

LOSS PORTFOLIO TRANSFER AGREEMENT

This Loss Portfolio Transfer Agreement is entered into by and between the Iowa Comprehensive Petroleum Underground Storage Tank Fund Board, an Iowa governmental agency created pursuant to Iowa Code chapter 455G (the "Board"), and Petroleum Marketers Management Insurance Company, a licensed, for-profit insurance company domiciled in Iowa ("PMMIC"). This Agreement is effective as of the date it is fully executed by all parties.

WHEREAS, Iowa Code section 455G.6(17) authorizes the Board to adopt rules providing for the transfer of all or a portion of the liabilities of the Board under Iowa Code chapter 455G (the "Liabilities"), and the Board has adopted rules contained in 591 Iowa Admin. Code 9 providing for the transfer of the Board Liabilities to third parties; and

WHEREAS, PMMIC and the Board desire to enter into this Agreement allowing for the transfer of Liabilities for certain sites containing contamination from underground petroleum storage tanks ("Covered Sites") for which the following conditions exist: (1) a party (the "Claimant") is eligible for, or is currently receiving, statutory benefits from the Board, and (2) an eligible insurance claim exists with PMMIC for the site; and

WHEREAS, the Board has evaluated the transfer of Liabilities pursuant to the criteria contained in 591 Iowa Admin. Code 9.3, and deems the transfer to be in the best interest of the program; and

WHEREAS, the Board has considered the practicability of seeking competitive public bids for each Covered Site pursuant to 591 Iowa Admin. Code 9.5, and determined public bidding is not practical because: (1) each Covered Site Claimant already has an eligible insurance claim with PMMIC, (2) a transfer of Board Liabilities to PMMIC will provide a single source of funding and management for each Covered Site claim, and (3) it is unlikely that another party can provide as efficient and cost-effective services for each Covered Site under the circumstances;

THEREFORE, in consideration of the commitments made herein, the Board and PMMIC agree as follows:

1. **Term.** The term of this Agreement shall begin upon its execution by both parties hereto and shall run for one (1) calendar year. Upon the mutual agreement of the Board and PMMIC, the term shall extend for successive one-year terms. Each such extension of this Agreement shall not be considered a separate agreement and shall not require public bidding. Either party may terminate this Agreement at any time, with or without cause, upon thirty (30) days written notice to the other party.
2. **Estimated Corrective Costs.** With respect to each Covered Site, the Covered Site's incumbent consultant, or another person mutually agreed upon by the parties hereto, (the "Consultant") shall estimate the total corrective cost necessary for the Covered Site to reach a No Further Action classification with the Iowa Department of National Resources ("DNR"). The parties may adopt either the corrective cost estimate established by the Consultant or any other

amount mutually agreed to by the parties. In the event that either the Board or PMMIC disagrees with the corrective cost estimate established by the Consultant, and the parties are unable to agree upon a mutually acceptable corrective cost estimate, then the disagreeing party may, at its sole cost and expense, submit an alternative estimated corrective cost from an independent consultant. If the estimated corrective cost values submitted by the Consultant and the independent consultant vary by more than five-percent (5%), the average of the two values shall represent the agreed-upon estimated corrective cost for the Covered Site. If the estimated corrective cost submitted by the independent consultant does not vary by more than five-percent (5%) from the value submitted by the Consultant, then the estimated corrective cost submitted by the Consultant shall be adopted by the parties.

All corrective cost estimates shall account for future corrective activities, including the time and cost of such activities. The projected schedule of activities and costs will be present valued, using the most recently published Iowa Comprehensive Annual Financial Report investment rate. Each corrective cost estimate shall account for expected inflation. Additionally, if the parties mutually agree that there is significant risk of early closure or additional corrective work, the parties may require that the corrective cost estimate include an additional, mutually agreeable, "risk factor" value.

3. **Third Party Review.** The Board and PMMIC will contract with a mutually-selected third party to evaluate the nature and scope of the contamination of each Covered Site. The third party will conclusively determine an allocation of liability between the Board and PMMIC for reimbursement of corrective action costs. The parties shall share the costs of each third party Covered Site review in proportion to each party's allocated responsibility for each Covered Site. Notwithstanding anything to the contrary contained herein, if the allocated responsibility of either the Board or PMMIC is five-percent (5%) or less of the estimated corrective cost for a particular site, and the total estimated corrective cost for such site is less than one-hundred thousand dollars (\$100,000), then the party bearing the greater allocated responsibility shall be solely responsible for the cost of the third party review and for all corrective action costs at the site.

4. **Claimant Release.** With respect to each Covered Site, the Claimant's consent to the transfer of Board Liabilities to PMMIC shall be an express condition of such transfer. The Board must obtain an executed Agreement, Waiver, and General Release, substantially in the form attached hereto as "Exhibit A" (a "Release"), from each Covered Site Claimant. Only once the Board and the relevant Claimant have executed a Release may the Board Liabilities with respect to a particular Covered Site be transferred to PMMIC pursuant to this Agreement. Notwithstanding anything to the contrary contained herein, if a Claimant for a particular Covered Site refuses to execute a Release, then the Board Liabilities associated with that site are not subject to transfer.

5. **Transfer of Liabilities.** Subject to the Claimant Release in Section 4, above, PMMIC shall assume those Board Liabilities with respect to the Covered Sites mutually selected by the parties. Nothing herein shall be construed to require that PMMIC assume Board Liabilities for any particular Covered Site, or that PMMIC assume the Board Liabilities for a certain number or percentage of Covered Sites. Any Covered Site(s) Liabilities assumed by PMMIC (each an

“Assumed Site”) shall be added to a schedule attached hereto and marked as “Exhibit B.” Every new edition of Exhibit B shall be signed by both parties.

a. For each Assumed Site, PMMIC shall assume any and all known and unknown Liabilities of the Board under Iowa Code sections 455G.9 and 455G.21 to reimburse the Claimant for corrective action costs. PMMIC shall assume no less liability to reimburse the Claimant than the Board’s Liabilities as outlined in Iowa Code sections 455G.9 and 455G.21 and 591 Iowa Admin. Code 11 as may exist at the time of the transfer.

b. The transferred Liabilities shall include any and all Board responsibilities and activities relating to the Assumed Site, including but not limited to, project funding and management, claim adjustment, and consultation with Claimant, contractors and DNR. PMMIC is not restricted, however, from offering benefits in excess of the statutory and regulatory authority granted to the Board. Any Board responsibilities and activities that may be created by future amendments to the Iowa Code, other than amendments to Iowa Code sections 455G.9 and 455G.21 and Iowa Admin. Code chapter 591, shall not be transferred to or assumed by PMMIC pursuant to this Agreement.

c. Notwithstanding anything to the contrary contained herein, Board Liabilities transferred hereunder shall not include reimbursement claims for the permanent closure of an underground storage tank system pursuant to Iowa Code section 455G.9(1)(I), or the assessment of corrective action costs pursuant to an agreement with DNR as authorized by Iowa Code section 455G.9(1)(k) after a No Further Action certificate has been issued. The Board shall retain liability for such claims and activities unless otherwise agreed to by the parties in writing.

d. With respect to each Assumed Site, the Board shall provide PMMIC and the Claimant access to, and copies of, information contained in Board documents and files related to the site.

6. **Transfer of Funds.** In consideration for the assumption of Board Liabilities, the Board shall pay to PMMIC a single cash sum for each individual Assumed Site (each a “Transfer Payment”). The Transfer Payment for a particular Assumed Site shall be equal to the Board’s allocated responsibility percentage multiplied by the total corrective cost estimate for the site. The parties agree that the Transfer Payment shall represent the full and final payment of consideration for PMMIC’s assumption of the Board Liabilities with respect to each Assumed Site. PMMIC hereby waives any and all rights it may have, or may ever have, to seek additional funds from the Board in relation to the transferred Liabilities. This waiver includes any additional funds made available by future amendments to Iowa Code sections 455G.9 and 455G.21. The Board hereby waives any right to a refund from PMMIC of the Transfer Payments based upon future amendments to Iowa Code sections 455G.9 or 455G.21 or Iowa Admin. Code chapter 591.

7. **Annual Reporting.** PMMIC agrees to provide the Board with ongoing information and data for each Assumed Site so that the Board may audit the amounts paid by PMMIC to the Claimants. Such information and data shall be provided for each Assumed Site on at least an

annual basis from the date of this Agreement until each such site achieves a No Further Action designation.

8. **General Release.** In consideration for the Transfer Payments, PMMIC hereby releases, acquits, and forever discharges the Board and its officers, employees, assigns, agents, and successors in interest from any and all claims, rights, demands, actions, obligations, liabilities, and causes of action of any and every kind, nature, and character whatsoever, known or unknown, whether based on federal, state, or local law, or for claims based on tort, contract (implied, oral, or written), or any other theory of recovery for any matter related to or concerning the Assumed Sites.

9. **Indemnification.** PMMIC agrees to indemnify and hold harmless the Board against any and all loss, liability, expenses and costs (including attorneys' fees, judgments and amounts paid in settlement) actually and reasonably incurred by the Board in connection with any threatened, pending, completed or future action, suit, or proceeding to which the Board is, or is threatened to be, made a party arising from or related to the Liabilities transferred in connection with an Assumed Site.

10. **Waiver; Consent to Jurisdiction.** No failure or delay on the part of either party in exercising any right, power or remedy hereunder shall operate as a waiver thereof, nor shall any single or partial exercise of any such right, power or remedy preclude any other or further exercise thereof or the exercise of any other right, power or remedy. Each of the parties hereby irrevocably submits to the non-exclusive jurisdiction of the Iowa District Court sitting in Polk County, Iowa in any action or proceeding arising out of or relating to this Agreement, and each party hereby irrevocably agrees that all claims in respect of such action or proceeding may be heard and determined in any such Iowa District Court.

11. **Addresses.** The parties' addresses and fax numbers for official communications and notices are:

PMMIC
2894 - 106th Street
PO Box 7628
Urbandale, IA 50323
(Tel.) 515-334-3001
(Fax) 515-334-3013

Iowa Underground Storage
Tank Fund Board
2700 Westown Parkway, Suite 320
West Des Moines, IA 50266
(Tel.) 515-225-9263
(Fax) 515-225-9361

Either party may change their address or fax number by notifying the other party, in writing, of any change.

12. **Public Record.** The parties acknowledge this Agreement is a public record under Iowa Code chapter 22, and is available for public inspection and copying.

13. **Titles.** Paragraph titles are provided for the parties convenience and do not limit the scope or meaning of any paragraph.

14. **Joint Drafting.** This Agreement was drafted jointly by the parties and shall not be construed in favor of, or against, either party because of which party was responsible for drafting a particular portion of the Agreement.

15. **Complete Agreement.** This Agreement reflects the parties' entire agreement on this matter and may not be altered or amended except by a subsequent written document signed by all parties to the Agreement.

16. **Authority to Sign.** The parties, and their representatives, by signing below, acknowledge that they have complied with all the legal requirements for approval of this Agreement and that their representatives are authorized to bind their respective agencies or bodies by their signatures to this contract.

17. **Applicable Law.** This Agreement shall be governed by, and construed in accordance with, Iowa law.

18. **Execution.** All parties are executing this Agreement solely in reliance upon their own knowledge, belief and judgment and not upon any representations made by any of the other party hereto or others on their behalf.

IOWA UNDERGROUND STORAGE
TANK FUND BOARD

PETROLEUM MARKETERS
MANAGEMENT INSURANCE CO.

By: _____
Scott Scheidel, Fund Administrator

By: _____
Patrick Rounds, President

Date: _____

Date: _____

AGREEMENT, WAIVER AND GENERAL RELEASE

This Agreement, Waiver and General Release ("Agreement") is entered into by and between the Iowa Comprehensive Petroleum Underground Storage Tank Fund Board ("Board"), an Iowa governmental agency created pursuant to Iowa Code chapter 455G, and [NAME], of [City] ("Claimant"). This Agreement is effective as of the date it is fully executed by all parties.

WHEREAS, Claimant is currently eligible to receive benefits from the Board to reimburse corrective action costs for a site at [ADDRESS], [REG AND LUST #S], ("Site");

WHEREAS, Iowa Code section 455G.6(17) authorizes the Board to adopt rules providing for the transfer of all or a portion of the liabilities of the Board under Iowa Code chapter 455G, and the Board has adopted rules contained in 591 Iowa Admin. Code 9 providing for the transfer of the Board's liabilities to third parties; and

WHEREAS, Petroleum Marketers Management Insurance Company, a licensed, for-profit insurance company domiciled in Iowa ("PMMIC") and the Board have entered into a separate Agreement allowing for the transfer of Board liabilities to PMMIC to provide a single source of funding and management for the corrective action activities at the Site;

THEREFORE, in consideration of the commitments made herein, the Board and Claimant agree as follows:

1. **Consent to Transfer of Liabilities.** Claimant hereby consents to the transfer to PMMIC of any and all liabilities of the Board contained in Iowa Code sections 455G.9 and 455G.21 to reimburse Claimant for corrective action costs related to the Site. Claimant acknowledges a copy of Iowa Code 455G.5(17) and 591 Iowa Admin. Code 9 have been provided with this Agreement for reference and review.

a. Claimant understands that upon completion of the transfer of liabilities, PMMIC shall assume any and all responsibilities and activities of the Board related to the liabilities transferred, including but not limited to, project funding and management, claim adjustment, and consultation with Claimant, contractors and the Iowa Department of Natural Resources.

b. Claimant further understands the Board shall cease to maintain any ongoing duty whatsoever to Claimant in relation to the liabilities transferred, and Claimant will become ineligible to again receive benefits from the Board in relation to the Site for benefit claims made pursuant to Iowa Code sections 455G.9 or 455G.21.

c. Notwithstanding language in this Agreement to the contrary, the liabilities transferred to PMMIC do not include reimbursement claims for the permanent closure of an underground storage tank system pursuant to Iowa Code section 455G.9(1)(l), or the assessment and corrective action costs conducted pursuant to an agreement with the Iowa Department of Natural Resources as authorized by Iowa Code section 455G.9(1)(k) after a No Further Action Certificate has been issued. The Board will retain liability for such claims and activities unless otherwise agreed to by the Board, PMMIC and Claimant in writing.

2. **Waiver of Benefits.** In consideration for the transfer of liabilities described in paragraph 1 of this Agreement, Claimant hereby voluntarily waives any and all right to receive benefits from the Board pursuant to Iowa Code sections 455G.9 and 455G.21, and 591 Iowa Admin. Code 11 upon signing this Agreement. Claimant understands that by consenting to the transfer of Board liabilities to PMMIC, PMMIC shall assume all duties and liabilities of the Board to provide benefits to Claimant.
3. **Release of Claims.** In consideration for the transfer of liabilities described in paragraph 1 of this Agreement, Claimant hereby releases, acquits, and forever discharges the Board and its officers, employees, assigns, agents, and successors in interest from any and all claims, rights, demands, actions, obligations, liabilities, and causes of action of any and every kind, nature, and character whatsoever, known or unknown, whether based on federal, state, or local law, or for claims based on tort, contract (implied, oral, or written), or any other theory of recovery, and whether for compensatory or punitive damages, for any matter related to or concerning the liabilities transferred.
4. **Transfer to PMMIC.** In consideration for Claimant's waiver of benefits and release of claims, the Board and PMMIC may, pursuant to a separate agreement, effectuate the transfer of liabilities and payment of a sum of money to PMMIC.
5. **No Representation of Future Right to Benefits.** With the exception of paragraph 1(c) of this Agreement, Claimant understands and agrees that upon completion of the transfer of Board liabilities to PMMIC, Claimant's continued eligibility to receive benefits pursuant to Iowa Code sections 455G.9 and 455G.21 is a matter to be determined exclusively between the Claimant and PMMIC. Claimant understands and agrees the Board has not made any representation regarding Claimant's future eligibility for, or receipt of, benefits.
6. **No Representation of Protection by Insurance Guaranty Association.** Claimant understands that upon transfer the Board's liabilities to PMMIC, Claimant's reimbursement for corrective action costs is subject to PMMIC's continued ability to pay for such costs. Claimant understands that in the event PMMIC becomes insolvent and is liquidated, Claimant may lose all rights to receive reimbursement. Claimant understands and agrees the Board has not made any representation regarding Claimant's future eligibility for recovery from the Iowa Guaranty Association, under Iowa Code chapter 515B, in the event PMMIC becomes insolvent and is liquidated.
7. **Public Record.** The parties acknowledge this Agreement is a public record under Iowa Code chapter 22, and is available for public inspection and copying.
8. **Titles.** Paragraph titles are provided for the parties' convenience and do not limit the scope or meaning of any paragraph.
9. **Complete Agreement.** This Agreement reflects the parties' entire agreement on this matter and may not be altered or amended except by a subsequent written document signed by all parties to the Agreement.

10. **Authority to Sign.** The parties, and their representatives, by signing below, acknowledge that they have complied with all the legal requirements for approval of this Agreement and that their representatives are authorized to bind their respective agencies or bodies by their signatures to this contract.

11. **Applicable Law.** This Agreement shall be governed by, and construed in accordance with, Iowa law.

12. **Execution.** Claimant is executing this Agreement solely in reliance upon Claimant's own knowledge, belief and judgment and not upon any representations made by the Board or others on the Board's behalf. Furthermore, Claimant acknowledges reading this entire Agreement, understanding the Agreement constitutes a contract, and entering into this Agreement voluntarily only after being advised by the Board of the right to consult with an attorney.

PLEASE READ CAREFULLY. THIS AGREEMENT INCLUDES A WAIVER OF BENEFITS AND A RELEASE OF ALL KNOWN AND UNKNOWN CLAIMS.

Claimant's Printed Name

Scott Scheidel, Administrator
Iowa Comprehensive Petroleum
Underground Storage Tank Fund Board

Claimant's Signature

DATE: _____

DATE: _____

I, _____, a notary public in and for the State of Iowa, do hereby certify that _____ personally appeared before me this day and acknowledged the due execution of the foregoing instrument.

Subscribed and Sworn to before me on this _____ day of _____, 20____.

Notary Public in and for the State of Iowa

My commission expires:

Sites with shared liability between UST Fund and PMMIC				IUSTF	PMMIC		Groundwater		
8/14/12 (excl prior LPT sites)	City	Risk	consultant	Reserve Balance (1-16-13)	Reserve Balance (8-5-11)	FR Status	Professional Estimate	PMMIC share	Fund Share
1 8601819 (IUSTF = 15% / PMMIC = 85%)	S. Cent. COOP	Lacona	High Barker Lemar	24,564.54	15,000.00	PMMIC	47,750.00	40,587.50	7,162.50
2 8602918 (IUSTF = 10% / PMMIC = 30% / RP = 60%)	River Valley	Durant	High Seneca Dvpt.	12,933.52	na	closed	355,000.00	106,500.00	35,500.00
3 8603271 (IUSTF = 75% / PMMIC = 25%)	Raine	Humboldt	Low Apex	8,400.56	na	closed	5,500.00	1,375.00	4,125.00
4 8603853 (IUSTF = 50% / PMMIC = 50%)	Cig Outlet	Washington	High Seneca Dvpt.	9,905.28	20,000.00	PMMIC	5,000.00	2,500.00	2,500.00
5 8604799 (IUSTF = 35% / PMMIC = 65%)	Casey's	Cedar Rapids	Low Barker Lemar	4,769.89	na	other	17,500.00	11,375.00	6,125.00
6 8604865 (IUSTF = 35% / PMMIC = 65%)	KG/Bro, Afton	Afton	High Barker Lemar	9,989.70	na	closed	14,100.00	9,165.00	4,935.00
7 8607024 (IUSTF = 20% / PMMIC=80%)	KG/Bro	Winterset	High Barker Lemar	55,805.48	25,000.00	PMMIC	325,000.00	260,000.00	65,000.00
8 8607082 (IUST = 75/15% // PMMIC = 25/85% RBC)	Bumper to Bumper	Olwein	High VJ	100,792.84	25,000.00	PMMIC	144,055.00	36,013.75	108,041.75
9 8607932 (Soil (PMMIC), GW (mixed))	JOCO	Bettendorf	Low Terracon Dvpt.	12,276.83	30,000.00	PMMIC	7,500.00	750.00	6,750.00
10 8608458 (IUSTF = 85% / PMMIC = 15%)	QT/Music Station	Cedar Falls	Low Apex	13,939.02	25,000.00	PMMIC	60,000.00	9,000.00	51,000.00
11 8608757 (IUSTF = 75% / PMMIC = 25%)	Country Store	Onawa	RDG	62,581.08	na	closed	7,625.50	1,906.38	5,719.12
12 8710384 (IUSTF = 25% / PMMIC = 75%)	Jott/Johnson	Mt. Vernon	High Barker Lemar	39,808.74	15,000.00	PMMIC	240,000.00	180,000.00	60,000.00
13 8710665 (IUSTF = 20% / PMMIC = 80%)	Taylor Quik Pik	Missouri Valley	Low RDG	8,043.83	15,000.00	PMMIC	137,237.90	109,790.32	27,447.58
14 8603566 (NFA claim - 40% IUST / 60% PMMIC)	Farmers Coop	Fredricksburg	High Blackhawk	8,073.03	na	PMMIC	63,689.00	38,213.40	25,475.60
15 8710504 (NFA claim - 35% PMMIC / 65% IUSTF)	former KG	Ellsworth	High Seneca	30,844.75	na	closed	41,130.00	26,734.50	14,395.50
16 8606451 NFA 28E site - 12.5% IUST, 80% PMMIC	former Amoco	Stuart	High Seneca	6,598.57	na	closed	24,080.00	19,264.00	3,010.00
17 8608410 NFA 28E (85% PMMIC -- 15% IUSTF)	former KG	Sioux City	Low Seneca	10,016.55	na	closed	56,625.00	48,131.25	8,493.75

419,344.21	1,551,792.40	901,306.10	435,680.80
------------	--------------	------------	------------