RECORDING REQUESTED BY
FIRST AMERICAN TITLE
#0131-611958 ala

DOCUMENT: 18579881

Attachment H Pages: 18

Fees 58 00
Taxes
Copies..
AMT PAID 58.00

Recording Requested By:

Waukesha Electric Systems, Inc. c/o SPX Co
13515 Ballantyne Corporate Place
Charlotte, NC 28277

BRENDA DAVIS
SANTA CLARA COUNTY RECORDER
Recorded at the request of
First American Title Company

RDE # 012
9/15/2005
3:52 PM

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

Former Waukesha Electric Systems, Inc.
1200 Piper Drive
Milpitas, California

This Covenant and Environmental Restriction on Property (this "Covenant") is made as of the 8 day of September 2005, by Waukesha Electric Systems, Inc. ("Covenantor") who is the Owner of record of that certain property situated at 1200 Piper Drive, in the City of Milpitas, 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 groundwater underlying the Burdened Property contains volatile organic compounds. Groundwater at the Burdened Property was contaminated by a chemical release in 1982 from nearby Jones Chemical, Inc.

B. Contamination of the Burdened Property. The Burdened Property was previously used for the manufacture and repair of transformers. Soil at the property was impacted primarily with transformer oil, chromium, polychlorinated biphenyls (PCBs), trichloroethane (TCA) trichloroethene (TCE) and perchloroethene (PCE) which constitute hazardous materials as that term is defined in Health & Safety Code Section 25260. Soils at the Site were cleaned up to a more conservative or lower value of the Regional Board ESLs or USEPA PRGs for residential use. Final cleanup standards were as follows: TCE .26; PCE .088; PCBs .22; chromium 210; TPH-Transformer Oil 500; and, TPH-D 500 (Note: all concentrations in mg/kg). Hazardous substances in the soil under the Burdened Property have been remediated as approved by the Board to residential cleanup goals to make the site suitable for future residential development.

In order to address the residual chemicals in the soil, a Removal Action Plan, dated December 10, 2004 was developed. The removal action measures included removal and offsite disposal of 5,063 tons of impacted soil.

VOCs in groundwater are currently being remediated by Jones Chemicals, Inc. via *in-situ* methods (*i.e.*, injection of a bio-remediation substrate).

A Fact Sheet was developed which explains in easily understandable terms the environmental conditions of the Burdened Property and associated responsibilities of the homeowners to comply with this covenant.

C. Exposure Pathways. The contaminants addressed in this Covenant are present in groundwater under the Burdened Property. Without the control and mitigation measures that will be performed on the Burdened Property, exposure to these contaminants could take place via ingestion, dermal contact with groundwater or inhalation of vapors from groundwater. The risk of public exposure to the contaminants has been substantially lessened by the remediation and controls described herein.

D. Adjacent Land Uses and Population Potentially Affected. The Burdened Property is a vacant lot, intended for future residential development. Properties adjacent to the Burdened Property include commercial and industrial facilities.

E. Full and voluntary disclosure to the Board of the presence of groundwater impacts on the Burdened Property has been made and extensive investigatory work, including but not limited to subsurface 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 hazardous wastes or other pollutants in groundwater.

G. Environmental Fact Sheet. An Environmental Fact Sheet has been prepared for the Burdened Property and is attached hereto and incorporated herein by this reference as "Exhibit B". Prospective purchasers of the Burdened Property must be made aware of the existence of the Environmental Fact Sheet and a copy provided to them prior to entering into any sales agreement. The seller is responsible for providing a copy of the Fact Sheet to prospective purchasers.

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 or wastes. 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 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 real property rights, which will run with the land, to facilitate the remediation of past environmental contamination 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, re-gradings, 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, 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 conducted in a commercially reasonable manner so as to minimize direct contact to shallow groundwater.

b. Development of the Burdened Property shall be conducted in a commercially reasonable manner so as to minimize direct contact to VOC vapors emanating from shallow groundwater by the installation of horizontal vapor barriers under residential structures constructed on the Burdened Property.

c. No Owners or Occupants of the Burdened Property or any portion thereof shall conduct any excavation work sufficiently deep enough to have direct contact with the shallow groundwater (approximately 12-15 feet below grade) on the Property, unless expressly permitted in writing by the Board.

d. No Owners or Occupants of the Burdened 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, irrigation, domestic, potable, or industrial uses, unless expressly permitted in writing by the Board.

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. All use and development of the Burdened Property shall preserve the integrity of the vapor barrier installed beneath all residential structures.

g. Any Owner or Occupant of any portion of the Burdened Property shall notify the Board of each of the following: (1) The type, cause, location and date of any disturbance to the vapor barrier installed on their portion of the Burdened Property; 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

3.2 Enforcement. Failure of an 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 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 to file civil actions against the Owner as provided by law.

3.3 Notice in Agreements. After the date of recordation hereof, all Owners and Occupants shall execute a written instrument that 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 hazardous materials in groundwater under the property, and is subject to a deed restriction dated as of _____, 2005, and recorded on ___ _____, 2005, in the Official Records of Santa Clara County, California, as Document No. 18579880, 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. In conjunction with and incorporated into the Deed Restriction as Exhibit "B" is an Environmental Fact Sheet, which has been prepared in order to assist in understanding the conditions on the property. Any owner selling any portion of the property within the Burdened Property must provide a copy of the Environmental Fact Sheet (Exhibit "B" of the above referenced deed restriction) to all prospective purchasers of the property, prior to their committing to purchase any portion of the property. In addition, all prospective purchasers must be allowed adequate time to review the Environmental Fact Sheet, prior to the then current owner accepting a purchase offer from them. Should any prospective purchaser request copies of the Deed Restriction; the seller must provide copies in a timely manner.

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 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"

Dan McGrade
Director, Environmental
Waukesha Electric Systems, Inc. c/o SPX Corporation
13515 Ballantyne Corporate Place
Charlotte, NC 28277

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:

Waukesha Electric Systems, Inc.

By: _____ Date: 9/8/05
Its: President

Agency:

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

By: _____ Date: 8-22-05
Bruce H. Wolfe
Executive Officer

CALIFORNIA ALL-PURPOSE ACKNOWLEDGMENT

State of California
County of Alameda } ss.

On August 22, 2005 (Date) before me, Shaune K. Edwards (Name and Title of Officer (e.g., "Jane Doe, Notary Public")),
personally appeared Bruce Wolfe (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.

SHAUNE K. EDWARDS
Commission # 1487269
Notary Public - California
Alameda County
My Comm. Expires May 2, 2008

WITNESS my hand and official seal.

Shaune K. Edwards
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: Environmental Restriction

Document Date: 8/22/05 Number of Pages: _____

Signer(s) Other Than Named Above: none

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

© 1999 National Notary Association · 9350 De Soto Ave., P.O. Box 2402 · Chatsworth, CA 91313-2402 · www.nationalnotary.org Prod. No. 5907 Reorder, Call Toll-Free 1-800-876-6827

Acknowledgment – Representative Capacity

State of Wisconsin)
)
County of Waukesha)

This Covenant and Environmental Restriction on Property by Waukesha Electric Systems, Inc., was acknowledged before me on September 8, 2005, by Myron Bechtel, who executed the instrument in his authorized capacity as President of Waukesha Electric Systems, Inc.

James R. Cauley

James R. Cauley, Notary Public
My commission is permanent

(Seal)

EXHIBIT A

LEGAL DESCRIPTION OF PROPERTY

EXHIBIT A

LEGAL DESCRIPTION OF PROPERTY

LEGAL DESCRIPTION

Real property in the City of Milpitas, County of Santa Clara, State of California, described as follows:

Parcel One:

All that portion of land designated and delineated as "Parcel One" under Resolution No. 6842, of The City of Milpitas Authorizing The Lot Line Adjustment Project No. 2163, filed for record in the office of the Recorder of the County of Santa Clara on February 5, 1999, under Recorder's Series No. 14643238, Official Records and being more particularly described as follows:

All of that parcel of land conveyed to Federal Pacific Electric Company by The Western Pacific Railroad Company by that instrument recorded March 27, 1967 in Book 7675 of Official Records at Page 220; together with that 2.00 acre parcel of land conveyed to Federal Pacific Electric Company by Pacific Gas and Electric Company by that instrument recorded August 16, 1967 in book 7822 of Official Records at Page 615; together with a portion of that parcel of land conveyed to Federal Pacific Electric Company by Ameron, Inc. by that Corporation Grant Deed recorded November 16, 1970 in Book 9122 of Official Records at Page 195, and being more particularly described as follows:

Commencing at the point of intersection of the Easterly line of that certain 60.00 foot strip of land conveyed by Annie M. Carson to The Western Pacific Railroad Company by Deed recorded December 29, 1920 in Book 527 of Deeds at Page 222, Santa Clara County Records, and the Northerly line of that certain 124.075 acre tract of land described in the Deed from Mildred A. Fountain to The Western Pacific Railroad Company as recorded June 18, 1951 in Volume 2234 of Official Records of Santa Clara County at Page 86;

Thence from said point of commencement North 78° 19' 00" East along the Northerly line of said 124.075 acre tract of land, a distance of 30.68 feet to the Point of Beginning of this description;

Thence continuing along said Northerly line North 78° 19' 00" East 1284.33 feet to the Northeast corner of said 2.00 acre parcel of land;

Thence along the Easterly line of said 2.00 acre parcel South 12° 36' 40" East 400.06 feet to the Northerly line of Parcel 2, as said parcel is shown on that certain Parcel Map filed for record December 28, 1971 in Book 294 of Maps at Page 35, Santa Clara County Records;

Thence continuing along the Southerly prolongation of said Easterly line, South 12° 36' 40" East 40.01 feet to a point on a line parallel and 40.00 feet Southeasterly, measured at right angles, to said Northerly line of said Parcel 2;

Thence along said parallel line, South 78° 19' 00" West 173.36 feet;

Thence at right angles, South 11° 41' 00" East 50.16 feet to a line parallel and 170.00 feet Northeasterly, measured at right angles, to the Southerly line of said Parcel 2.

Thence along said parallel line South 78° 19' 00" West 438.84 feet;

Thence at right angles, South 11° 41' 00" East 170.00 feet to a point on the Southerly line of said Parcel 2, said point being distant along said Southerly line South 78° 19' 00" West 992.48 feet from the most Easterly corner of said Parcel 2;

Thence along said Southerly line South 78° 19' 00" West 503.15 feet to the Westerly line of said Parcel 2, said Westerly line being the Easterly line of Piper Drive (64 feet wide) as shown on said Parcel map;

Thence along the general Westerly boundary of said Parcel 2 and the Easterly lines of said Piper Drive, the following three (3) courses:
1. North 23° 46' 01" West 148.86 feet;
2. Northerly and Northeasterly along a tangent curve to the right, having a radius of 60.00 feet, through a central angle of 64° 37' 23" for an arc length of 67.67 feet to a point of reverse curvature;
3. Northerly along said reverse curve to the left, having a radius of 66.00 feet, through a central angle 54° 17' 31" for an arc length of 62.54 feet to the Southerly line of said parcel of land conveyed by that instrument recorded March 27, 1967 in Book 7675 of Official Records at Page 220;

Thence along the Southerly and Westerly boundary of the last said parcel of land the following two (2) courses:
1. Continuing along the last said curve to the left, through a central angle of 137° 38' 11' for an arc length of 158.55 feet;
2. North 23° 46' 01" West 367.2 1 feet to said Point of Beginning.

Parcel Two:

All that portion of land designated and delineated as "'Parcel Four" under Resolution No. 6842, of The City of Milpitas Authorizing The Lot Line Adjustment Project No. 2163, filed for record in the office of the Recorder of the County of Santa Clara on February 5, 1999, under Recorder's Series No. 14643238, Official Records and being more particularly described as follows:

That portion of that parcel of land conveyed to Federal Pacific Electric Company by Ameron, Inc. by that Corporation Grant Deed recorded November 16, 1970 in Book 9122 of Official Records at Page 195 being described as follows:

Beginning at the most Northeasterly corner of Parcel 2, as shown on that certain Parcel Map filed for record December 28, 1971 in Book 294 of Maps at Page 35, Santa Clara County Records;

Thence along the Northerly Line of said Parcel 2 South 78° 19' 00" West 376.71 feet to the Southeasterly corner of that 2.00 acre parcel of land conveyed to Federal Pacific Electric Company by Pacific Gas and Electric Company by that instrument recorded August 16, 1967 in book 7822 of Official Record at Page 615;

Thence along the Southerly prolongation of the Easterly Line of said 2.00 acre parcel South 12° 36' 40" East 40.01 feet to a paint on a line parallel and 40.00 feet Southeasterly, measured at right angles, to said Northerly line of said Parcel 2;

Thence along said parallel line North 78° 19' 00" East 165.68 feet;

Thence at right angles South 11° 41" 00" East 40.16 feet;

Thence parallel to the Southerly of said Parcel 2 North 78° 19' 00" East 211.68 feet to a point on the Easterly line of said Parcel 2, said point being distant along said Easterly line North 12° 36' 40" West 180.03 feet from the most Easterly corner of said Parcel 2;

Thence along said Easterly line North 12° 36' 40" West 80.17 feet to said Point of Beginning.

Parcel Three:

An easement for railroad purposes as granted to Federal Pacific Electric Company by Deed recorded March 27, 1967 in Book 7675 page 234, Official Records, and being more particularly described as follows:

Beginning at the intersection of the Easterly line of that certain 60.0 foot strip of land granted by Annie M. Carson to the Western Pacific Railroad Company by Deed recorded December 29, 1920 in Book 527 of Deeds, page 222, Santa Clara County Records, and the Northerly line of that certain 124.075 acre tract of land described in the Deed from Mildred A. Fountain to the Western Pacific Railroad Company as recorded June 18, 1951 in book 2234 page 86, Official Records; thence from said point of beginning along the Northerly line of said 124.075 acre tract of land, North 78° 19' 00" East 113.53 feet; thence Northwesterly along a curve to the right, with a radius of 367.25 feet (the center of said curve bears North 18° 05' 49" East), through a central angle of 34° 00' 57", an arc length of 218.03 feet to the Easterly line of said 60.0 foot strip conveyed to Western Pacific Railroad Company; thence along the said Easterly line South 23° 47' 06" East 160.14 feet to the said point of beginning.

Parcel Four:

A non-exclusive roadway easement described as follows:

Beginning at the intersection of the Easterly line of that certain 60.0 foot strip of land granted by Annie M. Carson to the Western Pacific Railroad Company by Deed recorded December 29, 1920 in Book 527 of Deeds page 222, Santa Clara County Records, and the Northerly line of that certain 124.075 acre tract of land described in the Deed from Mildred A. Fountain to the Western Pacific Railroad Company as recorded June 18, 1951 in Book 2234, page 86, Official Records; thence from said point of beginning along the Easterly line of said 60.0 foot strip South 23° 47' 06" East 431.13 feet; thence Northeasterly along a curve to the right having a radius of 70.00 feet (the center of said curve bears North 66° 13' 39" East), through a central angle of 55° 08' 03", an arc length of 67.36 feet to the North line of said 124.075 acre tract of land; thence along said North line, South 78° 19' 00" West 30.68 feet to the said point of beginning.

Parcel Five:

An easement for the purposes of operation, use, inspection, maintenance, repair, removal and for replacement of an overhead Electrical Distribution Systems within the strips of land described as follows:

STRIP 1:

A 10-foot wide strip of land beginning at a point on the Southwesterly line of said Parcel Three as contained in that certain Deed recorded May 28, 1999 as Document No. 14835097, distant South 11° 41' 00" East, 33.85 feet from the most Northwesterly corner of Parcel Three

Thence leaving said Southwesterly line the following two (2) courses:

North 77° 16' 55" East, 49.11 feet;
North 38° 28' 45" East, 51.45 feet to the Northerly line of said Parcel Three;

Thence along said Northerly line North 78° 19' 00" East, 15.61 feet;

Thence leaving said Northerly line the following two (2) courses:

South 38° 28' 45" West, 66.96 feet;
South 77° 16' 55" West, 52.8 1 feet to said Southwesterly line of said Parcel Three;

Thence along said Southwesterly line North 11° 41' 00" West, 10.00 feet to the point of beginning.

STRIP 2:

Beginning at the most Northeasterly corner of said Parcel Three as contained in that certain Deed recorded May 28, 1999 as Document No. 14835097;

Thence along the Northwesterly line of said Parcel Three South 78° 19' 00" West, 211.68 feet;

Thence along the Northeasterly line of said Parcel Three North 11° 41' 00" West, 35.32 feet to the true point of beginning;

Thence continuing along said Northeasterly line North 11° 41' 00" West, 4.84 feet;

Thence along the Northwesterly line of said Parcel Three South 78° 19' 00" West, 71.32 feet;

Thence leaving said Northwesterly line the following two (2) courses:

North 84° 22' 47" East, 46.62 feet;
North 78° 07' 03" East, 24.96 feet to the true point of beginning.

STRIP 3:

Beginning at the most Northwesterly corner of said Parcel Two as contained in that certain Deed recorded May 28, 1999 as Document No.14835097;

Thence along the Northwesterly line of said Parcel Two North 78° 19' 00" East, 115.42 feet;

Thence leaving said Northwesterly line South 77° 14' 08" West, 115.44 feet to the Southwesterly line of said Parcel Two;

Thence along said Southwesterly line North 11° 41' 00" West, 2.18 feet to the point of beginning.

APN: 086-32-037; 040
ARB: 86-32-x18

EXHIBIT B

ENVIRONMENTAL FACT SHEET

Environmental Fact Sheet:
1200 Piper Drive, Milpitas, CA

This Fact Sheet has been prepared to inform prospective purchasers of the previous uses, environmental investigations and residual constituents of concern which exist on the former North American Transformer, Inc./Waukesha Electric Systems, Inc. property located at 1200 Piper Drive, Milpitas, California (the "Site"). It is the responsibility of the then current property owner ("Owner") of the Site to provide all prospective purchasers a copy of this Fact Sheet, and if requested, a copy of the environmental Deed Restriction for the property. The current Owner must allow prospective purchasers adequate time to review the Fact Sheet, and if requested, the environmental Deed Restriction, prior to accepting any purchase offer.

History of the Site

The Site was owned by Waukesha Electric Systems, Inc. as of July 2005.

Historically, the Site was used as a manufacturing and testing facility for electrical transformers from approximately 1958 to 2002. Manufacturing operations at the plant utilized solvents, kerosene, transformer oil, polychlorinated biphenyls (PCBs), acids and bases, and paints and thinners.

Several environmental investigation activities have been conducted at the Site since 1989. Investigations include soil borings and monitoring well installation in 1989, soil borings from six different investigation events in 1990-1993, and additional soil borings in 1999 and 2004. Laboratory reports indicated that elevated levels of the following chemicals of concern were present in Site soils: PCBs, volatile organic compounds (VOCs), hydrocarbons (as diesel and transformer oil), and chromium.

Shallow groundwater under the Site and in the vicinity is impacted with VOCs due to a release in 1982 from a nearby facility operated by Jones Chemical, Inc. at 985 Montague (East of the Site). As of 2005 groundwater was being remediated by Jones Chemical, Inc. via an *in-situ* method, which includes the injection of cheese whey into underlying groundwater. The cheese whey creates a condition that allows for the natural degradation of the VOCs over time. This ongoing cleanup is anticipated to last for several more years. As part of this cleanup, groundwater will be monitored by sampling wells throughout the affected area, including the 1200 Piper Drive property.

To facilitate the redevelopment of the Site for residential use, a plan was developed to: 1) remove soil containing elevated concentrations of several chemicals of concern; and 2) prohibit contact with the groundwater beneath the Site. This plan is discussed further below.

Removal Action Plan

To address the elevated concentrations of constituents in soil and groundwater, a Removal Action Plan was developed under the oversight and approval of the Regional Water Quality Control Board (RWQCB), which is the State of California public agency with primary authority for overseeing environmental remediation of the Site located at 1200 Piper Drive, Milpitas, California in order to protect human health and the environment from hazardous substances based on applicable laws.

The Removal Action Plan identified chemicals of concern ("COCs"). The cleanup goals for the COCs in soil were developed specifically for the Site to be protective of human health in a residential setting and protective of the environment. The cleanup goals for the COCs at the Site were:

Constituent Chemical	Soil Cleanup Goal (mg/kg)
TCE	0.26
PCE	0.088
PCBs	0.22
TPH-TO	500
TPH-D	500
Chromium	210

To reduce the on-Site concentrations of the COCs to the approved cleanup goals, the areas of elevated concentrations of the constituents were located and excavated. The soil from these excavations was disposed off-Site at a properly licensed location. After excavation, samples of soil at the sides and base of each excavation were collected and analyzed for the appropriate COCs to confirm that no additional excavation was required. The analytical program for the confirmation soil samples was based on COCs that were present in the excavation area. Soil excavation and confirmatory sampling continued until in-place concentrations reached levels that were acceptable to the RWQCB. The excavations were backfilled with clean soil and compacted to previously existing grade.

To help prohibit contact with the groundwater and the residual chemicals present in the groundwater, a deed restriction has been recorded for the Site to prohibit activities that would allow contact with the groundwater directly beneath the Site. The groundwater beneath the Site is not currently used for drinking water.

Public Disclosure

A Deed Restriction, which includes a copy of this Fact Sheet, has been recorded for the Site. The Deed Restriction will be used to ensure that future residents will not have direct contact with the shallow groundwater unless permitted in writing by the RWQCB. The Deed Restriction stipulates that 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 RWQCB. Although not required by the RWQCB, the Removal Action Plan recommended that a vapor barrier be installed beneath structures built on the Site. This vapor barrier would prevent the possibility of VOCs emanating from groundwater, migrating up into buildings over the affected groundwater and cause potential exposure to occupants.

Pursuant to the Deed Restriction recorded for the Site property, all prospective purchasers of any portion of the property must be given a copy of this Fact Sheet to review and consider, prior to committing to purchase any properties within the Site development. It is the responsibility of the property Owner to provide prospective purchasers a copy of this Fact Sheet, and allow them ample time to review and understand the conditions at the property prior to accepting any commitment to purchase. Should the prospective purchasers request a copy of the entire deed restriction, the seller must provide a copy in a timely manner.

Commonly Asked Questions

How did the groundwater become affected with volatile organic compounds?

In 1982, Jones Chemicals, Inc., -at 985 Montague, had a chemical release of a chlorinated solvent from a tank rupture. VOCs from the solvent reached the groundwater and migrated with groundwater westward, as far as the Great Mall property. Groundwater remediation has been conducted in the past through groundwater extraction and treatment, which was then switched to the injection of a cheese whey mixture to enhance the natural degradation of the VOCs. Jones Chemical is continuing to remediate this release.

Why are volatile organic compounds and their breakdown products still in the groundwater?

The complete removal of VOCs from groundwater is not a simple task. Jones has extracted over 1 billion gallons of groundwater in its efforts to restore the quality of groundwater. At this point, a large portion of the mass of pollutants has been removed and concentrations of VOCs in

groundwater have declined. The remaining residual compounds will likely naturally degrade over time, with the help of the *in-situ* groundwater remediation, via injection technology. Also, the shallow groundwater is currently not being used for beneficial purposes such as drinking, washing or irrigation. This means that the groundwater will not be used for a domestic source, so no direct exposure to the chemicals is likely to occur. Since the sources have been removed and natural degradation is occurring, under current conditions, the shallow groundwater does not pose an environmental or human health threat. The Deed Restriction was established to prevent any direct groundwater exposure.

How could a person be exposed to the shallow groundwater?

A person could be exposed if a well was installed into the shallow groundwater to use water or if a person excavated into the soil deep enough to contact the groundwater (roughly 12-15 ft below surface). The Deed Restriction was established to prevent direct groundwater contact. Since the shallow groundwater is not being used as a domestic source, this pathway of exposure is eliminated. The Deed Restriction mandates that no drilling or excavation into the shallow groundwater is permitted. As long as the conditions of the Deed Restriction are followed, a person will not be directly exposed to groundwater.

Potential exposure also includes inhalation of vapor generated from the shallow groundwater. Future risks were determined for residential development through risk-based statistical modeling based on conservative assumptions to ensure that human health and the environment are protected. Results indicate that soil vapor generated from the shallow groundwater represents an insignificant risk to future residential development. While the risk is insignificant, the Deed Restriction mandates a vapor barrier be installed to further limit the exposure of future residents to possible vapors emanating from the water table, thereby eliminating this pathway of exposure.

For More Information

Copies of the environmental reports generated have been filed with the Regional Water Quality Control Board. You may review these documents. For the 1200 property (North American Transformer), please reference file no. 43S0247 and for the Jones Chemicals, Inc., file no. 43S0065. Should you have any additional questions, you may contact: Regional Water Quality Control Board, San Francisco Bay Region. 1515 Clay Street, Suite 1400 Oakland, CA 94612. (510) 622-2300