IOWA CONTAMINATED SITE
ENVIRONMENTAL COVENANT

Recorder's Cover Sheet

Preparers Information: Brian Lenz, ATC, Group Services, 4905 Hubbell Ave, Suite 6, Des Moines, IA 50317
515 689-3993

To: __________________________

Return Document to: Brian Lenz, ATC, 4905 Hubbell Ave, Suite 6, Des Moines, IA 50317

Grantsor: Bob Welch
Grantees: Welch Oil Inc.

Parcel Identification Number: 40892333400004

Legal Description:

Conveys commencing at the South ¼ corner of Section 33; thence North 736.0 feet along the West Line of the SE ¼ of said Section 33; thence South 22° 56' East 185.35 feet along the Easterly right of way line of Ramp "D" Interstate Route No. 35 to the point of beginning; thence South 89° 46' East 500.0 feet; thence North 180.0 feet; thence South 89° 46' East 171.3 feet; thence South 21° 55 ½ East 616.3 feet; thence South 10° 34' East 111.8 feet; thence North 89° 46' West 628.1 feet along the North right of way line of Primary Road No. U.S. 20; thence north 48° 16' West 175.4 feet along the Easterly right of way line Ramp "D"; thence North 22° 56' West 418.05 feet along the Easterly right of way line of said Ramp "D" to the point of beginning, containing 9.21 acres, more or less.

The above described parcel of land is located in the SW ¼ of the SE ¼ of Section 33, Township 89 North, Range 23 West of the 5th P.M. Hamilton County, Iowa.

Document or instrument number of associated documents previously recorded: None
IOWA UNDERGROUND STORAGE TANK PROGRAM
ENVIRONMENTAL COVENANT

This environmental covenant is established pursuant to Iowa Code (IC) chapter 455l entitled Uniform Environmental Covenants Act.

Bob Welch, hereafter "grantors," Welch Oil Inc. and Iowa Falls State Bank, hereafter "holders," and the Department of Natural Resources (Department) in its capacity as an agency of the State of Iowa, enter into this environmental covenant for the purpose of subjecting the property described below to certain activity and use limitations in accordance with the terms and conditions included herein pursuant to the authority granted to the Department in IC chapter 455l, IC § 455B.103(7), and Department rules in chapter 567 Iowa Administrative Code (IAC) 135.

1. Affected Property. The grantor identified below is the fee title owner of the property located at 3065 220th Street, Williams, Iowa, at which petroleum exists. The property is legally described as:

Conveys commencing at the South ¼ corner of Section 33; thence North 736.0 feet along the West Line of the SE ¼ of said Section 33; thence South 22° 56’ East 185.35 feet along the Easterly right of way line of Ramp “D” Interstate Route No. 35 to the point of beginning; thence South 89° 46’ East 500.0 feet; thence North 180.0 feet; thence South 89° 46’ East 171.3 feet; thence South 21° 55 ½ East 616.3 feet; thence South 10° 34’ East 111.8 feet; thence North 89° 46’ West 628.1 feet along the North right of way line of Primary Road No. U.S. 20; thence north 48° 16’ West 175.4 feet along the Easterly right of way line Ramp “D”; thence North 22° 56’ West 418.05 feet along the Easterly right of way line of said Ramp “D” to the point of beginning, containing 9.21 acres, more or less.

The above described parcel of land is located in the SW ¼ of the SE ¼ of Section 33, Township 89 North, Range 23 West of the 5th P.M. Hamilton County, Iowa.

Hereinafter, the affected property will be referred to as "the property."

2. Risk Management and Institutional Controls. ATC Group Services has conducted a soil and groundwater investigation and risk assessment (Tier 2 and Site Monitoring Reports) of the property in accordance with Department rules in chapter 567 IAC 135.

This assessment constitutes an environmental response project as defined in IC § 455l.2(5). The purpose of this environmental covenant is to manage the risk of future exposure to existing soil and/or groundwater contamination at the site by limiting specified land use activities at this property, establishing affirmative obligations, and enforcing the terms of this covenant.

3. Tiered Assessment Reports. Department files reference the UST source site located at 3065 220th Street, William, Iowa by Registration No.198608152 and LUST NO. 8LTH91. The current assessment status of the site has been classified by the following documents:

ATC Group Services Site Monitoring Report dated February 15, 2017
IDNR letter of February 24, 2017 assigning the Low Risk classification to the site.
4. **Reopening.** The signatories to this covenant acknowledge that failure of the activity and use limitations to serve their intended purpose including the prevention of exposure to contamination could result in the Department reopening its review and regulation of the contaminant condition on the property as provided under the terms of this covenant, IC chapters 455B and 455I, and applicable Department administrative rules.

5. **Identity of Grantor(s) and Holder(s).**

   **GRANTOR:** Bob Welch

   **HOLDERS:** Welch Oil, Inc. (Business owner of property)  
                 Iowa Falls State Bank (Mortgage holder on the property)

   **AGENCY:** Iowa Department of Natural Resources

6. **Representations and Warranties.** The grantor warrants to the other signatories to this covenant the following:

   a. The grantor is the sole fee title owners of the property;
   b. the grantor holds sufficient fee title to the property to grant the rights and interests described in this covenant free of any conflicting legal and equitable claims;
   c. the grantor has identified all other persons holding legal or equitable interests, including, but not limited to, contract buyers, mortgage holders, other consensual lienholders and lessees, and secured their consent either by signatures on this covenant or by a separate subordination and consent agreement.

7. **Running with the Land.** This environmental covenant is perpetual and runs with the land as provided in IC § 455I.9 until modified or terminated. The terms of this environmental covenant are binding on the grantors and all successors in interest, assigns and all transferees acquiring or owning any right, title, lien or interest in the property and their heirs, successors, assigns, grantees, executors, administrators and devisees. The term "transferee," as used in this environmental covenant, shall mean any future owner of any interest in the property or any portion thereof, including, but not limited to, owners of an interest in fee simple, contract buyers, mortgagees, easement holders and/or lessees.

8. **Activity and Use Limitations and Terms.** The property is subject to the following activity and use limitations:

   8.1 No confined spaces as described in IAC 567 135.10(6) (groundwater vapor) and 135.10(7) (soil vapor) shall be constructed within 200 feet of the contaminate plumes. Confined spaces include basements in buildings occupied by humans.

   8.2 Sanitary sewers shall not be constructed within 200 feet of the contaminate plumes if they are connected to a building within 200 feet. Sanitary sewers include the utility envelope and septic systems.

9. **Notice of Non-Compliance.** Any property owner or subsequent transferee of an interest in the property shall notify the Department as soon as possible of conditions which would constitute a breach of the activity and use limitations in paragraph eight (8) if they have actual knowledge of these conditions or would reasonably be deemed to have knowledge within the normal course of administration of their property interest.

10. **Notice to Lessees.** Grantor, any holder with a property interest sufficient to grant a lease of the property, and any subsequent transferee shall incorporate the activity and use limitations of this covenant either in full or by reference to this instrument in any lease, license, or other instrument granting a right to possession of the property.

11. **Access to Property.** Reasonable access to the property is granted the Department or any authorized representative of the Department, public or private, for the purpose of implementation, monitoring and enforcement of the terms of this environmental
covenant. The Department, its authorized representatives or other persons entitled to access shall provide the current owner of the property with reasonable notice, an explanation of the reasons for entry and the scope of onsite activities prior to access. Right of access includes, but is not limited to, the following activities:

a. repair and maintenance of remedial action equipment, soil caps, groundwater monitoring wells and associated aboveground or subsurface structures
b. fencing and other technological controls
c. groundwater sampling and monitoring
d. additional drilling
e. construction of soil boring and/or groundwater monitoring wells
f. other activities authorized or otherwise directed by the Department.

12. Groundwater Hazard Statement Notice. IC § 558.69 requires submission of a groundwater hazard statement and disclosure if “hazardous waste” exists on the property as defined in IC § 455B.411(3) or if the Department determines that solid waste exists on the property that is potentially hazardous. If hazardous waste is present, the groundwater hazard statement must state that the condition is being managed in accordance with Department rules. The signatories and all subsequent transferees required to submit a groundwater hazard statement under Iowa Code section 558.69 shall make reference to this environmental covenant in substantially the following form:

THE INTEREST CONVEYED IS SUBJECT TO AN ENVIRONMENTAL COVENANT, DATED [date month, day, year] RECORDED IN THE DEED OR OFFICIAL RECORDS OF THE [county name] COUNTY RECORDER ON [date month, day, year] IN [document, book and page, or parcel number].

THE ENVIRONMENTAL COVENANT CONTAINS THE FOLLOWING ACTIVITY AND USE LIMITATIONS:

12.1 No confined spaces as described in IAC 567 135.10(6) (groundwater vapor) and 135.10(7) (soil vapor) shall be constructed within 200 feet of the contaminate plumes. Confined spaces include basements in buildings occupied by humans.

12.2 Sanitary sewers shall not be constructed within 200 feet of the contaminate plumes if they are connected to a building within 200 feet. Sanitary sewers include the utility envelope and septic systems.

13. Modification and Termination. Modification or termination of the terms of this covenant shall comply with the standards in IC chapter 4551 and applicable Department administrative rules. The terms of this environmental covenant may be modified or terminated by written consent of the Director of the Department, the then current fee simple title owner and all original signatories (unless exempted under the provisions of IC § 455L10(1)“c” in accordance with and subject to the provisions of IC § 455L10). The termination or modification is not effective until the document evidencing consent of all necessary persons is properly recorded. If not by consent, any modification or termination of this environmental covenant shall be in accordance with IC § 455L9 and such additional terms as specified in this covenant.

14. Enforcement. The terms of this environmental covenant may be enforced in a civil action for injunctive or other equitable relief by the signatories and those persons authorized by and in accordance with IC § 455L11.

15. Severability. If any provision of this environmental covenant is found to be unenforceable in any respect, the validity, legality and enforceability of the remaining provisions shall not in any way be affected or impaired.

16. Governing Law. This environmental covenant shall be governed by and interpreted in accordance with the laws of the State of Iowa.
17. **Recordation.** Within thirty (30) days after Department approval of this environmental covenant, the grantor shall record the environmental covenant in the same manner as a deed to the property with the Hamilton County Recorder’s Office.

18. **Effective Date.** The effective date of this environmental covenant shall be the date upon which the fully executed environmental covenant has been properly recorded with the Hamilton County Recorder’s Office.

19. **Notice.** Unless otherwise notified in writing by the Department, any document or communication required by this environmental covenant shall be submitted to:

   Iowa Department of Natural Resources  
   UST Section Supervisor  
   Wallace State Office Building  
   502 E 9th Street  
   Des Moines, IA 50319

20. **Subordination and Consent.** By signing this environmental covenant, the signatories knowingly and intentionally acknowledge their consent to the terms of this agreement and agree to subordinate their interest in the property. The following persons have expressly consented and subordinated interests:

   Iowa Falls State Bank (Mortgage holder)

21. **Notice of Change in Ownership.** Grantors and holders with sufficient property interest to convey a possessory interest in the property and any subsequent transferee with sufficient interest shall reference and incorporate the terms of this agreement into any subsequent instrument which conveys a possessory interest in the property.
ACKNOWLEDGMENTS

GRANTORS

Bob Welch  Signed this 5th day of June, 2017.

State of  Iowa )
County of  Hardin ) ss.

On this 5th day of June, 2017, before me, a Notary Public, personally appeared Bob Welch, to me known to be the person named in and who executed the foregoing instrument, and acknowledged that he/she/they executed the same as his/her/their voluntary act and deed.

Notary Public for State of Iowa

HOLDERS:

Welch Oil Inc.  Signed this 5th day of June, 2017.

State of  Iowa )
County of  Hardin ) ss.

On this 5th day of June, 2017, before me, a Notary Public, personally appeared Welch Oil Inc., to me known to be the person named in and who executed the foregoing instrument, and acknowledged that he/she/they executed the same as his/her/their voluntary act and deed.

Notary Public for State of Iowa

And

J. Gary Pressey  Signed this 5th day of June, 2017.

Iowa Falls State Bank  Douglas B. True, President

State of  Iowa )
County of  Hardin ) ss.

On this 5th day of June, 2017, before me, a Notary Public, personally appeared Douglas B. True, to me known to be the person named in and who executed the foregoing instrument, and acknowledged that he/she/they executed the same as his/her/their voluntary act and deed.

Notary Public for State of Iowa

AGENCY:

Chuck Gipp  Signed this 20th day of May, 2017.

Director, Iowa Department of Natural Resources

State of  Iowa )
County of  Hardin ) ss.

On this 20th day of May, 2017, before me personally appeared Chuck Gipp, known to me to be the Director of the Iowa Department of Natural Resources or the lawful designee of the Director who executed the foregoing instrument, and acknowledge that this person executed the same as his/her/their voluntary act and deed.

Notary Public for State of Iowa
March 30, 2017

Mr. Bob Welch
2419 Hackberry Dr.
Iowa Falls, IA 50126

ATC Group Services, LLC
Attn: Gaylen Hiesterman
328 LaPorte Rd.
Waterloo, IA 50702

Dear Mr. Welch and ATC Group Services, LLC:

At your request, we have examined an abstract of title to the following described real estate:

Conveys commencing at the South 1/4 corner of Section 33; thence North 736.0 feet along the West line of the SE1/4 of said Section 33; thence South 22°56’ East 185.35 feet along the Easterly right of way line of Ramp “D” Interstate Route No. 35 to the point of beginning; thence South 89°46’ East 500.0 feet; thence North 180.0 feet; thence South 89°46’ East 171.3 feet; thence South 21°55½’ East 616.3 feet; thence South 10°34’ East 111.8 feet; thence North 89°46’ West 628.1 feet along the North right of way line of Primary Road No. U.S. 20; thence North 48°16’ West 175.4 feet along the Easterly right of way line of said Ramp “D”; thence North 22°56’ West 418.05 feet along the Easterly right of way line of said Ramp “D” to the point of beginning, containing 9.21 acres, more or less.

The above described parcel of land is located in the SW1/4 of the SE1/4 of Section 33, Township 89 North, Range 23 West of the 5th P.M., Hamilton County, Iowa

This abstract is last certified to the 14th day of March, 2017 at 8:00 o’clock a.m. by Security Title & Abstract, Inc. of Webster City, Iowa.

TITLE:

Based upon our examination, in our opinion the abstract shows marketable title to be in “Welch Oil, Inc.” in a document dated February 1, 1994 and recorded February 11, 1994 as 1994 Comb. 764, as shown at entry 122 of the abstract subject to the following:

EXCEPTIONS:

1. Real Estate Taxes. The abstract discloses that the first half of real estate taxes for fiscal year
2015-2106 are shown as paid. The real estate taxes for the second half of fiscal year 2015-2016 are shown as unpaid.

2. Easements. Abstract entry 114 discloses that the property under examination is subject to an Oil and Natural Gas Lease in a document recorded March 18, 1983 as Book 3, Page 235. The predecessors in interest to the property under examination, to-wit: J. L. Ptacek and Florence Ptacek, husband and wife conveyed to Kewa Exploration, Inc., an Oil and Natural Gas Lease. Abstract entry 115 discloses that a one-half interest in this Oil and Natural Gas Lease was conveyed by Kewa Exploration, Inc. to Texaco, Inc. in a document recorded July 9, 1984 as Book 3, Page 494. Abstract entry 117 discloses that Texaco released all right, title and interest in this Oil and Natural Gas Lease in a document recorded June 22, 1987 as Book 4, Page 264. Abstract entry 116 discloses that Kewa Exploration, Inc. conveyed to American National Royalty Reserves an undivided 23,000/68,854 of 1/4 interest in this Oil and Natural Gas Lease. Therefore, it appears that Kewa Exploration, Inc. and American National Royalty Reserves have an interest in the Oil and Natural Gas Lease on the property.

3. Mortgages, Liens. Abstract entry 107 discloses a mortgage from Welch Oil, Inc. to Weaver Construction Company in a document dated September 28, 1973 and recorded October 22, 1973 as 146 L.M. 100. This mortgage is more than 20 years old and as such is not an encumbrance as to title.

Abstract entry 123 discloses a mortgage from Welch Oil, Inc. to Iowa Falls State Bank in a document dated October 22, 2010 and filed October 25, 2010 as Document No. 2010 2467. This mortgage secures credit in the amount of $1,000,000.00 with no definitive due date. This mortgage is unreleased and as such constitutes a first and valid lien upon the property under examination.

This report is given solely for purposes of securing an environmental covenant on the above described property and is not intended to be used for sale or transfer. No liability for errors or omissions will accrue to the benefit of any other person, firm or corporation. This report is not a guaranty of title, or a statement as to the legality of sufficiency of any instrument or proceeding inspecting the chain of title to the above real estate.

Sincerely,

BARKER, McNEAL, WIESE & HOLT

BY: ____________________

Taylor Nederhoff
Title Guaranty No. 10569

TN:ms
WARRANTY DEED

For the consideration of One ($1.00)
Dollar(s) and other valuable consideration,
Joseph L. Ptacek and Florence Ptacek,
husband and wife,
do hereby Convey to
Welch Oil, Inc.

the following described real estate in Hamilton County, Iowa:

Commencing at the South Quarter corner of Section Thirty-three (33); thence North 736.0 feet along the West line of the Southeast Quarter of said Section Thirty-three; thence South 22°56' East 185.35 feet along the Easterly right of way line of Ramp "P" Interstate Route No. 35 to the point of beginning; thence South 89°46' East 500.0 feet; thence North 180.0 feet; thence South 89°46' East 171.3 feet; thence South 21°55' East 616.3 feet; thence South 10°34' East 111.8 feet; thence North 89°46' West 628.1 feet along the North right of way line of Primary Road No. U.S. 20; thence North 48°16' West 175.4 feet along the Easterly right of way line of said Ramp "P"; thence North 22°56' West 418.05 feet along the Easterly right of way line of said Ramp "P" to the point of beginning, containing 9.21 acres, more or less.

The above described parcel of land is located in the Southwest 1/4 of the Southeast 1/4 of Section 33, Township 89 North, Range 23 West of the 5th P.M., Hamilton County, Iowa.

Grantors do Hereby Covenant with grantees, and successors in interest, that grantors hold the real estate by title in fee simple; that they have good and lawful authority to sell and convey the real estate; that the real estate is Free and Clear of all Liens and Encumbrances except as may be above stated; and grantors Covenant to Warrant and Defend the real estate against the lawful claims of all persons except as may be above stated. Each of the undersigned hereby relinquishes all rights of dower, homestead and distributive share in and to the real estate.

Words and phrases herein, including acknowledgment hereof, shall be construed as in the singular or plural number, and as masculine or feminine gender, according to the context.

STATE OF

IOWA

COUNTY:

On this 1st day of February 1994, before me, the undersigned, a Notary Public in and for said State, personally appeared Joseph L. Ptacek and Florence Ptacek, husband and wife,
to me known to be the identical persons named in and who executed the foregoing instrument and acknowledged that they executed the same as their voluntary act and deed.

(Dated: February 1, 1994)

Joseph L. Ptacek  
(Grantor)  

Florence Ptacek  
(Grantor)

(Grantor)

(Grantor)

Notary Public
(Notary Public seal and signature for real grantor(s) only)
A parcel of land in the Southwest 1/4 of the Southeast 1/4 of Section 33, Township 89 North, Range 23 West of the 5th P.M., Hamilton County, Iowa, more particularly described as follows:

Commencing at the South 1/4 corner of Section 33; thence North 736 ft., along the West line of the Southeast 1/4 of said Section 33; thence South 22°56' East 185.35 ft., along the easterly right of way line of Ramp "D" Interstate Route No. 35 to the point of beginning; thence South 89°46' East 500.0 ft.; thence North 180.0 ft.; thence South 89°46' East 171.3 ft.; thence South 21°55' East 616.3 ft.; thence South 10°34' East 111.8 ft.; thence North 89°46' West 628.1 ft., along the North right of way line of Primary Road No. U. S. 20; thence North 48°16' West 175.4 ft., along the easterly right of way line of said Ramp "D"; thence North 22°56' West 418.05 ft., along the easterly right of way line of said Ramp "D" to the point of beginning, containing 9.21 acres more or less.

NOTE: The West line of the Southeast 1/4 of Section 33-89-23 is assumed to bear due North and South. The above parcel being subject to easements of record and to access control.

I HEREBY CERTIFY THAT A SURVEY HAS BEEN COMPLETED ON THE DESCRIBED PROPERTY AND THE ABOVE PLAT TRULY REPRESENTS SAID SURVEY.

DATED: July 29, 1971

McCLURE ENGINEERING CO.
CONSULTING ENGINEERS
FORT DODGE, IOWA

William H. Neileman
LAND SURVEYOR