

Record Date: 7/30/2025 10:25 AM

Electronically Recorded King County, WA

After Recording Return
Original Signed Covenant to:
Tena Seeds
Toxics Cleanup Program
Department of Ecology
Northwest Regional Office
PO Box 330316
Shoreline, Washington 98133

Environmental Covenant

Grantor: City Investors IX L.L.C.

Grantee: State of Washington, Department of Ecology (hereafter "Ecology")

Brief Legal Description: PTN LOTS 8, 9, 10, 11, 12, AND 13, BLOCK 94, DENNY'S FIRST ADD TO N SEATTLE, VOL 1, LESS ST LESS ALLEY (ALLEY DEDICATION REC NO. 2019121200065)

Tax Parcel Nos.: 1983200170, 1983200180, and 1983200196

Cross Reference: Consent Decree No. 25-2-01367-7 SEA

RECITALS

- a.** This document is an environmental (restrictive) covenant (hereafter "Covenant") executed pursuant to the Model Toxics Control Act ("MTCA"), chapter 70A.305 RCW, and Uniform Environmental Covenants Act ("UECA"), chapter 64.70 RCW.
- b.** The Property that is the subject of this Covenant is part or all of a site commonly known as the Block 38 West ("Site") in Seattle, Washington, Ecology Facility Site ID No. 62773, Cleanup Site ID No. 15008. The Property is legally described in Exhibit A, and illustrated in Exhibit B, both of which are attached (hereafter "Property"). If there are differences between these two Exhibits, the legal description in Exhibit A shall prevail.
- c.** The Property is the subject of remedial action conducted under MTCA. This Covenant is required because residual contamination remains on the Property after completion of remedial actions. Specifically, the following principal contaminants remain on the Property:

Medium	Principal Contaminants Present
Soil	Residual total petroleum hydrocarbons as diesel- and oil-range organics (DRO and ORO); carcinogenic polycyclic aromatic hydrocarbons (cPAHs)

- d.** It is the purpose of this Covenant to restrict certain activities and uses of the Property to protect human health and the environment and the integrity of remedial actions conducted at the site. Records describing the extent of residual contamination and remedial actions conducted are

available through Ecology. These include the following documents, which can be found online at <https://apps.ecology.wa.gov/cleanupsearch/site/15008>:

- Remedial Investigation and Focused Feasibility Study - December 20, 2024
- Interim Action Report (Property Cleanup) – December 28, 2023
- Alley Interim Action Report – January 5, 2024
- Cleanup Action Plan - December 2024

e. This Covenant grants Ecology certain rights under UECA and as specified in this Covenant. As a Holder of this Covenant under UECA, Ecology has an interest in real property; however, this is not an ownership interest which equates to liability under MTCA or the Comprehensive Environmental Response, Compensation, and Liability Act, 42 U.S.C. § 9601 *et seq.* The rights of Ecology as an “agency” under UECA, other than its right as a holder, are not an interest in real property.

COVENANT

City Investors IX L.L.C. as Grantor and fee simple owner of the Property hereby grants to the Washington State Department of Ecology, and its successors and assignees, the following covenants. Furthermore, it is the intent of the Grantor that such covenants shall supersede any prior interests the Grantor has in the property and run with the land and be binding on all current and future owners of any portion of, or interest in, the Property.

Section 1. General Restrictions and Requirements.

The following general restrictions and requirements shall apply to the Property:

- Interference with Remedial Action.** The Grantor shall not engage in any activity on the Property that may impact or interfere with the remedial action and any operation, maintenance, inspection or monitoring of that remedial action without prior written approval from Ecology.
- Protection of Human Health and the Environment.** The Grantor shall not engage in any activity on the Property that may threaten continued protection of human health or the environment without prior written approval from Ecology. This includes, but is not limited to, any activity that results in the release of residual contamination that was contained as a part of the remedial action or that exacerbates or creates a new exposure to residual contamination remaining on the Property.
- Continued Compliance Required.** Grantor shall not convey any interest in any portion of the Property without providing for the continued adequate and complete operation, maintenance and monitoring of remedial actions and continued compliance with this Covenant.
- Leases.** Grantor shall restrict any lease for any portion of the Property to uses and activities consistent with this Covenant.
- Preservation of Reference Monuments.** Grantor shall make a good faith effort to preserve any reference monuments and boundary markers used to define the areal extent of coverage of this Covenant. Should a monument or marker be damaged or destroyed, Grantor shall

have it replaced by a licensed professional surveyor within 30 days of discovery of the damage or destruction.

Section 2. Specific Prohibitions and Requirements.

In addition to the general restrictions in Section 1 of this Covenant, the following additional specific restrictions and requirements shall apply to the Property.

a. Containment of Soil/Waste Materials. The remedial action for the Property is based on containing contaminated soil under a cap consisting of asphalt and concrete pavement overlying areas of remaining soil contamination in the alley area east of the Property and in the Westlake Avenue North right-of-way as illustrated in Exhibit C. The primary purpose of this cap is to contain soil impacted with residual contamination to protect human health by preventing direct contact exposure. As such, the following restrictions shall apply within the area illustrated in Exhibit C:

1. Any activity on the Property that will compromise the integrity of the cap including: drilling; digging; piercing the cap with sampling device, post, stake or similar device; grading; excavation; installation of underground utilities; removal of the cap; or, application of loads in excess of the cap load bearing capacity, is prohibited without prior written approval by Ecology. The Grantor shall report to Ecology within forty-eight (48) hours of the discovery of any damage to the cap. Unless an alternative plan has been approved by Ecology in writing, the Grantor shall promptly repair the damage and submit a report documenting this work to Ecology within thirty (30) days of completing the repairs.

The Grantor covenants and agrees that it shall annually, or at another time as approved in writing by Ecology, inspect the cap and report within thirty (30) days of the inspection the condition of the cap and any changes to the cap that would impair its performance.

Section 3. Access.

a. The Grantor shall maintain clear access to all remedial action components necessary to construct, operate, inspect, monitor, and maintain the remedial action.

b. The Grantor freely and voluntarily grants Ecology and its authorized representatives, upon reasonable notice, the right to enter the Property at reasonable times to evaluate the effectiveness of this Covenant and associated remedial actions, and enforce compliance with this Covenant and those actions, including the right to take samples, inspect any remedial actions conducted on the Property, and to inspect related records.

c. No right of access or use by a third party to any portion of the Property is conveyed by this instrument.

Section 4. Notice Requirements.

a. Conveyance of Any Interest. The Grantor, when conveying any interest in any part of the property within the area of the Property illustrated in Exhibits B and C, must:

- i. Provide written notice to Ecology of the intended conveyance at least thirty (30) days in advance of the conveyance. This advance notice to Ecology is waived for conveyances of leasehold interests. Waiver of this advance notice to Ecology for these transactions does not constitute waiver of this notice for the entire Property nor a waiver of the requirement in Section 4.a.ii. to include this notice in any document conveying interest in the Property.
- ii. Include in the conveying document a notice in substantially the following form, as well as make available, upon request, a complete copy of this Covenant:

NOTICE: THIS PROPERTY IS SUBJECT TO AN ENVIRONMENTAL COVENANT GRANTED TO THE WASHINGTON STATE DEPARTMENT OF ECOLOGY ON _____ AND RECORDED WITH THE KING COUNTY AUDITOR UNDER RECORDING NUMBER _____. USES AND ACTIVITIES ON THIS PROPERTY MUST COMPLY WITH THAT COVENANT, A COMPLETE COPY OF WHICH IS AVAILABLE UPON REQUEST.

- iii. Unless otherwise agreed to in writing by Ecology, provide Ecology with a complete copy of the executed document within thirty (30) days of the date of execution of such document.
- b. **Reporting Violations.** Should the Grantor become aware of any violation of this Covenant, Grantor shall promptly report such violation in writing to Ecology.
 - c. **Emergencies.** For any emergency or significant change in site conditions due to Acts of Nature (for example, flood or fire) resulting in a violation of this Covenant, the Grantor is authorized to respond to such an event in accordance with state and federal law. The Grantor must notify Ecology in writing of the event and response actions planned or taken as soon as practical but no later than within 24 hours of the discovery of the event.
 - d. **Notification procedure.** Any required written notice, approval, reporting or other communication shall be personally delivered or sent by first class mail to the following persons. Any change in this contact information shall be submitted in writing to all parties to this Covenant. Upon mutual agreement of the parties to this Covenant, an alternative to personal delivery or first-class mail, such as e-mail or other electronic means, may be used for these communications.

City Investors IX L.L.C. 505 – 5th Avenue South, Suite 900 Seattle, WA 98104 206.342.2025 Attn: General Counsel	Environmental Covenants Coordinator Washington State Department of Ecology Toxics Cleanup Program P.O. Box 47600 Olympia, WA 98504 – 7600 (360) 407-6000 ToxicsCleanupProgramHQ@ecy.wa.gov
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Section 5. Modification or Termination.

a. Grantor must provide written notice and obtain approval from Ecology at least sixty (60) days in advance of any proposed activity or use of the Property in a manner that is inconsistent with this Covenant. For any proposal that is inconsistent with this Covenant and permanently modifies an activity or use restriction at the site:

i. Ecology must issue a public notice and provide an opportunity for the public to comment on the proposal; and

ii. If Ecology approves of the proposal, the Covenant must be amended to reflect the change before the activity or use can proceed.

b. If the conditions at the site requiring a Covenant have changed or no longer exist, then the Grantor may submit a request to Ecology that this Covenant be amended or terminated. Any amendment or termination of this Covenant must follow the procedures in MTCA and UECA and any rules promulgated under these chapters.

Section 6. Enforcement and Construction.

a. This Covenant is being freely and voluntarily granted by the Grantor.

b. Within ten (10) days of execution of this Covenant, Grantor shall provide Ecology with an original signed Covenant and proof of recording and a copy of the Covenant and proof of recording to others required by RCW 64.70.070.

c. Ecology shall be entitled to enforce the terms of this Covenant by resort to specific performance or legal process. All remedies available in this Covenant shall be in addition to any and all remedies at law or in equity, including MTCA and UECA. Enforcement of the terms of this Covenant shall be at the discretion of Ecology, and any forbearance, delay or omission to exercise its rights under this Covenant in the event of a breach of any term of this Covenant is not a waiver by Ecology of that term or of any subsequent breach of that term, or any other term in this Covenant, or of any rights of Ecology under this Covenant.

d. The Grantor shall be responsible for all costs associated with implementation of this Covenant. Furthermore, the Grantor, upon request by Ecology, shall be obligated to pay for Ecology's costs to process a request for any modification or termination of this Covenant and any approval required by this Covenant.

e. This Covenant shall be liberally construed to meet the intent of MTCA and UECA.

f. The provisions of this Covenant shall be severable. If any provision in this Covenant or its application to any person or circumstance is held invalid, the remainder of this Covenant or its application to any person or circumstance is not affected and shall continue in full force and effect as though such void provision had not been contained herein.

g. A heading used at the beginning of any section or paragraph or exhibit of this Covenant may be used to aid in the interpretation of that section or paragraph or exhibit but does not override the specific requirements in that section or paragraph.

[no further text; signature pages follow]

The undersigned Grantor warrants it holds the title Property and has authority to execute this Covenant.

EXECUTED this 24TH day of July, 2025.

CITY INVESTORS IX L.L.C.

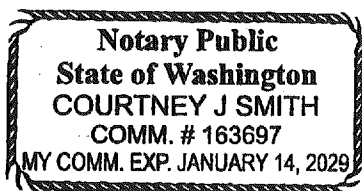


Ada M. Healey
Vice President
505 5th Avenue South, Suite 900
Seattle, WA 98104
(206) 342-2000

Acknowledgment

STATE OF Washington
COUNTY OF King

On this 24TH day of July, 2025 I certify that Ada M. Healey personally appeared before me, acknowledged that she is the Vice-President of the limited liability company that executed the within and foregoing instrument, and signed said instrument by free and voluntary act and deed of said limited liability company, for the uses and purposes therein mentioned, and on oath stated that she was authorized to execute said instrument for said limited liability company.



Notary Public in and for the State of Washington
Residing at Burlington, WA
My appointment expires 1/14/2029

The Department of Ecology hereby accepts the status as GRANTEE and HOLDER of the above Environmental Covenant.

STATE OF WASHINGTON
DEPARTMENT OF ECOLOGY

Kimberly Wooten

By: Kimberly Wooten

Title: Section manager, RP-NWco

Dated: July 28, 2025

Exhibit A

LEGAL DESCRIPTION

PARCEL A:

LOTS 10, 11, 12 AND 13, BLOCK 94, DAVID T. DENNY'S FIRST ADDITION TO NORTH SEATTLE, ACCORDING TO THE PLAT THEREOF RECORDED IN VOLUME 1 OF PLATS, PAGE 79, IN KING COUNTY, WASHINGTON.

EXCEPT THE NORTH 7.36 FEET OF SAID LOT 13;

AND EXCEPT THE WEST 12 FEET THEREOF HERETOFORE CONDEMNED IN KING COUNTY SUPERIOR COURT CAUSE NO. 47549 FOR WIDENING OF WESTLAKE AVENUE NORTH, AS PROVIDED BY ORDINANCE NO. 12023 OF THE CITY OF SEATTLE.

PARCEL B:

LOTS 8 AND 9, BLOCK 94, DAVID T. DENNY'S FIRST ADDITION TO NORTH SEATTLE, ACCORDING TO THE PLAT THEREOF RECORDED IN VOLUME 1 OF PLATS, PAGE 79, IN KING COUNTY, WASHINGTON;

EXCEPT THE WEST 12 FEET THEREOF HERETOFORE CONDEMNED IN KING COUNTY SUPERIOR COURT CAUSE NO. 47549 FOR WIDENING OF WESTLAKE AVENUE NORTH, AS PROVIDED BY ORDINANCE NO. 12023 OF THE CITY OF SEATTLE.

PARCEL C:

THE NORTH 7.36 FEET OF LOT 13 AND ALL OF LOT 14, BLOCK 94, DAVID T. DENNY'S FIRST ADDITION TO NORTH SEATTLE, ACCORDING TO THE PLAT THEREOF RECORDED IN VOLUME 1 OF PLATS, PAGE 79, IN KING COUNTY, WASHINGTON;

EXCEPT THE NORTH 11.36 FEET OF SAID LOT 14; ALSO

EXCEPT THE WEST 12 FEET OF SAID LOTS 13 AND 14, AS CONDEMNED IN KING COUNTY SUPERIOR COURT CAUSE NO. 47549, FOR WIDENING OF WESTLAKE AVENUE NORTH, AS PROVIDED BY ORDINANCE NO. 12023 OF CITY OF SEATTLE.

Exhibit B

PROPERTY MAP

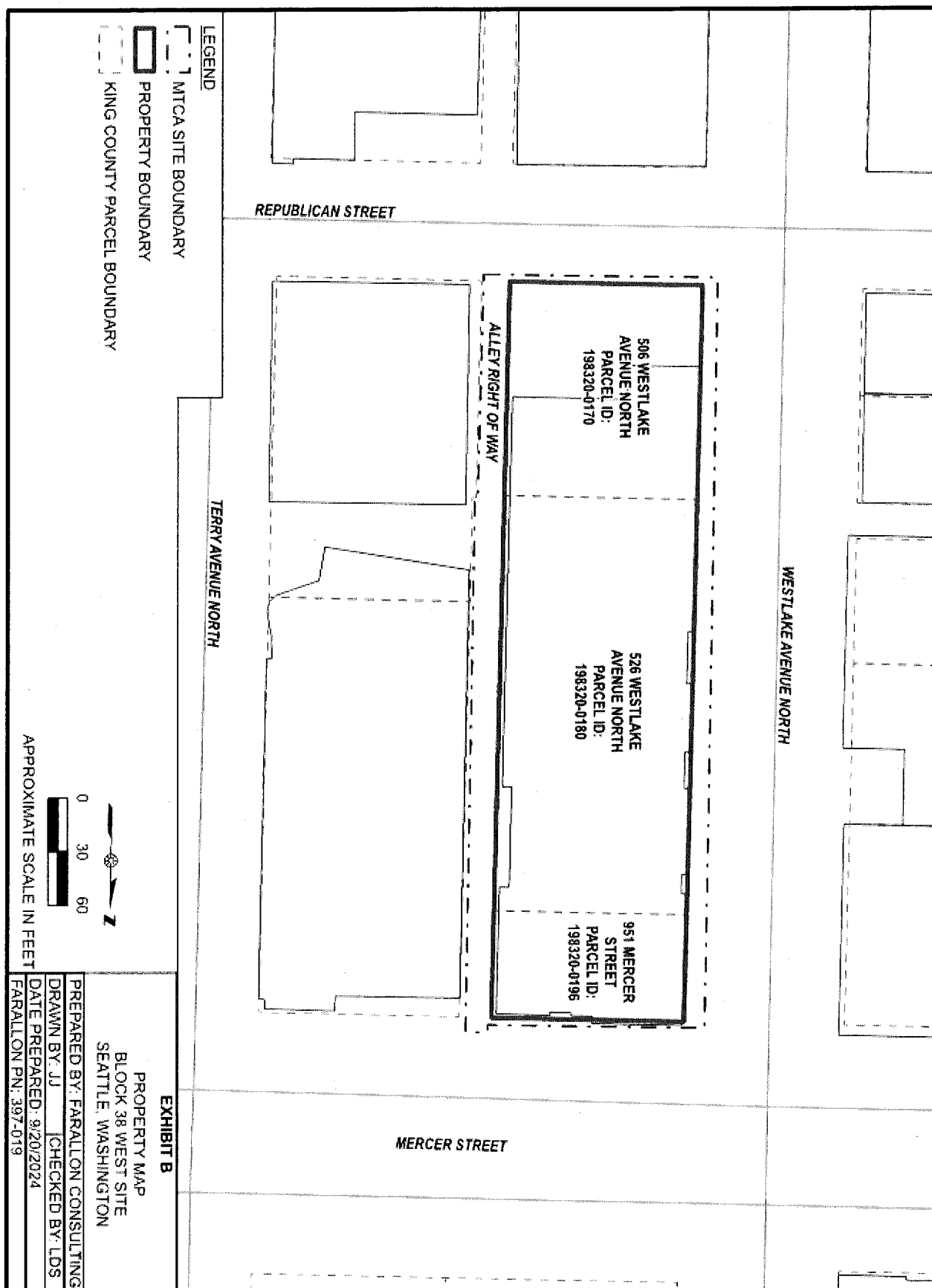
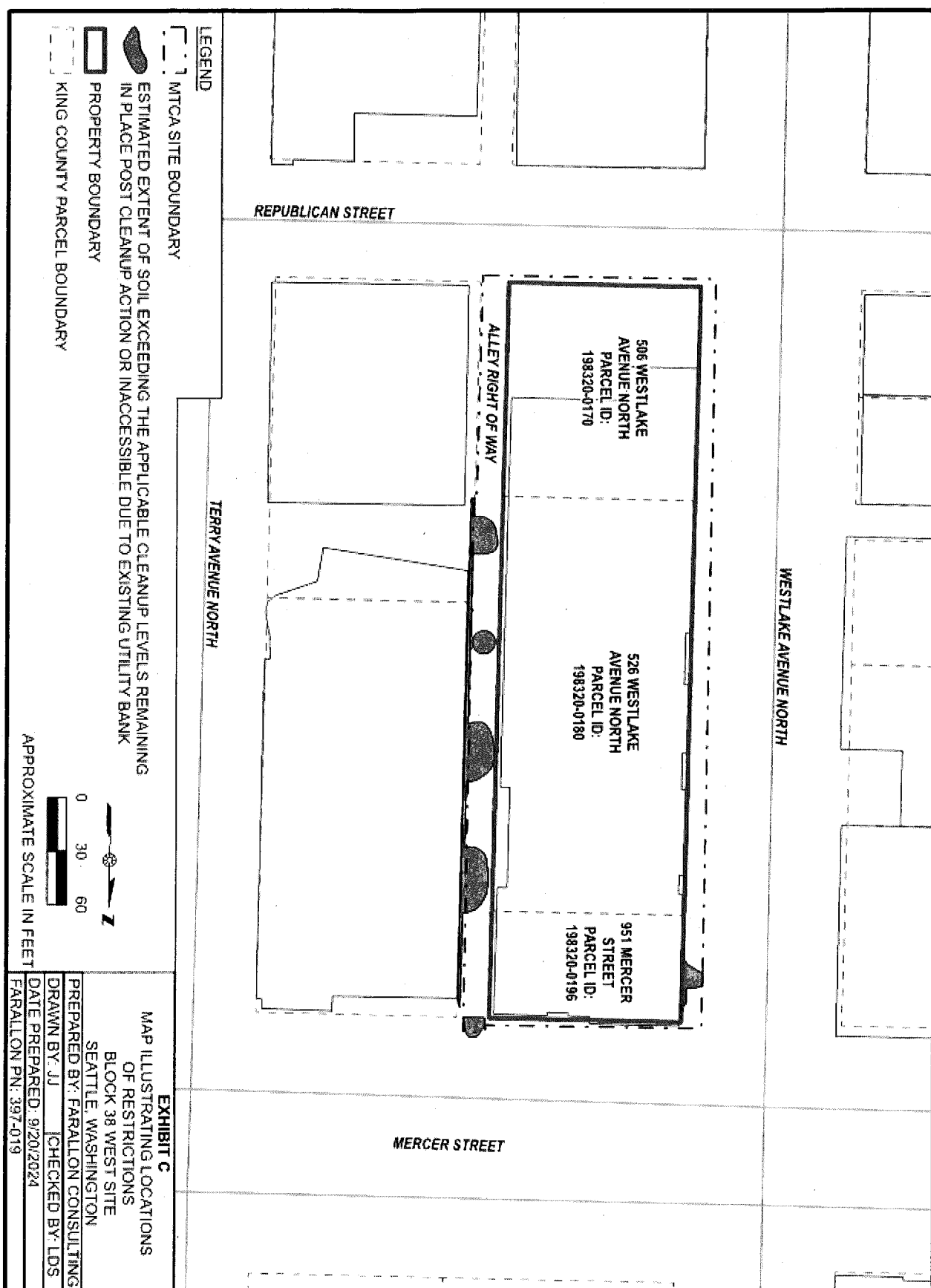


Exhibit C

MAP ILLUSTRATING LOCATION OF RESTRICTIONS




SUBORDINATION AGREEMENT

KNOW ALL PERSONS, that U.S. Bank National Association ("Holder"), successor in interest by merger to MUFG Union Bank, N.A., as administrative agent, for itself as a Lender and the other Lenders that are parties to that certain Construction Loan Agreement dated as of April 20, 2020, as amended, is the beneficiary of that certain Deed of Trust, Assignment of Rents, Security Agreement and Fixture Filing (Construction Deed of Trust) dated as of April 20, 2020, recorded in the real property records of King County, Washington under Auditor's File Number 20200421000561, as amended by instrument recorded in the real property records of King County, Washington under Auditor's File Number 20200421000561, does hereby agree that said Instrument shall be subordinate to the interest of the State of Washington, Department of Ecology, under the environmental (restrictive) covenant dated _____ (the "Covenant"), executed by City Investors IX L.L.C., a Washington limited liability company, and recorded in King County, Washington under Auditor's File Number _____.

By executing this Subordination Agreement, the Holder does not assume any liabilities with respect to the Covenant. This Subordination Agreement subordinates the interests of the Holder in the subject real property to the lien of the Covenant.

U.S. BANK NATIONAL ASSOCIATION, a national banking Association

By: 

Ryan Conroy, Senior Vice President

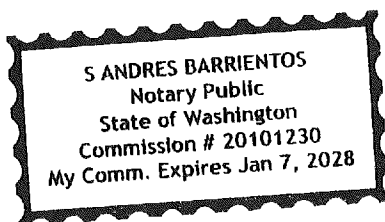
Dated: 7/22, 2025.

STATE OF WASHINGTON)
) ss.
COUNTY OF KING)

On this 22nd day of July, 2025, before me, a Notary Public in and for the State of Washington, duly commissioned and sworn, personally appeared **Ryan Conroy**, to me known to be the Senior Vice President of **U.S. BANK NATIONAL ASSOCIATION**, the national bank named in and which executed the foregoing instrument; and he/she acknowledged to me that he signed the same as the free and voluntary act and deed of said bank for the uses and purposes therein mentioned.

I certify that I know or have satisfactory evidence that the person appearing before me and making this acknowledgment is the person whose true signature appears on this document.

WITNESS my hand and official seal the day and year in this certificate above written.



Signature

Print Name

NOTARY PUBLIC in and for the State of
Washington, residing at King
My commission expires Jan. 7th, 2028.