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TRANSMITTAL MEMO

TO: Ms. Eva Chu
Hazardous Materials Specialist
Alameda County Health Care Services Agency
1131 Harbor Bay Parkway, Suite 250
Alameda, CA 94502-6577

FROM: Deborah L. Livornese

RE: *2144 Alvarado Street, San Leandro, California*

DATE: February 26, 2001

ENCLOSURES: Certified copy of the Covenant and Environmental
Restriction on Property

FOR YOUR: File

COMMENTS: The Deed Restriction has been recorded. The original
copy of the document will be sent by the County
Recorder's office directly to the Alameda County Health
Care Services Agency. If you have any questions
regarding the enclosed, please do not hesitate to call me.

Recording Requested By:

Wendel, Rosen, Black & Dean, LLP
1111 Broadway St., 24th Floor
Oakland, CA 94607
Attention: Deborah Livornese

When Recorded, Mail To:

Alameda County Health Care Services Agency
Environmental Health Services
1131 Harbor Bay Parkway, Suite 250
Alameda, CA 94502-6577

WE HEREBY CERTIFY THAT THIS IS A FULL,
TRUE AND EXACT COPY OF THE ORIGINAL
DOCUMENT AS THE SAME APPEARS IN THE
OFFICE OF THE COUNTY RECORDER OF

Alameda COUNTY, STATE OF
CALIFORNIA RECORDED ON 2/20/01

IN BOOK _____ OF OFFICIAL RECORDS
AT PAGE _____ SERIAL NO. 2001-06268

NORTH AMERICAN TITLE CO., INC.

[Signature]

COVENANT AND ENVIRONMENTAL RESTRICTION ON PROPERTY

2144 Alvarado Street

San Leandro, CA

This Covenant of Environmental Restriction on Property (the "Covenant") is made as of the 14 day of February, 2001, by Beth and Donald Coffel ("Covenantor"), who are the owners of record of that certain real property situated at 2144 Alvarado Street in the City of San Leandro, County of Alameda, State of California which is more particularly described in Exhibit A attached hereto and incorporated herein by this reference (such property hereinafter referred to as the "Burdened Property"), for the benefit of the Alameda County Health Care Services Agency (the "Agency"), with reference to the following fact.

A. The Burdened Property contains hazardous materials

B. Contamination of the Burdened Property. Soil at the Burdened Property was contaminated by the Burdened Property's historical use by pesticide companies which have operated on the Back Portion of the property for the storage and handling of pesticide-containing materials. These operations resulted in the contamination of soil with organic chemicals including chlordane, which constitute hazardous materials as that term is defined in Health & Safety Code Section 25260.

C. Exposure Pathways. The residual contaminants addressed in this Covenant are present in the soil on the Burdened Property. Without the mitigation measures which have been performed on the Burdened Property, exposure to these contaminants could take place via in-place contact resulting in dermal contact, ingestion of contaminated soil and inhalation of fugitive dust with adsorbed contaminant particles. The risk of public exposure to the contaminants has been substantially lessened by the remediation and controls described herein.

D. Adjacent Land Uses and Population Potentially Affected. The Burdened Property is currently zoned light industrial and used for pest control operations and for residential and office use and is adjacent to industrial, commercial and some residential land uses.

E. Full and voluntary disclosure to the Agency of the presence of hazardous materials on the Burdened Property has been made and extensive sampling of the Burdened Property has been conducted. The Burdened Property has been the subject of an Agency approved soil removal project to remove the highest known concentrations of pesticide-containing soil. Residual pesticides at low concentrations remain at the Burdened Property.

F. The residual pesticide levels which remain in the soil at the Back Portion of the Burdened Property behind the residence/office pose no threat to the human health or the environment, provided that the use of the Back Portion of the property remains nonresidential and the Risk Management Plan (RMP) prepared for the Owner and required and approved by the Agency is followed in the event of any excavation or redevelopment of the site.

G. Copies of reports documenting environmental conditions at this site and a copy of the RMP may be found at the Environmental Health Services Division of the Alameda County Health Care Services Agency at 131 Harbor Bay Parkway, Suite 250, Alameda, California 94502-6577, and/or at the City of San Leandro, Environmental Services, 835 East 14th Street, San Leandro, California 94577.

H. Covenantor desires and intends that in order to benefit the Agency, and to protect the present and future public health and safety, the Burdened Property shall be used in such a manner as to avoid potential harm to persons or property that may result from hazardous materials that may have been deposited on portions of the Burdened Property.

ARTICLE I GENERAL PROVISIONS

1.1 Provisions to Run with the Land. This Covenant sets forth protective provisions, covenants, conditions and restrictions (collectively referred to as "Restrictions") upon and subject to which the Burdened Property and every portion thereof shall be improved, held, used, occupied, leased, sold, hypothecated, encumbered, and/or conveyed. The restrictions set forth in Article III are reasonably necessary to protect present and future human health and safety or the environment as a result of the presence on the land of hazardous materials. Each and all of the Restrictions shall run with the land, and pass with each and every portion of the Burdened Property, and shall apply to, inure to the benefit of, and bind the respective successors in interest thereof, for the benefit of the Agency and all Owners and Occupants. Each and all of the Restrictions are imposed upon the entire Burdened Property unless expressly stated as applicable to a specific portion of the Burdened Property. Each and all of the Restrictions run with the land pursuant to section 1471 of the Civil Code. Each and all of the Restrictions are enforceable by the Agency.

1.2 Concurrence of Owners and Lessees Presumed. All purchasers, lessees, or possessors of any portion of the Burdened Property shall be deemed by their purchase, leasing, or possession of such Burdened Property, to be in accord with the foregoing and to agree for and

among themselves, their heirs, successors, and assignees, and the agents, employees, and lessees of such owners, heirs, successors, and assignees, that the Restrictions as herein established must be adhered to for the benefit of the Agency and the Owners and Occupants of the Burdened Property and that the interest of the Owners and Occupants of the Burdened Property shall be subject to the Restrictions contained herein.

1.3 Incorporation into Deeds and Leases. Covenantor desires and covenants that the Restrictions set out herein shall be incorporated in and attached to each and all deeds and leases of any portion of the Burdened Property. Recordation of this Covenant shall be deemed binding on all successors, assigns, and lessees, regardless of whether a copy of this Covenant and Agreement has been attached to or incorporated into any given deed or lease.

1.4 Purpose. It is the purpose of this instrument to convey to the Agency real property rights, which will run with the land, to facilitate the remediation of past environmental contamination and to protect human health and the environment by reducing the risk of exposure to residual hazardous materials.

ARTICLE II DEFINITIONS

2.1 Agency. "Agency" shall mean the Alameda County Health Care Services Agency and shall include its successor agencies, if any.

2.2 Back Portion. "Back Portion" shall mean that portion of the Burdened Property identified as such on Exhibit B attached hereto and incorporated herein by this reference.

2.3 Improvements. "Improvements" shall mean all buildings, roads, driveways, regradings, and paved parking areas, constructed or placed upon any portion of the Burdened Property.

2.4 Occupants. "Occupants" shall mean Owners and those persons entitled by ownership, leasehold, or other legal relationship to the exclusive right to use and/or occupy all or any portion of the Burdened Property.

2.5 Owner or Owners. "Owner" or "Owners" shall mean the Covenantor and/or its successors in interest, who hold title to all or any portion of the Burdened Property.

ARTICLE III DEVELOPMENT, USE AND CONVEYANCE OF THE BURDENED PROPERTY

3.1 Restrictions on Development and Use. Covenantor promises to restrict the use of the Burdened Property as follows:

(a) Development of the Back Portion of the Burdened Property shall be restricted to industrial, commercial or office space;

(b) No residence for human habitation shall be permitted on the Back Portion of the Burdened Property;

(c) No hospitals shall be permitted on the Burdened Property;

(d) No schools for persons under 21 years of age shall be permitted on the Burdened Property;

(e) No day care centers for children or day care centers for Senior Citizens shall be permitted on the Burdened Property;

(f) No Owners or Occupants of the Burdened Property or any portion thereof shall conduct any excavation work on the Back Portion of the Burdened Property, unless expressly permitted in writing by the Agency. Any contaminated soils brought to the surface by grading, excavation, trenching, or backfilling shall be managed by Covenantor or his agent in accordance with all applicable provisions of local, state and federal law;

(g) All uses and development of the Burdened Property shall be consistent with any applicable Risk Management Plan, each of which is hereby incorporated by reference including future amendments thereto. All uses and development shall preserve the integrity of any cap, any remedial measures taken or remedial equipment installed, and any groundwater monitoring system installed on the Burdened Property pursuant to the requirements of the Agency, unless otherwise expressly permitted in writing by the Agency.

(h) No Owners or Occupants of the Burdened Property or any portion thereof shall drill, bore, otherwise construct, or use a well for the purpose of extracting water for any use, including but not limited to, domestic, potable, or industrial uses, unless expressly permitted in writing by the Agency.

(i) The Owner shall notify the Agency of each of the following: (1) The type, cause, location and date of any disturbance to any cap, any remedial measures taken or remedial equipment installed, and of the groundwater monitoring system installed on the Burdened Property pursuant to the requirements of the Agency, if any, which could affect the ability of such cap or remedial measures, remedial equipment, or monitoring system to perform their respective functions and (2) the type and date of repair of such disturbance. Notification to the Agency shall be made by registered mail within ten (10) working days of both the discovery of such disturbance and the completion of repairs;

(j) The Covenantor agrees that the Agency, and/or any persons acting pursuant to Agency orders, shall have reasonable access to the Burdened Property for the purposes of inspection, surveillance, maintenance, or monitoring, as provided for in Division 7 of the Water Code.

(k) No Owner or Occupant of the Burdened Property shall act in any manner that will aggravate or contribute to the existing environmental conditions of the Burdened Property. All use and development of the Burdened Property shall preserve the integrity of any capped areas.

(l) Owner hereby covenants that the use of the Back Portion of the Property behind the residence/front office structure shall be restricted to nonresidential uses. Any attempt to redevelop or utilize this portion of the Property for other purposes, can be done only pursuant to written request and approval by the Agency. Nothing herein shall prohibit the continued use of the area on which the residence/front office structure is located for residential purposes to the extent permitted by the applicable zoning.

(m) No significant excavation of the Back Portion of the Property shall occur, except in compliance with the RMP.

3.2 Except as stated in paragraph 3.1 herein, there are no restrictions regarding use of the Property for commercial purposes.

3.3 **Enforcement.** Failure of an Owner or Occupant to comply with any of the restrictions, as set forth in paragraph 3.1, shall be grounds for the Agency, by reason of this Covenant, to have the authority to require that the Owner modify or remove any Improvements constructed in violation of that paragraph. Violation of the Covenant shall be grounds for the Agency to file civil actions against the Owner as provided by law.

3.4 **Notice in Agreements.** After the date of recordation hereof, all Owners and Occupants shall execute a written instrument which shall accompany all purchase agreements or leases relating to the property. Any such instrument shall contain the following statement:

The land described herein contains residual levels of hazardous materials in soils, and is subject to a deed restriction dated as of February 14, 2001, and recorded on _____, 2001, in the Official Records of Alameda County, California, as Document No. _____, which Covenant and Restriction imposes certain covenants, conditions, and restrictions on usage of the property described herein. This statement is not a declaration that a hazard exists.

ARTICLE IV VARIANCE AND TERMINATION

4.1 **Variance.** Any Owner or, with the Owner's consent, any Occupant of the Burdened Property or any portion thereof may apply to the County for a written variance from the provisions of this Covenant.

4.2 **Termination.** Any Owner or, with the Owner's consent, any Occupant of the Burdened Property or a portion thereof may apply to the County for a termination of the Restrictions as they apply to all or any portion of the Burdened Property.

4.3 **Term.** Unless terminated in accordance with paragraph 4.2 above, by law or otherwise, this Covenant shall continue in effect in perpetuity.

**ARTICLE V
MISCELLANEOUS**

5.1 No Dedication Intended. Nothing set forth herein shall be construed to be a gift or dedication, or offer of a gift or dedication, of the Burdened Property or any portion thereof to the general public.

5.2 Notices. Whenever any person gives or serves any notice, demand, or other communication with respect to this Covenant, each such notice, demand, or other communication shall be in writing and shall be deemed effective (1) when delivered, if personally delivered to the person being served or official of a government agency being served, or (2) three (3) business days after deposit in the mail if mailed by United States mail, postage paid certified, return receipt requested:

If To: "Covenantor"
Beth Coffel
Donald Coffel
7921 Bayberry Drive
Alexandria, VA 22306-3214

If To: "Agency"
Alameda County Health Care Services Agency
Environmental Health Services
1131 Harbor Bay Parkway, Suite 250
Alameda, CA 94502-6577

With copies to: City of San Leandro
Environmental Services
835 E. 14th Street
San Leandro, CA 94577

5.3 Partial Invalidity. If any portion of the Restrictions or terms set forth herein is determined to be invalid for any reason, the remaining portion shall remain in full force and effect as if such portion had not been included herein.

5.4 Article Headings. Headings at the beginning of each numbered article of this Covenant are solely for the convenience of the parties and are not a part of the Covenant.

5.5 Recordation. This instrument shall be executed by the Covenantor. This instrument shall be recorded by the Covenantor in the County of Alameda within ten (10) days of the date of execution.

5.6 References. All references to Code sections include successor provisions.

5.7 Construction. Any general rule of construction to the contrary notwithstanding, this instrument shall be liberally construed in favor of the Covenant to effect the purpose of this instrument and the policy and purpose of the Water Code. If any provision of this instrument is

found to be ambiguous, an interpretation consistent with the purpose of this instrument that would render the provision valid shall be favored over any interpretation that would render it invalid.

IN WITNESS WHEREOF, the parties execute this Covenant as of the date set forth above.

Covenantor: Beth and Donald Coffel

Beth Coffel
Beth Coffel

2/12/01
Date

Donald Coffel
Donald Coffel

02 - 12 - 01
Date

Agency: Alameda County Health Care Services Agency

By: Wae Ling Tung

Name: MEE LING TUNG

Title: ENVIRONMENTAL HEALTH DIRECTOR

Date: 2-14-01

City: City of San Leandro Environmental Services

By: Michael Bakaldin

Name: Michael Bakaldin

Title: Environmental Services Manager

Date: 2-14-01

EXHIBIT A
BURDENED PROPERTY

The land referred to herein is situated in the state of California, county of Alameda, City of San Leandro, and is described as follows:

LOT 21, TRACT 663, FILED OCTOBER 1, 1943, MAP BOOK 8, PAGE 50, ALAMEDA COUNTY RECORDS.

EXCEPTING THEREFROM THE SOUTHWESTERN 5 FEET OF THE PREMISES, AS CONVEYED TO THE CITY OF SAN LEANDRO, RECORDED DECEMBER 13, 1989, SERIES NO. 89-334873.

ASSESSOR'S PARCEL NUMBER: 075-0105-019-02

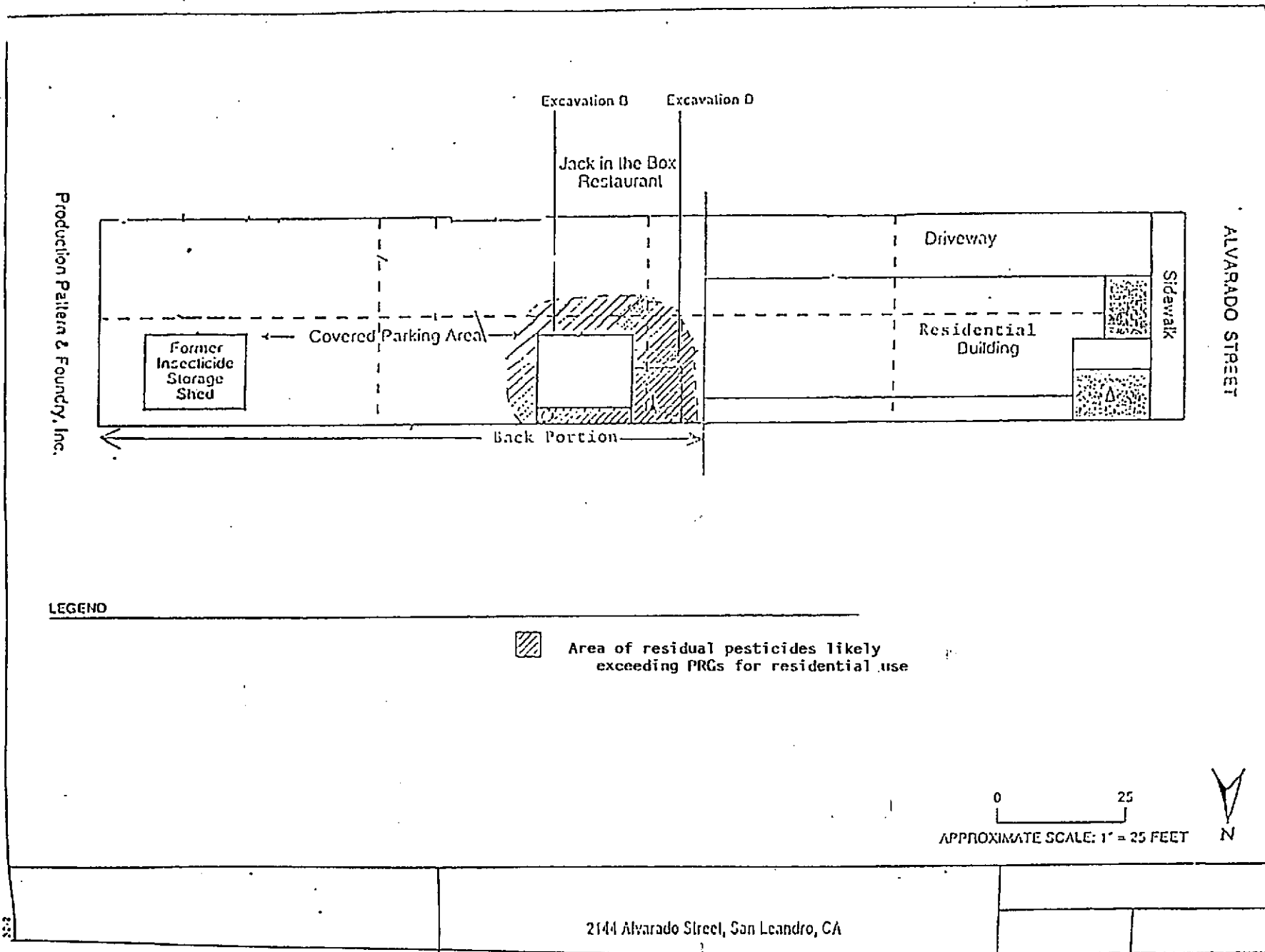


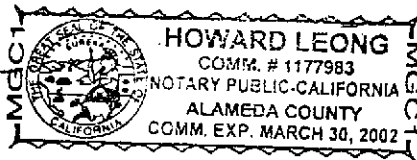
EXHIBIT B

STATE OF CALIFORNIA)
COUNTY OF ALAMEDA)

On Feb. 14, 2001, before me, Howard Leong,
a Notary Public in and for the State of California, personally appeared Mee Ling Tung
personally known to me (or proved to me on the basis of satisfactory evidence) to be the person
whose name is subscribed to the within instrument and acknowledged to me that he/she executed
the same in his/her authorized capacity, and that by his/her signature on the instrument, the
persons, or the entity upon behalf of which the person acted, executed the instrument.

WITNESS my hand and Official Seal. (SEAL)

Howard Leong
Signature

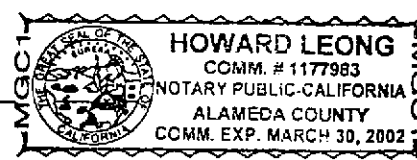


STATE OF CALIFORNIA)
COUNTY OF ALAMEDA)

On FEB 14, 2001, before me, Howard Leong,
a Notary Public in and for the State of California, personally appeared Michael Bakaldin
personally known to me (or proved to me on the basis of satisfactory evidence) to be the person
whose name is subscribed to the within instrument and acknowledged to me that he/she executed
the same in his/her authorized capacity, and that by his/her signature on the instrument, the
persons, or the entity upon behalf of which the person acted, executed the instrument.

WITNESS my hand and Official Seal. (SEAL)

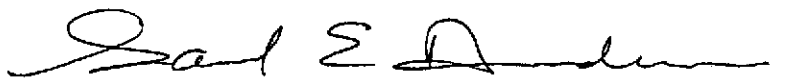
Howard Leong
Signature



STATE OF Virginia)
COUNTY OF Fairfax)

On February 12, 2001, before me, Sarah E Anderson,
a Notary Public in and for the State of Virginia, personally appeared Beth A Coffel
personally known to me (or proved to me on the basis of satisfactory evidence) to be the person
whose name is subscribed to the within instrument and acknowledged to me that he/she executed
the same in his/her authorized capacity, and that by his/her signature on the instrument, the
persons, or the entity upon behalf of which the person acted, executed the instrument.

WITNESS my hand and Official Seal. (SEAL)



Signature : My Commission Expires November 30, 2003

STATE OF Virginia)
COUNTY OF Fairfax)

On February 2, 2001, before me, Sarah E Anderson,
a Notary Public in and for the State of Virginia, personally appeared Donald L Coffel
personally known to me (or proved to me on the basis of satisfactory evidence) to be the person
whose name is subscribed to the within instrument and acknowledged to me that he/she executed
the same in his/her authorized capacity, and that by his/her signature on the instrument, the
persons, or the entity upon behalf of which the person acted, executed the instrument.

WITNESS my hand and Official Seal. (SEAL)



Signature : My Commission Expires November 30, 2003