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DEPT. OF ENVIRONMENTAL QUALITY
WASTE PROGRAM

FILED BY

Chris Park

Recording Requested By and
When Recorded Return to:

2008 OCT 30 P 2:19

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IDAHO DEPT OF ENVIRONMENT

ATTN JOE NAGEL

1410 N HILTON

BOISE, ID 83706

MARIE SCOTT
BONNER COUNTY RECORDER

CB

DEPUTY

761475

SPACE ABOVE THIS LINE FOR RECORDERS USE ONLY

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 executed by Christopher Park and John Edwards ("PARK and EDWARDS") and the Idaho Department of Environmental Quality ("Department") pursuant to the Uniform Environmental Covenants Act, Idaho Code §§ 55-3001 *et seq.* 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. PARK AND EDWARDS is the owner of the property and a "holder" of the Environmental Covenant as defined in Idaho Code § 55-3002(6). PARK AND EDWARDS, as the owner of the property, grants this Environmental Covenant to all signatories to this instrument.

Property Ownership. PARK AND EDWARDS 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 PARK AND EDWARDS has the power and authority to enter into this Environmental Covenant.

Property Legal Description. This Environmental Covenant concerns a certain real property in the City of Sandpoint, County of Bonner, State of Idaho, commonly described as 502 Cedar Street, Sandpoint Idaho, 83864 ("Property"). The entire Property is legally described as follows:

Section 22, Township 57N, Range 2W
Farmins 4th Addition
Block 33, Lots 2,3,10, and 11, less mineral rights
As recorded in Plats of Bonner County, Book 1, page 48
Parcel #: RP S0132033002B A

See also attached Exhibit A for legal description of the entire Property.

This Environmental Covenant also concerns specific activity and use limitations applied to northern one-third (1/3) of the Property in addition to activity and use limitations applied to the entire Property. The "northern one-third (1/3) of the Property" is legally described as the northerly 100 feet of Lots 2 and 3 of Block 33 of Farmins 4th Addition to Sandpoint, according to the plat thereof, recorded in Book 1 of Plats, Page 48, Records of Bonner County, Idaho, and

being a portion of Section 22, Township 57 North, Range 2 West, Boise Meridian, Bonner County, Idaho.

Reason for Activity and Use Limitations. The Property was formerly used by Union Pacific Rail Road as a bulk fuel storage site, becoming contaminated with hazardous or deleterious materials, including, without limitation, petroleum hydrocarbons ("Contaminants"). On February 20, 2004, Park and Edwards entered into a Consent Order with the Department to remediate the Property. This Environmental Covenant is required because of residual concentrations of contaminants in soil and groundwater underlying the Property. These concentrations may be at or above risk-based screening levels as determined by the Department and for which future use of the Property shall be limited to protect human health and the environment.

Name and Location of Administrative Record. The results of the corrective action are documented in "Park-Edwards Property Summary, 502 Cedar St., Sandpoint, Idaho" and dated September 7, 2005. This document, along with other documents related to this site can be found in the Misty Mountain Furniture Remediation File at the Idaho Department of Environmental Quality, Coeur d'Alene Regional Office in Coeur d'Alene, Idaho.

Activity and Use Limitations. By acceptance and recordation of this Environmental Covenant, PARK and EDWARDS, and any successors in interest, are hereby restricted from using the Property, now or at any time in the future, as set forth below:

1. No new buildings of any kind or nature shall be constructed or located on the northern one-third (1/3) of the Property, legally described above, without the performance of a revised risk assessment of this portion of the property and approval from the Department.
2. The Property, and any portion thereof, may be used for commercial and industrial uses only. The Property shall not be used for residential purposes, agricultural purposes, or any permanently occupied human habitation (including hotels or motels), school, day care or hospital use.
3. There shall be no excavation of soil on the northern one-third (1/3) of the Property, legally described above, and there shall be no extraction of ground water under the entire Property for any purpose, including, without limitation, drinking by animals or human beings, irrigation or an industrial or commercial use.
4. Any activity on the Property that may result in the release or exposure to the environment of a petroleum constituent is prohibited without prior written approval from the Department.
5. Park and Edwards, and any successors in interest are required to inspect the existing vapor barrier on an annual basis, to verify its ability to restrict soil vapors from entering the building. A 7 millimeter plastic barrier exists at the bottom of the crawl space under the entire floor area of Suite E and Suite F of the Cedar Street Station building, 502 Cedar Street, Sandpoint, Idaho. Suite E and Suite F are located on the extreme north end of the Misty Mountain Furniture building, as it exists at the time of the signing of this Environmental Covenant. *See attached map marked exhibit B illustrating the location of Suite E and F.* The inspection method must be approved by the department in advance of the inspection. *A report on the integrity of the vapor barrier and any maintenance activities performed to ensure the functionality of the barrier must be provided to the Department by December 1st of each year.*

The restrictions listed above are herein referred to as the "Activity and Use Limitations." PARK and EDWARDS and respective successors in interest, shall be solely responsible for

as if such invalidated portion had not been included herein.

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 PARK AND EDWARDS or any other responsible party. Nothing in this Environmental Covenant shall affect the obligations of PARK AND EDWARDS 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.

demonstrating that use in the Property is in conformity with the Activity and Use Limitations. The Activity and Use Limitations are imposed out of an abundance of caution due to the former use of the Property and because certain environmental risk evaluations of the Property indicate the presence of petroleum hydrocarbons at various locations in the soils and ground water which may present a risk to public health and the air and water quality at the Property. Property Owner intends further that the Property shall be used in such a manner as to avoid potential harm to persons or property which may result from releases or threatened release of hazardous substances or petroleum hydrocarbons.

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.

Termination by Consent. The Activity and Use Limitations set forth above shall apply to the Restricted Area, unless PARK AND EDWARDS, or its successors in interest, applies to the Department to have this Environmental Covenant terminated pursuant to Idaho Code § 55-3010 and demonstrates that:

1. The Property or subdivided portion thereof is shown in a Department approved risk assessment not to contain petroleum hydrocarbons in the soils or groundwater; or
2. Contaminated soils and groundwater are remediated to levels the Department deems in writing to be adequate for the Property to be developed for any of the Restricted Uses.

Provisions to Run With the Land. Each and all of the Activity and Use Limitations shall run with the land, and pass with the specified restricted portion of the Property (Restricted Area), and shall apply to and bind the respective successors in interest thereof. Each and all of the Activity and Use Limitations are imposed on the Restricted Area 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 and any amendment or termination shall be recorded by PARK AND EDWARDS, 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, PARK AND EDWARDS, 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. In addition, a copy of the recorded Environmental Covenant, or any amendment or termination, shall be provided by PARK AND EDWARDS, 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. The Activity and Use Limitations set

forth herein shall be incorporated by reference in each and all deeds and leases of any portion of the Property.

Enforcement. The Department and any party of the Environmental Covenant shall have authority to enforce the Activity and Use Limitations against PARK AND EDWARDS or its successors-in-interest, including subsequent owners of the Property and any other person using the Property. Failure of PARK AND EDWARDS, 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 the Owner as provided by law or in equity, including without limitation, the Uniform Environmental Covenants Act, Idaho Code § 55-3011.

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

Conveyance of Property Notice. 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, or by reliable overnight delivery service with evidence of receipt requested, to the appropriate address indicated below or at such other place or places as either PARK AND EDWARDS 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.

PARK and EDWARDS:

Christopher Park
John Edwards
502 Cedar Street
Sandpoint, Idaho 83864

THE DEPARTMENT:

Idaho Department of Environmental Quality
ATTN: Joe Nagel
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.

Signature and Acknowledgments

Accepted:

Property Owner

Signature:

Print Name:

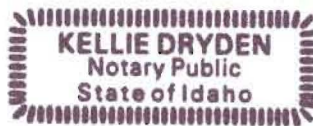
Date:

Christopher F. Park
Christopher F. Park
10/1/2008

State of Idaho, county of Banner, ss.

On 10 October 1, 2008, before me, the undersigned Notary Public, personally appeared Christopher F. Park, known or identified to me to be the person 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 Idaho: Kellie Dryden
Residing at: Sandpoint
Commission Expires: Sept. 26, 2013

Signature and Acknowledgments

Accepted:

Property Owner

Signature:

Print Name:

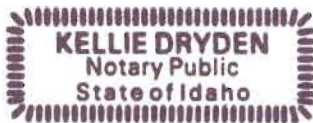
Date:

John L. Edwards
JOHN L. EDWARDS
10/1/08

State of Idaho, county of _____, ss.

On October 1, 2008, before me, the undersigned Notary Public, personally appeared John L. Edwards, known or identified to me to be the person 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 Idaho:

Residing at:

Commission Expires:

Kellie Dryden
Sandpoint
Sept. 26, 2013