

Appendix 2: Environmental Site Inspection

The *Environmental Site Inspection (ESI)* form is to be completed jointly by the Borrower and Lender to provide environmental information regarding each property offered as security when the collateral charge is under \$3 million. A current Phase I ESA is required to support loans with a collateral charge of \$3 million or greater. The \$3 million threshold increases to \$5 million for transactions adjudicated by RE RM (see Footnotes 2 and 5 in Section 5.2.2. of the Standards & Procedures). If issues of concern are identified using the ESI, a current Phase I ESA will also be required (see Section 5.2.2.)

The ESI may also be used when the need arises for an environmental evaluation that falls outside the scope of the Environmental and Social Credit Risk Management Standards and Procedures (Standards and Procedures).

Note Regarding Specified Risks:

If the subject property falls within the definition of a Specified Risks site, then a current Phase I Environmental Site Assessment (ESA) is also required. Specified Risks include current or former on site or adjacent dry cleaners, retail fuel outlets, marinas, automotive repair facilities, other bulk fuel storage or distribution systems, and sites with underground storage tank systems. Refer to Section 5.2 of the Standards and Procedures for further guidance.

Instructions for Completion:

- The ESI must: be completed by the Borrower and the Lender; be performed in conjunction with current observations of the condition of the property; and reflect an understanding of the current status of environmental records, certificates, licenses and third-party agreements.
- If the Borrower is purchasing the subject property, all reasonable efforts must be made to obtain information from the Vendor in order to complete the ESI. **Obtaining a Phase I Environmental Site Assessment is highly recommended and may be deemed necessary if insufficient site information is available.**
- Separate ESIs are required for each property offered by the Borrower as collateral security.
- **Representative photographs of the subject property and adjacent sites are an integral part of a complete ESI.**
- The ESI declaration must be signed and dated by the Borrower or an officially authorized representative of the Borrower. The Lender must ensure that the Borrower and Lender declarations are appropriately executed.

Section 1: General Information

Name of Borrower or
Borrowing Entity:

CIBC Relationship Manager:

Date of Report:

Property address:

Property owned or being
purchased?

Describe current activities and
operations on subject site:

Property Size
(specify acres, hectares, square
feet or square metres)

Type of Building and Property	Building	Levels above grade	Levels below grade	Building size	Year constructed
	1.				
	2.				
	3.				

Section 2: Background and Historical Site Information

1. How long has the Borrower owned the property (if applicable)? _____
2. What is the drinking water source for the property? (Municipal system or on-site well?) _____
3. To the best of your knowledge, please respond to the following historical information questions:
 - What are the previous uses of the property over the past 50 years?

 - Was the property used as a gas station, dry cleaner, landfill/dump, quarry, waste treatment site or for heavy industrial use? (Yes / No / Unknown) If yes, please describe:

 - Were aboveground or underground storage tanks for petroleum products or other liquid chemicals located at the property? (Yes / No / Unknown) If yes, please provide known details, including: tank size (e.g., 900 litre); aboveground or underground; former location on site; tank use (e.g., heating oil).

 - Was an oil/water separator ever used at the property? (Yes / No / Unknown)

 - Were other hazardous chemicals (pesticides, herbicides, fertilizer) stored in bulk quantities at the property? (Yes / No / Unknown) If yes, please describe:

 - What are the historical heating sources for buildings on the property (other than natural gas)?

 - Was any fill material accepted onto the site for infill or grade level changes? (Yes / No / Unknown) If yes, please describe:

 - Have previous structures existed on the site? If so, please describe previous building uses.

4. Have any environmental investigations been performed either prior to or since the acquisition of the property? (Yes / No) If yes, please provide copies.

5. Have any environmental investigations indicated the presence of contaminants at the property? (Yes / No/ Not Applicable)
- If yes, was further assessment and/or remediation of contaminants necessary? (Yes / No / Not Applicable)
 - If yes, was remediation performed and completed? (Yes / No / Not Applicable)
 - If yes, please provide copies of remediation reports.

Section 3: Current Site Information and Observations

1. Are there any aboveground or underground storage tanks located at the property? (Yes / No) If yes, please describe for each tank:
- Tank Use (e.g., heating oil, motor fuels, lubricants, waste liquids, chemical storage, emergency generator fuel, other uses – please specify; or out-of-service);
 - Capacity, construction material and year of manufacture;
 - Contents;
 - Type of secondary containment (if any) e.g., double-wall tank, spill pan, dike, concrete vault (please specify):
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2. Indicate the current heating system for the property (natural gas, oil, propane, electric, geothermal, or other – please specify):
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3. Are hydraulic elevating devices used at the property (e.g., hoists, elevators, loading dock lifts)? (Yes / No) If yes, please describe:
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4. Are paint spray paint booths operated at the property? (Yes / No) If yes, please describe:
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5. Are any industrial drums or bulk containers of chemicals, pesticides, herbicides, fertilizer, paints, solvents etc. located on the property? (Yes / No) If yes, please describe and quantify:
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6. Are production chemical and waste chemical storage areas equipped with secondary containment (e.g., spill pans, diked storage rooms, double-wall tanks) and protected from vehicular impact? (Yes / No / Not Applicable) If yes, please describe:
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7. Is the property equipped with emergency power generating systems with associated fuel storage? (Yes / No) If yes, please describe:
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8. Are there any environmentally-related easements, rights-of-way, etc., associated with or adjacent to the property (e.g., petroleum/gas wells, underground pipelines)? (Yes / No) If yes, please describe:
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9. Indicate the type of sanitary connection at the property (municipal connection, holding tank, septic system or combination - please specify):

10. Are any waste pits, floor sumps, cisterns, waste treatment facilities or waste treatment ponds/lagoons on the property? (Yes / No) If yes, please describe:

11. Are oil/water separators currently in use on the property? If so, please describe:

12. Whether the interceptor is connected to a sanitary sewer or a septic system:

13. How frequently the interceptor is inspected:

14. How frequently the contents are removed for disposal:

15. Are any damaged or discarded automobile components, industrial batteries, chemicals or paint containers located on the property? (Yes / No) If yes, please describe:

16. Is there any evidence of stained asphalt, concrete, gravel, damaged or dead vegetation or other evidence of spills or leaks observed on the property? (Yes / No) If yes, please describe:

17. Is the property adjacent or nearby to any gas stations, bulk petroleum or chemical storage and handling facilities, dry cleaners, landfills/dumps, quarries, waste treatment sites or heavy industry? (Yes / No) If yes, please describe:

18. Is the property adjacent or nearby to properties where improper storage, dumping, spillage, or leaks have been observed? (Yes / No) If yes, please describe.

Section 4: Regulatory and Operational Compliance Management

1. Is there an officer of the company designated with specific responsibility for environmental compliance issues? (Yes / No) If yes, please identify:

2. Does the company have an environmental policy and associated environmental management processes and training? (Yes / No) If yes, please describe:

3. Are all applicable environmental operating permits (e.g., waste generation, waste disposal, air emissions, etc.) in place and in good standing? (Yes / No)

4. Does the property currently require, or is undergoing, remediation of contamination? (Yes / No) If yes, please describe:

5. Are any environmentally-related regulatory orders, actions, or violations of permits or laws involving the property or site operations known to the Borrower? (Yes / No) If yes, please describe:

6. Are any environmentally-related civil claims, actions, lawsuits, complaints or disputes by third-parties involving the property known to the Borrower? (Yes / No) If yes, please describe:

7. Is the Borrower aware of any pending changes to environmentally-related statutes, regulations, or by-laws that could materially impact the property or business? (Yes / No) If yes, please describe:

8. Are the Borrower's operations at the property protected from environmental liability by insurance coverage? (NOTE: Most general liability policies specifically exclude claims related to environmental impacts). (Yes / No) If yes, please describe:

Additional Information:

1. Are there any other environmentally related issues at your facility that you wish to make us aware of when assessing your loan application? If so, provide details or attach separately to this form.

2. Were there any circumstances beyond your control (e.g., weather conditions, on-site construction) that limited your ability to accurately complete this form? (Yes / No) If yes, please describe:

Final Review:

Representative photographs are essential to ensure the prompt evaluation of the Environmental Site Inspection form. Please ensure photographs are provided for any issues that are identified during this Inspection, and for overall visual coverage of the property.

Borrower Attestation:

I declare that the information provided is true and complete. I understand that this information is required and will be relied upon by Canadian Imperial Bank of Commerce (CIBC) as part of its overall risk assessment of my loan application. I also understand that if these answers are found to be incorrect, then this could result in the rejection of the loan application or if financing has already been provided, a loan default.

Borrower Signature	Title	Date
(I have the authority bind the corporation)		

Lender Attestation:

I have reviewed the *Environmental Site* Inspection form completed by _____ [Borrower] and have considered the information provided in this Review as part of my risk assessment and credit recommendation.

Lender Signature	Title	Date
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