March 21, 2007



5240 Green's Dairy Road Raleigh, North Carolina 27616 Phone 919.873.2211 Fax 919.873.9555 www.terracon.com

Ms. Gretchen R. Baird Environmental Risk Administrator JP Morgan Chase, NA 6300 Harry Hines Blvd., 2nd Floor Dallas, TX 75235

Phone: (214) 904-3450 Fax: (214) 904-3601

Re: Phase I Environmental Site Assessment

Former Seed Processing Facility

1211 Gurley Mill Road

Princeton, Johnston County, North Carolina

Terracon Project No. 70077717 Chase Project No. DA07-00425

Dear Ms. Baird:

Submitted herewith is the Environmental Site Assessment (ESA) report for the above-referenced site prepared by Terracon Consultants, Inc. (Terracon). This assessment was performed in accordance with our Task Order dated February 19, 2007 and signed on February 20, 2007. In accordance with ASTM E1527-05, this report is valid for 180 days from the effective date of the report, March 6, 2007. We appreciate the opportunity to perform these services for you.

The following paragraphs discuss identified recognized environmental conditions (RECs) and/or suspect environmental concerns and recommendations identified through Terracon's assessment.

- The former presence of an approximate 10,000-gallon gasoline underground storage tank (UST) on the site constitutes an REC to the site at this time. Terracon recommends subsurface investigation in vicinity of the former gasoline UST to assess for potential soil and/or groundwater impact. Terracon estimates the cost of investigating this REC as \$4,500.
- The presence of a topographically up-gradient leaking underground storage tank (LUST) approximately 200 feet northwest relative to the site constitutes a REC to the site at this time. Terracon recommends subsurface investigation along the northwestern site boundary in order to determine if the groundwater on-site is impacted by a release of petroleum constituents. Terracon also recommends the on-site water

supply well be sampled and analyzed for potential petroleum impacts to the deep aquifer. Terracon estimates the cost of sampling to be \$700, if performed in conjunction with UST investigation.

- Terracon recommends all suspect building materials at the site be presumed as asbestos-containing materials (ACM). A full asbestos survey is recommended if demolition or renovation activities are planned at the site; however, suspect ACM may be managed in place using an Operations and Maintenance Plan.
- Terracon recommends that if the on-site water supply well is not to be used in the future, it should be abandoned in accordance with local and state rules and regulations. Terracon estimates the cost of abandoning this well to be \$3,000.

We appreciate the opportunity to perform these services for you. Please contact Terracon at (919) 873-2211 if you have questions regarding this information.

Sincerely,

Terracon

Garrett A. Morgan

Environmental Scientist

Raleigh Office

Lori C. Hoffman, PE

Environmental Professional

Raleigh Office

Matthew K. Otto, CHMM

National Account Manager

Chicago Office

Attachment:

Three copies of ESA Report No. 70077717 (2 bound/1unbound) & one CD

Invoice

Terracon

AGREEMENT FOR SERVICES

This AGREEMENT is between <u>Century Group</u> ("Client") and Terracon Consultants, Inc. ("Consultant") for Services to be provided by Consultant for Client on the <u>Former Feed Mill, Princeton, NC Limited Site Investigation</u> project ("Project), as described in the Project Information section of Consultant's Proposal dated <u>March 26, 2007</u> ("Proposal") unless the Project is otherwise described in Exhibit A to this Agreement (which section or Exhibit is incorporated into this Agreement).

- Scope of Services. The scope of Consultant's services is described in the Scope of Services section of the Proposal ("Services"), unless Services are otherwise described in Exhibit B to this Agreement (which section or exhibit is incorporated into this Agreement). Portions of the Services may be subcontracted. Consultant's Services do not include the investigation or detection of, nor do recommendations in Consultant's reports address the presence or prevention of biological pollutants (e.g., mold, fungi, bacteria, viruses, or their byproducts) or occupant safety issues, such as vulnerability to natural disasters, terrorism, or violence. If Services include purchase of software, Client will execute a separate software license agreement. Consultant's findings, opinions, and recommendations are based solely upon data and information obtained by and furnished to Consultant at the time of the Services.
- 2. Acceptance. Client agrees that execution of this Agreement is a material element of the consideration Consultant requires to execute the Services, and if Services are initiated by Consultant prior to execution of this Agreement as an accommodation for Client at Client's request, both parties shall consider that commencement of Services constitutes formal acceptance of all terms and conditions of this Agreement. Additional terms and conditions may be added or changed only by written amendment to this Agreement signed by both parties. In the event Client uses a purchase order or other form to administer this Agreement, the use of such form shall be for convenience purposes only and any additional or conflicting terms it contains are stricken. This Agreement shall not be assigned by either party without prior written consent of the other party.
- 3. Change Orders. Client may request changes to the scope of Services by altering or adding to the Services to be performed. If Client so requests, Consultant will return to Client a statement (or supplemental proposal) of the change setting forth an adjustment to the Services and fees for the requested changes. Following Client's review, Client shall provide written acceptance. If Client does not follow these procedures, but instead directs, authorizes, or permits Consultant to perform changed or additional work, the Services are changed accordingly and Consultant will be paid for this work according to the fees stated or its current fee schedule. If project conditions change materially from those observed at the site or described to Consultant at the time of proposal, Consultant is entitled to a change order equitably adjusting its Services and fee.
- 4. Compensation and Terms of Payment. Client shall pay compensation for the Services performed at the fees stated in the Compensation section of the Proposal unless fees are otherwise stated in Exhibit C to this Agreement (which section or Exhibit is incorporated into this Agreement). If not stated in either, fees will be according to Consultant's current fee schedule. Fee schedules are valid for the calendar year in which they are issued. Consultant may invoice Client at least monthly and payment is due upon receipt of invoice. Client shall notify Consultant in writing, at the address below, within 15 days of the date of the invoice if Client objects to any portion of the charges on the invoice, and shall promptly pay the undisputed portion. Client shall pay a finance fee of 1.5% per month, but not exceeding the maximum rate allowed by law, for all unpaid amounts 30 days or older. Client agrees to pay all collection-related costs that Consultant incurs, including attorney fees. Consultant may suspend Services for tack of timely payment.
- 5. Third Party Reliance. This Agreement and the Services provided are for Consultant and Client's sole benefit and exclusive use with no third party beneficiaries intended. Reliance upon the Services and any work product is limited to Client, and is not intended for third parties. For a limited time period not to exceed three months from the date of the report, Consultant will issue additional reports to others agreed upon with Client, however Client understands that such reliance will not be granted until those parties sign and return Consultant's reliance agreement and Consultant receives the agreed-upon reliance fee.
- 6. <u>LIMITATION OF LIABILITY</u>. CLIENT AND CONSULTANT HAVE EVALUATED THE RISKS AND REWARDS ASSOCIATED WITH THIS PROJECT, INCLUDING CONSULTANT'S FEE RELATIVE TO THE RISKS ASSUMED, AND AGREE TO ALLOCATE CERTAIN OF THE RISKS SO, TO THE FULLEST EXTENT PERMITTED BY LAW, THE TOTAL AGGREGATE LIABILITY OF CONSULTANT (AND ITS RELATED CORPORATIONS AND EMPLOYEES) TO CLIENT AND THIRD PARTIES GRANTED RELIANCE IS LIMITED TO THE GREATER OF \$10,000 OR ITS FEE FOR ANY AND ALL INJURIES, DAMAGES, CLAIMS, LOSSES, OR EXPENSES (INCLUDING ATTORNEY AND EXPERT FEES) ARISING OUT OF CONSULTANT'S SERVICES OR THIS AGREEMENT REGARDLESS OF CAUSE(S) OR THE THEORY OF LIABILITY, INCLUDING NEGLIGENCE, INDEMNITY, OR OTHER RECOVERY. THIS LIMITATION SHALL NOT APPLY TO THE EXTENT THE DAMAGE IS PAID UNDER CONSULTANT'S COMMERCIAL GENERAL LIABILITY POLICY.
- 7. Indemnity/Statute of Limitations. Consultant and Client shall defend, indemnify, and hold harmless the other, their agents, and employees, from and against legal liability for all claims, losses, damages, and expenses to the extent such claims, losses, damages, or expenses are caused by their negligent acts, errors, or omissions. In the event such claims, losses, damages, or expenses are caused by the joint or concurrent negligence of Consultant and Client, they shall be borne by each party in proportion to its own negligence under comparative fault principles. Causes of action arising out of Consultant's services or this Agreement regardless of cause(s) or the theory of liability, including negligence, indemnity or other recovery shall be deemed to have accrued and the applicable statute of limitations shall commence to run not later than the date of Consultant's substantial completion of services on the project.
- 8. Warranty. Consultant will perform the Services in a manner consistent with that level of care and skill ordinarily exercised by members of the profession currently practicing under similar conditions in the same locale. CONSULTANT MAKES NO WARRANTIES OR GUARANTEES, EXPRESS OR IMPLIED, RELATING TO CONSULTANT'S SERVICES AND CONSULTANT DISCLAIMS ANY IMPLIED WARRANTIES OR WARRANTIES IMPOSED BY LAW, INCLUDING WARRANTIES OF MERCHANTABILITY AND FITNESS FOR A PARTICULAR PURPOSE.
- 9. Insurance. Consultant represents that it now carries, and will continue to carry: (i) workers' compensation insurance in accordance with the laws of the states having jurisdiction over Consultant's employees who are engaged in the Services, and employer's liability insurance (\$1,000,000); (ii) commercial general liability insurance (\$1,000,000 occ / \$2,000,000 agg); (iii) automobile liability insurance (\$1,000,000 B.l. and P.D. combined single limit); and (iv) professional liability insurance (\$1,000,000 claim / agg). Certificates of insurance will be provided upon request. Client and Consultant shall waive subrogation against the other party on all general liability and property coverage.

Agreement Reference Number (Terracon Proposal or Project Number):P07-0100

Terracon

- 10. CONSEQUENTIAL DAMAGES. NEITHER PARTY SHALL BE LIABLE TO THE OTHER FOR LOSS OF PROFITS OR REVENUE; LOSS OF USE OR OPPORTUNITY; LOSS OF GOOD WILL; COST OF SUBSTITUTE FACILITIES, GOODS, OR SERVICES; COST OF CAPITAL; OR FOR ANY SPECIAL, CONSEQUENTIAL, INDIRECT, PUNITIVE, OR EXEMPLARY DAMAGES.
- 11. Dispute Resolution. Client shall not be entitled to assert a Claim against Consultant based on any theory of professional negligence unless and until Client has obtained the written opinion from a registered, independent, and reputable engineer, architect, or geologist that Consultant has violated the standard of care applicable to Consultant's performance of the Services. Client shall provide this opinion to Consultant and the parties shall endeavor to resolve the dispute within 30 days, after which Client may pursue its remedies at law. This Agreement shall be governed by and construed according to Kansas law.
- 12. Subsurface Explorations. Subsurface conditions throughout the site may vary from those depicted on logs of discrete borings, test pits, or other exploratory services. Client understands Consultant's layout of boring and test locations is approximate and that Consultant may deviate a reasonable distance from those locations. Consultant will take reasonable precautions to reduce damage to the site when performing Services; however, Client accepts that invasive services such as drilling or sampling may damage or after the site. Site restoration is not provided unless specifically included in the Services.
- 13. Tosting and Observations. Client understands that testing and observation are discrete sampling procedures, and that such procedures Indicate conditions only at the depths, locations, and times the procedures were performed. Consultant will provide test results and opinions based on tests and field observations only for the work tested. Client understands that testing and observation are not continuous or exhaustive, and are conducted to reduce not eliminate project risk. Client agrees to the level or amount of testing performed and the associated risk. Client is responsible (even if delegated to contractor) for notifying and scheduling Consultant so Consultant can perform these Services. Consultant shall not be responsible for the quality and completeness of contractor's work or their adherence to the project documents, and Consultant's performance of testing and observation services shall not relieve contractor in any way from its responsibility for defects discovered in its work, or create a warranty or guarantee. Consultant will not supervise or direct the work performed by contractor or its subcontractors and is not responsible for their means and methods.
- 14. Sample Disposition, Affected Materials, and Indermity. Samples are consumed in testing or disposed of upon completion of tests (unless stated otherwise in the Services). Client shall furnish or cause to be furnished to Consultant all documents and Information known or available to Client that relate to the identity, location, quantity, nature, or characteristic of any hazardous waste, toxic, radioactive, or contaminated materials ("Affected Materials") at or near the site, and shall immediately transmit new, updated, or revised information as it becomes available. Client agrees that Consultant is not responsible for the disposition of Affected Material unless specifically provided in the Services, and that Client is responsible for directing such disposition. In the event that test samples obtained during the performance of Services (i) contain substances hazardous to health, safety, or the environment, or (ii) equipment used during the Services cannot reasonably be decontaminated, Client shall sign documentation (if necessary) required to ensure the equipment and/or samples are transported and disposed of properly, and agrees to pay Consultant the fair market value of this equipment and reasonable disposal costs. In no event shall Consultant be required to sign a hazardous waste manifest or take title to any Affected Materials. Client shall have the obligation to make all spill or release notifications to appropriate governmental agencies. The Client agrees that Consultant neither created nor contributed to the creation or existence of any Affected Materials conditions at the site. Accordingly, Client waives any claim against Consultant and agrees to indemnify and save Consultant, its agents, employees, and related companies harmless from any claim, liability or defense cost, including attorney and expert fees, for injury or loss sustained by any party from such exposures allegedly arising out of Consultant's non-negligent performance of services hereunder, or for any claims against Consultant as a generat
- 15. Ownership of Documents. Work product, such as reports, logs, data, notes, or calculations, prepared by Consultant shall remain Consultant's property. Proprietary concepts, systems, and ideas developed during performance of the Services shall remain the sole property of Consultant. Files shall be maintained in general accordance with Consultant's document retention policies and practices.
- 16. Utilities. Client shall provide the location and/or arrange for the marking of private utilities and subterranean structures. Consultant shall take reasonable precautions to avoid damage or injury to subterranean structures or utilities. Consultant shall not be responsible for damage to subterranean structures or utilities that are not called to Consultant's attention, are not correctly marked, including by a utility locate service, or are incorrectly shown on the plans furnished to Consultant.
- 17. Site Access and Safety. Client shall secure all necessary site related approvals, permits, licenses, and consents necessary to commence and complete the Services and will execute any necessary site access agreement. Consultant will be responsible for supervision and site safety measures for its own employees, but shall not be responsible for the supervision or health and safety precautions for any other parties, including Client, Client's contractors, subcontractors, or other parties present at the site.

18.	Termination. Eliner party ma	iy terminate this Agreement or	the Services upon writter	notice to the other.	In such case, (Consultant shall be paid
	costs incurred and fees earned				•	
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Consultant, Teuration Consultants, Inc.	Client: / entury Group Inc.			
By:	By: Tenda. in: (and Date: 3/24(0)			
Name/Title: WILLIAM T RICE/EHES MANAGER	Name/Title: Garaca M. M. Combs CFO			
Address: 5240 Green's Dairy Road	Address: P. O. Box 228			
Raleigh, North Carolina 27616	Sulphur, LA 70664-0228			
Phone: 919.873.2211 Fax: 919.873.9555	Phone: 800-527-5232 Fax: 337-527-8028			

Agreement Reference Number (Terracon Proposal or Project Number):P07-0100

March 26, 2007



5240 Green's Dairy Road Raleigh, North Carolina 27616 Phone 919,873,2211 Fax 919,873,9555 www.terracon.com

Century Group Inc. P. O. Box 228 Sulphur, LA 70664-0228

Attn: Mr. Gerald McCombs

Phone: 800-527-5232 ext.112

Fax: 337-527-8028

RE: Proposal for Limited Site Investigation

Former Seed Processing Facility

1211 Gurley Mill Road

Princeton, Johnston County, North Carolina

Terracon Proposal No. P07-0100

Dear Mr. McCombs:

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Terracon Consultants, Inc. (Terracon) appreciates the opportunity to submit this proposal to conduct a Limited Site Investigation (LSI) at the above-referenced site.

A. PROJECT INFORMATION

We understand the site consists of a 4.17-acre site located on the northern side of Gurley Mill Road approximately 300 feet west of the intersection with Luby Smith Road in Princeton, Johnston County, North Carolina. The site is improved with a warehouse, a three-story feed mill and basement, a scale-house, a mobile home, multiple grain silos, a dirt road, and a railroad spur. The warehouse and feed mill are currently undergoing renovations and partial demolition.

B. SCOPE OF SERVICES

Limited Site Investigation

At your request, the proposed scope of work is in response to the results of Terracon's Environmental Site Assessment (ESA – Report No. 70077717) dated March 21, 2007. The ESA identified recognized environmental conditions (RECs) and/or historical RECs (HRECs) and recommended additional investigation associated with the following:

 An approximate 10,000-gallon gasoline UST was formerly located across from the scale house in a grassy area. The UST was reportedly emptied and inactive from the mid-1980s until it was removed from the ground in 2006. No staining or

odors were reportedly observed during the UST removal, however, according to Mr. Gurley there were no closure reports prepared for this UST removal. Based on the lack of documentation of the UST closure, the former gasoline UST constitutes a REC to the site at this time.

 Based on the records review, one REC was identified approximately 200 feet northwest and topographically up-gradient relative to the site. According to the Environmental Database Resources, Inc. (EDR) Site Reports, the Highway 70 Truck Stop is currently listed as an underground storage tank (UST) facility, leaking underground storage tank (LUST) facility, and incident management database (IMD) facility with documented soil and groundwater contamination at the facility. Based on proximity and topographic position relative to the site, the facility constitutes a REC to the site at this time.

The objective of the proposed LSI is to evaluate the presence of volatile organic compounds (VOCs) Total Petroleum Hydrocarbons – Diesel Range Organics (TPH-DRO), TPH Gasoline Range Organics (TPH-GRO), polyaromatic hydrocarbons (PAHs) associated with the former gasoline UST above relevant laboratory reporting limits in the on-site soils and/or groundwater as a result of potential releases and to evaluate the the presence of VOCs, PAHs, and lead in the on-site supply well as a result of off-site releases.

Terracon will develop a generic safety plan to be used by our personnel during field services. At this time, we anticipate that a USEPA Level D work uniform consisting of hard hats, safety glasses, protective gloves, and steel-toed boots will be required by all personnel in the work area. It may become necessary to upgrade this level of protection, at additional cost, while sampling activities are being conducted in the event that petroleum or chemical constituents are encountered in soils which present an increased risk for personal exposure.

Terracon will subcontract with a North Carolina licensed monitoring well driller utilizing a truck-mounted Geoprobe® to advance four soil borings in the immediate vicinity of the former 10,000-gallon UST. Terracon will observe soils continuously above the water table for visible signs of staining and will screen soils using a flame-ionization detector (FID) for volatile organic vapors. We will collect one soil sample per boring from the zone exhibiting the highest FID reading and will submit for laboratory analysis for TPH-DRO by EPA Method 3550/Modified 8015, TPH-GRO by EPA Method 5030/Modified 8015, and lead by EPA Method 200. One groundwater sample will be collected, if encountered, and submitted for laboratory analysis for VOCs by EPA Method 8260, PAHs by EPA Method 8270, and lead by EPA Method 200.

Terracon will collect one groundwater sample from the on-site supply well, if pump is

operating and submit for laboratory analysis for VOCs by EPA Method 8260, PAHs by EPA Method 8270, and lead by EPA Method 200.

The soil and groundwater samples will be collected and placed in laboratory prepared containers, labeled, and placed on ice in a cooler which will be secured with a custody seal. The samples and completed chain-of-custody forms will be transported to the selected analytical laboratory for normal turnaround.

Laboratory Analytical Program

The soil samples collected during the investigation will be analyzed using the following methods:

<u>Analysis</u>	Sample Type	No. of Samples	Laboratory Method
TPH-DRO	Soil	4	EPA Method 3550/Modified 8015
TPH-GRO	Soil	4	EPA Method 5030/Modified 8015
l Lead	Soil	4	EPA Method 200:
VOCs	Groundwater,	2	EPA Method 8260
PAHs	Groundwater	. 2	EPA Method 8270C
Lead	Groundwater	2	EPA Method 200
Trip Blank (VOCs)	Groundwater	1	EPA Method 8260

Preparation of LSI Final Report

Upon completion of site activities and receipt of the laboratory analytical results, a final report will be prepared that will include the following:

- Documentation of field activities;
- Site plan showing pertinent site features;
- Soil boring logs;
- Analytical laboratory results;
- Data evaluation and presentation of findings; and,
- Recommendations concerning further action, if necessary.

Items to be provided by the Client include:

- The legal right-of-entry to conduct each assessment.
- A building management representative during inspections of occupied areas.
- Any restrictions or special access requirements regarding the site shall be made known to Terracon prior to site mobilization.
- Client will provide, if available, building plans in AutoCAD format.
- Any known environmental conditions at the site (i.e., hazardous materials or processes, specialized protective equipment requirements, unsound structural members, etc.) shall also be communicated to Terracon prior to site mobilization.

SCHEDULE

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Limited Site Investigation

Terracon is prepared to commence work on this project within 1 days following receipt of written notification to proceed. It is anticipated the field activities will be completed in one day. The standard analytical turnaround time is 7 working days (expedited turnaround is available at an additional charge). Preliminary verbal results of the LSI may be available within 24 hours of Terracon's receipt of laboratory analytical reports. The final written LSI report will be available one week following Terracon's receipt of final laboratory analytical reporting. It is Terracon's opinion that the LSI will take approximately 2 weeks to complete. This written report will reflect final results, findings and recommendations, and, as such, will take precedence over any verbal reports that Terracon personnel may have provided.

All field services will be performed under modified Level D safety personal protective equipment. The analysis, comments and recommendations presented in the written report will be based on the information collected as discussed in this proposal.

Terracon's services will be performed in a manner consistent with generally accepted practices of the professional undertaken in similar studies in the same geographic area during the same period. Terracon makes no warranties, expressed or implied, regarding its services, findings, conclusions or recommendations. Please note that Terracon does not warrant the work of laboratories, regulatory agencies or other third parties supplying information used in the preparation of the report. These LSI services will be performed in accordance with the scope of work agreed with you, our client, as set forth in this proposal.

Findings, conclusions and recommendations resulting from these services will be based upon information derived from on-site activities and other services performed under this scope of work; such information is subject to change over time. Certain indicators of the

presence of hazardous substances, petroleum products, or other constituents may have been latent, inaccessible, unobservable, nondetectable or not present during these services, and we cannot represent that the site contains no hazardous substances, toxic substances, petroleum products, or other latent conditions beyond those identified during this LSI. Subsurface conditions may vary from those encountered at specific borings or wells or during other surveys, tests, assessments, investigations or exploratory services; the data, interpretations, findings and our recommendations are based solely upon data obtained at the time and within the scope of these services.

C. COMPENSATION

Limited Site Investigation

The Scope of Services outlined in this proposal will be performed on a lump sum basis for \$5,300.00. If, as a result of these services, additional work is required outside the scope of this proposal, you will be contacted, and upon request, proposed costs for additional work will be provided. Client authorization will be obtained prior to commencement of any additional work outside the scope of this proposal. Estimated project costs are summarized below:

Assumptions

Drilling, laboratory, and other direct costs include a 15% handling fee. The project cost summary is based on the scope of services outlined in this proposal. This proposal and cost estimate were prepared based on the following assumptions:

- The Client will provide to Terracon, prior to mobilization, legal right of entry to the site (and other areas if required) to conduct the scope of services.
- The Client will notify Terracon, prior to mobilization, of any restrictions, special site access requirements, or known potentially hazardous conditions at the site (e.g., hazardous materials or processes, specialized protective equipment requirements, unsound structural conditions, etc.)
- Utilities on private land that are not located by public companies will be located by property owner/operator.

If any of these assumptions or conditions are not accurate or change during the project, the stated fee is subject to change. Please contact us immediately if you are aware of any inaccuracies in these assumptions and conditions, so we may revise the proposal or fee.

It should be noted, if affected soil or groundwater is discovered during the LSI, the owner, operator or similar responsible party may have release reporting obligations under applicable state law or regulations.

D. GENERAL COMMENTS

We have attached an Agreement for Services that is incorporated into this proposal and that you must sign to authorize us to do this work. This proposal is valid for 60 days from the date of this proposal. We appreciate the opportunity to provide this proposal and look forward to working with you on this project. If this proposal meets with your approval, please sign the attached Agreement for Services and return both originals to our office via fax at 919-873-9555 or mail to our Raleigh office. We will sign and return a fully executed original to you for your files.

If you should have any questions or comments regarding this proposal, please contact the undersigned.

Sincerely,

Terracon Consultants, Inc.

Lori C. Hoffman, PE

Environmental Manager

William T. Rice, Jr., PE

EH&S Manager

Attachments: Agreement for Services

