

**REPORT ON PHASE I ENVIRONMENTAL
SITE ASSESSMENT**

DESIGNATION: Stetson Village

LOCATION: Northeast Corner of Happy Valley Road and
39th Drive in Glendale, Arizona

CLIENT: Pederson Group and
Arizona State Land Department

PROJECT NO: 211817EA

DATE: August 27, 2021

AAI DATE: July 21, 2021

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1.0 INTRODUCTION

This report presents the results of a Phase I Environmental Site Assessment (ESA) conducted on the Stetson Village shopping center herein identified as the subject Property located at the northeast corner of Happy Valley Road and 39th Drive in Glendale, Arizona. The work was authorized by Mr. Rob Bassett of Pederson Group, Inc. and was performed in accordance with our Proposal No. 77401E dated June 21, 2021 and signed June 23, 2021.

1.1 Purpose and Scope of Report

This ESA report is conducted in conformance with ASTM Standard Practice E 1527-13 (herein denoted ASTM 1527) dated November 2013 to reflect a commercial and customary practice in the United States of America for conducting an environmental site assessment of a parcel of commercial real estate with respect to the range of contaminants within the scope of Comprehensive Environmental Response, Compensation and Liability Act (CERCLA) (42 U.S.C. §9601) and petroleum products. Per ASTM 1527, this practice is intended to permit a user to satisfy one of the requirements to qualify for the innocent landowner, contiguous property owner, or bona fide prospective purchaser limitations on CERCLA liability (hereinafter, the “landowner liability protections,” or “LLPs”): that is, the practice that constitutes “all appropriate inquiries into the previous ownership and uses of the property consistent with good commercial and customary practice” as defined at 42 U.S.C. §9601(35)(B).

In defining a standard of good commercial and customary practice for conducting an environmental site assessment of a parcel of property, the goal of the process established by this practice is to identify, to the extent feasible pursuant to ASTM 1527, *Recognized Environmental Conditions* (RECs) in connection with the Property. The term REC is defined as the presence or likely presence of any hazardous substances or petroleum products in, on, or at a Property due to any release to the environment under conditions indicative of a release to the environment under conditions that pose a material threat of a future release to the environment. *A de minimis* condition is defined as a condition that generally does not present a threat to human health or the environment and that generally would not be the subject of an enforcement action if brought to the attention of appropriate governmental agencies. A *Controlled Recognized Environmental Condition* (CREC) is defined as a REC resulting from a past release of hazardous substances or petroleum products that has been addressed to the satisfaction of the applicable regulatory authority with hazardous substances or petroleum products allowed to remain in place subject to the implementation of required controls. A *Historical Recognized Environmental Condition* (HREC) is defined as a past release of hazardous substances or petroleum products that has occurred in connection with the Property and has been addressed to the satisfaction of the applicable regulatory authority or meeting unrestricted use criteria established by a regulatory authority,

without subjecting the Property to any required controls (for example, Property use restrictions, activity and use limitations, institutional controls, or engineering controls). *De minimis* conditions are not RECs or CRECs (ASTM).

The scope of work for the assessment is in accordance with our above noted proposal and ASTM 1527 and included the following:

- ◆ All services were performed by an environmental professional under the direction of a professional engineer and/or geologist registered in the state of Arizona.
- ◆ Interviews (in person, by telephone or in writing) were attempted with owners, occupants, key site managers, and local government officials, as reasonable, regarding RECs on the Property.
- ◆ ASTM Federal and State Standard Environmental Record Sources as well as selected additional local Environmental Record Sources, were reviewed (when reasonably ascertainable and to limits equal to or exceeding the minimum ASTM search distances) regarding RECs on the Property.
- ◆ Standard Historical Sources were reviewed as reasonably ascertainable to develop a history of the previous uses of the Property and surrounding area in order to identify those uses, which may have led to RECs in connection with the Property.
- ◆ A site reconnaissance of the Property was conducted including a site visit to visually and physically observe the general physical site setting, as well as the site components and structures for current and past Property uses and conditions (so far as these uses and conditions are observable). Additionally, current and past uses of adjoining sites were identified to the extent that these uses were observable during the on-site visit.
- ◆ This final report was written to describe indications of RECs observed during this assessment, our professional opinion thereto, and any recommendations for further investigation, as needed.

The scope of work for our Phase I ESA is based on the items identified herein which follow the general requirements set forth in ASTM Practice E 1527 and the EPA Standards and Practices for All Appropriate Inquiry (AAI) Rule, 40 CFR 312. This scope does not address whether requirements in addition to all appropriate inquiries have been met in order to qualify for the LLPs. This scope of work also does not address requirements of any state or local laws or of any federal laws other than the all appropriate inquiries provisions of the LLPs. The scope of work does not include, unless otherwise stated/included herein, chemical

analyses of site soils, air or groundwater, or vapor intrusion. Further, the scope also does not include inquiry into other issues such as wetlands, regulatory compliance, cultural and historic resources, industrial hygiene, health and safety, ecological resources, endangered species, indoor air quality unrelated to releases of hazardous substances or petroleum products into the environment, high voltage power lines, asbestos-containing building materials, radon, lead-based paint, lead in drinking water, biological agents, and mold (considered by the ASTM Standard to be Business Environmental Risks and outside the standard scope of the ASTM practice). It should also be noted that this list of non-scope considerations is not intended to be all-inclusive. Some substances may be present on a property in quantities and under conditions that may lead to contamination of the property or of nearby properties but are not included in CERCLA's definition of hazardous substances (42 U.S.C. §9601(14)) or do not otherwise present potential CERCLA liability.

Previous Phase I ESAs were performed for the subject Property by Speedie and Associates and were documented in reports dated February 4, 2005, July 23, 2008, and March 19, 2009. Additional information and the findings of these reports are discussed in *Section 3.0 Standard Historical Sources, Previous Environmental Site Assessments* below. The Phase I ESA reports were performed in accordance with the 4.7.1 *Use of Prior Information* of the ASTM standards. The previous Phase I ESAs were reviewed and information from the reports was relied upon for this report.

This report included the items listed in the *Shelf Life of AAI Documents*, which specifies that all appropriate inquiries must be conducted within a one-year period prior to the date a property is acquired. The Environmental Protection Agency (EPA) has defined the acquisition date to be the date on which the property title is transferred. To ensure full coverage under the AAI rule, a valid ESA report must be completed within a 12-month period prior to transfer of title. The AAI date included on the cover of this report indicates the earliest date that research was performed for the different components of this project.

According to the ASTM 1527 Standard, this report is valid for only 180 days from the AAI date and may be updated if the report is less than a year old.

1.2 Property Background

1.2.1 Property Location

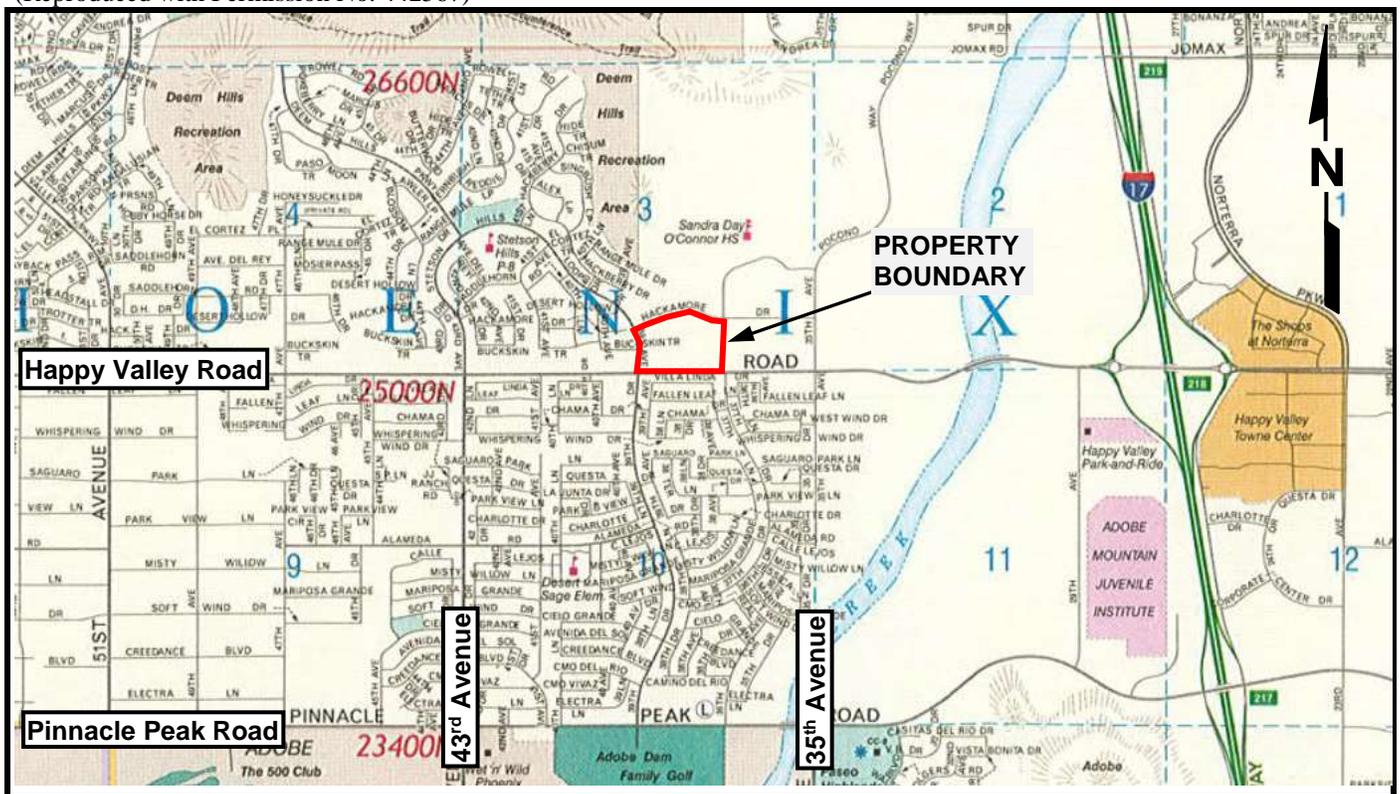
The subject Property is situated in the southeastern quarter of Section 3, Township 4 North, Range 2 East of the Gila and Salt River Base and Meridian, Maricopa County, Arizona. The Property was identified with a main physical address of 3780 West Happy Valley Road in Glendale, Arizona. The Property is generally bound on the north by Hackamore Drive, on the west by 39th Avenue, on the east by new construction activities, and on the south by Happy Valley Road (See Figure 1.2.1.1).

1.2.2 Property Description

At the time of the site visit, the Property consisted of approximately 18.56 acres of commercial land developed with the Stetson Village shopping center. The shopping center consisted of a main anchor building occupied by Safeway Marketplace with several multi-tenant commercial structures, a Chase Bank, the Phoenix Children’s Academy, a Burger King restaurant, a Safeway fuel station and associated convenience store building, and paved parking/landscaping areas. The Property was accessed from 39th Avenue, which bordered the Property to the west.

Figure 1.2.1.1 - Property Location

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2.0 PHYSICAL SETTING

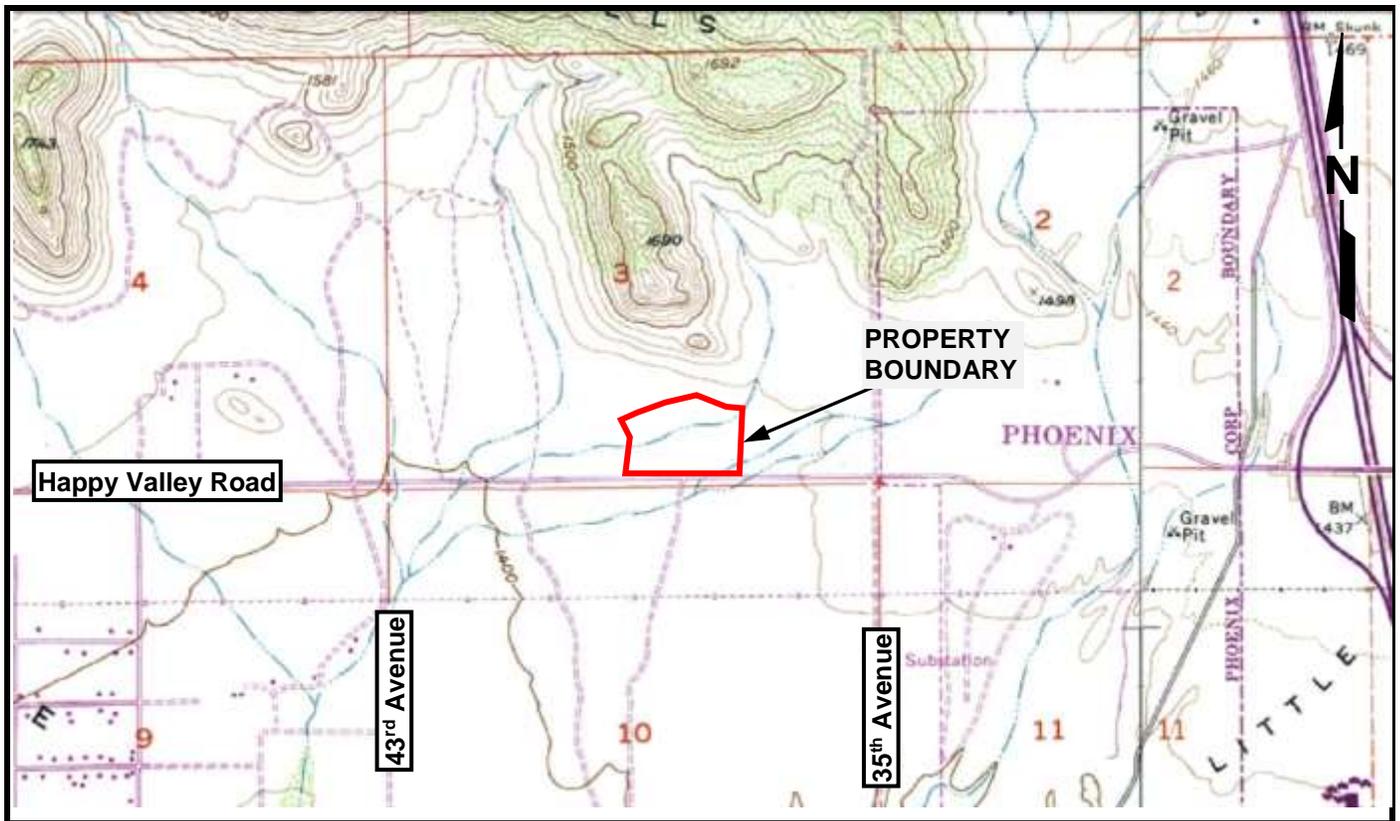
2.1 Topography

Approximate Property elevation: As depicted on the United States Geological Survey (USGS) 7.5 Minute Series Topographical Map (Figure 2.1.1), the Property elevation appears to be approximately 1,400 to 1,420 feet above mean sea level (USGS).

General down slope contour: Southwest (ibid.).

Flooding zone: Zone X: Areas of 0.2% annual chance flood (500-year flood); areas of 1% annual chance flood (100-year flood) with average depths of less than one (1) foot or with drainage areas less than one (1) square mile; and areas protected by levees from 1% annual chance flood (FEMA).

Figure 2.1.1 – Property Topography



2.2 Geology

Local soils: The Property soils are classified as the Coolidge-Laveen association and Laveen loam. The Coolidge-Laveen association have zero (0) to three (3) percent slopes. This nearly level to gently sloping soil type is on valley plains and alluvial fans. Characteristics for this soil type include moderately rapid permeability, medium to slow runoff, and light to moderate erosion hazard. The Laveen loam have zero (0) to one (1) percent slopes. This soil type is located on valley plains and old alluvial fans; and is characterized by moderate permeability, slow to medium runoff, and a slight to moderate erosion hazard (USDA).

Site specific conditions: Determination of site-specific geologic conditions was not within the scope of work for this phase of the study.

2.3 Regional Climatology, Surface Water Hydrology, and Hydrogeology

Average regional temperatures: 70-80°F to 100-110°F in July, 35-40°F to 65-70°F in January (Rascona).

Average regional precipitation: 7 to 9 inches per year (ibid.).

Average regional evaporation: 65 to 70 inches per year (ibid.).

Regional groundwater elevation: Regional groundwater maps developed by the Arizona Department of Water Resources (ADWR) revealed one (1) well located within a one-mile radius of the Property, with a groundwater elevation of 1,065 feet above mean sea level (366 feet below ground surface) and a southwesterly groundwater flow direction. However, groundwater flow resulting from local groundwater gradients may vary considerably in the area due to surface recharge, groundwater pumping and local subsurface geology (Rascona).

On-site water wells: ADWR Well Registry Reports were reviewed by Allands. No wells were identified in these reports with coordinates corresponding to the subject Property (Allands). Further, no obvious visual indications of water wells were observed on the subject Property at the time of the site visit.

Potable water source: City of Phoenix (Bassett).

On-site surface water: No surface water was observed on the Property at the time of the site visit. Concrete curbing appeared to prevent surface water from migrating across the northern, western, and southern boundaries. It appeared that excess surface water could migrate across the eastern boundary. Given that the surface area of the Property was contiguous with the adjoining areas to the east and south, on-site run-on may occur from up-gradient land and off-site discharges to down-gradient land. Further, it appeared that excess surface water on the Property would be directed into one of the stormwater retention tanks and/or 18 dry wells that were part of the Property's stormwater drainage system.

3.0 STANDARD HISTORICAL SOURCES

Standard Historical Sources were reviewed as necessary to develop a history of the previous uses of the Property and surrounding area in order to identify those uses that are likely to have led to RECs in connection with the Property. These sources were reviewed in five (or less) year intervals in an attempt to identify all obvious uses of the Property from the present until 1940 or until the Property's first developed use, whichever is earlier. Standard Historical Sources include Aerial Photographs, USGS 7.5 Minute Topographical Maps, Zoning/Land Use Records, Building Department Records, Local Street Directories, Fire Insurance Maps, Property Tax Files, Recorded Land Title Records, Previous Site Studies and Other Historical

Sources. The specific sources used to identify the historical use of the subject Property are described in the following sections. The earliest historical source reviewed during this assessment was an aerial photograph dated 1949. Historical research data was not reasonably ascertainable prior to 1949. Based on information gathered during this assessment, the Property appeared to have been native desert land.

3.1 Aerial Photographs

A review of selected aerial photography from 1949 to 2021 was conducted at Arizona State University (ASU); Google Earth's webpage (Google Earth); the Maricopa County Assessor's Office and Flood Control District web pages (Maricopa); and National Environmental Title Research, LLC (NETR) to identify past uses and characteristics of the Property, and to determine and evaluate the nature of previous activities existing on-site, on adjoining sites or within the adjacent area. A copy of a selected photograph is included in Figure 3.1.1.

Subject Property: In the 1949 aerial photograph, the Property appeared to be native desert land with ephemeral washes traversing the Property from northeast to southwest. No significant changes were visible on the Property from 1953 to 1962 aerial photographs. In 1967, a dirt road extended across the western side of the Property. Except for additional dirt roads and possible off-road vehicle tracks, the Property remained as native desert and vacant land from 1969 to 2002. In the 2004 aerial photograph, small soil stockpiles were observed on the northeast portion of the Property. The Property appeared unchanged in 2005 and 2006. In the 2007 aerial photograph, the soil stockpiles in the northeast portion appeared to have been removed from the Property. In the 2008 aerial photograph, the Property appeared to be developed as a commercial shopping center with a multi-structure strip mall in the northern portion, out-parcel commercial structures in the northwest and southeast corners, an apparent fuel station in the southeast corner, vacant building pads in the southwest portion, and asphalt parking and driveway areas outside of the building footprints. In the 2009 aerial photograph, two (2) additional commercial buildings had been developed on the southwestern portion of the Property. No significant changes were visible on the Property in the 2010 to 2012 aerial photographs. In 2013, another commercial building was added to the southwestern portion of the Property. The Property appeared essentially the same in the 2014 to 2021 aerial photographs (ASU; Google Earth; Maricopa; NETR).

Adjacent Areas: In the 1949 aerial photograph, the adjacent areas appeared to be native desert land with natural washes. The Skunk Creek Wash was visible further to the east, southeast, and northeast. Deem Hills and other smaller hills were visible to the north and northeast. A dirt road in the alignment of Happy Valley Road extended to the south of the Property. Except for scattered dirt roads or off-road vehicle tracks, the adjacent areas appeared to remain as native desert land from 1958 to 1972. In 1973, the start of the Skunk Creek Landfill approximately 0.5 mile to the east of the Property was visible. Except for continued

expansion of the landfill further to the east and southeast and scattered residences further to the southwest, no other significant changes were visible on the adjacent areas in the 1974 to 1985 aerial photographs. In 1986, new roads to the south were being graded. In 1987, new residential development was underway to the southwest. In 1989, additional residential development continued to the southwest. Between 1990 and 1998 aerial photographs, residential homes had been developed to the southwest and south. New residential development was underway to the west. In addition, the Skunk Creek Landfill appeared to have expanded to within approximately 0.25 miles of the eastern Property boundary. The Skunk Creek trail had been developed along the banks of the Skunk Creek Wash to the east. In the 2000 aerial photograph, 39th Avenue was observed along the western Property boundary with residential development beyond, and the adjoining area beyond Happy Valley Road to the south appeared to be fully developed for residential use. Residential development was underway to the northwest. In 2002, Hackamore Drive was located along the northern Property boundary and the Sandra Day O'Connor High School was developed on the adjoining land to the northeast. Two (2) baseball fields, tennis courts, and recreational fields associated with the school had also been developed to the northeast. The adjacent areas appeared essentially unchanged in the 2004 to 2020 aerial photographs. In 2021, the east adjoining property had been graded for new development. No other changes were visible on the adjacent areas (ASU; Google Earth; Maricopa; NETR).

Figure 3.1.1 - 2021 Aerial Photograph



3.2 Fire Insurance Maps

Fire insurance maps that show uses of properties at specified dates are produced by private fire insurance companies. The Sanborn Fire Insurance Maps available at the Arizona State Capital were reviewed by Allands. The subject Property is not located within the boundaries of the Sanborn maps available at the Arizona State Capital (Allands).

3.3 Property Tax Files

Property tax files identify past owners of a Property and may contain appraisals, maps, sketches, photographs and other information concerning a Property. Property tax files accompanying the Allands report identified the tax parcel number for the Property as 201-10-988A. The main address associated with the parcel was identified as 3780 West Happy Valley Road. Multiple other physical addresses were identified in the previous 2009 assessment, that included 3730, 3770, 3780, 3800, 3810, 3820, 3840, 3850, 3860, 3870, 3880, and 3890 West Happy Valley Road, and 25155 North 39th Avenue. No improvements were indicated in the Property tax files. The Property's assessed site use was listed as "State Property" (Allands; Maricopa).

3.4 Recorded Land Title Records

Recorded land title records are various documents regarding past use of a Property such as fee ownership, leases, land contracts, easements, liens, activity use limitations, and other relevant documents that are potentially descriptive of former site use. As part of this assessment, Allands reviewed appropriate public records in an effort to identify activity and use limitations recorded against the Property's legal description. The activity and use limitations researched included environmental permits, Brownfields and/or Voluntary Cleanup Programs, Federal, State, and Tribal Institutional/Engineering control registries, Voluntary Environmental Mitigation Use Restrictions (VEMURs), Declaration of Environmental Use Restriction (DEURs), and/or Environmental Liens. The documents reviewed identified no apparent indications of the above activity and use limitations for the subject Property (Allands).

3.5 USGS Topographic Maps

Topographic maps may identify structures, roads and general use of a Property for the year determined by the date of the map. The USGS 7.5-minute topographic map containing the Property, *Hedgpeth Hills, Arizona*, was reviewed. The topographic map was dated 1952 and photorevised in 1981. A wash extended northeast to southwest across the central portion and the southeast corner of the Property on the 1959 topographic map. No additional features were depicted on the Property on the 1981 photorevised version of the topographic map (USGS).

3.6 Local Street Directories

City street directories can provide ownership information and/or use of a property as referenced by a street address, once identified. Historical research has determined that the Property appeared to be native desert land prior to 2005. Therefore, selected city directories were reviewed for tenants assigned to the Property addresses in approximate five-year intervals from 2005 to 2020. The results of this review are summarized in Table 3.6.1 (Cole).

Table 3.6.1 Local Street Directory Listing		
Address	Tenant/Occupant	Period of Occupancy
3730 W. Happy Valley Road	Street and address was not listed	2005
	Great Clips (107)	2010
	Federicos Mexican Food; Little Caesars Pizza (109)	2015
	Great Clips (107)	2020
3770 W. Happy Valley Road	Street and address was not listed	2005
	Address was not listed	2010-2020
3780 W. Happy Valley Road	Street and address was not listed	2005
	Address was not listed	2010
	LCS World Taekwondo USA; Papa Murphys Take N Bake; See Spot Shop (128)	2015
3800 W. Happy Valley Road	Safeway, Safeway Pharmacy, US Bank	2010-2020
3810 W. Happy Valley Road	Street and address was not listed	2005
	Address was not listed	2010-2020
3820 W. Happy Valley Road	Street and address was not listed	2005
	Coolwater Pools (141) Edward Jones (140)	2010
	Bella Donna Salon Suites (137); Edward Jones Financial Advisor; Rapid Rooter (140); The UPS Store; West Valley Pediatric Dentistry (141)	2015
	The UPS Store (141)	2020
3840 W. Happy Valley Road	Street and address was not listed	2005
	Burger King	2010-2015
	Address was not listed	2020
3850 W. Happy Valley Road	Street and address was not listed	2005
	Address was not listed	2005, 2010, 2020
	Fitness 1	2015
3860 W. Happy Valley Road	Street and address was not listed	2005
	Address was not listed	2010, 2020
	Bambinos Sports Grill	2015
3870 W. Happy Valley Road	Street and address was not listed	2005
	Angel Touch Nails; Arizona Flooring Solutions (154) State Farm Insurance (157)	2010

Table 3.6.1 Local Street Directory Listing		
Address	Tenant/Occupant	Period of Occupancy
	Optical Gallery Arizona (150); Stetson Village Family Dentistry (152)	2015
	Optical Gallery Arizona (150); State Farm Insurance (157)	2020
3880 W Happy Valley Road	Street and address were not listed	2005
	Address was not listed	2010, 2020
	Chase	2015
3890 W Happy Valley Road	Street and address were not listed	2005
	Blimpie Subs & Salads; Jackson Hewitt Tax Svc	2010
	Blimpie Sub; Celebrity Tanning (162); Humble Pie (169)	2015
	Blimpie Subs & Salads (160)	2020
25155 N. 39 th Avenue	Address was not listed	2005-2020

3.7 Building Department Records

Building department records are those records associated with the construction, alteration, or demolition of improvements on a property. These records are available at the City of Phoenix Planning and Development Department, Records Section, and are sorted by address. The documents in the city file for the current and historical Property addresses were reviewed. A large volume of documents were found for the addresses in the city file that generally included various permits issued in 2008 and 2009 for the construction of the Stetson Village shopping center. There were also various permits issued for sprinklers, alarms, tenant improvements/remodels, shade covers, underground fire line and hydrants, signage, and other utilities dated between 2008 and 2021. The records identified tenants that included a Safeway grocery store with an associated gas station, a Chase Bank, Phoenix Children’s Academy, a day care center, hair salons, tanning/massage salons, an optical shop, a dentist, Papa Murphy’s, Little Caesars, a Burger King restaurant, the Good Egg, UPS, a fitness center, a flooring sales business, Stetson Cleaners, Angel Touch nails, barber shops, Taekwando, a pool supply company, a bicycle shop, Fast Med Urgent Care, Verizon, a jeweler, an animal hospital, a physical therapist, bars, frozen yogurt, Edward Jones, GNC, State Farm Insurance, and various other restaurants/retail shops. The building permit dated May 7, 2009 for the Stetson Cleaners in Suite 118 indicated that the facility was a new dry cleaning drop off and pick up location.

The records also included a permit for the installation of one-20,000 gallon UST, one-20,000 gallon split compartment UST, and associated fuel dispensers dated July 2008 at 3770 West Happy Valley Road. These tanks were reported to have been constructed with integral secondary containment. There were permits for UST upgrades that included replacing UST fuel piping and dispenser containment sumps dated January 10, 2020. There was a permit for installation of a nitrous and oxygen medical compressed gas system for a dental office at 3820 West Happy Valley Road dated June 4, 2014 (Phoenix).

3.8 Zoning/Land Use Records

Zoning/land use records show the uses allowed by the local government in the area encompassing a property. The City of Phoenix Planning and Development Department, Zoning Section was contacted regarding zoning for the Property. A Planner with the City of Phoenix indicated that the Property is currently zoned C-2 PCD SP, which was defined as Intermediate Commercial, Planned Community District, with a Special Permit for massage therapy use. No historical zoning information was provided. The Property was annexed by the City of Phoenix on March 13, 1987 (Phoenix).

3.9 Other Historical Sources

Other historical sources may be reviewed in addition to the previously identified Standard Historical Sources to identify past uses of the Property. Other historical sources include, but are not limited to: miscellaneous maps, newspaper archives, internet sites, community organizations, local libraries, historical societies, current owners or occupants of neighboring properties, or records in the files and/or personal knowledge of the Property owner and/or occupants. No other historical sources were reviewed as part of the current Phase I ESA.

3.10 Previous Environmental Site Assessments

Previous environmental assessments are obtained, when possible, and reviewed for indications of previously identified RECs that may have existed on or near the Property. The information contained in the previous reports was reviewed as a part of the current Phase I ESA and briefly summarized below.

A previous Report on Phase I ESA, Happy Valley Retail Center - NEC 39th Avenue and Happy Valley Road, Phoenix, Arizona was conducted by Speedie and Associates, and a report was issued on February 4, 2005 as a result of the assessment. This previous 2005 report was performed on the subject Property, which consisted of 18.5 acres of native desert land with off-road vehicle tracks throughout the site. Areas of illegal dumping were noted in the northwest and northeast portions of the site. These areas were reported to contain soil, concrete, minor household trash, landscaping debris, and appliances. No dedicated site uses or indications of previous development were reported. The previous assessment concluded that no RECs in connection with the subject Property were identified and no further investigation was recommended (Speedie 2005).

A previous Report on Phase I ESA, Happy Valley Retail Center - NEC 39th Avenue and Happy Valley Road, Phoenix, Arizona was conducted by Speedie and Associates, and a report was issued on July 23, 2008 as a result of the assessment. The previous 2008 report was conducted on the same 18.5 acres of land as the subject Property, which was under construction with a commercial shopping center. An anchor structure and shops buildings were developed across the northern portion of the site with out-parcel pads in the southern

portion and northwest corner. The previous report indicated that the stormwater management system at the site included 14 dry wells, underground retention chambers, surface retention areas, and culverts. Two (2) 20,000 gallon USTs were being covered with pea gravel within a tank bed in the southeast corner of the site. These tanks were being installed as part of a gas station associated with the Safeway that was under construction as the anchor structure. Additionally, the southern boundary was under construction as part of the widening of Happy Valley Road. No RECs in connection with the site were identified in the 2008 report. However, the previous 2008 report recommended that the dry wells be registered with ADEQ (Speedie 2008).

A previous *Report on Phase I ESA, Stetson Village, NEC 39th Avenue and Happy Valley Road, Phoenix, Arizona* was conducted by Speedie and Associates, and a report was issued on March 19, 2009 as a result of the assessment. The previous 2009 was conducted on the same 18.5 acres of land developed with the Stetson Village shopping center with associated parking/landscaping areas. The shopping center was developed a Safeway grocery building, six (6) multi-tenant commercial structures (3730, 3780, 3820, 3850, 3870, and 3890), a Chase bank building under construction (3880 West Happy Valley Road), a Mini-Skool day care center building under construction (25155 North 39th Avenue), a Safeway fuel station, an approximate 350-square-foot Safeway convenience store building (3880 West Happy Valley Road), and two (2) vacant commercial pads (3860 and 3840 West Happy Valley Road). Safeway and a Jackson Hewitt accounting firm were the only tenants observed to be open at the time of the site visit. Storm water retention basins were located along the northern and western boundaries, and storm water in the central and southern portions appeared to be directed towards underground retention and dry well systems.

The Safeway fuel station was located on the southeast portion of the site. The fuel station consisted of a single fuel canopy that covered eight (8) fuel dispensers, which were serviced by two (2) 20,000-gallon USTs. The USTs are located northeast of the fuel canopy, and were reported to be double-walled and equipped with integral secondary containment and leak detection. The facility was registered as ADEQ UST Facility #0-010263. No reported leaks or violations have been recorded at the facility. The area of the fuel station was noted to be paved with concrete and appeared to drain into a walled and landscaped retention feature on the east side of the fuel canopy. A catch basin on the west side of the fuel canopy and a break in the western wall appeared to be the only flow paths into this retention feature. No dry wells or other discharge points were observed within the feature. An approximate 350 square foot Safeway convenience store building was located on the south side of the fuel canopy. This store contained various foods, drinks, and other merchandise, a checkout counter, and a back room. The back room of the convenience store contained fire risers, restrooms, and several sinks. No other significant features were observed in the area of the Safeway fuel station, and no obvious staining or odors were detected at the time of the site visit. The previous assessment revealed no evidence of RECs in connection with the Property. No further investigation was recommended (Speedie 2009).

3.11 Historical Data Gaps

The standard historical sources were reviewed as part of this Phase I ESA and none of these sources were excluded from this assessment. The earliest reasonably ascertainable historical source reviewed during this assessment was an aerial photograph dated 1949. Based on the historical information gathered during this assessment, the Property appeared to have been native desert land. While historical information prior to 1949 was not reasonably ascertainable, based on the location of the Property as well as the growth and use patterns in the Property area, it is Speedie and Associates opinion that the Property was likely native desert land and there are no significant data gaps associated with the historical use of the Property.

4.0 INTERVIEWS

Interviews were attempted with users, owners, occupants, key site managers, and local government officials as necessary, regarding RECs for the Property. These interviews were attempted in person, by telephone, or by a written questionnaire.

4.1 Occupants, Owners, User and Key Site Manager

As part of Speedie and Associates' Phase I ESA procedures, a questionnaire is provided to the client, owner, and key site manager, as necessary to obtain historical and current data about the subject Property prior to the site visit. However, due to the typical brisk period between project initiation and the site visit, it is unusual for all three (3) contacts to have been made prior to the site visit. A questionnaire was sent to Pederson Group, the client and User. Mr. Rob Bassett completed the questionnaire on July 29, 2021 on behalf of Pederson Group Inc. and J & R Holdings XII, LLC, the current Property owner and Lessee. Mr. Bassett reported that the Property currently consists of a retail shopping center. There are ±12 buildings located on the Property that were constructed in approximately 2006/2007. He had no knowledge of the past uses for the Property. He indicated that the Property had multiple physical addresses. The City of Phoenix provides water and sewer service, the Arizona Public Service (APS) provides electrical service, and Southwest Gas provides natural gas service to the subject Property. He further reported that he had no specialized knowledge of the Property. Mr. Bassett was not aware of the presence of any environmental liens or activity use limitations on the Property. He had no knowledge of pending, threatened, past litigation, or administrative proceedings relevant to the hazardous substances or petroleum products in, on, or from the Property. He had no knowledge of any notices from any governmental entity regarding any possible violation of environmental laws or possible liability relating to hazardous substances or petroleum products. He had no knowledge of chemical releases or environmental cleanups that may have taken place on the Property. He indicated that he had no knowledge

of whether the purchase price for the Property reasonably reflected current market values, as the Property will be put up for auction. He was not aware of obvious indicators of the presence of contamination on the Property. Mr. Bassett indicated that he had no knowledge of whether there was fill material, underground storage tanks (USTs) or above-ground storage tanks (ASTs) on the Property. The environmental questionnaire also included an additional question regarding “Other Information for the Property” (also referenced in Sections 10.8 and 10.9 of the ASTM standard). Mr. Bassett was aware of previous environmental assessments, geotechnical or hydrogeologic reports, legal descriptions, site plans, and building plans for the Property. He responded with a “no” to the other questions asked. No other additional helpful documentation was provided. He identified J & R Holdings XII, LLC as the current Property owner and Ms. Willie Johnson with Pederson Group as the key site manager (Bassett).

A questionnaire was completed by Mr. Ray Moore with the Arizona State Land Department, the User and current land owner, on August 19, 2021. He reported that the Property currently consists of a commercial multi-tenant center and vacant land. He indicated that there are eight (8) buildings located on the Property. The Arizona State Land Department purchased the Property March 22, 1923. The City of Phoenix provides water and sewer service, the APS is the electrical service provider, and Southwest Gas is the natural gas service provider to the subject Property. He further reported that he had no specialized knowledge of the Property. Mr. Moore was not aware of the presence of any environmental liens or activity use limitations on the Property. He had no knowledge of pending, threatened, past litigation, or administrative proceedings relevant to the hazardous substances or petroleum products in, on, or from the Property. He had no knowledge of any notices from any governmental entity regarding any possible violation of environmental laws or possible liability relating to hazardous substances or petroleum products. He had no knowledge of chemical releases or environmental cleanups that may have taken place on the Property. He indicated that the purchase price for the Property reasonably reflected current market values, and he was not aware of obvious indicators of the presence of contamination on the Property. Mr. Moore indicated that there was most likely no fill material on the Property. He was aware of USTs or ASTs on the Property. The environmental questionnaire also included an additional question regarding “Other Information for the Property” (also referenced in Sections 10.8 and 10.9 of the ASTM standard). He responded with a “no” and “unknown” to the questions asked. No other additional helpful documentation was provided. He identified the Arizona State Land Department Commercial Leasing Section as the current Property owner, and himself as the key site manager (Moore).

Ms. Willie Johnson representing Pederson Group Inc. and the key site manager provided access inside the suites. Ms. Johnson indicated that the questionnaire had already been completed by Mr. Bassett and she could not provide any additional information for the Property (Johnson).

4.2 Local Government Officials

Interviews were conducted with local agency personnel and other persons noted in the appropriate sections of this report.

4.2.1 Local Agencies/City Departments

Representatives from the various city departments were contacted for additional information for the Property. These departments include building permits and planning and development. The information provided from these local officials were included under Sections 3.7 and 3.8 above.

4.2.2 Fire Department

Interviews were conducted with local agency personnel and other persons noted in the appropriate sections of this report. The Phoenix Fire Department was contacted to determine if documents regarding hazardous materials permits, hazardous materials incidents, or underground storage tank (UST) activities exist for the subject Property. A request for a search of records for the Property addresses was submitted to Ms. Rosa Arguelles, a Records Clerk with the Phoenix Fire Department. The results of the request were not received as of the writing of this report. If potential RECs in connection with the Property are identified upon receipt of the fire department records, an addendum will be submitted to this report (Arguelles).

4.2.3 Maricopa County Environmental Services Department

A records search for hazardous waste spills, ASTs, USTs, and septic systems for the subject Property was performed online on the Maricopa County Environmental Services Department webpage. No records were found for the parcel number or Property addresses (Maricopa).

4.2.4 Maricopa County Air Quality Department

The Maricopa County Air Quality Department was contacted to determine if documents regarding Permits to Operate (PTOs), Notices of Violations (NOVs), or records of complaints exist for the subject Property. Records found are shown in Table 4.2.4.1 below (Maricopa).

Table 4.2.4.1 Maricopa County Air Quality Results		
Date	Type of Document	Description
3780 West Happy Valley Road		
08/11/21	Facility Detail Report	Safeway Fuel #2821, Facility Class: Minor, NAICS Codes: 445110 Supermarket and Other Exempt Grocery (except Convenience) Stores; General Permit type: Gas Dispensing <ul style="list-style-type: none"> - Emission Tank 001 – 20,000 unleaded gasoline UST, initial operation commencement 04/23/2008 - Emission Tank 002 – 20,000 storage tank/silo (split 10,000 premium diesels USTs); initial operation commencement 04/23/2008
3780 West Happy Valley Road		
10/28/20	Facility Detail Report	Happy Valley Apartments, Facility Class: Dust
02/12/21	Facility Detail Report	New Express Carwash, Facility Class: Dust
03/08/21	Complaint Inspection Report	Complaint: Construction site has dust blowing everywhere and with children practicing at nearby sports field. 3/9/21 - Inspection Report by Maricopa County Air Quality Department: No violation noted. Air quality dust control permit and dust control plan on-site.
03/18/21	Inspection Report	No violations noted
04/28/21	Inspection Report	Inspection violation - Gravel pad with bald spots installed at the northwest side exist onto W. Hackamore Drive. 04/29/21 – Violation was corrected by closing and locking the gate to prevent egress of the site from that exit; exit will no longer be used.
05/17/21	Inspection Report	No violations noted
3800 West Happy Valley Road		
No records found		

5.0 CURRENT CONDITIONS

5.1 Current Property Use

A site reconnaissance was conducted to observe and record information concerning present site development, use, and conditions. A visual and physical survey of the existing Property was conducted on August 11, 2021 by Mr. Benjamin Larson of Speedie and Associates. Complete visual assessment of the Property was hindered by landscaping, pavement and the Property's development. Only a representative number of the suites in the multi-tenant structures were observed during the site visit due to ongoing activities and pandemic concerns. In addition, access was not allowed inside the Foothills Sports Medicine suite due to patient privacy concerns and the Coronavirus pandemic protocols. However, these limiting conditions do not impact our ability to identify RECs on the Property. The site visit was conducted by walking about the Property. Ms. Willie Johnson with the Pederson Group Inc., the key site manager, provided access to the interior of the structures and she accompanied Speedie and Associates personnel during site reconnaissance.

Selected photographs, taken on the site visit, are included in Appendix A (Surface Photographs). Figure 5.1.1 identifies Property boundaries.

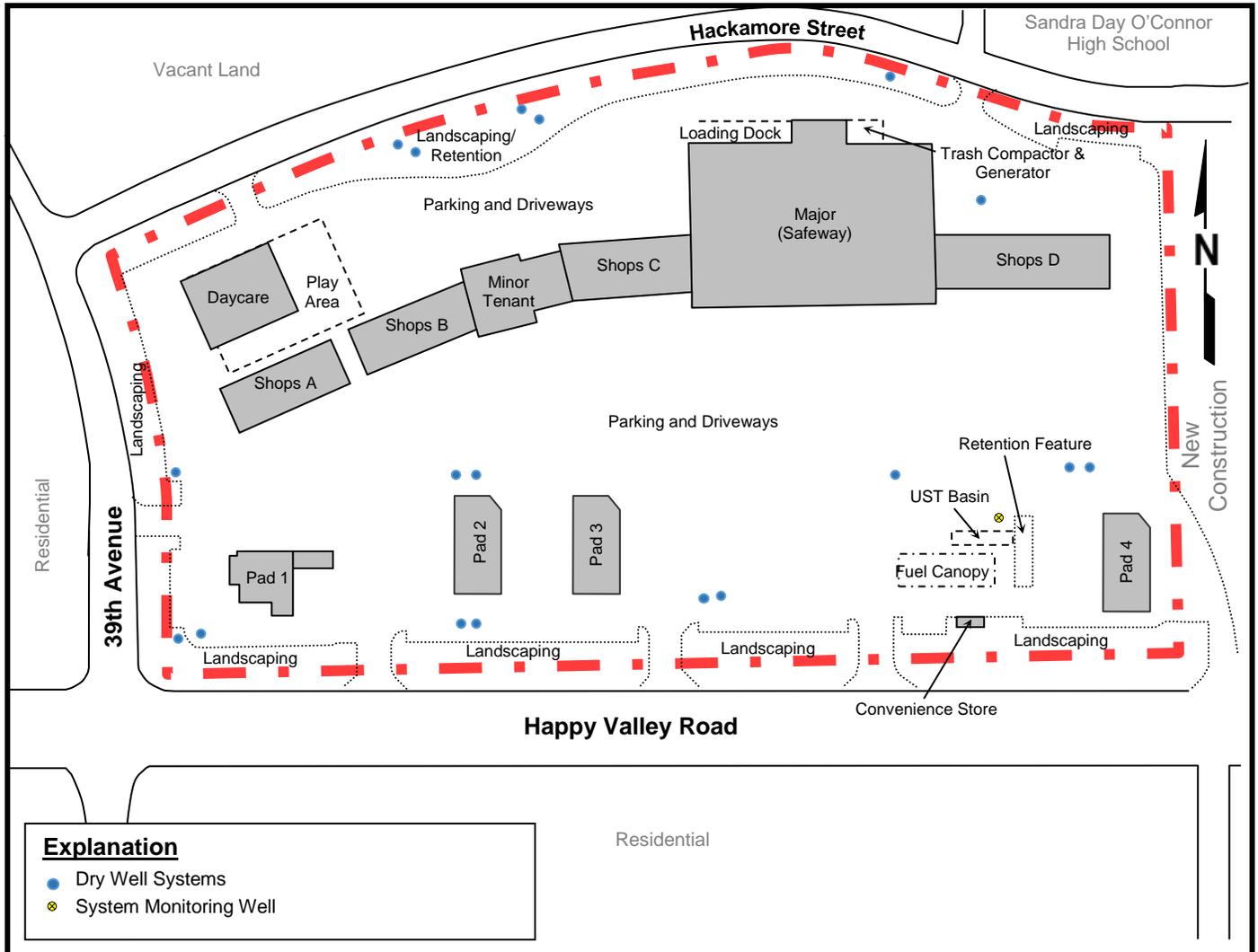
At the time of the site visit, the Property consisted of approximately 18.56 acres commercial land developed as the Stetson Village shopping center with associated parking/landscaping areas. The shopping center was developed with a main anchor building occupied by Safeway Marketplace that was adjoined with multi-tenant commercial structures (Shops A through Shops D), a mini major suite occupied by Foothills Sports Medicine, a Safeway fuel station with an associated convenience store building, a Phoenix Children’s Academy, and four (4) pads occupied by a Chase Bank, Burger King, FastMed, Great Clips, and restaurants. Areas outside of the building footprints generally consisted of paved asphalt parking spaces, driveways, and landscaped areas. Storm water retention basins were located along the northern and western boundaries. Stormwater in the central and southern portions appeared to be directed towards underground retention tanks and associated dry well systems. Exterior features associated with specific Property structures are described in the Table 5.1.1 below.

Table 5.1.1 Current Use		
Building/Structure	Brief Description	REC Y/N?
<p>Anchor Building (Safeway Marketplace) 3800 W. Happy Valley Rd.</p>	<p>The approximate 58,770 square-foot Safeway building was developed with public entrances that were located beneath an overhang, which extended the length of the southern building wall. A grease trap was located on the west side of the Safeway building, and a used cooking oil disposal bin was located on the north side of the building. These features were associated with the Safeway Bakery and Deli departments and were reported to be emptied by Baker Commodities on a weekly or as needed basis. A block walled enclosure was located on the northeast side of the Safeway building and contained a trash compactor, heating ventilation and cooling (HVAC) systems, and a natural gas powered backup generator. A truck loading ramp was located on the northwest side of the Safeway store. This ramp contained two (2) catch basins and a sump pump.</p> <p>The interior of the Safeway store appeared to be typical of a grocery store with a central main sales floor and specialty departments located around the perimeter. The main sales floor occupied the majority of the area within the Property structure and consisted of typical shelved merchandise on display for sale. Hazardous materials and petroleum products for sale within the store included, but were not limited to pool chlorine, auto service supplies, and cleaning supplies. These products were observed to be stored in manufacturer’s containers that were generally one gallon or less in size. An in-store US Bank branch was located along the southern wall inside the store building west of the eastern entrance. This bank branch contained teller stations, a bank office, and a vault. The Customer Service Desk, a computer room, and a manager’s office were located west of the bank and a Starbucks Coffee shop was located west of Customer Service east of the western entrance. The coffee shop contained a small coffee bar, a service counter, and public seating area.</p>	<p>N</p>

Table 5.1.1 Current Use		
Building/Structure	Brief Description	REC Y/N?
	The southwest portion of the Safeway building contained public restrooms and a café seating area. The bakery, deli, and a café were located along the western portion of the store. A commercial kitchen with ovens, skillets, a dishwasher, and other commercial kitchen appliances were observed this area. Several floor sinks were observed within the bakery, deli and kitchen areas, which appeared to be serviced by the grease trap located on the west side of the Property structure. The pharmacy, meat counter, and dairy section were located along the northern portion of the sales floor. Walk-in coolers, bulk storage, receiving, janitorial supplies, and produce preparation/washing area were located north side of the structure. The receiving area contained a cardboard box bundler, charging stations for the on-site electrical forklifts, and a mechanical door that connected to the trash compactor on the northeast side of the structure. A floor sink, mob bucket, and various cleaning supplies were observed in the cleaning area within the receiving area. No stains or obvious odors were observed in the cleaning area.	
Shops A (5 Suites) 3890 W. Happy Valley Rd.	Shops A was the westernmost shopping building structure and contained five (5) suites (160, 162, 164, 167, and 169). Occupants of the suites included <i>Blimpie Subs</i> , <i>Celebrity Tanning</i> , <i>Grand Nails Lounge</i> , <i>Wow Wow Lemonade</i> , and <i>Humble Pie</i> . The interior of the suites were typical of restaurants and nail/tanning salons. Floor drains were observed inside the kitchen areas of the three (3) restaurant suites. Two (2) utility sinks were observed in the Grand Nails Salon. Three (3) three-stage grease traps and a hydraulic compactor were located to the north of the building.	N
Shops B (4 Suites) 3870 W. Happy Valley Rd.	Shops B were located on the west side of the Foothills Sports Medicine and contained four (4) suites (150, 154, 157, and 159). Occupants consisted of the <i>Optical Gallery</i> , <i>Stetson Village Family Dentistry</i> , <i>the Hand & Stone Massage & Facial Spa</i> and <i>Maya Ice Cream Rolls</i> . The representative suite observed in this building was <i>Maya Ice Cream Rolls</i> . This suite consisted of an open dining area with a storage room, office, and two (2) restrooms. Floor drains were observed in the kitchen area with a utility sink.	N
Mini Major (Foothills Sports Medicine) 3850 W. Happy Valley Rd.	Foothills Sports Medicine was an approximate 7,810 square-foot medical office that was located on the west side of the Safeway and between Shops B and C. Access was not allowed due to patient privacy concerns and the Coronavirus pandemic protocols.	
Shops C (5 Suites) 3820 W. Happy Valley Rd.	Shops C was located on the east side of the Foothills Sports Medicine and adjoined the Safeway to the west. Shops C contained five (5) suites (137, 140, 141, 143, and 145), including <i>Bella Donne Salon Suites</i> , <i>Edward Jones</i> , <i>the UPS Store</i> , <i>West Valley Pediatric Dentistry</i> and <i>EdOptions Foundation</i> . Visual observations were made inside the UPS Store only. The interior of this suite consisted of an open service area, an office and two (2) restrooms.	N
Shops D (7 Suites) 3780 W. Happy Valley Rd.	Shops D adjoining Safeway to the east and contained seven (7) suites (110, 115, 118, 120, 126, 128 and 129). Occupants consisted of the <i>First Watch</i> , <i>Mathnasium</i> , <i>Astar Barbershop</i> , <i>Anytime Fitness</i> , <i>Stetson Hills Animal Hospital</i> , <i>See Spot Shop</i> , and <i>Sonoran Cycles</i> . Visual observations were made inside the Anytime Fitness only, which contained two (2) vacant suites with open floor plans and an office and restrooms in each suite.	N
Pad 1 (Chase Bank) 3880 W. Happy Valley Rd.	Pad 1 was located on the southwestern corner of the shopping center and consisted of an approximate 4,215 square-foot building occupied by Chase Bank. The main entrance to the bank was located on the west side of the building with drive-thru teller windows located on the east side of the building. Customer service counters, a waiting	N

Table 5.1.1 Current Use		
Building/Structure	Brief Description	REC Y/N?
	area, two (2) restrooms, offices and a vault were observed inside the building. No staining, unusual odors, or other significant features were observed.	
Pad 2 (2 Suites) 3860 W. Happy Valley Rd.	Pad 2 was located on the southwestern portion of the shopping center and contained a commercial building occupied by <i>Starbucks</i> and <i>Bambino's Sports Grill</i> . The representative suite observed was Starbucks. The interior of the suite was comprised of a main counter sales/dining area with a kitchen, two restrooms, and an office.	N
Pad 3 (Burger King) 3840 W. Happy Valley Rd.	Pad 3 was located on the south central portion of the shopping center and contained an approximate 2,846 square-foot building occupied by a Burger King restaurant. The main entrance to the restaurant was on the west side of the building with a drive-thru located on the east side of the building. The interior of the building included a dining room, kitchen, office, two (2) restrooms and a janitorial closet. Floor drains were located in the kitchen and restrooms. A three-stage grease interceptor was located on the northern side of the building. No staining or unusual staining was observed.	N
Pad 4 (4 Suites) 3730 W. Happy Valley Road	Pad 4 located at the southeast corner of the shopping center building and consisted of four (4) suites occupied by <i>FastMed</i> , <i>Little Caesars Pizza</i> , <i>Great Clips</i> , and <i>Federico's Mexican Restaurant</i> . The representative suite observed in this building was Little Caesars. The interior of the suite was comprised of a sales/counter area, a kitchen, prep area, a dishwashing station, a restroom, and a walk-in cooler. A floor sink was centrally observed near the dishwashing station.	N
Phoenix Children's Academy 25155 N. 39 th Ave.	An approximate 10,095 square-foot building occupied by Phoenix Children's Academy, which was located on the northwest corner of the shopping center. The exterior of the structure consisted of playground areas with slides, swings, and various toys. The interior of daycare included classrooms, restrooms, and a reception desk area. Sinks were observed in each classroom and two (2) janitorial closets were centrally located inside the building. Floor sinks and common household cleaning supplies were observed in the janitorial closets. Approximately 6-gallons of paint were stored within the northernmost janitorial closet. No staining, odors, or other significant features were observed in the daycare center area.	N
Safeway Fuel Station	A Safeway fuel station was located in the southeast portion of the Property. The fuel station consisted of a single fuel canopy that covered eight (8) fuel dispensers servicing two (2) 20,000-gallon USTs. The USTs are located northeast of the fuel canopy and were reported to be double-walled and equipped with integral secondary containment and leak detection. The surface of the fuel station consisted of concrete and appeared to drain into a walled landscaped retention feature on the east side of the fuel canopy. A catch basin on the west side of the fuel canopy and a break in the western wall appeared to be the only flow paths into this retention feature. A system monitoring well was located between the tank bed and the retention feature. An approximate 350 square foot Safeway convenience store building was located on the south side of the fuel canopy. This store contained various foods, drinks, and other merchandise, a checkout counter, and a back room. The back room of the convenience store contained fire risers, restrooms, and several sinks. No obvious staining or odors were detected at the time of the site visit.	N

Figure 5.1.1 - Property Plan



5.2 Transformers

In the past, oil found in electrical transformers contained Polychlorinated Biphenyls (PCBs), which have been found to be a human carcinogen. Since 1984, manufacturers of transformers have been certifying them “non-PCB”, containing less than 50 parts per million (ppm). During the site visit, 13 transformers were observed on the Property at the time of the site visit. The transformers appeared to be in good condition with no observed staining, or obvious odors. Mr. Anthony Williams with the Arizona Public Service (APS) was contacted regarding PCB status of the transformers. Mr. Williams reported that most of the transformers were certified as non-PCB containing; the PCB status of transformer located on Happy Valley Road and near 37th Avenue was unknown (Williams; APS).

5.3 Dry Wells

The ADEQ maintains a database of dry wells, the registration of which has been required since 1986. Allands reviewed this database for dry wells registered within a 0.125-mile search distance of the subject Property. Based on this review, 18 dry wells registered to Stetson Village were identified within the search distance (Allands). At the time of the site visit, 18 dry well systems were observed on the Property. The Property's stormwater management system appeared to divert excess stormwater towards the dry wells via surficial retention areas and numerous sub-grade retention chambers located throughout the Property. The dry wells appeared to be in good condition, although observation inside the chambers was limited due to the depth of the settling chambers.

5.4 Other ASTM Conditions

At the time of the site reconnaissance, Speedie and Associates did not observe any evidence of ASTs, USTs, unusual odors, pools of liquids, drums, stains, corrosion, stressed vegetation, pits, ponds, lagoons, waste or wastewaters, or septic systems at the subject Property.

5.5 Adjoining Land Use

A visual survey of the adjoining sites and areas was conducted on August 11, 2021 by Mr. Benjamin Larson of Speedie and Associates. The Property was bound on the north by Hackamore Drive followed by vacant land with the Sandra Day O'Connor High School to the northeast and residential homes to the northwest. The Property was bound on the west by 39th Avenue followed by residential development. The Property was bound on the east by vacant land that currently under construction. The Property was bound on the south by Happy Valley Road followed by residential homes.

6.0 STANDARD ENVIRONMENTAL RECORD SOURCES

A report of Federal and State Standard Environmental Record Sources located within the ASTM prescribed search parameters, was generated by Allands. A copy of the Allands report is located in Appendix B. Speedie and Associates reviewed this report for indications of RECs affecting the subject Property. The report revealed three (3) facility records within the search parameters (Allands).

National Priority List Sites: Under Section 105 of CERCLA the EPA established a National Priorities List (NPL) of Superfund sites. Inclusion on the NPL reflects a significant risk to public health and the environment and indicates a Federal Priority to remediate the site. The Allands report identified no (0) NPL sites within a 1.0 mile search distance of the Property boundary (Allands).

Delisted NPL Sites: Sites may be delisted from the NPL where no further response is appropriate. The Allands report identified no (0) Delisted NPL sites within a 0.5 mile search distance of the Property boundary (Allands).

CERCLIS/NFRAP Sites: The Comprehensive Environmental Response, Compensation and Liability Information System (CERCLIS) list contains sites which are either proposed to or on the NPL and sites which are in the screening and assessment phase for possible inclusion on the NPL. Those sites on the No Further Remedial Action Planned (NFRAP) list are CERCLIS sites which have no further remediation action planned. This database was archived by the EPA on November 12, 2013 and the Superfund Enterprise Management System (SEMS) replaced the former CERCLIS/NFRAP lists. The Allands report identified no (0) CERCLIS/NFRAP sites within a 0.5 mile search distance of the Property boundary (Allands).

RCRA Generators: Under the Resource Conservation and Recovery Act (RCRA) the EPA compiles a database of facilities that are involved in the generation of hazardous materials. RCRAInfo is EPA's comprehensive information system, providing access to data supporting the RCRA of 1976 and the Hazardous and Solid Waste Amendments (HSWA) of 1984. This database includes selective information on sites which generate, transport, store, treat and/or dispose of hazardous waste as defined by RCRA and is checked for Federal Very Small Quantity Generators (VSQGs) – generate no more than 220 pounds (100 kg) of hazardous waste in any month and store no more than 2,200 pounds (1,000 kg) of hazardous waste at any given time; Federal RCRA Conditionally Exempt Small Quantity Generators (CEG – generate less than 100 kg of hazardous waste, or less than 1 kg of acutely hazardous waste per month); Federal RCRA Small Quantity Generators (SQG – generate between 100 kg and 1,000 kg of non-acutely hazardous waste per month); and Large Quantity Generators (LQG – generate over 1,000 kg of hazardous waste, or over 1 kg of acutely hazardous waste per month). The Allands report identified one (1) RCRA generator within a 0.125 mile search distance of the Property boundary (Allands).

- ◆ Safeway Store #2821, 3800 West Happy Valley Road and the subject Property. This facility was indicated to be a Very Small Quantity Generator (VSQG). Speedie and Associates reviewed the file at ADEQ. Included in the file were EPA RCRA Subtitle C Site Identification Forms indicating the facility was a CEG in 2013 and 2014 and was a LQG episodically in November 2014; and two (2) Uniform Hazardous Waste Manifests for waste aerosols, flammable liquids, waste residue, and waste medicine ranging dated February and July 2018. The Allands report indicated that this facility was listed as a VSQG on April 26, 2021. This facility did not appear on the RCRA Compliance Log and no surficial flow paths or indications of impact from this RCRA facility to the subject Property were identified during the site visit. VSQGs are conditionally exempt from hazardous waste management regulations provided that basic requirements are met, including identifying all hazardous waste generated, may not accumulate more than 1,000 kg of hazardous waste at any time, and must ensure the hazardous waste

is delivered to a person or facility who is authorized to manage it. Inclusion as a RCRA Generator does not indicate a REC, but only the potential for an environmental. Therefore, the potential environmental impact from the Property as a RCRA Generator is believed to be low.

RCRA CORRACTS TSD Facilities: Under RCRA, the EPA compiles a database of facilities that are involved in the generation, transportation, treatment, storage, or disposal of hazardous materials, and have been found to be in non-compliance of regulations and have had to implement corrective actions. The Allands report identified no (0) RCRA CORRACTS Treatment Storage and Disposal (TSD) facilities within a 1.0 mile search distance of the Property boundary (Allands).

RCRA Non-CORRACTS TSD Facilities: Under RCRA, the EPA compiles a database of facilities that are involved in the transportation, treatment, storage, or disposal of hazardous materials. Inclusion on the TSD Facilities list does not exclude being on the CORRACTS Facility List and is merely a list of TSD facilities compliant with the EPA's registration requirements. The Allands report identified no (0) RCRA Non-CORRACTS TSD facilities within a 0.5 mile search distance of the Property boundary (Allands).

RCRA Compliance Facilities: The RCRA Compliance Log lists facilities that have been or presently are under investigation for non-compliance with RCRA regulations. Inclusion of any facility on this list indicates a history of compliance problems and RCRA regulatory violation. This database is from the ADEQ RCRA Compliance Log. The Allands report identified no (0) RCRA Compliance Log facilities within a 0.125 mile search distance of the Property boundary (Allands).

ERNS List: The Emergency Response Notification System (ERNS) list is a national database used to collect information on reported releases of oil and hazardous substances. This database is provided by EPA through the Right of Know Net by OMB Watch and Unison Institute. The Allands report identified no (0) ERNS sites within a 0.125 mile search distance of the Property boundary (Allands).

WQARF Areas: The state of Arizona established a remedial program under A.R.S. 49-282 to facilitate the conservation and clean-up of Arizona drinking water and water sources. Under the authority of the Water Quality Assurance Revolving Fund (WQARF) program, the state actively identifies any actual or potential impact upon state waters, evaluates the extent of contamination, identifies parties responsible, and provides money grants to assist in clean-up activities. The Allands report identified no (0) WQARF Registry sites within a 1.0 mile search distance of the Property boundary (Allands).

Arizona Superfund Program List: The Arizona Superfund Program List replaces the Arizona CERCLIS Information Data System (ACIDS). This list is more representative of the sites and potential sites within jurisdiction of the ADEQ Superfund Programs Section (SPS). This database is provided by ADEQ.

The Allands report identified no (0) Arizona Superfund sites within a 0.5 mile search distance of the Property boundary (Allands).

Solid Waste Facilities/Landfill Sites: The state of Arizona maintains listings of closed and permitted, operating landfills and solid waste dump sites. Lists of closed facilities are not necessarily complete - older dumping areas may not be documented. This database is from the ADEQ Waste Programs Division; Solid Waste Section Directory of Arizona Active and Inactive Landfills. The Allands report identified one (1) Landfill facility within a 0.5 mile search distance of the Property boundary (Allands).

- ◆ Skunk Creek Municipal Solid Waste Landfill, 3165 West Happy Valley Road, is located approximately 0.3 miles to the east of the subject Property. Due to the volume of records available at ADEQ, Speedie and Associates conducted a cursory review of the most recent information that was readily available in the landfill file at ADEQ. The landfill was owned and operated by the City of Phoenix. Landfill operations began in 1972. The land was acquired through the State Land Department under a land patent agreement. Landfilling was permitted for a 30-year period requiring the landfill to cease operations in 2002. The City secured a 4-year extension to the initial agreement and the landfill ceased operation in 2006. Approximately 1,000,000 tons of residential solid waste was landfilled in 1999. Landfilling has occurred in both unlined (pre-1996) and lined (post-1996) cells. According to information reviewed on the City of Phoenix webpage, the final cap was installed and the methane collection system was expanded – resulting in increased methane collection efficient from a baseline of 50 percent. The portion of the landfill adjoining the Property to the east is Cell 1 and appeared to be capped during the site visit. Cells 1, 2, and 3B were unlined cells and did not contain leachate collection systems. These cells were closed prior to the promulgation of RCRA Subtitle D. With the exception of Cells 1, 2, and 3B, the closure systems at the other landfill cells consists of the final cover system (a 30-inch thick infiltration low-permeability soil layer overlain by a 6-inch thick erosion soil layer) and the drainage control structures and their appurtenances, which consist of outrigger berms and swales lined with riprap, gabion baskets, and fiber straw rolls.

The file contained a 2016 Annual Groundwater Quality Report prepared by the City of Phoenix dated July 28, 2017. The report presented a summary of the groundwater monitoring conducted at the Skunk Creek Landfill during 2016. The groundwater samples were analyzed for applicable constituents listed in Appendix I of 40 CFR Part 258 and in accordance with the ADEQ approved Petition for a Reduction of Monitoring Parameters and Frequency (ADEQ approval letter dated May 25, 2001). Groundwater flow direction was reported as in a south to southwest direction. Six (6) groundwater wells associated with the landfill were sampled and tested. Well SC-3 was located at the northeast corner of 35th Avenue and Happy Valley Road and the closest well to the subject Property. The Arizona Water Quality Standard (AWQS) was exceeded during the first half of 2016 in Well SC-3 for Arsenic at 0.060 mg/L;

the AWQS for Arsenic is 0.050 mg/L. However, the Arsenic concentration in SC-3 was reported as below the 0.065 mg/L Alert Level approved by ADEQ, so no further action at this well was recommended. The City indicated that the elevated Arsenic level had been noted historically at the Skunk Creek Landfill. During the 2nd half of 2016, Arsenic and Chromium exceeded the AWQS in Well SC-3, with concentrations of Arsenic at 0.081 mg/L FO and Chromium at 0.14 mg/L FO. The concentrations of Arsenic and Chromium in Well SC-3 also exceeded the Alert Level of 0.065 mg/L for Arsenic and 0.086 mg/L for Chromium. On January 10, 2017, this well was resampled for Arsenic and Chromium. It was reported that the Arsenic and Chromium results were less than the Alert Level of 0.065 mg/L for Arsenic and 0.086 mg/L for Chromium. Statistical analysis was performed on metals listed in 40 CFR Part 258 that were detected above the laboratory reporting limits. The Sanitas statistical analysis program was used for each sampling event. The City reported that statistical data provided using the Sanitas program demonstrated that there was no statistical evidence of contamination in Well SC-3. They indicated that the presence of Arsenic was believed to be the result of a naturally occurring condition in local groundwater around the landfill as evidenced by its presence at all monitoring locations. Well SC-3 is cross-gradient of the groundwater flow direction.

Methane monitoring probes were installed along the boundary of the landfill at approximate 1,000-foot spacing. In response to off-site migration along the landfills southern boundary, the original landfill gas collection was installed in April 1997 and November 1997 along the landfill's southern waste limit and along a portion of the landfill's eastern and western waste limit in Cell 4A. The Federal New Source Performance Standards (NSPS) required that active landfills have a Non-Methane Organic Compound (NMOC) landfill gas collection and control system installed. The system expansion occurred between 1999 and 2000. Based on maps reviewed, the closest landfill gas wells (LGSC1-2 and LGSC1-3) to the subject Property are located along the east side of 35th Avenue and north of Happy Valley Road. Landfill Methane gases were present within the cells and additional landfill gas extraction wells were installed to mitigate off-site Methane migration. It was reported by a City of Phoenix Inspector with the Solid Waste Division regarding the landfill gas monitoring in Cells 1 and 2 that the probes have been and were still operating properly to detect concentrations of methane above 5% of the lower explosive limit (LEL). The inspector indicated that the concentrations have been well below the LEL and following the EPA NSPS.

The most recent information found in the file was a Laboratory Report of groundwater activities conducted at the landfill dated January 22, 2020. Well SC-3 was not included in the laboratory report. It was reported by the City of Phoenix that this well was not sampled during this sampling event because of a bad pump and they were trying to determine whether the pump needed to be replaced. The most recent sampling results indicated that there were still concentrations of Arsenic, Barium, Chromium and Lead detected in the other wells sampled. The concentrations of Arsenic and Lead were

below the ADEQ Alert Level requirements but exceeded the Federal Maximum Contaminant Levels (MCLs) in two (2) wells.

The landfill is closed and located hydrogeologically cross-gradient from the subject Property. Although the closest groundwater monitoring well (Well SC-3) to the subject Property that monitors Cell 1 was not sampled due to a damaged well pump, the exposure pathway is incomplete as groundwater is not anticipated to be used at this site. Further, the City of Phoenix believed the presence of Arsenic levels detected in the groundwater monitoring wells were natural occurring. The methane gas probes appeared to still be operating properly and following the NSPS. Therefore, the potential environmental impact from this landfill facility to the subject Property is believed to be low at this time.

Brownfields/Voluntary Cleanup Program: The Arizona Department of Environmental Quality has developed an AZURITE Database, which includes sites that are part of the ADEQ Voluntary Remediation Program and/or the ADEQ Brownfields Program. The Allands report identified no (0) Voluntary Remediation or Brownfields Sites within a 0.5 mile search distance of the Property boundary (Allands).

Registered Underground Storage Tanks (USTs): State (A.R.S. 49-1001 to 1014) and Federal (RCRA Subtitle I) laws require that persons who own or have owned USTs containing “regulated substances” complete a notification form and register the tank with the state. This database is from the ADEQ UST Log. The Allands report identified one (1) UST site within a 0.125 mile search distance of the Property boundary (Allands).

- ◆ Safeway Fuel #2821, 3780 West Happy Valley Road and the subject Property. This facility is reported to have two (2) active USTs. Speedie and Associates reviewed the UST file at ADEQ. A *UST Notification Form* dated December 4, 2008 indicated that a 20,000-gallon gasoline UST and a dual-chambered 20,000-gallon gasoline and diesel UST was installed on the Property on November 14, 2008. The tanks were reported to be double-walled with release detection equipment, including automatic tank gauging, vapor monitoring, interstitial monitoring, and automatic line leak detector. Various inspections were conducted at ADEQ in 2008, 2009, 2012, 2015, and 2018. Notice of Violations were issued during each of these inspections by ADEQ for missing documentation for an alarm on the overfill device activation level(s), sensor tests, operational test report for the pipe sensor, documentation for release detection equipment, water in the sumps, and sensors not properly installed in the turbine sumps. For each of these inspections, ADEQ returned the facility to compliance status indicated that the NOV's had been corrected. In 2017, NOV's were issued for missing UST operator training for Class C documentation and the sump sensor equipment. A *Comment Sheet* from Westest dated November 22, 2017 indicated that they moved the liquid sensor in the Diesel STP sump over to

the lower part of the STP sump, installed a new secondary containment boot on the unleaded product line, and installed tubing from the secondary port over to the liquid sensor in the lowest portion of the sump to help alert for a potential leak. On February 7, 2018, ADEQ indicated that the Notice of Violations had been corrected and returned the facility to compliance status. No other information was found in the file. This facility was not reported to be a LUST site and no surficial flow paths or obvious indications of impact from this UST facility to the subject Property were observed during the site visit. Therefore, the potential environmental impact from the subject Property as having registered USTs is believed to be low at this time.

Leaking Underground Storage Tank (LUST) Incident Reports: Owners of USTs are required to report to ADEQ any and all releases of tank contents for which ADEQ maintains an ongoing file documenting the nature of contamination and the status of each such incident. The Allands report identified no (0) LUST facilities within a 0.5 mile search distance of the Property boundary (Allands).

Hazardous Materials Incident Emergency Response Logbook: The ADEQ Response Team documents spills and incidents involving hazardous materials that are reported to the unit. This database is from the ADEQ Emergency Response Log. The Allands report identified no (0) Hazardous Materials Incidents within a 0.125 mile search distance of the Property boundary (Allands).

Drycleaners: The ADEQ maintains a Drycleaners Inventory List that summarizes current and historic dry cleaners sites located throughout the state of Arizona. The database is dated June 2006. The Allands report identified no (0) drycleaners located within a 0.125 mile search distance of the Property boundary (Allands).

It should be noted that a review of building permit records indicated that Stetson Cleaners occupied Suite 118 in 2009. The permit indicated that Stetson Cleaners was a dry cleaning drop off and pick up site only and no dry cleaning was conducted in the suite. Ms. Johnson also confirmed during the site visit that no dry cleaning activities were ever conducted on-site. Stetson Cleaners was not listed in the ADEQs Drycleaners Inventory List and it was not observed as a current tenant in the shopping center buildings. Therefore, the potential environmental concern from this facility is considered to be low.

Environmental Permits: The ADEQ AZURITE Database System maintains a database of facilities that discharge a material directly or indirectly adds any pollutant to the waters of the state and required to obtain a permit required by the Aquifer Protection Permit Rules. These permits include Groundwater Permits, Reuse Permits, National Pollutant Discharge Elimination System (NPDES) Permitted Facilities, and Aquifer Protection Permits. The subject Property was not identified on these lists (Allands).

7.0 NON-SCOPE CONSIDERATIONS

The following non-scope issue is not an REC and therefore is of no consequence regarding Appropriate Inquiry (CERCLA liability) per ASTM 1527. However, in an attempt to provide further information that may be required by future Property owner/occupant(s), Speedie and Associates provides the following information.

7.1 Asbestos

Asbestos Containing Material is a given material that contains > 1% Asbestos fibers by volume/layer of building material, and suspect ACMs are those materials that are other than wood, glass, or steel. The asbestos industry is one of the most regulated fields in today's market. Both the Occupational Safety & Health Administration (OSHA) and the EPA have rules that govern the asbestos industry. These rules affect our clients because they govern asbestos containing materials (ACMs), which may be found in all buildings, regardless of the size or age of the structure. OSHA regulations govern the identification and management of ACMs within a structure, and the protection of employees who may disturb ACMs. The EPA governs ACMs within schools, and the disturbance of ACMs within any other structure that is deemed a "facility." The EPA identifies a "facility" as any institutional, commercial, public, industrial, or residential structure, installation, or building (including any structure, installation, or building containing condominiums or individual dwelling units operated as a residential cooperative, but excluding residential buildings having four or fewer dwelling units). Each Property building is considered a "facility" with a potential for asbestos impact.

7.2 Soil Vapor Impacts

A vapor encroachment condition (VEC) screen was evaluated under the general guidelines established by ASTM E2600 for Vapor Encroachment Screening on Property Involved in Real Estate Transactions. The Property conditions were reviewed for the likely presence of Chemicals of Concern (COC) vapors in the sub-surface from contaminated soil or groundwater on or within 0.33 miles of the Property. In evaluating the potential for a VEC at the site, we evaluated the Tier 1 condition from information generally collected from the Phase I ESA. The information cited the subject Property as a RCRA Generator and having registered USTs in the environmental regulatory databases as potential environmental concerns. The Safeway Store and Safeway Fuel #2821 located on the subject Property was identified as VSQG and as having two (2) registered USTs. Speedie and Associates reviewed the UST file at ADEQ. Although there were several NOV's issued for missing documentation for UST operator training for Class C, sensors, alarms, and release detection equipment since the USTs were installed in 2008, ADEQ issued Closure for the NOV's and the facility was returned to compliance. The Safeway Fuel #2821 was not reported as having a LUST. Therefore, due to the

lack of evidence of any releases having occurred from the USTs, the potential environmental impact from the USTs located on the Property is considered to be low and not considered to be a REC at this time.

The closed Skunk Creek Landfill was located approximately 0.3 miles to the east of the Property. The COCs were mainly methane gas because of safety issues related to a potential explosion hazard. Methane is a common landfill gas (produced by the bacterial decomposition of organic waste within the landfill) that if not properly vented at the landfill site may migrate to nearby structures and present a health and safety problem. Methane can travel over distances greater than one-fourth of a mile from a landfill. The closest landfill gas monitoring probes to the Property were located along the western perimeter of the landfill. The City of Phoenix reported that the probes have been and were operating properly to detect concentrations of methane above 5% of the LEL in accordance with the EPA's NSPS. Therefore, Speedie and Associates does not believe there is a concern for VEC associated with the landfill as long as the gas control system continues to operate properly to limit the subsurface gradients on 35th Avenue. Based on this information and the VEC screen, Speedie and Associates does not believe there is a concern for VEC at this site at this time.

8.0 FINDINGS AND CONCLUSIONS

At the time of the site visit, the Property consisted of approximately 18.56 acres of commercial land developed with the Stetson Village shopping center. The shopping center consisted of a main anchor building occupied by Safeway Marketplace and a mini major suite occupied by Foothills Sports Medicine with several multi-tenant commercial structures, a Chase Bank, the Phoenix Children's Academy, a Burger King restaurant, a Safeway fuel station and associated convenience store building. Other tenants included FastMed, tanning, hair, and nail salons, a spa, Edward Jones, The UPS Store, Optical Gallery, dentists, a pet store, Mathnasium, a fitness center, an animal hospital, a bicycle shop and other restaurants. Areas outside of the building footprints generally consisted of paved asphalt parking spaces, driveways, and landscaped areas. Storm water retention basins were located along the northern and western boundaries. Stormwater in the central and southern portions appeared to be directed towards underground retention tanks and associated dry well systems. Eighteen dry wells were observed throughout the Property and were registered with ADEQ.

Historically, the Property appeared as native desert land from 1949 until the construction of the main portions of the commercial shopping center in 2008. In 2009, the additional commercial buildings had been developed on the pads on the southern portions of the shopping center. In 2013, another commercial building was developed on the southwestern portion of the Property. The Property appeared essentially the same from 2014 to 2021.

The Property was identified in the environmental regulatory databases as a RCRA Very Small Quantity Generator (VSQG) and as having two (2) registered USTs. Safeway Fuel #2821 was reported to have two (2) 20,000-gallon USTs located on the southeastern portion of the subject Property. Speedie and Associates reviewed the UST file at ADEQ. Although there were several NOV's issued for missing documentation for UST operator training for Class C, sensors, alarms, and release detection equipment since the USTs were installed in 2008, ADEQ issued Closure for the NOV's and the facility was returned to compliance. Documentation included in the file from Westest dated November 22, 2017 indicated that they moved the liquid sensor in the Diesel STP sump over to the lower part of the STP sump, installed a new secondary containment boot on the unleaded product line, and installed tubing from the secondary port over to the liquid sensor in the lowest portion of the sump to help alert for a potential leak. The Safeway Fuel #2821 was not reported as having a LUST. Therefore, due to the lack of evidence of any releases having occurred from the USTs, the potential environmental impact from the USTs located on the Property is considered to be low and not considered to be a REC at this time.

The other environmental regulatory listings identified in the vicinity of the Property do not appear to be sources of a REC for the Property at this time.

We have performed a Phase I ESA in conformance with the scope and limitations of ASTM Standard Practice E 1527 for the subject Property identified as the Stetson Village Shopping Center located at the northeast corner of Happy Valley Road and 39th Drive in Phoenix, Arizona. Any exceptions to, or deletions from, this practice are described in Section 1.1 of this report. Based on information collected during Phase I ESA procedures and analysis, this assessment has revealed no evidence of RECs, controlled recognized environmental conditions (CRECs), historical recognized environmental conditions (HRECs) or *de minimis* conditions in connection with the Property.

9.0 RECOMMENDATIONS

Based on information collected during Phase I ESA procedures and analysis, we recommend no further investigation in regards to RECs at the subject Property at this time.

10.0 LIMITATIONS

Our investigation has been carried out with diligence and detail consistent with prevailing standards and engineering practice. The scope of this investigation was limited to visual and physical observations made during the site visit, interviews with public agency personnel and a review of reasonably ascertainable records and literature. As a result, our conclusions are based largely on information supplied by others. We as environmental professionals are not required to verify the information, but may rely on the information unless actual knowledge concerning the validity of the information is known or is obvious to the professional, based on other collected information. The assessment focus was on identifying the presence or likely presence of any hazardous substances or petroleum products on a Property under conditions that indicate an existing release, a past release, or a material threat of a release of any hazardous substances or petroleum products into structures on the Property or into the ground, groundwater, or surface water of the Property. We are unable to predict events, which may occur after our site visit and result in Property contamination, such as “midnight” dumping or accidental spillage.

No environmental site assessment can wholly eliminate uncertainty regarding the potential for RECs in connection with a Property. Performance with ASTM Practice environmental 1527 is intended to reduce, but not eliminate uncertainty, in connection with a Property while recognizing reasonable limits of time and cost. It should not be concluded or assumed that an inquiry was not appropriate inquiry merely because the inquiry did not identify RECs in connection with a Property. Additionally, it cannot be assumed that any RECs identified during the assessment are the only conditions to exist for the Property. Any conclusion should not be construed as a guarantee for absence, or an attempt at quantification of materials creating RECs, but merely the results of the assessment.

11.0 RELIANCE

We have performed our services for this project in accordance with our proposal and the report is solely for the use of J & R Holdings XII, LLC, Pederson Group Inc., and the Arizona State Land Department. Any reliance on this report by any other party shall be at such party's sole risk.

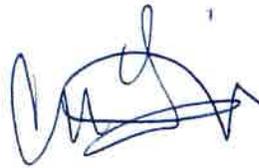
12.0 REPORT CERTIFICATION

This environmental site assessment was performed by an environmental professional or conducted under the supervision or responsible charge of an environmental professional. We declare that, to the best of our professional knowledge and belief, the individuals associated with the preparation of this report meet the definition of Environmental professional as defined in §312.10 of 40 CFR 312 and we have the specific qualifications based on education, training, and experience to assess a property of the nature, history, and setting of the subject property. We have developed and performed the all appropriate inquiries in conformance with the standards and practices set forth in 40 CFR Part 312. A summary of Project Personnel Credentials is included in Appendix C.

Respectfully submitted,
Speedie and Associates



Benjamin Larson
Environmental Geologist



Connie F. Jiron
Project Manager



Timothy Rheinschmidt, R.G.
Project Geologist



Christina T. Vickers
Environmental Division Manager

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**APPENDIX A
SURFACE PHOTOGRAPHS**

APPENDIX A: Surface Photographs



Photo No. 1: Southwest corner of the Property facing east along the southern boundary.



Photo No. 2: Southwest corner of the Property facing northeast and looking across the Property.



Photo No. 3: Southwest corner of the Property facing north along the western boundary.



Photo No. 4: Northwest corner of the Property facing south along the western boundary.



Photo No. 5: Northwest corner of the Property facing southeast and looking across the Property.



Photo No. 6: Northwest corner of the Property facing east along the northern boundary.

APPENDIX A: Surface Photographs



Photo No. 7: Northeast corner of the Property facing west along the northern boundary.



Photo No. 8: Northeast corner of the Property facing southwest and looking across the Property.



Photo No. 9: Northeast corner of the Property facing south along the eastern boundary.



Photo No. 10: Southeast corner of the Property facing north along the eastern boundary.



Photo No. 11: Southeast corner of the Property facing northwest and looking across the Property.



Photo No. 12: Southeast corner of the Property facing west along the southern boundary.

APPENDIX A: Surface Photographs



Photo No. 13: View of typical pad-mounted transformer centrally located on the Property.



Photo No. 14: View of the suites located in Shops C on the Property.



Photo No. 15: View of covered walkways located on the southern portion of the shopping center buildings.



Photo No. 16: View of the interior of the Wow Wow Lemonade restaurant space located in shopping center.



Photo No. 17: View of Grand Nails salon located in a suite on the Property.



Photo No. 18: View of floor drain located in the Blimpie kitchen located in the western portion of the Property.

APPENDIX A: Surface Photographs



Photo No. 19: View of typical restroom located in the Edward Jones suite.



Photo No. 20: View of typical fire riser room located in Shops D of the shopping center.



Photo No. 21: View of typical janitorial sink located in Shops A of the shopping center.



Photo No. 22: View of paved parking located in the southern portion of the Property.



Photo No. 23: View of stormwater features located near the southwest corner of the Property.



Photo No. 24: View of underground retention tank located centrally on the Property.

APPENDIX A: Surface Photographs



Photo No. 25: View of drywell and grease interceptor centrally located on the Property.



Photo No. 26: View of settling chamber located in a centrally located in the southern paved parking area of the shopping center.



Photo No. 27: View of Safeway fuel islands and UST beds located near the southern Property boundary.



Photo No. 28: View of system monitoring well located in the northeast portion of the Safeway fuel center.



Photo No. 29: View of leak detection system located in the Safeway fuel center.



Photo No. 30: View of grease container located centrally on the Property.

APPENDIX A: Surface Photographs



Photo No. 31: View of loading dock located on the northwest corner of the Safeway building.



Photo No. 32: View of hydraulic trash compactor and HVAC system located on the northeast corner of the Safeway.



Photo No. 33: View of surficial staining located near the hydraulic components of the trash compactor.



Photo No. 34: View of rear entry points and trash located on the northern exterior wall of the shopping center.



Photo No. 35: View of retention area located on the northern Property boundary.



Photo No. 36: View of settling chamber of the northernmost drywell located in the northern retention area.

APPENDIX B
REGULATORY DATABASE (ASTM) SEARCH



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Historical Title and Environmental Research

REGULATORY DATABASE (ASTM) SEARCH

YOUR FILE NO: 211817EA

ALLANDS FILE NO: 2021-07-044D

DATE OF REPORT: July 21, 2021

ALLANDS hereby reports the search results of Federal and State Databases according to ASTM standards for Phase I Environmental Site Assessments E 1527-13. Allands is not responsible for errors in the available records. The total liability is limited to the fee paid for this report. This is a confidential, privileged and protected document for the use of Speedie & Associates.

1. The land referred to in this report is located in Maricopa County, Arizona, described as follows:

Property located at 3780 West Happy Valley Road , Glendale, Arizona, being in the Southeast quarter of Section 3, Township 4 North, Range 2 East, Gila and Salt River Base and Meridian.

REGULATORY DATABASE SEARCH SUMMARY

Database	Date of Database	Approximate Minimum Search Distance (miles)	Reported Facilities
Standard Federal ASTM Environmental Record Sources			
NPL (National Priorities List) / Proposed NPL / DOD (Department of Defense Sites)	07/21	1.0	0
Delisted National Priorities List	07/21	0.5	0
CERCLIS (Comprehensive Environmental Response, Compensation and Liability Information System)/No Further Remedial Action Planned (NFRAP) / Superfund Enterprise Management Systems (SEMS)	07/21	0.5	0
RCRA (Resource Conservation and Recovery Act)	07/21	0.125	1
RCRA – CORRACTS (Corrective Action Sites)	07/21	1.0	0
RCRA – Non-CORRACTS TSDFs (Non-Corrective Action Treatment, Storage, and Disposal Facilities)	07/21	0.5	0
ERNS (Emergency Response Notification System)	07/21	0.125	0
Standard State ASTM Environmental Record Sources			
WQARF (Water Quality Assurance Revolving Fund) Areas	07/21	1.0	0
Superfund Program List (replaces ACIDS)	08/04	0.5	0
Solid Waste Facilities/Landfill Sites – Operating and Closed	05/99 & 05/04	0.5	1
Control Registries	07/21	Site only	0
Brownfields / Voluntary Remediation Program	12/16	0.5	0
Registered USTs (Underground Storage Tanks) (includes Tribal Records)	07/21	0.125	1
LUSTs (Leaking Underground Storage Tanks) Incident Reports (includes Tribal Records)	07/21	0.5	0
Additional Environmental Record Sources			
RCRA Compliance Facilities	07/21	0.125	0
Hazardous Materials Incidents Emergency Response Logbook	1984-06/01	0.125	0
ADEQ Drywell Registration Database (includes Tribal Records)	07/21	0.125	18
Environmental Permits	07/21	Site only	0
Fire Insurance Maps	Various	Site and adjoining	0
Topographical / Aerial Maps	See text	Site and adjoining	2
VEMUR / DEUR / LIENS / DEURTRACKER	07/21	Site only	0
DRYCLEANER	06/06	0.125	0
Arizona Department of Water Resources Well Registration Database	07/21	Site and adjoining	See Text

Allands contacts the appropriate sources on a quarterly basis to maintain currency of data

Standard Federal ASTM Environmental Record Sources

SUPERFUND NATIONAL PRIORITIES LIST (NPL)

Under Section 105 of the Comprehensive Environmental Response, Compensation and Liability Act the Environmental Protection Agency established a National Priorities List (NPL) of Superfund sites. In addition, Proposed NPL and DOD (Department of Defense) Sites are researched in the section. These databases are provided by the EPA and the Arizona Department of Environmental Quality, dated July, 2021, and searched to identify all NPL/Proposed NPL/ DOD sites within a 1.0 mile search distance from subject property exterior boundaries.

Note: Due to inconsistency between the general area site description in the Narrative site information and the detailed site map, the distance/directions are determined based upon the most current site map available from ADEQ.

No National Priorities List (NPL) / Proposed NPL / DOD Sites were found located within a 1.0 mile search distance from subject property exterior boundaries.

DELISTED NATIONAL PRIORITIES LIST

Site may be delisted from the National Priorities List where no further response is appropriate. This database is provided by the Environmental Protection Agency, dated July, 2021, and searched to identify all Delisted NPL Sites within a 0.5 mile search distance from subject property exterior boundaries.

No Delisted National Priorities List (NPL) Sites were found located within a 0.5 mile search distance from subject property exterior boundaries.

FEDERAL CERCLIS / NFRAP LIST / SEMS

The CERCLIS list contains sites which are either proposed to or on the NPL and sites which are in the screening and assessment phase for possible inclusion on the NPL. Those sites on the NFRAP list have no further remedial action planned. This database has been archived by EPA as of November 12, 2013 and the Superfund Enterprise Management System (SEMS) has replaced the former CERCLIS/NFRAP lists and is dated July, 2021 and searched for facilities within a 0.5 mile search distance from subject property exterior boundaries.

No CERCLIS / NFRAP / SEMS facilities were found located within a 0.5 mile search distance from subject property exterior boundaries.

RESOURCE CONSERVATION AND RECOVERY ACT FACILITIES (RCRA)

Under RCRA the Environmental Protection Agency compiles a database of facilities that are involved in the generation of hazardous materials. This database is from the Arizona Department of Environmental Quality RCRAInfo Database, dated July, 2021 and checked for Federal RCRA facilities located within a <=0.125 mile search distance from subject property exterior boundaries.

EPA ID	FACILITY	ADDRESS	NOTIF. DATE	STATUS
AZR000513515	Safeway Store #2821	3800 West Happy Valley Road	04/26/2021	VSQG

CODES:

LQG: Large quantity generator (more than 1000 kg per month)
SQG: Small quantity generator (100 – 1000 kg per month)
CEG: Conditionally exempt small quantity generator (less than 100 kg per month)
VSQG: Very Small Quantity Generators
N : Not a generator verified or inactive generator

CORRACTS FACILITIES

Under RCRA the Environmental Protection Agency compiles a database of Corrective Action Sites, sites with known contamination. Also known as the RCRA CORRACTS List, this is a list maintained by the EPA of RCRA sites at which contamination has been discovered and where some level of corrective clean-up activity has been undertaken. For example, a site may have been on the RCRA TSD or the RCRA Generators site list, and was placed on the CORRACTS list once contamination was discovered and remediation was underway. This database is dated July, 2021, and checked for facilities which occurred within a 1.0 mile search distance from subject property exterior boundaries.

No Facilities were found which occurred within a 1.0 mile search distance from subject property exterior boundaries.

NON-CORRACTS TSD FACILITIES

Under RCRA the Environmental Protection Agency compiles a database of facilities that are involved in the transportation, treatment, storage, or disposal of hazardous materials. This database is from the Arizona Department of Environmental Quality Arizona Hazardous Waste Treatment, Storage and Disposal Facilities, dated July, 2021, and checked for Facilities which occurred within a 0.5 mile search distance from subject property exterior boundaries.

No TSD Facilities were found which occurred within a 0.5 mile search distance from subject property exterior boundaries.

FEDERAL EMERGENCY RESPONSE NOTIFICATION SYSTEM (ERNS) LIST

The ERNS list is a national database used to collect information on reported releases of oil and hazardous substances. This database is provided by the National Response Center and the EPA through the Right of Know Net by OMB Watch and Unison Institute from 1983 to July, 2021, and checked for incidents located within a ≤ 0.125 mile search distance from subject property exterior boundaries.

No incidents were found located within a ≤ 0.125 mile search distance from subject property exterior boundaries.

Standard State ASTM Environmental Record Sources

WATER QUALITY ASSURANCE REVOLVING FUND (WQARF)

The state of Arizona established a remedial program under A.R.S. 49-282 to facilitate the conservation and clean-up of Arizona drinking water and water sources. Under the authority of the WQARF program, the state actively identifies any actual or potential impact upon state waters, evaluates the extent of contamination, identifies parties responsible, and provides money grants to assist in clean-up activities. This database is provided by the Arizona Department of Environmental Quality dated July, 2021, and searched to identify all WQARF sites within a 1.0 mile search distance from subject property exterior boundaries.

Note: Due to inconsistency between the general area site description in the Narrative site information and the detailed site map, the distance/directions are determined based upon the most current site map available from ADEQ.

No WQARF Registry List sites were found located within a 1.0 mile search distance from subject property exterior boundaries.

ARIZONA SUPERFUND PROGRAM LIST

The Arizona Superfund Program List replaces the Arizona CERCLIS Information Data System (ACIDS). This list is more representative of the sites and potential sites within jurisdiction of the Arizona Department of Environmental Quality Superfund Programs Section (SPS). This database is provided by the Arizona Department of Environmental Quality, dated August, 2004, and searched to identify all sites within a 0.5 mile search distance from subject property exterior boundaries.

No facilities on the Arizona Superfund Program List were found located within a 0.5 mile search distance from subject property exterior boundaries.

Program Status codes:

Pending PI	WQARF Preliminary Investigation (PI) is scheduled or in process
On Registry	PI has resulted in inclusion of a site on the WQARF Registry
ACTIVE	The Department of Defense is presently addressing the site
On NPL	site has been listed on the CERCLA National Priorities List

LANDFILLS

The state of Arizona maintains listings of closed and permitted, operating landfills and solid waste dump sites. Lists of closed facilities are not necessarily complete - older dumping areas may not be documented. This database is from the Arizona Department of Environmental Quality Waste Programs Division; Solid Waste Section Directory of Arizona Active and Inactive Landfills dated May, 1999 and May, 2004, and checked for active and inactive landfills located within a 0.5 mile search distance from subject property exterior boundaries.

FACILITY	SEC/TWN/RNG	LOCATION	DISTANCE/ DIRECTION
Skunk Creek MSWLF	11/4N/2E	3165 W Happy Valley	0.3 mi. East

Codes:

MSWLF: **Municipal Solid Waste Landfills**
CSWLF: **Closed Solid Waste Landfills**
CSWOD: **Closed Solid Waste Dumps**

CONTROL REGISTRIES

Under ASTM E 1527-13, Federal, State and Tribal institutional control / engineering control registries need to be researched. EPA Envirofacts was reviewed for federal institutional or engineering controls and The Arizona Department of Environmental Quality has developed the AZURITE Database, reviewed through ADEQ GIS eMaps, which retrieves any institutional or engineering controls, dated July, 2021, and was researched for inclusion of subject property.

No institutional or engineering controls were found which occurred at subject property

BROWNFIELDS / VOLUNTARY CLEANUP PROGRAM

The Arizona Department of Environmental Quality has developed the AZURITE Database, reviewed through ADEQ GIS eMaps, which includes the ADEQ Voluntary Remediation Program dated August, 2018 and the ADEQ Brownfields Tracking System, dated December, 2016, and searched for sites which occurred within a 0.5 mile search distance from subject property exterior boundaries.

No brownfield sites were found which occurred within a 0.5 mile search distance from subject property exterior boundaries.

REGISTERED UNDERGROUND STORAGE TANKS (UST)

State (A.R.S. 49-1001 to 1014) and Federal (RCRA Subtitle I) laws require that persons who own or have owned underground storage tanks containing “regulated substances” complete a notification form and register the tank with the state. Tribal UST records are researched when subject property exterior boundaries are within search distance of Tribal lands. This database is from the Arizona Department of Environmental Quality UST Log dated July, 2021, and searched for UST sites located within a <=0.125 mile search distance from subject property exterior boundaries.

Facility ID	Facility Name	Address	Tank No	Tank Inst Date	Closure Type	Closure Date
0-010263	Safeway Fuel #2821	3780 W Happy Valley Rd	1	11/14/2008		
0-010263	Safeway Fuel #2821	3780 W Happy Valley Rd	2	11/14/2008		

REGISTERED LEAKING UNDERGROUND STORAGE TANKS (LUST)

Owners of USTs are required to report to the Arizona Department of Environmental Quality any and all releases of tank contents for which ADEQ maintains an ongoing file documenting the nature of contamination and the status of each such incident. Tribal LUST records are researched when subject property exterior boundaries are within search distance of Tribal lands. This database is from the ADEQ LUST Log dated July, 2021, and searched for LUST sites located within a 0.5 mile search distance from subject property exterior boundaries.

No registered leaking underground storage tanks were found located within a 0.5 mile search distance from subject property exterior boundaries.

Additional Environmental Record Sources

RESOURCE CONSERVATION AND RECOVERY ACT (RCRA) COMPLIANCE FACILITIES

The RCRA Compliance Log lists facilities that have been or presently are under investigation for non-compliance with RCRA regulations. Inclusion of any facility on this list indicates a history of compliance problems and RCRA regulatory violation. This database is from the Arizona Department of Environmental Quality RCRA Compliance Log, dated July, 2021, and searched for compliance facilities within a ≤ 0.125 mile search distance from subject property exterior boundaries.

No compliance facilities were found located within a ≤ 0.125 mile search distance from subject property exterior boundaries.

HAZARDOUS MATERIAL INCIDENTS

The Arizona Department of Environmental Quality (ADEQ) Response Team documents spills and incidents involving hazardous materials that are reported to the unit. This database is from the Arizona Department of Environmental Quality Emergency Response Log from 1984 through June, 2001, and checked for hazardous material incidents located within a ≤ 0.125 mile search distance from subject property exterior boundaries.

No hazardous material incidents were found located within a ≤ 0.125 mile search distance from subject property exterior boundaries.

ADEQ DRY WELL REGISTRATION DATA BASE

Dry wells are constructed for the purpose of collecting storm waters. Dry wells are required to be registered with ADEQ. Tribal Drywell records are researched when subject property exterior boundaries are within search distance of Tribal lands. This database is from the ADEQ dry well registration database dated July, 2021, and searched for dry wells located within a ≤ 0.125 mile search distance from subject property exterior boundaries.

FACILITY	ADDRESS	BEG REG #	END REG #	TOTAL WELLS
Stetson Village	NEC 39th Ave & Happy Valley Rd	41779	41796	18

ENVIRONMENTAL PERMITS

These lists include Groundwater Permits, Reuse Permits; National Pollutant Discharge Elimination System (NPDES) Permitted Facilities and Aquifer Protection Permits. Any facility which discharges a material that directly or indirectly adds any pollutant to the waters of the state may be required to obtain a permit as required by the Aquifer Protection Permit Rules. These databases are from the Arizona Department of Environmental Quality through its AZURITE Database System and the Environmental Protection Agency and updated to July, 2021, and checked for inclusion of subject property.

Subject property was not found on these lists.

FIRE INSURANCE MAPS

A review was made at the Arizona State Capital Archives for Fire Insurance Maps, more commonly known as Sanborn Maps, which covered the area in which the subject property is located. Subject property is not located within the boundaries of available maps.

USGS 7.5 MINUTE TOPOGRAPHICAL MAPS AERIAL PHOTOS

The United States Geological Survey Topographic maps and Aerial Photos are derived from Terrain Navigator Software from My Topo, a Trimble Company. (www.mytopo.com) and are for informational purposes only.

NAME	TYPE	DATE	REVISION	CONTOUR INTERVAL
Hedgpeth Hills	Topo	1957	1981	20 feet
Bing	Aerial	2021		

VOLUNTARY ENVIRONMENTAL MITIGATION USE RESTRICTIONS BY OWNERS (VEMUR'S); DECLARATION OF ENVIRONMENTAL USE RESTRICTIONS (DEUR); AND ENVIRONMENTAL LIENS

A.R.S. 49-152. This states that the Director of the Arizona Department of Environmental Quality shall allow property owners, who have voluntarily elected to remediate their property for nonresidential uses, to record in the applicable county recorder's office a VEMUR limiting, by legal description, the area necessary to protect public health and the environment to nonresidential uses if contamination remains on the property at or above certain levels. In accordance with Arizona Administrative Code (A.A.C.) R18-7-201 et. Seq., a Declaration of Environmental Use Restriction (DEUR) is a voluntary notice to deed which restricts the use of a property to non-residential use. ADEQ maintains a repository listing of sites remediated under programs administered by the department. This is called the Remediation and DEUR Tracking System (RDT) ADEQ's RDT was researched for inclusion of subject property.

No VEMUR'S, DEUR'S; nor Environmental Liens were found listed for subject property.

DRYCLEANERS

The Drycleaners Inventory List summarizes current and historic dry cleaners sites throughout the state of Arizona and is not all inclusive. This database is from the Report for the Arizona Department of Environmental Quality Dry Cleaners Inventory Project, dated June, 2006, and searched for dry cleaners sites located within a ≤ 0.125 mile search distance from subject property exterior boundaries.

No drycleaners were found located within a ≤ 0.125 mile search distance from subject property exterior boundaries.

ARIZONA DEPARTMENT OF WATER RESOURCES WELL REPORT

This database is from the Arizona Department of Water Resources Well Report Operations Division Report, dated July, 2021. This report identifies existing wells sequenced by legal description and checked for inclusion of subject site and adjacent properties within 10 Acres.

Imaged Records are available at: <http://infoshare.azwater.gov/docushare/dsweb/HomePage>

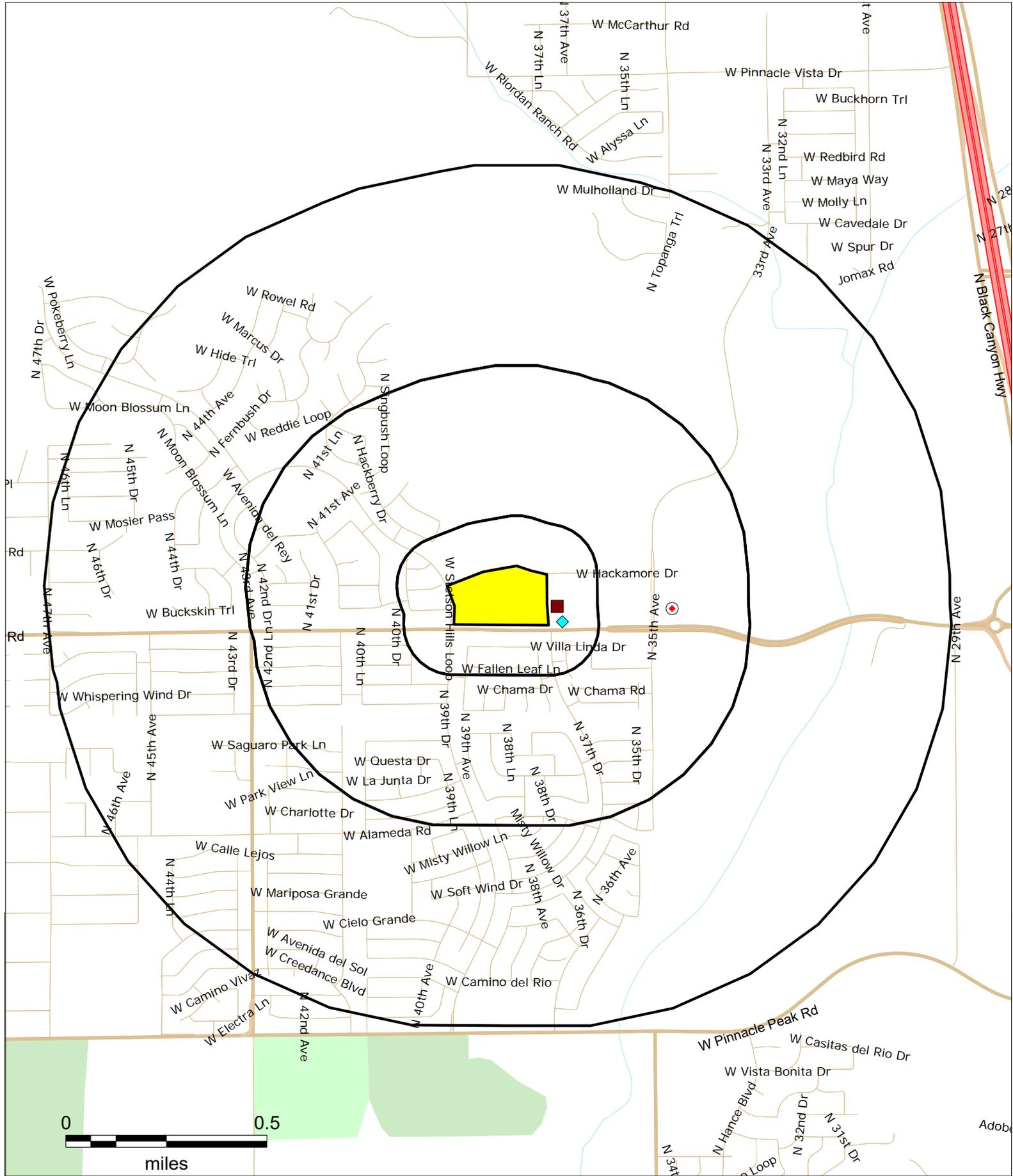
Water Uses (WU)

A Irrigation
 B Utility (Water Co.)
 C Commercial
 D Domestic
 E Municipal
 F Industrial
 G Recreational
 H Remediation
 I Mining
 J Stock
 K Other - Exploration
 L Drainage
 M Monitoring
 N None
 O Other - Non-Production
 P Remediation
 R Recharge
 T Test
 U Unknown
 V Dewatering

Legal Description

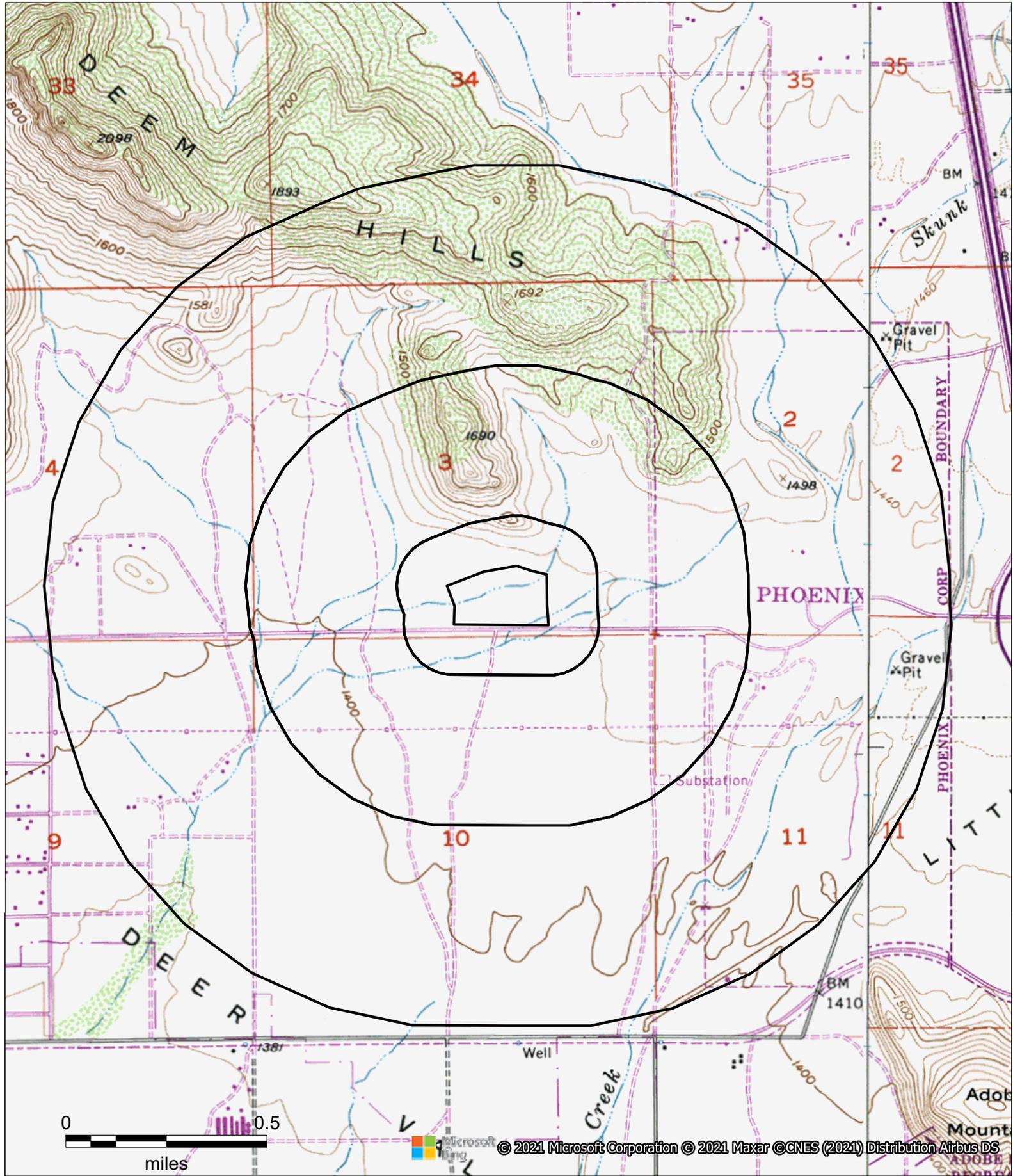
T Township
 N/S North or South
 R Range
 E/W East or West
 S Section
 Q1 Quarter of Section (160 Acres)
 Q2 Quarter of Section (40 Acres)
 Q3 Quarter Quarter Quarter of Section (10 acres)
 ID Well Registration Number
 WD Well Depth
 WL Water Level
 DIA Casing width

No wells were found located within a 10 Acre search distance from subject property exterior boundaries.



LEGEND

					2021-07-044



LEGEND

	SITE	USTs	CERCLA / NFRAP	RCRA	2021-07-044
		LUSTs	LANDFILLS	RCRA COMPLIANCE	



LEGEND

★ **SITE**

◆ USTs

● CERCLA / NFRAP

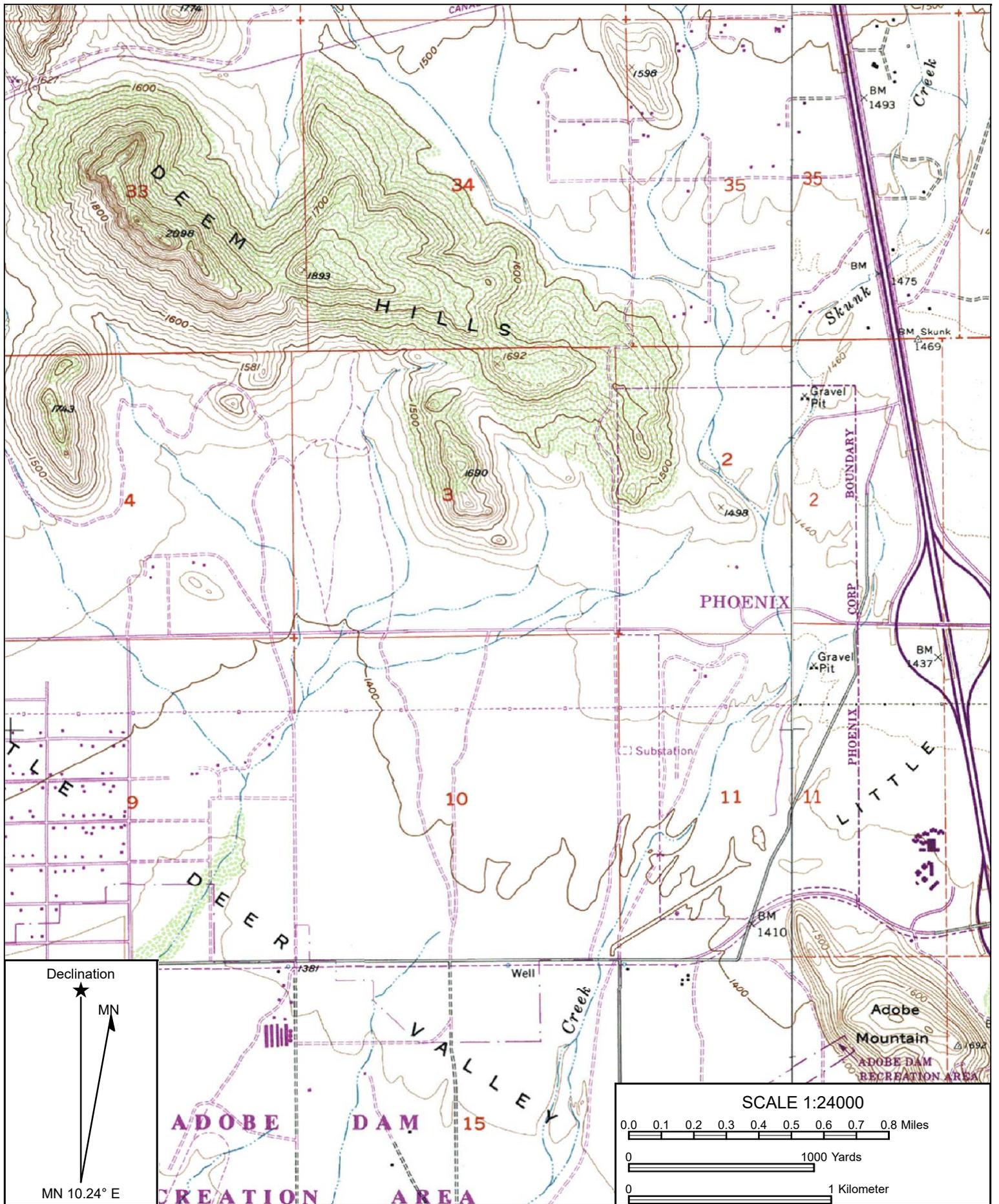
■ RCRA

2021-07-044

▼ LUSTs

⊙ LANDFILLS

▲ RCRA COMPLIANCE



Name: HEDGPETH HILLS
 Date: 07/20/21
 Scale: 1 inch = 2,000 ft.

Location: 033° 42' 49.9730" N, 112° 08' 26.4095" W
 2021-07-044



14947 W. Piccadilly Road, Goodyear, AZ 85395 • Phone: 623-535-7800 • Fax: 623-535-7900
www.allands.com • e-mail: sharon@allands.com

Historical Title and Environmental Research

**TITLE AND JUDICIAL RECORDS FOR ENVIRONMENTAL LIENS AND
ACTIVITY AND USE LIMITATIONS; VOLUNTARY ENVIRONMENTAL
MITIGATION USE RESTRICTIONS BY OWNERS (VEMUR) AND
DECLARATION OF ENVIRONMENTAL USE RESTRICTIONS (DEUR)**

YOUR FILE NO: 211817EA

ALLANDS FILE NO: 2021-07-044E

Date of Report: July 21, 2021

Title Plant Date***: July 16, 2021

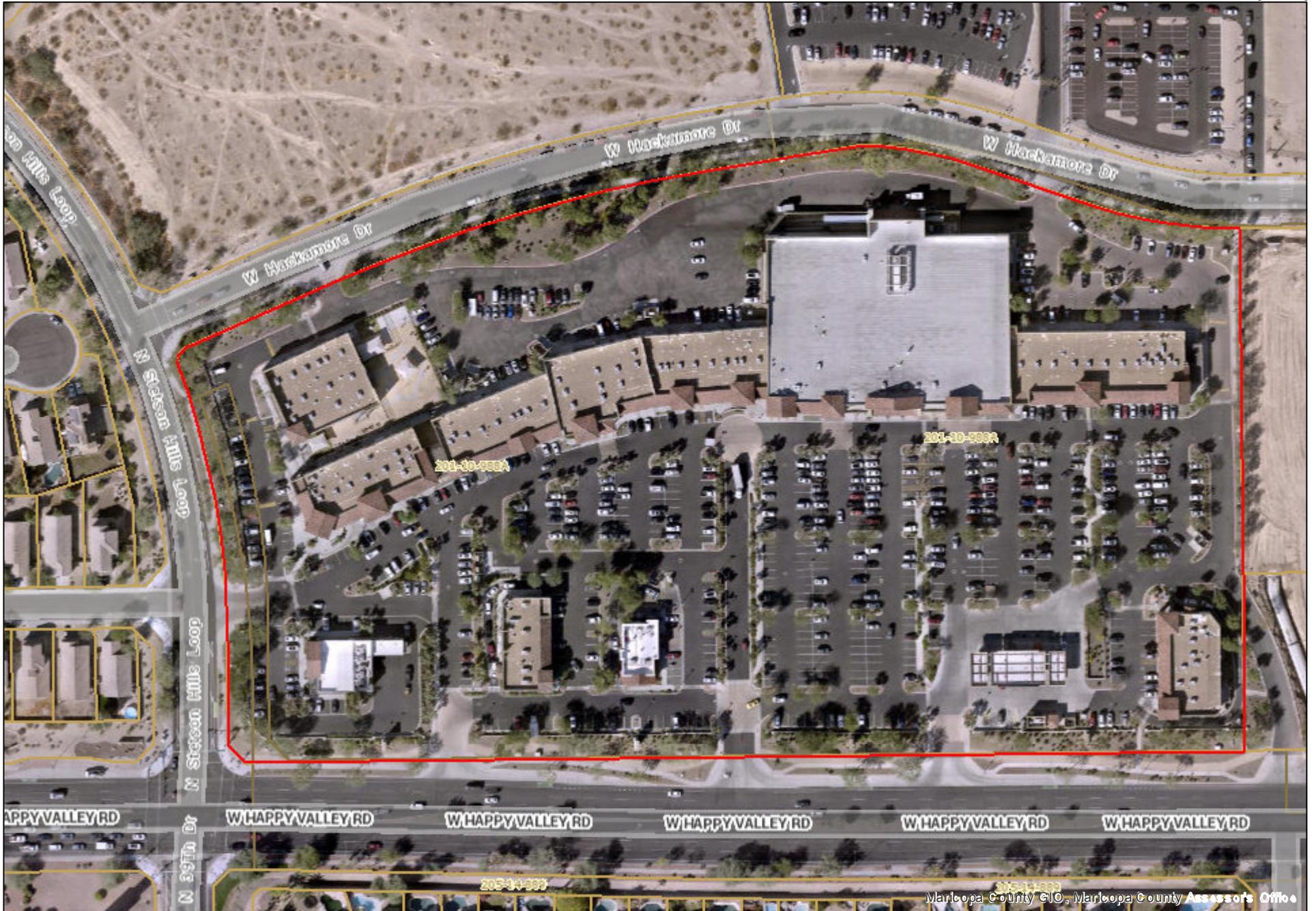
***The Title Plant Date reflects the most current data made available by the information sources used at the time the research was performed.

ALLANDS hereby presents an Environmental Search Report to the land described below. Allands is not responsible for errors in the available records. The total liability is limited to the fee paid for this report. This is a confidential, privileged and protected document for the use of Speedie & Associates.

1. The land referred to in this report is located in Maricopa County, Arizona.
2. Assessor's No.: 201-10-988A
3. No VEMUR'S, DEUR'S; Environmental Liens, Brownfields, institutional controls, engineering controls, or activity and use limitations, if any, were found currently recorded against the property as searched at the subject county recorder's office.



Parcel 201-10-988A



201-10-988A

Commercial Parcel

This is a Commercial parcel located at [3780 W HAPPY VALLEY RD GLENDALE 85310](#). The current owner is J AND R HOLDINGS XII LLC LEASE 03-109627. It is located in the STETSON HILLS STATE PLAT 20 TRS 1 2 3 & 4 REPLAT subdivision, and MCR [56136](#). Its current year full cash value is \$4,704,200.

 MAPS

 PICTOMETRY

 VIEW/PAY TAX
BILL

 DEED

 OWNER

 VALUATIONS

 MAP FERRET

 SIMILAR
PARCELS

 REGISTER
RENTAL

PROPERTY INFORMATION



[3780 W HAPPY VALLEY RD GLENDALE 85310](#)

MCR #	56136
Description	TRACT 4 STETSON HILLS STATE PLAT 20 TRS 1 2 3 & 4 REPLAT MCR 561-36 EX ANY PT LY WI-IN STETSON VILLAGE MOD MCR 1008-28
Lat/Long	33.713899 -112.14152
Lot Size	808,628 sq ft.
Zoning	C-2
Lot #	4
High School District	DEER VALLEY UNIFIED #97
Elementary School District	DEER VALLEY UNIFIED SCHOOL DISTRICT
Local Jurisdiction	PHOENIX
S/T/R	10 4N 2E
Market	00/
Area/Neighborhood	
Subdivision (7 Parcels)	STETSON HILLS STATE PLAT 20 TRS 1 2 3 & 4 REPLAT

OWNER INFORMATION



[J AND R HOLDINGS XII LLC LEASE 03-109627](#)

Mailing Address	2800 N CENTRAL AVE 15TH FL, PHOENIX, AZ 85004
Deed Number	070398497
Last Deed Date	04/04/2007
Sale Date	n/a
Sale Price	n/a

VALUATION INFORMATION



We provide valuation information for the past 5 years. For mobile display, we only show 1 year of valuation information. Should you need more data, please look at our [data sales](#).

The Valuation Information displayed below may not reflect the taxable value used on the tax bill due to any special valuation relief program. [CLICK HERE TO PAY YOUR TAXES OR VIEW YOUR TAX BILL](#)

Tax Year	2022	2021	2020	2019	2018
Full Cash Value [?]	\$4,704,200	\$4,704,200	\$2,728,000	\$2,632,700	\$2,489,800
Limited Value [?]	\$2,317,495	\$2,207,138	\$2,102,036	\$2,001,939	\$1,906,609
Legal Class	2.R	2.R	2.R	2.R	2.R
Description	AG / VACANT LAND / NON-PROFIT R/P				
Assessment Ratio	15.0%	15.0%	15.0%	15.0%	15.0%
Assessed LPV	\$347,624	\$331,071	\$315,305	\$300,291	\$285,991
Property Use Code	9528	9528	9528	9528	9528
PU Description	State Property				
Tax Area Code	971300	971300	971300	971300	971300
Valuation Source	Notice	Notice	Notice	Notice	Notice

MAP FERRET MAPS



Mapferret maps, also known as MapId maps, pdf maps, or output maps are now available here without having to search.

▸ [Parcel Maps \(2\)](#)

▸ [Subdivision Maps \(4\)](#)

▸ [MCR Maps \(4\)](#)

▸ [Book/Map Maps \(22\)](#)

CAUTION! USERS SHOULD INDEPENDENTLY RESEARCH AND VERIFY INFORMATION ON THIS WEBSITE BEFORE RELYING ON IT.

The Assessor's Office has compiled information on this website that it uses to identify, classify, and value real and personal property. Please contact the Maricopa County S.T.A.R. Center at (602) 506-3406 if you believe any information is incomplete, out of date, or incorrect so that appropriate corrections can be addressed. Please note that a statutory process is also available to correct errors pursuant to Arizona Revised Statutes 42-16254.

The Assessor does not guarantee that any information provided on this website is accurate, complete, or current. In many instances, the Assessor has gathered information from independent sources and made it available on this site, and the original information may have contained errors and omissions. Errors and omissions may also have occurred in the process of gathering, interpreting, and reporting the information. Information on the website is not updated in "real time". In addition, users are cautioned that the process used on this site to illustrate the boundaries of the adjacent parcels is not always consistent with the recorded documents for such parcels. The parcel boundaries depicted on this site are for illustrative purposes only, and the exact relationship of adjacent parcels should be independently researched and verified. The information provided on this site is not the equivalent of a title report or a real estate survey. Users should independently research, investigate and verify all information before relying on it or in the preparation of legal documents.

By using this website, you acknowledge having read the above and waive any right you may have to claim against Maricopa County, its officers, employees, and contractors arising out of my reliance on or the use of the information provided on this website.

137436-7-2-2--
brownj

FIRST AMERICAN TITLE
When Recorded, Mail to:

Gary N. Pederson
Pederson Group, Inc.
2800 North Central Avenue
Suite 1500
Phoenix, Arizona 85004

2/2 137436

SPACE ABOVE THIS LINE FOR RECORDER'S USE

MEMORANDUM OF ASSIGNMENT OF LEASE

This Memorandum of Assignment of Lease is made as of April 4, 2007, by and between PARKHOUSE HOLDINGS LLC, an Arizona limited liability company ("Assignor") and J&R HOLDINGS XII, L.L.C., an Arizona limited liability company ("Assignee"), to acknowledge the assignment of the Lessee's rights under that certain Commercial Lease No. 03-109627 (the "Lease") by Assignor to Assignee, relating to that certain parcel of real property described on Exhibit "A" attached hereto and incorporated herein by this reference.

IN WITNESS WHEREOF the parties have executed this Memorandum of Assignment of Lease as of the dates set forth in their respective acknowledgments.

ASSIGNOR:

PARKHOUSE HOLDINGS LLC, an
Arizona limited liability company

By: 

Print Name: Anh Nguyen

Its: Member

ASSIGNEE:

J&R HOLDINGS XII, L.L.C.,
an Arizona limited liability company

By: PEDERSON GROUP, INC.,
An Arizona corporation,
Its Manager

By: 
Its: Vice President

APPROVAL OF ASSIGNMENT

This will acknowledge that the Assignment of the Lease referenced above by Assignor to Assignee has been approved by the State of Arizona ("Lessor"), pursuant to the provisions of Section 14.2 of the Lease.

LESSOR:

STATE OF ARIZONA
ARIZONA STATE LAND
COMMISSIONER

By: _____

Its: _____

ASSIGNEE:

J&R HOLDINGS XII, L.L.C.,
an Arizona limited liability company

By: PEDERSON GROUP, INC.,
An Arizona corporation,
Its Manager

By: _____

Its: _____

APPROVAL OF ASSIGNMENT

This will acknowledge that the Assignment of the Lease referenced above by Assignor to Assignee has been approved by the State of Arizona ("Lessor"), pursuant to the provisions of Section 14.2 of the Lease.

LESSOR:

STATE OF ARIZONA
ARIZONA STATE LAND
COMMISSIONER

By: Jamie Z Hogue

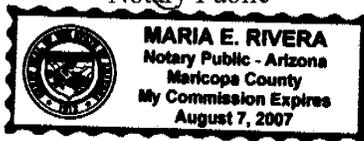
Its: Deputy Land Commissioner

STATE OF ARIZONA)
) ss.
COUNTY OF MARICOPA)

The foregoing instrument was acknowledged before me this 3rd day of April, 2007, by Anh Nguyen, as Member of PARKHOUSE HOLDINGS LLC, an Arizona limited liability company, on behalf of the limited liability company.

Maria E. Rivera
Notary Public

My Commission Expires:
8.7.07



STATE OF ARIZONA)
) ss.
COUNTY OF MARICOPA)

The foregoing instrument was acknowledged before me this 4th day of April, 2007, by Gary N. Pederson as Vice President of PEDERSON GROUP, INC., an Arizona corporation, acting in its capacity as Manager of J&R HOLDINGS XII, L.L.C., an Arizona limited liability company, on behalf of the limited liability company.

Patricia C. Shannon
Notary Public

My Commission Expires:



STATE OF ARIZONA)
) ss.
COUNTY OF MARICOPA)

The foregoing instrument was acknowledged before me this _____ day of _____, 2007, by _____ as _____ of the ARIZONA STATE LAND DEPARTMENT for the STATE OF ARIZONA.

Notary Public

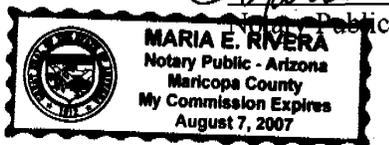
My Commission Expires:

STATE OF ARIZONA)
) ss.
COUNTY OF MARICOPA)

The foregoing instrument was acknowledged before me this 3rd day of April, 2007, by Anh Nguyen, as member of PARKHOUSE HOLDINGS LLC, an Arizona limited liability company, on behalf of the limited liability company.

Maria E. Rivera

My Commission Expires: 8.7.07



STATE OF ARIZONA)
) ss.
COUNTY OF MARICOPA)

The foregoing instrument was acknowledged before me this _____ day of _____, 2007, by _____ as _____ of PEDERSON GROUP, INC., an Arizona corporation, acting in its capacity as Manager of J&R HOLDINGS XII, L.L.C., an Arizona limited liability company, on behalf of the limited liability company.

Notary Public

My Commission Expires:

STATE OF ARIZONA)
) ss.
COUNTY OF MARICOPA)

The foregoing instrument was acknowledged before me this _____ day of _____, 2007, by _____ as _____ of the ARIZONA STATE LAND DEPARTMENT for the STATE OF ARIZONA.

Notary Public

My Commission Expires:

STATE OF ARIZONA)
) ss.
COUNTY OF MARICOPA)

The foregoing instrument was acknowledged before me this ____ day of _____, 2007, by _____, as _____ of PARKHOUSE HOLDINGS LLC, an Arizona limited liability company, on behalf of the limited liability company.

Notary Public

My Commission Expires:

STATE OF ARIZONA)
) ss.
COUNTY OF MARICOPA)

The foregoing instrument was acknowledged before me this ____ day of _____, 2007, by _____ as _____ of PEDERSON GROUP, INC., an Arizona corporation, acting in its capacity as Manager of J&R HOLDINGS XII, L.L.C., an Arizona limited liability company, on behalf of the limited liability company.

Notary Public

My Commission Expires:

STATE OF ARIZONA)
) ss.
COUNTY OF MARICOPA)

The foregoing instrument was acknowledged before me this 2nd day of April, 2007, by Jamie L. Hoque as DEPUTY Commissioner of the ARIZONA STATE LAND DEPARTMENT for the STATE OF ARIZONA.



Carol A. Ewing
Notary Public

Exhibit "A"
03-109627

Legal Description

TRACT 4, OF STATE PLAT No. 20, REPLAT, STETSON HILLS AS RECORDED IN BOOK 561, OF MAPS, PAGE 36, AS FILED IN THE MARICOPA COUNTY RECORDERS OFFICE, MARICOPA COUNTY, ARIZONA. AND LOCATED IN SECTION 3, TOWNSHIP 4 NORTH, RANGE 2 EAST, GILA AND SALT RIVER MERIDIAN. MORE PARTICULARLY DESCRIBED AS FOLLOWS;

COMMENCING AT THE SOUTHEAST CORNER OF SECTION 3,
 THENCE S89°21'10"W, A DISTANCE OF 1325.54 FEET, TO THE POINT OF BEGINNING
 THENCE CONTINUING S89°21'10"W, A DISTANCE OF 1222.44 FEET,
 THENCE N00°19'27"W, ALONG THE EAST RIGHT OF WAY LINE OF 39TH AVE. A DISTANCE OF 231.77 FEET, TO THE TANGENT POINT OF A CURVE TO THE LEFT, WHOSE RADIUS IS 940.00 FEET,
 THENCE ALONG THE SAID CURVE AN ARC DISTANCE OF 341.78 FEET,
 THENCE N66°24'08"E, ALONG THE SOUTH RIGHT OF WAY LINE OF HACAMORE DR. A DISTANCE OF 219.90 FEET, TO THE TANGENT POINT OF A CURVE TO THE RIGHT, WHOSE RADIUS IS 1810.00 FEET,
 THENCE CONTINUING ALONG THE SOUTH RIGHT OF WAY LINE OF HACAMORE DR. AN ARC DISTANCE OF 445.94 FEET,
 THENCE N80°31'07"E, ALONG THE SOUTH RIGHT OF WAY LINE OF HACAMORE DR. A DISTANCE OF 106.41 FEET,
 THENCE N09°28'53"W, ALONG A RADIAL LINE A DISTANCE OF 20.00 FEET, TO A POINT ON A CURVE CONCAVE TO THE SOUTH, WHOSE RADIUS IS 480.00 FEET,
 THENCE ALONG THE SAID CURVE AN ARC DISTANCE OF 233.30 FEET,
 THENCE S71°37'58"E, ALONG THE SOUTH RIGHT OF WAY LINE OF HACAMORE DR. A DISTANCE OF 157.27 FEET, TO THE TANGENT POINT OF A CURVE TO THE RIGHT, WHOSE RADIUS IS 520.00 FEET,
 THENCE ALONG THE SAID CURVE AN ARC DISTANCE OF 172.57 FEET,
 THENCE S00°38'50"E, A DISTANCE OF 710.00 FEET TO THE POINT OF BEGINNING.

CONTAINING 20.82 ACRES MORE OR LESS

APPENDIX C
PROJECT PERSONNEL CREDENTIALS

APPENDIX C: Project Personnel Credentials

BENJAMIN LARSON – *Environmental Geologist*

Mr. Larson has seven (7) years of experience in the environmental and geotechnical engineering and consulting fields on projects of all types and sizes. He is responsible for all phases of the project work, including supervision of subcontractors and performing field activities for Phase I and II ESAs. He has experience performing soil and groundwater sampling, asbestos surveys, soil vapor investigations, groundwater sampling, and interpretation of laboratory analytical results. For this project, he performed the site visit, completed the photograph logs, and assisted with preparation of the report. Mr. Larson received his Bachelor degree in Geology from the University of Minnesota.

CONNIE F. JIRON – *Project Manager*

Ms. Jiron has more than 28 years of experience as an environmental professional in environmental engineering and consulting. Her areas of expertise include management, interpretation, and presentation of data generated by small and large multi-task projects. Ms. Jiron has performed and managed several thousand commercial, industrial, and single- and multi-family environmental site assessments. She is responsible for performing all components of Environmental Due Diligence (Phase I and II ESAs), including the site reconnaissance, regulatory review, historical research, interviews, records review, and technical report preparation. She also has experience performing soil and groundwater sampling, soil vapor investigations, supervision of subcontractors, interpretation of laboratory analytical results, oil-water separator profiling and management, asbestos and lead inspections, and oversight of abatement of remediation projects.

TIMOTHY J. RHEINSCHMIDT, R.G./C.R.S. – *Project Geologist*

Mr. Rheinschmidt is a registered geologist and certified remediation specialist in the state of Arizona with more than 32 years of experience performing hazardous and non-hazardous waste investigations, vadose zone characterization, regulatory compliance and permitting, and groundwater investigations. Mr. Rheinschmidt received his Bachelor degree in geology from San Jose State University, a Hazardous Waste Management Certificate from the University of California at Santa Barbara and has performed numerous Phase I, II and III investigations in both Arizona and California.

CHRISTINA T. VICKERS – *Environmental Division Manager*

Ms. Vickers has over 10 years of experience performing environmental due diligence assessments while following the needs and requirements of a varied number of reporting standards, including ASTM standards, EPA's All Appropriate Inquiry, and customized client formats for law offices, lending institutions, real estate developers, property owners and government agencies. She has managed and performed hundreds of environmental site assessments for a variety of agricultural, commercial, multi-family residential, and industrial/manufacturing properties throughout the Midwest and Southwest geographical regions. Ms. Vickers also has hands-on experience completing subsurface investigations including soil, soil vapor and groundwater sampling, indoor air sampling, and asbestos and lead-based paint surveys. Ms. Vickers received her Bachelor degree in Earth Sciences and Master's degree in Environmental Sciences from the University of Michigan-Dearborn.