

June 17, 2014

Recording Requested By and  
When Recorded Return to:

RECEIVED  
OCT 08 2014  
DEPT. OF ENVIRONMENTAL QUALITY  
WASTE PROGRAM

478798

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SPACE ABOVE THIS LINE FOR RECORDERS USE ONLY

**ENVIRONMENTAL COVENANT**

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

This instrument is an Environmental Covenant executed by Silver Mountain Corp (hereinafter "Grantor"), the United States Environmental Protection Agency ("EPA"), the Idaho Department of Environmental Quality ("Department") and City of Kellogg ("Holder") pursuant to Idaho law including but not limited to the Uniform Environmental Covenants Act, Idaho Code §§ 55-3001 through 3015. Grantor, as the current property owner grants this Environmental Covenant to all signatories to this instrument.

**Property.** This Environmental Covenant concerns real property located in a portion of Section 6, Township 48 North, Range 3 East, Boise Meridian, in the City of Kellogg, County of Shoshone, State of Idaho, legally described as Tax Parcel D00000064470 as shown on Instrument No. 442348 (hereafter referred to as "the Property"). The legal description of the affected portion of the property is described in the attached Exhibit "A". Grantor hereby represents and warrants to the other signatories to this instrument that he/she is the sole owner of the Property as of the date this instrument is executed, holds fee simple title to the Property, and has the power and authority to enter into this instrument.

**Property Ownership.** Grantor 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 Grantor has the power and authority to enter into this Environmental Covenant.

**Reason for Activity and Use Limitations.** Historic mining activity in the Coeur d'Alene Basin (hereinafter "Basin") has left residual contamination throughout the communities and flood plains of the Basin. Pursuant to CERCLA, EPA and the Department have been implementing remedies throughout the Basin designed to protect human health and the environment. Certain aspects of these remedies are threatened by the potential for recontamination due to uncontrolled flooding. During these events, contaminated sediments from un-remediated areas may be deposited in already cleaned properties necessitating further remedial actions. This instrument is necessary because the EPA and/or the Department have implemented remedy protection measures on the Property which are intended to protect implemented remedies on the Property or other parcels of property in the vicinity. This instrument ensures EPA and the Department

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necessary access and requires that activities on the Property protect and do not interfere with remedy protection features on the Property that have been implemented.

**Name and Location of Administrative Record.** A copy of the administrative record for EPA decision-making at the Bunker Hill Mining and Metallurgical Complex Superfund Site (which includes the Property) can be found at the Molstead Library, North Idaho College, 1000 Garden Avenue, Coeur d'Alene 83814 or Superfund Records Center, EPA Region 10, 1200 Sixth Avenue (Suite 900), Seattle, Washington 98101.

**Access and Activity and Use Limitations.** By acceptance and recordation of this Environmental Covenant, Grantor and any successor in interest with respect to the Property, are hereby restricted from using the Property, or any portion thereof, now or at any time in the future, as specifically set forth below unless such use has been expressly approved in writing by the Department:

1. **Access.** A right of access is granted to the Department and EPA, their respective contractors and third parties authorized by them for the purpose of the remedy protection work, and as necessary to ensure continued maintenance and repair of the work, as described in Exhibit "C" together with all necessary fixtures and appurtenances "facilities" on, over, across and under the Property shown on Exhibit "A" at the location shown on Exhibit "B". Holder, its contractors and third parties authorized by it shall have a perpetual right of access necessary to perform maintenance and repair of facilities constructed under this agreement.
2. **Activity and Use Limitations.** By acceptance and recordation of this instrument, Grantor, and any successors in interest with respect to the Property, are hereby restricted from using the Property, or any portion thereof, now or at any time in the future, in a manner that will materially interfere with or adversely affect the integrity or protectiveness of the remedy protection measures taken on the Property and as described in Exhibit C, unless such use has been expressly approved in writing by the Department.

**Grantor's Use of the Property.** Except as provided herein, Grantor reserves the right to the use and enjoyment of the Property subject to this Environmental Covenant, but such use shall not conflict or interfere with the Department's, EPA's or the Holder's rights herein granted.

**Amendment by Consent.** This 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, Amendment and/or Termination by Consent.** The Activity and Use Limitations shall apply to the Property, 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.

**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



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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.** This Environmental Covenant, once fully executed, and any amendment or termination of the Environmental Covenant, shall be recorded for the Grantee by the Department in the county recorder's office of every county in which any portion of the Property subject to the Easement and Environmental Covenant is located. Upon receipt of the copy of the recorded Easement and 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 § 55-3012(1).

**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.

**Partial Invalidity.** If any portion of this 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 OWNER or any other responsible party. Nothing in this Environmental Covenant shall affect the obligations of OWNER 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.

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**No Third-Party Beneficiaries.** There are no intended third-party beneficiaries, and the parties hereto expressly disclaim any unintended third-party beneficiaries to this Environmental Covenant or any part hereof.

**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**

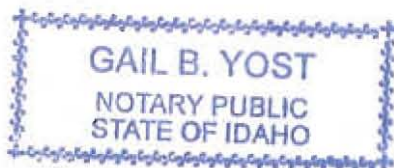
Jeff R. Colburn  
Grantor/ Property Owner

By: JEFF R COLBURN  
General Manager

STATE OF IDAHO )  
 )ss.  
COUNTY OF Shoshone )

On this 30<sup>th</sup> day of June, 2014, before me, a Notary Public in and for said State, personally appeared, Jeff Colburn, known or identified to me to be the General Manager person whose name is subscribed to the within instrument, and acknowledged to me that he/she Silver Mt. Corp. executed the same. and the

In witness whereof, I have hereunto set my hand and affixed my official seal the day and year in this certificate first above written.



Gail B. Yost  
Notary Public for the State of Idaho  
Residing at: Pinchwest, ID  
My Commission Expires: 7-21-18

Dated, June 30, 2014

June 17, 2014

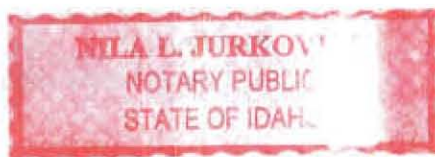
478 798

Mae Pooler  
Holder  
By: Mayor City of Kellogg

STATE OF IDAHO )  
 )ss.  
COUNTY OF Shoshone )

On this 10<sup>th</sup> day of July, 2014, before me, a Notary Public in and for said State, personally appeared, Mae Pooler, known or identified to me to be the Mayor of the City of Kellogg, ID whose name is subscribed to the within instrument, and acknowledged to me that he 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.



M. L. Jurkovich  
Notary Public for the State of Idaho  
Residing at: Osborne, ID  
My Commission Expires: 3/12/2018

Dated, July 10<sup>th</sup>, 2014.

June 17, 2014

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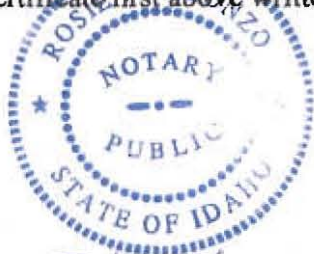
  
\_\_\_\_\_  
IDEQ

By: Curt Fransen, Director

STATE OF IDAHO )  
 )ss.  
COUNTY OF Ada )

On this 24 day of July, 2014, before me, a Notary Public in and for said State, personally appeared, Curt Fransen, known or identified to me to be the Director of the Idaho Department of Environmental Quality and whose name is subscribed to the within instrument, and acknowledged to me that he 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.



Rosie M. Alonzo  
Notary Public for the State of Idaho  
Residing at: Nampa, ID  
My Commission Expires: 11/30/2014

Dated, July 24, 2014



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June 17, 2014

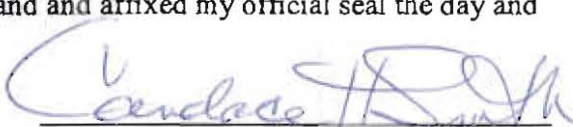
  
EPA

By: Richard Albright, Director Office of Environmental Cleanup

STATE OF WASHINGTON     )  
  ) ss.  
COUNTY OF King     )

On this 17<sup>th</sup> day of September, 2014, before me, a Notary Public in and for said State, personally appeared, Richard Albright, known or identified to me to be the Director of the Office of Environmental Cleanup, Environmental Protection Agency Region 10 and whose name is subscribed to the within instrument, and acknowledged to me that he 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 the State of  
Washington Residing at:

Seattle, Washington

My Commission Expires: 10-1-2016

Dated, 17<sup>th</sup> Sept, 2014.





**EXHIBIT A**  
**LEGAL DESCRIPTION**  
**FOR**  
**An Environmental Covenant and Access Agreement for Construction and**  
**Maintenance Purposes**

All that real property being a portion of the Southwest Quarter (SW¼) of Section 6, Township 48 North, Range 3 East, B.M., in the City of Kellogg, Shoshone County, Idaho, described as follows:

Commencing at the northeast corner of the West Parcel of Brown's Ranch Parcels, as shown on that Record-Of-Survey Map recorded as Instrument No. 375980 with the Shoshone County Recorder; thence along the east line of said West Parcel (said line is also the west line of the 75.00-foot wide Silver Mountain Gondola right-of-way), South 13°03'12" East, 489.54 feet to the **True Point of Beginning**;

1. thence leaving said east line, South 63°31'45" East, 9.72 feet to the beginning of a 300.00-foot radius curve to the left;
2. thence along said curve, through a central angle of 15°13'51", an arc length of 79.75 feet (the chord bears South 71°08'40" East, 79.51 feet) to the west line of the East Parcel of said Brown's Ranch Parcels (said line is also the east line of the 75.00-foot wide Silver Mountain Gondola right-of-way);
3. thence along said west line, South 13°03'12" East, 31.88 feet to the beginning of a non-tangent 215.00-foot radius curve to the right, from which a radial line bears North 03°42'19" East;
4. thence leaving said west line and along said curve, through a central angle of 22°49'23", an arc length of 85.64 feet (the chord bears North 74°53'00" West, 85.08 feet) to said east line of the West Parcel of said Brown's Ranch Parcels;
5. thence along said east line, North 13°03'12" West, 39.93 feet to the **True Point of Beginning**.

Contains 2,743 square feet (0.063 acres), more or less.

Bearings shown are based on the City of Kellogg Coordinate System as defined by City Ordinance No. 198; distances shown are ground.

(Affects Tax Lot D00000064470)





Kenneth Fisher, P.L.S.



Date



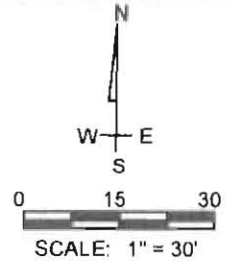
478798

**BROWN'S RANCH  
PARCELS**

**INST. #375980**

**WEST PARCEL**

**P.O.C.**  
NORTHEAST CORNER OF  
WEST PARCEL



**P.O.B.**

S13°03'12"E 489.54'

S63°31'45"E  
9.72'

D00000064470  
**INST. #442348**  
**SILVER MOUNTAIN  
CORP.**

**EAST PARCEL**

D00000066500  
**INST. #454758**  
**BRANDLEY  
HAERTEL  
CREEKSIDE PARTNERS**

N13°03'12"W 39.93'

R=300.00' L=79.75'  
CB=S71°08'40"E  
CL=79.51'  
Δ=15°13'51"

N03°42'18"E (R)

S13°03'12"E 31.88'

AREA OF ENVIRONMENTAL  
COVENANT & ACCESS  
AGREEMENT FOR CONSTRUCTION  
AND MAINTENANCE PURPOSES =  
2,743 SQ. FT.

Δ=22°49'23"  
R=215.00' L=85.64'  
CB=N74°53'00"W  
CL=85.08'

75.00'  
SILVER MOUNTAIN  
GONDOLA R/W

D00000066400  
**INST. #487194**  
**ID INVESTMENTS LLC**  
**JORGENSEN INVESTMENTS LLC**  
**THE RLP FUND LC**

**IN THE SW ¼ OF  
SECTION 6,  
T.48N., R.3E., B.M.  
KELLOGG  
SHOSHONE CO.  
IDAHO**

**NOTES**

THIS EXHIBIT SHOWS THE LOCATION OF AN ENVIRONMENTAL COVENANT & ACCESS AGREEMENT TO THE E.P.A., I.D.E.Q., AND THE CITY OF KELLOGG FOR CONSTRUCTION AND MAINTENANCE PURPOSES OF A STORM DRAINAGE SYSTEM. THE PARCEL CONFIGURATIONS ARE BASED UPON DEEDS AND RECORD MAPS, AND ARE SHOWN FOR REFERENCE ONLY. BEARINGS SHOWN ARE BASED UPON THE CITY OF KELLOGG COORDINATE SYSTEM AND THE RECORD-OF-SURVEY MAP OF BROWN'S RANCH PARCELS PER INSTRUMENT NO. 375980.

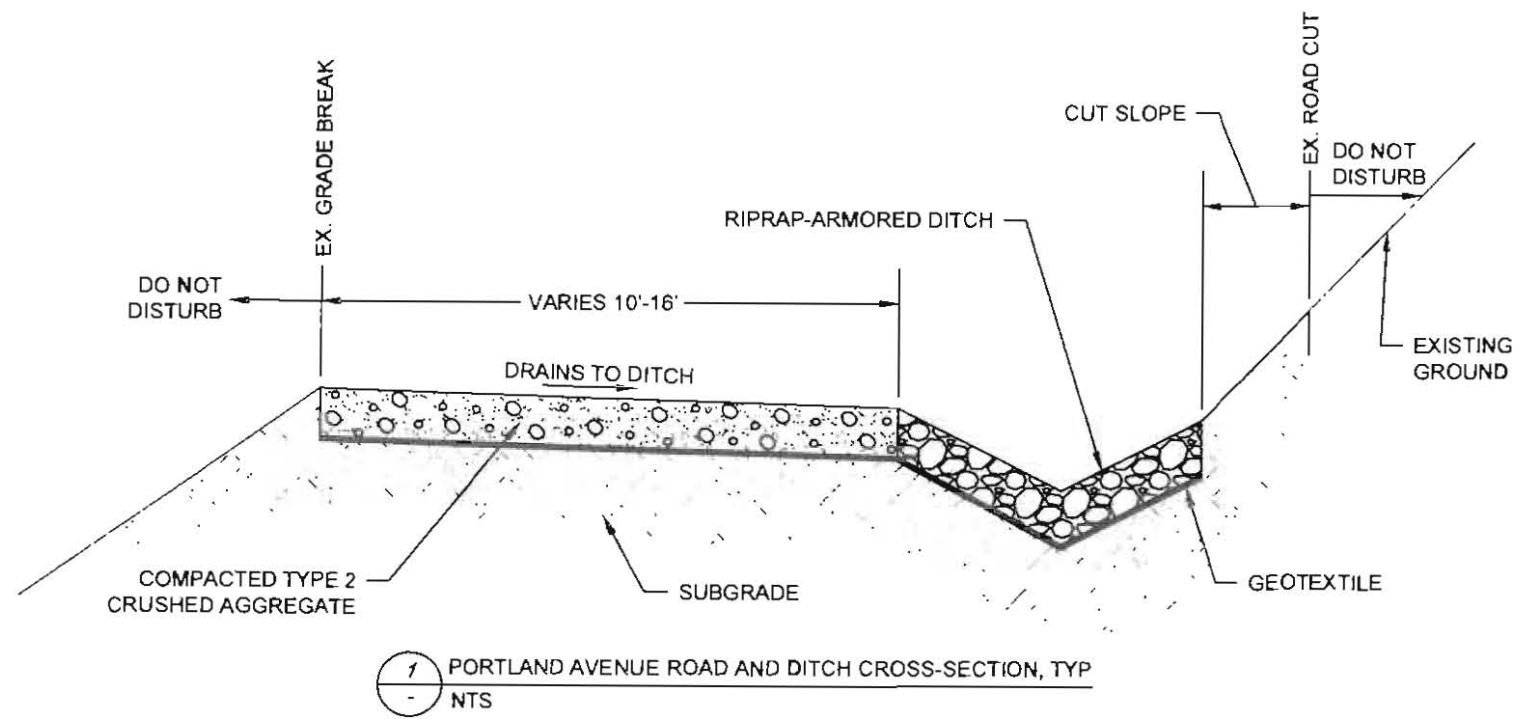
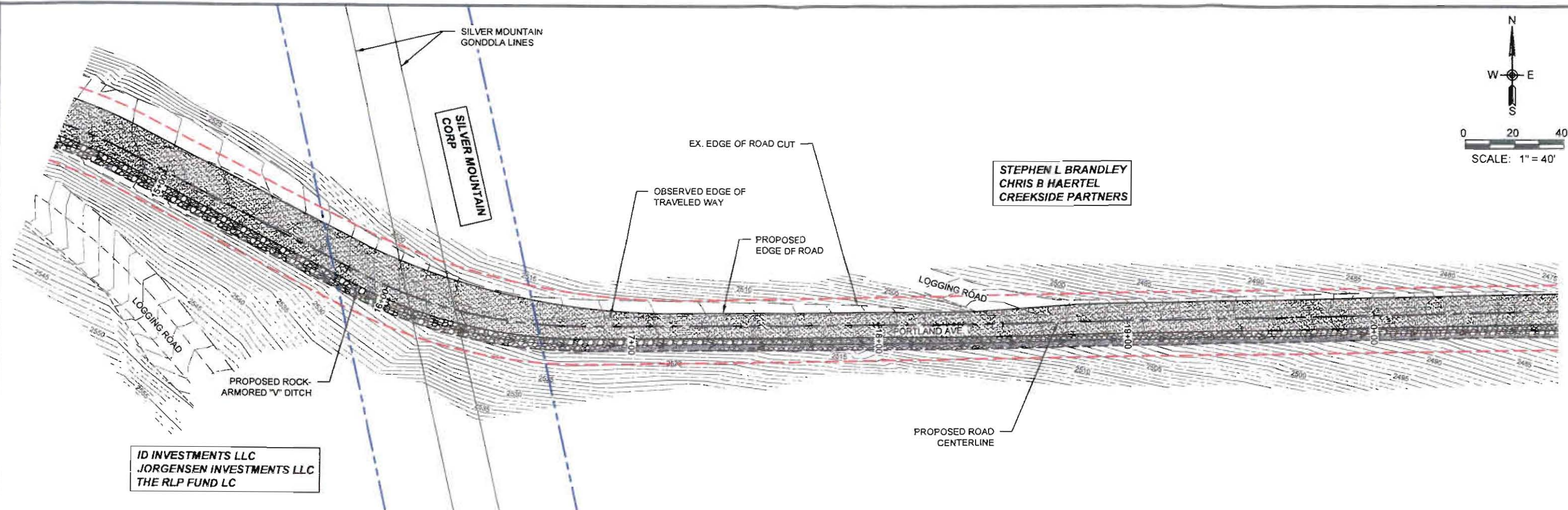


DRAWN BY:	KF
PROJECT NO:	14007-01-02
DATE:	6/17/2014

**EXHIBIT B**  
**ENVIRONMENTAL COVENANT & ACCESS AGREEMENT FOR  
CONSTRUCTION AND MAINTENANCE PURPOSES**



478798  
\\BARYE\Killogg\1\Projects\Engineering\Remedy Protection\2013 Box RP Projects\Portland Ave\ECs\Portland Avenue 90% P&P ECs.dwg 6/18/2014



### LEGEND

- SHOSHONE COUNTY ASSESSOR PROPERTY LINES
- ENVIRONMENTAL COVENANT & ALLOWABLE ACCESS BOUNDARY LINES

NO.	DATE	REVISIONS	BY	CHK	DATE

DRAWN: T KITCHEN / J PRICE	COORDINATE SYSTEM: NAD83, ISP, WEST ZONE, US FT
ENGINEER: M CULPO	SCALE: AS NOTED
CHECKED: D FORSETH	APPROVED:
DATE:	DATE:



## PORTLAND AVENUE REMEDY PROTECTION

### EXHIBIT C: SECTION 2

SHEET NAME:	EC2
DATE:	06/17/2014
PROJECT NO.:	13031-05-02-01
ENVIRONMENTAL COVENANTS	

478798

**Instrument # 478798**

WALLACE, SHOSHONE COUNTY, IDAHO

9-23-2014 10:06:00 No. of Pages: 10

Recorded for : TERRAGRAPHICS

PEGGY DELANGE-WHITE

Fee: 37.00

Ex-Officio Recorder Deputy

Index to: ENVIRONMENTAL COVENANT

2014 SEP 23 AM 10 06