



American Resource Consultants, Inc.
Environmental Science and Engineering

July 3, 2006

Allan D. Roeser, Esq.
HGR Investors, LP
Pinehill Professional Center
140 East Butler Avenue
Chalfont, PA 18914

Re: Roeser Farm Water Supply Well
2101 Street Road
Solebury Township, Bucks County, PA
ARC Project No. 05235-002

Dear Mr. Roeser:

Based upon the results of the sampling and analysis of the water well recently installed by representatives of Solebury Township (MW-4) which showed no evidence of carbon tetrachloride (CT) contamination, the prior sampling and analysis of MW-1 and MW-2 which also showed no evidence of CT contamination, and the soil sampling and analysis performed by American Resource Consultants, Inc. (ARC) and representatives of Solebury Township which failed to reveal evidence of CT contamination, ARC's position and opinion concerning the CT contamination identified in the water well located adjacent to the large garage / former factory building follows as a short summary documenting currently known information about the on-site water well.

The historic source of the CT contamination is not known and the property owners were not aware of the contamination until sampling and analysis were performed by representatives of the township. As a result, ARC recommended a subsurface investigation in an attempt to discover a source of the contamination. Over the course of several soil sampling events, including a Geoprobe® investigation specifically focused on soil contamination in close proximity to the well (including drilling through the garage floor near the well), no CT source was discovered.

Upon completion of the subsurface soil investigation and based upon recommendations made by the Solebury Township representatives Princeton Hydro (PH), HGR Investors, LP (HGR) agreed to the installation of three (3) groundwater monitoring wells. ARC and PH met on-site to discuss the locations of the monitoring wells. PH selected the final well locations and monitored their subsequent installation. After the wells were developed and stabilized, both ARC and PH obtained representative samples of the monitoring well groundwater for analysis for volatile organic compounds (VOCs) including CT.



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Based upon several measurements of groundwater elevations taken after the installation of the monitoring wells, groundwater was determined to flow in an easterly to northeasterly direction, opposite the anticipated westerly direction toward the corner of Street and Upper Mountain Roads. Also, both the well which is approximately 150 feet down gradient from the water well (MW-1) and the well which is approximately 150 feet up gradient from the water well (MW-2), were found to be free from CT contamination.

Subsequent to the determination that the groundwater flow was to the east toward the Aquatong Creek and not toward the west and the Lahaska Creek, and as stated above, PH recommended that an additional monitoring / potential replacement water well be installed in the direction of local groundwater flow. Upon authorization from Solebury Township and HGR, PH supervised the installation of a well in the direction of groundwater flow, approximately 100 feet from the water supply well. The well was installed on June 8, 2006 and sampled on June 22, 2006. The well (MW-4) installation log and other information concerning MW-4 are enclosed with this letter. As stated above, the analytical results of the sample obtained by PH and the sample obtained by ARC failed to detect VOCs including the compound of concern, carbon tetrachloride (CT).

In summary, therefore, relative to the CT contamination identified in the water supply well, the following can be concluded:

- 1) The owners of the property were not aware of the CT contamination identified in the water supply and have no information as to what may have caused the contamination.
- 2) Evidence exists which shows that carbon tetrachloride was historically stored on the property. The quantity stored, the storage location and the use of the CT are not known, however.
- 3) Sampling and analysis of the water supply well has revealed results which are both above and below the Act 2 standard for carbon tetrachloride.
- 4) Sampling and analysis of the soil in the area of the water supply well failed to reveal evidence of CT contamination.
- 5) Groundwater monitoring wells installed in the vicinity of the water supply well failed to reveal a contamination plume and furthermore, failed to show CT contamination.

In the context of the Act 2 rules and regulations and based upon numerous investigations of the water supply and the soil and groundwater in the area of the water supply, the following can be concluded.

- a) There is no evidence of a "release" associated with the CT contamination discovered in the water supply well.



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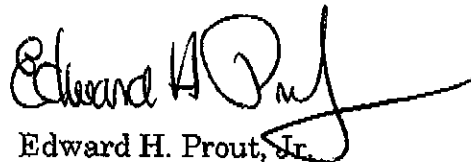
- b) There is no evidence of a source associated with the CT contamination.
- c) There is no evidence that the contamination has migrated toward the downgradient "point of compliance" which is the eastern property line over 2,000 feet away. In fact, the contamination has not migrated 100± feet to MW-4, or 150 ± feet to MW-1.
- d) Mitigation of the contamination, to protect users of the water supply can be accomplished by treatment of the water supply with a carbon filter or by closure of the water supply and the provision of a new, uncontaminated water supply, as recommended by PH.

It is ARC's opinion, based upon the facts presently known as well as discussions with representatives of the PA DEP Environmental Cleanup Program, that without evidence of a release, without evidence of migration of the contamination and exceedance of the Act 2 standard for CT at the downgradient point-of-compliance, without evidence of ecological impact, without evidence of a source which could be remediated, there is no regulatory requirement to remediate the CT contamination associated with the water supply.

ARC's recommendation, however, given the proposed sale of the property, is that the existing water supply be provided with an appropriate carbon filtration unit or the subject water supply well be properly closed and an alternate water supply be provided. Should additional safeguards be desired, ARC recommends a deed notice which identifies the location of the subject water well, states that the well was properly closed due to low level CT contamination and states that no water supply wells should be installed within a 100-foot radius of the former location of the well.

If you have any questions, please do not hesitate to call me.

Sincerely,
American Resource Consultants, Inc.



Edward H. Prout, Jr.
President

EHP:lkw

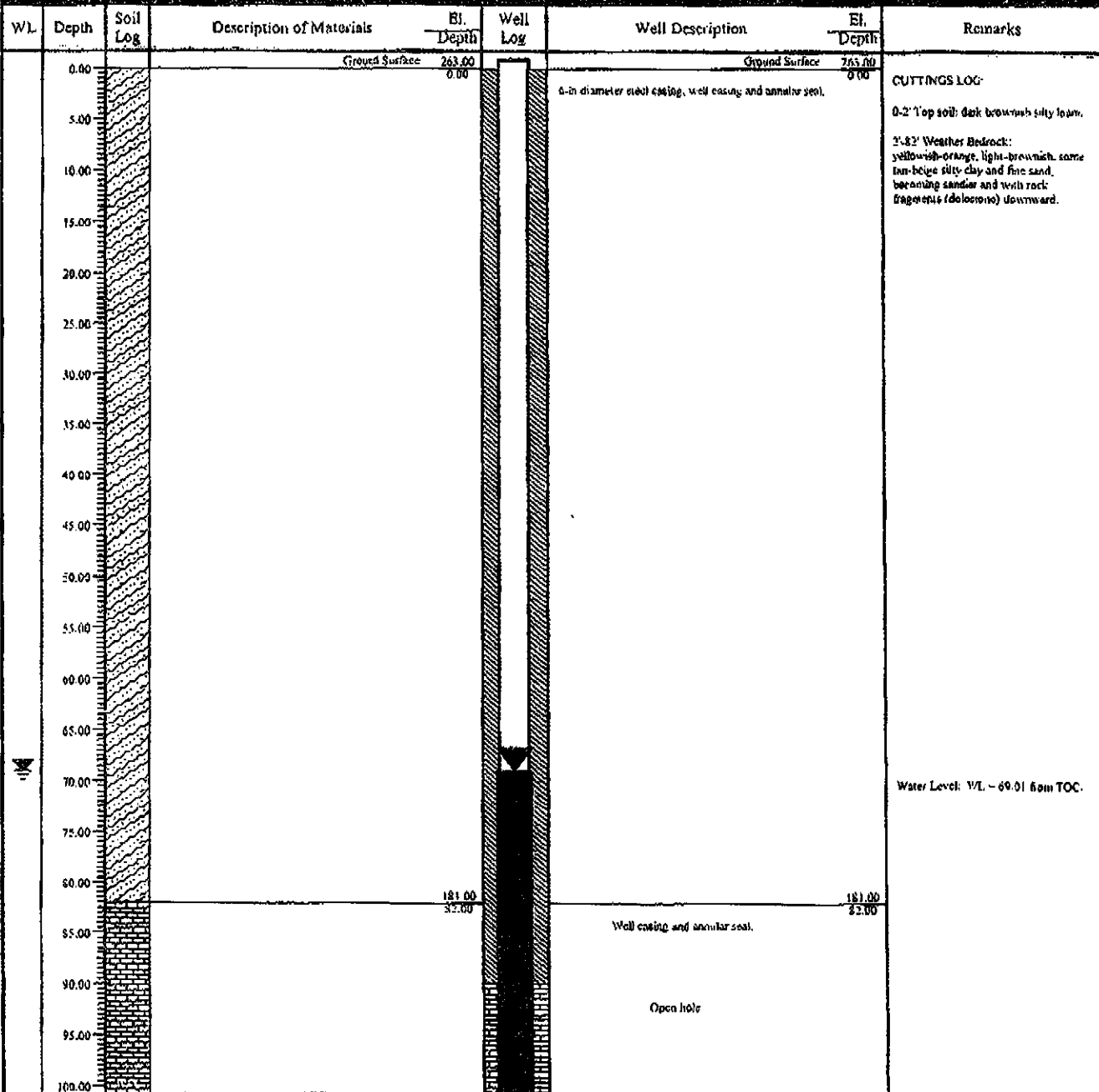
Enclosures: As stated



Princeton Hydro



| | | | | | |
|---|--|---------------------------|--|-------------------------|---------|
| Boring MW-4 | Date of Boring: June 8, 2006 Project Name: Solebury - Roeser Farm Site Investigation | | BORING LOG | | |
| | Project Number: 0388.002 | Client: Solebury Township | | | |
| Contractor: T.M. Mayer, LLC | Driller/Helper: | Inspector: D. Phyl | PH Princeton Hydro, LLC. 1105 Laurel Oak Road Suite 136 Voorhees, NJ 08043 p. 856.346.0080 f. 856.346.0065 www.princetonhydro.com | | |
| Equipment Make: | Equipment Model: | Sheet No.: 1 of 2 | | | |
| Northing: 0 | Easting: 0 | Elevation: 263.0 | | Datum: State Plan NAD83 | |
| Location: 2101 Street Road, Solebury, PA, TMP 41-21-6 | | Depth of Boring: 121.0 | | | |
| Sampling Method: | Groundwater | 1 | | 2 | 3 |
| Drill Method: Air Rotary | Water Level | 71.58 | 71.46 | 71.51 | Start: |
| Plunge/Trend: | Time | 17:00 | 12:00 | 8:00 | Finish: |
| | Date | 6 | 6 | 6 | |



Horizontal Coor. Notes: Project Number: 0388.002
 Vertical Coor. Notes: Boring Number: MW-4

Groundwater Measurements taken at time of investigation are the conditions at time of excavation and are not indicative of seasonal fluctuations.

Princeton Hydro



| | | | | | | |
|---|--|------------------------------|--|--|--|---|
| Boring MW-4 | | Date of Boring: June 8, 2006 | | Project Name: Solebury - Roesser Farm Site Investigation | | BORING LOG |
| Contractor: T.M. Mayer, LLC | | Driller/Helper: | | Inspector: D. Phy | | |
| Equipment Make: | | Equipment Model: | | Sheet No.: 2 of 2 | | |
| Northing: 0 | | Easting: 0 | | Elevation: 263.0 | | |
| Location: 2101 Street Road, Solebury, PA, TMP 41-21-6 | | Datum: State Plan NAD83 | | Depth of Boring: 121.0 | | PH Princeton Hydro, LLC. 1105 Laurel Oak Road Suite 136 Voorhees, NJ 08043 P. 856.346.0060 F. 856.346.0065 www.princetonhydro.com |
| Sampling Method: | | Groundwater | | DRILLING | | |
| Drill Method: Air Rotary | | Water Level | | Start: | | |
| Plunge/Trend: | | Time | | Finish: | | |
| | | Date | | | | |

| WL | Depth | Soil Log | Description of Materials | El. Depth | Well Log | Well Description | El. Depth | Remarks |
|----|--------|--------------------|--------------------------|-----------|--------------------|--------------------|-----------|---------|
| | 105.00 | [Soil Log Pattern] | | | [Well Log Pattern] | Open hole | | |
| | 110.00 | | | | | | | |
| | 115.00 | | | | | | | |
| | 120.00 | | | 112.00 | | Bottom of borehole | 121.00 | |
| | 125.00 | | | 121.00 | | | | |
| | 130.00 | | | | | | | |
| | 135.00 | | | | | | | |
| | 140.00 | | | | | | | |
| | 145.00 | | | | | | | |
| | 150.00 | | | | | | | |
| | 155.00 | | | | | | | |
| | 160.00 | | | | | | | |
| | 165.00 | | | | | | | |
| | 170.00 | | | | | | | |
| | 175.00 | | | | | | | |
| | 180.00 | | | | | | | |
| | 185.00 | | | | | | | |
| | 190.00 | | | | | | | |
| | 195.00 | | | | | | | |
| | 200.00 | | | | | | | |

Horizontal Coord. Notes: Project Number: 0388.002
 Vertical Coord. Notes: Boring Number: MW-4

Groundwater Measurements taken at time of investigation are the conditions at time of excavation and are not indicative of seasonal fluctuations.

PRINCETON HYDRO, LLC
MONITORING WELL LOG

Project #: 0388.002
Project Name: Solebury - Roeser Farm Site Investigation
Project Location: Solebury, Pennsylvania

| Date | Time | Weather Conditions |
|----------|------|--------------------|
| 06-22-06 | 9:00 | Cloudy, 75°F |

| Well Identification Number | State Well Permit Number | Well Diameter |
|----------------------------|--------------------------|---------------|
| MW-4 | | 6 inch |

BEFORE PURGING

| PID/FID Reading | Thickness Of Free Product If Present |
|-----------------|--------------------------------------|
| NA | NA |

| pH | Dissolved Oxygen | Temperature °C | Specific Conductance | Turbidity |
|------|------------------|----------------|----------------------|-----------|
| 6.93 | 10.43 | 14.63 | 0 | 214 |

| Casing Height | Total Depth Of Well, Top of Casing | Depth To Screen/Open Space | Depth To Ground Water, Top of Casing |
|---------------|------------------------------------|----------------------------|--------------------------------------|
| 2.5 | 123.50 feet | 93.50 | 71.51 feet |

| Linear Feet of Water | Estimated Water Volume In Well |
|----------------------|--------------------------------|
| 49.49 feet | 72.69 gallons |

AFTER PURGING

| Start Time | End Time | Purge Method | Total Volume Purged |
|------------|----------|----------------------------|---------------------|
| 10:04 | 11:08 | Pumping (submersible pump) | 256 gallons |

| Purge Rate (gallons per minute) gpm | Depth To Ground Water |
|-------------------------------------|-----------------------|
| 4 gpm | 71.75 feet |

| pH | Dissolved Oxygen | Temperature °C | Specific Conductance | Turbidity |
|------|------------------|----------------|----------------------|-----------|
| 7.39 | 10.20 | 12.96 | 0.0 | 223 |

BEFORE SAMPLING

| Depth To Ground Water |
|-----------------------|
| 71.62 feet |

AFTER SAMPLING

| Start Time For Sampling | End Time For Sampling |
|-------------------------|-----------------------|
| 11:15 | 11:20 |

| pH | Dissolved Oxygen | Temperature °C | Specific Conductance | Turbidity |
|------|------------------|----------------|----------------------|-----------|
| 7.47 | 10.13 | 13.08 | 0.0 | 223 |

| Sampling Method |
|-----------------|
| Pumping |

| | | | | | |
|-------------------|----------|---------|-----------------|------------|---|
| Post-it® Fax Note | 7871 | Date | 6/20/06 | # of pages | 4 |
| To | ED PROUT | From | MITROPAN JOHN | | |
| Co./Dept. | | Co. | PRINCETON HYDRO | | |
| Phone # | | Phone # | | | |
| Fax # | | Fax # | | | |

| Sample Collection | | | | |
|-------------------|-----------------|--------------|----------|---------------------|
| Sample ID | # of Containers | Preservative | Filtered | Analysis |
| MW-4 | 2 | HCL | No | VO+10/15, TBA, MTBE |
| | | | | |
| | | | | |

(Total well depth) - (Depth to water) = Linear feet of water

- 1 inch: (Linear feet of water) x 0.0408 = gallons in well x 3 = gallons to be purged
- 2 inch: (Linear feet of water) x 0.1632 = gallons in well x 3 = gallons to be purged
- 4 inch: (Linear feet of water) x 0.6528 = gallons in well x 3 = gallons to be purged
- 6 inch: (Linear feet of water) x 1.4688 = gallons in well x 3 = gallons to be purged
- 8 inch: (Linear feet of water) x 2.6112 = gallons in well x 3 = gallons to be purged

Sampled by: Mitrofan Josan Date: 06-22-2006