

Steven F. Hill steve.hill@millernash.com 360.619.7004 (direct)

July 13, 2023

VIA EMAIL MWAR461@ECY.WA.GOV

Michael R. Warfel Washington State Department of Ecology Northwest Region Office PO Box 330316 Shoreline, WA 98133-9716

Subject: Noncompliance With Terms of Environmental Covenant re North Cascade Ford Site, 116 Ferry Street, Sedro Woolley, WA 98284 (Facility/Site No. 68313566; Cleanup Site No. 12075)

Dear Mr. Warfel:

I am writing on behalf of Coulter Properties, LLC ("Coulter"), the current owner of the property comprising the above-referenced Site, in response to your letter dated June 22, 2023 (the "Letter"), pertaining to alleged environmental covenant violations at the Site. I assure you that we are working cooperatively with Akers Railroad Contracting, LLC ("Akers"), the party responsible for unauthorized activities at the Site that resulted in the damage referenced in the Letter, and with 116 West Ferry Street, LLC ("116 West Ferry"), the current lessee of the property, to timely repair the damage.

As you know, over the past several years Coulter, 116 West Ferry, and the former owner of the property, VSF Properties, LLC, have worked cooperatively to remediate the Site. These efforts culminated in issuance of the NFA in January of this year. All parties are committed to honoring the terms of the covenant governing activities at the Site, including but not limited to providing Ecology with notice prior to undertaking actions at the Site that might imperil existing remedial measures, and maintaining the integrity of the cap and monitoring wells. Unfortunately, several weeks ago Akers entered the Site without the consent of Coulter or 116 West Ferry and proceeded to use heavy machinery to bundle and store railroad ties on the property, allegedly at the direction of BNSF Railway. We learned of this activity and associated damage to the cap and monitoring wells only after receiving notice from the City of Sedro Woolley. Because we were unaware of the unauthorized activity, we were not able to notify or seek approval from Ecology prior to Akers' unauthorized use of the Site.

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Akers has acknowledged responsibility for its actions and has taken initial steps to repair the damage to the Site addressed in the Letter. As you know, Akers hired BAI Environmental Services ("BAI") to remove the railroad ties and repair damage to the cap. We understand that BAI has provided you with the proposed restoration plan and that Ecology has indicated that the cap restoration plan is acceptable.

As you also may know, BAI has informed Coulter, 116 West Ferry, and Akers that it is not, however, equipped to repair damage to or replace any damaged groundwater monitoring wells at the Site. Accordingly, Akers has engaged Maul Foster Alongi, Inc. (MFA) to perform the wellrelated work and to coordinate with BAI to submit all required work plans and completion reports. We believe that MFA is best suited to perform this work because of its prior and ongoing work at the Site on behalf of the former owner. We will be working closely with the two consultants and the lessee to provide coordinated responses to the action items set forth in the Letter.

Coulter will ensure that Ecology remains in the loop as the cap restoration work and repairs to any damaged groundwater monitoring wells proceeds. When the work is completed to the satisfaction of Ecology, we would appreciate acknowledgement that our obligations in the Letter are satisfied and that the environmental covenant remains in place. Ecology's confirmation that the covenant remains in place will allow Coulter to complete its sale of the property to 116 West Ferry, of which we notified Ecology in our letter dated June 13, 2023 (see attached).

If you have any further questions or requests for information, please let me know as soon as possible.

Very truly yours,

Steven F. Hill

cc via email: Travis Coulter Joe Krivanek Dale Johnson, attorney for 116 West Ferry Street, LLC (dnj@vnf.com) Holly Stafford, attorney for Vern Sims Ford (hstafford@chmelik.com)



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June 13, 2023

VIA FIRST-CLASS MAIL

Environmental Covenants Coordinator Washington State Department of Ecology Toxics Cleanup Program PO Box 47600 Olympia, WA 98504-7600

Subject: Notice of Proposed Conveyance of Interest—North Cascade Ford, Facility Site ID 58313566, Cleanup Site ID 12075

Dear Environmental Covenants Coordinator:

Pursuant to Section 4.a.i. of the Environmental Covenant relating to the North Cascade Ford site (Facility Site ID 58313566, Cleanup Site ID 12075) (the "Covenant"), we are giving notice on behalf of Grantor, Coulter Properties, LLC, of an intended conveyance in fee of the real property subject to the Covenant from Coulter Properties, LLC, to 116 West Ferry Street, LLC. This transaction is expected to occur within 30 to 45 days. We can confirm that the conveying document will contain the required notice as set forth in Section 4.a.ii. of the Covenant. In addition, Coulter Properties, LLC, will provide Ecology with a complete copy of the conveying document upon completion of the transaction.

Very truly yours,

Steven F. Hill Counsel for Coulter Properties, LLC

cc: Robert Koury, counsel for Coulter Properties, LLC Jim Aiken, counsel for 116 West Ferry Street, LLC

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