When Recorded, Return To:

Kelly Cole Office of Regional Counsel U.S. EPA, Region 10 1200 Sixth Ave. ORC-158 Seattle, WA 98101

State of Washington Department of Ecology Toxics Cleanup Program Southwest Regional Office PO Box 47600 Olympia, WA 98504-7600

23 8.12.3.X 200702020182

Washington Shity Department of Hooles

Document Title:

Restrictive Covenant

Grantor:

City Waterway Investments, Inc.

Grantee:

WA DEPARTMENT OF ECOLOGY

Legal Description:

PTN OF Block 52 OF MAD OF TAKOMA TIDELANDS

Additional Legal Description:

SEE ATTACHMENT 1 A FOR FULL LEGAL

DESCRIPTION

Assessor's Tax Parcel Number: 8950001626

RESTRICTIVE COVENANT

This Restrictive Covenant is made this 15 day of JANUARY, 2007, pursuant to RCW 43.21A.440 and RCW 70.105D.030(1)(f), (g) and (j), by City Waterway Investments, Inc. and its successors and assigns ("Grantor"), and the State of Washington, Department of Ecology, and its successors and assigns ("Grantee" but hereafter "Ecology") for the benefit of the United States Environmental Protection Agency, its successors and assigns, ("EPA"). The restrictions imposed by this covenant are consistent with those required by WAC 340-440(8) and (9) under the Model Toxics Control Act ("MTCA").

A portion of the property referenced above is subject to this Restrictive Covenant because Remedial Action has been undertaken on the property pursuant to the Comprehensive Environmental Response, Compensation and Liability Act ("CERCLA"), 42 U.S.C. § 9601, et. seq., under a Consent Decree entered on May 9, 2003, titled United States v. Atlantic Richfield Company, et al., in the United States District Court for the Western District of



Washington, Civil Action No. C03-5117 RJB, ("Consent Decree"). The objective of the Remedial Action undertaken on the property is to protect human health and the environment.

The Consent Decree is part of an integrated settlement that includes two other consent decrees. One is between EPA and Puget Sound Energy, Advance Ross Sub Company and PacifiCorp ("Utilities"), and was entered by the federal District Court on May 9, 2003. The other consent decree is between EPA and the State of Washington, Department of Natural Resources, which was entered by the federal District Court on December 17, 2003.

This Restrictive Covenant is required because Remedial Action capped and/or left residual contamination in place. The purpose of this Restrictive Covenant is to reduce potential exposure of marine organisms to contaminated sediments confined by capping, and to reduce potential exposure of marine organisms to contaminated sediments left in place in the Thea Foss and Wheeler Osgood Waterways.

Grantor makes the following declarations as to limitations, restrictions, and uses on the Property. Furthermore, it is the intent of Grantor that such declarations shall constitute covenants that run with the land, as provided by law, and 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. The Remedial Action undertaken on the Property included a cap (i.e., placement of capping materials over contaminated sediments).
- Section 2. Owner shall not conduct, or allow to be conducted any activity on the Property that may result in the release or exposure to the environment of the hazardous substances contained by the Remedial Action, or that may create a new exposure pathway, unless the proponent of the activity obtains the prior written authorization from EPA and secures all necessary local, state, and federal permits and approvals for the activity in question. Activities prohibited unless otherwise approved include, but are not limited to:
 - 2.1 Any activity that alters, modifies, or removes the Remedial Action undertaken on the Property.
 - 2.2 Piling removal and installation.
 - 2.3 Dredging and excavation.

- 2.4 Harvest of shellfish embedded in aquatic lands.
- 2.5 Anchoring
- Section 3. Any other activity on the Property that may interfere with the Remedial Action, including Operation and Maintenance activities, is prohibited without prior notice to and approval by EPA.
- Section 4. Owner shall give thirty (30) days advance written notice to EPA and Ecology of 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 Owner without adequate and complete provision for the continued compliance with all required institutional controls, including this Restrictive Covenant.
- Section 5. Owner shall notify EPA and Ecology and obtain approval from EPA before any use of the Property that is inconsistent with the terms of the Restrictive Covenant, or the Consent Decree.
- Section 6. Owner shall allow authorized representatives of EPA, Ecology, the Utilities, and the City of Tacoma the right to enter the Property at reasonable times for the purpose of evaluating compliance with the Consent Decree and other required plans, including the right to undertake Operation and Maintenance activities required under the Consent Decree, which includes gathering samples on the Property, and to confirm compliance with this Restrictive Covenant.
- Section 7. Owner shall restrict leases of the Property to uses and activities consistent with this Restrictive Covenant and shall notify all lessees of the restrictions on the use of the Property. Owner shall include a copy of this Restrictive Covenant in any instrument conveying any interest in any portion of the Property, including conveyance of title, a lease, a license, an easement or other use authorizations.
- Section 8. Within ten (10) days of the date this Restrictive Covenant is fully executed, Owner shall record this Restrictive Covenant with the Auditor's Office, Pierce County, State of Washington. Conformed copies of such recordings shall be forwarded to EPA, Region 10, Office of Regional Counsel at 1200 Sixth Avenue, ORC-158, Seattle, Washington 98101, and Department of Ecology, Toxics Cleanup Program, Southwest Regional Office, PO Box 47600, Olympia, WA 98504-7600. Owner shall include a copy of this Restrictive Covenant in any instrument conveying any interest in any portion of the Property.
- Section 9. If requested by EPA, the Utilities and/or the City of Tacoma, Owner shall allow, at no cost, the placement and maintenance of signs on the Property regarding prohibited activities, vessel size and speed, and Waterway navigational buoys, markers and visual aids, to the extent such activities do not unreasonably interfere with the public's use and enjoyment of the Property.

Section 10. Owner reserves the right 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 EPA concurs.

Section 11. Owner hereby confirms that this Restrictive Covenant is enforceable at law by EPA and Ecology.

Section 12. The parties that must be notified by the terms of this Restrictive Covenant are:

Environmental Protection Agency Office of Environmental Cleanup 1200 Sixth Avenue, ECL-111 Seattle, WA 98101

State of Washington
Department of Ecology
Toxics Cleanup Program
Southwest Regional Office
PO Box 47600
Olympia, WA 98504-7600

City of Tacoma Office of City Attorney Civil Division 747 Market Street, Room 1120 Tacoma, WA 98402-3767

Utilities – Thea Foss Waterway Cleanup c/o Loren Dunn Riddell Williams 1001 Fourth Ave. Suite 4500 Seattle, WA 98154-1192

If a proposed activity is within state-owned aquatic lands, then Owner shall also notify:

State of Washington
Department of Natural Resources
Aquatic Resources Program
1111 Washington St. SE
PO Box 47027
Olympia, WA 98504-7027

This Restrictive Covenant is executed by: [Grantor] President Its: STATE OF PIERCE COUNTY OF _ JANUARY , 200%, personally appeared before me On this _15 day of __. to me known to be the PRESIDENT of 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/she/was they were authorized to execute said instrument for said corporation and that the seal affixed is the corporate seal of the said corporation. IN WITNESS WHEREOF, I have hereunto set my hand and affixed my official seal the day and year first above written. Notary Public in and for the State of

Washington

Washington, residing at Tacoma U My appointment expires 4-5-2010

ATTACHMENT 1

Legal Description

All that portion of Block 52 in Map of Tacoma Tidelands as surveyed and platted by the Board of Tidelands Appraisers of Pierce County, as per map thereof filed for record September 14, 1895 in the office of the County Auditor, lying North of the following described line: Beginning at the Southeast corner of said Block 52; thence North 07° 23' 41" West along the East line of said Block for a distance of 545.00 feet to the point of beginning; thence South 82° 36' 19" West parallel with the South line of said Block 52 to the West line of said Block 52 and the terminal point of said described line.

ATTACHMENT 2

(Survey Depicting Area of Parcel Affected by Restrictive Covenant)

