

Recording Requested By:

Stanford Management Company
 2770 Sand Hill Road
 Menlo Park, CA 94025

When Recorded, Mail To:

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

Environmental Manager
 Stanford Management Company
 2770 Sand Hill Road
 Menlo Park, CA 94025

COVENANT AND ENVIRONMENTAL RESTRICTION ON PROPERTY

1501 Page Mill Road, Palo Alto

This Covenant and Environmental Restriction on Property ("Covenant") is made as of the 27 day of January, 2003 by The Board of Trustees of the Leland Stanford Junior University ("Covenantor") who is the fee Owner of record of that certain property situated at 1501 Page Mill Road, in the City of Palo Alto, County of Santa Clara, State of California (such portion hereinafter referred to as "The Property"), which is more particularly described in Exhibit A attached hereto and incorporated herein by this reference for the benefit of the California Regional Water Quality Control Board for the San Francisco Bay Region (the "Regional Board") with reference to the following facts:

A. Site Cleanup Requirements. This Covenant is made in accordance with the requirements of the Regional Board as set forth in Regional Board Site Cleanup Requirements Order No. 94-099 issued on August 17, 1999 ("the Order") the Regional Board having determined that the groundwater underlying The Property contains hazardous materials.

B. Determination by Regional Board of Hazardous Materials on The Property. According to the Regional Board and as set forth in more detail in the Order, The Property contains hazardous materials as that term is defined in Health & Safety Code Section 25260, including without limitation volatile organic chemicals and petroleum hydrocarbons that were released from underground storage tanks that existed on The Property. Remediation activities were, and are being, conducted to remediate any soil and/or groundwater contamination; however, the groundwater may contain contaminants at concentrations that exceed drinking water standards. Measures are being taken to extract contaminants and treat water prior to discharge to Matadero Creek under an National Pollutant Discharge Elimination System (NPDES) general permit.

C. Exposure Pathways. The Regional Board has determined that hazardous materials addressed in this Covenant are present in groundwater on The Property.

D. Adjacent Land Uses and Population Potentially Affected. The Property is part of the Stanford Research Park that is currently used for industrial and commercial purposes. Industrial and commercial properties are currently on three sides of the site.

E. Disclosure and Sampling. Full and voluntary disclosure to the Regional Board of the presence of such hazardous materials on The Property has been made and extensive sampling of The Property has been conducted.

F. Purpose of Covenant. Covenantor desires and intends that in order to benefit the Regional Board, and to protect what the Regional Board considers to be the present and future public health and safety, The Property shall be used in such a manner as to avoid potential harm to persons or property that may result from hazardous materials in and on The Property. The Order provides for the remediation of any soil and groundwater contamination at the properties subject to the Order. The Order, at Provision C.2.m., requires Covenantor to implement a deed restriction for the site, or an alternative mechanism, prohibiting the use of any contaminated on-site groundwater as a source of drinking water until a determination has been made that groundwater cleanup standards have been achieved and pollutant levels have stabilized in the aquifers beneath the Property.

Covenantor desires and intends that the use of contaminated groundwater under The Property as a source of drinking water shall be prohibited, subject to the requirements stated herein, and that this Covenant will satisfy the requirements of a deed restriction under provision C.2.m. of the Order to prohibit the use of any contaminated on-site groundwater as a source of drinking water. This Covenant is being made pursuant to Civil Code § 1471.

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 Property shall be improved, held, used, occupied, leased, sold, hypothecated, encumbered, and/or conveyed. The Regional Board has determined the restrictions set forth in Article III are reasonably necessary to protect present and future human health and safety or the environment. Each and all of the Restrictions shall run with the land, and pass with each and every portion of The Property, and shall apply to, inure to the benefit of, and bind the respective successors in interest, future purchasers, ground lessees, or possessors of The Property and shall be deemed for the benefit of the Regional Board and all Owners and Occupants. Each and all of the Restrictions are imposed upon the entire Property unless expressly stated as applicable to a specific portion of The 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 Regional Board.

1.2 Concurrence of Owners and Lessees Presumed. All future purchasers, lessees, or

possessors of any portion of The Property shall be deemed by their purchase, leasing, or possession of such The 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 Regional Board and such Owners and Occupants of The Property and that the interest of such Owners and Occupants of The Property shall be subject to the Restrictions contained herein.

1.3 Incorporation into Deeds and Leases. Covenantor desires and covenants that the Restrictions and obligations set out herein, until removed, shall be incorporated in and attached to each and all future deeds and leases of any portion of The Property.

1.4 Purpose. It is the purpose of this instrument to restrict the use of The Property as provided herein, which restrictions will run with the land, to facilitate the remediation of any past environmental contamination and to protect human health and the environment by reducing the risk of potential exposure to residual hazardous materials. This Covenant does not create any private right of action against Covenantor or any lessee or occupant of The Property.

1.5 Covenant Removal. Covenantor agrees that the use of on-property contaminated groundwater as a source of drinking water, is prohibited and that such prohibition shall remain in effect until (a) there is satisfactory evidence to the Regional Board that groundwater cleanup standards have been achieved and pollutant levels have stabilized in the aquifers beneath the Property; or (b) as a result of a written request and application, the Regional Board, or a successor agency, issues a written variance from the provisions of this Covenant as it applies to all or any portion of the Property, as described by the requester/applicant; or (c) the Regional Board, or a successor agency, orders an amendment or termination of this Covenant. Any release from, or termination of, the restrictions specified in this Covenant shall be effective when recorded by the Owner of the Property, or the relevant portion thereof in the County of Santa Clara.

ARTICLE II DEFINITIONS

2.1 Regional Board or Board. "Regional Board" or "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 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 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 Property.

ARTICLE III
DEVELOPMENT, USE AND CONVEYANCE OF THE PROPERTY

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

a. All uses and development of The Property shall be consistent with any then existing operative Regional Board Order or Risk Management Plan. 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 Property pursuant to the requirements of the Regional Board, unless otherwise expressly permitted in writing by the Regional Board.

b. No Owners or Occupants of The Property or any portion thereof shall drill, bore into contaminated groundwater, otherwise construct, or use a well for the purpose of extracting contaminated water for any use, including but not limited to, domestic, potable, or industrial uses, unless expressly permitted in writing by the Regional Board.

c. The Owners or Occupants shall notify the Regional 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 Property pursuant to the requirements of the Regional Board, of which it becomes aware, 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, if known. Notification to the Regional Board shall be made by registered mail within ten (10) business days of both the discovery of such disturbance and the completion of repairs.

d. The Covenantor agrees that the Board, and/or any persons acting pursuant to Regional Board orders, shall, subject to the rights of lessees and other parties in lawful possession of The Property, have reasonable access to The Property for the purposes of inspection, surveillance, maintenance, or monitoring, as provided for in Division 7 of the Water Code.

3.2 Enforcement. Failure of the Owner to comply with any of the restrictions, as set forth in paragraph 3.1, shall be grounds for the Regional Board, by reason of this Covenant, to have the authority to require that the Owner modify or remove any Improvements (including groundwater wells) constructed by the Owner in violation of that paragraph. Violation of the Covenant by the Owner shall be grounds for the Regional Board to file civil actions against the Owner as provided by law.

3.3 Notice in Agreements. After the date of recordation hereof, Owner shall execute a written instrument, which shall accompany all future purchase agreements or leases relating to the property. Any such instrument shall contain the following statement:

The land described herein has been deemed by the Regional Water Quality Control Board to contain hazardous materials in the groundwater under the property, and is subject to a Covenant and Environmental Restriction dated as of January 27, 2003, and recorded on _____, 2003, 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 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 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 Property.

4.3 Term. Unless removed in accordance with paragraph 1.6, altered in accordance with paragraph 4.1 or 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 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"
Stanford Management Company
2770 Sand Hill Road
Menlo Park, CA 94025

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

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: _____

By: _____

Title: _____

Date: _____

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

By: _____

Title: Executive Officer _____

Date: _____

STATE OF CALIFORNIA)
)
COUNTY OF _____)

On _____, 20__ before me, the undersigned a Notary Public in and for said state, personally appeared [Covenantor], personally known to me or proved to me on the basis of satisfactory evidence to be the person who executed the within instrument.

WITNESS my hand and official seal.

Notary Public in and for said
County and State

STATE OF CALIFORNIA)
)
COUNTY OF _____)

On _____, 20__ before me, the undersigned a Notary Public in and for said state, personally appeared [EXECUTIVE OFFICER], personally known to me or proved to me on the basis of satisfactory evidence to be the person who executed the within instrument.

WITNESS my hand and official seal.

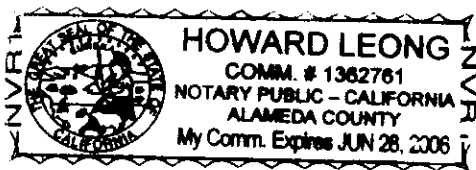
Notary Public in and for said
County and State

CALIFORNIA ALL-PURPOSE ACKNOWLEDGMENT

State of California }
County of Alameda } ss.

On 2/13/2003, 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.

Signature of Notary Public

Place Notary Seal Above

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

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: _____

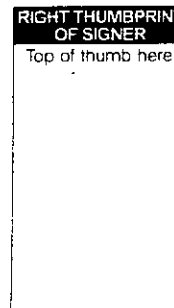


EXHIBIT A

LEGAL DESCRIPTION OF PROPERTY

DESCRIPTION OF 30.822 ACRE PARCEL - PORTION OF THE
STANFORD INDUSTRIAL PARK - PALO ALTO, CALIFORNIA

BEGINNING AT a point on the Northwestern line of Hanover Street (60 feet in width) at the most Easterly corner of that certain 40.00 acre parcel of land leased by Stanford University to the Hewlett Packard Corporation by lease recorded February 27, 1958, in Book 4016 of Official Records, at Page 306, Santa Clara County Records; thence leaving said Northwestern line of Hanover Street North $56^{\circ}31'23''$ West along the Northeasterly boundary line of said 40.00 acre lease 1,479.93 feet to a point on the Southeasterly line of Page Mill Road (120 feet in width); thence leaving said 40.00 acre lease line North $33^{\circ}28'37''$ East along said Southeasterly line of Page Mill Road 1050.28 feet; thence Easterly along the arc of a curve to the right, tangent to the preceding course with a radius of 20.00 feet through a central angle of $88^{\circ}52'43''$ for an arc distance of 31.02 feet to a point on the Southwesterly line of Hanover Street (60 feet in width); thence South $57^{\circ}38'40''$ East along said Southwesterly line of Hanover Street 551.52 feet to the most Northerly corner of the 2.563± Acre parcel leased to Country Life Insurance Company; thence leaving said Southwesterly line of Hanover Street South $32^{\circ}21'20''$ West along the Northwestern line of said 2.563± Acre parcel 287.77 feet; thence leaving said Northwestern line South $57^{\circ}38'40''$ East along the Southwesterly line of said 2.563± Acre parcel and its prolongation 900.16 feet to a point on the said Northwestern line of Hanover Street; thence South $33^{\circ}14'40''$ West along said Northwestern line of Hanover Street 810.98 feet to the point of beginning.

CONTAINING 30.822 acres of land more or less.

RESERVING from the above described 30.822 acre tract, a non-exclusive easement for the installation and maintenance of power and drainage facilities over a strip of land 22.00 feet in width, the Northeasterly line of which is more particularly described as follows:

BEGINNING at the Easternmost corner of the above described 30.822 acre tract; thence from said point of beginning North $57^{\circ}38'40''$ West 900.16 feet to the terminus of said easement, said easement is reserved as appurtenant to and for the benefit of the remaining lands of the Lessor.

ALSO RESERVING from the above described 30.822 acre tract a non-exclusive easement for the installation and maintenance of power and drainage facilities over a strip of land 42.00 feet in width, the Northeasterly line of which lies parallel with and distant Northeasterly 20.00 feet at right angles from the following described line.

BEGINNING at a point which bears North $57^{\circ}38'40''$ West 900.16 feet from the Easternmost corner of the above described 30.822 acre tract; Thence from said point of beginning North $57^{\circ}38'40''$ West 576.76 feet to a point on the Southeasterly line of Page Mill Road (120 feet in width) and the terminus of said easement, said easement is reserved as appurtenant to and for the benefit of the remaining lands of the lessor.

Certified to be a true and
correct description.

C. Blacker
Superintendent

All that real property situate in the County of Santa Clara, State of California, more particularly described as follows:

COMMENCING at a concrete highway monument set on the Southwesterly line of El Camino Real (State Highway) opposite Engineer's Station 144+27.00 as surveyed by the California Division of Highways as said Southwesterly line was established by that Decree in Condemnation, a certified copy of which Decree was filed for record in the Office of the Recorder of the County of Santa Clara, State of California, on July 7, 1930 in Book 520 of Official Records at page 571; said monument also marks the point of intersection of said Southwesterly line with the Southeasterly line of that certain 1289 acre tract of land described in the Deed from Evelyn J. Crosby, et al. to Leland Stanford, dated September 8, 1885, recorded September 8, 1885 in Book 80 of Deeds, page 382, Santa Clara County Records; running thence along said Southeasterly line of said 1289 acre tract and its Southwesterly extension South 33° 14' 40" West 4494.10 feet to the most Southerly corner of lands leased to Lockheed Aircraft Corporation; thence along the Southwesterly line thereof and its Northwesterly extension, North 71° 50' 13" West 652.47 feet to the Northwesterly line of Hanover Street (60.00 feet in width), and to the true point of beginning; said true point of beginning is the most Southerly corner of that certain 40.00 acre tract of land leased to Hewlett-Packard Company by lease, a memorandum of which lease was recorded February 27, 1958 in Book 4016 at page 306, Santa Clara County Records;

THENCE FROM SAID TRUE POINT OF BEGINNING, along said Northwesterly line of Hanover Street South 33° 14' 40" West 163.38 feet to the most Easterly corner of that certain parcel of land leased by The Board of Trustees of The Leland Stanford Junior University to the City of Palo Alto for a substation; thence leaving said line of Hanover Street on and along the Northeasterly line of said parcel so leased to said City of Palo Alto, North 56° 45' 20" West 160.00 feet to the most Northerly corner of said parcel; thence along the Northwesterly line thereof and its Southwesterly prolongation, South 33° 14' 40" West 198.00 feet to the center line of a 10 foot public utilities easement; thence along the center line of said easement North 56° 45' 20" West 1323.89 feet to a point in the Southeasterly line of Page Mill Road (120 feet in width); thence North 33° 18' 37" East along the Southeasterly line thereof, 178.06 feet to the most Westerly

All that certain real property situated in the County of Santa Clara, State of California, being a portion of the lands of The Leland Stanford Junior University and being more particularly described as follows:

BEGINNING at a Concrete Highway Monument situate on the southwesterly line of El Camino Real (State Highway) opposite Engineer's Station 144 / 27.00, as surveyed by the California Division of Highways, as said southwesterly line was established by that Decree in Condemnation, a certified copy of which Decree was filed for record in the office of the Recorder of the County of Santa Clara, State of California, on July 7, 1930, in Book 520 of Official Records at Page 571; said monument also marks the point of intersection of said southwesterly line with the southeasterly line of that certain 1289 acre tract of land described in the deed from Evelyn C. Crosby, et al, to Leland Stanford, dated September 8, 1885, recorded September 8, 1885, in Book 80 of Deeds at Page 382, Santa Clara County Records; running thence along said line of that certain 1289 acre tract and its southwesterly prolongation, South 33° 14' 40" West 4494.10 feet; THENCE leaving said prolongation, North 71° 50' 13" West 652.47 feet to the true point of beginning of the parcel to be described; THENCE from said true point of beginning, North 71° 50' 13" West 708.07 feet; THENCE North 56° 41' 23" West 800.00 feet to a point in the southeasterly line of Page Mill Road (60 feet wide); THENCE along said line, North 33° 18' 37" East 409.49 feet; THENCE continuing along said line, North 33° 28' 37" East 810.88 feet; THENCE leaving the line of Page Mill Road, South 56° 31' 23" East 1479.93 feet to a point which bears North 33° 14' 40" East from the true point of beginning; THENCE South 33° 14' 40" West 1031.05 feet to the true point of beginning.

Containing 40.00 acres, more or less.

Certified to be a true and correct description.

Chas. J. ...

Superintendent

Exhibit A

Certified to be a true and
correct description.
C. Blacker
Superintendent

corner of said 40.00 acre tract so leased to Hewlett-Packard Company; thence along the Southwesterly line of said tract, South $56^{\circ} 41' 23''$ East 800.00 feet to a point; thence continuing along said Southwesterly line South $71^{\circ} 50' 13''$ East 708.07 feet to the true point of beginning.

CONTAINING approximately 6.761 acres.

EXCEPTING AND RESERVING THEREFROM an easement 5 feet in width measured at right angles contiguous with and lying Northeasterly from the Southwesterly line of said 6.761 acre parcel above described. Said easement is excepted and reserved unto Lessor, its successors and assigns, as appurtenant to and for the benefit of the lands of Lessor for the purpose of constructing, installing, operating, maintaining, using, altering, repairing, inspecting, replacing and relocating therein and/or removing therefrom public utility and storm and sanitary sewer facilities and all appurtenances necessary and convenient thereto.

