

<p>RECORDING REQUESTED BY: PACCAR Inc.</p> <p>WHEN RECORDED, MAIL TO: California Regional Water Quality Control Board San Francisco Bay Region 2101 Webster Street, Suite 500 Oakland, California 94612</p>	<p>ENVIRONMENTAL</p>
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COVENANT AND ENVIRONMENTAL RESTRICTION ON PROPERTY

This Covenant and Environmental Restriction is made as of the date last set forth below by GEORGIA-PACIFIC CORPORATION ("Covenantor"), owner of certain property located at 38801 Cherry Street, Newark, County of Alameda, State of California as more particularly described in Exhibit A attached hereto and incorporated herein (the "Site"), and by the California Water Quality Control Board, San Francisco Bay Region (the "Regional Water Board"), with reference to the following facts:

A. On August 15, 1990, the Regional Water Board issued Order No. 90-114, directing the then-owner of the Property, Peterbilt Motors Company (a Division of PACCAR Inc), to investigate and remediate chemicals in the soil and groundwater at the Site. The order was subsequently amended by Orders No. 91-112 and 93-150 (collectively, the "Order"). Pursuant to the Order, PACCAR conducted investigation of the soil and groundwater at the Site, removed potential contamination sources, installed and operated a groundwater extraction and treatment system and regularly monitored the levels of various chemical contaminants in the groundwater.

PACCAR also performed an assessment of potential human health and environmental risks, which indicated that the primary possible exposure pathway from the residual chemical concentrations at the Site involved potential volatilization of chemicals from

groundwater through the soil. The health risk assessment showed that there would not be a significant threat to the occupants of the Site.

In 1995, PACCAR sold the Site to Georgia-Pacific Corporation. On September 17, 1997, 1997 the Regional Water Board adopted Order No. 97-114, which revised the requirements applicable to the Site and allowed Paccar to shut down the operation of the groundwater extraction and treatment system. Issuance of the Order created a non-attainment area covering a portion of the Site (the "Containment Zone Property"), which Containment Zone Property is more particularly described in Exhibit B attached hereto and incorporated herein by this reference.

Portions of the Site have contained and currently contain hazardous substances as that term is defined in the Water Code, including petroleum hydrocarbons, aromatic organic compounds and halogenated organic compounds. These hazardous substances constitute hazardous materials as defined under section 25260 of the Health and Safety Code.

B. Covenantor desires and intends that in order to protect the present or future public health and safety the Containment Zone Property shall be used in such manner as to avoid potential harm to persons or property that may result from hazardous substances.

ARTICLE I

GENERAL PROVISIONS

- 1.01 Provisions to Run with the Land. The Covenant sets forth protective provisions, covenants, restrictions and conditions (collectively referred to as "Restrictions") upon and subject to which the Containment Zone Property and every portion thereof shall be improved, held, used, occupied, leased, sold, encumbered and/or conveyed. The Restrictions shall run with the land, and pass with each and every portion of the Containment Zone Property, and shall apply to, inure to the benefit of and bind the respective successors in interest thereof. The Restrictions are for the benefit of and enforceable by the Regional Water Board. Each and all of the Restrictions are imposed pursuant to sections 13304 and 13267 of the Water Code and run with the land pursuant to section 1471 of the Civil Code, and shall be enforceable solely by the Board. This Covenant shall not create any private rights of action against Covenantor.

- 1.02 Concurrence of Owners Presumed. All purchasers, lessees, sublessees or possessors of any portion of the Containment Zone Property shall be deemed by their purchase, leasing or possession of such 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 future owners and occupants and that their interest in the property shall be subject to the Restrictions contained herein.
- 1.03 Incorporation into Deeds and Leases. Covenantor desires and covenants that the Restrictions set out herein shall be incorporated by reference in each and all deeds and leases of any portion of the Containment Zone Property. Recordation of this Covenant shall be deemed binding on all successors, assigns, lessees, and sublessees, regardless of whether a copy of this Covenant has been attached to any given deed or lease.

ARTICLE II

DEFINITIONS

- 2.01 Occupant. "Occupant" shall mean a person entitled by ownership, leasehold, or other legal relationship to the exclusive right to occupy any portion of the Containment Zone Property.
- 2.02 Owner. "Owner" shall mean the Covenantor or its successors in interest, including heirs and assigns, who hold fee title to all or any portion of the Containment Zone Property.
- 2.03 Shallow Wells. "Shallow Wells" shall mean any well, boring, or excavation that allows extraction of water from any water bearing zone above a depth of approximately forty-five (45) feet below ground surface.

ARTICLE III**DEVELOPMENT, USE AND CONVEYANCE OF THE PROPERTY**

3.01 Restriction on Use. Covenantor promises to restrict the use of the Containment Zone Property as follows: No Owner or Occupant of the Containment Zone Property or any portion thereof shall install a Shallow Well for the purpose of extracting water for drinking and potable uses. Covenantor and the Regional Water Board agree that it shall be permissible to construct shallow wells and to use water extracted from such wells for any purpose other than for drinking water. The Owner and/or Occupant shall not conduct any construction or other activities that will result in the spreading of contamination in either the horizontal or vertical direction outside the boundaries of the Containment Zone Property.

3.02 Conveyance of Property. Any owner or occupant of the Containment Zone Property shall provide thirty (30) days' advance notice to the Regional Water Board of any sale, lease or other conveyance of the Containment Zone Property or an interest in the Containment Zone Property to a third person. The Regional Water Board shall not, by reason of this Covenant, have authority to approve, disapprove, or otherwise affect any sale, lease or other conveyance of the Containment Zone Property, unless provided otherwise by Statute.

Within thirty (30) days after the closing date of sale, lease, or other conveyance, Owner shall supply notice to the Board of the completion of the transaction, containing a description of the property sold, leased, or conveyed, the name or names of the lessee(s) or buyer(s) and, if known to the Owner, the general purpose for which the property sold, leased or conveyed will be used.

3.03 Notice in Agreements. In connection with any sale or lease of the Containment Zone Property, the owner or occupant shall execute a written instrument to accompany the sale or lease agreement, containing the following statement:

"The land described herein contains hazardous substances and therefore is subject to a Covenant and Environmental Restriction dated 6/24/98 which has been recorded in Alameda County. The statement is not a declaration that a hazard exists."

Owner shall provide a copy of the written instrument to the Board within thirty (30) days after the closing date or date that Owner enters into a lease.

- 3.03 Enforcement. Failure of the Owner to comply with any of the requirements set forth in this Covenant shall be grounds for the Board to file civil and criminal actions against the Owner to the extent provided by law, as well as to compel closure or modifications of any wells or similar structures used in violation of the Restrictions.

ARTICLE IV

TERMINATION

- 4.01 Termination. Any owner, or, with the owner's consent, an occupant of the Containment Zone Property or a portion thereof may apply to the Regional Water Board for approval to terminate the Restrictions as they apply to all or any portion of the Containment Zone Property. Unless earlier terminated, the Covenant will be deemed terminated when Order No. 97-114 is rescinded.
- 4.02 Term. Unless earlier terminated in accordance with paragraph 4.01 above, this Covenant shall continue in effect in perpetuity.

ARTICLE V

MISCELLANEOUS

- 5.01 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 Containment Zone Property or any portion thereof to the general public or for any purposes whatsoever.
- 5.02 Full Enjoyment of Property. With the exception of implementation of the conditions contained in Order No. 97-114 and the limitations of this Covenant, the establishment of a containment zone on the Site shall not prohibit the full use and enjoyment of the Site, including the Containment Zone Property.
- 5.03 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 (i) when delivered, if personally delivered to the person being served or to an officer of a corporate party being served or official of a government agency being served, or (ii) three (3) business days after deposit in the mail if mailed by United States mail, postage paid certified, return receipt requested:

To: "Covenantor"
Georgia-Pacific Corporation
133 Peachtree Street N.E.
Atlanta, GA 30303
Attn: James J. Holmes III

To: CA Regional Water Quality Control Board
San Francisco Bay Region
2101 Webster Street, Suite 500
Oakland, CA 94612
Attn: Executive Officer

To: PACCAR Inc.
777 106th Avenue N.E.
Bellevue, WA 98004
Attn: Robert K. Butler

- 5.04 Partial Invalidity. If any portion of the Restriction or terms set forth herein is determined to be invalid for any reasons, the remaining portion shall remain in full force and effect as if such portion had not been included herein.
- 5.05 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.
- 5.06 Recording. This Covenant shall be executed by the Covenantor and the Regional Water Board. This instrument shall be recorded by PACCAR with the County Recorder for the County of Alameda within ten (10) days of the date of execution.
- 5.07 Governing Law. The Covenant shall be governed by and enforced in accordance with the laws of the State of California.

IN WITNESS WHEREOF, Covenantor and the Regional Water Board have executed this
Covenant as of the date set forth below.

COVENANTOR: GEORGIA-PACIFIC CORPORATION

Date: 6/24/98

By: *James J. Holman*
Title: *Arnold's Material Transportation Mgr.*

REGIONAL WATER QUALITY CONTROL BOARD, SAN FRANCISCO BAY REGION

Date: 6.24.98

By: *Louise Benjamin*
Title: *EXECUTIVE OFFICER*

EXHIBIT A

Real Property in the City of Newark, County of Alameda, State of California, described as follows:

PARCEL ONE:

Being a portion of Lots 120, 121 and 122, as said lots are shown on the "Map Showing the Town of Newark and the Villa - Lots and Farms in its Vicinity," filed April 27, 1880 in Book 17 of Maps at Page 42 in the Office of the County Recorder of said County, and more particularly described as follows:

Beginning at a point of intersection of the Northeasterly line of the 100 foot wide strip of land described in deed dated October 4, 1880, from Origin Mowry to South Pacific Coast Railroad Company, recorded October 8, 1880 in Book 210 of Deeds, Page 183, Records of said County with the Westerly line of the 40.00 acre parcel of land described in deed dated December 15, 1955 from Southern Pacific Company to The Titan Metal Manufacturing Company, recorded February 26, 1956 in Book 7923 of Official Records, Page 157, Recorder's Series AL 11331, Records of Alameda County, that is distant North 59° 33' 00" West along said Northeasterly line, 640.86 feet from the Northwesterly line of Mowry Road (50 feet wide); thence leaving said Northeasterly line, 142.62 feet to a point; thence Northwesterly, Northerly, and Northeasterly continuing along said Westerly line on a curve to the right having a radius of 448.29 feet (tangent to said curve at last mentioned point is last described course and chord of said curve bears North 9° 58' 20" West, 614.29 feet), an arc distance of 676.63 feet to a point; thence North 33° 14' 20" East tangent to said curve at last mentioned point and continuing along said Westerly line, 1357.19 feet to a point in the Southwesterly line of Cherry Road (60 feet wide); thence North 56° 45' 40" West along said Southwesterly line, 800.00 feet; thence South 33° 14' 20" West, 1781.08 feet to a point in a line parallel with and distant 99.0 feet Northeasterly, measured at right angles, from said Northeasterly line of the 100 foot wide strip of land; thence South 59° 33' 00" East along said parallel line, 502.01 feet to a point; thence Southeasterly on a curve to the right having a radius of 563.14 feet (tangent to said curve at last mentioned point is last described course, and chord of said curve bears South 54°

52' 00" East, 91.96 feet) an arc distance of 92.06 feet to a point; thence South 50° 11' 00" East tangent to said curve at last mentioned point, 562.15 feet to a point in said Northeasterly line of the 100 foot wide strip of land; thence South 59° 33' 00" East along said Northeasterly line, 211.41 feet to the point of beginning.

Excepting therefrom: Mineral rights, as reserved in the Deed from Southern Pacific Company, a corporation to the Titan Metal Manufacturing Company, a corporation, dated December 15, 1955, recorded in Book 9084, Page 539, Official Records, as follows:

"All of the minerals and mineral ores of every kind and character now known to exist or hereafter discovered upon, within or underlying said land or that may be produced therefrom including, without limiting the generality of the foregoing, all petroleum, oil, natural gas and other hydrocarbon substances and products derived therefrom, together with the exclusive and perpetual right of said first party, its successors and assigns, of ingress and egress beneath the surface of said land to explore for, extract, mine and remove the same, and to make such use of the said land beneath the surface as is necessary of useful in connection therewith, which use may include lateral or slant drilling, boring, digging or sinking of wells, shafts or tunnels, provided, however, that said first party, its successors and assigns, shall not use the surface of said land in the exercise of any of said rights and shall not disturb the surface of said land or any improvements thereon or remove or impair the lateral or subjacent support of said land or any improvements thereon."

PARCEL TWO:

Parcel 1 of Parcel Map 1128 filed for record in the Book 79 of Maps, Page 35.

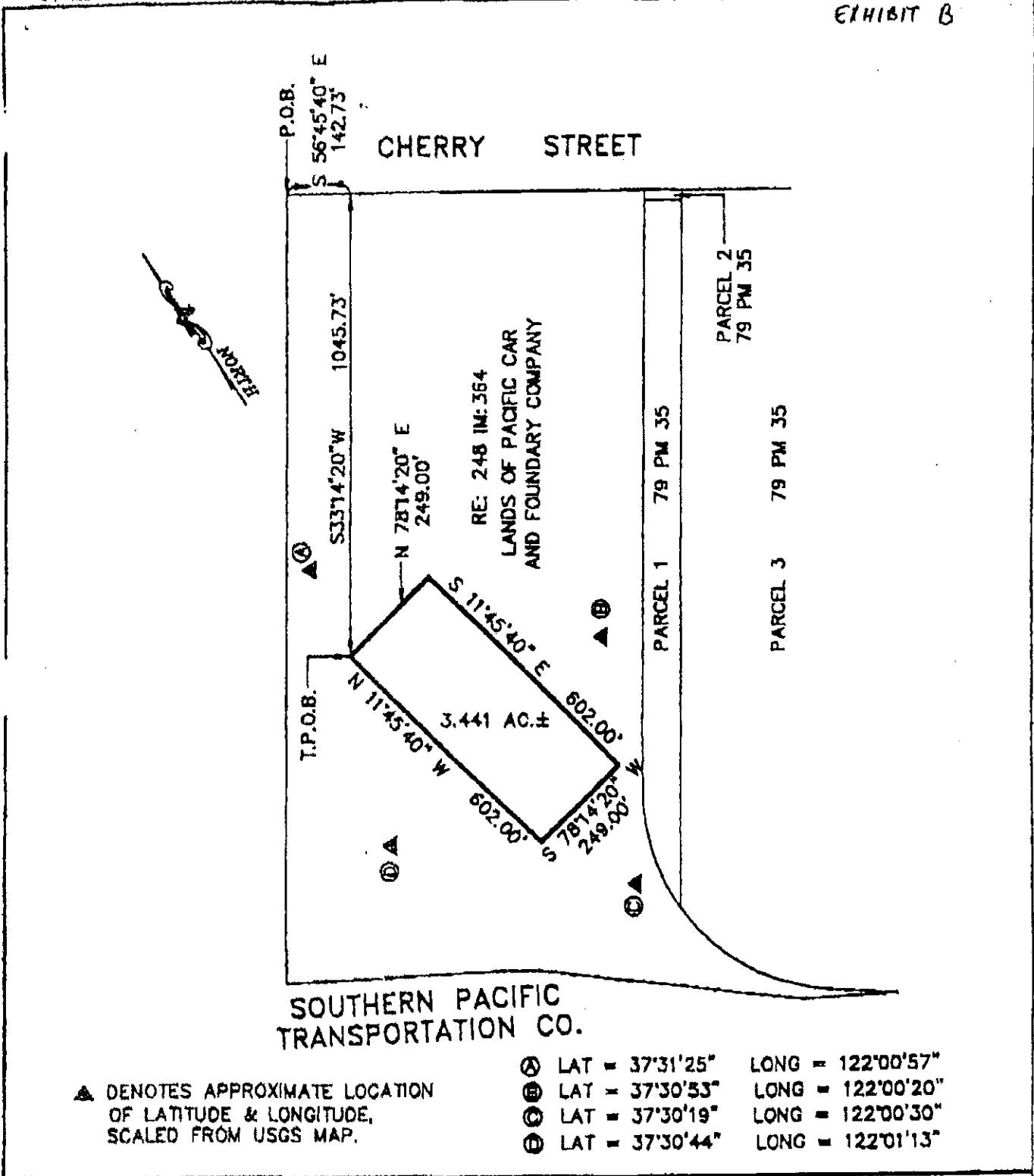
Excepting therefrom: Mineral rights, as reserved in the Deed from Southern Pacific Company, a corporation to the Titan Metal Manufacturing Company, a corporation, dated December 15, 1955, recorded February 2, 1956 in Book 7923, Page 157, Official Records, as follows:

"All of the minerals and mineral ores of every kind and character now known to exist or hereafter discovered upon, within or underlying said land or that may be produced therefrom including, without limiting the generality of the foregoing, all petroleum, oil, natural gas and other hydrocarbon substances and products derived therefrom, together with the exclusive and perpetual right of said first party, its successors and assigns, of ingress and egress beneath the surface of said land to explore for, extract, mine and remove the same, and to make such use of the said land beneath the surface as is necessary or useful

in connection therewith, which use may include lateral or slant drilling, boring, digging or sinking of wells, shafts or tunnels, provided, however, that said first party, its successors and assigns, shall not use the surface of said land in the exercise of any said rights and shall not disturb the surface of said land or any improvements thereon or remove or impair the lateral or subjacent support of said land or any improvements thereon."

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EXHIBIT B



▲ DENOTES APPROXIMATE LOCATION OF LATITUDE & LONGITUDE, SCALED FROM USGS MAP.

- Ⓐ LAT = 37°31'25" LONG = 122°00'57"
- Ⓑ LAT = 37°30'53" LONG = 122°00'20"
- Ⓒ LAT = 37°30'19" LONG = 122°00'30"
- Ⓓ LAT = 37°30'44" LONG = 122°01'13"

Surv.		
Dwn.	JMP	
	KPM	KPM
Approved:	<i>KPM</i> 6/25/03	

WILSEY & HAM
331 LAKESIDE DRIVE, FOSTER CITY, CALIFORNIA 94404 (415)348-2151

CONTAINMENT ZONE
BEING A PORTION OF THE LANDS AS DESCRIBED IN
RE: 248 IM: 364, ALAMEDA COUNTY RECORDS.

NEWARK COUNTY OF ALAMEDA CALIFORNIA

DWG. NO. CZR-SHT1.DWG
284-08-01
SCALE: 1"=300'
DATE: 08-25-97
BK NO.

Real property in the City of Newark, County of Alameda, State of California, a portion of that parcel of land as described in deed recorded in Reel 248 of Official Records at Image 364 in the records of said County, described as follows:

Beginning at the most northerly corner of said parcel, thence S 56° 45' 40" E, 142.73 feet;

Thence S 33° 14' 20" W, 1045.73 feet to the true point of beginning;

Thence N 78° 14' 20" E, 249.00 feet;

Thence S 11° 45' 40" E, 602.00 feet;

Thence S 78° 14' 20" W, 249.00 feet;

Thence N 11° 45' 40" W, 602.00 feet to the true point of beginning and containing 3.441 acres of land more or less.

Including that portion of land thereof lying a depth of 45 feet below the ground surface as the surface conditions exist on the date of September 1, 1997.

Prepared by: Kenneth P. Moore
Kenneth P. Moore, LS 4918
License Expires 12/30/00

