COVENANT TO RESTRICT USE OF PROPERTY

ENVIRONMENTAL RESTRICTION

PARCEL V

MARINA BAY REDEVELOPMENT

RICHMOND, CALIFORNIA

This Covenant and Agreement ("Covenant") is made by and between the Richmond Redevelopment Agency (the "Covenantor"), the current owner of Parcel V situated within the Marina Bay Redevelopment project in Richmond, County of Contra Costa, State of California, described in Exhibit "A", attached hereto and incorporated herein by this reference (the "Property"), and the Covenantee, the Department of Toxic Substances Control (the "Department"). Pursuant to Civil Code section 1471(c), the Department has determined that this Covenant is reasonably necessary to protect present or future human health or safety or the environment as a result of the presence on the land of "hazardous materials" as defined in Health and Safety Code ("H&SC") section 25260. The Covenantor and the Department, collectively referred to as the "Parties", hereby agree that the use of the Property be restricted as set forth in this Covenant.
ARTICLE I
STATEMENT OF FACTS

1.01. The Property, encompasses approximately 1 acre is more particularly described and depicted in Exhibit “A”, attached hereto and incorporated herein by this reference. The Property is located in the area now generally bounded on the north by Peninsula Drive, on the west by a parking lot, on the east by residences, and on the south by San Francisco Bay, County of Contra Costa, State of California. This property is more specifically described in Exhibit A.

1.02. The Property is being remediated pursuant to a Remedial Action Plan (RAP) pursuant to Chapter 6.8 of Division 20 of the H&SC. Because hazardous substances, as defined in H&SC section 25316, which are also hazardous materials as defined in H&SC section 25260, including total petroleum hydrocarbons (TPHs) and lead remain in the soil under portions of the Property, the RAP provides that a deed restriction be required as part of the site remediation. The Department circulated the RAP, which contains a Final Health Risk Assessment, together with a draft Negative Declaration prepared pursuant to the California Environmental Quality Act, Public Resources Code section 21000 et seq., for public review and comment. The RAP and the negative declaration were approved by the Department on May 24, 1993. Remediation includes in situ encapsulation of contaminated soil and installation of a soil cap. The cap consists of four feet of clean soil. Operation and maintenance of the soil cap is required pursuant to an Operation and Maintenance Plan incorporated into an Operation and Maintenance Agreement between Richmond Redevelopment Agency and the Department.

1.03. As detailed in the Final Health Risk Assessment as approved by the Department in 1988, all or a portion of the subsurface soils within 10 feet of the surface on the Property contain hazardous substances, as defined in H&SC section 25316, and hazardous materials as defined in H&SC section 25260, which include lead and TPHs at significant concentrations. Based on the Final Health Risk Assessment, the Department has determined that the use of the Property as a residence, hospital, school for persons under the age of 21 or day care center would entail an unacceptable cancer risk. The
Department has further determined that the Property, as remediated, and subject to the restrictions of this Covenant, does not present an unacceptable risk to human health or the environment, if limited to commercial and industrial, parks, or open space use.

ARTICLE II
DEFINITIONS

2.01. **Department.** "Department" means the California Department of Toxic Substances Control and includes its successor agencies, if any.

2.02. **Owner.** "Owner" means the Covenantor, its successors in interest, and their successors in interest, including heirs and assigns, who at any time hold title to all or any portion of the Property.

2.03. **Occupant.** "Occupant" means Owners and any person or entity entitled by ownership, leasehold, or other legal relationship to occupy any portion of the Property.

ARTICLE III
GENERAL PROVISIONS

3.01. **Restrictions to Run with the Land.** This Covenant sets forth protective provisions, covenants, restrictions, and conditions (collectively referred to as "Restrictions"), to which the Property and every portion thereof is subject notwithstanding how the Property is improved, held, used, occupied, leased, sold, hypothecated, encumbered, and/or conveyed. Each and every Restriction: (a) runs with the land pursuant to Civil Code section 1471; (b) inures to the benefit of and passes with each and every portion of the Property; (c) is for the benefit of, and is enforceable by, the Department; and (d) is imposed upon the entire Property unless expressly stated as applicable only to a specific portion thereof.

3.02. **Binding upon Owners/Occupants.** Pursuant to Civil Code section 1471(b), this Covenant expressly binds all owners of the Property, their heirs, successors, and assignees, and the agents, employees, and lessees of the owners, heirs, successors, and
assignees.

3.03. **Written Notice of Release of Hazardous Substances.** Prior to the sale, lease or sublease of the Property, the owner, lessor, or sublessor shall give the buyer, lessees, or sublessee a copy of this Covenant.

3.04. **Incorporation into Deeds and Leases.** The Restrictions set forth herein shall be incorporated by reference in each and all deeds and leases for any portion of the Property.

3.05. **Conveyance of Property.** Covenantor agrees that the Owner shall provide written notice to the Department not later than thirty (30) days after any conveyance of any ownership interest in the Property (excluding mortgages, liens, and other non-possessory encumbrances). The Department shall not, by reason of this Covenant, have authority to approve, disapprove, or otherwise affect proposed conveyance, except as otherwise provided by law, by administrative order, or by a specific provision of this Covenant.

**ARTICLE IV**
**RESTRICTIONS**

4.01. **Prohibited Uses.** The Property shall not be used/developed for any of the following purposes:

(a) A residence, including any mobile home or factory built housing, constructed or installed for use as residential human habitation.
(b) A hospital or hospice for humans.
(c) A public or private school for persons under 21 years of age.
(d) A day care center for children.
4.02. **Soil Management.**

(a) No activities that will disturb the soil cap (e.g., excavation, grading, removal, trenching, filling, earth movement or mining) without a Soil Management Plan and a Health and Safety Plan approved by the Department.

(b) Any contaminated soils brought to the surface by grading, excavation, trenching or backfilling shall be managed in accordance with all applicable provisions of state and federal law.

(c) The Owner shall provide the Department written notice at least fourteen (14) days prior to any building, filling, grading, mining or excavating on the Property, whether such activities are under the control or direction of the Owner or the Owner's Occupant.

4.03. **Non-Interference with the Soil Cap.** Covenantor agrees:

(a) Activities that may disturb the soil cap (e.g. excavation, grading, removal, trenching, filling, earth movement, or mining) shall not be permitted without prior review and approval by the Department, as required under 4.02(c).

(b) All uses and development of the Property shall preserve the integrity of the soil cap.

(c) The soil cap shall not be altered without prior written approval of the Department, as required under 4.02(c).

(d) Covenantor shall notify the Department of each of the following: (i) The type, cause, location and date of any other disturbance to the cap that could affect the cap's ability to contain subsurface hazardous wastes or hazardous materials underneath the Property, and (ii) the type and date of repair of such disturbance. Notification to the Department shall be made as provided below within ten (10) working days of both the discovery of
any such disturbance and the completion of any repairs. Timely and accurate notification by any Owner or Occupant shall satisfy this requirement on behalf of all other Owners and Occupants.

4.04. Access for Department. The Department shall have reasonable right of entry and access to the Property for inspection, monitoring, and other activities consistent with the purposes of this Covenant as deemed necessary by the Department in order to protect the public health and safety, or the environment.

4.05. Access for Implementing O&M. The entity or person responsible for implementing Operation and Maintenance activities shall have reasonable right of entry and access to the Property for the purpose of implementing the Operation and Maintenance activities until the Department determines that no further Operation and Maintenance is required.

ARTICLE V
ENFORCEMENT

5.01 Enforcement. Failure of the Covenantor or Owner to comply with any of the Restrictions specifically applicable to it shall be grounds for the Department to require that the Covenantor or Owner modify or remove any Improvements. \[Improvements\] herein shall mean all buildings, roads, driveways, and paved parking areas, constructed or placed upon any portion of the Property in violation of the Restrictions. Violation of this Covenant shall be grounds for the Department to file civil or criminal actions as provided by law.

ARTICLE VI
VARIANCE, TERMINATION, AND TERM

6.01. Variance. Covenantor, or any other aggrieved person, may apply to the Department for a written variance from the provisions of this Covenant. Such application shall be made in accordance with H&SC section 25233.
6.02. Termination. Covenantor, or any other aggrieved person, may apply to the Department for a termination of the Restrictions or other terms of this Covenant as they apply to all or any portion of the Property. Such application shall be made in accordance with H&SC section 25234.

6.03. Term. Unless ended in accordance with the Termination paragraph above, by law, or by the Department in the exercise of its discretion, this Covenant shall continue in effect in perpetuity.

ARTICLE VII
MISCELLANEOUS

7.01. No Dedication Intended. Nothing set forth in this Covenant shall be construed to be a gift or dedication, or offer of a gift or dedication, of the Property, or any portion thereof to the general public or anyone else for any purpose whatsoever.

7.02. Department References. All references to the Department include successor agencies/departments or other successor entity.

7.03. Recordation. The Covenantor shall record this Covenant, with all referenced Exhibits, in the County of Contra Costa within ten (10) days of the Covenantor’s receipt of a fully executed original.

7.04. Notices. Whenever any person gives or serves any Notice (as used herein includes any demand or other communication with respect to this Covenant), each such Notice shall be deemed effective: (1) When delivered, if personally delivered to the person being served or to an officer of a corporate party 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:
To Owner: Richmond Redevelopment Agency
1401 Marina Way South
Richmond, California 94804

City Attorney's Office
City of Richmond
1401 Marina Way South
Richmond, California 94804

To Department: Department of Toxic Substances Control
700 Heinz Avenue, Suite 200
Berkeley, CA 94710
Attention: Barbara J. Cook, P.E., Chief
Northern California Coastal Cleanup Operations Branch

Any party may change its address or the individual to whose attention a Notice is to be sent by giving written Notice in compliance with this paragraph.

7.05 **Partial Invalidity.** If any portion of the Restrictions or other term set forth herein is determined by a court of competent jurisdiction to be invalid for any reason, the surviving portions of this Covenant shall remain in full force and effect as if such portion found invalid had not been included herein.

7.06 **Authority to Bind.** Each of the signatories below warrants and represents that he or she is authorized to execute this Covenant of behalf of its respective Party and to legally bind same to the terms and conditions of this Covenant.
IN WITNESS WHEREOF, the Parties execute this Covenant.

Covenantor: Richmond Redevelopment Agency

Signatory’s Name: [Signature]
Title: Mayor, Chair, Richmond Redevelopment Agency
Date: 8/18/2004

Department of Toxic Substances Control

Signatory’s Name: [Signature]
Title: Branch Chief
Date: 8/18/2004

Reviewed By: [Signature]  
Agency Attorney

Attest By: [Signature]  
Agency Secretary
STATE OF CALIFORNIA )
COUNTY OF CONTRA COSTA )

On August 18, 2004, before me, LINDA L. THOMAS, a Notary Public in and for the State, personally appeared IRMA L. ANDERSON and DIANE HOLMES personally known to me to be the persons whose names are subscribed to the within instrument and acknowledged to me that they executed the same in their authorized capacities, and that their signatures on the instrument the persons, or the entity upon behalf of which the person acted, executed the same.

Witness my hand and official seal.

[attached to Covenant to Restrict Use of Property Environmental Restriction, Parcel V, Marina Bay Redevelopment, Richmond, California. Ms. Anderson signed in her capacity as Chair of the Richmond Redevelopment Agency and Ms. Barnes signed in her capacity as Secretary of the Richmond Redevelopment Agency.]

STATE OF CALIFORNIA )
COUNTY OF CONTRA COSTA )

On August 18, 2004, before me, LINDA L. THOMAS, a Notary Public in and for the State, personally appeared BARBARA J. COOK, 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 she executed the same in her authorized capacities, and that her signature on the instrument the persons, or the entity upon behalf of which the person acted, executed the same.

Witness my hand and official seal.

[attached to Covenant to Restrict Use of Property Environmental Restriction, Parcel V, Marina Bay Redevelopment, Richmond, California. Ms. Cook signed in her capacity as Branch Manager of the Department of Toxic Substances Control, State of California.]
EXHIBIT A
Site Location, Vicinity, and Parcel Maps
Legal Description
LEGAL DESCRIPTION
AREA V- MARINA BAY

Parcel of land situate in the City of Richmond, County of Contra Costa, State of California, described as follows:

Commencing at a northwest corner of Subdivision Tract 8097 recorded in MB 397, Page 43, Contra Costa County records, at a point on the south line of Peninsula Drive, as shown on said Tract; thence along the west line of said Tract, South, a distance of 333.78 feet West; thence 120.88 feet; thence North, a distance of 333.78 feet; thence East, a distance of 120.88 feet to the POINT OF BEGINNING.

Containing 40,347.33 square feet or 0.9262 acres, more or less.

Reference: Marina Bay
Area V
A-N West, Inc
7-29-04
5836-01
AR-3