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I. EXECUTIVE SUMMARY/RECOMMENDATIONS

A Phase I Environmental Site Assessment has been completed with respect to the property located at 101 Fair Oak Road, Arden, NC 28704. The subject property contains one parcel and is identified by the Buncombe County Register of Deeds by PIN #9653.07-58-6791. This assessment constituted the appropriate inquiry in accordance with good commercial and customary practice for conducting an environmental site assessment on a parcel of commercial real estate with respect to the range of contaminants within the scope of the Comprehensive Environmental Response Compensation and Liability Act (CERCLA) and petroleum products. There are no Recognized Environmental Concerns (RECs) on the subject property.

- No material non-compliance issues were noted during data collection or during the site visits.
- An environmental data search by Environmental Data Resources (EDR), Inc. has been completed and a review of the data did not reveal any environmental concerns or circumstances from the subject property or any surrounding properties that would be expected to have had any negative impact.
- The present owner of the building, Atlas Precision, is a manufacturer of precision molding equipment. A number of organic materials are used during this process. All waste chemicals are disposed of by Safety-Kleen for liquids. Other waste is disposed of by Waste Management.
- In the professional opinion of J. Patrick Price, an appropriate level of inquiry has been made into the previous ownership and into the use of the subject property consistent with good commercial and customary practice in an effort to minimize liability, and no evidence or indication of recognized environmental conditions to the property has been revealed.

II. INTRODUCTION

ASTM Standard E1527, Standard Practice for Environmental Site Assessments: Phase I Environmental Site Assessment Process, is intended to meet the standard of Appropriate Inquiry necessary to qualify for CERCLA's Innocent Landowner Defense. However, as stated in the Standard, "No environmental site assessment can wholly eliminate uncertainty regarding the potential for *recognized environmental conditions* in connection with a property. Performance of this practice ... is intended to reduce, but not eliminate, uncertainty regarding the potential for [such conditions]."

As no standard can be designed to eliminate the role of professional judgement and experience, the Phase I Environmental Site Assessment Process is designed to be performed by an environmental professional. The Phase I Environmental Site Assessment Process was conducted in accordance with a protocol designed to guide the professional, and ensure that all issues covered by the ASTM Standard are appropriately addressed.

Although all reasonable steps have been taken to identify *recognized environmental conditions* relevant to the property, it should be noted that it is the *user's* (client's) responsibility to identify any situations (such as the existence of environmental liens, any specialized knowledge of conditions at the property, etc.) of which he/she is aware, that might be indicative of such a condition.

III. APPROACH

During the period of July 21, 2006 through August 2, 2006, J. Patrick Price has conducted a Phase I Environmental Site Assessment with respect to the property located at 101 Fair Oak Road, Arden, NC 28704, and identified by the Buncombe County Register of Deeds by PIN #9653.07-58-6791. The property is presently owned by Johann W. Hofschuster and partners and operated as the Atlas Precision Company. The objective of this assessment was to identify *recognized environmental conditions* that have occurred as defined by ASTM as *the presence or likely presence of any hazardous substances or petroleum products on a property under conditions that indicate an existing release, a past release, or a material threat of a release of any hazardous substances or petroleum products on the property or into the ground, groundwater or surface water of the property*. The activities to accomplish this objective included:

- A physical review and inspection of the property to look for evidence of potential environmental contamination, such as chemical spills, soil contamination, storage tanks, storage containers and other recognized environmental conditions.
- A review of information extracted from Federal and State records obtained from a data search by Environmental Data Resources (EDR), Inc, to identify reported hazardous substance activities located in the vicinity of the facility. These records include:
 - The NPL (National Priorities List) of uncontrolled or abandoned hazardous waste sites identified for priority remedial action under the Superfund Program (within 1.0 mile);
 - The CERCLIS (Comprehensive Environmental Response, Compensation and Liability Information System) list of sites investigated by the U.S. EPA for a release or threatened release of hazardous substances (within 0.5 mile);
 - The RCRA (Resource Conservation and Recovery Act) Treatment, Storage and Disposal facilities (within 1.0 mile);
 - The State LUST (Leaking Underground Storage Tank) list (within 0.5 mile);
 - The State SWLF (Solid and Hazardous Waste Branch Sanitary Landfill) list (within 0.5 mile); and
 - The State list of registered Underground Storage Tanks (UST's) (within 0.25 mile).
- Personal interviews with persons who have knowledge of the property or issues relevant to the environmental state of the property. The following persons were interviewed:
 - David Worley, accountant for the purchaser of property
 - Charles Worley, attorney for the purchaser of property
 - Andreas Hofschuster, vice-president of operations at Atlas Precision
 - Donny Osley, Engineering Manager at Atlas Precision

IV. FACILITY DESCRIPTION

OPERATIONS AND PHYSICAL DESCRIPTIONS

- Location and Description

The subject property is 3.41 acres and is located at 101 Fair Oak Road, Arden, NC 28704. The 26,587 square foot metal building was built in 1981 with an addition in 1987. The present use of the building is for the manufacture of molding equipment and associated parts. The property is approximately 220 feet wide and 550 feet long with a narrow strip connecting the main portion of the site with Fair Oak Road. The entrance road into the property from Fair Oak Road is paved and terminates at the paved parking area at the front and right side of the building. There is parking along the right side of the building that wraps around to the rear area. There is a loading dock at the rear of the building. Located at the loading dock is a waste container for collection of waste metal and general trash. There is a propane tank at the rear of the parking lot which supplies fuel for heating the building.

A line of trees buffer the property on both sides and along the entrance drive. There is an area of trees at the rear of the property that buffers the subject property from the residences on the street behind the property. A site location map is shown in Appendix I.

- Site Overview and Background

The present owner of the subject property is Fair Oak Properties, a North Carolina General Partnership, who acquired the subject property on October 8, 1981.

Date	Grantor	Grantee
10/08/81	Johann W. Hofschuster and wife, Christine G. Hofschuster, Alfred Puchebner and wife, Edith S. Puchebner and Frederick Brazda and wife Herta Brazda	Fair Oak Properties, a North Carolina General Partnership
08.04/80	Hugh Rich Sizemore and wife, Gloria Maxine Sizemore	Johann W. Hofschuster and wife, Christine G. Hofschuster, Alfred Puchebner and wife, Edith S. Puchebner and Frederick Brazda and wife Herta Brazda
05/03/52	Grover L. Leslie, Sr. and wife, Ethel M. Leslie	Hugh Rich Sizemore and wife, Gloria Maxine Sizemore

Attached in Appendix II is the Property Record Card. The 1975, 1985 and 2002 aerial photographs of the subject and surrounding property are shown in Appendix III. As indicated in the 1975 aerial photograph there were no structures on the property at that time. The first phase of the construction began in 1981 and a second phase was completed in 1987.

- Site Inspection and Interviews

The subject property is a rectangular lot consisting of 3.41 acres. The main portion of the property is accessed via a drive from Fair Oak Road that is approximately 300 feet long. The entrance road is paved with trees along both sides of the road. This area is landscaped. There is a parking lot in the front and right side of the 26,587 square foot building. The area around the front of the building is landscaped. The west side of the building [left side] is close to the property line and that area is wooded as well as the back of the building. The area behind the building is paved. There is an above ground propane tank located at the rear of the paved area that supplies fuel for the heating system in the building. The loading dock is located at the rear of the building. There is also a standard sized dumpster located in the same area. No hazardous waste is placed in this dumpster for pickup by Waste Management. Employee vehicles are parked along the right side of the building.

The front portion inside the building is office space. The area behind the office space is divided into several shop areas. There are numerous pieces of equipment for fabrication of molding dies and associated parts. Most of this equipment is computer controlled. There are two wash stations for cleaning machined parts. These stations are the typical Safety-Kleen Stations that are maintained by Safety-Kleen who picks up the dirty organic solvent and replaces it with clean solvent. The pickup cycle is two-three months. Much of the fabrication equipment uses water based solvents instead of organic based solvents. The water based chemicals are recycled at the machines.

The general cleanliness around the machines was fair to good. There was a minimum amount of spillage signs around the machines.

Photographs of the subject property and surrounding properties are shown in Appendix IV. There were no indications of Recognized Environmental Concerns (RECs) on the subject property. Electricity, water and sewerage are supplied by local public utilities.

ADJACENT FACILITIES

All of the surrounding properties are residential. There were no Recognized Environmental Concerns (RECs) on the adjacent properties.

V. RECORDS REVIEW

HAZARDOUS ACTIVITIES IN THE VICINITY

A review of information extracted from Federal and State records supplied by the EDR Radius Map with GeoCheck™ indicates that there are:

- No Superfund Sites (NPL list) within 1 mile of the facility;
- No Potential Superfund Site (CERCLIS list) within one mile of the facility;
- No RCRA Large Quantity Generator within 1/8 mile of the facility;
- No RCRA Small and Very Small Quantity Generator within 1/4 mile of the facility;
- No RCRA Treatment, Storage, and/or Disposal Sites within 1 mile of the facility;
- No RCRA Transporters within 1/4 mile of the facility;
- No Sanitary Landfill, Transfer Station or Incinerator Facility within ½ mile of the facility;
- **Four** reported Leaking Underground Storage Tanks (LUSTs) within ½ mile of the subject property; and
- No reported Underground Storage Tanks (USTs) within 1/4 mile of subject property.

A review of the North Carolina Hazardous Substance Disposal Sites list contains locations of uncontrolled and unregulated waste sites. The list indicated that there are two sites within 1 mile of the subject property.

- Sybron Arden Plant is located ½ to 1 mile northwest of the subject property, and
- Fishburne Landfill is located ½ to 1 mile west of subject property.

Neither of these sites have the potential to impact the subject property.

IMD: Incident Management Database [page 3 Executive Summary of the EDR Report] are sites that at one time may have had more than one incident or sites that required oversight by the local/state regulatory offices. An examination of these 5 sites within **0.5 mile** of the subject property did not reveal any circumstances that had or are expected to have the potential to impact the subject property.

No wetlands were indicated by the EDR Data Search on page 2-Overview Map. There were no sites indicated by the Data Search that would have a negative environmental impact to the subject property.

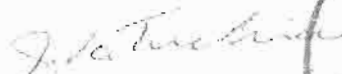
The EDR Report is attached in Appendix V.


VI. FINDINGS AND CONCLUSIONS

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The undersigned hereby certifies that he is a qualified professional and environmental consultant and is experienced in the area of conducting environmental studies and producing Phase I Environmental Assessments as per ASTM Practice E1527.


J. Patrick Price
Environmental Consultant



August 7, 2006

APPENDIX I
Site Location Map

82.53333° W

82.51667° W

82.50000° W

WGS84 82.48333° W

35.48333° N

35.48333° N

35.46667° N

35.46667° N

35.45000° N

35.45000° N

35.43333° N

35.43333° N



82.53333° W

82.51667° W

82.50000° W

WGS84 82.48333° W



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APPENDIX II

Buncombe County GIS Property Information

Leg/Lay Zoom In Zoom Out Full Extent Pan Identify Search By? Advanced Search M

Buncombe County GIS Property Information System

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[Help](#)



Layers

Visible Active

- County Boundary
- 1998 County Grid
- Administrative Dis
- Nad 1927 Control Monuments
- Cities and Towns
- Parcels
- Parcel Dimension:
- Soils
- Fire Districts
- Rivers Lakes and Streams
- FEMA_Q3_1998 I Data
- Fema Flood Pane
- MSD Sewer Lines
- Street Centerlines
- Transportation (RightofWays/Eas
- Road Names - An of Transportation I (Land Records)
- Original Lot Lines
- County Zoning
- City Of Asheville Z
- 2002 Aerial Image Scale
- 2002 Aerial Image Scale
- 2002 Aerial Image Scale

Search

Property Card

Generate Report

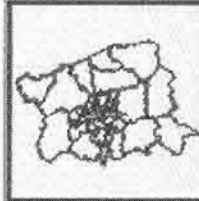
Buncombe County GIS Property Information System

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This Map Was Created By Buncombe County NC

Layers

- Visible Active
- County Boundary
 - 1998 County Grid
 - Administrative Dis
 - Nad 1927 Control Monuments
 - Cities and Towns
 - Parcels
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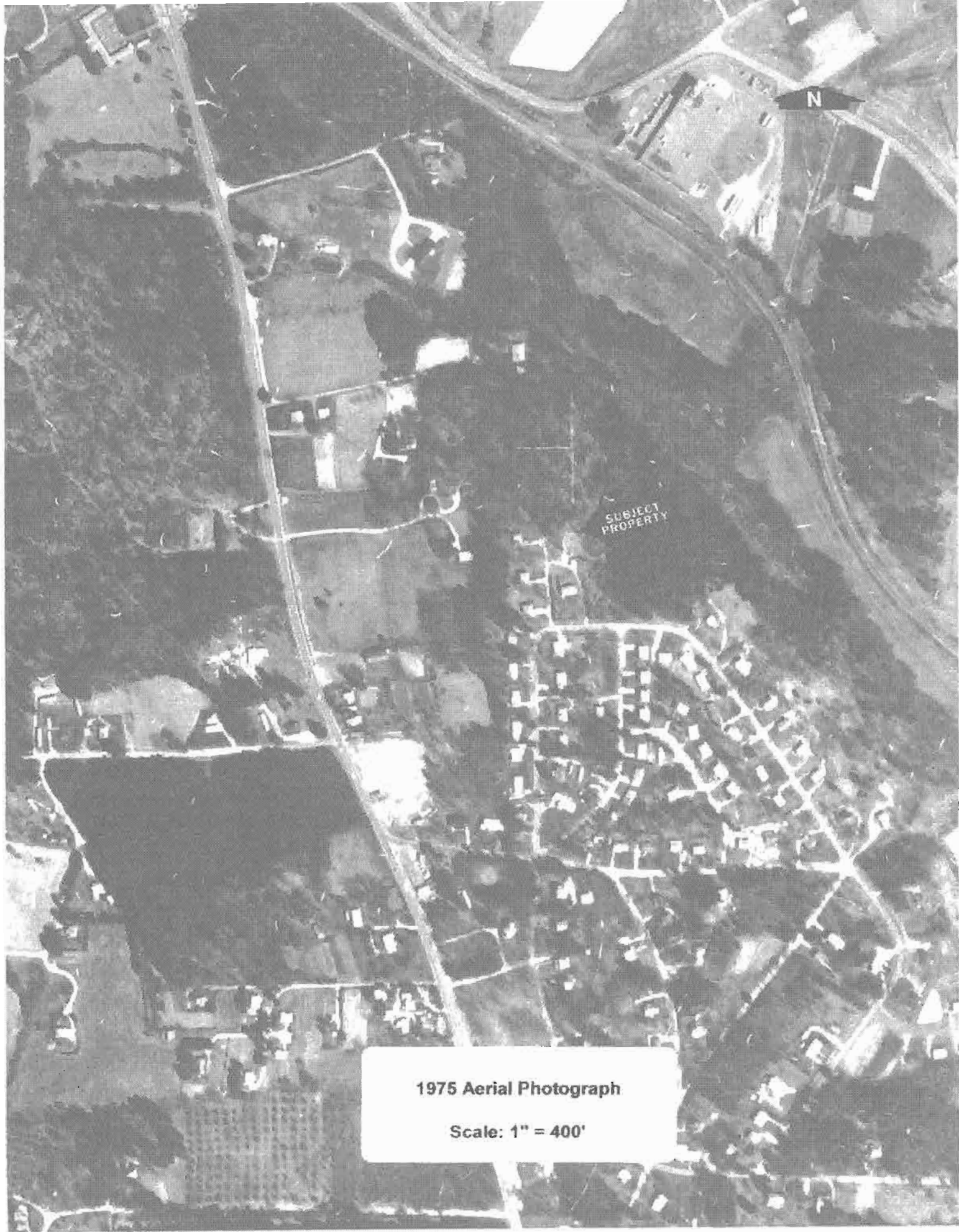
Search

Property Card

Generate Report

APPENDIX III

**1975, 1985 and 2002
Aerial Photographs**



1975 Aerial Photograph

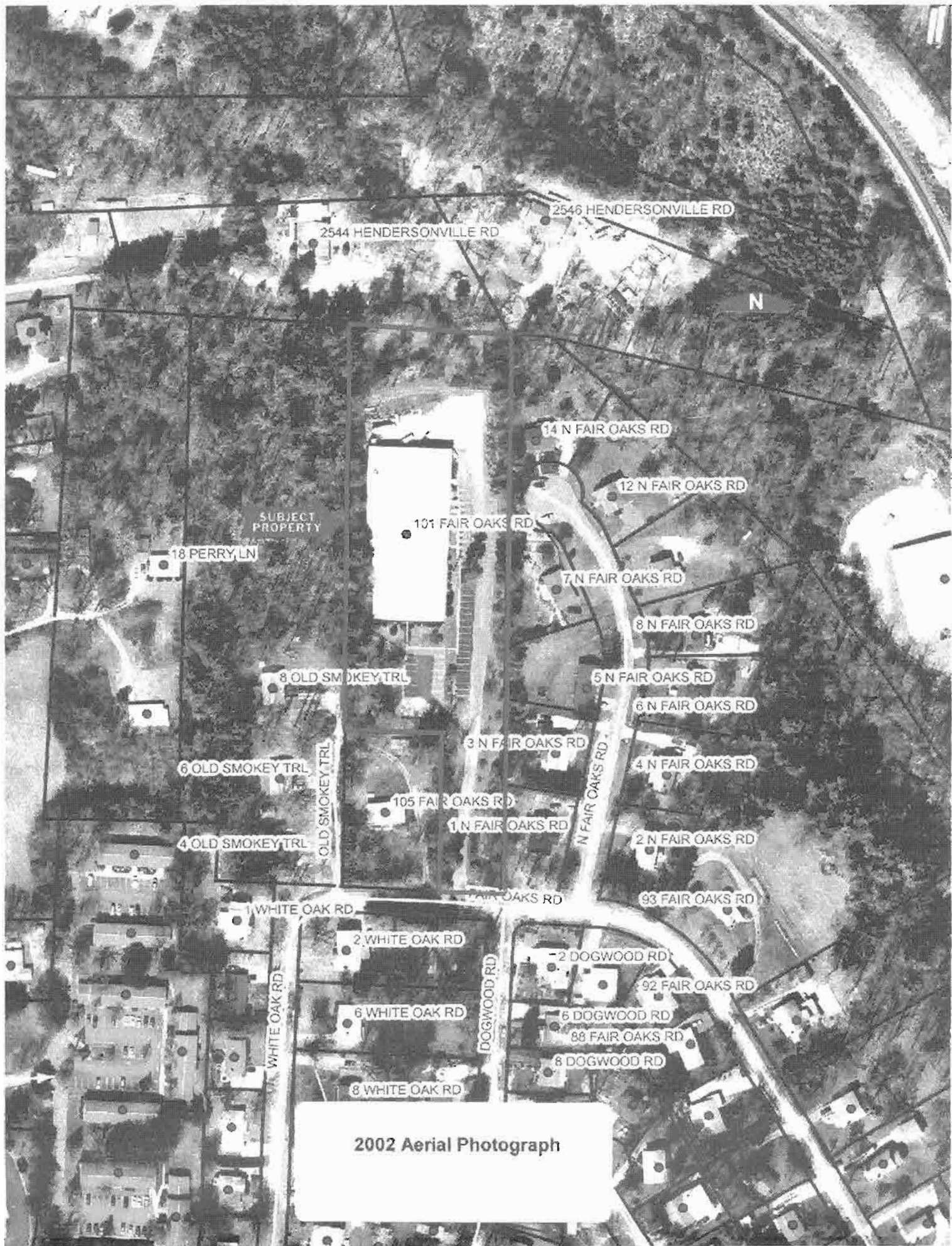
Scale: 1" = 400'

N 956,000



1985 Aerial Photograph

Scale: 1" = 400'



2002 Aerial Photograph

APPENDIX IV

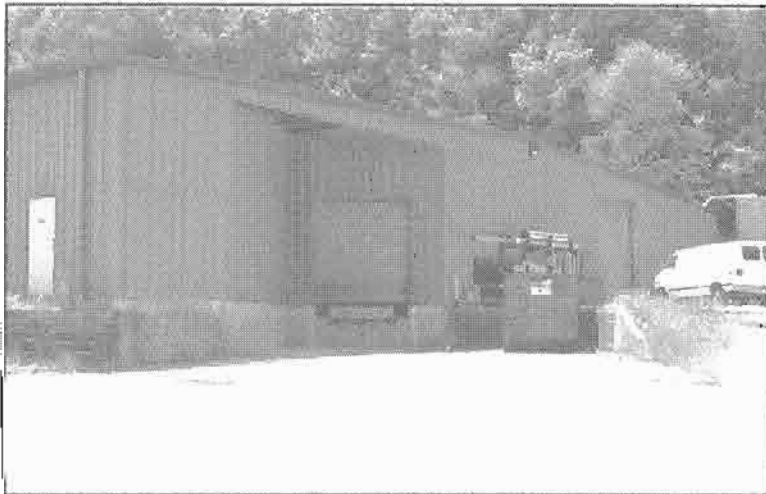
**Photographs of Subject and Surrounding
Properties**



Photograph 1
Entrance to Atlas Precision Co.
101 Fair Oak Road, Arden, NC



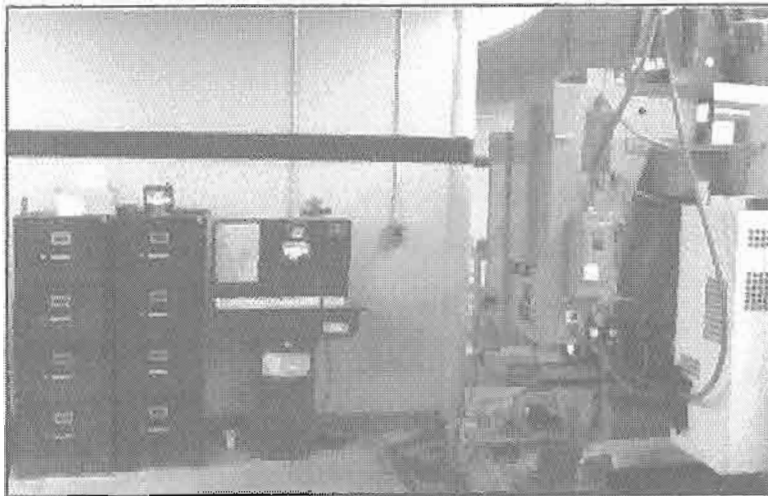
Photograph 2
Atlas Precision Company
Building and Parking Lot



Photograph 3
Loading Dock Area at
Rear of Building



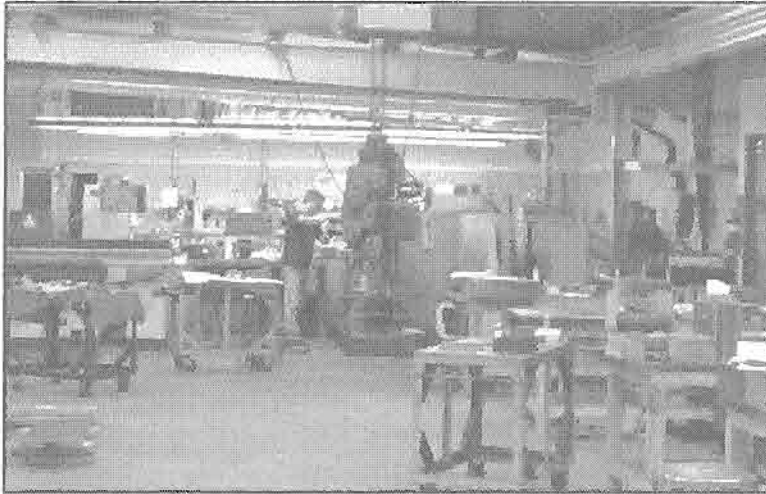
Photograph 4
**Propane Tank at Rear of Building
(Supplies Heat for Building)**



Photograph 5
**Safety-Kleen Wash Station
(In Production Area)**



Photograph 6
Machine Shop Area



Photograph 7
Machine Shop Area



Photograph 8
Warehouse Space at Rear of Building



Photograph 9
**Empty Solvent Drums in
Warehouse Area**