



EXHIBIT 17B - PHASE ONE ENVIRONMENTAL ASSESSMENT

**PHASE I
ENVIRONMENTAL SITE ASSESSMENT
127 ACRE SEAGER TRACT
COVINGTON, LOUISIANA**

Prepared For:

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Prepared by:

The Environmental Sciences and Engineering Department
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INCORPORATED
ENGINEERS AND ARCHITECTS

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Nelson Project No. 20050140



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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 Properties, in Metairie, Louisiana to conduct a Phase I Environmental Site Assessment (ESA) on the 127 acre Seager Tract site 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 May 13, 2005. It is our understanding that Wainer Companies will be purchasing the property and the environmental assessment activities 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. On May 26, 2005 Mr. Keith Prieur with NELSON conducted an on-site inspection of the subject site.

The Phase I ESA included an inspection of the subject site, reviewing selected environmental regulatory databases, site survey documentation, aerial photographs, and USGS topographic quadrangle maps. Where appropriate the Phase I ESA follows the scope and limitations of the ASTM Practice E 1527 Standard. The selected federal and state regulatory databases reviewed as part of this investigation are listed below. The database information was obtained from Environmental Data Resources, Inc.

- USEPA Region VI CERCLIS listings (sites investigated by the EPA) within a one-half mile radius of the subject site.
- National Priority List (NPL) listing of potential Superfund sites within a one-mile radius of the subject site.
- RCRA Notifiers List and the RCRA Violator List (sites that have reported activities involving hazardous waste) of treatment, storage, and disposal (TSD) facilities within a one mile radius of the subject site and RCRA generators within a one-quarter mile radius.
- Emergency Response Notification System (ERNS) reported releases of oil and hazardous substances for the subject site.
- SWF/LS–Louisiana Department of Environmental Quality (LDEQ) list of solid waste disposal facilities or landfills within a one-half mile radius of the subject site.
- USTD and LUST–LDEQ list of registered USTs within a one-quarter mile radius and reported leaking USTs within a one-half mile radius of the subject site.
- SHWS–LDEQ listing of potential remediation sites generated by the Inactive and Abandoned Sites Division (IASD) within a one-mile radius of the subject site.

None of the agencies listed maintain files concerning the Site.



I. SITE SETTING

A. Site description.

The subject site is 127 acres of undeveloped wooded land identified as the Seager Tract in Covington, Louisiana. A property survey describes the site as situated in the north half Section 12, Township-7-South, Range-10-East. Specifically, the site is located in an undeveloped area north of Interstate 12, west of Louisiana Highway 21 and south of Louisiana Highway 1085. The area is identified as a rural with new residential and light commercial developments in the site area.

With the exception to an Entergy transmission line the property is completely wooded with no roads or structural improvements observed. The majority of the trees appeared to be of medium age and primarily in the pine family. A few dry creek beds were observed on the site. Several small clearings that appear to be used for hunting fields were observed.

The site is bordered to the south by Interstate 12 and sewerage treatment ponds, to the east by a new residential development and to the north and west by wooded 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 is similar undeveloped wooded property. A new residential subdivision was observed adjacent to the site along the east side. There were no sensitive off-site receptors observed.

C. Site and Vicinity Characterization.

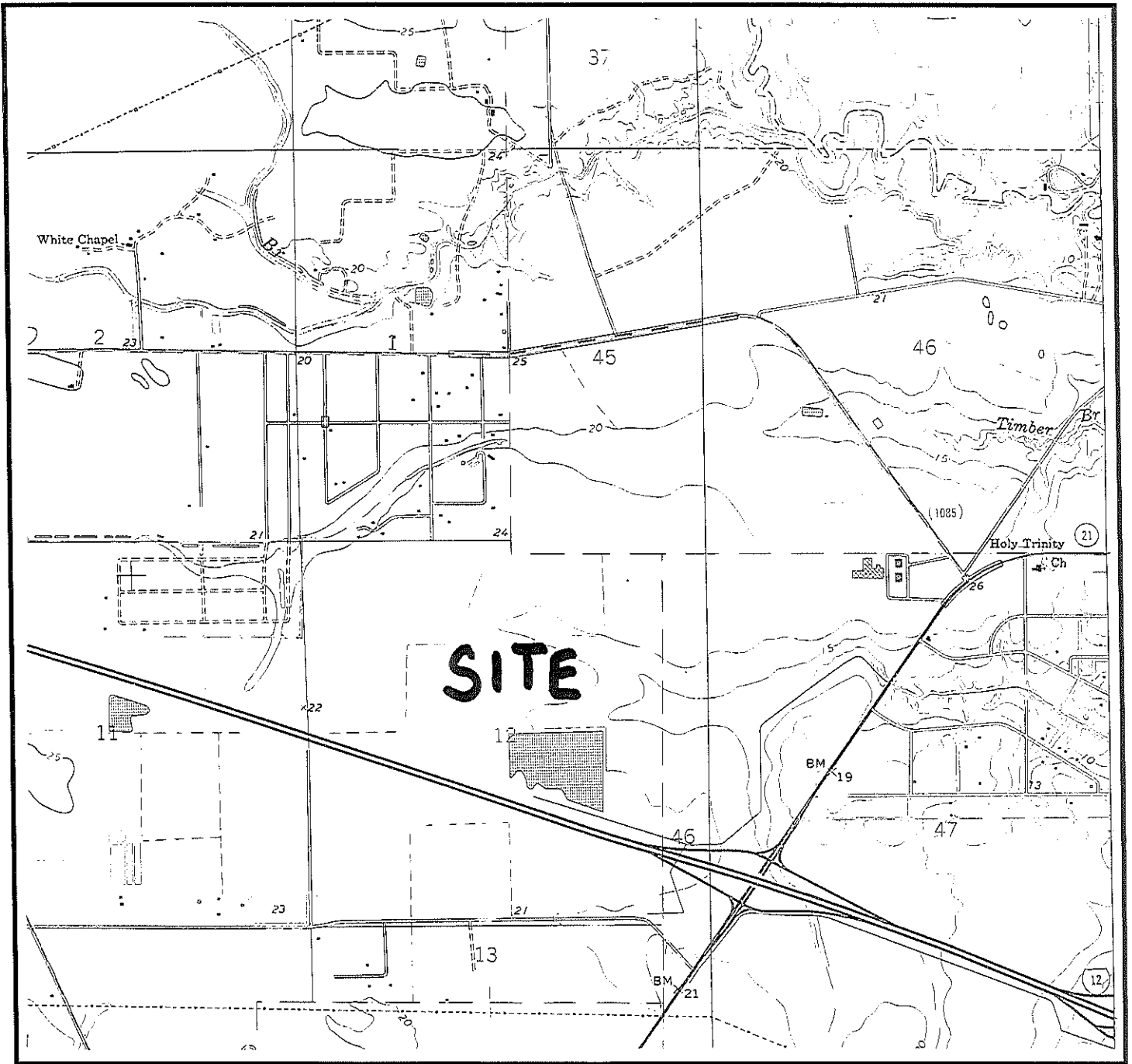
1. Topography and slope.

The topography of the site and surrounding area is primarily flat with gentle slopes. According to the USGS topographic map for the site area, the average surface elevation is between 15 and 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.

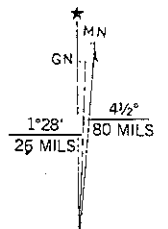
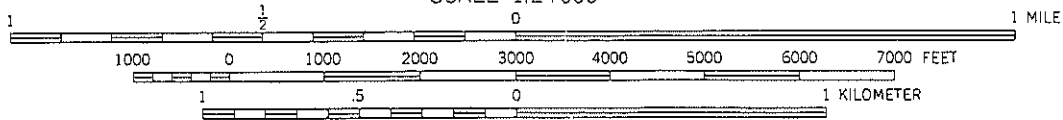
2. Surface water within one mile.

Sewerage treatment lagoons are adjacent to the site along the south side.

FIGURE 1



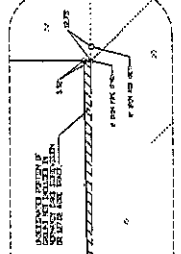
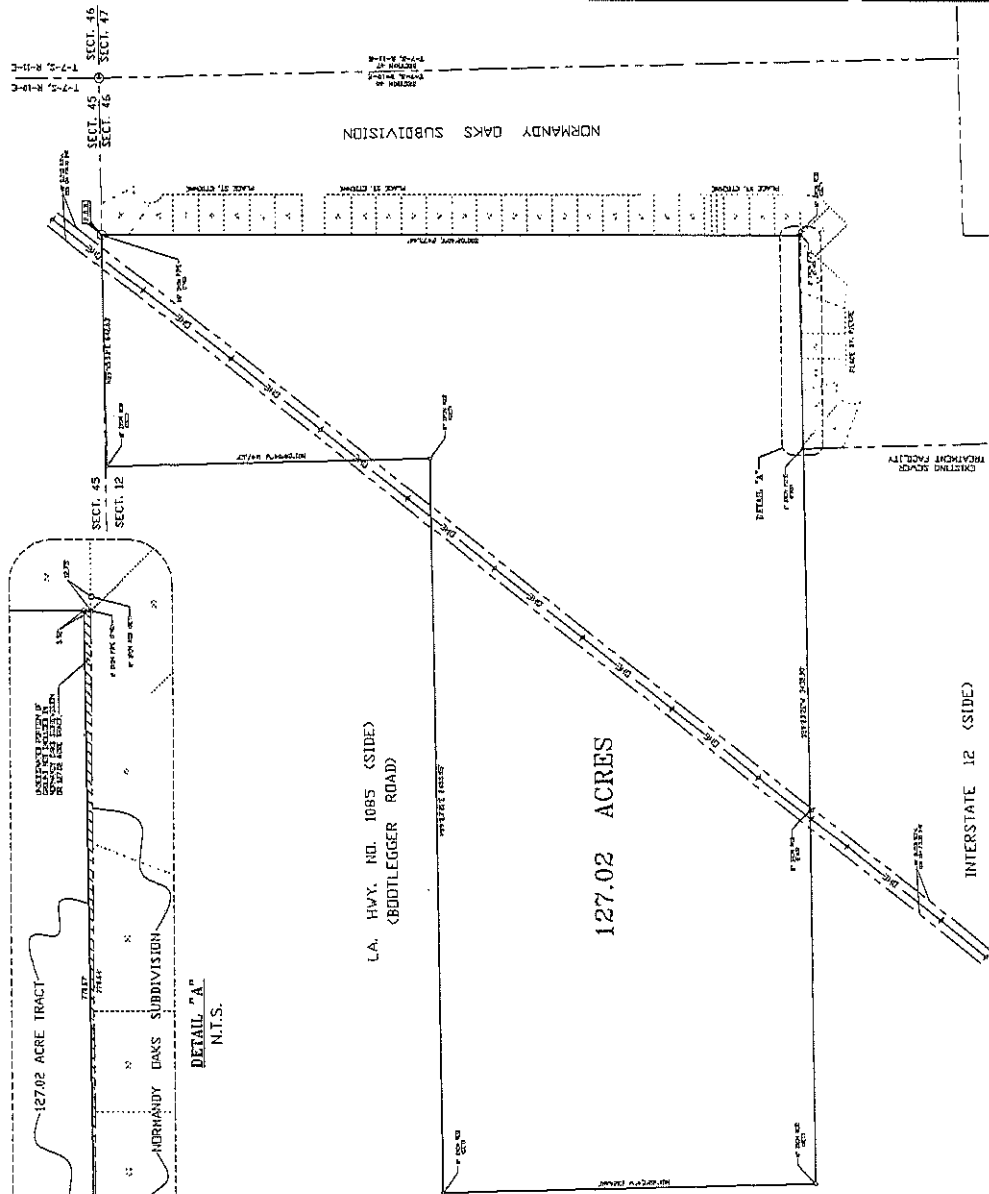
SCALE 1:24 000



SITE LOCATION MAP

WALDEMAR S. NELSON AND COMPANY INCORPORATED ENGINEERS AND ARCHITECTS 1200 ST. CHARLES AVE. NEW ORLEANS, LA		127 Acre Seager Tract Covington, LA		
		Date	Scale	Job No.
June 2005		Above	20050140	Madisonville, LA

SURVEY MAP OF
127.02 ACRE PARCEL OF LAND SITUATED IN
THE NORTH HALF OF SECTION 12, T-7-S, R-10-E
ST. TAMMANY PARISH, LOUISIANA



DETAIL "A"
N.T.S.

L.A. HWY. NO. 1085 (SIDE)
 <BOOTLEGGER ROAD>

127.02 ACRES

INTERSTATE 12 <SIDE>

SEE LEGEND FOR SYMBOLS

LEGEND	
○	PROPERTY CORNER
—	EXISTING TRAIL WAY
⊙	POWER POLE

LEGAL DESCRIPTION OF PROPERTY SITUATED IN
SECTION 12, T-7-S, R-10-E
ST. TAMMANY PARISH, LOUISIANA

A PORTION OF THE NORTH HALF OF SECTION 12, T-7-S, R-10-E, ST. TAMMANY PARISH, LOUISIANA, BEING THE 127.02 ACRES OF LAND DESCRIBED AS FOLLOWS:

THE 127.02 ACRES OF LAND BEING THE NORTH HALF OF SECTION 12, T-7-S, R-10-E, ST. TAMMANY PARISH, LOUISIANA, BEING THE 127.02 ACRES OF LAND DESCRIBED AS FOLLOWS:

THE 127.02 ACRES OF LAND BEING THE NORTH HALF OF SECTION 12, T-7-S, R-10-E, ST. TAMMANY PARISH, LOUISIANA, BEING THE 127.02 ACRES OF LAND DESCRIBED AS FOLLOWS:



THE ENGINEER HAS CONDUCTED A VISUAL INSPECTION OF THE PROPERTY AND HAS FOUND THAT THE PROPERTY IS AS DESCRIBED ON THE SURVEY MAP AND THAT THE PROPERTY IS AS DESCRIBED ON THE SURVEY MAP AND THAT THE PROPERTY IS AS DESCRIBED ON THE SURVEY MAP.

DATE	12/16/04
REASON	

DATE	
REASON	
CHECKED BY	JEB
SCALE	1" = 200'
DATE	12/16/04

SURVEY MAP OF 127.02 ACRE PARCEL OF LAND SITUATED IN
THE NORTH HALF OF SECTION 12, T-7-S, R-10-E
ST. TAMMANY PARISH, STATE OF LOUISIANA

1

GENERAL NOTES

1. THE LOTS OR BLOCKS ARE SHOWN AS BEING THE PROPERTY OF THE STATE OF LOUISIANA AND ARE NOT TO BE CONSIDERED AS BEING THE PROPERTY OF ANY OTHER PARTY.

2. THE LOTS OR BLOCKS ARE SHOWN AS BEING THE PROPERTY OF THE STATE OF LOUISIANA AND ARE NOT TO BE CONSIDERED AS BEING THE PROPERTY OF ANY OTHER PARTY.

3. THE LOTS OR BLOCKS ARE SHOWN AS BEING THE PROPERTY OF THE STATE OF LOUISIANA AND ARE NOT TO BE CONSIDERED AS BEING THE PROPERTY OF ANY OTHER PARTY.

SURVEYOR'S CERTIFICATION

I, JOHN E. BONNEAU, SURVEYOR, DO HEREBY CERTIFY THAT I AM A LICENSED SURVEYOR IN THE STATE OF LOUISIANA AND THAT I HAVE PERSONALLY CONDUCTED THE SURVEY AND THAT THE SURVEY IS ACCURATE AND CORRECT.

DATE: 12/16/04

ENGINEER'S INTEREST

JOHN E. BONNEAU & ASSOCIATES, INC.

Professional Seal of Engineer - State of Louisiana - Commission No. 12114

127.02 ACRES OF LAND SITUATED IN SECTION 12, T-7-S, R-10-E, ST. TAMMANY PARISH, LOUISIANA.



3. *Wetlands.*

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

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. According to Mr. Brandon McCain, property surveyor, the current owner of the site is listed as the Seager family and to the best of his knowledge, the site has never been developed.

One aerial photograph from the USCE – New Orleans District was reviewed. The photograph was dated 1995 and indicated that the site was wooded and undeveloped. There were no structural improvements and no indication of industrial activity on or in the immediate area of 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.

Historical Fire Insurance 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*

The following information was listed on an environmental regulatory database obtained from Environmental Data Resources, Inc. The database report is included as Appendix A.

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 small quantity or large quantity generators listed on the USEPA RCRIS Information System of hazardous waste generators 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 listed within the immediate area of the Site. Potable water is supplied to the site area from a groundwater source.



II. SELECTED REGULATORY ISSUES

A. Air Emission Permits

1. Does the site maintain air permits?

None discovered.

B. Water Permits

1. Does the site have a permit for the discharge of wastewater or stormwater?

None discovered.

2. Does the site utilize a septic tank/package plant sanitary system?

None observed.

C. Waste Issues

The site is undeveloped wooded property and does not generate waste.

D. Underground Storage Tanks (USTs)/Surface Impoundments

1. Was evidence observed which indicates current or prior use of USTs on-site.¹

None observed. According to the LDEQ-USTD, the site is not listed as an operator of a registered UST.

2. Were surface impoundments or landfills observed on-site?

None observed.

E. Soil or Groundwater Issues

None discovered.

¹ Nelson relies on records review to determine the existence of registered USTs. Nelson attempts to look for physical evidence of USTs, however, such evidence may be overlooked since it is often not visible. Information obtained from site inspection and interviews is supplemental to records review.



III. VISUAL OBSERVATIONS

A. Housekeeping

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

B. Asbestos

1. Were suspect asbestos-containing materials (ACM) observed on-site?

None observed.

C. Aboveground Storage Tanks (ASTs)

None observed.

D. Sumps

None observed.

E. PCB's (Polychlorinated Biphenyls)

Were electrical transformers suspect of containing PCBs observed on-site?

None observed.

F. Lead-Based Paint

Were painted surfaces suspect to contain lead-based paint observed?

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 127 acres of undeveloped wooded property identified as the Seager Tract located near Covington, Louisiana. The site is a proposed location for the construction of a new residential substation. With the exception to an Entergy transmission line the property is completely wooded with no roads or structural improvements observed.

The ESA activities included an on-site inspection of the 127 acre site, reviewing selected environmental regulatory databases, site survey documentation, aerial photographs, and USGS topographic quadrangle maps. The on-site inspection activities were conducted on May 26, 2005.

This Phase I Environmental Site Assessment has revealed no evidence of a recognized environmental condition associated with the site. The site 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.



V. REFERENCES

A. Contacts

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

Mr. Brandon McCain
John E. Bonneau & Associates
(985) 368-2809

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

Records Reviewed (partial list):

CERCLIS, February 15, 2005
National Priorities List, April 28, 2005
Emergency Response Notification System, December 31, 2004
RCRA, March 13, 2005
CORRACTS, March 29, 2005
UST, November 4, 2004
LUST, November 1, 2004
Landfill List, July 28, 2004
State Hazardous Waste Sites, November 1, 2004



VI. CERTIFICATION

The field investigation described herein was conducted by an authorized representative of Waldemar S. Nelson and Company, Inc. on **May 26, 2005**.

Report Prepared by:

Keith Prieur

Title:

Keith Prieur

Senior Environmental Scientist

Registered Environmental Assessor

Date:

7-22-05

Quality Control Review by:

Lyndon Soileau

Title:

Lyndon Soileau

Senior Environmental Scientist

Date:

7-22-05