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**THIS PROPERTY IS SUBJECT TO AN ENVIRONMENTAL COVENANT IMPOSING ACTIVITY AND USE LIMITATIONS PURSUANT TO THE UNIFORM ENVIRONMENTAL COVENANTS ACT, IDAHO CODE § 55-3001, et seq.**

**ENVIRONMENTAL COVENANT**

This instrument is an Environmental Covenant ("Environmental Covenant") executed by Salmon River Development Agency ("SRDA") and the Idaho Department of Environmental Quality ("Department") pursuant to the Uniform Environmental Covenants Act, Idaho Code §§ 55-3001 through 3015. This Environmental Covenant sets forth protective provisions, covenants, restrictions and conditions (collectively referred to as "Activity and Use Limitations") on the Property described below. The Activity and Use Limitations are designed to protect natural resources, human health and the environment. SRDA is a "holder" as defined in Idaho Code § 55-3002(6). SRDA, as the current property owner, grants this Environmental Covenant to all signatories to this instrument.

**Property.** This Environmental Covenant concerns real property located at 205 Main Street, City of Salmon, County of Lemhi, State of Idaho, legally described as Lot 5, Block 2 of and in Spahn's Subdivision to the City of Salmon, Idaho and Lots 1 and 2, Block 30 of and in the Salmon Townsite, Salmon, Idaho (hereafter referred to as "the Property"). The Property is legally described in the attached Schedule A. The activity and use limitations described below apply to a portion of the Property referred to as the "Restricted Area". The restricted area encompasses the full width of the property (approximately 85 feet) and extends southwest 100 feet from the property boundary along Main Street. A map of the Property illustrating the Restricted Area is provided in the attached Schedule B.

**Property Ownership.** SRDA hereby represents and warrants to the other signatories to this Environmental Covenant that it is the sole owner of the property, holds fee simple title to the property and SRDA has the power and authority to enter into this Environmental Covenant.

**Reason for Activity and Use Limitations.** Prior to the purchase of the Property by SRDA in June 2005, the Property described above was used to operate a gasoline service station, becoming contaminated with petroleum hydrocarbons. On September 16, 2006, SRDA entered into a Voluntary Remediation Agreement with the Department through the Voluntary Cleanup

Program to remediate the Property. SRDA implemented an approved Voluntary Remediation Workplan (Workplan) on the Property. This Environmental Covenant is required because the implementation of the Workplan resulted in residual concentrations of petroleum hydrocarbons in soil, groundwater and soil vapor underlying the Property. These concentrations are above allowable risk-based concentrations as determined by the Department. Therefore future use of the Property shall be limited to protect human health and the environment.

Name and Location of Administrative Record. A copy of the Beasleys administrative record can be found at the DEQ State Office at 1410 North Hilton, Boise, Idaho 83706.

Activity and Use Limitations. By acceptance and recordation of this Environmental Covenant, SRDA, and any successors in interest, are hereby restricted from using the Restricted Area, depicted in the map in Schedule B, now or at any time in the future, as specifically set forth below:

1. There shall be no extraction of groundwater under the Restricted Area for any purpose, including, without limitation, drinking by animals or human beings, irrigation or an industrial or commercial use.
2. No buildings that include a basement shall be constructed or located on the Restricted Area.
3. No excavation of soils in the Restrict Area below five feet without the development of a soils management plan that addresses any potential petroleum contaminated soils encountered during excavation. The soils management plan must be approved by the Department prior to excavation.

Breach and Cure of Activity and Use Limitations. SRDA, or its successors in interest, shall be responsible for demonstrating that use on the Property is in conformity with the Activity and Use Limitations. If any event or action occurs that constitutes or may constitute a breach of the activity and use limitations, SRDA or any successors in interest, shall notify the Department within thirty (30) days of becoming aware of the event or action, and shall remedy the breach of the activity and use limitations within sixty (60) days of becoming aware of the event or action, or such other time frame as may be agreed to by SRDA or any successors in interest, and Department.

Amendment by Consent. The Environmental Covenant may be amended by consent pursuant to Idaho Code § 55-3010. Except for an assignment undertaken pursuant to a governmental reorganization, assignment of the Environmental Covenant to a new holder is an amendment.

Duration and Termination. The Activity and Use Limitations shall apply to the Restricted Area, or any subdivided portion thereof, in perpetuity unless terminated by court action as provided in Idaho Code § 55-3009 or by consent pursuant to Idaho Code § 55-3010. SRDA, or its successors in interest, may seek consent to terminate all or a portion of the Activity and Use Limitations that apply to the Restricted Area, or any subdivided portion thereof, pursuant to Idaho Code § 55-3010, by demonstrating with the record before the Department that:

1. the Restricted Area or any subdivided portion thereof is shown in a Department-approved document not to contain contaminated soils, soil vapor or groundwater; or
2. contaminated soil vapor is at levels the Department deems in writing to be protective of vapor intrusion exposure that will allow for the Restricted Area to be developed utilizing buildings with basements; or
3. Contaminated groundwater is at levels the Department deems in writing to be adequate to allow the extraction of groundwater.

Provisions to Run With the Land. Each and all of the Activity and Use Limitations shall run with the land, and pass with each and every portion of the Property, and shall apply to and bind the respective successors in interest thereof. Each and all of the Activity and Use Limitations are imposed upon the entire Property unless expressly stated as applicable to a specific portion of the Property.

Concurrence of Subsequent Owners Presumed. All purchasers, lessees, or possessors of any portion of the Property shall be deemed by their purchase, leasing, or possession of such Property, to be in accord with the foregoing and to agree for and among themselves, and their successors, that the Activity and Use Limitations as herein established must be adhered to and that their interest in the Property shall be subject to the Activity and Use Limitations contained herein.

Recording/Filing of Environmental Covenant. This Environmental Covenant and any amendment or termination of the Environmental Covenant shall be recorded in the county recorder's office of every county in which any portion of the Property subject to the Environmental Covenant is located. The Environmental Covenant or any amendment or termination shall be recorded by SRDA, or its successors in interest, within ten (10) days of receipt of this Environmental Covenant signed by the Department. Within ten (10) days of the recording of this Environmental Covenant, or any amendment or termination, SRDA, or its successors in interest, shall provide to the Department a copy of this recorded Environmental Covenant, or any amendment or termination of this Environmental Covenant. Upon receipt of the copy of the recorded Environmental Covenant, and any amendment or termination therein, the Department shall post the copy of the fully executed instrument in the Registry as required by Idaho Code Section 55-3012(1). In addition, a copy of the recorded Environmental Covenant, or any amendment or termination, shall be provided by SRDA, or by its successors in interest, to the following persons: (a) each person that signed the Environmental Covenant; (b) each person holding a recorded interest in the Property; (c) each person in possession of the Property; (d) each municipality or other local government in which the Property is located; and (e) any other person the Department requires. The validity of the Environmental Covenant is not affected by failure to provide a copy of the Environmental Covenant as required under this section.

Compliance Reporting. SRDA, or and any successors in interest, shall submit to the Department on an annual basis written documentation verifying that the activity and use limitations remain in place and their compliance with the activity and use limitations.

Enforcement. The Department and any party of the Environmental Covenant shall have authority to enforce the Activity and Use Limitations against SRDA or its successors-in-interest, including subsequent owners of the Property and any other person using the Property.

Failure of SRDA, or its successor in interest, to comply with any of the Activity and Use Limitations set forth herein shall be grounds for the Department, or its successor, to require that the Owner correct or remove any violations of this Environmental Covenant. Violation of this Environmental Covenant shall be grounds for the Department, or its successor, to file civil actions against SRDA as provided by law or in equity, including without limitation, the Uniform Environmental Covenants Act, Idaho Code § 55-3011.

Non-Waiver. No failure on the part of the Department or any holder at any time to require performance of any term of this Environmental Covenant shall be taken or held to be a waiver of such term or in any way affect the Department's or any holder's rights to enforce such term.

Property Access. The Department shall have a right of access to the Property at reasonable times for the purposes of evaluating compliance with this Environmental Covenant.

Notice of Conveyance of Property. Within thirty (30) days of the closing of any conveyance of the Property, or part thereof, the Conveyor of the Property, shall provide written notice to the Department and each municipality or other local government in which the Property is located, the name and address of all the then Owners and/or Occupants of the Property, or part thereof, conveyed. The Department shall not, by reason of this Environmental Covenant, have authority to approve, disapprove, or otherwise affect any conveyance of the Property except as otherwise provided by law.

Notices. All notices required or permitted to be given hereunder shall be in writing and mailed in the United States Mail, postage prepaid, by certified or registered mail, return receipt requested, to the appropriate address indicated below or at such other place or places as either SRDA or its successors, or the Department or its successors, may, from time to time, respectively, designate in a written notice given to the other. Notices which are deposited in the United States Mail in accordance with the terms of this provision shall be deemed received three (3) days after the date of mailing thereof.

OWNER: Salmon River Development Agency  
200 Main Street  
Salmon, Idaho 83467

THE DEPARTMENT:  
Idaho Department of Environmental Quality  
**ATTN:** State Response Program Manager  
1410 N. Hilton  
Boise, ID 83706

Costs and Expenses. All costs of terminating this Environmental Covenant, including the cost of any remediation or abatement of any environmental condition related to Activity and Use Limitations pertaining to the Property, shall be borne by the party seeking such termination.

Partial Invalidity. If any portion of the Environmental Covenant or terms set forth herein is determined to be invalid for any reason, the remaining portion shall remain in full force and effect as if such invalidated portion had not been included herein.

Headings. Headings at the beginning of each section of this Environmental Covenant are solely for the convenience of the parties and are not a part of the Environmental Covenant.


Idaho Code References. All references to the Idaho Code sections include successor provisions.

Reservation of Rights. Notwithstanding any provision of this Environmental Covenant, the Department retains all of its access and enforcement authorities under any applicable statute or rule. Nothing in this Environmental Covenant shall affect the Department's ability to enforce the terms of any voluntary consent order or other agreement relating to remediation of the Property entered into between the Department and SRDA or any other responsible party. Nothing in this Environmental Covenant shall affect the obligations of SRDA or any other responsible party under such voluntary consent order or other agreement. The Department's acceptance hereunder is based upon the information presently known or available to the Department with respect to the environmental condition of the Property, and the Department reserves the right to take appropriate action under applicable authorities in the event the Department determines new information warrants such action.

Effective Date. The effective date of this instrument shall be the date the fully executed Environmental Covenant is recorded at the county recorder's office.

Signature and Acknowledgments  
Accepted:

Idaho Department of Environmental Quality

Signature:   
Printed Name: Curt A. Fransen  
Title: Director, Idaho Department of Environmental Quality  
Date: 4/27/12

State of Idaho            )  
                                  ) ss.  
County of Ada            )

On this 4 day of 27, in the year 2012, before me, a Notary Public in and for said County and State, personally appeared Curt A. Fransen, known or identified to me to be the Director of the Idaho Department of Environmental Quality that executed this Environmental Covenant, and acknowledged to me that the Idaho Department of Environmental Quality executed the same.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my official seal the day and year in this certificate first above written.



Notary Public for Idaho: Rosie M. Alonzo  
Residing at: Pampa, Idaho  
Commission Expires: 11/30/2015

Signature and Acknowledgments

Accepted:

Salmon River Development Agency

Signature: Kenneth F Beller

Printed Name: Kenneth F Beller

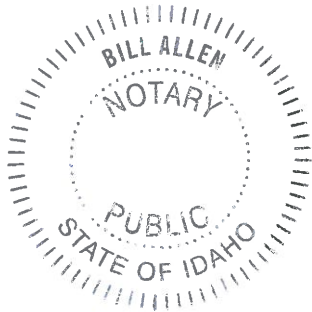
Title: Chairman

Date: April 16, 2012

STATE OF IDAHO )  
 )  
COUNTY OF LEMHI ) ss.

ON THIS 16<sup>th</sup> day of April, 2012, before me, a notary public in and for said State, personally appeared and known to me to be the CHAIRMAN of the public agency that executed this instrument or the persons who executed the instrument on behalf of said public agency, and acknowledged to me that such public agency executed the same.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my official seal, the day and year in this certificate first above written.



Bill Allen

Notary Public for Idaho

Residing at: Salmon, Idaho

My Commission Expires:

7/13/2015

## Schedule A

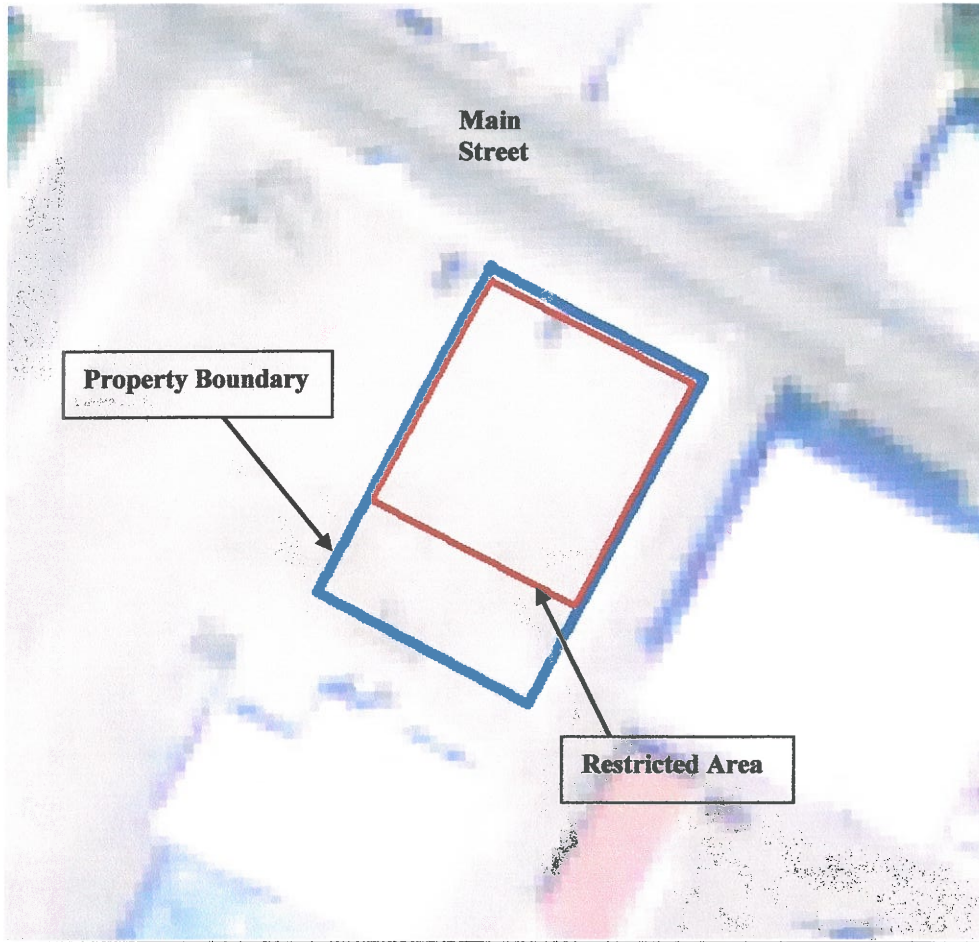
### Legal Description of Property

Lot 5, Block 2 of and in Spahn's Subdivision to the City of Salmon, Idaho and Lots 1 and 2, Block 30 of and in the Salmon Townsite, Salmon, Idaho  
Warranty Deed Instrument  
263177



**Schedule B**

**Map of Property Boundary and Restricted Area**



The restricted area encompasses the full width of the property (approximately 85 feet) and extends southwest 100 feet from the property boundary along Main Street.