



# **PHASE I ENVIRONMENTAL SITE ASSESSMENT REPORT**

**RETAIL CENTER  
404 WEST MAIN STREET  
AZLE, TEXAS 76020**

**AUGUST 22, 2023**

**PROJECT 2307572**

**PREPARED FOR:**

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## EXECUTIVE SUMMARY

Environmental Performance, Inc. (EPI) has completed the requested Phase I Environmental Site Assessment Report (Phase I ESA) on behalf of Veritex Bank in accordance with the terms of the Authorization Letter dated July 25, 2023. The subject property, a retail center (also referred to as “site” or “property” in this document), is located at 404 West Main Street, Azle, Parker County, Texas 76020.

This Phase I ESA was conducted in general accordance with the American Society for Testing and Materials (ASTM) *Standard Practice for Environmental Site Assessments: Phase I Site Assessment Process* (ESA, or Phase I), E1527 – 21 and the *All Appropriate Inquiry* (AAI) Rule 40 CFR Part 312. The objective of this evaluation was to identify potential current and/or historical Recognized Environmental Conditions (REC) that may be present at the subject property. Mr. Rick Robertson, PG, of EPI conducted the property inspection on August 18, 2023. EPI professional Ms. Kalee McDevitt has prepared this report under the supervision and guidance of the Environmental Professional.

The subject property and vicinity were residentially developed prior to 1956. The area began commercial development c1963, at which time, the dry cleaner to the northwest was constructed. The dry cleaner building was removed by 1981. The subject property was redeveloped commercially c1990, and the retail center was expanded to the current configuration c2001.

A water well was previously located near the northwest corner of the property, associated with the former residence. The well is no longer on the property.

112 Industrial Avenue (adjacent N), doing business as (dba) Azle Annex Shopping Center, is listed in the Innocent Owner/Occupant Program (IOP, ID 151) with closure c2000, and reentered into the IOP (ID 272) with the property expanded to include the retail center across Industrial Avenue (112-141 Industrial Avenue). The contaminants of concern (COCs) for these properties come from a dry cleaning operation. Historical records indicate that a dry cleaner was located at 420 West Main Street (northwest of the subject property, at the intersection of West Main Street and Industrial Avenue) from c1965 to c1975, and is thought to be a part of the cause for the contamination. ***Because the IOP was granted to the north adjacent property, and the contamination is suspected to be coming from a property that is adjacent to the subject site, this is interpreted as a Recognized Environmental Condition for the subject property.***

ASTM and supplemental databases queried indicate many sites within the database search radii, however, ***because of the nature of the listing, age of the listing, location, and/or the distance and hydrogeology from the subject property, none is interpreted as a Recognized Environmental Condition for the subject property.***

## Conclusions and Recommendations

We have performed a *Phase I Environmental Site Assessment* in conformance with the scope and limitations of ASTM Standard Practice E1527 – 21 of 404 West Main Street, Azle, Parker County, Texas 76020, the subject property. Any exceptions to, or deletions from, this practice are described in Section 9.2 of this report.

### Controlled Recognized Environmental Conditions

***This assessment has not revealed evidence of Controlled Recognized Environmental Conditions in connection with the property.***

### Historical Recognized Environmental Conditions

***This assessment has not revealed evidence of Historical Recognized Environmental Conditions in connection with the property.***

**Recognized Environmental Conditions**

112 Industrial Avenue (adjacent N), doing business as (dba) Azle Annex Shopping Center, is listed in the Innocent Owner/Occupant Program (IOP, ID 151) with closure c2000, and reentered into the IOP (ID 272) with the property expanded to include the retail center across Industrial Avenue (112-141 Industrial Avenue). The contaminants of concern (COCs) for these properties come from a dry cleaning operation. Historical records indicate that a dry cleaner was located at 420 West Main Street (northwest of the subject property, at the intersection of West Main Street and Industrial Avenue) from c1965 to c1975, and is thought to be a part of the cause for the contamination. ***Because the IOP was granted to the north adjacent property, and the contamination is suspected to be coming from a property that is adjacent to the subject site, this is interpreted as a Recognized Environmental Condition for the subject property.***

**Recommendations**

***A Phase II subsurface investigation should be performed with soil, groundwater, and vapor samples collected to determine if the subject site has been impacted by contaminants of concern (COCs).***

## 1.0 INTRODUCTION

### 1.1 Site Location and Tax Information

The property is located at 404 West Main Street, Azle, Parker County, Texas 76020. A map depicting the property and the adjacent roads observed in the vicinity during the reconnaissance, and a property diagram showing significant improvements, are included as Appendix 1. Copies of photographs taken during the site reconnaissance are provided as Appendix 2. A copy of the tax records is presented in Appendix 3. The 50-year chain-of-title search was conducted by the user or their lending institution.

No chain-of-title search concerns were communicated to EPI by the user.

According to the Parker County Appraisal District records, the site has the legal description of Acres: 2.090, Lot: 1, Blk: 2, Subd: EMANUEL J R SUBDIVISION. The subject property is listed under Property ID R000007595 with TROJACEK PROPERTIES LLC listed as the current owner. The tax file indicates the following ownership and transaction records:

Sold By	Volume	Page	Deed Date	Instrument
LIGHTHOUSE CHRISTIAN FELLOWSHIP			2/11/2013	201303606
GREEN LIGHT MINISTRIES INC	2821	797	12/22/2010	757624
LIGHTHOUSE CHRISTIAN FELLOWSHIP/AZLE	2659	643	8/4/2008	690126
HAGEN REX	2222	1259	5/18/2004	
HANGSI SA	2065	861	12/9/2002	
KLL INC	1839	262	9/29/1999	
n/a	1502	01476	7/2/1991	

### 1.2 Purpose

Environmental Performance, Inc. (EPI) was retained by Veritex Bank to conduct the Phase I ESA for the property to satisfy their due diligence needs. This assessment was designed to provide an objective, independent, professional opinion of the potential environmental risks associated with the property, if any.

### 1.3 Scope of Services

The assessment was conducted in accordance with the ASTM's *Standard Practice for Environmental Site Assessments: Phase I Environmental Site Assessment Process* E1527 – 21, the *All Appropriate Inquiry* (AAI) Rule 40 CFR Part 312, and any other scope of work provided by the Client, and generally accepted industry standards. The following are EPI's scope of services based upon the referenced standards.

In defining a standard of good commercial and customary practice for conducting an ESA of a parcel of property, the goal is to identify RECs. The term "**Recognized Environmental Conditions**" is defined as "(1) the presence of hazardous substances or petroleum products in, on, or at the subject property due to a release to the environment; (2) the likely presence of hazardous substances or petroleum products in, on, or at the subject property due to a release or likely release to the environment; or (3) the presence of hazardous substances or petroleum products in, on, or at the subject property under conditions that pose a material threat of a future release to the environment." (§3.2.73)

The due diligence satisfies one of the requirements to qualify for the innocent landowner, contiguous property owner, or bona fide prospective purchaser limitations on *Comprehensive Environmental Response, Compensation, and Liability Act* (CERCLA) liability, also known as *Innocent Landowners, Standards for Conducting All Appropriate Inquiries* (40 CFR §312). As such, this Phase I ESA is intended to permit a user to satisfy one of the requirements to qualify for the Innocent Landowner Defense; that is, the practices that constitute "...all appropriate inquiry into the previous ownership and uses of the property consistent with good commercial or customary practice..." (§3.2.6)

It is important to note that the scope of this investigation is limited to an inspection using the physical senses to identify areas of potential concern to real property and a review of readily accessible governmental databases. The inspection does not include a regulatory compliance audit of the facility. There are detailed regulations concerning the proper use, storage, and disposal of hazardous and regulated material. These regulations include, and are not limited to, permitting, record keeping, and manifesting requirements, as well as community and employee right-to-know laws. It is typically the responsibility of the operator of a facility to maintain their entity in compliance with such regulations.

#### **1.4 User Reliance**

This report was prepared for the sole benefit of Veritex Bank and may not be used or relied upon by others without the prior written authorization of EPI. Each subsequent user must satisfy the User's Responsibilities set forth in Section 6 of ASTM Standard Practice E1527 – 21 to qualify for the landowner liability protection under CERCLA.

#### **1.5 Special Terms and Conditions**

No special terms and conditions were applicable for this report. Veritex Bank requests that their User Questionnaire form be included. This form is attached in Appendix 4.

#### **1.6 Significant Assumptions**

EPI assumes that there are no hidden environmental conditions on the property including the subsurface, groundwater, structures or surrounding, which would have an adverse effect on the property. EPI assumes no responsibility for such conditions or for the inspection and engineering that might be required to discover such conditions.

EPI collects data from various sources regarding the subject and surrounding properties in preparing this report. In doing so, EPI assumes that the data provided by the sources is reliable and true. EPI assumes no responsibility for any inaccuracies in such information.

**In the preparation of this report, EPI has made assumptions and used ASTM Standard Practice E1527 – 21 definitions.** An abridged glossary of these definitions is provided as Section 10.0.

#### **1.7 Limitations and Exceptions**

This investigation was conducted on behalf of and for the exclusive use of EPI's Client, solely for use in an environmental evaluation of the subject property. This Report and findings contained herein shall not, in whole or in part, be disseminated or conveyed to any other party, nor used by any other party, in whole or in part without prior written consent of EPI. However, EPI acknowledges and agrees that the Report may be conveyed to and relied upon by the Client, the lender, the title insurer, and other parties associated with the property transfer of the subject property by the Client, subject to the limitations of this Report and the Letter of Engagement.

In preparing this Report, EPI has relied on information provided by the Client and has utilized information gathered by our own inspection, in-house interpretation, requirements set forth by various agencies governing environmental interpretation and regulations, information obtained from public record search, State, Federal, and local databases, other secondary sources, and personal interviews. Except as set forth in the Report, EPI has made no independent investigation as to the accuracy and completeness of the information obtained from these secondary sources or personal interviews and has assumed such information to be accurate and complete.

Although industry standard practices were employed, environmental evaluations are inherently limited given that the conclusions and recommendations are developed from limited site evaluation and research. As it is often necessary to rely on information prepared or obtained from others, EPI cannot be responsible for the accuracy of information

obtained from these sources. Additionally, changes may result with the passage of time with respect to site characteristics and those of surrounding properties.

EPI and its representatives do not warrant future changes in operation or conditions, nor warrant conditions present of a type or at a location not addressed in this Report. **This report is considered valid for the user for 180 days from initial issuance.** The date of the report does not represent the date the individual components were completed and should not be used when evaluating compliance with 180-day or one-year all appropriate inquiries requirements. The Appendices include the date of the respective component. SBA may consider this report valid for one year after the date of initial issuance.

Soil and groundwater testing was not performed with the Scope of Services. Such efforts were outside the scope of work performed, and data obtained from such an investigation, if performed, might be different from those implied by this Report. This study is not intended to establish whether soil contamination, waste disposal, or groundwater contamination is present at the subject property or on surrounding properties. Such knowledge is obtained from soil and groundwater testing by the installation of soil borings and groundwater monitoring wells. Based on the Scope of Services, EPI cannot warrant subsurface conditions.

Reasonable efforts were made within the scope of this assessment to identify the presence of underground and aboveground storage tanks and ancillary equipment on the property. Limitations to this Report exist with regard to storage tanks, in as much as information was gained solely by review of unobstructed areas, database information, and interviews. Such methods (which are considered industry standard) do not preclude the actual presence of subsurface equipment (including underground tanks) or regulated materials, which are hidden from view due to historical activity such as paving, re-grading, construction, debris pile storage, or incorrect recollection of sources interviewed. Similarly, there is a possibility that additional UST facilities not listed in the state's files may exist at the facility or abutting/adjacent properties, due to the owner/operator registration negligence or filing errors with the state.

Conclusions regarding the potential environmental impact of offsite facilities to the subject property is based on available information from environmental databases and assumed groundwater flow direction (based on the regional topographic slope). True groundwater conditions, including the direction of flow, specifically at the subject property, can only be determined through the installation of monitoring wells on site.

**No Phase I Environmental Site Assessment can wholly eliminate uncertainty regarding the potential for Recognized Environmental Conditions in connection with a property.** Performance of this practice is intended to reduce, but not completely eliminate, uncertainty regarding the potential for Recognized Environmental Conditions in connection with a property, and this practice recognizes reasonable limits of time and cost.

The information and conclusions contained in this Report are based on physical inspection, search of appropriate public records, and research into the prior use of subject and adjacent properties. EPI is not obligated to identify mistakes or insufficiencies in information provided. However, EPI will make a reasonable effort to compensate for mistakes or insufficiencies in the information reviewed that are obvious in light of other information of which the environmental professional has actual knowledge. The environmental investigation described herein is limited to the issues cited and is not intended to address all concerns and problems not specifically within the scope of services. Not every property will warrant the same level of assessment. Consistent with good commercial and customary practice, the appropriate level of environmental site assessment will be guided by the type of property subject to assessment, the expertise and risk tolerance of the user, and the information developed in the course of the inquiry.