

PHASE I ENVIRONMENTAL SITE ASSESSMENT

**PROPOSED KENTUCKY FRIED CHICKEN RESTAURANT
K. MCCLURE AND T. ARNDT PROPERTY
1.22 ACRE PARCEL
ELKIN HIGHWAY
NORTH WILKESBORO, WILKES COUNTY, NORTH CAROLINA**

**Project No. 86077054
Report Issuance Date: June 6, 2007**



***Prepared for:*
Ferrari, LLC
104 Mull Street
Morganton, North Carolina**

***Prepared by:*

Greenville-Spartanburg, South Carolina**

June 6, 2007

Mr. Michael Fulenwider
Ferrari, LLC
104 Mull Street
Morganton, North Carolina 28655

Telephone: 828-443-8875

Re: Phase I Environmental Site Assessment
Proposed Kentucky Fried Chicken Restaurant
K. McClure and T. Arndt Property
1.22 Acre Parcel, Elkin Highway
North Wilkesboro, Wilkes County, North Carolina
Project No. 86077054

Dear Mr. Fulenwider:

Ground Engineering Solutions, Inc. (GES), a Terracon Company, is pleased to submit the enclosed Phase I Environmental Site Assessment (ESA) report for the above-referenced site. This assessment was performed in accordance with our proposal dated April 27, 2007.

We appreciate the opportunity to perform these services for you. Please contact us if you have questions regarding this information or if we can provide any other services.

Sincerely,

GROUND ENGINEERING SOLUTIONS, INC.

Ryan C. Haynes
Project Geologist

Craig D. Eady, P.G.
Environmental Professional

Attachments

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COMMON ACRONYMS ¹

ACM.....	Asbestos containing material
AST.....	Aboveground storage tank
AUL.....	Activity and use limitation
BGS	Below ground surface
BTEX	Benzene, toluene, ethylbenzene, and xylenes
CERCLA	Comprehensive Environmental Response, Compensation, and Liability Act
CFR	Code of Federal Regulations
DOT	US Department of Transportation
EPA.....	US Environmental Protection Agency
HREC.....	Historical recognized environmental condition
LUST.....	Leaking underground storage tank
MCL	Maximum contaminant level
MSDS	Material safety data sheet
NOV	Notice of violation
NPL.....	National Priority List
NRCS.....	US Natural Resource Conservation Service
OSHA.....	Occupational Safety and Health Administration
PCB	Poly-chlorinated biphenyl
RCRA.....	Resource Conservation and Recovery Act
REC	Recognized environmental condition
SPCC.....	Spill Prevention, Control and Countermeasure
SWPPP	Stormwater pollution prevention plan
TEPH	Total extractable petroleum hydrocarbons
TPH.....	Total petroleum hydrocarbons
TVPH	Total volatile petroleum hydrocarbons
TRI.....	Toxic release inventory
TSCA	Toxic Substances Control Act
USGS.....	US Geological Survey
UST.....	Underground storage tank
VCP	Voluntary cleanup program
VOC	Volatile organic compound

Units of measure

ft ²	square feet
mg/Kg	milligrams per kilogram
mg/L.....	milligrams per liter
ug/L.....	micrograms per liter
ppb.....	parts per billion
ppm.....	parts per million

¹ A complete list of acronyms and definitions is included in Appendix B.

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NORTH WILKESBORO, WILKES COUNTY, NORTH CAROLINA**

**Project No. 86077054
Report Issuance Date: June 6, 2007**

EXECUTIVE SUMMARY

This Phase I ESA was performed in accordance with our proposal dated April 27, 2007, and was conducted consistent with the procedures included in ASTM E 1527-05, Standard Practice for Environmental Site Assessments: Phase I Environmental Site Assessment Process. The ESA was conducted under the supervision or responsible charge of Craig D. Eady, P.G., Environmental Professional. The site reconnaissance was performed on May 9, 2007 by Ryan C. Haynes.

A cursory summary of findings is provided below. It should be recognized that details were not included or fully developed in this section, and the report must be read in its entirety for a comprehensive understanding of the items contained herein.

- The site is an undeveloped field located on the east side of Elkin Highway (2nd Street), approximately 500 feet north of its intersection with Statesville Road, in North Wilkesboro, Wilkes County, North Carolina. The site encompasses approximately 1.22 acres of undeveloped land that is covered with maintained grass and weeds. The site is a portion of a large tract of land (41.8 acres).
- There were no unusual stains, odors or stressed vegetation noted on the subject site. There were no indications of previous use or development. Based on our observations, no recognized environmental concerns (RECs) were identified for the subject property at this time.
- Based on review of the historical information, the site has been historically been agricultural and residential land. According to knowledgeable personnel and historical document review, no recognized environmental conditions (RECs) were identified in connection to the site.
- The adjacent properties appear to have historically consisted of a gun/pawn shop, undeveloped land and wooded land with rural residences. Based on topography, proximity to the site, and environmental status, no adjacent properties appear to constitute a REC to the site at this time.

EXECUTIVE SUMMARY (cont.)



- Review of the federal and state environmental database records did not identify the site or any nearby sites that would have a potential environmental impact on the subject property.

Recommendations

Based on the Scope of Services and Findings of this assessment, no recognized environmental conditions were identified for the site and surrounding properties and no further environmental work is warranted at this time.

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1.0 INTRODUCTION

1.1 Site Description

Site Description

Site Name	K. McClure and T. Arndt Property, 1.22-Acre Parcel
Site Location/Address	Elkin Highway, North Wilkesboro, Wilkes County, North Carolina
Land Area	1.22 acres
Site Improvements	None

The site location is depicted on Figure 1 of Appendix A, which was reproduced from a portion of the USGS 7.5 minute series topographic map. A site diagram of the site and adjoining properties is included as Figure 2 of Appendix A. Acronyms and terms used in this report are described in Appendix B.

1.2 Scope of Services

This Phase I ESA was performed in accordance with our proposal dated April 12, 2007, and was conducted consistent with the procedures included in ASTM E 1527-05, Standard Practice for Environmental Site Assessments: Phase I Environmental Site Assessment Process. The purpose of this ESA was to assist the client in developing information to identify RECs in connection with the site as reflected by the scope of this report. This purpose was undertaken through user-provided information, a regulatory database review, historical and physical records review, interviews, including local government inquiries, as applicable, user-provided information, and a visual noninvasive reconnaissance of the site and adjoining properties. Limitations, ASTM deviations, and significant gaps are not evident from reviewing the applicable scope of services and the report text.

1.3 Standard of Care

This ESA was performed in accordance with generally accepted practices of this profession, undertaken in similar studies at the same time and in the same geographical area. We have endeavored to meet this standard of care, but may be limited by conditions encountered during performance, a client-driven scope of work, or inability to review information not received by the report date. When appropriate, these limitations are discussed in the text of the report, and an evaluation of their significance with respect to our findings has been conducted.

Phase I ESAs, such as the one performed at this site, are of limited scope, are noninvasive and cannot eliminate the potential that hazardous, toxic, or petroleum substances are present or have been released at the site beyond what is identified by the limited scope of this ESA. In conducting the limited scope of services described herein, certain sources of information and public records were not reviewed. It should be recognized that environmental concerns may be documented in public records that were not reviewed. No ESA can wholly eliminate uncertainty regarding the potential for RECs in connection with a property. Performance of this practice is intended to reduce, but not eliminate, uncertainty regarding the potential for RECs. No warranties, express or implied, are intended or made. The limitations herein must be considered when the user of this report formulates opinions as to risks associated with the site or otherwise uses the report for any other purpose. These risks may be further evaluated - but not eliminated - through additional research or assessment. We will, upon request, advise you of additional research or assessment options that may be available and associated costs.

1.4 Additional Scope Limitations, ASTM Deviations and Significant Data Gaps

Based upon the agreed-on scope of services, this ESA did not include subsurface or other invasive assessments, business environmental risk evaluations, or other services not particularly identified and discussed herein. Reasonable attempts were made to obtain information within the scope and time constraints set forth by the client; however, in some instances, information requested is not, or was not, received by the issuance date of the report. Consideration of such information is beyond the scope of this assessment. Information obtained for this ESA was received from several sources that we believe to be reliable; nonetheless, the authenticity or reliability of these sources cannot and is not warranted hereunder.

An evaluation of the significance of these limitations and missing information with respect to our findings has been conducted, and where appropriate, significant data gaps are identified and discussed in the text of the report. However, it should be recognized that an evaluation

of the significance of these data gaps is based on the information available at the time of report issuance, and an evaluation of information received after the report issuance date may result in an alteration of our report. We have no obligation to provide information obtained or discovered by us after the date of the report, or to perform any additional services, regardless of whether the information would affect any conclusions, recommendations, or opinions in the report. This disclaimer specifically applies to any information that has not been provided by the client.

This report represents our service to you as of the report date and constitutes our final document; its text may not be altered after final issuance. Findings in this report are based upon the site's current utilization, information derived from the most recent reconnaissance and from other activities described herein; such information is subject to change. Certain indicators of the presence of hazardous substances or petroleum products may have been latent, inaccessible, unobservable, or not present during the most recent reconnaissance and may subsequently become observable (such as after site renovation or development). Further, these services are not to be construed as legal interpretation or advice.

1.5 Reliance

This ESA report is prepared for the exclusive use and reliance of Ferrari, LLC. Use or reliance by any other party is prohibited without the written authorization of Ferrari, LLC. and Ground Engineering Solutions, Inc.

Reliance on the ESA by the client and all authorized parties will be subject to the terms, conditions and limitations stated in the proposal, ESA report, and GES's Agreement for Services. The limitation of liability defined in the Agreement for Services is the aggregate limit of GES's liability to the client and all relying parties.

1.6 Client Provided Information

Prior to the site visit, Mr. Michael Fulenwider, the client representative, provided the following information. A User Questionnaire is provided in Appendix C.

1.6.1 Specialized Knowledge or Experience

Mr. Fulenwider was not aware of any specialized knowledge or experience that is material to RECs in connection with the site.

1.6.2 Actual Knowledge of Environmental Liens or AULs

Mr. Fulenwider did not have any actual knowledge of any environmental liens or AULs encumbering the site or in connection with the site.

1.6.3 Reason for Significantly Lower Purchase Price

Mr. Fulenwider was not aware of a significantly lower purchase price due to the presence of hazardous substances or petroleum products.

1.6.4 Commonly Known or Reasonably Ascertainable Information

Mr. Fulenwider was not aware of any commonly known or reasonably ascertainable information within the local community about the site that is material to RECs in connection with the site.

1.6.5 Indicators of Contamination at the Site

Mr. Fulenwider was not aware of any obvious indicators that point to the presence or likely presence of contamination at the site.

1.6.6 Previous Reports

Mr. Fulenwider was not aware of any previous environmental and/or geotechnical reports generated for the site.

2.0 PHYSICAL SETTING

PHYSICAL SETTING INFORMATION FOR SITE AND SURROUNDING AREA		SOURCE
Topography (Refer to Appendix A for an excerpt of the Topographic Map)		
<i>Site Elevation</i>	Approximately 950 feet above mean sea level (NGVD).	USGS Topographic Map North Wilkesboro, NC Quadrangle, Dated 1966
<i>Surface Runoff/ Topographic Gradient</i>	The site is on the southeast side of a small ridgeline. Surface runoff would follow the general gradient to the east southeast.	
<i>Closest Surface Water</i>	The Yadkin River is located approximately 1000 feet southeast of the site.	
Soil Characteristics		
<i>Soil Type</i>	Pacolet-Urban land complex, (PrC) 2 to 15 percent slopes	Wilkes County, North Carolina USDA, Natural Resources Conservation Service Soil Survey Issued 1997
<i>Description</i>	The Pacolet soils consist of 8 inches of sandy clay loam underlain by red clay and clay loam to 31 inches. The underlying soils are sandy loams to 60 inches.	
Geology/Hydrogeology		
<i>Formation</i>	Geologically, Wilkes County is located partially in the Blue Ridge Belt and partially in the Inner Piedmont Physiographic Provinces.	Wilkes County, North Carolina USDA, Natural Resources Conservation Service Soil Survey

PHYSICAL SETTING INFORMATION FOR SITE AND SURROUNDING AREA		SOURCE
<i>Description</i>	The Blue Ridge Belt and the inner Piedmont Belt both consist of metamorphosed sedimentary, volcanic and plutonic rocks. The depth to rock is more than 6 feet.	Issued 1997
<i>Estimated Depth to First Occurrence of Ground water</i>	Greater than 6 feet	Wilkes County, North Carolina USDA, Natural Resources Conservation Service Soil Survey Issued 1997
<i>Primary Aquifer</i>	Appalachian Plateaus Aquifer System.	Ground Water Atlas of the United States, 1997.
<i>*Hydrogeologic Gradient:</i>	Not known - may be inferred to be parallel to topographic gradient.	

* The groundwater flow direction and the depth to shallow, unconfined groundwater, if present, would likely vary depending upon seasonal variations in rainfall and other hydrogeological features. Without the benefit of on-site groundwater monitoring wells surveyed to a datum, groundwater depth and flow direction beneath the site cannot be directly ascertained.

3.0 HISTORICAL USE INFORMATION

Ground Engineering reviewed the following historical sources for indications of RECs. A summary of the historical review is included in Section 3.11. Copies of pertinent historical documents are included in Appendix C.

3.1 Historical Topographic Map

A readily available historical topographic map was obtained. GES reviewed the map to identify RECs in connection with the site. The reviewed historical topographic map is summarized below.

- Wilkesboro, North Carolina Quadrangle, published 1966 (1:24,000)

Historical Topographic Map

Direction	Description
Site	Undeveloped land
North	Undeveloped land and wooded land
South	Undeveloped land
East	Wooded land and rural residential
West	Undeveloped land and a church

3.2 Historical Aerial Photographs

Historical aerial photographs were obtained from the Wilkes County Natural Resources Conservation Service (NRCS), TerraServer, Google Maps, and Ask.com maps. Evaluation of these aerials may be limited by a photo's quality and scale. Selected photographs are summarized below.

- Ask.Com, 2006, 1"= 660'
- Googlemaps.com, 2006, 1"=200'
- Wilkes County NRCS, 2004, 1"= 200'
- Terra Server, 1998 1"=330'
- Terra Server, 1997, 1"=330'
- Wilkes County NRCS, 1988, 1'= 660'
- Wilkes County NRCS, 1982, 1'= 660'
- Wilkes County NRCS, 1977, 1'= 660'
- Wilkes County NRCS, 1966, 1'= 330'

Historical Aerial Photographs

Direction	Description
Site	Partially wooded with small residences (prior to 1960s – mid 1970s), Open land (mid 1970s – Present)
North	Open land then warehouse (prior to 1960s – Present)
South	Rural residential (prior to 1960s to 1970s), Vacant land (1980s to mid 1990s), Gun and Pawn Shop (1990s to present)
East	Vacant land and wooded land (prior to 1960s to present)
West	Vacant land, wooded land and rural residential (prior to 1960s to present)

3.3 Historical City Directories

The Wilkes County North Carolina city directories were made available at the public library at approximate five year intervals. Since these references are copyright protected, reproductions are not provided in this report. The site is undeveloped land and therefore does not have an address listed. The nearby properties also were not listed.

3.4 Historical Fire Insurance Maps

Historical fire insurance maps produced by the Sanborn Map Company were requested from EDR to evaluate past uses and relevant characteristics of the site and surrounding properties.

Based upon inquiries to the above-listed Sanborn provider, Sanborn Maps were not available for the site area in their collection.

3.5 Ownership/Property Tax File Information

A title search was not provided by the client for review by GES. Based on information from the Wilkes County tax assessor office, the site is a portion of a larger 41.8 acre tract that is owned by Karen Arndt McClure and Tamra Elizabeth Arndt who obtained title to the property on November 5, 1985 by will of G.M. Kirkpatrick who formerly owned the property prior to 1985. No further deed information was found.

3.6 Environmental Liens/Activity and Use Limitations

Recorded land title records and lien records recorded against the site were not provided by the client to identify environmental liens and activity and use limitations (AULs). A review of county records did not identify environmental liens against the subject property. Use limitation records were not included as part of the scope of services and unless notified otherwise, we assume that the client is evaluating this information outside the context of this report.

3.7 Planning Department Records

GES contacted Mr. Curt Hayes with the Town of Wilkesboro Planning and Inspection Department who indicated the site is zoned R-6. Mr. Hayes stated that small old houses were historically located along Elkin Highway. The houses were removed when Elkin Highway was widened. His department is not aware of any environmental issues at the project site. He stated the site has been vacant for 20 to 30 years.

3.8 County Engineering

GES contacted the Wilkes County Engineering office. A response from the county office has not been received at the time of the issuance of this report.

3.9 Historical Interviews

Interviewees

Interviewer	Interviewee	Title	Date
Francis Hagye	Mr. Nick Hamby	Wilkes County Fire Marshall	May 31, 2007
Francis Hagye	Ms. Sue Durham	Wilkes County Environmental Health	May 31, 2007
Francis Hagye	Mr. Curt Hayes	Planning and Inspections Department	May 31, 2007

Mr. Nick Hamby with the Wilkes County Fire Marshall office and Mr. Curt Hayes with the Town of North Wilkesboro indicated several old small houses were located on the site in the past. The houses were demolished when Elkin Highway was widened. They also indicated the houses were heated with wood or coal and no gas stations were located in the site area in the past.

Ms. Sue Durham (Wilkes County Environmental Health Department) stated that her department is not aware of any septic systems on the site or any reported incidents at the site concerning spills or illegal dumping.

3.10 Prior Report Review

Previous environmental or geotechnical reports of environmental significance for the site were requested from the client and site contact; however, the client and site contact were not aware of any previous reports conducted on site. In addition, the client and site contact have not been provided with copies of previous reports for the site; therefore, the client and site contact assume that none exist.

3.11 Historical Use Information Summary

Based on review of the historical information, the site has been historically been agricultural and residential land. According to knowledgeable personnel and historical document review, no recognized environmental conditions (RECs) were identified in connection to the site.

4.0 RECORDS REVIEW

Database information was provided by EDR, a contract information services company, for indications of environmental concern on and in the vicinity of the site. Information in this section is subject to the accuracy of the data provided by the information services company and the date at which the information is updated, and the scope herein did not include confirmation of facilities listed as "unmappable" by regulatory databases.

In some of the following subsections, the words up-gradient, cross-gradient and down-gradient refer to the topographic gradient in relation to the site. As stated previously, the groundwater flow direction and the depth to shallow groundwater, if present, would likely vary depending upon seasonal variations in rainfall and the depth to the soil/bedrock interface. Without the benefit of on-site groundwater monitoring wells surveyed to a datum, groundwater depth and flow direction beneath the site cannot be directly ascertained.

4.1 Federal and State/Tribal Databases

Listed below are the names and number of facilities identified on federal and state/tribal databases within the indicated search areas. Database definition, descriptions, and the database search report are included in Appendix D.

Federal and State Databases

<u>Database</u>	<u>Description</u>	<u>Radius (miles)</u>	<u>Facilities</u>
Federal			
NPL	The NPL is the USEPA's database of uncontrolled or abandoned hazardous waste facilities that have been listed for priority remedial actions under the Superfund Program.	1.0	0
NPL (Delisted)	The NPL Delisted refers to facilities that have been removed from the NPL.	0.5	0
CERCLIS / NFRAP	The CERCLIS database is a compilation of facilities which the USEPA has investigated or is currently investigating for a release or threatened release of hazardous substances pursuant to the CERCLA of 1980. NFRAP refers to facilities that have been removed and archived from its inventory of CERCLA sites.	0.5	0
RCRA CORRACTS/ TSD	The USEPA maintains a database of RCRA facilities associated with treatment, storage, and disposal (TSD) of hazardous waste that are undergoing "corrective action." A "corrective action" order is issued when there has been a release of hazardous waste or constituents into the environment from a RCRA facility.	1.0	0

<u>Database</u>	<u>Description</u>	<u>Radius (miles)</u>	<u>Facilities</u>
RCRA Non-CORRACTS/TSD	The RCRA Non-CORRACTS/TSD Database is a compilation by the USEPA of facilities which report storage, transportation, treatment, or disposal of hazardous waste. Unlike the RCRA CORRACTS/TSD database, the RCRA Non-CORRACTS/TSD database does not include RCRA facilities where corrective action is required.	0.5	0
RCRA Generators	The RCRA Generators database, maintained by the USEPA, lists facilities that generate hazardous waste as part of their normal business practices. Generators are listed as either large, small, or conditionally exempt. LQG produce at least 1000 kg/month of non-acutely hazardous waste or 1 kg/month of acutely hazardous waste. SQG produce 100-1000 kg/month of non-acutely hazardous waste. CESQG are those that generate less than 100 kg/month of non-acutely hazardous waste.	0.25	3
IC / EC	A listing of sites with engineering and/or institutional controls in place. Engineering controls include various forms of caps, building foundations, liners, and treatment methods to create pathway elimination for regulated substances to enter environmental media or effect human health. Institutional controls include administrative measures, such as groundwater use restrictions, construction restrictions, property use restrictions, and post remediation care requirements intended to prevent exposure to contaminants remaining on site. Deed restrictions are generally required as part of the institutional controls.	Site	0
ERNS	The ERNS is a listing compiled by the USEPA on reported releases of petroleum and hazardous substances to the air, soil and/or water.	Site	0
State			
HSDS	The North Carolina Center for Geographic Information and Analysis maintains a database of sites with uncontrolled and unregulated hazardous waste sites within the State of North Carolina. This database includes sites on the national priority list as well as those on the state priority list.	1.0	1
SHWS	The North Carolina Department of Environmental & Natural Resources (NCDENR) maintains a municipal listing of state equivalent CERCLIS sites where contamination of soil and/or ground water is confirmed at levels greater than the applicable cleanup criteria or standards.	0.5	0
SWF/LF	The NCDENR maintains a database maintains a database of Solid Waste Facilities (LF) located within North Carolina. The database information may include the facility name, class, operation type, area, estimated operational life, and owner.	0.5	0
LUST	The NCDENR provides a computer generated database of the Leaking Underground Storage Tanks in the State of North Carolina.	0.5	8

<u>Database</u>	<u>Description</u>	<u>Radius (miles)</u>	<u>Facilities</u>
UST	The NCDENR has compiled a database of registered Underground Storage Tanks in the State of North Carolina which may include the owner and location of the USTs.	0.1	5
IMD	The NCDENR maintains a database of groundwater and/or soil contamination sites in the State of North Carolina	.5	7
DRY CLEANERS	The NCDENR maintains a database of potential and known dry-cleaning sites, active and abandoned, that the Dry-cleaning Solvent Cleanup Program has knowledge of in the State of North Carolina.	.25	0
IC	No Further Action Sites with Land Use Restrictions Monitoring.	Site	0
VCP	Facilities participating in the NCDENR Voluntary Cleanup Program.	0.5	0
Brownfields	All of the sites in the inventory are working toward a brownfield agreement for cleanup and liability control. The North Carolina Brownfields Program encourages the safe reuse of abandoned properties that have some measure of environmental impairment. Under a "brownfields agreement" with a prospective developer, DENR defines the necessary cleanup and land management actions, and the prospective developer receives liability protection that allows him/her to obtain previously unobtainable loans for the project. In doing so, the program serves as a tool to turn these abandoned properties into productive use rather than building in a greenspace area and contributing to urban sprawl.	0.5	0

The subject site or any adjacent properties were not listed in the environmental database report. According to the EDR report, twenty-two (22) facility listings were found on the federal and state/tribal databases within the indicated search areas. One listed facility, Jimmy's Superette is mapped at the site location. However, the actual location of Jimmy's Superette is approximately 800 feet northwest of the subject property. Jimmy's Superette was in operation at the time of our site visit and is listed as a UST site with no reported leaks or spills. Based on this information and the distance from the subject property, it is not likely that the Jimmy's Self Serve has had an adverse impact on the subject site.

The remainders of the facility listings are located to the south of the subject site and topographically down gradient of the subject site. Based on this data, the nearby listed facilities are not likely to have an adverse impact on the subject site.

Unmapped facilities are those that do not contain sufficient address or location information to evaluate the facility listing locations relative to the site. The report listed 110 facilities in the unmapped section. Determining the location of unmapped facilities is beyond the scope of this assessment; however, none of these facilities were identified as the site. These facilities are listed in the database report in Appendix D.

4.2 Local Agency Inquiries

4.2.1 Health Department/Environmental Division

The Wilkes County Environmental Health Department was contacted in person regarding environmental records for the site. Ms. Sue Durham indicated the environmental health department does not have any records for the subject property.

4.2.2 Fire Department

The Wilkes County Fire Department was contacted by telephone on May 31, 2007. Mr. Nick Hamby, Wilkes County Fire Marshall, indicated there have been no fires or spills of hazardous materials in the site area.

4.3 Records Review Summary

Review of the federal and state environmental database records did not identify the site or any nearby sites that would have a potential environmental impact on the subject property. Based on a review of the available regulatory records, no RECs were identified that would impact the site at this time.

5.0 SITE RECONNAISSANCE

5.1 General Site Information

Information contained in this section is based on a visual reconnaissance performed as set forth below, interviews, and other references presented in the following subsections. Figure 2 in Appendix A is a Site Plan of the site. Photo documentation of the site at the time of the visual reconnaissance is provided in Appendix E.

General Site Information

Site Reconnaissance	
<i>Field Personnel</i>	Ryan Haynes
<i>Reconnaissance Date</i>	May 9, 2007
<i>Weather</i>	Clear and warm
<i>Site Contact/Title</i>	N/A

Site Description	
Site Name	Proposed Kentucky Fried Chicken Restaurant site
Site Location/Address	Elkin Highway
Adjoining Streets	Lincoln Place
Land Area	1.22 acres
Land Area Description	Vacant land
Other Site Improvements	None
Zoning	GB-R6
Site Topographic Relief	2-3 feet
Site Utilities	
Electricity	Duke Power
Drinking Water	North Wilkesboro Water
Wastewater	North Wilkesboro Sewer
Natural Gas	Not available

5.2 General Description of Site Occupants and Operations

The site has no improvements and is covered with grasses and weeds. There were no unusual stains, odors or stressed vegetation noted on the site.

5.3 Site Observations

The following table summarizes site observations and interviews. Affirmative responses (designated by an "X") are discussed in more detail following the table.

Site Characteristics

Category	Item or Feature	Observed
Site Operations, Processes, and Equipment	Emergency generators	
	Elevators	
	Air compressors	
	Hydraulic lifts	
	Dry Cleaning	
	Photo Processing	
	Other Processes or Equipment	
Aboveground Chemical or Waste Storage	Evidence of aboveground storage tanks	
	Drums, barrels and/or containers ≥ 5 gallons	
	Cleaning and/or similar supplies	
	MSDS sheets	

Category	Item or Feature	Observed
Underground Chemical or Waste Storage, Drainage or Collection Systems	Evidence of underground storage tanks or ancillary UST equipment	
	Sumps, cisterns, catch basins and/or dry wells	
	Grease traps	
	Septic tanks and/or leach fields	
	Oil/water separators	
	Pipeline markers	
	Interior floor drains	
Electrical Transformers/ PCBs	Pad or pole mounted transformers and/or capacitors	
	Other equipment	
Evidence of Releases or Potential Releases	Stressed vegetation	
	Stained soil	
	Stained pavement or similar surface	
	Leachate and/or waste seeps	
	Trash, debris and/or other waste materials	
	Dumping or disposal areas	
	Construction/demolition debris and/or dumped fill dirt	
	Surface water discoloration, odor, sheen, and/or free floating product	
	Strong, pungent or noxious odors	
	Exterior pipe discharges and/or other effluent discharges	
	Laboratory hoods and/or Incinerators	
	Waste treatment systems and/or water treatment systems	
	Compressor blowdown	
Other Notable Site Features	Surface water bodies	
	Quarries or pits	
	Wells	

5.3.1 Observations

The site is undeveloped land located immediately northwest of Duncan's Gun and Pawn Shop located at 414 2nd Street. The site consists of a portion of an undeveloped larger parcel. The site is undeveloped land mostly covered with weeds and grasses.

5.4 Site Reconnaissance Summary

Most of the site is covered with weeds and grasses. There were no unusual stains, odors or stressed vegetation noted on the subject site. Based on our observations, no recognized environmental concerns (RECs) were identified for the subject property at this time.

6.0 ADJOINING PROPERTY RECONNAISSANCE

Visual observations of adjoining properties (from site boundaries) are summarized below.

Adjoining Properties

Direction	Description
North	Vacant land with grass and weeds
East	Vacant land then wooded land
South	Pawn Shop then vacant lot then Wendy's Restaurant
West	Vacant land across Elkin Highway then church

The adjoining properties consist of vacant undeveloped cleared land, woodlands, commercial and restaurant properties. No waste streams were observed in connection to the adjacent sites. No recognized environmental conditions were observed during the site reconnaissance on surrounding properties.

7.0 ADDITIONAL SERVICES

Per the agreed scope of services specified in the proposal, additional services (e.g. limited asbestos sampling, limited lead based paint sampling, limited wetlands review, limited lead in drinking water sampling, limited radon testing, etc.) were not conducted.

8.0 FINDINGS, CONCLUSIONS, AND RECOMMENDATIONS

8.1 Findings and Conclusions

This Phase I ESA was performed in accordance with our proposal dated April 27, 2007, and was conducted consistent with the procedures included in ASTM E 1527-05, Standard Practice for Environmental Site Assessments: Phase I Environmental Site Assessment Process. The ESA was conducted under the supervision or responsible charge of Craig D. Eady, P.G., Environmental Professional. The site reconnaissance was performed on May 9, 2007 by Ryan Haynes.

A cursory summary of findings is provided below. It should be recognized that details were not included or fully developed in this section, and the report must be read in its entirety for a comprehensive understanding of the items contained herein.

- The site is an undeveloped field located on the east side of Elkin Highway (2nd Street), approximately 500 feet north of its intersection with Statesville Road, in North Wilkesboro, Wilkes County, North Carolina. The site encompasses approximately 1.22 acres of undeveloped land that is covered with maintained grass and weeds. The site is a portion of a large tract of land (41.8 acres).
- There were no unusual stains, odors or stressed vegetation noted on the subject site. There were no indications of previous use or development. Based on our observations, no recognized environmental concerns (RECs) were identified for the subject property at this time.
- Based on review of the historical information, the site has been historically been agricultural and residential land. According to knowledgeable personnel and historical document review, no recognized environmental conditions (RECs) were identified in connection to the site.
- The adjacent properties appear to have historically consisted of a gun/pawn shop, undeveloped land and wooded land with rural residences. Based on topography, proximity to the site, and environmental status, no adjacent properties appear to constitute a REC to the site at this time.
- Review of the federal and state environmental database records did not identify the site or any nearby sites that would have a potential environmental impact on the subject property.

8.2 Recommendations

Based on the Scope of Services and Findings of this assessment, no recognized environmental conditions were identified for the site and surrounding properties and no further environmental work is warranted at this time.

9.0 DECLARATION

I, Craig D. Eady, P.G., declare that, to the best of my professional knowledge and belief, I meet the definition of Environmental Professional as defined in Section 312.10 of 40 CFR 312; and I have the specific qualifications based on education, training, and experience to assess a site of the nature, history, and setting of the subject site. I have developed and performed the All Appropriate Inquiries in conformance with the standards and practice set forth in 40 CFR Part 312.

APPENDIX A

Figure 1 - Topographic Map, Figure 2 – Site Diagram

APPENDIX B

Description of Terms and Acronyms

APPENDIX C

Historical Documentation and Records of Communication

APPENDIX D

Environmental Database Information

APPENDIX E

Site Photographs

APPENDIX F

Credentials

Description of Selected General Terms and Acronyms

Term/Acronym	Description
ACM	<p>Asbestos Containing Material. Asbestos is a naturally occurring mineral, three varieties of which (chrysotile, amosite, crocidolite) have been commonly used as fireproofing or as binding agents in construction materials. Inhalation of asbestos fibers has been documented to cause asbestosis (scarring of the lung), lung cancer, and mesothelioma (a cancer of the chest wall lining).</p> <p>Most Federal and State agencies define ACM as a material containing more than one (1) percent asbestos, although some states, such as California, define ACM as material containing 0.1% or more asbestos. In order to determine the ACM status of suspect building materials, a minimum number of samples must be collected and analyzed, depending on the type and quantity of the suspect material. A suspect material can only be confirmed as non-ACM when analytical results of all required samples are below applicable regulatory limits. Asbestos concentrations are generally determined using polarized light microscopy or transmission electron microscopy. An asbestos containing material may be classified as either friable or non-friable. Friable materials are those that, when dry, can be crumbled, pulverized, or reduced to powder by hand pressure. Non-friable ACM are materials in which the asbestos fibers are more firmly bound in a matrix of tar, plastic or other such material, and which have a lower potential for asbestos fiber release.</p> <p>Federal and State regulations require that an asbestos survey be performed prior to renovation, dismantling, demolition or other activities that may disturb suspect or confirmed ACM unless such materials are removed as ACM prior to planned disturbances. ACM removal may also be required if confirmed ACM becomes damaged, or if renovation or demolition activities could result in damage to confirmed or suspect ACM. Depending upon the quantity, notification to Federal or State regulatory agencies may be required prior to ACM removal (abatement) operations. Abatement of friable or potentially friable ACM must be performed by a licensed abatement contractor in accordance with applicable federal, state, or local regulations. OSHA worker protection regulations will also apply.</p>
AHERA	Asbestos Hazard Emergency Response Act
AST	Above Ground Storage Tanks. ASTs are generally described as storage tanks less than 10% of which are below ground (i.e., buried). Tanks located in a basement, but not buried, are also considered ASTs. Whether, and the extent to which, an AST is regulated, is determined on a case-by-case basis and depends upon tank size, its contents and the jurisdiction of its location.
AULs	Activity and Use Limitations
BGS	Below Ground Surface
BTEX	Benzene, Toluene, Ethyl benzene, and Xylenes. BTEX are VOC components found in gasoline and commonly used as analytical indicators of a petroleum hydrocarbon release.
CERCLA	Comprehensive Environmental Response, Compensation and Liability Act (a.k.a. Superfund). CERCLA is the federal act that regulates abandoned or uncontrolled hazardous waste sites. Under this Act, joint and several liability may be imposed on potentially responsible parties for cleanup-related costs.
CERCLIS	Comprehensive Environmental Response, Compensation and Liability Information System. An EPA compilation of sites having suspected or actual releases of hazardous substances to the environment. CERCLIS also contains information on site inspections, preliminary assessments and remediation of hazardous waste sites. These sites are typically reported to EPA by states and municipalities or by third parties pursuant to CERCLA Section 103.
CFR	Code of Federal Regulations
CESQG	Conditionally exempt small quantity generators.
DOT	U.S. Department of Transportation
EPA	U.S. Environmental Protection Agency
ERNS	Emergency Response Notification System. An EPA-maintained federal database which stores information on notifications of oil discharges and hazardous substance releases in quantities greater than the applicable reportable quantity under CERCLA. ERNS is a cooperative data-sharing effort between EPA, DOT, and the National Response Center.
ESA	Environmental Site Assessment

Description of Terms and Acronyms (cont.)

Term/Acronym	Description
FRP	Fiberglass Reinforced Plastic
Hazardous Substance	As defined under CERCLA, this is (A) any substance designated pursuant to section 1321(b)(2)(A) of Title 33, (B) any element, compound, mixture, solution, or substance designated pursuant to section 9602 of this title; (C) any hazardous waste having characteristics identified under or listed pursuant to section 3001 of the Solid Waste Disposal Act (with some exclusions); (D) any toxic pollutant listed under section 1317(a) of Title 33; (E) any hazardous air pollutant listed under section 112 of the Clear Air Act; and (F) any imminently hazardous chemical substance or mixture with respect to which the EPA Administrator has taken action under section 2606 of Title 15. This term does not include petroleum, including crude oil or any fraction thereof which is not otherwise listed as a hazardous substance under subparagraphs (A) through (F) above, and the term does not include natural gas, or synthetic gas usable for fuel (or mixtures of natural gas and such synthetic gas).
Hazardous Waste	This is defined as having characteristics identified or listed under section 3001 of the Solid Waste Disposal Act (with some exceptions). RCRA, as amended by the Solid Waste Disposal Act of 1980, defines this term as a "solid waste, or combination of solid wastes, which because of its quantity, concentration, or physical, chemical, or infectious characteristics may (A) cause, or significantly contribute to an increase in mortality or an increase in serious irreversible, or incapacitating reversible illness; or (B) pose a substantial present or potential hazard to human health or the environment when improperly treated, stored, transported, or disposed of, or otherwise managed."
IC / EC	Industrial Controls / Engineering Controls
ILP	Innocent Landowner Program
IOP	Innocent Owner/Operator Program
LQG	Large quantity generators.
LUST	Leaking Underground Storage Tank. This is a federal term set forth under RCRA for leaking USTs. Some states also utilize this term.
MCL	Maximum Contaminant Level. This Safe Drinking Water concept (and also used by many states as a ground water cleanup criteria) refers to the limit on drinking water contamination that determines whether a supplier can deliver water from a specific source without treatment.
MSDS	Material Safety Data Sheets. Written/printed forms prepared by chemical manufacturers, importers and employers which identify the physical and chemical traits of hazardous chemicals under OSHA's Hazard Communication Standard.
NESHAP	National Emissions Standard for Hazardous Air Pollutants (Federal Clean Air Act). This part of the Clean Air Act regulates emissions of hazardous air pollutants.
NFRAP	Facilities where there is "No Further Remedial Action Planned," as more particularly described under the Records Review section of this report.
NGVD	National Geodetic Vertical Datum
NOV	Notice of Violation. A notice of violation or similar citation issued to an entity, company or individual by a state or federal regulatory body indicating a violation of applicable rule or regulations has been identified.
NPDES	National Pollutant Discharge Elimination System (Clean Water Act). The federal permit system for discharges of polluted water.
NPL	National Priorities List, as more particularly described under the Records Review section of this report.
OSHA	Occupational Safety and Health Administration or Occupational Safety and Health Act
PACM	Presumed Asbestos-Containing Material. A material that is suspected of containing or presumed to contain asbestos but which has not been analyzed to confirm the presence or absence of asbestos.
PCB	Polychlorinated Biphenyl. A halogenated organic compound commonly in the form of a viscous liquid or resin, a flowing yellow oil, or a waxy solid. This compound was historically used as dielectric fluid in electrical equipment (such as electrical transformers and capacitors, electrical ballasts, hydraulic and heat transfer fluids), and for numerous heat and fire sensitive applications. PCB was preferred due to its durability, stability (even at high temperatures), good chemical resistance, low volatility, flammability, and conductivity. PCBs, however, do not break down in the environment and are classified by the EPA as a suspected carcinogen. 1978 regulations, under the Toxic Substances Control Act, prohibit manufacturing of PCB-containing equipment; however, some of this equipment may still be in use today.
pCi/l	picoCuries per Liter of Air. Unit of measurement for Radon and similar radioactive materials.
PLM	Polarized Light Microscopy (see ACM section of the report, if included in the scope of services)

Description of Terms and Acronyms (cont.)

Term/Acronym	Description
PST	Petroleum Storage Tank. An AST or UST that contains a petroleum product.
Radon	A radioactive gas resulting from radioactive decay of naturally-occurring radioactive materials in rocks and soils containing uranium, granite, shale, phosphate, and pitchblende. Radon concentrations are measured in picoCuries per Liter of Air. Exposure to elevated levels of radon creates a risk of lung cancer; this risk generally increases as the level of radon and the duration of exposure increases. Outdoors, radon is diluted to such low concentrations that it usually does not present a health concern. However, radon can accumulate in building basements or similar enclosed spaces to levels that can pose a risk to human health. Indoor radon concentrations depend primarily upon the building's construction, design and the concentration of radon in the underlying soil and ground water. The EPA recommended annual average indoor "action level" concentration for residential structures is 4.0 pCi/l.
RCRA	Resource Conservation and Recovery Act. Federal act regulating solid and hazardous wastes from point of generation to time of disposal ("cradle to grave"). 42 U.S.C. 6901 et seq.
RCRA Generators	The RCRA generators list is part of the RCRIS database maintained by EPA and lists facilities that generate hazardous waste as part of their normal business operations, as more particularly defined under Section 5.0 of this report.
RCRA CORRACTS/TSDs	The USEPA maintains a database of RCRA facilities associated with treatment, storage, and disposal (TSD) of hazardous materials, which are undergoing "corrective action". A "corrective action" order is issued when there is a release of hazardous waste or constituents into the environment from a RCRA facility.
RCRA Non-CORRACTS/TSDs	The RCRA Non-CORRACTS/TSD Database is a compilation by the USEPA of facilities, which report storage, transportation, treatment, or disposal of hazardous waste. Unlike the RCRA CORRACTS/TSD database, the RCRA Non-CORRACTS/TSD database does not include RCRA facilities where corrective action is required.
RCRA Violators List	RAATS. RCRA Administrative Actions Taken. RAATS information is now contained in the RCRIS database and includes records of administrative enforcement actions against facilities for noncompliance.
RCRIS	Resource Conservation and Recovery Information System, as defined in the Records Review section of this report.
REC	Recognized Environmental Conditions are defined by ASTM E 1527-05 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 release of any hazardous substances or petroleum products into structures on the property or into the ground, ground water, or surface water of the property." The term includes hazardous substances or petroleum products even under conditions of compliance with laws. The term is not intended to include <i>de minimis</i> conditions that generally do not present a material risk of harm to the public health or the environment and that generally would not be the subject of an enforcement action if brought to the attention of appropriate governmental agencies.
SCL	State "CERCLIS" List (see SPL /State Priority List, below).
SPCC	Spill Prevention, Control and Countermeasures. SPCC plans are required under federal law (Clean Water Act and Oil Pollution Act) for any facility storing petroleum in tanks and/or containers of 55-gallons or more that when taken in aggregate exceed 1,320 gallons. SPCC plans are also required for facilities with underground petroleum storage tanks with capacities of over 42,000 gallons. Many states have similar spill prevention programs, which may have additional requirements.
SPL	State Priority List. State list of confirmed sites having contamination in which the state is actively involved in clean up activities or is actively pursuing potentially responsible parties for clean up. Sometimes referred to as a State "CERCLIS" List.
SQG	Small quantity generators.
SWF	Solid Waste Facility. Landfills listed by a state database.
TPH	Total Petroleum Hydrocarbons
TRI	Toxic Release Inventory. Routine EPA report on releases of toxic chemicals to the environment based upon information submitted by entities subject to reporting under the Emergency Planning and Community Right to Know Act.
TSCA	Toxic Substances Control Act. A federal law regulating manufacture, import, processing and distribution of chemical substances not specifically regulated by other federal laws (such as asbestos, PCBs, lead-based paint and radon). 15 U.S.C 2601 et seq.
USACE	United States Army Corps of Engineers

Description of Terms and Acronyms (cont.)

Term/Acronym	Description
USC	United States Code
USGS	United States Geological Survey
USNRCS	United States Department of Agriculture-Natural Resource Conservation Service
UST	Underground Storage Tank. Most federal and state regulations, as well as ASTM E 1527-05, define this as any tank, incl., underground piping connected to the tank, that is or has been used to contain hazardous substances or petroleum products and the volume of which is 10% or more beneath the surface of the ground (i.e., buried).
VCP	Voluntary Cleanup Program
VOC	Volatile Organic Compound
Wetlands	<p>Areas that are typically saturated with surface or ground water that creates an environment supportive of wetland vegetation (i.e., swamps, marshes, bogs). The <u>Corps of Engineers Wetlands Delineation Manual</u> (Technical Report Y-87-1) defines wetlands as areas inundated or saturated by surface or ground water at a frequency and duration sufficient to support, and that under normal circumstances do support, a prevalence of vegetation typically adapted for life in saturated soil conditions. For an area to be considered a jurisdictional wetland, it must meet the following criteria: more than 50 percent of the dominant plant species must be categorized as Obligate, Facultative Wetland, or Facultative on lists of plant species that occur in wetlands; the soil must be hydric; and, wetland hydrology must be present.</p> <p>The federal Clean Water Act which regulates “waters of the US,” also regulates wetlands, a program jointly administered by the USACE and the EPA. Waters of the U.S. are defined as: (1) waters used in interstate or foreign commerce, including all waters subject to the ebb and flow of tides; (2) all interstate waters including interstate wetlands; (3) all other waters such as intrastate lakes, rivers, streams (including intermittent streams), mudflats, sandflats, wetlands, sloughs, prairie potholes, wet meadows, playa lakes, or natural ponds, etc., which the use, degradation, or destruction could affect interstate/ foreign commerce; (4) all impoundments of waters otherwise defined as waters of the U. S., (5) tributaries of waters identified in 1 through 4 above; (6) the territorial seas; and (7) wetlands adjacent to waters identified in 1 through 6 above. Only the USACE has the authority to make a final wetlands jurisdictional determination.</p>

Description of Terms and Acronyms (cont.)

North Carolina Term/Acronym	Description
HSDS	The North Carolina Center for Geographic Information and Analysis maintains a database of sites with uncontrolled and unregulated hazardous waste sites within the State of North Carolina. This database includes sites on the national priority list as well as those on the state priority list.
SHWS	The North Carolina Department of Environmental & Natural Resources (NCDENR) maintains a municipal listing of state equivalent CERCLIS sites where contamination of soil and/or ground water is confirmed at levels greater than the applicable cleanup criteria or standards.
SWF/LF	The NCDENR maintains a database maintains a database of Solid Waste Facilities (LF) located within North Carolina. The database information may include the facility name, class, operation type, area, estimated operational life, and owner.
LUST	The NCDENR provides a computer generated database of the Leaking Underground Storage Tanks in the State of North Carolina.
UST	The NCDENR has compiled a database of registered Underground Storage Tanks in the State of North Carolina which may include the owner and location of the USTs.
IMD	The NCDENR maintains a database of groundwater and/or soil contamination sites in the State of North Carolina
DRYCLEANERS	The NCDENR maintains a database of potential and known dry-cleaning sites, active and abandoned, that the Dry-cleaning Solvent Cleanup Program has knowledge of in the State of North Carolina.
IC	No Further Action Sites with Land Use Restrictions Monitoring.
VCP	Facilities participating in the NCDENR Voluntary Cleanup Program.
Brownfields	All of the sites in the inventory are working toward a brownfield agreement for cleanup and liability control. The North Carolina Brownfields Program encourages the safe reuse of abandoned properties that have some measure of environmental impairment. Under a "brownfields agreement" with a prospective developer, DENR defines the necessary cleanup and land management actions, and the prospective developer receives liability protection that allows him/her to obtain previously unobtainable loans for the project. In doing so, the program serves as a tool to turn these abandoned properties into productive use rather than building in a greenspace area and contributing to urban sprawl.