

February 26, 2010

Mr. Ed Jones, Project Manager
Washington State Department of Ecology
3190 160th Avenue Southeast
Bellevue, Washington 98008-5452

**RE: PROGRESS REPORT, OCTOBER THROUGH DECEMBER 2009, QUARTER 4
REMEDIAL INVESTIGATION
CAPITAL INDUSTRIES, INC., SEATTLE, WASHINGTON
AGREED ORDER NO. DE5348
FARALLON PN: 457-004**

Dear Mr. Jones:

Farallon Consulting, L.L.C. (Farallon) has prepared this progress report on behalf of Capital Industries, Inc. (Capital) to summarize the activities conducted for the Remedial Investigation (RI) from October through December 2009, Quarter 4 (Q4) at the Capital Site located at 5801 3rd Avenue South in Seattle, Washington. The progress report has been prepared in accordance with Agreed Order No. DE5348 entered into by Capital and the Washington State Department of Ecology (Ecology) dated January 24, 2008.

ACTIVITIES DURING REPORTING PERIOD

Activities completed for the RI from October through December 2009, Q4, are summarized below.

REMEDIAL INVESTIGATION

The following RI activities were conducted during this reporting period:

- A review of Ecology comments on the Draft First Phase Report.
- Meeting with Ecology to discuss proposed monitoring well locations and depths.
- Ecology approval of Capital's Draft First Phase Report on November 5, 2009. Capital and Ecology established approved locations for the installation of the monitoring wells proposed in the First Phase Report.
- Initiation of efforts by Capital to secure access to properties where approved monitoring well installations are to be located.

INTERIM MEASURES

No interim measures were implemented during this reporting period.

VAPOR INTRUSION

The following vapor intrusion (VI) activities were completed during this reporting period:

- Capital continued operation and maintenance of the sub-slab depressurization system (SSDS) installed at the Olympic Medical Building at 5900 1st Avenue South in Seattle; and
- Ecology approved the revised VI Inspection, Monitoring, and Maintenance Work Plan on November 9, 2009 that was submitted by Capital for the SSDS installed at the Olympic Medical Building.

GROUNDWATER MONITORING

Groundwater level measurements for monitoring wells MW-1 through MW-8 were collected on October 23, 2009. At the request of Ecology, water level measurement was coordinated with Philip Service Corporation, Blaser Die Casting, and Art Brass Plating. The groundwater level measurement results are summarized in Table 1. Groundwater samples were not collected by Capital during Q4.

PUBLIC COMMUNICATIONS

The project website was updated with an electronic copy of the previous progress report and the VI Inspection, Monitoring, and Maintenance Plan. No other public communication activities were completed during this period.

ANTICIPATED WORK IN THE UPCOMING QUARTER

Work anticipated to be performed during the next progress reporting period (January through March 2010) is summarized below.

REMEDIAL INVESTIGATION

The following RI activities are anticipated to be performed during the next reporting period:

- Secure access for installation of the monitoring wells proposed in the First Phase Report;
- Install the monitoring wells at the approved locations at the Site; and
- Submit a draft Groundwater Monitoring Plan that will define the scope of work for monitoring well installation and groundwater monitoring and sampling as part of the Second Phase RI Field Program.

INTERIM MEASURES

No interim measures are anticipated during the next reporting period.

VAPOR INTRUSION MITIGATION—OLYMPIC MEDICAL BUILDING

The following VI activities are anticipated to be performed during the next reporting period:

- Conduct an air quality monitoring event within the Olympic Medical Building;

- Confirm that tenant inspections of the SSDS are being conducted; and
- Conduct a semi-annual SSDS inspection.

GROUNDWATER MONITORING

Groundwater level measurements will be collected from Capital monitoring wells MW-1 through MW-8 in February 2010. Measurement of water levels will be coordinated with Blaser Die Casting and Art Brass Plating at the request of Ecology. Groundwater monitoring may be conducted, dependent on the schedule for installation of monitoring wells.

PUBLIC COMMUNICATIONS

The project website will be updated with an electronic copy of this progress report and the draft Groundwater Monitoring Plan.

The next progress report will summarize activities completed from January through March 2010 and will be submitted on or before May 24, 2010.

CLOSING

Farallon trusts that this quarterly progress report provides sufficient information for Ecology. If you have questions regarding this project, please contact either of the undersigned at (425) 295-0800.

Sincerely,

Farallon Consulting, L.L.C.



Daniel Caputo
Project Manager



Peter Jewett, L.G., L.E.G.
Principal

Attachment: Table 1, *Groundwater Elevation Data Summary*

cc: Ron Taylor, Capital Industries, Inc.
Don Verfurth, Gordon and Rees, L.L.P.
Tong Li, Groundwater Solutions

E-mail with link to electronic copy on project website:

Janet Knox, Pacific Groundwater Group
Doug Hillman, Aspect Consulting
Bill Carroll, Arrow Environmental
Bill Beck, PSC

DC/PJ:bw



Table 1
Groundwater Elevation Data Summary
Capital Industries, Inc.
Seattle, Washington
Farallon PN: 457-004

Monitoring Well Identification	Date Collected	Collected By	Casing Elevation (feet) ¹	Depth to Water (feet) ²	Potentiometric Surface Elevation (feet) ³
MW-1	2/9/2006	Capital Industries	16.34	6.60	9.74
	5/15/2007	Capital Industries	16.34	7.66	8.68
	8/1/2008	Capital Industries	16.34	8.60	7.74
	12/15/2008	Capital Industries	16.34	8.43	7.91
	3/23/2009	Capital Industries	16.34	7.94	8.40
	5/18/2009	Capital Industries	16.34	7.85	8.49
	8/4/2009	Capital Industries	16.34	8.54	7.80
	10/23/2009	Capital Industries	16.34	8.53	7.81
MW-2	2/9/2006	Capital Industries	16.48	7.25	9.23
	5/15/2007	Capital Industries	16.48	8.29	8.19
	8/1/2008	Capital Industries	16.48	9.14	7.34
	12/15/2008	Capital Industries	16.48	8.93	7.55
	3/23/2009	Capital Industries	16.48	8.50	7.98
	5/18/2009	Capital Industries	16.48	8.43	8.05
	8/4/2009	Capital Industries	16.48	9.06	7.42
	10/23/2009	Capital Industries	16.48	9.00	7.48
MW-3	2/9/2006	Capital Industries	15.74	6.84	8.90
	5/15/2007	Capital Industries	15.74	7.85	7.89
	8/1/2008	Capital Industries	15.74	8.61	7.13
	12/15/2008	Capital Industries	15.74	8.43	7.31
	3/23/2009	Capital Industries	15.74	8.02	7.72
	5/18/2009	Capital Industries	15.74	7.99	7.75
	8/4/2009	Capital Industries	15.74	8.55	7.19
	10/23/2009	Capital Industries	15.74	8.46	7.28
MW-4	2/9/2006	Capital Industries	15.62	6.39	9.23
	5/15/2007	Capital Industries	15.62	7.35	8.27
	8/1/2008	Capital Industries	15.62	8.17	7.45
	12/15/2008	Capital Industries	15.62	8.03	7.59
	3/23/2009	Capital Industries	15.62	7.60	8.02
	5/18/2009	Capital Industries	15.62	7.52	8.10
	8/4/2009	Capital Industries	15.62	8.12	7.50
	10/23/2009	Capital Industries	15.62	8.08	7.54
MW-5	2/9/2006	Capital Industries	15.90	6.30	9.60
	5/15/2007	Capital Industries	15.90	7.41	8.49
	8/1/2008	Capital Industries	15.90	8.31	7.59
	12/15/2008	Capital Industries	15.90	8.10	7.80
	3/23/2009	Capital Industries	15.90	7.65	8.25
	5/18/2009	Capital Industries	15.90	7.54	8.36
	8/4/2009	Capital Industries	15.90	8.25	7.65
	10/23/2009	Capital Industries	15.90	8.18	7.72
MW-6	2/9/2006	Capital Industries	17.43	7.72	9.71
	5/15/2007	Capital Industries	17.43	8.58	8.85
	8/1/2008	Capital Industries	17.43	9.51	7.92
	12/15/2008	Capital Industries	17.43	9.44	7.99
	3/23/2009	Capital Industries	17.43	8.96	8.47
	5/18/2009	Capital Industries	17.43	8.87	8.56
	8/4/2009	Capital Industries	17.43	9.44	7.99
	10/23/2009	Capital Industries	17.43	9.51	7.92
MW-7	2/9/2006	Capital Industries	16.93	7.32	9.61
	5/15/2007	Capital Industries	16.93	8.19	8.74
	8/1/2008	Capital Industries	16.93	9.10	7.83
	12/15/2008	Capital Industries	16.93	9.03	7.90
	3/23/2009	Capital Industries	16.93	8.55	8.38
	5/18/2009	Capital Industries	16.93	8.45	8.48
	8/4/2009	Capital Industries	16.93	9.02	7.91
	10/23/2009	Capital Industries	16.93	9.09	7.84
MW-8	2/9/2006	Capital Industries	16.68	6.71	9.97
	5/15/2007	Capital Industries	16.68	7.60	9.08
	8/1/2008	Capital Industries	16.68	8.57	8.11
	12/15/2008	Capital Industries	16.68	8.51	8.17
	3/23/2009	Capital Industries	16.68	8.01	8.67
	5/18/2009	Capital Industries	16.68	7.91	8.77
	8/4/2009	Capital Industries	16.68	8.51	8.17
	10/23/2009	Capital Industries	16.68	8.56	8.12

NOTES:

¹Relative elevation of top of casing, in feet, as surveyed by PLS, Inc., Issaquah, Washington, 8/22/2003.

²Depth to water below top of well casing.

³Potentiometric Surface = (Casing Elevation - Depth to Water).

Groundwater elevation (feet above mean sea level).