

Idarado Site (Telecam Property) Environmental Covenant Summary

Covenant ID: HMCOV00010

Covenant Information:

Covenant Date: February 26, 2004

Self Reporting: No

Media of Concern:

Surface Water: Yes

Groundwater: Yes

Air: No

Soil: Yes

Other: No

Contaminants of Concern: lead, zinc

Property Restrictions:

1. Any use which will disturb the cap.
2. Allowed use include recreation/sports field, parking on specially constructed areas, pedestrian use, passive recreation.

Site Information:

ID: N/A

Name: Idarado

Address: See legal description

City: Telluride

State: CO

Zip Code: 81435

Legal Description: Tracts 501, 501W, 503-A of the Lawson Hill P.V.D.

County: San Miguel

Site Contact Information:

Colorado Dept. of Public Health and Environment, Hazardous Materials and Waste Management Division

Name: Hazardous Waste Corrective Action Unit Leader

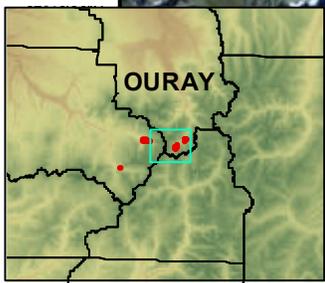
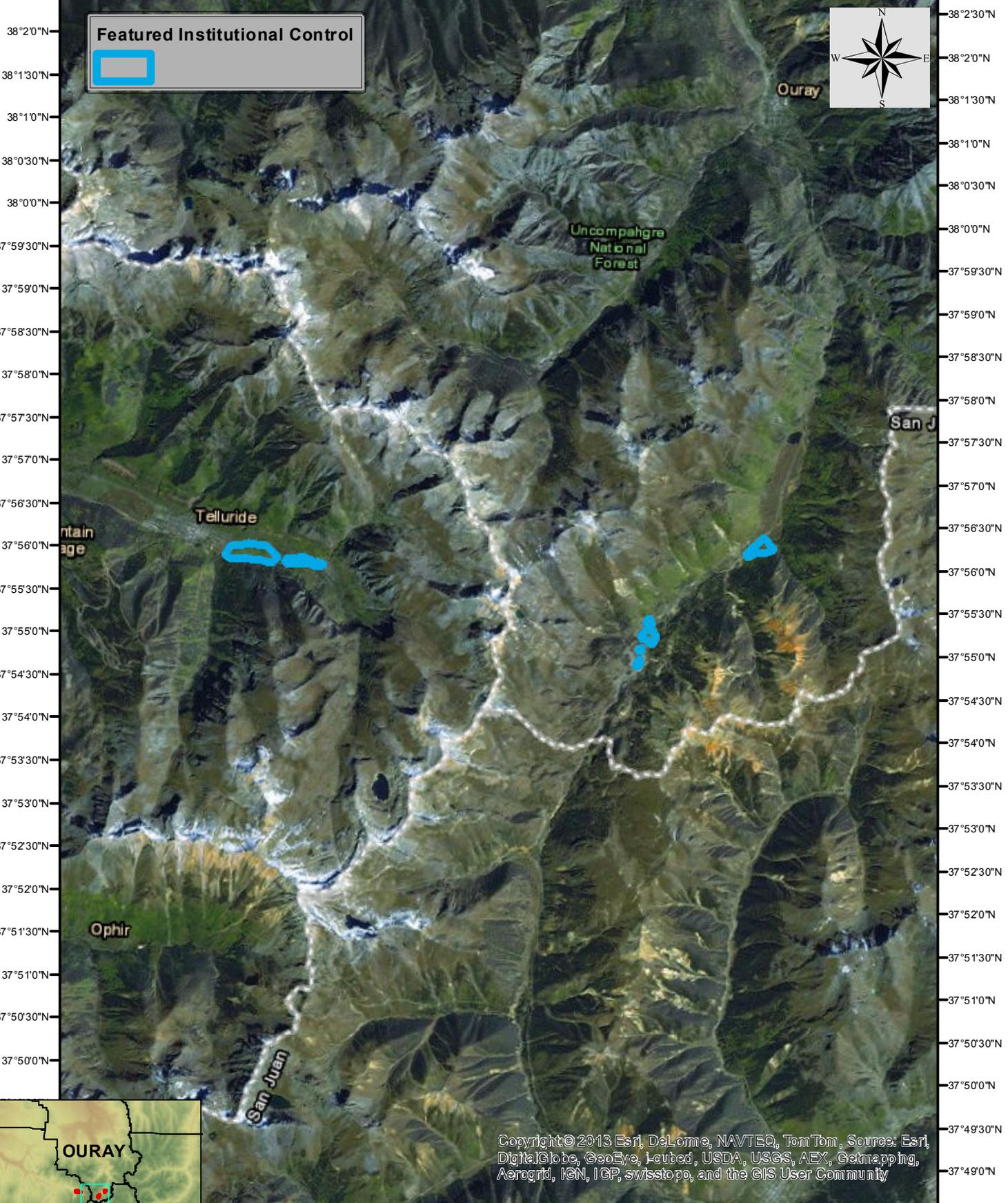
Address: 4300 Cherry Creek Drive South

City: Denver

State: CO Zip Code: 80246

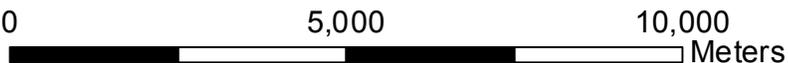
IDARADO

107°50'0"W 107°49'0"W 107°48'0"W 107°47'0"W 107°46'0"W 107°45'0"W 107°44'0"W 107°43'0"W 107°42'0"W 107°41'0"W 107°40'0"W 107°39'0"W 107°38'0"W



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HMC0V00010



RESTRICTIVE COVENANT

Telecam Partnership II, Ltd., its heirs, successors and assigns (“**Telecam**”) grants a Restrictive Covenant (“**Covenant**”) this 26th day of February, 2004, to the Hazardous Materials and Waste Management Division of the Colorado Department of Public Health and the Environment (“**the Department**”). The Department's address is 4300 Cherry Creek Drive South, Denver, Colorado 80246-1530.

WHEREAS, Telecam is the owner of certain property commonly referred to as Society Turn Tailings 2 North (ST2 North), Society Turn Tailings 2 South (ST2 South) and Society Turn Tailings 3 (ST3), located in San Miguel County, more particularly described in Attachment A, attached hereto and incorporated herein by reference (collectively “**the Property**”); and

WHEREAS, pursuant to a Consent Decree and Remedial Action Plan (“**RAP**”) approved by the United States District Court for the District of Colorado in State of Colorado v. Idarado Mining Co., et al., Civil Action No. 83-C-2385, as amended, the Property is the subject of enforcement and remedial action pursuant to the Comprehensive Environmental Response, Compensation and Liability Act, 42 U.S.C. sections 9601, *et seq.*; and

WHEREAS, 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. Specifically, this Covenant is intended to 1) restrict human contact with the tailings located on the Property; 2) maintain the integrity of the remediation required pursuant to the RAP to stabilize, reclaim, cover and revegetate existing mill tailings situated within the Property; 3) avoid discharges and releases of hazardous substances from the Property; and 4) ensure that future uses of the Property are consistent with effective protection of public health, welfare and the environment.

WHEREAS, Telecam desires to subject the Property to a Covenant as set forth herein, which Covenant shall burden the Property and bind the owner of the Property, 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, Telecam hereby grants this Covenant to the Department, and declares that the Property, as described in Attachment A, shall hereinafter be bound by, held, sold, and conveyed subject to the following requirements, which shall run with the Property in perpetuity and be binding on all owners of the Property, and all parties having any right, title or interest in the Property, or any part thereof, their heirs, successors and assigns, grantees, lessees and licenses (collectively, “**Owner**”).

1. Allowed Uses.

1. Owner may make such concurrent uses of the Property as are specified in the RAP, and any duly adopted amendments thereto. Allowed uses under the RAP are as follows:

1. Portions of Tracts 501 and 501W located on ST2 South

- (1) Use as a multipurpose sports field, including all facilities, amenities and equipment related to the multipurpose sports field, such as bathrooms, parking, fencing, access trails and roads, equipment and storage;
- (2) Irrigation of the multipurpose sports field;
- (3) Pedestrian uses;
- (4) Nonmotorized trail uses;
- (5) Nonmotorized camping;
- (6) Passive recreational uses;
- (7) Underground utilities, including but not limited to gas and electricity lines, within recorded access and utility easements;
- (8) Vehicular use by construction, maintenance and emergency vehicles;
- (9) Vehicular use consistent with an asphalt-paved road and parking lot on top of mine tailings on the west side of the multipurpose sports field;
- (10) Sediment control uses associated with the vegetated "runoff filter" on those tailings down-gradient of the multipurpose sports field and paved road and parking lot;
- (11) Construction and maintenance of the multipurpose sports field and its facilities, amenities and equipment; and
- (12) Construction and maintenance of irrigation, landscaping, grading, trails, and the asphalt-paved road and parking lot.
- (13) Vehicular Parking

2. Remaining portions of ST2South and ST3 other than Tracts 501 and 501W

- (1) Pedestrian uses;
- (2) Nonmotorized trail uses;
- (3) Passive recreational uses;
- (4) Underground utilities, including but not limited to gas and electricity lines;
- (5) Vehicular use by construction , maintenance and emergency vehicles;
- (6) Sediment control uses associated with the vegetated "runoff filter" on those tailings down-gradient of the multipurpose sports field and paved road and parking lot; and
- (7) Construction and maintenance of landscaping, grading, and trails.

3. ST2 North

- (1) Pedestrian uses;
- (2) Nonmotorized trail uses;
- (3) Passive recreational uses;
- (4) Vehicular use by construction, maintenance and emergency vehicles;
- (5) Construction and maintenance of landscaping, grading, and trails.

2. Prior to the date hereof, the following easements encumbering the Property have been recorded in the Office of the Clerk and Recorder for San Miguel County, Colorado. Copies of these easements are attached hereto as Exhibit B. The Department has approved these easements as allowed uses under the RAP and this Covenant.

1. Trail Easement according to the Final Plat for Tract 501 recorded at 342838, the Replat of Tract 501 recorded at Reception No. 360995, and according to the document recorded at Reception No. 342841;
2. Alternative 20' Trail Easement according to the Final Plat for Tract 501 recorded at Reception No. 342838, the Replat of Tract 501 recorded at Reception No. 360995, and according to the document recorded at Reception No. 342841;
3. Alternative 15' Trail Easement according to the Final Plat for Tract 501 recorded at Reception No. 342838, the Replat of Tract 501 recorded at Reception No. 360995, and according to the document recorded at Reception No. 342841;
4. 20' Pedestrian Access Easement according to the Final Plat for Tract 501 recorded at Reception No. 342838, the Replat of Tract 501 recorded at Reception No. 360995, and according to the document recorded at Reception No. 342842;
5. 30' Access and Utility Easement according to the Final Plat for Tract 501 recorded at Reception No. 342838, the Replat of Tract 501 recorded at Reception No. 360995, and according to the document recorded at Reception No. 342844.
6. Local Access Road Easement according to the Final Plat for Tract 501W recorded at Reception No. 360995 and the document recorded at Reception No. 360992.
7. Electric Easement according to the Final Plat for Tract 501W recorded at Reception No. 360995, and the document recorded at Reception No. 360994.
8. 20' Gas Line Easement according to the Final Plat for Tract 501W recorded at Reception No. 360995, and the document recorded at Reception No. 360993.
9. Pedestrian Easement according to the Final Plat for Tract 501W recorded at Reception No. 360995 and the document recorded at Reception No. 360990.

2. Restricted Uses. All other uses are restricted.

3. Modifications. This Covenant runs with the land and is perpetual, unless modified or terminated pursuant to this paragraph. Owner 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. Within sixty (60) days of submission, the Department shall review and either approve or deny the proposal. The Department 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:
 1. a proposal to perform additional remedial work;
 2. new information regarding the risks posed by the residual contamination;
 3. information demonstrating that residual contamination has diminished;
 4. information demonstration 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 ten (10) days in advance of any proposed grant, transfer or conveyance of any interest in any or all of the Property.
5. Disclosure. 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 of 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.
9. Enforcement. The Department or the Owner may file suit in district court to enjoin actual or threatened violations of this Covenant.
10. Owner's Compliance Certification. The fee simple Owner of the Property shall submit an annual Report to the Department, on the anniversary of the date this Covenant was signed by Owner, 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:
 Hazardous Waste Corrective Action Unit Leader
 Hazardous Materials and Waste Management Leader
 Colorado Department of Public Health and the Environment
 4300 Cherry Creek Drive South
 Denver, Colorado 80246-1530

TELECAM PARTNERSHIP II LIMITED, LTD.,

By: Original Signed by Henson L. Jones Jr
Henson L. Jones, Jr., President of Macelet, Inc.,
general partner of Telecam Partnership I, Ltd.,
general partner

STATE OF COLORADO)
) ss:
COUNTY OF SAN MIGUEL)

Acknowledged, subscribed and sworn to before me this 26 day of February, 2004,
by Henson L. Jones, Jr., President of Macelet, Inc., general partner of Telecam Partnership I, Ltd.,
general partner of Telecam Partnership II, Ltd.

Witness my hand and official seal.

My commission expires: May 6, 2004 Original Signed by Joni L. Cheroske
Notary Public

COLORADO DEPARTMENT OF PUBLIC HEALTH AND ENVIRONMENT,

By: Original Signed by Howard Roitman

Title: Environmental Programs Director

STATE OF COLORADO)
) ss:
COUNTY OF DENVER)

Acknowledged, subscribed and sworn to before me this 28 day of April, 2004,
by Howard Roitman on behalf of the Colorado Department of Public Health and
Environment.

Witness my hand and official seal.

My commission expires: 10/21/07 Original Signed by Claudette M. Ferris
Notary Public