

When Recorded, Return to:



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D/RC \$12.00
Whatcom County, WA

Request of: SKAGIT STATE BANK

SKAGIT STATE BANK
1501 CORNWALL AVENUE
BELLINGHAM, WA 98225

RESTRICTIVE COVENANT

Grantor:	1) SKAGIT STATE BANK
Grantee:	1) WASHINGTON STATE DEPARTMENT OF ECOLOGY
Legal Description (abbreviated):	Lot 11 and Portion of Lot 10, Cornwall Avenue Subdivision
<input checked="" type="checkbox"/> Additional on:	PAGES 1 AND 2
Assessor's Tax Parcel ID #:	380330 240216
Reference Nos. of Documents Released or Assigned:	N/A

This **RESTRICTIVE COVENANT** ("Restrictive Covenant") is made this 21st day of September, 2001 by and between Grantor, SKAGIT STATE BANK, a Washington corporation and Grantee, the State of Washington Department of Ecology ("Ecology") pursuant to RCW 70.105D.030(1)(f) and (g) and WAC 173-340-440.

RECITALS

A. Skagit State Bank is the fee owner of the real property located at 1501 Cornwall Avenue, Bellingham, Washington ("Property"), that is subject of this Restrictive Covenant. The Property is legally described as follows:

All of Lot 11 and all of that portion of Lot 10, Block 4, Cornwall Avenue Subdivision, Recorded in Book 6 of Plats, Page 45, Records of Whatcom County, Washington, described as follows: Beginning at the most southerly corner of said Lot 10; thence northeasterly along the northwesterly line of Cornwall Avenue 10 feet to a point; thence northwesterly in a straight line to the most westerly corner

of said Lot 10; thence southeasterly along the southwesterly line of said Lot 10 to the point of beginning.

B. Skagit State Bank conducted an independent remedial action ("Remedial Action") at the Property between December 1999 and March 2000. The Remedial Action is described in an "Independent Remedial Action and Site Characterization Report" prepared by BEK Engineering & Environmental, Inc. ("BEK") and submitted to Ecology on December 19, 2000. A copy of the report is on file at Ecology's Northwest Regional Office.

C. This restrictive covenant is required because the Remedial Action resulted in residual concentrations of semi-volatile total petroleum hydrocarbons which exceed the Model Toxics Control Act Method B Residential Cleanup Level for soil established under WAC 173-340-705 and the Interim Interpretive and Policy Statement, Cleanup of Total Petroleum Hydrocarbons (Ecology Publication No. ECY97-600, January 1997, Revised 1/30/97).

D. A portion of the Property contains semi-volatile total petroleum hydrocarbon contaminated soil (herein referred to as "Restricted Area") located under the north corner of the bank building and extending in a southwesterly direction approximately 13 feet as indicated on the site plan attached herein as Exhibit A. The estimated volume of contaminated soil is approximately 10 cubic yards.

TERMS AND CONDITIONS

Section 1. This Restrictive Covenant and the agreements contained herein shall be deemed covenants running with the land and shall inure to the benefit of and be binding upon the respective successors, grantors, heirs and assigns of the parties, including all current and future owners of any portion or interest in the Property ("Owner").

Section 2. The Owner shall not alter or disturb the Restricted Area without providing thirty (30) days advance written notice to Ecology. Any activity that alters or disturbs the Restricted Area shall be conducted in accordance with applicable laws and regulations including the Model Toxics Control Act ("MTCA") (Chapter 70.105D RCW) and the MTCA Cleanup Regulations (Chapter 173-340 WAC).

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Section 3. 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 4. 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 that may create a new exposure pathway, is prohibited without prior written approval from Ecology.

Section 5. The Owner shall provide Ecology with thirty (30) days advance written notice of the Owner's intent to sell the Property. No conveyance of title shall be consummated by the Owner without adequate and complete provision for continued monitoring, operation, and maintenance of the Remedial Action.

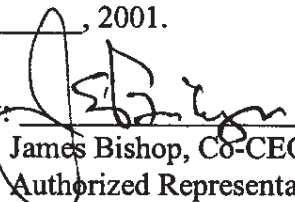
Section 6. The Owner shall restrict leases to uses and activities consistent with the Restrictive Covenant and notify all lessees of the restriction on use of the Property.

Section 7. The Owner shall 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 8. 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.

Section 9. The Owner reserves the right under WAC 173-340-440 to record an instrument that provides that this Restrictive Covenant shall no longer limit the 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.

DATED this 26th day of Sept, 2001.

By:  James Bishop, Co-CEO
Authorized Representative of Skagit State Bank

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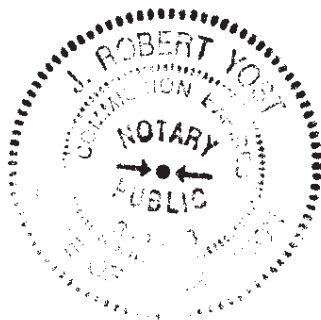
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STATE OF WASHINGTON }
COUNTY OF WHATCOM ss.

On this day personally appeared before me James Bishop, to me known to be the individual described in and who executed the within and foregoing instrument, and acknowledged that he signed the same as his free and voluntary act and deed, for the uses and purposes therein mentioned.

GIVEN UNDER MY HAND AND OFFICIAL SEAL this 27 day of SEPTEMBER, 2000.



J. Robert Yost
Printed Name J. Robert Yost
NOTARY PUBLIC in and for the State of Washington,
residing at Bellingham, WA
My Commission Expires 3/01/03

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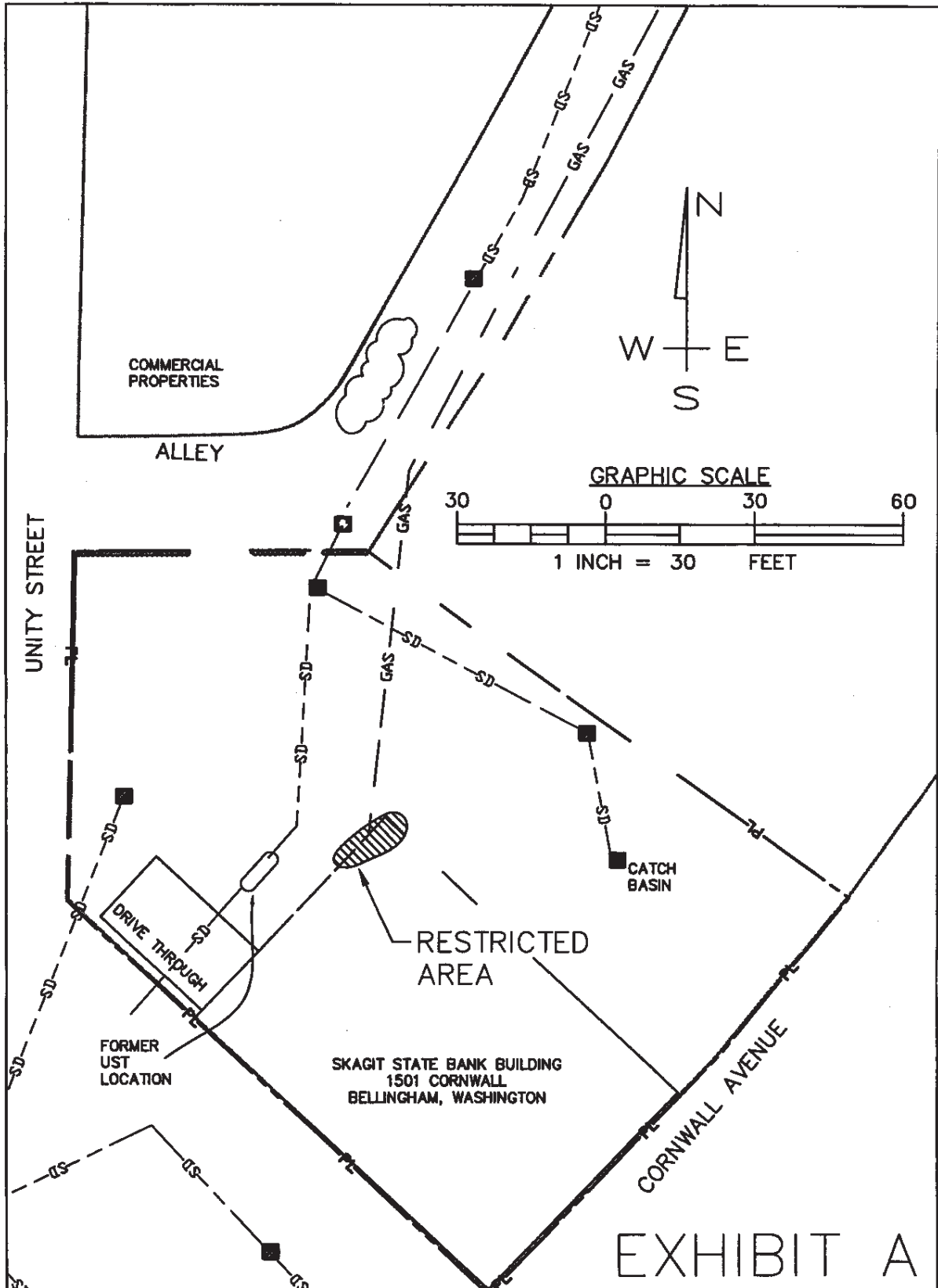


EXHIBIT A

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