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.

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ENVIRONMENTAL COVENANT

By this deed, the City of Salida, Colorado ("the City") grants an Environmental Covenant ("Covenant") this 7th day of June, 2004 to the Hazardous Materials and Waste Management Division of 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 is the owner of certain property commonly referred to as the Salida Gun Club located at 8113 CR 160, more particularly described in Attachment A, attached hereto and incorporated herein by reference as though fully set forth herein, (hereinafter referred to as the "Property"); and

WHEREAS, the Salida Gun Club has been operated as a shooting range and has lead shot wastes disposed at the property; and

WHEREAS, pursuant to the Voluntary Cleanup Plan approved by the Colorado Department of Public Health and Environment dated January 22, 2004, the Property is the subject of remedial action pursuant to the Voluntary Cleanup and Redevelopment Act, C.R.S. § 25-16-301-311; and

WHEREAS, the purpose of this Environmental Covenant (the "Covenant") is to ensure protection of human health and the environment by consolidating and isolating the lead shot wastes resulting from the historic use of the Property, as well as subsequent site reclamation.

WHEREAS, the City 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, 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 hereby grants this Environmental Covenant to the Department, and declares that the Property described in Attachment A shall hereinafter be bound by, held, sold and conveyed subject to the following requirements set forth in paragraphs 1 through 12, below, environmental use restrictions which shall run with the Property in perpetuity and be binding on the City 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. As used in this

Environmental Covenant, the term OWNER means the record owner of the Property and, if any, any other person or entity otherwise legally authorized to make decisions regarding the transfer of the Property or placement of encumbrances on the Property, other than by the exercise of eminent domain.

1. Use Restrictions

   A. No residential development of the Property shall be permitted.

   B. No excavation, grading, construction, or any other activity that alters the profile of the depth of the capped materials is permitted on the Property, subject to the exception that the city and/or its designees may take such action as set forth in the Department approved Operations and Maintenance Plan, attached hereto as Appendix B, and incorporated herein as if set forth in full.

   C. No wells or drilling or pumping of water whatsoever shall be permitted on the Property.

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 hazardous substance, hazardous waste, hazardous constituents, and/or solid waste that remains on the Property. The Covenant will accomplish this by 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. The City 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 This covenant is intended to run with the land and shall be binding upon all subsequent owners of all or any part of the Property. The City 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.

5. The City 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. Binding Effect Notwithstanding the foregoing, pursuant to §25-15-318(2) C.R.S., any person or entity who acquires any right, title or interest in all or any part of the Property shall be conclusively deemed to have consented and agreed to the provisions of this Covenant, whether or not any reference to this Covenant or its provisions is contained in the deed or other conveyance instruments by which such person or entity acquires an interest in the Property.

7. Notification for proposed construction and land use The City shall notify the Department simultaneously when submitting any application to a local government for a building permit or change in land use.

8. 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.

9. No Liability The Department does not acquire any liability under State law by virtue of accepting this Covenant.

10. Enforcement The Department may enforce the terms of this Covenant pursuant to § 25-15-322. C.R.S. The City may file suit in district court to enjoin actual or threatened violations of this Covenant.

11. Owner's Compliance Certification The City shall submit an annual Report to the Department, on the anniversary of the date this Covenant was signed by the City, detailing the City's compliance, and any lack of compliance, with the terms of this Covenant.

12. Notices Any document or communication required under this Covenant shall be sent or directed to:

Hazardous Materials and Waste Management Division
Remedial Programs Manager
Colorado Department of Public Health and the Environment
4300 Cherry Creek Drive South
Denver, Colorado 80246-1530

The City of Salida, Colorado has caused this instrument to be executed this 26th day of October, 2004.

The City of Salida, Colorado

By: Danny M. Knight

Title: "Mayor"

STATE OF Colorado)
) ss:
COUNTY OF Chaffee)

The foregoing instrument was acknowledged before me this 26th day of October, 2004 by DANNY M. KNIGHT on behalf of The City of Salida, Colorado.

Susan L. Mick
Notary Public

124 "E" Street
Address

Salida, CO 81201

My commission expires: 01-27-2004

Accepted by the Colorado Department of Public Health and Environment this 18th day of November, 2004.

By: Gary W. Baughman

Title: Division Director, HMWMD

STATE OF Colorado)
) ss:
COUNTY OF Arapahoe)

The foregoing instrument was acknowledged before me this 18th day of November, 2004 by Gary W. Baughman on behalf of the Colorado Department of Public Health and Environment.

Alice L. Huber
Notary Public

4300 Cherry Creek Drive South
Address

Denver Co 80246

My commission expires: 2-29-08

L. HUBER NOTARY PUBLIC STATE OF COLORADO

ATTACHMENT A

A tract of land in the SE ¼ of the NE ¼ of Section 36, Township 50 North, Range 8 East of the N.M.P.M. described as follows:

Beginning at the Brass Cap Witness Corner to the East ¼ Corner of said Section 36, (said witness corner being North 0° 55' East 16.5 feet from said East ¼ Corner), thence North 0° 40' East 893.5 feet, thence North 52° 55.5' West 437.1 feet; thence South 53° 04' West 984.6 feet to a point marked by a 5/8 inch steel reinforcing bar 2 feet long driven into the ground and having a one inch aluminum cap, said point being on the northeasterly boundary of Chaffee County Road No. 160; thence following along the northeasterly boundary of said road to the point of beginning.