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January 29, 2024

Mr. Bryce Stephens and Ms. Katerina Boldyreva
Lexis Management Team
Kin Living
139 SE Taylor Street
Portland, Oregon 97214

**SUBJECT: 2024 Environmental Cap Inspection at Lexis Condominiums,
1125 NW 9th Avenue, Portland, Oregon 97209**

Dear Mr. Stephens and Ms. Boldyreva,

Per our Proposal and Contract, dated January 17, 2024, we have prepared this report summarizing our January 24, 2024 inspection of the environmental cap at the above-referenced Lexis Condominiums (the Property) which consists of soil and concrete building features.

Based on information associated with ODEQ Environmental Cleanup Site Information System Site Summary Reports (ECSI SSRs) for ODEQ ECSI Site 1080 (Hoyt Street Railyard) and ECSI Site 5894 (Hoyt Street Railyard Block 15), it is our understanding that the Property is contaminated with various concentrations of diesel fuel, heavy oil, lead, and polycyclic aromatic hydrocarbons (PAHs). Per an agreement with the Oregon Department of Environmental Quality (ODEQ) the soil beneath the condominium building, as part of the construction process, was capped with a concrete slab foundation, and the landscaped portions of the Property were covered with a geotextile membrane which in turn was capped with a two-foot layer of clean soil. The two capping methods were utilized to prevent human exposure to these compounds. As part of the Cap and Maintenance Plan as required by ODEQ, which is attached to the deed of the Property, it is subject to the following environmental requirement:

Maintenance of cap: Except upon prior written approval from ODEQ, no operations or uses shall be made on or of the Property that will or likely will penetrate any surface cover required under the Record of Decision (ROD) or jeopardize the cover's functional integrity, including, without limitation, any excavation, drilling, scraping, or erosion. The Owner of the Property shall maintain the surface cover and any other permanent feature of the remedy described in the ROD in accordance with the Monitoring and Maintenance Plan approved in writing by ODEQ for the Property, pursuant to the Consent Decree.

Full Text of Environmental Disclosure Statement associated with Cap:

The Property on which the Condominium is situated was used in the past for railroad purposes. The Burlington Northern and Santa Fe Railway Company ("BNSF") and Hoyt Street Properties, L.L.C. ("HSP"), the former owner of the Property on which the Condominium is being developed, entered into a Declaration of Covenants and Restrictions (the "BNSF Declaration") for the Property, in which HSP and BNSF released claims against one another related to environmental contamination of the Property or the migration of environmental contamination to certain real Property,

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including that upon which the Condominium will be situated. The BNSF Declaration runs with the Property and is binding upon Developer, successor owners of the Property, and the Association. Under the BNSF Declaration, BNSF is responsible for certain monitoring, testing, and remediation of groundwater within or from the Property upon which the Condominium is being developed, as required by state or federal authorities or under state or federal law with respect to environmental contamination released on the Property or the migration thereof. In addition, the Condominium and Association are subject to a License and Declaration of Restrictions ("DEQ License") which was entered into by HSP, BNSF and the Oregon Department of Environmental Quality ("DEQ"). The DEQ License requires HSP and its successors and assigns who take title to the Property, and, upon creation of the Condominium, the Association, to ensure that no use is made of groundwater beneath the Property, maintain the concrete surface cover of the Property, prohibit detached single family homes and agricultural use of the Property, and allow DEQ and BNSF access to certain limited portions of the Property upon advance written notice for inspections to ensure compliance with the restrictions in the DEQ License. DEQ and BNSF will be expressly prohibited from having access to any unit of the Condominium, other than the parking or storage units below grade. In addition, the DEQ License requires the Association to conduct annual inspections of the concrete surface cover of the Property and to file the inspection report with DEQ. The cost of such annual inspections and reports will be a common expense of the Association. In the unlikely event that the Association breaches the DEQ License, the Association will be required to correct the problem. In such unlikely event, the Association would include the costs for such correction in the assessments made upon owners of units, thereby spreading the cost among all such unit owners in the manner provided in the Declaration.

To demonstrate compliance with the cap maintenance requirement, Kin Living, which manages the properties, contracted with Assessment Associates, Inc. to perform an inspection of the Property in 2017, 2018, 2019, 2020, and 2021, and contracted with CREtelligent in 2022 for the inspection. CREtelligent informed Mr. O'Connor that they were not interested in continuing the annual inspections, so Mr. O'Connor agreed to conduct the inspection for Kin Living for 2023, and again in 2024.

Areas of Observation/Inspection:

Mr. O'Connor inspected the following site features for signs of structural failure or exposure of underlying soil:

- All hardscape areas, including exterior sidewalks, walkways, floor slabs, common areas, basement garages, and basement foundation walls.
 - Sealants along building perimeters and other surfaces were inspected for weathering, cracking or degradation.
 - All landscaped areas, including planters and open areas, along Property boundaries were inspected for evidence of holes, animal burrows, erosion, or other issues that could exposed the underlying contaminated soil.
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- Surface water drainage features, such as exposed surface drainages, storm water catch basins, and roof drains were visually inspected for structural integrity and functionality, as accessible from the outdoor areas of the Property.
- The Property was inspected for evidence of groundwater seepage.

Inspection Details:

Property Name: Lexis Condominiums.

Property Address: 1125 NW 9th Avenue, Portland, Oregon 97209

Year Built: 2004.

Property Legal Description: T1N, R1E, NW ¼ of NW ¼ Section 34, Lot 60000.

Geologist Performing Inspection: Michael T. O'Connor, R.G., environmental consultant.

Inspection Requested By:

Mr. Bryce Stephens, Ms. Katerina Boldyreva
Management Team, Kin Living (Property Managers)
Superintendent on Duty: "Howard"

Inspection Date: January 24, 2024

Mr. O'Connor inspected the concrete foundation of the Property building for evidence of cracks, settlement, and/or unusual weathering patterns that could have the potential for allowing the underlying soil to migrate through the cap and create an exposure hazard for human or ecological receptors. Sealants, such as the caulking between the building and the sidewalk areas were also inspected for shrinkage and cracking. Areas inspected included the entire concrete slab at the lowest portions of the parking garage beneath the building, the flooring of the commercial spaces at ground level, exterior sidewalks, and the floor in utility rooms that were accessible either from the interior of the parking garage or from exterior doors at the sidewalk level.

Table of Features Inspected

Cracks and/or Settlement in vertical cement or flatwork? Y/N	Exposure Hazard? Y/N	Repair Required? Y/N
No settlement was observed in any of the concrete walls or floors. Cracks were noted on walls and on the undersides of tree planter boxes in the basement parking garage.	Although the fine cracks showed signs of efflorescence, they did not appear to be hazardous.	No
Holes or Penetrations? Y/N	Exposure Hazard? Y/N	Repair Required? Y/N
No holes or penetrations were observed.	No	No
Exposed Soil or Fabric Y/N?	Exposure Hazard? Y/N	Repair Required? Y/N
Soil was visible in planters, but no geotextile barrier was observed.	No	No
Problematic Surface Water Drainage Features?	Exposure Hazard? Y/N	Repair Required? Y/N
Problematic surface water drainage features were not observed.	No	No
Cracked or Missing Caulking?	Exposure Hazard? Y/N	Repair Required? Y/N
No	No	No.
Groundwater Seepage Areas?	Exposure Hazard? Y/N	Repair Required? Y/N
Groundwater seepage areas were not observed.	No	No

Conclusions and Recommendations:

It is our professional opinion that there were no areas where the soil cap or the geotextile membrane used to delineate the top of the cap were visible at any of the inspection points, and, although some fine cracks were observed in the vertical walls of the basement parking area, they did not appear to constitute an exposure hazard. In addition, no areas of groundwater seepage were noted in the walls or floors of the basement parking garage.

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We do not recommend additional inspections other than an annual re-inspection in 2025. The soil and concrete cap at the Property are apparently intact and are functioning as intended.

If there are any comments or questions, please contact the undersigned. Thank you for the opportunity to provide this inspection.

Sincerely,

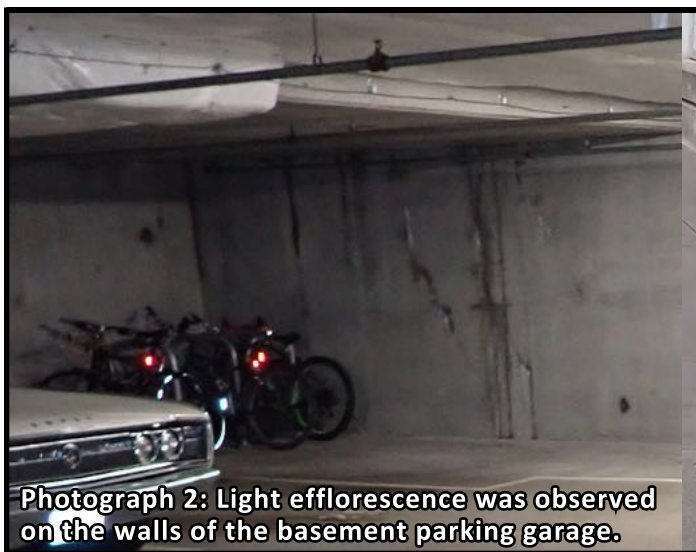


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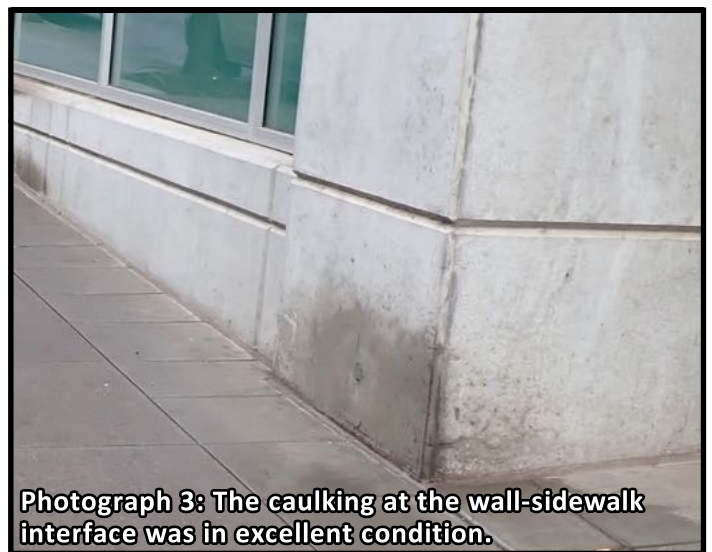




Photograph 1: View of the Lexis Condominium Building facing southwest.



Photograph 2: Light efflorescence was observed on the walls of the basement parking garage.



Photograph 3: The caulking at the wall-sidewalk interface was in excellent condition.



Photograph 4: A typical tree well.



Photograph 5: Typical view of the parking garage.

Site Photographs

Annual Cap Inspection
Lexis Condominiums
1125 NW 9th Avenue, Portland, Oregon



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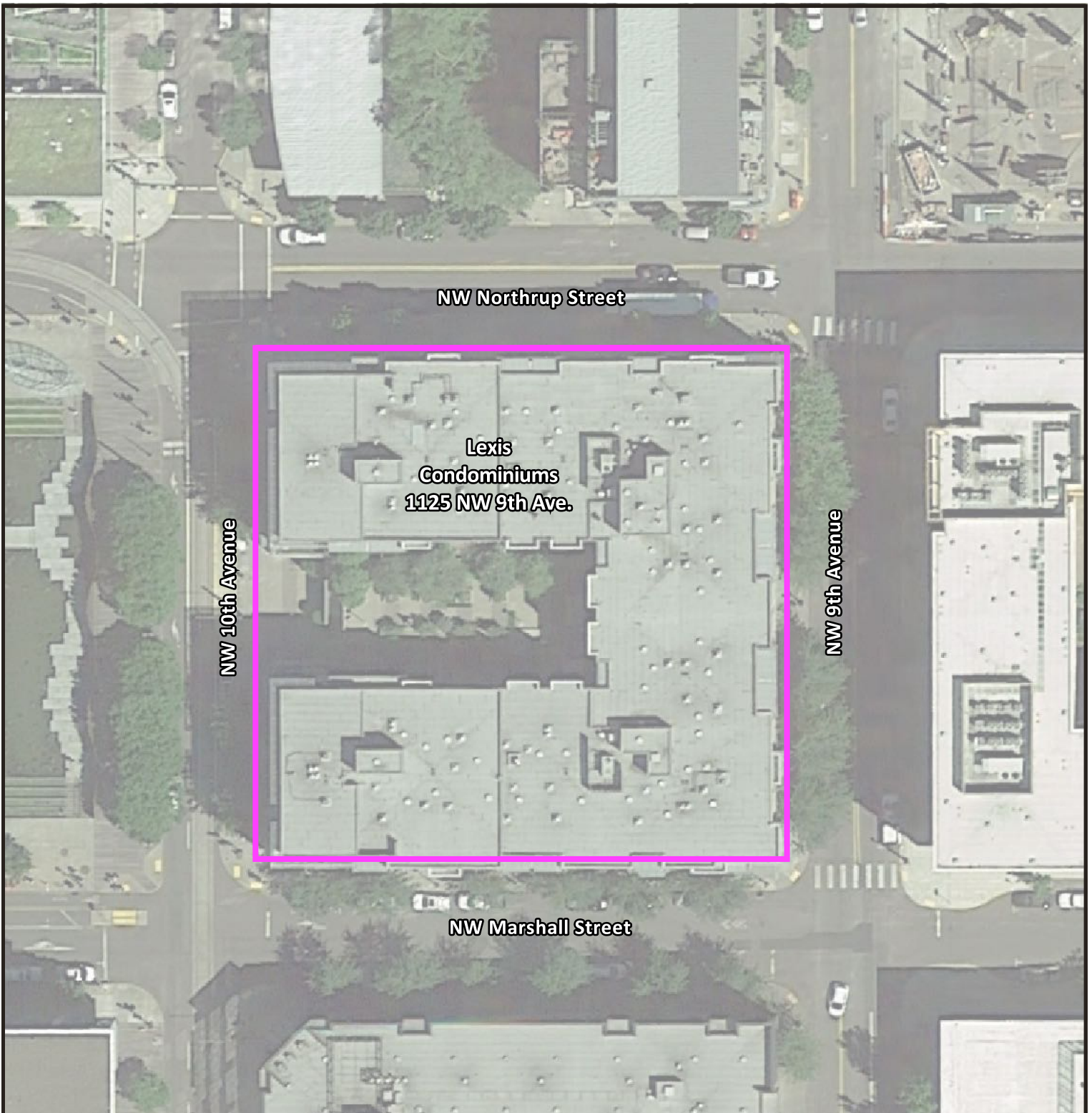
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Project 1598

January 2024



Aerial Photograph Source: Google Earth

LEGEND

 **Property Boundary**

FIGURE 1. Project Location - Lexis Condominiums

Annual Cap Inspection
 Lexis Condominiums
 1125 NW 9th Avenue, Portland, Oregon



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Project 1598

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