

April 10, 2023

Ms. Nikki Nakada
Avenue 5 Residential
901 5th Avenue, Suite 3000
Seattle, Washington 98164

**SUBJECT: 2023 Environmental Cap Inspection at Block 17 Apartments,
1315 NW 11th Avenue, Portland, Oregon 97209**

Dear Ms. Nakada,

Per my Proposal and Contract, dated March 22, 2023, I have prepared this report summarizing my inspection of the **environmental cap** at the above-referenced Block 17 Apartments (the Property) which consists of soil and concrete building features.

I previously performed background research of the environmental covenants pertaining to the property as obtained from the Oregon Department of Environmental Quality (ODEQ) website and from the 2019 *Annual Post Construction Cap Inspection report* conducted by Nova Consulting.¹

Based on information associated with ODEQ Environmental Cleanup Site Information System Site Summary Reports (ECSI SSRs) for ODEQ ECSI Sites 1080 (Hoyt Street Railyard) and 5867 (Block 17) the above-referenced Nova Consulting report, and a 2018 Terracon *Revised Soil Management Plan*², "soil management, disposal and backfilling were performed in general accordance with ODEQ's 2000 Record of Decision (ROD) for the former Hoyt Street Railyard, Terracon's December 6, 2013 *Revised Soil Management Plan* (SMP) and DEQ's January 14, 2014 approval letter for the SMP. On July 29, 2015, a Soil Management Report was prepared and submitted to Mr. Kevin Dana at the ODEQ for review. In summary, the Soil Management Report documented the excavation and disposal of approximately 43,785 tons of soil at Waste Management's Hillsboro Landfill, the import of clean materials for backfilling, placement of a geotextile marker at approximately five feet below the ground surface around the parameter of the structure, and backfilling of approximately five feet of clean materials above the geotextile marker. On October 23, 2015, a *Construction Completion of Cap* report was submitted that concluded that the construction of the project cap was complete. As part of the Cap and Maintenance Plan as 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 ROD or jeopardize the cover's functional integrity, including without limitation any excavation, drilling, scraping, or erosion. The Owner

¹ Nova Consulting (2019) *Annual Post Construction Cap Inspection, Block 17 Urban Development, 1161 NW Overton Street, Portland, Multnomah County, Oregon ECSI #5867*, Nova Project No. V19-0717, prepared for Block 17 Holding, LLC, and dated February 1, 2019

² Terracon (2018) *Annual Post Construction Cap Inspection - 2018, Block 17 Urban Development, 1161 NW Overton Street, Portland, Oregon*, prepared by Terracon for the Block 17 Condominium Homeowner's Association, dated February 12, 2018

of the Property shall maintain the surface cover and any other permanent feature of the remedy described in the Record of Decision (ROD) in accordance with the Monitoring and Maintenance Plan approved in writing by DEQ 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, 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, Avenue 5 Residential, which manages the property, has contracted with me to perform a one-time inspection of the Property (with an option to perform future annual inspections), and provided two examples of previous inspection reports³, which I have used as a guideline.

³ Ibid, Terracon (2018), Nova Consulting (2019)

Areas of Observation/Inspection:

I 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.
- 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: Block 17 Apartments.

Property Address: 1315 NW 11th Avenue, Portland, Oregon 97209

Year Built: 2014.

Property Legal Description: T1N, R1E, NW ¼ of NW ¼ Section 34, Lot 2630.

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

Inspection Requested By:

Ms. Nikki Nakada ACoM[®] - Accredited Commercial Manager, Avenue 5 Residential.
(Property Management Group)

Inspection Date: April 10, 2023

Avenue 5 Residential Escort: Mr. Thomas West, Maintenance Technician

I 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 and walls at the lowest portions of the parking garage (Parking Levels B-1 and B-2), exterior sidewalks, and the floor in utility rooms that were accessible from the interior of the parking garage.

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.	No	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
No	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

Michael T. O'Connor, R.G.

Environmental Consultant

3123 SE 9th Avenue, Portland, Oregon 97202

Phone 971.344.5953 mtopdx@gmail.com

Conclusions and Recommendations:

It is my 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. The silicone caulking between the building and sidewalk was observed to be intact and undamaged, and no areas of groundwater seepage were noted in the walls or floors of the basement parking garage.

I do not recommend additional inspections other than an annual re-inspection in 2024. 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 report.

Sincerely,

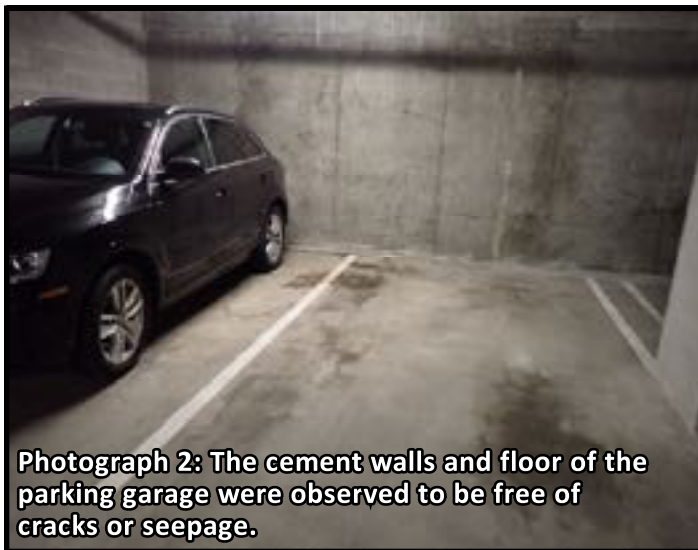


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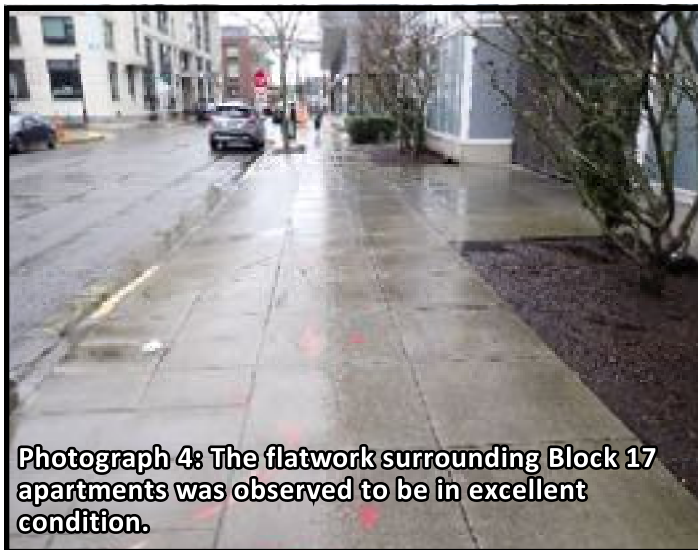
Photograph 1: View of the Block 17 Apartments, facing northwest.



Photograph 2: The cement walls and floor of the parking garage were observed to be free of cracks or seepage.



Photograph 3: The cement floor and walls of the bicycle storage room were observed to be in excellent condition.



Photograph 4: The flatwork surrounding Block 17 apartments was observed to be in excellent condition.



Photograph 5: View of typical planters and tree wells. No breaches or burrows were observed.

Site Photographs

Annual Cap Inspection
Block 17 Apartments
1315 NW 11th Avenue, Portland, Oregon



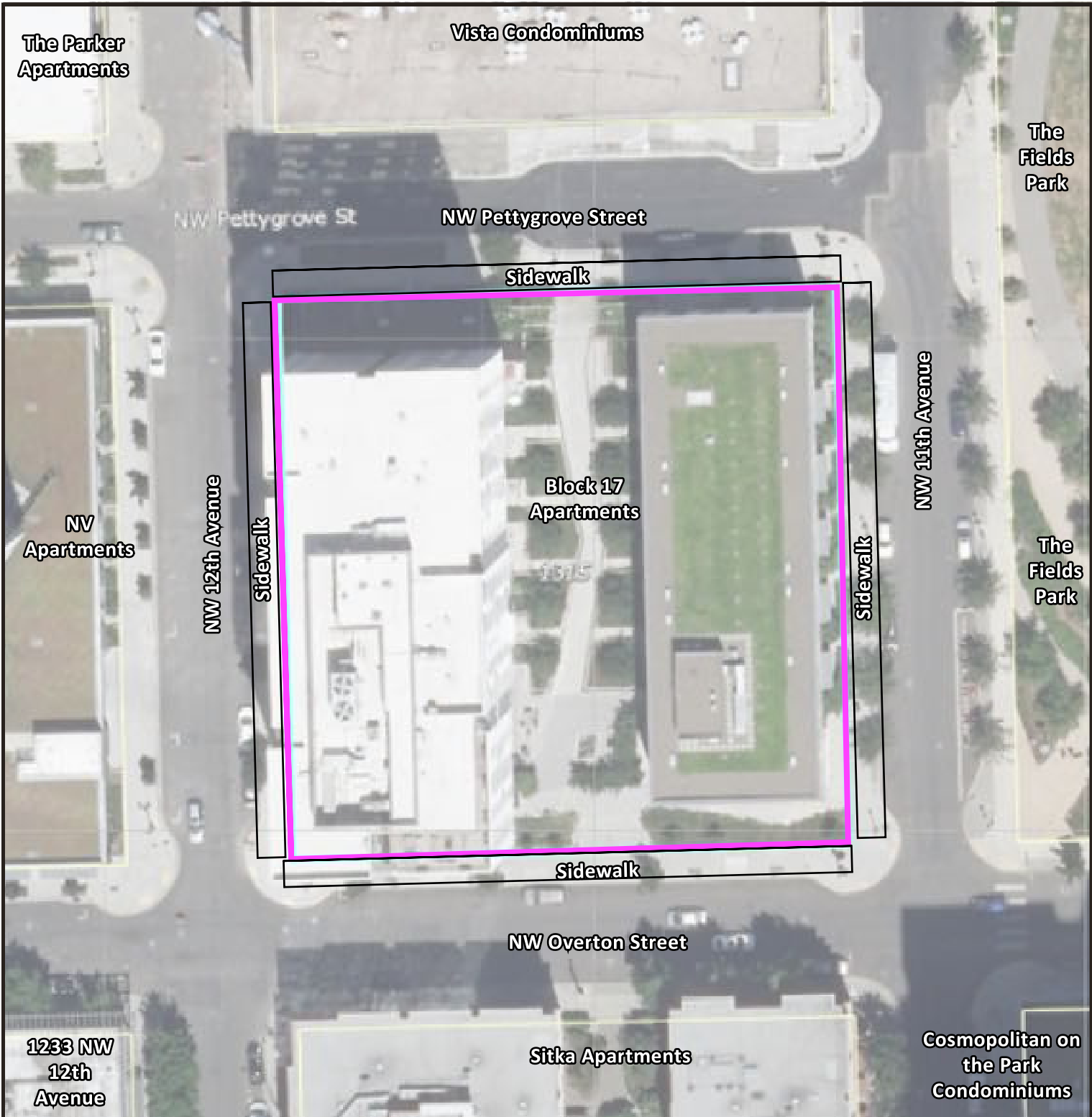
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Phone 971.344.5353

AAI Project 1598

April 2023



Aerial Photograph Source: PortlandMaps

LEGEND

 **Property Boundary**

FIGURE 1. Project Location - Block 17 Apartments

Annual Cap Inspection
 Block 17 Apartments
 1315 NW 11th Avenue, Portland, Oregon



April 2023



Michael T. O'Connor, R.G.
 Environmental Consultant
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 Portland, Oregon 97202
 Phone 971.344.5353



Michael T. O'Connor, R.G

Licensed Geologist in Oregon & Washington
mtopdx@gmail.com (971) 344-5953

Education

B.A., Geology, University of Massachusetts, Amherst, MA

Professional Experience

Current Position: Freelance Geologist and Environmental Consultant. Location: Portland, Oregon

2021-2022 Principal Geologist and Business Development Engineer CREtelligent, National CRE Due Diligence Platform-as-a-Service

Mr. O'Connor agreed to merge Assessment Associates with CREtelligent in May 2021, and accepted a position as *Vice President, Principal Geologist and Sales Development Engineer*, generating hundreds of thousands of dollars of business across a six-state territory over a twenty-month transition period. Services included Phase I and Phase II Environmental Site Assessments, ALTA Surveys, Commercial Evaluations, Property Condition Assessments, along with a first-to-market suite of early-insight EnviroPreScreen reports.

2006-2021 President and Principal Geologist, Assessment Associates Environmental Consulting, Portland, Oregon

Founded regional environmental consultancy in 2006, managing a staff of 4-5 geologists, engineers, and project managers who conducted over 850 projects for hundreds of clients over a 15-year period. Clients included government agencies, conservation groups, tribes, real estate investors, manufacturers, retail outlets, and lending institutions.

Key Capabilities and Talents

Environmental Consulting Services:

- Phase I and Phase II Environmental Site Assessments
- Sub-Slab Soil Vapor Investigations
- Geologic and Environmental Studies and Investigations
- Soil and Groundwater Cleanup

Staff Management:

- 15+ Years hiring, training & managing staff of environmental consulting professionals

Sales and Client Development Engineer:

- Used Zoom Info, LinkedIn, Hubspot, and Real Capital Analytics to identify new clients, develop and deploy email sequences, and generate continuous pipeline of due diligence projects

Deep Ties to Environmental Consulting Industry:

- Long-time relationships with key stake holders in Pacific Northwest environmental consulting community, including lenders, real estate investors, brokers, consultancies, laboratories, drillers, planners, surveyors, appraisers, title insurance firms, state, county, and regional governments, and state and federal regulators.

Industry Tenure

VP, Principal Geologist and Business Development Engineer

CREtelligent, May 2021-December 2022

Founder and Principal Geologist,
Assessment Associates, Inc., 2006-2021

Environmental Consultant Since 1995

Industry Experience

Over 2,500 Career Phase I and Phase II
Environmental Site Assessments

Risk-Based Closure for Remedial Sites

Level I Environmental Corridor Studies

Asbestos and lead paint surveys

Stormwater Compliance

Third-party document review

Professional Affiliations

Past board member, Northwest Association
of Environmental Professionals (NWAEP)

Member, Oregon Association of
Environmental and Engineering Geologists
(AEG)

Member, Oregon Association of
Environmental Professionals (OAEP)

Attendee, National Environmental Business
Council Bi-Annual Meetings

Attendee, Oregon Brownfields Conference

Member National Association of Industrial
and Office Properties (NAIOP)

Active Licenses

Oregon Registered Geologist G1998

Washington Licensed Geologist 2398