A PHASE I ENVIRONMENTAL SITE ASSESSMENT

Tax Lots 1202 and 1203 NW Civic Drive Gresham, Oregon

April 26, 2006

Project No. 6977

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ENVIRONMENTAL CONSULTANTS

ASSESSMENT INVESTIGATION REMEDIATION

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April 26, 2006

Prepared for:
METRO
Portland, Oregon

Prepared by: Hahn and Associates, Inc. Portland, Oregon

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Hahn and Associates was unable to thoroughly inspect portions of the ground surface on the subject property because it was covered with gravel, and was unable to inspect the gravel in many places due to the presence of parked cars. However, based on the fact that the property has been used for a parking lot for less than two years, combined with the fact that it was unused from the early 1970s, this does not appear to represent a significant data gap.

Hahn and Associates was unable to interview a construction company that used the subject property as a staging area and graded the property. However, based on the fact that the staging area occupied the property for less than a year, the data gap is not considered to be significant.

The adjacent and nearby surrounding properties were historically used for agricultural purposes and/or undeveloped and vegetated between at least 1860 and the early 2000s, with increasing commercial and industrial development occurring in the area by 1948. Retail stores and Gresham City Hall were built in the area in the 1970s. Transit-oriented redevelopment began in the early 2000s, replacing the remaining agricultural uses. Information was not obtained during the course of this assessment to indicate the potential for impact to the subject property from off-site sources of hazardous materials releases.

A temporary stormwater retention pond has occupied the property since 2004 or later. The source of stormwater entering the pond is unclear, although stormwater from NW 15th Street may flow into the retention pond. Due the relatively short period of time that the pond has occupied the property and the absence of sheens or odors at the pond, it does not appear to represent a Recognized Environmental Condition. However, hazardous substances and petroleum products contained in parking lot or street stormwater could be deposited in the sediments of the retention pond over an extended period of time.

A review of state and Federal environmental records disclosed several sites located within a 1.0-mile radius of the property that are currently or have previously been under review for environmental issues. However, these sites do not appear to represent a Recognized Environmental Condition for the property at this time.

Conclusions and Recommendations

Hahn and Associates, Inc. has performed this Phase I environmental site assessment in conformance with the scope and limitations of American Society for Testing and Materials Practice E1527-05 of Tax Lots 1202 and 1203 located at NW Civic Drive, Gresham, Multnomah County, Oregon. Any exceptions to, or deletions from, this practice are described in Section 8.0 of this report. This Phase I environmental site assessment has revealed evidence of a Recognized Environmental Condition in connection with the property. From the data that has been assembled during the course of this investigation, it is the professional opinion of Hahn and Associates, Inc. that further investigatory work in the form of a Phase II environmental site assessment appears to be necessary for the subject property at this time.

The Recognized Environmental Condition identified at the property, along with a Phase II recommendation, is:

1. The property was reportedly part of a 200-acre farm from approximately the 1860s until the 1970s. The southern portion of the property was farmed from at least 1935 (and likely much earlier) until the 1940s, after which it was covered with natural vegetation. The northern portion continued to be farmed until the 1970s. Pesticide residues may be present in the near-surface soils of the property as a result of the potential historical usage of pesticides for agricultural purposes.

Recommendation: A subsurface investigation should be performed for the property to determine if site soils have been impacted by persistent agricultural chemicals.

2.0 INTRODUCTION

METRO has retained the environmental consulting firm of Hahn and Associates, Inc. (HAI) to perform a Phase I environmental site assessment (ESA) of Tax Lots 1202 and 1203 located at NW Civic Drive, Gresham, Multnomah County, Oregon. This Phase I ESA was undertaken by METRO for the purpose of identifying recognized environmental conditions (RECs) at the property, that is, the presence or likely presence of any hazardous substance or petroleum product on the property 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 ground, ground water, or surface water of the property resulting from the current or historical usage of the property or sites located in the vicinity of the property. This report is intended to constitute *all appropriate inquiry* (AAI) for purposes of the Comprehensive Environmental Response, Compensation and Liability Act (CERCLA).

Information on the property under consideration was gathered through a physical inspection (site survey) of the subject property, through interviews of knowledgeable persons including past and present owners, operators, and occupants, and others, by a review of the available historical documents including recorded environmental cleanup liens, by noting the physical features of the property, by a survey of the surrounding land uses, through reviews of Federal, tribal, state, and local government records, and from the examination of other pertinent documents including photographs and maps. The scope of work for this project followed the American Society for Testing and Materials (ASTM) guideline (E1527-05) entitled Standard Practice for Environmental Site Assessments: Phase I Environmental Site Assessment Process. The U.S. Environmental Protection Agency (EPA) has stated that ASTM E1527-05 may be used to comply with meeting the objectives and performance factors of 40 CFR Part 312 Standards for All Appropriate Inquiries, Final Rule (40 CRF 312.11). Any deviations to or from ASTM E1527-05 are described in Section 8.0 Additional Services, Deviations, or Data Gaps.

This report is divided into twelve additional sections: Site Background, Physical Setting Sources, Site Investigation, Interviews and Site History, Regulatory Review, Additional Services or Deviations, Signatures of Environmental Professionals, Limitations, Glossary of Abbreviations, Definition of Terms, and Professional Qualifications. This report is not

intended to be an exhaustive investigation of environmental conditions or a characterization of any contamination discovered.

3.0 SITE BACKGROUND

3.1 Site Location and Description

The 1.91-acre subject property is located on the eastern side of NW Civic Drive between NW 15th Street and NW 16th Street, Gresham, Multnomah County, Oregon. The property consists of Tax Lots 1202 and 1203, located in the NE 1/4 of the SE 1/4 of Section 4, Township 1 South, Range 3 East of the Willamette Meridian (W.M.). It was undeveloped at the time of the site inspection. The eastern portion of the property was covered with gravel and used as a parking lot. Several vehicles were also parked on the bare ground on the western portion of the property (Figures 1 and 2). A drainage ditch and small pond divided the two portions of the property.

The subject property was located in a commercially and residentially developed area. The property was bounded to the north by NW 16th Street, which was recently paved. A sidewalk was in the process of being paved immediately adjacent to the northern property boundary. A commercial structure was being built on the north side of NW 16th Street. NW 15th Street bounded the property to the south, beyond which was a school building associated with the Center for Advanced Learning, whose students were using the property for parking. NW Civic drive bounded the property to the west, beyond which was an embankment, on top of which was recent residential development. A Furniture City retail store with an asphalt-paved parking lot was located to the east of the property. A K-Mart store was located to the east of the Furniture City store.

4.0 PHYSICAL SETTING SOURCES

4.1 Topography

The subject property is located on the U.S. Geological Survey 7.5-Minute Quadrangle, Camas, Washington-Oregon, 1994 (Figure 1). The property was situated on gently eastward-sloping terrain at an elevation of approximately 300 feet above mean sea level (msl). It should be noted that significant development has occurred in the area surrounding the property

since the map was made in 1994, and that the map does not reflect current topographic or development conditions in the vicinity of the property.

4.2 Geology and Hydrogeology

According to the U.S. Geological Survey Geologic Map of Oregon, 1991, the soils in the vicinity of the subject property are underlain by Holocene and Pleistocene galciofluvial, lacustrine, and pediment sedimentary deposits, described as unconsolidated, poorly sorted silt, sand, and gravel.

Water wells or monitoring wells were not observed on the subject property or indicated by Oregon Water Resources Department (OWRD) records to be located on the property. An OWRD well log report was obtained for all registered wells in Section 4 of Township 1 South, Range 3 East, W.M. Several temporary geotechnical holes were listed for the area in the vicinity of the property, and the site sketches accompanying the well logs indicated that one or more of the holes may have been drilled on the subject property (Appendix A). However, the depth to groundwater was not reported for those geotechnical holes that may have been located on the property prior to the time when it was partitioned from a larger tax lot. The holes were abandoned (filled with bentonite) in 2002. The OWRD well log report indicated the depth to first groundwater in the vicinity of the property ranged from approximately 5 to 32 feet below ground surface (bgs) (Appendix A). HAI has not field-checked any of the site geological or hydrogeological information for accuracy.

5.0 SITE RECONNAISSANCE

A site survey of the subject property was conducted on April 17, 2006 by Ms. Jenifur Rancourt, a representative of HAI. The property was inspected for visual evidence of contamination, for improper waste disposal and for the possible presence of asbestos, polychlorinated biphenyls (PCBs), and underground storage tanks (USTs). Access to the property was granted by Mr. Fred Bruning of Gresham Land Partners 4, LLC, the property owner, who provided permission to the client for the site inspection. Ms. Karen Starin of METRO (the client) accompanied Ms. Rancourt on the site inspection. The property perimeter and interior were inspected in a modified grid pattern at various intervals depending on the spacing of automobiles parked on the property. In addition, a visual inspection was conducted of the adjoining properties, from the subject property boundary, public rights-of-

way, or other vantage point (e.g., aerial photography). The visual inspection of the subject property and adjoining properties included areas where hazardous substances, petroleum, and petroleum products may be or may have been stored, treated, handled or disposed.

The use of the eastern portion of the subject property as gravel-covered parking presented limitations to the site inspection. Neither the ground surface beneath the gravel nor the gravel beneath the parked vehicles could be thoroughly inspected for evidence of hazardous materials releases.

5.1 Existing Site and Surrounding Site Conditions

The subject property was vacant and undeveloped at the time of the site inspection. The eastern portion was covered with gravel and leased as a parking lot for the adjoining school building to the south of the property (Photograph 1). The western portion consisted of disturbed soil with tire tracks, a limited number of parked vehicles, a drainage ditch, and a temporary stormwater pond. (Photograph 2).

A City of Gresham employee who was parked on the western portion of the subject property was interviewed regarding the use of the property for student parking. The unidentified employee indicated that the students had permission to park on the property from the property owner. However, because there was no access drive for the western portion of the property, students were driving over the public sidewalk and wheelchair ramp in order to access that portion of the property. The employee indicated that such action was illegal, and that she was issuing traffic tickets for the violation. In addition, an asphalt-paved parking lot for Furniture City was located to the east of the subject property. Students unable to find parking spaces on the property created an unofficial access way between the property and the adjoining parking lot to the east. Both of the improvised access routes were inspected by HAI. Evidence of hazardous materials releases (e.g. oil stains, fuel spills, automobile fluid containers) were not observed in the vicinity of the access routes.

Evidence of the usage, storage, or disposal of hazardous materials or Recognized Environmental Conditions (RECs) on the adjoining parcels and right-of-way areas was not observed from the property boundary or the public right-of-way.

5.2 Asbestos

Asbestos is a U. S. Environmental Protection Agency (EPA)-regulated toxic substance and a human carcinogen. A visual, non-destructive inspection for asbestos-containing materials (ACMs) was conducted at the subject property. By EPA standards, ACMs are any materials that contain more than one percent asbestos. ACMs were typically used in insulation materials, ceiling tiles, and linoleum manufactured prior to the mid-1970s. However, certain types of asbestos-containing materials, including roofing felt and coatings, among others, may continue to legally be imported or produced, sold, and installed in structures today. A visual assessment for suspect ACMs was conducted during the course of the Phase I ESA site inspection. This visual assessment does not constitute an asbestos survey and is not intended to identify every suspect asbestos-containing material at the property.

The Oregon Department of Environmental Quality (ODEQ) requires that ACM surveys be performed prior to any demolition (including intentional burning) or renovation activities of structures other than residential buildings with four or fewer dwelling units and single private residences. If ACMs are identified, they must be removed from a site prior to demolition, dismantling or renovation to prevent the release of asbestos fibers to the air (Oregon Administrative Rule (OAR) 340-248-0270) regardless if the material is friable. Friable asbestos material is defined as any material with more than one percent asbestos by weight that hand pressure can crumble, pulverize or reduce to powder when dry.

In addition, the Oregon Occupational Safety and Health Administration (OR-OSHA) requires that commercial and industrial building and facility owners perform surveys to identify ACMs in their buildings. Further, for buildings that contain ACMs, notification of the presence of ACMs and asbestos training must be provided to tenants, employees, and maintenance personnel that work in the buildings.

Suspect ACMs were not observed on the subject property, which was undeveloped at the time of the site inspection.

5.3 Underground Storage Tanks and Aboveground Storage Tanks

During the assessment activities, visual evidence of underground storage tanks (USTs) was not noted on the subject property. Visual evidence would include fill caps, vent pipes, pump islands, and tanks, all of which were absent.

According to the property owner, represented by Mr. Fred Bruning, the subject property was historically undeveloped and, to the best of his knowledge, ASTs and USTs were not present. Based on past experience, the Gresham Fire Department does not maintain UST records for non-commercial properties or for properties that have not been assigned addresses. Therefore, the Gresham Fire Department was not contacted during this assessment. The property did not appear on the ODEQ Registered UST Facility list or the Leaking Underground Storage Tank (LUST) list.

Aboveground storage tanks (ASTs) were not observed on the subject property.

Regulatory records indicate that the K-Mart store to the east of the adjoining furniture store historically stored used oil in a 1,000-gallon underground storage tank (UST). The UST was decommissioned in 1990 and the facility does not appear on the ODEQ LUST list. HAI contacted the manager of the K-Mart store in order to determine the proximity of the historical UST to the property. He indicated that a Penske auto center was historically located on the eastern side of the K-Mart store, not in the vicinity of Furniture City or the subject property (Figure 1).

5.4 Polychlorinated Biphenyls

Polychlorinated biphenyls (PCBs), EPA-regulated hazardous substances, are commonly found in electrical equipment manufactured prior to 1980, the year PCBs above 50 parts per million (ppm) were banned from commerce for most applications. Pole and pad-mounted fluid-filled electrical transformers, ballasts associated with fluorescent light fixtures and some hydraulic fluids are typical of electrical equipment that would be suspected to contain PCBs.

Electrical transformers were not observed on or adjacent to the subject property.

Fluorescent light ballasts (used in light fixtures) manufactured prior to 1979 typically contained PCBs. Ballasts manufactured since approximately 1979 typically do not contain PCBs. Fluorescent lights were noted observed on the subject property.

PCBs may also be associated with submersible water well pumps manufactured prior to 1979. Water supply wells were not observed on the subject property, or indicated by OWRD records or through interviews to be located on the property.

5.5 Other Site Features

The undeveloped subject property was not served by water, sewer, or stormwater services at the time of the site inspection. However, sewer and stormwater easements are located in the vicinity of the property.

The eastern and western portions of the subject property were separated by a dirt drainage ditch leading from NW 15th Street northward. The ditch discharged to a shallow stormwater retention pond approximately 45 feet by 90 feet in size, located in the center of the property (Photograph 2). The source of stormwater entering the pond is unclear, although stormwater from NW 15th Street may flow into the retention pond. Sheens or odors were not observed on or in the vicinity of the pond. Mr. Bruning indicated that he had not visited the property recently and was not aware of the ditch and pond. Mr. Darin Wilson of CenterCal Properties, LLC, the development company associated with Mr. Bruning, indicated that the property has been graded several times and several generations of drainage ditches have been located on it. Based on the lack of evidence of hazardous materials accumulation in the current ditch and pond, these features do not appear to represent a REC for the property at this time.

Several stockpiles of soil were observed on the northern portion of the subject property. They appeared to be materials excavated from the location where the adjoining sidewalk was being installed. Soil staining or unusual odors were not observed in connection with the mounds.

Litter was observed throughout the subject property, mainly food and beverage containers. A spray can of marking paint was observed floating in a puddle. Two 2-liter soda bottles, open at the bottom, packed with an unidentified solid substance, tied together with string, and wrapped with duct tape, were observed on the western portion of the property. Soil staining

and odors were not observed in their vicinity. Their purpose was not determined.

The eastern portion of the subject property was covered with gravel and used for parking (Photograph 1). As such, the ground surface could not be observed and assessed for evidence of hazardous materials releases. In addition, the parking lot was crowded and much of the gravel surfacing was obscured from view by vehicles. However, staining was not observed on exposed areas of the gravel.

The western portion of the subject property contained puddles, mud, and sparse grass and other vegetation. Tires marks indicated that heavy trucks may have driven on the property recently. Several automobiles belonging to students at the adjoining school were parked on this portion of the property. Evidence of hazardous materials releases were not observed on this portion of the property.

Evidence of imported fill was not observed on the property (e.g. stockpiles, mounds, hummocks, depressions, etc.) or identified via interviews or the historical records review performed for the property. However, the possibility exists that undocumented fill could be located on the property. Further, the presence of undocumented fill at a property could present environmental concerns.

Evidence of the use or release of a controlled substance (as defined in Title 21 USC Section 802 *Controlled Substances Act*) at the subject property was not observed during the site inspection or indicated during interviews with Mr. Bruning or METRO. The term "controlled substance" does not include distilled spirits, wine, malt beverages, or tobacco.

5.6 Table 1 – Summary of Site Features

The following Table 1 summarizes the results of the site inspection, interview(s), and/or the records review with respect to specific site features. Where indicated, a reference where additional information can be found in this report with regard to a specific item, has been included.

Table 1

Feature/Condition	Observed/Present (Yes/No/Unknown)	Reference Section for Additional Information
Potable Water Supply	No	
Water Supply Well	No	
Monitoring Well	No	
Municipal Sanitary Sewer	Not connected, But sewer line easements adjoin the property	5.5
Septic Tank	No	*
Stormwater Catch Basins	No	
Connected to Municipal Stormwater Collection System	No, But stormwater easements adjoin the property	5.5
Stormwater Swale or Retention Pond	Yes	5.5
Drywells	No	
Hazardous Substances/Petroleum Products	No	
Drums/Totes (55-gallon or larger)	No	
Petroleum or Potentially Hazardous Substance Containers (less than 55- gallons)	Yes, Empty spray paint can (litter)	5.5
Unidentified Substance Containers	No	
USTs/ASTs	No	
Odors	No	
Ponds, Lagoons, Standing Surface Water	Yes, Stormwater retention pond	5.5

Feature/Condition	Observed/Present (Yes/No/Unknown)	Reference Section for Additional Information
Pits/Sumps	No	
Floor Drains	No	
Spillage (other than water)	No	
Staining (other than water staining)	No	· · · · · · · · · · · · · · · · · · ·
Fluid-filled Electrical Transformers	No	
Hydraulic Equipment	No	
Stressed Vegetation	No	
Obvious Areas of Fill (stockpiles, mounds, hummocks, depressions, etc.)	Yes, Stockpiles from adjoining sidewalk	5.5
Evidence of On-Site Solid Waste Disposal (other than litter)	No	

6.0 INTERVIEWS AND SITE HISTORY

6.1 Interviews

Attempts were made to interview current owner(s), the key site manager (none was identified), occupants and/or major occupants, and occupants likely to use, store, treat, handle or dispose of hazardous materials of the subject. In addition, to the extent that they have been identified, attempts were also made to contact past owners, operators, and occupants likely to have information regarding the potential for contamination at the property. Further, a reasonable attempt has been made to interview a state and/or local government agency. Additional personnel may also be interviewed as deemed necessary.

Data gaps with regard to the referenced interviews are discussed below and in Section 8.0 Additional Services, Deviations, and Data Gaps.

Current Property Owner, Key Site Manager, and Occupant

Mr. Fred Bruning, a representative of Gresham Land Partners 4, LLC, the subject property owner, was interviewed on April 21, 2006. Mr. Bruning indicated that the property was acquired from the Winmar Company and the

Robertson Family Trust in approximately 2001 as part of several larger parcels. The property parcel was created by a partition plat in 2005. He indicated that the property was vacant when Gresham Land Partners 4, LLC acquired it, and that he believed it was historically used for agricultural purposes. He was not aware of any former property structures. The property was mechanically cleared of brush and regraded for drainage.

Mr. Bruning indicated that he was not aware of any existing or former USTs, ASTs, water supply wells, septic tanks, or hazardous materials usage on the property. He also indicated that he was not aware of environmental permits, notices, significantly lower property purchase price (lower than comparable), environmental liens, or RECs in association with the subject property. He indicated that he was not aware of environmental conditions that have affected or may affect the purchase or lease price of the property. Further, he was not aware of any pending, threatened or past litigation or administrative proceedings relevant to hazardous substances or petroleum products in, on, or from the property. He was similarly not aware of any notices from any government entity regarding possible violation of environmental laws or possible liability relating to hazardous substances or petroleum products.

Mr. Bruning did not identify anyone who acted as a key site manager for the undeveloped subject property. However, he referred HAI to Mr. Andy Wilk of CenterCal Properties, LLC for administrative issues such as the retrieval of prior Phase I ESAs for the property. HAI spoke with Mr. Wilk on April 19 and 21, 2006. He indicated that he had no personal knowledge of the subject property. However, he provided HAI with a copy of a prior Phase I ESA that included coverage of the subject property, the details of which are discussed in Section 6.4 Previous Environmental Site Assessments.

HAI also interviewed Mr. Darin Wilson of CenterCal Properties, LLC, on April 21, 2006. Mr. Wilson indicated that he oversaw the grading of the property for the developer, although the work was performed by Robinson Construction. Mr. Wilson indicated that the property was graded at the same time that NW 15th Street (located to the south of the property) was paved. He also indicated that Robinson Construction used the property as a staging area, particularly the western portion. Mr. Wilson indicated that the vegetation on the property was stripped off mechanically, and that the native soil remained on the property, including beneath the gravel on the eastern

portion. He referred HAI to Mr. Blake Mills of Robinson Construction for more information about the project.

On April 21 and 24, 2006, HAI attempted to contact Mr. Blake Mills of Robinson Construction, a former property occupant (heavy equipment storage) and contractor who performed grading and rocking on the property. A response was not received as of this writing. Based on the fact that Robinson Construction utilized the property as a staging area for heavy machinery, and was likely to have used hazardous materials and petroleum products in the form of fuel and lubricant, the inability to interview Mr. Mills represents a data gap. However, in light of the fact that the staging area was located on the property for a short period of time (less than one year) and that evidence of hazardous material or petroleum releases were not observed on the visually accessible portions of the property, the data gap is not considered significant.

On April 20, 2006, HAI interviewed Mr. Bill Lesh, the Director of the Center for Advanced Learning, the adjacent school which has a lease agreement to use the subject property for parking. Mr. Lesh indicated that the property has been used for parking for approximately 1.5 years. He was not aware of any accidents that may have resulted in the release of hazardous materials or petroleum products on the property. In addition, he was not aware of any incidents involving the use or manufacture of controlled substances on the property.

Past Property Owner(s), Operator(s) and Occupant(s)

Mr. Bruning indicated that Gresham Land Partners 4, LLC acquired the subject property from two entities, Winmar of Oregon and the Robertson Family Trust. He further indicated that Winmar of Oregon no longer existed as a business entity.

In 2001, HAI performed a Phase I ESA for METRO of the former agricultural parcels to the west of the subject property beyond NW Civic Drive, which were also owned by Winmar of Oregon and the Robertson Family Trust¹. At the time, Winmar was in the process of liquidating its assets, but HAI was able to interview Mr. Ed Hendrickson, the president of the company, located in Seattle, Washington. HAI also interviewed Mr. Scott Rohr, a relative and

¹ Hahn and Associates, Inc. (2001). A Phase I Environmental Site Assessment, 7.29-Acre Property, Vicinity of NW Civic Drive and NW Burnside Road, Gresham, Oregon. November 5, 2001.

representative of Ms. Gail Kinder, who was the trustee of the Robertson Family Trust.

During the current Phase I ESA, HAI performed research in an attempt to contact both individuals regarding the subject property. The resources utilized included electronic and hardcopy telephone and reverse directories, Internet search engines, and notes from the previous ESA. HAI determined that Winmar of Oregon does not currently exist. It was reportedly a subsidiary of the Safeco Corporation, but contact information for Safeco offices other than those specializing in insurance matters was not located. In addition, Mr. Hendrickson was not listed in the telephone directory for Seattle, Washington.

Mr. Scott Rohr and Ms. Gail Kinder were not listed in the current telephone directory for Gresham or Portland, Oregon. In addition, the telephone number utilized to contact Mr. Rohr in 2001 has been reassigned. He was mentioned in the minutes of a meeting of the Gresham City Council in 2004 which he attended, but the address listed for him does not appear in recent reverse directories.

In short, HAI was unable to contact the previous owners of the subject property (data gap). However, it was determined that some information obtained during the 2001 ESA may apply to a portion of the subject property. In 2001, Mr. Hendrickson indicated that the Winmar parcel was acquired from the Robertson Family in the early 1980s. Mr. Rohr indicated that the Robertson family originally owned a 200-acre farm in the vicinity of NW Civic Drive and NW Burnside Road. It is possible that the portion of the current subject property formerly owned by Winmar may also have been acquired from the Robertsons, although this was not confirmed. It is also likely that the Robertson portion of the current subject property was part of the original 200-acre farm.

Mr. Hendrickson indicated that the parcel under investigation in 2001 was left "raw" or vacant and undeveloped during Winmar's ownership. Based on aerial photographs from the 1970s and 1980s, the Winmar portion of the current subject property was also undeveloped and vacant during their ownership.

Mr. Rohr further indicated that the Robertson family acquired the 200-acre farm with a Ulysses S. Grant land grant in approximately the 1860s, from which time it was used for agricultural purposes. He further indicated that

the farm was planted with strawberries and raspberries from the 1920s until 1992. These crops may have been planted on a portion of the subject property, although this was not confirmed. The property appears to be fallow by the time of the 1973 aerial photograph, and portions of the original farm, possibly including a portion of the property, were sold to Winmar in the early 1980s. Mr. Rohr also indicated that his involvement with the farm commenced around 1980, when he began farming it. Information provided by him pertaining to pesticides used on the farm after 1980 and crops grown on the farm after 1992 would, therefore, not appear to apply to the subject property. He had no knowledge of the pesticides (if any) used on the farm prior to 1980 (data gap).

State and/or Local Government Agency

HAI attempted to contact the City of Gresham Community and Economic Development Department regarding the development history in the vicinity of the subject property. A response was not received as of this writing. Information about recent development in the area was obtained from the department's web site and several local newspaper web sites (see Section 6.3 Site History below).

HAI spoke with Ms. Dixie Delarm of the City of Gresham Building Department on April 18, 2006. Ms. Delarm indicated that there were no building permits on file for the property tax lot numbers. Additional research could not be performed without a street address. Ms. Delarm also indicated that the property was created by a partition plat in 2005.

An unidentified City of Gresham employee was interviewed on April 17, 2006. The employee was issuing traffic tickets to vehicles parked on the western portion of the subject property. Information obtained from the employee is discussed in *Section 5.1 Existing Site Conditions*.

Additional Interviews

On April 19, 2006, HAI interviewed the manager of the K-Mart store located to the east of the subject property (not adjoining) regarding the historical location of a Penske auto center. The auto center, which was associated with K-Mart, utilized a used oil UST that was decommissioned in 1990. The Penske auto center was indicated to have been located on the eastern side of the K-Mart store, not in proximity to the property.

6.2 Specialized Knowledge and Commonly Known Information

Persons (e.g. the User/Client) seeking to qualify for the innocent landowner defense, prospective purchaser or contiguous property owner liability protection under CERCLA must provide any specialized knowledge of the subject property or surrounding sites, commonly known or reasonably ascertainable information within the community regarding the subject property, and any other experience relevant to this inquiry, for the purpose of identifying conditions indicative of releases or threatened releases at the subject property. The User/Client must also consider the degree of obviousness of the presence or likely presence of contamination on the property.

At the request of HAI, Ms. Karen Starin, a representative of METRO (the client), completed a Phase I Environmental Site Assessment Client-Furnished Information Checklist (Appendix B). Ms. Starin indicated that she was not aware of activity and use limitations (AULs), environmental permits, notices, significantly lower property purchase price (lower than fair market value), Federal, tribal, state, or local environmental liens, engineering or institutional controls, or other RECs in association with the subject property. She has no specialized knowledge of the property, but indicated that HAI has performed Phase I ESAs of surrounding sites and provided information about the history of the area in those reports. Ms. Starin also indicated that she knows of no commonly known information within the community with regard to RECs at the property. She had no knowledge of RECs at the property. She further indicated that she was not aware of any pending or historical litigation or administrative proceedings relevant to hazardous substances, pollutants, contaminants, petroleum and/or petroleum products in, on, or from the property and that she was not aware of any notices from any government agency regarding possible violation of environmental laws or possible liability relating to hazardous substances, pollutants, contaminants, petroleum and petroleum products, and/or controlled substances. In addition, she indicated that she was not aware of environmental conditions that have affected or may affect the purchase or lease price of the property.

6.3 Site History

A combination of practically reviewable information (available within reasonable cost and time constraints), obtained from publicly available records, aerial photographs, city directories, and interviews, was used to determine the prior uses of the subject property and of the surrounding properties. The following resources were reviewed in an effort to establish the history of the subject property and surrounding land use:

- Tax Assessment Records
 - Agency Contacted: Multnomah County Department of Assessment and Taxation

Legal Description of Subject Property: Tax Lots 1202 and 1203, NE 1/4 of the SE 1/4 Section 4, Township 1 South, Range 3 East, W.M. (partitioned from a larger tax lot in 2005)

Acreage: 1.91 acres

Current Property Owner: Gresham Land Partners 4, LLC

- City of Gresham Community and Economic Development web site
- CenterCal Properties, LLC (developer) web site
- Sandy Post web site
- Chicago Title Insurance Company of Oregon, Preliminary Title Report
- City of Gresham Building Department, available permits and plans (hard copies and microfilm for building, plumbing, and mechanical) requested for the two property tax lots. No permits were on file. Based on past experience, building permits are purged 2 years after project completion.
- Cole City Directories for Greater Portland, Oregon, 1989, 1994, 1999, 2004, 2005
- Polk City Directories for Gresham, Oregon, 1962, 1985
- Polk City Directories for East Suburban Portland, Oregon, 1966, 1970, 1975, 1979-1980
- Sanborn Fire Insurance Maps for Gresham, Oregon, 1911, 1922, and 1941 were reviewed but did not include coverage of the subject property and vicinity, which were beyond the city limits for their time period

 Aerial Photographs for 1935, 1948, 1956, 1973, and 1984, on file with HAI, previously obtained from U.S. Army Corps of Engineers Central Map Files, Portland, Oregon. Aerial photographs for 1964 and 1998 on file with HAI, previously obtained from Northern Light Studios, Portland, Oregon. Aerial photographs for 2002, 2004, and 2005 obtained from the City of Portland (www.PortlandMaps.com). The above-listed aerial photographs are included in the Appendix of this report.

A complete listing of all references, including sources and dates of review, is included in Appendix F of this report. A discussion of any data gaps identified during the historical research, along with the sources of information consulted to address such data gaps, and an evaluation of the significance of such data gaps with regard to the ability to identify conditions indicative of releases or threatened releases of hazardous substances pollutants, contaminants, petroleum and petroleum products, and/or controlled substances on, at, in, or to the subject property, is included in *Section 8.0 Additional Services, Deviations, or Data Gaps.* Based upon the interviews and the resources that were reviewed, the history of the subject property and of the surrounding land use was determined as follows:

Subject Property

The subject property was reportedly part of a 200-acre farm created by the Robertson family in the 1860s. The farm remained in the possession of the Robertson family through 2001, although portions including the subject property were apparently sold off in the early 1980s. Information was not obtained regarding activities on the farm (crops grown, pesticides and fertilizers used) prior to 1920. By 1920, the farm was reportedly used to grow strawberries and raspberries, although the presence of these crops on the subject property could not be confirmed (data gap). Information about the pesticides (if any) historically used on the property was also not obtained (data gap). However, HAI determined during a previous ESA for another portion of the farm that pesticides were likely mixed and containers were likely rinsed at a barn located on another portion of the farm to the far west of the property (Hahn, 2001).

Pesticide residues may be present in the near-surface soils of the subject property as a result of the potential historical usage of pesticides for agricultural purposes. Pesticides do not necessarily biodegrade readily and may be present in the near-surface soils of the property in low

concentrations. In some cases, pesticides can accumulate in soil and even migrate to groundwater. Many pesticides are listed as hazardous substances under state and Federal Superfund laws and their presence in the soil or groundwater technically may constitute contamination. The accumulation of pesticides in soils may also present health risks.

The usage of pesticides in accordance with applicable laws, however, is generally considered an acceptable agricultural practice. Due to widespread pesticide usage throughout the United States, pesticide accumulation in near-surface soils is so common that it generally has not been regarded as a contamination problem requiring remedial action. However, in some cases, historic agricultural operations may result in the presence of hazardous substances, including pesticides, that exceed acceptable risk levels for residential and commercial properties, as defined in Oregon Revised Statute (ORS) 465.315. According to the document entitled Guidance For Evaluating Residual Pesticides On Lands Formerly Used For Agricultural Production (January 2006), the ODEQ "has determined that application of the state cleanup rules might be necessary to protect public health, safety, welfare, and the environment from the deposition, accumulation, or migration of pesticides on agricultural land that has been, or is proposed to be, converted to residential, school, commercial, or industrial uses." That is, if environmental conditions are not properly evaluated and addressed during site development, property residents and/or occupants could potentially be exposed to hazardous substances that may cause adverse health effects. In addition, Oregon's environmental cleanup law places the responsibility for any site investigation and cleanup costs on current as well as historic property owners. For these reasons, ODEQ has recommended that an environmental investigation be conducted prior to the development of agricultural lands that have potentially been contaminated by hazardous substances. Thus, the historical usage of the subject property for agricultural purposes represents a REC for the property.

The portion of the subject property located on Tax Lot 1203 (southern portion of property) contained an agricultural field in the 1935 aerial photograph. However, by the time of the 1948 aerial photograph, this portion of the property was covered with thick natural vegetation, and later supported trees. It remained as such until 2003, when the entire property was cleared.

The portion of the subject property located on Tax Lot 1202 (northern portion of property), was planted with agricultural fields from at least 1935 and appeared to be fallow by the time of the 1973 aerial photograph. Both tax lots contained grass and trees, and were traversed by dirt paths, from this time through 2002.

The subject property and surrounding parcels are part of the Gresham Civic Neighborhood project, which entails the creation of a mixed-use, transit-oriented district in the vicinity of the property. The project began in the early 2000s with construction of the Gresham Station commercial development farther to the south of the property (beyond the Center for Advanced Learning). The property is located within the Gresham Station North portion of the planned development. It was cleared in the early 2000s and has been used intermittently since that time as a construction company staging area and leased student parking for an adjacent school.

Surrounding Properties

The surrounding properties were historically used for agricultural purposes beginning in the 1860s (Robertson farm including the subject property and extending westward, encompassing 200 acres). By 1935, the date of the first available aerial photograph, agricultural uses were seen throughout the area, with a small area of forested land to the southwest of the property. Railroad tracks that correspond to the current Max line were also present to the south of the property by 1935. Commercial or industrial development began to be seen in the area by 1948, when an industrial complex (possibly a lumber mill) was located to the southeast of the property. A clearing or pit associated with that facility was located in the northwestern corner of the complex, less than 50 feet from the property. Another lumber products facility, previously identified by HAI as a veneer plant (Hahn, 2001) was located to the far south of the property beyond the railroad tracks. The area changed little until the nearby K-Mart store was built to the far east of the property in the early 1970s. Gresham City Hall was built in the area of the former unidentified industrial facility in the late 1970s. A second wave of redevelopment was initiated in the early 2000s as part of the Gresham Civic Neighborhood project, described above. Agricultural use of land n the area ceased at that time. Offices, medical facilities, a school, and new roads were or are in the process of being developed in proximity to the property as part of the Gresham Station North phase of the development plan.

6.4 Previous Environmental Site Assessments

HAI previously performed several Phase I ESAs for METRO in the immediate vicinity of the subject property. One of the parcels previously assessed was located immediately to the west of the property and was owned by the same entities as those from whom Gresham Land Partners 4, LLC acquired the property (Hahn, 2001). Information obtained during the previous assessment that pertained to the subject property is discussed in *Section 6.1 Interviews*.

CenterCal Properties, LLC, the developer affiliated with the property owner, provided a copy of a prior Phase I ESA conducted for a parcel that included the subject property and land to its north and west². The current property was, at the time, part of Parcels II, VI, VII, and VIII as described in the Shaw report. Shaw indicated that the parcels were owned by the Robertson Family Trust and Winmar, and that all of the parcels were originally part of the Robertson farm. The property was vacant at the time of the Shaw inspection. Shaw observed evidence of domestic trash disposal (on the ground surface) and imported fill containing rubble, metal, and plastic debris on the land to the east of NW Civic Drive, but these observations were not specifically associated with the current property. Pesticides were identified as a REC throughout Shaw's project area, including the current property. Recommendations were not offered with regard to potential pesticide contamination. Other RECs were identified by Shaw in the vicinity of historical farm structures, none of which have been documented on the current property.

HAI concurs that the potential historical usage of persistent pesticides represents a REC for the subject property. While the property has subsequently been graded, the property owner and the property owner's project manager indicated that topsoil was not removed during the project.

² Shaw Environmental & Infrastructure, Inc. (2002). *Phase I Environmental Site Assessment, Gresham Station, Gresham, Oregon*. November 2002 (no day).

7.0 REGULATORY REVIEW

As a part of this Phase I ESA of the subject property and as deemed necessary, inquiries were made to governmental agencies with jurisdiction over current and prior activities conducted at the subject property that could have affected the environment. When available and as necessary, files on nearby properties were also reviewed and agency personnel knowledgeable about activities conducted in the area of the subject property were interviewed.

Federal and state databases were reviewed as part of this Phase I ESA. For databases organized by zip code, the 97030 zip code was reviewed for both the 0.5-mile and 1.0-mile radii. In addition, the 97080, and 97233 zip codes were reviewed for the applicable 1.0-mile radius list searches. The following lists satisfy the requirements of ASTM E1527-05. The lists reviewed by HAI were the most recent lists available.

Federal NPL Site List (1.0-mile radius)

The EPA National Priority List (NPL) details the locations of hazardous substance sites that present a potential for imminent and substantial harm to the environment. As of December 15, 2005, the subject property and the properties located within a 1.0-mile radius of the subject property did not appear on the NPL list.

Federal CORRACTS List (1.0-mile radius)

The Corrective Action Report (CORRACTS) list identifies hazardous waste handlers with RCRA corrective action activity. As of February 14, 2006, the subject property or sites located within a 1.0-mile radius of the property did not appear on the CORRACTS list.

Federal FIFRA/TSCA Tracking System list (FTTS) (1.0 mile radius)

The FTTS tracks administrative cases, pesticide enforcement actions, and compliance activities related to FIFRA, TSCA, and the Emergency Planning and Community Right-to-Know Act (EPCRA). The database is a subset of the EPA Enforcement Compliance History Online (ECHO) database. The subject property and sites located within a 1.0-mile radius of the property were not located on the FTTS list as of April 6, 2006.

Federal FUDS List (1.0-mile radius)

The Federal Formerly Used Defense Sites (FUDS) includes locations of Formerly Used Defense Sites properties where the US Army Corps of Engineers is actively working or will take necessary cleanup actions. The subject property or sites located within a 1.0-mile radius of the property did not appear on the FUDS list as of April 6, 2006.

Federal De-listed NPL Site List (0.5-mile radius)

The Federal De-listed NPL Site (NPL) details the locations of hazardous substance sites where either environmentally significant quantities of hazardous waste were never confirmed at the site, or an environmentally insignificant amount of hazardous waste is all that remains at the site as a result of remediation. As of April 6, 2006, the subject property and the properties located within a 0.5-mile radius of the subject property did not appear on the NPL list.

Federal CERCLIS List (0.5-mile radius)

The Comprehensive Environmental Response, Compensation and Liability Information System (CERCLIS) lists hazardous substance sites undergoing EPA investigations. The subject property or sites located within a 0.5-mile radius of the subject property did not appear on the CERCLIS list dated March 17, 2006. This listing does not include CERCLIS sites having "No Further Remedial Action Planned" (NFRAP) designations.

Federal CERCLIS NFRAP List (0.5-mile radius)

This report lists all CERCLIS No Further Remedial Action Planned (NFRAP) sites, which are CERCLIS sites that have been removed from the CERCLIS List. Either no contamination was found at the CERCLIS NFRAP sites, the contamination has been remediated, or the contamination has been deemed to not be significant enough to require consideration under CERCLIS or NPL. The listing of a site on the CERCLIS NFRAP does not necessarily imply that contamination has been deemed insignificant or remediated based upon Oregon Department of Environmental Quality (ODEQ) standards. As of March 17, 2006, the subject property and adjoining properties did not appear on the CERCLIS NFRAP list.

Federal RCRA TSD Facilities List (0.5-mile radius)

The Resource Conservation and Recovery Act (RCRA) Treatment, Storage and Disposal (TSD) facilities list identifies sites which manage hazardous waste for the purpose of on-site treatment, interim storage, or on-site disposal. The subject property or sites located within a 0.5-mile radius of the property did not appear on the RCRA TSD list dated February 14, 2006.

Federal UMTRA List (0.5-mile radius)

The Federal Uranium Mill Tailings Sites list includes sites where uranium ore was mined by private companies for federal government use in national defense programs. When the mills shut down, mill tailings often remained after uranium was extracted from the ore. In some cases tailings were used as construction materials before the potential health hazards of the tailings were recognized. In 1978, 24 inactive uranium mill tailings sites in Oregon, Idaho, Wyoming, Utah, Colorado, New Mexico, Texas, North Dakota, South Dakota, Pennsylvania, and on Navajo and Hopi tribal lands, were targeted for cleanup by the Department of Energy. As of April 6, 2006, the subject property or sites located within a 0.5-mile radius of the property did not appear on the UMTRA List.

Federal ODI List (0.5-mile radius)

The Federal Open Dump Inventory List includes open dumps under investigation for non-compliance with one or more of 40 CFR Part 257 or Part 258 Subtitle D Criteria. The subject property or sites located within a 0.5-mile radius of the property did not appear on the Federal ODI list dated June 30, 1985, the most recent list available.

Federal Brownfields Program Sites List (0.5-mile radius)

EPA's Brownfields Program empowers states, communities, and other stakeholders in economic development to work together to prevent, assess, safely clean up, and sustainably reuse brownfields. A brownfield site is real property, the expansion, redevelopment, or reuse of which may be complicated by the presence or potential presence of a hazardous substance, pollutant, or contaminant. As of April 6, 2006, the property and sites located within a 0.5-mile radius of the property did not appear on the Federal Brownfields Program Sites List.

Federal Indian LUST Sites List (0.5-mile radius)

The Indian LUST list identified leaking USTs on Indian land in Alaska, Idaho, Oregon and Washington. As of April 3, 2006, the subject property or sites within a 0.5-mile radius of the property did not appear on the Indian LUST list as reviewed by EDR.

Federal RCRA Handlers List (Property and Adjoining Properties)

The EPA RCRA Handlers list identifies facilities which have given notification as hazardous waste generators, including Large Quantity Generators (LQG), Small Quantity Generators (SQG), or Conditionally Exempt Generators (CEGs). The subject property or adjoining properties did not appear on the RCRA Handlers list reviewed for this report, dated February 14, 2006.

Federal Indian UST Sites List (Property and Adjoining Properties)

The Indian UST list identified leaking USTs on Indian land. As of February 5, 2004, the subject property or adjoining sites did not appear on the Indian UST list.

Federal ERNS List (Property Only)

The subject property did not appear on the EPA Emergency Response Notification System (ERNS) list as of March 26, 2006.

Federal Engineering Controls List (Property Only)

The Federal Engineering Controls List identifies sites with engineering controls in place. Engineering controls include various forms of caps, building foundations, liners, and treatment methods to create pathway elimination for regulated substances to enter environmental media or effect human health. The subject property did not appear on the Federal Engineering Controls list as of April 26, 2006.

Federal Institutional Controls List (Property Only)

The Federal Institutional Controls List identifies sites with institutional controls in place. Institutional controls include administrative measures, such as groundwater use restrictions, construction restrictions, property use restrictions, and post remediation care requirements intended to prevent exposure to contaminants remaining on site. Deed restrictions are generally

required as part of the institutional controls. The subject property did not appear on the Federal Institutional Controls list as of April 26, 2006.

Federal DOD List (Property Only)

The Federal Department of Defense data set consists of federally-owned or administered lands, administered by the Department of Defense, that have an area equal to or greater than 640 acres of the United States, Puerto Rico, and the U.S. Virgin Islands. The subject property did not appear on the DOD List as of December 2005.

Oregon Department of Environmental Quality ECSI List (1.0-mile radius)

The ODEQ Environmental Cleanup Site Information (ECSI) list includes hazardous substance sites undergoing ODEQ investigations. As of January 9, 2006, the property did not appear on the ODEQ ECSI list. Eight sites located within an approximately 1.0-mile radius of the subject property appeared on the ODEQ ECSI list reviewed for this report (Appendix C). However, these sites do not appear to represent a REC for the subject property based on their distance from the property or the fact that they have been conferred ODEQ No Further Action (NFA) status.

Oregon Department of Environmental Quality SWDS and SWDF List (0.5-mile radius)

The ODEQ list of actively permitted open and closed Solid Waste Disposal Facilities (SWDF), dated February 26, 2003, and the State of Oregon Closed Solid Waste Disposal Sites (SWDS) list, dated April 12, 2000 (the most recent lists available), were reviewed. The subject property or sites located within a 0.5-mile radius of the property did not appear on either of these lists.

Oregon Department of Environmental Quality LUST Database List (0.5-mile radius)

The subject property did not appear on the ODEQ Leaking Underground Storage Tank (LUST) Database list of January 9, 2006. Twenty sites located within an approximately 0.5-mile radius of the property appeared on the LUST list reviewed for this report (Appendix D). However, these sites do not appear to represent a REC for the property based upon their distance from the property or the fact that the sites have been conferred ODEQ NFA status.

Oregon Department of Environmental Quality UST Database List (Property and Adjoining Properties)

The subject property or adjoining parcels did not appear on the ODEQ UST Database list of January 6, 2006. The K-Mart store located at 440 NW Burnside Drive appeared on the list. The K-Mart is in the same larger structure as the City Furniture store that adjoins the property to the east. HAI contacted the manager of K-Mart and determined that the historical UST was not in that part of the structure that adjoins the property. K-Mart does not appear on the ODEQ LUST list.

Oregon Emergency Response Information System (ERIS) Spills List (Property and Adjoining Properties)

The Oregon ERIS list identifies reported releases of petroleum and/or hazardous materials to land or water since 1995. The subject property and adjoining parcels did not appear on the ERIS list as of April 12, 2006.

Oregon Building Codes Division Drug Lab Cleanup Program List (Property Only)

The Building Codes Division of the Oregon Department of Consumer & Business Services maintains a list of properties declared by law enforcement agencies to be unfit for use due to methamphetamine manufacturing and/or storage activities. The properties are considered unfit for habitation until they are certified clean in accordance with the Oregon Department of Human Services' Clandestine Drug Lab Cleanup Program, at which time they are removed from the list. The subject property did not appear on the Drug Lab Cleanup Program list of uninhabitable properties as of April 5, 2006.

Oregon Activity and Use Limitations (AUL) list (Property Only)

The Oregon AUL list, a subset of the ODEQ ECSI list, contains sites on which engineering or institutional controls have been imposed. The subject property did not appear on the AUL list as of April 6, 2006.

Oregon AOCs – Columbia Slough and East Multnomah County Groundwater Contamination Area (Property Only)

The State of Oregon has identified the Columbia Slough and the East Multnomah County Groundwater Contamination Area as geographic Areas of Concern (AOC). If the subject property is determined to be located in one

or both of those areas, certain restrictions to property usages may exist. As of August 26, 2002 (no update to the list is planned), the property was not identified as being located within either of the two AOCs.

Oregon State Fire Marshal's Office HSIS list (Property Only)

The Oregon State Fire Marshal's Office Hazardous Substance Information Survey identifies companies in Oregon submitting the Hazardous Substance Information Survey and either reporting or not reporting hazardous substances. As of April 6, 2006, the subject property did not appear on the Oregon HSIS list.

8.0 ADDITIONAL SERVICES OR DEVIATIONS

In addition to the basic elements of ASTM E1527-05, this report includes the following:

 A visual assessment for suspect asbestos-containing materials was conducted during the course of the site inspection (Section 5.2). This visual assessment does not constitute an asbestos survey and is not intended to identify every suspect asbestos-containing material at the subject property.

This Phase I Environmental Site Assessment deviates from ASTM E 1527-05 as follows:

 The use of the eastern portion of the subject property as gravel-covered parking presented limitations to the site inspection. Neither the ground surface beneath the gravel nor the gravel beneath the parked vehicles could be thoroughly inspected for evidence of hazardous materials releases.

8.1 Data Gaps

A Data Gap is defined in ASTM E1520-05 as a lack of or inability to obtain information required by the standards and practices listed in the regulation despite good faith efforts by the environmental professional or prospective landowner to gather such information. Such data gaps may affect the environmental professional's ability to identify RECs at the property.

The following data gaps have been identified in association with this Phase I Environmental Site Assessment, along with the attempts made to fill the data gaps:

- The inability to visually inspect much of the ground surface on the eastern portion of the subject property is considered a data gap. However, based on the fact that the property has been used as a parking lot for less than two years, that no accidents involving the release of hazardous substances have been reported, and the fact the property was unused for several years prior to that time, it does not appear that this data gap is significant.
- HAI was unable to locate and interview previous owners of the subject property. However, interviews with the two prior owners were on file with HAI in association with a 2001 transaction of adjacent parcels owned by the same entities. Based on the fact that some of the information obtained in 2001 likely applies to the subject property as well as the adjoining parcels, this data gap does not appear to be significant.
- Information was not obtained during the course of this assessment or the 2001 assessment of adjoining parcels regarding the types of crops grown on the property (possibly strawberries or raspberries) or the historical usage of pesticides on the subject property. The lack of information pertaining to the specific crops grown and, more importantly, the potential usage of persistent pesticides is considered a significant data gap.
- HAI attempted to interview a representative of a construction company
 that both utilized the property as a staging area and graded the subject
 property, but a response was not received. The inability to interview the
 construction company represents a data gap. However, in light of the
 fact that the staging area was located on the property for a short period
 of time (less than one year), the data gap is not considered significant.

9.0 SIGNATURES OF ENVIRONMENTAL PROFESSIONALS

Any questions regarding the information presented in this report are welcome and should be referred to the undersigned project manager. Thank you for the opportunity to be of service in this matter.

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

Hahn and Associates, Inc.

Prepared by:

Jenifur L. Rancourt

Environmental Scientist

Reviewed by:

Anne E. Canter, R.E.A

Associate

10.0 LIMITATIONS

The purpose of this environmental assessment is to evaluate the possibility that the specified real property contains a *Recognized Environmental Condition* (REC), as defined by the American Society for Testing and Materials (ASTM) guideline (E1527-00). In performing an environmental assessment, a balance must be struck between the desire to conduct a complete inquiry into environmental matters and the limits of time, cost and technology. This report sets forth HAI's evaluation of the possibility of RECs based on the scope of work agreed to by the client and within the client's schedule and budget.

No investigation is thorough enough to ensure that no hazardous substances are present on a particular property. Even if RECs have not been identified in this report, there is no guarantee that contamination or other environmental conditions are not present. If samples have been collected in connection with this assessment, our assessment is based in part on our interpretation of data from discrete sample locations that may not represent actual conditions at unsampled locations. In evaluating the potential risks associated with the subject property, we have focused on possible sources on the property and on property in the immediate vicinity. We have not attempted to assess the risk that the property may be affected by regional contamination problems, such as the possibility of widespread contamination of the groundwater from sources not associated with this property.

All conclusions, opinions, and recommendations presented in this report are based on conditions existing at the time the services were performed and the laws, practices and technology in effect and commonly used as of that time. HAI is not able to predict future events that may affect the condition of the property or that may affect the risks attendant to such conditions.

Unless otherwise specified in this report, HAI has not investigated either the conditions inside any buildings on the property or the possible presence of hazardous substances incorporated into buildings, equipment, or other improvements on the property. HAI has not investigated conditions in any area of the property not readily accessible. Except as specifically described in this report, HAI also has not investigated the presence of hazardous substances that may be naturally occurring on the property. HAI has relied on information provided by the client and other individuals and documents and has not verified the accuracy of such information.

Unless otherwise specified in writing, this report has been prepared solely for the use by the client and for use only in connection with the described property, subject to the limitations and conditions in HAI's services agreement with its client. Any other use by the client or any use by any other person shall be at the user's sole risk, and HAI shall have neither liability nor responsibility with respect to such use.

(07/05)

11.0 GLOSSARY OF ABBREVIATIONS

ACM Asbestos-Containing Materials
AST Aboveground Storage Tank

ASTM American Society for Testing and Materials

bgs below ground surface CCDs Cole City Directories

CEG Conditionally Exempt Generator

CERCLA Comprehensive Environmental Response Compensation and

Liability Act

CERCLIS Comprehensive Environmental Response Compensation and

Liability Information System

CFR Code of Federal Regulations
CORRACTS RCRA Corrective Action Report

ECSI Environmental Cleanup Site Information EPA U.S. Environmental Protection Agency

ERNS EPA Emergency Response Notification System

HAI Hahn and Associates, Inc. LQG Large Quantity Generator

LUST Leaking Underground Storage Tank

MSL Mean Sea Level NFA No Further Action

NFRAP No Further Remedial Action Planned

NPL National Priority List

OAR Oregon Administrative Rule

ODEQ Oregon Department of Environmental Quality

OR-OSHA Oregon Occupational Safety and Health Administration

OWRD Oregon Water Resources Department

PCB Polychlorinated Biphenyls

PCD Polk City Directory ppm parts per million

RCRA Resource Conservation and Recovery Act
RECs Recognized Environmental Conditions

SFIM Sanborn Fire Insurance Map

SQG Small Quantity Generator of Hazardous Waste

SWDF Solid Waste Disposal Facility
SWDS Solid Waste Disposal Site

TSD Treatment, Storage and Disposal

USGS U.S. Geological Survey
UST Underground Storage Tank

W.M. Willamette Meridian

12.0 DEFINITIONS OF TERMS

Activity and use Limitation (AUL) — legal or physical restrictions or limitations on the use of, or access to, a site or facility: (1) to reduce or eliminate potential exposure to hazardous substances or petroleum products in the soil or ground water on the property, or (2) to prevent activities that could interfere with the effectiveness of a response action, in order to ensure maintenance of a condition of no significant risk to public health or the environment. These legal or physical restrictions, which may include institutional and/or engineering controls, are intended to prevent adverse impacts to individuals or populations that may be exposed to hazardous substances and petroleum products in the soil or ground water on the property.

abandoned property — property that can be presumed to be deserted, or an intent to relinquish possession or control can be inferred from the general disrepair or lack of activity thereon such that a reasonable person could believe that there was an intent on the part of the current owner to surrender rights to the property.

adjoining properties — any real property or properties the border of which is contiguous or partially contiguous with that of the property, or that would be contiguous or partially contiguous with that of the property but for a street, road, or other public thoroughfare separating them.

All appropriate inquiry — that inquiry constituting "all appropriate inquiry into the previous ownership and uses of the property consistent with good commercial or customary practice" as defined in CERCLA, 42 U.S.C §9601(35)(B), that will qualify a party to a commercial real estate transaction for one of threshold criteria for satisfying the landowner liability protections to CERCLA liability (42 U.S.C §9601(35)(A) & (B), §9607(b)(3), §9607(q); and §9607(r)), assuming compliance with other elements of the defense.

Data gap — a lack of or inability to obtain information required by this practice despite good faith efforts by the environmental professional to gather such information. Data gaps may result from incompleteness in any of the activities required by this practice, including, but not limited to site reconnaissance (for example, an inability to conduct the site visit), and interviews (for example, an inability to interview the key site manager, regulatory officials, etc.).

de minimis condition — a condition that generally does not present a material risk of harm to public health or the environment and that generally would not be the subject of an enforcement action if brought to the attention of appropriate governmental agencies. Conditions determined to be de minimis are not recognized environmental conditions.

drywells — underground areas where soil has been removed and replaced with pea gravel, coarse sand, or large rocks. Dry wells are used for drainage, to control storm runoff, for the collection of spilled liquids (intentional and non-intentional) and wastewater disposal (often illegal).

environmental compliance audit — the investigative process to determine if the operations of an existing facility are in compliance with applicable environmental

laws and regulations. This term should not be used to describe this practice, although an environmental compliance audit may include an environmental site assessment or, if prior audits are available, may be part of an environmental site assessment.

environmental lien — a charge, security, or encumbrance upon title to a property to secure the payment of a cost, damage, debt, obligation, or duty arising out of response actions, cleanup, or other remediation of hazardous substances or petroleum products upon a property, including (but not limited to) liens imposed pursuant to CERCLA 42 U.S.C. §9607(1) & 9607(r) and similar state or local laws.

Environmental Professional — (1) a person who possesses sufficient specific education, training, and experience necessary to exercise professional judgment to develop opinions and conclusions regarding conditions indicative of releases or threatened releases on, at, in, or to a property, sufficient to meet the objectives and performance factors in §312.20(e) and (f).

- (2) Such a person must: (i) hold a current Professional Engineer's or Professional Geologist's license or registration from a state, tribe, or U.S. territory (or the Commonwealth of Puerto Rico) and have the equivalent of three (3) years of full-time relevant experience; or (ii) be licensed or certified by the federal government, a state, tribe, or U.S. territory (or the Commonwealth of Puerto Rico) to perform environmental inquiries as defined in §312.21 and have the equivalent of three (3) years of full-time relevant experience; or (iii) have a Baccalaureate or higher degree from an accredited institution of higher education in a discipline of engineering or science and the equivalent of five (5) years of full-time relevant experience; or (iv) have the equivalent of ten (10) years of full-time relevant experience.
- (3) An environmental professional should remain current in his or her field through participation in continuing education or other activities.
- (4) The definition of environmental professional provided above does not preempt state professional licensing or registration requirements such as those for a professional geologist, engineer, or site remediation professional. Before commencing work, a person should determine the applicability of state professional licensing or registration laws to the activities to be undertaken as part of the inquiry identified in §312.21(b).
- (5) A person who does not qualify as an environmental professional under the foregoing definition may assist in the conduct of all appropriate inquiries in accordance with this part if such person is under the supervision or responsible charge of a person meeting the definition of an environmental professional provided above when conducting such activities.

environmental site assessment (ESA) — the process by which a person or entity seeks to determine if a particular parcel of real property (including improvements) is subject to recognized environmental conditions. At the option of the user, an environmental site assessment may include more inquiry than that constituting all appropriate inquiry or, if the user is not concerned about qualifying for the landowner liability protections, less inquiry than that constituting all appropriate inquiry. An environmental site assessment is both different from and less rigorous than an environmental compliance audit..

fill dirt — dirt, soil, sand, or other earth, that is obtained off-site, that is used to fill holes or depressions, create mounds, or otherwise artificially change the grade or

elevation of real property. It does not include material that is used in limited quantities for normal landscaping activities.

good faith — the absence of any intention to seek an unfair advantage or to defraud another party; an honest and sincere intention to fulfill one's obligations in the conduct or transaction concerned.

hazardous substance — Per ASTM 1527-05, a substance defined as a hazardous substance pursuant to CERCLA 42 U.S.C.§9601(14), as interpreted by EPA regulations and the courts: (A) any substance designated pursuant to section 1321(b)(2)(A) of Title 33, (B) any element, compound, mixture, solution, or substance designated pursuant to section 9602 of this title, (C) any hazardous waste having the characteristics identified under or listed pursuant to section 3001 of the Resource Conservation and Recovery Act of 1976 (RCRA), as amended, (42 U.S.C. §6921) (but not including any waste the regulation of which under RCRA (42 U.S.C.§6901 et seq.) has been suspended by Act of Congress), (D) any toxic pollutant listed under section 1317(a) of Title 33, (E) any hazardous air pollutant listed under section 112 of the Clean Air Act (42 U.S.C. §7412), and (F) any imminently hazardous chemical substance or mixture with respect to which the Administrator (of EPA) has taken action pursuant to section 2606 of Title 15. The term does not include petroleum, including crude oil or any fraction thereof which is not otherwise specifically listed or designated as a hazardous substance under subparagraphs (A) through (F) of this paragraph, and the term does not include natural gas, natural gas liquids, liquefied natural gas, or synthetic gas usable for fuel (or mixtures of natural gas and such synthetic gas)

hazardous waste — any hazardous waste having the characteristics identified under or listed pursuant to section 3001 of RCRA, as amended, (42 U.S.C. §6921) (but not including any waste the regulation of which under RCRA (42 U.S.C. §6901-6992k) has been suspended by Act of Congress). RCRA is sometimes also identified as the Solid Waste Disposal Act. RCRA defines a hazardous waste, at 42 U.S.C. §6903, as: "a solid waste, or combination of solid wastes, which because of its quantity, concentration, or physical, chemical, or infectious characteristics may—(A) cause, or significantly contribute to an increase in mortality or an increase in serious irreversible, or incapacitating reversible, illness; or (B) pose a substantial present or potential hazard to human health or the environment when improperly treated, stored, transported, or disposed of, or otherwise managed."

historical recognized environmental condition (HREC) — an environmental condition which in the past would have been considered a recognized environmental condition, but which may or may not be considered a recognized environmental condition currently.

innocent landowner defense — (42 U.S.C. §9601(35) & 9607(b)(3))—a person may qualify as one of three types of innocent landowners: (i) a person who "did not know and had no reason to know" that contamination existed on the property at the time the purchaser acquired the property; (ii) a government entity which acquired the property by escheat, or through any other involuntary transfer or acquisition, or through the exercise of eminent domain authority by purchase or condemnation; and (iii) a person who "acquired the facility by inheritance or bequest." To qualify for the first type of innocent landowner LLP, such person must have made all appropriate

inquiry on or before the date of purchase. Furthermore, the all appropriate inquiry must not have resulted in knowledge of the contamination. If it does, then such person did "know" or "had reason to know" of contamination and would not be eligible for the innocent landowner defense.

institutional controls — a legal or administrative restriction (for example, "deed restrictions," restrictive covenants, easements, or zoning) on the use of, or access to, a site or facility to (1) reduce or eliminate potential exposure to hazardous substances or petroleum products in the soil or ground water on the property, or (2) to prevent activities that could interfere with the effectiveness of a response action, in order to ensure maintenance of a condition of no significant risk to public health or the environment.. An institutional control is a type of Activity and Use Limitation (AUL).

major occupants — those tenants, subtenants, or other persons or entities each of which uses at least 40 % of the leasable area of the property or any anchor tenant when the property is a shopping center.

material threat — a physically observable or obvious threat which is reasonably likely to lead to a release that, in the opinion of the environmental professional, is threatening and might result in impact to public health or the environment. An example might include an aboveground storage tank system that contains a hazardous substance and which shows evidence of damage. The damage would represent a material threat if it is deemed serious enough that it may cause or contribute to tank integrity failure with a release of contents to the environment.

pits, ponds, or lagoons — man-made or natural depressions in a ground surface that are likely to hold liquids or sludge containing hazardous substances or petroleum products.

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

publicly available — information that is publicly available means that the source of the information allows access to the information by anyone upon request.

reasonably ascertainable — for purposes of both the ASTM Phase I ESA (Practice E 1527) and the TSA (Practice E 1528) standards, information that is (1) publicly available, (2) obtainable from its source within reasonable time and cost constraints, and (3) practicably reviewable.

recognized environmental condition (REC) — the presence or likely presence of any hazardous substances or petroleum products on a property under conditions that indicate an existing release, a past release, or a material threat of a release of any hazardous substances or petroleum products into structures on the property or into the ground, ground water, or surface water of the property. The term includes

hazardous substances or petroleum products even under conditions in compliance with laws. The term is not intended to include de minimis conditions that generally do not present a threat to human health or the environment and that generally would not be the subject of an enforcement action if brought to the attention of appropriate governmental agencies. Conditions determined to be de minimis are not recognized environmental conditions.

Relevant experience, as used in the definition of environmental professional, means: participation in the performance of environmental site assessments that may include environmental analyses, investigations, and remediation which involve the understanding of surface and subsurface environmental conditions and the processes used to evaluate these conditions and for which professional judgment was used to develop opinions regarding conditions indicative of releases or threatened releases (per §312.1(c)) to the subject property.

sump — a pit, cistern, cesspool, or similar receptacle where liquids drain, collect, or are stored.

underground storage tank (UST) — any tank, including underground piping connected to the tank, that is or has been used to contain hazardous substances or petroleum products and the volume of which is 10% or more beneath the surface of the ground.

user — the party seeking to use Practice E 1527 to complete an environmental site assessment of the property. A user may include, without limitation, a potential purchaser of property, a potential tenant of property, an owner of property, a lender, or a property manager..

wastewater — water that (1) is or has been used in an industrial or manufacturing process, (2) conveys or has conveyed sewage, or (3) is directly related to manufacturing, processing, or raw materials storage areas at an industrial plant. Wastewater does not include water originating on or passing through or adjacent to a site, such as stormwater flows, that has not been used in industrial or manufacturing processes, has not been combined with sewage, or is not directly related to manufacturing, processing, or raw materials storage areas at an industrial plant.

(4/06)

13.0 PROFESSIONAL QUALIFICATIONS

JENIFUR RANCOURT

Environmental Scientist

Technical Expertise

Ms. Rancourt's expertise is in performing regulatory and historical research in support of due diligence investigations.

Experience Summary

Ms. Rancourt has two years of experience in performing Phase I Environmental Site Assessments for a variety of properties, including gasoline stations, agricultural sites, shopping centers, apartment complexes, and industrial sites including an injection molded plastics plant, a steel chassis manufacturer, lumber yards, and a lumber mill. Ms. Rancourt also has experience performing asbestos surveys, sampling groundwater and drinking water, and performing quality control assessments on data.

Credentials

B.S. Environmental Science, Simmons College, Boston, Massachusetts

Professional Training

- •OSHA 40-Hour Health & Safety Training for Hazardous Waste (HW) Workers
- •OSHA 8-Hour HW Refresher & Operations Supervisor Course
- •Fundamental Contaminant Chemistry and Transport Workshop

Employment History

Environmental Scientist	2004 to propert
	2004 to present
Staff Scientist	2003 to 2004
Staff Scientist	2003
Intern	2000 to 2001
Intelligence Research Specialist	1996 to 2003
	Intern

(9/05)

ANNE E. CANTER, R.E.A.

Associate

Technical Expertise

Ms. Canter's expertise is in conducting, managing, and supervising Phase I Environmental Site Assessments (ESAs).

Experience Summary

Ms. Canter has 15 years of experience performing, overseeing, and providing technical review for Phase I ESAs for a variety of property types, including industrial waterfront and upland properties, commercial facilities, shopping centers, dry cleaning facilities, residential, agricultural, and undeveloped properties. She is very knowledgeable of the American Society of Testing and Materials (ASTM) Standard E1527-00 for Phase I ESAs, numerous resources to determine the history of a property or facility, and potential issues of environmental concern related to various property/industry types. Ms. Canter has also performed asbestos and radon surveys, Phase II assessments, and has provided training for Phase I ESAs. Her experience includes oversight of EPA and OSHA compliance for a division of the NCR Corporation, including RCRA, CERCLA, and SARA Title III, and training with regard to the Hazard Communication Standard and other OSHA regulations. Ms. Canter also performs marketing functions with HAI.

Credentials

B.S. Environmental Health, East Tennessee State University, Johnson City, Tennessee

Professional Titles and Affiliations

•Registered Environmental Assessor (R.E.A.), Class I, California, No. 05021

Professional Training

- OSHA 40-Hour Health & Safety Training for Hazardous Waste (HW) Workers
- •OSHA 8-Hour HW Refresher & Operations Supervisor Course
- McCoy and Associates: Resource Conservation and Recovery Act
- •ASTM: Environmental Site Assessments for Commercial Real Estate
- •Environmental Data Resources, Inc. Due Diligence at Dawn Seminars
- •Fundamental Contaminant Chemistry and Transport Workshop

Employment History

Hahn and Associates, Inc.

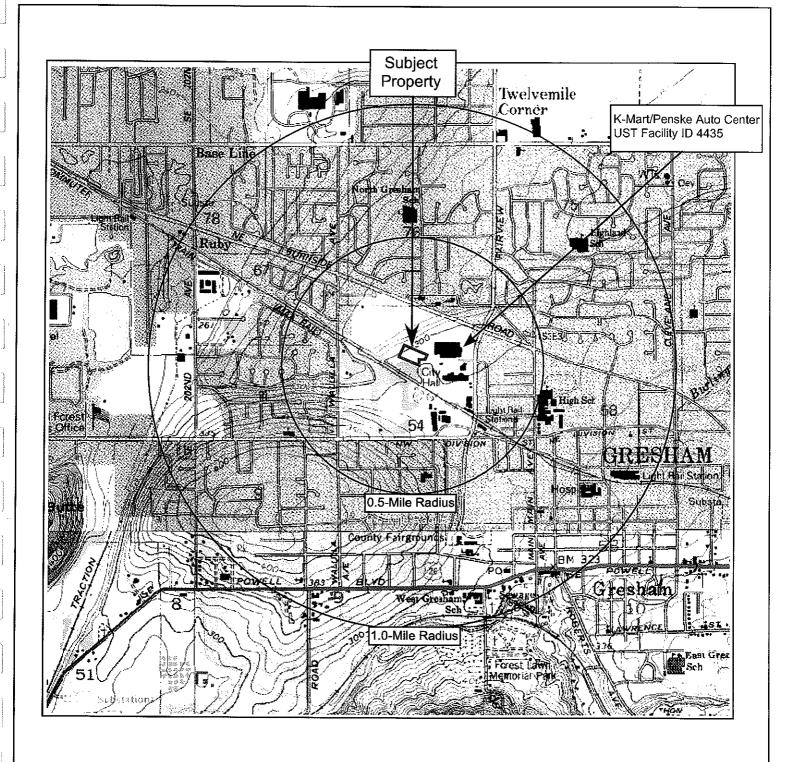
HAZCON, Inc.

Sr. Environmental Specialist

NCR Corporation, Media Prod. Div.

Regulatory Compliance Coordinator 1987 to 1989

(9/05)



Note: Base Map from the Camas (1994), Washington-Oregon

USGS 7.5-Minute Quadrangle Contour Interval: 10 Feet



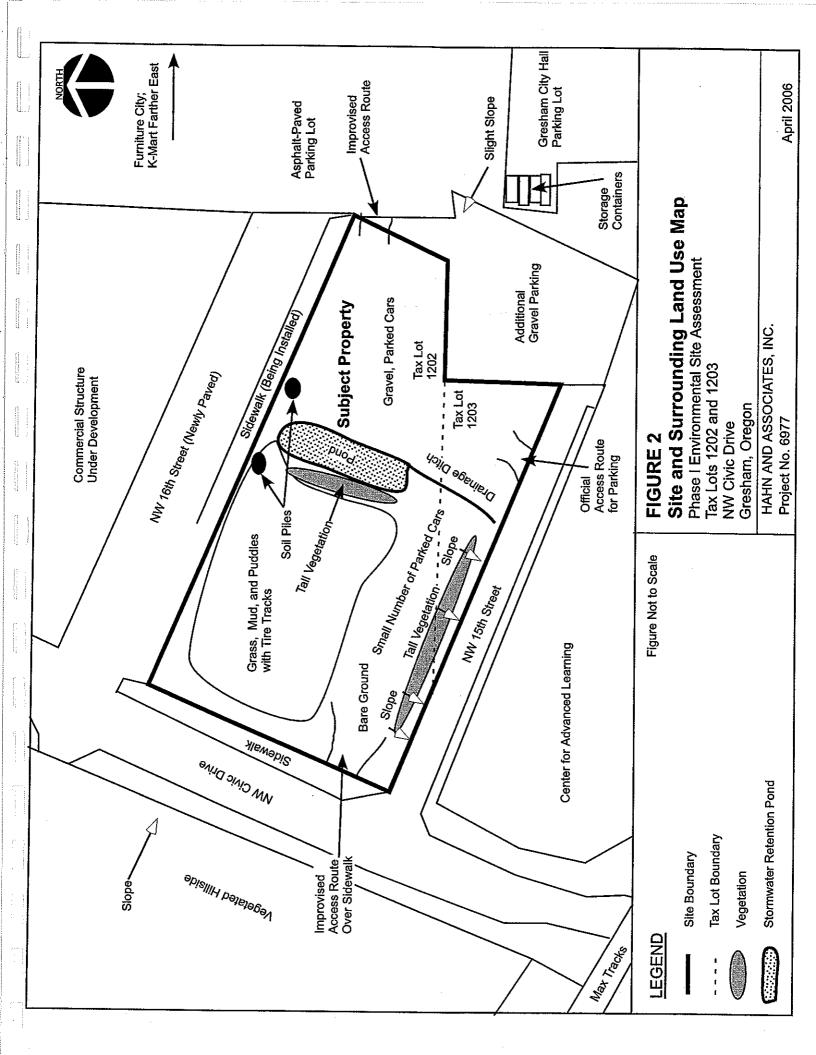
0 1000 2000 4000 1"=2000" Scale in Feet

FIGURE 1 Location Map

Phase I Environmental Site Assessment Tax Lots 1202 and 1203 NW Civic Drive Gresham, Oregon

HAHN AND ASSOCIATES, INC. Project No. 6977

April 2006





Photograph No. 1

Date Taken: April 17, 2006

Direction Facing: Northwest

Comments: View of the eastern portion of the property from an adjoining rise.

Photo File Name: P1010007.jpg



Photograph No. 2

Date Taken: April 17, 2006

Direction Facing: Southwest

Comments: View of the stormwater retention pond separating the eastern and western portions of the property.

Photo File Name: P1010027.jpg

HAHN AND ASSOCIATES, INC.

434 NW 6th Avenue, Suite 203 Portland, Oregon 97209 503-796-0717

Site Photographs

Phase I Environmental Site Assessment Tax Lots 1202 and 1203 NW Civic Drive Gresham, Oregon

Project No. 6977

April 2006

AERIAL PHOTOGRAPHS

