



*First American Commercial
Due Diligence Services™*

Environmental and Engineering Services

Phase I Environmental Site Assessments (Phase I ESA)

Phase II Environmental Site Assessments (Phase II ESA)

Transaction Screenings

Property Condition Assessments (PCA)

Deferred Maintenance Assessments (DMA)

Construction Loan Monitoring

The First American Advantage

- Both Phase I and II ESA are available
- Comprehensive financial accountability
- Experts in the environmental industry
- All reports delivered electronically
- Centralized ordering and delivery system
- Nationwide coverage
- Full coverage errors and omissions insurance
- Experienced professionals with extensive real estate knowledge

Environmental Services

First American Commercial Due Diligence ServicesSM provides a full range of advisory services relating to the environmental aspects of real estate investment. We understand and appreciate the time and cost sensitivity required for a successful real estate transaction. Our experts have both technical knowledge and a comprehensive understanding of real estate. We provide a broad range of high quality, cost-effective services.



Phase I Environmental Site Assessment (Phase I ESA)

Federal, state and local laws make current and prior property owners potentially liable for the entire cost of cleaning up a contaminated site. Lending institutions and prospective buyers rely on a Phase I ESA to identify Recognized Environmental Conditions (RECs) in connection with the property.

This is considered the first step in the process of Environmental Due Diligence. This information can greatly impact the economics of a property transaction.

The Phase I Environmental Site Assessment, also known as All Appropriate Inquiry (AAI), satisfies the due diligence requirements of a property transaction using ASTM standards and client-specific guidelines to identify possible environmental impairments on a particular property. Complying with all requirements of AAI, or by meeting the standards set forth in the ASTM Standard E-1527-05, establishes an "innocent landowner defense" for the current property owner, a contiguous property owner, or a bona fide prospective purchaser. This assessment includes a site inspection, interviews, historical data and record reviews for the specified property. Also available lead based paint and asbestos screenings.

Phase II Environmental Site Assessment (Phase II ESA)

The Phase II ESA is a subsurface investigation to evaluate potential contamination at a property. The survey includes collecting samples of soil and groundwater from suspected areas of contamination for analysis. Phase II is typically undertaken upon the recommendation within a Phase I ESA that determined a likelihood of site contamination. However, Phase II assessments can be implemented without a Phase I ESA if the interested parties are aware of existing contamination at the property. Contaminants frequently identified are petroleum hydrocarbons, solvents, pesticides, and heavy metals.

Transaction Screening Assessment

This process includes a questionnaire completed by an environmental professional, the owner and major occupant of the property and is requested when limited environmental assessment is sufficient. A site visit and limited research are also conducted. This investigation does not qualify as AAI and may include a recommendation for a Phase I investigation to quantify potential environmental concerns.

Engineering Consulting Services

First American Commercial Due Diligence ServicesSM has a comprehensive staff of engineers, architects and construction professionals to provide high quality consulting services. These experts are distinguished in the industry for their comprehensive understanding of real estate. This unique combination of technical, regulatory and real estate knowledge continues to be an invaluable resource for our clients.

Property Condition Assessment (PCA)

Used by lending institutions to create a cash reserve against a loan to maintain the value of the asset during the loan term, investors and developers use the PCA to understand the physical condition of a possible acquisition and as a negotiating tool. A PCA includes identification of areas requiring repair or outstanding violations, determination of existing conditions, and estimations of the costs associated with Immediate Physical and Short Term Deficiencies.

Deferred Maintenance Assessments (DMA)

This assessment is used to reduce the value of real estate in estate situations, thereby reducing estate inheritance taxes. The DMA includes the same services as the PCA with the exception of the twelve year reserve replacement schedule.



Construction Loan Monitoring

First American Commercial Due Diligence ServicesSM advises lending institutions on the construction and direct-cost budgetary aspects of a construction project. This occurs in pre-construction and construction monitoring phases.

In our pre-construction phase, our experts review and analyze the plans, specifications, and documentation of the project resulting in an opinion on the constructability of the project, the adequacy of the documents and budgets, and potential areas of concern. The findings are documented in a Project

Review Report. This report includes site improvements, status of approvals, unit cost analysis, and a review of supporting documentation.

During the construction monitoring services phase, our professionals periodically visit the project site to evaluate the status of construction and to certify payment requisitions. A Site Observation Report is provided to the lender and includes status and photo documentation, comments on quality, assessment of the achievability of target dates, and a review of the required project documentation and certification of disbursements.

Also offering peer review, Operations & Maintenance (O&M) and LEED consulting services.