were observed in the southern garage bay. Mr. Kadriu stated that the potential drain and lift were abandoned prior to his occupancy.

Two vehicle lifts are located in the northern garage bay (Photo 3). A tool storage area is located along the northern wall of the structure. Seven 5-gallon fuel containers were observed near a parts washing station (Photo 4). In addition, a 55-gallon drum was observed adjacent to the wash station. According to Mr. Kadriu, used oil is temporarily stored in 55-gallon drums. The used oil is then recycled at Hansen Transmission & Gear, a local business southwest of the Property.

General vehicle maintenance fluids including lubricants, anti-freeze, motor oil, degreasers, and cleaners were observed at various locations in the structure. In addition, a vehicle battery storage area was observed inside and near the western wall of the structure between the garage doors.

Numerous surface stains were observed on the concrete floor of the structure as shown in Photos 3 and 4. Mr. Kadriu stated that the majority of the surface stains were present prior to his occupancy and he attributed the stains to poor housekeeping practices. In general, the concrete floor was in overall fair condition with surficial cracks observed.

The second floor of the structure comprises living quarters and a parts storage area room. Evidence of environmental concern was not noted in the second floor of the structure.

3609 Spenard Road – Various Vehicle Rental Businesses

The 3609 Spenard Road structure (Photo 5) is currently occupied by multiple tenants including: High Country Car and Truck Rental, My Chauffeur Limousine Service, E-Z Rent-A-Car, Strictly By Hand Detail Shop, Independent Auto Rental, Transporters, and New Frontier Rent A Car.

Ms. Chelsey Modrell, accompanied Ms. Simmons during the August 17, 2012 site visit. Ms. Modrell has been an employee of High Country Car and Truck Rental for approximately 2.5 years. According to Ms. Modrell, prior to its commercial use, the structure was used as a private residence.

The upper floor of the structure is primarily used for office space (Photo 6). A kitchenette and restroom are centrally located on the upper floor. Evidence of environmental concern was not noted in the upper floor of the structure.

Note that due to site access restrictions, the lower floor of the structure was not observed during the August 17, 2012 site visit.

Car Wash Structure

A single-story commercial building currently used as a car wash facility is located northeast of the Alpina Auto Repair building along the northern Property boundary as shown on Figure 2. The building contains four washing bays that are accessed via overhead garage doors. Note that due to access restrictions, the northern two bays were not evaluated during the August 17, 2012 site visit.

The two southern bays each contain a central floor drain (Photo 7) that discharges to an exterior drain shown on Figure 3. At the time of the site visit, the floor drains inside the bays contained standing water and various debris. The concrete appeared to have been cut and re-poured adjacent to the northern of the two floor drain. According to a High Country Car and Truck Rental employee who declined to be identified, the interior floor drains are connected to an exterior drain (Photo 8). Based on our experience, it appears as though the exterior drain is a sediment trap or oil/water separator. The employee stated that the exterior drain formerly discharged to the street (the employee was unable to specify if the waste water from the drain discharged to Spenard Road or Chugach Way). The employee stated that the drain no longer discharges waste water to the street. The current waste water discharge location is unknown.

What appeared to be a septic riser pipe was observed in the southern bay, adjacent to the southern wall. The nature of the pipe is unknown. Various vehicle cleaning solutions including industrial soaps, shampoos, polishes, and conditioners are stored in the southern two bays. As shown in Photo 8, the concrete floor of the structure was in overall poor condition with extensive cracks observed.

Two storage rooms are located in the central portion of the structure. The eastern room contains the power wash compressor for the southern bays. In addition, containers of paint, solvent-based tire dressing, and motor oil were observed in the storage room (Photo 9). A circular hole in the concrete covered by a plug was observed in the center of the storage room adjacent to a holding tank. The nature of the holding tank and potential floor drain are unknown.

Surface stains were observed on the concrete floor (Photo 10) which was in overall fair condition with surficial cracks observed.

What appeared to be discarded items, including vehicle seats and cardboard boxes were observed in the western storage room. An overturned container of solvent-based tire dressing was observed in the storage room (Photo 11). The concrete floor appeared to be stained in the vicinity of the overturned container.

5.2 Property Grounds Evaluation

Two empty 55-gallon drums were observed near the northwest corner of the Alpina Auto Repair structure (Photo 12). The drums were labeled as containing motor oil and transmission fluid. Surface stains were noted on the unpaved and paved ground surface adjacent to the drums. Additional surface stains were noted throughout the paved parking area associated with the Alpina Auto Repair structure. The approximate locations of surface stains observed during our August 17, 2012 site visit are shown on Figure 3.

Two additional empty 55-gallon drums were observed near the southeast corner of the Alpina Auto Repair structure as shown on Figure 3. Surface stains were observed on the concrete near the drums.

A storage shed is located adjacent to the south wall of the Alpina Auto Repair structure (Photo 13). Note that due to site access restrictions, the interior of the shed was not evaluated during the August 17, 2012 site visit.

An exterior battery storage area is located east of the car wash structure (Photo 14). The batteries appeared to be in good condition. Areas of discoloration were not noted on the concrete surface beneath the battery storage area.

A 5-gallon container of tire dressing was observed adjacent to and east of the southern end of the car wash structure.

A storage shed is located adjacent to the northeast corner of the car wash facility (Photo 15). What appeared to be chimney was observed on the roof of the shed. Note that due to site access restrictions, the interior of the shed was not evaluated during the August 17, 2012 site visit. Two empty 55-gallon drums and a fuel storage tank with a dispenser were observed adjacent to the storage shed. The concrete surface near the drums and fuel tank appeared to be stained. Surface stains and sorbent pads were observed on the concrete surface south of the storage shed and drums. In general, the exterior concrete surface was in overall poor condition with multiple cracks noted.

Six 55-gallon drums were observed near a tent east of the car wash structure (Photo 16). Two of the drums appeared to contain liquid (one was labeled as motor oil and the other was unlabeled) while the remaining drums appeared to be empty. Surface stains were observed on the concrete surface within the tent. The tent appeared to be used for vehicle storage.

Five 55-gallon drums, four of which were overturned, and a 5-gallon fuel container which was also overturned, were observed along the northern Property boundary (Photo 17). Four of the drums were at least partially full of liquid. One of the drums was labeled as containing methanol and the remaining drums were unlabeled. Surface stains were noted on the unpaved ground surface surrounding the drums and fuel container (Photo 18).

Numerous tires, metal debris, pallets, and other discarded materials were observed east of the overturned drums (Photo 19). Due to extensive items stored in the area, the unpaved ground surface could not be observed.

An underground storage space is located along the north-central Property boundary (Photo 20). Due to site access restrictions, the storage space was not evaluated during the August 17, 2012 site visit. The nature and contents of the storage space are unknown.

The northeast corner of the Property is used in conjunction with the Best Split Firewood company (Photo 21). Split firewood is stored in a portable tent along the Property's northern boundary. Multiple 5-gallon containers of gasoline, presumably used for cutting machines, were observed throughout the northeast corner of the Property. Discolored soil was observed adjacent to a wood debris stockpile (Photo 22).

A trailer and three tents are located along the east-central Property boundary as shown on Figure 3. The trailer contained various tools, a 5-gallon fuel container, and what appeared to be stored and/or discarded items. Two empty, modified 55-gallon drums were observed adjacent to the trailer (Photo 23). A 55-gallon drum that had been cut in half was observed adjacent to and south of the trailer as shown on Figure 3. The drum contained an unknown orange liquid. The northern and middle tents are used for limousine storage and the southern tent is used for watercraft storage. A 5-gallon fuel container and surface stains were observed on the unpaved surface in the northern tent. Surface stains were also observed on the unpaved ground surface west of the tents (Photo 24).

At least 35 unused and/or abandoned vehicles are stored in the eastern and southeastern portion of the Property (Photo 25). The vehicles were observed in various states of disrepair. Areas of discolored soil were observed in the vehicle storage area (Photo 26).

Two connex storage containers are located in the southeast corner of the Property. Note that due to site access restrictions, the interior of the connex storage containers were not observed during the August 17, 2012 site visit. The contents of the containers are unknown.

An empty 300-gallon fuel tank was observed adjacent to the northern connex (Photo 27). Evidence of leaks and spills associated with the fuel tank were not observed.

Two outbuildings are located north of the 3609 Spenard Road structure (Photo 28). Three 5-gallon containers of solvent-based tire dressing and two 5-gallon containers labeled as “paint related materials” are stored in the southern outbuilding (Photo 29). Surface stains were not observed on the unpaved surface in the outbuilding. According to an employee who wanted to remain anonymous, the northern outbuilding is associated with the on-site soil and groundwater remediation system. Due to the number of items stored in front of the outbuilding door, the interior of the structure could not be assessed. It is unknown if the northern outbuilding is associated with the remediation system but it has electricity and a vent pipe exhaust stack. At the time of the site visit, a humming noise was emitted from the building vicinity. Areas of discolored soil were observed north of the outbuildings (Photo 30).

5.3 Surrounding Properties Evaluation

The Property is located in a residential/commercial area of the Spenard neighborhood. The Property is bound to the north by an auto dealership and bakery and to the east by a residential parcel. Chugach Way and Spenard Road are located along the Property’s southern and western boundaries, respectively. South of the Property, beyond Chugach Way, the parcels are occupied by Hansen Transmission & Gear and Golden Paint Body & Frame. An unoccupied structure is present on the parcel west of the Property, beyond Spenard Road. Evidence of environmental concern was not observed on adjacent parcels.

5.4 Hazardous Substances and Petroleum Products

Historically, the Property was used as a fuel service station and is listed as an “active” LUST site on the ADEC’s list of contaminated sites. According to the ADEC database, petroleum-impacted soil and groundwater are present at the site.

In addition, containers of motor oil, gasoline, paint, solvent-based tire dressing, and commercial-grade shampoos were observed on the Property as documented in the Appendix D photos. Multiple 55-gallon drums and other containers with the potential to contain both petroleum and non-petroleum hazardous material contaminants were also observed on the Property.

Surface stains, likely attributed to petroleum product releases, were observed throughout the Property on both concrete/asphalt paved and unpaved surfaces.

5.5 Storage Tanks

Nine fuel USTs were formerly located on the Property at the approximate locations shown on Figure 7.

Two storage tanks were observed on the Property during the August 17, 2012 site visit as shown in Photos 15 and 27. The tanks did not appear to be used currently. It is unknown, what liquids, if any, were previously stored in the tanks.

5.6 Drums

An estimated twenty-two 55-gallon drums were observed on the Property as documented in the Appendix D photos. The labeled drums reportedly contained various vehicle oils and methanol. However, the majority of the drums were unlabeled and their contents are unknown. Indications of releases and surface stains were observed throughout the Property on both concrete and/or asphalt paved and unpaved surfaces.

5.7 Asbestos-Containing Materials and Lead-based Paint

Due to the construction date of the structures (pre-1950 for the 3609 Spenard Road structure, pre-1964 for the 3607 Spenard Road structure, and pre-1970 for the car wash structure), it is possible that ACMs and/or lead-based paint were used in construction materials.

We did not conduct tests to determine whether ACMs and/or lead-based paint are present on the Property.

5.8 Transformers

One pole-mounted transformer was observed along the northern Property boundary (Photo 21). The pole-mounted transformer did not contain stickers indicating that they had been tested for polychlorinated biphenyls (PCBs). Chugach Electric Association (CEA) was contacted August 17, 2012 to determine if the transformers contained oil with PCBs. According to the CEA representative, the transformers contain oil with less than two parts per billion PCBs.

No evidence of release from these transformers was observed during the site visit. It is noted that the electric utility is typically responsible for releases from their transformers or equipment.

5.9 Solid Waste Disposal

Based on our visual observations during the August 17, 2012 site visit, it appears that various areas of the Property are used to store discarded materials.

6.0 INTERVIEWS

6.1 Government Official

On August 20, 2012, Mr. Robert Weimer, ADEC Project Manager for the LUST site, was contacted. According to Mr. Weimer, the extent of soil and groundwater associated with the Property has not been fully delineated. According to Mr. Weimer, the on-site remediation system monitoring wells and exhaust stack were last sampled in June 2006. Mr. Weimer stated that the system has not been working since June 2009. The ADEC does not have documentation as to whether the system is being repaired and/or is currently operational.

6.2 Current Owners / Occupants of the Property

Mr. Kadriu was interviewed during the August 17, 2012 site visit. Mr. Kadriu stated that general vehicle maintenance fluids are used and stored on the Property. Mr. Kadriu stated that he is not aware of environmental concerns specifically associated with his business as he uses responsible housekeeping practices.

Ms. Modrell was also interviewed during the August 17, 2012 site visit. According to Ms. Modrell, general household cleaning supplies are used and stored in the 3609 Spenard Road structure. Ms. Modrell stated that she is not aware of environmental concerns associated with the various vehicle rental and detailing companies that operate out of the structure.

Mr. Randy Hahn, owner of the Property, was briefly interviewed during the site visit on August 17, 2012. According to Mr. Hahn, the Property was originally developed as a residential parcel. Mr. Hahn stated that there are no environmental concerns associated with the current on-site businesses. According to Mr. Hahn, he has not entered the underground storage area since 1989 and is unaware of its current contents. Mr. Hahn stated that the lower floor of the 3609 Spenard Road structure is used for storage although he was unable to provide specific details as to what was being stored.

Mr. Hahn also completed a Phase I ESA Questionnaire. According to Mr. Hahn, there is evidence that the Property has seen previous commercial or industrial activities. Mr. Hahn stated that “numerous underground fuel tanks” were removed from the Property. Mr. Hahn stated that

off-site fill has been deposited on the Property and used to build a pad. According to Mr. Hahn, 55-gallon drums containing “waste oil” are currently located on the Property. Mr. Hahn stated that his businesses do not use, store, transport, generate, or dispose of hazardous substances. In addition, Mr. Hahn stated that he has been the subject of a letter of non-compliance, administrative, legal enforcement, or actions by the ADEC relating to environmental laws, permits, orders, or other requirements. The completed Phase I ESA Questionnaire is included in Appendix B.

7.0 OTHER ENVIRONMENTAL CONSIDERATIONS

High Voltage Power Lines. During the site visit, overhead power lines were observed along the northern Property boundary.

Lead in Drinking Water. The Property is serviced by a private drinking water well (See Section 4.3.3). At the time of this report, it is unknown if the water currently contains concentrations of lead.

Wetlands and Surface Waters. According to the U.S. Army Corps of Engineers (USACE) and the EPA, wetlands are defined as areas that are inundated or saturated by surface or groundwater at a frequency and duration sufficient to support, and that under normal circumstances do support, a prevalence of vegetation typically adapted for life in saturated soil conditions. Three indicators are used to identify wetlands: (1) vegetation, (2) soil, and (3) hydrology.

According to the U.S. Fish and Wildlife Service (USFWS) National Wetlands Inventory map, wetlands are not present on the Property. According to the 2009 Anchorage Wetlands Atlas, the Property is not designated as a wetland. The nearest wetland or surface water body is Fish Creek, located to the east about 15 feet adjacent to the Property. The creek was formerly an open channel but is currently culvertized.

Cultural, Historic, and Archeological Resources. The National Register of Historic Places is the Nation's official list of cultural resources worthy of preservation. The database, viewed on August 10, 2012, does not list cultural resource sites or cultural resource districts located on the Property.

The 3609 Spenard Road structure is more than 60 years old. It is unknown whether the building would be considered an historic building under Section 106 of the National Historic Preservation Act.

Threatened and Endangered Species. According to U.S. Fish and Wildlife Service (USFWS), 14 threatened and/or endangered animal species and one endangered plant species exist in Alaska. Five animal species are considered endangered by the Alaska Department of Fish and Game, Division of Wildlife Conservation. According to the USFWS database viewed on May 29, 2012, these federal and state listed species are not found in the Anchorage area.

Wildlife Sanctuaries and Other Natural Resource Preserves. The USFWS database, viewed on August 10, 2012, does not list the Property as a wildlife sanctuary.

8.0 FINDINGS AND CONCLUSIONS

We have performed a Phase I Environmental Site Assessment in conformance with the scope and limitations of ASTM Practice E 1527-05, of the Property located at 3607 and 3609 Spenard Road, Anchorage, Alaska. Exceptions to, or deletions from, this practice are described in Section 1.3 of this report.

Multiple environmental conditions were identified at the Property. Based on our opinion regarding the potential for a release, material threat of a release, or other threat to human health and the environment, we have classified the conditions as RECs, Historical RECs, or Other Environmental Conditions.

Due to the extensive number of environmental conditions observed, the following list should not be construed as comprehensive. Based on the nature of the commercial activity at the site, the number of petroleum products and potentially hazardous substances used on the Property, and the observed surface conditions, it is possible that environmental conditions in addition to those mentioned in this report are present at the subject Property.

Note that due to site access restrictions, the following areas were not evaluated during the August 17, 2012 site visit:

- the underground storage area,
- the northern bays of the car wash structure,
- the lower floor of the 3609 Spenard Road structure,
- the interior of two connex storage containers near the southeast corner of the Property,
- the interior of the northern outbuilding north of the 3609 Spenard Road structure, and
- the interior of sheds adjacent to the 3607 Spenard Road and car wash structures.

8.1 Recognized Environmental Conditions

A REC is the presence or likely presence of a hazardous substance or petroleum product under conditions that indicate an existing release, a past release, or a material threat of a release into structures on the Property or into the Property's ground, groundwater, or surface water. This assessment revealed no evidence of RECs in connection with the Property and the surrounding parcels except the following:

8.1.1 On-Site Recognized Environmental Conditions

The Property was used as a fuel service station and is listed as an "active" LUST site on the Alaska Department of Environmental Conservation's (ADEC) list of contaminated sites. According to the ADEC database, petroleum-impacted soil and groundwater are present at the site. Although multiple site characterization and cleanup efforts have been conducted, the extent of soil and groundwater contamination has not been fully delineated.

Based on aerial photograph review and conditions observed during our site visit, the Property has been used to store unused and/or discarded materials that may be classified as solid waste per state and federal environmental regulations. Among the miscellaneous items visible throughout the Property, potential sources of contamination include but are not limited to current or former contents of vehicles, fuel storage tanks, 55-gallons drums, and chemical containers with the potential to contain both petroleum and non-petroleum hazardous material contaminants.

Numerous surface stains were noted throughout the Property on both paved and unpaved surfaces during the August 17, 2012 site visit. In addition, areas of discolored soil were visible in aerial photographs taken in the 1960s, 1970s, and 1980s. The nature of the discolored soil is unknown and in some instances, may have been paved over with asphalt.

Floor drains were observed in the 3607 Spenard Road structure, the car wash structure, and adjacent to the car wash structure. The discharge point of these drains is unknown and may be associated with a dry well(s). The dry well(s), if present, may be classified as a Class V injection well subject to ADEC and Environmental Protection Agency (EPA) regulations. In addition, containers of petroleum products, solvent-based tire dressing, and commercial-grade cleaners were observed in close proximity to the drains suggesting a potential for these chemicals to enter the drain system.

An exterior battery storage area is located east of the car wash structure. In addition, vehicle batteries were observed on top of discarded vehicles in the vehicle storage area in the eastern portion of the Property. There is a potential that weathered and corroded batteries could impact the Property's soil and/or groundwater.

According to Mr. Rasim Kadriu, owner of Alpina Auto Repair and tenant of the 3607 Spenard Road structure, a hydraulic lift was abandoned prior to his occupancy in 1989. In our experience, it is not unusual for hydraulic lifts to leak fluids over time. There is a potential that leaked hydraulic fluid may have impacted the Property's subsurface soil and/or groundwater.

8.1.2 Off-Site Recognized Environmental Conditions

The Gull's Inc. parcel located at 3704 Wilson Street, approximately 175 feet southeast of the Property, is an ADEC-registered UST site. According to the ADEC database a 500-gallon gasoline UST is permanently out of use. Because groundwater flow direction is generally to the west/northwest, releases from the abandoned UST could potentially impact the Property's subsurface soil and/or groundwater

8.2 Historical Recognized Environmental Conditions

A Historical REC is an environmental condition that may have constituted a REC in the past, but has been closed by a regulatory agency or otherwise is no longer considered to pose a material threat.

8.2.1 On-Site Historical Recognized Environmental Conditions

No on-site Historical RECs were identified for the Property.

8.2.2 Off-Site Historical Recognized Environmental Conditions

No off-site Historical RECs were identified for the Property.

8.3 Other Environmental Conditions

Other Environmental Conditions include known, suspected, or potential sources of hazardous substances or petroleum products that are not considered RECs due to (a) the absence of a confirmed release or other material threat, (b) insufficient information to adequately evaluate the condition, (c) de minimis conditions that are not expected to be subject to regulatory action or (d) exclusion from the ASTM definition of hazardous material (e.g. ACM). The following Other Environmental Conditions were identified on the Property:

Due to the construction date of the structures (pre-1950 for the 3609 Spenard Road structure, pre-1964 for the 3607 Spenard Road structure, and pre-1970 for the car wash structure), it is possible that ACMs and/or lead-based paint were used in construction materials. ACM is a regulated hazardous air pollutant under the Clean Air Act, and is therefore subject to federal regulation as a hazardous substance. However, the ASTM standard explicitly identifies ACM as outside the base scope of the ASTM standard of practice. Prior to performing remodeling, demolition, repair, or cleaning using abrasive agents in the structures, we recommend that a comprehensive building material survey be performed by a qualified inspector.

Based on our aerial photograph review and ENSTAR and AWWU records, structures were present on the Property and adjacent parcels prior to natural gas service and municipal sewer and water services. It is possible that heating oil USTs and private wells and septic systems were utilized in this area. Releases from active and/or abandoned tanks associated with these structures could potentially impact the Property's soil and/or groundwater.

The presence of an on-site drinking water well potentially increases the risk posed by the recognized environmental conditions and other environmental conditions at the site.

Off-site fill has reportedly been deposited on the Property. The nature of the fill is unknown.

9.0 QUALIFICATIONS OF ENVIRONMENTAL PROFESSIONALS

This Phase I Environmental Site Assessment was prepared by Ms. Jennifer Simmons under the direct supervision of Mr. Tim Terry, C.P.G. and Mr. Matt Hemry, P.E. These individuals have the specific qualifications based on education, training, and experience to assess a property of the nature, history, and setting of the Property, and they have developed and performed the all appropriate inquiries in conformance with the standards and practices set forth in 40 CFR Part 312. Shannon & Wilson declares that, to the best of our professional knowledge and belief, Mr. Terry and Mr. Hemry meet the definition of "Environmental Professional" as defined in 40 CFR 312.10.

10.0 CLOSURE/LIMITATIONS

This report is an instrument of service prepared by Shannon & Wilson for the exclusive use of the ADEC, herein referred to as the Client, and its affiliates. This report was prepared for the exclusive use of the Client for evaluating the Property as it relates to the environmental aspects discussed herein. The conclusions contained in this report are based on information provided from the observed site conditions, personal interviews, and other sources identified herein, and further assume that the conditions observed are representative of the conditions throughout the

Property. The data presented in this report should be considered representative of the time of our site assessment. Changes due to natural processes or human activity can occur over time. In addition, changes in government codes, regulations, or laws may occur. Because of such changes beyond our control, our observations and interpretations applicable to this Property may need to be revised.

In order to create a report on which the Client can rely, Shannon & Wilson worked closely with the Client and their representatives to develop the scope of services upon which all subsequent tasks have been based. No party other than the Client and its affiliates is permitted by Shannon & Wilson to rely on this instrument of Shannon & Wilson's service, except as stipulated in Section 1.4. With the permission of the Client, Shannon & Wilson will meet with a third party, approved in writing by the Client, to identify the additional services required, if any, to permit such third party to rely on the information contained in this report. Such reliance by any third party is limited to the same extent of Client's reliance, and subject to the same contractual, technological and other limitations to which the Client has agreed.

Copies of documents that may be relied upon by our client are limited to the printed copies (also known as hard copies) that are signed or sealed by Shannon & Wilson with a wet, blue ink signature. Files provided in electronic media format are furnished solely for the convenience of the client. Any conclusion or information derived from electronic files shall be at the user's sole risk. If there is a discrepancy between the electronic files and the hard copies, or you question the authenticity of the report, please contact the undersigned.

Shannon & Wilson has prepared the attachments in Appendix E, "Important Information About Your Environmental Site Assessment/Evaluation Report," to assist you and others in understanding the use and limitations of our report.

Please contact Mr. Matt Hemry, P.E. or the undersigned at (907) 561-2120 with questions or comments concerning the contents of this report.

SHANNON & WILSON, INC.


Jennifer Simmons
Environmental Scientist


Timothy M. Terry, C.P.G.
Senior Associate

JDS:TMT/msh

TABLE 1
REGISTERED UNDERGROUND STORAGE TANKS WITHIN A 0.25-MILE RADIUS

Facility Name	Facility ID	Street Address	Owner Name	Tank ID	Tank Status	Tank Capacity (gallons)	Tank Contents	Approximate Distance from Property
Alpina Gas Service Station (formerly Olson Tesoro #1, aka Tesoro - Olson Gas Services Store #1)	2288	3607 Spenard Road	Alpina Auto Repair	1	Tank removed from ground	12,000	Gasoline	Property
				2	Tank removed from ground	4,000	Gasoline	
				3	Tank removed from ground	3,000	Gasoline	
				4	Tank removed from ground	2,000	Gasoline	
				5	Tank removed from ground	12,000	Gasoline	
				6	Tank removed from ground	2,000	Diesel	
				7	Tank removed from ground	2,000	Diesel	
				8	Tank removed from ground	10,000	Diesel	
				9	Tank removed from ground	500	Used Oil	
Gull's Inc.	1164	3704 Wilson Street	James Blake and Margarite Gull	1	Permanently out of use	500	Gasoline	175 feet southeast
Shell #24 (aka Texaco Service Station 63-057-0024)	903	3304 Spenard Road	Shell Oil Products US	1	Tank removed from ground	550	Used Oil	650 feet north
				2	Tank removed from ground	12,000	Gasoline	
				3	Tank removed from ground	10,000	Gasoline	
				4	Tank removed from ground	10,000	Gasoline	
				5	Tank removed from ground	8,000	Diesel	
				6	Tank removed from ground	550	Used Oil	
				7	Tank removed from ground	6,000	Gasoline	
				8	Tank removed from ground	4,000	Gasoline	
				9	Tank removed from ground	4,000	Gasoline	
				10	Tank removed from ground	4,000	Gasoline	
				11	Tank removed from ground	4,000	Gasoline	
Cook Inlet Marketing Group - Fountain Chevron (aka Chevron #9014)	47	3608 Minnesota Drive	Cook Inlet Marketing Group, Inc.	1	Tank removed from ground	10,000	Gasoline	750 feet west
				2	Tank removed from ground	10,000	Gasoline	
				3	Tank removed from ground	5,000	Gasoline	
				4	Tank removed from ground	1,000	Used Oil	
				5	Tank removed from ground	500	Diesel	
				6	Tank removed from ground	40	Diesel	
				7	Currently in use	15,000	Diesel	
				8	Currently in use	15,000	Gasoline	
				9	Currently in use	15,000	Gasoline	
Holiday #630 (aka Holiday Station Store #630 / Williams Express Store #5030)	2884	3727 Spenard Road	Holiday Alaska, Inc.	1	Currently in use	10,000	Gasoline	800 feet west/southwest
				2	Currently in use	10,000	Gasoline	
				3	Currently in use	10,000	Gasoline	
				4	Currently in use	10,000	Gasoline	

TABLE 1
REGISTERED UNDERGROUND STORAGE TANKS WITHIN A 0.25-MILE RADIUS

Facility Name	Facility ID	Street Address	Owner Name	Tank ID	Tank Status	Tank Capacity (gallons)	Tank Contents	Approximate Distance from Property
Thrifty Rent A Car	825	3730 Spenard Road	Floyd & Sons, Inc.	1	Tank removed from ground	1,000	Used Oil	875 feet west
				2	Tank removed from ground	4,000	Gasoline	
				3	Temporarily out of use	unknown	Unknown	
				4	Temporarily out of use	unknown	Unknown	
E.J. Young	13	1401 West 33rd Avenue	E.J. Young	1	Tank removed from ground	2,000	Diesel	975 feet north
				2	Tank removed from ground	2,000	Gasoline	
				3	Tank removed from ground	500	Gasoline	
Kathy O. Estates, Inc.	450	909 Chugach Way #12	Kathy O. Estates, Inc.	1	Temporarily out of use	1,000	Diesel	975 feet east
				2	Tank removed from ground	2,000	Gasoline	
Office Building	2805	1503 West 33rd Avenue	Key Pacific Mortgage	1	Tank removed from ground	500	Gasoline	1,075 feet northwest
3300-40 Arctic Boulevard Corp (aka Barretts Office Supply)	1910	3330 Arctic Boulevard	3300-40 Arctic Boulevard Corp	1	Tank removed from ground	3,000	Gasoline	1,250 feet northeast
				2	Tank removed from ground	3,000	Gasoline	

**TABLE 2
LEAKING UNDERGROUND STORAGE TANK SITES WITHIN A 0.5-MILE RADIUS**

Facility Name	Street Address	Status	Hazard ID*	Office File ID**	Approximate Distance From Property
Tesoro - Olson Gas Services Store #1 (aka Alpina Gas Service [formerly Olson Tesoro #1])	3607 Spenard Road	Active	23592	2100.26.072	Property
Texaco Service Station 63-057-0024 (aka Shell #24)	3304 Spenard Road	Active	24200	2100.26.102	650 feet north
Chevron #9014 (aka Cook Inlet Marketing Group - Fountain Chevron)	3608 Minnesota Drive	Active	23570	2100.26.057	750 feet west
Holiday Station Store #630 / Williams Express Store #5030 (aka Holiday #630)	3727 Spenard Road	Active	23316	2100.26.031	800 feet west/southwest
Holiday Station Store #630 / Williams Express Store #5030 (aka Holiday #630)	3727 Spenard Road	Active	22986	2100.26.031	800 feet west/southwest
Thrifty Rent A Car	3730 Spenard Road	Active	24015	2100.26.219	875 feet west
Thrifty Rent A Car	3730 Spenard Road	Cleanup Complete	23023	2100.26.275	875 feet west
Texaco - #24 Y & B	3404 Spenard Road	Cleanup Complete	23587	2100.26.103	975 feet north
Ed Young (aka E.J.Young)	1401 West 33rd Avenue	Cleanup Complete	23868	2100.26.246	975 feet north
Barretts Office Supply (aka 3300-40 Arctic Boulevard Corp)	3330 Arctic Boulevard	Cleanup Complete	24019	2100.26.054	1,250 feet northeast
Enstar Spenard Road Site	3000 Spenard Road	Cleanup Complete	23996	2100.26.273	1,625 feet north
LK Comstock and Company	3707 Arctic Boulevard	Cleanup Complete	24089	2100.26.132	1,625 feet east
Postal Facility on Arctic Boulevard (formerly)	3719 (3737) Arctic Boulevard	Active	24016	2100.26.216	1,625 feet east
Enstar Warehouse	3002 Spenard Road	Cleanup Complete	23900	2100.26.404	1,775 feet north
Former New York Life Building	1400 West Benson Boulevard	Cleanup Complete	25122	2100.26.277	1,775 feet north
Former National Bank of Alaska - Benson	1500 West Benson Boulevard	Cleanup Complete with Institutional Controls	23108	2100.26.316	1,800 feet north/northwest
Sunrise Distributor	3630 Springer Street	Cleanup Complete	24708	2100.26.525	1,900 feet east

Notes:

* The Hazard ID is assigned by the ADEC.

** The Office File ID is the ADEC file number.

TABLE 2
LEAKING UNDERGROUND STORAGE TANK SITES WITHIN A 0.5-MILE RADIUS

Facility Name	Street Address	Status	Hazard ID*	Office File ID**	Approximate Distance From Property
Anchorage School District - Old Northern Lights Elementary School	1705 West 32nd Avenue	Cleanup Complete	4691	not assigned	1,925 feet northwest
Municipality of Anchorage - Anchorage Water and Wastewater - Anchorage Headquarters Building	3000 Arctic Boulevard	Active	23990	2100.26.314	1,925 feet northeast
DESCO - 4305 Greenland Drive	4305 Greenland Drive	Cleanup Complete	23139	2100.26.245	2,275 feet southwest
Favco Incorporated	1205 West 29th Avenue	Cleanup Complete	23698	2100.26.527	2,300 feet north
Johnsons Tire Service	2839 Minnesota Boulevard	Cleanup Complete	24714	L55.276	2,450 feet north
Cope Street Partners (former Municipality	1001 West 29th Avenue	Active	24759	2100.26.181	2,625 feet north/northeast

Notes:

* The Hazard ID is assigned by the ADEC.

** The Office File ID is the ADEC file number.

TABLE 3
CONTAMINATED SITES WITHIN A 1.0-MILE RADIUS

Facility Name and Street Address	Office File ID~	Status/Priority	Problem, as listed by ADEC*	Approximate Distance From Property
L & L Mobile Home Court 1003 Chugach Way	2100.38.049	Active	Previous heating oil system consisted of an AST at the adjacent Kathy Estates Trailer Court and an associated 1 inch steel piping buried at a depth of 16 to 18 inches below ground surface which distributed heating oil to the trailers at the L and L Trailer Court. The heating oil line entered the property at the northeast corner. This system was abandoned in place in 1975 when natural gas was piped into the trailer park. Access roads on the property historically were oiled on an annual basis. A break in the heating oil line occurred at an unknown date that spilled an estimated 2 gallons of fuel. Surface staining was observed on site where a grader is parked and areas where engine parts and oil are stored. NFRAP in place until the GW and soil at the GW interface can be demonstrated to be below soil and GW cleanup levels for DRO. Groundwater is approximately 6 feet below ground surface. Anchorage Water and Wastewater Utility does not service this property with drinking water. Drinking water is obtained from a well on the property. Based on the MOA Property Appraisal web site the subject property was sold by Holy Rosary Academy to Charles F. McAlpine. The date of the deed change was 5/11/06.	675 feet east
Former Auto Repair Shop 1311 West 40th Avenue	2100.38.144	Cleanup Complete	Evicted tenants left drums and batteries, junk autos, and several open containers. DRO and GRO contamination discharged from 55-gallon drums onto driveway resulted in contamination of soil in adjacent unpaved, shallow roadside ditch. Impacted soil and debris was removed from the site. Triplex taken over by NBA, then HUD. Lot 10A, Spenard Courts Subdivision. Last staff assigned was Olson.	800 feet south
M & M Enterprises - Wyoming Drive 3603 Wyoming Drive	2100.38.003	Active	M&M battery and scrap metal recycling site. Neighbor complaint of sulfuric acid draining off site. No or little information in file. A December 1991 site assessment identified elevated levels of lead and TPH in soil and groundwater. In 2004, BGES under contract to DEC performed additional site characterization work. Soil samples exceeded applicable Method 2 cleanup levels for lead (up to 34,000 mg/kg), mercury (up to 1.8 mg/kg) and 1,2,4 trichlorobenzene (up to 850 mg/kg). Three monitoring wells were installed and samples from the three wells and the one installed previously, detected no contamination in groundwater above Table C cleanup levels. Last staff assigned was Sundet. In 2003 and 2004, ADEC notified the then current property owner to address elevated lead levels in soil and possibly expand groundwater investigation. The owner was unable to perform the investigation but granted access to allow ADEC to perform the assessment. In May 2004, ADEC's contractor performed a soil and groundwater investigation at the site to determine whether the site poses a significant risk to human health and the environment. (formerly file CS 100.11). The property owner Mildred McGalliard is deceased and her son Michael Bateman is the executor of the estate. In August 2005, DEC's term contractor BGES removed about 372.3 tons of lead contaminated soils to reduce the risk at the site. Clean fill replaced the contaminated soils between depths of 1.5 and 8.0 ft. bgs.	1,055 feet west

Notes:

~ The Office File ID is the ADEC file identification number

* Narrative taken directly from ADEC summary statement in the on-line database. This summary may not fully describe the nature of the environmental concern and/or potential risk to human health safety, welfare, or the environment.

**TABLE 3
CONTAMINATED SITES WITHIN A 1.0-MILE RADIUS**

Facility Name and Street Address	Office File ID~	Status/Priority	Problem, as listed by ADEC*	Approximate Distance From Property
Alano Club of Anchorage 3103 Spenard Road	2100.38.158	Cleanup Complete with Institutional Controls	One 500 gallons home heating oil tank was removed from the foundation of the former residence located on the property east of the current structure. The tank was removed in 1995 and approximately 290 tons of contaminated soil was excavated and thermally remediated. Contaminated soil remained in place with concentrations above cleanup levels. Groundwater was impacted. Groundwater is approximately 8 feet below ground surface (bgs) and flows in a northwest direction. Groundwater has been known to fluctuate from 10.5 feet bgs to 8 feet bgs.	1,600 feet north
Spenard Road 1903 McKinley Avenue	2100.38.260	Cleanup Complete with Institutional Controls	Pursuant to sale of the property, reports that leaky drums had been stored on the property in the past and a heating oil tank was present were investigated. Contamination associated with the reported location of the leaky drums was below the most stringent ADEC cleanup levels. The home heating oil tank was found to be present and to have leaked. The water was found to be impacted but at levels below ADEC's most stringent cleanup level for DRO. Excavation of contaminated soils was not completed because removal of soils adjacent to the home foundation would've jeopardized the building structure. Up to 5,190 mg/kg of diesel range organics (DRO) remain in an estimated 5 to 10 cubic yards of soil adjacent to the foundation. A monitoring well was installed into groundwater at about 14 feet; the water was found to be impacted but at levels below ADEC's most stringent cleanup level for DRO. Lot 13, Block 3, Lincoln Park Subdivision.	1,700 feet southwest
Anchorage Fueling and Service Co. Former Cross-town Pipeline, Arctic & Tudor release 4100 Arctic Boulevard	2100.38.438	Active	During the investigation of a leaking underground storage tanks at the Texaco station on the corner of Tudor and Arctic -- free product was identified. The free product was identified as a jet A. A May 2000 investigation found that the jet A pipeline that operated from 1962 to 1999 had leaked from a faulty weld. Product has migrated 150 feet to the east, 145 feet to the southwest, and 160 feet to the northwest of the leak point (northwest corner of Arctic and Tudor intersection). This includes the southeast corner of the Idle Wheels Mobile (Home) Court. An additional product recovery well was installed on September 2002, also two in 2003, and two more in 2005. Through September 2010, 13,600 gallons of product have been recovered, and up to 1.38 feet of product remain in several monitoring wells. Last staff assigned were Weimer, Frechione, and Olson. Note that AFSC stands for Anchorage Fueling and Service Co., a sister company to Signature Flight Support. In essence, AFSC is the company that owns pipelines and facilities; Signature is the operating company. AFSC is now called ASIG (Aircraft Service International Group). Creech Subdivision. The elevation is ~30 meters (~98 feet).	1,875 feet southeast

Notes:

~ The Office File ID is the ADEC file identification number

* Narrative taken directly from ADEC summary statement in the on-line database. This summary may not fully describe the nature of the environmental concern and/or potential risk to human health safety, welfare, or the environment.

**TABLE 3
CONTAMINATED SITES WITHIN A 1.0-MILE RADIUS**

Facility Name and Street Address	Office File ID~	Status/Priority	Problem, as listed by ADEC*	Approximate Distance From Property
Western Utility Supply Company 440 West 40th Avenue	2100.38.067	Cleanup Complete	Two waste oil soil stains were located on the northeast side of the building. The area of one stain was 27 square feet and the other was 18 square feet. Spills were caused when the waste oil drums were being moved. Soil stains associated with the diesel AST were observed in 1999. A 750-1000 gallon UST was located on the south side of the building and was removed in approximately 1994. Extent and severity of release is unknown. Five boring samples were collected from the area of the UST removal, one at the groundwater interface, 7-9 feet below ground surface (bgs.), and 4 from below the bottom of the tank at 10-11 feet bgs. The maximum contaminate was benzene at 0.233 mg/kg at 11 feet bgs. Two samples were collected from the largest waste oil stain area at surface and 3 feet bgs. Results of the surface sample were 8,600 mg/kg DRO and 27,000 RRO. Results of the sample collected at 3 feet bgs was below 18 AAC 75.341 Method Two Migration to Groundwater cleanup levels. Approximately 2 cubic yards was removed from the stained area at the northeast corner of the building and was transported to Alaska Soil Recycling for thermal treatment. One confirmation sample was collected and results were below 18 AAC 75.341 Method Two Migration to Groundwater cleanup levels. Background levels for arsenic and chromium exceed Department-established cleanup levels at this location. There is an active 300 gallon diesel AST on site. Work performed in 2004 was sufficient to determine that all 18 AAC 75 cleanup requirements are met.	2,750 feet southeast
Boys & Girls Club 2300 West 36th Avenue	2100.38.336	Cleanup Complete with Institutional Controls	Heating Oil Tank Petroleum.	2,775 feet west

Notes:

~ The Office File ID is the ADEC file

* Narrative taken directly from ADEC summary statement in the on-line database. This summary may not fully describe the nature of the environmental concern and/or potential risk to human health safety, welfare, or the environment.

**TABLE 3
CONTAMINATED SITES WITHIN A 1.0-MILE RADIUS**

Facility Name and Street Address	Office File ID~	Status/Priority	Problem, as listed by ADEC*	Approximate Distance From Property
Centerpoint S/D 3801 Centerpoint Drive	2100.38.407	Active	Site was formerly a mobile home residential complex. Contaminated soil was encountered during pre-construction activities in October 2003. Contamination resulted from past heating oil releases associated with the former Plaza 36 Mobile Home Court heating oil system. On May 13, 2004 Davis Constructors notified DEC's Contaminated Sites Program that fuel-contaminated soil was encountered during installation of a waterline on Tract B of Centerpoint Subdivision. Soil had been excavated and stockpiled in October and November 2003. Approximately 8571 cubic yards of organic-rich soil that was unsuitable for use based on engineering standards was transported to a landscaping firm for use as topsoil. When processing began in May 2004 at the landscaping business, the soil was found to be contaminated and in July 2004 was transported with Department approval to a site on Trunk Road in Palmer for remediation by landspreading. Remediation of the landfarmed soil at the Trunk Road property was deemed complete in ADEC's letter dated May 11 2005 with the condition that ADEC must approve any offsite transport of the remediated soil. Property address was listed as 3900 C Street until it was changed to the current address of record, 3801 Centerpoint Drive, on 5/20/2008.	2,900 feet east
Municipality of Anchorage 4333 Bering Street Paint Shop 4333 Bering Street	2100.38.528	Active	During site characterization activities, contaminated soil was encountered beneath the Paint Shop drainage pipe. The drain pipe was not connected to the Anchorage Water and Waste Utility sanitary sewer system. The soil from the excavation was visually impacted with petroleum hydrocarbons and was containerized in three 55-gallon drums. The soil sample contained concentrations of DRO, RRO, arsenic, cadmium, chromium, lead and mercury above ADEC cleanup levels.	3,025 feet southeast
Estate of Donald Storm 2909-3003 Willow Street	2100.38.157	Cleanup Complete	Reported petroleum contamination. Lots 18M through 21M, Woodland Park Addition Subdivision. 2909 Willow Street is Lot 18M. Last staff assigned was Wright.	3,275 feet northwest
Dynamic Properties - Spenard Road 4000 Spenard Road	2100.38.113	Cleanup Complete	Petroleum. Lot 13, Litner Subdivision.	3,350 feet southwest
Anchorage School District West High School UST 1700 Hillcrest Drive	2100.38.403	Cleanup Complete	Investigation of black soil material surrounding piping from a 15,000 gallon heating oil UST on 8/23/96 found DRO at 2,320 ppm . An approximate 17 cubic yard soil stockpile was existing on site from a previous excavation. A duplicate of soil sample D55751-5 for this stockpile resulted in benzene at 0.984 ppm, above the cleanup level of 0.5 ppm. A second stockpile of approximately 16 cubic yards was made on 8-23-96. The analytical results for this second stockpile were below cleanup levels. Based on available information it is unclear whether the UST was left in-place or not. Very little information in the file. The elevation is ~12 meters (~38 feet). West and Romig School Sites Subdivision, Tract 1.	3,425 feet north/northwest

Notes:

~ The Office File ID is the ADEC file

* Narrative taken directly from ADEC summary statement in the on-line database. This summary may not fully describe the nature of the environmental concern and/or potential risk to human health safety, welfare, or the environment.

**TABLE 3
CONTAMINATED SITES WITHIN A 1.0-MILE RADIUS**

Facility Name and Street Address	Office File ID~	Status/Priority	Problem, as listed by ADEC*	Approximate Distance From Property
Tudor Road Diamond Z 401 West Tudor Road	2100.38.154	Cleanup Complete	Surface staining observed during property transfer. Minor GW contamination. Last staff assigned was Olson.	3,500 feet southeast
Former Icicle Seafood Unregistered UST 2808 Eureka Street	2100.38.248	Cleanup Complete	Leaking 1,000 gallon commercial heating oil tank (UST). Lot 8 Block 4 Northern Lights Subdivision. Last staff assigned was Olson.	3,775 feet northeast
Used Oil Dump Site 1327 West 25th Avenue	2100.38.469	Cleanup Complete with Institutional Controls	Waste crankcase oil dumped along edge of asphalt parking lot. Effected area 44' by 2'. Approximately 5 cubic yards of petroleum contaminated soil was excavated. Lot 8B, Block 1, Clayton Subdivision. Contaminated soil removed in 1990 and confirmation samples showed TPH levels well below applicable cleanup levels. Arsenic, chromium and lead were collected from the stockpile and were believed by ENSR as within background levels but arsenic was at 119 ppm.	3,950 feet north
Alaska Department of Transportation & Public Facilities Right-of-Way Northeast Corner of Minnesota Boulevard and International Airport Road	2100.38.373	Cleanup Complete	Soil borings in right of way revealed petroleum contamination. Source, type, extent and human risk unknown. Last staff assigned were Olson and Frechione.	4,050 feet south/southwest
Residence - 2604 West 33rd Avenue 2604 West 33rd Avenue	2100.38.301	Cleanup Complete	On May 4, 1992 an underground heating oil tank was removed at 2604 W. 33rd Ave. Anchorage, AK. The heating oil tank had not been used since the 1970's when natural gas was installed at the site. The tank was of undetermined age or size, upon removal the tank measured 3.5 feet by 4.5 feet. Measurements before the UST removal showed there to be no product in the bottom of the tank. Soil below the tank had a petroleum odor and a somewhat oily texture. The tank was taken for cleaning and ultimate disposal to Anchorage Metal Recycling. Further excavation and testing showed no more contamination at the site. ADEC staff member, Scott Bailey, sent a letter to Karen Brindendolph, on January 13, 1993, closing the site with no further action requested by the department. Historic rekey# 1992210115601; former file # CS96.49.	4,200 feet west/northwest
Alaska Cleaners - Fireweed 610 West Fireweed Lane	2100.38.193	Cleanup Complete with Institutional Controls	Tetrachloroethylene and diesel fuel found in soil samples during removal of heating oil tank. Groundwater flows to NNW at an elevation of 30.25 feet. Spill # 91-2-1-0-175-03. Last staff assigned were Bailey, Dronenburg, D. Pikul and Pexton. New Alaska Cleaners contact: Mark Thompson. NFRAP by Bush.	4,175 feet northeast

Notes:

~ The Office File ID is the ADEC file

* Narrative taken directly from ADEC summary statement in the on-line database. This summary may not fully describe the nature of the environmental concern and/or potential risk to human health safety, welfare, or the environment.

**TABLE 3
CONTAMINATED SITES WITHIN A 1.0-MILE RADIUS**

Facility Name and Street Address	Office File ID~	Status/Priority	Problem, as listed by ADEC*	Approximate Distance From Property
Grizzly Bear Trailer Court 4222 Spenard Road	2100.38.058	Active	The homes on the property once utilized day tanks for fuel. Sample results from June 2002 were 3,600 mg/kg DRO and 555 mg/kg GRO at 5 to 6 feet below ground surface (bgs). Groundwater is at 6-10 feet bgs and is suspected to be contaminated. Fish Creek located approximately 220 feet west of the site. Structures were hooked up to the municipal natural gas system in 1965. Fuel tanks were used from approximately 1950 to 1965.	4,200 feet southwest
Interstate Brands Corporation 2248 Spenard Road	2100.38.056	Cleanup Complete	A hydraulic hoist was located within a service bay area of the maintenance shop and was decommissioned in July 2002. The property consists of a bakery, a retail bakery thrift store, and a delivery truck maintenance shop.	4,300 feet north
House of Harley 4332 Spenard Road	2100.38.425	Active	Source was a 500 gallon heating oil UST. Contamination is at the groundwater interface and may have impacted groundwater. A petroleum sheen was observed in the excavation during the fall of 2001. Maximum DRO concentration left in place is 5,400 mg/kg at 15 feet below ground surface. Removal of contaminated soil left in place closest to Barbara Drive may threaten the stability of the road. Fish Creek crosses the subject property. One crushed 500 gallon UST was discovered at the site of the Former Polar Bear Motel as excavation was conducted for House of Harley's building expansion in September 2001. Depth to groundwater is ~15 feet below ground surface and is estimated to flow in a west to northwest direction towards Fish Creek. Offsite contamination from Grizzly Trailer Court is suspected to be impacting the site. The elevation is ~23 meters (~75 feet). Willard Subdivision #2, Tract 2A.	4,450 feet southwest
Anchorage School District North Star Elementary School 605 West Fireweed Lane	2100.38.475	Cleanup Complete	A 25,000 gallon UST was removed on 9/93. DRO contaminated soil up to 2,920 mg/kg was encountered in soil borings drilled in 1997 and 1998. GW was contaminated with DRO but below 1/10th cleanup levels. GW at ~62 feet bgs.	4,500 feet northeast
Z.J. Loussac Public Library 3600 Denali Street	2100.38.468	Cleanup Complete	Municipality of Anchorage representatives encountered petroleum impacted soil during onsite utility upgrades. Groundwater was observed at approximately 8' below ground surface (bgs) in an excavation and appeared to have a hydrocarbon sheen. Based on conversation with on-site personnel, the impacted soil was first encountered at approximately 6' bgs. Initial soil samples resulted in 1,920 mg/Kg DRO, exceeding the ADEC Cleanup Level of 250 mg/Kg. The same sample contained 7.85 mg/Kg GRO and 0.0349 mg/Kg xylenes, both below cleanup levels. No benzene, toluene, or ethylbenzene was detected. Approximately 10-15 cubic yards of potentially impacted soil was excavated. Approximately 20-25 cubic yards of potentially clean material was excavated. Both stockpiles were backfilled into the excavation after initial excavation. A total of 140 cubic yards was taken to the Anchorage Municipal Landfill for disposal.	4,700 feet east

Notes:

~ The Office File ID is the ADEC file

* Narrative taken directly from ADEC summary statement in the on-line database. This summary may not fully describe the nature of the environmental concern and/or potential risk to human health safety, welfare, or the environment.

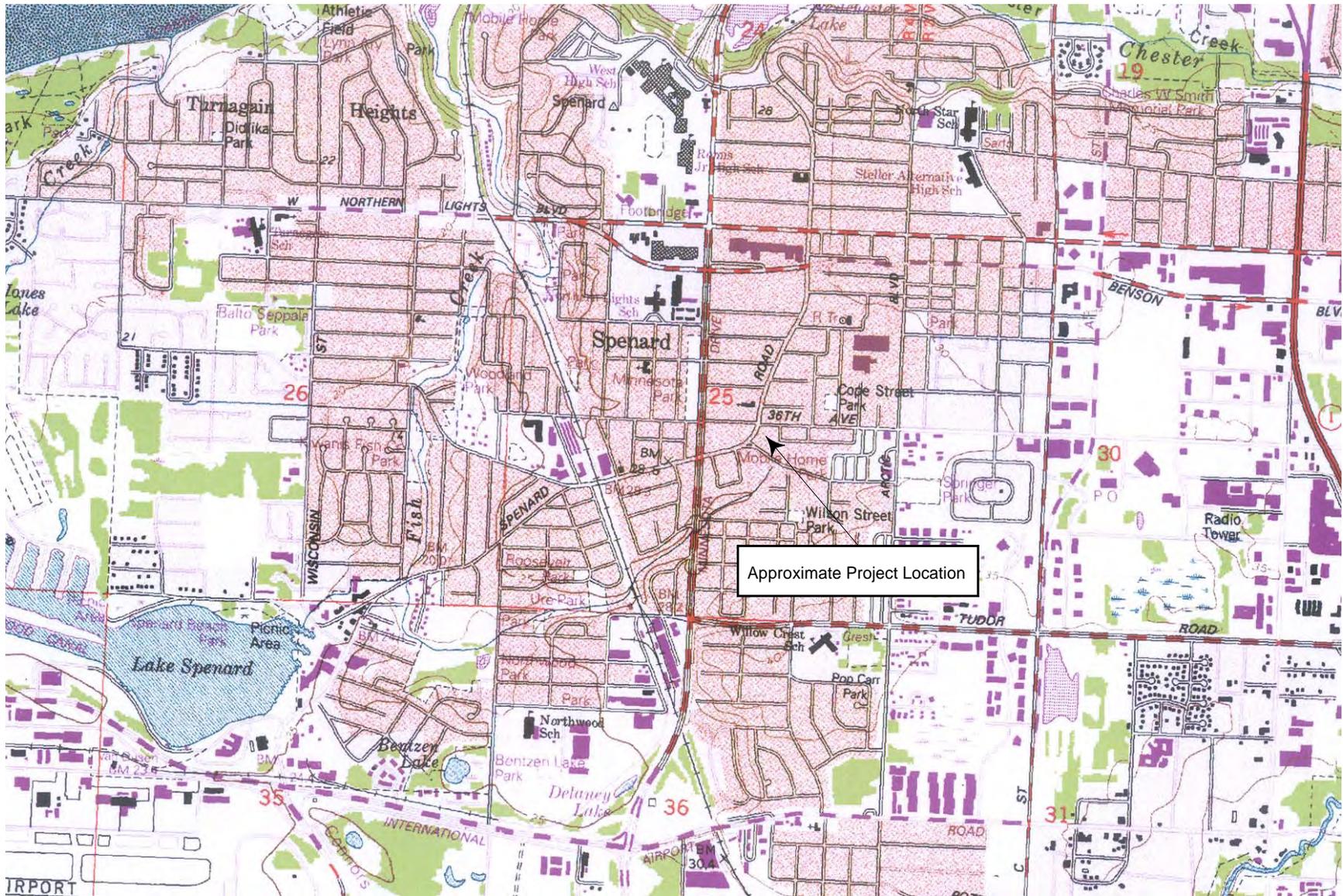
**TABLE 3
CONTAMINATED SITES WITHIN A 1.0-MILE RADIUS**

Facility Name and Street Address	Office File ID~	Status/Priority	Problem, as listed by ADEC*	Approximate Distance From Property
Residence - 2606 West 29th Avenue 2606 West 29th Avenue	2100.38.296	Cleanup Complete	During removal of an underground home heating oil tank on June 28, 1991 by Polarconsult, soil samples were tested and results were above ADEC cleanup levels. The excavated materials were placed on a nonpermeable membrane (plastic) and covered to secure it until disposal.	4,775 feet northwest
Wharton Mobile Home Park 2208 Eureka Street	2100.8.421	Cleanup Complete	Heating oil contamination of soils to depths as great as 18 feet below the ground surface, resulting from past releases from individual 'tanks' (actually twin elevated fuel drums) used at each mobile home before natural gas became available. The mobile home park was built in the early 1960's. Additional surface-stained areas, mostly vehicle oil drips and stains, were identified and associated small volumes of contaminated soil removed.	4,950 feet northeast

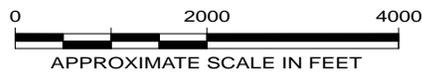
Notes:

~ The Office File ID is the ADEC file identification number

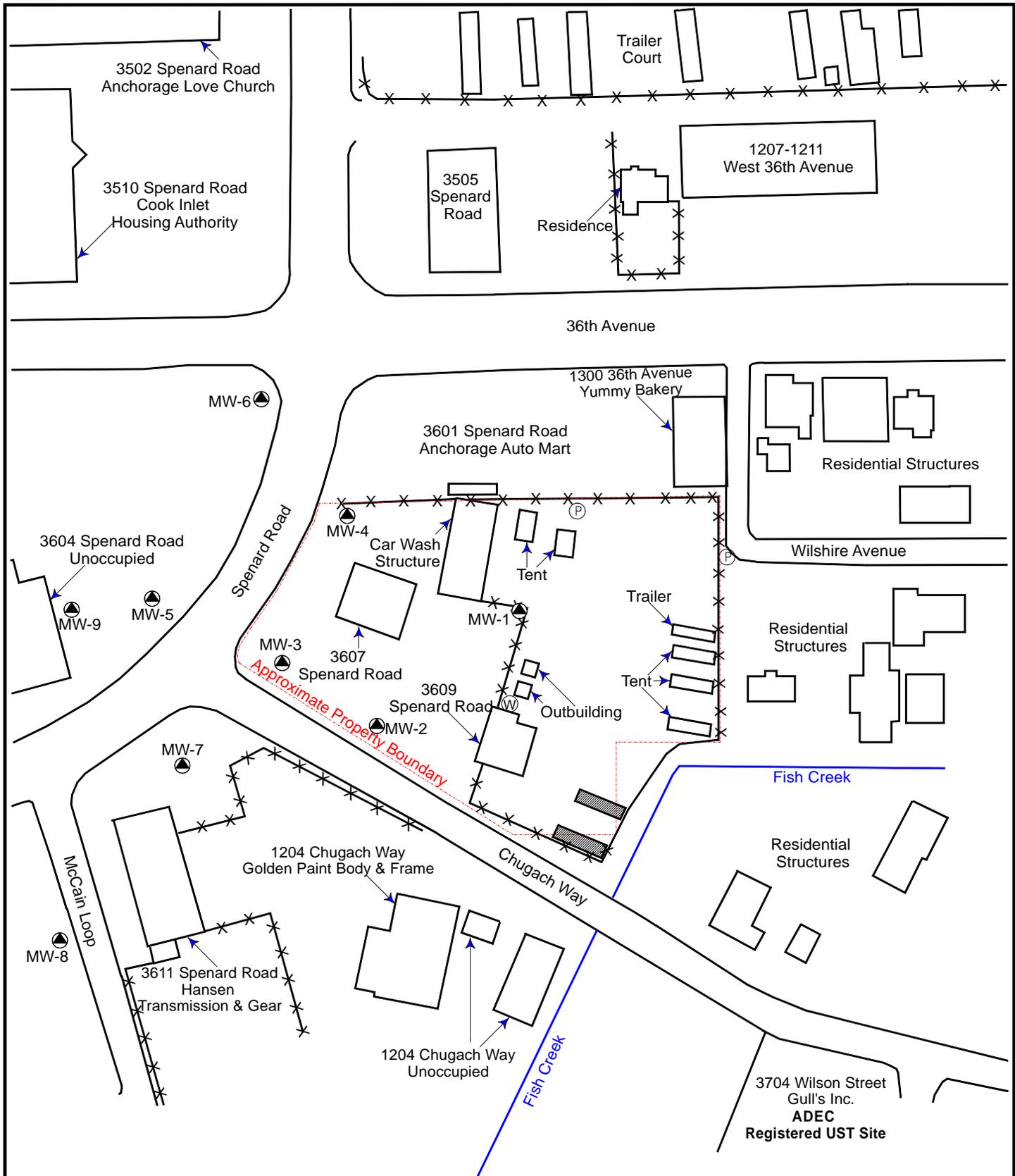
* Narrative taken directly from ADEC summary statement in the on-line database. This summary may not fully describe the nature of the environmental concern and/or potential risk to human health safety, welfare, or the environment



Elevation in Meters
 Contour Interval 5 Meters
 Taken from Anchorage A-8 NW
 U.S. Geological Survey Quadrangle (1994)



3607 and 3609 Spenard Road Anchorage, Alaska	
VICINITY MAP	
September 2012	32-1-17525-001
 SHANNON & WILSON, INC. Geotechnical & Environmental Consultants	Fig. 1



LEGEND

- MW-1 Approximate location of groundwater Monitoring Well MW-1
- Approximate location of drinking water well
- Approximate location of connex storage container
- Approximate location of pole-mounted transformer
- Approximate location of piped Fish Creek
- Approximate location of fence

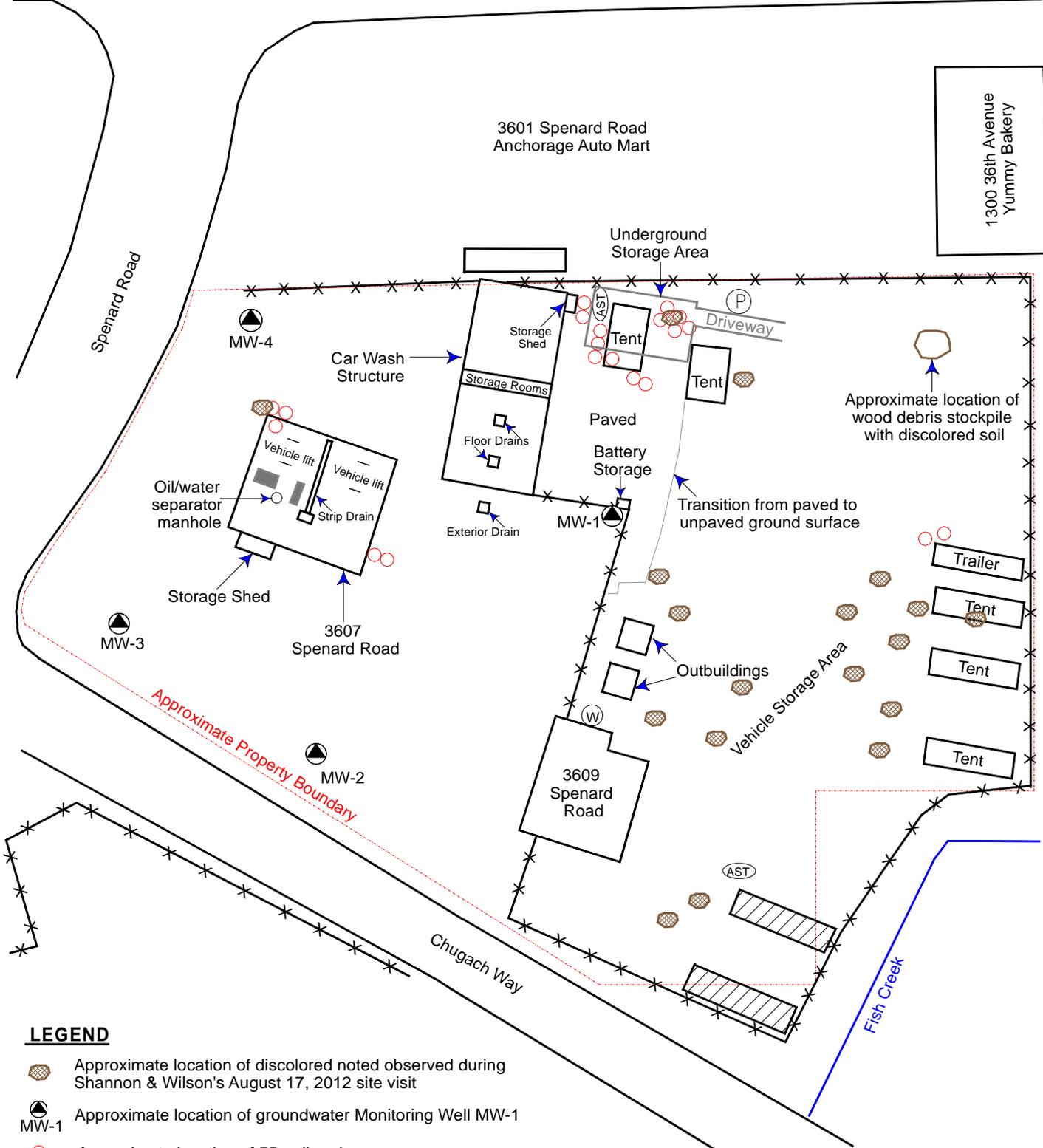


3607 and 3609 Spenard Road Anchorage, Alaska	
SITE PLAN OVERVIEW	
September 2012	32-1-17525-001
SHANNON & WILSON, INC. Geotechnical & Environmental Consultants	
Fig. 2	

36th Avenue

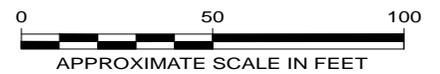
3601 Spenard Road
Anchorage Auto Mart

1300 36th Avenue
Yummy Bakery



LEGEND

- Approximate location of discolored noted observed during Shannon & Wilson's August 17, 2012 site visit
- MW-1 Approximate location of groundwater Monitoring Well MW-1
- Approximate location of 55-gallon drum
- Approximate location of abandoned floor drain and/or lift
- Approximate location of storage tank
- Approximate location of drinking water well
- Approximate location of connex storage container
- Approximate location of pole-mounted transformer
- Approximate location of Fish Creek (in culvert)
- Approximate location of fence



3607 and 3609 Spenard Road
Anchorage, Alaska

DETAILED SITE PLAN

September 2012

32-1-17525-001

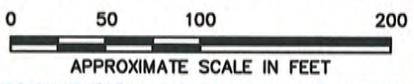
SHANNON & WILSON, INC.
Geotechnical & Environmental Consultants

Fig. 3





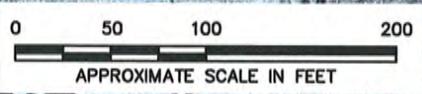
Approximate Property Boundary



3607 AND 3609 SPENARD ROAD ANCHORAGE, ALASKA	
AERIAL PHOTOGRAPH MAY 23, 1964	
SEPTEMBER 2012	32-I-17525-001
 SHANNON & WILSON, INC. Geotechnical & Environmental Consultants	FIG. 4



Approximate Property Boundary



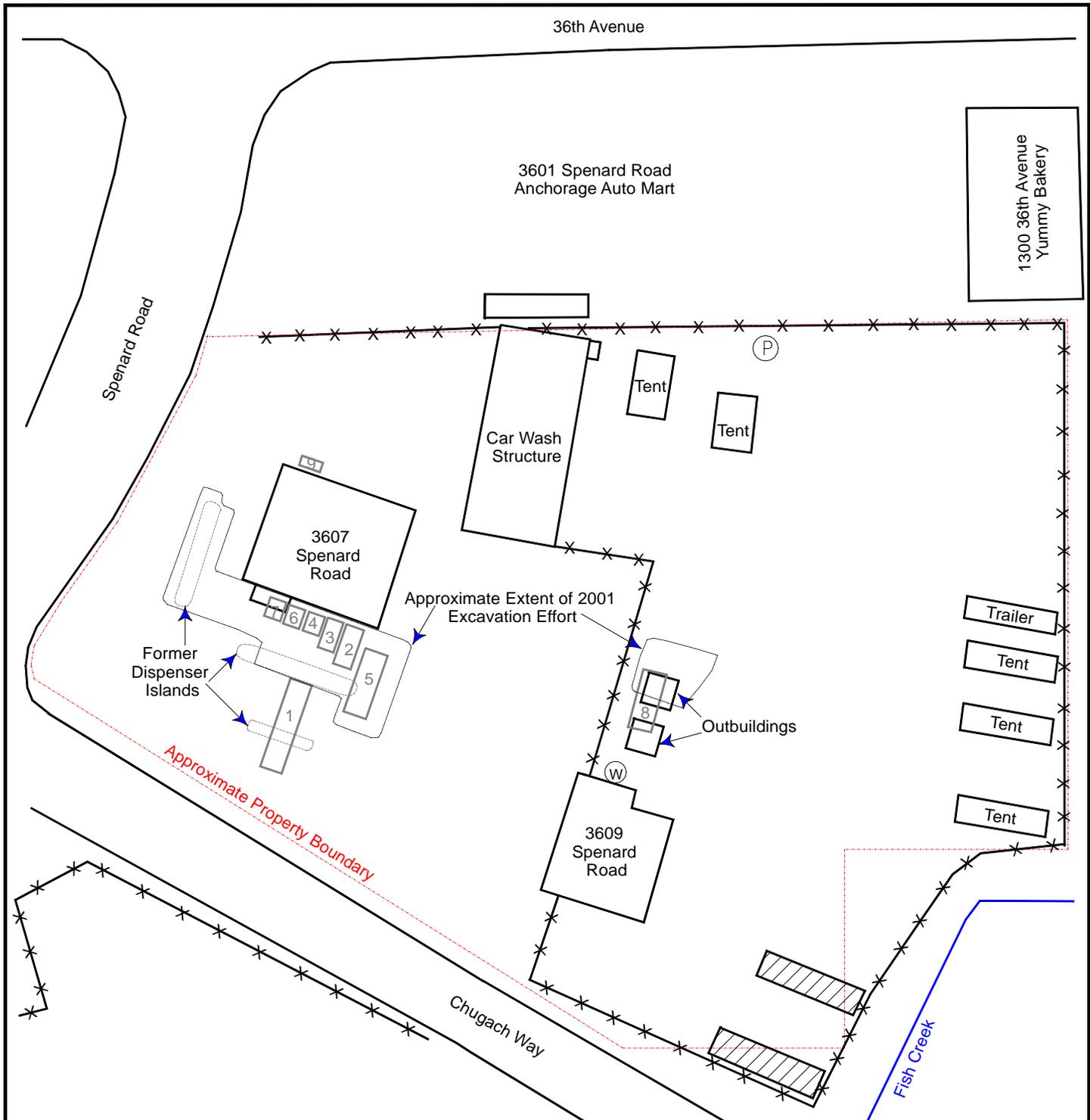
3607 AND 3609 SPENARD ROAD ANCHORAGE, ALASKA	
AERIAL PHOTOGRAPH JUNE 2, 1976	
SEPTEMBER 2012	32-I-17525-001
 SHANNON & WILSON, INC. Geotechnical & Environmental Consultants	FIG. 5



Approximate Property Boundary

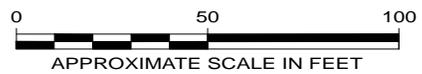


3607 AND 3609 SPENARD ROAD ANCHORAGE, ALASKA	
AERIAL PHOTOGRAPH SEPTEMBER 26, 2011	
SEPTEMBER 2012	32-I-17525-001
 SHANNON & WILSON, INC. Geotechnical & Environmental Consultants	FIG. 6



LEGEND

- 
 Approximate location of former underground storage tank
 - 1 12,000-gallon unleaded gasoline
 - 2 4,000-gallon unleaded gasoline
 - 3 3,000-gallon unleaded gasoline (formerly regular gasoline)
 - 4 2,000-gallon premium gasoline
 - 5 12,000-gallon regular gasoline
 - 6 2,000-gallon diesel
 - 7 2,000-gallon diesel
 - 8 10,000-gallon diesel
 - 9 500-gallon waste oil
- 
 Approximate location of drinking water well
- 
 Approximate location of connex storage container
- 
 Approximate location of pole-mounted transformer
- 
 Approximate location of Fish Creek (in culvert)
- 
 Approximate location of fence



3607 and 3609 Spenard Road Anchorage, Alaska	
Former Underground Storage Tanks and Dispenser Islands	
September 2012	32-1-17525-001
 SHANNON & WILSON, INC. Geotechnical & Environmental Consultants	Fig. 7

APPENDIX A

COPY OF SHANNON & WILSON PROPOSAL DATED JULY 31, 2012

July 31, 2012

Mr. Dennis Harwood
Alaska Department of Environmental Conservation
555 Cordova Street
Anchorage, Alaska 99501

**RE: PROPOSAL FOR PHASE I ENVIRONMENTAL SITE ASSESSMENT, TESORO –
OLSON GAS SERVICES STORE #1, 3607 AND 3609 SPENARD ROAD,
ANCHORAGE, ALASKA**

We are pleased to submit our technical proposal to conduct a Phase I Environmental Site Assessment (ESA) at the Tesoro – Olson Gas Services Store #1, located at 3607 and 3609 Spenard Road in Anchorage, Alaska (the Property). Our cost proposal is submitted under a separate cover. Shannon & Wilson, Inc. (Shannon & Wilson) will meet the requirements and general stipulations identified in the RFP and will comply with applicable federal, state, and local laws and ordinances, including 18 Alaska Administrative Code (AAC) 75 and 18 AAC 78 regulations and guidance documents. Shannon & Wilson has no conflict of interest with the property owner, operator, or any potential responsible party associated with the project site.

1. STAFFING

Shannon & Wilson is uniquely qualified for this project, based on our depth of experience with Phase I ESAs, and our long standing reputation as one of Alaska's most well-established and respected environmental consulting firms. This project will be managed and performed by personnel in our Anchorage office. Our Anchorage office has completed over 3,500 environmental projects across the state. More than 850 of these projects were Phase I ESAs. We also have extensive experience with cost estimating and alternative analysis, with recent examples including a CERCLA Feasibility Study for Formerly Used Defense Site (FUDS) site in Yakutat, and Analysis of Brownfield Cleanup Alternatives (ABCA) analysis for sites in Anchorage, Hughes, Fairbanks, and Selawik.

Primary Shannon & Wilson personnel scheduled for this project consist of our contract manager, Mr. Matthew Henry, P.E., our Project Manager, Mr. Timothy Terry, C.P.G., our Project Engineer, Ms. LeeAnne Osgood, P.E., and our field representative, Ms. Jennifer Simmons. The proposed project personnel have a combined experience of 62 years conducting environmental assessments across Alaska.

Matt Henry, P.E. (Environmental Group Leader) will be the contract manager and point of contact for contractual issues related to this project. Matt is also the senior reviewer for all project deliverables. Matt has 20 years of consulting and engineering experience in Alaska.

Tim Terry, C.P.G. (Project Manager) will be the primary contact with the ADEC project manager, will act as the technical lead, and conduct initial review of all deliverables. He has managed hundreds of Phase I ESAs in Alaska during his career with Shannon & Wilson since 1980. Tim conducted a file review of the project site in May 1991.

Attn: Mr. Dennis Harwood
Alaska Department of Environmental Conservation
July 31, 2012
Page 2 of 3

SHANNON & WILSON, INC.

LeeAnne Osgood, P.E. (Project Engineer) will be the primary author of the *Additional Services* letter report. LeeAnne has over 20 years of experience including recent experience in developing ABCAs, Feasibility Studies, and Corrective Action Plans.

Jennifer Simmons (Environmental Scientist) will serve as the primary field representative. Jennifer has completed more than 40 Phase I ESA projects throughout Alaska.

2. PROJECT SUMMARY AND UNDERSTANDING

The project purpose is to help facilitate the property transfer from the current owner (Alatna, Inc.) to the pending owner (Cook Inlet Housing Authority [CIHA]) and to progress toward developing funding proposals to partner agencies. Specific project objectives are:

- ensure that the All Appropriate Inquiry requirements are met,
- future on and offsite assessment activities are summarized that meet the requirements of the ADEC overseeing project manager,
- an analysis of corrective action alternatives is developed that will meet the development requirements of the Cook Inlet Housing Authority, and
- document potential environmental concerns and associated costs to a future purchaser of the site.

Task 1 – Phase I Environmental Site Assessment

All work will comply with ASTM 1527-05 and will be conducted by an environmental scientist under the supervision of an environmental professional as defined by ASTM 1527-05.

Task 1a – Records Review

Shannon & Wilson will perform a records review to assist in the identification of Property use, or events that may have led to environmental damage at the Property. The records review will consist of two primary components - aerial photograph review and database searches. Aerial photographs will be reviewed to develop a site history for the Property. Aerial photographs showing significant land use history will be included in our summary report. We will conduct a search of local, state, and federal databases, using the radii specified in ASTM 1527- 05. Primary databases include the ADEC lists of registered USTs, leaking USTs, and contaminated sites; federal databases pertaining to known Resource, Conservation, and Recovery Act (RCRA) and/or Comprehensive Environmental Response, Compensation, and Liability Act (CERCLA) sites; and state and federal historical spill records.

Task 1b – Site Reconnaissance

Following the records search, we will visit the site and surrounding properties to obtain visual and physical information about current and past use of the Property. We will coordinate with CIHA to obtain permission for site access. In addition to field notes, we will document significant findings with photographs.

Task 1c – Interviews

We will make a reasonable effort to interview the current owner of the Property, former owners/tenants, if locally available, and adjacent property owners. State and federal agencies will be contacted regarding sites that may pose a recognized environmental condition.

Attn: Mr. Dennis Harwood
Alaska Department of Environmental Conservation
July 31, 2012
Page 3 of 3

SHANNON & WILSON, INC.

Task 1d – Reporting

The report will summarize the results of our research, interviews, and site reconnaissance and identify recognized environmental conditions (RECs), historical RECs, and other environmental conditions not classified as RECs as defined by ASTM E1527-05. The report will identify and comment on data and historical information gaps. The report will generally follow the recommended format in Appendix X4 of ASTM Standard E1527-05. We will submit the report table of contents to the ADEC project manager prior to completion. The project deliverables will be submitted in the formats described in Section 5 of the RFP.

Task 2 – Additional Services

We will prepare a letter report to evaluate and summarize the outstanding environmental requirements for the Property to reach closure. The letter report will include:

- a summary of CIHA's development plans;
- a summary of the environmental activities that have taken place to date;
- a discussion with the ADEC project manager on the outstanding *Compliance Order by Consent* for the Property;
- a general course of action to take the Property toward a cleanup complete or cleanup complete with institutional controls in a suitable time period that meets with CIHA requirements. This will include an alternatives analysis that generally follows the Environmental Protection Agency's (EPA) ABCA guidelines, although we assume a truncated report format to briefly describe the alternatives considered, but focus primarily on selected remedy; and
- a reasonable cost estimate range for the proposed activities such that the CIHA can better evaluate an approach to site remediation with an expectation of pending costs.

We will submit project deliverables in the formats described in Section 5 of the RFP.

3. BUDGET

We have attached to this proposal our estimated level of effort to conduct the tasks requested in the RFP. The terms and conditions under which our services are offered will be in accordance with our ADEC Term Contract 18-4002. If you have any questions regarding the contents of this cost proposal, please contact the undersigned at (907) 561-2120. Thank you again for your confidence in our firm.

Sincerely,

SHANNON & WILSON, INC.

Matthew Hemry

Digitally signed by Matthew Hemry
DN: cn=Matthew Hemry, o=Shannon &
Wilson, ou=Environmental,
email=msh@shanwil.com, c=US
Date: 2012.07.31 09:12:48 -08'00'

Matt Hemry, P.E.
Vice President

Encl: Estimated Level of Effort

32-2-14484

APPENDIX B

PHASE I ENVIRONMENTAL SITE ASSESSMENT QUESTIONNAIRES

IMPORTANT!!
CLIENT/USER RESPONSIBILITIES
FOR PHASE I ENVIRONMENTAL SITE ASSESSMENTS

ASTM E 1527-05 and the All Appropriate Inquiry Rule at 40 CFR Part 312 impose upon the User of the Phase I Environmental Site Assessment the responsibility for performing certain tasks and providing certain information to the environmental professional to help identify the possibility of *recognized environmental conditions* in connection with the property. The "User" is any person seeking to use the Phase I Environmental Site Assessment to be potentially eligible for the Landowner Liability Protections under the federal Comprehensive Environmental Response, Compensation and Liability Act (CERCLA), and may include a potential purchaser, tenant, lender or property manager of the property.

Attached for your action is a "***Phase I Assessment User Questionnaire***" which is designed to provide you with a concise list of the tasks and information that you, and any other User, must perform and/or provide to us in connection with this Phase I Environmental Site Assessment. We ask that each User (you and each party who intends to rely on this Phase I Environmental Site Assessment) complete the Questionnaire and return it to us as soon as possible so that the information may be timely considered by us as we assess the property. If you desire for us to arrange for the user-required review of land title or judicial records for environmental liens and activity/use limitations associated with the property (Item 1 on the Questionnaire), that request must be set forth in your Request for Phase I Assessment.

It is important to understand that the failure perform the user-required tasks and provide the information in the Questionnaire will be identified as a "data gap" in our report and could jeopardize our ability to form an opinion about whether recognized environmental conditions exist at the property. It could also jeopardize the User's ability to meet the threshold "all appropriate inquiry" requirement for establishing the innocent purchaser, contiguous property owner or bona fide prospective purchaser defenses to liability (collectively, Landowner Liability Protections) under CERCLA.

Phase I Assessment User Questionnaire

The information in this User Questionnaire is prepared and provided by the user to the environmental professional pursuant to 40 CFR 312.22. Pursuant to ASTM E 1527-05, the "user" is the party seeking to complete the environmental site assessment of the property and also any person seeking to establish one or more of the Landowner Liability Protections (LLPs) under CERCLA. A user may include, without limitation, a potential purchaser or potential tenant of the property, a lender or a property manager.

The information on this Questionnaire must be performed and/or provided by the User of the Phase I Assessment in order to potentially qualify for one of the *Landowner Liability Protections* under the Comprehensive Environmental Response Compensation and Liability Act of 1980, as amended.

PERSON COMPLETING QUESTIONNAIRE: Jeff Judd, Senior VP Real Estate, Cook W/let Housing Authority
SUBJECT PROPERTY (address): 3607 Spenard Road
USER TYPE (purchaser, tenant, lender): Purchaser

* Note: Each person or entity that will rely on this Phase I ESA is considered a "User" and must also provide the information requested below. Make additional copies of this form for any additional Users.

**** (1). Environmental cleanup liens, institutional controls and engineering controls that are filed or recorded against the site (40 CFR 312.25; ASTM Section 6.2).**

Are there any environmental cleanup liens against the property that are filed or recorded under federal, tribal, state or local law? Yes / No If yes, please describe.

Are there any institutional controls (such as land use restrictions) or engineering controls (such as cap or engineered barriers) that are in place at the site and/or have been filed or recorded in land records or a registry under federal, tribal, state or local law? Yes No
If yes, please describe.

DEC open case.

**** Important Note:** A search for environmental cleanup liens filed or recorded against the property is required, but is not the responsibility of the environmental professional. If you do not include in your Request for Phase I Assessment that Shannon & Wilson arrange for this activity, then you should engage a title company or other title professional for a comprehensive review of land title and judicial records for evidence of cleanup liens as well as any institutional or engineering controls recorded against the property. Please provide us with copies of surveys, chain of title and any other relevant land records obtained by your review. The ASTM Phase I Standard indicates that only the User commissioning the Phase I ESA must perform this task.

(2) **Specialized knowledge or experience of the person seeking to qualify for the Landowner Liability Protections (LLPs) (40 CFR 312.28; ASTM Section 6.3).**

Do you have any specialized knowledge or experience in connection with the property or nearby properties relevant to environmental matters? (For example, are you involved in the same line of business as the current or former occupants of the property or an adjoining property so that you would have specialized knowledge of the chemicals and processes used by this type of business?)

Yes / No

If you do have such knowledge or experience, please describe.

See attached

(3) **Relationship of the purchase price to the fair market value of the property if it were not contaminated (40 CFR 312.29; ASTM Section 6.5).**

If the transaction at issue involves the purchase of the property, does the proposed purchase price for this property reasonably reflect the fair market value of the property? Yes / No / NA

If you conclude that the purchase price is less than the fair market value, have you considered whether the lower purchase price is because contamination is known or believed to be present at the property? Yes / No / NA

After such consideration, do you have reason to believe that the lower price is because of real or perceived contamination at the property? Yes / No / NA

See attached.

(4) **Commonly known or reasonably ascertainable information about the property (40 CFR 312.30; ASTM Section 6.6).**

Are you aware of commonly known or reasonably ascertainable information about the property or community that would help the environmental professional to identify conditions indicative of releases or threatened releases? For example:

Do you have information about the past uses of the property or adjoining property? Yes / No
If yes, please describe.

Other than existing DEC reports, no.

Do you have information about specific chemicals that are present or once were present at the property? Yes / No
If yes, please describe.

Do you know of any spills or other releases of petroleum products, oil, chemicals, solvents or other hazardous materials at the property or adjoining property? Yes No
If yes, please describe and/or attach copies of relevant documents/reports.

Do you know of any environmental cleanups or investigations that have taken place at the property or adjoining property? Yes / No
If yes, please describe and/or attach copies of relevant documents/reports.

See attached

Do you have any environmental reports, permits, notices of violation or other documents concerning environmental matters at the property? Yes No
If yes, please attach copies.

- (5) **The degree of obviousness of the presence or likely presence of contamination at the property, and the ability to detect the contamination by appropriate investigation (40 CFR 312.31);**

Based on your knowledge and experience related to the property or the community, are you aware of any obvious indicators pointing to the presence or likely presence of contamination at the property? Yes / No

If yes, please describe.

DEC documentation

- (6) **The purpose for the Phase I Environmental Site Assessment (ASTM Section 6.7).**

Is the purpose for this Phase I to potentially qualify for the Landowner Liability Protections under CERCLA? Yes / No

If not, what is the purpose for this Phase I?

See attached

- (7) Although you are not required to obtain any of the following documents, please provide us with copies of any of the following documents that you may already have in your possession or could easily obtain for our use.

ALTA Survey showing the boundary of the Property
Previous Environmental Site Assessment Reports (Phase I and/or Phase II reports)
Environmental Compliance Audit Reports
Environmental Permits (air, wastewater, stormwater, etc.)
Underground and Aboveground Storage Tank Registrations
Tank Removal or Investigation Reports
Governmental Notices relating to alleged violation of environmental laws

ALTA Survey currently being completed.

Additional Responses
Phase I Assessment User Questionnaire

Questions 2 and 4:

A Phase I Environmental Site Assessment was performed on our behalf by BGES, Inc. at 3604 Spenard Road, the property (ies) directly across the street from the subject site. We will make sure that Shannon & Wilson, Inc. has a copy.

In addition, BGES provided a letter summarizing and estimating costs associated with developing at this site. As the end use on this property is similar to our objectives for the subject site (mixed-use commercial and residential), this letter was done to inform CIHA as well as HUD of potential mitigation requirements prior to redevelopment. That letter is attached.

Question 3:

The purchase price was negotiated with the creditors of the owner and is offered within the range of fair market value for similar properties. Commercially zoned property (B-3) in Spenard is generally in the range of \$16 to \$20 per square foot. The range is based on condition of property and improvements, access issues, and redevelopment potential.

While CIHA desires to purchase the property for redevelopment purposes, the value of the property generally does not discount the existing improvements, or generally contemplate what it would take to demolish structures and remediate the site in preparation for new development.

Question 6:

CIHA understands that there is a Compliance Order by Consent (COBC) on this property by the State of Alaska that may require a subsequent owner (CIHA) to be responsible for cleanup. The current owner seems to be unwilling to comply with this order, despite documentation that the property is likely the source of contamination of groundwater reaching neighboring properties. This is certainly the case of CIHA's property owned at 3604 Spenard.

CIHA is in the process of purchasing the subject for multiple reasons, including neighborhood and commercial corridor revitalization, economic development, affordable housing, and the redevelopment of a brownfield site and environmental remediation.

There are several reasons for the Phase I. First, as the property is likely to have both state and federal monies in the future redevelopment, a Phase I is a necessary requirement of the HUD environmental review process under 24 CFR 50. It is also likely the starting point for beginning

to understand the extent of environmental contamination of the site and the path forward for remediation and mitigation.

It is CIHA's desire to pursue Landowner Liability Protections under CERCLA and/or a Prospective Purchaser Agreement through the State of Alaska. We are thus seeking to gain the understanding that without our involvement compliance is unlikely to occur and the best interest in the community is CIHA's redevelopment of the site. As such our desire is to work through a potential limitation of liability with the State of Alaska and to eventually agree to a remediation plan that balances environmental cleanup with financial feasibility of such remediation.

Re 3609 Suenwa
From Cylus

SHANNON & WILSON
PHASE I ENVIRONMENTAL SITE ASSESSMENT QUESTIONNAIRE
FOR SUBJECT PROPERTY

The purpose of this Environmental Assessment is to acquire sufficient information to develop a professional opinion as to the presence of petroleum hydrocarbon/hazardous substances on or near the subject property that may affect this site. This questionnaire should be completed to the fullest extent possible.

Date of Visit: 2/17 ? Interviewer: _____

Project Name/Project Number: _____

Legal Description/Site Address: _____

City _____ State _____ Zip _____

Property Owner(s): ALATNA, INC

Representative(s) interviewed: _____ Length of Time at Site: _____

Phone: 562-1155

Previous Ownership:
Please provide the following information regarding the history of past ownership of the property.

Owner	Dates From - To	Type of Business
1. Bob Stabough	? - 1993 (?)	gas station
2. ALATNA INC	'93(?) - present	auto related
3.		
4.		
5.		
6.		

11) Does the site contain above ground or buried fuel or chemical storage tanks? If yes, list which authorities the tanks were registered with, the tank capacities, the age of the tanks, the tank contents, and whether any problems such as vapors or soil contamination have been encountered.

Yes

no

don't know

Registered with:

EPA

ADEC

Other

Capacity of Tanks _____ gallons; Tank contains _____

Age of tank is _____ years;

Any problems? _____

12) Have there been any excavations on the property?

Yes

no

don't know

If yes, explain: REMOVED NUMEROUS ABOVEGROUND FUEL TANKS.

13) Has off-site fill ever been deposited on the site?

Yes

no

don't know

If yes, explain: Built pad.

14) Have any areas of the site been treated with petroleum products or other chemicals for dust control?

Yes

no

don't know

If yes, areas treated: _____

15) Does the site contain any 55 gallon drums or other containers?

Yes

no

don't know

Contents of drums: WASTE OIL

16) Is there any cause to believe that any operation or equipment on or around the facility has been the cause of a spill or release of hazardous waste? Is there any evidence of a hazardous substance release such as stained ground areas, drums, transformers, trash, general disrepair, chemicals, areas where plants refuse to grow, or other indications of hazardous substance contamination?

Yes

no

don't know

If yes, nature? _____

25) Indicate if any of the following uses, stores, transports, generates or disposes of any hazardous substance.

a) Property owner's business?

Yes

no

don't know

b) All related businesses?

Yes

no

don't know

c) All tenant's businesses?

Yes

no

don't know

d) Neighboring properties?

Yes

no

don't know

26) Have you or any previous owner ever been issued a hazardous waste generator's identification number for the property or have a permit for treatment, storage or disposal of hazardous materials?

Yes

no

don't know

27) Please state all licenses and permits which you, your business, or any tenant possesses or is required to have for treatment, storage or disposal of hazardous materials or relating to environmental law matters, including any pending applications?

Licenses: _____

28) Are you or any of your property currently, ever have been, or are anticipated to be, the subject of a letter of non-compliance, administrative, legal enforcement, or any other action or actions by any federal, state, or local government agency relating to environmental laws, permits, orders, or other requirements?

Yes

no

don't know

If yes, please describe:

DEC

APPENDIX C
OWNERSHIP DOCUMENTS

WARRANTY DEED

STA 28717RE

ROBERT E. STOBAUGH and GENEVA L. STOBAUGH, husband and wife, of Anchorage, Alaska, Grantors, for valuable consideration received, hereby convey and grant to GEORGE CADA and ROGER HYDE, whose mailing address is: c/o Investment Brokers of Alaska, Inc., 880 "N" St., Suite 111, Anchorage, Alaska 99501, the following described real estate situated in the Anchorage Recording District, Third Judicial District, State of Alaska, and more particularly described as follows:

Parcel 1

Lots 19, 20, and 21, Block 1, CENTRAL CITY SUBDIVISION, according to Plat 67-66, except that portion of said Lot 19 condemned by the State of Alaska, for Highway purposes under Civil Action No. 68-2343 B, being within the Anchorage Recording District, Third Judicial District, State of Alaska; and

Parcel 2

That portion of the South East One-Quarter (SE 1/4) of Section 25, Township 13 North, Range 4 West, Seward Meridian, in the Anchorage Recording District, Third Judicial District, State of Alaska, more particularly described as follows:

From the United States Land Survey Iron Monument marked quarter corner 25/30; thence South 89° 56' West, a distance of 1,589.07 feet along the center line of said Section 25; thence South 0° 04' East, a distance of 133.9 feet to the point of beginning; thence South 89° 56' West, a distance of 309.73 feet to a point on the East right-of-way line of the Anchorage Spenard Road; thence South 31° 44' West along the East right-of-way line of the Anchorage-Spenard Road, a distance of 147.08 feet to a point; thence South 57° 34' East, a distance of 263.4 feet to a point; thence North 80° 56' East, a distance of 84.1 feet; thence North 0° 4' West, a distance of 68.1 feet; thence North 89° 56' East, a distance of 78.13 feet; thence North 0° 4' West a distance of 196.2 feet to the point of beginning.

SUBJECT TO:

- (a) Exceptions and reservations in Government Patents or in Acts authorizing the issuance thereof.
- (b) General property taxes for 1985 and subsequent years.

(c) Zoning ordinances and other land use regulations, if any, imposed by governmental authority.

(d) Easement, including terms and provisions thereof:

Granted to: CITY OF ANCHORAGE
 Recorded: December 5, 1956
 Book: 140
 Page: 280
 For: Telephone distribution system
 (Affects Parcel 1 only)

(e) Reservation of 50% of all oil, gas, minerals:

Recorded: January 13, 1967
 Book: 337
 Page: 345
 Executed by: EARL NORRIS and NATALIE A. NORRIS
 (Affects Parcel 1 only)

(f) Rights of ingress and egress and any controlled access to highway from the Northerly line of Lot 19 and the Easterly line of Lot 19 as taken by State of Alaska under Declaration of Taking recorded September 3, 1968, in Miscellaneous Book 165 at page 298.
 (Affects Parcel 1 only)

(g) Deed of Trust including terms and conditions thereof to secure an indebtedness of \$80,000.00, and any interest, advances, or other obligations secured thereby:

Dated: December 1, 1971
 Trustor: ROBERT J. SPARKS, SR.
 Trustee: TRANSAMERICA TITLE INSURANCE COMPANY
 Beneficiary: JOSEPH DE TORE
 Recorded: December 3, 1971
 Book: 775
 Page: 399

Agreement entered into by and between ROBERT J. SPARKS, SR., C.P.A.; and JOSEPH J. DE TORE:

Dated: July 14, 1972
 Recorded: July 14, 1972
 Book: 793
 Page: 433
 Providing: Payment of above Deed of Trust

The lien of the above Deed of Trust has been subordinated to the lien of the Deed of Trust shown as paragraph 8, by document recorded July 17, 1972, in Book 793 at page 445.
 (Affects Parcel 1 only)

(h) Easement, including terms and provisions thereof:

Granted to: CITY OF ANCHORAGE
 Recorded: May 9, 1972
 Book: 208
 Page: 520
 For: Electric and telephone transmission and distribution system
 (Affects Parcel 1 only)

(i) Deed of Trust including terms and conditions thereof to secure an indebtedness of \$270,000.00, and any interest, advances, or other obligations secured thereby:

Dated: July 7, 1972
 Trustor: ROBERT J. SPARKS, SR.
 Trustee: TRANSAMERICA TITLE INSURANCE COMPANY
 Beneficiary: MATANUSKA VALLEY BANK
 Recorded: July 11, 1972
 Book: 792
 Page: 965
 (Affects Parcel 1 only)

- (j) Resolution No. 10-R-73 for special assessment in Street Improvement District No. 6P70.

By: CITY OF ANCHORAGE
 Recorded: April 25, 1973
 Book: Miscellaneous 215
 Page: 810
 (Affects Parcel 1 only)

- (k) Deed of Trust including terms and conditions thereof to secure an indebtedness of \$420,680.49, and any interest, advances, or other obligations secured thereby:

Dated: June 7, 1973
 Trustor: ROBERT E. STOBAUGH and GENEVA L. STOBAUGH, husband and wife
 Trustee: ALASKA TITLE GUARANTY COMPANY
 Beneficiary: ROBERT J. SPARKS, SR.
 Recorded: June 8, 1973
 Book: 824
 Page: 428

Assignment of Deed of Trust

Assignor: ROBERT J. SPARKS
 Assignee: GUARANTY MORTGAGE CORPORATION,
 an Alaska corporation
 Recorded: November 7, 1979
 Book: 451
 Page: 867
 (Affects Parcel 1 only)

- (l) Easement, including terms and provisions thereof:

Granted to: CITY OF ANCHORAGE
 Recorded: May 29, 1958
 Book: Easement 3
 Page: 250
 For: Erecting, constructing and
 maintaining utility poles or
 utility wires
 (Affects Parcel 2 only)

- (m) Easement, including terms and provisions thereof:

Granted to: SPENARD PUBLIC UTILITY DISTRICT NO. 1
 Recorded: March 29, 1961
 Book: Miscellaneous 25
 Page: 105
 For: To construct, operate and maintain
 a sewer line
 (Affects Parcel 2 only)

- (n) Resolution No. RE-74-140 for special assessment in Road Improvement District No. 14.
- By: GREATER ANCHORAGE AREA BOROUGH
 Recorded: December 5, 1974
 Book: Miscellaneous 232
 Page: 723
 (Affects Parcel 2 only)
- (o) Permanent Aerial Electrical Easement as taken by GREATER ANCHORAGE AREA BOROUGH by Declaration of Taking recorded January 27, 1975, in Book Miscellaneous 234 at page 113.
 (Affects Parcel 2 only)
- (p) Easement, including terms and provisions thereof:
- Granted to: GREATER ANCHORAGE AREA BOROUGH
 Recorded: April 23, 1975
 Book: 23
 Page: 774
 For: Public right of way
 (Affects Parcel 2 only)
- (q) Easement, including terms and provisions thereof:
- Granted to: CITY OF ANCHORAGE
 Recorded: April 23, 1975
 Book: 13
 Page: 775
 For: Aerial electrical utility
 (Affects Parcel 2 only)
- (r) Rights of existing Tenants and Lessees.

The Grantors for themselves, their heirs, devisees, successors and assigns, covenant with Grantees, and their heirs, devisees, successors and assigns, that so long as no default exists under Grantees' promissory note to Grantors of even date, Grantors agree, as to said Grantees and their successors in interest only, to pay the obligations secured by items (g), (i) and (k) according to the respective terms thereof and to hold Grantees harmless therefrom.

For themselves, their heirs, devisees, representatives, and assigns, the Grantors covenant with and for the benefit of the Grantees, their legal representatives, successors and assigns, as follows: 1) The Grantors are seized in fee simple absolute of the said real property; 2) The same shall be enjoyed without any lawful disturbances; 3) The same is free from all encumbrances except as stated above; 4) On demand any further assurance of the same that may be reasonably required

will be executed and delivered; and 5) Title is warranted and will be defended.
DATED this 31st day of May, 1985, at Anchorage, Alaska.

GRANTORS:

Robert E. Stobaugh
ROBERT E. STOBAUGH
Geneva L. Stobaugh
GENEVA L. STOBAUGH

STATE OF ALASKA)
THIRD JUDICIAL DISTRICT) ss.

The foregoing instrument was acknowledged before me this 31st day of May, 1985, by ROBERT E. STOBAUGH and GENEVA L. STOBAUGH.

Paul J. Cummings
Notary Public for Alaska
My commission expires: 10/10/88

STATE OF ALASKA
NOTARY PUBLIC
PAUL J. CUMMINGS
My Commission Expires Oct. 10, 1988

85-035968
20-
RECORDED FILED
ANCHORAGE REC.
DISTRICT
MAY 31 2 16 PM '85
REQUESTED BY _____
ADDRESS _____ SAFECO

DEED IN LIEU OF FORECLOSURE

The Grantors, GEORGE CADA and ROGER HYDE, and DIVERSIFIED PETROLEUM SERVICES, an Alaska Limited Partnership, for and in consideration of the sum of \$10.00, lawful money in the United States of America, and other valuable consideration, including the release and cancellation of the personal obligations owing by Grantors to Grantees as they relate to the hereinafter described property, the receipt and sufficiency of which considerations is hereby acknowledged, do hereby grant, convey and specially warrant to Grantees, ROBERT E. STOBAUGH and GENEVA L. STOBAUGH, husband and wife, whose address is 3202 Westmar Circle, Anchorage, Alaska 99508, the following described real estate, together with all tenements, hereditaments and appurtenances, located in the Anchorage Recording District, Third Judicial District, State of Alaska:

PARCEL 1

Lots 19, 20 and 21, Block 1, CENTRAL CITY SUBDIVISION, according to the official plat thereof, filed under Plat No. 67-66, records of the Anchorage Recording District, Third Judicial District, State of Alaska.

PARCEL 2

That portion of the Southeast one-quarter (SE1/4) of Section 25, Township 13 North, Range 4 West, Seward Meridian, records of the Anchorage Recording District, Third Judicial District, State of Alaska, more particularly described as follows:

From the United States Land Survey Iron Monument marked quarter corner 25/30; thence South 89°56' West a distance of 1589.07 feet along the center line of said Section 25; thence South 0°4' East a distance of 133.9 feet to the point of beginning; thence South 89°56' West a distance of 309.73 feet to a point on the East right of way line of the Anchorage-Spenard Road; thence South 31°44' West along the East right of way line of the Anchorage-Spenard Road, a distance of 147.08 feet to a point; thence South 57°34' East a distance of 263.4 feet to a point; thence North 89°56' East a distance of 84.1 feet; thence North 0°4' West a distance of 68.1 feet; thence North 89°56' East a distance of 78.13 feet; thence North 0°4' West a distance of 196.2 feet to the point of beginning.

SUBJECT TO:

- (a) Exceptions and reservations in Government Patents or in Acts authorizing the issuance thereof.
- (b) General property taxes for 1987 and subsequent years.

STA38229E(c1)

- (c) Easement, including terms and provisions thereof:

Granted to: CITY OF ANCHORAGE
Recorded: December 5, 1956
Book: 140
Page: 280
For: Telephone distribution system
(Affects Parcel 1 only)

- (d) Reservation of 50% of all oil, gas, minerals:

Recorded: January 13, 1967
Book: 337
Page: 345
Executed by: EARL NORRIS and NATALIE A. NORRIS
(Affects Parcel 1 only)

- (e) Rights of ingress and egress and any controlled access to highway from the Northerly line of Lot 19 and the Easterly line of Lot 19 as taken by State of Alaska under Declaration of Taking recorded September 3, 1968, in Miscellaneous Book 165 at page 298.
(Affects Parcel 1 only)

- (f) Easement, including terms and provisions thereof:

Granted to: CITY OF ANCHORAGE
Recorded: May 9, 1972
Book: 208
Page: 520
For: Electric and telephone
transmission and distribution
system
(Affects Parcel 1 only)

- (g) Resolution No. 10-R-73 for special assessment in Street Improvement District No. 6P70.

By: CITY OF ANCHORAGE
Recorded: April 25, 1973
Book: Miscellaneous 215
Page: 810
(Affects Parcel 1 only)

- (h) Easement, including terms and provisions thereof, taken in instrument:

In favor of: ANCHORAGE, an Alaskan municipal corporation
Recorded: November 7, 1986
Book: 1520
Page: 897
For: A public use easement and
construction permit
(Affects Parcel 1 only)

- (i) Easement, including terms and provisions thereof:
- Granted to: CITY OF ANCHORAGE
Recorded: May 29, 1958
Book: Easement 3
Page: 250
For: Erecting, constructing and maintaining utility poles or utility wires
(Affects Parcel 2 only)
- (j) Easement, including terms and provisions thereof:
- Granted to: SPENARD PUBLIC UTILITY DISTRICT
NO. 1
Recorded: March 29, 1961
Book: Miscellaneous 25
Page: 105
For: To construct, operate and maintain a sewer line
(Affects Parcel 2 only)
- (k) Resolution No. RE-74-140 for special assessment in Road Improvement District No. 14.
- By: GREATER ANCHORAGE AREA BOROUGH
Recorded: December 5, 1974
Book: Miscellaneous 232
Page: 723
(Affects Parcel 2 only)
- (l) Permanent Aerial Electrical Easement as taken by GREATER ANCHORAGE AREA BOROUGH by Declaration of Taking recorded January 27, 1975, in Book Miscellaneous 234 at page 113.
(Affects Parcel 2 only)
- (m) Easement, including terms and provisions thereof:
- Granted to: GREATER ANCHORAGE AREA BOROUGH
Recorded: April 23, 1975
Book: 23
Page: 774
For: Public right of way
(Affects Parcel 2 only)
- (n) Easement, including terms and provisions thereof:
- Granted to: CITY OF ANCHORAGE
Recorded: April 23, 1975
Book: 13
Page: 775
For: Aerial electrical utility
(Affects Parcel 2 only)

THE FOLLOWING AFFECT PARCELS 1 AND 2

- (o) Deed of Trust, Security Agreement and Assignment of Leases and Rents, including terms and conditions thereof to secure an indebtedness of \$2,380,000.00, and any interest, advances, or other obligations secured thereby:

Dated: May 31, 1985
 Trustor: GEORGE CADA and ROGER HYDE
 Trustee: SAFECO TITLE AGENCY, INC.
 Beneficiary: ROBERT E. STOBAUGH and GENEVA L. STOBAUGH
 Recorded: May 31, 1985
 Book: 1274
 Page: 502

Partial Assignment of Deed of Trust
 Assignor: ROBERT E. and GENEVA L. STOBAUGH
 Assignee: FIRST INTERSTATE BANK OF ALASKA
 Amount: \$220,000.00
 Recorded: May 12, 1986
 Book: 1421
 Page: 374

(p) Financing Statement

Debtor: GEORGE CADA and ROGER HYDE
 Secured Party: ROBERT STOBAUGH and GENEVA STOBAUGH
 Filed: May 31, 1985
 File No.: 85-035971

(q) Financing Statement

Debtor: ROBERT E. STOBAUGH; GENEVA L. STOBAUGH
 Secured Party: FIRST INTERSTATE BANK OF ALASKA
 Filed: May 12, 1986
 File No.: 86-029971

(r) Rights of existing Tenants and Lessees.

1. Debt Cancellation. This deed is an absolute conveyance of title in effect as well as in form and is not intended as a mortgage, trust conveyance, or security of any kind. The consideration herefore is a full release of all personal obligation and liability heretofore existing on account and by the terms of that certain Deed of Trust existing on the property herein conveyed, executed by Grantors George Cada and Roger Hyde for the benefit of Grantees herein, recorded in Book 1274 at Page 502 of the official records of the Anchorage District Recorder, Alaska; this conveyance completely satisfies said obligations and the effects thereof in all respects as to Grantors herein.

2. Special Warranty. Grantors, for themselves, their heirs, devisees, personal representatives, successors and assigns, do hereby covenant with the Grantees and their heirs, devisees, personal representatives and assigns that the Grantors have not made, done, executed, or suffered any act or thing whereby the above described premises or any part thereof now are or at any time hereafter shall or may be charged or encumbered in any manner whatsoever as a result thereof.

DATED this 15th day of June, 1987.

George Cada
 George Cada, individually
Roger Hyde
 Roger Hyde, individually

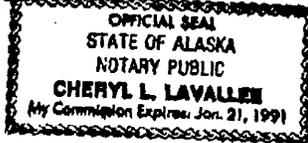
DIVERSIFIED PETROLEUM SERVICES,
an Alaska Limited Partnership

By: George Cada
George Cada
Its: General Partner

By: Roger Hyde
Roger Hyde
Its: General Partner

STATE OF ALASKA)
THIRD JUDICIAL DISTRICT) ss.

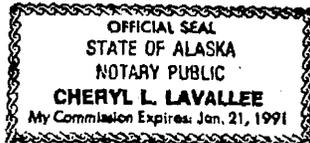
The foregoing instrument was acknowledged before me this 15th day of June, 1987, by George Cada and Roger Hyde



Cheryl L. Lavalley
Notary Public in and for Alaska
My commission expires: 1-21-91

STATE OF ALASKA)
THIRD JUDICIAL DISTRICT) ss.

The foregoing instrument was acknowledged before me this 15th day of June, 1987, by George Cada and Roger Hyde, General Partners of Diversified Petroleum Services, a Limited Partnership, on behalf of same.



Cheryl L. Lavalley
Notary Public in and for Alaska
My commission expires: 1-21-91

After recording return to:
Jim Cellars
1007 West 3rd Avenue
Anchorage, Alaska 99501

87 042417
22 CC

RECORDED-FILED
ANCHORAGE REC.
DISTRICT

JUN 16 4 00PM '87

REQUESTED BY SAFECO
ADDRESS

BK 02911PG016

32172

TRUSTEE'S DEED

STEWART TITLE COMPANY OF ALASKA, successor in interest to Safeco Title Agency, Inc., Trustee whose address is 3330 Arctic Blvd., Suite 102, Anchorage, Alaska 99503 hereby conveys and grants, without warranty, to Alatna, Inc., Grantee, whose address is P.O. Box 92175, Anchorage, Alaska 99509, that real property situated in the Anchorage Recording District, Third Judicial District, State of Alaska, described as follows:

PARCEL NO. 1:

Lots Nineteen (19), Twenty (20), and Twenty-One (21), Block One (1), of CENTRAL CITY SUBDIVISION, according to Plat No. 67-66, filed in the Anchorage Recording District, Third Judicial District, State of Alaska. More commonly known as 854 E. 36th Avenue, Anchorage, Alaska 99503.

PARCEL NO. 2:

That portion of the Southeast one-quarter (SE1/4) of Section 25, Township 13 North, Range 4 West, Seward Meridian, in the Anchorage Recording District, Third Judicial District, State of Alaska, more particularly described as follows:

From the United States land survey iron monument marked quarter corner 25/30; thence South 89°56' West, a distance of 1589.07 feet along the center line of said section 25; thence South 0°4' East, a distance of 133.9 feet to the point of beginning; thence South 89°56' West, a distance of 309.73 feet to a point on the East right of way line of the Anchorage-Spenard Road; thence South 31°44' West along the East right of way line of the Anchorage-Spenard Road, a distance of 147.08 feet to a point; thence South 57°34' East, a distance of 263.4 feet to a point; thence North 89°56' East, a distance of 84.1 feet; thence North 0°4' West, a distance of 68.1 feet; thence North 89°56' East, a distance of 78.13 feet; North 0°4' West, a distance of 196.2 feet to the point of beginning. More commonly known as 3607 Spenard Road, Anchorage, Alaska 99503.

Said Grantee was the highest and best bidder at a Deed of Trust Sale of the real property at public auction held by Brian W. Durrell at: Superior Court Building, 303 "K" Street, Westerly Front Door, Anchorage, AK, on March 28, 1996 at 10:00 A.M. for the amount of THREE HUNDRED NINETY THOUSAND AND 00/100 (\$390,000.00). Proceeds from the Sale will be applied to sums due under that Deed of Trust executed by Robert E. Stobaugh and Geneva L. Stobaugh, Trustors and First Interstate Bank of Alaska, National Bank of

RETURN TO:

BOGLE & GATES

PLLC

A Professional Limited
Liability Company

Suite 600
1031 West 4th Avenue
Anchorage, AK 99501
(907) 276-657

02911PG017

Alaska, Successors in Interest, as Beneficiary, recorded June 16, 1987 in Book 1616 at Page 361 and assigned to Alatna, Inc. by Assignment recorded June 13, 1994 in Book 2666 at Page 768, Anchorage Recording District, Third Judicial District State of Alaska.

Prior to said sale and on December 28, 1995 a Notice of Default and Sale was recorded in the office of the recorder in Book 2872 at Page 889, of the Anchorage Recording District, Third Judicial District, State of Alaska. Copies of said Notice of Default and Sale were mailed by certified mail to all interested parties on December 29, 1995. Notice of the time and place of said sale was posted on February 27, 1996 in the United States Post Office, Post Office Mall, Municipal Clerk's Office, 632 W. 6th Avenue and the Superior Court for the State of Alaska, 303 "K" Street, all in Anchorage, Alaska 99501 and was published in the Anchorage *** , a newspaper of general circulation for four consecutive weeks beginning February 28, 1996.

** and mailed on
January 3, 1996

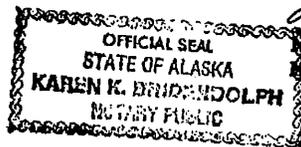
*** Daily News

STEWART TITLE COMPANY OF ALASKA

By Ruth Engstrom
Its: Assistant Secretary

STATE OF ALASKA)
THIRD JUDICIAL DISTRICT)

THIS IS TO CERTIFY that on April 10th, 1996, before me appeared Ruth Engstrom known to me to be the Assistant Secretary of STEWART TITLE COMPANY OF ALASKA and acknowledged to me that he/she executed the foregoing instrument on behalf of said corporation pursuant to its by-laws or a resolution of its board of directors.



Karen K. Brudenold
NOTARY PUBLIC IN AND FOR ALASKA
My commission expires: 5-23-97

96-016809
18cc

ANCHORAGE REC. DISTRICT
REQUESTED BY **BT**

'96 APR 11 AM 9 04

RETURN TO:
BOGLE & GATES
P.L.L.C.
A Professional Limited
Liability Company
Suite 600
1031 West 4th Avenue
Anchorage, AK 99501
(907) 276-4357

APPENDIX D
SITE PHOTOGRAPHS



Photo 1: Alpina Auto Repair currently occupies the 3607 Spenard Road structure; looking southeast. (August 17, 2012)

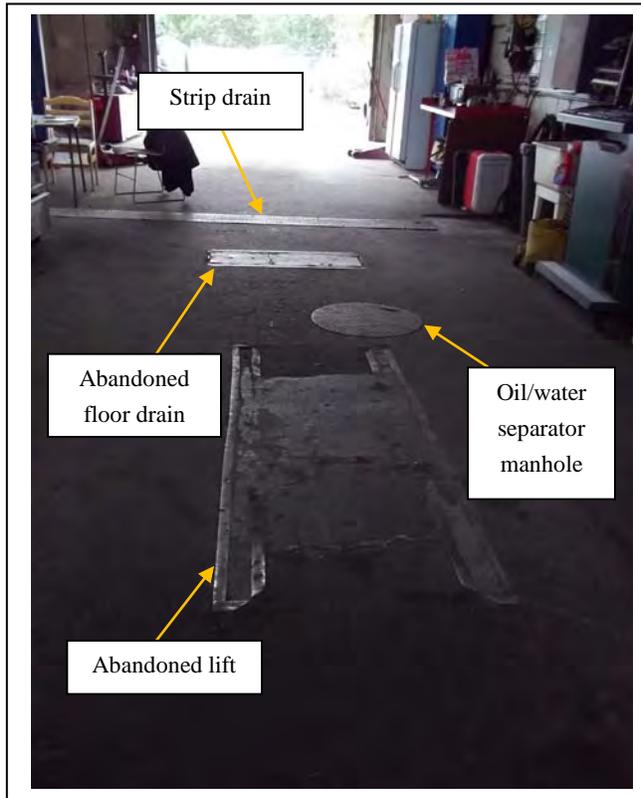


Photo 2: Interior of the 3607 Spenard Road structure. (August 17, 2012)

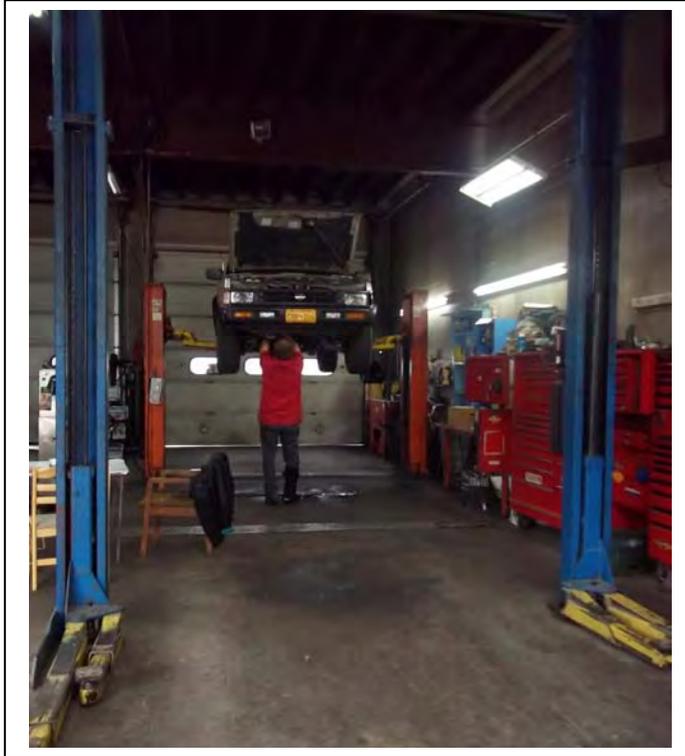


Photo 3: Two vehicle lifts are located in the northern garage bay of the Alpina Auto Repair structure. (August 17, 2012)

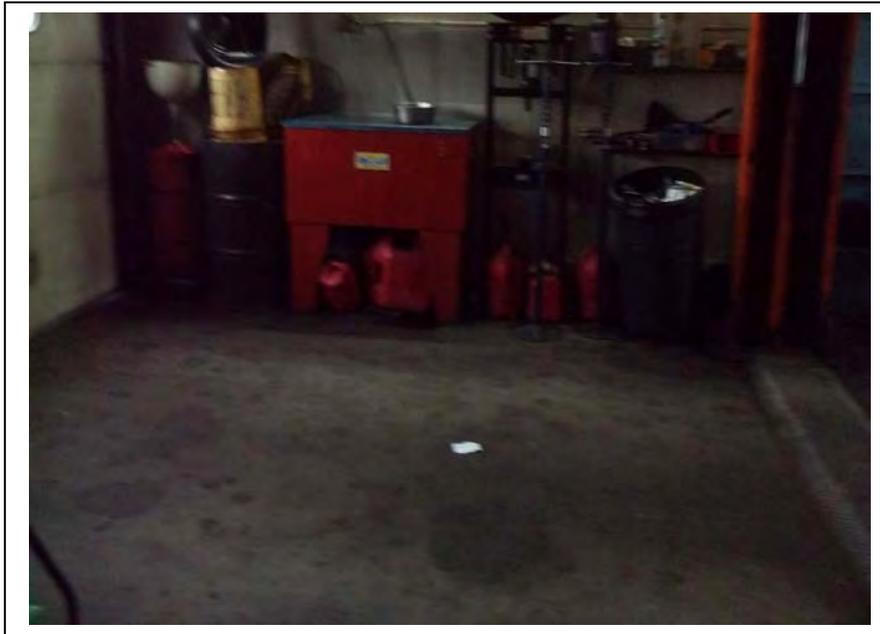


Photo 4: Seven 5-gallon fuel containers and a 55-gallon drum containing used oil were observed near a parts washing station in the northern bay of the Alpina Auto Repair structure. (August 17, 2012)

3607 and 3609 Spenard Road
Anchorage, Alaska

PHOTOS 3 AND 4

September 2012

32-1-17525-001



SHANNON & WILSON, INC.
Geotechnical & Environmental Consultants

D-2



Photo 5: The 3609 Spenard Road structure is currently occupied by multiple vehicle rental companies; looking west. (August 17, 2012)

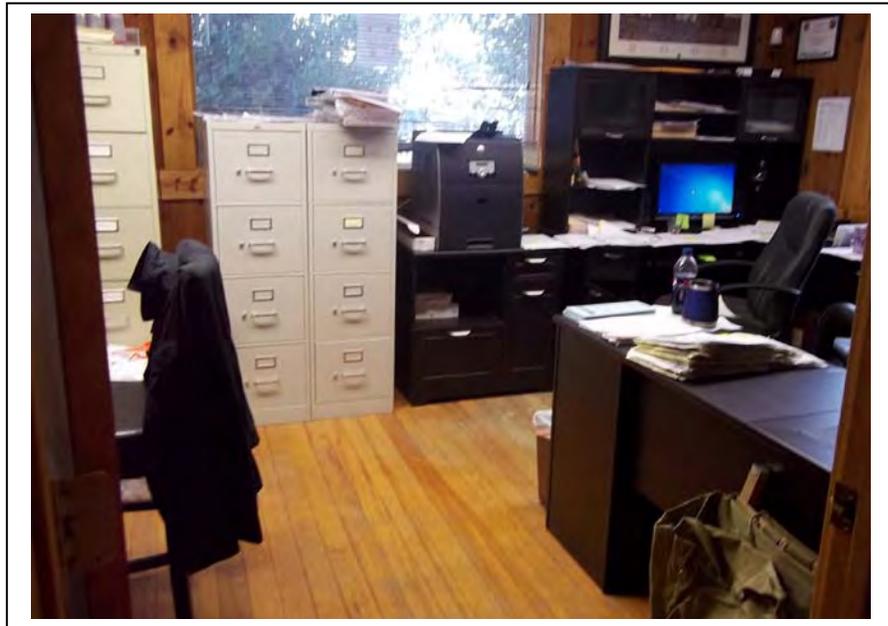


Photo 6: The upper floor of the 3609 Spenard Road structure is primarily used for office space. (August 17, 2012)

3607 and 3609 Spenard Road
Anchorage, Alaska

PHOTOS 5 AND 6

September 2012

32-1-17525-001



SHANNON & WILSON, INC.
Geotechnical & Environmental Consultants

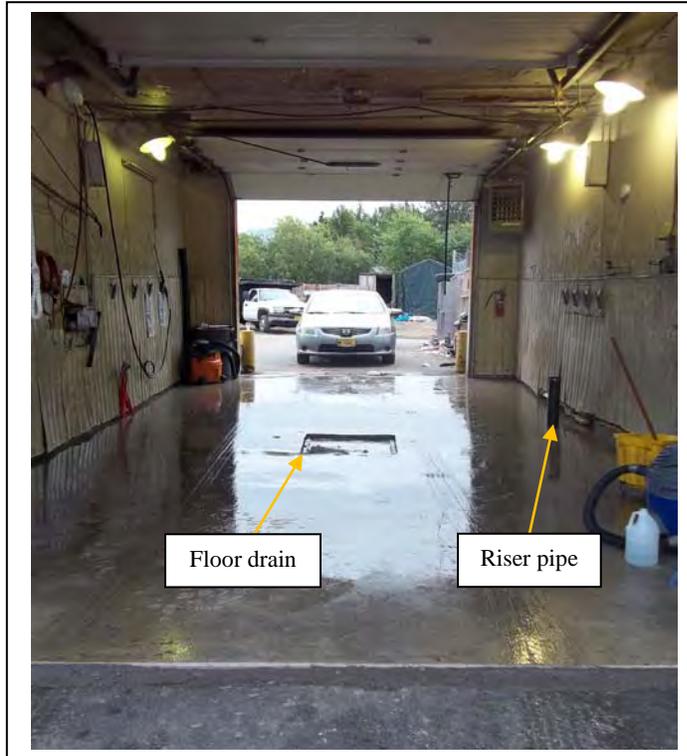


Photo 7: The southern bays of the car wash structure contain floor drains; looking east. (August 17, 2012)



Photo 8: Exterior drain and possible sand trap or oil/water separator; looking north. (August 17, 2012)

3607 and 3609 Spenard Road
Anchorage, Alaska

PHOTOS 7 AND 8

September 2012

32-1-17525-001

SHANNON & WILSON, INC.
Geotechnical & Environmental Consultants

D-4

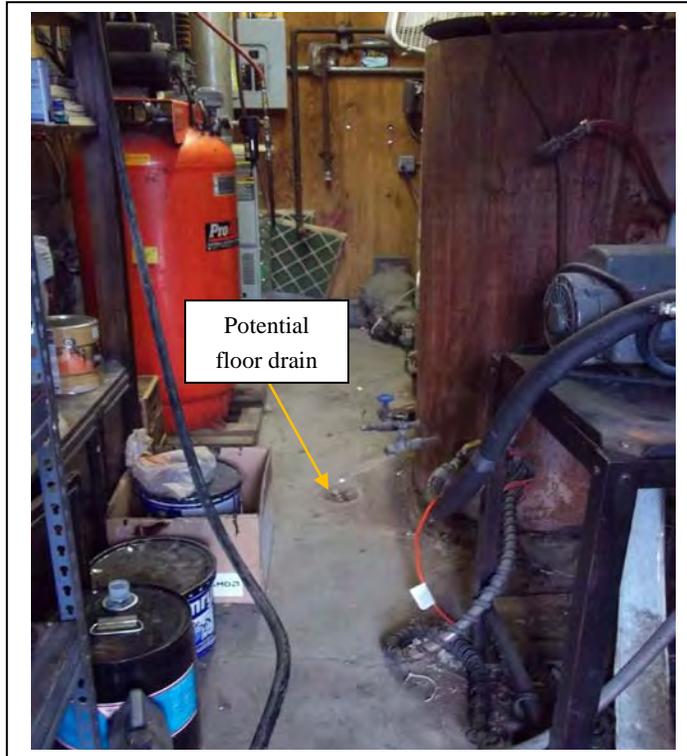


Photo 9: Five-gallon containers of solvent-based tire dressing and motor oil were observed in the eastern storage room of the car wash structure. (August 17, 2012)



Photo 10: Surface stains were observed in the eastern storage room of the car wash structure. (August 17, 2012)

3607 and 3609 Spenard Road
Anchorage, Alaska

PHOTOS 9 AND 10

September 2012

32-1-17525-001



SHANNON & WILSON, INC.
Geotechnical & Environmental Consultants

D-5



Photo 11: An overturned 5-gallon container of solvent-based tire dressing was observed in the southern storage room of the car wash structure. (August 17, 2012)



Photo 12: Two empty 55-gallon drums were observed near the northeast corner of the Alpina Auto Repair structure; looking east. (August 17, 2012)

3607 and 3609 Spenard Road
Anchorage, Alaska

PHOTOS 11 AND 12

September 2012

32-1-17525-001



SHANNON & WILSON, INC.
Geotechnical & Environmental Consultants

D-6



Photo 13: A storage shed is located adjacent to the south wall of the Alpina Auto Repair structure; looking north. (August 17, 2012)

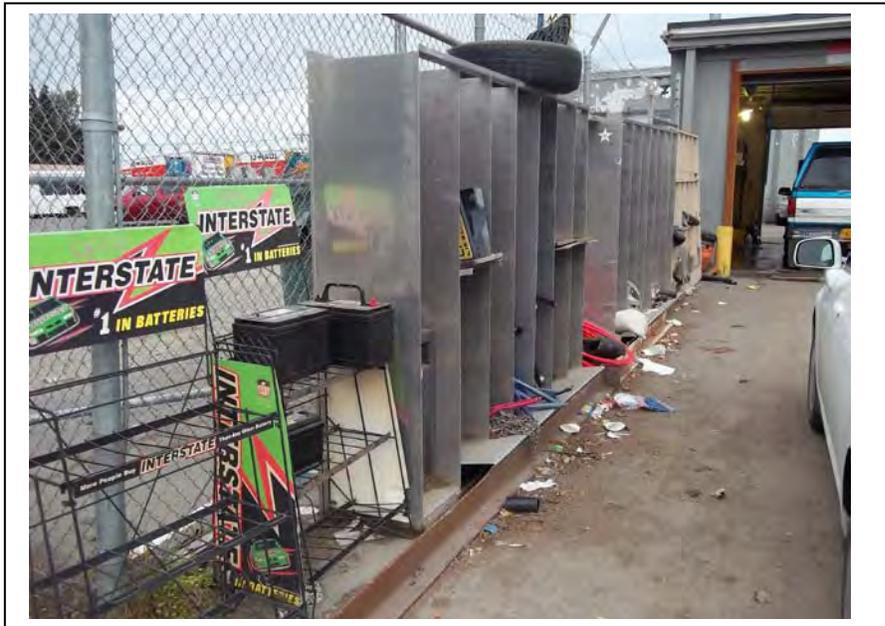


Photo 14: An exterior battery storage area is located east of the car wash structure; looking west. (August 17, 2012)

3607 and 3609 Spenard Road
Anchorage, Alaska

PHOTOS 13 AND 14

September 2012

32-1-17525-001



SHANNON & WILSON, INC.
Geotechnical & Environmental Consultants

D-7



Photo 15: A storage shed, two 55-gallon drums, and a fuel storage tank are located adjacent to and east of the northeast corner of the car wash structure; looking north. (August 17, 2012)



Photo 16: Six 55-gallon drums were observed near a tent east of the car wash structure; looking north. (August 17, 2012)



Photo 17: Five 55-gallon drums and a 5-gallon fuel container were observed along the northern Property boundary; looking north. (August 17, 2012)



Photo 18: Surface staining was observed near the overturned drums and fuel container. (August 17, 2012)

3607 and 3609 Spenard Road
Anchorage, Alaska

PHOTOS 17 AND 18

September 2012

32-1-17525-001



SHANNON & WILSON, INC.
Geotechnical & Environmental Consultants

D-9



Photo 19: Numerous tires, metal debris, pallets, and other discarded materials were observed east of the overturned drums; looking east. (August 17, 2012)

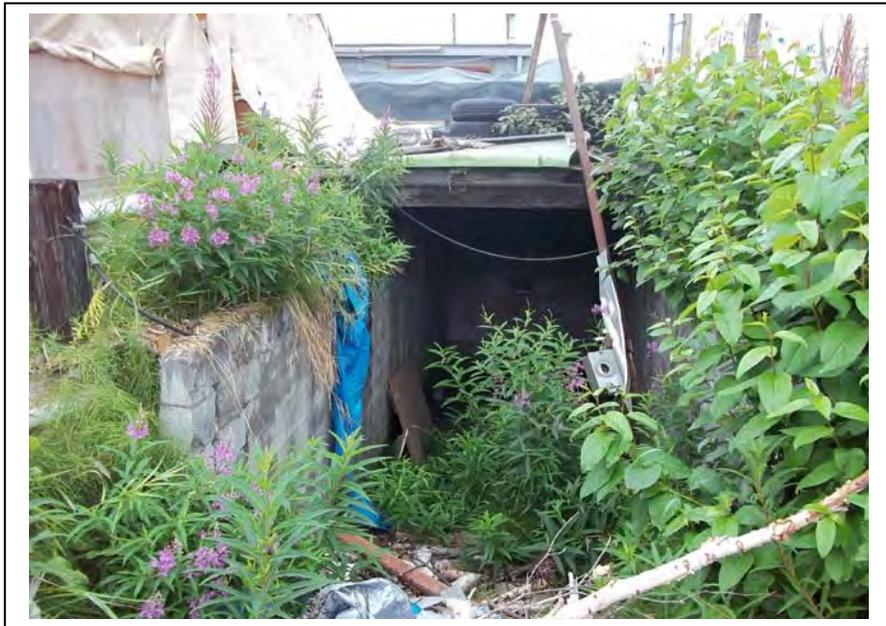


Photo 20: An underground storage space is located along the north-central Property boundary; looking west. (August 17, 2012)

3607 and 3609 Spenard Road
Anchorage, Alaska

PHOTOS 19 AND 20

September 2012

32-1-17525-001



SHANNON & WILSON, INC.
Geotechnical & Environmental Consultants

D-10



Photo 21: The northeast corner of the Property is used by the Best Split Firewood company; looking northwest. (August 17, 2012)



Photo 22: Discolored soil was observed adjacent to a wood debris stockpile; looking northeast. (August 17, 2012)

3607 and 3609 Spenard Road
Anchorage, Alaska

PHOTOS 21 AND 22

September 2012

32-1-17525-001



SHANNON & WILSON, INC.
Geotechnical & Environmental Consultants

D-11



Photo 23: Two empty, modified 55-gallon drums were observed adjacent to a connex storage container; looking east. (August 17, 2012)

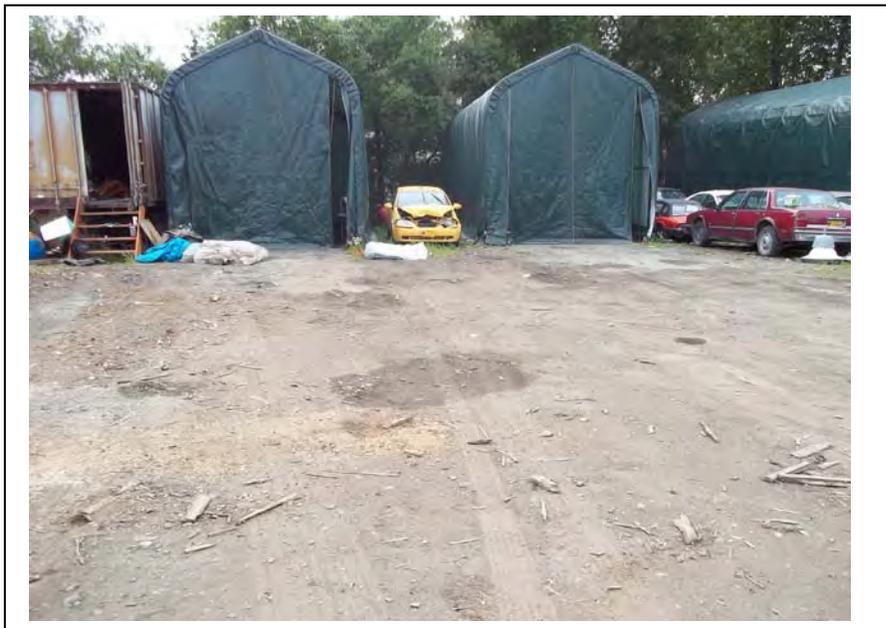


Photo 24: Surface stains were observed on the unpaved surface west of the tents and connex storage container; looking east. (August 17, 2012)

3607 and 3609 Spenard Road
Anchorage, Alaska

PHOTOS 23 AND 24

September 2012

32-1-17525-001

SHANNON & WILSON, INC.
Geotechnical & Environmental Consultants

D-12



Photo 25: At least 35 unused and/or abandoned vehicles are stored in the eastern and southeastern portion of the Property; looking southwest. (August 17, 2012)



Photo 26: Areas of discolored soil were observed in the vehicle storage area; looking south. (August 17, 2012)

3607 and 3609 Spenard Road
Anchorage, Alaska

PHOTOS 25 AND 26

September 2012

32-1-17525-001



SHANNON & WILSON, INC.
Geotechnical & Environmental Consultants

D-13



Photo 27: Two connex storage containers and a 300-gallon fuel storage tank are located in the southeast corner of the Property; looking southeast. (August 17, 2012)



Photo 28: Two outbuildings are located north of the 3609 Spenard Road structure; looking west. (August 17, 2012)

3607 and 3609 Spenard Road
Anchorage, Alaska

PHOTOS 27 AND 28

September 2012

32-1-17525-001



SHANNON & WILSON, INC.
Geotechnical & Environmental Consultants

D-14



Photo 29: Three 5-gallon containers of solvent-based tire dressing and two 5-gallon containers labeled “paint related materials” are stored in the southern outbuilding. (August 17, 2012)



Photo 30: Areas of discolored soil were observed north of the outbuildings. (August 17, 2012)

3607 and 3609 Spenard Road
Anchorage, Alaska

PHOTOS 29 AND 30

September 2012

32-1-17525-001



SHANNON & WILSON, INC.
Geotechnical & Environmental Consultants

D-15

APPENDIX E
IMPORTANT INFORMATION ABOUT YOUR ENVIRONMENTAL SITE
ASSESSMENT/EVALUATION REPORT



Date: September 2012
To: ADEC
Re: Phase I ESA, 3607 and 3609 Spenard Road,
Anchorage, Alaska

Important Information About Your Environmental Site Assessment/Evaluation Report

ENVIRONMENTAL SITE ASSESSMENTS/EVALUATIONS ARE PERFORMED FOR SPECIFIC PURPOSES AND FOR SPECIFIC CLIENTS.

This report was prepared to meet the needs you specified with respect to your specific site and your risk management preferences. Unless indicated otherwise, we prepared your report expressly for you and for the purposes you indicated. No one other than you should use this report for any purpose without first conferring with us. No one is authorized to use this report for any purpose other than that originally contemplated without our prior written consent.

The findings and conclusions documented in this site assessment/evaluation have been prepared for specific application to this project and have been developed in a manner consistent with that level of care and skill normally exercised by members of the environmental science profession currently practicing under similar conditions in this area. The conclusions presented are based on interpretation of information currently available to us and are made within the operational scope, budget, and schedule constraints of this project. No warranty, express or implied, is made.

OUR REPORT IS BASED ON PROJECT-SPECIFIC FACTORS.

Our environmental site assessment is based on several factors and may include (but not be limited to): reviewing public documents to chronicle site ownership for the past 30, 40, or more years; investigating the site's regulatory history to learn about permits granted or citations issued; determining prior uses of the site and those adjacent to it; reviewing available topographic and real estate maps, historical aerial photos, geologic information, and hydrologic data; reviewing readily available published information about surface and subsurface conditions; reviewing federal and state lists of known and potentially contaminated sites; evaluating the potential for naturally occurring hazards; and interviewing public officials, owners/operators, and/or adjacent owners with respect to local concerns and environmental conditions.

Except as noted within the text of the report, no sampling or quantitative laboratory testing was performed by us as part of this site assessment. Where such analyses were conducted by an outside laboratory, Shannon & Wilson relied upon the data provided and did not conduct an independent evaluation regarding the reliability of the data.

CONDITIONS CAN CHANGE.

Site conditions, both surface and subsurface, may be affected as a result of natural processes or human influence. An environmental site assessment/evaluation is based on conditions that existed at the time of the evaluation. Because so many aspects of a historical review rely on third party information, most consultants will refuse to certify (warrant) that a site is free of contaminants, as it is impossible to know with absolute certainty if such a condition exists. Contaminants may be present in areas that were not surveyed or sampled, or may migrate to areas that showed no signs of contamination at the time they were studied.

Unless your consultant indicates otherwise, your report should not be construed to represent geotechnical subsurface conditions at or adjacent to the site and does not provide sufficient information for construction-related activities. Your report also should not be used following floods, earthquakes, or other acts of nature; if the size or configuration of the site is altered; if the location of the site is modified; or if there is a change of ownership and/or use of the property.

INCIDENTAL DAMAGE MAY OCCUR DURING SAMPLING ACTIVITIES.

Incidental damage to a facility may occur during sampling activities. Asbestos and lead-based paint sampling often require destructive sampling of pipe insulation, floor tile, walls, doors, ceiling tile, roofing, and other building materials. Shannon & Wilson does not provide for paint repair. Limited repair of asbestos sample locations are provided. However, Shannon & Wilson neither warranties repairs made by our field personnel, nor are we held liable for injuries or damages as a result of those repairs. If you desire a specific form of repair, such as those provided by a licensed roofing contractor, you need to request the specific repair at the time of the proposal. The owner is responsible for repair methods that are not specified in the proposal.

READ RESPONSIBILITY CLAUSES CAREFULLY.

Environmental site assessments/evaluations are less exact than other design disciplines because they are based extensively on judgment and opinion, and there may not have been any (or very limited) investigation of actual subsurface conditions. Wholly unwarranted claims have been lodged against consultants. To limit this exposure, consultants have developed a number of clauses for use in their contracts, reports, and other documents. These responsibility clauses are not exculpatory clauses designed to transfer the consultant's liabilities to other parties; rather, they are definitive clauses that identify where responsibilities begin and end. Their use helps all parties involved recognize their individual responsibilities and take appropriate action. Some of these definitive clauses may appear in this report, and you are encouraged to read them closely. Your consultant will be pleased to give full and frank answers to your questions.

Consultants cannot accept responsibility for problems that may develop if they are not consulted after factors considered in their reports have changed, or conditions at the site have changed. Therefore, it is incumbent upon you to notify your consultant of any factors that may have changed prior to submission of the final assessment/evaluation.

An assessment/evaluation of a site helps reduce your risk, but does not eliminate it. Even the most rigorous professional assessment may fail to identify all existing conditions.

ONE OF THE OBLIGATIONS OF YOUR CONSULTANT IS TO PROTECT THE SAFETY, HEALTH, PROPERTY, AND WELFARE OF THE PUBLIC.

If our environmental site assessment/evaluation discloses the existence of conditions that may endanger the safety, health, property, or welfare of the public, we may be obligated under rules of professional conduct, statutory law, or common law to notify you and others of these conditions.

The preceding paragraphs are based on information provided by the ASFE/Association of Engineering Firms Practicing in the Geosciences, Silver Spring, Maryland