



December 10, 2015

Mr. Rick Bacon  
Tom Green County  
113 West Beauregard  
San Angelo, Texas 76903

RE: Phase I Environmental Site Assessment  
US-277, Proposed Tom Green County Facility  
San Angelo, Texas

Dear Mr. Bacon,

I would like to thank you for the opportunity to provide you a proposal for services and fee estimates for the proposed Phase I ESA at the aforementioned address. The scope of environmental services which we could provide is described below.

**PROJECT APPROACH:**

We will conduct a Phase I Environmental Site Assessment for the site in conformance with the standards set forth in ASTM E 1527-13 to identify the likely presence of any hazardous substances or petroleum products on the property under conditions that indicate an existing release, past release, or a material threat of a release into structures on the property or into the ground, groundwater, or surface water of the property. The scope of work is intended to permit the User of the report to satisfy on of the requirements to qualify for *innocent landowner, contiguous property owner, or bona fide prospective purchaser* limitations on CERCLA liability, that is, the practice that constitutes "*all appropriate inquiry*" (AAI) into the previous ownership and uses of the property consistent with good commercial or customary practice" as defined at 42 USC §9601(35) (B). Specifically excluded is any work associated with determining the nature and extent of any soil or groundwater contamination that presently exist on the site, or any services associated with the remediation of any soil or groundwater contamination that presently exist on the site. Specifically excluded in these services are consulting in regard to Recognized Environmental Conditions noted at the site. Consulting to address any REC's will be billed at our standard hourly rate.

**SCOPE OF SERVICES:**

The scope of work for this project includes review of applicable Federal and State databases, a review of readily available records to document the past and current uses of the subject property and adjoining properties, interviews with persons with knowledge of the site, reconnaissance, and a final report summarizing our findings and conclusions. The project will be performed in accordance with the most recent version of the ASTM Standard for Phase I Environmental Site Assessments at the time the work is requested. The current version is ASTM E1527-13 *Standard Practice for Environmental Site Assessments: Phase I Environmental Site Assessment Process*.

SKG will provide the following specific scope of services for the property:

1. **INITIAL MEETING:** Meet or talk with the property owner or other key personnel to further discuss the project and to obtain any information which may be relevant to the site or adjoining land. An environmental questionnaire will be submitted, by the User, to the current owner or their representative for completion. It is understood that the client will provide all known environmental information including current and former uses of the site, hazardous wastes, specialized knowledge of the property, and knowledge of possible environmental liens or litigation on the subject property. Under ASTM E1527-13, it is the responsibility of the User to identify environmental liens on the property. SKG, in our stated fee, has included one environmental lien search. SKG will perform all required environmental lien searches in order to meet due diligence standards.
2. **AGENCY FILE CHECK:** Using a commercial database search provider, obtain a search of regulatory listing per the ASTM standard to identify known hazardous substance violation, contaminant discharges, environmental and institutional and engineering controls, and other environmental problems for varying distances based upon their relative potential impact to the subject properties.
3. **GEOLOGIC RESEARCH:** Review available soils, geology, engineering, groundwater or other reports regarding the property and immediate vicinity.
4. **HISTORICAL REVIEW:** Review aerial photographs of the sites and adjacent property to assess previous site conditions and operations (if available). Other historical information that may be reviewed include Sanborn fire maps, city directories, building permits, or property title information (if provided by the client) to determine history of usage. Whenever feasible, the history of the property will be traced to 1940 or to a time prior to its earliest developed use, whichever is earlier.
5. **PHYSICAL INSPECTION:** Conduct one site visit by the environmental professional, during which the property and any structures will be visually inspected for potentially hazardous materials, existing in the past or present. Pertinent observations related to potential environmental conditions will be recorded. A reasonable attempt will be made to interview on-site managers, employees, tenants, occupants, or other person familiar with the history of the property.
6. **REPORT:** A report will be prepared containing observations and conclusions related to the apparent environmental conditions of the site. The report will include a description of the site, vicinity plan, conditions encountered, and documentation of resources including regulatory and historic records reviewed, opinion and conclusions. If appropriate, recommendations will be made in the text of the report, unless SKG is directed otherwise by the client.

#### **LIMITATION OF SCOPE:**

The purpose of this phase of work is to determine if more in-depth studies are to be developed. Observations will be made based on available information by trained professionals. It is not intended to be a comprehensive determination of all potential liabilities associated with a particular property, nor is

it represented as a legal opinion as to the client's performance of "due diligence" concerning the purchase of real estate. The scope of work does not include a review/opinion of legal instruments such as indemnification agreements, purchase and sale agreements, liens, etc. Its cursory nature is to be noted by all parties. SKG is not responsible for inaccuracies of government records and other documents reviewed, nor for inaccuracies or lack of truthfulness of owners and prior owners who are interviewed.

Unless otherwise specified in this proposal, the scope of work does not address the following items: hazardous materials audit, environmental compliance (unless it is believed pertinent by the environmental professional), indoor air quality, mold or radon, asbestos-containing materials, lead-based paint, wetlands and other land issues, geotechnical or geologic hazards, nor does it include subsurface exploration or chemical screening of soil and groundwater on site which is needed to determine site contamination with specific certainty.

It should be noted that, in order to qualify for all appropriate inquiry (AAI) and meet the ASTM standard, the user must provide a title report that includes a search for environmental liens, and complete a User-Questionnaire. An environmental lien search *will* be performed by SKG if these items are not provided by the client, unless otherwise directed by the client. It is SKG's recommendation that at a minimum these environmental lien searches are performed, otherwise, the client will not be able to claim all appropriate inquiry, innocent landowner, contiguous property owner, or bona fide prospective purchaser.

SKG will utilize a commercial database search provider in the conduct of the project. Their report is subject to the limitations, constraints, inaccuracies, and incompleteness of government data and of computer mapping data and conventions.

The findings and conclusions of this report are not scientific certainties but, rather, probabilities based on professional judgment concerning the significance of the data gathered during the course of the study. SKG is not able to represent that the subject property or adjoining land contain no hazardous waste or petroleum products, or any other latent condition beyond that detected or observed by SKG during the study. The possibility always exists for containments to migrate undetected through the surface water, air or groundwater. The ability to accurately address the environmental risk associated with transport in these media is beyond the scope of this study, except as it is applicable to performing a Tier I Vapor Encroachment Condition (VEC) screening.

This report will be designed for the User only; any reliance beyond the User will be at the User's own risk, even in the case that SKG Engineering provides a reliance letter. Reliance letters are not included in this scope of work. If reliance letters are needed, additional charges will incur. SKG will only provide a reliance letter to third parties with the User's expressed, written consent. This consent must be signed by the user, and must include a statement which states the User understands that they will be assuming all risk and liability of allowing third party reliance.

SKG Engineering, LLC, its partners, employees, officers and independent contractors cannot be held liable for actual, incidental, consequential, special or exemplary damages suffered by a customer resulting directly or indirectly from any information provided by SKG Engineering.

**FEE:**

Phase I ESA – (US-277).....\$3,800

The cost of reproduction and postage are included in the above price. Also included is the cost of one (1) environmental lien search. Environmental lien searches for properties consisting of more than one (1) tax parcel will incur a charge of \$200 for each additional parcel of land, unless the User would prefer a chain of title and environmental lien search for an additional fee. One hard copy and a PDF copy of each report will be provided by email.

The data and information contained in this document are proprietary, and shall not be duplicated, used or disclosed in whole or in part to other parties without SKG’s written consent.

**SCHEDULE:**

We anticipate that our services can be started immediately upon receipt of a signed copy of this proposal. Final written reports will be provided within five (5) weeks of receiving signed proposal.

You may indicate acceptance of this Agreement by returning a signed copy of this proposal or a purchase order incorporating the terms of this Agreement. A full, signed copy of the proposal can be emailed or faxed to my attention at (325) 657-8189. We appreciate this opportunity to submit our proposal to you and look forward to your favorable consideration. Please feel free to call me with any questions or concerns you may have.

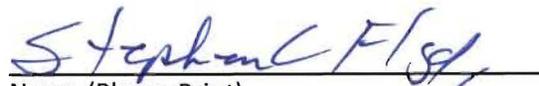
Sincerely,

SKG Engineering, LLC

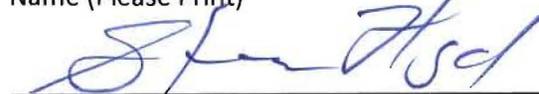


Ethan George, AEP

ACCEPTED BY:



Name (Please Print)



Signature

County Judge 12-15-10

Title

Date

Attachments:

- Terms and Conditions of Professional Service
- User Questionnaire
- Owner Questionnaire
- Site Manager/Occupant Questionnaire

**SKG Engineering, LLC**  
**Terms and Conditions of Professional Service**

These terms and conditions together with any Proposal attached hereto constitute the entire agreement between SKG Engineering, LLC (SKG) and Client as if they were part of one and the same document.

**Definitions:**

SKG: shall refer to SKG Engineering, LLC, a Texas limited liability company and its subcontractors.

Client: shall refer to the person, firm, or corporation that has entered into a contractual relationship with SKG providing for the performance of professional services related to civil engineering, surveying, environmental science, planning, consulting, laboratory, construction material testing, drilling, construction observation, or geospatial services.

Proposal: shall refer to the written scope of services, unit prices, and/or fixed fee provided by SKG to Client describing, if applicable, the nature of the services to be performed by SKG or its subcontractors, and the amount and type of compensation to be paid for those services.

**Authorization as Agent**

Client authorizes SKG to take all actions on Client's behalf which SKG, in its sole discretion, believes to be necessary to perform the services described herein and in the Proposal. Free right of access shall be granted to SKG personnel to enter upon any land owned or controlled by Client so long as such entry is reasonably necessary to perform said services. If SKG notifies Client that SKG requires entry onto land not owned or controlled by client, then Client shall obtain such right of entry without cost to SKG. Client understands that services provided by SKG commonly require drilling, sampling, and other activities that may disrupt use of the premises and may disturb, alter, or damage terrain and vegetation. SKG assumes no responsibility to compensate owner for such loss and will not restore the site to its original condition.

**Standard of Care and Liability**

SKG will exercise reasonable care in the performance of its duties under this Contract. Client agrees that the liability of SKG, and that of its officers, members, directors, employees, agents, and subcontractors, to Client or any third party due to any negligent professional acts, errors or omissions will be limited to the lesser of SKG's professional liability insurance coverage available at the time of settlement or judgement, or the fee amount provided in the Proposal.

Client shall provide information the Client reasonable believes to be accurate as to the condition of the project site including the location of any underground utilities, utility services, structures, manholes, and underground storage tanks, and SKG shall be entitled to rely upon the accuracy and completeness thereof. Client agrees to defend, indemnify, and hold harmless SKG from any claim or expense, including attorney fees, arising from an allegation that SKG performance under this Contract resulted in damage to any subterranean or surface structure or facility as a result of errors, omissions, or inaccuracies in information provided by client.

**Hazardous Materials**

Both SKG and Client acknowledge that this Contract does not contemplate the presence at the project site of any hazardous or regulated substances or materials. Client agrees to defend, indemnify, and hold harmless SKG from any claim or expense, including attorney fees, arising from an allegation that SKG's performance under this Contract resulted in the handling, transportation, or disposal of any hazardous or regulated substance, if Client knew or should have known such substance was present at the site and failed to properly notify SKG. In the event that the presence becomes known of any hazardous or regulated substances on or near the project site, SKG may, at its option and without liability for consequential or any other damages, suspend performance of services under this contract.

**Confidentiality of Information**

SKG will utilize reasonable measures to maintain confidentiality of Client information related to services described in the Proposal. Client acknowledges that SKG does not have a duty of confidentiality and further acknowledges that SKG may have past or present contractual relationships with other individuals or companies practicing the same or related business in the same geographic area as Client. Client acknowledges that SKG may have past or present contractual relationships with governmental agencies having regulatory authority over Clients' project and acknowledges that SKG may appear before such agencies on behalf of other individuals or companies practicing the same or related business in the same geographic area as Client.

**Opinions of Probable Construction Cost**

Opinions of the probable cost of performance in accordance with plans, specifications, reports, or other instruments prepared by SKG are not warranted to, and may not, reflect the actual cost to Client of such work. Unless otherwise specified, the construction cost of an entire project means the probable total cost to Client of those portions of the project designed and specified by SKG exclusive of the value and cost of SKG services, and cost of such things as land, rights of way, and the cost of interest and financing.

**Ownership of Documents**

Client accepts reports, plans, specifications, logs, calculations, estimates, and test data, including electronic media, as instruments of professional service, not products. All such material is and shall remain the sole and executive property of SKG. Client may make and retain hard copies of documents for use on the project. Documents are not intended or represented to be suitable for reuse. SKG shall not be required to provide or deliver electronic copies of documents unless specifically required in the Proposal. In the case of any discrepancy between any electronic files and hard copies of drawings or files, hard copies shall control. Due to the easily alterable nature of electronic files, SKG makes no warranties, either express or implied, with respect to electronic files if such files are provided. Client agrees to defend, indemnify and hold harmless SKG against all claims and expenses, including attorney fees, arising out of any use or modification of instruments of services without the express written consent of SKG.

**Non-Public Improvements**

Client acknowledges that there is no public agency supervision over construction of improvements such as pavements, utilities and walks on private property such as may be found on condominium, apartment, and commercial sites. Unless specifically provided

for in the Proposal, SKG does not provide geotechnical assessment of soil conditions and accepts no responsibility for design of pavement sections, subgrade, underdrainage, backfill, and related items whether or not shown on a plan provided by SKG. Client agrees to defend, indemnify and hold harmless SKG from any claim or expense, including attorney fees, arising from 1) use of Client standards for non-public improvements, and/or 2) reliance on geotechnical data and designs provided by Client or a Client consultant, and/or 3) construction of any non-public improvements that are not observed and inspected by SKG pursuant to a construction phase services contract.

**Americans with Disabilities Act (ADA) and Texas Accessibility Standards (TAS) Requirements**

Client acknowledges that ADA & TAS requirements and implementation guidelines change over time and may vary by jurisdiction. Client further acknowledges that ADA & TAS compliance involves fine tolerances that are governed by the means and methods of construction. SKG will exercise reasonable care in the specification of ADA & TAS compliant facilities subject to local standards and requirements. SKG makes no warranty or representation, either express or implied, that either public or non-public improvements will satisfy ADA and/or TAS requirements, implementation guidelines, and/or local requirements, regardless of whether or not said improvements constructed in accordance with instruments of services prepared under this Contract. Client is advised to procure an independent assessment of ADA & TAS compliance prior to accepting constructed improvements.

**Payment**

By accepting the Proposal, Client agrees to pay SKG, in the manner described therein, the full amount set out in the Proposal. In the event the Proposal does not provide for a fixed fee or hourly rate schedule for specific services provided, billing shall be on a value basis in accordance with SKG Billing Policy. Client will be invoiced and all invoices will be due and payable within 30 days of issuance. Unless prior agreement is made in writing, Client is liable for timely payment of invoiced amounts without regard to whether Client has received financing, payments, or income from any source, including funds related to the project for which services were provided by SKG. In the event payment is not made in a timely manner, the overdue balance shall bear interest at a rate of 1.5% per month. If the Client fails to make payments when due or otherwise is in breach of this Contract, SKG may suspend performance of services immediately. In the event legal action is necessary to enforce the payment provisions of this Contract, SKG shall be entitled to collect from the Client any judgment or settlement sums due, and reasonable attorney fees, court costs, and other expenses incurred by SKG in connection therewith, together with the value of the time of SKG employees and expenses spent in connection with such collection action.

**Performance, Delay, and Force Majeure**

If a schedule is agreed to in the Proposal then SKG will use its best efforts to perform according to said schedule. Client acknowledges that SKG's performance often involves public agencies and other businesses and groups who can have substantial impact on scheduling. Neither party shall hold the other responsible for damages or delays in performance caused by force majeure, acts of God, or other events beyond the control of either party which could not have been reasonably foreseen or prevented. Such acts or events shall include unusual weather, floods, epidemics, strikes, lockouts, protest demonstrations, and unanticipated site conditions. Any delay within the scope of this provision that cumulatively exceeds 60 calendar days shall, at the option of either party, make the Contract subject to termination or renegotiation.

**Notice**

Any notice to be given under this Contract shall be in writing and shall be deemed duly given when delivered personally or by courier, or three business days after deposit in the United States mail, certified or registered, return receipt requested, with postage prepaid addressed to an agent of SKG.

**Applicable Law and Survival**

The validity, performance, and interpretation of this Contract shall be according to the laws of the State of Texas. All obligations arising prior to the termination of this Contract and all provisions of this Contract allocating responsibility or liability between SKG and Client shall survive the completion of services and the termination of this Contract.

**Assignment and Addendum**

Neither party shall assign or transfer its interest in this Contract without the written consent of the other party. Consent to such assignment or transfer shall not be unreasonably withheld. This Contract may not be amended except in a writing executed by both SKG and Client. No alterations or modifications to the Proposal or these terms and conditions shall be effective unless affirmatively agreed to in writing by both parties.

**Binding Effect of Agreement**

This Contract shall be binding upon and inure to the benefit of the parties thereto, their successors and assigns. If and to the extent that any court of competent jurisdiction holds any provisions or part thereof of this Contract to be invalid or unenforceable as a final non-appealable order, then the remainder of the Contract shall not be affected and each provision of this Contract shall be valid and enforced to the fullest extent permitted by law.

**Cancellation and Suspension**

This Contract may be terminated by either party providing written notice to the other no less than 10 calendar days in advance of the effective date of the termination. Fees, expenses, and other amounts due SKG shall be due and payable immediately upon termination including such amounts reasonably incurred by SKG in the process of stopping work after the notice of termination is received. If the project is suspended for more than 30 calendar days in the aggregate, SKG shall be compensated for services performed and charges incurred prior to receipt of notice to suspend and, upon resumption, an equitable adjustment in fees to accommodate the resulting remobilization costs. In addition, there shall be equitable adjustment in the project schedule based on the delay caused by the suspension.

Site Manager/ Occupant  
Questionnaire



**SITE INFORMATION**

Project Number

Site Name

Site Address

Please complete the following form. The purpose of this questionnaire is to assist the Environmental Professional performing a Phase I ESA on the property stated above.

Are you aware of any environmental cleanup liens against the property that are filed or recorded under federal, state, tribal or local law, in judicial records, or that is otherwise shown in the recorded land title records?

- Yes
- No

If yes please explain:

Do you have any specialized knowledge or experience related to this property or nearby properties? For example, are you involved in the same line of business as the current or former occupants of the property or an adjoining property, so that you would have specialized knowledge of the chemicals and processes used in this type of business

Are you aware of commonly known or reasonably ascertainable information about the property that would help the environmental professional to identify conditions indicative of releases or threatened releases?

a. Do you know the past uses of the property?

b. Do you know of any specific chemicals that are present or once present at the property?

c. Do you know of spills or other chemical releases that have taken place at the property?

d. Do you know of any environmental cleanups that have taken place at the property?

Based on your knowledge and experience related to the property are there any obvious indicators that point to the presence or likely presence of contamination at the property?

No

Yes

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**THIS QUESTIONNAIRE WAS COMPLETED BY**

Name

Date

Title

Firm

Phone/Email

Relationship to transaction

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**PREPARER'S AFFIDAVIT**

Preparer represents that to the best of the preparer's knowledge, the above statements and facts are true and correct, and to the best of the Preparer's actual knowledge, no material facts have been suppressed or misstated.

Signature

Date

# Owner Questionnaire

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## SITE INFORMATION

Project Number

Site Name

Site Address

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Reason for the Owner Questionnaire as applicable in the ASTM practice E1527-13 process: The EP of the Phase I Environmental Site Assessment for commercial real estate transactions should interview the current owner to obtain their own knowledge of a subject property in order to qualify for landowner liability protections (innocent landowner defense) under the Comprehensive Environmental Response, Compensation and Liability Act (CERCLA). The questions below are intended to convey the Owner's knowledge of the subject property to the Environmental Professional performing the Environmental Site Assessment. Failure to provide this information could result in a determination that "all appropriate inquiry" is not complete.

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1. Why is the ESA being conducted?

Desire to satisfy one of the requirements to qualify for the innocent landowner, contiguous property owner, or bona fide prospective purchaser limitations on CERCLA liability (landowner liability protections (LLP))

Business

Lender Requirement

Other

2. How long have you owned the property?

3. Name and contact of the previous landowner:

4. Are you aware of any environmental cleanup liens against the property that are filed or recorded under federal, state, tribal or local law, in judicial records, or that is otherwise shown in the recorded land title records?

- Yes
- No

If yes please explain:

5. Do you have any specialized knowledge or experience related to this property or nearby properties? For example, are you involved in the same line of business as the current or former occupants of the property or an adjoining property, so that you would have specialized knowledge of the chemicals and processes used in this type of business

6. Does the purchase price being paid for the property reasonably reflect the fair market value of the property?

- Yes
- No
- I don't know

7. If you conclude that there is a difference, have you considered that the lower purchase is because contamination is known or believed to be present on the property?

8. Are you aware of commonly known or reasonably ascertainable information about the property that would help the environmental professional to identify conditions indicative of releases or threatened releases?

a. Do you know the past uses of the property?

b. Do you know of any specific chemicals that are present or once present at the property?

c. Do you know of spills or other chemical releases that have taken place at the property?

d. Do you know of any environmental cleanups that have taken place at the property?

9. As the owner of this property, based on your knowledge and experience related to the property are there any obvious indicators that point to the presence or likely presence of contamination at the property?

- No
- Yes

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**THIS QUESTIONNAIRE WAS COMPLETED BY**

Name

Date

Title

Firm

Phone/Email

Relationship to transaction

*If questionnaire is prepared by someone other than the owner, complete the following:*

Name of owner's Rep

Phone/Email

Relationship to owner  Principle

Employee

Agent

Consultant

Other

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**PREPARER'S AFFIDAVIT**

Preparer represents that to the best of the preparer's knowledge, the above statements and facts are true and correct, and to the best of the Preparer's actual knowledge, no material facts have been suppressed or misstated.

Signature

Date

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# User Questionnaire

## Phase I ESA

Project Number:

### SITE INFORMATION

Site Name

Site Address

Reason for the User Questionnaire as applicable in the ASTM practice E1527-13 process:  
*The User of the Phase I Environmental Site Assessment for commercial real estate transactions should provide their own knowledge of a subject property in order to qualify for landowner liability protections (innocent landowner defense) under the Comprehensive Environmental Response, Compensation and Liability Act (CERCLA). The questions below are intended to convey the User's knowledge of the subject property to the Environmental Professional performing the Environmental Site Assessment. Failure to provide this information could result in a determination that "all appropriate inquiry" is not complete.*

1. Why is the ESA being conducted?
- Desire to satisfy one of the requirements to qualify for the innocent landowner, contiguous property owner, or bona fide prospective purchaser limitations on CERCLA liability (landowner liability protections (LLP))
  - Business practice
  - Lender Requirement
  - Other

2. Name and Contact of the Current Landowner

3. Name and Contact of the Previous Landowner

4. Are you aware of any environmental cleanup liens against the property that are filed or recorded under federal, state, tribal or local law, in judicial records, or that is otherwise shown in the recorded land title records?  Yes  No

If yes please explain:

6. As the user of this Phase 1 ESA, do you have any specialized knowledge or experience related to this property or nearby properties? For example, are you involved in the same line of business as the current or former occupants of the property or an adjoining property, so that you would have specialized knowledge of the chemicals and processes used in this type of business

7. Does the purchase price being paid for the property reasonably reflect the fair market value of the property?  Yes  No  I Don't Know

8. If you conclude that there is a difference, have you considered that the lower purchase is because contamination is known or believed to be present on the property?

9. Are you aware of commonly known or reasonably ascertainable information about the property that would help the environmental professional to identify conditions indicative of releases or threatened releases?

a. Do you know the past uses of the property?

b. Do you know of any specific chemicals that are present or once present at the property?

c. Do you know of spills or other chemical releases that have taken place at the property?

d. Do you know of any environmental cleanups that have taken place at the property?

10. As the user of this ESA, based on your knowledge and experience related to the property are there any obvious indicators that point to the presence or likely presence of contamination at the property?

- No  
 Yes

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**THIS QUESTIONNAIRE WAS COMPLETED BY:**

Name

Date

Title

Firm

Phone Number

Relationship to Transaction

If questionnaire is prepared by someone other than the User, complete the following:

Name of Owner's Rep

Phone Number

- Relationship to Owner
- Principle
  - Employee
  - Agent
  - Consultant
  - Other

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**PREPARER'S AFFIDAVIT**

Preparer represents that to the best of the preparer's knowledge, the above statements and facts are true and correct, and to the best of the Preparer's actual knowledge, no material facts have been suppressed or misstated.

Signature

Date

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