EDR®

CONFIDENCE ORANGE COUNTY INDEX

INTRODUCTION

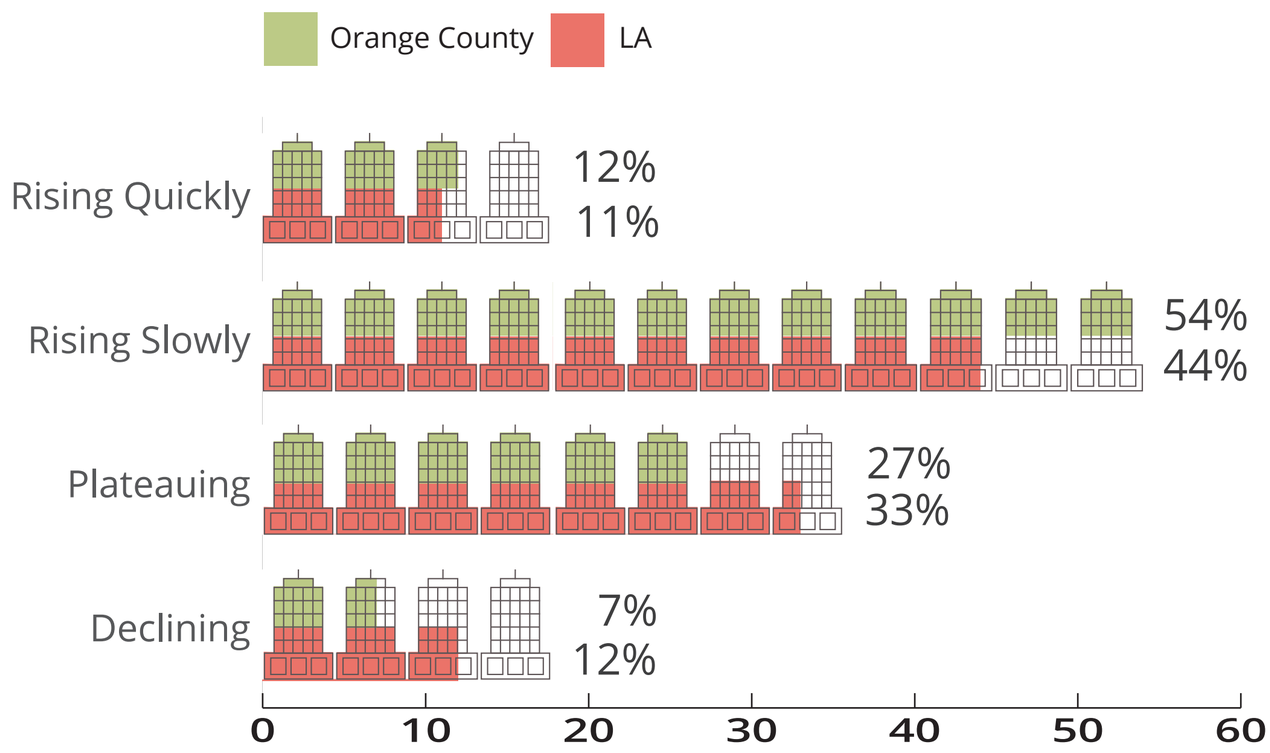
The Orange County Market Confidence Index is based on a survey of local environmental due diligence professionals that was conducted in early December 2016, prior to EDR's DDD workshop in Irvine on December 6, 2016 to gauge the audience's perspective on the current state of the environmental site assessment (ESA) market.

"Increasing after a slow period."

"Busier than last year, but with concerning ebbs in work on occasion."

"Picking up over the last couple years."

THE ORANGE COUNTY & LA DUE DILIGENCE MARKET IS:



66% characterize Orange County as a growing market... and 55% for LA.

HOW RISK-AVERSE ARE YOUR CLIENTS:

In Orange County & LA, lender risk aversion is 3.08 on a scale from 1 to 5. Investors were slightly less risk averse at 2.93.

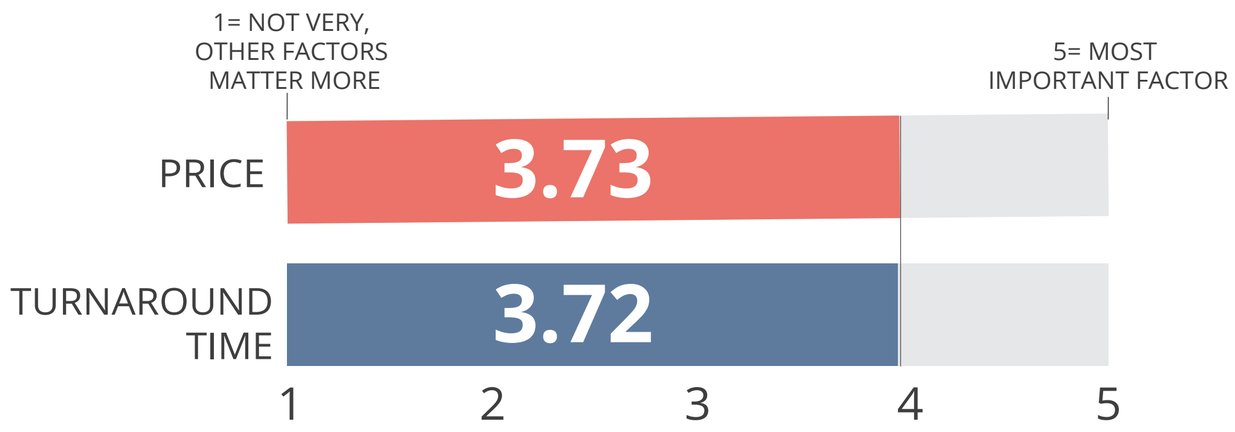
2.93 Risk Aversion of your INVESTOR clients

3.08 Risk Aversion of your LENDER clients

1= very tolerant of "red flags"
5 = very risk averse

PRICE AND TURNAROUND TIME SENSITIVITY

How sensitive are your clients to price and turnaround time in selecting a Phase I ESA provider?



"One out of three respondents picked "5."

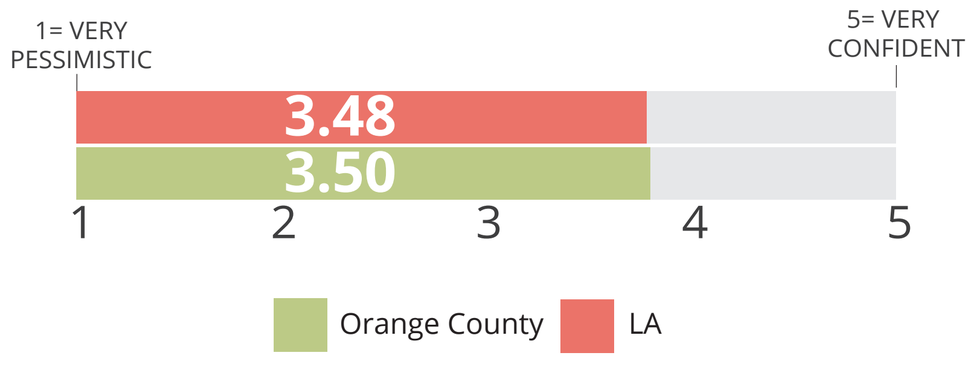
"Commoditization of services with emphasis on low cost and rapid turnaround time."

TOP 3 CHALLENGES ENVIRONMENTAL PROFESSIONALS FACE

1. Intense competition
2. Pressure to lower price
3. Pressure for fast delivery

MARKET OUTLOOK

On a scale of 1-5, what is your outlook for the Orange County & LA due diligence market just one year from now?



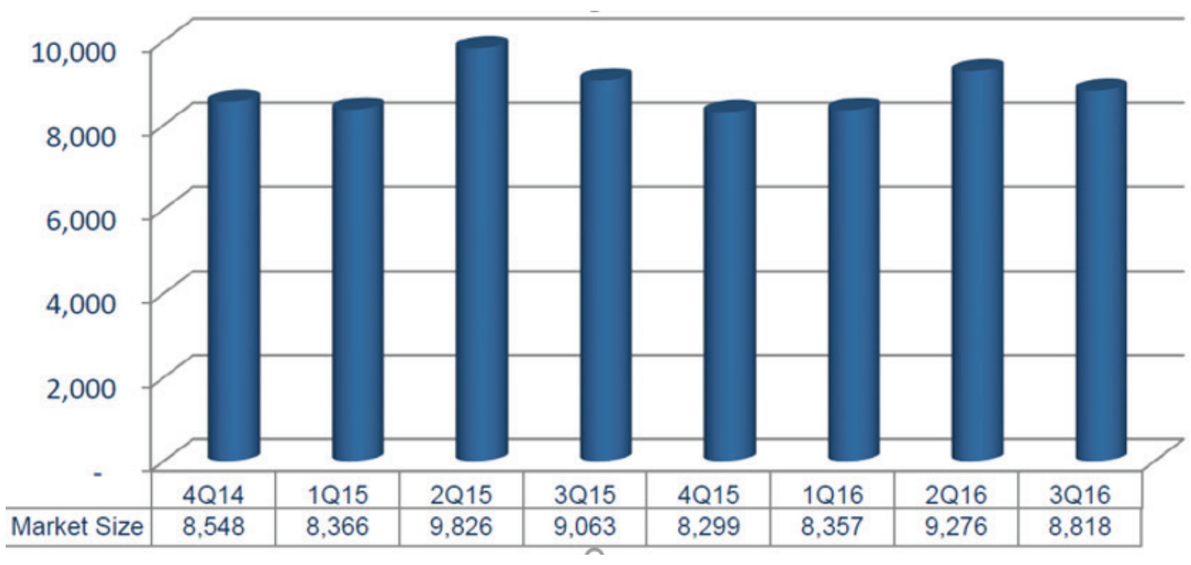
"Growing due to housing needs."

"Highly competitive, cyclical market."

EDR ScoreKeeper™ State Profile - Third Quarter 2016: California

CA volume flat YonY through the end of the 3rd quarter.

CALIFORNIA: PHASE I ESA TREND LINE...



TOP 50 U.S. METROS WITH CA COMPONENTS

Market	Rank (out of Top 50 Metros in U.S.)	Phase I Transactions (3Q16)	Percent Change (3Q16 vs. 3Q15)
Los Angeles, CA	2	2576	-3%
Inland Empire (Riverside, CA)	14	952	-7%
San Diego, CA	16	777	5%
East Bay (Oakland, CA)	18	664	1%
Orange County, CA	20	577	-3%
San Francisco, CA	22	546	9%
Sacramento, CA	30	501	-3%
San Jose, CA	36	458	4%

EDR ScoreKeeper™ State Profile
Third Quarter 2016: California

The EDR ScoreKeeper™ service is the market monitor for the environmental due diligence industry. EDR clients rely on ScoreKeeper™ reports for strategic intelligence on Phase I environmental site assessment activity by region, state, metropolitan area and individual firm. For more information, visit www.edrnet.com/scorekeeper.