

**CALIFORNIA REGIONAL WATER QUALITY CONTROL BOARD
SAN FRANCISCO BAY REGION**

RESOLUTION NO. 01-055

AUTHORIZING THE EXECUTIVE OFFICER TO ENTER INTO AN AGREEMENT FOR MUTUAL RELEASE AND COVENANT NOT TO SUE FOR THE FORMER FAIRCHILD SEMICONDUCTOR CORPORATION DISCRETE DIVISION FACILITY SITE TO BE PURCHASED BY 4300 REDWOOD ROAD VENTURE, LLC IN THE CITY OF SAN RAFAEL, MARIN COUNTY

WHEREAS, the California Regional Water Quality Control Board, San Francisco Bay Region (hereinafter "Board"), finds that:

- 1. Jurisdiction:** The former Fairchild Semiconductor Corporation ("Fairchild") Discrete Division Facility site (the "Property") is a ten-acre parcel located at 4300 Redwood Highway in northern San Rafael. The Property is more particularly described in Attachment 3. The Board is the lead agency for site investigation and cleanup at the Property.

- 2. Site Cleanup Requirements and Status:**
 - A.** Fairchild operated a semiconductor manufacturing facility at the site between 1960 and 1988. Fairchild became a wholly owned subsidiary of Schlumberger Technology Corporation ("Schlumberger") in 1979. Fairchild and Schlumberger are the former and current lessees of the Property. The Board adopted waste discharge requirements (WDR) for the Property on October 17, 1984 in WDR Order No. 84-75. The Board rescinded WDR Order No. 84-75 and adopted site cleanup requirements for the Property on September 17, 1997 in Order No. 97-115.

 - B.** Fairchild/Schlumberger have funded and performed substantial remediation on the Property. Remedial measures have included the installation of monitoring wells and soil investigation to define the vertical and lateral extent of soil and groundwater pollution, excavation of soil hotspots, and construction of a slurry wall around the entire site to isolate and contain the site groundwater. A groundwater extraction and treatment system was constructed in 1985 and still operates at present.

 - C.** On November 29, 2000, the Board rescinded Order No. 97-115 and adopted final site cleanup requirements ("SCR") in Order No. 00-122. Order No. 00-122 names Fairchild and Schlumberger as dischargers. In 1987, all issued and outstanding shares of Fairchild stock were sold by Schlumberger to National Semiconductor Corporation ("National"). Following the sale, Schlumberger continued to lease the site and indemnified National against environmental liabilities associated with Fairchild's past activities at the site. Because of the indemnification agreement and because Fairchild/Schlumberger have always been cooperative and responsive to investigation

and remediation requests from the Board, National is not named as a discharger in the SCR. However, the Board has reserved the right to name National as a discharger in the future.

- D. The site consists of two parcels, both of which are now owned by SR Properties, LLC, a Delaware limited liability company (SR). SR, as the current landowner, is also named as a discharger in the SCR, and is responsible for compliance if Fairchild/Schlumberger fails to comply with the SCR.
3. **Redwood's Request:** 4300 Redwood Road Venture, LLC, a Delaware limited liability company ("Redwood") desires to purchase the Property. Redwood would develop the site for light industrial and office uses. Redwood seeks a commitment from the Board that Redwood and its officers, directors, shareholders, managers, members, employees, representatives, agents, contractors, affiliates, tenants, lenders, and respective successors in interest will not be named as dischargers (or responsible parties) in a Board enforcement order with regard to Known Conditions solely by virtue of Redwood's having a property interest in the Property. Specifically, Redwood requests that the Board issue a mutual release, covenant not to sue, and contribution protection to Redwood, subsequent purchasers, owners, tenants, lenders and related parties for the Property relative to Known Conditions (hereafter "prospective purchaser agreement" or "PPA"). Without the assurance of a PPA, Redwood states the public and private benefits of purchase and redevelopment may not be realized. Redwood further states that the PPA will be critical to attracting tenants and obtaining financing.
4. **Remediation Status on the Property:**
- A. Fairchild/Schlumberger has funded and performed, and continues to perform, substantial remediation at the Property. Fairchild/Schlumberger has defined the vertical and lateral extent of soil and groundwater pollution. Groundwater levels recorded in monitoring wells on-site indicate that there is no significant movement of groundwater on or off the site. Pursuant to a remedial action plan ("RAP") approved by the Board on June 13, 1984, Fairchild/Schlumberger constructed a slurry wall around the entire site to isolate and contain site groundwater. In addition, approximately 1500 cubic yards of soil in areas of known hotspots were excavated to construct two groundwater extraction trenches to the north and south sides of the then existing building. Groundwater recovery/reinjection wells were also installed. The trenches and wells were connected to a groundwater treatment system that was constructed as a part of the facilities wastewater treatment system in 1985. A new groundwater treatment system was constructed at the Property in 1989.
- B. The Board's November 2000 SCR approved the Final Remedial Action Plan (FRAP) submitted by Fairchild/Schlumberger, required the dischargers to implement it, and set cleanup standards for soil and groundwater adjacent to nearby Gallinas Creek. Because the groundwater is not suitable for drinking water, the soil and groundwater cleanup standards are intended to protect the beneficial uses of nearby Gallinas

Creek. The FRAP indicates that the low permeability soil, the slurry wall, and the groundwater pumping system have effectively prevented pollution from migrating off the site.

5. Future Remediation on the Property:

- A. The FRAP recommends, as the preferred remedial alternative, that the groundwater extraction and treatment system be shut off but remain in standby mode so that it can be operated if concentrations in the monitoring wells between the slurry wall and Gallinas Creek exceed cleanup standards, if the groundwater levels will adversely affect site building structures, or if significant plume migration toward the south slurry wall is observed. In addition, vadose zone soils will be excavated in three identified hotspots. A gravel drainage layer will also be installed in these areas, with perforated piping to an extraction trench. A vapor barrier will be installed beneath the footprints of the future buildings to prevent potential vapor migration.
- B. Following hotspot removal, future remediation activities are expected to focus on continued operation and maintenance of the existing groundwater remediation system and periodic monitoring and reporting. Future remediation costs are expected to be substantially less than remediation costs to date. Fairchild/Schlumberger remains primarily responsible for site remediation, regardless of who is the current owner of the site. Based on past experience and Schlumberger's substantial business activity, Fairchild/Schlumberger is likely to continue necessary remediation.

6. Deed Restriction: Redwood will submit the attached deed restriction referred to as a Covenant and Environmental Restriction on Property ("CERP") in accordance with paragraph 12 of Attachment 1. Upon execution by the Board's Executive Officer, Redwood will record the CERP on the Property. In relevant part, the CERP will restrict the land use to industrial, commercial or office uses, notify future owners and occupants of sub-surface contamination, restrict the extraction of groundwater, prohibit its use as a source of drinking water, and restrict the excavation of soil that is more than four feet below the ground surface.

7. Responsible Party Status: Redwood is not a responsible party or affiliated with a responsible party for the known pollution, and the sole interest of Redwood in the Property is to facilitate its development for light industrial and office uses.

8. Future Activities on Property: In accordance with the attached agreement, no activities at the Property, with the exercise of due care, will aggravate, contribute to, or create a condition of, pollution as a result of the known pollution; and any activities conducted by Redwood or tenants, successors, or assigns at the Property will be in compliance with the requirements contained in the CERP and in the risk management plan that is contained in the FRAP.

9. **No Health Risks:** The FRAP contains a health risk assessment for the site. This health risk assessment concluded that the planned development of light industrial and office uses on the Property would not result in unacceptable health risks to those persons likely to be present at the developed site. The SCR requires that a new health risk assessment be conducted for future new development plans that are identified and approved for the Property.
10. **Board Authority:** On July 9, 1996, the State Water Resources Control Board Executive Director issued a memorandum regarding brownfields for regional water board consideration in evaluating requests for release of liability. The memorandum addresses agreements between regional water boards and owners or prospective purchasers of polluted property, including covenants not to sue. Pursuant to the Board's statutory authority, the Board can enter into agreements whereby the Board covenants not to name prospective purchasers, tenants, lenders, and related parties in enforcement actions for remediation of polluted properties if such agreements are sufficiently in the public interest to warrant expending public resources necessary to reach such an agreement.
11. **Enforcement Status:** The Property is not the subject of an active enforcement action (other than the SCR) or agreement with another agency to address the remediation at the site.
12. **Benefits of Redevelopment:** The site has been inactive and unproductive for many years, at least in part because of the threat of environmental liability to future property owners. Redevelopment of the Property would have economic benefits to the local community and to the public at large. In addition to conversion of a blighted site to a new, clean-industry campus, benefits to the community from the Redwood development project include redevelopment of brownfields, rather than new development of greenfields; new jobs; and additional real estate, municipal and sales taxes and fees. As part of an agreement with local government, Redwood will also contribute about \$200,000 to the rehabilitation of a community recreation facility and/or installation of new landscaping on a public street. The project would exemplify productive reuse of a Bay Area brownfields property.
13. **Potential Concerns:** Redwood's request raises three potential concerns:
 - A. **Site Access:** Remediation at the former Fairchild site could be impeded if Fairchild/Schlumberger is unable to gain access to monitoring wells, the remediation system, or the slurry wall. Access to the slurry wall would only be needed if the slurry wall lost its ability to prevent lateral migration of VOCs in groundwater. Reasonable access to these remediation facilities should be a condition of the agreement for mutual covenants not to sue.
 - B. **State Financial Risk:** By approving an agreement for mutual covenants not to sue, the Board will be unable to require Redwood to perform remediation tasks in the event that Fairchild/Schlumberger is unable or unwilling to comply with the SCR. In

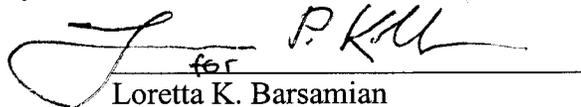
that event, there would probably be no other parties that could be named as dischargers, and the State of California would have to fund any further remediation activities. Therefore, the State is assuming a small but non-zero risk by approving the agreement for mutual covenants not to sue. One way to address this concern is for Redwood to fund a mitigation project worth \$50,000 that provides a benefit for local groundwater (or equivalent benefit) to offset the above risk. This or its equivalent should be a condition of the agreement for mutual covenants not to sue.

C. Deed Restriction: A deed restriction, although required by Order No. 00-122, has not yet been recorded for this site by the current landowner. The deed restriction would help assure that key elements of the risk management plan are implemented and that human exposure to site contaminants are kept to acceptable levels. An acceptable way to address this concern is to require, as a condition of the Mutual Release, that Redwood record the attached deed restriction per the time period set forth in the attached Mutual Release.

14. **CEQA:** The purchase of the Property and the agreements between SR Properties, LLC and Redwood are not activities that require Board approval and, therefore, do not constitute a "project" as defined by Public Resources Code Section 21065 and 14 CCR 15378(a). Thus, the activities are exempt from CEQA.
15. **Public Notice:** The Board provided notice of its intention to consider this matter at the May 22, 2001, Board meeting and provided an opportunity for interested persons to comment on the draft resolution and its attachments.
16. **Public Hearing:** The Board, at a public meeting, heard and considered all comments pertaining to this discharge.

NOW, THEREFORE BE IT RESOLVED, that the Board authorizes the Executive Officer to sign the mutual release and covenant not to sue (Attachment 1) with Redwood.

I, Loretta K. Barsamian, Executive Officer, do hereby certify that the foregoing is a full, true, and correct copy of a Resolution adopted by the California Regional Water Quality Control Board, San Francisco Bay Region, on May 22, 2001.


for
Loretta K. Barsamian
Executive Officer

- Attachment 1: Mutual Release and Covenant Not to Sue
- Attachment 2: Instrument of Release
- Attachment 3: Legal Description and Map of Property
- Attachment 4: Covenant and Environmental Restriction on Property for 4300 Redwood Highway, San Rafael

**California Regional Water Quality Control Board
San Francisco Bay Region**

Attachment 1 to Resolution No. 01-055

**Mutual Release and Covenant Not To Sue
for the Former Fairchild Facility
4300 Redwood Highway, City of San Rafael, County of Marin, California**

I. INTRODUCTION

This mutual release and covenant not to sue (the "Mutual Release") is provided in response to a request by 4300 Redwood Road Venture, LLC, a Delaware limited liability company ("Redwood"), and pursuant to San Francisco Bay Regional Water Quality Control Board ("Regional Board") Resolution No. 01-055 ("Resolution") authorizing its Executive Officer to negotiate and sign the Mutual Release concerning the former Fairchild Semiconductor Corporation (Fairchild) Discrete Division Facility site located at 4300 Redwood Highway in the City of San Rafael, County of Marin, California [which is more particularly described in Attachment 3 to the Resolution (the "Property")]. This Mutual Release took into consideration the State Water Resources Control Board ("State Board") Executive Director's memorandum dated July 9, 1996, regarding prospective purchaser agreements.

The Regional Board understands that Redwood desires to purchase the Property, which is approximately 10 acres and is more particularly described in Attachment 3 to the Resolution. Redwood intends to develop the Property for light industrial and office uses. Redwood desires a commitment, to the maximum extent permitted by law, that it, subsequent purchasers, owners, tenants, lenders, and any occupants of the Property, as well as all of their respective directors, officers, shareholders, managers, members, employees, partners, affiliates, agents, contractors, successors, and assigns (individually a "Released Party" and collectively the "Released Parties") and their respective successors in interest will not be subject to liability for, or the subject of any actions, claims, orders, demands, enforcement actions or other civil or administrative proceedings, including without limitation, any investigation, monitoring or remediation requirements, related to or arising from the Known Conditions as of the date this Mutual Release is fully executed ("Effective Date").

II. DEFINITIONS

For purposes of this Mutual Release, "Known Conditions" means all conditions of pollution at, under, or originating from the Property or any portion thereof, that were known to the Regional Board prior to the Effective Date. The term "known to the Regional Board" means all information regarding the pollution at, under, or originating from the Property, or any portion thereof, that was disclosed to the Regional Board or is reasonably discernible from the reports listed in Board Order 00-122, the Resolution, or the investigations, workplans, reports, or any other information submitted to the Regional Board prior to the Effective Date. With respect to any claim, cause of action, investigation, or enforcement action asserted or required by the

Regional Board, the Released Parties shall bear the burden of proving that any condition of pollution at, under, or originating from the Property is a Known Condition.

III. FINDINGS OF FACT

This Mutual Release is based on the findings made by the Regional Board in Resolution No. 01-055, and on the following findings by Regional Board staff:

1. The Property is within the jurisdiction of the Regional Board due to the Known Conditions and is subject to the provisions of Regional Board Order No. 00-122 (the "Order"). The Regional Board enters into this Mutual Release pursuant to California Water Code Sections 13300, et seq. The Regional Board has authority to release and covenant not to sue or assert claims for environmental investigation or remediation or other related claims against current owners and prospective purchasers of environmentally impacted properties, where, as here, the agreement is sufficiently in the public interest.
2. Fairchild Semiconductor Corporation ("Fairchild") operated a semiconductor manufacturing facility at the site between 1960 and 1988. Fairchild became a wholly owned subsidiary of Schlumberger Technology Corporation ("Schlumberger") in 1979. Fairchild and Schlumberger are the former and current lessees of the Property and are named dischargers. The current owner of the Property, SR Properties, LLC, a Delaware limited liability company ("SR Properties"), is also named pursuant to the Order as a discharger. Fairchild/Schlumberger have funded and performed substantial remediation on the Property and pursuant to the Order is implementing the Final Remedial Action Plan (as defined in the Order) including soil hotspot removal, curtailment activities, groundwater monitoring, reporting, and institutional controls including vapor barrier installation.
3. The dischargers submitted a health risk assessment for the Property in August 2000 and it was approved by the Regional Board on November 29, 2000. The health risk assessment concluded that the planned development of light industrial and office uses on the Property would not result in unacceptable health risks to those persons likely to be present at the developed site. The Order requires that a new health risk assessment be conducted for future new development plans that are identified and approved for the Property.
4. No active discharge of pollutants/contaminants is currently occurring on the Property.
5. Redwood is not a responsible party or affiliated with a responsible party for the Known Conditions, and the sole interest of Redwood in the Property is to purchase the Property to facilitate its development for light industrial and office uses.
6. Redwood plans to develop the Property to a productive use that will benefit the public and the community. Benefits to the community from the Redwood development project include brownfields redevelopment; new jobs; additional real estate, municipal and sales

taxes and fees; and contributions of approximately \$200,000 for off-site public improvements.

7. By entering into this Agreement, Redwood certifies that to the best of its knowledge and belief, it has fully and accurately disclosed to the Regional Board any and all information known to Redwood and all information in the possession or control of its officers, directors employees, contractors and agents which relates in any way to any existing contamination or any past or potential future release of hazardous substances, pollutants or contaminants at or from the Property.
8. The Property is not the subject of an active enforcement action (other than the SCR) or agreement with another agency to address the remediation at the site.
9. The dischargers will pay for all costs associated with the Regional Board's development and oversight of this Agreement.
10. This Mutual Release is consistent with the goals and purposes of the Porter-Cologne Act and the federal Clean Water Act.
11. In order to ensure that no activities at the Property, with the exercise of due care, will aggravate, contribute to, or create a condition of, pollution as a result of the Known Conditions, this agreement requires the execution of an acceptable deed restriction by Redwood.

IV. AGREEMENT

1. In accordance with the Resolution, and the findings of the Regional Board staff, the Regional Board expressly finds that the Released Parties shall not be liable or otherwise responsible for such Known Conditions and hereby covenants and agrees not to initiate, bring, or support any claim, order, demand, enforcement action or other civil or administrative proceeding against the Released Parties arising out of or related to such Known Conditions under any local, state or federal statute or the common law, including but not limited to, in their entirety, the United States Code, the various California Codes, or other applicable laws, regulations, ordinances, or civil, judicial or administrative authorities, having application to the handling, release, presence, migration, cleanup, containment or maintenance of the Known Conditions at, on, under or originating from the Property, or any portion thereof. This Mutual Release shall inure to the benefit of, and pass with each and every portion of the Property and the benefits and burdens provided under this Agreement shall run with the land, to the benefit and burden of any respective successors and assignees of the Released Parties, unless such successors and assignees caused or contributed to the Known Conditions.
2. Section 113(f)(2) of the Comprehensive Environmental Response, Compensation, Liability and Recovery Act of 1980, 42 U.S.C. Section 9613(f)(2) ("CERCLA") provides that: "A person who has resolved its liability to the United States or a State in an administrative or judicially approved settlement shall not be liable for claims for

contribution regarding matters addressed in the settlement." Accordingly, the Regional Board affirms that this Mutual Release and Covenant Not To Sue resolves the Released Parties' liability to the Regional Board with regard to any claims related to the matters included in the Order and the Resolution, including all claims regarding the handling, storage, presence, migration, cleanup, or disposal of the Known Conditions at, under, or originating from the Property.

3. This Release shall remain effective notwithstanding the revocation or modification of Board Order No. 00-122 or Resolution No. 01-055 and shall be without prejudice to the ability of the Regional Board to take action against any party other than the Released Parties, relating to the investigation, cleanup, or cost of investigation or cleanup of the Known Conditions. Except with respect to contribution rights against the Released Parties, nothing contained in this Mutual Release is intended to waive, limit, preclude, diminish or hinder any right of Fairchild/Schlumberger or SR Properties now or in the future available in law, equity, or by agreement.
4. Notwithstanding any other provisions of this Mutual Release, the Regional Board reserves the right to assert any claims, enforcement actions or other civil or administrative proceedings against the respective Released Parties relating to the acts or omissions of the Released Parties arising after the Effective Date and which are based on the failure of the respective Released Parties, to the extent they have control over the Property, to (i) exercise due care at the Property with respect to the Known Conditions, (ii) comply with the requirements and conditions of the Mutual Release, (iii) comply with any deed restrictions and/or institutional constraints currently imposed or that may be subsequently imposed pursuant to Regional Board Order 00-122 or its amendments, and, (iv) cooperate in providing reasonable access to the Property for remediation and monitoring purposes and construction, maintenance, and repair of any necessary remediation and/or monitoring system required by the Regional Board pursuant to Regional Board Order 00-122 or its amendments. If the Regional Board determines that a Released party has failed to comply with any of these four enumerated requirements, and the Regional Board elects to proceed against that Released Party, then this Mutual Release shall be suspended as to that Released Party, and the Regional Board and the Released Party shall then have any rights or defenses they would have had if this Mutual Release and Covenant Not to Sue had not existed. If, following such proceeding, the Regional Board determines such action to be warranted, it may declare this Mutual Release to be null and void, with respect to that specific Released Party.
5. This reservation by the Regional Board shall be separately and distinctly applied with respect to each of the Released Parties, the intent being that failure by a particular Released Party to comply with any applicable requirement shall not render the Regional Board's covenant inapplicable to any other Released Party. Nothing contained in this Mutual Release shall be deemed a waiver of, or a release by, any Released party of any defense, cross-claim, counter claim, offset or other rights available to such Released Party in response to any claim, order, demand, enforcement action or other civil or administrative proceeding by the Regional Board, as specifically reserved hereunder.

6. In partial consideration for this Mutual Release, the Released parties, on behalf of themselves and their respective successors in interest, hereby release and covenant not to sue the Regional Board, its authorized officers, employees or representatives, with respect to any and all liability or claims associated with or arising out of the Known Conditions.
7. The Mutual Release shall not prohibit the Regional Board from asserting any claim, enforcement action, or other civil or administrative proceeding related to any condition of pollution at, under, or originating from the Property prior to the Effective Date that are not Known Conditions.
8. Redwood will submit a deed restriction referred to as a Covenant and Environmental Restriction on Property ("CERP") in the form attached as Attachment 4 and in accordance with the provisions of paragraph 12 below. Upon execution by the Board's Executive Officer, Redwood will record the CERP on the Property. In relevant part, the CERP will restrict the land use to industrial, commercial or office uses, notify future owners and occupants of subsurface contamination, restrict the extraction of groundwater, prohibit its use as a source of drinking water, and restrict the excavation of soil that is more than four feet below the ground surface. This CERP must be acceptable to the Board's Executive Officer and be recorded on the Property within the time period set forth in paragraph 12. The form of CERP attached as Attachment 4 to Resolution No. 01-055 is acceptable to the Board's Executive Officer.
9. The Released Parties further agree on behalf of themselves and their successors, to exercise due care at the Property with respect to the Known Conditions, to comply with the above-described CERP, to comply with the risk management plan that is contained in the FRAP, to comply with all applicable local, state, and federal laws and regulations regarding the Property, and to cooperate in providing reasonable access to the Property for monitoring purposes and operation, maintenance, and repair of the monitoring wells, remediation system, and slurry wall described in the Resolution.
10. Redwood agrees to pay \$50,000 to a mitigation project sponsor within the time period set forth in paragraph 12. The mitigation project should benefit water quality in the eastern Marin County area; a project that benefits groundwater in the vicinity of the former Fairchild site is preferable. The mitigation project must be acceptable to the Executive Officer. If no acceptable mitigation project is submitted during this period, then Redwood must pay \$50,000 to the State Board's Cleanup and Abatement Account by that deadline.
11. Each Released Party not represented as a signatory below shall, as a precondition to receiving the benefits conferred by this Mutual Release, execute a written instrument in the form attached hereto as Attachment 2. Execution of this Mutual Release or of Attachment 2 by or on behalf of any corporation, partnership, or other entity, shall be sufficient to confer the benefits of the Mutual Release upon all directors, officers, managers, members, employees, partners, affiliates, agents, contractors, successors, and assigns of such entity.

12. This Mutual Release shall be in full force and effect from the Effective Date. Redwood shall have thirty (30) days from the date of Redwood's acquisition of the Property to record the CERP in the form attached as Attachment 4 to Resolution No. 01-055 against the Property and to pay \$50,000 as required under paragraph 10 above, provided that such thirty day period shall be extended by the period of time required by the Board to execute the CERP. A copy of the recorded CERP shall be provided to the Board within ten (10) days of the recording. Acknowledgment of receipt of the payment and the copy of the recording as required by this paragraph shall be provided in writing by the Board. Notwithstanding anything to the contrary in the foregoing, if Redwood fails to record the CERP and to pay \$50,000 as required by paragraph 10 above within the time frame set forth above which may be extended by the Board or the Executive Officer at its discretion, this Mutual Release shall automatically terminate.
13. This Mutual Release may be executed in one or more counterparts, each such counterpart being deemed an original but all counterparts constituting a single instrument.
14. Each of the undersigned parties hereby certifies, and warrants that he or she is authorized to bind his or her agency or entity to the continuing obligations described herein, and that the foregoing is a full, true and correct copy of Attachment 1 to Resolution No. 01-055, Mutual Release and Covenant Not To Sue adopted by the California Regional Water Quality Control Board, San Francisco Bay Region, on May 22, 2001.

CALIFORNIA REGIONAL WATER QUALITY CONTROL BOARD
SAN FRANCISCO BAY REGION

By: _____
Loretta K. Barsamian, Executive Officer

Date: _____

4300 REDWOOD ROAD VENTURE, LLC,
a Delaware limited liability company

By: _____
Charles J. Keenan, III
Its: Manager and Member

By: _____
John B. Lovewell
Its: Manager and Member

Date: _____, 2001

STATE OF CALIFORNIA)
) ss:
COUNTY OF _____)

On _____, before me, _____, Notary Public, personally appeared _____, 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.

Notary Public

STATE OF CALIFORNIA)
) ss:
COUNTY OF _____)

On _____, before me, _____, Notary Public, personally appeared _____, 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.

Notary Public

STATE OF CALIFORNIA)

COUNTY OF _____) ss:
)

On _____, before me, _____, Notary Public, personally appeared _____, 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.

Notary Public

**California Regional Water Quality Control Board
San Francisco Bay Region**

Attachment 2 to Resolution No. 01-055

Instrument of Release

By signing below, _____ [name of owner, purchaser, lender, lessee, or occupant)] (hereinafter "Released Party") verifies and warrants as follows:

1. Released Party has read the Mutual Release and Covenant Not to Sue ("Mutual Release") document and the related Regional Water Quality Control Board (Regional Board) Resolution Number 01-055, for the "Property", formerly the Fairchild Semiconductor Corporation (Fairchild) Discrete Division Facility site located at 4300 Redwood Highway in the City of San Rafael, County of Marin, California (which is more particularly described in Attachment 3 to the Resolution).
2. Released Party understands and agrees that the Mutual Release contains a release by the Regional Board and a covenant not to bring or support any action or order against subsequent purchasers, owners, tenants, lenders, and occupants of all or a portion of the Property (as defined in the Mutual Release), including their directors, officers, shareholders, managers, members, employees, partners, affiliates, agents, contractors, successors, and assigns, related to the Known Conditions (as defined in the Mutual Release), including contamination at, under, or originating from the Property (as defined in the Mutual Release).
3. Released Party understands and agrees that it may enjoy the benefits of the Mutual Release only if it releases and covenants not to sue the Regional Board as set forth in the Mutual Release, and that by executing this Release, Released Party releases and covenants not to sue the Regional Board in accordance with the terms of the Mutual Release.
4. Released Party understands and agrees that its right to rely on the benefits of the Mutual Release is subject to and conditioned on its own, but only its own, acceptance of all of the provisions of the Mutual Release and its compliance with its obligations under the terms of the Mutual Release.
5. Released Party accepts and agrees to abide by all provisions of the Mutual Release.
6. This Instrument of Release shall be effective upon execution by the Released Party. Within three days of execution, Released Party agrees to mail a copy of the executed Release to: Executive Officer, Regional Water Quality Control Board, San Francisco Bay Region (address as of May 22, 2001, 1515 Clay Street, Suite 1400, Oakland, CA 94612).

Authorized Signature (Released Party)

Date

Name/Title: _____

Company Name/Address: _____

**California Regional Water Quality Control Board
San Francisco Bay Region**

Attachment 3 to Resolution No. 01-055

Legal Description and Site Map of Property in the City of San Rafael

DESCRIPTION

All that certain real property situate in the City of San Rafael, County of Marin, State of California, described as follows:

PARCEL ONE:

BEGINNING at the Northerly terminus of the course described as "South 18° 47' 22" West 186.02 feet" in Parcel 2 of the property granted by Manuel T. Freitas, et al, to the State of California by Deed recorded in Book 1208 of Official Records, at Page 255; thence South 18° 47' 22" West, 30.00 feet to the true point of beginning; thence South 71° 12' 38" East, 132.42 feet; thence North 81° 02' 46" East, 107.43 feet; thence South 8° 57' 14" East, 335.00 feet; thence North 81° 02' 46" East, 146.95 feet; thence South 8° 57' 14" East, 183.02 feet to the Southerly line of the lands firstly described in the Deed from Rose Freitas Rose, et al, to Associated Construction Engineering Company of California, Inc., a corporation, et al, dated February 25, 1960 and recorded March 3, 1960 in Volume 1349 of Official Records, at Page 199, Marin County Records; running thence Westerly along said Southerly line the following three courses and distances; thence South 86° 14' 01" West, 159.39 feet; thence South 72° 36' 11" West, 258.81 feet; thence North 81° 19' 24" West, 171.11 feet to a point on the Easterly boundary of said Parcel 2 (1208 O.R. 255); thence along said Easterly boundary (1208 O.R. 255), North 6° 41' 43" East, 272.09 feet; thence along a tangent curve to the right, having a radius of 773.05 feet; through a central angle of 12° 05' 39" for a distance of 163.18 feet; and North 18° 47' 22" East, 156.02 feet to the true point of beginning.

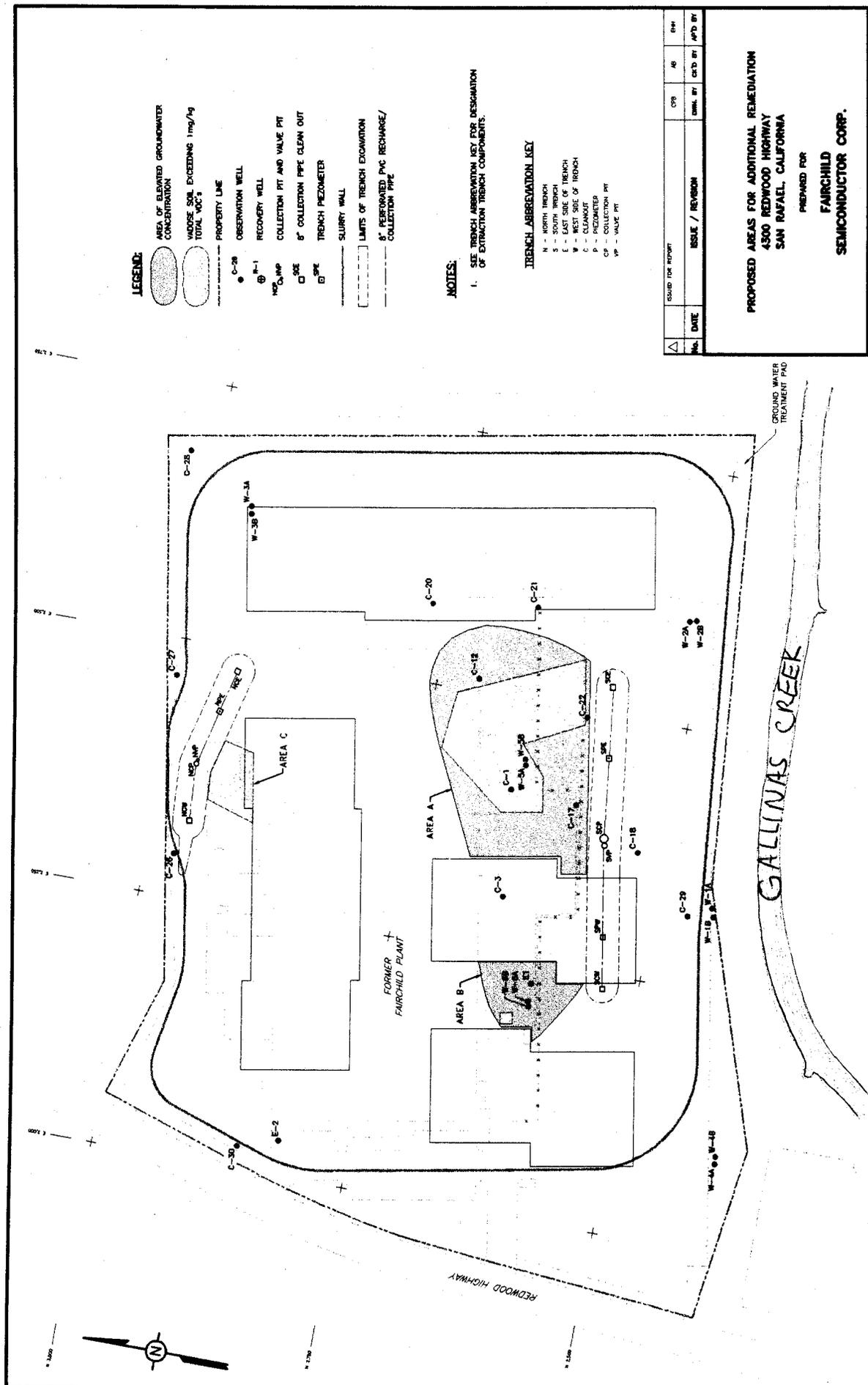
PARCEL TWO:

BEGINNING at the Northerly terminus of the course described as "South 18° 47' 22" West, 186.02 feet" in Parcel 2 of the property granted by Manuel T. Freitas, et al, to the State of California by Deed recorded in Book 1208 of Official Records, at Page 255; running thence South 18° 47' 22" West 30.00 feet; thence South 71° 12' 38" East 132.42 feet; thence North 81° 02' 46" East 107.43 feet; thence South 8° 57' 14" East, 335.00 feet; thence North 81° 02' 46" East, 146.95 feet; thence South 8° 57' 14" East, 183.02 feet to the Southerly line of the lands firstly described in the Deed from Rose Freitas Rose, et al, to Associated Construction Engineering Company of California, Inc., a corporation, et al, dated February 25, 1960 and recorded March 3, 1960 in Volume 1349 of Official Records, at Page 199, Marin County Records; running thence Easterly along said Southerly line North 86° 14' 01" East 281.48 feet to an angle point therein; thence Northerly and Westerly along the Easterly and Northerly lines of the lands described in said last named deed the following three courses and distances: North 8° 57' 14" West 573.47 feet, South 81° 02' 46" West 527.30 feet and North 71° 12' 38" West 125.01 feet to the point of beginning.

PARCEL THREE:

A 10-FOOT sanitary sewer easement lying 5 feet on either side of the following described center line:

BEGINNING at the Northerly terminus of the course described as "South 6° 41' 43" West 614.70 feet" in Parcel 2 of the Deed granted by Manuel T. Freitas, et al, to the State of California recorded in Book 1208 of Official Records, at Page 255; thence South 6° 41' 43" West 272.09 feet; thence South 81° 19' 24" East, 171.11 feet; thence North 72° 36' 11" East 49.00 feet to the true point of beginning; thence South 33° 06' 00" West, 22.00 feet; thence South 6° 54' 00" West, 51.00 feet; thence South 22° 06' 00" West, 180 feet more or less to an existing 10-foot wide sanitary sewer easement described in the Deed from Rose Freitas Rose, et al, to Terra Linda Corporation, a corporation, recorded March 17, 1954 in Book 855 of Official Records, at Page 506, Marin County Records.



- LEGEND:**
- AREA OF ELEVATED GROUNDWATER CONCENTRATION
 - WADSE SOIL EXCEEDING 1mg/kg TOTAL VOC'S
 - PROPERTY LINE
 - C-28 OBSERVATION WELL
 - ⊕ W-1 RECOVERY WELL
 - ⊕ C-17 COLLECTION PIT AND VALVE PIT
 - C-2 COLLECTION PIPE CLEAN OUT
 - C-25 TRENCH PIEZOMETER
 - SLURRY WALL
 - LIMITS OF TRENCH EXCAVATION
 - S. REGENERATED PVC RECHARGE/ COLLECTION PIPE

NOTES:

- SEE TRENCH ABBREVIATION KEY FOR DESIGNATION OF EXTRACTION TRENCH COMPONENTS.

- TRENCH ABBREVIATION KEY**
- N - NORTH TRENCH
 - S - SOUTH TRENCH
 - E - EAST SIDE OF TRENCH
 - W - WEST SIDE OF TRENCH
 - C - CLEANOUT
 - P - PIEZOMETER
 - CP - COLLECTION PIT
 - VP - VALVE PIT

NO.	DATE	ISSUE / REVISION	DESIGN BY	DATE BY	AP'D BY

PROPOSED AREAS FOR ADDITIONAL REMEDIATION
 4300 REDWOOD HIGHWAY
 SAN RAFAEL, CALIFORNIA

PREPARED FOR
FAIRCHILD SEMICONDUCTOR CORP.



SCALE	0 20 40 60 80 FEET
PROJECT NO.	97-035-EG4
FIGURE 4-1	

**California Regional Water Quality Control Board
San Francisco Bay Region**

Attachment 4 to Resolution No. 01-055

Recording Requested By:

[CURRENT OWNER]

When Recorded, Mail To:

Loretta K. Barsamian, 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

4300 Redwood Highway, San Rafael, California

This Covenant and Environmental Restriction on Property (this "Covenant") is made as of the ____ day of _____, 20__ by [CURRENT OWNER] ("Covenantor") which is the Owner of record of that certain property situated at 4300 Redwood Highway, in the City of San Rafael, County of Marin, State of California, which is more particularly described in Exhibit A attached hereto and incorporated herein by this reference (such property hereinafter referred to as the "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. VOCs and Metals at the Property. Portions of the Property's soil and groundwater contain trichloroethene and other volatile organic compounds ("VOCs") and metals as described in the Final Remedial Action Plan dated August 5, 2000 filed with the Board.

B. Property Investigation and Final Remedial Action Plan. The nature and extent of the VOCs and metals in the soil and groundwater at the Property have been defined and a Final Remedial Action Plan acceptable to the Board has been developed and is currently being implemented at the Property under Board Site Cleanup Requirements Order No. 00-122.

C. Exposure Pathways. VOCs and metals are present in soil and groundwater at the Property. Without the mitigation measures that have been performed on the Property, exposure to VOCs and metals may have been possible as a result of soil excavation or groundwater use. However, the risk of exposure to VOCs and metals has been substantially lessened by the remediation and controls referenced herein.

D. Adjacent Land Uses. The Property currently is vacant, but is zoned to allow light industrial and office land uses and is adjacent to other industrial and commercial land uses.

E. Disclosure. To the best of Covenantor's knowledge, extensive sampling of the Property has been conducted and Covenantor is unaware of the presence of hazardous materials on the Property other than the hazardous materials that have been disclosed to the Board pursuant to Order No. 00-122.

F. Notice. Covenantor desires to provide notice of certain matters respecting the Property and to impose certain covenants, conditions and environmental restrictions on the Property.

ARTICLE I GENERAL PROVISIONS

1.1 Provisions to Run with the Land. Pursuant to California Civil Code Section 1471, this Covenant sets forth protective provisions, covenants, conditions and restrictions (collectively referred to as "Restrictions") upon and subject to which the Property and every portion thereof shall be improved, held, used, occupied, leased, sold, hypothecated, encumbered, and/or conveyed. The Board has determined that 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 Property of hazardous materials. 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 thereof, for the benefit of the 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 are enforceable by the Board.

1.2 Concurrence of Owners and Lessees Presumed. All purchasers, lessees, or possessors of any portion of the Property shall be deemed by their purchase, leasing, or possession of such 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 Property and that the interest of the 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 set out herein shall be incorporated in and attached to each and all deeds and leases of any portion of the Property.

1.4 Purpose. It is the purpose of this instrument to set forth protective provisions, covenants, conditions and restrictions that will run with the land to facilitate the remediation of VOCs and metals at the Property and to protect human health and the environment by reducing the risk of exposure to residual VOCs and metals in soils and groundwater.

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 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 Property.

2.3 Order. "Order" shall mean Board Site Cleanup Requirements Order No. 00-122, adopted by the Board on November 29, 2000.

2.4 Owner or Owners. "Owner" or "Owners" shall mean the Covenantor and any successors in interest, including heirs and assigns, 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. Development of the Property shall be restricted to industrial, commercial and/or office uses.
- b. No residence for human habitation shall be permitted on the Property.
- c. No hospitals shall be permitted on the Property.
- d. No schools for persons under 21 years of age shall be permitted on the Property.
- e. No day care centers for children or day care centers for Senior Citizens shall be permitted on the Property.
- f. Until the Board, or its successor agency, determines in accordance with the provisions of Order No. 00-122, and any amendments to the Order, that the withdrawal of groundwater from the Property does not pose a significant existing or potential hazard to present or future public health or safety or to the environment, no Owner or Occupant of the Property or any portion of the Property shall drill or otherwise construct a well at the Property for purposes of extracting water. Notwithstanding the foregoing, it shall be permissible to construct wells at the Property pursuant to the Final Remedial Action Plan for remediation or monitoring of groundwater on the Property.
- g. The excavation of soil below four feet or extraction of groundwater at any depth for any purpose shall not commence unless and until the Owner or Occupant desiring to make the excavation or extract groundwater has proposed a plan for protecting public health and safety and the health and safety of workers, which plan is acceptable to the Board, and implements that plan as proposed and accepted by the Board. A Risk Management Plan for the Property was

prepared and approved by the Board as part of the Final Remedial Action Plan dated August 5, 2000. Soil excavation and groundwater extraction that complies with that Risk Management Plan and is consistent with the Final Remedial Action Plan shall not require a separate plan or separate Board acceptance pursuant to this subparagraph 3.1(g).

h. The Covenantor agrees that the Board, and/or any persons acting pursuant to the Order, shall have reasonable access to the Property for the purposes of inspection, surveillance, maintenance, or monitoring, as provided for in Division 7 of the California Water Code.

i. Except as permitted by the Final Remedial Action Plan or other approval of the Board, no Owner or Occupant of the Property shall act in any manner that will aggravate or contribute to the existing environmental conditions of the Property.

3.2 Conveyance of Property. The Owner shall provide notice to the Board of the closing of any sale, lease or other conveyance of the Property or a possessory interest in the Property to a third person within thirty (30) days of the closing of the sale or lease. The Board shall not, by reason of this Covenant, have authority to approve, disapprove or otherwise affect any sale, lease or other conveyance of the Property except as otherwise provided by law, by administrative order, or by reason of this Covenant.

3.3 Enforcement. Failure of the Owner to comply with any of the requirements 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 any use of the Property in violation of the provisions of subparagraphs 3.1(a) through (e) and (g) and modify or remove any wells installed in violation of the provisions of subparagraph 3.1(f) of this Covenant. Violation of the Covenant shall be grounds for the Board to file civil actions against the Owner as provided by law.

3.4 Notice in Agreements. All Owners and Occupants shall execute a written instrument that shall accompany all purchase, lease, sublease or rental agreements relating to the Property and executed after the date of recording of this Covenant. The instrument shall contain the following statement:

The land described herein contains hazardous substances, as defined in Section 25316 of the California Health and Safety Code, and is subject to the requirements of a Covenant and Environmental Restriction on Property dated _____, 2001, and recorded on _____, 2001, in the Official Records of Marin County, California, as Document No. _____, which Covenant imposes certain covenants, conditions, and environmental restrictions pursuant to California Civil Code Section 1471 on the use of the property described herein. The provisions of the Covenant are incorporated herein and made a part hereof as if set forth in full. 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 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 or for any purpose whatsoever.

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 to an officer of a corporate party 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 certified mail, postage pre-paid , return receipt requested:

If To: "Covenantor"
[Owners name and address]

If To: "Board"
California 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 or term of the Restrictions set forth in this Covenant is determined to be invalid for any reason, the remaining portions and terms shall remain in full force and effect as if such invalid portion had not been included in this Covenant.

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. The Covenantor shall record this instrument in the County of Marin 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: _____

EXHIBIT A

LEGAL DESCRIPTION OF PROPERTY

DESCRIPTION

All that certain real property situate in the City of San Rafael, County of Marin, State of California, described as follows:

PARCEL ONE:

BEGINNING at the Northerly terminus of the course described as "South 18° 47' 22" West 186.02 feet" in Parcel 2 of the property granted by Manuel T. Freitas, et al, to the State of California by Deed recorded in Book 1208 of Official Records, at Page 255; thence South 18° 47' 22" West, 30.00 feet to the true point of beginning; thence South 71° 12' 38" East, 132.42 feet; thence North 81° 02' 46" East, 107.43 feet; thence South 8° 57' 14" East, 335.00 feet; thence North 81° 02' 46" East, 146.95 feet; thence South 8° 57' 14" East, 183.02 feet to the Southerly line of the lands firstly described in the Deed from Rose Freitas Rose, et al, to Associated Construction Engineering Company of California, Inc., a corporation, et al, dated February 25, 1960 and recorded March 3, 1960 in Volume 1349 of Official Records, at Page 199, Marin County Records; running thence Westerly along said Southerly line the following three courses and distances; thence South 86° 14' 01" West, 159.39 feet; thence South 72° 36' 11" West, 258.81 feet; thence North 81° 19' 24" West, 171.11 feet to a point on the Easterly boundary of said Parcel 2 (1208 O.R. 255); thence along said Easterly boundary (1208 O.R. 255), North 6° 41' 43" East, 272.09 feet; thence along a tangent curve to the right, having a radius of 773.05 feet; through a central angle of 12° 05' 39" for a distance of 163.18 feet; and North 18° 47' 22" East, 156.02 feet to the true point of beginning.

PARCEL TWO:

BEGINNING at the Northerly terminus of the course described as "South 18° 47' 22" West, 186.02 feet" in Parcel 2 of the property granted by Manuel T. Freitas, et al, to the State of California by Deed recorded in Book 1208 of Official Records, at Page 255; running thence South 18° 47' 22" West 30.00 feet; thence South 71° 12' 38" East 132.42 feet; thence North 81° 02' 46" East 107.43 feet; thence South 8° 57' 14" East, 335.00 feet; thence North 81° 02' 46" East, 146.95 feet; thence South 8° 57' 14" East, 183.02 feet to the Southerly line of the lands firstly described in the Deed from Rose Freitas Rose, et al, to Associated Construction Engineering Company of California, Inc., a corporation, et al, dated February 25, 1960 and recorded March 3, 1960 in Volume 1349 of Official Records, at Page 199, Marin County Records; running thence Easterly along said Southerly line North 86° 14' 01" East 281.48 feet to an angle point therein; thence Northerly and Westerly along the Easterly and Northerly lines of the lands described in said last named deed the following three courses and distances: North 8° 57' 14" West 573.47 feet, South 81° 02' 46" West 527.30 feet and North 71° 12' 38" West 125.01 feet to the point of beginning.

PARCEL THREE:

A 10-FOOT sanitary sewer easement lying 5 feet on either side of the following described center line:

BEGINNING at the Northerly terminus of the course described as "South 6° 41' 43" West 614.70 feet" in Parcel 2 of the Deed granted by Manuel T. Freitas, et al, to the State of California recorded in Book 1208 of Official Records, at Page 255; thence South 6° 41' 43" West 272.09 feet; thence South 81° 19' 24" East, 171.11 feet; thence North 72° 36' 11" East 49.00 feet to the true point of beginning; thence South 33° 06' 00" West, 22.00 feet; thence South 6° 54' 00" West, 51.00 feet; thence South 22° 06' 00" West, 180 feet more or less to an existing 10-foot wide sanitary sewer easement described in the Deed from Rose Freitas Rose, et al, to Terra Linda Corporation, a corporation, recorded March 17, 1954 in Book 855 of Official Records, at Page 506, Marin County Records.



California Regional Water Quality Control Board

San Francisco Bay Region



Winston H. Hickox
Secretary for
Environmental
Protection

Internet Address: <http://www.swrcb.ca.gov>
1515 Clay Street, Suite 1400, Oakland, California 94612
Phone (510) 622-2300 • FAX (510) 622-2460

Gray Davis
Governor

70993220000146713815
CERTIFIED MAIL NOs. 70993220000146713808

Mr. John Lovewell and
Mr. Charles J. Keenan, III
The Lovewell Company
700 Emerson Street
Palo Alto, CA 94301

Date: **MAY 25 2001**
SLIC File No. 21S0001 (JMJ)

Mr. Fred Banker
Fairchild Semiconductor Corporation
and Schlumberger Technology Corporation
299 Fairchild Drive
Mountain View, CA 94043

TRANSMITTAL
OF
RESOLUTION NO. 01-055
FOR
FORMER FAIRCHILD SEMICONDUCTOR SITE
SAN RAFAEL, MARIN COUNTY

Resolution No. 01-055 authorizes the Regional Board's Executive Officer to enter into an agreement for mutual release and covenant not to sue for the former Fairchild Semiconductor site located at 4300 Redwood Highway, City of San Rafael. This Resolution was adopted at a public meeting on Tuesday, May 22, 2001.

You are reminded that you must accomplish the following within 30 days from the date of 4300 Redwood Road Venture, LLC's acquisition of the subject property:

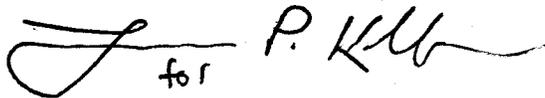
1. Sign the Mutual Release and Covenant Not to Sue (Attachment 1 of Resolution No. 01-055),
2. Record the Covenant and Environmental Restriction on Property against the subject Property (Attachment 4 of Resolution No. 01-055),
3. Pay \$50,000 to an acceptable mitigation project sponsor or to the State Board's Cleanup and Abatement Account.

California Environmental Protection Agency

Please call Mary Tryon of my staff at 510-622-2399 to arrange the date and the time for us to meet to sign all the necessary documents related to the Mutual Release and Covenant Not to Sue. You are required to bring a notary public with you to this meeting.

If you have any questions regarding choosing an acceptable mitigation project sponsor, please contact Carol Thornton of my staff at 510-622-2419. If you have any other questions, please contact John Jang of my staff at 510-622-2366 (email address jmj@rb2.swrcb.ca.gov).

Sincerely,

A handwritten signature in black ink, appearing to read "Loretta K. Barsamian". The signature is fluid and cursive, with a large initial "L" and a long horizontal stroke extending to the right.

for
Loretta K. Barsamian
Executive Officer

cc w/ enclosure: Mailing List

MAILING LIST

~~Mr. John Lovewell
The Lovewell Company
700 Emerson Street
Palo Alto, CA 94301~~

Mr. Tom Trapp
Barg Coffin Lewis & Trapp
One Market Steuart Tower, Ste 2700
San Francisco, CA 94105-1475

Mr. Lance Anderson
Miller, Starr, & Regalia
1331 North California Blvd., 5th Floor
Walnut Creek, CA 94596

Mr. Elie Haddad
Locus Technologies
299 Fairchild Drive
Mountain View, CA 94043

Mr. James Frank
Wheels Inc.
666 Garland Place
Des Plaines, Illinois 60016

Mr. Tom Eagen
LaPlaza, Suite 6
4340 Redwood Highway
San Rafael, CA 94903

Mr. Phil Smith, Chief
Marin County Environmental Health
3501 Civic Center Drive, Room 236
San Rafael, CA 94903

Ms. Barbara Cook
Dept. of Toxic Substances Control
700 Heinz Ave., Suite 200
Berkeley, CA 94710

Mr. Brad Mark
San Rafael Fire Dept.
1039 "C" Street
San Rafael, CA 94901

Ms. JoAnne Dunec
Ellman Burke Hoffman & Johnson
One Ecker, Suite 200
San Francisco, CA 94105

Mr. John Clark, General Counsel
National Semiconductor Corporation
2900 Semiconductor Road
MS 16 - 135
Santa Clara, CA 95051

~~Mr. Fred Banker
Fairchild Semiconductor Corp.
and Schlumberger Technology Corp.
299 Fairchild Drive
Mountain View, CA 94043~~