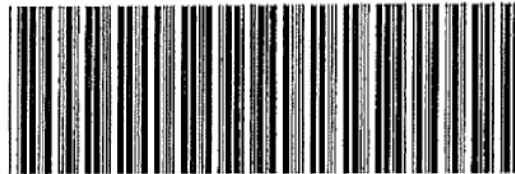

6.4 Environmental Covenant

Goodman-Carlyle Dexter Horton LLC
710 Second Avenue, Suite 830
Seattle, WA, 98104



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KING COUNTY, WA

RESTRICTIVE COVENANT

This declaration of Restrictive Covenant is made pursuant to RCW 70.105D.030(1)(f and g), and WAC 173-340-440 by Goodman-Carlyle Dexter Horton LLC, its successors and assigns, and the Washington State Department of Ecology, its successors and assigns.

Legal Description:

5-6-7-8 6 BOREN AND DENNY'S ADD & POR VAC ALLEY LESS ST HIST EX RCW 84.26

Tax Parcel ID. #:

0939000260

RESTRICTIVE COVENANT

Goodman-Carlyle Dexter Horton LLC, Dexter Horton Building

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

An independent remedial action (hereafter "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 document:

Sound Environmental Strategies Corporation, December 13, 2005, *Voluntary Cleanup Program Interim Remedial Action Report*. This document is on file at Ecology's Northwest Regional Office.

This Restrictive Covenant is required because the Remedial Action resulted in residual concentrations of diesel-range petroleum hydrocarbons and motor oil-range petroleum hydrocarbons in the form of bunker c heating oil which exceed the Model Toxics Control Act Method A Residential Cleanup Level(s) for soil established under WAC 173-340-740.

The undersigned, Goodman-Carlyle Dexter Horton LLC, is the fee owner of real property (hereafter "Property") in the County of King, State of Washington, that is subject to this Restrictive Covenant. The Property is legally described as follows: 5-6-7-8 6 BOREN AND DENNYS ADD & POR VAC ALLEY LESS ST HIST EX RCW 84.26

Goodman-Carlyle Dexter Horton LLC, 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.

A portion of the Property contains diesel-range petroleum hydrocarbon and motor oil-range petroleum hydrocarbon contaminated soil located beneath the concrete slab in the boiler room in the northeast corner of the building. The Owner shall not alter, modify, or remove the existing structure 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."

Any activity on the Property that may result in the release or exposure to the environment of the contaminated soil, or create a new exposure pathway, is prohibited. Some examples of activities that are prohibited in the capped area, but are not limited to, 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) 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.

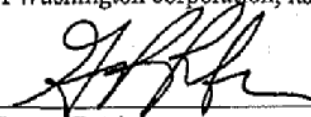
Section 6. The Owner must notify and obtain approval from Ecology prior to any use of the Property that is inconsistent with the terms of this Restrictive Covenant. Ecology may approve any inconsistent use only after public notice and comment.

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.

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.

Goodman-Carlyle Dexter Horton, LLC
A Delaware limited liability company

By: Goodman Financial Services, Inc.,
A Washington corporation, its manager

By: 
George Petrie

Title: PRESIDENT

Date: JANUARY 13, 2006



January 10, 2006

Mr. Dale Meyers
Washington State Department of Ecology
Northwest Division
3190 160th Avenue SE
Bellevue, Washington 98008-5452

SUBJECT: NO FURTHER ACTION REQUEST WITH INSTITUTIONAL CONTROLS
Dexter Horton Building
710 Second Avenue North
Seattle, Washington

Dear Mr. Meyers,

The purpose of this technical memorandum is to summarize findings of Sound Environmental Strategies Corporation (SES) *Voluntary Cleanup Program Interim Remedial Action Report* dated December 13, 2005. SES performed underground storage tank (UST) decommissioning, subsurface assessment, and remedial activities at 710 Second Avenue North in Seattle, Washington (the property) between January 2005 and August 2005.

SUMMARY

During building construction in the early 1920s, the hillside between Third Avenue and Second Avenue was excavated to facilitate construction of the foundation of the existing Dexter Horton building. Soil beneath the concrete slab in the boiler room consists of dense, dry fine sand with some silt (glacial till). The USTs were placed beneath the concrete slab in an excavation area that was created to facilitate the construction of the basement wall foundation footing. Information gathered from the subsurface investigations suggests an excavated slope exists starting at the east end of the UST cavity and sloping down to the west towards the basement wall footing at 17 ft below ground surface (bgs). Once the USTs were in place and the basement wall was constructed the cavity was backfilled with soil.

In February 2005, SES oversaw the decommissioning (in place) of the three USTs buried beneath the boiler room floor. Soil samples collected and observations made during the UST decommissioning suggested that the diesel-range petroleum hydrocarbons (DRPH) contaminated soil beneath the USTs from 6 ft to 17 ft bgs originated from a failure in UST 2. Given the viscous nature of Bunker C heating oil and the hard glacial till soil present beneath the USTs, contamination was thought to be localized within the UST cavity.

In July 2005, SES drilled five borings in the vicinity of the USTs to define the extent of the Bunker C impacts. No groundwater was encountered to a depth of 17 ft below grade. Following this investigation, the Washington State Department of Ecology (Mr. Dale Meyers, Ecology Site Manager) concurred with SES at a meeting at Ecology's Northwest Regional Office that groundwater was not a media of concern. SES recommended in situ chemical oxidation

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with hydrogen peroxide to treat the inaccessible Bunker C-contaminated soil beneath the abandoned USTs. The treatments were accomplished in July and August 2005. Subsequent soil sampling at depths below the USTs showed that the peroxide was effective at reducing the concentrations of total recoverable petroleum hydrocarbons (TRPH) in soil below the USTs from a pre-injection concentration of 18,000 mg/kg TRPH to a post-injection concentration of 400 mg/kg.

The post peroxide treatment sampling also identified two visually distinct waste types based on fill depth. The soil beneath the USTs consisted of moist, dense, blue grey colored sandy silt with a strong petroleum hydrocarbon odor and visual petroleum staining consistent with that expected from a Bunker C fuel release. However, the shallow UST backfill (0 to 6 ft bgs) atop the three USTs and up against the south and west basement walls consists of a dry, loose tan colored fine to medium sand with some silt, with no visual petroleum staining and a slight asphaltic odor. Prior to peroxide treatment, both waste types exhibited heavy oil range petroleum hydrocarbon contamination above the Model Toxics Control Act (MTCA) Method A cleanup levels for unrestricted land use. Although the shallow fill atop the USTs exhibits an analytical profile similar to the wastes found under the USTs prior to treatment, the stark difference in its appearance and odor strongly suggests that the hydrocarbon contamination in the shallow fill did not originate from the UST releases. Although difficult to confirm, it is hypothesized that fire debris and/or asphalt was used as shallow fill material during building construction.

Groundwater has not been impacted by the UST release. Groundwater was not identified in any of the 10 borings placed within and adjacent to the UST cavity to a maximum depth of 18 ft bgs. Groundwater monitoring well MW-1, located approximately 45 ft to the east of the UST cavity had a thin perched water zone at a depth of approximately 3 ft bgs and exhibited no detectable petroleum hydrocarbon contamination. The water encountered in this area is thought to be surface drainage from surrounding footing drains and rain diversion drains, and is not present in any of the other site borings/wells or building drain sumps.

The remedial objectives of: 1) achieving the MTCA Method A cleanup levels for inaccessible soils (below the USTs); and, 2) demonstrating no impacts to groundwater and adjacent properties have been achieved by this interim remedial action. The in situ peroxide treatment reduced petroleum hydrocarbon contamination to below MTCA Method A cleanup levels under the USTs; however, shallow fill atop the USTs and adjacent to the west basement wall still contains NWTPH-Dx compounds well in excess of the diesel range hydrocarbon MTCA Method A soil cleanup level of 2,000 mg/kg. The soil in the 0 to 6 ft bgs zone atop the USTs contained up to 19,000 mg/kg NWTPH-Dx. The extent of this shallow fill is estimated to be 20 ft square by 6 ft deep, or roughly 85 cubic yards (Figure 1).

SES feels the previous summary and following items provide strong evidence that the soil contamination is confined to on-property soil and is not in contact with any potential migration pathways (i.e. groundwater).

- The contaminated soil is approximately 170 feet up gradient from the west property line (Figure 1).
- Contamination was not in contact with groundwater during any of the boring events.

Goodman & Arlyle Dexter Horton LLC
January 10, 2006
Page 3

- Clean bottom samples collected before remedial peroxide injections put the maximum depth of soil contamination at 17 feet bgs.
- There was no indication that groundwater was present to a maximum depth of 18 feet bgs within the tank cavity.
- Peroxide injections were effective at lowering the DRPHx concentrations from 6 to 17 feet bgs.
- The horizontal and vertical extent of remaining soil contamination appears to be localized to the former tank cavity from a depth of 0 to 6 feet bgs.
- The low relative miscibility/mobility of Bunker C reduces the potential for migration of the contaminants.

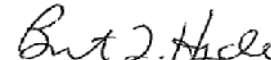
Ecology indicated to SES at the July 2005 meeting that since groundwater had not been impacted, soil impacts are confined to the property, an impermeable surface (the concrete floor) precludes direct contact with the contamination, and the low relative miscibility/mobility of Bunker C reduces the potential for migration of the contaminants, that a No Further Action determination with a deed restriction would be considered for the site.

CLOSING

SES appreciates the opportunity to present this no further action request with institutional controls. If you have any questions please call us at 206-306-1900.

Respectfully,
Sound Environmental Strategies Corporation


Chris Carter
Environmental Project Manager


Bert Q. Hyde, LG/LHG #1813
Principal Hydrogeologist

CMC:mms

Attachments: Figure 1 – Site Location Plan



Sound Environmental Strategies Corporation

FASES CURRENT PROJECTS\0257-001 Dexter Horton (Triad)\0257-001-02 Dexter Horton 2005 UST Decom & Spill Deliverables\RC Technical Memo Final.doc

STATE OF WASHINGTON)
) ss.
COUNTY OF KING)

On this 13th day of January 2006 before me personally appeared George Petrie known to me to be the President of Goodman Real Estate*, a Washington corporation the Manager of Goodman-Carlyle Dexter Horton, LLC, a Delaware limited liability company who 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 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 affixed my official seal the day and year first above written.



Rita A. Marinan
NOTARY PUBLIC in and for the State of Washington
Residing at: Seattle
My appointment expires: November 9, 2009



*On July 21, 2003, the name Goodman Financial Services, Inc. was officially changed to Goodman Real Estate, Inc. by filing an amendment to the articles of incorporation.