

This property is subject to an Environmental Covenant held by the Colorado Department of Public Health and Environment pursuant to section 25-15-321, C.R.S.

988

ENVIRONMENTAL COVENANT

By this deed, the City of Rifle grants an Environmental Covenant ("Covenant") this 16th day of October, 2002 to the Colorado Department of Public Health and the Environment ("the Department") pursuant to § 25-15-321 of the Colorado Hazardous Waste Act, § 25-15-101, *et seq.* The Department's address is 4300 Cherry Creek Drive South, Denver, Colorado 80246-1530.

WHEREAS, The City of Rifle is the owner of certain property commonly referred to as the Old Rifle Uranium Mill site in Rifle, Colorado in Garfield County, more particularly described in Attachment A, attached hereto and incorporated herein by reference as though fully set forth (hereinafter referred to as "the Property"); and

WHEREAS, Union Carbide, disposed of uranium mill tailings at the Old Rifle Mill site, and as a result of this disposal, groundwater under the property is contaminated; and

WHEREAS, pursuant to the Site Observational Work Plan for the Old Rifle Mill Site, the Property is the subject of remedial action pursuant to the Uranium Mill Tailings Radiation Control Act, 42 U.S.C. § 7901 *et seq.*; and

WHEREAS, the purpose of this Covenant is to ensure protection of human health and the environment by restricting surface disturbance and groundwater use as further described below; and

WHEREAS, The City of Rifle desires to subject the Property to certain covenants and restrictions as provided in Article 15 of Title 25, Colorado Revised Statutes, which covenants and restrictions shall burden the Property and bind The City of Rifle, its heirs, successors, assigns, and any grantees of the Property, their heirs, successors, assigns and grantees, and any users of the Property, for the benefit of the Department.

NOW, THEREFORE, The City of Rifle hereby grants this Environmental Covenant to the Department, with the U.S. Department of Energy as a third party beneficiary, and declares that the Property as described in Attachment A shall hereinafter be bound by, held, sold, and conveyed subject to the following requirements set forth in paragraph 1 below, which shall run with the Property in perpetuity and be binding on the City of Rifle and all parties having any right, title or interest in the Property, or any part thereof, their heirs, successors and assigns, and any persons using the land. The City of Rifle and all parties having any right, title or interest in the Property, or any part thereof, their heirs, successors and assigns shall hereinafter be referred to in this covenant as OWNER.

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After recording, please return to:
Leavenworth & Karp, P.C.
P. O. Drawer 2030
Glenwood Springs, CO 81602

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1. Use restrictions

- A. No habitable structure may be constructed on the property without properly designed radon mitigation as approved by the Department.
- B. Wells completed in the alluvial aquifer or the Entrada formation may not be used for domestic or potable water supplies.
- C. No tilling, excavation, grading, construction, or any other activity that disturbs the ground surface is permitted on the Property, without the express written consent of the Department and the U.S. Department of Energy.
- D. No activities that will in any way damage any monitoring or remedial wells installed by the Department of Energy, or interfere with the maintenance, operation, or monitoring of said wells is allowed, without the express written consent of the Department and the U.S. Department of Energy.

2. Purpose of this covenant The purpose of this Covenant is to ensure protection of human health and the environment by minimizing the potential for exposure to any residual radioactive material or contaminated groundwater that remains on the Property. The Covenant will accomplish this by restricting groundwater use, minimizing those activities that result in disturbing the ground surface, and by creating a review and approval process to ensure that any such intrusive activities are conducted with appropriate precautions to avoid or eliminate any hazards.

3. Modifications This Covenant runs with the land and is perpetual, unless modified or terminated pursuant to this paragraph. OWNER or its successors and assigns may request that the Department approve a modification or termination of the Covenant. The request shall contain information showing that the proposed modification or termination shall, if implemented, ensure protection of human health and the environment. The Department shall review any submitted information, and may request additional information. If the Department determines that the proposal to modify or terminate the Covenant will ensure protection of human health and the environment, it shall approve the proposal. No modification or termination of this Covenant shall be effective unless the Department has approved such modification or termination in writing. Information to support a request for modification or termination may include one or more of the following:

- a) a proposal to perform additional remedial work;
- b) new information regarding the risks posed by the residual contamination;
- c) information demonstrating that residual contamination has diminished;
- d) information demonstrating that the proposed modification would not adversely impact the remedy and is protective of human health and the environment; and other appropriate supporting information.

4. Conveyances OWNER shall notify the Department at least fifteen (15) days in advance of any proposed grant, transfer or conveyance of any interest in any or all of the Property.

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5. Notice to Lessees OWNER agrees to incorporate either in full or by reference the restrictions of this Covenant in any leases, licenses, or other instruments granting a right to use the Property.
6. Notification for proposed construction and land use OWNER shall notify the Department simultaneously when submitting any application to a local government for a building permit or change in land use.
7. Inspections The Department shall have the right of entry to the Property at reasonable times with prior notice for the purpose of determining compliance with the terms of this Covenant. Nothing in this Covenant shall impair any other authority the Department may otherwise have to enter and inspect the Property.
8. No Liability The Department does not acquire any liability under State law by virtue of accepting this Covenant, nor does any other named beneficiary of this Covenant acquire any liability under State law by virtue of being such a beneficiary
9. Enforcement The Department may enforce the terms of this Covenant pursuant to §25-15-321, C.R.S. The City of Rifle and any named beneficiaries of this Covenant may file suit in district court to enjoin actual or threatened violations of this Covenant.
10. Owner's Compliance Certification OWNER shall submit an annual Report to the Department, on the anniversary of the date this Covenant was signed by The City of Rifle, detailing OWNER's compliance, and any lack of compliance, with the terms of this Covenant.
11. Notices Any document or communication required under this Covenant shall be sent or directed to:

Jeffrey Deckler
Remedial Programs Manager
Colorado Department of Public Health and the Environment
4300 Cherry Creek Drive South
Denver, Colorado 80246-1530

Donald Metzler
U.S. Department of Energy
Grand Junction Project office
Grand Junction, Colorado

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SCHEDULE A
Legal Description

The land referred to in this Commitment is situated in the County of Garfield, state of Colorado and described as follows:

Beginning at a point on the south right of way line of U.S. Highway 6 & 24, said point more particularly described as being South $0^{\circ}18'$ West 1415 feet, more or less, from the northeast corner of the NW $\frac{1}{4}$ of the NW $\frac{1}{4}$ of Section 15, Township 6 South, Range 93 West, 6th P.M. and running then South $0^{\circ}18'$ West 36.5 feet to the North right of way line of the D&RGW Railroad, thence South $76^{\circ}36'$ West 1891.8 feet along said right of way, thence continuing along said right of way line the following courses and distances: South $79^{\circ}2'$ West, 194.9 feet; South $85^{\circ}35'$ West 194.1 feet; North $87^{\circ}20'$ West 193.9 feet; North $80^{\circ}23'$ West 194.0 feet; North $79^{\circ}32'$ West 26.7 feet; thence North 74.5 feet to the South right of way line of the U.S. Highway 6 & 24, and a point on a 673 foot radius curve to the left, thence North-easterly along said curve an arc distance of 453.5 feet (chord bears North $69^{\circ}26'30''$ East 445 feet); thence North $50^{\circ}07'$ East 655.7 feet to a point on a 472.98 foot radius curve to the right, thence Northeasterly along said curve an arc distance of 223.16 feet (chord bears North $63^{\circ}38'$ east 221.1 feet); thence North $80^{\circ}51'30''$ East 293.9 feet; thence South $79^{\circ}33'$ East 157.7 feet to a point on a 2825 foot radius curve to the right, thence Southeasterly along said curve an arc distance of 460.21 feet (chord bears South $74^{\circ}53'$ East 459.7 feet); thence South $70^{\circ}13'$ East 306.5 feet to a point on a 1081.8 foot radius curve to the left, thence Easterly along said curve an arc distance of 348.81 feet (chord bears South $79^{\circ}24'$ East 347.2 feet) to the POINT OF BEGINNING.

EXCEPTING therefrom those portions of the above described property conveyed to the Denver and Rio Grande Western Railroad Company in deed recorded May 8, 1978 in book 509 at page 551 and that part conveyed to the City of Rifle in deed recorded January 18, 1971 in Book 416 at Page 257.

Environmental Covenant Modification

The City of Rifle, the "owner" of the Old Rifle Uranium Mill site in Rifle, Colorado as of the date of the filing of this Modification, and Colorado Department of Public Health and Environment ("CDPHE"), hereby agree to correct a mistake in the text of the Environmental Covenant, recorded at Book 1428, Page 988 in the Garfield County Clerk & Recorder's Office, by substituting the following paragraph 1.B. for that in the original:

Wells completed in the alluvial aquifer or the Wasatch formation may not be used for domestic or potable water supplies.

The parties intend no other change to the Environmental Covenant by this modification.

CDPHE by:

Gary W. Baughman
Gary W. Baughman, HMWMD Director

Subscribed and sworn to before me in the County of Aspen, State of Colorado, this 4th day of January 2004. 2105

Michael L. Huber
NOTARY PUBLIC

My Commission expires:

2-29-08

The City of Rifle by:

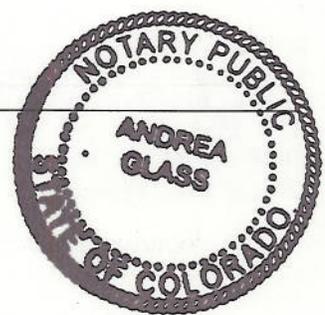
John Hier
John Hier, City Manager

Subscribed and sworn to before me in the County of Garfield, State of Colorado, this 16 day of December 2004.

Andrea Glass
NOTARY PUBLIC

My Commission expires:

September 11, 2008



618821 01/21/2003 04:28P B1426 P882 N ALSDORF
1 of 8 R 31.00 D 0.00 GARFIELD COUNTY CO

Recorder 982

QUIT CLAIM DEED

The Colorado Department of Public Health and the Environment ("Grantor"), whose address is 4900 Cherry Creek Drive South, Denver, Colorado, 80222-1530, City and County of Denver, State of Colorado, pursuant to 42 U.S.C. § 7914 (e) (1) (B) and C.R.S. § 25-11-303, hereby donates and quit claim(s) to the City of Rifle ("Grantee"), whose address is 202 Railroad Avenue, Rifle, Colorado, 81650, City of Rifle, County of Garfield, State of Colorado, the following real property in the County of Garfield, State of Colorado, to wit: A parcel of land described as follows:

Beginning at a point on the South right-of-way line of the U.S. Highway 6 & 24, said point more particularly described as being South 0°18' West 1415 feet more or less, from the northeast corner of the NW-1/4 of the NW-1/4 of Section 15, Township 6 South, Range 93 West, 64 P.M. and running then South 0°18' West 36.5 feet to the North right-of-way line of the D&RGW Railroad, thence South 76°36' West 1891.8 feet along said right-of-way, thence continuing along said right-of-way line the following courses and distances. South 79°2' West, 194.9 feet; South 85°35' West 194.1 feet; North 87°20' West 193.9 feet; North 80°23' West 194.0 feet; North 79°32' West 26.7 feet; thence North 74.5 feet to the said South right-of-way line of the U.S. Highway 6 & 24, and a point on a 673 foot radius curve to the left, thence Northeasterly along said curve an arc distance of 453.5 feet (chord bears north 69°26'30" East 445 feet); thence North 50°07' East 655.7 feet to a point on a 472.98 foot radius curve to the right, thence Northeasterly along said curve an arc distance of 223.16 feet (chord bears North 63°38' East 221.1 feet); thence North 80°51'30" East 299.9 feet; thence South 79°33' East 157.7 feet to a point on a 2825 foot radius curve to the right, thence Southeasterly along said curve an arc distance of 460.21 feet (chord bears South 74°53' East 459.7 feet); thence South 70°13' East 206.5 feet to a point on a 1081.8 foot radius curve to the left, thence Easterly along said curve an arc distance of 348.81 feet (chord bears South 79°24' East 347.2 feet) to the point of beginning.

EXCEPTING therefrom those portions of the above described property conveyed to the Denver and Rio Grande Western Railroad Company in deed recorded May 8, 1978 in Book 509 at Page 551 and that part conveyed to the City of Rifle in deed recorded January 18, 1971 in Book 416 at Page 257.

Subject to: (i) any coal, oil, gas, or other mineral rights in any person; (ii) existing rights-of-way for roads, railroads, telephone lines, transmission lines, utilities, ditches, conduits, or pipelines on, over, or across said lands; (iii) court liens, judgments, or financial encumbrances such as deeds of trust for which a formal consent or order has been obtained from a court for the lien holder; (iv) other rights, interests, easements, reservation or exceptions of record; and the following terms, conditions, rights, reservations and covenants:

Grantor reserves to (i) itself, the U. S. Department of Energy, their employees, agents and contractors the right of access to the property as may be necessary to complete activities under the Uranium Mill Tailings Radiation Control Act of 1978, 42 U.S.C. § 7901 et seq. ("UMTRCA") and for other lawful purposes, until such time as Grantor and the U.S. Department of Energy determine that all remedial activities are complete; and (ii) to itself any non-tributary groundwater underlying this parcel, the right to develop tributary groundwater, and the right to surface access for groundwater development.

Grantee covenants to hold harmless the Grantor and the Department of Energy for any liability associated with disruption of any public purpose ventures on the property conveyed by this deed, the disruption of any improvement on said property made by the Grantee, its successors and assigns, and any temporary or permanent limitations to the use of the property, should the Grantor and the Department of Energy be required to perform additional surface remedial activities on the property conveyed by this deed.

Grantee covenants (i) to comply with the applicable provisions of UMTRCA, 42 U.S.C. § 7901 et. seq., as amended; (ii) not to use ground water from the site for any purpose, and not to construct wells or any means of exposing ground water to the surface unless prior written approval for such use is given by the Grantor and the U.S. Department of Energy; (iii) not to sell or transfer the land to anyone other than a governmental entity within the state; (iv) that any sale or transfer of the property described in this deed shall have prior written approval from the Grantor and the U.S. Department of Energy; and that any deed or other document created for such sale or transfer and any subsequent sale or transfer will include information stating that the property was once used as a uranium milling site and all other information regarding the extent of residual radioactive materials removed from the property as required by Section 104(d) of the Uranium Mill Tailings, 42 U.S.C. sec. 7014(d), and as set forth in the Annotation attached hereto; (v) not to perform construction and/or excavation or soil removal of any kind on the property without permission from the Grantor and the U.S. Department of Energy unless prior written approval of construction plans (e.g., facilities type and location), is given by the Grantor and the U.S. Department of Energy; (vi) that any habitable structures constructed on the property shall employ a radon ventilation system or other radon mitigation measures; and (vii) that its use of the property shall not

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P. O. Drawer 2030
Glenwood Springs, CO 81602

adversely impact groundwater quality, nor interfere in any way, with groundwater remediation under UMTRCA activities; and (viii) to use the property and any profits or benefits derived therefrom only for public purposes as required by UMTRCA sec. 104(e)(1)(C), 42 U.S.C. 7914 (e)(1)(C).

These covenants are made in favor and to the benefit of Grantor, shall run with the land and be binding upon Grantee and its successors and assigns, and shall be enforceable by Grantor;

Grantee acknowledges that the property was once used as a uranium milling site, and that the Grantor makes no representations or warranties that the property is suitable for Grantee's purposes;

IN WITNESS WHEREOF:

APPROVED AS TO FORM:

[Signature]
David Kreutzler Assistant Attorney General

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GRANTOR:

STATE OF COLORADO
Bill Owens, Governor
Acting by and through
The Department of Public Health and Environment

By: *[Signature]*
Executive Director
Acting

By: *[Signature]*
Program Approval

ACCEPTANCE OF DEED
AND COVENANTS

GRANTEE:

CITY OF RIFLE

(Full Legal Name of Agency)

By: *[Signature]*
Name, Keith Lambert

Title: Mayor

Signed this 9th day of January xxx 2003.

STATE OF COLORADO, } ss.
County of Garfield

The foregoing instrument was acknowledged before me this 9th day of January, 2003, at ~~xx~~, by Keith Lambert, Mayor, City of Rifle, Colorado.

My commission expires. 12/18/06

Witness my hand and official seal

[Signature]

Notary Public.



NO. _____



 819021 01/21/2003 04:25P 01428 P084 M ALSDORF

 3 of 8 R 31.00 D 0.00 GARFIELD COUNTY CO

QUIT CLAIM DEED

TO

STATE OF COLORADO, } ss.

 County of

I hereby certify that this instrument was filed

 for record in my office, at _____

 o'clock M., _____, 19__

 and is duly recorded in book _____

 page _____

 Film No. _____ Reception No. _____

_____ Recorder.

By _____ Deputy.

Fees, \$ _____

ATTACHMENT A

LAND ANNOTATION

OLD RIFLE, COLORADO PROCESSING SITE

The Uranium Mill Tailings Radiation Control Act (Public Law 95-604), Section 104, requires that the State notify any person who acquires a designated processing site of the nature and extent of residual radioactive materials removed from the site, including notice of the date when such action took place, and the condition of the site after such action. The following information is provided to fulfill this requirement.

The Old Rifle Colorado processing site consists of one land parcel which contained a large tailings pile. The site was operated by Standard Chemical company and later the U.S. Vanadium Corporation, over the period from 1924 to 1946 as a uranium processing facility. Approximately 597,000 cubic yards of contaminated materials which included 1) tailings; 2) subpile soils; 3) surficial materials in the mill yard; and 4) windblown materials; were removed from the mill site from 1992-1996. The remediation was conducted in accordance with regulations promulgated by the U.S. Environmental Protection Agency, in 40 CFR 192. These regulations require that the concentration of radium-226 in land averaged over any area of 100 square meters shall not exceed the background level by more than: 5 pCi/g (picocuries per gram), averaged over the first 15 cm (centimeters) of soil below the surface, and 15 pCi/g averaged over 15 cm thick layers of soil more than 15 cm below the surface. Verification measurements were conducted at the site by dividing the site into approximately 30-foot by 30-foot grids. A soil sample was collected and analyzed for contaminants from each grid to verify that the standards had been met. All verification grids on the site met the EPA standards for radium and thorium.

After remediation was complete the site was backfilled with clean fill material, graded for drainage and revegetated. Backfill materials were routinely analyzed for radium-226 and were determined to have concentrations near background (1.5 pCi/g).

Excavation of residual radioactive material was also conducted for thorium-230 beneath the tailings pile in the subpile soils. For thorium-230, the cleanup standard was determined as a projected 1,000 year radium-226 concentration based on the eventual decay of the thorium to radium. The average thorium in-growth at depth was calculated to be 3.8 pCi/g.

The EPA standards also allow for contamination to be left in place where removal would present a risk of injury to workers, would result in environmental harm, or where the cost of removal clearly outweighs the benefit in terms of risk reduction. At the Old Rifle site, these areas where contamination was left (called "supplemental standards") are the following:

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- 1) an area 1,600 feet long, along the steep slopes at the northern edge of the property. This deposit extends under U.S. Highway 6 & 24;
- 2) under the railroad right of way extending the length of the site off the southern boundary; and
- 3) along the riverbank to the south of the site.

The supplemental standards areas are shown on the attached map. These deposits have been covered with clean fill and pose no risk unless disturbed. The average gamma exposure is 11 microrentgen per hour at waist height, which is equivalent to background.

The groundwater beneath the Old Rifle mill site remains contaminated and will be addressed during Phase II of the Uranium Mill Tailings Remedial Action Project. Several groundwater monitor wells are present on and downgradient of the site and will remain in place until the U.S. Department of Energy determines that they can be removed.

Any person who acquires a designated processing site shall apply for any permits, including U.S. Army Corps of Engineers Section 404 permits regarding construction in or near wetlands, as required by law.

Additional information concerning the remedial action, and groundwater conditions is available from the Colorado Department of Public Health and Environment, Hazardous Materials and Waste Management Division.

Environmental Covenant Modification

The City of Rifle, the "owner" of the Old Rifle Uranium Mill site in Rifle, Colorado as of the date of the filing of this Modification, and Colorado Department of Public Health and Environment ("CDPHE"), hereby agree to correct a mistake in the text of the Environmental Covenant, recorded at Book 1428, Page 988 in the Garfield County Clerk & Recorder's Office, by substituting the following paragraph 1.B. for that in the original:

Wells completed in the alluvial aquifer or the Wasatch formation may not be used for domestic or potable water supplies.

The parties intend no other change to the Environmental Covenant by this modification.

CDPHE by:

Gary W. Baughman
Gary W. Baughman, HMWMD Director

Subscribed and sworn to before me in the County of Aspen, State of Colorado,
this 4th day of January 2004. 2105

Michael L. Huber
NOTARY PUBLIC

My Commission expires:

2-29-08

The City of Rifle by:

John Hier
John Hier, City Manager

Subscribed and sworn to before me in the County of Garfield, State of Colorado,
this 11th day of December 2004.

Andrea Glass
NOTARY PUBLIC

My Commission expires:

September 11, 2008

