



EnviroSouth, Inc.

Environmental Due Diligence and Common *Recognized Environmental Conditions (RECs)*

Who is EnviroSouth, Inc.

- Founded in 2001 by Thomas Donn, P.G.
- Staff consists of Environmental Engineers, Geologists, and Environmental Scientists
- Serves Commercial and Industrial Property Sectors:

Real Estate Investors
Financial Institutions
Property Developers

Petroleum Companies / C-Stores
Manufacturers
Government Agencies

Core Services

- Environmental Due Diligence Services
 - Phase I and II Environmental Site Assessments (ESAs)
 - Brownfield Restoration Projects (NRP-VCC)
 - Asbestos Surveys
- Soil and Groundwater Remediation and Monitoring
- Vapor Intrusion Assessment and Mitigation

Phase I ESA

- Environmental due diligence service which provides prospective purchasers with an extensive review of the environmental history of a property.
- Satisfies the EPA's definition of All-Appropriate-Inquiry so that a buyer qualifies as an innocent landowner provided the assessment is completed following the appropriate ASTM standard.

Phase II ESA

- Evaluates the presence or absence of contamination based on the findings from a Phase I ESA.
- If a *recognized environmental condition (REC)* is identified during a Phase I ESA, then typically a Phase II ESA is recommended. The scope of work for a Phase II is developed on a site-by-site basis to address the concerns from the Phase I ESA.

Brownfield Contract

- A Non-Responsible Party Voluntary Clean-up Contract (NRP-VCC) between the prospective purchaser and the SCDHEC.
- Such contracts allow a buyer to complete a property transaction without being considered a responsible party for pre-existing contamination provided the buyer follows the terms and conditions outlined in the contract.

Phase I ESAs

- A Phase I Environmental Site Assessment (ESA) is a process that evaluates whether real estate has likely environmental concerns.
- The ESA process involves a visual inspection of the property, review of government environmental databases, interviews, and review of public information sources (aerial photos, city directories, etc.) pertaining to the historical and current property usage.
- ASTM Standard Practice E1527-21 refers to identified environmental concerns as “*recognized environmental conditions*” or *RECs*.

Recognized Environmental Conditions

- If a Phase I ESA identifies an environmental concern on or adjoining the subject property, the concern or “red flag” could be labeled as a *Recognized Environmental Condition (REC)*.
- The ASTM Standard Practice E1527-21 defines a *REC* as...

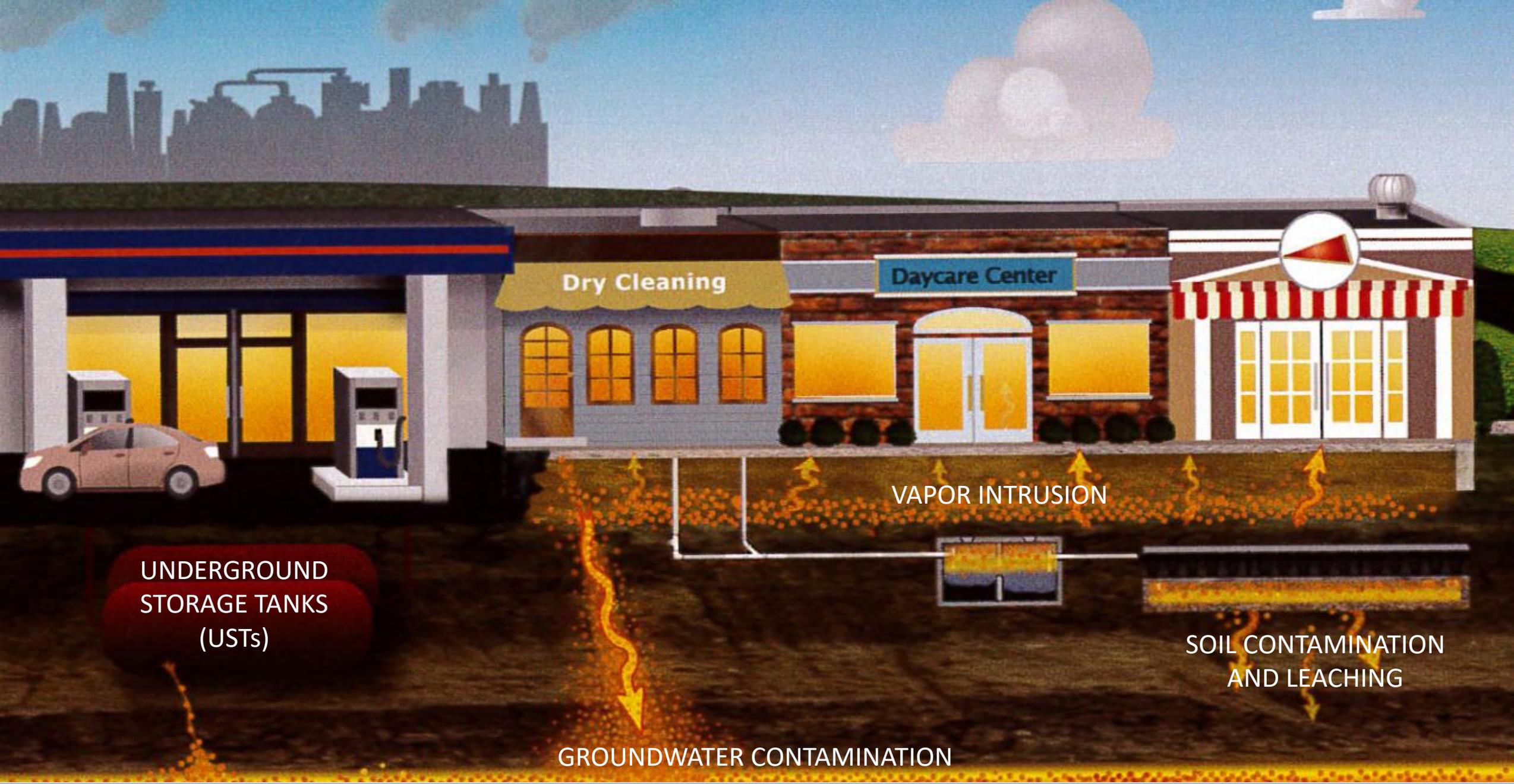
“The presence or LIKELY presence of any hazardous substances or petroleum products in, on, or at a property: (1) due to any release to the environment; (2) under conditions indicative of a release to the environment; or (3) under conditions that pose a material threat of a future release to the environment.”

Common Environmental Concerns

- Dry Cleaning Operations
- Textile Operations
- Gas Stations
- Machine Shops
- Metal Fabricators
- Metal Plating Operations
- Automotive Repair Centers
- Generators of Hazardous Waste
- Long History of Industrialized Use
- Significant Soil Staining
- Buried Environmentally Sensitive Materials
- Underground Storage Tanks (Permitted and Non-Permitted) or Aboveground Storage Tanks with Underground Piping

Common Environmental Concerns

- Vent Pipes
- Storage Tanks (UST or AST)
- Monitoring Wells
- Storage Containers
- Chemical Usage
- Floor Drains
- Significant Floor or Soil Staining
- Hydraulic Lifts
- Emergency Generators
- Old Power Transformers and Substations
- Septic Systems
- Parts Washers



Dry Cleaning

Daycare Center

UNDERGROUND STORAGE TANKS (USTs)

VAPOR INTRUSION

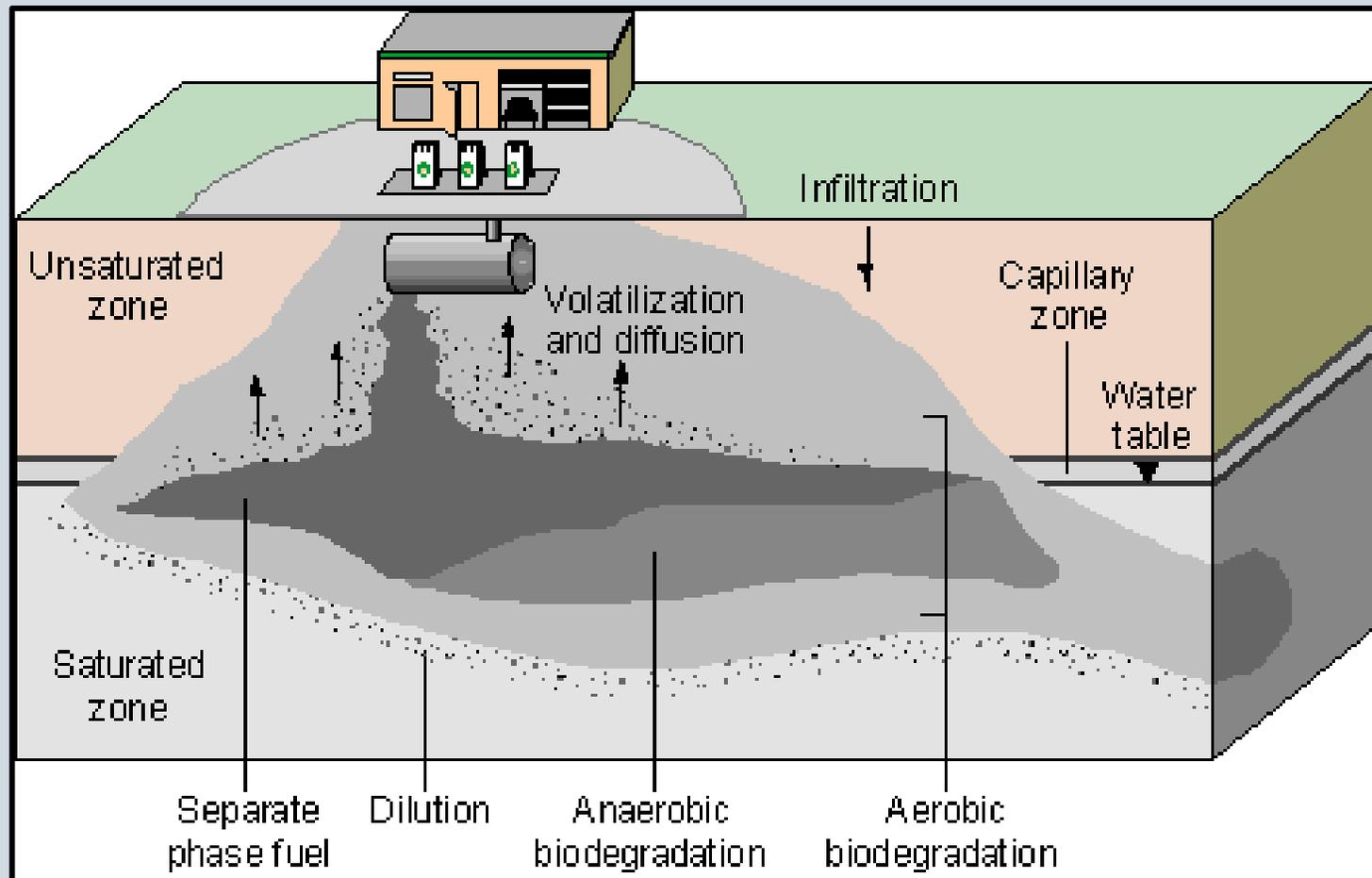
SOIL CONTAMINATION AND LEACHING

GROUNDWATER CONTAMINATION

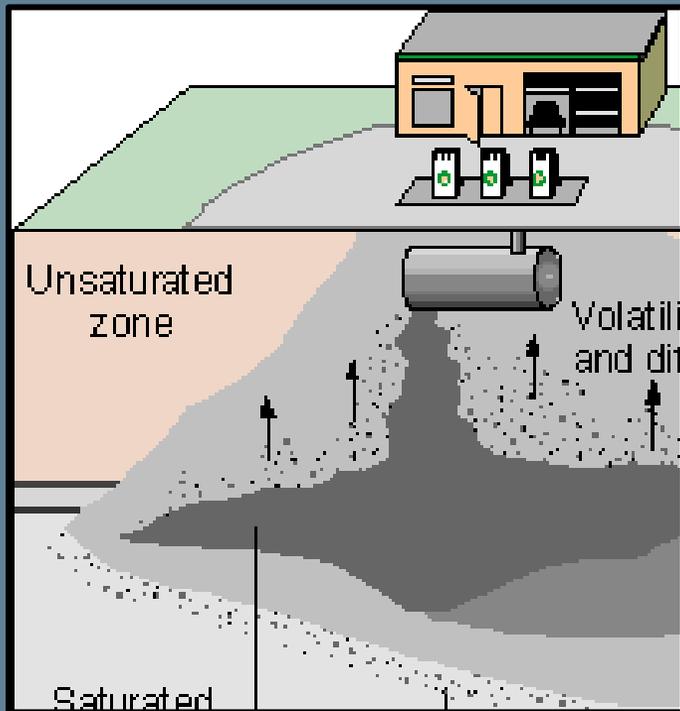
The Phase I Identified a *REC*, Now What?

- In most circumstances, once a *REC* has been identified, additional assessment is typically recommended.
- Soil, Groundwater, and Vapor Assessments are commonly conducted as components of Limited Phase II ESAs.
- Compared to the purpose of a Phase I ESA which is to identify the presence or LIKELY presence of subsurface contamination, a Phase II ESA is conducted evaluate or confirm the presence or absence of such contamination through sampling and lab analysis.

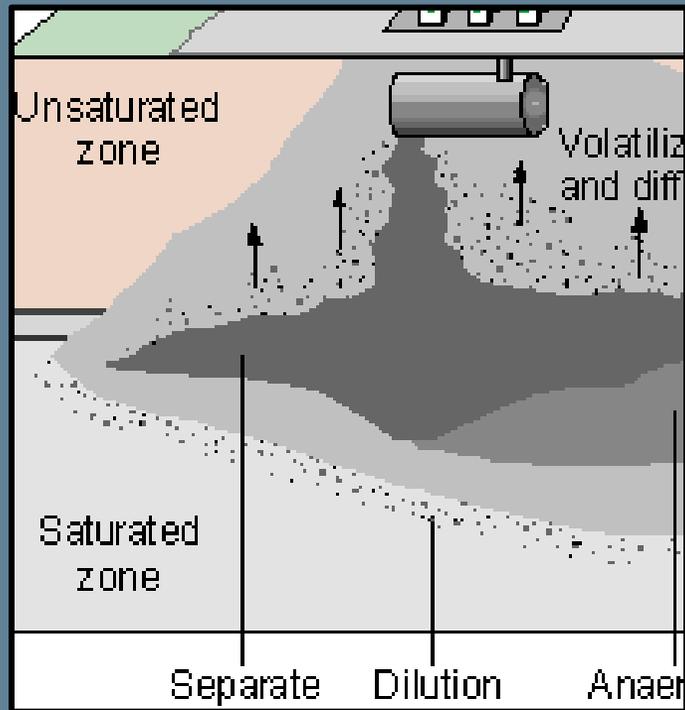
Phase II ESA Subsurface Diagram



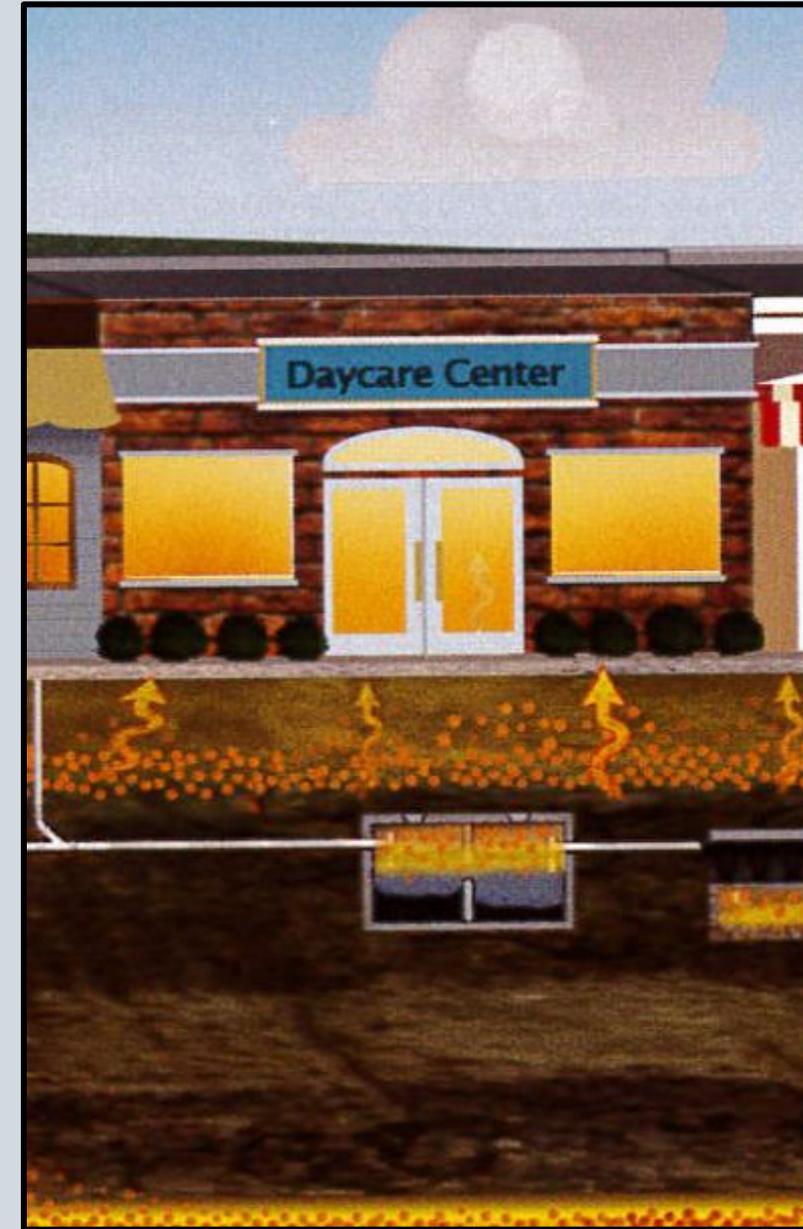
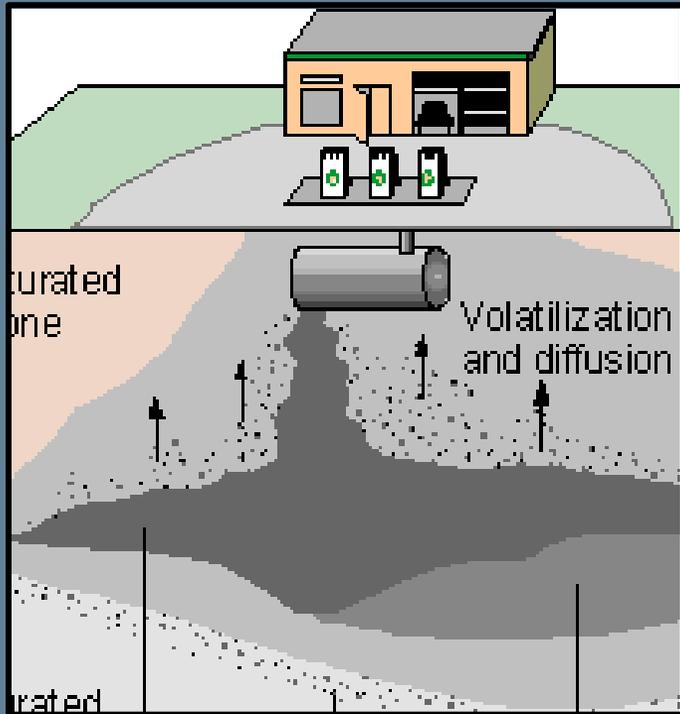
Soil Assessment



Groundwater Assessment



Vapor Assessment



Contamination Present Above Regulatory Limits

- Can the property transaction still take place? YES
- Prospective purchasers can enter a Non-Responsible Party Voluntary Clean-up Contract (NRP-VCC)-a.k.a. Brownfield Agreement
- The EPA estimates that more than 32,000 sites have been assessed under both federal and state led Brownfield programs since the program started.

Permanent Monitoring Wells



Aboveground and Underground Storage Tanks



Underground Storage Tank Fill-Port



Underground Storage Tank Vent Pipe



Miscellaneous Storage Containers & Poor Housekeeping



Oil Drums and Minor Floor Staining



Oil Drum Spill and Significant Staining



Floor Drains

