



**PHASE I
ENVIRONMENTAL SITE ASSESSMENT
JOHNSTON TRACT
COVINGTON, LOUISIANA**

Prepared For:

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PREFACE

Property transfer due-diligence assessments are intended to develop screening information which will aid in the determination of whether or not the site has been contaminated or has the potential to be contaminated with toxic substances or hazardous waste. If the site shows evidence of such contamination or potential contamination, the inspection is designed to define the need for further analytical examination and/or remedial action.

Waldemar S. Nelson and Company, Inc. (NELSON) has the responsibility to collect factual and valid data that is time sensitive in nature. NELSON has performed this assessment in a professional manner using that degree of skill and care ordinarily exercised by reputable and competent environmental assessors concerning matters of: chain of custody and document control; receipt and handling of confidential information; employee conduct, responsibilities and ethics; quality assurance and quality control; and applicable regulations regarding compliance with environmental protection standards.

NELSON will not be responsible for conditions or consequences arising from relevant data and information which was not available, withheld, or not fully disclosed at the time of the site inspection. Additionally, accuracy of site assessments may be affected by limited access and/or physical conditions at the time of the site inspection.

This report is intended solely for the use of our direct client in evaluating the subject property. Any use of this document by third parties is expressly forbidden and NELSON assumes no risk or liability for such unauthorized use.



INTRODUCTION

Waldemar S. Nelson and Company, Inc. (NELSON) was authorized by Mr. Bruce Wainer with Wainer Companies, in Metairie, Louisiana to conduct a Phase I Environmental Site Assessment (ESA) on approximately 157 acres of undeveloped wooded property identified as the Johnston Tract located in Covington, St. Tammany Parish, Louisiana. The scope of activities for this project and authorization to proceed was discussed verbally with Mr. Wainer on January 20, 2007. It is our understanding that Wainer Companies is considering purchasing the site and the environmental assessment will assist in the due diligence process. The purpose of this Phase I ESA is to conduct an appropriate inquiry into the historical and current ownership and uses of the property. The intent of the ESA is to satisfy one of the purposes of the innocent purchaser's defense to CERCLA liability.

The Phase I ESA included an inspection of the subject site, reviewing environmental regulatory databases, aerial photographs, site survey documents and USGS topographic quadrangle maps. The database information was obtained from Environmental Data Resources, Inc.

On February 7, 2007, Mr. Keith Prieur with NELSON conducted an on-site inspection of the subject site. Information pertaining to the site was obtained from Mr. Brandon McCain with John E. Bonneau & Associates, site surveyor.



I. SITE SETTING

A. Site description.

The subject site is approximately 157 acres of undeveloped wooded property identified as the Johnston Tract in St. Tammany Parish, Louisiana. A property survey describes the site as situated in Sections 12, 45, and 46, Township-7-South, Range-10-East. The site has no municipal address. Geographically, the site is located near Covington, Louisiana in an undeveloped wooded area north of Interstate 12, west of Louisiana Highway 21 and south of Louisiana Highway 1085. The site area is identified as rural with residential and light commercial developments in the surrounding area.

The Johnston Tact is completely wooded with no structural improvements observed. The interior of the site was visually inspected along unimproved ATV trails and recently cut survey lines. There is an Entergy transmission line that runs diagonally across a small portion of the tract in the southeast corner of the site. There were no roads observed on the site. The site has no public access and is partially fenced. The trees appeared to be of medium age and included pines, mixed hard woods and smaller scrub trees. There were no municipal utilities observed on the site.

The site is bordered to the south by the Planche Tact #1 and the Seager Tract, to the east by Seager Tract, and to the north and west by residential single family property. The site is identified on the attached USGS Topographic Map, Madisonville, Louisiana Quadrangle (Figure 1) and is also shown on the attached survey map (Figure 2). Site photographs are included at the end of this report.

B. Adjacent Land Use

The surrounding area to the south and east is similar undeveloped wooded property. Residential property borders the site on the north and west. The adjacent property to the northeast is currently being cleared. There were no sensitive off-site receptors observed.

C. Site and Vicinity Characterization.

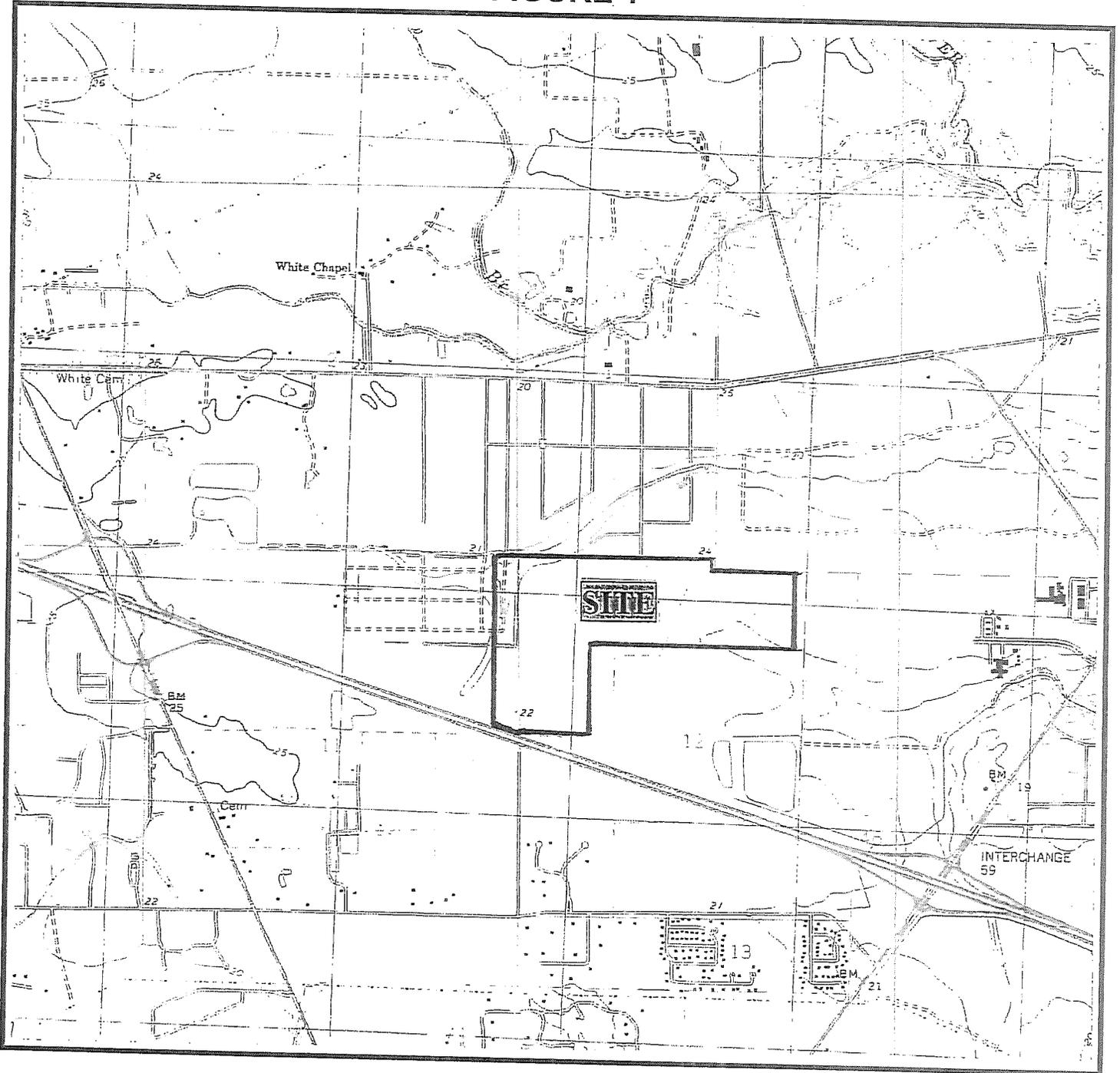
1. Topography and slope.

The topography of the site and surrounding area is primarily flat with little or no slopes. According to the USGS topographic map for the site area, the average surface elevation is 20 feet NGVD. The Federal Emergency Management Agency depicts that portions of the site and surrounding area as located within the 100-Year Flood Zone.

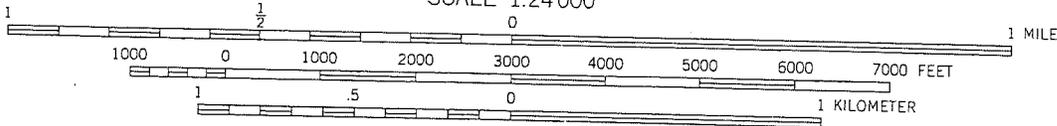
2. Surface water within one mile.

Sewerage treatment lagoons are located within one-mile to the east side.

FIGURE 1



SCALE 1:24 000



QUADRANGLE LOCATION

SITE LOCATION MAP



NORTH

WALDEMAR S. NELSON AND COMPANY INCORPORATED ENGINEERS AND ARCHITECTS 1200 ST. CHARLES AVE. NEW ORLEANS, LA		Johnston Tract Covington, LA			
		Date	Scale	Job No.	Quadrangle
		March 2007	Above	20070012	Madisonville



3. *Wetlands.*

The site area exists as undeveloped wooded property and site conditions typical of wetlands were observed on the site. The National Wetlands Inventory database dated 2002 and 2005 list portions of the site and surrounding area as wetlands.

A wetland survey of the property would be necessary to determine if wetlands are located on the site. If impact to the wooded property is required to develop the site, a wetlands survey should be considered prior to development activities.

D. Site History

Chain of Title information was not provided as part of this investigation. A questionnaire requesting information concerning the site was sent to Mr. Bruce Wainer with Wainer Companies, potential purchaser. A copy of the questionnaire with his responses is included as Attachment 1. According to Mr. Wainer, the current owner of the Johnston Tract is listed as the Madison Group Limited Liability Company and Goodwood Industries Limited Liability Company. Mr. Wainer indicated that, to the best of his knowledge, the only known past use of the site was for timber and the property has never been developed.

Aerial photographs were request from Environmental Data Resources but were not available for the site area. Aerial photographs dated 1995, 1998 and 2006 from the USCE, USGS and internet sources were reviewed. In all photographs the property was wooded and undeveloped. There were no structural improvements observed on the site. There was no indication of industrial activity on or adjacent to the site.

USGS topographic quadrangle maps dated 1935, 1951, 1968, 1972, 1979, and 1998 were reviewed. A review of the maps dated 1935 through 1972 indicate no development on the site or in the surrounding area. Interstate 12 and the sewerage treatment lagoons are observed on the 1979 map. The 1998 map shows the site and surrounding as it exists today. There was no indication of industrial activities on the site or in the surrounding area. The topographic maps are included as Appendix A.

Sanborn Maps were requested from the Sanborn Map Company but were not available for the site area.

E. Environmental Records Review of Site and Surrounding Land Use

A review of the standard environmental record sources was performed as part of this assessment. A record search of available sources of environmental regulatory databases was conducted by Environmental Data Resources, Inc. The search distances for the individual sources meet the



requirements for ASTM E 1527-05 standards for environmental risk associated with real estate. A summary of the record search is presented in Table 1. The database report is included as Appendix B.

An Environmental Lien Search for the site was requested from Environmental Data Resources but could not be conducted due to the lack of a physical address of the undeveloped property.

Site

The site is not listed by any of the individual agencies in the database report.

Surrounding Land Use

According to the LDEQ-USTD, there are no registered UST owners or LUST sites listed within a one-quarter and one-half mile radius of the Site.

There are no hazardous waste generators listed on the USEPA RCRA Notices List within a one-quarter mile radius of the Site. There are no sites listed on the RCRIS Corrective Action List. There are no State Hazardous Waste Sites listed one-mile from the Site.

A review of the USEPA Emergency Response Notification System information indicates no reported releases of oil or hazardous materials within the immediate area of the Site. There are no sites listed on the CERCLIS (list of sites investigated by the USEPA) or sites listed on the National Priorities List (NPL-listing of potential Superfund sites). There are no sites listed on the State Landfill List within a one-half mile radius of the Site.

There are no Public Water Supply Wells registered to the site. Potable water is supplied to the site area from a groundwater source.

F. Identification of Data Gaps

Sanborn Maps, historical aerial photographs, a city directory abstract and an environmental lien search were requested but were not available for review as part of this assessment. Due to the findings of the other data sources evaluated as part of this assessment, the lack of these available sources is not considered a significant data gap and should not limit the ability to identify environmental concerns associated with the site.



Table 1
Standard Environmental Record Sources

Record Source	Target Property	Search (Miles)	< 1/8	1/8 - 1/4	1/4 - 1/2	1/2 - 1	> 1	Total
FEDERAL RECORDS								
NPL		1.250	0	0	0	0	0	0
Proposed NPL		1.250	0	0	0	0	0	0
Delisted NPL		1.250	0	0	0	0	0	0
NPL RECOVERY		0.250	0	0	0	0	0	0
CERCLIS		0.750	0	0	0	0	0	0
CERC-NFRAP		0.750	0	0	0	0	0	0
CORRACTS		1.250	0	0	0	0	0	0
RCRA TSD		0.750	0	0	0	0	0	0
RCRA Lg. Quan. Gen.		0.500	0	0	0	0	0	0
RCRA Sm. Quan. Gen.		0.500	0	0	0	0	0	0
ERNS		0.250	0	0	0	0	0	0
HMIRS		0.250	0	0	0	0	0	0
US ENG CONTROLS		0.750	0	0	0	0	0	0
US INST CONTROL		0.750	0	0	0	0	0	0
DOD		1.250	0	0	0	0	0	0
FUDS		1.250	0	0	0	0	0	0
US BROWNFIELDS		0.750	0	0	0	0	0	0
CONSENT		1.250	0	0	0	0	0	0
ROD		1.250	0	0	0	0	0	0
UMTRA		0.750	0	0	0	0	0	0
ODI		0.750	0	0	0	0	0	0
TRIS		0.250	0	0	0	0	0	0
TSCA		0.250	0	0	0	0	0	0
FTTS		0.250	0	0	0	0	0	0
SSTS		0.250	0	0	0	0	0	0
ICIS		0.250	0	0	0	0	0	0
PADS		0.250	0	0	0	0	0	0
MLTS		0.250	0	0	0	0	0	0
MINES		0.500	0	0	0	0	0	0
FINDS		0.250	0	0	0	0	0	0
RAATS		0.250	0	0	0	0	0	0
STATE AND LOCAL RECORDS								
State Haz. Waste		1.250	0	0	0	0	0	0
State Landfill		0.750	0	0	0	0	0	0
DEBRIS		0.750	0	0	0	0	0	0
SWRCY		0.750	0	0	0	0	0	0
LUST		0.750	0	0	0	0	0	0
HIST LUST		0.750	0	0	0	0	0	0
UST		0.500	0	0	0	0	0	0
LIENS		0.250	0	0	0	0	0	0
SPILLS		0.250	0	0	0	0	0	0
AUL		0.750	0	0	0	0	0	0
VCP		0.500	0	0	0	0	0	0
DRYCLEANERS		0.500	0	0	0	0	0	0
TRIBAL RECORDS								
INDIAN RESERV		1.250	0	0	0	0	0	0
INDIAN LUST		0.750	0	0	0	0	0	0
INDIAN UST		0.500	0	0	0	0	0	0
EDR PROPRIETARY RECORDS								



II. SELECTED REGULATORY ISSUES

A. Air Emission Permits

None discovered.

B. Water Permits

None discovered.

C. Waste Issues

The site is undeveloped wooded property and was not generating waste.

D. Underground Storage Tanks (USTs)/Surface Impoundments

None observed.

E. Soil or Groundwater Issues

None discovered.



III. VISUAL OBSERVATIONS

A. Housekeeping

The site was observed as undeveloped wooded property and the overall appearance was normal and orderly.

B. Asbestos

None observed.

C. Aboveground Storage Tanks (ASTs)

None observed.

D. Sumps

None observed.

E. PCB's (Polychlorinated Biphenyls)

None observed.

F. Lead-Based Paint

None observed.



IV. MAJOR FINDINGS AND RECOMMENDATIONS

Although NELSON is making recommendations and conclusions regarding the environmental management status of the facility, these observations in no way warrant the compliance status of the facility. If followed, these recommendations will improve the compliance status of the facility, but they are not intended to be used as a guarantee of overall compliance.

Major findings and recommendations presented are based solely upon the activities described in this report. No sampling or analytical testing of suspect contaminated media was conducted as part of this site investigation.

On behalf of Wainer Companies, NELSON conducted a Phase I Environmental Site Assessment on approximately 157 acres of undeveloped wooded property identified as the Johnston Tract located near Covington, Louisiana. The ESA activities included an on-site inspection, reviewing environmental regulatory databases, site survey documentation, aerial photographs, and USGS topographic quadrangle maps. The on-site inspection activities were conducted on February 7, 2007.

The Johnston Tact is completely wooded with no structural improvements observed. The site does not have a municipal address. There is an Entergy transmission line that runs diagonally across a small portion of the tract in the southeast corner of the site. There were no roads observed on the site. The site has no public access.

This Phase I Environmental Site Assessment has revealed no evidence of a recognized environmental condition associated with the site. This assessment has not identified conditions indicative of releases or threatened releases of hazardous substances on the site. The property is not listed on the federal or state regulatory databases reviewed as part of this investigation. There are no indications that any historical activities have had an adverse environmental impact on the site and the preliminary opinion regarding on-site contamination to exist from past activities is low.

The site exists as undeveloped wooded property and site conditions typical of wetlands were observed. The National Wetlands Inventory database dated 2002 and 2005 list portions of the site and surrounding area as wetlands. A wetland survey of the property would be necessary to determine if wetlands are located on the site. If impact to the wooded property is required to develop the site, a wetlands survey should be considered prior to development activities.

Based on the findings of this assessment, no additional assessment activities are recommended at this time.

Sampling and analytical testing of suspect contaminated media was not conducted as part of this investigation.



V. REFERENCES

A. *Contacts*

Mr. Bruce Wainer
Wainer Companies
(504) 834-5511

Mr. Brandon McCain
John E. Bonneau & Associates
(985) 626-0808

B. *Documents Reviewed*

Survey Document – John E. Bonneau & Associates
Environmental Regulatory Databases – Environmental Data Resources, Inc.
USGS Topographic Maps, Madisonville, LA Quad.
Aerial Photographs – USCE, USGS

Records Reviewed (partial list):

CERCLIS, November 28, 2006
National Priorities List, September 27, 2006
Emergency Response Notification System, December 31, 2005
RCRA, June 13, 2006
CORRACTS, September 27, 2006
UST, October 24, 2006
LUST, November 1, 2006
Landfill List, October 19, 2006
State Hazardous Waste Sites, November 20, 2006



VI. CERTIFICATION

The environmental assessment described herein was conducted by environmental professionals and authorized representatives of Waldemar S. Nelson and Company, Inc. We declare that, to the best of our professional knowledge and belief, we meet the definition of Environmental Professional as defined in and in accordance with the standards and practices set forth in 40 CFR Part 312.

Prepared By:

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Lyndon Soileau Date: 3/16/07

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