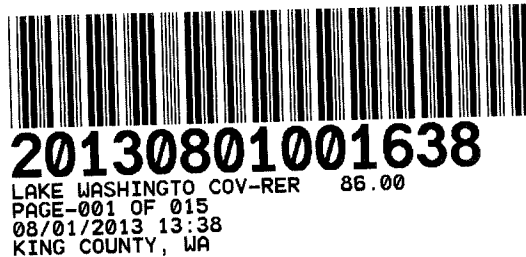


Enclosure B

Restrictive Environmental Covenant

Restrictive Environmental Covenant

After Recording Return to:
Eugene Freeman
Department of Ecology
Northwest Regional Office
3190 160th Avenue SE
Bellevue, WA 98008-5452



Environmental Covenant

Grantor: Lake Washington Limited Partnership, a Washington Limited Partnership
Grantee: State of Washington, Department of Ecology
Legal: POR OF GL 3 LY E OF 52ND AVE S-W OF 54TH AVE S & S OF S
HENDERSON ST LESS N 80 FT OF E 120 FT; Address: 9061 Seward Park Avenue South,
Seattle, Washington
Tax Parcel Nos.: King County #3524049015
Cross Reference: NA

Grantor, Lake Washington Limited Partnership hereby binds Grantor, its successors and assigns to the land use restrictions identified herein and grants such other rights under this environmental covenant (hereafter "Covenant") made this 12th day of August, 2013 in favor of the State of Washington Department of Ecology (Ecology). Ecology shall have full right of enforcement of the rights conveyed under this Covenant pursuant to the Model Toxics Control Act, RCW 70.105D.030(1)(g), and the Uniform Environmental Covenants Act, 2007 Wash. Laws ch. 104, sec. 12.

This Declaration of Covenant is made pursuant to RCW 70.105D.030(1)(f) and (g) and WAC 173-340-440 by Lake Washington Limited Partnership, its successors and assigns, and the State of Washington Department of Ecology, its successors and assigns (hereafter "Ecology").

A remedial action (hereafter "Remedial Action") occurred at the property that is the subject of this Covenant. The Remedial Action conducted at the property is described in the following documents:

- Independent Remedial Action Report – Seward Park Estates Underground Storage Tank Removal, April 1997
- Site Characterization Report – Lake Washington Apartments Phase II Environmental Site Assessment, May 2012
- Lake Washington Apartments Phase II Follow-up Groundwater Characterization Technical Report, September 2012
- Compliance Monitoring Well Installation and Sampling Plan, Lake Washington Apartments, January 2013
- Compliance Groundwater Monitoring Technical Report, Lake Washington Apartments, January 2013.

These documents are on file at Ecology's Northwest Regional Office.

This Covenant is required because the Remedial Action resulted in residual concentrations of diesel- and heavy oil-range total petroleum hydrocarbons which exceed the Model Toxics Control Act Method A Cleanup Level for soil established under WAC 173-340-900.

This Restrictive Covenant is required because a conditional point of compliance has been established for groundwater.

The undersigned, Lake Washington Limited Partnership, is the fee owner of real property (hereafter "Property") in the County of King, State of Washington that is subject to this Covenant. The Property is legally described as follows: POR OF GL 3 LY E OF 52ND AVE S-W OF 54TH AVE S & S OF S HENDERSON ST LESS N 80 FT OF E 120 FT.

Lake Washington Limited Partnership makes the following declaration as to limitations, restrictions, and uses to which 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 all parties and all persons claiming under them, including all current and future owners of any portion of or interest in the Property (hereafter "Owner").

Section 1. No groundwater may be taken for domestic, agricultural, or any use from the Property. A portion of the Property contains diesel- and heavy oil-range total petroleum

hydrocarbons contaminated soil beneath the southeast corner of Building 35. The Owner shall not alter, modify, or remove the existing structure[s] in any manner that may result in the release or exposure to the environment of that contaminated soil or create a new exposure pathway without prior written approval from Ecology.

Section 2. Any activity on the Property that may substantially interfere with the integrity of the Remedial Action and continued protection of human health and the environment is prohibited.

Section 3. Any activity on the Property that may result in the release or exposure to the environment of a hazardous substance that remains on the Property as part of the Remedial Action, or create a new exposure pathway, is prohibited without prior written approval from Ecology.

Section 4. The Owner of the property must give thirty (30) day advance written notice to Ecology of the Owner's intent to convey any interest in the Property. No conveyance of title, easement, lease, or other interest in the Property shall be consummated by the Owner without adequate and complete provision for continued monitoring, operation, and maintenance of the Remedial Action.

Section 5. The Owner must restrict leases to uses and activities consistent with the Covenant and notify all lessees of the restrictions on the use of the Property.

Section 6. The Owner must notify and obtain approval from Ecology prior to any use of the Property that is inconsistent with the terms of this Covenant. Ecology may approve any inconsistent use only after public notice and comment.


Section 7. The Owner shall allow authorized representatives of Ecology the right to enter the Property at reasonable times for the purpose of evaluating the Remedial Action; to take samples, to inspect remedial actions conducted at the property, to determine compliance with this Covenant, and to inspect records that are related to the Remedial Action.

Section 8. The Owner of the Property reserves the right under WAC 173-340-440 to record an instrument that provides that this Covenant shall no longer limit use of the Property 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.

LAKE WASHINGTON LIMITED PARTNERSHIP

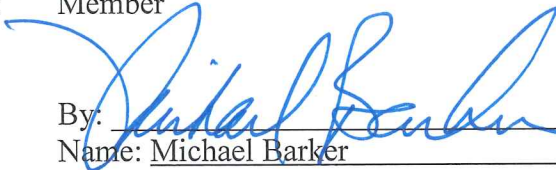
By: Lake Washington Apartments, LLC
Its: General Partner

By: SouthEast Effective Development
A Washington nonprofit corporation
Its: Manager

By: 
Name: Lance Matteson
Its: Executive Director


Dated: 7-29-2013

By: Bayside Washington, LLC
A Washington limited liability company
Its: Member

By: 
Name: Michael Barker
Its: Authorized Representative

Dated: 7/26/2013

STATE OF WASHINGTON
DEPARTMENT OF ECOLOGY



Dated: 8-12-13

CALIFORNIA ALL-PURPOSE ACKNOWLEDGMENT

State of California

County of Los Angeles

On July 26, 2013 before me, Erin Manning Cunningham, Notary Public,
Date Here Insert Name and Title of the Officer

personally appeared Michael Barker
Name(s) of Signer(s)

who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.



Signature: [Signature]
Signature of Notary Public

Place Notary Seal and/or Stamp Above

OPTIONAL

Though the information below is not required by law, it may prove valuable to persons relying on the document and could prevent fraudulent removal and reattachment of this form to another document.

Description of Attached Document

Title or Type of Document: _____

Document Date: _____ Number of Pages: _____

Signer(s) Other Than Named Above: _____

Capacity(ies) Claimed by Signer(s)

Signer's Name: _____ Signer's Name: _____

Corporate Officer — Title(s): _____ Corporate Officer — Title(s): _____

Individual Partner — Limited General Individual Partner — Limited General

Attorney in Fact Attorney in Fact

Trustee Trustee

Guardian or Conservator Guardian or Conservator

Other: _____ Other: _____

Signer Is Representing: _____ Signer Is Representing: _____

[INDIVIDUAL ACKNOWLEDGMENT]

STATE OF _____
COUNTY OF _____

On this _____ day of _____, 20__, I certify that _____ personally appeared before me, and acknowledged that **he/she** is the individual described herein and who executed the within and foregoing instrument and signed the same at **his/her** free and voluntary act and deed for the uses and purposes therein mentioned.

Notary Public in and for the State of
Washington, residing at _____.
My appointment expires _____.

[CORPORATE ACKNOWLEDGMENT]

STATE OF Washington
COUNTY OF King

On this 29 day of July, 2013, I certify that Lance Matteson personally appeared before me, acknowledged that **he/she** is the Executive Director of the corporation that executed the within and foregoing instrument, and signed said instrument by free and voluntary act and deed of said corporation, for the uses and purposes therein mentioned, and on oath stated that **he/she** was authorized to execute said instrument for said corporation.



Buna Faircloth

Notary Public in and for the State of
Washington, residing at
Seattle.
My appointment
expires March 9, 2016.

[REPRESENTATIVE ACKNOWLEDGEMENT]

STATE OF _____
COUNTY OF _____

On this _____ day of _____, 20__, I certify that _____ personally appeared before me, acknowledged that **he/she** signed this instrument, on oath stated that **he/she** was authorized to execute this instrument, and acknowledged it as the

_____ [type of authority] of _____ [name of party being represented] to be the free and voluntary act and deed of such party for the uses and purposes mentioned in the instrument.

Notary Public in and for the State of
Washington, residing at _____.
My appointment expires _____.

Return Address: Mark Kantor
Kantor Taylor McCarthy & Britzmann, P.C.
1501 Fourth Avenue, #1610
Seattle, WA 98101-1662

AUDITOR/RECORDER'S INDEXING FORM

Document Title(s):	1. Restrictive Covenant
Reference Number(s) of Documents assigned or released:	
Grantor(s):	1. Lake Washington Limited Partnership
<input type="checkbox"/>	Additional names on page _____ of document.
Grantee(s):	1. State of Washington Department of Ecology
	2.
<input type="checkbox"/>	Additional names on page _____ of document.
Legal Description:	Portion of Government Lot 3 in Section 35-24-4. (abbreviated)
<input checked="" type="checkbox"/>	Additional legal is on <u>Exhibit A</u> of document.
Assessor's Property Tax Parcel/Account Number:	<u>352404-9015-01</u>

9805121102

9805121102 10:59:00 AM KING COUNTY RECORDS 007 TNS 14-89

**RESTRICTIVE COVENANT
LAKE WASHINGTON APARTMENTS
LAKE WASHINGTON LIMITED PARTNERSHIP**

This Declaration of Restrictive Covenant dated February 24, 1998 is made pursuant to RCW 70.105D.030(1)(f) and (g) and WAC 173-34-440 by Lake Washington Limited Partnership, its successors and assigns, and the State of Washington Department of Ecology ("Ecology"), its successors and assigns.

An independent remedial action Remedial Action occurred at the property that is the subject of this Restrictive Covenant. The Remedial Action conducted at the property is described in the following documents:

1. Independent Remedial Action Report. LAKE WASHINGTON APARTMENTS Underground Storage Tank Removal, Herrera Environmental Consultants, Inc., April 16, 1997.
2. No Further Action Letter, Department of Ecology, John Bails, November 25, 1997.

These documents are on file at Ecology's Northwest Regional Office, 3190 160th Avenue SE, Bellevue, Washington.

This Restrictive Covenant is required because the Remedial Action resulted in residual concentrations of diesel fuel oil, PS300 or bunker C which exceed the Model Toxics Control Act Method A Residential Cleanup Levels for soil established under WAC 173-340-740. Lake Washington Limited Partnership, is the fee owner of real property ("Property") in the County of King, State of Washington, that is subject to this Restrictive Covenant. The Property is legally described in attachment A of this restrictive covenant and made a part hereof by reference. Lake Washington Limited Partnership ("Owner") makes the following declaration as to limitations, restrictions, and uses to which 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 all parties and all persons claiming under them, including all current and future owners of any portion of or interest in the Property.

Section 1. Approximately 180 cubic yards of diesel-range and heavy fuel oil-range petroleum contaminated soil remains on site beneath the building and the utilities. The estimates of contaminated soil volumes left in place are accurate to within 50 percent. At building 15,

9805121102

location 1, approximately 20 cubic yards of moderately contaminated soil may remain under the building and in the vicinity of the former 1800 gallon tank. At building 12, location 2, approximately 5 cubic yards of low-level contaminated soil may remain under the building and in the vicinity of the 300 gallon tank. At building 9, location 3, approximately 10-20 cubic yards may remain beneath the building and in the vicinity of both tank excavations. At building 5, location 4, approximately 50 cubic yards of moderately contaminated soil may remain under the building and at the bottoms of the former 300 gallon and the 1800 gallon tank excavations. At building 2, location 5, approximately 20 cubic yards of contaminated soil (500mg/kg TPH) may remain adjacent to the 1800 gallon tank beneath the building. An additional 5 cubic yards may remain near the former 55 gallon drum location beneath the building. At building 35, location 6, approximately 10 cubic yards of contaminated soil (200-500mg/kg TPH) may remain beneath the pipe chase and the 12-inch sewer pipe. An additional 40 cubic yards of contaminated soil remains beneath the building. At building 27, location 9, approximately 10 cubic yards of soil (500mg/kg TPH) may remain under the building adjacent to the former 1800 gallon tank. The Owner shall not alter, modify, or remove the existing structures in any manner that may result in the release or exposure to the environment of that contaminated soil or create a new exposure pathway without prior written approval from Ecology.

Section 2. Any activity on the Property that may interfere with the integrity of the Remedial Action and continued protection of human health and the environment is prohibited.

Section 3. Any activity on the Property that may result in the release or exposure to the environment of a hazardous substance that remains on the Property as part of the Remedial Action, or create a new exposure pathway, is prohibited without prior written approval from Ecology.

Section 4. The Owner of the property must give thirty (30) day advance written notice to Ecology of the Owner's intent to convey any interest in the Property. No conveyance of title, easement, lease, or other interest in the Property shall be consummated by the Owner without adequate and complete provision for continued monitoring, operation, and maintenance of the Remedial Action.

Section 5. 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 Property.

Section 6. The Owner must notify and obtain approval from Ecology prior to any use of the Property that is inconsistent with the terms of this Restrictive Covenant. Ecology may approve any inconsistent use only after public notice and comment.

Section 7. The Owner shall allow authorized representatives of Ecology the right to enter the Property at reasonable times for the purpose of evaluating the Remedial Action; to take samples, to inspect remedial actions conducted at the property, and to inspect records that are related to the Remedial Action.

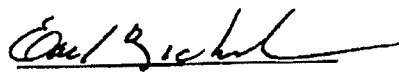
9805121102

Section 8. The Owner of the Property 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 Property 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.

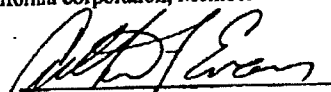
LAKE WASHINGTON LIMITED PARTNERSHIP

By: Lake Washington Apartments L.L.C.,
a Washington limited liability company,
its General Partner

By: South East Effective Development,
a Washington nonprofit corporation,
its Manager

By: 
Earl Richardson,
Executive Director

By: A.F. Evans Company, Inc., a
California corporation, Member

By: 
Arthur F. Evans,
President

9805121102

MBK:28049.78529/8227AQ01.SDA

EXHIBIT A
LEGAL DESCRIPTION

The land referred to is situated in the State of Washington, County of KING, and is described as follows:

THAT PORTION OF GOVERNMENT LOT 3, SECTION 35, TOWNSHIP 24 NORTH, RANGE 4 EAST, WILLAMETTE MERIDIAN, IN KING COUNTY, WASHINGTON, AND THE SHORELANDS OF THE SECOND CLASS IN FRONT THEREOF, DESCRIBED AS FOLLOWS:

BEGINNING AT THE INTERSECTION OF THE SOUTH LINE OF SAID GOVERNMENT LOT WITH THE EAST LINE OF 52ND AVENUE SOUTH AS THE SAME WAS CONDEMNED BY THE CITY OF SEATTLE IN KING COUNTY SUPERIOR COURT CAUSE NUMBER 177159 UNDER ORDINANCE NUMBER 46529 OF SAID CITY;

THENCE NORTH $0^{\circ}09'08''$ EAST, ALONG SAID EAST LINE, 968.28 FEET TO THE SOUTH LINE OF HENDERSON STREET AS CONDEMNED BY SAID CITY IN KING COUNTY SUPERIOR COURT CAUSE NUMBER 135781 UNDER ORDINANCE NUMBER 39385 OF SAID CITY;

THENCE SOUTH $89^{\circ}50'52''$ EAST, ALONG SAID SOUTH LINE 624.00 FEET TO THE WEST LINE OF 54TH AVENUE SOUTH AS THE SAME WAS CONDEMNED BY SAID CITY IN KING COUNTY SUPERIOR COURT CAUSE NUMBER 279198 UNDER ORDINANCE NUMBER 65076 OF SAID CITY;

THENCE SOUTH $2^{\circ}40'40''$ EAST, ALONG SAID WEST LINE, 316.94 FEET TO A POINT OF CURVE;

THENCE CONTINUING ALONG SAID WEST LINE ON A CURVE TO THE LEFT WITH A RADIUS OF 735.00 FEET, AN ARC DISTANCE OF 494.53 FEET TO A POINT OF TANGENCY;

THENCE CONTINUING ALONG SAID WEST LINE, SOUTH $41^{\circ}13'42''$ EAST 202.296 FEET TO AN INTERSECTION WITH A LINE IN PROLONGATION NORTHERLY OF THE EAST LINE OF LOT 8, BLOCK 66, RAINIER BEACH, ACCORDING TO THE PLAT THEREOF, RECORDED IN VOLUME 8 OF PLATS, PAGE 11, IN KING COUNTY, WASHINGTON;

THENCE SOUTH $0^{\circ}26'50''$ WEST ALONG SAID LINE IN PROLONGATION OF THE EAST LINE OF SAID LOT 8, 51.988 FEET TO THE SAID SOUTH LINE OF GOVERNMENT LOT 3;

THENCE NORTH $89^{\circ}44'53''$ WEST ALONG SAID SOUTH LINE 955.72 FEET TO THE POINT OF BEGINNING;

EXCEPT THE NORTH 80 FEET OF THE EAST 120 FEET THEREOF.

9805121102

STATE OF WASHINGTON)
) ss.
COUNTY OF KING)

On this 10 day of March, 1998, before me the undersigned, a Notary Public in and for the State of Washington, duly commissioned and sworn, personally, appeared EARL RICHARDSON, to me known (or proved by satisfactory evidence) to be the EXECUTIVE DIRECTOR of SOUTH EAST EFFECTIVE DEVELOPMENT, a Washington nonprofit corporation, to me known (or proved by satisfactory evidence) to be the Managing Member of Lake Washington Apartments L.L.C., a Washington limited liability company, to me known (or proved by satisfactory evidence) to be the general partner of LAKE WASHINGTON LIMITED PARTNERSHIP, the partnership that executed the foregoing instrument, and acknowledged the said instrument to be the free and voluntary act and deed of said nonprofit corporation on behalf of said limited liability company on behalf of said partnership for the uses and purposes therein mentioned, and on oath stated that he was authorized to execute the said instrument.

WITNESS my hand and official seal hereto affixed the day and year first above written.



9805121102

Thomas Jacobi
Print Name: Thomas J. Jacobi
NOTARY PUBLIC in and for the State of
Washington, residing at Seattle
My Commission expires 1-19-99

STATE OF WASHINGTON)
) ss.
COUNTY OF KING)

On this 2nd day of March, 1998, before me the undersigned, a Notary Public in and for the State of Washington, duly commissioned and sworn, personally appeared ARTHUR F. EVANS, to me known (or proved by satisfactory evidence) to be the PRESIDENT of A.F. Evans Company, Inc., a California corporation to me known (or proved by satisfactory evidence) to be a Member of Lake Washington Apartments L.L.C., a Washington limited liability company, to me known (or proved by satisfactory evidence) to be the general partner of LAKE WASHINGTON LIMITED PARTNERSHIP, the partnership that executed the foregoing instrument, and acknowledged the said instrument to be the free and voluntary act and deed of said corporation on behalf of said limited liability company on behalf of said partnership for the uses and purposes therein mentioned, and on oath stated that he was authorized to execute the said instrument.

WITNESS my hand and official seal hereto affixed the day and year first above written.



(seal or stamp)

Vicki L. Miller
Print Name: VICKI L. MILLER
NOTARY PUBLIC in and for the State of
Washington, residing at Redmond, WA
My Commission expires 11/15/01

9805121102