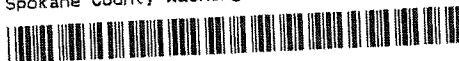


12/22/2010 09:39:26 AM
Recording Fee \$67.00 Page 1 of 6
Covenant OFFICE OF CITY CLERK
Spokane County Washington



After Recording Return to:
Teresita Bala
WA Department of Ecology
4601 N. Monroe St.
Spokane, WA 99205-1295

Environmental Covenant

OPR 2010-0954 0960

RECEIVED

DEC 28 2010

DEPARTMENT OF ECOLOGY
EASTERN REGIONAL OFFICE

Grantor: City of Spokane

Grantee: State of Washington, Department of Ecology

Legal: Alley Right-of-Way [A portion of Block 151 of the "Amended Map of School Section 16" as recorded in book D of plats page 100 in Spokane County, State of Washington and being more particularly described as follows:
Beginning at a point at the intersection of the west line of lot 9 of said block 151 and the northerly right-of-way line of the Spokane, Coeur D'Alene and Palouse rail road – said point also being on the east line of the alley of said block 151; Thence N 0°00'00" E along the east line of said alley - 225.00 feet; thence N 90°00'00" W -16.00 feet to the west line of said alley; thence S 0°00'00" E – approximately 234.5' to the northerly right of way line of said rail road; thence northeasterly along the northerly right-of-way of said rail road to the point of beginning and terminus point for this description.]

Tax Parcel Nos.: [Alley Right-of-Way between parcel 35164.0406 and 35164.0405]

Grantor, the City of Spokane, hereby binds Grantor, their successors and assigns to the land use restrictions identified herein and grants such other rights under this environmental covenant (hereafter "Covenant") made this 17 day of December, 2010 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 the City of Spokane, and their successors and assigns, and the State of Washington Department of Ecology, its successors and assigns (hereafter "Ecology").

Right-of-Way Environmental Covenant

R. E. Excise Tax Exempt
Date 12/22 2010
Spokane County Treas.
By *[Signature]*

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:

- Final Cleanup Action Plan, August 2004.
- Cleanup Action Report, October 5, 2009.

These documents are on file at Ecology's Eastern Regional Office located at 4610 N. Monroe St., Spokane, WA.

This Covenant is required because the Remedial Action resulted in residual concentrations of Polychlorinated Biphenyls (PCBs) which exceed the Model Toxics Control Act Method A Soil Cleanup Level for Unrestricted Land Uses established under WAC 173-340-740.

The City of Spokane asserts that it has a presumptive fee interest in the real property (hereafter "Property") in Spokane County, State of Washington, that is subject to this Covenant. The Property is legally described in ATTACHMENT A of this Covenant and made a part hereof by reference. The City asserts that its presumptive fee interest is subject to an easement granted to the public forever for the purpose of being used as public right-of-way. As such, the City asserts that the Property is not within the City's exclusive control as the City does not possess the right to exclude others from the Property. By virtue of signing this Covenant, Ecology takes no position on these assertions by the City. Notwithstanding the City's assertions in this paragraph, the City agrees to be bound by the terms of this Covenant.

The City of Spokane 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 I. Any activity on the Property that may result in the release or exposure to the environment of the contaminated soil that was contained as part of the Remedial Action, or create a new exposure pathway, is prohibited. Some examples of activities that are prohibited in the capped areas include: drilling, digging, placement of any objects or use of any equipment

which deforms or stresses the surface beyond its load bearing capability, piercing the surface with a rod, spike or similar item, bulldozing or earthwork.

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) days 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.

CITY OF SPOKANE



By: Mary B. Verner
Its: Mayor
[Name of Signatory]
[Title]

Dated: 12-15-2010

Attest:

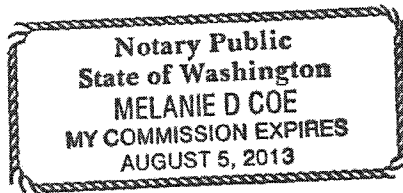
Approved as to form:

[Signature]
Clerk

[Signature]
Assistant City Attorney

STATE OF Washington
COUNTY OF Spokane

On this 15 day of December, 2010, I certify that Terri L. Pfister and Mary B. Verner personally appeared before me, acknowledged that they signed this instrument, on oath stated that they were authorized to execute this instrument, and acknowledged it as the City Clerk and Mayor, respectively, of the City of Spokane to be the free and voluntary act and deed of such party for the uses and purposes mentioned in the instrument.



Melanie D. Coe
Notary Public in and for the State of
Washington, residing at Spokane.
My appointment expires 8-5-2013.

STATE OF WASHINGTON
DEPARTMENT OF ECOLOGY



MICHAEL A. HIBBLER
Section Manager, Toxics Cleanup Program

Dated: 12/20/2010

Exhibit A
Legal Description

Alley Right-of-Way [A portion of Block 151 of the "Amended Map of School Section 16" as recorded in book D of plats page 100 in Spokane County, State of Washington and being more particularly described as follows:

Beginning at a point at the intersection of the west line of lot 9 of said block 151 and the northerly right-of-way line of the Spokane, Coeur D'Alene and Palouse rail road – said point also being on the east line of the alley of said block 151; Thence N 0°00'00" E along the east line of said alley - 225.00 feet; thence N 90°00'00" W –16.00 feet to the west line of said alley; thence S 0°00'00" E – approximately 234.5' to the northerly right of way line of said rail road; thence northeasterly along the northerly right-of-way of said rail road to the point of beginning and terminus point for this description.]