



LOCAL KNOWLEDGE | GLOBAL PERSPECTIVE

PHASE I ENVIRONMENTAL SITE ASSESSMENT

Prepared for:

Alliant Capital LLC
4746 11th Avenue NE, Suite 102
Seattle, WA

Property Identification

Cottages on Grant Apartments
2327 1/2 Grant Avenue
Raleigh, NC

Prepared by:

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RESTRICTED USE AND RELIANCE
THE USE OF AND RELIANCE UPON THIS REPORT ARE
STRICTLY LIMITED AS SET FORTH HEREIN

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Overview

Property Name	Cottages on Grant Apartments
Property Address	2327 1/2 Grant Avenue, Raleigh, North Carolina 27608
Building Area	81,434 SF
Units	100
Property Area	9.75 Acres
Year Built	1954
Current Use	Multi-family apartments
Historical Use	Vacant Land
Known Release	No known releases
Suspected Release	No suspected releases
Regulatory Records	No Regulatory Records were identified for the subject Property.
AULs	No Activity and Use Limitations were identified.
Engineering Controls	No Engineering Controls were identified.
Environmental Liens	Research of Environmental Liens was beyond the scope of this Assessment.

Conclusions	Summary	Action Recommended?	Cost
REC	None	No	\$0
HREC	None	No	\$0
Opinion	Identified conditions do not indicate environmental impact to the Property.	No	\$0
Data Gaps	No data gaps were identified which would be likely to impact our conclusions.	No	\$0

ADDITIONAL SERVICES			
Issue	Summary	Action Recommended?	Cost
Asbestos	No friable or damaged suspect ACM was observed at the Property. Suspect non-friable ACMs were identified.	O&M Plan	\$450
Lead-Based Paint	Suspect Lead Based Paint was observed to be in good condition.	O&M Plan	\$450
Drinking Water	Drinking water is provided by the City of Raleigh and is reported to be in compliance with applicable regulations.	No	\$0
Radon	The Property is located in radon Zone 3 and radon sampling confirmed that radon concentrations are below EPA action levels.	No	\$0
Mold	No visual or olfactory evidence was identified during the site visit.	No	\$0
Wetlands	No wetlands were identified during the site visit.	No	\$0
Indoor Air Quality	No suspected release of hazardous materials to soil or groundwater has been identified within critical distances.	No	\$0
Compliance	No activities or conditions requiring compliance with environmental regulations were identified.	No	\$0

Data Gaps

No significant data gaps were encountered during completion of this assessment. Data gaps occur when, despite good faith efforts, the consultant is unable to identify information required to satisfy objectives of the assessment. Data gaps may result from incompleteness in any of the activities required by the ESA Standard, or by limiting conditions encountered during completion of the work. The ESA Standard requires that data gaps be identified in the

report when they significantly impact the ability of the consultant to identify Recognized Environmental Conditions at the Property. Limiting Conditions identified in this report are not considered to significantly impact our ability to satisfy the objectives of this assessment.

Limiting Conditions

GRS Group encountered the following limiting conditions in completion of the work:

- Site observations were limited to those areas identified in Section 5. Unidentified conditions may exist in areas not observed.
- No response to our requests for regulatory information has been received. GRS Group forwarded FOIA requests to the City of Raleigh Planning Department, but has received no response. GRS Group telephoned the City of Raleigh Planning Department on November 12, 2010, and left a message with the receptionist for an inspector to call back. GRS Group did not receive a response. An understanding of regulatory records can be an important factor in the evaluation of environmental conditions at the property.

Findings and Opinions

No Recognized Environmental Conditions were identified as a result of our assessment of the twenty-three building, 100 unit apartment complex.

The Property is currently used as multi-family residential housing complex. No hazardous or environmentally sensitive activities are conducted on the Property.

The Property contains one, one-gallon and one, five-gallon gasoline container in the Maintenance Shed for use in the yard equipment. These containers are properly labeled and stored and are not considered an environmental concern due to their small size.

The Property was previously vacant land prior to the construction of the current improvements. No hazardous or environmentally sensitive activities were discovered to have historically been conducted on the Property.

There are no regulatory records for the Property or the adjacent properties. Surrounding property regulatory records consist of residential home heating oil tanks that were either closed or are down-gradient. No impact from these off-site sources is anticipated.

There were no significant data gaps discovered during this assessment.

Conclusions

Recognized Environmental Conditions

A Recognized Environmental Condition (REC) is identified when the Assessment finds 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 into structures on the property or into the ground, ground water, or surface water of the property.

We have performed a Phase I Environmental Site Assessment in conformance with the scope and limitations of ASTM Practice E 1527-05 of Cottages on Grant Apartments, 2327 Grant Avenue, Raleigh, North Carolina, the Property. Any exceptions to or deletions from this practice are described in Section 1.7 of this report. This assessment has revealed no evidence of Recognized Environmental Conditions in connection with the Property.

Historical Recognized Environmental Conditions

Findings which would once have been classified as Recognized Environmental Conditions, but are no longer of concern are classified as Historical Recognized Environmental Conditions. For example, a past release which has been corrected may be classified as an HREC.

- No Historical Recognized Environmental Conditions were identified as a result of activities or conditions at the subject or nearby properties.

De Minimis Environmental Conditions

De minimis environmental conditions indicate a release which generally would not represent a threat to human health and would generally not be the subject of an enforcement action if brought to the attention of appropriate governmental agencies.

- No de minimis environmental conditions were identified as a result of activities or conditions at the subject or nearby properties.

Additional Services

Additional services were provided to evaluate the presence of asbestos containing materials (ACMs), radon, lead-based paint, lead in drinking water, mold, indoor air quality, wetlands and compliance. No evidence of related conditions of concern was identified during completion of the Assessment.

- Asbestos Containing Materials (ACMs) - ACMs were identified at the property. The materials were found to be in good condition.
- Lead-Based Paint (LBP) - LBP was identified at the property. The materials were found to be in good condition.

Recommendations

GRS Group recommends the following additional actions:

- Asbestos Containing Materials - An Operations and Maintenance (O&M) Plan should be implemented to assure appropriate management of asbestos-containing materials located at the property.
- Lead-based Paint - An O&M Plan should be implemented to assure appropriate management of suspect materials located at the property.

1.0 Introduction

This Phase I Environmental Site Assessment was performed by Global Realty Services Group (GRS Group) for Alliant Capital and was prepared by Catherine Warner, one of GRS Group's Field Professionals and was reviewed by one of our senior reviewers, Anthony Mueller.

1.1 Purpose and Use

This assessment along with findings, conclusions and recommendations (collectively, the Assessment) is intended to support evaluation of the property by our Client prior to acceptance of the Property as collateral to support a real estate secured loan. GRS Group has performed the agreed services in order to identify Recognized Environmental Conditions (RECs); 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 into structures on the property or into the ground, ground water, or surface water of the property. The supporting work was not intended to be exhaustive or to guarantee of the identification of every possible issue of potential concern, and may not be construed as a warranty or guarantee of any kind.

Unless expressly identified herein, all opinions, conclusions, and recommendations provided presume that the property occupancy and use will remain as observed at the time of our site reconnaissance and that no significant renovation, subdivision, conversion to condominiums or similar change will occur. This report will be invalidated in the event of such activities.

This report is the intellectual property of Global Realty Services Group, GRS Group, and may not be used without the express written authorization of GRS Group. Unauthorized use of this report is a violation of GRS Group's legal rights. Any unauthorized user of this report shall be subject to civil and criminal penalties and shall be responsible to indemnify, defend and hold GRS Group harmless from any and all losses, damages and claims arising, in any part, from such use.

1.2 Scope of Assessment

This assessment was conducted in accordance with an agreement governing the nature, scope intent and purpose of the work and in general accordance with ASTM E 1527-05, Standard Practice for Environmental Site Assessments: Phase I Environmental Site Assessment Process, the ESA Standard and any additional requirements identified in the agreement under which the work was performed.

Since GRS Group's responsibilities are limited by the agreed scope of work, an understanding of activities not included within that scope of work is important to proper use of the information contained in this Report. Some clarification of the work performed is provided below, but a more complete list of inherent limitations is provided at Appendix C.

- No environmental site assessment can wholly eliminate uncertainty regarding the potential for recognized environmental conditions in connection with a property. The ESA Standard identifies a balance between competing goals to reduce uncertainties within reasonable constraints of time and cost, and this assessment is intended to reduce, but not eliminate, uncertainty regarding the potential for recognized environmental conditions in connection with a property within reasonable limits of time and cost. The reader should be thoroughly familiar with the ESA Standard in order to assure an appropriate understanding of limitations inherent in the agreed scope of services.
- In some cases conditions encountered during completion of the Assessment, for example limited access portions of the Property, can influence our ability to fulfill the objectives of

the assessment. Where applicable, such limiting conditions are identified later in this section of the report. Also, certain work is specifically excluded by the ESA Standard. Unless the expressly identified in the agreed proposal for services, all tasks identified by the ESA Standard as "Non-Scope Considerations" are excluded from this Assessment.

- Reconnaissance conducted during this assessment was limited to accessible areas of the property and specific areas identified in this Report. Accordingly, conditions may exist which were not identified as a result of our assessment and which may impact our conclusions concerning the condition of the Property. Any conditions known or discovered which were not identified during the completion of this assessment should be reported to GRS Group upon discovery and may impact the conclusions and recommendations of this Report.
- When provided by the client, GRS Group has considered "User Provided Information" in completion of this Assessment; however GRS Group has no control over such information and cannot guarantee the User's satisfaction of requirements for All Appropriate inquiry.
- Limited information concerning regulatory compliance was utilized in preparation of this Assessment; however the work is not intended as a compliance audit and may not be relied upon or utilized as evidence regulatory compliance.

1.3 Additional Services

The presence of 'environmental' conditions such as the asbestos containing materials, lead-based paint, lead in drinking water, wetlands, endangered species, elevated radon concentrations, vapor encroachment conditions, etc. can result in liabilities for property owners and disrupt planned operations or cash flow and is generally beyond the scope of a Phase I assessment as defined by the ESA standard. The following additional services have been performed at the request of our Client. Any services not identified below are expressly excluded from this assessment. All work described is in the context of and subject to the principles underlying the ESA Standard.

Recommendations

The ESA Standard requires the consultant to provide recommendations when the consultant is unable to obtain information which they would expect to significantly impact their ability to identify recognized environmental conditions. Many clients also look to the consultant for recommendations to address business risks. This can be problematic since the reason for engaging the assessment and risk appetite can vary significantly from client to client. Some clients are primarily concerned with the identification of direct evidence of a release, while others are concerned to understand every possibility of a release. This distinction can significantly impact the consultant's recommendations. In simplified form, the ESA Standard defines a recognized environmental condition as the likely release of hazardous substances. A recognized environmental condition is neither restricted to known releases nor intended to include any possibility of a release. Unless otherwise requested by the client, our report will include recommendations as required by the ESA Standard along with our opinion of additional assessment necessary to assess the significant release or likely release of a hazardous substance or petroleum product at the property. The Client should carefully review and consider all recommendations to assure an understanding of the underlying concerns and verify that any recommendations are consistent with their unique appetite for risk.

Asbestos Containing Building Materials

During completion of the site reconnaissance, GRS Group looked for building materials commonly believed to contain asbestos. Where appropriate, samples of suspect ACM were collected and submitted for laboratory analysis by polarized light microscopy. This assessment

provides a screening for the presence of asbestos containing materials to assist in understanding of business risks associated with the property, but is not intended and may not be used for the satisfaction of regulatory requirements and is not a suitable replacement for pre-demolition or other more in-depth studies.

Radon

GRS Group has reviewed Radon maps and other necessary and readily available information concerning average radon concentrations in the area of the property. Site-specific sampling was completed to verify radon concentrations at the Property.

Lead-Based Paint

During completion of the site reconnaissance, GRS Group looked for finished surfaces to which lead-based paint (LBP) is commonly applied. One sample of each suspect material determined to be in poor or significantly damaged condition will be collected and submitted for laboratory analysis. This assessment provides a screening for the presence of lead-based paint to assist in understanding of business risks associated with the property, but is not intended and may not be used for satisfaction of regulatory requirements and is not a suitable replacement for pre-demolition or other more in-depth studies.

Mold

Material and readily apparent evidence of the presence of mold which is identified during completion of the Assessment is described in the report. No comprehensive mold assessment has been conducted. Our assessment is based solely upon observations made during completion of this ESA. A mold and moisture survey should be completed if more comprehensive information is desired.

Drinking Water

GRS Group contacted the drinking water supplier to obtain information concerning compliance with applicable Federal regulations.

Indoor Air Quality

This assessment includes an interview with the Key Site Manager to obtain information concerning existing indoor air quality complaints, and, when soil or groundwater contamination is known to have affected the Property, a Tier 1 evaluation of the potential for vapor intrusion, in accordance with the applicable ASTM standard.

Wetlands

The National Wetlands Inventory has been reviewed to assess the presence of wetlands at the Property.

Compliance

Material regulatory requirements governing environmentally sensitive operations and conditions at the Property will be identified and GRS Group interviewed the Key Site Manager to assess compliance. No full compliance audit, or review of supporting documentation or regulatory files has been conducted.

1.4 Reliance

RESTRICTED USE AND RELIANCE - THIS REPORT WAS PREPARED BY GLOBAL REALTY SERVICES GROUP FOR THE SOLE USE AND BENEFIT OF OUR CLIENT AND THE FEDERAL NATIONAL MORTGAGE ASSOCIATION (FANNIE MAE) IN ACCORDANCE WITH THE PROVISIONS OF OUR CONTRACT AND MAY NOT BE USED OR RELIED UPON BY ANY OTHER PARTY WITHOUT THE EXPRESS WRITTEN CONSENT OF GLOBAL REALTY SERVICES GROUP.

1.5 Methodology

Recognized Environmental Condition

Criteria for the identification of Recognized Environmental Conditions vary substantially across the industry. Some Environmental Professionals identify Recognized Environmental Conditions whenever there is a possibility of impact to a property, while others recognize Recognized Environmental Conditions only when presented with direct evidence that a release has occurred. The ESA Standard defines a REC in terms of the "presence or likely presence" of hazardous materials under conditions that indicate an existing, past, or threatened release. By this definition the mere possibility of a release fails to fulfill the definition of a REC. A requirement for the discovery of direct evidence before identification of a REC is equally unsupported. GRS Group considers both the known and likely presence and release of hazardous materials in identifying Recognized Environmental Conditions.

Historical Recognized Environmental Condition

The ESA Standard allows for reclassification of RECs as Historical Recognized Environmental Conditions. By example, the ESA Standard cites a situation in which a release was identified, cleanup has occurred and regulatory approval of cleanup operations has been granted, though the ESA Standard is careful to leave the final determination of HREC status to the discretion of the environmental professional. It is also possible to reclassify a REC when additional assessment reveals no evidence of a release. Since the definition of a REC requires the presence or likely presence of a release, the demonstration that no release has occurred would expunge the initial classification.

1.6 Terminology

Hazardous Material - The ESA Standard defines the terms *hazardous substance* and petroleum products, however the terms are often used in conjunction, resulting in an awkward phrase where a simpler term would be desirable. The term hazardous material is used in this report to include both hazardous substances and petroleum products as those terms are defined by the ESA Standard.

Material Threat of a Release - There is sometimes confusion regarding the meaning of the phrase "material threat of release." A *material threat* is defined within the context of the ESA Standard as "a physically observable or obvious threat which is reasonably likely to lead to a release..." The material threat of a release is used in consideration of the likelihood of a future release and has no application in consideration of an historical release.

1.7 Deviations

The ESA Standard characterizes issues which are beyond the scope of assessment as Non-Scope Considerations. Any inclusion of these issues or considerations in this assessment is described earlier in this Section: Scope of Assessment. Inclusion of this work is limited to the scope identified in the agreement under which the work was performed, is subject to underlying principles and limitations of the ESA Standard, and shall not be construed as evidence of a responsibility to evaluate other such issues or considerations.

The ESA Standard allows written interview of property owners and occupants, but is structured in a way which promotes oral interview of State and/or Local Government Officials. Nonetheless, many state and governmental officials will provide information only upon receipt of written requests submitted under the Freedom of Information Act. Information requested or received as a result of such requests may be employed in this assessment in lieu of oral interview of state and local government officials.

1.8 Special Terms and Conditions

This Assessment has been performed in accordance with an agreement governing the nature, scope, extent and purpose of the work. Any conflicting provisions of that agreement supersede the provisions of other requirements referenced herein.

2.0 Property Description

Property Name	Cottages on Grant Apartments
Property Address	2327 1/2 Grant Avenue, Raleigh, North Carolina 27608
Building Area	81,434 SF
Property Area	9.75 Acres
Year Built	1954
Current Use	Multi-family apartments
Number of Buildings	23
Access	Grant Avenue

2.1 Legal Description

A legal description was provided. A deed from March 1998 indicated that the Property consists of two parcels. The deed, county tax records and property lines indicated at the time of the site visit are all consistent.

2.2 Reconciliation of Property Data

Improvements observed at the property are consistent with information provided at the time of our engagement. No significant deviations were identified.

2.3 Site and Vicinity General Characteristics

The property is located in a residential area. The terrain is generally level and slopes to the northeast.

2.4 Current Use

No environmentally sensitive activities are conducted at the property. The property is used for multi-family residential purposes.

2.5 Description of Improvements

DESCRIPTION OF IMPROVEMENTS	
Building	Twenty-three one and two story apartment buildings with separate entrances for each unit.
Construction	Type V - wood frame construction
Exterior Finishes	Brick
Interior Finishes	Painted plaster walls with hardwood floors in living areas and ceramic tile or vinyl flooring in kitchens and baths
Parking	Surface parking is provided on-site
Amenities	None
Heating Fuel	Natural gas
Source of Drinking Water	City of Raleigh
Waste Water Disposal	City of Raleigh
Solid Waste Disposal	City of Raleigh

2.6 Potentially Sensitive Improvements

No improvements of environmental concern were identified at the Property.

POTENTIALLY SENSITIVE IMPROVEMENTS	
Above Ground Storage Tank	None
Clarifier	None
Dry Well	None
Floor Drain	None
Ponds, Pits and Lagoons	None
Septic System	None
Settlement Tank	None
Underground Pipeline	None
Underground Storage Tank	None
Wells	None

2.7 Adjoining Properties

The following activities were observed at adjoining properties.

Direction	Activities	Comments
North	Residential	Single family residential
South	Residential	Multi family residential
East	Residential	Single family residential
West	Residential	Single family residential

3.0 Client Provided Information

In order to qualify for defenses to CERCLA liability, a defendant must demonstrate the completion of "all appropriate inquiry." As defined by EPA, all appropriate inquiry includes an assessment performed by an environmental professional, in addition to the identification and consideration of certain information not within the scope of a Phase I assessment. The ESA Standard requires the client to provide this information to the environmental professional. When not provided, the missing information must be considered as a possible Data Gap. Information required to be provided by the client includes:

- Research into the existence of environmental cleanup liens and Activity and Use Limitations
- Any specialized knowledge or experience of the "user"
- Commonly known or reasonably ascertainable information about the property
- Relationship of the purchase price to fair market value, and
- The degree of obviousness of the presence or likely presence of contamination.

No related information was provided by the Client. As a lender, the client would not be expected to possess significant information concerning the property. As a result, GRS Group does not view the lack of client-provided information as a significant data gap.

3.1 Owner, Property Manager, and Occupant Information

The following additional information, discussed in relevant sections of the report, was provided by the Property Owner:

- Deed, and
- Pre-survey Questionnaire.

4.0 Records Review

4.1 Regulatory Records

Regulatory records provide an important source of information concerning the current and historical use of hazardous materials at the subject and nearby properties. In order to satisfy ESA Standard requirements for the review of regulatory information, GRS Group obtained aggregated data from a commercial service specializing in the organization and reporting of regulatory information.

Map Findings Summary

Database	Target Property	Search Distance (Miles)	< 1/8	1/8 - 1/4	1/4 - 1/2	1/2 - 1	> 1	Total Plotted
NPL		1	0	0	0	0	NR	0
DELISTED NPL		1	0	0	0	0	NR	0
CERCLIS		0.5	0	0	0	NR	NR	0
CERCLIS- NFRAP		0.5	0	0	0	NR	NR	0
CORRACTS		1	0	0	0	0	NR	0
RCRA- TSDF		0.5	0	0	0	NR	NR	0
RCRA- LQG		0.25	0	0	NR	NR	NR	0
RCRA- SQG		0.25	0	0	NR	NR	NR	0
US ENG CONTROLS		0.5	0	0	0	NR	NR	0
US INST CONTROL		0.5	0	0	0	NR	NR	0
ERNS		TP	NR	NR	NR	NR	NR	0
US BROWNFIELDS		0.5	0	0	0	NR	NR	0
SHWS		1	0	0	0	0	NR	0
LUST		0.5	0	0	15	NR	NR	15
LUST TRUST		0.5	0	0	11	NR	NR	11
UST		0.25	0	1	NR	NR	NR	1
AST		0.25	0	0	NR	NR	NR	0
INST CONTROL		0.5	0	0	0	NR	NR	0
VCP		0.5	0	0	0	NR	NR	0
BROWNFIELDS		0.5	0	0	0	NR	NR	0
IMD		0.5	0	0	14	NR	NR	14
INDIAN LUST		0.5	0	0	0	NR	NR	0
INDIAN UST		0.25	0	0	NR	NR	NR	0
INDIAN VCP		0.5	0	0	0	NR	NR	0
INDIAN ODI		0.5	0	0	0	NR	NR	0
INDIAN RESERV		1	0	0	0	0	NR	0

The column for Target Property is blank if no records were found.

4.1.1 Subject Property

No regulatory records for the subject Property were identified during our review. Further, no information was discovered during completion of this Assessment which would lead GRS Group to suspect that records should have been included in the information reviewed. As a result, no additional related Assessment appears warranted.

4.1.2 Off- Site Properties

A release resulting from activities at nearby properties can sometimes impact surrounding properties. Regulatory records concerning nearby properties are reviewed in order to identify a release of hazardous materials which would be expected to impact conditions at the subject Property. The evaluation of nearby properties is a two-fold process, evaluating both identified releases of hazardous materials, and the potential for such releases to impact the subject Property.

Properties of Potential Concern

No properties were identified which are considered likely to result in a release of hazardous materials to the subject Property.

Properties of No Further Concern

No regulatory records were identified for adjoining properties.

Regulatory records were identified for the following properties, but are considered to be unlikely to impact the subject Property because of their down-gradient or cross-gradient location. As a result, no related impact is expected and these properties are not considered to represent Recognized Environmental Conditions.

- William J. Senter - UST - 2330 Churchill Road, 1/8 - 1/4 mile down-gradient
- Bellington Residence (Kristy) - IMD, LUST, LTRUST - 1318 Mayfield Road, 1/4 - 1/2 mile down-gradient
- Smart Property - LTRUST - 1324 Mayfield Road, 1/4 - 1/2 mile down-gradient
- Stump Residence (Melinda) - LUST - 2605 York Road, 1/4 - 1/2 mile down-gradient
- Gruer Property (Kathleen) - IMD, LUST, LTRUST - 1013 Gardner Street, 1/4 - 1/2 mile down-gradient
- Fuller, Walter Erwin - Estate - IMD, LUST, LTRUST - 2624 Grant Avenue, 1/4 - 1/2 mile down-gradient
- Turpin Property - LTRUST - 1819-1821 Arlington Street, 1/4 - 1/2 mile cross-gradient
- Fitzgerald Residence (Dennis) - IMD - 2611 Church Hill Road, 1/4 - 1/2 mile down-gradient

A release is known to have occurred at the following properties, however regulatory "closure" has been granted. Closure is normally granted only after off-site impacts have been investigated and controlled or corrected. As a result, no related impact is expected and these properties are not considered to represent Recognized Environmental Conditions.

- Leon, Paul - Residence - IMD, LUST - 1324 Mayfield Road, 1/4 - 1/2 mile down-gradient
- DJF Builders Property - IMD, LUST, LTRUST - 2611 Churchill Road, 1/4 - 1/2 mile down-gradient
- Lee Estate, Lucille - IMD, LUST, LTRUST - 1323 Rand Drive, 1/4 - 1/2 mile down-gradient
- Kersey Residence, Matthew T. - IMD, LUST, LTRUST - 1320 Diehl Street, 1/4 - 1/2 mile down-gradient
- Preiss Property (John) - LUST, LTRUST - 1321 Williamson Drive, 1/4 - 1/2 mile down-gradient
- Lambert Property (Linda) - IMD, LUST, LTRUST - 1929 Craig Street, 1/4 - 1/2 mile up-gradient
- Young, Robert - Residence - IMD, LUST - 1624 Oberlin Road, 1/4 - 1/2 mile up-gradient
- Holt Property (Mark) - IMD, LUST - 1314 Canterbury Road, 1/4 - 1/2 mile up-gradient
- Boyles Residence, Jean Winbour - IMD, LUST, LTRUST - 1319 Canterbury Road, 1/4 - 1/2 mile up-gradient
- White Memorial Presbyterian Church - IMD, LUST - 1704 Oberlin Road, 1/4 - 1/2 mile up-gradient

- Former Occidental Life Insurance - IMD, LUST - 1001 Wade Avenue, 1/4 - 1/2 mile up-gradient

Unmapped Records

Reports of regulatory records for the subject and surrounding Properties are compiled from data files published by public agencies. Data contained in those records is not always adequate to allow available mapping programs to correctly identify the property.

Review of the names and address information for unmapped properties revealed no evidence of records likely to be associated with the subject Property.

4.1.3 Additional Environmental Record Sources

The following additional environmental record sources were reviewed:

Source	Comments
Fire Department	The fire department does not keep records and had no information concerning the Property.
Oil and Gas	No oil and gas wells were mapped for the Property.
Exploration Maps	North Carolina does not maintain exploration maps.
Bureau of Mines	North Carolina does not maintain historical mapping of mines.

4.2 Physical Setting

4.2.1 Topography

Topography		
Description	Findings	Source
Configuration	Sloping slightly to the northwest	Topographic Maps
Elevation	362 feet	EDR Radius Map Report
Surface Water	Southeast prong of Beaverdam Creek approximately 0.1 miles to the west	Topographic Maps

4.2.2 Geology

Geology		
Description	Findings	Source
Formation	Paleozoic	EDR - Geocheck
Description	Metamorphic Rocks	EDR - Geocheck
Permeability	Low	EDR - Geocheck.

4.2.3 Hydrology

Hydrology		
Description	Findings	Source
Primary Aquifer	Piedmont Province – Fractured Bedrock/Surficial Aquifer	Primary Aquifer Website - North Carolina Department of Environment and Natural Resources Division of Water Resources
Estimated first depth to groundwater	20 feet	USGS Estimated Depth to Water Map, NC



Description	Findings	Source
Gradient	Inferred toward the northwest	Inferred from elevation, site observations and USGS Topographic Maps.

4.3 Historical Use

4.3.1 Summary

The property appears to have been undeveloped land in 1943 and according to available information from the Wake County Assessor was initially developed with the current improvements in 1954.

No direct evidence of an historical release of hazardous materials was identified on or in the immediate vicinity of the property.

Activities in the vicinity of the Property have included single family and multi-family residential uses.

Historical Heating Fuel - No knowledge or evidence of the historical use of heating fuel was discovered.

Fill Materials - No evidence of the historical placement of fill materials was identified during our review of historical information. Though the placement of fill materials cannot be ruled out, no significant depressions, pits or other features suggestive of the likely placement of fill were identified in review of historical topographic maps and aerial photos.

Standard Historical Source	Reviewed?	Concerns?	Description of Concerns
Aerial Photographs	Yes	No	
Fire Insurance Maps	No		Not available.
Property Tax Files	Yes	No	
Recorded Land Title Records	No		
USGS Topographic Map	Yes	No	
Local Street Directories	Yes	No	
Building Department Records	Yes	No	
Zoning/Land Use Records	Yes	No	
Other Historical Sources	No		
Prior Assessments	No		

4.3.2 Aerial Photographs

The following aerial photographs were reviewed:

Source	Year	Scale
EDR	1959	500
EDR	1965	500
EDR	1971	500
EDR	1981	750
EDR	1993	750
EDR	2006	604

Subject Property - The subject Property was developed with the existing structures in 1954 according to the City of Raleigh Tax Assessor's information. The aerial photographs from 1959 to 2006 confirm this.

Nearby Properties - The general vicinity of the subject Property appears to be developed for residential use from 1959 to 2006.

4.3.3 Fire Insurance Maps

GRS Group contacted the current owner of the Sanborn Fire Insurance Map collection to identify records for the Property and surrounding area. No fire insurance maps were reported to be available for the Property.

4.3.4 Property Tax Files

Property tax files were obtained from Wake County. The information indicated that the buildings were constructed in 1954. The use is designated as multi-family.

4.3.5 Recorded Land Title Records

Research and review of recorded land title records was beyond the scope of our assessment.

4.3.6 USGS Topographic Maps

The following topographic maps were reviewed:

Quad	Year	Scale
RALEIGH	1943	1:62500
RALEIGH	1951	1:62500
RALEIGH WEST	1968	1:24000
RALEIGH WEST	1973	1:24000
RALEIGH	1980	1:50000
RALEIGH WEST	1981	1:24000
RALEIGH WEST	1987	1:24000
RALEIGH WEST	1988	1:24000
RALEIGH WEST	1993	1:24000
RALEIGH WEST	2002	1:24000

Subject Property - The earliest topographic map (1943) shows that the Property was undeveloped. The later topographic maps (1951-2002) depict the subject Property as urban land where no specific features are depicted.

Nearby Properties - The general vicinity of the Property was undeveloped in 1943. The remaining nearby properties are depicted as urban land from the 1951 topographic map to the latest topographic map (2002).

4.3.7 Local Street Directories

The following street directories were reviewed in completion of this Assessment:

- City Publishing Co.
- R.L. Polk & Co. Publishers
- Hill Directory Company Publishers
- Hill Directory Co., Inc.

Subject Property - From at least 1922 to 1952 the subject Property is not listed. In 1957, the property is listed as Grant Avenue Apartments. The subject Property is shown as different real estate holdings in the years from 1957 to 2003, but is operated as an apartment complex during those years.

Nearby Properties - Adjacent properties were found to be residential at 1335 Chester Road, 2315 Lyon Street, 2354 Grant Avenue, and 2401 Grant Avenue, once they were developed.

The adjacent property at 1343 Cameron View Court was not identified in the city directories search.

4.3.8 Building Department Records

GRS Group contacted the local inspections department to review records for the subject Property. The inspections department indicated that there were no records that contained any information about underground storage tanks, septic tanks or hazardous materials handled at the Property. They had no occupancy permits on file due to the property being developed in 1954 and the department only keeping records on file for the past six years. The department only inspects properties when there is a complaint and the last complaint on the property was for a leaking roof, which was fixed by the maintenance staff without the inspections department writing a case.

4.3.9 Zoning/Land Use Records

Zoning maps reviewed on-line show the Property to be zoned for multi-family use.

No information was available concerning historical zoning of the Property from either the on-line or zoning department records.

4.3.10 Other Historical Sources

A Google search of .gov sites for the subject address revealed no matching entries. A search of additional domains revealed no evidence of a known release at the property within the first twenty search results.

4.3.11 Prior Assessments

No prior reports were reviewed during our assessment.

4.3.12 Data Failure

Data failure was encountered during completion of our assessment.

- The earliest research date was 1943, after the 1940 research date identified in the ESA Standard. Because no environmentally sensitive operations were identified at the subject or nearby properties at the earliest research date, this data failure is not expected to significantly impact our ability to identify Recognized Environmental Conditions in connection with the property. As a result, this data failure does not constitute a Data Gap.
- Research intervals of more than five years were encountered during our review of historical sources. Because the topographic maps show the subject Property is undeveloped in 1943 and labeled as urban land in 1951, and the tax assessor information states that the Property is developed with the current structures in 1954, and the current structures are visible in the 1959 aerial photograph; this data failure is not expected to significantly impact our ability to identify Recognized Environmental Conditions in connection with the property. As a result, this data failure does not constitute a Data Gap.

5.0 Site Reconnaissance

No conditions or improvements of environmental concern were observed during our reconnaissance of the property. The site reconnaissance was performed by Catherine Warner on November 9, 2010. We were accompanied by the Property Owner, George Yelverton. Weather at that time was clear and provided no obstacle to completion of the reconnaissance.

GRS Group's site reconnaissance of exterior areas included observation of the Property from nearby streets, and along the perimeter of the property and periphery of each building. Open areas of the property were traversed at intervals of approximately 100 feet. Interior observations included all common, maintenance and storage areas and the following units on Grant Avenue: 2314, 2319, 2323, 2325, and 2342; and the following units on McMullan Circle: 2305, 2309, 2318, 2330 and 2373.

5.1 Common Concerns

No improvements, features or activities were identified which would be expected to indicate the use, storage or disposal of hazardous materials.

Concern	Present?	Comments
Above Ground Storage Tanks	No	
Discharge Features	No	
Equipment Likely to Contain PCBs	No	
Hydraulic Equipment	No	
Hazardous Material Use	No	
Other Suspect Containers	No	
Petroleum Products	Yes	One 5-gallon and one 1-gallon gas containers for yard equipment were observed in the Maintenance Shed.
Pits, Ponds, and Lagoons	No	
Processes of Concern	No	
Solid Waste Dumping/Landfills	No	
Stained Soil/Stressed Vegetation	No	
Staining/Corrosion	No	
Stockpiled Soils	No	
Subsidence	No	
Surface Repairs (e.g. UST removal)	No	
Underground Storage Tanks	No	
Wells	No	

The small containers of gasoline for yard equipment are not considered significant. No mismanagement of the gasoline containers was observed

5.2 Additional Concerns

No additional concerns were identified during site reconnaissance.

5.3 Adjoining Properties

The following activities and improvements were observed at adjoining properties.

North - The north- adjoining property is occupied by multiple residential single family homes.

South - The south- adjoining property is occupied by a multi- family residential complex.

East - The east-adjointing properties are occupied by residential single family homes.

West - The west-adjointing properties are occupied by residential single family homes.

No activities or improvements were observed which would be expected to have resulted in impact to environmental conditions at the subject Property. No hazardous materials were observed to be used or stored near the property line and no staining or other evidence indicating likely impact to the Property was found.

6.0 Interviews

Position	Name	Company	Title	Contact Information	Interview Date
Current Owner	George Yelverton	Cottages on Grant	Owner	919- 828- 0650	November 9, 2010
Key Site Manager	Odalis Castellon	Cottages on Grant	Manager	919- 828- 0650	November 9, 2010
Local Government Official	Larry Strickland	City of Raleigh Inspections Department	Director	919- 516- 2701	November 4, 2010

Current Owner

The Current Owner has been associated with the property for 17 years. He had no knowledge of past contamination or cleanup activities, and was unaware of any additional release or areas of concern associated with the property.

Key Site Manager

The key site manager has only been associated with the property for less than one year. She had no knowledge of past contamination or cleanup activities, and was unaware of any additional release or areas of concern associated with the property.

Current Occupants

Interview of current occupants is not required for residential properties. Since GRS Group found no areas in which such interviews would be expected to provide meaningful information, interviews were not conducted with current or past occupants.

Past Owners and Occupants

Interview of past owners and occupants is typically performed when adequate information concerning past activities at the Property is not available from other sources. No interview of past owners or occupants was necessary in completion of this assessment.

Neighboring Property Owners and Occupants

Interview of neighboring property owners was not necessary in our assessment of historical activities at the Property.

Local Government Officials

Building/Inspections Department - GRS Group interviewed Larry Strickland of the City of Raleigh Inspections Department. Mr. Strickland was able to confirm that the property is multi-family residential and no commercial activities have occurred at the Property.

7.0 Additional Services

Assessment of the following Non-ASTM considerations was performed:

Asbestos Containing Building Materials

Asbestos-containing building materials may be present at the Property. Asbestos has historically been present in a wide variety of building materials, though the use of asbestos containing materials has significantly decreased since 1981. The Property was constructed at a time when the use of asbestos-containing building materials was common.

During completion of our site reconnaissance, GRS Group identified materials which may contain asbestos, including vinyl floor tile and mastics, drywall, joint compound, wall/ceiling plaster, as well as roofing felt and coatings. No friable or damaged suspect materials were observed.

An Operations and Maintenance plan should be implemented to assure the appropriate long-term handling of building materials suspected of containing asbestos.

Lead-Based Paint

The property was constructed at a time when the use of lead-based paints was common. Though lead-based paint may be present at the Property, suspect materials were observed to be in good condition. An Operations and Maintenance program should be implemented to assure appropriate handling of suspect materials.

Drinking Water

Drinking water is supplied by the City of Raleigh and is reported to be in compliance with applicable regulations.

Radon

Twenty-three residential buildings are located at the property. Of these, all contain ground floor residential units. At the time of site reconnaissance, one radon canister was placed on the ground floor of buildings 2319, 2323, and 2342 Grant Avenue and 2373 McMullan Circle. The canisters were collected by Catherine Warner and forwarded for analysis.

Location	Sample #	Results	Comments
Unit 2342 Grant LR	2129424	1.4 pCi/L	Living Room
Unit 2323 Grant LR	2129423	1.7 pCi/L	Living Room
Unit 2319 Grant LR	2129425	0.4 pCi/L	Living Room
Unit 2373 McMullan LR	2129426	<0.4 pCi/L	Living Room

No analytical results were found in excess of the EPA-recommended action level of 4.0 pCi/l. As a result, no additional related assessment is recommended.

Mold

Mr. George Yelverton, Property Owner, was interviewed during our assessment, and had no knowledge of past or present areas of mold growth or moisture intrusion at the Property or of related tenant complaints. During our site reconnaissance, no visual or olfactory evidence was identified to indicate current or past mold growth. The ceilings at 2305 and 2309 McMullan Circle had stains indicating a water leak and were reportedly in the process

of being repaired. These water stained areas should be repaired as part of routine maintenance once the sources of the roof leaks are identified and repaired.

Wetlands

No wetlands were identified at the subject property.

Indoor Air Quality

No suspected release of hazardous materials to soil or ground water has been identified within critical distances established by Tier I ASTM criteria. As a result, no additional assessment of potential indoor air quality impacts is indicated by Tier I ASTM criteria.

Compliance

No activities or conditions requiring compliance with environmental regulation were identified.

8.0 Certification

We declare that, to the best of our professional knowledge and belief, we meet the definition of Environmental Professional as defined in section 312.10 of 40 CFR 312, and we have the specific qualifications based on education, training, and experience to assess a property of the nature, history, and setting of the subject Property. We have developed and performed the all appropriate inquiries in conformance with the standards and practices set forth in 40 CFR Part 312 except as follows:

- The results of additional inquiries required under section 312.22 of 40 CFR 312 were not provided to the environmental professional. All appropriate inquiry does not require submission of this information to the environmental professional, but without this information we are unable to make a declaration regarding related conformance with the requirements of 40 CFR 312.

In order to qualify for innocent landowner, contiguous property owner, or bona fide prospective purchaser protections under CERCLA, any user of this assessment should assure conformance with these requirements.

Catherine C. Warner

Catherine Warner, P.E.
Field Professional

Anthony Mueller

Anthony Mueller
Director, Client Services