

Restrictive Covenant

After Recording Return to:

Department of Ecology
Northwest Regional Office
3190 160th Avenue Southeast
Bellevue, Washington 98008-5452

Environmental Covenant

Grantor: Block at Ballard II LLC
Grantee: State of Washington Department of Ecology

King County Tax Parcel Nos.:

Parcel A: 276830-3245
Parcel B: 276830-3247
Parcel C: 276830-3315

Legal Descriptions:

Parcel A (Parcel No. 276830-3245):

LOTS 1 THROUGH 4, LOTS 19 THROUGH 22 AND THAT PORTION OF LOTS 5 AND 18, BLOCK 173, GILMAN PARK, ACCORDING TO THE PLAT THEREOF, RECORDED IN VOLUME 3 OF PLATS, PAGE 40, IN KING COUNTY, WASHINGTON MORE PARTICULARLY DESCRIBED AS FOLLOWS:

BEGINNING AT THE NORTHWEST CORNER LOT SAID LOT 1;
THENCE SOUTH 88°45'25" EAST, ALONG THE SOUTHERLY MARGIN OF NORTHWEST 46TH STREET, A DISTANCE OF 248.92 FEET;
THENCE SOUTH 01°28'50" WEST, A DISTANCE OF 200.03 FEET TO A POINT ON THE NORTHERLY MARGIN ON NORTHWEST 45TH STREET;
THENCE NORTH 88°44'38" WEST, ALONG SAID NORTHERLY MARGIN, A DISTANCE OF 174.72 FEET TO THE INTERSECTION WITH THE NORTHERLY MARGIN OF SHILSHOLE AVENUE;

THENCE NORTH 64°17'36" WEST, ALONG SAID NORTHERLY MARGIN, A DISTANCE OF 80.51 FEET TO THE INTERSECTION WITH THE EASTERLY MARGIN OF 15TH AVENUE NORTHWEST, ALSO BEING THE SOUTHWEST CORNER OF SAID LOT 22;

THENCE NORTH 01°12'47" EAST, ALONG SAID EASTERLY MARGIN, A DISTANCE OF 166.65 FEET TO THE POINT OF BEGINNING.

Parcel B (Parcel No. 276830-3247):

THAT PORTION OF LOTS 5 THROUGH 13, BLOCK 173, GILMAN PARK, ACCORDING TO THE PLAT THEREOF, RECORDED IN VOLUME 3 OF PLATS, PAGE 40, IN KING COUNTY, WASHINGTON MORE PARTICULARLY DESCRIBED AS FOLLOWS:

COMMENCING AT THE NORTHWEST CORNER LOT SAID LOT 1;

THENCE SOUTH 88°45'25" EAST, ALONG THE SOUTHERLY MARGIN OF NORTHWEST 46TH STREET, A DISTANCE OF 248.92 FEET TO THE POINT OF BEGINNING;

THENCE CONTINUING SOUTH 88°45'25" EAST, ALONG SAID SOUTHERLY MARGIN, A DISTANCE OF 301.00 FEET TO THE NORTHEAST CORNER OF SAID LOT 11;

THENCE SOUTH 01°13'09" WEST, ALONG THE WESTERLY MARGIN OF 14TH AVENUE NORTHWEST, A DISTANCE OF 132.90 FEET;

THENCE NORTH 88°46'53" WEST, A DISTANCE OF 79.98 FEET;

THENCE NORTH 01°14'35" EAST, A DISTANCE OF 41.85 FEET;

THENCE NORTH 88°45'25" WEST, A DISTANCE OF 221.46 FEET;

THENCE NORTH 01°28'50" EAST, A DISTANCE OF 91.08 FEET TO THE POINT OF BEGINNING.

Parcel C (Parcel No. 276830-3315):

THAT PORTION OF LOTS 5 THROUGH 10 AND LOTS 12 THROUGH 18, BLOCK 173, GILMAN PARK, ACCORDING TO THE PLAT THEREOF, RECORDED IN VOLUME 3 OF PLATS, PAGE 40, IN KING COUNTY, WASHINGTON MORE PARTICULARLY DESCRIBED AS FOLLOWS:

COMMENCING AT THE NORTHEAST CORNER OF SAID LOT 11;

THENCE SOUTH 01°13'09" WEST, ALONG THE WESTERLY MARGIN OF 14TH AVENUE NORTHWEST, A DISTANCE OF 132.90 FEET TO THE POINT OF BEGINNING;

THENCE CONTINUING SOUTH 01°13'09" WEST, ALONG SAID WESTERLY MARGIN, A DISTANCE OF 67.20 FEET TO THE SOUTHEAST CORNER OF SAID LOT 12;

THENCE NORTH 88°44'38" WEST, ALONG THE NORTHERLY MARGIN OF NORTHWEST 45TH STREET, A DISTANCE OF 301.92 FEET;

THENCE NORTH 01°28'50" EAST, A DISTANCE OF 108.95 FEET;

THENCE SOUTH 88°45'25" EAST, A DISTANCE OF 221.46 FEET;

THENCE SOUTH 01°14'35" WEST, A DISTANCE OF 41.85 FEET;
THENCE SOUTH 88°46'53" EAST, A DISTANCE OF 79.98 FEET TO THE POINT OF
BEGINNING.

SUBJECT TO A RAILWAY EASEMENT RECORDED JANUARY 8, 1948, UNDER
RECORDING NUMBER 3761195.

Grantor, Block At Ballard II LLC, 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 20th day of February, 2020 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, RCW 64.70.

This Declaration of Covenant is made pursuant to RCW 70.105D.030(1)(f) and (g) and WAC 173-340-440 by Block at Ballard II LLC, 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 under a Consent Decree with Ecology at the property that is the subject of this Covenant. The Remedial Action conducted at the property is described in the following document[s]:

Final Remedial Investigation, Feasibility Study, and Proposed Cleanup Action, January 19, 2010. Sound Environmental Strategies Corporation.

Revised Cleanup Action Plan, September 2017. Washington State Department of Ecology.

Final Cleanup Action Report, February 25, 2020. SoundEarth Strategies, Inc.
These documents are on file with the Washington State Department of Ecology.

This Covenant is required because the Remedial Action resulted in residual concentrations of polycyclic aromatic hydrocarbons (PAHs) and arsenic, which exceed the Model Toxics Control Act Method A Cleanup Level(s) for soil established under WAC 173-340-745.

The undersigned, Block at Ballard II LLC, is the fee owner of real property (hereafter "Property") in the County of King, State of Washington, that is subject to this Covenant. Legal

descriptions for Parcel A, Parcel B, and Parcel C that comprise the Property were provided earlier in this Covenant.

Block at Ballard II 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. Portions of the Property adjacent to the north, south, west, and east Property boundaries (located outside of the shoring system and construction excavation footprints) contain residual PAH and arsenic contaminated soil associated with the Property. These Property portions are designated as Area B and are depicted on the attached Figures 1 through 8 (Exhibit A). Area B is completely capped by concrete sidewalks and non-impacted fill material placed during Property redevelopment activities. The upper approximately 3 to 7 vertical feet of soil in Area B from excavation slopeback locations shown on Figure 1 along the exterior of the perimeter shoring wall was removed during earthwork construction activities and was backfilled with non-impacted material. The upper approximately 2 to 3 feet of soil in Area B along the east and north sides of the parking garage foundation was also removed during earthwork construction activities and was backfilled with non-impacted soil (Figures 4 and 5). A continuous perimeter steel sheet pile shoring wall separates the below ground parking garage from Area B. The sidewalks and the foundation and shoring wall system were installed as components of the redevelopment project (Figures 1, 2, 4, 5, 6, 7, and 8). Any activity 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 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.

A second area located in Northwest 46th Street adjacent to the north Property boundary contains PAH- and arsenic-contaminated soil. This area is designated Area C and is shown on the attached Figures 1, 2, and 5 (Exhibit A). With respect to Area C, the covenant will extend from 6 feet below ground surface (bgs) to below the maximum depth of soil contamination encountered at 13 feet bgs (Figure 5). Area C is located within the City of Seattle (hereafter "City") right-of-way (ROW). Area C is completely capped by a concrete sidewalk and the concrete street surface. If the City is conducting any repair work at the depth between 6 feet bgs and 13 feet bgs within Area C, the City is responsible for following health and safety and soil management protocols as described in the February 2020 -Soil Management Plan (SMP). For the purposes of this Covenant, the SMP applies only to Area C as defined herein and in Exhibit A and does not apply to City ROW areas outside of Area C. Any other activity 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. Examples of such other activities that are prohibited 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 that may interfere with the integrity of the Remedial Action and continued protection of human health and the environment is prohibited.

Section 3. Unless authorized by the Cleanup Action Plan or this Restrictive Covenant, no activity is permitted 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, without prior written approval from Ecology.

Section 4. The Owner must give thirty (30) day advance written notice to Ecology of the Owner's intent to convey any interest in the Property other than the lease of individual units within the improvements to be constructed on the property. No conveyance of title, easement,

lease, or other partial 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 terms of this Covenant and notify all lessees of the restrictions on use of the Property.

Section 6. The Owner must notify and obtain approval from Ecology prior to any use of Area B, or any use by Owner of Area C, that is inconsistent with the terms of this Covenant. Ecology may approve any inconsistent use that permanently modifies any activity or use restriction only after public notice and comment. The Owner will notify Ecology upon evidence that the City is using Area C in a manner inconsistent with the terms of this Covenant.

Section 6. 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 7. The Owner 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.

BLOCK AT BALLARD II, LLC
a Delaware limited liability company

By: Block in Ballard II JV, LLC
a Delaware limited liability company
Its: Sole Member

By: Regency Centers, L.P.,
a Delaware limited partnership
Its: Member

By: Regency Centers Corporation,
a Florida corporation
Its: General Partner

By: A. C. Roy

Name: A. CRAW Ramey

Title: MANAGING DIRECTOR

Dated: April 24, 2020

By: 1290 Broadway Land REIT, LLC,
a Delaware limited liability company
Its: Member

By: Principal Enhanced Property Fund, L.P.,
a Delaware limited partnership
Its: Manager

By: Principal Enhanced Property Fund GP, LLC,
a Delaware limited liability company
Its: General Partner

By: Principal Real Estate Investors, LLC,
a Delaware limited liability company
Its: Sole Member

By: DocuSigned by:
Jay Fisher
29E20CB45CD84C8...

Name: Jay Fisher

Its: Assistant Managing Director-Asset Management

By: DocuSigned by:
[Signature]
70145D2A56F82C

Name: Kevin Andereg

Its: Managing Director

STATE OF WASHINGTON
DEPARTMENT OF ECOLOGY



Robert W. Warren, P.Hg., MBA
Regional Section Manager
Toxics Cleanup Program
Northwest Regional Office

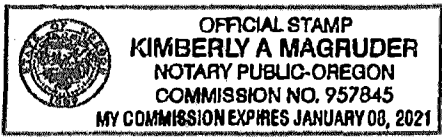
Dated: 6/11/2020

Unofficial Copy

Corporate
~~INDIVIDUAL~~ ACKNOWLEDGMENT

STATE OF Oregon
COUNTY OF Washington

On this 24th day of April, 2020, I certify that H. Craig Ramey personally appeared before me, and acknowledged that ~~he/she~~ is the ~~individual described therein~~ Managing Director of and ~~who~~ executed the within and foregoing instrument and signed the ~~same~~ said instrument by ~~at his/her free and~~ not said corporation ~~voluntary act and deed for the uses and purposes therein mentioned,~~ the Corporation and on oath stated ~~that he was authorized to execute said instrument for said corporation.~~ that



Kimberly A. Magruder
Notary Public in and for the State of
Oregon, residing at

My appointment expires 1-8-21.

CORPORATE ACKNOWLEDGMENT

STATE OF Iowa
COUNTY OF Polk

On this 23rd day of April, 2020, I certify that Jay Fisher personally appeared before me, acknowledged that ~~he/she~~ is the Assistant Managing Director-Asset Manage 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.



DocuSigned by:
Shawna Murphy
Notary Public in and for the State of
Iowa, residing at

Des Moines

My appointment
Expires

2/11/2023

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

_____, residing at

My appointment expires _____

Unofficial Copy

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 _____

residing at _____

My appointment expires _____

CORPORATE ACKNOWLEDGMENT

STATE OF Iowa
COUNTY OF Polk

On this 23rd day of April, 2020, I certify that Kevin Anderegg
personally appeared before me, acknowledged that **he/she** is the Managing 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.



DocuSigned by:
Shawna Murphy
Notary Public in and for the State of _____
Iowa, residing at _____
Des Moines
My appointment
Expires _____
2/11/2023

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

_____, residing at

My appointment expires _____

Unofficial Copy






Exhibit A
Figures 1 to 8







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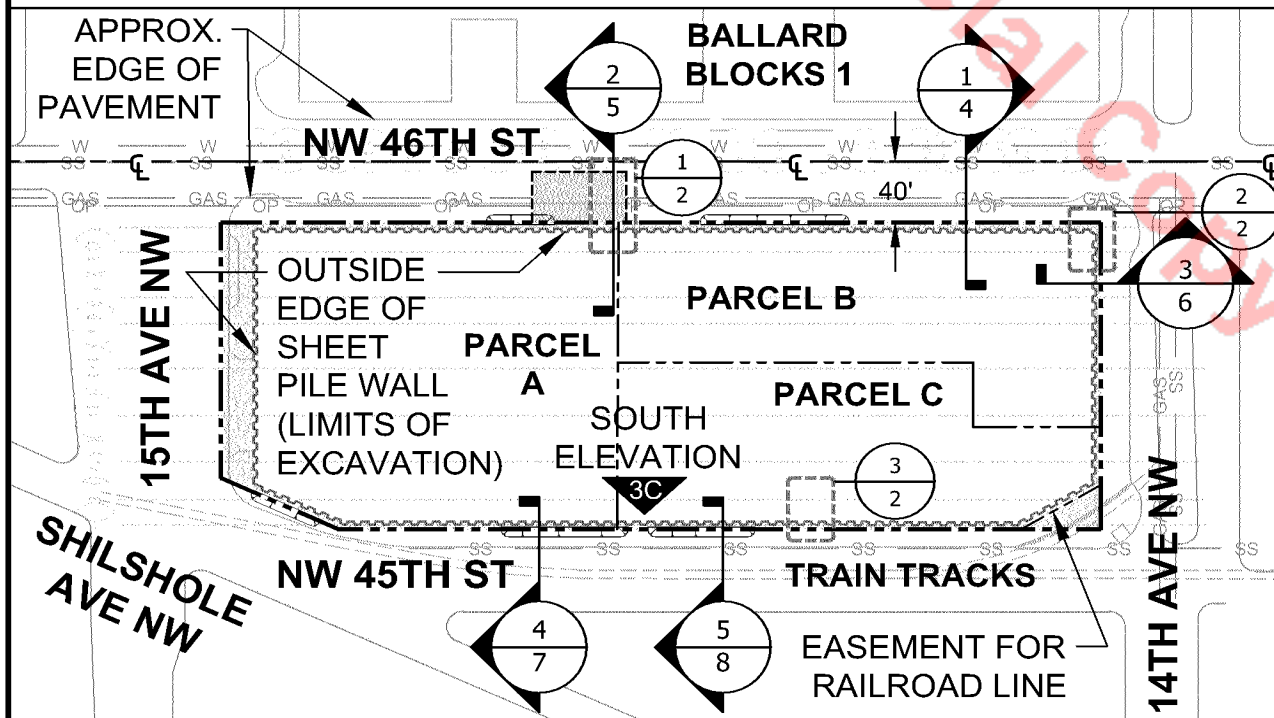
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06/16/2020

LEGEND

-  PROPERTY BOUNDARY
-  PARCEL BOUNDARY
-  PERIMETER SHEET PILE SHORING WALL
-  AREA B* (BETWEEN SHEET PILE SHORING WALL AND PROPERTY BOUNDARY)
-  AREA C*

-  SS SANITARY SEWER
-  W WATER LINE
-  OP OVERHEAD POWER
-  GAS GAS LINE
-  * AREAS B & C UNDER INSTITUTIONAL CONTROL AND SUBJECT TO ENVIRONMENTAL RESTRICTIVE COVENANT
-  AREA WITH 1:1 EXCAVATION SLOPEBACK



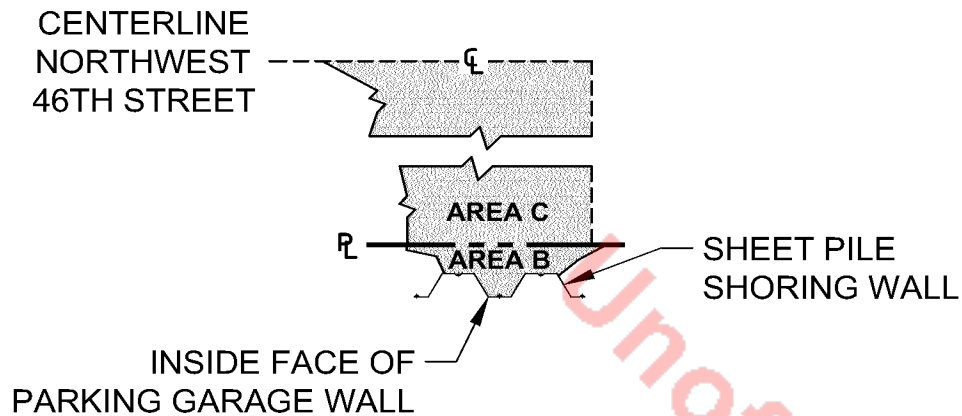
WWW.SOUNDEARTHINC.COM

WESMAR PROPERTY
 1401 AND 1451
 NORTHWEST 46TH STREET
 SEATTLE, WASHINGTON
 SOUNDEARTH PROJECT #1249-001

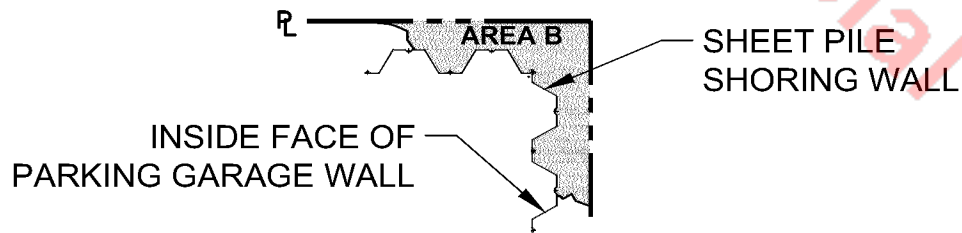
FIGURE 1
 INSTITUTIONAL CONTROL
 AREAS B & C

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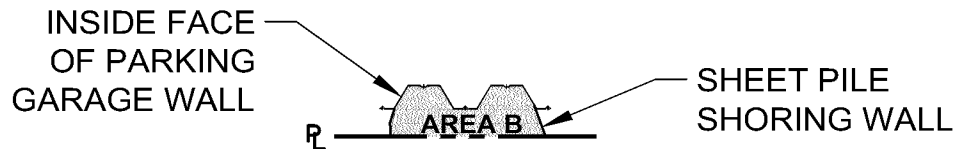
06/16/2020



1 AREA B/C DETAIL: NORTHERN PROPERTY BOUNDARY



2 AREA B DETAIL: NORTHEAST PROPERTY BOUNDARY



3 AREA B DETAIL: SOUTHERN PROPERTY BOUNDARY



APPROXIMATE SCALE IN FEET



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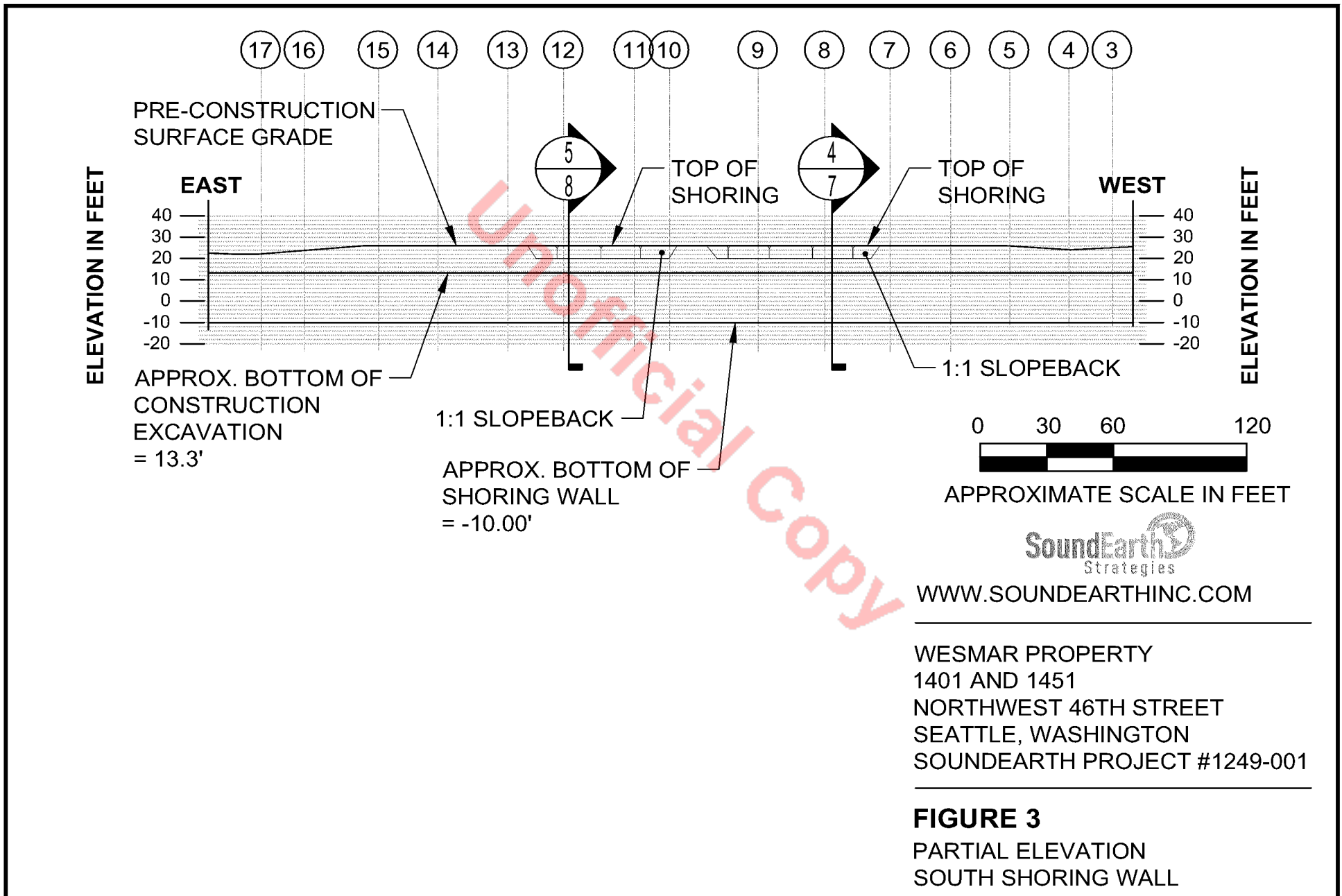
WESMAR PROPERTY
1401 AND 1451
NORTHWEST 46TH STREET
SEATTLE, WASHINGTON
SOUNDEARTH PROJECT #1249-001

FIGURE 2

PLAN VIEW DETAILS OF SHORING WALL, PROPERTY BOUNDARY, AND REMAINING CONTAMINATION CONDITIONS

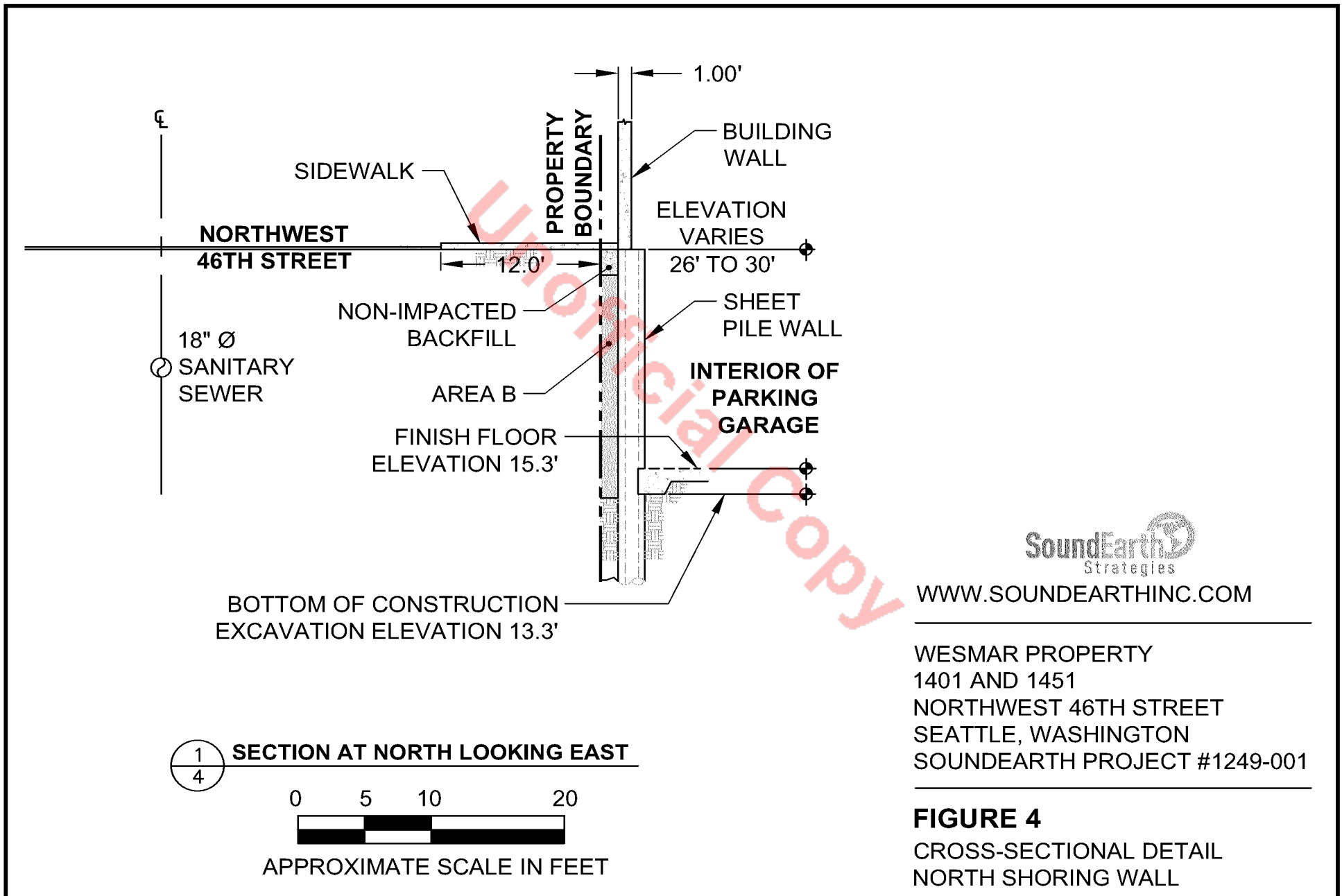
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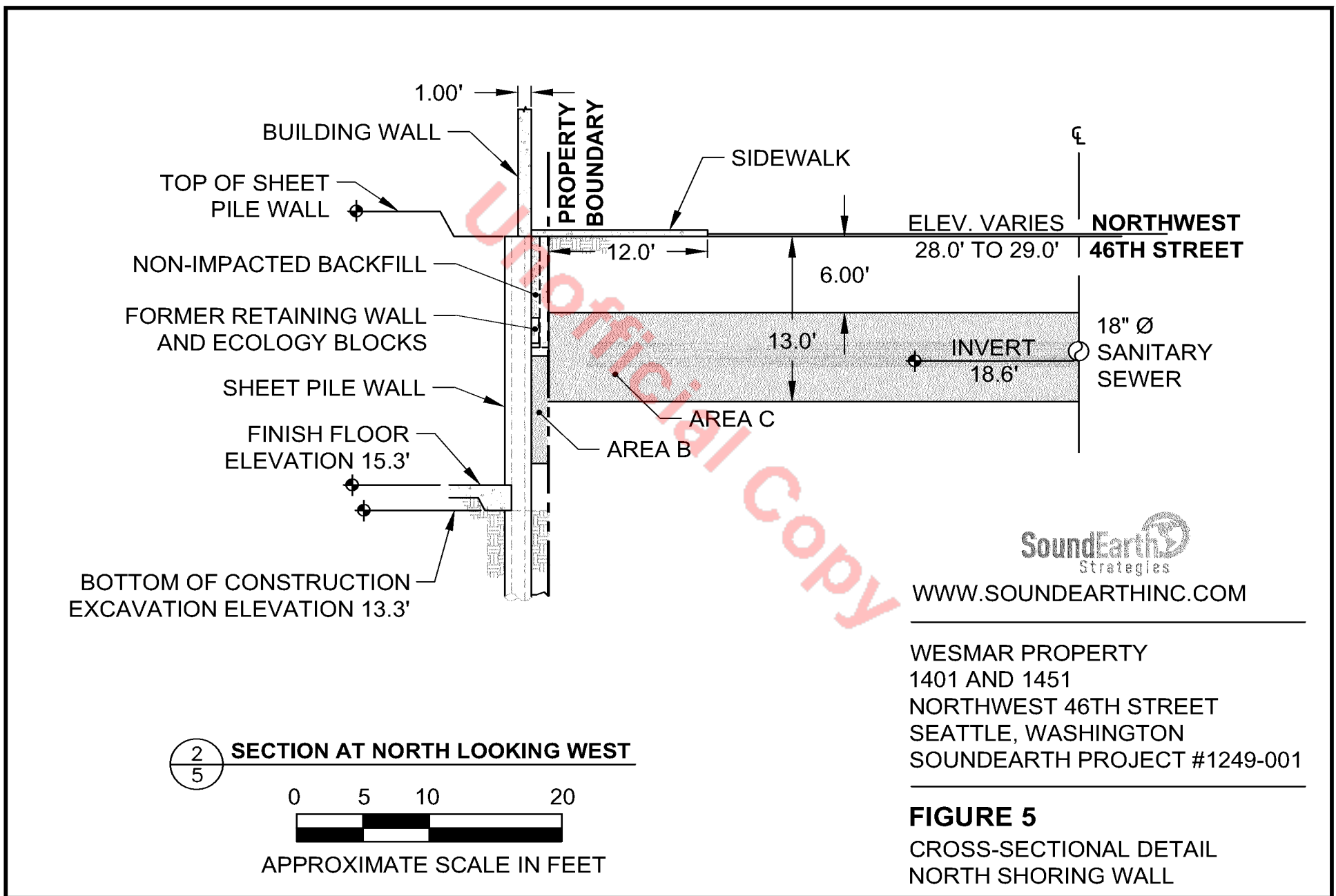
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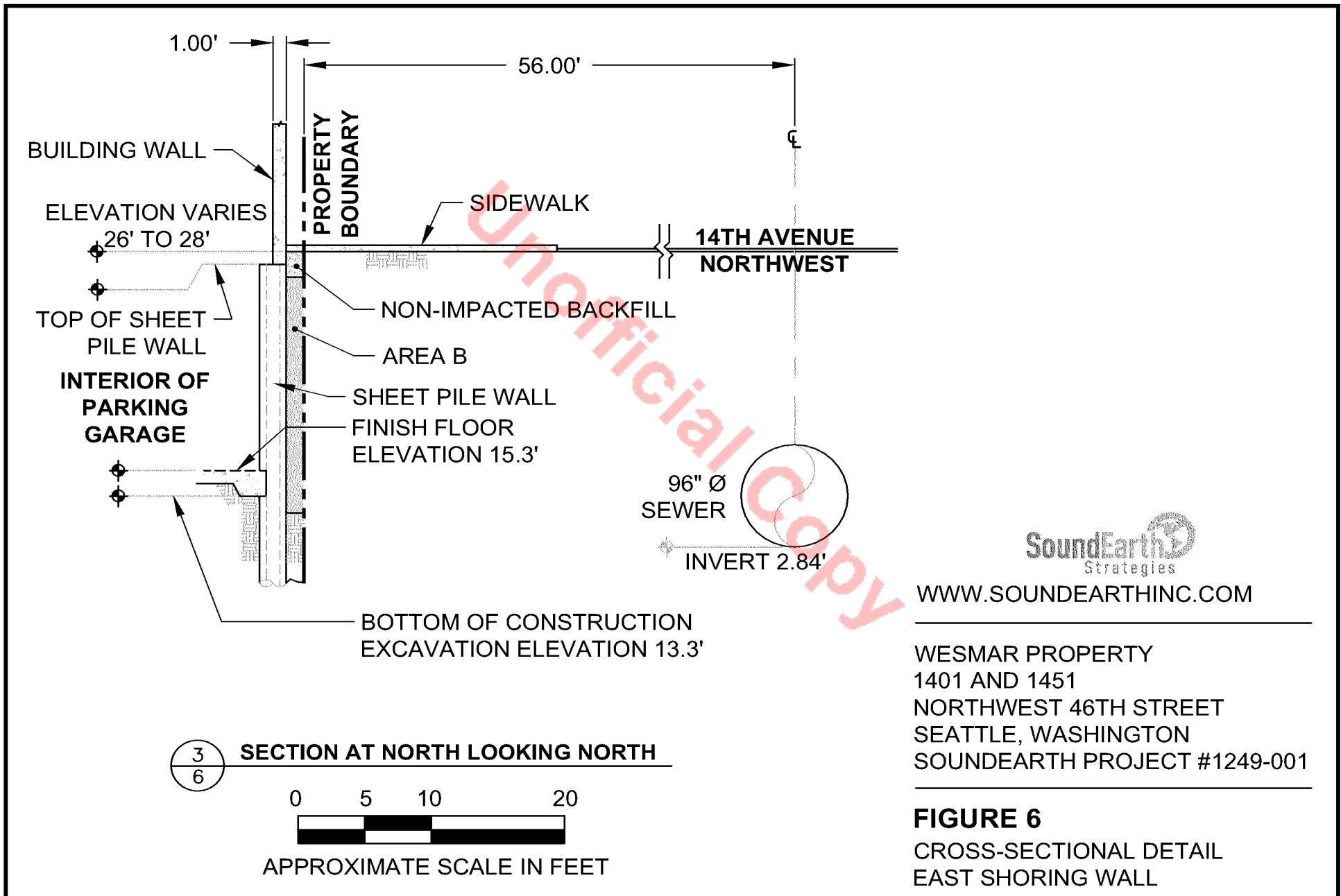
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06/16/2020



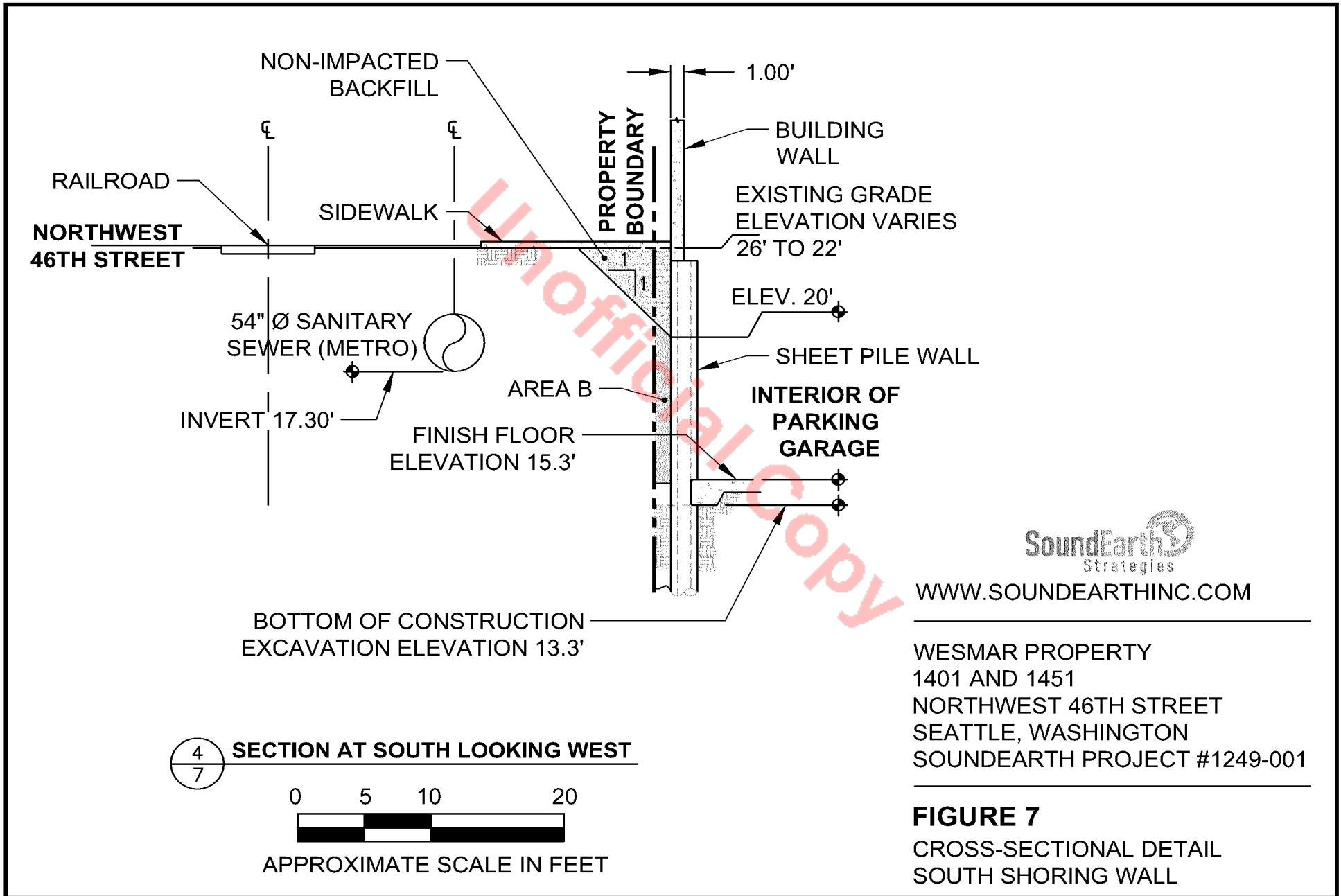
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06/16/2020

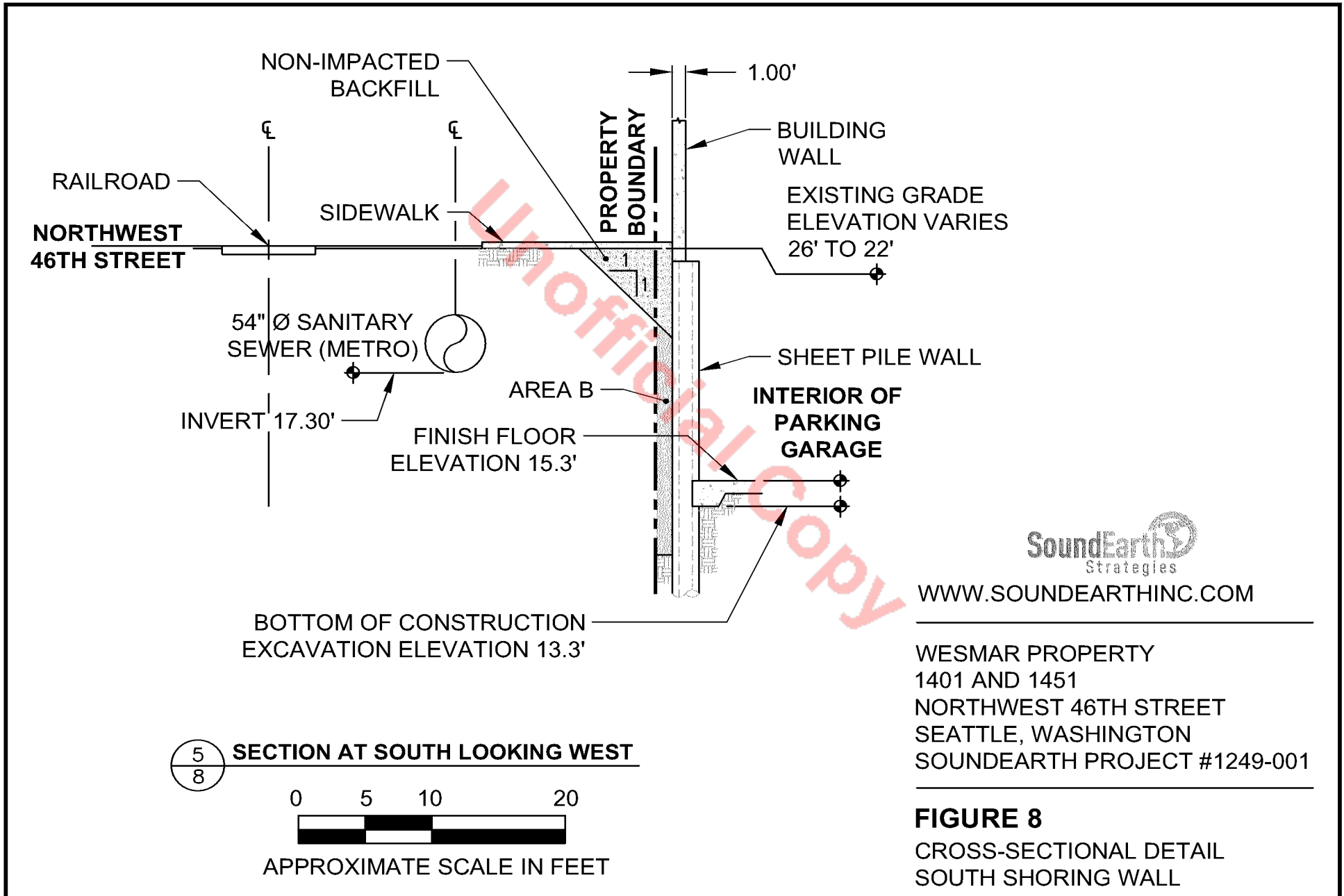


FIGURE 8
CROSS-SECTIONAL DETAIL
SOUTH SHORING WALL