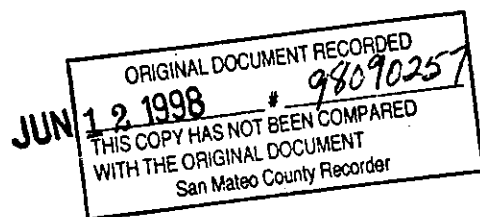


COVENANT OF DEED RESTRICTION

Recording Requested By:

J.G. Torres Concrete Construction, Inc.
825 Independence Avenue
P. O. Box 1270
Mountain View, CA 94042



When Recorded, Mail To:

Loretta Barsamian, Executive Officer
California Regional Water Quality Control Board
San Francisco Bay Region
2101 Webster Street, Suite 500
Oakland, California 94612

and

W. Reece Bader
Orrick, Herrington & Sutcliffe LLP
1020 Marsh Road
Menlo Park, California 94025

COVENANT AND ENVIRONMENTAL RESTRICTION
ON PROPERTY

J. G. Torres Concrete Construction, Inc.
1175 WEEKS STREET
East Palo Alto, California

This Covenant and Agreement to Restrict Use of Property (this "Covenant") is made as of the ____ day of May, 1998 by J.G. Torres Concrete Construction, Inc., ("Covenantor") who is the Owner of record of that certain property situated in the City of East Palo Alto, County of San Mateo, State of California, which is 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 that certain property situated in the City of East Palo Alto, County of San Mateo, State of California, which is described in Exhibit B attached hereto and incorporated herein by this

reference, and 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 hazardous substances/hazardous materials.

B. Description of Facts.

B.1. Contamination of the Burdened Property. Soil at the Burdened Property were contaminated by herbicide formulation operations conducted by prior owners of the adjacent property located at 1990 Bay Road, East Palo Alto, and was contaminated by organic compounds (both volatile and non-volatile) as well as laboratory waste, glassware, etc. as a result of the use of a portion of the Burdened Property as a site which stored hazardous materials operated by lessees of Covenantor's predecessors. These operations resulted in contamination of soil and groundwater with inorganic chemicals including arsenic, lead, cadmium, mercury, and selenium which are believed to have migrated onto the Burdened Property, and by organic and other contaminants from the storage of hazardous materials. These constitute hazardous materials as that term is defined in Health & Safety Code Section 25260. Some of the organic compounds, laboratory wastes, glassware, etc. were excavated and removed in 1991. Contaminated soil containing concentrations of arsenic in excess of 5000 ppm was excavated and removed from the Burdened Property in 1994, together with the removal of additional organic compounds, laboratory wastes, glassware, etc. Soil containing concentrations of arsenic between 500 and 5000 ppm were treated by fixation in 1994 and will be covered with a three-layer asphalt cap. Areas with surface soil containing arsenic concentrations between 70 and 500 ppm will be graded such that surface soils are below 70 ppm until the area is covered. The need for a cover may be reduced or eliminated by development of the site. The RWQCB may determine that

building foundations and other structures are suitable as a cap for the area. Surface soils containing arsenic concentrations between 70 and 500 ppm will be covered with asphalt, sidewalks, cement or buildings.

B.2. Exposure Pathways. The contaminants addressed in this Covenant are present in soil and groundwater 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, surface-water runoff, and wind dispersal, resulting in dermal contact, inhalation, or ingestion by humans. The risk of public exposure to the contaminants has been substantially lessened by the remediation described herein and by placement of hard cap over the treated soils. The purpose of the restrictions on the use of the Burdened Property contained in this Covenant is to eliminate any significant risks to human health and beneficial uses of waters of the State posed by high exposure levels.

B.3. Adjacent Land Uses and Population Potentially Affected. The Burdened Property is used for the J. G. Torres Concrete Construction, Inc., and is adjacent to other industrial land uses.

C. Full and voluntary disclosure to the Board of the presence of hazardous materials on the Burdened Property has been made and extensive sampling of the Burdened Property has been conducted by a third party.

D. Covenantor desires and intends that in order to benefit the Benefited Property, 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 which may result from hazardous substances which 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 Benefited Property, the Board, and the successors in interest thereof. 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 are imposed pursuant to Civil Code Section 1468, and Water Code Sections 13304 and 13267 and run with the land pursuant to section 1471 of the Civil Code. Each and all of the Restrictions are enforceable by the Board. This covenant shall not create any private right of action against the Covenantor.

1.2 Concurrence of Owners 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 Benefited Property and the owners and successive owners

thereof, and the future Owners and Occupants of the Burdened Property and that the interest of the future 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 ground 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 any given deed or lease.

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 occupy any portion of the Burdened 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 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 Burdened Property shall be restricted to industrial, commercial or office space;
- b. No residence for human habitation shall be permitted on 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. The portion of the Burdened Property with a three-layer asphalt cap overlying the soil containing concentrations of arsenic between 500 ppm to 5,000 ppm shall be posted with a bilingual sign in English and Spanish warning against undertaking of any excavation activities on that portion of the Burdened Property, and that the Owner and the Board should be contacted for further information;
- g. 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 state and federal law;
- h. No Owners or Occupants of the Property or any portion thereof shall drill, bore, excavate or otherwise construct any well, boring or excavation on or into the Property for

any purpose, except that it shall be permissible to construct wells, borings, or excavations that are (i) required by or reasonably necessary to implement a plan for development or remediation of groundwater contamination approved by the Board or delegate staff, or (ii) specifically approved in a written decision by the Board. All borings and excavations shall be performed and all wells constructed in conformance with the standards of the San Mateo County Department of Health Services, and shall incorporate practicable efforts to minimize: (a) any significant threat to humans and animals, and (b) any significant transfer of contaminants from the lithosphere to the atmosphere or between water-bearing, or potentially water-bearing, soil or rock zones.

i. All uses and development of the Burdened Property shall be consistent with the Record of Decision issued by the U.S. Environmental Protection Agency, and shall preserve the integrity of any cap, any remedial measures taken or remedial equipment installed, and the groundwater monitoring system installed on the Burdened Property pursuant to the requirements of the Board, unless otherwise expressly permitted in writing by the Board.

j. The Owner shall notify the Board 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 Board, 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 Board shall be made by registered mail within ten (10) working days of both the discovery of such disturbance and the completion of repairs;

k. The Covenantor agrees that the Board, and/or any persons acting pursuant to Board orders, shall have access to the Burdened Property for the purposes of inspection,

surveillance, maintenance, or monitoring, as provided for in Chapter 4 of Division 7 of the Water Code.

1. No Owner or Occupant of the Burdened Property shall willfully 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 the cap.

3.2 Conveyance of Burdened Property. If Owner proposes to sell, ground lease or otherwise convey the Burdened Property, or any portion thereof, Owner shall provide advance written notice to the Board at the address specified in Paragraph 5.2 below. Such notice shall be provided thirty (30) days prior to the proposed sale, ground lease or other conveyance, or upon Owner's first knowledge of the proposed closing date or date of ground lease, whichever is shorter. The notice required in this Paragraph shall consist of the proposed date of ground lease or conveyance. Within thirty (30) days after the closing date or date of ground lease, owner shall supply notice to the Board of the completion of the transaction containing a description of the property to be ground leased or conveyed, the name or names of the ground lessee(s) or buyer(s), and, if known to the Owner, the general purpose for which the Burdened Property to be ground leased or conveyed will be used. Notice is required hereunder for purposes of maintaining a current record of the Owners and ground leases of the Burdened Property and to enable the Board to ensure that the requirements of this covenant are being met. Neither the Board nor the Owner or Owners from time to time of the Benefited Property shall, by reason of this covenant, have authority to approve or disapprove any sale, lease or other conveyance of the Burdened Property.

3.3 Enforcement. Failure of the Owner to comply with any of the restrictions, as set forth in paragraph 3.1, shall be grounds for the Board or the owner or owners, from time to time, of the Benefited Property, 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, or the owner or owners, from time to time, of the Benefited Property, 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 hazardous substances/materials in soils and in the ground water under the property, and is subject to a deed restriction dated as of _____, 1998, and recorded on _____, 1998, in the Official Records of San Mateo, 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, after having obtained the prior written consent of the owner or owners, from time to time, of the Benefited Property, which shall not be unreasonably withheld.

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, after having obtained

the prior written consent of the owner or owners, from time to time, of the Benefited Property, which consent shall not be unreasonably withheld.

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"

J.G. Torres Concrete Construction, Inc.
825 Independence Avenue
P. O. Box 1270
Mountain View, California 94042

and

Jeffrey S. Lawson, Esq.
Reed, Elliott, Creech & Roth
99 Almaden Blvd., 8th Floor
San Jose, California 95113-1606

If To: "Board"

Regional Water Quality Control Board
San Francisco Bay Region
Attention: East Palo Alto Protection Officer
2101 Webster Street
Oakland, California 94612

If To: Owner or Owners of the Benefited Property:

Rhône-Poulenc Inc.
d/b/a Rhône-Poulenc Ag. Co.
P.O. Box 12014
Two Alexander Drive
Research Triangle Park, North Carolina 27709
Attn: George Goodridge

and

W. Reece Bader, Esq.
Orrick, Herrington & Sutcliffe LLP
1020 Marsh Road
Menlo Park, California 94025

Copies of such notice shall be sent, in accordance with instructions of this paragraph, to both the Covenantor and the Board. Copies of all notices, regardless of the identity of the party initiating such notice, shall also be sent to:

Rhône-Poulenc Inc.
d/b/a Rhône-Poulenc Ag. Co.
P.O. Box 12014
Two Alexander Drive
Research Triangle Park, North Carolina 27709
Attn: George Goodridge

and

W. Reece Bader, Esq.
Orrick, Herrington & Sutcliffe LLP
1020 Marsh Road
Menlo Park, California 94025

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, the Owner of the Burdened Property, and by the Executive Officer of the Board. This instrument shall be recorded by the Covenantor in the County of San Mateo within ten (10) days of the date of execution.

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

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

Covenantor: J.G. Torres Concrete Construction, Inc.

By: Jess G. Torres
Jess G. Torres

Title: Pres.

Date: 5/27/98

Owner of the Benefited Property: Rhone-Poulenc Inc.

686
By: Peter K. Tinnesz
Peter K. Tinnesz

Title: VP Manufacturing Operations

Date: May 18, 1998

///

///

Agency: State of California
Environmental Protection Agency
Regional Water Quality Board,
San Francisco Bay Region

By: Lawrence P. Kolb

Title: Lawrence P. Kolb
Assistant Executive Officer

Date: 6/3/98

STATE OF NORTH CAROLINA)
)
COUNTY OF ORANGE)

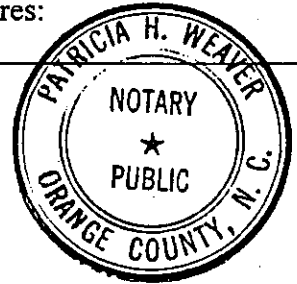
I, Patricia H. Weaver Notary Public for said County and State, certify that Peter K. Tinnesz personally came before me this 18th day of May, 1998, and acknowledged that he is the Vice President of Manufacturing Operations of Rhône-Poulenc Inc., a corporation, and that by authority duly given and as the act of the corporation, the foregoing instrument was signed in its name and sealed with its corporate seal.

WITNESS my hand and official seal.

Patricia H. Weaver
Notary Public in and for said
County and State

My commission expires:

7-19-99



CALIFORNIA ALL-PURPOSE ACKNOWLEDGMENT

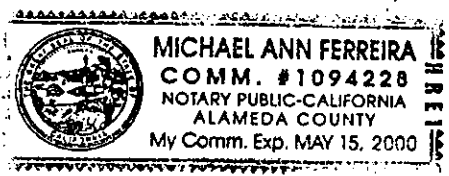
State of California

County of Alameda

On June 3 1998 before me, Michael Ann Ferreira
Date Name and Title of Officer (e.g., "Jane Doe, Notary Public")

personally appeared Lawrence P. Kolb
Name(s) of Signer(s)

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.

Michael Ann Ferreira
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: Covenant of Deed Restriction

Document Date: _____ Number of Pages: _____

Signer(s) Other Than Named Above: _____

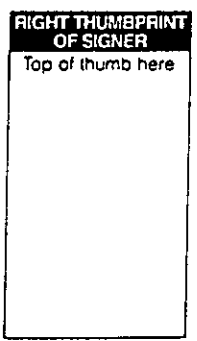
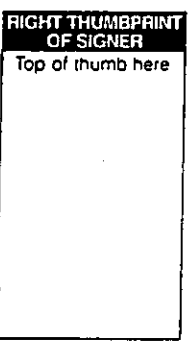
Capacity(ies) Claimed by Signer(s)

Signer's Name: Lawrence P. Kolb

Signer's Name: _____

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

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



Signer Is Representing:
Regional Water Quality Control Board

Signer Is Representing:

EXHIBIT A

LEGAL DESCRIPTION OF BURDENED PROPERTY

**1175 WEEKS STREET, EAST PALO ALTO, CALIFORNIA
(APN 063-240-420 and 063-240-170)**

PARCEL I:

BEGINNING at a point of intersection of the centerline of Weeks Street extended, which point is distant North 1° 29' West 884.11 feet and North 24° 49' West 13.76 feet from the point of intersection of the centerline of Pulgas Avenue with the Northerly line of the Faber Subdivision, recorded in Book 8 of Maps at page 31; running thence North 24° 49' West along the centerline of what is known as Pulgas Avenue, 68.88 feet, more or less, to a point on the Southeasterly line of property of Lubricating Products Company extended; thence North 65° 11' East along said Southeasterly line of property of Lubricating Products Company, 212.8 feet to the Southeasterly corner of property of said Lubricating Products Company; thence North 24° 49' West along the Easterly line of property of Lubricating Products Company, 450 feet to the Northeasterly corner thereof; thence North 65° 11' East 660.16 feet along the Southerly line of Railroad Street (which said Street is shown upon an unrecorded Map of Bayview Addition to Runnymede) to a point on the line of lands of Fitzhugh; thence South 37° 31' East 222.64 feet to a point on the line of the Pulgas Rancho; thence south 13° 18' East along the line of Pulgas Rancho, 655.30 feet to the centerline of a roadway known as Weeks Street extended; thence south 88° 27' West 863.30 feet, more or less, to the point of beginning.

EXCEPTING THEREFROM the Southerly 20 feet thereof for public use.

ALSO EXCEPTING THEREFROM the following described property:

BEGINNING at the point of intersection of the centerline of Pulgas Avenue extended, with the intersection of Weeks Street, Pulgas Avenue being shown upon the map of the Faber Subdivision recorded in Book 8 of Maps at page 31; thence running from said point of beginning North 24° 49' West along the centerline of a road known as Pulgas Avenue, a distance of 73.75 feet to a point on the Southwesterly prolongation of the southeasterly line of the lands now or formerly owned by the Lubricating Products Company; thence North 65° 11' East along said prolongation and along said Southeasterly line, 216.87 feet; thence North 24° 49' West along the Northeasterly line of said lands of the Lubricating Products Company, 450.00 feet to the most Northerly corner thereof; thence North 65° 11' East along the Northeasterly prolongation of the Northwesterly line of said lands of the Lubricating Products Company, 173.00 feet; thence South 24° 49' East 691.39 feet to a point lying in the centerline of Weeks Street; thence along the last mentioned line, South 88° 27' West 424.38 feet to the point of beginning.

Further Excepting therefrom the lands acquired by Judgment in condemnation in favor of the County of San Mateo under Case No. 226639 entered in the Superior Court of the State of California on May 1, 1980 and a certified copy of which was recorded August 14, 1984 as Document No. 84090004 San Mateo County, CA.

A.P. No.: 063-240-420

PARCEL II:

BEGINNING at the most Northerly corner of Parcel II as described in Deed from John Trummer and wife to Robert F. Borrmann, dated October 17, 1963 and recorded October 23, 1963 in Book 4575 of Official Records at page 713 (File No. 53085-W), Records of San Mateo County, California; and running thence from said point of beginning, along the Northeasterly line of said above mentioned parcel, South 24° 49' East 18.00 feet; thence leaving said Northeasterly line and running Southwesterly in a direct line, 82 feet, more or less, to a point on the Northwesterly line of said parcel II, distant thereon south 65° 11' West 80 feet from the most Northerly corner thereof; thence along said northwesterly line North 65° 11' West 80 feet to the point of beginning.

A.P. No.: 063-240-170

EXHIBIT B

LEGAL DESCRIPTION OF BENEFITED PROPERTY

**1990 BAY ROAD, EAST PALO ALTO, CALIFORNIA
(APN 063-240-020)**

Being all of a parcel of land conveyed to Rhone-Poulenc Inc. by Grant Deed filed December 1, 1993 at Series Number 93207948 in the Office of the Recorder, County of San Mateo, situated in the City of East Palo Alto, County of San Mateo, State of California, being more particularly described as follows:

BEGINNING at the Northwest corner of said Rhone-Poulenc Inc. Parcel being in the centerline of Bay Road, said point also being distant North 65 deg. 11 min. 00 sec. East 430.60 feet along the centerline of Bay Road from the intersection of Pulgas Avenue; thence North 65 deg. 11 min. 00 sec. East. 430.60 feet to the Northeasterly corner of said Rhone-Poulenc Inc. Parcel; thence running along the Northeasterly line of said Rhone-Poulenc Inc. Parcel South 24 deg. 49 min. 00 sec. East, 525.00 feet to the Easterly corner of said Rhone-Poulenc Inc. Parcel; thence leaving said Easterly corner and running along the Southeasterly line of said Rhone-Poulenc Inc. Parcel South 65 deg. 11 min. 00 sec. West, 430.60 feet to the Southerly corner of said Rhone-Poulenc Inc. Parcel; thence leaving the Southerly corner of said Rhone-Poulenc Inc. Parcel and running along the Southwesterly line of said Rhone-Poulenc Inc. Parcel North 24 deg. 49 min. 00 sec. West, 525.00 to the TRUE POINT OF BEGINNING: