

**IOWA UNDERGROUND STORAGE TANK PROGRAM
ENVIRONMENTAL COVENANT**

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

[INSERT name(s) of fee title owners of affected property], hereafter "grantor(s)," *[INSERT names of all holder(s), if any]*, hereafter "holder(s)," 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 455I, IC § 455B.103(7), and Department rules in chapter 567 Iowa Administrative Code (IAC) 135.

1. Affected Property. The grantor(s) identified below is the fee title owner(s) of the property located at *[INSERT address]*, at which petroleum exists *[INSERT or formerly existed, if applicable]*. The property is legally described as: *[INSERT the legal description of the property from the property deed]*.

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

2. Risk Management and Institutional Controls. *[INSERT name of the party conducting the Tier 1/2 assessment]* has conducted a soil and groundwater investigation and risk assessment (tiered site assessment) of the property in accordance with Department rules in chapter 567 IAC 135.

[INSERT the following alternative paragraph, if the subject property is not the property where the USTs are located] *[INSERT name of the party conducting the Tier 1/2 assessment]* has conducted a soil and groundwater investigation and risk assessment (tiered site assessment) of the UST source site located at *[INSERT ADDRESS OF SOURCE SITE]* in accordance with Department rules in chapter 567 IAC 135. Persons associated with the UST source site have requested that the grantor execute this environmental covenant in order to satisfy regulatory requirements applicable to the UST site.

This assessment constitutes an environmental response project as defined in IC § 455I.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 *[INSERT UST site address]* by Registration No. *[INSERT UST No]* and LUST NO. *[INSERT LUST No.]*. *[INSERT by name, date and location the appropriate Tier 1/2,*

SMR or other assessment report(s) which propose the risk classification and use of institutional controls and Department approval letters].

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(S): *[INSERT name of each fee title holder]*

HOLDERS: *[INSERT each person signing the covenant as a holder, if any, and describe their relationship to the property. A grantor can be a holder. Other persons may include contract buyers, lessees, mortgage holders, municipalities, owners and operators of the site, and other interested parties.]*

AGENCY: Iowa Department of Natural Resources

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

- a. The grantor[s] is/are the sole fee title owner[s] of the property;
- b. the grantor[s] 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[s] has/have 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 attached as Exhibit *[INSERT Exhibit]*. *[Consult Department guidance to assure that all contract buyers, mortgagees, lessees and other consensual lienholders either sign this instrument or sign a separate Department-approved subordination and consent agreement. **If a subordination agreement is entered, it must be fully executed and attached to the final covenant PRIOR to submittal to the DNR for signature.**]*

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: *[INSERT description of the specific restrictions, affirmative obligations, provisions regarding notice to the Department of breaches of the terms, periodic reporting requirements and any guidance and model language developed by the Department].*

[INSERT any discretionary provisions applicable to designated signatories, future fee title owners, contract buyers, lessees and other designated transferees of interests in the property. This may include provisions to establish affirmative obligations to notify the Department regarding changes in use, building permits, etc.]

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.

Access is also granted to *[INSERT name specific persons who are granted access rights, if any]*.

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: *[INSERT language from section eight (8) that describes the activity and use limitations.]*

13. Modification and Termination. Modification or termination of the terms of this covenant shall comply with the standards in IC chapter 455I 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 § 455I.10(1)“c” in accordance with and subject to the provisions of IC § 455I.10). 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 § 455I.9 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 § 455I.11. *[DISCRETIONARY PARAGRAPH – Additionally, the signatories to this covenant authorize the following person(s) the right to enforce the terms of this covenant as provided in IC § 455I.11(1)“c”:* *[INSERT name of additional parties with enforcement power.]*

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[s] shall record the environmental covenant in the

same manner as a deed to the property with the *[INSERT county name]* 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 *[INSERT County Name]* 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:

*[INSERT: Identify persons and entities that are consenting and subordinating their interests such as mortgagees and other consensual lienholders, lessees, etc. Identify the nature of the subordinated interest. **If a subordination agreement is entered, it must be fully executed and attached to the final covenant PRIOR to submittal to the DNR for signature.** If no subordinated interests, INSERT "No subordinated interests." after section 20.]*

21. [DISCRETIONARY PARAGRAPH]: Notice of Change in Ownership. Grantor(s) and holder(s) 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

[INSERT signature blocks for all grantors.]

[INSERT appropriate notary acknowledgement after each signature line. Each signature must be notarized. See IC § 558.20 and chapter 9B for guidance on acknowledgements]

HOLDERS:

[INSERT signature blocks for all holders, if any.]

[INSERT appropriate notary acknowledgement after each signature line. Each signature must be notarized. See IC § 558.20 and chapter 9B for guidance on acknowledgements]

AGENCY:

_____ Signed this ____ day of _____, 20__.

Bruce Trautman
Acting Director, Iowa Department of Natural Resources

State of _____)
County of _____) ss.

On this ____ day of _____, 20__, before me personally appeared _____, known to me to be the Acting 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

SUBORDINATED INTERESTS:

[INSERT signature blocks and appropriate acknowledgements for all subordinated interests. If none, strike this section.]