

Phase I ESA
Hercules Industrial Park
1830 Statesville Ave
Charlotte, North Carolina

H&H Job No. KCL-007

July 16, 2007



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July 16, 2007

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Attention: Mr. Bill Mitchener

Re: Phase I ESA
Hercules Industrial Park
1830 Statesville Ave.
Charlotte, North Carolina
H&H Job No. KCL-007

Dear Bill:

Attached please find the Phase I Environmental Site Assessment for the Hercules Industrial Park located at 1830 Statesville Ave. in Charlotte. As discussed in greater detail in the Phase I ESA, there are documented environmental impacts at the site from historical use of the site by the United States government for missile production. The United States Army Corps of Engineers (COE) is the lead agency working on behalf of the United States government to assess and remediate environmental impacts at the Hercules site. A brief description of the conditions at the site related to former use of the property by the United States government is provided below.

- The Hercules Industrial Park and the Eckerd warehouse facility located south of the Hercules Industrial Park were formerly used by the United States government initially as a storage depot from the early 1940s to the mid 1950s and then for the production of Hercules missiles from the mid 1950s to the late 1960s. Activities conducted at the missile facility included metal working, plating, degreasing, painting, assembly, wastewater treatment, and shipping of missiles. The COE refers to the site as the Charlotte Army Missile Plant (CAMP).
- In 1996, the United States government requested access to the Hercules Industrial Park property to investigate and remediate possible contamination related to historical government operations. The original access agreement was signed in 1996 and there have been four subsequent extensions/amendments, the most recent dated January 2004. All of the agreements indicate that:

“The Government assumes responsibility pursuant to CERCLA or any other relevant federal or state environmental statutes for all response actions with respect to releases of hazardous or toxic substances, wastes or materials (including petroleum) from or onto the property which result from or were otherwise caused by past Department of Defense activities at

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**Phase I Environmental Site Assessment
Hercules Industrial Park
1830 Statesville Ave
Charlotte, North Carolina**

H&H Job No. WEP-001

1.0 Findings, Opinions, and Conclusions

Hart & Hickman, PC (H&H) has performed a Phase I Environmental Site Assessment in conformance with the scope and limitations of ASTM Practice E 1527-05 of the Hercules Industrial Park located at 1830 Statesville Ave. in Charlotte, Mecklenburg County, North Carolina. Any exceptions to, or deletions from, this practice are described in this report.

This assessment has revealed no evidence of recognized environmental conditions (RECs) in connection with the property except for the following:

- The Hercules Industrial Park and the Eckerd warehouse facility located south of the Hercules Industrial Park were formerly used by the United States government initially as a storage depot from the early 1940s to the mid 1950s and then for the production of Hercules missiles from the mid 1950s to the late 1960s. Activities conducted at the missile facility included metal working, plating, degreasing, painting, assembly, wastewater treatment, and shipping of missiles. The ACOE refers to the site as the Charlotte Army Missile Plant (CAMP).

In 1996, the United States government requested access to the Hercules Industrial Park property to investigate and remediate possible contamination related to historical government operations. The original access agreement was signed in 1996 and there have been four subsequent extensions/amendments, the most recent dated January 2004. All of the agreements indicate that:

“The Government assumes responsibility pursuant to CERCLA or any other relevant federal or state environmental statutes for all response

actions with respect to releases of hazardous or toxic substances, wastes or materials (including petroleum) from or onto the property which result from or were otherwise caused by past Department of Defense activities at the property or by any actions occurring during the time period the property was owned by, leased to or otherwise possessed by the United States and under the jurisdiction of the Secretary of Defense”.

The agreements also indicate that this particular provision survives the termination or expiration date of the agreements.

Extensive environmental investigations were conducted at the Hercules Industrial Park and the adjacent Eckerd site on behalf of the United States government by the COE in 1996 through 2003. Results of these investigations indicate the presence of ground water impact by the chlorinated solvent trichloroethene (TCE) and its degradation products, and the COE concluded that the TCE was the result of historical governmental activities. The primary source area for ground water impacts at the CAMP site is at the eastern end of Building 1 located on the adjacent Eckerd’s site. Ground water impacts at the Hercules site are primarily confined to small areas near the eastern and southeastern portions of Building 2.

The results of the COE investigations indicate no complete exposure pathways for surface or subsurface soil at the CAMP site (a complete exposure pathway is one in which there is a reasonable potential that human or environmental receptors could be exposed to compounds at levels of concern). As such, the COE concluded that no soil remediation was warranted at the CAMP site.

TCE is present in shallow ground water near a storm sewer on the Hercules site, and TCE has been detected in a sample collected from the storm sewer. However, no surface water impacts above North Carolina surface water quality standards have been detected in

surface water samples collected downgradient of the Hercules site. As such, the COE concluded that surface water is not a complete exposure pathway.

The COE also evaluated potential vapor intrusion into buildings from underlying impacted ground water. The results of the evaluation indicate that vapor intrusion is not a concern for site buildings and thus is not a complete exposure pathway.

No complete exposure pathways were identified for impacted ground water; however, ground water impacts do exceed North Carolina ground water standards. Thus, the COE evaluated ground water remediation alternatives in a Feasibility Study (FS) prepared in 2004. As a result of the FS, the COE chose to actively remediate ground water at the CAMP site using a technique called in-situ chemical oxidation. In this process, chemical oxidants are injected into the ground which chemically destroy the compounds to harmless by-products. The COE plans to conduct active remediation near the southeastern and eastern portions of Building 2 on the Hercules site.

In 2005 and 2006, the COE conducted a pilot test of the planned chemical oxidation to determine the effectiveness of the remediation technique and to select design parameters for full scale implementation. The results of the pilot test indicated that the chemical oxidation was successful and effective in reducing compound concentrations in ground water.

In April 2007, the COE held a Stakeholder's meeting to discuss the results of the pilot test and the proposed remedy. The COE indicated that they anticipate that the final FS will be completed in early 2008, and that full-scale remediation will begin in approximately 18 months from April 2007 (i.e., October 2008).

Based upon discussions with the site property owners, the COE and United States government have never asked for monetary contribution from the site property owners for assessment or remediation activities at the Hercules site. Further, the COE has indicated

that contamination detected at the property during the previous assessment activities is related to historical government operations.

Although the United States government has taken responsibility for assessment and remediation of impacts associated with their former activities at the site, H&H considers the documented presence of environmental contamination from historical government operations to be a REC.

- There are two closed-in place underground storage tanks (USTs) at the site. The two USTs formerly contained fuel oil which was used for on-site heating purposes. One UST (8,000-gallon) is located on the southern side of the site property in a grass area adjacent to an asphalt paved parking area, and the second UST (10,000-gallon) is located beneath an asphalt parking and loading dock area on the north side of facility. In-place closure of the USTs was conducted on August 24, 2005. The in-place closure was conducted by removing residual liquids from the tanks, filling the tanks with a lightweight non-toxic foam, and removing the vent and fill pipes. There are no documented releases associated with tanks.

Although not RECs, the following potential areas of concern were noted in connection with the property.

- In May 2005, the adjacent property owner Eckerd closed 11 non-regulated commercial underground storage tanks (USTs). Soil and ground water impact have been reported in association with the USTs and the incident remains open. Based upon H&H's knowledge, these tanks were located near the southern site property boundary. Based upon the close proximity of the former USTs, the reported ground water contamination, and their upgradient location, there is a potential for site impact. However, a review of site ground water data collected by the COE does not provide evidence of ground water contamination on the site from these off-site tanks.

- H&H was provided information concerning removal of asbestos containing materials at the site, including pipe insulation and floor tile. Site contact Mr. Neal Hall indicated that to his knowledge most of the asbestos containing material had been removed. Mr. Hall indicated that the exterior of the 3,000 square ft building may contain non-friable asbestos, and H&H concurs with this observation.

2.0 Introduction

This report presents the results of a Phase I ESA of an approximate 22.5-acre property located at 1830 Statesville Ave. in Charlotte, Mecklenburg County, North Carolina which is occupied by the Hercules Industrial Park. This assessment was conducted for 1830 Statesville Ave., LLC in accordance with our authorized scope of work.

2.1 Purpose and Scope of Services

The purpose of this assessment was to identify, to the extent feasible pursuant to the processes prescribed herein, recognized environmental conditions in connection with the property. Such environmental conditions include the presence or likely presence of hazardous substances or petroleum products on the property under conditions that indicate an existing release, a past release, or a material threat of a release of hazardous substances or petroleum products in structures on the property, or into the ground, ground water, or surface water on the property.

2.2 Methodology Used

This Phase I ESA was performed in general conformance with ASTM procedure E 1527-05, Standard Practice for ESAs: Phase I Environmental Site Assessment Process. The assessment process consisted of four tasks:

- records review;
- interviews with the current owner/occupants of the property and with local government officials regarding the property (as appropriate);
- site reconnaissance; and
- evaluation and report preparation.

2.3 Limitations and Exceptions of Assessment

The following items were beyond the scope of this assessment and thus were not addressed in this report:

- cultural, historical, and archaeological sites survey;
- radon testing;
- responsibilities of the User of this Phase I ESA to meet all appropriate inquiry as defined in ASTM E1527-05 (a copy of the User Questionnaire is provided in Appendix A);
- asbestos or lead-based paint survey;
- drinking water testing;
- rare and endangered species survey; and
- wetlands verification/delineation.

2.4 Special Terms and Conditions

The conclusions presented in this report are professional opinions, based solely upon visual observations of the site and vicinity and our interpretation of the available historical information, documents reviewed, and analytical results as described in this report. They are intended exclusively for the purpose outlined herein and at the site location and the project indicated.

This report is intended for the sole use of 1830 Statesville Ave., LLC. The report may not be relied upon by other parties without the express written consent of H&H and 1830 Statesville Ave., LLC. The scope of services performed in execution of this investigation may not be appropriate to satisfy the needs of other users, and any use or re-use of this document or the findings, conclusions, or recommendations presented herein is at the sole risk of said user.

It should be recognized that this study was not intended to be a definitive investigation of contamination at the subject property. It is possible that currently unrecognized contamination may exist at the site. Opinions and recommendations presented herein apply to site conditions existing at the time of our investigation and those reasonably foreseeable. They necessarily cannot apply to site changes of which H&H is unaware and has not had the opportunity to evaluate.

3.0 Site and Area Description

3.1 General Site Description and Use

The subject site is an approximate 22.5-acre property located at 1830 Statesville Ave. in Charlotte, North Carolina. The subject site currently is occupied by commercial and light industrial businesses. A site location map is included as Figure 1, and a site map is included as Figure 2.

3.2 Description of Site Structures and Improvements

There are four primary buildings located on the property. These building are described as follows:

- An approximate 240,000 square ft single story building (built 1943) located in the northern portion of the site which has a concrete floor slab, wood framing, and wood, vinyl, aluminum, and wood composite siding (referred to as Building 3);
- An approximate 260,000 square ft single-story building (built 1943) located in the southern portion of the site constructed on concrete slab with steel framing and a brick and siding exterior (referred to as Building 2);
- An approximate 3,000 square ft single story building located in the far eastern portion of the property which is constructed on a concrete pad with wood and cinder block framing, and composite siding (built in 1955); and
- An approximate 10,000 square ft building constructed on a concrete pad and supported by metal framing and cinder blocks with plastic and wood siding (built in 1987).

Out of service rail tracks enters the property in the northeastern portion of the property and run through the center of the property between Buildings 2 and 3. Loading docks are present around

the perimeter of Buildings 2 and 3 including along the railroad spur. The railroad spur area between the buildings may also be accessed via trucks.

The property is surrounded by a chain link fenced and accessed from gates on Woodward Ave. and Statesville Ave. The remainder of the site is covered primarily with asphalt and concrete, with the exception of a section of kudzu along the railroad tracks in the northeast portion of the property, and small landscaped areas throughout the site.

3.3 Property Owner, Manager, and Occupants

H&H reviewed the tax records of the subject site on the Mecklenburg County on-line Property Ownership and Land Records Information System (POLARIS) website. The tax records indicate that the subject property is owned by Eighteen Thirty Statesville Ave, LLC.

The site buildings are occupied by the following (see Figure 2):

- Building 3 - Engineered Recycling Company (ERC – a plastic bottle recycling and flower pot manufacturing operation), COE Distributing (a wholesale office furniture distributor), AJE-RPS (an electrical component warehouse), and CaroCraft (a custom cabinet and millwork operation);
- Building 2 - Stamp Source (a custom metal stamping operation), Bonded Logistics (a warehouse and distribution operation), and storage for Samaritan's Shoes (a non-profit distributor of shoes to the needy);
- 10,000 square ft building – occupied by ERC for the storage of plastics prior to recycling as well as totes containing waste materials; and
- 3,000 square ft building – vacant.

During the site visit, H&H interviewed Mr. Neal Hall, property manager and part owner, who has specific knowledge of the site and its history. Information provided by Mr. Hall is included

throughout this report. H&H also interviewed occupants of the spaces to determine specific information about their activities. Information from occupant interviews is primarily provided in Section 5.0.

3.4 Vicinity Characteristics

The area in the vicinity of the subject site contains primarily industrial and commercial businesses. The subject site is bordered as follows:

- Northwest – Woodward Avenue followed by the Statesville Market Cafe with commercial and residential land beyond;
- North – Woodward Avenue followed by Precision Dynamic, Inc., FCI Waste Services, and F.J. Flynn, Inc. Autohardware with commercial and residential land beyond;
- Northeast – Heritage Stone, LLC followed by Woodward Avenue with commercial and residential land beyond;
- South – Eckerd Warehouse and Distribution Center with industrial land beyond;
- East – Railroad tracks followed by Graham Street with commercial land beyond; and
- West – Statesville Avenue followed by the Hebrew Cemetery with residential land beyond.

3.5 Physical Setting

Topography

The subject site topography is relatively flat with a slight grade to the west-southwest. According to the Charlotte East, NC United States Geological Survey (USGS) topographic quadrangle map dated 1967 and revised in 1988, the elevation of the subject property is approximately 750 feet above mean sea level (MSL) (Figure 1).

Geology

The subject property is located in the Piedmont Physiographic Province of North Carolina. According to the *Geologic Map of North Carolina* dated 1985, the subject property lies within the Charlotte Belt of the Piedmont. In the site area, underlying bedrock is composed of granitic rock. The land surface of the area is generally characterized as gently sloping, which may become moderately steep where intersected by streams.

In the Piedmont, the bedrock is overlain by a mantle of weathered rock termed saprolite or residuum. The saprolite consists of unconsolidated clay, silt, and sand with lesser amounts of rock fragments. Due to the range of parent rock types and their variable susceptibility to weathering, the saprolite ranges widely in color, texture, and thickness. Generally, the saprolite is thickest near interstream divides and thins toward streambeds. In profile, the saprolite normally grades from clayey soils near the land surface to highly weathered rock above the competent bedrock.

The occurrence and movement of ground water in the Piedmont is typically within two separate but interconnected water-bearing zones. A shallow water-bearing zone occurs within the saprolite, and a deeper water-bearing zone within the underlying bedrock. Ground water in the shallow saprolite zone occurs in the interstitial pore spaces between the grains comprising the saprolite soils. Ground water in this zone is typically under water table or unconfined conditions. Ground water generally migrates laterally from recharge areas to small streams that serve as localized discharge points.

The occurrence and movement of ground water in the underlying water-bearing zone within the crystalline bedrock is controlled by secondary joints, fractures, faults, and dikes within the bedrock. On a regional scale, the direction of ground water flow is typically from uplands to major streams and ground water sinks. The saprolite has a higher porosity than the bedrock and serves as a reservoir that supplies water to a network of fractures in the bedrock.

It is expected that shallow ground water movement across the site generally mimics the slope of the local topography and thus would generally be in a west southwest direction.

4.0 Records Review

4.1 Standard Environmental Record Sources – Federal, State and Local

H&H utilized Environmental Data Resources (EDR), an environmental database search service, for a cursory review of Federal and State regulatory database files regarding regulated sites within the ASTM-specified search radii. Federal, state, local, tribal, and EDR proprietary databases were searched by EDR on May 18, 2007 and are included in the EDR report located in Appendix B.

Upon our review of the EDR report, H&H identified and summarized the following information pertaining to the subject property, off-site properties, and unmappable orphan properties.

Subject Property

The subject site was identified in the EDR report in the Federal Formerly Used Defense Sites (FUDS) database, Facility Index System/Facility Registration System (FINDS), Resource Conservation and Recovery Act (RCRA) databases, and the State Incident Management Database (IMD) and Underground Storage Tank (UST) databases. Addresses listed in the EDR report may not match the current physical street address of the site. According to the Charlotte-Mecklenburg POLARIS website, several other addresses are linked to the property at 1830 Statesville Avenue. Those address include 1011, 1013 and 1101 Woodward Avenue. Also, the Hercules Industrial Park was a portion of the former Charlotte Army Missile Plant (CAMP) site, and any listings of the former CAMP site are considered to be associated with the subject property.

FUDS is a Federal database that includes locations of Formerly Used Defense Site properties where the US Army Corps of Engineers (COE) is actively working or will take necessary cleanup actions. The listing indicates that the site was used by the Quartermaster during World War II, and was used for manufacturing after the war. The listing indicates that ground water contamination is present in two locations at the site, and that the COE is currently investigating the site. Additional information concerning this listing is provided in Section 4.3.

FINDS is a Federal database that contains both facility information and pointers to other sources that contain more detail. The database indicates that other pertinent environmental information is available for the site in the Aerometric Information Retrieval System (AIRS) database, RCRA, and the Toxics Release Inventory System (TRIS) database. The EDR report provides information regarding the RCRA listing, but does not provide further information concerning the AIRS and TRIS listings. According to the Mecklenburg County Department of Air Quality, a former tenant of the site (United Coatings) was issued an air permit, which is the most likely reason for the AIRS and TRIS listings.

RCRA is a Federal database that includes selective information on sites which generate, transport, store, treat, and/or dispose of hazardous waste as defined by RCRA. A former tenant of the site, United Coatings – 1011 Woodward Avenue, is listed as a RCRA Conditionally Exempt Small Quantity Generator (CESQG). No violations are noted in the EDR report. It should be noted that United Coatings is no longer a tenant of the Hercules Industrial Park but formerly occupied the eastern portion of Building 3 and the central portion of Building 2.

The IMD is a State maintained database that lists sites with ground water and/or soil contamination incidents. The database indicates that the Charlotte Army Missile Plant (1860 Statesville Avenue) was reported in August 2003 as having ground water contamination and elevated metals in the soil. Additional information concerning this listing is provided in Section 4.3.

The UST database is a State maintained record of registered USTs regulated under Subtitle I of the Resource Conservation and Recovery Act (RCRA). According to the UST database, a 10,000-gallon fuel oil UST is present at the site (listed at 1820 Statesville Ave) and has a regulatory status of temporary closed. Also, the EDR report indicates that a second 8,000-gallon heating oil/fuel UST (1011 Woodward Avenue) is present at the site and has a regulatory status of currently in use. It should be noted that in-place closure of the USTs was conducted on August 24, 2005. As such, on July 12, 2007 at the request of 1830 Statesville Ave., LLC, H&H submitted documentation of the UST closures to DENR so that the DENR databases could be updated. Additional information concerning the USTs is provided in Section 4.3.

Off-Site Properties

EDR identified two Federal and thirty-nine State and local database listings for off-site properties located in the vicinity of the subject site. No tribal or EDR proprietary database listings were identified by EDR for properties located near the subject property. Pertinent sites are listed below. Other sites are not listed below based on their separation distance, topographic location relative to the subject site, lack of reported incident, and/or incident type.

Gibson Industrial Services

Gibson Industrial Service, Inc (a.k.a. Case Trucking – 1022 Woodward Avenue) is listed in the Leaking UST (LUST), UST, and IMD databases. The site is located approximately 400 ft north of the site across Woodward Avenue and topographically upgradient of the Hercules Industrial Park. The EDR report indicates that an 8,000-gallon diesel/diesel mixture UST (installed in 1960) and a 3,000 gasoline/gasoline mixture UST (installed in 1960) were removed from the site in October of 2000. Soil and ground water contamination were detected after the USTs were removed. The site received a no further action designation in April 2001. Based upon the no further action designation, the potential for site impact is low.

Eckerd Drug

The Eckerd Drug Company facility is located south, adjacent, and upgradient of the subject site. The site is listed as a RCRA SQG, and no violations are noted in the EDR report. The Eckerd site is also listed in the LUST and IMD databases. Ground water and soil contamination from a leaking UST was reported in August of 1990. According to the EDR report, a May 2005 closure assessment of 11 non-regulated commercial USTs needs further assessment and the incident remains open. The EDR report also indicates that more USTs remain at the site. Based upon H&H's knowledge, these tanks were located near the southern site property boundary. Based upon the close proximity of the former USTs and the reported ground water contamination, there is a potential for site impact. However, a review of ground water data for the site collected by the COE does not provide evidence of ground water impact from the off-site USTs.

The Eckerd Drug facility is also part of the former CAMP site and there is documented ground water contamination by the solvent trichloroethene (TCE) which has migrated from the Eckerd's site to the subject site. Additional information is provided in Section 4.3.

Unmappable Properties

H&H reviewed a list of unmappable sites included within the EDR database report. Unmappable sites do not contain sufficient address information in the environmental databases to plot them on a map. H&H reviewed the area near the subject property for these unmappable sites based on the limited information in the EDR report and was unable to locate any near the subject property.

4.2 Other Records Review

Fire Department

H&H contacted Mr. Gary McCormick of the Charlotte Fire Department for information on fires, spills or other environmental issues associated with the subject site. The fire department response indicated that there is no record of spills or fires on the property involving petroleum or other hazardous substances.

Mecklenburg County Well Information System (MC LUESA)

H&H reviewed information available on the Mecklenburg County Land Use and Environmental Services Agency (LUESA) Well Information System website (<http://maps.co.mecklenburg.nc.us>) for records of private wells and contaminated sites in the vicinity of the subject property. Based upon our review of the website, the subject site was not identified as a contaminated site, and no water supply wells are present in the immediate site area. Four properties were noted in the vicinity of the subject site with ground water impacts and included Case Trucking (1022 Woodward Avenue), and Eckerd Drug Company (1776 Statesville Avenue). These properties are also listed in the EDR report and are discussed in Section 4.1.

Charlotte Mecklenburg Utilities

H&H contacted Charlotte Mecklenburg Utilities (CMU) and inquired about information of environmental significance regarding wastewater discharge at the site. This information is discussed in Section 5.3.

Mecklenburg County Air Quality

H&H contacted the Mecklenburg County Department of Air Quality and inquired whether or not the site has an air permit. H&H observed air discharges from two spray booths at Carocraft. Mr. Jason Rayfield of Mecklenburg County Air Quality indicated that the site does not have an air permit. Carocraft personnel indicated that an air permit was not required because of the low discharge mass from the spray booths.

4.3 Previous Environmental Reports

Mr. Neal Hall of 1830 Statesville Ave., LLC provided H&H with a copy of 43 documents, 6 right of entry agreements, and other information regarding environmental conditions at the Hercules Industrial Park site. A listing of these documents is provided in Appendix C. Following receipt of these documents H&H was subsequently provided with three additional documents which are also listed in Appendix E. A summary of information concerning these documents is provided below.

1987 Environmental Assessment (1987-1988)

In 1987, Subsurface Investigations (SI) conducted an environmental assessment at the Hercules Industrial Park. The assessment did not indicate signs of chemical leaks or vegetation staining at the site. The report indicates that the only chemical of concern associated with the United Coatings facility located at the east end of Building 3 was chromium.

As part of the investigation, SI collected two soil samples from one boring (B-3) on the east end of Building 3 and one ground water sample for analysis of volatile organic compounds (VOCs) and metals. The results of the ground water analyses indicated no VOCs or metals. The results of the soil analyses indicated low levels of chromium (up to 48.6 mg/kg) and lead (up to 23 mg/kg) which SI attributed to possible releases at the United Coatings facility. Based upon

H&H's review, the detected metals concentrations are well within background levels for these compounds and are below DENR action levels. The soil analyses also indicated a tentative identification of pentane in the soil.

In December 1987, ERM-Southeast completed two additional soil borings in the area of the previous soil boring conducted by SI. Four soil samples were collected from the two borings and analyzed for metals after the EP Toxicity leaching procedure. The results of analysis of the samples did not indicate any metals leachate concentrations greater than hazardous waste levels.

In May 1988, Datamet Engineering advanced four soil borings in the area of B-3 to evaluate soil conditions. The borings did not indicate the presence of detectable odors or appearance of hydrocarbon contamination. No samples were collected for analysis and Datamet indicated that no further assessment or remediation was warranted.

Based upon our review of the documents, there does not appear to be evidence of soil impact at the east end of Building 3.

Chic Hosiery Assessment (1991)

Chic Hosiery operated a textile dye and warehousing operation in Building 2 from approximately 1980 to 1991. Operations reportedly conducted at Chic Hosiery included dyeing lady's hosiery, packaging, and shipment. Wastewater reportedly drained from two concrete floor sumps into a pretreatment unit on the north side of the building, then into a concrete weir box prior to discharge to the sanitary sewer.

On April 15, 1991, ERM-Southeast conducted soil investigation to determine if there was site impact as a result of dyeing and wastewater operations. Sampling was conducted at piping that lead to the wastewater pretreatment area, at the wastewater treatment area, and at the concrete weir box. A site-specific background sample was also collected for metals analysis.

Results of analysis of the soil samples collected from the potential areas of concern indicated that the sample along the piping and sample at the wastewater tanks had slightly elevated levels of lead

and/or zinc when compared to background. However, H&H's review of the data indicated that the metals concentrations are within the range of regional background levels and below DENR action levels. No oil and grease or phenols were detected in the soil samples. The ERM-Southeast report concluded that further assessment or remediation was not warranted.

In 2005, H&H conducted soil and ground water sampling in the vicinity of the former Chic Hosiery rental space as part of an assessment of former missile production activities conducted at the site (see below). The results of the assessment indicated the presence of contamination in this area of the site, however the impacts are consistent with former government operations at the site and do not appear to be related to Chic Hosiery.

Based upon the data reviewed, there is no evidence of significant contamination associated with the former Chic Hosiery operations.

Underground Storage Tanks

There are two closed-in place underground storage tanks (USTs) associated with the site. The two USTs formerly contained fuel oil which was for on-site heating purposes. Fuel oil is no longer used for heating purposes. One UST (8,000-gallon) is located on the southern side of the site property in a grass area adjacent to an asphalt paved parking area (South UST), and the second UST (10,000-gallon) is located beneath an asphalt parking and loading dock area on the north side of facility (North UST). Figure 2 indicates the approximate location of the former USTs.

In-place closure of the USTs was conducted on August 24, 2005. The in-place closure was conducted by removing residual liquids from the tanks, filling the tanks with a lightweight non-toxic foam, and removing the vent and fill pipes. There are no reported releases associated with the USTs.

Previous Phase I ESA Reports

H&H reviewed two previous Phase I ESA reports for the site dated December 1993 and June 1994. Because of their close date, the reports are very similar in content and are discussed herein together.

The Phase I ESA reports were prepared by ERM-Southeast and included the subject site and a building formerly located in the northeast corner of the property which is no longer part of the subject site. The Phase I ESAs indicate that the small building in the eastern portion of the site was used by the on-site maintenance supervisor for storage of grounds and building maintenance supplies. Building 2 was occupied by the following:

- MJ Shea for storage and distribution of household items and furniture;
- United Coatings for the storage of painting supplies and produced coatings mixed in Building 3; and
- Nature's Medley which produced potpourri.

At the time of the Phase I ESAs, Building 3 was occupied by the following:

- NB Handy Company for the storage and distribution of roofing and heating and air conditioning supplies and equipment;
- Pleasant Hardware for the fabrication of door and bathroom accessories and wholesale storage and distribution;
- ESM Corporation, a computer cable assembly plant and administrative offices; and
- United Coatings Company, a manufacturer of water-based and latex-based paint, emulsions, and coatings. United Coatings also occupied the smaller building east of Building 3 for flammable material storage.

The Phase I ESA noted the presence of the fuel oil USTs in the northern and southern portions of the site. The report also noted the potential for asbestos containing materials at the site including non-friable siding at the maintenance building in the far eastern portion of the property and floor tile in some areas of the site. The report indicates that all friable asbestos material was removed from the facility in 1988. Additional information concerning asbestos removal following the 1988 removal is provided below in the subsection entitled "Asbestos".

The report did not indicate any significant areas of concern at the site. The report recommended considering formal closure of the fuel oil USTs and a formal review of asbestos containing materials at the site.

US Army Corps of Engineers Assessments

H&H was provided numerous documents relating to assessment and proposed remediation activities at the site related to its former use for missile production by the United States government. The activities are being conducted by the US Army Corps of Engineers (COE) on behalf of the United States government. The activities are being overseen by the North Carolina Department of Environment and Natural Resources (DENR).

The reports indicate that the Hercules Industrial Park and the Eckerd warehouse facility located south of the Hercules Industrial Park were formerly used by the United States government initially as a storage depot from the early 1940s to the mid 1950s and then for the production of Hercules missiles from the mid 1950s to the late 1960s. Activities conducted at the missile facility included metal working, plating, degreasing, painting, assembly, wastewater treatment, and shipping of missiles. The site is referred to as the Charlotte Army Missile Plant (CAMP).

In 1996, the United States government requested access to the Hercules Industrial Park property to investigate and remediate possible contamination related to historical government operations. The original access agreement was signed in 1996 and there have been four subsequent extensions/amendments, the most recent dated January 2004. All of the agreements indicate that:

“The Government assumes responsibility pursuant to CERCLA or any other relevant federal or state environmental statutes for all response actions with respect to releases of hazardous or toxic substances, wastes or materials (including petroleum) from or onto the property which result from or were otherwise caused by past Department of Defense activities at the property or by any actions occurring during the time period the property was owned by, leased to or otherwise possessed by the United States and under the jurisdiction of the Secretary of Defense”.

The agreements also indicate that this particular provision survives the termination or expiration date of the agreements. A copy of the latest access agreement is provided in Appendix E.

The COE reports indicate that three areas of potential concern were identified by the COE in their review of historical government documents on the Hercules Industrial Park site. These were:

- former petroleum above ground storage tanks in the south-central portion of Building 2;
- a former wastewater treatment plant outside of the eastern end of Building 2 which contained a sulfuric acid tank, chrome holding tank, cyanide tank, neutralization tank, sulfur dioxide tank, settling tank, and other open tanks; and
- a former 6,000-gallon TCE above ground storage tank (AST) located in the far southeastern portion of the site.

The remainder of the potential areas of concern at the CAMP site were identified off-site on what are now the Eckerd distribution warehouses to the south of the Hercules site.

The COE conducted extensive soil and ground water investigations at the Hercules Industrial Park and the adjacent Eckerd site in 1996 through 2003. Results of these investigations indicated that there were no significant soil impacts at the Hercules site. Results of ground water investigations indicate that the ground water beneath the Hercules site is impacted with the chlorinated solvent TCE and its degradation products. The results of the COE studies indicate that the primary sources of ground water impact are located at the Eckerd site although sources of ground water impact are also present at the Hercules site.

Figure 2 depicts the locations of COE monitor wells at the Hercules site. As indicated in Figure 2, all of the monitor wells on the Hercules property are located outside of buildings and are primarily present in the eastern portion of the site.

Maps depicting ground water impacts in shallow depth and intermediate depth (transition zone) wells from the COE Feasibility Study report are provided in Appendix E. There is little contamination in the bedrock aquifer at the Hercules site and therefore a map for this zone is not included in Appendix E. As indicated in Appendix E, there are two primary areas of ground water impact at the Hercules site. The first area (referred to in COE reports as “Hot Spot 1”) is located near the southeast corner of Building 2 and extends from the Eckerd site below the eastern portion of Building 2. The impacts in this area appear to be primarily sourced at the Eckerd’s site but a secondary source area also appears to be present near a former process pit in Building 2 (see below). This area of ground water impact is present in both the shallow and intermediate aquifer zones. The highest TCE concentrations in this area on the Hercules property zone are in the range of 3,000 to 4,000 $\mu\text{g/l}$ (versus the North Carolina ground water standard of 2.8 $\mu\text{g/l}$).

The second primary area of ground water impact on the Hercules site is located at the end of Building 2 and coincides with the area of the former wastewater treatment plant. This area is referred to in COE reports as “Hot Spot 2”. The ground water impacts in this area are primarily confined to the shallow aquifer and the highest TCE concentrations are in the range of 1,000 $\mu\text{g/l}$.

The zones of higher ground water impact are depicted by the areas inside the 1,000 $\mu\text{g/l}$ concentration line. As indicated in the figures in Appendix E, on the Hercules property, these areas are limited to a small area near the southeastern loading dock of Building 2 (approximately 80 ft by 100 ft) and smaller area at the end of Building 2 (approximately 30 ft by 60 ft).

TCE has also been detected in the storm drain which runs east to west in the southern portion of the Hercules property. The impacted water in the storm drain appears to be the result of infiltration of shallow impacted ground water into the drain line. In 2000, TCE concentrations in the stormwater line in the southeast portion of the site in the area of highest ground water impacts were in the range of 300 $\mu\text{g/l}$. This storm drain discharges off-site to a man made drainage feature located southwest and across Statesville Ave. from the site. Results of analysis of the off-site surface water samples indicate TCE concentrations in the range of 40 $\mu\text{g/l}$, which is below the North Carolina surface water standard for TCE of 92.4 $\mu\text{g/l}$ for a Class C stream. Recent off-site

sampling at the man made stream by others indicates that TCE concentrations have decreased since the initial sampling conducted by the COE in 2000.

In the June 2004 Feasibility Study, the COE conducted an analysis of potential exposure pathways for the identified soil, ground water, and surface water impacts, including an evaluation of potential vapor intrusion into building. The exposure pathways analysis was conducted to determine if there are routes of exposure to human health or the environment from the impacts and whether the complete exposure pathways represent an unacceptable risk. The results of the exposure pathway analysis did not indicate any complete exposure pathways.

In January 2006, the COE completed a re-evaluation of the exposure pathways in a Pathways Analysis Report. The pathways analysis included a review of surface and subsurface soil data, surface water data, ground water data, and an evaluation of the potential for vapor intrusion into existing buildings. For the vapor intrusion evaluation, the potential exposure was evaluated assuming a worker protection scenario. Consistent with the previous evaluation, the results indicated that there was no complete exposure pathway for impacts at the site.

In June 2004, the COE completed a Feasibility Study for the CAMP site. Although there were no identified exposure pathways for the impacts, ground water impacts exceed North Carolina standards. The Feasibility Study is intended to evaluate and select a remedial option for the ground water impacts. Based upon the results of the Feasibility Study, the COE selected in-situ chemical oxidation to remediate ground water at the CAMP site. In-situ chemical oxidation is a process where strong chemical oxidants are injected into the ground water and the chemical contaminants are oxidized to harmless by-products.

In 2005 and 2006, the COE conducted a pilot test to further evaluate the in-situ chemical oxidation remedy. The pilot test was conducted in the area of highest ground water impact on the Eckerd's portion of the CAMP site. The results of follow up sampling conducted as part of the pilot test, the most recent which was conducted in October 2006, indicate that the selected remedial technology was successful in reducing contaminant concentrations.

In April 2007, the COE held a Stakeholder's meeting to discuss the results of the pilot test and the proposed remedy. The COE indicated that it is anticipated that a final FS will be completed in early 2008, and that full scale remediation will begin in approximately 18 months from April 2007. Active remediation at the Hercules site will be conducted in the areas in higher ground water impact outside the eastern and southeastern portions of Building 2.

2005 Soil and Ground Water Assessment

In 2005, H&H completed a review of historical information concerning government operations at the CAMP site as it relates to the Hercules property. Historical information was obtained from a review of previous site assessment reports prepared for the COE, review of historical drawings of the government operations from the archives of the property owners, and discussions with former employees who worked at the CAMP site during missile production by the government (Mr. Art Pue and Mr. Addison Bell).

In summary, the results of the historical information review indicated several potential areas of concern at the site related to former government operations, some which had not been assessed in previous COE assessment reports. Figures depicting the location of these areas are provided in Appendix F. The potential areas of concern included the following:

Building No. 2

1. A 6,000 gallon TCE above ground storage tank (AST) was located in the far southeastern portion of the site which was used in the missile production process by the government. Apparent remnants of the tank supports are still visible in this area. An underground line which served the AST is still in place on the adjacent Eckerd's property and its capped end appears to be present on the Hercules site (see Figure 2). According to information supplied by the property owner, the line still contains TCE. During the recent Stakeholder's meeting, the COE indicated that the line would be pumped out as part of site remedial activities.

2. A wastewater treatment plant associated with missile production was located east of Building No. 2 and consisted of open retention tanks, sulfuric acid tanks, and a settling tank.
3. A trench drain, waste basin, shower, and eyewash station were identified in historical government maps in the southeastern part of Building No. 2 (current Stamp Source location). The trench drain on the map was noted to be 12 to 15 inches in depth and flowed in an easterly direction to the southern wall of Building No. 2 although the ultimate discharge location was not indicated. The use of this area was not identified. The trench drain patch is still visible in the building; however, the waste basin area is covered with bathrooms.
4. A large process pit was identified in the southeast portion of Building No. 2. Historical information indicates that this pit was used by the government for degreasing and plating of missile components. A sump was identified in the northeast portion of the pit in historical drawings. The former process pit is located primarily in the current Stamp Source space. The pit is currently filled in and capped with concrete. There is evidence of a concrete-covered underground pipe chase access ports which are near the southern side of the building. In addition, there is evidence of an above ground wastewater line that runs from the area of the process pit and appears to exit out the back (eastern side) of Building No. 2 where the wastewater treatment plant was located.
5. Four paint spray booths were identified in government maps to be present in Building No. 2 (see Appendix F). These booths would have likely included use of paints, paint solvents, and degreasers in association with missile production activities. All of these areas coincide with the locations of smaller pits identified in the building. The pits currently have a concrete cover. An electrical circuit box near Paint Booth 2-4 indicates the presence of a former glycol pump. Glycol is sometimes used as a paint solvent.

Building No. 3

1. Three paint spray booths were identified in historical government maps in Building No. 3 (see Appendix F). The area of Booth 3-1 is concrete paved although no obvious indications of a pit are present; however patching for a sewer drain line is visible which maps indicate went to the paint booth. Small pits were identified in the area of Booths 3-2 and 3-3 which are covered with welded steel plates and there is a void under the plates.

As with the booths in Building No.2, these paint booths would have likely included use of paints, paint solvents, and degreasers. However, unlike the booths in Building No. 2, historical maps indicate that all of the paint booths in Building No. 3 were connected to the sanitary sewer running underneath the southern side of Building No. 3.

Because many of these potential areas of concern related to former government operations had not been previously assessed in COE investigations, H&H conducted soil and ground water sampling at the site in May 2005 to further evaluate the potential for impact.

The results of analysis of soil and ground water samples are summarized in the tables and figures in Appendix F. The results of the soil samples for VOC analysis indicate that, of the compounds detected, TCE in four soil samples exceeded the screening levels. The highest concentrations of TCE were detected in the vicinity of the process pit in Building No. 2. The concentrations in the two samples were similar and ranged from 0.150 mg/kg to 0.158 mg/kg. Lower levels of TCE were found in DPT-2 at the wastewater treatment plant and in DPT-1 near the 6,000 gallon TCE AST.

The results of the ground water analyses indicated that tetrachloroethene (PCE), TCE, cis-1,2-dichloroethene (cis-1,2-DCE), and vinyl chloride were detected above North Carolina standards. TCE was the most prevalent compound detected and was found above ground water standards in four of six temporary monitor wells. The highest concentration detected was at DPT-8 located at the process pit where TCE was detected at a concentration of 4,590 µg/l.

Compounds were also detected above standards but at much lower concentrations in a former paint booth in the western part of Building 2, and at a former paint booth in Building 3.

The results of H&H's 2005 soil and ground water assessment were provided to the COE. The COE subsequently acknowledged that the findings of the H&H 2005 study are consistent with the findings of the COE studies and with historical government activities. In addition, the COE agreed to incorporate the findings of the 2005 study from a qualitative standpoint into the final FS.

According to Mr. Hall, the COE has never asked the property owners for any contribution toward assessment or remediation activities, and the COE has indicated that detected impacts at the Hercules site are associated with historical government operations.

Asbestos

H&H also reviewed information concerning asbestos removal at the site. A document from 1988 indicates that friable asbestos containing pipe insulation had been removed from the buildings except for some outside insulation near the refrigeration room. The report also noted the potential presence of asbestos in vinyl floor tile. H&H was also provided information related to asbestos removal conducted in 2004 which Mr. Hall indicated was for removal of asbestos containing floor tile and wallboard from Building 2.

Mr. Hall indicated that to his knowledge almost all of the asbestos containing material had been removed from the facility. He indicated that wallboard on the 3,000 square ft building may contain asbestos but is non-friable.

4.4 Historical Use Information

Aerial Photographs

Aerial photographs dated 1938, 1951, 1956, 1966, 1968, 1975, 1978, 1980, 1983, 1986, 1990 and 1997 were reviewed at the Mecklenburg County Planning and GIS department as well as the Soil and Water Conservation Office located in Charlotte, North Carolina. An aerial photograph

dated 2005 was reviewed online at <http://maps2co.mecklenburg.nc.us>. The following is a summary of the findings of the aerial photographs available:

- 1938; (scale 1"= 1,320'): The subject property appears to be undeveloped land. A large building is visible adjacent to the south of the subject site. Several small outbuildings are also present in connection with the southern adjacent building. Several residences are visible west of the site along Statesville Avenue. Woodward Avenue is present to the north, Statesville Avenue is present to the west and a railroad track is present to the east of the site. The rest of the surrounding properties appear to be undeveloped, possibly agricultural.
- 1951; (scale 1"= 1,320'): Two large buildings are visible at the site. The site is accessed by a driveway along Woodward Avenue along the northern portion of the site. Residential properties are visible across Statesville Avenue to the west of the subject site, as well as approximately 250 ft north of the subject site. Additional commercial development of what appears to be warehouse buildings is present approximately 150 ft south-southeast of the subject site. The area east of the subject site remains undeveloped.
- 1956; (scale 1"= 1,320'): The subject site and surrounding properties appear similar to the 1951 aerial photograph, except that a western driveway along Statesville Avenue is now visible at the subject site.
- 1966; (scale 1"= 200'): A connector has been constructed between the two site buildings. In addition, small outbuildings are present in the southeast corner and on the northern portion of the property along a driveway. The northwest adjacent property appears to have been converted into a parking lot and small warehouse building, and several properties north of Woodward Avenue have been commercially developed into what appears to be small warehouses. A parking lot has been developed approximately 400 ft south-southwest of the site. Additional residences are present west of the site across Statesville Avenue. The properties to the southeast of the site remain similar to the 1956 aerial photograph.

- 1968; (scale 1"= 1,320'): The subject site and surrounding areas appear similar to the 1966 aerial photograph.
- 1975; (scale 1"=1,200'): The subject site and surrounding areas appear similar to the 1968 aerial photograph, except that debris storage was noted along the eastern boundary of the property along the railroad tracks.
- 1978; (scale 1"=1,200'): The subject site and surrounding areas appear similar to the 1975 aerial photograph, except that one of two outbuildings on the southeastern portion of the property is no longer present.
- 1980; (scale 1"=1,200'): The subject site and surrounding areas appear similar to the 1978 aerial photograph, except that an area of debris was identified on the eastern portion of the property along the edge of the driveway, and a small outbuilding on the northern portion of the property is no longer present.
- 1983; (scale 1"=200'): The subject site and surrounding areas appear similar to the 1980 aerial photograph, except that several tractor trailers are present along the northern portion of Building 3, and between Buildings 2 and 3.
- 1986; (scale 1"= 200'): The subject site remains similar to the 1983 aerial photograph. An "L" shaped warehouse has been constructed on the property adjacent to the northeast. The remainder of surrounding properties appear similar to how they appeared in 1983.
- 1990; (scale 1"= 200'): A storage building is now present between the two main warehouses and the eastern site boundary in the place of the former debris area. The remainder of the subject site and surrounding areas appear similar to the 1986 aerial photograph and as they do today.
- 1997; (scale 1"= 200'): The subject site and surrounding areas appear similar to the 1990 aerial photograph and as they do today.

- 2005; (viewed at scale 1" = 891'): The subject site and surrounding areas appear similar to the 1997 aerial photograph and as they do today.

City Directories

H&H reviewed select city directories at the Mecklenburg County Public Library in Charlotte, North Carolina. The results of the city directory review are summarized below:

- 1933 to 1953/1954: Properties along Statesville Ave are listed as residences.
- 1954 to 1967: The site (listed at the address 1820 Statesville Ave) is listed as a US Army Recruiting Center, Douglas Aircraft, US Government Army Ordinance Department (missile plant), and USAF Recruiting Center. Surrounding properties are listed as commercial, industrial, and residential properties.
- 1968 to 1973: The site is listed as Eighteen Twenty Aircraft and Federal Pacific Electric. Surrounding properties are listed as commercial, industrial, and residential properties.
- 1974 to 1975/1976: The site is listed as Consolidated Diesel Electric and Federal Pacific Electric. Surrounding properties are listed as commercial, industrial, and residential properties.
- 1976 to 1982: The site is listed as Brevoni Hosiery, Rockwell International (textile machinery) and Pat Hall Industries. Surrounding properties are listed as commercial, industrial, and residential properties.
- 1982 to 1992: The site appears to have been split into two separate addresses, listed as Eckerd (1820 Statesville Ave) and Chic Hosiery, Carolina Machinery, and Hall Property Management (1830 Statesville Ave). From 1993 to present, 1820 Statesville Ave. is listed as Eckerd.

- 1992 to 1994: No listings.
- Mid-1990s to present: industrial and commercial businesses (Bonded Distribution, United Coatings, L&M Bag Supply, Natures Medley, Charlotte Statesville, A Displays and Interiors) are listed at 1830 Statesville Avenue. The site is currently listed as CaroCraft, Stamp Source, and Collett & Associates (Agent). Note that there is a gap from 2000 to 2003 where there are no listings for 1830 Statesville Avenue.

According to the Charlotte-Mecklenburg POLARIS website, several other addresses are linked to the property at 1830 Statesville Avenue. Those address included 1011, 1013 and 1101 Woodward Avenue. H&H reviewed select city directories for these address and other adjacent properties to look for businesses that could pose a potential environmental concern. No businesses of environmental concern were noted.

Sanborn Fire Insurance Maps

H&H reviewed Sanborn Fire Insurance Maps online at the NC Live website (<http://sanborn.umi.com>). One Sanborn map created in 1929, updated in 1953, was available for the subject site. The subject property is developed as the US Army Quartermaster Depot in the map.

Interviews

H&H interviewed Mr. Neal Hall, property manager and part owner of the site, during our site reconnaissance. Mr. Hall was aware that the site formerly operated two USTs that have been closed in place. Also, Mr. Hall indicated that the site formerly operated as the Quartermaster Deport beginning in the 1940s and then was used for missile production by the United States government from in the 1950s and 1960s as the Charlotte Army Missile Plant. Mr. Hall indicated that there have been extensive environmental investigative efforts performed at the site by the COE on behalf of the United States government which have identified contamination at the site by the compound TCE. Monitor wells are present at the site which were installed by the COE as part of their site investigation.

According to Mr. Hall, there are no septic systems or water supply wells located at the site. Mr. Hall was not aware of any current USTs operated by the tenants. Mr. Hall indicated that there are and have been hazardous materials stored and used by various tenants. He was not aware of any leaks or spills of these hazardous materials by occupants.

Mr. Hall indicated to the best of his recollection the following tenants occupied the spaces at the site. Gaps in dates are either because the tenant could not be recalled or because the space was vacant.

Stamp Source Space (Building 2)

July 2004 – present: Stamp Source
2002 – 2004 – Bonded Distribution
1997/98 – 2002 - Eckerd
1992/93– 1997/98 – Nature’s Medley (potpourri maker)
1980 – 1990 – Carolina Machinery Co. (assembled textile machinery)

Bonded Logistics Space (Building 2)

2006 – Present – Bonded Logistics
2003 – 2006 – US Greenfiber (recycled fiber storage)
1980 – 1996 – United Coatings (storage of water-based paint)
One year in mid-1990s – B&M packaging
1980 – 1990 – Chic Hosiery

ERC Space (Building 3)

October 2003 – Present – ERC
1998 – 2002 – Eckerd
1976 - 1996 – United Coatings (latex paint manufacturer)

COE Distributing Space (Building 3)

2002 – present – COE Distributing
1998 – 2002 – Eckerd
1988 – 1998 – Pleasant Hardware

Carocraft Space (Building 3)

May 2006 – present – Carocraft
2003 – 2005 – Carolina Autosupply
2005 – Bonded Distribution
1996/97 – 2002 – Eckerd
1985 – 1996 – NB Handy (distributor of ductwork)
1983 – 1984 – Clark Equipment (discontinued machinery dealer)
1980 – 1982 – Pleasant Hardware

10,000 Square Ft Building

October 2003 – Present – ERC

1978 (constructed) – 1996 – United Coatings (flammable storage)

3,000 Square Ft Building

2005 – Present – Vacant

1997/1998 – 2005 – Carolina Site Concepts (pavement repair and marking)

Pre – 1997/1998 – Site maintenance operations

Phase I User Questionnaire

An electronic copy of the Phase I User Questionnaire was provided to Mr. Neal Hall of 1830 Statesville Ave., LLC. The Phase I User Questionnaire indicates that the User is not aware of any environmental liens or activity or use limitations on the property. The User is aware of environmental contamination as a result of historical government operations.

Historical Use Summary

Based upon historical information obtained and reviewed, the subject property was developed between 1941 and 1948 and was used as the US Army Quartermaster Depot. Prior to 1941, the site was undeveloped, vacant land. In 1954, the site was developed for production of Nike Ajax and Hercules missiles for the United States government. Missile production ceased in approximately 1967. From 1968 until present, the site buildings have been used for a number of industrial and commercial purposes. Surrounding properties have historically been commercial and residential, with the amount of residential development decreasing with time.

5.0 Site Reconnaissance

Mr. Kevin Howell and Mr. Steve Hart of H&H conducted a visual reconnaissance of the site on May 14, 2007. The weather conditions were partly sunny and warm with temperatures near 70 °F. General photographs taken at the site are included as photographs #1, #2, #3, and #4 and can be found in Appendix D.

5.1 Hazardous Substances

During the site reconnaissance, H&H observed that some tenants stored and used certain hazardous materials. A summary of hazardous materials stored and used at the site is presented below.

CaroCraft

CaroCraft uses and stores contact glue, adhesives, lacquer thinners, paint, waste paint, and solvents in their section of the building. Flammable hazardous waste is generated from the cleaning of spray guns used in a finish spray booth. The hazardous waste was stored in two labeled drums with secondary containment. According to CaroCraft, the spray gun washer and generated hazardous waste are maintained by Safety-Kleen. During the site visit, H&H reviewed material safety data sheets (MSDSs) for chemicals and substances used at the facility and the materials observed were consistent with the reviewed MSDSs.

H&H did not observe evidence of a significant release or spills associated with the storage or use of these materials.

ERC

ERC uses and stores hydraulic and gear oil, non-acid coil cleaner, grease, welding gases, waste oil, and solid polyethylene colors in their operation. Waste oil was being stored in the western portion of the ERC space in open plastic containers and H&H observed that the concrete near the waste oil storage area was stained with oil (photograph #14). Approximately 40 open containers of waste oil were observed in this area and absorbent was being used to manage spills from the containers. The concrete appeared to be in good condition in this area and the oil did not appear

to have migrated from the stained area. According to the Mr. Peter Suttoni, ERC owner, the waste oil is to be transferred into large plastic totes prior to off-site disposal by Safety Kleen. The transfer and pick up were to occur in the near future.

Stamp Source

Stamp Source uses and stores several petroleum products (hydraulic fluid, cutting oil, and various lubricating oils) in 55-gallon drums and other 5-gallon or less containers (photograph #21). H&H observed the storage area where these materials are kept, and did not observe indications of a significant release in the Stamp Source space.

Bonded Distribution

Bonded Distribution stores a large quantity of manganese dioxide in large fabric bags (photograph #23). The material is a dry substance and several small spills of this material were noted, however no excessive spillage was noted. The material is reportedly used in battery manufacturing. H&H was provided a copy of an MSDS for the manganese dioxide.

Bonded also stores a large number of India-made dyes and pigments which are stored in small steel drums. The drums were generally noted to be in good condition, although some were damaged and there was some minor pigment release in some areas of the space. H&H also observed drums of liquid para-anisic aldehyde and pallets of bags of dry sodium hexametaphosphate. There was no significant releases noted in association with the para-anisic aldehyde or sodium hexametaphosphate.

In the far northern portion of the Bonded space, H&H observed pallets of bags of the compound 6-hydroxy-2-naphthol in bags. Many of the bags appeared old and some of the bags were damaged or had fallen over and the dry substance had been released (photograph #24). There was no evidence of ground impact associated with the spilled materials.

H&H requested information about and copies of MSDSs for the materials stored at the site (other than manganese dioxide) from Mr. Harvey Cody with Bonded Logistics, however, Mr. Cody did not return H&H's calls.

According to information provided by the current property owner, the Charlotte Fire Department requested that a Hazardous Materials Inventory Statement be completed for the Hercules property in April 2007. The status of the inventory is not known.

5.2 Storage Tanks and Sumps

As noted previously, there are two closed-in place heating oil USTs at the site. Additional information concerning the tanks is provided in Section 4.3. No evidence of additional USTs was observed and no additional USTs were reported to exist by site contact Mr. Neal Hall.

Several silos containing ground plastic pieces were observed in the ERC space. No additional ASTs were noted at the site.

No active sumps were noted at the site. Several filled in sumps were noted in connection with former use of the site for missile production which are described in Section 4.3.

5.3 Water and Wastewater Issues

Water and sanitary sewage service is provided at the subject site by Charlotte Mecklenburg Utilities (CMU). No evidence of a water supply well or septic system was identified during our site visit, and no water supply wells are listed by the Mecklenburg County Well Information System. A wastewater treatment plant was formerly operated at the end of Building 2 which was used during operation of the site by the government for missile production which is described in Section 4.3.

The only tenant which discharges process water to the sanitary sewer is ERC. All other current tenants discharge sanitary waste only. ERC discharges wastewater generated during the washing of ground plastic bottles. According to Mr. Suttoni, only water is used in the washing process and no permit from Charlotte Mecklenburg Utilities (CMU) is needed because of the small amount of water used. According to Mr. Hall, the discharge line from the process has had to be cleaned out several times because it becomes clogged with labels from washing the plastic bottles.

H&H contacted CMU regarding the wash water discharge. According to Ms. Angela Moore at CMU, CMU does not have record of a permit for the site and was not aware of any incidents that may have environmental significance with respect to the sanitary sewer system at the site. Ms. Moore indicated that based upon CMU records, it is possible that ERC may need a permit and she would likely contact them to get them to complete an updated user profile.

Mr. Hall indicated that the only other tenants which had historically discharged process water into the sanitary sewer were United Coatings and Chic Hosiery. Mr. Hall was not aware of any areas of concern associated with their discharges.

H&H observed that several monitoring wells were present throughout the site. Approximate locations of these monitoring wells are shown on Figure 2. As noted previously, these monitor wells are associated with assessment activities conducted by the COE.

5.4 Indications of PCBs

Polychlorinated biphenyls (PCBs) are sometimes found in mineral oils used in electrical equipment including transformers or in older hydraulic oils. PCBs are a potential environmental contaminant.

Pole-mounted transformers owned by Duke Power were identified at the subject site. The transformers appeared to be relatively new and in good condition. No evidence of an oil spill was observed to the transformer's protective casing, pole, or to the ground surface below the transformers. The transformers are the responsibility of Duke Power and the landowner is not responsible for leaks or spills from the transformers.

Several small dry transformers were observed in tenant spaces throughout the building which are used for electrical power for tenants. Because they are dry transformers, they would not contain PCB insulating fluids. No other suspect PCB containing equipment was identified on the property.

5.5 Indications of Waste Disposal

During the site visit, H&H identified waste dumpsters between Buildings 2 and 3, along the northern portion of Building 3, and along the southern portion of Building 2. The dumpsters are used for scrap metal, general trash, and cardboard disposal. The dumpsters appeared to be in satisfactory condition with only minor staining observed on the concrete below them. Mr. Hall indicated that each tenant is responsible for their own waste disposal.

Plastic totes containing sawdust and fluid were observed in the 10,000 square ft building occupied by ERC. Mr. Suttoni with ERC indicated that the sawdust is obtained from a wood pallet recycler and is used to clean up fluid and oil releases. He indicated that the material is disposed off-site when the container becomes full. Some sawdust was observed on the floor of the building, however it did not appear to pose a significant concern.

H&H also observed nine automotive fuel tanks and some tires near the eastern boundary of the site (photograph #26) (Figure 2). The materials were in an open area and were covered with kudzu. All of the fuel tanks were noted to be empty. A possible faint odor was noted in the area of several of the fuel tanks, however probing of the soil in the area did not indicate impact. Mr. Hall indicated that he felt that most likely the material had been dumped from the other side of the fence which borders a road in the last several years because he does not recall them being there previously. No indication of stained soils or stressed vegetation was noted in the area where the tanks had been dumped. 1830 Statesville Ave., LLC contracted with H&H to have the fuel tanks removed, and the tanks were removed on July 16, 2007. No evidence of soil impact was identified in the area of the tanks.

Several piles of concrete and asphalt were also noted just outside of the gate along the railroad spur in the eastern portion of the site. There was no indication of odors, stained soil, or improper material disposal in this area.

Several small containers and plastic drums were noted along the railroad spur in the eastern portion of the site which is heavily overgrown with weeds and kudzu. All of the containers were

empty, except one 5-gallon container which contained a fluid. There was no evidence of stressed vegetation, staining, or odors in the area of the containers or evidence of leakage from the container with fluid. 1830 Statesville Ave., LLC contracted with H&H to have the 5-gallon container of fluid removed, however the container could not be located on July 16, 2007. The container did not appear to pose a significant concern.

5.6 Surface Conditions

The surface conditions on the subject site consist of building footprints and concrete and asphalt paved surfaces with limited grass-covered and overgrown areas. No stressed vegetation or soil staining was observed at the site. Staining to paved surfaces was observed in the following areas.

ERC

H&H identified a stained area on the northern loading dock of the ERC operation which appeared to extend along the front of the loading dock toward the ground surface. Mr. Hall indicated that the stain was a result of some of the recycled plastic being swept onto and out the dock (photograph #10). The plastic has a dark color, and the color is imbedded in the polyethylene plastic. The concrete loading dock below this stain appeared to be in good condition. H&H probed the soil near the front of the loading dock and no significant odors or staining were noted. H&H identified a similar stain located near a trash dumpster behind the ERC operation. The concrete below this stain appeared to be in good condition and does not appear to have migrated beyond the stained area.

H&H also observed white staining to the floor in the central portion of the ERC building in the area of pooled water. The concrete below the staining was in good condition. Mr. Sutton indicated that this staining was associated with cleaning of the coils for the chillers which are used in the injection molding process. H&H reviewed the MSDS for the coil cleaner and did not identify any areas of concern.

In the ERC 10,000 square ft building, staining was observed to concrete below several bails of plastic containers which were being stored prior to being ground. The staining was primarily blue

and appeared to be from small drips of laundry detergent containers which make up much of the material in the plastic bales. Other plastics in the bales were primarily from soft drinks but some plastic oil containers were also observed. The concrete in the area of the stain was in good condition and the outbuilding is fully covered and has a concrete berm around its perimeter.

Oil staining was also observed in the area of several machines in the central portion of the ERC space. The oil staining was reportedly associated with routine leaks from the equipment or equipment maintenance. The staining near the machines did not appear to be significant.

An area of asphalt-like material was observed east of the ERC space which covered a portion of the area between Building 3 and the 10,000 square ft building. Mr. Hall did not know the origin of the material and indicated that it had been there as long as he could remember. There was no evidence that the material was hazardous in nature or that it had impacted underlying or nearby soil.

As noted previously in Section 5.1, staining was observed in the area of the waste oil storage in the western portion of the ERC space. Additional information is provided in Section 5.1.

3,000 Square Ft Building

An area of staining was observed just northeast of the 3,000 square ft building. The material primarily appeared to be asphalt sealer with some yellow paint. Mr. Hall indicated that this was from Carolina Pavement Services and was the location where they used to store some drums. H&H observed a small area of staining to soil in this area which was above the curbed parking lot. H&H probed the soil in this area and there was no evidence of deeper soil impact.

H&H considers all of the observed staining to be *de minimis* conditions in accordance with ASTM 1527-05.

5.7 Stormwater

Stormwater on the property flows surficially across the ground surface in a generally west-southwest direction into a system of stormwater drains located throughout the site. As noted previously, sampling of storm drains in the southern portion of the site has indicated the presence of water impact in the drain as a result of discharging ground water. Additional information is provided in Section 4.3.

Information provided by the property owner indicates that on or about February 2005, Hoffman Engineering, consultant for Eckerd, observed the tenant of the 3,000 square ft building in the eastern portion of the site (Carolina Site Concepts) possibly washing and/or pouring yellow paint from an asphalt striping operation into a storm drain. H&H observed the storm drain in this area of the site and there was no indication of yellow or other staining in or near the storm drain.

H&H reviewed the FEMA flood zone information provided on the Mecklenburg County GIS (<http://polaris.mecklenburgcountync.gov/website/redesign/viewer.htm>) website. According to the website, the site does not appear to be located in the 100 or 500 year floodplain.

6.0 Signatures of Environmental Professionals

I declare that, to the best of his professional knowledge and belief, I meet the definition of environmental professional as defined in the Section 312.10 of 40 CFR 312. I have the specific qualifications based on education, training, and experience to assess a property of the nature, history, and setting of the subject property. I have developed and performed the all appropriate inquiries in conformance with the standards and practices set forth in 40 CFR Part 312.



Steven C. Hart, PG
Principal

Assisted by:



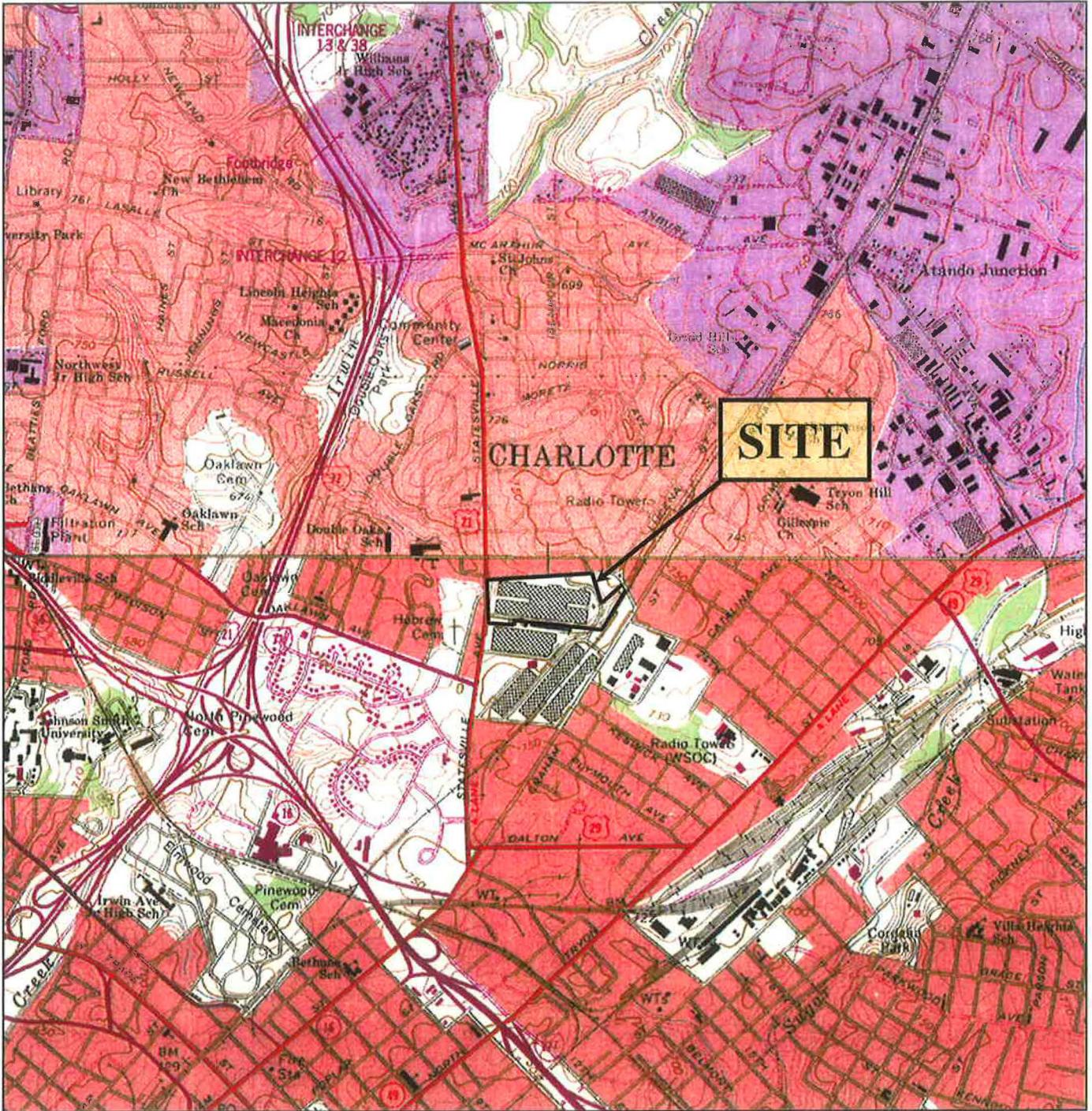
Kevin Howell
Project Geologist

7.0 Qualifications of Environmental Professionals Conducting the Phase I ESA

Steven C. Hart, PG, Principal Geologist, has over 19 years of experience conducting site assessments at industrial facilities, commercial sites, RCRA and CERCLA facilities, petroleum bulk storage terminals, and underground storage tank sites.

Kevin Howell, Project Geologist, has over three years of experience with Phase I and II ESAs, and has conducted several environmental site assessments on commercial and industrial properties in the southeast.

Curriculum Vitae for Mr. Hart and Mr. Howell are provided in Appendix G.



APPROXIMATE

SCALE IN FEET

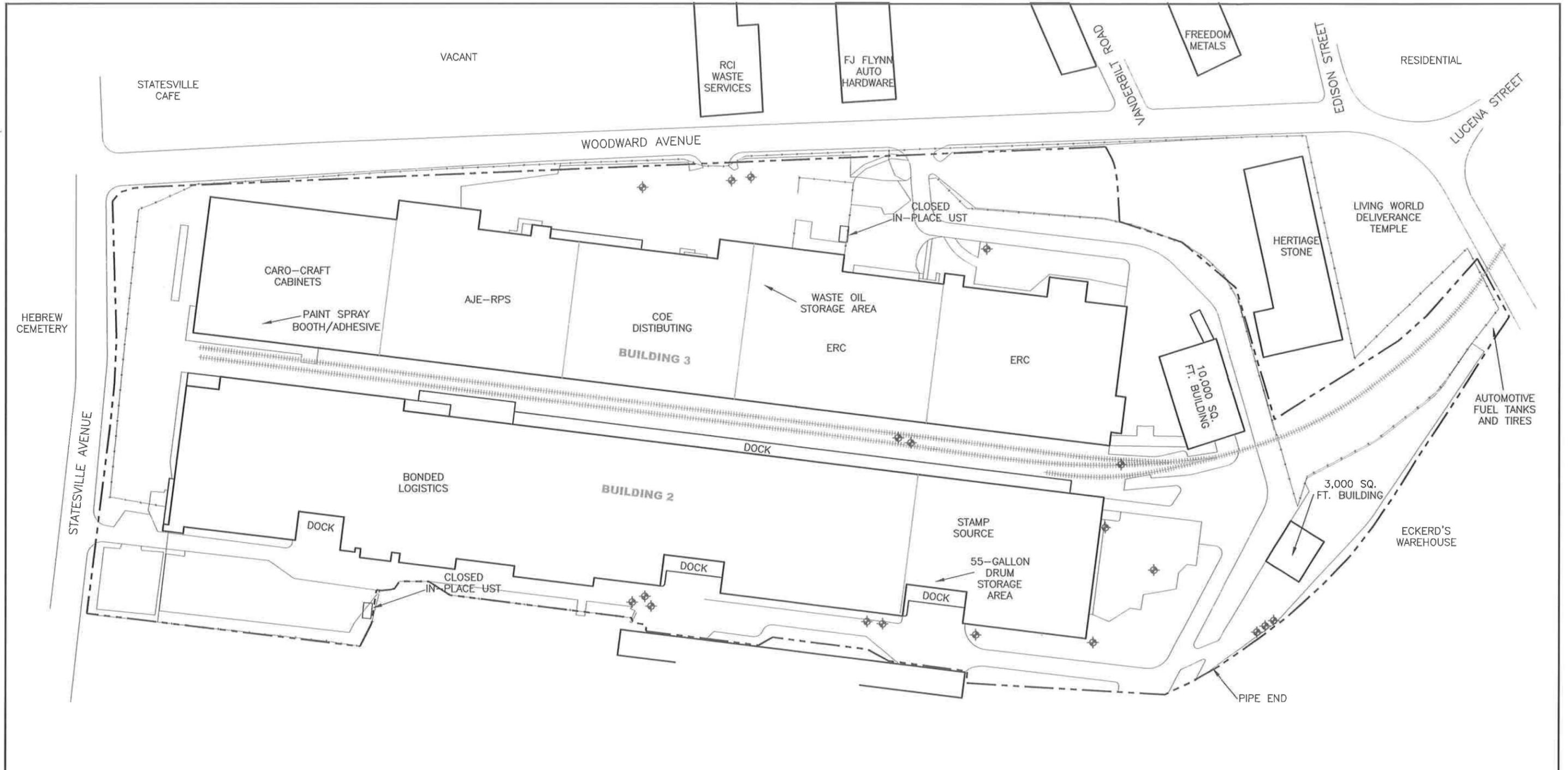
U.S.G.S. QUADRANGLE MAP

DERITA, NC 1993

CHARLOTTE EAST, NC 1967 REVISED/INSPECTED 1988

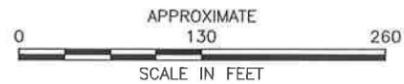
QUADRANGLE
7.5 MINUTE SERIES (TOPOGRAPHIC)

TITLE	SITE LOCATION MAP	
PROJECT	HERCULES INDUSTRIAL PARK 1830 STATESVILLE AVE CHARLOTTE, NORTH CAROLINA	
	 Hart & Hickman 2923 South Tryon Street-Suite 100 Charlotte, North Carolina 28203 A PROFESSIONAL CORPORATION 704-586-0007 (p) 704-586-0373 (f)	
DATE:	5-23-07	REVISION NO: 0
JOB NO:		FIGURE NO: 1



LEGEND

- ◆ MONITORING WELL
- - - APPROXIMATE PROPERTY BOUNDARY

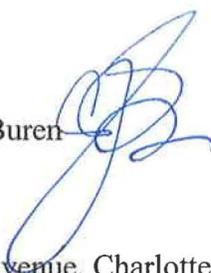


TITLE SITE MAP	
PROJECT HERCULES INDUSTRIAL PARK 1830 STATESVILLE AVE CHARLOTTE, NORTH CAROLINA	
 2923 South Tryon Street-Suite 100 Charlotte, North Carolina 28203 704-586-0007(p) 704-586-0373(f)	
DATE: 5-23-07	REVISION NO. 0
JOB NO: WEP-001	FIGURE NO. 2

Appendix E
Select COE Documents

Carol Jones Van Buren
704.331.7532
Fax: 704.353.3232
cvanburen@kennedycovington.com

ENCLOSURE MEMO

TO: Mr. Steve Hart
FROM: Carol Jones Van Buren 
DATE: May 7, 2007
RE: 1830 Statesville Avenue, Charlotte, North Carolina (the "Property")

Please find enclosed herewith the following Due Diligence Materials (as defined in Paragraph 5 of the Contract), as well as other items listed on Schedule II of the Contract, that are not currently part of Hart & Hickman's records:

Reports

1. Limited Soils Investigation, Warehouse Facility, 1830 Statesville Ave., Charlotte, NC, prepared by ERM-Southeast, Inc. dated December 30, 1987 (together with Letter dated December 30, 1987 from William T. Wilson, III to Charles M. Lowe, Jr.)
2. Phase I Report, Warehouse Facility, Charlotte, NC prepared by ERM Southeast, Inc. dated November 1993.
3. Notice of Violation of 15A NCAC 2N (.0801) from North Carolina Department of Environment and Natural Resources for 1830 Industrial Park, 1820 Statesville Avenue, Charlotte, North Carolina 28206, Mecklenburg County, Facility ID #0-033416. dated January 29, 2001.
4. Letter from Kenneth Spader, Brooks Pharmacy, to Zainul Kidwai, Department of the Army, regarding Draft Final Feasibility Study for the former Charlotte Army Missile Plant (CAMP) Site in Charlotte, North Carolina/Proposed Investigation Work dated October 19, 2004.
5. Solvent Tank Pipe Sampling and Analyses, CAMP Site, Charlotte, NC, prepared by Hoffman Engineering, Inc. dated January 3, 2005.
6. Notification of Regulatory Requirements regarding Mecklenburg County Groundwater Well Regulations, dated November 1, 2005, from Mecklenburg County, Land Use &

4843-6330-9569.01

Environmental Services Agency, Groundwater & Wastewater Service, Eckerd Drug Company, 1776 Statesville Ave., Charlotte, NC, Tax Parcel #079-031-02.

7. Letter to Julie A. Hiscox of U.S. Army Corps of Engineers, Savannah, from Hoffman Engineering, Inc., dated November 28, 2005, regarding Registering Monitoring Wells, Eckerd's Distribution Facility, 1776 Statesville Avenue, Charlotte, North Carolina.

Agreements

1. Letter dated March 25, 1994, from Department of the Army, Kansas City District, Corps of Engineers to David Parks of Trammell Crow Company.
2. Right of Entry for Environmental Assessment and Response, Former Charlotte Army Missile Plant, Right of Entry No. DACA-21-9-96-0492 dated November 12, 1996.
3. Letter Agreement dated May 28, 1997, from Carol Jones Van Buren of Kennedy Covington Lobdell & Hickman, L.L.P. to Lisa White of Department of the Army, Savannah District Corps of Engineers, regarding Former Charlotte Army Missile Plant.
4. Amendment to Department of the Army Right of Entry for Environmental (sic) Assessment and Response dated November 3, 1998, between 1830 Statesville Avenue, L.L.C. and United States of America, Department of the Army.
5. Right-of-Entry for Environmental Assessment and Response, Former Charlotte Army Missile Plant, Right of Entry No. DACA-21-9-99-6930 dated June 17, 1999.
6. Amendment to Department of the Army Right of Entry for Environmental (sic) Assessment and Response dated April 28, 2001, between 1830 Statesville Avenue, L.L.C. and United States of America.
7. Right of Entry for Environmental Assessment and Response Renewal, Former Charlotte Army Missile Plant, DERP-FUDS No. I04NC048501, DACA-21-9-04-8404 dated January 26, 2004.

Other

1. In April 2007, Charlotte Fire Department requested that Buyer complete a Hazardous Materials Inventory Statement for the Property. The statement has not yet been prepared.

CJV/cww
Enclosures

cc: William N. Harris, Esq.

List of Supplemental Documents

1. Asbestos Air Sampling and Analysis Report, 1830 Statesville Ave., Charlotte, NC, prepared by Titan Atlantic Group dated March 31, 2004.
2. Stakeholder Meeting Minutes, Former Charlotte Army Missile Plant, Charlotte, NC, April 19, 2007. Provided via e-mail by US Army Corps of Engineers on May 23, 2007.
3. Pathways Analysis Report for the Feasibility Study/Remedial Design at the Former Charlotte Army Missile Plant (CAMP), Mecklenburg County, Charlotte, North Carolina, prepared by SAIC on behalf of US Army Corps of Engineers, dated January 26, 2006.

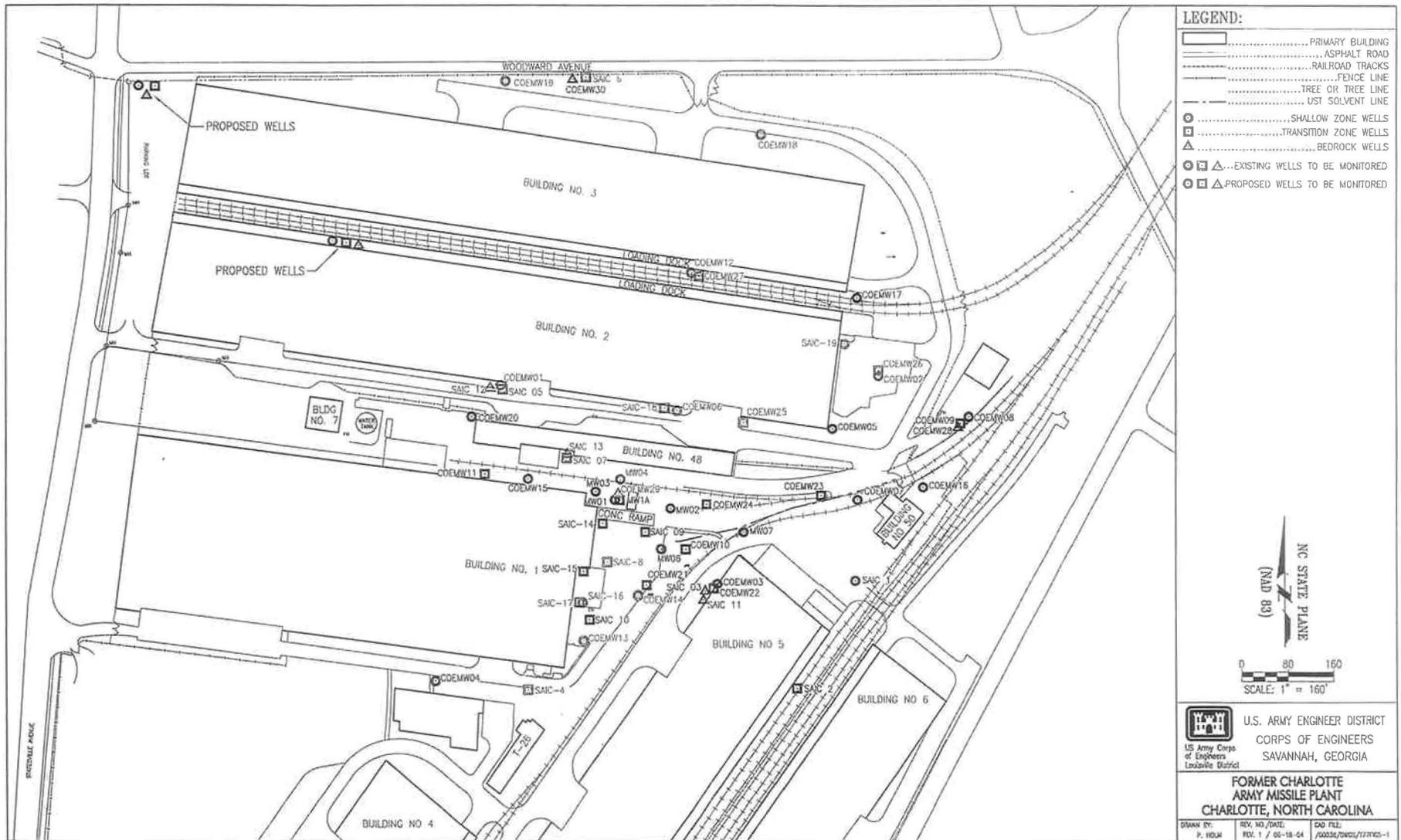


Figure 5-1. Existing and Proposed Monitoring Well Locations for Monitoring Natural Attenuation

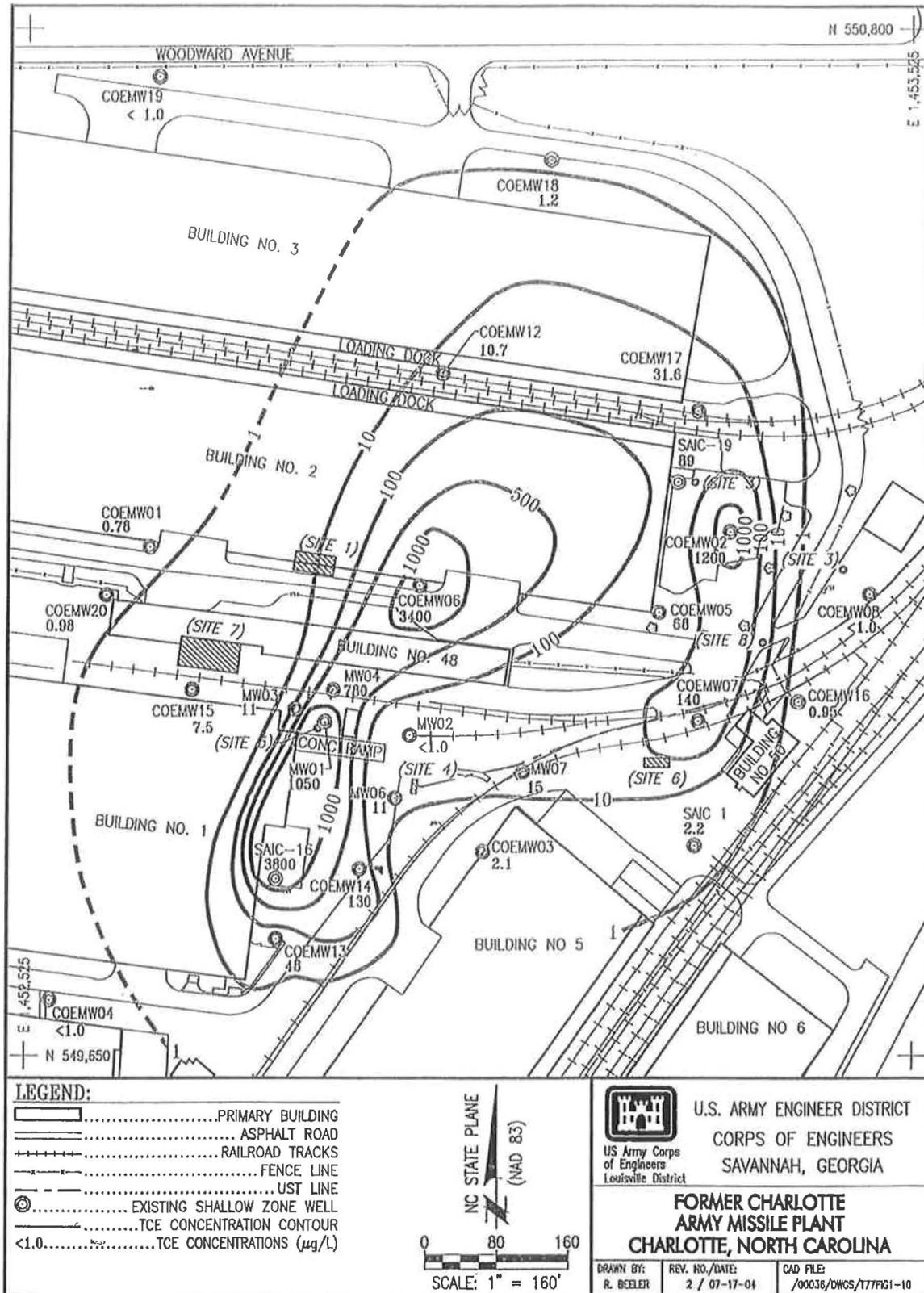


Figure 1-5. TCE Concentrations in Shallow Zone Wells

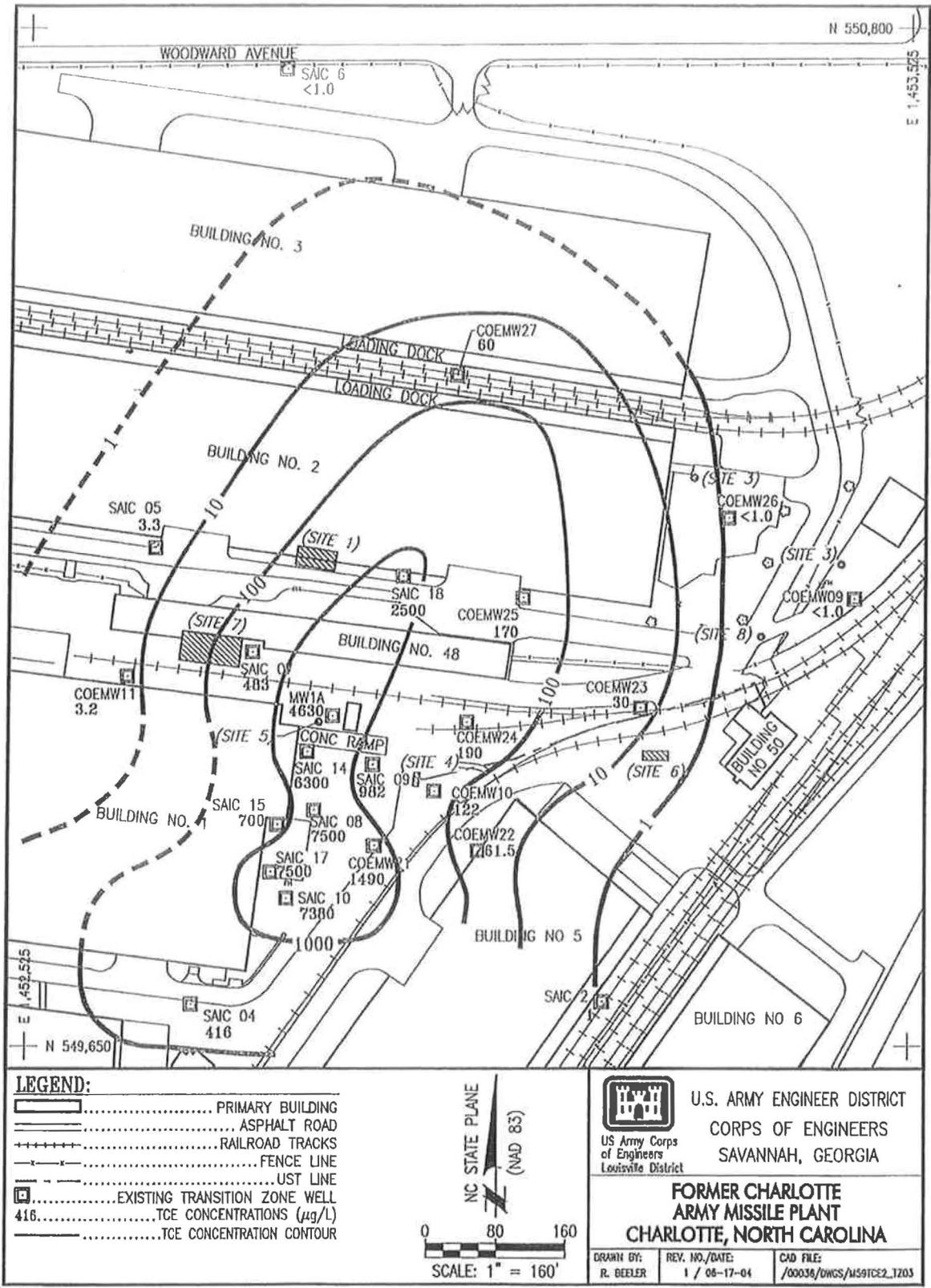


Figure 1-6. TCE Concentrations in Transition Zone Wells, February 2003

DEPARTMENT OF THE ARMY
RIGHT OF ENTRY FOR
ENVIRONMENTAL ASSESSMENT AND RESPONSE
RENEWAL

Former Charlotte Army Missile Plant
DERP-FUDS NO. I04NC048501

DACA21-9-0A 8404
TERM: 1-26-04 / 1-25-07

Owner: 1830 Statesville Avenue, L.L.C.
c/o Carol Jones Van Buren, Esq.
Kennedy, Covington, Lobdell & Hickman, L.L.P.
Hearst Tower, 47th Floor
214 North Tryon Street
Charlotte, NC 28202

Parcel No. 07903101
1830 Statesville Ave.
Tract/Parcel No(s)

The undersigned, herein called the "Owner", in consideration for the mutual benefits of the work described below, hereby grants to the UNITED STATES OF AMERICA, hereinafter called the "Government", a right-of-entry upon the following terms and conditions:

1. The Owner hereby grants to the Government the right to enter in, on, over and across the land described herein, for a period not to exceed thirty-six (36) months, beginning with the date of the signing of this instrument, and terminating with the earlier of completion of the remediation or the termination by either party with sixty (60) days written notice by certified mail, for use by the United States, its representatives, agents, contractors and assigns to conduct activities expressly stated in Section 4.0, Conclusions and Recommendations, of the Final Letter Report for the Feasibility Study/Remedial Design at the Former Charlotte Army Missile Plant Project (CAMP), Mecklenburg County, Charlotte, North Carolina prepared by Science Application International Corporation (SAIC) for the Government, including the right to store, move, and remove equipment and supplies owned by the Government, its representatives, agents, contractors and assigns; erect and remove temporary structures on the land; investigate and collect samples; excavate and remove pollutants, hazardous substances, contaminated soils, containerized waste, and replace with uncontaminated soil; and perform any other such work which may be necessary and incident to the Government's use for the investigation and response on said lands; subject to existing easements for public roads and highways, public utilities, railroads and pipelines; reserving, however, to the Owner, its successors and assigns, all such right, title, interest and privilege as may be used and enjoyed without interfering with or abridging this right-of-entry.

2. The Owner also grants the right to enter and exit over and across any other lands of the Owner as necessary to use the described lands for the purposes listed above.

3. All tools, wastes, equipment, and other property taken upon or placed upon the described land by the Government shall remain the property of the Government and will be removed by the Government at any time within a reasonable period after the expiration of this

right-of-entry, provided, however, any monitoring well or remediation system installed by the Government on the property may remain on the property until remediation of any contamination is complete.

4. Upon the expiration or termination of this right-of-entry, the Government shall restore the ground contour, replace any pavement or other cover which was removed or damaged for this work, establish a groundcover of grass on areas not otherwise covered and reconnect any operating utility lines which were required to be disconnected or otherwise disrupted. The Government shall restore the property to substantially the same condition as existed prior to execution of this right-of-entry.

5. This right-of-entry is assignable with the prior consent of the Owner, which shall not be unreasonably withheld.

6. The Government shall use its best efforts to schedule and conduct the entry and performance of the activities contemplated by this right-of-entry so as not to interfere with the Owner's or any of the Owner's tenants' operations at the property, including egress and ingress onto Woodward Avenue or Statesville Avenue for customers of Owner's tenants. The Government shall direct its contractors and subcontractors to meet with an agent of the Owner before beginning work on the property in order to reach agreements as to appropriate locations for equipment, excavations, materials and any other items or work that would reasonably be expected to interfere with Owner's or Owner's tenants' business or customers' ingress and egress. No excavated materials shall be stored on the property without prior approval by the Owner.

7. All work performed on the property pursuant to this right-of-entry will be performed by the Government, its representatives, agents, contractors and assigns in compliance with all applicable federal, state and local laws and regulations.

8. The Government assumes responsibility pursuant to Comprehensive Environmental Response, Compensation and Liability Act (CERCLA), 42 United States Code Section 9601 *et seq.* or any other relevant federal or state environmental statutes for all response actions with respect to releases of hazardous or toxic substances, wastes or materials (including petroleum) from or onto the property which result from or were otherwise caused by past Department of Defense activities at the property or by any actions occurring during the time the property was owned by, leased to or otherwise possessed by the United States and under the jurisdiction of the Secretary of Defense. This paragraph is not and should not be interpreted to be a release from liability for any entities that might be also potentially responsible for any contamination at the property under CERCLA or any relevant federal or state environmental statute. The provisions of this paragraph shall survive the termination or expiration of this right-of-entry. If the Government assumes responsibility pursuant to CERCLA or any other relevant federal or state environmental statutes for all response actions with respect to release(s) of hazardous or toxic substances, wastes or materials (including petroleum) discovered on the property during the scope of work contemplated by this right-of-entry, the Owner will grant the

Government a right-of-entry to conduct future response action at the property subject to the same terms and conditions herein, as well as any other reasonable terms and conditions.*

9. The Government will promptly provide the Owner with a copy of any final reports regarding contamination at the property or the former CAMP. The Owner will be entitled to collect samples from monitoring wells installed on the property by the Government either at the same time the Government's contractor takes samples, or by contacting the Government requesting that the wells be opened, in which case the Government will meet the Owner on site to open the well(s) and observe the sampling. In either event, the Owner shall contact the Government in writing to make such a request.

10. The land subject to this right-of-entry is located in the City of Charlotte, Mecklenburg County, State of North Carolina, located at 1830 Statesville Avenue, according to the current street numbering system.

11. This agreement shall not affect or supersede any existing agreements between the parties related to right-of-entry for the property located at 1830 Statesville Avenue, Charlotte, North Carolina.

* The provisions for survivability of this Paragraph 9 shall not create any implication that the other terms of this Agreement do not survive beyond the expiration or termination of this Agreement.

WITNESS my hand and seal this 26th day of January, 2004.

1830 STATESVILLE AVENUE, L.L.C.
BY: STATESVILLE AVENUE PARTNERS, LLC

By: W. M. Mifhey

Name: William F. Mifhey

Title: MANAGER

UNITED STATES OF AMERICA

By: Tommy R. Hill

Name: _____

TOMMY R. HILL

Title: _____
CHIEF, REAL ESTATE DIVISION

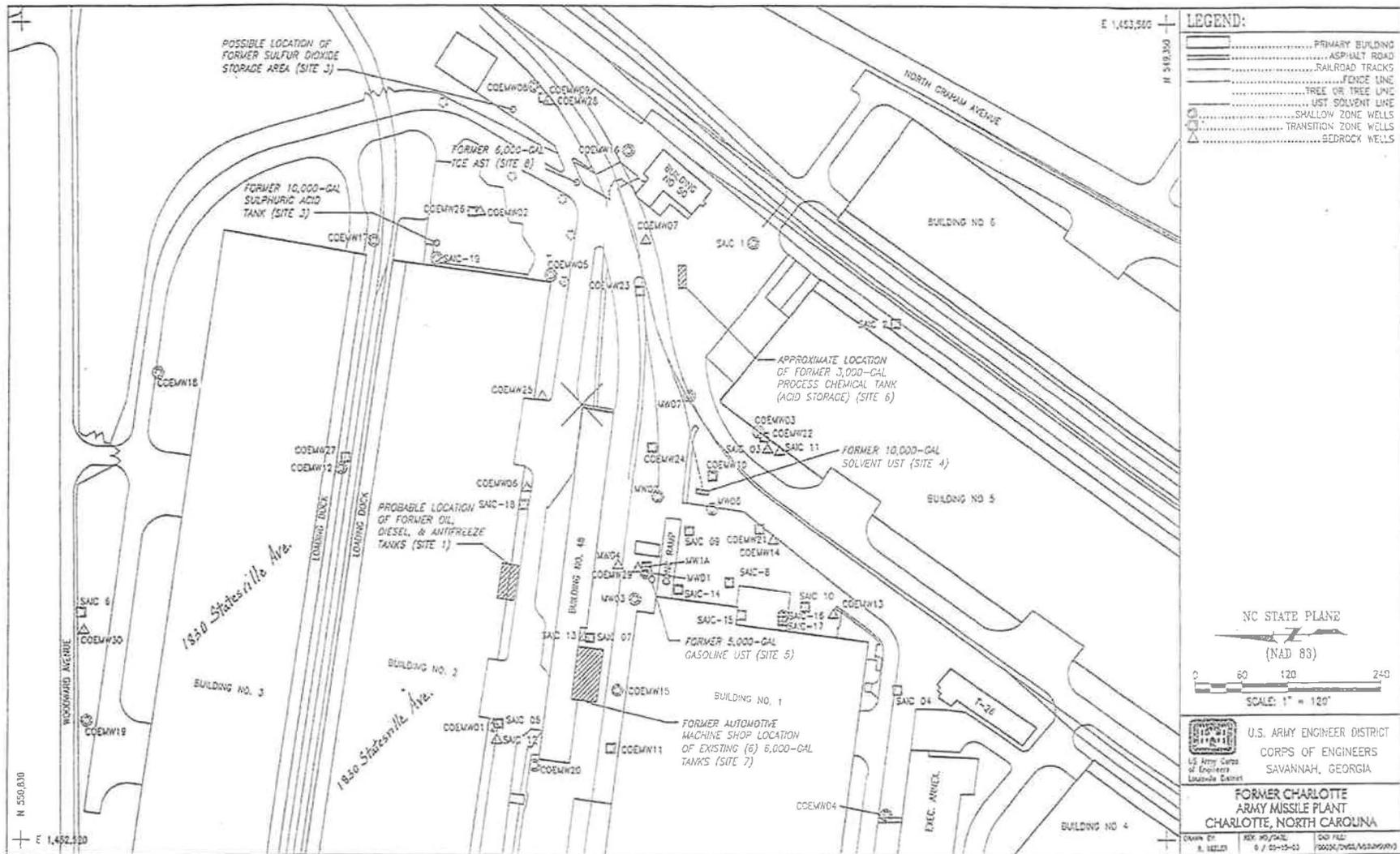


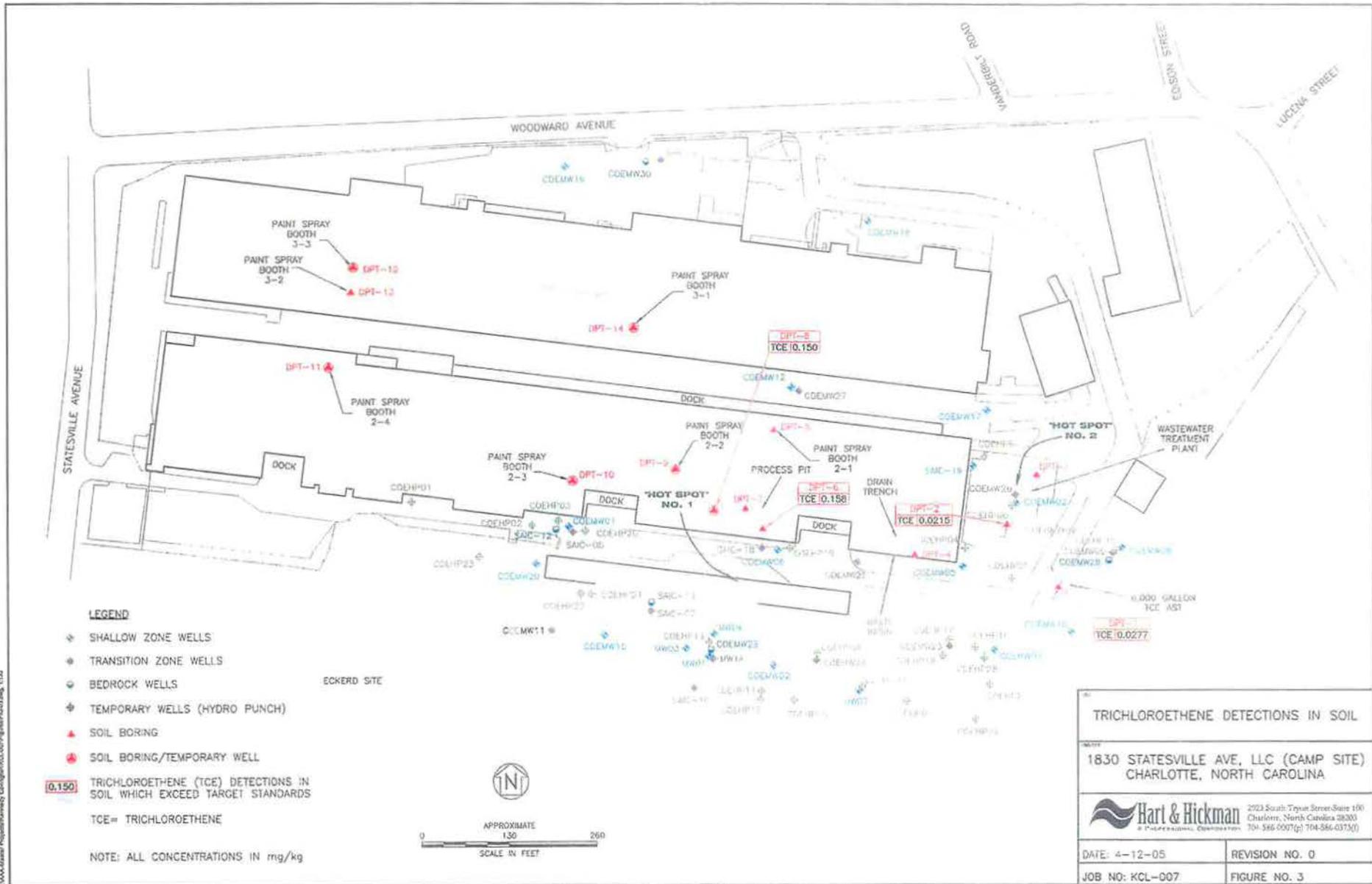
Figure 1. Monitoring Well Locations

Exhibit "A"

Appendix F

Select 2005 Site Assessment Documents

E:\MMS\Projects\1830\1830-007\Figures\Fig_1100



**Table 1
Summary of Soil Analytical Detections
1830 Statesville Avenue, LLC Property (CAMP Site)
Charlotte, North Carolina
H&H Job No. KCL-007**

Property	Building # 2							Building #3			Building #2 Parking Lot Area			ARARs						
	Trench Drain and Waste Basin	Paint Spray Booth (2-1)	Process Pit		Paint Spray Booth (2-2)	Paint Spray Booth (2-3)	Paint Spray Booth (2-4)	Paint Spray Booth (3-3)	Paint Spray Booth (3-2)	Paint Spray Booth (3-1)	Wastewater Treatment Plant	Former 6,000 gallon TCE AST	DENR Aquifer Protection Section	DENR Inactive Hazardous Sites	EPA Region IX PRGs			Site Background		
Sample ID	DPT-4	DPT-5	DPT-6	DPT-8	DPT-9	DPT-10	DPT-11	DPT-12	DPT-13	DPT-14	DPT-2	DPT-3	DPT-1	Soil to GW Cleanup Level	Unrestricted Use Levels	Soil to GW	Residential	Industrial		
Depth (feet)	2-4	2-4	4-6	6-8	4-6	4-6	4-6	2-4	6-8	6-8	2-4	2-4	2-4							
Units	(mg/kg)	(mg/kg)	(mg/kg)	(mg/kg)	(mg/kg)	(mg/kg)	(mg/kg)	(mg/kg)	(mg/kg)	(mg/kg)	(mg/kg)	(mg/kg)	(mg/kg)	(mg/kg)	(mg/kg)	(mg/kg)	(mg/kg)	(mg/kg)	(mg/kg)	(mg/kg)
VOCs (8260B)																				
Acetone	0.0750	<0.0375	<0.0323	<0.0358	<0.0369	0.0352	0.0756	0.149	<0.0375	<0.0369	0.119	0.0513	0.105	2.81	320	16	14,000	54,000		
Benzene	<0.0015	<0.0015	<0.0013	<0.0014	<0.0015	<0.0014	<0.0015	<0.0013	0.0021	<0.0015	<0.0014	<0.0016	0.0014	0.0056	0.60	0.03	0.06	1.3		
Carbon disulfide	<0.00146	<0.00151	<0.00129	<0.00143	<0.00148	<0.00141	<0.00145	<0.00135	0.00270	0.00244	0.00148	<0.00156	<0.00129	4	72	32	360	720		
Methylene Chloride	0.0044	<0.0038	0.0035	0.0037	0.0044	0.0037	<0.0036	0.0035	<0.0037	0.0047	<0.0035	0.0041	<0.0032	0.02	8.9	0.02	9.1	21		
Bromomethane	<0.0015	<0.0015	<0.0013	<0.0014	<0.0015	<0.0014	<0.0015	0.0054	<0.0015	<0.0015	<0.0014	<0.0016	<0.0013	NS	0.78	0.2	3.9	13		
Chloroform	<0.0015	<0.0015	0.0021	<0.0014	<0.0015	<0.0014	<0.0015	<0.0013	<0.0015	<0.0015	<0.0014	<0.0016	<0.0013	NS	0.72	0.6	3.6	12		
cis-1,2-Dichloroethane	<0.0015	<0.0015	0.0068	<0.0014	<0.0015	<0.0014	<0.0015	<0.0013	<0.0015	<0.0015	0.0056	<0.0016	<0.0013	0.35	8.6	0.4	43	150		
trans-1,2-Dichloroethane	<0.0015	<0.0015	<0.0013	<0.0014	<0.0015	<0.0014	<0.0015	<0.0013	<0.0015	<0.0015	0.0017	<0.0016	<0.0013	0.38	13.6	0.7	69	230		
4-Isopropyltoluene	<0.00146	<0.00151	<0.00129	<0.00143	<0.00148	<0.00141	<0.00145	<0.00135	<0.00150	<0.00148	0.0236	<0.00156	<0.00129	NS	NS	NS	NS	NS		
Naphthalene	<0.00364	<0.00378	<0.00323	<0.00358	<0.00369	<0.00352	<0.00363	<0.00337	<0.00375	<0.00369	0.0166	<0.00391	<0.00323	0.58	11.2	84	56	190		
Trichloroethane	0.0015	<0.0015	0.158	0.150	<0.0015	<0.0014	<0.0015	<0.0013	0.0020	<0.0015	0.0215	<0.0016	0.0277	0.0163	0.053	0.06	0.48	1.3		
Metals (6010B)																				
Arsenic	1.55	<1.01	<0.89	<0.89	<1.00	NA	NA	NA	NA	NA	1.04	1.49	NA	NS	4.4	29	0.39	1.6	ND	
Total Chromium	35.8	16.9	8.15	8.30	5.78	NA	NA	NA	NA	NA	56.3	45.9	NA	27	24,000 (Cr III)	38	210	420	217	
Hexavalent Chromium	<2.00	<2.00	<2.00	<2.00	<2.00	NA	NA	NA	NA	NA	<2.00	<2.00	NA	30	38				NR	
Zinc	28.0	33.2	48.7	41.9	19.5	NA	NA	NA	NA	NA	38.2	40.6	NA	NS	4,600	12000	23,000	100,000	92	
Lead	4.98	5.43	3.86	2.77	2.39	NA	NA	NA	NA	NA	15.8	16.9	NA	270	400	NS	400	800	56	

Notes:
 EPA Method number follows parameter in parenthesis; Bold indicates impact exceeds target level
 Only organic compounds detected in at least one sample are shown
 Samples collected by H&H in May 2005; VOC = Volatile Organic Compound
 NA = Not Analyzed; NS = No Specified; NR = Not Reported; ND = Not Detected
 EPA Region IX Preliminary Remediation Goals (PRGs) dated October 2004. Soil to Groundwater PRG using a Dilution Attenuation Factor of 20.
 DENR Soil to Groundwater Cleanup Levels from DENR Groundwater Section (now Aquifer Protection Section) Guidelines dated July 2000. (TCE level from UST Section Guidelines dated July 2001 which are calculated in the same manner as the Aquifer Protection Section cleanup levels)
 DENR Inactive Hazardous Sites Unrestricted Use Levels from DENR Registered Environmental Consultant Guidelines dated August 2004
 Background concentrations as reported in Metcalf & Eddy Final Phase II Remedial Investigation Report dated October 2000 and calculated as two times average of two background samples.

Table 2
Summary of Ground Water Analytical Detections
1830 Statesville Avenue, LLC Property (CAMP Site)
Charlotte, North Carolina
H&H Job No. KCL-007

Property	Building #2				Building #3		North Carolina Ground Water Standard
	Process Pit	Paint Spray Booth (2-2)	Paint Spray Booth (2-3)	Paint Spray Booth (2-4)	Paint Spray Booth (3-3)	Paint Spray Booth (3-1)	
Area of Concern	DPT-8	DPT-9	DPT-10	DPT-11	DPT-12	DPT-14	
Sample ID	DPT-8	DPT-9	DPT-10	DPT-11	DPT-12	DPT-14	
Sample Date	5/23/2005	5/23/2005	5/23/2005	5/23/2005	5/23/2005	5/23/2005	
Units	(µg/l)	(µg/l)	(µg/l)	(µg/l)	(µg/l)	(µg/l)	(µg/l)
VOCs (8260B)							
Toluene	<1.0	<1.0	<1.0	8.7	<1.0	<1.0	1,000
Chloroform	3.20	<1.00	<1.00	<1.00	<1.00	<1.00	0.19
cis-1,2-Dichloroethene	<1.00	<1.00	<1.00	713	4.60	<1.00	70
trans-1,2-Dichloroethene	<1.00	<1.00	<1.00	22.6	<1.00	<1.00	70
Tetrachloroethene	12.9	<1.00	<1.00	<1.00	<1.00	<1.00	0.7
1,1,2-Trichloroethane	4.80	<1.00	<1.00	<1.00	<1.00	<1.00	NS
Trichloroethene	4,590	4.80	3.3	1.30	68.4	<1.00	2.8
Vinyl chloride	<1.00	<1.00	<1.00	17.4	<1.00	<1.00	0.15
Metals (6010B)							
Arsenic	<10	NA	NA	NA	NA	NA	10
Chromium	5.0	NA	NA	NA	NA	NA	50
Zinc	<50	NA	NA	NA	NA	NA	2,100
Lead	<5.0	NA	NA	NA	NA	NA	15

Notes:

EPA Method number follows parameter in parenthesis;

Bold indicates concentration exceeds ground water standard

Only compounds detected in at least one sample are shown

VOCs = Volatile Organic Compounds; NS = Not Specified; NA = Not Analyzed