

February 3, 2006

Mr. Peter Economou
Marathon Design & Construction, LLC
230 Windsor Avenue, 1st Floor
Narberth, PA 19072

RE: 1002-1052 Frankford Avenue, Philadelphia, PA

Dear Mr. Economou:

On 1/30/06, Accredited Environmental Technologies, Inc. (AET) issued a draft Phase II Environmental Site Assessment report for the above referenced property site. This correspondence presents an expanded conclusion for review regarding the potential options for contaminated soils at the site.

Phase II activities consisting of the advancement of twelve soil borings at the site and sampling of random soils from those borings was performed on 1/9/06. Analysis of the acquired samples was performed for PADEP target compound list semi-volatile organic compounds and RCRA metals. Additionally, five of the twelve samples were also analyzed for PADEP target compound list volatile organic compounds.

Soil boring activities were performed subsequent to suspect recognized environmental conditions which may be present at the site as identified within AET's Phase I Environmental Site Assessment report.

Review of the results for the samples collected, confirmed the presence of soil contamination for the constituents listed below. The contamination determination was based on comparison to the PADEP Land Recycling & Environmental Remediation Standards Acts, commonly referred to as ACT II, for residential settings.

Lead

Benzo (A) Pyrene

Arsenic

Benzo (A) Anthracene

Cadmium

Benzo (B) Fluoranthene

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Based on the presence of the contaminants identified above, below are options for site development. It is AET's understanding that the site is to be developed into a non-subsidized residential area. General construction techniques would encompass concrete foundations with concrete slab 1st Floor platforms. Basement areas will not be excavated for development. With this understanding, AET presents the following:

1. Given that contamination and materials which can be regulated were identified within the soils at the site, notifications and restrictions will need to be established for the site. The basis of notification is for compliance with the OSHA Hazard Communication Standard applicable to individuals which may be exposed during disturbance of soils at the site. Restrictions would consist of establishing specific methodologies for disturbance of soils at the site. Specifically, a health and safety plan should be established for activities at the site with the potential for the disturbance of soils.

Use of the soil at off site locations is also restricted. Representative sampling of soils to be removed would need to be performed for compliance with the Commonwealth of Pennsylvania's Clean Fill Guidelines.

In addition, based on the potential for vapor intrusion into developed structures, construction techniques may incorporate placement of a subsurface vapor removal system. Such a system would be similar to a Radon sub-slab suction remediation system.

Costs associated with notification and restrictions is limited and generally equates to development fees for a operations and maintenance type program and legal fees for an attorney.

Costs for use of the soil at off site locations equates to performance of sampling of representative haul loads, evaluation of results and staging costs of soils during the interim period. It is noted that soils identified as hazardous waste become increasingly expensive and restrictive for disposal.

Please note that a detailed cost estimate was not prepared, however the anticipated cost increase for development of the property site based on the contaminants identified and the provisions provided above should not exceed \$400,000.00.

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2. Where the client (i.e. property owner) wishes to pursue release of liability from the specific contaminants identified from the Commonwealth of Pennsylvania, compliance with the Pennsylvania Land Recycling Act (ACT II) standard would be required. Compliance would entail completion of a detailed soils evaluation study, public notifications and incorporation of a deed acknowledgment. In pursuing this endeavor, a preliminary meeting should be held with the Pennsylvania Department of Environmental Protection (PADEP) to review the intended development and restrictions which may be placed on the site.

Costs associated with ACT II compliance include development and performance of comprehensive statistical based sampling and analysis, public notification and attorney fees for oversight and preparation of deed restrictions. An operations and maintenance program would also be required for use at the site. Again, no itemized costs have been prepared with regard to this scenario due to the variables involved, however, the anticipated cost to proceed with an ACT II scenario for this site should not exceed \$150,000.00.

Compliance with the ACT II standard is at the property owner's discretion. Bear in mind that the release of liability is limited to that of the Commonwealth, the property owner is still liable against other entities such as individuals.

Prior to proceeding with any remediation effort or extensive environmental endeavor, AET strongly suggests that a meeting be convened with the PA DEP regulatory agency to finalize the available options for the site. Dependant upon the regulatory environment, concessions may be available to minimize costs and facilitate the residential development of the site.

Upon your review, please feel free to contact me regarding the items presented and any questions you may have.

Sincerely,

William Otten
Environmental Professional

cc: Roy Mosaicant, VP, CIH (AET)
Don Heim, VP (AET)