



**N.C. Department of Agriculture & Consumer Services**  
N.C. ADFP Trust Fund  
*Environmental Audit Requirements and Checklist  
for Conservation Easement Programs*



An Environmental Audit (EA) or Environmental Site Assessment (ESA) identifies potential or existing environmental contamination liabilities. The analysis addresses the underlying land and physical improvements to the property.

An EA can be conducted by USDA NRCS staff using the latest version of the NRCS Hazardous Materials Checklist and Landowner Interview, local soil and water conservation district staff using the latest version of the NRCS Hazardous Materials Checklist and Landowner Interview or equivalent, or with an environmental firm qualified to conduct Phase I Environmental Site Assessments.

For USDA NRCS Agricultural Land Easement (ALE) or Regional Conservation Partnership Program (RCPP) projects, only an EA conducted by USDA NRCS staff using the latest version of the NRCS Hazardous Materials Checklist and Landowner Interview will be accepted.

If the on-site inspection identifies environmental conditions that negatively impact the property, such as the presence of petroleum products or hazardous substances in the subsurface of the site, and these findings necessitate further investigation of environmental conditions with a Phase II ESA or equivalent, **the Grantee is required to conduct these assessments through a qualified environmental firm.**

**If the EA or ESA includes required remediation to resolve environmental concerns, the Grantee must complete all required remedies in the EA or ESA and are encouraged to complete all recommended remedies. All required remedies must be completed before the recording of the conservation easement.**

**The conservation easement project will be canceled if the remediation requests identified therein are not completed.**

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*The Grantee is responsible for verifying that a subcontractor meets the requirements described below and supplying the subcontractor with the attached checklist. Failure to do so may result in the rejection of due diligence items and subsequent delays.*

For Agricultural Conservation Easement Program Agricultural Land Easements (ACEP-ALE) or RCPP transactions, these requirements and instructions are in addition to any closing instructions provided by the United States Department of Agriculture (USDA) Natural Resource Conservation Service (NRCS).



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The Parties to this transaction are as follows:

State of North Carolina:

N.C. Dept. of Agriculture & Consumer Services  
NC ADFP Trust Fund  
2 West Edenton Street  
Raleigh, NC 27601

**Landowner/Grantor (name & address below):**

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_, \_\_\_\_\_

**Eligible Entity/Grantee (name & address below):**

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_, \_\_\_\_\_



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#### **Environmental Assessment Qualifications**

- Qualified individuals to complete an environmental assessment include:
  - USDA NRCS staff using the latest version of the NRCS Hazardous Materials Checklist and Landowner Interview.
  - Local soil and water conservation district staff using the latest version of the NRCS Hazardous Materials Checklist and Landowner Interview or equivalent.
  - An environmental firm qualified to conduct Phase I Environmental Site Assessments. The report must meet the requirements of ASTM E 1527-21 Standard Practice for Environmental Sites Assessments: Phase I Environmental Site Assessment Process and EPA Standards and Practices for All Appropriate Inquiry per 40 CFR Part 312 and include the latest version of the NRCS Hazardous Materials Checklist or equivalent. Phase I ESA was completed in accordance with the American Society for Testing and Materials (ASTM) Standard Guide for Environmental Site Assessments: Phase I Environmental Site Assessment Process, Designation E1527-21.
- For USDA NRCS Agricultural Land Easement (ALE) or Regional Conservation Partnership Program (RCPP) projects, only an EA conducted by USDA NRCS staff using the latest version of the NRCS Hazardous Materials Checklist and Landowner Interview will be accepted.

#### **Preparer and Grantee Responsibilities**

- Provide contractors with a copy of the following checklist to reference and review the report *prior to* submission to NCDA&CS staff.
- Complete the Audit pursuant to the requirements contained herein and furnish the Grantee and NCDA&CS an electronic copy for review.
- If applicable, forward copies of the report to partnering funding agencies.
- Supply the report to any contracted appraisers to be used in the valuation of the conservation easement purchase price.
- The Environmental Audit or Environmental Site Assessment is a standalone document and must be submitted as such. Additionally, it should be included in the Baseline Documentation Report.



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- Alert NCDA&CS staff immediately following any evaluation that finds evidence of *Recognized Environmental Concerns* or other issues that warrant either a Phase II or remediation prior to closing. This includes trash or debris within the easement area.

**NOTE: The Environmental Assessment is valid for one year (365 days) from the effective date. If the conservation easement is not closed within that time, an update must be submitted.**

*By signing this “Environmental Audit Requirements and Checklist for Easement Programs”, I am certifying that I meet the requirements set forth herein, which ensure that the State funds received for the purchase of the subject easement are handled in a manner that protects the interest of the State of North Carolina.*

\_\_\_\_\_  
Signature of Preparer

\_\_\_\_\_  
Date

\_\_\_\_\_  
Name of Preparer

*By signing this “Environmental Audit Requirements and Checklist for Easement Programs”, I agree to the practitioner qualifications and the requirements.*

\_\_\_\_\_  
Signature of Grantee Representative

\_\_\_\_\_  
Date

\_\_\_\_\_  
Name and Title of Grantee Representative



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**Environmental Audit (EA) Requirements Checklist**



	<ol style="list-style-type: none"> <li>1. Summary Page           <ol style="list-style-type: none"> <li>a. Conservation Easement Farm and Landowner Name (s) (as appears on the preliminary title policy)</li> <li>b. ADFPTF Tracking Number</li> <li>c. Date of Inspection</li> </ol> </li> </ol>
	<ol style="list-style-type: none"> <li>2. Site Description           <ol style="list-style-type: none"> <li>a. Written Description of Current Land Uses and Improvements that matches the description found in the Baseline Documentation Report.</li> <li>b. Written description of all types of land use on the easement and surrounding area.</li> <li>c. Written description of implied and prevalent easement ingress and egress.</li> <li>d. Photos depicting ingress and egress as well as any access easements that remain within the conservation easement.</li> <li>e. Photos of EACH land use and Improvement including Farmstead Building Envelope Area.</li> <li>f. Updated Map with photo points and land improvements or features identified.</li> </ol> </li> </ol>
	<ol style="list-style-type: none"> <li>3. Written description of Trash and Debris           <ul style="list-style-type: none"> <li>o Any trash, debris, chemicals, abandoned equipment and vehicles or other non-natural land use MUST be identified, photographed, and mapped.</li> </ul> </li> </ol>
	<ol style="list-style-type: none"> <li>4. Checklists, Prescreen and Landowner Interview or equivalent           <ol style="list-style-type: none"> <li>a. Written description of any <i>Yes or Unknown</i> Checklist Items from the Hazardous Materials Checklist, Landowner Interview or Environmental Concern Prescreen.</li> <li>b. Every question MUST be addressed.</li> <li>c. Must Include written description of EACH checklist item without a NO response- this will be separate to the actual form.</li> <li>d. Must Include a written description of Item G on Hazardous Materials Checklist- what was found and which federal or state agency sites were searched.</li> <li>e. Must identify and environmental liens on the property- past or present</li> </ol> </li> </ol>



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	<p>5. A completed, dated, and signed Hazardous Materials Checklist</p> <ul style="list-style-type: none"> <li>○ This is required for an Environmental Audit or Full Phase I ESA</li> </ul>
	<p>6. A completed, dated, and signed Landowner Interview</p> <ul style="list-style-type: none"> <li>○ This is required for an Environmental Audit or Full Phase I ESA</li> </ul>
	<p>7. Environmental Opinion</p> <ul style="list-style-type: none"> <li>a. A certified statement with the environmental opinion review of the land by the agency performing the EA or ESA</li> <li>b. Must Include on-site AND offsite REC findings as well as indications of trash and debris.</li> <li>c. Must include discussion of Above and Below Ground Storage Tanks</li> <li>d. Name, signature, and date of the land investigator and or reviewer</li> <li>e. Brief qualifications of the reviewer</li> </ul>
	<p>8. Addenda</p> <ul style="list-style-type: none"> <li>○ NCDA&amp;CS Approved Survey</li> <li>○ Environmental Records Search (if applicable)</li> <li>○ Map of the Conservation Area associated with the EA that includes any land improvements or special land use features</li> <li>○ Documentation of land ownership associated with the EA, such as a property tax card, land deed, etc.</li> <li>○ Must match the preliminary title policy and preliminary attorney’s signed title opinion.</li> </ul>
	<p><i>Note: If a Phase I ESA has been performed, the items within the checklist, including addenda items, must be included within the submitted report.</i></p>