

Mr. Cal Lundberg
Iowa DNR
502 E.9th Street
Des Moines, Iowa 50319

November 12, 2009

Dear Mr. Lundberg,

My name is Steve Boat and I am representing my mother in the sale of an Implement Building in the Oskaloosa area to Titan Machinery. Titan requested a phase 1 environmental assessment be completed prior to completing the sale. They retained the services of West Central Environmental Consultants of Morris, Minnesota. Upon completion of the phase 1 assessment it was discovered that the shop floor drains connected to a drain tile after leaving the building and would flow when the shop floor was washed. I decided to interrupt the flow and direct the floor drains into a newly installed pump out tank with no out flow. While installing the tank it was discovered that the drainage tile was broken and anything going down the drain would leach into soil at the break. With this knowledge Jeff McCoy of West Central Environmental elected to take samples and initiate a phase 2 assessment. Please find these documents enclosed.

While a continuing problem has been remedied it still needs to be determined what needs to be done with the contaminated material. I have contacted Ray Widder with Geode Enviro to assist me depending on your findings and determinations. I have explained my situation to Bob Drustrup and he suggested I contact you. He also suggested I point out that a real estate sale is contingent on having this taken care of to your satisfaction. Feel free to contact me with any questions. 970-945-5550 or e-mail at boatcolo@rof.net .

Thank you for time and consideration in this matter.

Sincerely,



Steve Boat

Box 1989

Glenwood Springs

41410 REV12'05 4:30:55

**PHASE I ENVIRONMENTAL
SITE ASSESSMENT**

Oskaloosa Implement
2350 Highway 23 South
Oskaloosa, Iowa

Prepared for

Ted Christianson
Dealer Sites, LLC
4876 Rocking Horse Circle
PO Box 10818
Fargo, North Dakota 58106

Prepared by

West Central Environmental Consultants, Inc.
14 Green River Road
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WCEC Project No. 09-7331-60

September 23, 2009

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1.0 INTRODUCTION

1.1 Purpose and Scope

At the request of Ted Christianson, representing Dealer Sites, LLC, West Central Environmental Consultants, Inc. (WCEC) has prepared a Phase I Environmental Site Assessment (ESA) of Oskaloosa Implement, in Oskaloosa, Iowa.

This Phase I ESA has been conducted following guidelines established by American Standards of Testing and Materials (ASTM) "Standard Practice for Environmental Site Assessments: Phase I Environmental Site Assessment Process", Standard E 1527-05, was utilized as a guide for conducting and preparing this report.

The purpose of the ASTM practice (E 1527-05), is to define good commercial and customary practice for conducting an Environmental Site Assessment of a parcel of commercial real estate with respect to the range of contaminants within the scope of Comprehensive Environmental Response, Compensation and Liability Act (CERCLA) and petroleum products. This practice is intended to permit a user to satisfy one of the requirements to qualify for the innocent landowner, contiguous property owner, or bonafide prospective purchaser limitations on CERCLA liability. The Small Business Liability Relief and Brownfields Revitalization Act sets forth as law specific eligibility conditions for achieving CERCLA liability protections know as "All Appropriate Inquiries" (AAIs). The EPA has determined that ASTM standard E 1527-05 is in full compliance with the requirements for conducting AAIs specified in the published EPA rule, "Standards and Practices for All Appropriate Inquiries."

According to ASTM, the goal of the processes established by this practice (E 1527-05) is to identify Recognized Environmental Conditions (RECs) associated with the subject property. ASTM defines RECs "as the presence or likely presence of any hazardous substances or petroleum products on the subject property under conditions that indicate an existing release, a past release, or a material threat of a release of any hazardous substances or petroleum products into the structures on the subject property or ground, groundwater, or surface water of the subject property." The term is not intended to include *de minimis* conditions that generally do not present a material risk of harm to public health or the environment and that generally would not be the subject of an enforcement action if brought to the attention of appropriate governmental agencies.

This report is not intended to identify what ASTM defines as non-scope considerations, such as, but is not limited to, asbestos, high lead-based paint, mold, or radon issues. Under this practice, it is also the responsibility of the user to determine if environmental liens or activity and use limitations have been legally attached to the subject property. Although the tasks completed during the Phase I ESA (ownership review, state and federal database search, interviews) will likely identify any environmental liens or activity and use limitations, WCEC recommends a complete title search and legal review of the property title to determine any encumbrances associated with the property.

1.2 Site Location

A site location map using the DeLorme Street Atlas USA is provided as Figure 1. The mailing address for the subject property is 2350 Highway 23 South, Oskaloosa, Iowa.

The United States Geological Survey (USGS) coordinates for the property are the W ½ of Section 29, Township 75 North, Range 15 West, in Mahaska County, Iowa. The USGS University Park, Iowa Quadrangle 7.5 minute topographic map is provided as Figure 2.

The subject property, approximately 9.85-acres, is described as Lot 2 and 3 of the Subdivision of a part of Section 29, Township 75 North, Range 15 West, Mahaska County, Iowa. A survey of the subject property is provided as Figure 3.

2.0 INVESTIGATION

2.1 Site History

2.1.1 History of Ownership and Operation

Under ASTM, all obvious uses of the property shall be identified from the present, back to the subject property's first developed use, or back to 1940, whichever is earlier.

Abstract of Title or Building Records

WCEC requested the subject property's Abstract of Title. The abstract summarizes the historical ownership of a parcel of land. An abstract also shows the purchases and sales, mortgages, judgments, and other liens or rights against the property as recorded with the county. Iowa abstracts omit all matters of record prior to the Root of Title, except recorded easements, leases, plat or surveys, and partywall or boundary agreements. WCEC's primary intent is to review ownership history to collaborate site interviews and to determine the historical use of the subject property. It is not WCEC's intent to provide a complete line of title. Based on the review of the Abstract of Title, no environmental activity and use limitations were recorded against the subject property (as of 2009). See Table 1 below for a general summary of property owners since 1926.

**Table 1
 Abstract of Title
 Ownership History**

Year	Ownership or Lease Description
1926	Fred and Susan Jamison to Chester Kiser
1956	Chester (deceased) and Minnie Kiser to William Burbank
1963	William Burbank to Gerrit Van Kooten
1966	Plat of Subject Property
1967	Gerrit Van Kooten to Oskaloosa International (Lot 3)
1968	Gerrit Van Kooten to Strawn Equipment (Lot 2)
1980	Strawn Equipment to Robert Hugen of Oskaloosa International (Lot 2)
1992	Oskaloosa International (Hugen) to Carl and Delores Boat
2007	Carl and Delores Boat to Carl E Boat Trust

WCEC interviewed Jim Vander Werff, Manager and part owner of Oskaloosa Implement, regarding his knowledge of the historical use of the subject property. Mr. Vander Werff explained that the subject property has been used for a farm implement dealership since the late 1960's. The Boat's purchased the business and subject property in the early 1990's. No significant changes have been made to the subject property since that time. No significant spills have ever occurred on the subject property and no soil or

groundwater contamination is known to be associated with the subject property.

WCEC spoke with Steve Boat, son of the late Carl Boat, regarding his knowledge of environmental issues associated with the subject property. Steve Boat indicated no knowledge of any dumping, spills, or soil and groundwater contamination associated with the subject property.

WCEC reviewed the Mahaska County Assessor's information to determine the age of the buildings on the subject property. County records appear to be incorrect. The buildings on the subject property were reportedly constructed between 1970 and 1980.

WCEC contacted the Mahaska County Engineer, Jerome Nusbaum, to inquire about local knowledge of environmental issues associated with the subject property. Mr. Nusbaum explained that he did not know of any dumps, spills, or environmental issues associated with the subject property and surrounding area.

WCEC also reviewed the on-line mapping system of the Iowa Department of Natural Resources (DNR) Leaking Underground Storage Tanks. No spills or releases were noted on the subject property. One leaksite (UPS) was noted within 1,000-feet to the east-southeast of the subject property. The site has been closed by the Iowa DNR and is located in a side or down-gradient groundwater flow direction.

2.1.2 Aerial Photographs

WCEC requested Historical Information Gatherers to search for all available aerial photographs for the subject property. Aerial photographs can give indications of past property uses and structures. Aerial photographs of the area for the years 1938, 1951, 1956, 1969, 1978, 1994, 2002, and 2006, were available for review. Copies of the aerial photographs are provided as Appendix A. The following observations were made during the review of each aerial photograph.

- 1938** The subject property is undeveloped or used for agricultural crop production or pasture land. Except a farm building site to the southeast of the subject property, all neighboring properties are undeveloped and used for crop production.
- 1951** No significant changes to the subject property or neighboring properties are observed in this photograph since the previous photograph.
- 1956** No significant changes to the subject property or neighboring properties are observed in this photograph since the previous photograph.
- 1969** The main implement dealership building and warehouse building are observed on the subject property. The southern portion of the subject property remains undeveloped. No changes are observed on the neighboring properties.
- 1978** Farm equipment is observed around the buildings on the subject property. Commercial buildings can be observed to the east of the subject property.

- 1994** A cold storage warehouse has been added to the subject property since the previous photograph. All of the neighboring properties are developed. Properties to the north and west remain undeveloped.
- 2002** Except the addition of a residential dwelling to the south, no significant changes to the subject property or neighboring properties are observed in this photograph.
- 2006** No significant changes to the subject property or neighboring properties are observed in this photograph since the previous photograph.

2.1.3 Fire Insurance Maps

Fire insurance maps are produced by private fire insurance map companies, such as Sanborn, Perris, Spielman and Brush, Hexamer, Scarlett, and The Fire Underwriters Bureau to provide information on fire risks of buildings and other structures. Fire insurance map archives, covering many of the developed areas of the United States during the period from 1852 to the present, are one of the valuable sources for monitoring urban change. Map coverage is most comprehensive in older urban centers and suburbs, with scarce map coverage in rural areas and suburbs developed after 1950. Now they are used in locating and documenting potential environmental hazards because they often identify the history of the structures, and materials on a particular site. However, due to the recent development of the subject property, no fire insurance maps are available.

2.1.4 Previous Environmental Investigations

A contract for deed document reviewed by WCEC noted cost sharing of an environmental assessment in 1992. The findings of that assessment could not be located by Steve Boat.

2.1.5 Summary of Site History

The subject property was historically undeveloped and used for crop production or pasture until 1967, when Oskaloosa International purchased the subject property and developed the property for an implement sales dealership. The main dealership building and combine set-up shop appear to have been constructed in the late 1960's. The cold storage building was added to the property in approximately 1980. Bulk petroleum and chemical have been historically handled/stored on the subject property. An underground storage tank was removed from an area southwest of the main shop approximately 25-years ago. No laboratory data documenting the soils from the tank basin are available. The tank continued to be used aboveground for a few years in that same location, and was later removed. Except a waste oil burner tank in the shop, no underground or aboveground tanks have been used on the subject property. All petroleum and chemical storage has generally consisted of 55-gallon drums. No significant spills have ever been reported and no soil or groundwater contamination is known to be associated with the subject property.

2.2 Description of Site and Regional Information

2.2.1 Site Reconnaissance

A visit to the subject property was conducted on September 17, 2009, by Jeffrey McCoy, representing WCEC. The purpose of the site reconnaissance was to review current site conditions at and surrounding the property, and to document any evidence of recognized environmental conditions. The site visit included a thorough site walkover, identification of utilities, and documentation of nearby facilities. Several photographs were taken of the site and surrounding vicinity during the site inspection. Pertinent photographs of the property and surrounding area are provided as Appendix B.

The subject property consists of 9.85-acres. The subject property is used for a CASE farm equipment dealership. A total of three buildings occupy the subject property. The main implement building totals approximately 7,300-square feet. The building includes an office/retail area, parts/warehouse area, and service shop. The equipment wash area is located on the concrete pad south of the building. The combine set-up shop is located to the south of the main building. Half of the building is finished and heated, but does not have any floor drains. The remaining half is used for cold storage. A cold storage building is located to the west of the combine shop. The cold storage building has pavement, but no floor drains.

Bulk petroleum is stored on the subject property. All bulk petroleum storage is limited to 55-gallon drums, except a square tank (approximately 300-gallons) below the waste oil burner. Gas and diesel fuel storage is located in the cold storage warehouse. New and used oil drums are either stored in the repair shops or in the cold storage warehouse. All oil drums are stored on pavement. However, oil handling was observed around the shop area floor drains. WCEC observed oil in the shop drain. That drain is connected to the septic system on the north side of the building.

Bulk chemical is limited to individual parts washers and antifreeze storage. All containers are 55-gallons or less, and stored inside the shop. No obvious spills and no on-site disposal of the chemicals was observed during the site walkover.

Two large square drains are located in the shop building. As previously mentioned, WCEC observed oil in one of the drains. The drains are connected to the septic system north of the building. The location and construction details of the septic system is unknown. Mr. Vander Werff thought that the drainfield consists of a tile line that discharges to another tile line on the western border of the subject property.

The area outside the buildings generally consists of new and used equipment sales lots and general parking. No significant surface staining or stressed vegetation, potentially indicating a recent spill, was observed on the subject property during the site walkover. WCEC observed a burn pile on the west central portion of the subject property. Metal debris was observed in the burn pile ash.

WCEC interviewed shop service personnel regarding past fuel storage. According to the staff, an underground storage tank and pump was located on the southwestern corner of the main building. The

staff indicated that the tank was removed about 25 to 30-years ago. The tank was used aboveground in the same location for several years after the removal. No existing underground storage tanks are located on the subject property. WCEC observed no evidence of underground storage tanks. Mr. Vander Werff stated that no significant spills have occurred on the subject property. No significant soil or groundwater contamination is known to be associated with the subject property.

The building heat supply consists of natural gas fueled furnaces. The subject property is connected to a private well for the site water supply.

Pole-mounted electrical transformers associated with the site power supply were noted on the subject property. High-voltage electrical equipment may be filled with PCB-containing cooling oil, which could present an environmental hazard should a leak develop or a spill occur. Electrical equipment must be considered PCB-contaminated at 50 parts per million or greater, unless it has been tested or labeled non-PCB containing from the factory or purchased after 1979. The transformers on the subject property were labeled non-PCB containing. In addition, the transformers appeared to be in good condition with no evidence of leakage.

2.2.2 Adjacent Land Use

A cursory inspection of the properties surrounding the subject property was made during the site walkover. To the south, the subject property is bordered by undeveloped property and residential homes. To the north and east, the subject property is bordered by multiple commercial business, including a building contractor, livestock feed producer, and a grain storage facility. To the west, the subject property is bordered by agricultural crop production land. Based on the cursory inspection, it does not appear that the existing use of the neighboring properties poses a significant liability to the subject property.

2.2.3 Site Topography, Soils and Vegetation

Information about the site topography and soils has been obtained and summarized from the USGS University Park, Iowa Quadrangle 7.5 minute topographic base map, the United States Department of Agriculture Web Soil Survey, and observations made during the site inspection. The topography of the site is generally flat, with an approximate average elevation of 840-feet above mean sea level (msl). Green space is limited to the building and parking lot perimeter. No significant stressed or stained vegetation, potentially indicating a recent spill, was observed on the subject property. The majority of the soil types on the subject property are made up of the Mahaska silty clay loam.

2.2.4 Regional Geologic Setting and Surface Water Hydrology

The following information has been summarized from the Iowa Geological Survey Bureau, the United States Department of Agriculture Web Soil Survey, the USGS University Park, Iowa Quadrangle 7.5 minute topographic base map, and the United States Fish and Wildlife Service (National Wetlands Inventory).

Iowa is almost entirely covered by loose sediments left behind by the continental glaciers of the Pleistocene ice ages. The latest advance of the ice, known as the Wisconsinan event, left behind the hummocky moraine country of the Des Moines Lobe (central and northern Iowa). The rest of the state is covered with deposits from earlier episodes. The subject property is situated within the southern region of Iowa, identified as the Southern Iowa Drift Plain. This area consists of glacial till deposited more than 500,000 years ago. The glacial deposits have been deeply dissected by erosion. A mantle of loess (wind blown deposits) covers the uplands and upper hill slopes. Underlying the glacial and loess deposits is a bedrock layer identified as Mississippian or Pennsylvanian age. The bedrock primarily consists of shale, limestone or sandstone.

No well log information for the subject property was available from the State of Iowa. However, based on well logs in nearby sections, the glacial deposits on the subject property likely range from 150 to 250 feet in thickness.

The glacial deposits in Mahaska County are predominantly till with some isolated areas of coarse grained alluvium. Till consists of an unsorted, unstratified mixture of clay, silt, sand, and gravel. The alluvium consists of coarse grained deposits such as sands and gravel. The subject property is located in an area of glacial till. Groundwater in the area of the subject property is obtained from the embedded alluvial deposits or the underlying limestone or sandstone bedrock.

The water table aquifer in this area is generally flat and typically has a configuration that approximates a subdued replica of the land surface. The depth to groundwater is greatest near deeply entrenched surface water features such as rivers and lakes. Water is more shallow in areas near smaller surface water features, such as streams, drainage ditches, or wetlands. The depth to groundwater on the subject property is likely 15-feet below grade or less. Regional groundwater flow of the watershed is to the southeast. Based on local topography and drainage patterns, groundwater flow for the subject property is likely in a southerly direction. However, local flow direction in the water table system is highly variable, as groundwater flow direction can be influenced by local wells, lakes, wetlands, or drainage ditches. A minimum of three monitor wells would be required to determine the exact groundwater flow direction.

The subject property is located in the Des Moines River Watershed. Regional surface water flow of the watershed is to the southeast. The subject property is located in the watershed of Little Muchakinock Creek, located south of the subject property. Little Muchakinock Creek flows west, discharging to Muchakinock Creek. Muchakinock Creek flows to the south, discharging to the Des Moines River.

A water drainage way was observed on the southern portion of the subject property. A dam has been made to temporarily slow water, which periodically causes standing water. The area was dry during the site walkover. According to the National Wetlands Inventory, no wetlands are located on the subject property. No attempt to conduct a wetland delineation was made as part of this Phase I ESA.

2.3 Water Supply and Wastewater Utilities

2.3.1 Drinking Water Supply

The subject property uses a private well for the site water supply. WCEC completed a well search at the Iowa Department of Natural Resources Geological Survey. No wells were identified on the subject property. One well was identified in Section 29 (Township 75 N, Range 15 W).

2.3.2 Sanitary Sewer

The subject property is connected to a private septic system. The septic tank is located on the north side of the main shop. The septic drainfield design is unknown, but believed to be a tile line running north, connecting to another tile line on the western border of the subject property. All shop floor drains are connected to the septic system. During the site walkover, WCEC observed oil in the shop drain. It is likely that oil and heavy metals are discharged to the ground via the septic drainfield. This system is not in compliance with the State and Federal guidelines.

2.3.3 Storm Water Run-Off

Storm water run-off from snow melt or precipitation events from the north side of the subject property flows to the northeastern road right-of-way. Storm water run-off for the southern portion of the subject property appears to flow south.

WCEC conducted a cursory inspection of the neighboring properties to determine storm water concerns originating from the neighboring properties. Storm water run-off from the neighboring properties does not appear to pose a significant environmental liability to the subject property.

2.4 Federal and State Database Review

At the request of WCEC, Environmental FirstSearch™ conducted a limited search of accessible state and federal database files to determine if the properties, within the vicinity of the property, have experienced a release or threatened release of a hazardous substance, pollutant or contaminant. A copy of the Environmental FirstSearch™ database search report is included in Appendix C. A summary of the databases accessed by Environmental FirstSearch™ and the search distances used for this site are presented on page 2 of the Environmental FirstSearch™ report. The databases searched and the distances used comply with ASTM practice E 1527-05 (AAIs).

It should be noted that this is a limited file search and does not include a complete review of all records and reports. However, the file search report does contain most sites that are known to be or are suspected to be problem sites. For this Phase I ESA, the Environmental FirstSearch™ file search provides sufficient and current information on potential or reported problems within variable radii of the subject site.

The subject property was identified as a small quantity generator of hazardous waste. No underground

tanks, no spills, and no violations were noted for the subject property. Two other sites near the area of the subject property were mapped by Environmental FirstSearch™. Both sites are closed petroleum leaksites. One of the sites is located near the southeastern portion of the subject property.

Environmental FirstSearch™ provided a list of non-geocoded, or sites that were not mapped due to poor or inadequate address information. WCEC reviewed all of the non-geocoded sites. Based on the status and location descriptions of each site, it does not appear that any of the sites pose a significant environmental liability to the subject property.

WCEC also reviewed the on-line mapping system of the Iowa Department of Natural Resources Leaking Underground Storage Tanks. No spills or releases were noted on the subject property.

A detailed description of all sites identified is provided in the Environmental FirstSearch™ report.

2.5 User Provided Information

WCEC provided Ted Christianson, representing Dealer Sites, LLC, user of this report, a Phase I ESA User Questionnaire. A copy of the completed and signed Phase I ESA User Questionnaire is provided as Appendix D. The purpose of the Phase I ESA User Questionnaire is to assist the environmental professional in completing the Phase I ESA and to satisfy the users responsibility that "all appropriate inquiry" is complete. The questionnaire involves a series of questions to determine the users knowledge of potential environmental liabilities associated with the subject property.

Mr. Christianson responded that, to the best of his knowledge, no environmental liens or activity and use limitations are in place at the subject property. In addition, Mr. Christianson has no knowledge of former chemical/petroleum storage or spills and no knowledge of environmental cleanups on the subject property.

2.6 Petroleum Pipelines

Based on site observations, no liquid petroleum pipelines are located on or adjacent to the subject property.

2.7 Other Environmental Issues

Other environmental issues related to this Phase I ESA includes lead-based paint, radon gas, and asbestos. Although these topics are not part of the scope of work for this Phase I ESA, each topic is briefly discussed below.

2.7.1 Lead-based Paint

In 1978, because of its toxicity, paint containing more than 0.06% lead was banned for residential use by the U.S. Consumer Product Safety Commission (Code of Federal Regulations CFR 1303). The U.S. Government defines "lead-based paint" as any "paint, surface coating that contains lead equal to or

exceeding one milligram per square centimeter or 0.5% by weight." The building on the subject property was constructed prior to 1978. Therefore, high lead-based paint was potentially utilized during construction. It should be noted that no sampling for high lead-based paint was included in this Phase I ESA.

2.7.2 Radon Gas

The Iowa Department of Public Health has published radon information obtained from certified radon measurement specialists and laboratories. The data was collected from 1990 to 2005. The Iowa Department of Public Health has published the data by county. The data indicates that 1,170 sites have been tested in Mahaska County. The studies identified that 42 percent of residences in Mahaska County contained radon levels equal to or above the United States Environmental Protection Agency (USEPA) guideline of 4.0 picocuries per liter (pCi/L). The subject property building is slab on-grade construction, likely reducing potential radon problems. It should be noted that no radon testing was included in this Phase I ESA.

2.7.3 Asbestos

Since 1980, friable (easily crushed under hand pressure) asbestos containing building materials have not been permitted in new construction. The building on the subject property was constructed prior to 1980, therefore friable asbestos containing building materials may have been utilized. No asbestos sampling was conducted as part of this Phase I ESA.

2.8 Limitations and Data Gaps

WCEC has performed a Phase I ESA under the guidance of ASTM Practice E 1527-05. The conclusions and recommendations presented in this report are based on procedures described in ASTM E 1527-05, under noted conditions and time restraints, and by information provided by others. The services performed by WCEC for this project have been conducted in a manner consistent with the level of skill and care ordinarily exercised by other members of the profession currently practicing in this area. No other warranty, expressed or implied, is made. ASTM E 1527-05 requires that the environmental professional identify all deletions or deviations from the practice and identify and comment on significant data gaps that affect the ability of the environmental professional to identify recognized environmental conditions.

No significant limitations were identified during the Phase I ESA. No deliberate deletions, deviations, or data gaps from this practice were made in conducting this Phase I ESA.

3.0 PHASE I ESA SUMMARY AND FINDINGS

3.1 Summary

The subject property was historically undeveloped and used for crop production or pasture until 1967, when Oskaloosa International purchased the subject property and developed the property for an implement sales dealership. The main dealership building and combine set-up shop appear to have been constructed in the late 1960's. The cold storage building was added to the property in approximately 1980. Bulk petroleum and chemical have been historically handled/stored on the subject property. An underground storage tank was removed from an area southwest of the main shop approximately 25-years ago. No laboratory data documenting the soils from the tank basin are available. The tank continued to be used aboveground for a few years in that same location, and was later removed. Except a waste oil burner tank in the shop, no underground or aboveground tanks have been used on the subject property. All petroleum and chemical storage has generally consisted of 55-gallon drums. No significant spills have ever been reported and no soil or groundwater contamination is known to be associated with the subject property.

The neighboring properties were historically undeveloped and used for crop production or set-aside acreage until approximately 1970. The neighboring properties are used for light commercial, service industry, or feed production.

3.2 Findings

The goal of the ASTM E 1527-05 process is to identify recognized environmental conditions, historical recognized environmental conditions, and *de minimis* conditions associated with the subject property. The following information presents the findings of the Phase I ESA.

3.2.1 De Minimis Conditions

ASTM defines de minimis conditions as conditions that “generally do not present a material risk of harm to public health or the environment and that generally would not be the subject of an enforcement action if brought to the attention of appropriate governmental agencies.”

- The existing aboveground storage or use of petroleum, cleaning solvents, and antifreeze on the subject property are considered to be a de minimis condition.
- The state and federal environmental database search identified several facilities/properties within the area of the subject property, including a leaksite near the southeast corner of the subject property. However, based on the location and regulatory status of the sites identified, the off-site facilities/properties are considered to be a de minimis condition.

3.2.2 Historical Recognized Environmental Conditions

ASTM defines historical recognized environmental conditions as conditions that were or would have

been considered to be recognized environmental conditions in the past. However, because of additional information, change of status, or site remediation, the conditions may no longer be considered recognized environmental conditions.

- No historical recognized environmental conditions are associated with the subject property.

3.2.3 Recognized Environmental Conditions

ASTM defines recognized environmental conditions as “the presence or likely presence of any hazardous substances or petroleum products on the subject property under conditions that indicate an existing release, a past release, or a material threat of a release of any hazardous substances or petroleum products into the structures on the subject property or ground, groundwater, or surface water of the subject property.”

- A burn pile was observed in the central portion of the subject property. Metal debris was observed within the ash. The burn pile ash is considered a Recognized Environmental Condition.
- All shop drains are connected to a septic system north of the main shop. WCEC observed oil in the shop drain. It is likely that oil and other potential contaminants from the shop drains are impacting the sub-grade soils via the septic drainfield. The septic system is considered a *Recognized Environmental Condition*.
- An underground gasoline or fuel tank was located in the southwest corner of the main shop. The former underground storage tank is considered a Recognized Environmental Condition.

4.0 PHASE I ESA CONCLUSIONS

WCEC has performed a Phase I Environmental Site Assessment in conformance with the scope and limitations of ASTM Practice E 1527-05 of the subject property, as described in Section 1.2 of this report. Any exceptions to, or deletions from, this practice are described in Section 1.1 of this report. This assessment has revealed *no evidence of recognized environmental conditions* in connection with the subject property, except the following:

A former underground storage tank was removed from the subject property approximately 25-years ago. However, no laboratory data documenting the tank basin soils are available. In addition, a septic system, receiving waste from the shop floor drains, is located on the north side of the main shop. WCEC recommends a Phase II ESA to determine subgrade soil or groundwater impacts from the former bulk petroleum storage and existing septic drainfield. In addition, WCEC recommends installation of a holding tank for the shop floor drains.

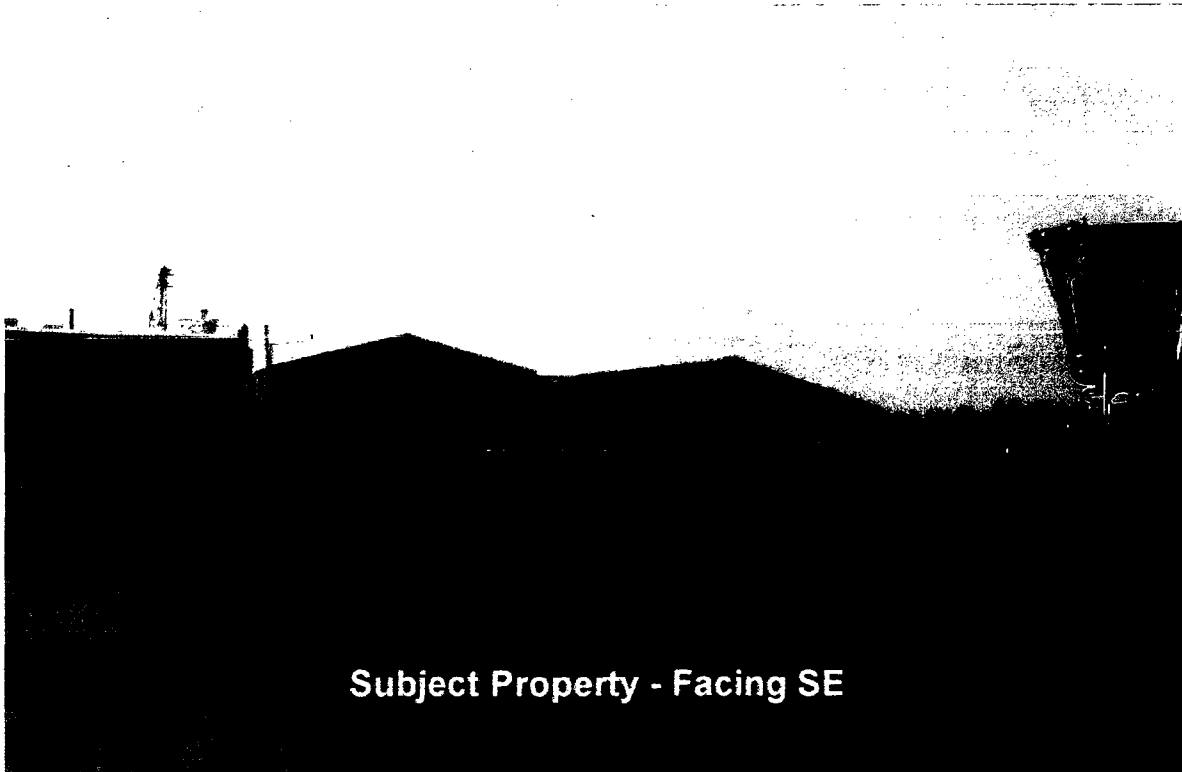
A burn pile was observed in the central portion of the subject property. WCEC recommends excavating the burn pile debris and ash, and an additional 1-foot of soil below the burn pile, and hauling the material for proper disposal.

I declare that, to the best of my professional knowledge and belief, I meet the definition of Environmental Professional as defined in § 312.10 of 40 CFR 312 and I have the specific qualifications based on education, training, and experience to assess a property of the nature, history, and setting of the subject property. I have developed and performed the all appropriate inquiries in conformance with the standards and practices set forth in 40 CFR Part 312.

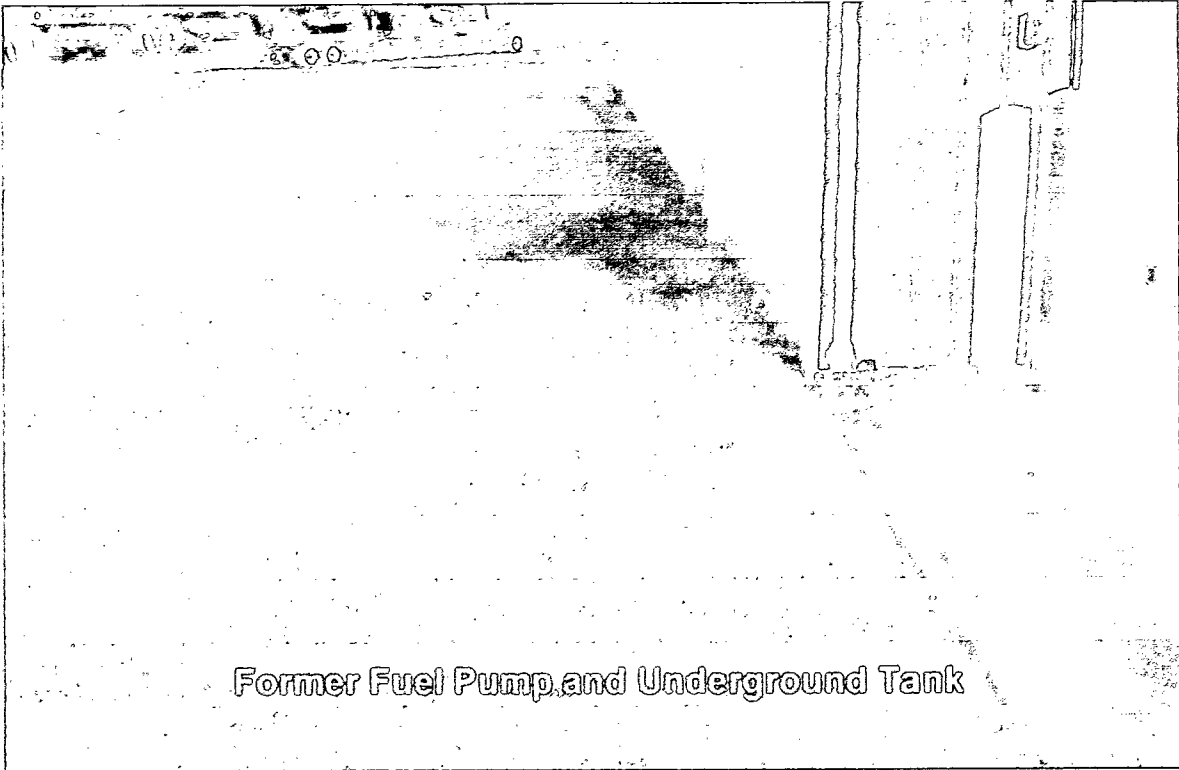
WCEC has performed this Phase I ESA for the exclusive use of Dealer Sites, LLC, for specific application to the property described in Section 1.2 of this report. The services performed by WCEC for this project have been conducted in a manner consistent with the level of skill and care ordinarily exercised by other members of the profession currently practicing in this area. No other warranty, expressed or implied, is made.

This Phase I ESA was prepared by:

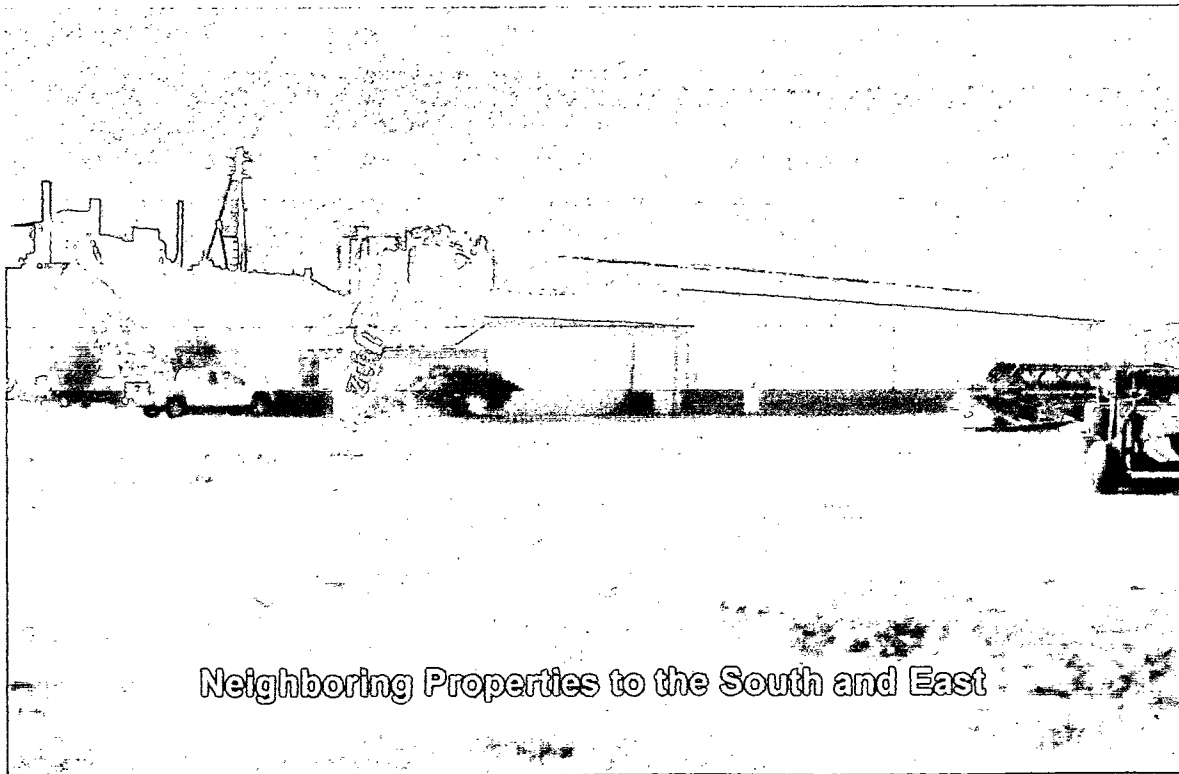
Jeffrey McCoy
Project Manager





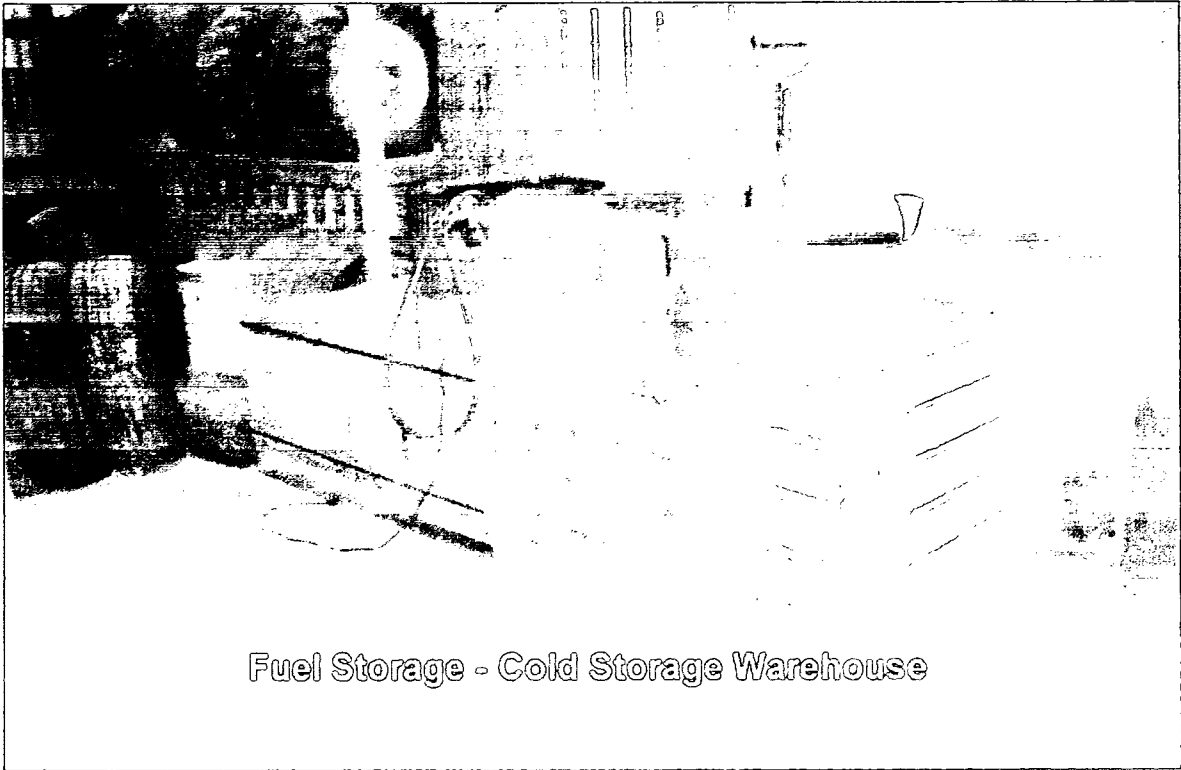


Former Fuel Pump, and Underground Tank



Neighboring Properties to the South and East





Fuel Storage - Cold Storage Warehouse



Main Shop - Waste Oil Burner and Used Oil Storage