



October 4, 1999

Port City Development Center
c/o Mr. John Finklea
3223 SW Naito Parkway
Portland, Oregon 97201

Draft

**PROPOSAL TO PROVIDE PHASE ONE/PHASE TWO ENVIRONMENTAL SITE ASSESSMENT
2124 N. WILLIAMS, PORTLAND, OREGON**

Dear Mr. Finklea:

We are pleased to submit this proposal to provide Phase One and Phase Two Environmental Site Assessment services for the above-referenced property.

This proposal presents the project approach, the scope of services, compensation and schedule for completing the project.

PROJECT APPROACH:

Phase One. The purpose of the Phase One Environmental Site Assessment (ESA) is to identify environmental concerns which may present a potential liability to the property owner/prospective purchaser under the Comprehensive Environmental Response, Compensation and Liability Act (CERCLA), related state laws and regulations, and which may require further investigation. The scope of work is intended to identify what are termed *recognized environmental conditions* on the site, that is, to identify the "presence or likely presence" of contamination from hazardous substances at the site, including petroleum products. In some instances, the scope of work can be expanded to include "non-scope" issues (those which typically do not relate to CERCLA liability) such as asbestos, radon, wetlands, etc.. If you would like PBS to incorporate such additional items which are not included in this proposal, please contact us and we will modify the scope of work accordingly.

The scope of work for this project includes a review of applicable Federal and State databases, a review of readily available records to document the past and current uses of the subject property and adjoining properties, interviews with persons with knowledge of the site, a site reconnaissance, and a final report summarizing our findings/observations. The project will be performed in accordance with ASTM Standard 1527-97 *Standard Practice for Environmental Site Assessments: Phase I Environmental Site Assessment Process*.

ENVIRONMENTAL AND ENGINEERING SOLUTIONS

1220 SW Morrison Street, Suite 600 Portland, OR 97205 503/248-1939 Fax 503/248-0223

IRVING HUGENE PORTLAND SEATTLE TRI-CITIES VANCOUVER

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Completion of the Phase One is believed to be a critical part of documenting site history prior to the battery plant operations, and may identify additional historical concerns that may modify the following scope of the Phase Two.

Phase Two. We have reviewed environmental studies performed by others available through files at the Oregon Department of Environmental Quality (DEQ). The scope of the Phase Two investigation that is presented below includes assessment of potential lead dust in and around the existing buildings; includes a geophysical survey of suspect areas for potential underground storage tanks, and a limited assessment of shallow soil quality. If the results of the Phase One research suggest a modification of this scope, we will discuss this with you immediately and modify the Phase Two scope and cost estimate accordingly.

SCOPE OF SERVICES:

PHASE ONE - PBS will provide the following specific scope of services for the property:

1. **INITIAL MEETING:** Meet or talk with the property owner or other key personnel to further discuss the project and to obtain any information which may be relevant to the site or adjoining land. An environmental questionnaire will be submitted to the property owner representative for completion. It is understood that the client will provide all known environmental information, including former site use, hazardous wastes, etc.
2. **AGENCY FILE CHECK:** Search regulatory agency listings to identify known hazardous substance violations, contaminant discharges and other environmental problems for varying distances based upon their relative potential impact to the subject property.
3. **GEOLOGIC RESEARCH:** Review soils, geology, engineering, groundwater or other reports regarding the property and the immediate vicinity.
4. **HISTORICAL REVIEW:** Review aerial photographs of the site and adjacent property to assess previous site conditions and operations (if available). Other historical information that may be reviewed includes city directories, building permits, or property title information to determine ownership history/usage. Whenever feasible, the history of the property will be traced to 1940 or to a time prior to its earliest developed use, whichever is earlier.
5. **PHYSICAL INSPECTION:** Conduct a site visit, during which the property and any structures will be investigated for potentially hazardous materials, existing in the past or present. A field checklist will be completed, and pertinent observations related to potential environmental conditions will be recorded. Interviews with on-site personnel, tenants or other persons familiar with the history of the area may be conducted.
6. **REPORT:** A final report will be prepared containing observations and conclusions relating to the apparent environmental conditions of the site. The report will include a description of site, CAD vicinity plan, conditions encountered, and documentation of resources including regulatory and historic records reviewed, conclusions and recommendations by PBS with regard to the environmental conditions at the site.

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PHASE TWO -

Lead Dust Survey. A survey will be conducted of surfaces in the building. Our estimate for the project includes collection and analysis of up to 10 dust wipe samples via AA (Atomic Absorption) analysis. Samples will be billed at the rate of \$25/sample. The results of the lead dust survey, including sample locations and interpretation of laboratory results, will be included in the report.

Geophysical Survey. A geophysical subcontractor will perform a survey of suspected locations on the property, for the presence of underground storage tanks as well as underground utilities in locations intended to be sampled (below). Findings will be field-marked, and interpretation provided.

Subsurface Investigation. All field work will follow PBS's standard Health and Safety Policies and Procedures, and potential site hazards will be reviewed with subcontractor personnel prior to beginning work. The cost estimate allows for the completion of up to 8 temporary borings, advanced using a GeoProbe direct-push sampling rig. Specific borehole locations are unknown at this time, however will be presented to the client for approval prior to proceeding. If suspect UST locations are found, tests will be completed in those areas; and other sampling points distributed as indicated by former site operations.

Soil will be collected continuously and field-screened for volatile organic compounds using a portable photoionization detector (PID). The soils will be examined, described, and logged by a PBS field geologist in accordance with the USC soil classification. One soil sample will be collected from each boring; no groundwater samples are budgeted at this time.

All soil will be sealed, labeled, and stored on-ice until delivery to the laboratory, with chain-of-custody documentation. The cost estimate allows for a total of 8 soil samples. All exploratory boreholes will be backfilled with bentonite chips and the surface sealed to match existing conditions.

Laboratory Analysis. Soil samples will be analyzed under regular turnaround (7 business days), for identification of petroleum compounds (NWTPH-HCID), and for heavy metals (EPA Methods 6010/7000). If additional sample analysis appears necessary, PBS will obtain approval from the client prior to proceeding.

Report of Findings. A report of all Phase Two work will be prepared and attached as an appendix to the Phase One report, which presents our findings and conclusions regarding the environmental conditions at the site, including a site plan with locations of samples noted, descriptive logs of each boring, and copies of laboratory reports and chain-of-custody documents. All work will be done under the supervision of an Oregon Registered Geologist.

LIMITATION OF SCOPE

The purpose of the Phase One is to determine if more in-depth studies are to be developed. Observations will be made based on the best available information by trained professionals. It is not intended to be a comprehensive determination of all potential liabilities associated with a particular property, nor is it represented as a legal opinion as to the client's performance of "due diligence" concerning the purchase of real estate. Unless otherwise specified, the scope of work does not include a review/opinion of legal instruments such as indemnification agreements, purchase and sale agreements, liens, etc. Its cursory nature is to be noted by all parties.

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Unless otherwise specified in this proposal, the scope of work for the project does not address the following items: hazardous materials audit, environmental permit compliance, indoor radon, asbestos-containing building materials, lead-based paint, wetlands and other land use issues, nor does it include subsurface exploration or chemical screening of soil and groundwater beneath the site which is needed to determine site contamination with scientific certainty. The findings and conclusions of this report are not scientific certainties but, rather, probabilities based on professional judgement concerning the significance of the data gathered during the course of the ESA. PBS is not able to represent that the subject property or adjoining land contain no hazardous waste, oil or other latent condition beyond that detected or observed by PBS during the ESA. The possibility always exists for contaminants to migrate undetected through surface water, air or groundwater. The ability to accurately address the environmental risk associated with transport in these media is beyond the scope of this study.

The Phase Two will be limited to the tests, locations and depths as indicated to determine the absence or presence of certain contaminants. The site as a whole may have other contamination that will not be characterized by this study. Further study may be recommended. The findings and conclusions of this report are not scientific certainties but, rather, probabilities based on professional judgement concerning the significance of the data gathered during the course of this investigation. PBS is not able to represent that the site or adjoining land contain no hazardous waste, oil or other latent condition beyond that detected or observed by PBS.

Unforeseen subsurface conditions such as impenetrable geologic formations, buried utilities, or coarse fill material may prevent the completion of the proposed investigation. In this event, the work will stop and the client will be notified immediately.

FEE:

Phase One Environmental Site Assessment (flat fee)	\$ 1,600
Phase Two Environmental Site Assessment (estimate):	
Field Work, Report of Findings	1,500
Lead Dust Survey (incl. 10 wipes @ \$25)	1,800
Drilling Subcontractor	1,000
Geophysical Subcontractor	400
Laboratory Analysis	
NWTPH-HCID (8 soil @ \$50)	400
Heavy Metals (8 soil @ \$ 75)	600
Reimbursable expenses	150
TOTAL FEE (estimated)	\$ 7,450

The above scope of work is estimated to not exceed \$ 7,500. The cost of reproduction, disposable equipment, mileage and postage are included in the above fee. Two copies of the report will be provided. Additional copies can be provided at the rate of \$30.00/copy.

Laboratory analysis can be expedited to 3 business day turnaround for a 50% surcharge.

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The indicated fee and the terms under which our services are provided will be in accordance with the attached General Terms and Conditions for Professional Services ("Terms and Conditions") dated 6/99, which together with this proposal comprise the entire agreement between the parties. The Terms and Conditions may not be changed without the prior written consent of the parties.

SCHEDULE:

We anticipate that our services can be started immediately upon receipt of a signed copy of this proposal. The Phase One scope of work will be completed within 3 weeks from start date; certain portions of the Phase Two work will be initiated at the same time, intending to complete both Phase One and Phase Two within four weeks of notice to proceed. Please contact us if this schedule does not meet your requirements.

You may indicate acceptance of this Agreement by returning a signed copy of this proposal or a purchase order incorporating the terms of the Agreement, to my attention.

We appreciate this opportunity to submit our proposal to you and look forward to your favorable consideration. Please feel free to contact me at (503) 417-7591 if you have any questions.

Sincerely,

ACCEPTED BY:

Dulcy A. Berri, R.G.
Senior Hydrogeologist

Name (Please Print)

Signature

Title

Date

* c: Mr. Patrick Jones, Multnomah County Facilities

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Attachment: General Terms and Conditions for Professional Services (rev. 6/99)