



Property Solutions INC.

Environmental & Engineering Consulting

10901 Rocky Mount Way • Silver Spring, MD 20902 • 301-649-6761 • Fax 301-649-6762

PHASE I ENVIRONMENTAL ASSESSMENT

of

The Gallery at Military Circle Mall
530, 700, 854, 862, 880, and 920 N Military Highway;
5825 E Virginia Beach Boulevard;
And 931 Glenrock Road
Norfolk, Virginia 23502

Prepared for:

Torchlight Investors, LLC
701 Brickell Avenue, Suite 2200
Miami, Florida 33131

Prepared by:

Property Solutions Incorporated
323 New Albany Road
Moorestown, New Jersey 08057

Draft: May 15, 2015
Final: June 5, 2015

Property Solutions Project No. 20150854



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Dated: June 5, 2015

Property Solutions Project No. 20150854

Michael Sommer
Senior Project Manager

Tim Clackett
Regional Director

We declare that, to the best of our professional knowledge and belief, we meet the definition of *Environmental professional* as defined in §312.10 of 40 CFR 312 and we 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 have developed and performed the all appropriate inquiries in conformance with the standards and practices set forth in 40 CFR Part 312.



Michael Sommer
Senior Project Manager



Tim Clackett
Regional Director

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PROJECT SUMMARY

Client Name/User:	Torchlight Investors, LLC	Property Visit Date:	May 6, 2015
Client Contact:	Mr. Richard Mancini	Construction Dates:	1964-2000
Property Solutions Project No.:	20150854	No. Bldgs./Units:	Eight Bldgs./140 Units
Property Solutions Project Mgr:	Mr. Michael Sommer	No. of Stories:	One Story
Phone No.:	301-649-6761	Bldg. Square Footage:	780,957 s.f.
Email:	msommer@propertytsolutionsinc.com	Property Acreage:	37.944 acres
Property Name:	The Gallery at Military Circle Mall	Basement/Slab-on-grade:	Slab-on-grade
Property Addresses:	530, 700, 854, 862, 880, and 920 N Military Highway; 5825 E Virginia Beach Boulevard; and 931 Glenrock Road	Property Use:	Retail mall
Property Town, County, State:	Norfolk, Virginia 23502	Property History:	Vacant/wooded land with dwellings
Property Identification:	Multiple – see report	Other Improvements:	None

Our review of general property information, observation of adjacent properties, research of historical property information, including a review of environmental records, and a property visit revealed the following:

	No Further Action	REC	CREC	HREC	De Minimis Conditions	ASTM Non-scope considerations	Opinion of Probable Cost	Refer to Section
Property Operations	X							2.3
Neighboring Properties	X							5.0
Historical Review	X							6.0
Previous Reports	X							6.6
Regulatory Review			(2)					8.0
USTs		(1)						9.1
ASTs	X							9.1
PCBs	X							9.1
Chemicals/Hazardous Materials/Raw Materials	X							9.1
Waste Generation/Disposal	X							9.1
Stressed Vegetation, Staining, and Odors	X							9.1
Surficial Disturbances	X							9.1
ACMs						(3)		9.2
Radon	X							9.2
Lead-Based Paint	X							9.2

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	No Further Action	REC	CREC	HREC	De Minimis Conditions	ASTM Non-scope considerations	Opinion of Probable Cost	Refer to Section
Lead in Drinking Water	X							9.2
Other	X							

Notes / Recommendations: To understand the property and report, you must read the Executive Summary and complete report.

We have performed a Phase I Environmental Assessment in conformance with the scope and limitations of ASTM Practice E 1527-13 of The Gallery at Military Circle Mall located at 530, 700, 854, 862, 880, and 920 N Military Highway; 5825 E Virginia Beach Boulevard; and 931 Glenrock Road in Norfolk, Virginia 23502. Any exceptions to, or deletions from, this practice are described in Section 1.0 of this report. This assessment has revealed no evidence of recognized environmental conditions in connection with the subject property except for the following:

Recognized Environmental Condition

- (1) According to Mr. Joe Klutts, Operations Manager, the one underground storage tank (UST) that was in use at the subject property was most likely installed in 1996 when the new chillers were installed inside the mechanical plant. The UST is utilized for the storage of fuel oil for the emergency generator and as a back-up fuel for the boilers (normally natural gas-fired). Mr. Klutts had no other information concerning this UST. Property Solutions observed the tank field with two observation wells located on the east side of the subject property in the area immediately outside the mechanical plant. One Veeder-Root TLS-300C automatic tank gauging monitor was observed inside the mechanical plant. The sub-floor, concrete trough for the piping to the boilers was also observed inside the mechanical plant.

Information on file with the Virginia Department of Environmental Quality (DEQ) concerning Pollution Complaint (PC) No. 1996-2416 (Section 8.2) included the results of the tank testing performed by Tanknology on February 8, 1999. The tank test report revealed one 12,000-gallon, double-wall fiberglass UST containing diesel fuel “passed” the tightness test; the lines were not tested. Mr. Klutts was not aware of any additional testing performed on the tank system at the subject property.

Based upon the age of the tank, Property Solutions recommends tightness testing for the tank and piping as well as an evaluation of the leak detection system at the subject property.

Controlled Recognized Environmental Condition (a subset of recognized environmental conditions)

The following controlled recognized environmental condition was identified at the subject property based on the findings provided in this report:

- (2) The subject property was listed in the environmental database as the following: Military Circle Mall/Entrance #3 (880 N Military Highway), which was listed as a “removed from ground”, Underground Storage Tank (UST) site, and a case-closed Leaking UST (LUST) site - Pollution Complaint (PC) No. 1996-2416.

Review of documents on file with the Virginia Department of Environmental Quality (DEQ) concerning PC No. 1996-2416, revealed soil samples were collected for Total Petroleum Hydrocarbon (TPH) analysis during the removal of one 12,000-gallon heating oil UST from the subject property: T-2 collected from just below the pad; and T-3 collected from above the pad on the north end of the excavation. The laboratory analytical results revealed TPH concentrations of 3,261 mg/kg (T-2) and 214 mg/kg (T-3).

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The DEQ issued a letter dated May 16, 1997 concerning PC# 96-2416 that stated “based upon the information you have provided and current site conditions, the Department believes that contamination levels at this site do not warrant further corrective action.”

Based upon the above information and the regulatory agency closure, this would be considered a controlled recognized environmental condition; therefore, no further regulatory action is recommended.

ASTM Non-Scope Consideration

The following ASTM non-scope consideration was identified at the subject property based on the findings provided in this report:

- (3) Based on the limited visual review conducted by Property Solutions, suspect asbestos-containing ceiling tile, floor tile and mastic, and drywall and joint compound were identified at the subject property. These materials were observed to be in an overall undamaged condition at the time of the property visit.

Currently, there are no regulations requiring the removal of ACM unless it will be disturbed during renovation, repairs, or demolition. The USEPA recommends that as long as the ACM does not pose an imminent health threat, the materials can be managed under an Operations and Maintenance (O&M) Plan. Property Solutions recommends that the previously developed Asbestos-Containing Materials O&M Plan continue to be implemented at the subject property.

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EXECUTIVE SUMMARY

Property Solutions Incorporated (Property Solutions) conducted a Phase I Environmental Assessment of The Gallery at Military Circle Mall located at 530, 700, 854, 862, 880, and 920 N Military Highway; 5825 E Virginia Beach Boulevard; and 931 Glenrock Road in Norfolk, Virginia 23502 (subject property) at the request of Torchlight Investors, LLC.

The subject property consists of an irregularly-shaped, 37.944-acre parcel of land located on the southeast corner of the intersection of N Military Highway and E Virginia Beach Boulevard. The subject property is improved with the following eight, one-story, retail buildings (subject buildings):

- Piccadilly Cafeteria located at 530 N Military Highway; constructed in 1979
- The Military Circle Shoppes located at 700 N Military Highway; constructed in 1980
- China Garden located at 854 N Military Highway; constructed in 1964
- Genghis Khan Mongolian Barbeque located at 862 N Military Highway; constructed in 1970
- The Gallery at Military Circle Mall located at 880 N Military Highway; constructed in 1968-1969 with the Food Court addition in 1996 and Cinemark Theaters that were constructed in 2000
- Chuck E Cheese's located at 920 N Military Highway (date of construction not provided)
- Bank of America located at 5825 E Virginia Beach Boulevard; constructed in 1971
- All About Children located at 931 Glenrock Road; constructed in 1969

There are no other improvements on the subject property. The remaining portions of the subject property are covered with the associated paved parking areas, lawn areas, and landscaping. No water bodies are located on the subject property. No water bodies are located on the adjoining properties. Vehicular access to the subject property is gained via N Military Highway along the west side of the subject property; via E Virginia Beach Boulevard along the north side of the subject property; via Glenrock Road along the west side of the subject property; and via Poplar Hall Drive along the south side of the subject property.

The subject buildings consist of steel and masonry construction with concrete slab-on-grade foundations. The gross area of the subject buildings is approximately 780,957 square feet. The subject buildings contained 140 tenant spaces. The interior floor finishes primarily consist of carpeting, marble, ceramic, laminate and vinyl sheet flooring, and vinyl tiles. The wall finishes include painted gypsum wallboard. Ceilings are acoustical grids, painted gypsum wallboard, and open steel trusses. The main Gallery at Military Circle Mall subject building also contains a mechanical plant. Renovations to the subject buildings reportedly included new interior mall finishes (ceilings, floors, mechanical and the addition of the Food Court) in 1996. The subject buildings are heated and cooled by electricity and natural gas.

The subject property was historically used as vacant/wooded land with three dwellings along E Virginia Beach Boulevard and two dwellings along Glenrock Road from 1959 to 1961 prior to the construction of the subject buildings from 1964 to 2000.

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We have performed a Phase I Environmental Assessment in conformance with the scope and limitations of ASTM Practice E 1527-13 of The Gallery at Military Circle Mall located at 530, 700, 854, 862, 880, and 920 N Military Highway; 5825 E Virginia Beach Boulevard; and 931 Glenrock Road in Norfolk, Virginia 23502. Any exceptions to, or deletions from, this practice are described in Section 1.0 of this report. This assessment has revealed no evidence of recognized environmental conditions in connection with the subject property, except for the following:

1. According to Mr. Joe Klutts, Operations Manager, the one underground storage tank (UST) that was in use at the subject property was most likely installed in 1996 when the new chillers were installed inside the mechanical plant. The UST is utilized for the storage of fuel oil for the emergency generator and as a back-up fuel for the boilers (normally natural gas-fired). Mr. Klutts had no other information concerning this UST. Property Solutions observed the tank field with two observation wells located on the east side of the subject property in the area immediately outside the mechanical plant. One Veeder-Root TLS-300C automatic tank gauging monitor was observed inside the mechanical plant. The sub-floor, concrete trough for the piping to the boilers was also observed inside the mechanical plant.

Information on file with the Virginia Department of Environmental Quality (DEQ) concerning Pollution Complaint (PC) No. 1996-2416 (Section 8.2) included the results of the tank testing performed by Tanknology on February 8, 1999. The tank test report revealed one 12,000-gallon, double-wall fiberglass UST containing diesel fuel “passed” the tightness test; the lines were not tested. Mr. Klutts was not aware of any additional testing performed on the tank system at the subject property.

Based upon the age of the tank, Property Solutions recommends tightness testing for the tank and piping as well as an evaluation of the leak detection system at the subject property.

Controlled recognized environmental conditions are recognized environmental conditions resulting from a past release of hazardous substances or petroleum products that has been addressed to the satisfaction of the applicable regulatory authority, with hazardous substances or petroleum products allowed to remain in place subject to the implementation of required controls. The following controlled recognized environmental condition(s) **was/were** identified at the subject property based on the findings provided in this report:

2. The subject property was listed in the environmental database as the following: Military Circle Mall/Entrance #3 (880 N Military Highway), which was listed as a “removed from ground”, Underground Storage Tank (UST) site, and a case-closed Leaking UST (LUST) site - Pollution Complaint (PC) No. 1996-2416.

Review of documents on file with the Virginia Department of Environmental Quality (DEQ) concerning PC No. 1996-2416, revealed soil samples were collected for Total Petroleum Hydrocarbon (TPH) analysis during the removal of one 12,000-gallon heating oil UST from the subject property: T-2 collected from just below the pad; and T-3

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collected from above the pad on the north end of the excavation. The laboratory analytical results revealed TPH concentrations of 3,261 mg/kg (T-2) and 214 mg/kg (T-3).

The DEQ issued a letter dated May 16, 1997 concerning PC# 96-2416 that stated “based upon the information you have provided and current site conditions, the Department believes that contamination levels at this site do not warrant further corrective action.”

Based upon the above information and the regulatory agency closure, this would be considered a controlled recognized environmental condition; therefore, no further regulatory action is recommended.

ASTM non-scope considerations are business environmental risks that are not included in the ASTM 1527-13 scope of work. The following ASTM non-scope consideration was identified at the subject property based on the findings provided in this report:

3. Based on the limited visual review conducted by Property Solutions, suspect asbestos-containing ceiling tile, floor tile and mastic, and drywall and joint compound were identified at the subject property. These materials were observed to be in an overall undamaged condition at the time of the property visit.

Currently, there are no regulations requiring the removal of ACM unless it will be disturbed during renovation, repairs, or demolition. The USEPA recommends that as long as the ACM does not pose an imminent health threat, the materials can be managed under an Operations and Maintenance (O&M) Plan. Property Solutions recommends that the previously developed Asbestos-Containing Materials O&M Plan continue to be implemented at the subject property.

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1.0 INTRODUCTION

Property Solutions Incorporated (Property Solutions) conducted a Phase I Environmental Assessment of The Gallery at Military Circle Mall located at 530, 700, 854, 862, 880, and 920 N Military Highway; 5825 E Virginia Beach Boulevard; and 931 Glenrock Road in Norfolk, Virginia 23502 (subject property) at the request of Torchlight Investors, LLC. Torchlight Investors, LLC is considered the User, as defined in ASTM E 1527-13 Standard Practice for Environmental Site Assessments: Phase I Environmental Site Assessment Process.

The subject property is identified as following 17 Account Numbers, according to the ALTA/ACSM Land Title Survey of Military Circle Mall, Norfolk, Virginia, prepared by Hassell & Folkes, PC of Chesapeake, Virginia, and dated June 23, 2004, and the City of Norfolk Office of the Real Estate Assessor:

- 00000640 – owned by Life & Lola J Johnson, located at 5835 Virginia Beach Boulevard and consisting of 4.371-acres
- 00000641 – owned by Life & Lola J Johnson, located at N S E Virginia Beach Boulevard and consisting of 2.990-acres
- 13279509 – owned by Thor Gallery at Military Circle, located at 931 Glenrock Road and consisting of 0.2759-acre
- 13279518 – owned by Thor Gallery at Military Circle, located at 905 Glenrock Road and consisting of 2.8625-acres
- 13279519 – owned by Thor Gallery at Military Circle, located at 854 N Military Highway and consisting of 0.9724-acre
- 13279522 – owned by Thor Gallery at Military Circle, located at 862 N Military Highway and consisting of 0.5986-acre
- 13279526 – owned by Thor Gallery at Military Circle, located at 920 N Military Highway and consisting of 23895-acres
- 13279528 – owned by Thor Gallery at Military Circle, located at E S N Military Highway and consisting of 0.5124-acre
- 13279531 – owned by Thor Gallery at Military Circle, located at 530 N Military Highway and consisting of 1.9582-acres
- 13279533 – owned by Thor Gallery at Military Circle, located at E S N Military Highway and consisting of 0.0303-acre
- 13279548 – owned by Thor Gallery at Military Circle, located at 880 N Military Highway and consisting of 9.7622-acres
- 13279555 – owned by Thor Gallery at Military Circle, located at 5825 E Virginia Beach Boulevard and consisting of 0.7281-acre
- 13279556 – owned by Thor Gallery at Military Circle, located at 700 N Military Highway and consisting of 2.2258-acres
- 13279560 – owned by Thor Gallery at Military Circle, located at S S E Virginia Beach Boulevard and consisting of 1.4447-acres
- 13279567 – owned by Thor Gallery at Military Circle, located at 773 E Virginia Beach Boulevard and consisting of 1.9162-acres

- 13279568 – owned by Thor Gallery at Military Circle, located at 880 N Military Highway and consisting of 1.9162-acres
- 13279570 – owned by Life & Lola J Johnson, located at N S E Virginia Beach Boulevard and consisting of 2.990-acres

A property location map is included in Appendix A. A copy of the ALTA/ACSM Land Title Survey is included in Appendix G.

This Phase I Environmental Assessment was conducted in accordance with Torchlight Investors, LLC Phase I Environmental Site Assessment Scope of Services as well as with industry-accepted practices and American Society for Testing and Materials (ASTM) Standard E 1527-13. The work was authorized by the signed proposal (P40737) dated April 30, 2015.

Per the ASTM practice and throughout this report, the Client will be considered the same as the User in the ASTM E 1527-13 practice.

1.1 Purpose

The purpose of a Phase I Environmental Assessment is to evaluate issues that may have an impact on the subject property. The purpose of the ASTM E 1527-13 practice is to define good commercial and customary practice in the United States of America for conducting an environmental site assessment of a parcel of commercial real estate with respect to the range of contaminants within the scope of Comprehensive Environmental Response, Compensation and Liability Act (CERCLA) (42 U.S.C. §9601) and petroleum products. As such, the practice is intended to permit a User to satisfy one of the requirements to qualify for the innocent landowner, contiguous property owner, or bona fide prospective purchaser limitations on CERCLA liability (hereinafter, the “landowner liability protections,” or “LLPs”): that is, the practice that constitutes “all appropriate inquiry into the previous ownership and uses of the property consistent with good commercial or customary practice” as defined at 42 U.S.C. §9601(35) (B). The goal of this process is to identify the presence or likely presence of hazardous substances or petroleum products on the property and identify conditions that indicate an existing release, a past release, or a material threat of a release of hazardous substances or petroleum products into structures on the subject property or into the ground, groundwater, or surface of the subject property. The purpose of this report is not intended to include de minimis conditions that generally do 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. This report is also not intended to serve as a compliance assessment of the subject property or to identify health and safety issues or procedures. The ASTM E 1527-13 DOES NOT address whether requirements in addition to all appropriate inquiry have been met in order to qualify for the LLPs (for example, the duties specified in 42 U.S.C. §9601(b)(3)(a) and (b) and cited in Appendix X1 of the ASTM Standard, including the continuing obligation not to impede the integrity and effectiveness of activity and use limitations (AULs), or the duty to take reasonable steps to prevent releases, or the duty to comply with legally required release reporting obligations).

The ASTM E 1527-13 practice DOES NOT address requirements of any state or local laws or of any federal laws other than the all appropriate inquiry provision of the LLPs. Per the ASTM Standard, Users are cautioned that federal, state, and local laws may impose environmental assessment obligations that are beyond the scope of this practice. Users should also be aware that there are likely to be other legal obligations with regard to hazardous substances or petroleum products discovered on the property that are not addressed in the ASTM practice and that may pose risks of civil and/or criminal sanctions for non-compliance.

1.2 Scope of Work

This Phase I Environmental Assessment was conducted in accordance with the following Scope of Work:

1. Requested user to complete questionnaire and provide all user required information.
2. Researched and reviewed available information regarding past owners and occupants of the subject property to assess the potential for contamination resulting from prior on-property activities. Aerial photographs, city directories, topographic maps, interviews and fire insurance maps were utilized, as available. Chain-of-title and environmental liens were reviewed if provided by the client/user.
3. Researched available information regarding immediately adjacent properties for evidence of contamination that could impact the subject property.
4. Interviewed available persons familiar with current and former on-property activities for relevant information regarding potential environmental concerns as coordinated by the Client/User.
5. Reviewed federal and state regulatory agency database information for the subject property and neighboring properties to identify potential concerns that could adversely affect the environmental condition of the subject property. The database review included, but was not limited to, a review of the following lists: United States Environmental Protection Agency (USEPA) National Priorities List (NPL) Sites, Comprehensive Environmental Response, Compensation and Liability Information System (CERCLIS) Sites, State Hazardous Waste Sites, Resource Conservation and Recovery Act Information System (RCRIS) Corrective Action, Generator, and Treatment/Storage/Disposal (TSD) Sites, Leaking Registered Storage Tank (LRST) Sites, Registered Storage Tank (RST) Sites, landfills, and Emergency Response Notification System (ERNS) Sites. Contacted federal, state, and local regulatory agencies.
6. Performed a property visit to identify areas of potential environmental concern such as the bulk storage of regulated substances, underground/aboveground storage tanks, asbestos-containing materials, electrical transformers, and process-related wastes. To the extent possible, a review of immediately adjacent properties was also performed from the subject property and public thoroughfares. The property visit was performed using grid

patterns across the property (as easily accessible) and through other systematic means. Findings and conditions were made only to the extent that they were visually and/or physically observed during the property visit.

7. Prepared a technical Phase I Environmental Assessment report to document the findings regarding the current environmental condition of the subject property. If warranted, the report contains recommendations for further action. In addition to ASTM scope items, the following ASTM non-scope items were discussed and included in the report based upon a limited review: asbestos containing materials, radon, lead-based paint, lead in drinking water, potential wetlands, air emissions, and mold/water intrusion.

1.3 Significant Assumptions

The following assumptions are made by Property Solutions in this report. Property Solutions relied on information derived from secondary sources including governmental agencies, the client (User), designated representatives of the client (User), property contact, property owner, property owner representatives, computer databases, and personal interviews. Except as set forth in this report, Property Solutions has made no independent investigation as to the accuracy and completeness of the information derived from secondary sources including government agencies, the client, designated representatives of the client, property contact, property owner, property owner representatives, computer databases, or personal interviews and has assumed that such information is accurate and complete. Property Solutions assumes information provided by or obtained from governmental agencies including information obtained from government websites is accurate and complete. Groundwater flow and depth to groundwater, unless otherwise specified by on-property well data, are assumed based on contours depicted on the United States Geological Survey topographic maps. Property Solutions assumes the property has been correctly and accurately identified by the client (User), designated representative of the client (User), property contact, property owner, and property owner's representatives. Property Solutions assumes that the Client (User), Client representatives, Client Legal Counsel, designated representatives of the Client, Key Site Manager, property contact, property owner, property owner representatives, and property brokers, used good faith in answering questions and in obtaining information for the subject property as defined in 10.8 of the ASTM E 1527-13 practice. This would also include obtaining those helpful documents from previous owners, operators, tenants, brokers, financial institutions etc. Property Solutions also assumes the Client will designate appropriate and knowledgeable people for performance of the Phase I Environmental Assessment including Key Site Managers.

1.4 Limitations and Exceptions of the Assessment

The findings, observations, conclusions, and recommendations of this report are limited by the contract technical requirements and the methods used to perform the services outlined in the scope of work. These services have been performed in accordance with the described scope for Phase I Environmental Assessments. In order to perform a comprehensive environmental evaluation, subsurface investigation and testing would be required to definitively evaluate whether contamination has affected the subject property. Therefore, the findings, conclusions,

and recommendations presented herein are based solely on the scope of work previously described and information gathered. Incomplete or outstanding information identified throughout the body of this report including data gaps is considered a limitation to the assessment. Limitations to the assessment also include weather conditions, vegetation cover, parked cars, trucks, dumpsters, and anything limiting visual observation of or physical access to the subject property and neighboring properties. Vapor intrusion is not included in this scope of services and is considered an ASTM Non-scope consideration. This report and scope is not an environmental compliance audit. Property Solutions did not encounter inaccessible areas during the property visit with the exception of the former Sears anchor store (owned by Sears), and the former China Garden and Chuck E Cheese's subject buildings, which were closed/locked with no keys available.

No environmental assessment can wholly eliminate uncertainty regarding the potential for recognized environmental conditions in connection with a property. Performance of the ASTM practice is intended to reduce, but not eliminate, uncertainty regarding the potential for recognized environmental conditions in connection with a property, and the ASTM practice recognizes reasonable limits of time and cost.

Appropriate inquiry does not mean an exhaustive assessment of a clean property. There is a point at which the cost of information obtained or the time required to gather it outweighs the usefulness of the information and, in fact, may be a material detriment to the orderly completion of transactions. One of the purposes of this practice is to identify a balance between the competing goals of limiting the costs and time demands inherent in performing an environmental assessment and reducing uncertainty about unknown conditions resulting from additional information.

Subject to Section 4.8 of the ASTM E 1527-13 Standard, an environmental site assessment meeting or exceeding the practice and completed less than 180 days prior to the date of acquisition of the property or (for transactions not involving an acquisition) the date of the intended transaction is presumed to be valid. If within this period the assessment will be used by a different user than the user (client) for whom the assessment was originally prepared, the subsequent user (if authorized to rely on the report as identified in Section 1.6 Reliance of this report) must also satisfy the User's Responsibilities in Section 6 of the ASTM E 1527-13 standard. If this assessment is over 180 days old it is not valid and a new assessment should be performed per the ASTM standard.

All findings, conclusions, and recommendations stated in this report are based upon facts, circumstances, and industry-accepted procedures for such services as they existed at the time this report was prepared (i.e., federal, state, and local laws, rules, regulations, market conditions, economic conditions, political climate, and other applicable matters). All findings, conclusions, and recommendations stated in this report are based on the data and information provided, and observations and conditions that existed on the date and time of the property visit. Responses received from interviewees, the user, local, state, or federal agencies or other secondary sources of information after the issuance of this report may change certain facts, findings, conclusions, or circumstances to the report. A change in any fact, circumstance, or industry-accepted procedure

upon which this report was based may adversely affect the findings, conclusions, and recommendations expressed in this report.

No other person or entity, unless specifically identified in Section 1.6 of this report may rely on this report. Subsequent consultants and subsequent Users may not rely on this report or information included in this report. Property Solutions Inc. will not be held liable in any way for any and all unauthorized use of this report both currently and in the future. Consultants and subsequent Users must specifically and separately verify all information and not rely on the facts, findings, conclusions, opinions and recommendations of this report. Future use of this report by consultants or subsequent Users is strictly prohibited and not authorized to evaluate the appropriateness of using this information in environmental site assessments performed in the future by anyone other than Property Solutions Inc. Subsequent consultants and subsequent Users may not include this report or information included in this report (unless publicly available) without the written authorization of Property Solutions Inc.

1.5 Special Terms and Conditions

This Phase I Environmental Assessment was prepared in accordance with the stated and agreed upon Scope of Work. This report was specifically and only prepared for the identified specific client (user) and for their specific purpose; no other person or entity for any other purpose may use, or rely on this report or its contents unless specifically authorized in writing by Property Solutions Inc. No other special terms and conditions are applicable to this Phase I Environmental Assessment, except the Macy's and the former Sears anchor store building are not part of the collateral, according to Mr. Joe Klutts, Operations Manager of The Gallery at Military Circle Mall.

1.6 Reliance

Property Solutions hereby specifically agrees that Torchlight Investors, LLC, its investment client and any affiliated entity (or entities) that purchase the Property may rely on the information contained within the reports provided by Property Solutions to Torchlight Investors, LLC.

2.0 GENERAL PROPERTY INFORMATION

2.1 Property Location

Property Location	
Property Name	The Gallery at Military Circle Mall
Property Addresses	530, 700, 854, 862, 880, and 920 N Military Highway; 5825 E Virginia Beach Boulevard; and 931 Glenrock Road
Property Town, County, State, Zip	Norfolk, Virginia 23502

Property Location	
Property Tax Identifications (per the <u>ALTA/ACSM Land Title Survey of Military Circle Mall, Norfolk, Virginia</u> , prepared by Hassell & Folkes, PC of Chesapeake, Virginia, and dated June 23, 2004, and the City of Norfolk Office of the Real Estate Assessor)	<ul style="list-style-type: none"> • 00000640 – owned by Life & Lola J Johnson, located at 5835 Virginia Beach Boulevard and consisting of 4.371-acres • 00000641 – owned by Life & Lola J Johnson, located at N S E Virginia Beach Boulevard and consisting of 2.990-acres • 13279509 – owned by Thor Gallery at Military Circle, located at 931 Glenrock Road and consisting of 0.2759-acre • 13279518 – owned by Thor Gallery at Military Circle, located at 905 Glenrock Road and consisting of 2.8625-acres • 13279519 – owned by Thor Gallery at Military Circle, located at 854 N Military Highway and consisting of 0.9724-acre • 13279522 – owned by Thor Gallery at Military Circle, located at 862 N Military Highway and consisting of 0.5986-acre • 13279526 – owned by Thor Gallery at Military Circle, located at 920 N Military Highway and consisting of 23895-acres • 13279528 – owned by Thor Gallery at Military Circle, located at E S N Military Highway and consisting of 0.5124-acre • 13279531 – owned by Thor Gallery at Military Circle, located at 530 N Military Highway and consisting of 1.9582-acres • 13279533 – owned by Thor Gallery at Military Circle, located at E S N Military Highway and consisting of 0.0303-acre • 13279548 – owned by Thor Gallery at Military Circle, located at 880 N Military Highway and consisting of 9.7622-acres • 13279555 – owned by Thor Gallery at Military Circle, located at 5825 E Virginia Beach Boulevard and consisting of 0.7281-acre • 13279556 – owned by Thor Gallery at Military Circle, located at 700 N Military Highway and consisting of 2.2258-acres • 13279560 – owned by Thor Gallery at Military Circle, located at S S E Virginia Beach Boulevard and consisting of 1.4447-acres • 13279567 – owned by Thor Gallery at Military Circle, located at 773 E Virginia Beach Boulevard and consisting of 1.9162-acres • 13279568 – owned by Thor Gallery at Military Circle, located at 880 N Military Highway and consisting of 1.9162-acres • 13279570 – owned by Life & Lola J Johnson, located at N S E Virginia Beach Boulevard and consisting of 2.990-acres
Property Topographic Quadrangle	<u>Kempsville, VA</u>
Nearest Intersection	N Military Highway and E Virginia Beach Boulevard
Area Description	Commercial, residential, and institutional (church)

An excerpt from the USGS 7.5-minute series topographic quadrangle map of Kempsville, VA, locating the subject property, is included in Appendix A.

2.2 Property Description

Property Information	
Property Ownership Names	Life & Lola J Johnson and Thor Gallery at Military Circle
Dates of Acquisition	Not provided
Property Acreage	37.944 acres (City of Norfolk Office of the Real Estate Assessor)

Property Information	
Property Shape	Irregular
Property Use	Retail mall
Number of Buildings	Eight
Number of Stories	One
Construction Dates	1964-2000 (City of Norfolk Office of the Real Estate Assessor)
Building Square Footage	780,957 square feet (Mr. Eugene Rhee, Director of Asset Management, Thor Equities)
Basement/Slab-on-grade	Slab-on-grade
Number of Units	140
Ceiling Finishes	Acoustical grids, painted gypsum wallboard, and open steel trusses
Floor Finishes	Carpeting, marble, ceramic, laminate and vinyl sheet flooring, and vinyl tiles
Wall Finishes	Painted gypsum wallboard
HVAC (Energy Source & Type of System)	Electricity and natural gas
Renovation Date	1996 (Mr. Joe Klutts, Operations Manager of The Gallery at Military Circle Mall)
Renovation Description	Renovations to the subject buildings reportedly included new interior mall finishes (ceilings, floors, mechanical and the addition of the Food Court) in 1996 (Mr. Klutts).
Vehicular Access	Via N Military Highway along the west side of the subject property; via E Virginia Beach Boulevard along the north side of the subject property; via Glenrock Road along the west side of the subject property; and via Poplar Hall Drive along the south side of the subject property
Other Improvements	None
Property Coverage	Footprints of the subject buildings, associated parking areas, lawn areas, and landscaping.

Review of the *Rent Roll – Gallery at Military Circle* dated May 5, 2015 provided by Mr. Eugene Rhee, Director of Asset Management, Thor Equities revealed 49.49 percent of the mall tenant spaces were vacant. In addition, the China Garden and Chuck E Cheese’s subject buildings were observed to be closed/vacant during the property visit. Property Solutions was advised by Mr. Joe Klutts, Operations Manager of The Gallery at Military Circle Mall that the Macy’s and the former Sears anchor store building were not part of the collateral (buildings owned by Macy’s and Sears, respectively).

A property diagram of the subject property is included in Appendix B.

2.3 Property Operations

Life & Lola J Johnson and Thor Gallery at Military Circle utilize the subject property for a retail mall that is improved with eight buildings.

No overhead high voltage transmission lines were observed crossing the subject property or present in an easement abutting the subject property during the property visit.

No industrial or manufacturing operations were observed at the subject property at the time of the property visit.

No environmental concerns were identified at the subject property based on the operations observed during the property visit.

2.4 Utilities

Property Solutions was informed by Mr. Joe Klutts, Operations Manager of The Gallery at Military Circle Mall, that the following companies, municipality, and authority currently provide utility services to the subject property:

Utility	Provider
Electricity	Dominion Virginia Power
Natural Gas	Virginia Natural Gas
Sanitary Sewerage	Hampton Roads Sanitation District
Potable Water	City of Norfolk Department of Utilities
Solid Waste Removal	Waste Management
Fuel Oil	Various
Steam	Not provided to the subject property

3.0 USER PROVIDED INFORMATION AND RESPONSIBILITIES

This section is to describe tasks to be performed by the User that will help identify the possibility of recognized environmental conditions, environmental liens and AULs in connection with the subject property as required by the ASTM standard. These tasks do not require the technical expertise of an environmental professional. Any and all information that may be material to identifying recognized environmental conditions must be provided by the User if available. Per the ASTM standard, the environmental professional shall note in the report whether or not the User has reported to the environmental professional information pursuant to Section 6 of the ASTM standard.

	User Provided	Other Provided	Not provided
User Questionnaire		X	
Title and Judicial Records		X	
Environmental Liens/Activity Use Limitations		X	
Specialized or Actual Knowledge of the User		X	
Valuation Reduction for Environmental Issues		X	
Reason for Performing the Phase I	X		
Helpful Documents/Prior Reports		X	
Proceedings Involving the Subject Property		X	
User Identified Personnel		X	

User Questionnaire

A User Questionnaire was submitted to Torchlight Investors, LLC (User) to be completed prior to the property visit.

Client	Torchlight Loan Services
Contact Name	Mr. Richard Mancini
Phone/Fax/Email	305-434-4943/305-434-4949/ rmancini@torchlightinvestors.com
Contact Date	April 17, 2015
Request Medium	Email
Questionnaire completed?	No
Completed by?	N/A
Response Date	N/A
Form of Response	N/A
Was the questionnaire completed and returned prior to the property visit?	No

A User Questionnaire was submitted to Torchlight Loan Services (User) to be completed prior to the property visit. The completed User Questionnaire was not returned to Property Solutions at the time of this report.

Title and Judicial Records for Environmental Liens/Activity Use Limitations

Per ASTM E 1527-13 Section 6.2, the User is required to provide and/or report to the environmental professional any title and judicial records for environmental liens/activity use

limitations (AULs) so identified for the subject property. The environmental professional per the ASTM practice is not responsible to undertake a review of recorded land title records and judicial records for environmental liens or activity and use limitations.

The User requested Property Solutions to coordinate with a title company or title professional to undertake a review of Recorded Land Title records and judicial records for environmental liens or AULs.

No environmental liens or AULs were identified by Environmental Data Resources, Inc. (EDR) during their search. Please see attached liens search summary letter in Appendix H.

Knowledge of the User

Per the ASTM standard, it is the User's responsibility to communicate to the environmental professional any information that is material to recognized environmental conditions in connection with the subject property based on such specialized knowledge, actual knowledge, experience, or commonly known and reasonably ascertainable information within the local community.

Per the ASTM standard, the User must do so prior to the property visit.

The User did not respond to the questions whether they have any specialized knowledge, actual knowledge, experience, or commonly known and reasonably ascertainable information within the local community concerning recognized environmental conditions at the subject property. The property visit was performed on May 6, 2015.

The operator had no specialized knowledge, actual knowledge, experience, or commonly known and reasonably ascertainable information within the local community concerning recognized environmental conditions at the subject property.

Valuation Reduction for Environmental Issues

Per the ASTM standard, in a transaction involving the purchase of a parcel of commercial real estate, the user shall consider the relationship of the purchase price of the property to the fair market value of the property if the property was not affected by hazardous substances or petroleum products. The User should try to identify an explanation for a significantly lower price which does not reasonably reflect fair market value if the property was not contaminated, and make a written record of such explanation. The ASTM standard does not require that a real estate appraisal be obtained in order to ascertain fair market value of the property.

The User did not inform Property Solutions that a significantly lower purchase price was noted for the subject property.

Reason for Performing the Phase I Environmental Assessment

Torchlight Investors, LLC (User) is performing the Phase I Environmental Assessment for pre-foreclosure purposes.

Helpful Documents Provided Prior to Property Visit

Per the ASTM standard, prior to the property visit, the property owner, key site manager (if any is identified), and User (if different from the property owner) shall be asked if they know whether any of the documents below exist and if so, whether copies can and will be provided within reasonable time and cost constraints including partial information. This information is to be provided prior to or at the beginning of the property visit.

Documents	User		Key Site Manager		Property Owner	
	Exist	Provided	Exist	Provided	Exist	Provided
ESA reports	No	No	No	No	No	No
Environmental compliance audit reports	No	No	No	No	No	No
Environmental permits	No	No	No	No	No	No
UST/AST registrations	No	No	No	No	No	No
Underground Injection permits	No	No	No	No	No	No
MSDSs	No	No	Yes	Yes	No	No
Community Right-to-Know plan	No	No	No	No	No	No
Safety plans	No	No	No	No	No	No
SPCC plans	No	No	No	No	No	No
Emergency preparedness and prevention plans	No	No	No	No	No	No
Hydrogeologic reports	No	No	No	No	No	No
Government agency correspondence and violations	No	No	No	No	No	No
Hazardous waste generator notices or reports	No	No	No	No	No	No
Geotechnical studies	No	No	No	No	No	No
Risk assessments	No	No	No	No	No	No
Recorded AULs	No	No	No	No	No	No
Environmental liens	No	No	No	No	No	No
Other: ACM O&M Plan	No	No	No	No	Yes	Yes

Proceedings Involving the Property

Per the ASTM standard, prior to the site visit, the User (if different from the property owner), Key site manager (if any is identified), and property owner shall be asked whether they know of (1) any pending, threatened, or past litigation relevant to hazardous substances or petroleum products in, on, or from the property; (2) any pending, threatened, or past administrative proceedings relevant to hazardous substances or petroleum products in, on or from the property; and (3) any notices from any governmental entity regarding any possible violation of environmental laws or possible liability relating to hazardous substances or petroleum products.

The operator indicated based on a response dated May 4, 2015 via email/response to questionnaire that they have no knowledge of (1) any pending, threatened, or past litigation relevant to hazardous substances or petroleum products in, on, or from the property; (2) any pending, threatened, or past administrative proceedings relevant to hazardous substances or petroleum products in, on or from the property; and (3) any notices from any governmental entity regarding any possible violation of environmental laws or possible liability relating to hazardous substances or petroleum products.

The User and property owner did not respond to the questions whether they have any knowledge of (1) any pending, threatened, or past litigation relevant to hazardous substances or petroleum products in, on, or from the property; (2) any pending, threatened, or past administrative proceedings relevant to hazardous substances or petroleum products in, on or from the property; and (3) any notices from any governmental entity regarding any possible violation of environmental laws or possible liability relating to hazardous substances or petroleum products.

The lack of response is considered a data gap.

User Identified Personnel

The information and contacts below were identified and/or provided by the User/Client.

	Name	Company
User	Mr. Richard Mancini	Torchlight Loan Services
Key Site Manager	Mr. Eugene Rhee	Thor Equities
Current Property Owner Representative	Mr. Eugene Rhee	Thor Equities
Occupant	Ms. Gloria Johnson	Salon 10
Occupant	Ms. Donnita Jones	Piccadilly Cafeteria
Occupant	Mr. Marcus Charles	All About Children
Current Operator Name	Mr. Joe Klutts	The Gallery at Military Circle Mall
Property Manager	Mr. Eugene Rhee	Thor Equities

4.0 PHYSICAL SETTINGS

4.1 Topography/Regional Drainage

Topographic Quadrangle Name	<u>Kempsville, VA</u>
Property Elevation	15 feet above mean sea level
Surface Gradient	South
Property Drainage	Via overland flow into the municipal stormwater collection system via storm drains located within the subject property's parking areas and along local roadways
Regional Drainage	West-southwest
Closest Perennial Water body	Tributaries of Broad Creek located approximately 2,500 feet west-southwest of the subject property

A copy of the USGS 7.5-minute series topographic quadrangle map of Kempsville, VA, is included in Appendix A.

4.2 Soils

USDA County Soil Survey	
Information Source	<u>Soil Survey of Norfolk County Virginia</u>
Date of Information Source	1959
Soil Name	Urban land
Description: Urban land is an area where more than 80 percent of the surface is covered by asphalt, concrete, buildings, or other impervious surfaces. Examples are parking lots, shopping and business centers, and industrial parks.	
Expected depth to bedrock	Not reported

4.3 Underlying Formation

Information Source	Virginia Division of Mineral Resources
Title of Publication	<u>Geologic Map of Virginia</u>
Date of Publication	1993
Name of Physiographic Province	Coastal Plain of the Eastern United States
Description of Unit: The Coastal Plain is the youngest of Virginia's physiographic provinces, its rocks having been deposited after the Atlantic Ocean began to form early in the Mesozoic. Unconsolidated sand, clay, and silt strata eroded from the Appalachian Highlands were deposited offshore and later consolidated into sedimentary rock. Uplift of the North American continent tilted these beds so that today they dip gently seaward.	

4.4 Groundwater

Information Source	United States Geological Survey
Title of Publication	<u>National Water Summary Hydrologic Events and Groundwater Quality</u>
Date of Publication	1986
Underlying Aquifer	Columbia unconsolidated Coastal Plain aquifer
Description: The Columbia aquifer, a water table aquifer, is used primarily for domestic and irrigation supply.	

Expected Depth to Shallow Groundwater	12.5 feet below ground surface (bgs)
Information Source	<u>The EDR Radius Map with GeoCheck</u> , produced by Environmental Data Resources, Inc.
Expected Direction of Shallow Groundwater Flow	West-southwest
Information Source	<u>Kempsville, VA Topographic Quadrangle interpretation</u>

5.0 NEIGHBORING PROPERTIES

Review of neighboring properties from the subject property and from public thoroughfares, and research of available information regarding the neighboring properties, were performed to identify evidence of environmental concerns that could adversely impact the subject property. The subject property is located in a commercial, residential, and institutional (church) area of Norfolk, Virginia.

Direction	Property	Address	Operations
North	Advance Auto Parts	5741 E Virginia Beach Blvd.	Retail auto parts
	A-Mayes-N Soulfood & Catering	5745 E Virginia Beach Blvd.	Restaurant
	Waffle House	5751 E Virginia Beach Blvd.	Restaurant
	McDonald's	5761 E Virginia Beach Blvd.	Restaurant
	7-Eleven 33653	5827 E Virginia Beach Blvd.	Gas station/convenience store (former Exxon 27074)
	Hardee's	5859 E Virginia Beach Blvd.	Restaurant
South	Poplar Hall Drive	Not applicable	Public thoroughfare
	Rehab Health Center	5873 Poplar Hall Drive	Rehabilitation services
	Poplar Hall Apartments	5861-5867 Poplar Hall Drive	Multi-family apartments
	Calvary Revival Church	5833 Poplar Hall Drive	Church
	Office building	5755 Poplar Hall Drive	Commercial offices
	Virginia Department of Motor Vehicles (DMV)	5745 Poplar Hall Drive	DMV offices
	Office building	5735 Poplar Hall Drive	Commercial offices
	Retail building	5812 Poplar Hall Drive	Retail tenants, including Zips Dry Cleaners (5812-F)
	Military Circle Shell #620	500 N Military Highway	Gas/service station (former Star Enterprise/Texaco)
	East	Former Sears Auto	5870 Poplar Hall Drive
Office building		863 Glenrock Road	Commercial offices
Military Crossing		5957 E Virginia Beach Blvd.	Commercial building
Masonic Hall		923 Glenrock Road	Fraternal organization
BB&T Bank		929 Glenrock Road	Bank branch
West	Firestone Tire & Service	800 N Military Highway	Auto service center
	Office building	870 N Military Highway	Commercial offices
	Nawab Indian Cuisine	888 N Military Highway	Restaurant
	Vacant building	950 N Military Highway	Unoccupied building
	N Military Highway	Not applicable	Public thoroughfare
	Ramada Limited	515 N Military Highway	Hotel
	Vacant restaurant	525 N Military Highway	Unoccupied building
	The Dump Furniture Outlet	801 N Military Highway	Furniture outlet (former Kmart/Penske Auto Center)
	Dunkin Donuts	841 N Military Highway	Restaurant

Direction	Property	Address	Operations
	Motel 6	853 N Military Highway	Motel
	Econo Lodge	865 N Military Highway	Motel

Based on a review of neighboring properties from the subject property and from public thoroughfares, the neighboring properties do not appear to be of the type likely to pose a significant threat to the environmental condition of the subject property, with the exception of 5827 E Virginia Beach Boulevard (north of the subject property), which was listed as the Exxon 27074 LUST site.

The neighboring properties were not listed in the environmental database reviewed or Envirofacts, with the exception of the following:

- 5812 Poplar Hall Drive, which was listed as Zips Dry Cleaners (Virginia Dry Cleaner)
- 5827 E Virginia Beach Boulevard, which was listed as Exxon Co USA RA527 (RCRA-SQG); 7 Eleven 33653 (UST site); and Exxon 27074 (LUST site)
- 5833 Poplar Hall Drive, which was listed as Calvary Revival Church (LUST site)
- 800 N Military Highway, which was listed as Firestone Store 39F4 (LUST site); Firestone Store #39F (UST site); and Firestone Tire & Service Center (RCRA-SQG)
- 801 N Military Highway, which was listed as Kmart #3091 (RCRA-SQG); Penske Auto Center (RCRA-Conditionally Exempt SQG or CESQG); and Kmart #3091 (UST site)
- 500 N Military Highway, which was listed as Star Enterprise (RCRA-Non-Generator); Texaco (23-194-0032) (LUST site); Texaco Station-Tanks ((RCRA-Non-Generator); and Military Circle Shell #620 (UST site)

Based upon a review of the environmental database and Property Solutions' observations, the neighboring properties (5827 E Virginia Beach Boulevard; 5833 Poplar Hall Drive; 800 N Military Highway; and 500 N Military Highway) are listed with documented releases. These properties are further discussed in Section 8.2.

A property diagram including neighboring properties is included in Appendix B. Photographs including the neighboring properties are included in Appendix C.

6.0 HISTORICAL PROPERTY INFORMATION

6.1 City Directories

Property Solutions attempted to review historical city directories at the Norfolk Public Library, Mary D. Pretlow Anchor Branch. According to the Reference Librarian, only the current (2011) directory was available in the library collection.

Source: Norfolk Public Library, Mary D. Pretlow Anchor Branch located at 111 W. Ocean View Avenue, Norfolk, Virginia		
City Directory Type: Polk's		
Year	Address	Listing
2011	923 Glenrock Road – NP	Moose Lodge fraternal organization
	929 Glenrock Road – NP	BB&T banks
	931 Glenrock Road – SP	All About Children amusement and recreation
	500 N Military Highway – NP	Shell
	515 N Military Highway – NP	Ramada Limited
	530 N Military Highway – SP	Piccadilly Cafeteria
	700 N Military Highway – SP	Multi-tenant building with Suites 2006, 2006, 2010, 2016, and 2014
	800 N Military Highway – NP	Firestone Complete Auto Center; JC Penny; Macy's
	801 N Military Highway – NP	Supply Room Company; The Dump (A); Mega Office Furniture (B)
	853 N Military Highway – NP	Motel 6
	854 N Military Highway – SP	Restaurant
	865 N Military Highway – NP	Econo Lodge
	870 N Military Highway – NP	Office tenants
	880 N Military Highway – SP	Gallery at Military Circle shopping centers and malls with multiple tenants, including: Cinemark 18 Theaters movie; Doubletree-Norfolk hotels and motels; Lee Nail Salon; Norfolk SAI Hotel, LLC hotels and motels; JC Penny Company department stores; and Sears department stores
	888 N Military Highway – NP	Nawab Indian Cuisine
	920 N Military Highway – SP	Chuck E Cheese's pizza
	930 N Military Highway – NP	Martini Blu restaurant
	5735 Poplar Hall Drive – NP	Office tenants
	5812 Poplar Hall Drive – NP	Retail tenants with Zips Dry Cleaners
	5833 Poplar Hall Drive – NP	Calvary Revival Church
	5847 Poplar Hall Drive – NP	Kingdom Federal Credit Union
	5861-65 Poplar Hall Drive – NP	Residential listings
	5870 Poplar Hall Drive – NP	Sears Auto Center auto repair and service
	5873 Poplar Hall Drive – NP	Rehab Health Care
	5751 E Virginia Beach Blvd – NP	Pizza Hut

Source: Norfolk Public Library, Mary D. Pretlow Anchor Branch located at 111 W. Ocean View Avenue, Norfolk, Virginia		
City Directory Type: Polk's		
	5761 E Virginia Beach Blvd – NP	McDonald's
	5859 E Virginia Beach Blvd – NP	R Farrow

NP – Neighboring property

SP – Subject property

Review of the city directory revealed the subject property was listed with tenants similar to those observed during the property visit. There were no listings for 862 N Military Highway (current Genghis Khan Mongolian Barbeque) or 5825 E Virginia Beach Boulevard (current Bank of America).

No evidence of environmental concern on the subject property was revealed during a review of the city directories.

Evidence of potential environmental concern on the adjoining properties was revealed during a review of the city directories. The following environmentally-suspect neighbors were identified: Shell (500 N Military Highway), Firestone Complete Auto Care (800 N Military Highway), Zips Dry Cleaners (5812 Poplar Hall Drive), and Sears Auto Center (5870 Poplar Hall Drive). These properties are further discussed in Section 8.2.

6.2 Aerial Photographs

Years	1959 and 1961
Information Source	Environmental Data Resources, Inc. (EDR)
Description of Subject Property: Consisted mostly of vacant/wooded land with three dwellings along E Virginia Beach Boulevard and two dwellings along Glenrock Road	
Description of Northerly Adjoining Property: Improved with E Virginia Beach Boulevard with multiple dwellings beyond	
Description of Southerly Adjoining Property: Improved with Poplar Hall Drive with an office building and dwelling beyond	
Description of Easterly Adjoining Property: Improved with multiple dwellings along Glenrock Road	
Description of Westerly Adjoining Property: Improved with N Military Highway with commercial buildings beyond	

Year	1974
Information Source	EDR
Description of Subject Property: Improved with a retail mall building, two restaurant buildings (similar to the China Garden and Genghis Khan Mongolian Barbeque), a bank building (similar to the Bank of America), and a commercial building (similar to the All About Children) similar to those observed during the property visit	
Description of Northerly Adjoining Property: Improved with E Virginia Beach Boulevard with multiple commercial buildings beyond	

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Year	1974
Description of Southerly Adjoining Property: Improved with Poplar Hall Drive with multiple office buildings, a church, and apartments similar to those observed during the property visit	
Description of Easterly Adjoining Property: Improved with office buildings along Glenrock Road	
Description of Westerly Adjoining Property: Improved with buildings similar to the Firestone (800) and office building (870) that were observed during the property visit with N Military Highway commercial buildings, including a gas station to the southwest in the area of the current Military Circle Shell	

Years	1982, 1990, and 1994
Information Source	EDR
Description of Subject Property: No Major Changes, except for the addition of three buildings similar to the Piccadilly Cafeteria, The Military Circle Shoppes, and Chuck E Cheese's that were observed during the property visit	
Description of Northerly Adjoining Property: Improved with a gas station similar to the 7-Eleven that was observed during the property visit with E Virginia Beach Boulevard and multiple commercial buildings beyond	
Description of Southerly Adjoining Property: No Major Changes	
Description of Easterly Adjoining Property: No Major Changes	
Description of Westerly Adjoining Property: No Major Changes	

Year	2005 and 2008
Information Source	EDR
Description of Subject Property: No Major Changes, except for the addition of the Food Court (as depicted by the skylight in the area of the current Food Court)	
Description of Northerly Adjoining Property: No Major Changes	
Description of Southerly Adjoining Property: No Major Changes	
Description of Easterly Adjoining Property: No Major Changes	
Description of Westerly Adjoining Property: No Major Changes	

Years	2009, 2011, 2012, 2013, and 2015
Information Source	EDR
Description of Subject Property: No Major Changes	
Description of Northerly Adjoining Property: No Major Changes	
Description of Southerly Adjoining Property: No Major Changes	
Description of Easterly Adjoining Property: No Major Changes	
Description of Westerly Adjoining Property: No Major Changes, except for the addition of a retail building to the southwest similar to the one observed during the property visit	

Review of the aerial photographs revealed that the subject retail mall building, two restaurant buildings (similar to the China Garden and Genghis Khan Mongolian Barbeque), a bank building (similar to the Bank of America), and a commercial building (similar to the All About Children) were constructed after 1961 and prior to 1974 with the addition of three buildings similar to the Piccadilly Cafeteria, The Military Circle Shoppes, and Chuck E Cheese's after 1974 and prior to

1982. The Food Court in the mall building was added after 1994 and prior to 2005 (as depicted by the skylight in the area of the current Food Court). The aerial photographs revealed that the subject property consisted mostly of vacant/wooded land with three dwellings along E Virginia Beach Boulevard and two dwellings along Glenrock Road from 1959 to 1961 prior to the construction of the subject buildings.

No evidence of environmental concern on the subject property was revealed during a review of the aerial photographs.

Evidence of potential environmental concern on the adjacent properties was revealed during a review of the aerial photographs. A gas station to the southwest in the area of the current Military Circle Shell was depicted in the aerial photographs from 1974 to 2015, and a gas station to the north in the area of the current 7-Eleven was depicted from 1982 to 2015. These properties are further discussed in Section 8.2.

Copies of the aerial photographs are included in Appendix E.

6.3 Fire Insurance Maps

Fire insurance maps that include the subject property were requested from Environmental Data Resources, Inc. (EDR) of Shelton, Connecticut. EDR has informed Property Solutions that no historical map coverage is available for the subject property in the EDR historical map collection.

A copy of EDR’s statement of no coverage is included in Appendix F.

6.4 Topographic Quadrangle Map

Topographic Quadrangle Map Name	<u>Kempsville, VA</u>
Year published	1994
Aerial photograph year map based on	1994
Year photorevised	N/A
Aerial photograph year photorevision based on	N/A
Color of photorevisions	N/A
Description of Subject Property: Located in a red tint area in which only landmark buildings are shown. The subject property is depicted with one building (shown in black) with notations on the map indicating “shopping center”.	
Description of Northerly Adjoining Property: A red tint area in which only landmark buildings are shown (none depicted).	
Description of Southerly Adjoining Property: A red tint area in which only landmark buildings are shown (none depicted).	
Description of Easterly Adjoining Property: A red tint area in which only landmark buildings are shown (none depicted).	
Description of Westerly Adjoining Property: A red tint area in which only landmark buildings are shown (none depicted).	

No environmental concerns were identified based upon a review of the Kempsville, VA topographic quadrangle map.

A portion of the USGS 7.5-minute series topographic quadrangle map of Kempsville, VA, which includes the subject property, is included in Appendix A.

6.5 Prior Use Interviews

Property Contact Name	Mr. Joe Klutts
Property Contact Title	Operations Manager
Property Contact Company	The Gallery at Military Circle Mall
Association with Property	Operator
Years Associated with Subject Property	2005 – Present

Property History: According to Mr. Klutts, the main mall subject building was constructed in 1969-1970 and was first opened in 1970. Renovations to the subject buildings reportedly included new interior mall finishes (ceilings, floors, mechanical and the addition of the Food Court) in 1996. The one UST that was in use at the subject property was most likely installed in 1996 when the new chillers were installed inside the mechanical plant. The UST is utilized for the storage of fuel oil for the emergency generator and as a back-up fuel for the boilers (normally natural gas-fired). Mr. Klutts had no other information concerning this UST.

Other Information: Mr. Klutts provided Property Solutions with copies of the following plans during the property visit:

1. Lease Plan, The Gallery at Military Circle, 880 N Military Highway, Norfolk, Virginia 23502, dated May 2, 2011.
2. Site Plan, The Gallery at Military Circle, 880 N Military Highway, Norfolk, Virginia 23502, dated August 4, 2011.

Copies of these plans are included in Appendix G.

No environmental concerns were identified during the interview with Mr. Klutts.

6.6 Previous Reports and Plans

Complete Report Name	<u>Asbestos Management Plan For Maintenance Personnel, The Gallery at Military Circle, 880 N Military Highway, Norfolk, Virginia</u>
Report Date	February 7, 2014
Report Project Number	Project No. 90.75314.0098
Report Property Name	The Gallery at Military Circle
Report Property Address	880 N Military Highway, Norfolk, Virginia
Prepared by	Cardno ATC

Complete Report Name	<u>Asbestos Management Plan For Maintenance Personnel, The Gallery at Military Circle, 880 N Military Highway, Norfolk, Virginia</u>
Consultant City & State Location	Virginia Beach, Virginia
Prepared for	Thor Equities, LLC
Party City & State Location	Norfolk, Virginia
Report Provided by	Mr. Eugene Rhee, Director of Asset Management, Thor Equities
The entire report including appendices was provided.	
The boundaries discussed in this report are identical to those of the subject property identified by Property Solutions.	
Report and Subject Property Variations: None	
Information/Portions of Report not Included with Report: None	

Scope of Services Performed Per Report: “This document has been prepared for Subject site; for which Asbestos-Containing Materials (ACMs) may have been located, suspected, or assumed.”

Findings/Conclusions as Reported by Report Preparer:

“This Management Plan has been prepared to promote the reduction of risks associated with ACM by identifying, monitoring, addressing existing and potential hazards, and outlining a set of work procedures to follow when ACM is disturbed.”

Cardno ATC recommended that bulk sampling for suspect ACMs be conducted prior to any demolition or renovation activities where such suspect materials could be disturbed.

Property Solutions Review:

Cardno ATC stated the following report was used to complete this plan: Limited Renovation Asbestos Survey Report, The Gallery at Military Circle, 880 N Military Highway, Norfolk, Virginia, prepared by Cardno ATC (Project No. 90.75314.0098), and dated June 21, 2013.

Cardno states “a complete inventory of confirmed or presumed ACMs was not available from the above-referenced report. Also, that they were not provided with any analytical data regarding asbestos concentrations of building materials; therefore, all suspect ACMs are considered to be asbestos-containing until testing proved otherwise.”

Cardno ATC included in their Table 1 a listing of typical ACMs that may be present at the subject buildings and noted if present, they are to be assumed ACM unless proven otherwise through lab analysis.

Property Solutions Findings and Conclusions: ACMs are further discussed in Section 9.2.1.

A copy of the previous report is included in Appendix G.

Property Solutions did not receive and is not aware of any other previous environmental reports pertaining to the subject property.

6.7 Chain of Title Information

A chain of title search for 15 of the 17 parcels of the subject property was obtained from Environmental Data Resources, Inc. (EDR) of Shelton, Connecticut. No chain of title search was included for parcel numbers 00000640 and 00000641. The chain of title search was reviewed for 20150854

obvious evidence of former high-risk property owners and environmental liens that may be associated with the subject property. The following is a review of the chain of title for the subject property as provided by EDR.

Date	Document Type	Grantor	Grantee	Parcels
09/04/2002	Special Warranty Deed	M.C. Properties (Norfolk), Inc.	Thor Gallery at Military Circle, LLC	13279509, 13279518, 13279519, 13279522, 133279526, 13279528, 13279531, 13279533, 13279548, 13279555, 13279556, 13279560, 13279567, 13279568, 13279570

Comment: Prior to the above deed, there are 15 chains of title. Research was stopped here.

Current Owner	Thor Gallery at Military Circle, LLC
---------------	--------------------------------------

EDR stated that no environmental liens were found among the county records in association with the subject property.

Review of the chain of title information reveals that the subject property was historically owned by a corporation. The chain of title information for the subject property did not reveal obvious past owners of the type likely to represent an environmental concern to the subject property.

Based upon the above information, the past owners of the subject property are not expected to be an environmental concern at this time.

The chain of title report and a legal description for the subject property are included in Appendix H.

6.8 Activity and Use Limitations/Environmental Liens

Activity and Use Limitations (AULs) include both legal (institutional) and physical (engineering) controls. Agencies, organizations, and jurisdictions may define or utilize these terms differently.

The User requested Property Solutions to coordinate with a title company or title professional to undertake a review of Recorded Land Title records and judicial records for environmental liens or AULs.

No environmental liens or AULs were identified by Environmental Data Resources, Inc. (EDR) during their search. Please see attached liens search summary letter in Appendix H.

6.9 Other Historical Sources

Historical information regarding the subject property was included as a site description in the previous Asbestos Management Plan For Maintenance Personnel, The Gallery at Military Circle, 880 N Military Highway, Norfolk, Virginia, prepared by Cardno ATC of Virginia Beach,

Virginia (Project No. 90.75314.0098), prepared for Thor Equities, LLC of Norfolk, Virginia, and dated February 7, 2014 (Section 9.2.1). According to Cardno, The Gallery at Military Circle, formerly Military Circle Mall opened in 1970. Renovations in 1996 included the addition of skylights in the concourses, new entrances, and a 600-seat food court. AMC Theaters, located in the middle of the mall, closed in the mid-1990s. In 2000 an 18-screen Cinemark multiplex opened in a different section of the mall (former Leggett/Belk). Thor Equities bought the mall in 2002 and continued a mall-wide renovation. Sears closed its store in March 2012 as part of a nationwide series of closings. The JC Penny store announced on January 15, 2014 that it would close later in the year.

6.10 Historical Use Summary

Based on a review of the historical sources, the subject property was historically used as vacant/wooded land with three dwellings along E Virginia Beach Boulevard and two dwellings along Glenrock Road from 1959 to 1961 prior to the construction of the subject buildings from 1964 to 2000.

Per ASTM E 1527-13, “8.3.2 Uses of the Property—all obvious uses of the property shall be identified from the present, back to the property’s first developed use, or back to 1940, whichever is earlier. This task requires reviewing only as many of the standard historical sources in 8.3.4.1 through 8.3.4.8 as are necessary and both reasonably ascertainable and likely to be useful (as described under Data Failure in 8.3.2.3). . . . Such confirmation may come from one or more of the standard historical sources specified in 8.3.4.1 through 8.3.4.8, or it may come from other historical sources (such as someone with personal knowledge of the property; see 8.3.4.9). However, checking other historical sources (see 8.3.4.9) is not required. For purposes of 8.3.2, the term “developed use” includes agricultural uses and placement of fill dirt. The report shall describe all identified uses, justify the earliest date identified (for example, records showed no development of the property prior to the specific date), and explain the reason for any gaps in the history of use (for example, data failure).”

Per ASTM E 1527-13, “8.3.2.3 Data Failure—the historical research is complete when either: (1) the objectives in 8.3.1 through 8.3.2.2 are achieved; or (2) data failure is encountered. Data Failure occurs when all of the standard historical sources that are reasonably ascertainable and likely to be useful have been reviewed and yet the objectives have not been met. Data failure is not uncommon in trying to identify the use of the property at five year intervals back to first use or 1940 (whichever is earlier). Notwithstanding a data failure, standard historical sources may be excluded if: (1) the source is not reasonably ascertainable, or (2) if past experience indicates that the source is not likely to be sufficiently useful, accurate, or complete in terms of satisfying the objectives. Other historical sources specified in 8.3.4.9 may be used to satisfy the objectives, but are not required to comply with this practice. If data failure is encountered, the report shall document the failure and, if any of the standard historical sources were excluded, give the reasons for their exclusion. If the data failure represents a significant data gap, the report shall comment on the impact of the data gap on the ability of the environmental professional to identify recognized environmental conditions.”

Historical Sources Searched

Historical Source	Source Checked?	Organization	Earliest Date Obtained	Additional Information
Aerial Photos	Yes	EDR/TerraServer	1959	1959, 1961, 1974, 1982, 1990, 1994, 2005, 2008, 2009, 2011, 2012, 2013, and 2015
Fire Insurance Maps	Yes	EDR	N/A	Unmapped area
Property Tax File	Yes	City of Norfolk Office of the Real Estate Assessor	1964	The subject buildings were constructed from 1964 to 2000.
Recorded Land Title Records	Yes	EDR	2002	No environmental liens or AULs were identified by Environmental Data Resources, Inc. (EDR) during their search.
USGS 7.5 Minute Topo Maps	Yes	USGS	1994	Based on a 1994 aerial photograph.
Local Street Directories (city directories)	Yes	Norfolk Public Library, Mary D. Pretlow Anchor Branch	2011	Only the current (2011) directory was available in the library collection.
Building Department Records	Yes	City of Norfolk Bureau of Building Safety	N/A	No response to date.
Zoning/Land Use Records	Yes	City of Norfolk Planning & Community Development – Zoning Division	2015 (current)	The subject property is currently zoned Commercial (C-3) property use.
Other Historical Sources	Yes	Cardno ATC of Virginia Beach, Virginia, dated 2/07/2014	1970	The Gallery at Military Circle, formerly Military Circle Mall opened in 1970.
Miscellaneous Maps/Plans	No	N/A	N/A	N/A
Newspapers	No	N/A	N/A	N/A
Records	No	N/A	N/A	N/A
Other Directories/ Phone books	No	N/A	N/A	N/A

Based on the above information and sources searched above, per ASTM E 1527-13 historical use information is deemed sufficient to comply with ASTM E 1527-13 due to Data Failure.

7.0 INTERVIEWS

The objective of interviews is to obtain information indicating Recognized Environmental Conditions in connection with the subject property as well as AULs. Property Solutions interviewed or made good faith efforts to interview the following:

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Represents	Interviewed	Name and title	Comments
Current Property Owner	No	Not applicable	User did not provide name or contact information nor did they coordinate or facilitate the interview.
Previous Property Owner	No	Not applicable	User did not provide name or contact information nor did they coordinate or facilitate the interview.
Current Property Owner Representative	Yes	Mr. Eugene Rhee of Thor Equities	No concerns identified during the interview.
Previous Property Owner Representative	No	Not applicable	User did not provide name or contact information nor did they coordinate or facilitate the interview.
Key Site Manager	Yes	Mr. Eugene Rhee of Thor Equities	No concerns identified during the interview.
Previous Key Site Manager	No	Not applicable	User did not provide name or contact information nor did they coordinate or facilitate the interview.
Current Property Occupants	Yes	See Section 3.0	No concerns identified during the interviews.
Previous Property Occupants	No	Not applicable	User did not provide name or contact information nor did they coordinate or facilitate the interview.
Current Property Major Occupant	Yes	See Section 3.0	No concerns identified during the interviews.
Previous Property Major Occupant	No	Not applicable	User did not provide name or contact information nor did they coordinate or facilitate the interview.
Current Property Operator	Yes	Mr. Joe Klutts, Operations Manager	No concerns identified during the interview.
Previous Property Operator	No	Not applicable	User did not provide name or contact information nor did they coordinate or facilitate the interview.
Neighboring Property Owner	No	Not applicable	Subject property is not considered an abandoned property where there is evidence of potential unauthorized uses of the abandoned property or evidence of uncontrolled access to the abandoned property, therefore no interview with the neighboring property owners was performed.
Neighboring Property Occupants	No	Not applicable	Subject property is not considered an abandoned property where there is evidence of potential unauthorized uses of the abandoned property or evidence of uncontrolled access to the abandoned property, therefore no interview with the neighboring property occupants was performed.

8.0 ENVIRONMENTAL RECORD SEARCH

8.1 Property-Specific Records

During the course of the assessment of the subject property, Property Solutions contacted the following local, county, and state agencies and companies via phone, letter, or in person.

8.1.1 Department of Health

Agency name	City of Norfolk Public Health
Contact name	Freedom of Information Act (FOIA) Officer
Contact title	FOIA Officer
City	Norfolk
State	Virginia
Contact date	May 5, 2015
Request medium	Letter
Response date	None to date
Form of response	None to date

A response has not been received at the time of this report.

8.1.2 Fire Department

Agency name	City of Norfolk Department of Fire & Rescue
Contact name	FOIA Officer
Contact title	FOIA Officer
City	Norfolk
State	Virginia
Contact date	May 5, 2015
Request medium	Fax (757-624-6832)
Response date	None to date
Form of response	None to date

A response has not been received at the time of this report.

8.1.3 Planning/Zoning Department

Agency name	City of Norfolk Planning & Community Development – Zoning Division
Contact name	Mr. Dean Cooper
Contact title	FOIA Officer
City	Norfolk
State	Virginia
Contact dates	May 5 and 7, 2015
Request mediums	Letter and office visit
Response date	May 7, 2015
Form of response	Interview

Response: According to Mr. Cooper, the subject property is currently zoned Commercial (C-3) property use.

In addition, a zoning verification letter, prepared by the City of Norfolk Department of Planning and Community Development dated June 11, 2004, and a Zoning Assessment report, prepared by Carter Burgess dated July 1, 2004 were provided by the User, which confirm the subject property is zoned C-3 (Retail Center District). Copies of these documents are included in Appendix G.

8.1.4 Building Department/Inspection Department

Agency name	City of Norfolk Bureau of Building Safety
Contact name	FOIA Officer
Contact title	FOIA Officer
City	Norfolk
State	Virginia
Contact date	May 5, 2015
Request medium	Letter
Response date	None to date
Form of response	None to date

A response has not been received at the time of this report.

8.1.5 Tax Assessor/Tax Department

Agency name	City of Norfolk Office of the Real Estate Assessor
Contact name	http://www.propertyshark.com/mason/info/Property-Records/VA/City-Of-Norfolk/
Contact title	Webpage
City	Norfolk
State	Virginia
Contact dates	May 5 and 7, 2015
Request mediums	Online and office visits
Response date	May 5 and 7, 2015
Form of response	Online (May 5) and office visits (May 7)

Property Solutions visited the City of Norfolk Office of the Real Estate Assessor webpage, <http://www.propertyshark.com/mason/info/Property-Records/VA/City-Of-Norfolk/> on May 5, 2015. The City of Norfolk Office of the Real Estate Assessor webpage provided Property Solutions with a copy of a tax map for the subject property and the surrounding area and copies of the tax information cards for the subject property.

Property Solutions also visited the City of Norfolk Office of the Real Estate Assessor on May 7, 2015. The City of Norfolk Office of the Real Estate Assessor receptionist provided Property Solutions with copies of the tax assessor cards for the subject property.

Based on Property Solutions review of the tax map and tax information cards, the subject property is identified as the following Account Numbers:

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- 00000640 – owned by Life & Lola J Johnson, located at 5835 Virginia Beach Boulevard and consisting of 4.371-acres
- 00000641 – owned by Life & Lola J Johnson, located at N S E Virginia Beach Boulevard and consisting of 2.990-acres
- 13279509 – owned by Thor Gallery at Military Circle, located at 931 Glenrock Road and consisting of 0.2759-acre
- 13279518 – owned by Thor Gallery at Military Circle, located at 905 Glenrock Road and consisting of 2.8625-acres
- 13279519 – owned by Thor Gallery at Military Circle, located at 854 N Military Highway and consisting of 0.9724-acre
- 13279522 – owned by Thor Gallery at Military Circle, located at 862 N Military Highway and consisting of 0.5986-acre
- 13279526 – owned by Thor Gallery at Military Circle, located at 920 N Military Highway and consisting of 23895-acres
- 13279528 – owned by Thor Gallery at Military Circle, located at E S N Military Highway and consisting of 0.5124-acre
- 13279531 – owned by Thor Gallery at Military Circle, located at 530 N Military Highway and consisting of 1.9582-acres
- 13279533 – owned by Thor Gallery at Military Circle, located at E S N Military Highway and consisting of 0.0303-acre
- 13279548 – owned by Thor Gallery at Military Circle, located at 880 N Military Highway and consisting of 9.7622-acres
- 13279555 – owned by Thor Gallery at Military Circle, located at 5825 E Virginia Beach Boulevard and consisting of 0.7281-acre
- 13279556 – owned by Thor Gallery at Military Circle, located at 700 N Military Highway and consisting of 2.2258-acres
- 13279560 – owned by Thor Gallery at Military Circle, located at S S E Virginia Beach Boulevard and consisting of 1.4447-acres
- 13279567 – owned by Thor Gallery at Military Circle, located at 773 E Virginia Beach Boulevard and consisting of 1.9162-acres
- 13279568 – owned by Thor Gallery at Military Circle, located at 880 N Military Highway and consisting of 1.9162-acres
- 13279570 – owned by Life & Lola J Johnson, located at N S E Virginia Beach Boulevard and consisting of 2.990-acres

The subject property consists of an irregularly-shaped, 37.944-acre parcel of land improved with eight retail buildings constructed in 1964-2000; and the subject property was acquired by the subject property owners Life & Lola J Johnson and Thor Gallery at Military Circle (dates of acquisition not provided). Previous ownership information was not reasonably ascertainable.

A copy of the tax map is included in Appendix A.

8.1.6 Electric Utility

Agency name	Dominion Virginia Power
Contact name	FOIA Officer
Contact title	FOIA Officer
City	Richmond
State	Virginia
Contact date	May 5, 2015
Request medium	Letter
Response date	None to date
Form of response	None to date

A response has not been received at the time of this report.

8.1.7 Sewer Department/Provider

Agency name	Hampton Road Sanitation District
Contact name	FOIA Officer
Contact title	FOIA Officer
City	Virginia Beach
State	Virginia
Contact date	May 5, 2015
Request medium	Letter
Response date	None to date
Form of response	None to date

A response has not been received at the time of this report.

8.1.8 Water Department/Supplier

Agency name	City of Norfolk Department of Utilities
Contact name	FOIA Officer
Contact title	FOIA Officer
City	Norfolk
State	Virginia
Contact date	May 5, 2015
Request medium	Letter
Response date	None to date
Form of response	None to date

A response has not been received at the time of this report.

Review of the City of Norfolk Department of Utilities' Water Quality Report (2015), revealed the public water supply has met the 90th percentile for the lead action level of 15 parts per billion (ppb), and is currently in compliance with the USEPA's Lead and Copper Regulations.

A copy of the Water Quality Report is included in Appendix I.

8.1.9 Others

Agency name	Norfolk Department of Communications and Technology
Contact name	Ms. Mary E. Keough
Contact title	Program Supervisor
City	Norfolk
State	Virginia
Contact date	May 5, 2015
Request medium	Letter
Response date	May 7, 2015
Form of response	Letter

Response: According to Ms. Keough, “all official records are open to inspection and copying by any citizens of the Commonwealth of Virginia. Accordingly, we are unable to honor your [FOIA] request.”

8.1.10 State Environmental Agency

Agency name	Virginia Department of Environmental Quality (VDEQ) Tidewater Regional Office
Contact name	Ms. Camilla Fletcher
Contact title	FOIA Coordinator
City	Virginia Beach
State	Virginia
Contact date	June 12, 2013
Request medium	Email (trofoias@deq.virginia.gov)
Response date	June 17, 2013
Form of response	Email

Response: Ms. Fletcher provided Property Solutions with copies of previous reports on file with the DEQ concerning the underground storage tank (UST) that was removed from the subject property and from the abutting Exxon (5827 E Virginia Beach Boulevard). These previous reports are further discussed in Section 8.2.

8.1.11 State Online Database Information/GIS

Agency name	Virginia Department of Environmental Quality – Geographic Environmental Information (GIS)
Contact name	http://www.deq.virginia.gov/mapper_ext/default.aspx?service=public/wimby
Contact title	Online search
City	Woodbridge
State	Virginia
Contact date	June 24, 2013
Request medium	Online
Response date	June 24, 2013
Form of response	Online

Response: Property Solutions visited the Virginia Department of Environmental Quality (VDEQ) Geographic Environmental Information online database at http://www.deq.virginia.gov/mapper_ext/default.aspx?service=public/wimby. No tank facilities, Voluntary Remediation Program (VRP) sites, RCRA Corrective Action sites, or solid waste facilities were identified at the subject property or adjoining properties. Petroleum releases were identified at the subject property (Military Circle Mall) and the adjacent properties (Calvary Revival Church, Exxon, and Firestone). These Leaking Underground Storage Tank (LUST) sites are further discussed in Section 8.2.

At the time this report was prepared, some of the above local, county, and state agencies and companies had not responded to our information request as indicated.

According to ASTM E 1527-13, Section 8.1.4.2, information that has been requested must be reasonably ascertainable as part of performing the Phase I Environmental Assessment. Information that is reasonably ascertainable per ASTM means that information will be provided by the source within 20 calendar days of receiving a written, telephone, or in-person request.

Copies of the letters and records of communication are included in Appendix I.

8.1.12 USEPA Envirofacts

Property Solutions contacted the United States Environmental Protection Agency (USEPA) through an on-line search via the Internet to obtain information concerning the subject property. Property Solutions performed a search of Envirofacts, a USEPA-generated website that integrates data extracted from five major USEPA program systems: Aerometric Information Retrieval System (AIRS)/AIRS Facility Subsystem (AFS), Comprehensive Environmental Response, Compensation and Liability Information System (CERCLIS), Permit Compliance System (PCS), Resource Conservation and Recovery Information System (RCRIS) and Toxic Chemical Release Inventory System (TRIS), using two integrating databases: Facility Index System (FINDS) and Envirofacts Master Chemical Integrator (EMCI).

Property Solutions generated a printout of all facilities under the programs identified above that are located within the subject property's zip code (23502). The subject property and adjoining properties were listed among the sites identified during the query search. The query was executed on May 5, 2015. The following tables summarize the listings for the subject property and adjoining properties.

Hazardous Waste Handlers

Listing Type	Facility Name	Address	USEPA ID No.	Handler/Facility Classification
Subject Property	THE FILM FACTORY MILITARY CIRCLE	700 N MILITARY HWY	VAR000004580	SQG

Listing Type	Facility Name	Address	USEPA ID No.	Handler/Facility Classification
Adjoining Property	EXXON CO U S A RA527074	5827 VIRGINIA BEACH BLVD	VAD982366189	SQG
Adjoining Property	STAR ENTERPRISE/ TEXACO	500 N MILITARY HWY	VAD988203337/ VAD988210555	No classification in the current RCRIS database
Adjoining Property	FIRESTONE TIRE & SERVICE CENTER	800 N MILITARY	VAD988202446	SQG
Adjoining Property	KMART #3091	801N MILITARY HIGHWAY	VAD988189189	SQG
Adjoining Property	PENSKE AUTO CENTER	801 N MILITARY HWY	VAR000003327	CSQG

Air Releases Reported

Listing Type	Facility Name	Address	Compliance System Plant ID No.	Compliance Status	Class Code
Subject Property	MILITARY CIRCLE MALL	880 N MILITARY HWY	60244	NO APPLICABLE STATE REGULATION	POTENTIAL UNCONTROLLED EMISSIONS
Adjoining Property	ZIPS DRY CLEANERS	5812 POPLAR HALL DR	61641	IN COMPLIANCE - INSPECTION	POTENTIAL UNCONTROLLED EMISSIONS

A copy of the search results is included in Appendix I.

8.2 Environmental Database Information

As part of the Phase I Environmental Assessment, Property Solutions utilized Environmental Data Resources, Inc. (EDR) of Shelton, Connecticut, as an information source for regulatory agency environmental database records. The environmental database was dated May 5, 2015.

Data supplied by EDR is included in Appendix J. This database also includes the required documentation of sources checked as per Section 8.1.8 of the ASTM standard.

The following summary of the database information is divided into two columns. The first column lists sites as identified and located by EDR within the specified distance of the subject property. The second column lists orphan sites, which could not be located by EDR due to incomplete and/or inaccurate address information included in the United States Environmental

Protection Agency (USEPA)/state databases, which Property Solutions identified as potentially lying within the search distance.

Although the exact locations of the orphan sites are frequently unknown, Property Solutions attempts to evaluate the potential adverse environmental impact that these sites may have on the subject property. This evaluation consists of reviewing street names in an effort to learn whether the street on which the site is located lies within the search distance of the subject property, a drive-by view of surrounding properties during the site visit, and evaluating the site type and information provided by government agencies. The orphan sites included in the following table are those Property Solutions identified as potentially located within the identified search distance. A complete list of sites is included in Appendix J.

Environmental Database Summary

Database	Search Distance	Plottable	Orphan
National Priorities List	1 Mile	0	0
State/Tribal Hazardous Waste Sites	1 Mile	0	0
RCRA Corrective Action Treatment/Storage/Disposal (TSD) Facilities (CORRACTS)	1 Mile	0	0
Delisted National Priorities List	½ Mile	0	0
CERCLIS Sites	½ Mile	0	0
CERCLIS No Further Remedial Action Planned (NFRAP) Sites	½ Mile	0	0
RCRA Non-Corrective Action TSD Facilities	½ Mile	0	0
State/Tribal Voluntary Cleanup Sites	½ mile	0	0
State/Tribal Brownfield Sites/CERCLIS Equivalent	½ mile	0	0
State/Tribal Leaking Registered Storage Tank Sites	½ Mile	30	1
State/Tribal Solid Waste Landfill Sites/Facilities	½ Mile	2	0
Historic Landfills	½ Mile	0	0
Federal/State/Tribal Engineering Controls Registries	½ Mile	0	0
Federal/State/Tribal Institutional Controls Registries	½ Mile	0	0
RCRA Large Quantity Generators	Subject Property and Adjoining Properties	0	0
RCRA Small Quantity Generators	Subject Property and Adjoining Properties	8	0
State/Tribal Registered Storage Tank Sites	Subject Property and Adjoining Properties	5	0
Manifest	Subject Property	0	0
Spill/Release Sites	Subject Property	1	0
Facility Index System(FINDS)	Subject Property	1	0
Emergency Response Notification System	Subject Property	0	0

Database Summary

A complete copy of the database report is attached as an appendix to this report. Those sites noted within the search distance with a closed status from regulators, or not listed with known, documented, or suspected release sites will not be discussed below but can be referred to in the database report. The above sites are not expected to significantly impact the subject property based on the regulatory status listed. In addition, those remaining sites which are expected to be hydraulically downgradient, at a sufficient distance from the subject property, or due to the urban setting and density of the area, will not be discussed below but can be referred to in the database report. These above sites are not expected to significantly impact the subject property based on the above factors and as per ASTM E 1527-13.

The following is a discussion of the database findings:

Subject and Adjoining Properties

The subject property was listed in the environmental database as the following: Military Circle Mall/Entrance #3 (880 N Military Highway), which was listed as a “removed from ground” Underground Storage Tank (UST) site, a case-closed Leaking UST (LUST) site, a Facility Index System (FINDS) site, and a Virginia SPILLS site; and The Film Factory Military Circle (700 N Military Highway), which was listed as a RCRA-Small Quantity Generator (SQG).

The adjacent properties were listed in the database as the following:

- 5812 Poplar Hall Drive, which was listed as Zips Dry Cleaners (Virginia Dry Cleaner)
- 5827 E Virginia Beach Boulevard, which was listed as Exxon Co USA RA527 (RCRA-SQG); 7 Eleven 33653 (UST site); and Exxon 27074 (LUST site)
- 5833 Poplar Hall Drive, which was listed as Calvary Revival Church (LUST site)
- 800 N Military Highway, which was listed as Firestone Store 39F4 (LUST site); Firestone Store #39F (UST site); and Firestone Tire & Service Center (RCRA-SQG)
- 801 N Military Highway, which was listed as Kmart #3091 (RCRA-SQG); Penske Auto Center (RCRA-Conditionally Exempt SQG or CESQG); and Kmart #3091 (UST site)
- 500 N Military Highway, which was listed as Star Enterprise (RCRA-Non-Generator); Texaco (23-194-0032) (LUST site); Texaco Station-Tanks ((RCRA-Non-Generator); and Military Circle Shell #620 (UST site)

Further information regarding these listings is provided below.

Per ASTM 1527-13, if the property or any of the adjoining properties is identified on one or more of the standard environmental record sources in 8.2.1, pertinent regulatory files and/or records associated with the listing should be reviewed in accordance with 8.1.1 through 8.1.8. The purpose of the regulatory file review is to obtain sufficient information to assist the environmental professional in determining if a recognized environmental condition, historical recognized environmental condition, controlled recognized environmental condition, or a de minimis condition exists at the property in connection with the listing. If, in the environmental professional's opinion, such a review is not warranted, the environmental professional must explain within the report the justification for not conducting the regulatory file review. As an alternative, the environmental professional may review files/records from an alternative source(s).

Record information that is not publically available, obtainable within reasonable cost and time constraints, or practically reviewable is considered as being not reasonably ascertainable and is beyond the scope of the Phase I Environmental Assessment. Record information that costs greater than \$125 to obtain or requires more than two hours of environmental scientist time to obtain and review is beyond the scope of the Phase I Environmental Assessment.

State/Tribal Registered Storage Tanks

1. Site Name: Military Circle Mall Entrance #3
Address: 880 N Military Highway
Norfolk, Virginia
Facility ID No.: 5027732
Distance: Subject property
Direction: Subject property
Gradient: Subject property
No. of Tanks: One 12,000-gallon – removed from the ground
Contents: Heating oil

This issue is further discussed below (see Leaking Registered Storage Tanks below).

2. Site Name: 7 Eleven 33653
Address: 5827 E Virginia Beach Boulevard
Norfolk, Virginia
Facility ID No.: 5009932
Distance: Abutting
Direction: North
Gradient: Upgradient
No. of Tanks: Three removed from the ground; two currently in use
Contents: Removed from the ground: one 8,000-gallon gas, one 10,000-gallon gas, and one 12,000-gallon gas. Currently in use: one 10,000-gallon gas and one 15, 000-gallon gas

3. Site Name: Firestone Store #39F
 Address: 800 N Military Highway
 Norfolk, Virginia
 Facility ID No.: 5001113
 Distance: Abutting
 Direction: West
 Gradient: Lateral to downgradient
 No. of Tanks: One 550-gallon and two 10,000-gallon – removed from the ground
 Contents: Used oil (550) and gas (10,000-gallon tanks)
4. Site Name: Kmart #3091
 Address: 801 N Military Highway
 Norfolk, Virginia
 Facility ID No.: 5004033
 Distance: 0.125 mile
 Direction: West
 Gradient: Downgradient
 No. of Tanks: One 1,000-gallon – removed from the ground
 Contents: Used oil
5. Site Name: Military Circle Shell #620
 Address: 500 N Military Highway
 Norfolk, Virginia
 Facility ID No.: 5019142
 Distance: 0.125 mile
 Direction: Southwest
 Gradient: Downgradient
 No. of Tanks: One 550-gallon used oil – removed from the ground.
 Currently in use: one 8,000-gallon diesel, two 10,000-gallon gas, and one 12,000-gallon gas
 Contents: See above

State/Tribal Leaking Registered Storage Tanks

1. Site Name: Military Circle Mall
 Address: 880 N Military Highway
 Norfolk, Virginia
 LRST ID No.: 1996-2416
 Distance: Subject property
 Direction: Subject property
 Gradient: Subject property
 Type of Release: “Petroleum-contaminated soils noted during removal of heating oil UST”
 Type of Product: Heating oil

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Media Impacted:	Soils
Status:	Reported 6/17/1996; case closed 5/16/1997
Potential for Impact:	See below

Property Solutions requested the documents on file with the Virginia Department of Environmental Quality (DEQ) concerning Pollution Complaint (PC) No. 1996-2416. Review of the DEQ file revealed the following:

- A DEQ memo dated June 17, 1996 stated petroleum-contaminated soils were noted during the removal of one 12,000-gallon heating oil UST; 80 to 100 yards of soils removed; no product; high photoionization detector (PID) readings. The responsible party is replacing the UST with a new fiberglass one.
- The *UST Closure Report*, prepared by McCallum Testing Laboratories, Inc. of Chesapeake, Virginia, and dated August 9, 1996. Review of this report revealed hydrocarbon staining and odors were detected in the tank pit to at least 11 feet below ground surface (bgs) and in the excavated soils. Approximately 100 yards of excavated soils were being disposed off-site. No free phase hydrocarbons were removed – the groundwater was not observed in the pit because the tank pit was dewatered prior to UST removal. The UST was installed in 1970. Three soil samples were reportedly collected for Total Petroleum Hydrocarbon (TPH) analysis: T-1 collected from the bottom of the tank excavation on the south end just above the concrete anchor pad at 10' 8" deep; T-2 collected from just below the pad; and T-3 collected from above the pad on the north end of the excavation. The laboratory analytical results revealed TPH concentrations of 3,261 mg/kg (T-2) and 214 mg/kg (T-3); no lab result was provided for T-1.
- Based upon the above information, the DEQ issued a letter dated May 16, 1997 concerning PC# 96-2416 that stated “based upon the information you have provided and current site conditions, the Department believes that contamination levels at this site do not warrant further corrective action.”
- Also included in the file were the results of the tank testing performed by Tanknology on February 8, 1999. The tank test report revealed one 12,000-gallon, double-wall fiberglass UST containing diesel fuel “passed” the tightness test; the lines were not tested.
- Correspondence in the file dated April 28, 2003 included a *Notification for Underground Storage Tanks* for the “closure” of the above-referenced 12,000-gallon UST. Also included were the laboratory analytical results dated July 26, 1996 for one soil sample (S-1) that revealed 5,550 mg/kg TPH with non-detect concentrations of BTEX.

Property Solutions notes that tanks storing heating oil for consumption on the premises where stored are exempt from the Virginia DEQ regulatory requirements (including notification). Owners and operators of regulated USTs are required to report suspected or confirmed releases to DEQ within 24 hours of discovering the release. Releases from unregulated USTs (such as

heating oil tanks) must be reported to DEQ immediately. Persons closing USTs must report the following concentrations to DEQ:

- a.) a TPH concentration in soil that is greater than or equal to 100 mg/kg
- b.) a TPH concentration in water that is greater than or equal to 1 mg/l
- c.) the concentration of any regulated substance that exceeds the detection limit for that substance

Within the DEQ Storage Tank Program, “action levels” are mostly related to: (a) reporting requirements; and (b) clean-up levels or requirements, which are usually risk-based and determined on a case-by-case basis. Clean-up levels or remedial endpoints are site specific and risk based. The reporting thresholds listed above are not remedial endpoints.

Based upon the above information and the regulatory agency closure, this would be considered a controlled recognized environmental condition; therefore, no further regulatory action is recommended. Controlled recognized environmental conditions are recognized environmental conditions resulting from a past release of hazardous substances or petroleum products that has been addressed to the satisfaction of the applicable regulatory authority, with hazardous substances or petroleum products allowed to remain in place subject to the implementation of required controls.

2.	Site Name:	Exxon 27074
	Address:	5827 E Virginia Beach Boulevard Norfolk, Virginia
	LRST ID No.:	2005-5093
	Distance:	Abutting
	Direction:	North
	Gradient:	Upgradient
	Type of Release:	Not reported
	Type of Product:	Not reported
	Media Impacted:	Not reported
	Status:	Release reported 12/03/2004 and case closed 1/07/2005
	Potential for Impact:	See below

The environmental database revealed the Exxon 27074 (5827 E Virginia Beach Boulevard) LUST case was assigned Pollution Complaint (PC) No. 2005-5093, which was listed as being “closed” January 7, 2005 with a No Further Corrective Action (NFA) letter sent. No additional information was included in the database concerning PC No. 2005-5093. This LUST site abuts the subject property to the north and is considered upgradient of the subject property.

Property Solutions requested the documents on file with the Virginia Department of Environmental Quality (DEQ) concerning Pollution Complaint (PC) No. 2005-5093. Review of the DEQ file revealed the following:

- Divestment Initial Subsurface Investigation Report, Exxon 2-7074, 5827 Virginia Beach Boulevard, Norfolk, Virginia, prepared by Groundwater & Environmental Services, Inc. (GES) of Richmond, Virginia, prepared for ExxonMobil Corporation of Matthews, North Carolina, and dated November 29, 2004.

Review of this report revealed “groundwater was initially encountered during the drilling at depths ranging from approximately seven to eight feet below ground surface (bgs). Static groundwater levels were measured at depths of 7.5 to 9.72 feet below the top of the casing in the five site monitoring wells.” Groundwater flow at the site was determined to be in a general northwesterly direction from the service station towards the tank field and away from the subject property.

Property Solutions notes that monitoring well 3 (MW-3) was advanced closest to the subject property. The soil and groundwater analytical results from MW-3 were all non-detect for BTEX, MTBE, and TPH-DRO. Removal of the three USTs was further discussed in the next report.

- Tank Excavation Assessment Report, Former Exxon Service Station #2-7074, 5827 Virginia Beach Boulevard, Norfolk, Virginia, prepared by Groundwater & Environmental Services, Inc. (GES) of Richmond, Virginia, prepared for ExxonMobil Corporation of Matthews, North Carolina, and dated November 29, 2004.

Review of this report revealed three USTs (one 8,000-gallon gas, one 10,000-gallon gas, and one 12,000-gallon gas) were removed from the ground at this abutting property. A total of 29.81 tons of impacted soil were generated and removed from the excavations. GES stated that “only limited hydrocarbon impacts were detected surrounding the tank field.” In addition, “although there were detectable concentrations of BTEX, MTBE and TPH-GRO in three of the dispenser island and one of the product line samples, the concentrations [were] not indicative of petroleum saturated soils.”

Based upon this report and the above-referenced Subsurface Investigation Report, GES recommended no further action regarding the former USTs at this property.

- Virginia Department of Environmental Quality (DEQ) Pollution Report for PC 05-5092 dated December 3, 2004.

Review of this report revealed the DEQ description of the above was “minor petroleum constituents were detected in soil and groundwater samples collected during an initial subsurface investigation conducted at the site in May 2004. A tank excavation assessment report revealed levels of petroleum contamination in soil during tank removal and soil removal (@29 cubic yards) in October 2004. Based on the assessment work and initial abatement activities, the case can be closed.”

- Case Closure Letter, prepared by the Virginia Department of Environmental Quality (DEQ) and dated January 7, 2005, which states “based on the information you have provided regarding current site conditions, the Department believes that petroleum contamination levels do not warrant further corrective action.”

Based on above information, the potential to impact the subject property is low, due to gradient, soil and groundwater analytical results from MW-3 (closest to the subject property), and the current regulatory status (case closed). No further action is recommended at this time.

3. Site Name: Calvary Revival Church
 Address: 5833 Poplar Hall Drive
 Norfolk, Virginia
 LRST ID No.: 2007-5004
 Distance: 0.125 mile
 Direction: South
 Gradient: Lateral to downgradient
 Type of Release: Not reported
 Type of Product: Not reported
 Media Impacted: Not reported
 Status: Release reported 7/17/2006 and case closed 5/15/2007 with no further corrective action letter sent
 Potential for Impact: Low, due to gradient, distance, and current regulatory status (case closed)
4. Site Name: Firestone Store 39F4
 Address: 800 N Military Highway
 Norfolk, Virginia
 LRST ID No.: 1997-2322
 Distance: Abutting
 Direction: West
 Gradient: Lateral to downgradient
 Type of Release: UST removal
 Type of Product: Not reported
 Media Impacted: “Stained soils noted during UST removal”
 Status: Release reported 1/09/1997 and case closed 6/12/1997
 Potential for Impact: Low, due to gradient, limitation of impacts to soil, and current regulatory status (case closed)
5. Site Name: Texaco (23-194-0032)
 Address: 500 N Military Highway
 Norfolk, Virginia
 LRST ID No.: 1992-1667
 Distance: 0.125 mile
 Direction: Southwest
 Gradient: Downgradient

Type of Release:	Not reported
Type of Product:	Not reported
Media Impacted:	Not reported
Status:	Release reported 1/06/1992 and case closed 8/19/1994
Potential for Impact:	Low, due to gradient, distance, and current regulatory status (case closed)

Resource Conservation and Recovery Act Small Quantity Generators

The Small Quantity Generator Sites are:

- | | |
|-----------------------|--|
| Site Name: | The Film Factory Military Circle [former tenant] |
| Address: | 700 N Military Highway
Norfolk, Virginia |
| Facility ID No.: | VAR000004580 |
| Distance: | Subject property |
| Direction: | Subject property |
| Gradient: | Subject property |
| Reported Waste Codes: | D000 and D011 (silver) |
| Violations: | No violations found |

- | | |
|-----------------------|---|
| Site Name: | Zips Dry Cleaners (Virginia Dry Cleaner) |
| Address: | 5812 Poplar Hall Drive
Norfolk, Virginia |
| Registration No.: | 61641 |
| Distance: | 0.125 mile |
| Direction: | Southwest |
| Gradient: | Downgradient |
| Reported Waste Codes: | “Perc dry cleaning machines (2)” |
| Violations: | Not reported |

- | | |
|-----------------------|--|
| Site Name: | Exxon Co USA RA527 |
| Address: | 5827 E Virginia Beach Boulevard
Norfolk, Virginia |
| Facility ID No.: | VAD982366189 |
| Distance: | Abutting |
| Direction: | North |
| Gradient: | Upgradient |
| Reported Waste Codes: | D001 |
| Violations: | No violations found |

- | | |
|------------------|---|
| Site Name: | Firestone Tire & Service Center |
| Address: | 800 N Military Highway
Norfolk, Virginia |
| Facility ID No.: | VAD988202446 |

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Distance: Abutting
Direction: West
Gradient: Lateral to downgradient
Reported Waste Codes: D001 and D039
Violations: No violations found

5. Site Name: Kmart #3091
Address: 801 N Military Highway
Norfolk, Virginia
Facility ID No.: VAD988189189
Distance: 0.125 mile
Direction: West
Gradient: Downgradient
Reported Waste Codes: D001
Violations: No violations found

The Conditionally Exempt SQG Site is:

6. Site Name: Penske Auto Center
Address: 801 N Military Highway
Norfolk, Virginia
Facility ID No.: VAR000003327
Distance: 0.125 mile
Direction: West
Gradient: Downgradient
Reported Waste Codes: D001, D018, and D039
Violations: No violations found

The Non-Generator Sites are:

7. Site Name: Star Enterprise
Address: 500 N Military Highway
Norfolk, Virginia
Facility ID No.: VAD988203337
Distance: 0.125 mile
Direction: Southwest
Gradient: Downgradient
Reported Waste Codes: D001 and D018
Violations: No violations found
8. Site Name: Texaco Station-Tanks
Address: 500 N Military Highway
Norfolk, Virginia
Facility ID No.: VAD988210555
Distance: 0.125 mile

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Direction: Southwest
Gradient: Downgradient
Reported Waste Codes: D001 and D018
Violations: No violations found

Spill/Release Sites

1. Site Name: Military Circle Mall Entrance #3
Address: 880 N Military Highway
Norfolk, Virginia
Facility ID No./Case No.: 2004-T-1883
Type of Release: "Hydraulic system failed in a freight elevator and released product [five gallons] onto the floor" on April 18, 2004.
Type of Product: Hydraulic oil
Media Impacted: Not reported
Status: Closed April 19, 2004
Potential for Impact: Low, due to nature of release (onto floor), length of time since the spill, and current regulatory status (case closed)

FINDS

The Facility Index System (FINDS) contains both facility information and "pointers" to other sources of information that contain more detail, including the Aerometric Information Retrieval System (AIRS) Facility Subsystem (AFS), which is the national repository for information concerning airborne pollution in the United States. AFS is used to track emissions and compliance data from industrial plants.

1. Site Name: Military Circle Mall
Address: 880 N Military Highway
Norfolk, Virginia
Facility ID No.: 110001896128
FINDS System Program: Aerometric Information Retrieval System (AIRS) Facility Subsystem (AFS)

Mr. Joe Klutts, Operations Manager of The Gallery at Military Circle Mall, provided Property Solutions with a copy of a November 2, 2012 letter, prepared by Mr. Troy D. Breathwaite, Regional Air Permit Manager of the Virginia Department of Environmental Quality (DEQ), which stated "the Department has determined that the emissions from the three (3) Cleaver Brooks boilers (CB200), one (1) Cleaver Brooks boiler (CB75), and one (1) Onan emergency generator (100kW) are each below the level required for permitting. Upon making this decision that a source no longer requires a permit, the Department is required by the Regulations to rescind all applicable permits (9 VAC 5-20-220). Additionally, there are no HAPs or toxic pollutant emissions from the source."

A copy of the permit exemption letter is included in Appendix G.

Based upon the above information, no further action is recommended regarding the AFS listing of the subject property.

The potential for obvious vapor encroachment from volatile organic compounds and petroleum products on the subject property or from nearby properties listed in the above databases with known or suspected releases was evaluated.

No activity and use limitations at the subject property indicating vapor encroachment was identified during this assessment.

Based on standard sources reviewed in section 8.0 and observations made during the property visit, no significant release of chemicals of concern has occurred on the subject property. No significant release of chemicals of concern has occurred on the adjacent properties.

Based on the above information, no further action is recommended at this time regarding potential vapor encroachment at the subject property.

8.3 Local Lists

The below local types of records were researched or requested from third parties, the Key Site Manager or local regulatory agencies:

- Local Brownfield Lists
- Local Lists of Landfill/Solid Waste Disposal Sites
- Local Lists of Hazardous Waste/Contaminated Sites
- Local Lists of Registered Storage Tanks
- Local Land Records (For AULs)
- Records of Emergency Release Reports
- Records of Contaminated Public Wells

The above information is discussed in 8.1 and within 8.2 and was duplicative of those sections.

8.4 Database Proprietary Lists

The subject property was not listed in the EDR proprietary information searched in the EDR database.

The adjacent properties were listed in the EDR proprietary information searched in the EDR database as the following:

- 5812 Poplar Hall Drive, which was listed as Soaps N Suds Laundrymat from 2010-2011 and in 2012; and Zips Dry Cleaners from 2011-2012
- 5870 Poplar Hall Drive, which was listed as Sears Auto Center in 2010

- 800 N Military Highway, which was listed as Firestone Tire & Service Center in 2001 and 2006, and then as Sears Auto Center from 2011-2012
- 500N Military Highway, which was listed as Military Circle Texaco from 1999-2004
- 5827 E Virginia Beach Boulevard, which was listed as Exxon Shops from 2004-2005 and in 2009

9.0 PROPERTY VISIT

Property Visit Date	May 6, 2015
Property Solutions Personnel and Title	Mr. Michael Sommer, Senior Project Manager
Property Escort Name	Mr. Joe Klutts
Property Escort Title	Operations Manager
Property Escort Company	The Gallery at Military Circle Mall
Property Escort Affiliation	Operator
Property Escort Years of Association with Subject Property: 10	
The presurvey questionnaire (PQ) was completed.	
Person Completing PQ Name	Mr. Klutts
Person Completing PQ Company	The Gallery at Military Circle Mall
Person Completing PQ Affiliation	Operator
Inaccessible Areas and Reason: The former Sears anchor store (owned by Sears), and the former China Garden and Chuck E Cheese's subject buildings, which were closed/locked with no keys available	
Weather Conditions: Sunny Approximate Temperature: 75 degrees F	
No weather conditions limiting observations were noted.	
Describe Limiting Conditions Present: None	

Property Solutions observed the following areas during the property visit:

- Common areas, including public restrooms, the Food Court, the entrance to the Cinemark Theaters, and the various wings of the mall building (south, Sears, and Macy's)
- The Mall Management offices with conference room and kitchen area
- The following occupied tenant spaces: Lee Nail Salon, food court restaurants, Salon 10, Piccadilly Cafeteria, Genghis Khan Mongolian Barbeque, All About Children
- The following vacant tenant spaces: Gents A Step Ahead, Finish Line, Anna's Linens
- The mall mechanical plant, including the exterior areas of the underground storage tank (UST) and in-ground grease trap for the Food Court
- Exterior grounds including the periphery of the subject property and subject buildings
- Adjoining properties from public rights-of-way

Property Solutions did not encounter inaccessible areas during the property visit with the exception of the former Sears anchor store (owned by Sears), and the former China Garden and Chuck E Cheese's subject buildings, which were closed/locked with no keys available.

Photographs taken during the property visit are included in Appendix C.

9.1 ASTM Scope Considerations

9.1.1 Underground Storage Tanks

The following table is a list of former and current underground storage tanks (USTs) identified at the subject property:

UST No.	Capacity (gallons)	Contents	Material of Construction	Date	Leak Detection	Corrosion Protection	Spill/Overfill	Registered	Status
01	12,000	Heating oil	Bare steel	1970 (est.)	No	No	No	Yes	REM
02	12,000	Heating oil	Double-wall fiberglass	1996	Yes	Yes	Yes	NR	ACT

Date - Date of installation
 ACT - Active
 NR - Not required
 REM - Removed

UST No.	Location/Formal Location	Use/Formal Use of Tank
01	East side of the subject building adjacent to the mechanical plant	Storage of heating oil for the subject mall boilers
02	East side of the subject building adjacent to the mechanical plant	Storage of heating oil for the subject mall boilers

The former 12,000-gallon bare steel UST was removed from the subject property in 1996. This issue is further discussed in Section 8.2.

According to Mr. Joe Klutts, Operations Manager, the one UST that was in use at the subject property was most likely installed in 1996 when the new chillers were installed inside the mechanical plant. The UST is utilized for the storage of fuel oil for the emergency generator and as a back-up fuel for the boilers (normally natural gas-fired). Mr. Klutts had no other information concerning this UST. Property Solutions observed the tank field with two observation wells located on the east side of the subject property in the area immediately outside the mechanical plant. One Veeder-Root TLS-300C automatic tank gauging monitor was observed inside the mechanical plant. The sub-floor, concrete trough for the piping to the boilers was also observed inside the mechanical plant.

Information on file with the Virginia Department of Environmental Quality (DEQ) concerning Pollution Complaint (PC) No. 1996-2416 (Section 8.2) included the results of the tank testing performed by Tanknology on February 8, 1999. The tank test report revealed one 12,000-gallon, double-wall fiberglass UST containing diesel fuel “passed” the tightness test; the lines were not tested. Mr. Klutts was not aware of any additional testing performed on the tank system at the subject property.

Based upon the age of the tank, Property Solutions recommends tightness testing for the tank and piping as well as an evaluation of the leak detection system at the subject property.

USTs are regulated in the Commonwealth of Virginia under the provisions of the Virginia Department of Environmental Quality (VDEQ) Article 9 of State Water Control Law.

No evidence of high pressure natural gas or liquid petroleum transmission pipelines was observed within ten feet of the structures on the subject property. Review of available property maps did not reveal the presence of easements for high pressure natural gas or liquid petroleum transmission pipelines within ten feet of the structures on the subject property.

9.1.2 Aboveground Storage Tanks

The following table lists the current aboveground storage tank (AST) identified at the subject property:

AST No.	Capacity (gallons)	Contents	Material of construction	Secondary Containment	Registered	Status
01	15	No. 2 fuel oil	Steel	No	NR	ACT

ACT - Active
NR – Not Required

AST No.	Location	Use of Tank
01	Situated adjacent to the emergency generator inside the mechanical plant	Storage of fuel oil for the emergency generator and as a back-up fuel for the boilers (normally natural gas-fired)

No leaks or stains were observed in the vicinity of the AST. No bulges or significant rusting of the AST was observed.

According to Section 62.1-44.34:19.1 of the Code of Virginia, dated June 24, 1998, in the state of Virginia, any site with an aboveground storage tank (AST) containing oil with a volume of greater than 660-gallons, or any site with multiple ASTs with an aggregate volume of oil exceeding 1,320-gallons must be registered with the State Water Control Board and the local director or coordinator of emergency services.

Based upon the above information, ASTs are not expected to be an environmental concern at this time. No further action is recommended at this time.

9.1.3 Polychlorinated Biphenyl-Containing Electrical Equipment

A visual review was conducted for the presence of electrical equipment that could contain polychlorinated biphenyls (PCBs), an environmentally regulated material used in dielectric fluid in some electrical equipment. Dominion Virginia Power provides electrical service to the subject property. The following table identifies the transformers observed on the subject property during the property visit:

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Transformer No.	Location	Pad/Pole-Mounted	Owner	PCB Labels	Utility Company Markings	Staining/Leaking
AM62	West side, outside the Mall Management Offices	Pad	Dominion Virginia Power	Non-PCB	Yes	No
NO616 XN50	East side of Piccadilly Cafeteria	Pad	Dominion Virginia Power	No	Yes	No
NO616 XN67	North side of The Military Circle Shoppes	Pad	Dominion Virginia Power	No	Yes	No
NO616 X036	South side Mongolian Barbeque	Pad	Dominion Virginia Power	No	Yes	No
NO616 Y002	East side of Mongolian Barbeque	Pad	Dominion Virginia Power	Non-PCB	Yes	No
NO616 AA02	Northeast of the Chuck E Cheese's building	Pad	Dominion Virginia Power	No	Yes	No
NO717C	East of the Bank of America building	Pad	Dominion Virginia Power	No	Yes	No
NO7170 CA71	Northeast of the All About Children building	Pad	Dominion Virginia Power	No	Yes	No
NO716 CN33	East side of the Sears building	Pad	Dominion Virginia Power	Non-PCB	Yes	No
NO716A BM47	East of mall Mechanical Plant	Pad	Dominion Virginia Power	No	Yes	No
NO716A BM48	East of mall Mechanical Plant	Pad	Dominion Virginia Power	No	Yes	No
NO716A BM49	East of mall Mechanical Plant	Pad	Dominion Virginia Power	No	Yes	No
NO717 BM43	East of Food Court entrance	Pad	Dominion Virginia Power	Non-PCB	Yes	No
NO716 AL78	Southwest corner of the Cinemark Theaters building	Pad	Dominion Virginia Power	Non-PCB	Yes	No
NO716A BM82	South side of the subject property along Military Circle	Pad	Dominion Virginia Power	No	Yes	No

Since the transformers are owned by Dominion Virginia Power based upon observed markings and labels, and no spills or leaks were observed in the area of the transformers, these transformers are not expected to be an environmental concern at the subject property.

Per 40 CFR 761.20 PCBs at concentrations of 50 ppm or greater, or PCB Items with PCB concentrations of 50 ppm or greater, sold before July 1, 1979, for purposes other than resale may be distributed in commerce only in a totally enclosed manner after that date.

Per 15 USC Chapter 53, Subchapter I, Section 2605(e)(2)(A), except as provided under subparagraph (B), effective one year after January 1, 1977, no person may manufacture, process, or distribute in commerce or use any polychlorinated biphenyl in any manner other than in a

totally enclosed manner and (i) no person may manufacture any polychlorinated biphenyl after two years after January 1, 1977, and (ii) no person may process or distribute in commerce any polychlorinated biphenyl after two and one-half years after such date.

Based on the dates of construction (1964-1970) of the subject buildings, the transformers that are not labelled "Non-PCB" may contain PCBs.

Property Solutions contacted Dominion Virginia Power via letter to learn whether the transformers on the subject property are owned by Dominion Virginia Power and to determine the PCB content of the observed transformers. At the time of this report, Property Solutions had not received a response from Dominion Virginia Power.

Dry-type transformers were observed in the tenant warehouse areas and inside the mall mechanical plant. These transformers are not expected to pose a threat to the environmental condition of the subject property, due to the absence of liquid coolant.

9.1.4 Hydraulic Equipment

Three hydraulic trash compactors were observed on the subject property during the property visit at the following locations: outside the mall mechanical plant on the east side of the mall building; at the southeast corner of the Cinemark Theaters; and at the Ross loading dock near the north entrance to the mall building. No evidence of a release of hydraulic fluid was observed in the area of the hydraulic equipment. No drains were observed in the area of the compactors.

No elevators are located on the subject property.

Per 40 CFR 761.20 PCBs at concentrations of 50 ppm or greater, or PCB Items with PCB concentrations of 50 ppm or greater, sold before July 1, 1979, for purposes other than resale may be distributed in commerce only in a totally enclosed manner after that date.

Per 15 USC Chapter 53, Subchapter I, Section 2605(e)(2)(A), except as provided under subparagraph (B), effective one year after January 1, 1977, no person may manufacture, process, or distribute in commerce or use any polychlorinated biphenyl in any manner other than in a totally enclosed manner and (i) no person may manufacture any polychlorinated biphenyl after two years after January 1, 1977, and (ii) no person may process or distribute in commerce any polychlorinated biphenyl after two and one-half years after such date.

Based on the date of installation (1980 or later) of the compactors, the hydraulic equipment is not expected to contain PCBs.

Based upon the above information, hydraulic equipment is not expected to be an environmental concern at this time. No further action is recommended at this time.

9.1.5 Chemical, Hazardous Materials, and Raw Materials Storage and Usage

The following materials were observed to be stored and used on the subject property during the property visit:

Materials Storage

Material	Location	Container Type/Capacity	Quantity	Leaks/Spills	MSDS	Secondary Containment
Acetone	Lee Nail Salon	One-gallon containers	Three	No	Yes	No
Cuticle oils	Lee Nail Salon	One-gallon containers	Three	No	Yes	No
Domestic cleaning supplies	Tenant spaces	Retail size containers	Minimal	No	Yes	No
Motor oil	Mechanical plant	Five-gallon containers	Two	No	Yes	No
Paints	Mechanical plant	Spray cans; one and 5-gallon cans	<50 gallons	No	Yes	Yes
Routine maintenance supplies	Mechanical plant	Retail size containers	Minimal	No	Yes	No
Water treatment chemicals	Mechanical plant	35 and 55-gallon drums	<200 gallons	No	Yes	Yes

Containers found on the subject property during the property visit were observed to have no leaks or spills, and appeared to be properly stored. The containers of paints were observed stored in a cabinet for flammable materials inside the mall mechanical plant; the water treatment chemicals were stored on portable secondary containment pallets. The chemicals observed at the subject property during the property visit are not expected to have adversely impacted the environmental condition of the subject property.

Based upon the above information, the chemicals, hazardous materials, and raw materials stored and used on the subject property are not expected to be environmental concerns at this time. No further action is recommended.

Material Safety Data Sheets (MSDSs) were readily available for the chemicals observed at the subject property.

9.1.6 Waste Generation, Storage, and Disposal

Solid waste generated at the subject property consisted of domestic municipal waste and recyclable materials. Solid waste at the subject property is stored in dumpsters located on the subject property. Municipal solid waste generated at the subject property is removed by Waste

Management. Sanitary waste generated at the subject property is discharged to the Hampton Roads Sanitation District sanitary sewerage system.

No evidence of hazardous waste generation, storage, or disposal was observed during the property visit. Mr. Klutts was not aware of hazardous waste generation on the subject property.

Based upon the above information, no further action is recommended.

9.1.7 Wells, Sumps, Pits, and Floor Drains

Two observation/monitoring wells were located (one each) at the north and south ends of the underground storage tank (UST) situated immediately outside the mechanical plant on the east side of the subject mall building. Mr. Klutts had no information on the construction of the wells, and indicated the wells were not utilized for leak detection of the UST. This issue is further discussed in Section 9.1.1. Property Solutions recommends an evaluation of the leak detection system at the subject property.

One fountain pit was located adjacent to the water fountain near the Macy's anchor store in the subject mall building. One sump was located inside the fountain pit. No staining was observed around or near the sump. The sump was observed to consist of concrete construction. According to Mr. Klutts, the sump discharges directly to the municipal sewer system. No concerns were identified with regard to the sump located in the subject mall building.

Floor drains were located in the public restrooms and inside the mall mechanical plant. No staining was observed around or near the drains. Chemical storage was not observed in the proximity of the floor drains. According to Mr. Klutts, the floor drains discharge to the sanitary sewer system. No concerns were identified with regard to the floor drains located in the subject buildings.

Based upon the above information, no further action is recommended.

9.1.8 Stormwater Runoff and Surface Water

The subject property is improved with the footprints of the subject buildings and associated paved parking areas. The remainder of the subject property consists of limited landscaped areas. Stormwater runoff is expected to exit the subject property via overland flow and enter the municipal stormwater collection system via storm drains located within the subject property's parking areas and along local roadways. Stormwater is also expected to percolate through the landscaped areas.

The 1972 Amendments to the Federal Water Pollution Control Act (commonly known as the Clean Water Act [CWA]) prohibit the discharge of any pollutant to waters of the United States from a point source unless the discharge is authorized by a National Pollutant Discharge Elimination System (NPDES) permit. In 1987, the CWA was again amended by Congress to require implementation of a comprehensive national program for addressing problematic non-

agricultural, non-point sources of stormwater discharge. The rules and regulations of the NPDES program are included in 40 CFR 122.26.

Stormwater permitting for a property is based on the property's Standard Industrial Classification (SIC) Code (category of industrial activity). However, the NPDES program includes a "no exposure" exemption for facilities within an applicable category of industrial activity. Based on 40 CFR 122.26 B(14), the subject property must obtain an NPDES Stormwater Discharge Permit only if material handling equipment or activities, raw materials, intermediate products, final products, waste materials, by-products, or industrial machinery is exposed to stormwater. As materials and activities described above are not associated with the subject property, stormwater permitting is not expected to be applicable at this time.

No surface water bodies (i.e., springs or swamps) were observed on the subject property.

Based upon the above information, stormwater runoff and surface water are not expected to be environmental concerns at this time. No further action is recommended at this time.

9.1.9 Lagoons, Septic Systems, and Separators

No evidence of lagoons, septic systems, or separators was observed on the subject property during the property visit. According to Mr. Klutts, grease interceptors are located inside the kitchens of the restaurant tenants. In addition, in-ground grease traps were observed at the following locations at the subject property: north side of Piccadilly Cafeteria; west side of Chuck E Cheese's; east side of the mall Food Court; and in the Sake Japan kitchen inside the mall Food Court. Mr. Klutts stated the tenants are responsible for the maintenance of their grease traps. Ms. Donnita Jones of Piccadilly Cafeteria stated that Forest Pump Services cleans-out their grease trap every three months.

Based upon the above information, no further action is recommended.

9.1.10 Stressed Vegetation, Staining, and Odors

No evidence of stressed vegetation, staining, or odors was noted on the subject property during the property visit.

Based upon the above information, no further action is recommended.

9.1.11 Surficial Disturbance

No evidence of surficial disturbances was observed on the subject property during the property visit.

Based upon the above information, no further action is recommended.

9.1.12 On-Property Dry Cleaners

No dry cleaning operations were observed at the subject property at the time of the property visit. Mr. Klutts was not aware of dry cleaning operations at the subject property.

No dry cleaners were identified during the historical review of the subject property. Mr. Klutts was unaware of historical dry cleaning operations at the subject property.

9.2 ASTM Non-Scope Considerations

9.2.1 Asbestos-Containing Materials

During the course of the property visit, Property Solutions performed a preliminary review of interior, accessible areas of the subject buildings for the presence of suspect asbestos-containing materials (ACMs). This limited review was conducted for overview purposes only; additional suspect materials may exist in concealed locations (behind walls and above ceilings, within machinery, etc.). Also, not all suspect materials may have been sampled due to the condition or the location of the suspect materials. Destructive sampling of suspect ACMs was not performed. Suspect ACMs in an overall undamaged condition were not sampled, as that will damage the materials. Property Solutions will not be responsible for damaging materials or causing the materials to become friable. The USEPA defines asbestos-containing material as material containing greater than one percent asbestos. This review was not a pre-demolition/renovation survey or for regulatory submittal purposes.

Renovations to the subject buildings reportedly included new interior finishes (ceilings, floors, mechanical and the addition of the Food Court) in 1996, but Property Solutions was provided with no documentation regarding asbestos-related activities that may have been performed at that time such as an asbestos survey, abatement documentation, or final air clearance sampling results. Suspect materials may exist in concealed locations (behind walls and above ceilings, etc.). According to Mr. Klutts, there is an on-going plan that addresses the asbestos-containing materials (ACMs) at the subject property and what was removed but he did not have a copy of the plan. Mr. Klutts further stated that the spray-applied fireproofing observed in the Food Court services corridors was installed in 1996.

Property Solutions requested ACM documentation from Mr. Eugene Rhee of Thor Equities. According to Mr. Rhee, only the *Asbestos Management Plan*, prepared by Cardno ATC of Virginia Beach, Virginia, and dated February 7, 2014 (Section 6.6) was available; no additional ACM documentation was provided.

Review of the previous *Asbestos Management Plan For Maintenance Personnel, The Gallery at Military Circle, 880 N Military Highway, Norfolk, Virginia*, prepared by Cardno ATC of Virginia Beach, Virginia (Project No. 90.75314.0098), prepared for Thor Equities, LLC of Norfolk, Virginia, and dated February 7, 2014 (Section 6.6), revealed that Cardno ATC stated “that they were not provided with any analytical data regarding asbestos concentrations of building materials; therefore, all suspect ACMs are considered to be asbestos-containing until

testing proved otherwise.” Cardno ATC included in their Table 1 a listing of typical ACMs that may be present at the subject buildings and noted if present, they are to be assumed ACM unless proven otherwise through lab analysis.

Suspect and presumed ACMs were observed by Property Solutions within the subject buildings during the property visit. The suspect and presumed ACMs are listed in the following tables.

Per the Torchlight Investors, LLC scope of work, samples of suspect ACMs were not collected.

Friable Materials

Sample No.	Description of Material	Material Classification	Sample Location	Condition	Approx. Amount	% Asbestos/ Type
NS	White, ceiling tiles, 2' x 2'	MISC	Tenant spaces	Undamaged	Subject buildings	NS-SACM
NS	White, ceiling tiles, 2' x 4'	MISC	Tenant spaces	Undamaged	Subject buildings	NS-SACM
NS	Spray-applied fireproofing	SURF	Food Court service corridors	Undamaged	Food Court service corridors	NS-SACM

NS - Not sampled

SACM - Suspect asbestos-containing material per USEPA Green Book

Condition - Undamaged, slightly damaged, damaged, significantly damaged

MISC - Miscellaneous

SURF - Surfacing material

Non-Friable Materials

Sample No.	Description of Material	Material Classification	Sample Location	Condition	Approx. Amount	% Asbestos/ Type
NS	12" x 12" Floor tiles and associated mastic	MISC/Surf	Tenant spaces	Undamaged	Subject buildings	NS-PACM
NS	12" x 12" Floor tiles and associated mastic	MISC/Surf	Tenant spaces	Undamaged	Subject buildings	NS-SACM
NS	Drywall/joint compound system	MISC	Tenant spaces	Undamaged	Subject buildings	NS-SACM

NS - Not sampled

PACM - Presumed asbestos-containing material per OSHA (pre-1981 construction)

SACM - Suspect asbestos-containing material per USEPA Green Book

Condition - Undamaged, slightly damaged, damaged, significantly damaged

MISC - Miscellaneous

Based on the limited visual review conducted by Property Solutions, suspect asbestos-containing ceiling tile, floor tile and mastic, and drywall and joint compound were identified at the subject property. These materials were observed to be in an overall undamaged condition at the time of the property visit.

Per the Occupational Safety and Health Administration (OSHA) regulation 29 CFR 1926.1101 (Asbestos) (k) (Communication of Hazards), thermal system insulation, surfacing material, and asphalt/vinyl flooring that are present in a building constructed prior to 1981, and have not been analytically tested in accordance with 29 CFR 1926.1101 (k) (5) and determined to be non-ACM, are to be presumed to contain asbestos.

It should be noted that 29 CFR 1926.1101 applies to work activities including demolition or salvage of structures where asbestos is present and construction, alteration, repair, maintenance, or renovation of structures, substrates, or portions thereof, that contain asbestos.

Review of 29 CFR 1926.1101 (k) (2) (Duties of Building and Facility Owners) reveals that building and/or facility owners must notify the following persons about the location and quantity of ACM and PACM at the work sites in their buildings and facilities:

- Prospective employers applying and bidding for work whose employees can be reasonably expected to work in or adjacent to areas containing ACM and/or PACM.
- Employees of the owner who will work in or adjacent to areas containing ACM and/or PACM.
- On multi-employer worksites, all employers of employees who will be performing work within or adjacent to areas containing ACM and/or PACM.
- Tenants who will occupy areas containing such material.

Property Solutions recommends that prior to the performance of any renovations, remodeling, demolition, or repairs by the in-house maintenance or engineering staff or outside contractors, verification sampling of PACM in the proposed work areas should be performed to ensure that no ACM will be impacted by work activities. Any abatement or removal of asbestos-containing materials must be performed in accordance with applicable federal, state, and local regulations.

Based on the original dates of construction (1964-1970), PACM and vinyl/asbestos flooring may be located on the subject property. As indicated above, per OSHA regulations (29 CFR 1926.1101 (k)), building owners are required, under certain circumstances, to notify maintenance people and all persons potentially exposed to PACM at the facility of the presence and location of materials that contain (or are presumed to contain) asbestos. Thermal system insulation, surfacing material, and asphalt/vinyl flooring materials that are present in a building constructed prior to 1981, and have not been analytically tested and determined to be non-ACM, are to be presumed to contain asbestos, and should be addressed in accordance with 29 CFR 1926.1101, as well as other applicable federal, state, and local regulations.

Currently, there are no regulations requiring the removal of ACM unless it will be disturbed during renovation, repairs, or demolition. The USEPA recommends that as long as the ACM does not pose an imminent health threat, the materials can be managed under an Operations and Maintenance (O&M) Plan. Property Solutions recommends that the previously developed Asbestos-Containing Materials O&M Plan continue to be implemented at the subject property.

9.2.2 Radon

The subject property is located in Zone 3 (low potential) per the USEPA's Map of Radon Zones. According to the EPA's Map of Radon Zones (1993), 14 canisters were placed at locations in the City of Norfolk, Virginia. The mean value was 0.8 picoCuries per Liter (pCi/L). The USEPA action level is 4.0 pCi/L.

Based on the above information, the non-residential use, forced-air HVAC, and the slab-on-grade construction of the subject buildings, no further action regarding radon is recommended at this time.

9.2.3 Lead-Based Paint

Based on the original dates of construction of the subject buildings (1964-2000), there is a potential that lead-based paints (LBPs) were used during building construction. This section is for overview purposes only and was not a lead evaluation or comprehensive survey for regulatory submission or predemolition/renovation.

Painted surfaces within the subject buildings were generally observed to be in an undamaged condition. Based on the commercial use of the subject buildings, LBP is not expected to be an environmental concern. No further action is recommended at this time.

9.2.4 Lead in Drinking Water

Drinking water for the subject property is provided by City of Norfolk Department of Utilities. The City of Norfolk Department of Utilities was required to perform system-wide lead screening of their water system starting in 1992, under the USEPA "Lead and Copper Regulations" (Federal Register Volume 56, No. 26460). These regulations, promulgated in June 1991, require public water systems to perform screening and provide for public notification and corrective action to reduce the lead hazards present in the water system.

Review of the City of Norfolk Department of Utilities' Water Quality Report (2015), revealed the public water supply has met the 90th percentile for the lead action level of 15 parts per billion (ppb), and is currently in compliance with the USEPA's Lead and Copper Regulations.

9.2.5 Potential Wetlands

No evidence of wetland areas was observed on the subject property during the property visit. Review of the United States Department of the Interior, National Wetland Inventory map of Kempsville, VA, revealed that no delineated wetlands are located on the subject property.

Based upon the above information, wetland areas are not expected to be an environmental concern at this time. No further action is recommended.

A copy of the wetland map is included in Appendix A.

9.2.6 Air Emissions

No major air emissions sources were identified at the subject property during the property visit.

However, there was one fuel-fired emergency generator located inside the mall mechanical plant, and one natural gas-fired emergency generator located on the east side of the former Sears anchor store on the subject property. The generator located inside the mechanical plant is owned by the subject property owner and is an Onan, 100 kilowatts generator. According to Mr. Klutts, this generator is run/tested once per week for approximately 10 to 15 minutes. No information was available concerning the generator located outside the former Sears.

The Virginia DEQ Air Division divides generators into two categories: emergency generators and non-emergency generators. Since air permit applicability is based on the generator's uncontrolled emissions of air pollutants, it is important to understand the difference in the generators and their uncontrolled emission rate.

To qualify as an "emergency generator", the unit can only operate when there is an interruption of power from the utility (or during brief maintenance and testing exercises) and for not more than 500 hours per year including testing and maintenance. An emergency generator's uncontrolled emission rate is assumed to be 500 hours per year under the worst case conditions.

In order for an emergency generator to be exempt from permitting, it must meet one of the following criteria:

1. Exempt by size: Diesel engines that have an aggregate brake horsepower of less than 1,675 horsepower (1,125 kilowatts); Gasoline engines that have an aggregate brake horsepower of less than 910 horsepower (611 kilowatts).

Based on the above information, air emission sources are not expected to be an environmental concern at this time. No further action is recommended at this time.

No indoor air quality complaints were reported during the investigation by the User, Key Site Manager, Operator, or occupants interviewed.

9.2.7 Mold/Water Intrusion

During the course of the Phase I Environmental Assessment property visit, Property Solutions performed limited observations for obvious signs of moisture, water intrusion, and potential mold at the subject property. This was performed for overview purposes only and is not a mold assessment or inspection for regulatory submittal purposes. Additional areas may exist in areas not observed or in concealed locations (behind walls and above ceiling tiles, etc.). This was a limited visual review during a Phase I Environmental Assessment property visit of easily accessible areas for obvious signs of water intrusion and potential mold. An engineering assessment and property maintenance personnel should be consulted to verify water intrusion due to engineering concerns and deficiencies and addressed as appropriate.

Molds produce tiny spores to reproduce, which waft through the indoor and outdoor air continually. When mold spores land on a damp spot indoors, they may begin growing and digesting whatever they are growing on in order to survive. There are molds that can grow on wood, paper, carpet, and foods. When excessive moisture or water accumulates indoors, mold growth will often occur, particularly if the moisture problem remains undiscovered or un-addressed. There is no practical way to eliminate all molds and mold spores in the indoor environment; the way to control indoor mold growth is to control moisture. In addition, mold growth may be a problem after flooding.

Standards or Threshold Limit Values (TLVs) for airborne concentrations of mold, or mold spores, have not been set. Currently, there are no USEPA regulations or standards for airborne mold contaminants.

Mr. Klutts was unaware of past water damage or historic leaks. Mr. Klutts stated that the vacant tenant spaces are currently inspected after rain storms for evidence of water leaks and that any visual evidence of water intrusion is repaired immediately.

No obvious visual evidence of mold, water intrusion, water damage, or standing water was observed in the interior portions of the subject building accessed by Property Solutions during the property visit. No musty odors indicative of a moisture problem or porous materials such as carpets and insulation in damp niches were observed during the property visit.

No botanical materials such as bark chips or potted plants in moist locations such as an atrium were observed during the property visit. One indoor water fountain was observed; no indoor water features such as waterfalls or indoor swimming pools were observed in the subject building. Mr. Klutts was unaware of reported odor complaints, allergic reactions, or other symptoms possibly associated with mold growth. No problems evident in the building envelope or problematic conditions surrounding the air intake were observed. No operatives conducive to bioaerosol generation such as animal confinement operations, agricultural activities, or wetlands were observed on the subject property or adjacent properties. This limited visual review was conducted for overview purposes only; mold may exist in concealed locations (behind walls, wallpaper, and ceilings, etc.). One sump was located inside the fountain pit near the Macy's anchor store in the subject mall building. No visual evidence of mold was observed in the

vicinity of the sump. However, as standing water accumulates in the sump, this area should be periodically reviewed by building management for evidence of mold growth. Mr. Klutts was unaware of mold, water intrusion, water damage, standing water, or historic floods at the subject property.

Based on the above information, no further investigation is recommended at this time regarding moisture and mold.

10.0 CONCLUSIONS AND RECOMMENDATIONS

We have performed a Phase I Environmental Assessment in conformance with the scope and limitations of ASTM Practice E 1527-13 of The Gallery at Military Circle Mall located at 530, 700, 854, 862, 880, and 920 N Military Highway; 5825 E Virginia Beach Boulevard; and 931 Glenrock Road in Norfolk, Virginia 23502. Any exceptions to, or deletions from, this practice are described in Section 1.0 of this report. This assessment has revealed no evidence of recognized environmental conditions in connection with the subject property except for the following:

1. According to Mr. Joe Klutts, Operations Manager, the one underground storage tank (UST) that was in use at the subject property was most likely installed in 1996 when the new chillers were installed inside the mechanical plant. The UST is utilized for the storage of fuel oil for the emergency generator and as a back-up fuel for the boilers (normally natural gas-fired). Mr. Klutts had no other information concerning this UST. Property Solutions observed the tank field with two observation wells located on the east side of the subject property in the area immediately outside the mechanical plant. One Veeder-Root TLS-300C automatic tank gauging monitor was observed inside the mechanical plant. The sub-floor, concrete trough for the piping to the boilers was also observed inside the mechanical plant.

Information on file with the Virginia Department of Environmental Quality (DEQ) concerning Pollution Complaint (PC) No. 1996-2416 (Section 8.2) included the results of the tank testing performed by Tanknology on February 8, 1999. The tank test report revealed one 12,000-gallon, double-wall fiberglass UST containing diesel fuel “passed” the tightness test; the lines were not tested. Mr. Klutts was not aware of any additional testing performed on the tank system at the subject property.

Based upon the age of the tank, Property Solutions recommends tightness testing for the tank and piping as well as an evaluation of the leak detection system at the subject property.

The following controlled recognized environmental condition was identified at the subject property based on the findings provided in this report:

2. The subject property was listed in the environmental database as the following: Military Circle Mall/Entrance #3 (880 N Military Highway), which was listed as a “removed from

ground”, Underground Storage Tank (UST) site, and a case-closed Leaking UST (LUST) site - Pollution Complaint (PC) No. 1996-2416.

Review of documents on file with the Virginia Department of Environmental Quality (DEQ) concerning PC No. 1996-2416, revealed soil samples were collected for Total Petroleum Hydrocarbon (TPH) analysis during the removal of one 12,000-gallon heating oil UST from the subject property: T-2 collected from just below the pad; and T-3 collected from above the pad on the north end of the excavation. The laboratory analytical results revealed TPH concentrations of 3,261 mg/kg (T-2) and 214 mg/kg (T-3).

The DEQ issued a letter dated May 16, 1997 concerning PC# 96-2416 that stated “based upon the information you have provided and current site conditions, the Department believes that contamination levels at this site do not warrant further corrective action.”

Based upon the above information and the regulatory agency closure, this would be considered a controlled recognized environmental condition; therefore, no further regulatory action is recommended.

The following ASTM non-scope consideration was identified at the subject property based on the findings provided in this report:

3. Based on the limited visual review conducted by Property Solutions, suspect asbestos-containing ceiling tile, floor tile and mastic, and drywall and joint compound were identified at the subject property. These materials were observed to be in an overall undamaged condition at the time of the property visit.

Currently, there are no regulations requiring the removal of ACM unless it will be disturbed during renovation, repairs, or demolition. The USEPA recommends that as long as the ACM does not pose an imminent health threat, the materials can be managed under an Operations and Maintenance (O&M) Plan. Property Solutions recommends that the previously developed Asbestos-Containing Materials O&M Plan continue to be implemented at the subject property.

11.0 REFERENCES

11.1 Information Sources

1. United States Geological Survey’s 7.5-minute topographic quadrangle map of Kempsville, VA.
2. United States Department of Agriculture, Soil Conservation Services’ Soil Survey of Norfolk County Virginia (1959).
3. Geologic Map of Virginia, published by the Virginia Division of Mineral Resources, dated 1993.

4. National Water Summary Hydrologic Events and Groundwater Quality (1986), published by the United States Geological Survey.
5. EPA's Map of Radon Zones (1993).
6. United States Department of the Interior, National Wetland Inventory Map for Kempsville, VA.
7. City of Norfolk Department of Utilities' Water Quality Report (2015).
8. Aerial photographs provided by Environmental Data Resources, Inc.
9. Aerial photographs provided by TerraServer.
10. Polk's City Directory.
11. Fire insurance maps, provided by Environmental Data Resources, Inc.
12. The EDR Radius Map with GeoCheck, produced by Environmental Data Resources, Inc.
13. Envirofacts Data Warehouse, produced by USEPA.
14. ALTA/ACSM Land Title Survey of Military Circle Mall, Norfolk, Virginia, prepared by Hassell & Folkes, PC of Chesapeake, Virginia, and dated June 23, 2004.
15. Lease Plan, The Gallery at Military Circle, 880 N Military Highway, Norfolk, Virginia 23502, dated May 2, 2011.
16. Site Plan, The Gallery at Military Circle, 880 N Military Highway, Norfolk, Virginia 23502, dated August 4, 2011.
17. Asbestos Management Plan For Maintenance Personnel, The Gallery at Military Circle, 880 N Military Highway, Norfolk, Virginia, prepared by Cardno ATC of Virginia Beach, Virginia (Project No. 90.75314.0098), prepared for Thor Equities, LLC of Norfolk, Virginia, and dated February 7, 2014.
18. City of Norfolk Public Health.
19. City of Norfolk Department of Fire & Rescue.
20. City of Norfolk Planning & Community Development – Zoning Division.
21. City of Norfolk Bureau of Building Safety.
22. City of Norfolk Office of the Real Estate Assessor.
23. Dominion Virginia Power.
24. Hampton Road Sanitation District.
25. City of Norfolk Department of Utilities.
26. City of Norfolk Division of Communications & Public Information.
27. Virginia Department of Environmental Quality (VDEQ) Tidewater Regional Office.
28. Virginia Department of Environmental Quality – Geographic Environmental Information (GIS).

11.2 Definitions

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.

Activity and use limitations – 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, soil vapor, groundwater, and/or surface water on the property, or