AFN#: 20130314084 01/18/2013 at 01:16:28 PM, DOCTYPE: DECLARATION # PAGES: 8
MARIANNE NICHOLS, AUDITOR, PEND OREILLE COUNTY, WA DEPUTY CLERK: lblore FILED
BY: TECK WASHINGTON INCORPORATED

Return to:

Washington State Department of Ecology
Eastern Regional Office
Toxics Cleanup Program
N. 4601 Monroe
Spokane, WA 99205
Attn: Michael A. Hibbler

DECLARATION OF ENVIRONMENTAL COVENANT

Reference numbers of related documents: N/A

Grantor(s): Teck Washington Incorporated, a Washington corporation

Grantee(s): State of Washington, Department of Ecology

Legal Description:

1. Abbreviated form: Portions of Pend Oreille County tax parcels 433915-46-0002, 433910-50-0002 and 433915-11-0001 in Sections 10 and 15, Township 329 North, Range 43 East, Willamette Meridian.

2. Additional legal descriptions are on pages 7 through 8 of this document.

Assessor's Property Tax Parcel Account Number(s): 433915-46-0002, 433910-50-0002 and 433915-11-0001.

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DECLARATION OF ENVIRONMENTAL COVENANT

The undersigned, Teck Washington Incorporated, a Washington corporation (hereafter "Teck"), is the fee owner of real property (hereafter the "Property") in the County of Pend Oreille, State of Washington, that is subject to this Declaration of Environmental Covenant (hereafter the "Covenant"). The Property consists of an area within portions of three (3) separate Pend Oreille County tax parcels, which is legally described in Attachment A of this Covenant and incorporated herein by reference.

Recitals

This Covenant is made by Teck pursuant to RCW 70.105D.030(1)(f) and (g) and WAC

173-340-440. A remedial action (hereafter "Remedial Action") is being conducted at the Property that is the subject of this Covenant. The Remedial Action conducted at the Property is described in the following documents:

1. Cleanup Action Plan for the Pend Oreille Mine Tailings Disposal Facilities Nos. 1 and 2 in Metaline Falls, Washington approved and entered on April, 25, 2011.

2. Design documents dated July 22, 2011.

These documents are currently on file at the Washington State Department of Ecology's (hereafter "Ecology") Eastern Regional Office, located at N. 4601 Monroe, Spokane, Washington. The Remedial Action includes installation of a cover system over the tailings on the Property. The components of the cover system are depicted on the engineering design drawings which in this covenant is a part of and is incorporated herein by reference.

This Covenant is required because a conditional point of compliance has been established for groundwater. Iron and manganese are present in groundwater up gradient of the conditional point of compliance in concentrations that exceed the Model Toxics Control Act Method B cleanup levels established under WAC 173-340-720.

Teck makes the following declaration as to limitations, restrictions, and uses to which each of the parcels on the Property may be put and specifies that such declarations shall constitute covenants to run with the land, as provided by law and shall be binding on the legal representatives, successors and assigns of all persons having or in the future acquiring any right, title, or interest in any of the parcels on the Property (hereafter "Owner"). Teck hereby binds Owner to the land use restrictions identified herein and grants such other rights under this Covenant in favor of the State of Washington, Department of Ecology (hereafter "Ecology"). Ecology shall have full right of enforcement of the rights conveyed under this Covenant pursuant to RCW 70.105D.030(1)(g) and the Uniform Environmental Covenants Act, chapter 64.70 RCW.

Covenant

Limitations, Restrictions, and Uses for Parcels 433915-46-0002, 433910-50-0002 and 433915-11-0001:

Section 1. No groundwater may be taken from this parcel(s), except for purposes related to the Remedial Action, such as groundwater monitoring.

Section 2. The Owner shall maintain components of the Remedial Action installed on this parcel(s) in accordance with the maintenance requirements of the Operations and Maintenance Plan, prepared in accordance with requirements of Exhibit C to the Consent Decree entered on April 25, 2011, in *State of Washington, Department of Ecology v. Teck Washington Incorporated*, Pend Oreille County Superior Court No.11-2-0083-1, as now written and hereafter amended.

Section 3. The Owner shall maintain a suitable barrier that restricts unauthorized access to

the cover system as described in the Operations and Maintenance Plan, prepared in accordance with requirements of Exhibit C to the Consent Decree entered on April 25, 2011, in *State of Washington, Department of Ecology v. Teck Washington Incorporated*, Pend Oreille County Superior Court No. 11-2-0083-1, as now written and hereafter amended.

Section 4. Any activity on the parcel(s) that may result in the release or exposure to the environment of a hazardous substance that remains on the parcel(s) as part of the Remedial Action, or create a new exposure pathway, is prohibited without prior written approval from Ecology. Such activities include, but are not limited to, the following: drilling or digging; placing any objects or using any equipment that deforms or stresses the ground surface beyond its load-bearing capability; or bulldozing or earthwork.

Section 7. Any activity on the parcel(s) that may interfere with the integrity of the Remedial Action and the resultant continued protection of human health and the environment is prohibited.

Section 8. The Owner must give thirty (30) days advance written notice to Ecology of the Owner's intent to convey any interest in the parcel(s). No conveyance of title, easement, lease, or other interest in the parcel(s) shall be consummated by the Owner without adequate and complete provision for continued monitoring, operation, and maintenance of the Remedial Action. The Owner must include in any instrument conveying any interest in the parcel(s) notice of this Restrictive Covenant.

Section 9. The Owner must restrict leases to uses and activities consistent with the Restrictive Covenant and notify all lessees of the restrictions on the use of the parcel(s).

Section 10. The Owner must notify and obtain approval from Ecology prior to any use of the parcel that is inconsistent with the terms of this Restrictive Covenant. Ecology may approve any inconsistent use only after public notice and comment.

Section 11. The Owner shall allow authorized representatives of Ecology the right to enter the parcel(s) at reasonable times for the purpose of evaluating the Remedial Action, to take samples, to inspect the Remedial Action conducted at the parcel(s), and to inspect records that are related to the Remedial Action. Except in an emergency, Ecology shall notify the Owner of its intention to enter the parcel(s) at least 48 hours before entry.

Section 12. The Owner of the parcel(s) reserves the right under WAC 173-340-440 to record an instrument that provides that this Restrictive Covenant shall no longer limit use of the parcel(s) or be of any further force or effect. However, such an instrument may be recorded only if Ecology, after public notice and opportunity for comment, concurs.

Miscellaneous Provisions

Governing Law. The validity, performance, and enforceability of this Covenant shall be governed by the laws of the State of Washington.

Notices. All notices or other communications that are required or permitted to be given under this Covenant shall be in writing, and either personally delivered or mailed to the following addresses:

Notices or other communications to Ecology:

Washington State Department of Ecology
Eastern Regional Office
Toxics Cleanup Program
N. 4601 Monroe
Spokane, WA 99205

Notices or other communications to Teck Washington Incorporated:

Teck Washington Incorporated
1382 Pend Oreille Mine Road
Metaline Falls, WA 99153

(Signature blocks appear on next two pages)

TECK WASHINGTON INCORPORATED, a Washington corporation

By: Phillip A. Pesek
Its: Vice President

STATE OF WASHINGTON
COUNTY OF PEND OREILLE

On this 17th day of January, 2013, before me, the undersigned, a Notary Public in and for the State of Washington, duly commissioned and sworn, personally appeared Phillip A. Pesek, to me known to be the person who signed as Vice President of TECK WASHINGTON INCORPORATED, the corporation that executed the within and foregoing instrument, and acknowledged said instrument to be the free and voluntary act and deed of said corporation for the uses and purposes therein mentioned, and on oath stated that he was duly elected, qualified and action as said officer of the corporation, that he was authorized to execute said instrument and that the seal affixed, if any, is the corporate seal of said corporation.

IN WITNESS WHEREOF I have hereunto set my hand and official seal the day 17th day of January, 2013.

TONIA JO STEWART NOTARY PUBLIC STATE OF WASHINGTON COMMISSION EXPIRES 6-09-14

Tonia Jo Stewart
Print Name: Tonia Jo Stewart
Notary Public in and for the State of Washington
Residing at Spokane Valley
My commission expires: 6/9/14

STATE OF WASHINGTON, DEPARTMENT OF ECOLOGY

By: JAMES J. PENDOWSKI
Its: TOXICS CLEANUP PROGRAM MANAGER

APPROVED AS TO FORM:

By: ANDREW A. FITZ
Assistant Attorney General

STATE OF WASHINGTON)
COUNTY OF Thurston)

On this 8 day of 2013, 2013, before me personally appeared James J. Pendowski, to me known to be the duly appointed Toxics Cleanup Program Manager of the STATE OF WASHINGTON, DEPARTMENT OF ECOLOGY, and that He executed the within and foregoing instrument and acknowledged the said instrument to be the free and voluntary act and deed of said State of Washington, for the uses and purposes therein set forth, and on oath stated that he/she is authorized to execute said instrument.

IN WITNESS WHEREOF I have hereunto set my hand and official seal the day 8 day of January, 2013.

Ann M. Lowe
Print Name: Ann M. Lowe
Notary Public in and for the State of Washington
Residing at Olympia, WA
My commission expires: 8-15-2015

ANN M. LOWE NOTARY PUBLIC STATE OF WASHINGTON COMMISSION EXPIRES AUG. 15, 2015

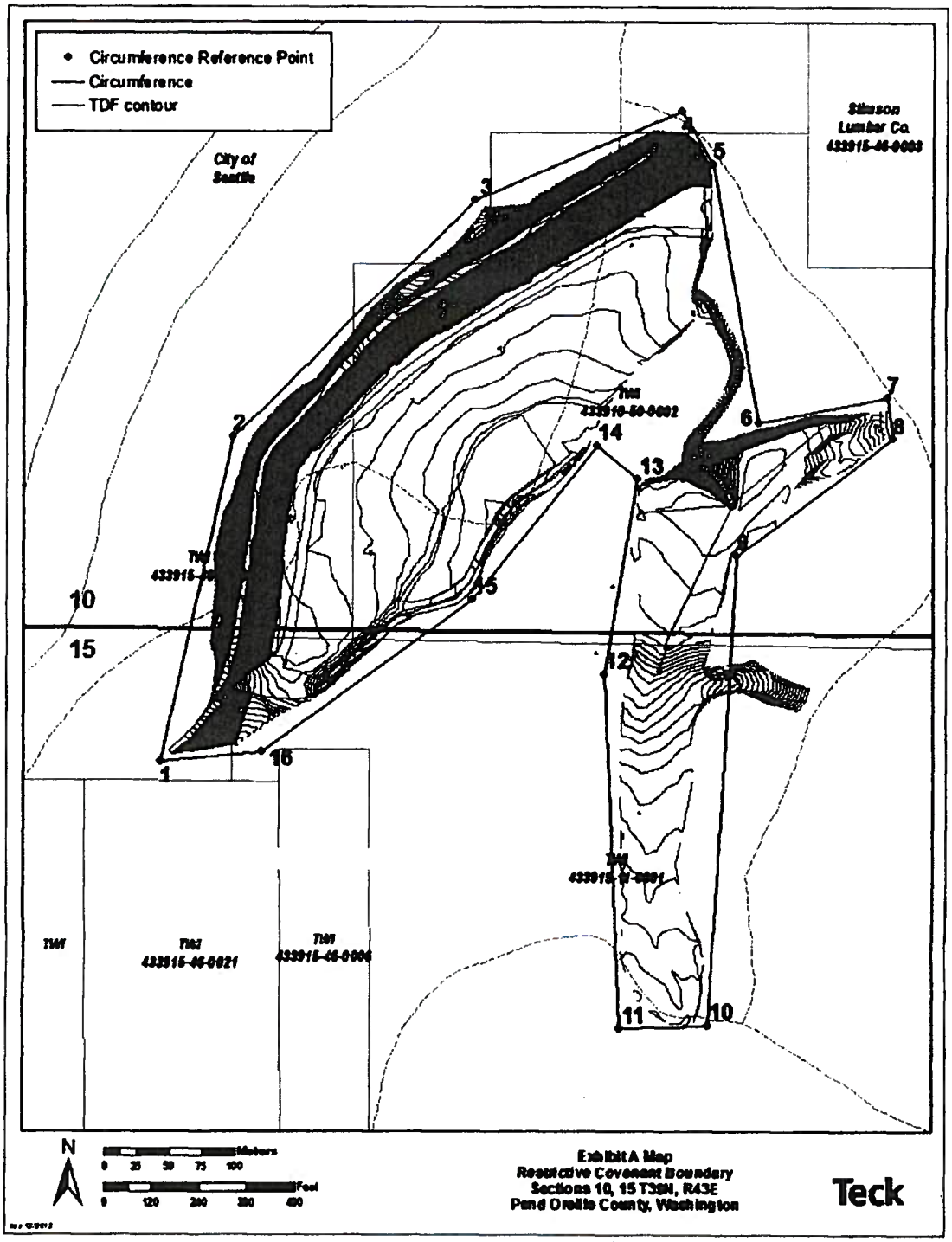
Attachment A

Legal Description

The Property is all that land contained in portions of Pend Oreille County, Washington, tax parcels 433915-46-0002, 433910-50-0002 and 433915-11-0001 , all in the southeast quarter (SE1/4) of Section 10 and the northeast quarter (NE1/4) of Section 15, Township 39 North, Range 43 East, Willamette Meridian, bounded by and within the tract of land more particularly described herein and depicted for reference on the attached map (the "Circumference"):

The Circumference is drawn using the coordinate system NAD83, Washington State Plane, Feet to describe the corners marked on the map.

Circumference Reference Point	X coordinate	Y coordinate
1	2477320.5	707297.3
2	2477461.2	708122.4
3	2478039.8	708745.3
4	2478544.2	708993.2
5	2478631.0	708863.3
6	2478778.5	708223.5
7	2479100.6	708303.1
8	2479120.7	708200.6
9	2478739.5	707888.0
10	2478728.8	706700.0
11	2478508.2	706680.7
12	2478425.0	707573.8
13	2478479.9	708069.1
14	2478377.8	708148.0
15	2478084.6	707746.3
16	2477574.8	707334.4


Circumference Reference Point
Circumference
TDF contour
City of Seattle
Stimson Lumber Co.
433915-46-0003
TWI
433915-46-0002
TWI
433915-46-0021
TWI
433915-46-0006
TWI
433915-46-0001
1
2
3
4
5
6
7
8
10
11
12
13
14
15
16
N
Meters
0 25 50 75 100
Feet
0 120 240 360 480
Exhibit A Map
Restrictive Covenant Boundary
Sections 10, 15 T38N, R43E
Pend Oreille County, Washington
Teck