

AFTER RECORDING
RETURN TO:

Blackbird Mining Co. Ltd. Partnership
c/o Bruce M. Smith
Moore Smith Buxton & Turcke, Chartered
950 W. Bannock Street, Suite 520
Boise, ID 83702

GRANTOR: Blackbird Mining Co., Ltd. Partnership
Address: P.O. Box 1645
Salmon, ID 83467

GRANTEE: Blackbird Mining Co., Ltd. Partnership
Address: P.O. Box 1645
Salmon, ID 83467

LEGAL DESCRIPTION
OF THE REAL
PROPERTY SUBJECT
TO COVENANT: See Exhibit A

ENVIRONMENTAL COVENANT

This Environmental Covenant is entered into by The Blackbird Mining Co. Ltd. Partnership (“Owner” or “Partnership” and “Holder “), and the U.S. Environmental Protection Agency (“EPA”), and the Idaho Department of Environmental Quality (“DEQ”) (EPA and DEQ hereinafter collectively referred to as the “Agencies”), pursuant to Idaho’s Uniform Environmental Covenants Act, Idaho Code Ann. § 55-3001, *et. seq.* for the purposes set forth herein . The terms Owner, Holder, and Agency(ies) as used in this Environmental Covenant shall have the meaning, roles and responsibilities, and rights as set forth in Idaho’s Uniform Environmental Covenants Act, Idaho Code Ann . § 55-3001, *et. seq.* as of the

date of creation of this Environmental Covenant.

I. BACKGROUND AND PURPOSE

A. The Partnership owns, in fee simple, certain Property which is located in Lemhi County, Idaho, and is legally described in Exhibit A attached hereto and hereby incorporated by reference herein (“Property”). The Property, the Remedial Infrastructure, and the Non-Impacted Areas are visually depicted on a map attached as Exhibit B. Notwithstanding any other provision, Section IV. of this Environmental Covenant shall not apply to the Non-Impacted Areas of the Property as delineated in Exhibit B.

B. The Property is known as the Blackbird Mine and is part of the Blackbird Mine Superfund Site (“Site”). The remedial investigation of the Site found that some areas of the Property have elevated levels of metals and arsenic in soils at the surface and at depth. The remedial investigation also found that contaminated groundwater discharging to surface waters and tailings and waste rock on the Property release metals to surface waters through acid rock leaching and erosion. EPA has determined that groundwater underlying the Property may pose an unacceptable human health risk if that contaminated groundwater were used as a drinking water supply. The Record of Decision for the Blackbird Mine Superfund Site, dated March 2003, provides that activities in certain areas of the Property shall be restricted to protect human health, that contaminated groundwater shall not be used as a potable water source, that access to the site shall be controlled, and that new mining activities need to be performed consistent with the selected remedy and not compromise cleanup levels.

C. A copy of the administrative record for the Blackbird Mine Superfund Site Record of Decision and all amendments, or modifications thereto is located at the regional office for the U.S. Environmental Protection Agency, Region 10, or its successor agency. Currently, the regional

office is located at 1200 Sixth Avenue, Suite 900, Seattle, Washington, 98101.

D. EPA has issued certain orders (“Government Orders”) related to the remediation of the Site. Pursuant to those Government Orders, EPA has required this Environmental Covenant be placed on the Property as an institutional control to, in part, implement the Record of Decision.

II. CONVEYANCE

A. Environmental Covenant: This instrument is an Environmental Covenant established pursuant to Idaho's Uniform Environmental Covenants Act, Idaho Code Ann. §55-3001, *et seq.* (Michie 2012).

B. Property: This Environmental Covenant concerns certain Property which is located in Lemhi County, Idaho, and is legally described in Exhibit A.

C. Owner: The Partnership is the current owner of the Property.

D. Future Owner: Any person who obtains an interest in the Property, or a portion thereof, through a voluntary or involuntary transfer, including but not limited to a sale, assignment, conveyance, or lease (including a transfer of a right of way interest).

E. Holder: The Partnership is the holder of this Environmental Covenant.

F. Agency(ies): U.S. Environmental Protection Agency and the Idaho Department of Environmental Quality are regulatory agencies that determine and/or approve the environmental response at the Blackbird Mine Superfund Site.

G. Duration: This Environmental Covenant shall be binding upon the Owner and all successors in interest, including but not limited to, any Future Owner, and shall run with the land in perpetuity. All commitments by the Owner in this Environmental Covenant run with the land and bind all Future Owners.

III. RESERVATION OF RIGHTS

Owner hereby reserves unto itself and its representatives, heirs, assigns, and successors all rights accruing from ownership of the Property and any uses and activities related to the Property not prohibited in Section IV.

IV. PROHIBITED USES AND RESTRICTIONS

The following uses shall not be conducted on the Property, unless such use is conducted in accordance with the conditions set forth below:

A. Restrictions On Residential Use:

1. Construction of permanent residential housing is prohibited on the Property.

Temporary residential use is allowed as set forth in Paragraph IV.A.2. herein.

2. Temporary residential use is limited to employees and contractors working at the mine site, provided such use meets the following criteria:

- (i). The arsenic concentration in soil in the area utilized for the temporary housing does not exceed 568 mg/kg based on the sampling protocol and mitigation measures as set forth below.

- a) Surface soil sampling shall be conducted in areas proposed for temporary residential use. If the area proposed for temporary residential use is less than one acre in size, a composite sample shall be collected from a minimum of 8 spots representing the proposed area. If the area proposed for temporary housing is larger than one acre, then sampling will be conducted at a density of an 8 point composite per acre. Surface soil samples are to be collected from a sample depth of 0-4 inches below ground surface. The Owner shall submit a Sampling and Analysis Plan to EPA for review and approval prior to commencement of sampling. A copy of such Plan shall also be sent to the above Holder.

- b) If the composite sample results for arsenic are greater than 568 mg/kg, then the area will not be allowed for use as temporary housing unless mitigation actions are taken to reduce the arsenic composite result to no greater than 568 mg/kg. Mitigation actions may include, but are not necessarily limited to, removal of contaminated soils or cover of the

contaminated soils with clean fill. Any clean fill material used for mitigation actions will have a minimum depth of at least 6 inches. The Owner shall submit a Workplan to EPA for review and approval prior to commencement of mitigation actions. A copy of such Plan shall also be sent to the above Holder.

(ii) Children below 18 years of age may not live in temporary housing; and

(iii) The time period of temporary residence for an individual employee or contractor does not exceed 180 days a year for more than 15 years.

B. Restrictions On Recreational Use:

1. Intensive Recreational Use is prohibited on the Property. Intensive Recreational Use is defined as construction and use of recreational facilities, such as lodges, destination resorts, and recreational campgrounds. No individual camper may use the Property more than 14 consecutive days a year. All types of recreational use, including overnight camping, are prohibited on waste rock dumps or piles, tailings areas, or in the Blackbird Pit.

C. Use of contaminated groundwater underlying the Property for consumption by humans is prohibited unless the well is developed in accordance with applicable Idaho regulations and the water from the well meets applicable drinking water standards and a risk-based cobalt concentration of 0.009 milligrams per liter (mg/L).

D. Prohibitions Related to Remedial Infrastructure: Remedial Infrastructure is described in the Operations and Maintenance Manual for the Blackbird Mine Site that is periodically updated. The Remedial Infrastructure existing as of 2014 is depicted in Exhibit B to this Environmental Covenant. The restrictions described in Subparagraphs D.1. and D.2. of this Section, do not apply to the current Owner but shall apply to any Future Owner and all successive Future Owners as described in Section II. of this Environmental Covenant. Subparagraphs D.1 and D.2. of this Environmental Covenant become effective immediately upon conveyance or transfer (voluntary or involuntary) to a Future Owner of any portion of the Property.

1. Any Future Owner shall not conduct any activity that would modify or impair the proper functioning of the Remedial Infrastructure on the Property; provided however, in an emergency situation the Future Owner may undertake such actions on the property as are reasonably necessary to protect human health and the environment and shall promptly notify EPA of any such emergency situation as soon as possible. Any Future Owner shall only carry out activities on Remedial Infrastructure consistent with detailed plans or modifications approved by EPA's Office of Environmental Cleanup or successor office, and once approved by such EPA office, all work shall be carried out consistent with the approved work plans, designs, or deliverables.

2. In addition to the review of plans or modifications regarding Remedial Infrastructure required by Subparagraph D.1. above, any general plan for mining or development on the Property by a Future Owner must be submitted to EPA's Office of Environmental Cleanup, or successor office, for prior written approval to ensure that the mining operation or development will not adversely affect the remediation.

E. All of the terms, conditions, and restrictions contained herein shall be binding and enforceable against any third party who acquires a property interest in the Property or seeks to use the Property, including any third party seeking to condemn a right-of-way or other use of the Property. Consistent with Idaho Code Ann. § 55-3003, existing interests in the Property at the time this Environmental Covenant is created or amended, are not affected by the Environmental Covenant unless subordinated to it.

V. ENFORCEMENT

A. Compliance with this Environmental Covenant may be enforced pursuant to the procedures set

forth in the Idaho Uniform Environmental Covenants Act. Failure to timely enforce compliance with this Environmental Covenant or the use limitations contained herein by any party shall not bar subsequent enforcement by any party and shall not be seen as a waiver of the party's right to take action to enforce any subsequent non-compliance. This covenant and its enforcement shall not be deemed to affect the rights and obligations of the Owner and related entities pursuant to the the 1995 Settlement Agreement between and among the defendants in the case of *State of Idaho v. The M.A. Hana Company, et al.*, Case No. 83-4179(R) or pursuant to the Consent Decree entered therein.

VI. RIGHT OF INSPECTION

Owner acknowledges that this Environmental Covenant is granted to comply with and implement the Governmental Orders and the Blackbird Mine remedy. Accordingly, representatives of the Holder, the EPA and the State of Idaho may from time to time inspect the Property to determine and confirm that the terms of this Environmental Covenant are being met. The Owner agrees to allow such reasonable access as is necessary to inspect for compliance with the terms and conditions of this Environmental Covenant. Nothing herein shall be deemed to waive or otherwise impair any right of access and/or inspection EPA and/or the State of Idaho may otherwise have.

VII. NOTICE

Any notice, request, demand or other communication that either party needs or is required to give shall be in writing and sent by registered or certified mail addressed to:

Owner: Blackbird Mining Co. Ltd. Partnership
c/o Bruce M. Smith
Moore Smith Buxton & Turcke, Chartered
950 W. Bannock Street, Suite 520

Boise, ID 83702
Phone (208) 331-1800

Holder: Blackbird Mining Co. Ltd. Partnership
c/o Bruce M. Smith
Moore Smith Buxton & Turcke, Chtd.
950 W. Bannock Street Suite 520
Boise, ID 83702
Phone (208) 331-1800

EPA: Director, Environmental Cleanup Office
U.S. EPA, Region 10
1200 Sixth Avenue, Suite 900
Seattle, WA 98101

DEQ: Idaho Department of Environmental Quality
1410 N. Hilton
Boise, ID 83706

Unless specifically addressed in the Idaho Uniform Environmental Covenants Act, in the alternative, notice can be given to the registered agent or the landowner of record for either the Owner or Holder.

VIII. DISPUTE RESOLUTION

If any dispute arises concerning compliance with this Environmental Covenant, the Agencies, and Owner will attempt to resolve the matter within thirty (30) days of the identification of the dispute before initiating legal action to enforce the Environmental Covenant. Notwithstanding this Environmental Covenant, EPA and the State of Idaho retain all their respective authorities under federal or state law to take any response or enforcement action related to the Blackbird Mine Superfund Site.

IX. NOTICE OF SUBSEQUENT TRANSFER

Owner agrees to give notice of this Environmental Covenant to any Future Owner in any deed or other legal instrument by which Owner divests itself of any interest in all or a portion of the Property,

including without limitation, a leasehold interest. Owner further agrees to give written notice to Holder and the Agencies of the transfer of any interest at least thirty (30) calendar days prior to the date of such transfer.

X. AMENDMENT

If circumstances arise under which an amendment to or modification of this Environmental Covenant would be appropriate to further the objectives of the Environmental Covenant, the Owner, the Holder, the Agencies, , may jointly amend this Environmental Covenant in writing and record it in the official records of Lemhi County. Section 3010 of the Uniform Environmental Covenants Act, Idaho Code Ann. § 55-3010 (Michie 2012), specifies the process required to make amendments.

XI. RECORDATION

Owner shall record this instrument in the official records of Lemhi County, Idaho, and may re-record it at any time as may be required to preserve its rights in this Environmental Covenant. Owner shall pay the costs associated of recording this Environmental Covenant.

XII. GENERAL PROVISIONS

A. Construction. This Environmental Covenant shall be strictly construed in favor of effecting Section IV. of this Environmental Covenant. If any provision in this instrument is found to be ambiguous, an interpretation consistent with this paragraph of the Environmental Covenant that would render the provision valid shall be favored over any interpretation that would render it invalid.

B. Successors. The covenants, terms, conditions, and restrictions of this Environmental Covenant shall be binding upon, and inure to the benefit of, the parties hereto and their respective personal representatives, heirs, successors, and assigns, and shall continue as a servitude running in

perpetuity as to and on the Property.

C. Assignment. The Owner or the Holder may assign their rights under this Environmental Covenant in accordance with Section 3010 of the Uniform Environmental Covenants Act, Idaho Code Ann. § 55-3010 (Michie 2012). Agency consent to assignment shall not be unreasonably withheld.

XIII. SIGNATURE AND ACKNOWLEDGMENTS

The Owner covenants that it is authorized to grant this Environmental Covenant and shall warrant and defend the same on behalf of the Holder and its assigns against all claims and demands challenging such authority. The undersigned Owner, Holder, and each Agency represent and certify that they are authorized to execute this Environmental Covenant.

Signature and Acknowledgments
Accepted:

Owner Blackbird Mining Co., Ltd. Partnership

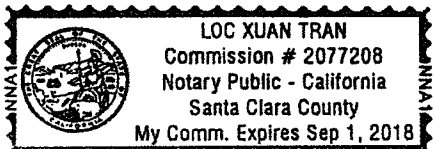
Signature: *[Handwritten Signature]*
Printed Name: MARK TENBREK
Title: VICE PRESIDENT
Date: 5/29/15

STATE OF CALIFORNIA
County of SANTA CLARA

On this 29th day of MAY, 2015, MARK HENRY TENBREK, appeared before me personally and being known to be the person described in and who executed the foregoing instrument, and acknowledged that he executed the same as his free act and deed.

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

(SEAL)



[Handwritten Signature]
NOTARY PUBLIC FOR IDAHO CALIFORNIA
Residing at: SANTA CLARA COUNTY
My commission Expires: 09-01-2018

Signature and Acknowledgments

Accepted:

HOLDER Blackbird Mining Co., Ltd. Partnership

Signature:

Printed Name:

Title:

Date:

[Handwritten Signature]
MARK TENBRINK
VICE PRESIDENT
5/29/15

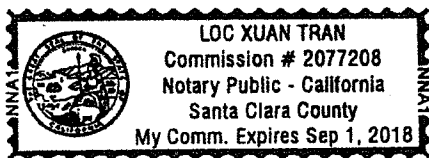
STATE OF CALIFORNIA

County of SANTA CLARA

On this 29TH day of MAY, 2015, MARK HENRY TENBRINK, appeared before me personally and being known to be the person described in and who executed the foregoing instrument, and acknowledged that he executed the same as his free act and deed.

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

(SEAL)



[Handwritten Signature]
 NOTARY PUBLIC FOR IDAHO CALIFORNIA
 Residing at: SANTA CLARA COUNTY
 My commission Expires: 09-01-2018

Signature and Acknowledgments

Accepted:

Idaho Department of Environmental Quality

Signature:

John H. Tippets

Printed Name:

John H. Tippets

Title:

Director, Idaho Department of Environmental Quality

Date:

18 Sept. 2015

STATE OF IDAHO)

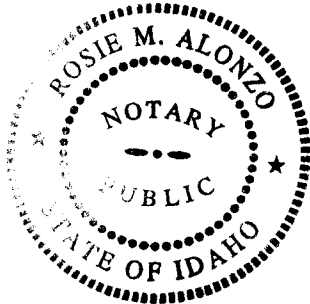
) ss.

County of Ada)

On this 18th day of Sept., 2015, before me, a Notary Public in and for said County and State, personally appeared John H. Tippets, 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 hereinabove written.

(SEAL)



Rosie M. Alonzo

NOTARY PUBLIC FOR IDAHO

Residing at: *Pampa, Idaho*

My commission Expires: *11/21/2020*

Signature and Acknowledgments

Accepted:

U.S. Environmental Protection Agency

Signature: *Cami Grandinetti*
 Printed Name: Cami Grandinetti
 Title: Program Manager, Remedial Cleanup Program, Office
of Environmental Cleanup, EPA Region 10
 Date: 9/8/15

State of Washington)

King County)

On this 8 day of Sept, 2015, before me, a Notary Public in and for said County and State, personally appeared Cami Grandinetti, known or identified to me to be the Program Manager, Remedial Cleanup Program, Office of Environmental Cleanup for Region 10 of the U.S. Environmental Protection Agency, that executed this Environmental Covenant, and acknowledged to me that the U.S. Environmental Protection 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.

Candace H. Smith
 NOTARY PUBLIC OF WASHINGTON
 Residing at: Seattle
 Commission Expires: 10-1-2016

(SEAL)

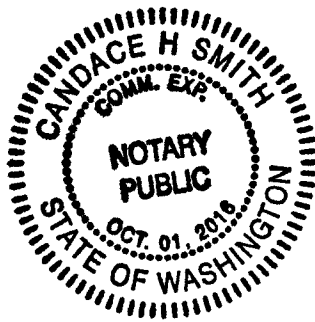


EXHIBIT "A"

Patented Mining Claims At Blackbird Mine Lemhi County, Idaho Subject to Environmental Covenant

The Environmental Covenant applies to those impacted areas of the following properties upon which Remedial Infrastructure is located. See Exhibit "B".

Blackbird Mine

1. Buckeye-Anna-Iowa Claims
Survey 1592 Sheet 4
Blackbird Mining District
Also known as Parcel No. RP99000001003HA.
2. Brown Bear #2-Elmore-Atlantic-Karl-Toledo-Ella-Ella #2-Hunter-Reuman-
Clondike-Broad-Gauge Claims
Survey 1592 Sheet 2
Blackbird Mining District
Also known as Parcel No. RP99000001003FA
3. Lemhi-St. Louis-Blacktail-Brown Bear-Blacktail #2-Catherine Claims
Survey 1592 Sheet 1
Blackbird Mining District
Also known as Parcel No. RP99000001003EA
4. Idaho-Uncle Sam-Uncle Sam #2-Dandy-Dandy #2-Columbus-St. Joe-Allie
Fraction-Defender Fraction Claims
Survey 1592 Sheet 3
Blackbird Mining District
Also known as Parcel No. RP99000001003GA
5. W J Bryan Fractional-McKinley-Chicago Claims
Survey 1980
Blackbird Mining District
Also known as Parcel No. RP990000010180A
6. Imperial Claim
Survey 1981
Blackbird Mining District
Also known as Parcel No. RP990000010190A
7. Indian Quartz Claim
Survey 2009
Blackbird Mining District
Blackbird % Noranda 83% Undivided Interest,
Also known as Parcel No. RP990000010080A

EXHIBIT "A"

8. Queen-Little Queen-D Queen-Thomas Jefferson #2 (AKA Little Queen Cons. Lode) Claims
Survey 2128
Blackbird Mining District
Also known as Parcel No. RP99000001010AA
9. Panther-Anaconda-Copper Gold (Anaconda Group) Claims
Survey 2557
Blackbird Mining District
Also known as Parcel No. RP990000010200A
10. Togo Frac Claims
Survey 2668
Blackbird Mining District
Also known as Parcel No. RP990000010160A
11. Monitor-Hawkeye (Hawkeye Group) Claims
Survey 2669 ME 104364
Blackbird Mining District
Also known as Parcel No. RP990000010130A
12. Bohannon Claim
Survey 3411
Blackbird Mining District
Also known as Parcel No. RP99000001017BA
13. Chelan #14 Claim
Survey 3616
Chelan #15 Claim
Survey 3611
Blackbird Mining District
Also known as Parcel No. RP990000010050A
14. Chelan-Chelan No. 3-Chelan No. 4-Old Gold-Horseshoe Claims
Survey 3612
Blackbird Mining District
Also known as Parcel No. RP990000010040A

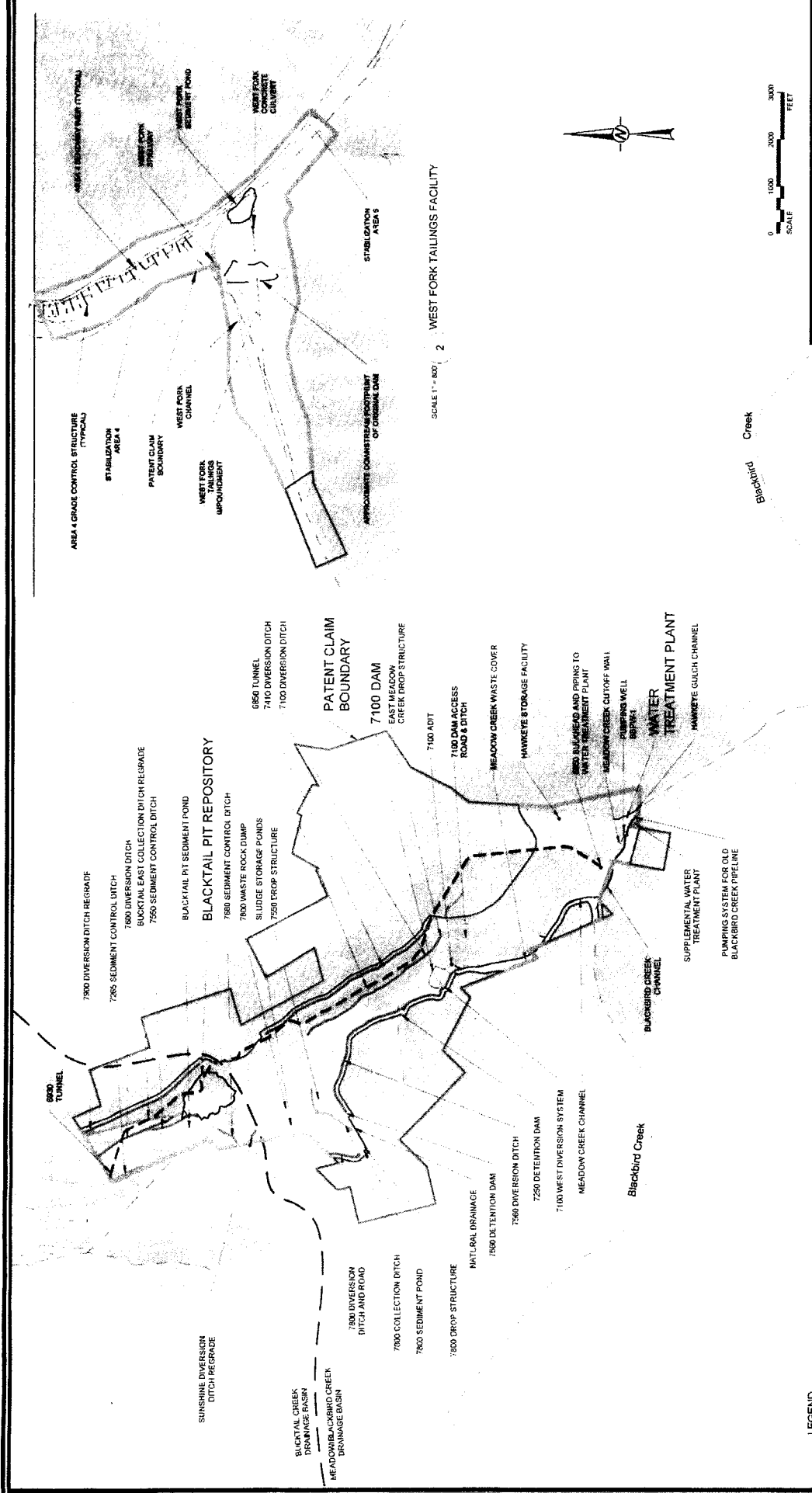


Exhibit B

Map of Mine Property and Remedial Facilities on which Land Use Restrictions Apply *

Blackbird Mine
LEWIS COUNTY, IDAHO

* An Adobe PDF file with expandable view for higher resolution can be requested from property owner or the Office of Environmental Cleanup, EPA, Region 10

