

**Recording Requested By:**

Mission Linen Supply

**When Recorded, Mail To:**

John M. Robertson, Executive Officer  
California Regional Water Quality Control Board  
Central Coast Region  
895 Aerovista Place, Suite 101  
San Luis Obispo, CA 93401-7906

COVENANT AND ENVIRONMENTAL RESTRICTION  
ON PROPERTY

121 East Gabilan Street  
Salinas, California  
APN's: 002-192-018 / 002-192-019

This Covenant and Environmental Restriction on Property (this "Covenant") is made as of the 10th day of May, 2016 by Mission Linen Supply (Mission). ("Covenantor") who is the Owner of record of that certain property situated at 121 East Gabilan Street, in the City of Salinas, County of Monterey, State of California, which is more particularly described in Exhibit A attached hereto and incorporated herein by this reference (such portion hereinafter referred to as the "Subject Property"), for the benefit of the California Regional Water Quality Control Board for the Central Coast Region (the "Board"), with reference to the following facts:

- A. The Subject Property and soil vapor and groundwater underlying the property contains hazardous materials.
- B. Contamination of the Subject Property. Soil at the Subject Property was contaminated by dry cleaning activities and leaking petroleum underground storage tanks (USTs) that were conducted and operated by Mission and prior operators. These operations resulted in contamination of soil with chemicals including tetrachloroethene (PCE) and its degradation compounds from the dry cleaning activities and total petroleum hydrocarbons (TPH) as gasoline, diesel and stoddard solvent, and benzene, toluene, ethylbenzene and xylenes (BTEX) from the leaking USTs, which constitute hazardous materials as that term is defined in Health & Safety Code Section 25260. In 2001 and 2002. Approximately 1,577 cubic yards (cy) of TPH and BTEX-impacted soil was excavated and disposed off-site and approximately 300 cy of PCE-impacted soil was treated on-site via bioremediation and placed back in the excavation following addition of bioremediation substrate at the base of the excavation. For the groundwater contamination, the TPH / BTEX plume was treated with oxygen-releasing compound (ORC) in 2001, 2002 and 2012 and high-vacuum, dual phase extraction in 2013. The PCE and other

chlorinated volatile organic compound (CVOC) plumes were treated by enhanced in-situ bioremediation (EISB) in 2001,2002, 2008, 2009, 2011 and 2015. All work was conducted under the oversight and approval by the Board.

C. Exposure Pathways. The contaminants addressed in this Covenant are present in soil vapor and groundwater beneath the Subject Property. Without the mitigation measures outlined above which have been performed on the Subject Property, exposure to these contaminants could take place via inhalation, dermal contact and ingestion. 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 Subject Property was historically used as a commercial laundry and dry cleaning operation that was discontinued in 1981 and has been a vacant lot since the buildings were demolished in 1992. The property was subsequently rezoned to Residential High Density [R-H-1.8] by the City of Salinas. Adjacent land uses include residential, commercial and undeveloped.

E. Full and voluntary disclosure to the Board of the presence of hazardous materials on the Subject Property has been made and extensive sampling of the Subject Property has been conducted.

F. Covenantor desires and intends that in order to benefit the Board, and to protect the present and future public health and safety, the Subject Property shall be used in such a manner as to avoid potential harm to persons or property that may result from hazardous materials that remain present in the subsurface beneath portions of the Subject 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 Subject 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 beneath 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 Subject Property, and shall apply to, inure to the benefit of, and bind the respective successors in interest thereof, for the benefit of the Board and all Owners and Occupants. Each and all of the Restrictions are imposed upon the entire Subject Property unless expressly stated as applicable to a specific portion of the Subject 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 Board.

1.2 Concurrence of Owners and Lessees Presumed. All purchasers, lessees, or possessors of any portion of the Subject Property shall be deemed by their purchase, leasing, or possession of such Subject 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 Board and the Owners and Occupants of the Subject Property and that the interest of the Owners and Occupants of the Subject 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 Subject 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 Board 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 Board. "Board" shall mean the California Regional Water Quality Control Board for the Central Coast Region and shall include its successor agencies, if any.

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

2.3 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 Subject Property.

2.4 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 Subject Property.

## ARTICLE III DEVELOPMENT, USE AND CONVEYANCE OF THE SUBJECT PROPERTY

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

a. Development of the Subject Property shall consider the Land Use Covenant (LUC) Restricted Area shown in Exhibit B whereas no structures for residential occupancy can be constructed above this area unless an engineering control, approved by the Board, is installed and demonstrated to mitigate exposure to the residual contaminants above the LUC Restricted Area;

- b. No hospitals shall be permitted on the Subject Property;
- c. No schools for persons under 21 years of age shall be permitted on the Subject Property;
- d. No day care centers for children or day care centers for Senior Citizens shall be permitted on the Subject Property;
- e. No Owners or Occupants of the Subject Property or any portion thereof shall conduct any excavation work on the Subject Property, unless expressly permitted in writing by the Board. 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;
- f. No Owners or Occupants of the Property or any portion thereof shall drill, bore, otherwise construct, or use a well for the purpose of extracting water for any use from the contaminated area of the shallow groundwater bearing zones, including but not limited to, domestic, potable, or industrial uses, unless expressly permitted in writing by the Board. The contaminated area of the groundwater bearing zones is shown as Exhibit C and is present between approximately 12 and 85 feet below ground surface at the Subject Property.
- g. If an engineering control is installed pursuant to provision a. above, the Owner shall notify the Board of each of the following: (1) The type, cause, location and date of any disturbance to the engineering control system pursuant to the requirements of the Board, which could affect the ability of the control to perform its function and (2) the type and date of repair of such disturbance. Notification to the Board shall be made by registered mail within ten (10) working days of both the discovery of such disturbance and the completion of repairs;
- h. The Covenantor agrees that the Board, and/or any persons acting pursuant to Board orders, shall have reasonable access to the Subject Property for the purposes of inspection, surveillance, maintenance, or monitoring, as provided for in Division 7 of the Water Code.
- i. No Owner or Occupant of the Subject Property shall act in any manner that will aggravate or contribute to the existing environmental conditions of the Subject Property. All use and development of the Subject Property shall preserve the integrity of any capped areas.

3.2 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 Board, 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 Board to file civil actions against the Owner as provided by law. Nothing in this Covenant shall limit the Board's authority under Division 7 (commencing with Section 13000) of the Water Code or other applicable laws.

3.3 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 hazardous materials in soil vapor and in the groundwater under the property, and is subject to a deed restriction dated as of XXXX, 2016, and recorded on XXXX, 2016, in the Official Records of Monterey County, California, as Document No. TBD, 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 Subject Property or any portion thereof may apply to the Board 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 Subject Property or a portion thereof may apply to the Board for a termination of the Restrictions as they apply to all or any portion of the Subject 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 Subject 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"*  
Mission Linen Supply  
702 East Montecito Street  
Santa Barbara, CA 93013  
Attention: Real Estate Department

*If To: "Board"*

Regional Water Quality Control Board  
Central Coast Region  
Attention: Executive Officer  
895 Aerovista Place, Suite 101  
San Luis Obispo, CA 93401-7906

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 and by the Executive Officer of the Board. This instrument shall be recorded by the Covenantor in the County of Monterey 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: Mission Linen Supply

By: \_\_\_\_\_  
Title: \_\_\_\_\_  
Date: \_\_\_\_\_

Agency: State of California  
Regional Water Quality Board,  
Central Coast Region

By: \_\_\_\_\_  
Title: Executive Officer  
Date: \_\_\_\_\_

## ACKNOWLEDGMENT

A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

State of California  
County of \_\_\_\_\_)

On \_\_\_\_\_ before me, \_\_\_\_\_  
(insert name and title of the officer)

personally appeared \_\_\_\_\_,  
who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s)  
is/are subscribed to the within instrument and acknowledged to me that he/she/they executed  
the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the  
instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the  
instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the  
foregoing paragraph is true and correct.

WITNESS my hand and official seal.

Signature \_\_\_\_\_(SEAL)

EXHIBIT A

LEGAL DESCRIPTION OF PROPERTY  
AND PARCEL MAP

(see next page)



# Chicago Title Insurance Company

CACTI7727-7727-1526-00526065 11-CTIC-2011-OP-20

## CONDITION OF TITLE REPORT

**Chicago Title Insurance Company, a Nebraska corporation,**  
herein called the Company.

*SUBJECT TO THE TERMS, LIMITATIONS AND CONDITIONS OF THIS APPLICATION FOR THIS CONDITION OF TITLE REPORT, WHICH APPEARS ABOVE, OR COPY THEREOF, IS ATTACHED HERETO AND SHALL BE PART HEREOF*

### REPORTS

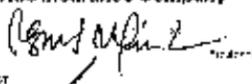
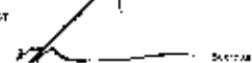
*To the party named in Schedule A that as disclosed by the Title Instruments, the ownership of said the effects, liens and encumbrances against the interest in the legal are as shown in Schedule B.*

*Any claim or other notice to the Company shall be in writing and shall be addressed to the Company at the issuing office or to:*

*Chicago Title Insurance Company  
P.O. Box 40125  
Jacksonville, FL 32222-5023  
Attn: Claims Department*

*THIS REPORT IS NOT VALID AND THE COMPANY SHALL HAVE NO LIABILITY THEREUNDER UNLESS THE APPLICATION REFERRED TO ABOVE, OR COPY THEREOF, IS ATTACHED HERETO*

  
Co-Signatory

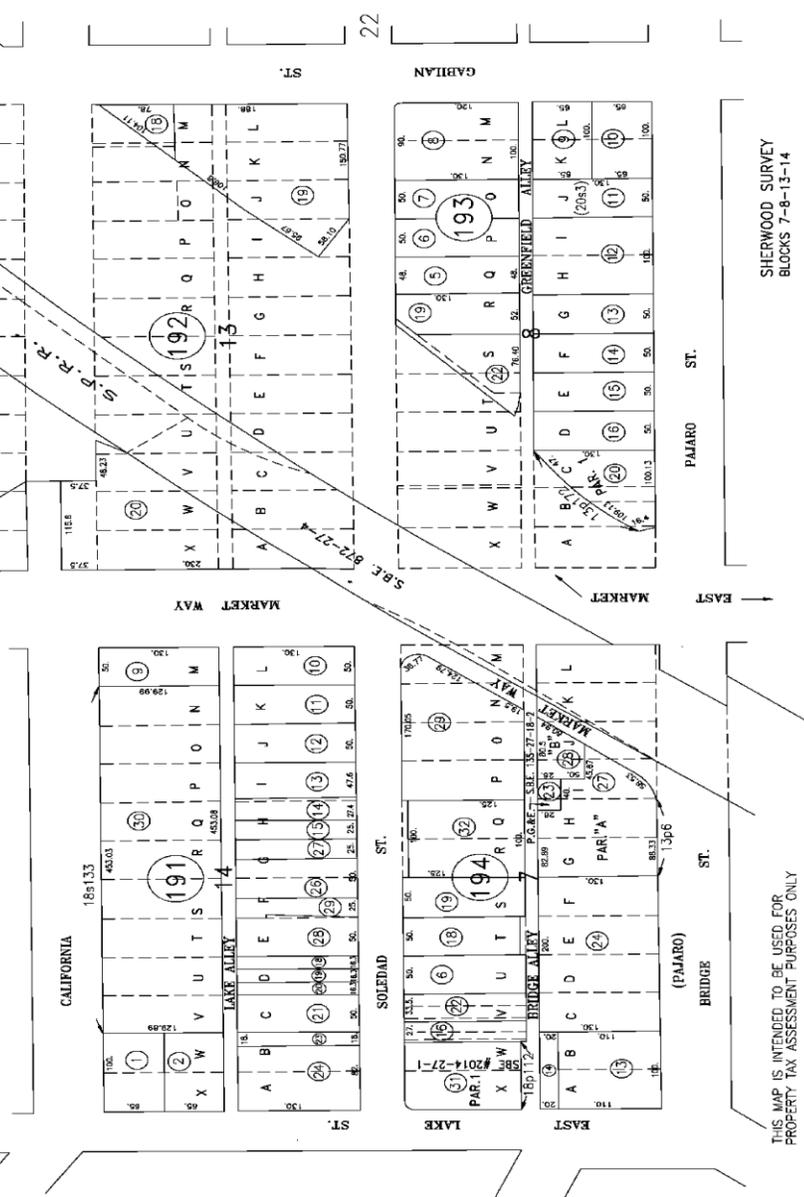
Chicago Title Insurance Company  
BY  SECRETARY  
ATTEST 

TAX CODE AREA--

EAST MARKET



SCALE: 1 IN.=100 FT.



SHERWOOD SURVEY  
 BLOCKS 7-8-13-14

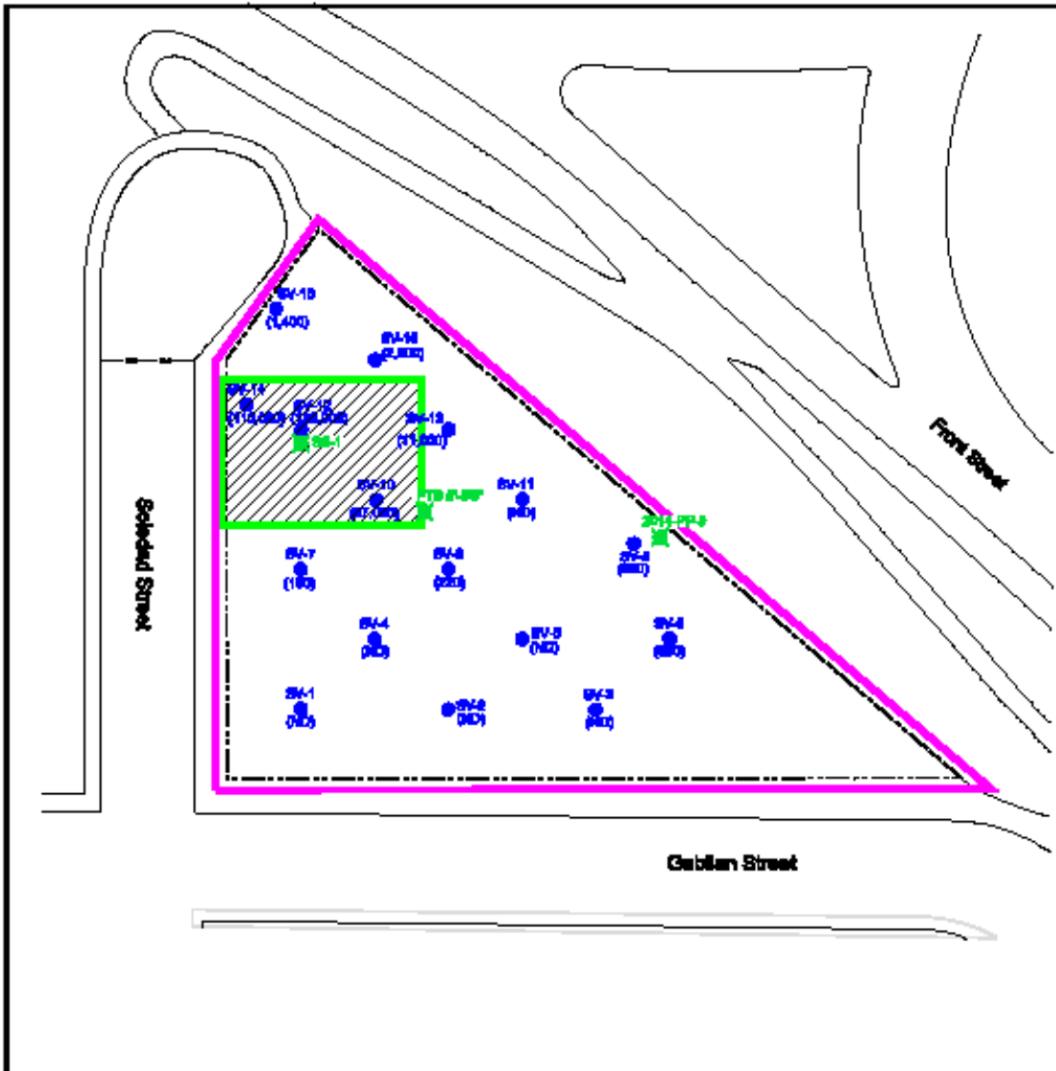
THIS MAP IS INTENDED TO BE USED FOR  
 PROPERTY TAX ASSESSMENT PURPOSES ONLY

**EXHIBIT B**

**LUC RESTRICTED AREA**

(see next page)

E:\Projects\0 - Information - Reports\01-MLB-014-01-MLB-014-017-036-036-3D-042-048\Report\01-MLB-014-017-036-036-3D-042-048\Site Plan with soil vapor sampling locations.txd



LEGEND	
	Property Boundary
	Soil Vapor Sampling Locations
	Physical Property Soil Sample Location
	Boundary for Site
	Boundary for Land Use Covenant (LUC) Restricted Area
	Land Use Covenant (LUC) Restricted Area
	800 PCE Concentration in Shallow Soil Vapor ( $\mu\text{g}/\text{m}^3$ )
	Not Detected above Reporting Limit

<p>3478 BLAKKIRK AVENUE, SUITE 100 PLEASANT HILL, CA 94662</p>	<b>FORMER MISSION LINEN SUPPLY FACILITY SALINAS, CALIFORNIA</b>				<b>SITE PLAN WITH LUC RESTRICTED AREA</b>		<p><b>FIGURE 1</b></p>				
	<table border="1"> <tr> <th>PROJECT NO.</th> <th>DATE</th> <th>DRAWN BY</th> <th>APP. BY:</th> </tr> <tr> <td>01-MLB-048</td> <td>03/09/2016</td> <td>ZK</td> <td>MB</td> </tr> </table>	PROJECT NO.	DATE	DRAWN BY	APP. BY:	01-MLB-048		03/09/2016	ZK	MB	<p>HORIZONTAL SCALE IN FEET</p>
PROJECT NO.	DATE	DRAWN BY	APP. BY:								
01-MLB-048	03/09/2016	ZK	MB								

EXHIBIT C

LUC RESTRICTED AREA – SHALLOW GROUNDWATER

(see next page)

