

Recording Requested By:

The Hertz Corporation
225 Brae Boulevard
Park Ridge, NJ 07656

When Recorded, Mail To:

Executive Officer
California Regional Water Quality Control Board
San Francisco Bay Region
1515 Clay Street, Suite 1400
Oakland, California 94612

**COVENANT AND ENVIRONMENTAL RESTRICTION
ON PROPERTY**

Re: 1000 Walsh Avenue, Santa Clara, California

This Covenant and Environmental Restriction on Property (this "Covenant") is made as of the ____ day of _____, 2002 by The Hertz Corporation ("Covenantor" or "Hertz") who is the Owner of record of that certain property situated at 1000 Walsh Avenue, in the City of Santa Clara, County of Santa Clara, 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 "Burdened Property"), for the benefit of the California Regional Water Quality Control Board for the San Francisco Bay Region (the "Board"), with reference to the following facts:

A. The Burdened Property and groundwater underlying the property contains residual hazardous materials.

B. Contamination of the Burdened Property. Soil and groundwater at the Burdened Property was contaminated by operations conducted on the Burdened Property by Technical Coatings Company ("Technical Coatings") and Benjamin Moore & Company ("Benjamin Moore"). Technical Coatings purchased the Burdened Property in 1950 and manufactured paints and coatings, using solvents, since 1953. Benjamin Moore purchased Technical Coatings as a wholly owned subsidiary in 1963. Benjamin Moore stored various chemicals onsite until 1983. These operations conducted by Technical Coatings and/or Benjamin Moore resulted in contamination of groundwater with organic solvents, including benzene, ethylbenzene, xylenes, methyl isobutyl ketone (MIBK), and 1,2-dichloroethane (1,2-DCA), which constitute hazardous materials as that term is defined in Health & Safety Code Section 25260. On November 18, 1992, the Board issued Order No. 92-137, which required Benjamin Moore to perform certain investigation and remedial work. Remedial actions implemented by Benjamin Moore have been performed, and the risk of human exposure to the residual hazardous materials has been substantially lessened by such remediation and controls implemented. Hertz purchased the Burdened Property from Benjamin Moore in December 2000.

C. Exposure Pathways. The residual hazardous materials addressed in this Covenant are present in groundwater on the Burdened Property. Without the mitigation measures which have been performed on the Burdened Property, exposure to these residual hazardous materials could take place via ingestion by humans. The risk of public exposure to the residual hazardous materials has been substantially lessened by the remediation and controls described herein.

D. Adjacent Land Uses and Population Potentially Affected. The Burdened Property is used for commercial purposes, and is adjacent to commercial/industrial land uses. There is no residential land use in the immediate vicinity of the Burdened Property.

E. Full and voluntary disclosure to the Board of the presence of hazardous materials on the Burdened Property has been made and sampling of the Burdened 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 Burdened Property shall be used in such a manner as to avoid potential harm to persons or property that may result from residual 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 residual 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 Board 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 California 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 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 Board 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 Board the benefit of the restriction described in Article III below, which will run with the land, solely for the purpose of facilitating the remediation of residual hazardous materials 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 San Francisco Bay 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 Burdened 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 Burdened Property.

2.4 Owner or Owners. "Owner" or "Owners" shall mean the Covenantor and/or its successors in interest, including heirs and assigns, 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. 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.

b. All uses and development of the Burdened Property shall be consistent with any applicable Board Order which is hereby incorporated by reference including future amendments thereto. All uses and development shall preserve the integrity of any remedial measures taken or remedial equipment installed and any groundwater monitoring system installed on the Burdened Property pursuant to the requirements of the

Board, unless otherwise expressly permitted in writing by the Board.

c. 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, including but not limited to, domestic, potable, or industrial uses, unless expressly permitted in writing by the Board.

d. The Owner shall notify the Board of each of the following: (1) The type, cause, location and date of any disturbance to 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 Board, which could affect the ability of such 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 Board shall be made by registered mail within ten (10) working days of both the discovery of such disturbance and the completion of repairs.

e. The Covenantor agrees that the Board, and/or any persons acting pursuant to Board 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.

f. 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.

3.2 Enforcement. Failure of the 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 require that the Owner or Occupant modify or remove any wells constructed or placed upon any portion of the Burdened Property in violation of the Restrictions. Violation of the Covenant shall be grounds for the Board to file civil actions against the Owner or Occupant as provided by law.

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 Burdened Property. Any such instrument shall contain the following statement:

The land described herein contains residual hazardous materials, and is subject to a deed restriction dated as of _____, 200_, and recorded on _____, 200_, in the Official Records of Santa Clara 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 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 Burdened 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 Burdened Property.

4.3 Method of Termination. If this Covenant is terminated under Section 4.2 above, the Owner shall prepare a Notice of Termination of Covenant, which shall be recorded in the County of Santa Clara, California. The Notice of Termination of Covenant shall identify this Covenant and note that the Covenant has been terminated. The Owner shall also serve a copy of the Notice of Termination of Covenant on the Board within five days after recordation. Termination of this Covenant shall be effective upon the date of recordation of the Notice of Termination of Covenant.

4.4 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"
Law Department
The Hertz Corporation
225 Brae Boulevard
Park Ridge, NJ 07656
Attention: Lesley Andrews

If To: "Board"
Regional Water Quality Control Board
San Francisco Bay Region
Attention: Executive Officer
1515 Clay Street, Suite 1400
Oakland, California 94612

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

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.

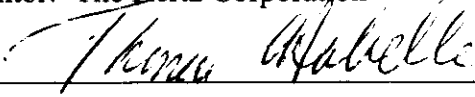
5.5 Recordation. This instrument shall be executed by the Covenantor and by the Executive Officer of the Board. This instrument shall be recorded by the Covenantor in the County of Santa Clara within ten (10) days of the date of execution.

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: The Hertz Corporation

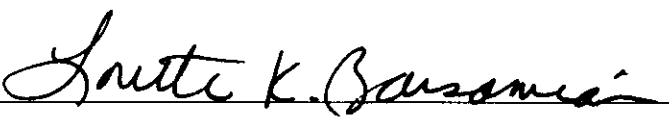
By:  _____

Title: Staff Vice President, Real Estate

Date: October 8, 2002

Agency:

State of California
Regional Water Quality Board,
San Francisco Bay Region

By:  _____

Title: Executive Officer

Date: 10/11/02

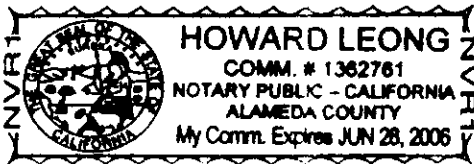
CALIFORNIA ALL-PURPOSE ACKNOWLEDGMENT

State of California

County of Alameda } ss.

On 10/11/2002, before me, Howard Leong, Notary Public
Date Name and Title of Officer (e.g., "Jane Doe, Notary Public")
personally appeared LORETTA K BARSAMIAN
Name(s) of Signer(s)

- personally known to me
 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.

WITNESS my hand and official seal.

Place Notary Seal Above

Signature of Notary Public

OPTIONAL

Though the information below is not required by law, it may prove valuable to persons relying on the document and could prevent fraudulent removal and reattachment of this form to another document.

Description of Attached Document

Title or Type of Document: _____

Document Date: _____ Number of Pages: _____

Signer(s) Other Than Named Above: _____

Capacity(ies) Claimed by Signer

Signer's Name: _____

- Individual
 Corporate Officer — Title(s): _____
 Partner — Limited General
 Attorney in Fact
 Trustee
 Guardian or Conservator
 Other: _____

Signer Is Representing: _____

RIGHT THUMBPRINT
OF SIGNER
Top of thumb here

EXHIBIT A
LEGAL DESCRIPTION OF PROPERTY

RECORDING REQUESTED BY
CHICAGO TITLE COMPANY
AND WHEN RECORDED MAIL TO

The Hertz Corporation
225 Brae Boulevard
Park Ridge, New Jersey 07656

DOCUMENT: 15499393



Titles: 1 / Pages: 3
Fees: 23 00
Taxes: 8176 85
Copies: _____
AMT PAID: 8199 85

BRENDA DAVIS
SANTA CLARA COUNTY RECORDER
Recorded at the request of
Chicago Title

RDE # 005
12/19/2000
11:19 AM

Escrow No. 851467 - SEL
Order No. 851467 - LI
1000-1056 Walsh Ave, Santa Clara, CA

INSURED

SPACE ABOVE THIS LINE FOR RECORDER'S USE

GRANT DEED

Assessor's Parcel No:
224-59-004 and 224-59-003

THE UNDERSIGNED GRANTOR(S) DECLARE(S)

DOCUMENTARY TRANSFER TAX IS \$8,176.85

- unincorporated area City of Santa Clara
- computed on the full value of the interest or property conveyed, or is
- computed on the full value less the value of liens or encumbrances remaining at time of sale, and

FOR A VALUABLE CONSIDERATION, receipt of which is hereby acknowledged,
Benjamin Moore & Co., a Corporation organized under the laws of the State of New Jersey

hereby GRANT(S) to
The Hertz Corporation, a Corporation organized under the laws of the State of Delaware

the following described real property in the City of Santa Clara
County of SANTA CLARA, State of California:

LEGAL DESCRIPTION ATTACHED HERETO AND MADE A PART HEREOF BY REFERENCE

Dated December 7, 2000

STATE OF New Jersey
COUNTY OF Bergen) SS.

On December 18, 2000 before me,

the undersigned
a Notary Public in and for said County and State, personally appeared
Charles C. Vail

Benjamin Moore & Co., a Corporation
organized under the laws of the
State of New Jersey

By: *Charles C. Vail*

Print Name: Charles C. Vail

Print Title: Sr. Vice-President

personally known to me (or 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.

WITNESS my hand and official seal.

Chini K. Kroll
Signature of Notary

Nov. 16, 2003
Date My Commission Expires

FOR NOTARY SEAL OR STAMP

MAIL TAX STATEMENTS TO ARTY SHOWN ON FOLLOWING LINE: IF NO PARTY SO SHOWN, MAIL AS DIRECT

Name _____ Street Address _____ City, State & Zip _____

101-229-7-4-22

LEGAL DESCRIPTION EXHIBIT A

All that certain Real Property in the City of Santa Clara, County of Santa Clara, State of California, described as follows:

PARCEL ONE:

Portion of Lot 3, as shown upon that certain Map entitled, "Map of the Oak's Subdivision", which Map was filed for record in the Office of the Recorder of the County of Santa Clara, State of California, on November 25, 1907 in Book M of Maps, Page 5, and more particularly described as follows:

Beginning at a point on the Westerly line of Lafayette Street, distant thereon North 0° 22' East 1222.81 feet from an iron pipe at the true point of intersection of the said Westerly line of Lafayette Street with the Northerly line of Martin Avenue, 60 feet in width; running thence West 696.61 feet to an iron pipe at the true point of beginning of this description; said true point of beginning also being the Northwesterly corner of that certain 8 acre tract of land described in the Deed from P. J. Pasetta et ux, to A. W. Beall, dated April 12, 1950 and recorded April 12, 1950 in Book 1960 Official Records, Page 500, Santa Clara County Records; running thence South 0° 22' West along the Westerly line of the said 8 acre tract and parallel with the said Westerly line of Lafayette Street 500.25 feet to the center line of that certain 20.00 foot strip of land described in the Grant of Right of Way from P. J. Pasetta, et ux, to Southern Pacific Company, a corporation, dated March 9, 1948, recorded June 30, 1948 in Book 1639 Official Records, Page 280 Santa Clara County Records; running thence West along the center line of said 20.00 foot strip, 130.61 feet; running thence North 0° 22' East and parallel with the said Westerly line of Lafayette Street 500.25 feet to an iron pipe; running thence East 130.61 feet to the true point of beginning.

Excepting therefrom the interest conveyed by Deed from Ehrke Properties Inc., to the City of Santa Clara, A Municipal Corporation, dated October 30, 1964 and recorded June 25, 1965 in Book 7007 Official Records Page 196 described as follows:

A strip of land 12.00 feet in width along the Northerly line of the lands of Ehrke Properties as said lands are described in Deed of Record in Book 5679 Page 512 Official Records of Santa Clara County, California.

Said strip of land lying Southerly of the Southerly line of Walsh Avenue as the same exists, 60.00 feet wide.

PARCEL TWO:

Portion of Lots 1, 2 and 3, as shown upon that certain Map entitled, "Map of the Oaks Subdivision", which Map was filed for record in the Office of the Recorder of the County of Santa Clara, State of California, on November 25, 1907 in Book M of Maps, at page 5, and more particularly described as follows:

Beginning at the point of intersection of the Westerly line of Lafayette Street (66.00 feet in width), with the Southerly line of Walsh Avenue (60.00 feet in width), said Point of Beginning also being the Northeasterly corner of that certain 8 acre tract of land described in the Deed from Albert W. Beall et ux, to Beall Refrigerating Co., a California Corporation, dated February 6, 1951, recorded February 7, 1951 in Book 2149 Official Records, page 17, Santa Clara County Records;

LEGAL DESCRIPTION EXHIBIT

thence from said Point of Beginning due West along the said Southerly line of Walsh Avenue for a distance of 370.07 feet and the True Point of Beginning of the tract of land to be described; thence from said True Point of Beginning due West continuing along the said Southerly line of Walsh Avenue for a distance of 326.54 feet to the point of intersection thereof with the Westerly line of said 8 acre tract; thence South 0 deg. 22' West along the said Westerly line of the 8 acre tract for a distance of 500.25 feet to the Southwesterly corner thereof; thence due East along the Southerly line of said 8 acre tract for a distance of 326.54 feet; thence North 0 deg. 22' East and parallel with the said Westerly line of Lafayette Street for a distance of 500.25 feet to the True Point of Beginning.

Excepting therefrom that portion thereof as conveyed to the City of Santa Clara, A Municipal Corporation by deed recorded June 25, 1971 in Book 9391 page 373, of Official Records and being more particularly described as follows:

A strip of land 12.00 feet in width along the Northerly line of the lands of Benjamin Moore & Co. as said lands are described in Deed of Record in Book 6018, page 648, Official Records of Santa Clara County, California.

Said Strip of land lying Southerly of the Southerly line of Walsh Avenue as the same exist, 60.00 feet wide.

