

Attachment 2

**STATEMENT OF WORK
FOR
REMEDIAL DESIGN AND
REMEDIAL ACTION (RD/RA)
for Soil of the
Perimeter Groundwater Operable Unit (OU-5)**

**AEROJET SUPERFUND SITE
SACRAMENTO COUNTY, CALIFORNIA**

September 19, 2011

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ATTACHMENT 2

STATEMENT OF WORK FOR REMEDIAL DESIGN AND REMEDIAL ACTION

for Soil of the
Perimeter Groundwater Operable Unit (OU-5)
Aerojet Superfund Site, Sacramento County, California

I. Introduction

This Statement of Work (SOW) describes the activities the Respondents must perform in order to design, construct, operate, maintain, monitor, and evaluate the Soil Remedial Action (RA) for the Perimeter Groundwater Operable Unit (Operable Unit)-5 (OU-5), as described in the *Perimeter Groundwater Operable Unit OU-5 Record of Decision* (hereafter referred to as the ROD), dated February 15, 2011. This SOW is Attachment 2 to the *Unilateral Administrative Order for the Performance of Remedial Design and Final Remedial Action for Soil* (hereafter referred to as the “Administrative Order”) of the Perimeter Groundwater Operable Unit (OU-5), Aerojet Superfund Site (Site), Sacramento County, California.

OU-5 encompasses both soil and groundwater at the Aerojet Property (property) and beneath portions of the cities of Fair Oaks, Rancho Cordova, and Folsom as well as unincorporated areas of Sacramento County, California ([Attachment A](#) of this SOW [Approximate Extent of Contamination as of 2006-2008]). The contaminated soil areas comprise the following sites on the property: C4, C41, 7D, 10D, 11D, 32D, 33D, 34D, 35D, 38D, and the Former Company Store (FCS) location (see Map of Soil Areas in [Attachment A](#) of this SOW). The groundwater included in OU-5 lies beneath four areas known as Zones 1 to 4 that lie to the north and south of the source operable units on the property (see Composite Plume Map in [Attachment A](#) of this SOW). The Contaminants of Concern (COC) in the soil and groundwater include the seventeen chemicals set forth in [Attachment B](#) (Chemicals of Concern with Cleanup and Containment Levels) of this SOW. Throughout this SOW (including [Attachment B](#)), cleanup levels refer to the contaminated soil areas and containment levels refer to the contaminated groundwater. The Remedial Action for the Groundwater plumes of OU-5 is addressed in a separate Administrative Order and SOW.

The United States Environmental Protection Agency (EPA) is the lead Agency for the Administrative Order. The California Department of Toxic Substances Control (DTSC) and the California Regional Water Quality Control Board for the Central Valley Region (CVRWQCB) will represent the State of California in providing state review. Comments on submitted documents or data will be provided to Respondents by EPA. As lead Agency, EPA will resolve any differences in Agencies’ responses to Respondents. The term “Agencies” shall mean EPA, DTSC, and CVRWQCB.

The Agencies intend to review deliverables to assess whether or not the RA will achieve the Remedial Action Objectives (RAO) set forth in [Section II](#) (Remedial Action Objectives) of this SOW. Reviews by the Agencies or EPA's approval of a task or deliverable shall not, however, be construed as a guarantee of the adequacy of such task or deliverable.

The definitions set forth in the Definitions section of the Administrative Order shall apply to this SOW unless expressly provided otherwise herein.

II. Remedial Action Objectives

As specified in the Administrative Order, Respondents shall conduct an RA to meet all RAOs, discussed below, and other Performance Standards.

This RA is the final remedy for cleanup of the Contaminated Soil Areas included in OU-5 through the Partial Consent Decree (PCD), as modified in 2002. The RAOs for Surface and Subsurface Contaminated Soil are specified in the ROD as follows:

- Eliminate exposure to concentrations of pollutants in soils and related drainage ditch sediments that pose an unacceptable risk for present and future occupants of the property and ecological receptors on the property;
- Prevent migration of volatile organic compounds (VOC) and perchlorate in the soil that would impact long-term beneficial uses of groundwater;
- Control perchlorate in subsurface soil below the depth that can be removed by excavation, which may migrate to the shallow groundwater, through containment of the OU-5 groundwater; and
- Prevent exposure to VOCs in soils or soil vapor exceeding the EPA health-based ambient air screening levels for unrestricted residential land use. Potential exposure pathways include inhalation (breathing), ingestion and skin contact. Where commercial or industrial cleanup criteria are used, the land will be restricted to commercial or industrial use through a land use covenant.

III. Summary of the OU-5 Remedial Action for Contaminated Soil Areas

The ROD requires that the contaminated soil above cleanup levels in the OU-5 Contaminated Soil Areas will be treated or removed to protective levels. These Contaminated Soil Areas were selected from potential source and contaminated soil sites (formerly used for administration and liquid fuel rocket manufacturing) which transect, border, or are surrounded by lands removed from the boundary of the Site by the PCD 2002 modification ("carve-out lands"). Several Contaminated Soil Areas with VOCs and perchlorate include relatively minor amounts of COCs that do not constitute principal threats due to the lack of mobility of these COCs and the provisions for containment of more mobile COCs at the Site.

The RA incorporates active measures to eliminate or reduce COCs and control contaminated soil in the eleven areas that exceed risk-based limits, and includes the following:

- Excavate contaminated surface soils and related drainage ditch sediments above the cleanup levels in areas 10D and 11D to allow for unrestricted use of the land based on residential risk.
- Excavate soil contaminated above the cleanup levels that allow for unrestricted residential use in areas C4 and C41 to a depth of at least ten feet below grade or until the cleanup levels are reached at a shallower depth. If waste is left in place deeper than ten feet, land use controls will be necessary to protect against exposure resulting from excavation to depths greater than ten feet.
- Install and operate a soil vapor extraction (SVE) system in soil areas 32D, 34D, 35D, and 38D, covering a total of approximately 11 acres in close proximity to each other ([Attachment A](#)) to remove VOCs from unsaturated subsurface soil. Until the cleanup attains unrestricted residential use levels for exposure from vapor intrusion, the land shall be restricted to commercial or industrial use with a land use covenant, and soil-vapor mitigation methods will be employed as necessary, until the cleanup attains unrestricted-use levels.
- Control the risks from elevated VOCs measured in the vadose zone in soil areas 7D, 33D, and the FCS location by installing vapor mitigation systems to prevent movement of contaminant vapors into buildings constructed at these locations. Appropriate monitoring and land use covenants are required for either residential or commercial use of these locations until the potential threat of vapor intrusion is removed by effective control of upgradient sources of groundwater contamination in other OUs.

The landfill in the northern portion of OU-5 (Zone 4) is not included in the proposed actions for OU-5. EPA will review the monitoring results of the solid waste landfill closure to ensure both soil and groundwater protectiveness from this potential source of contamination. EPA expects that all potential risks from this landfill will be satisfactorily addressed by the approved landfill closure process with State and County oversight. If potential risks from the landfill are not adequately addressed, EPA will evaluate alternatives in an Explanation of Significant Differences or a ROD amendment. Respondents shall submit the landfill closure report and monitoring results to EPA when the draft and final closure reports and groundwater monitoring results are submitted to State and County regulators.

IV. Remedial Design and Historical Activities

For SVE remedies and vapor mitigation remedies, Respondent shall submit a Remedial Design (RD) Work Plan and subsequent RD to EPA for approval. For excavation remedies, a single combined RD/RA Work Plan shall suffice as described in [Section V\(C\)](#) (Remedial Action Work Plan).

The RD Work Plan must describe in detail the tasks and deliverables Respondents will complete during the RD phase, and provide a schedule for completing the tasks and deliverables in the RD Work Plan. The RD Work Plan shall include a step-by-step plan for completing the RD for the remedy described in the ROD and for attaining and maintaining all requirements, including Performance Standards, identified in the ROD. The RD Work Plan shall also include: (1) a plan for gathering additional data or information, if necessary; and (2) any other appropriate components.

After EPA approval of the RD Work Plan, Respondents shall prepare a RD consisting of a SVE system to extract and treat soil vapor (Soil areas 32D, 34D, 35D, and 38D) or vapor mitigation remedies (Soil areas 7D, 33D, and the FCS location) to meet all Performance Standards set forth in the ROD and this SOW. Designs for each specific remedy type may be submitted as they are completed. All plans and specifications shall be developed in accordance with relevant portions of the latest revision of EPA's Superfund Remedial Design/Remedial Action Handbook (EPA 540/R-95/059), and in accordance with the schedule set forth in [Section VI](#) (Schedule for Major Deliverables and Other Tasks) of this SOW.

The vapor treatment process shall meet the federal and state air regulations identified as Applicable or Relevant and Appropriate in the ROD ([Attachment D](#) of this SOW). If after the treatment systems are constructed, Respondents develop, sell, or lease their property which is within or directly adjacent to the OU-5 soil areas, and within the area for which current federal and state air regulations require risk assessment, Respondents shall make any necessary modifications to the on-property treatment components to comply with the current air emission regulations regarding risk (such as modifications necessary due to increased population density and proximity).

The Preliminary Remedial Design submittal shall include, at a minimum, the following: (1) design criteria; (2) results of treatability studies, if conducted; (3) results of additional field sampling, if conducted; (4) project delivery strategy; (5) preliminary plans, drawings and sketches; (6) required specifications in outline form; and (7) a preliminary construction schedule.

In accordance with the Remedial Design section of the Administrative Order, Respondents shall submit the Intermediate RD when the design effort is complete in accordance with the approved schedule contained in [Section VI](#) (Schedule for Major Deliverables and Other Tasks) of this SOW. The Intermediate Design shall fully address all Agencies' comments provided by EPA on the Preliminary Design, and if not previously addressed, be accompanied by a memorandum indicating how the comments were incorporated into the Intermediate Design. The Intermediate RD documents shall be certified by a Professional Engineer registered in the State of California.

The Intermediate RD shall serve as the Final RD if the Agencies have no further comments and EPA provides its approval. The Intermediate RD submittals shall include (1) final plans

and specifications; (2) a complete set of construction drawings in full and one-half size reduction; (3) a capital and Operation & Maintenance (O&M) cost estimate; (4) an O&M Plan; (5) the Field Sampling Plan (directed at measuring progress towards meeting performance standards and implemented in accordance with the approved RD Quality Assurance Project Plan [QAPP]); and the (6) Construction Quality Assurance Plan (CQAP) and (7) Contingency Plan as described in [Section V\(B\)](#). The Final RD should also include a schedule for completion of construction, including inspection certifications to confirm that the Construction Criteria of this SOW are met.

If a Final Design is required, it shall fully address all Agencies' comments provided by EPA on the Intermediate Design Submittal, and if not previously addressed, be accompanied by a memorandum indicating how the comments were incorporated into the Final Design. The Final RD documents shall be certified by a Professional Engineer registered in the State of California.

Aerojet performed a removal action at Sites 10D and 11D during the fall of 2009 based on an EPA-approved Removal Action Work Plan in order to remove contaminated soils from these drainage areas before the wet season of 2009-2010. EPA's Final Pollution Report for this removal action was signed on May 24, 2010, noting that Aerojet General mobilized to the site on November 3, 2009, under a Unilateral Administrative Order (UAO) from EPA signed on November 2, 2009, with an approved work plan dated October 2009, including revisions based on EPA review comments. EPA oversight contractors and staff from the CVRWQCB were on-site during the removal action. Under terms of the UAO, Aerojet provided a final project report upon completion of the project in May 2010, including confirmation sampling results. EPA oversight was documented in the Periodic Field Observation Report of Removal Action Activities ([Sullivan International Group for USEPA, April 2010](#)).

V. Remedial Action for Contaminated Soil Areas

A. Compliance with Performance Standards

The ROD states the expected outcomes of the Contaminated Soil Area Remedy include the restoration of the contaminated areas to levels protective of expected future land uses, and the monitoring and controlling of remaining contamination. The RAOs specified in the ROD are listed in [Section II](#) (Remedial Action Objectives) of this SOW.

Performance standards for soil COCs and soil vapor in the Contaminated Soil Areas are the risk-based soil concentrations for unrestricted residential use listed in [Table B-1](#) and [Table B-2](#) of [Attachment B](#) to this SOW. Restrictions on the future use of Contaminated Soil Areas that have not attained residential cleanup objectives will be implemented through a recorded Declaration of Covenants and Environmental Restrictions pursuant to California Civil Code Section 1471, whereby Aerojet covenants to impose these restrictions (see [Section V\(G\)](#), Institutional Controls).

Other requirements, limits, and/or criteria for the Remedial Action related to Contaminated Soil Areas or groundwater related to these areas are specified in the following items:

- [Attachment B](#) to this SOW (Chemicals of Concern with Cleanup and Containment Levels).
- [Attachment C](#) to this SOW (Effluent Discharge Limitations) and other discharge limits as described in the SOW for the Groundwater Remedial Action.
- [Attachment D](#) to this SOW (Applicable or Relevant and Appropriate Requirements from the OU-5 Record of Decision). Note that this list of Applicable or Relevant and Appropriate Requirements (ARAR) is taken directly from the ROD and applies to both Groundwater and Soil Remedial Actions.
- [Attachment E](#) to this SOW (Templates for Declarations of Covenants).
- Specified Institutional Controls (IC) of this SOW ([Section V\(G\)](#), Institutional Controls).
- Any additional Performance Standards developed in [Section VI](#) (Schedule for Major Deliverables and Other Tasks) of this SOW.

B. Supporting Plans and Deliverables

Respondents shall submit plans, specifications, and other deliverables for the Agencies' reviews. One copy of each final document deliverable shall be provided to the Site Repositories in an unbound format suitable for reproduction; one copy each shall be provided to EPA, DTSC, and CVRWQCB Project Coordinators, and EPA's contractor; additional copies, if required, shall be provided. In addition, for any deliverable specified in this SOW or determined during the course of the Work to require review or input of a water purveyor or another federal, state, or local agency, Respondents shall provide additional electronic Portable Document Format (PDF) copies at no charge. Information presented in color must be legible and interpretable when reproduced in non-color. Final deliverables shall also be provided to the Agencies in electronic PDF unless otherwise directed by the Agencies. If requested by the Agencies, Respondents shall supply portions of final documents in modifiable electronic format. The Agencies shall be provided upon their request electronic files for any computer modeling simulations used by Respondents to generate deliverables along with any necessary software to run the applications, which is not in the public domain.

Respondents shall implement quality control procedures to ensure the quality of all reports and documents submitted to the Agencies for review. These procedures shall include but are not limited to internal technical and editorial review; independent verification of calculations; and documentation of all reviews, problems identified, and corrective actions taken.

As described in the EPA Review of Submissions section of the Administrative Order, EPA may approve, disapprove, or require modification of each deliverable of this SOW. Major

deliverables that are described below shall be submitted according to the schedule in [Section VI](#) (Schedule for Major Deliverables and Other Tasks) of this SOW and may be combined with the documents prepared for the OU-5 Groundwater Remedial Action.

The following existing plans prepared for OU-3 shall be updated and revised to include OU-5 contaminated soil areas. The requirements stipulated in the SOW for OU-3 (Section V(A) Supporting Plans) shall also apply to OU-5. The updated and revised plans shall be submitted for review by the Agencies and EPA's approval in accordance with the schedule contained in [Section VI](#) (Schedule for Major Deliverables and Other Tasks) of this SOW.

1. Sampling and Analysis Plans

In accordance with the Quality Assurance, Sampling, and Data Analysis section of the Administrative Order, Respondents shall prepare Sampling and Analysis Plans (SAP) for 1) RD sampling, 2) remedial construction sampling, and 3) the long-term O&M sampling for review by the Agencies and EPA's approval.

2. Construction Quality Assurance Plan

The CQAP to be developed and implemented by Respondents shall ensure, with a reasonable degree of certainty, that the completed RA construction meets or exceeds all design criteria, plans and specifications, and Performance Standards of this SOW.

3. Health and Safety Plans

Respondents shall prepare and implement Health and Safety Plans to cover the following: 1) remedy design and associated design phase field activity, 2) remedy construction and associated field activities, and 3) field activities after remedy construction during the long-term O&M period to ensure protection of on-site personnel and area residents from hazards posed by the RA.

4. Contingency Plans

In accordance with the Remedial Design and Remedial Action sections of the Administrative Order, Respondents shall submit a Construction Contingency Plan and an O&M Contingency Plan for actions to be taken in the event any action or occurrence during the performance of the Work causes a release or threatens to cause a release of hazardous substances or waste material from the Site creating an emergency situation that may present an immediate threat to public health or welfare or the environment. The O&M Contingency Plan shall specifically address actions to be taken if any portion of the remedy malfunctions or fails causing a threat of release or release of COCs or Waste Materials from the Site that constitutes an emergency situation or presents an immediate threat to public health or welfare or the environment.

C. Remedial Action Work Plan

Respondents shall submit an RA Work Plan to the Agencies for review in accordance with the schedule contained in [Section VI](#) (Schedule for Major Deliverables and Other Tasks) of this SOW. The Work Plan may comprise separate documents for each soil area, group of soil areas, or a comprehensive document. A single combined RD/RA Work Plan for each soil area to be remediated by excavation only may suffice with EPA approval, based on the experience with the cleanup of areas 10D and 11D as described in [Section IV](#) (Remedial Design and Historical Activities).

The RA (or RD/RA) Work Plan shall include methodologies, plans and schedules for completion of at least the following: (1) selection of the remedial action contractor; (2) implementation of the CQAP; (3) identification of and satisfactory compliance with applicable permitting requirements; (4) implementation of the O&M Plan; (5) implementation of the Contingency Plan; and (6) development and submission of the Performance Standards assessment plan. The RA (or RD/RA) Work Plan shall also include a schedule for implementing all remedial action tasks identified in the SOW and shall identify the initial formulation of Respondent's Remedial Action Project Team (including the Supervising Contractor).

The schedule for all subsequent phases of work in each soil area will be based on date of agency approval of the work plan(s). The RA (or RD/RA) Work Plan(s) shall describe the management strategy, and include a step-by-step plan, for completing the design and construction of the RA for each of the soil areas, and for attaining and maintaining all requirements, including Performance Standards, identified in the ROD. The RA (or RD/RA) Work Plan must be approved by EPA and submitted in accordance with the schedule contained in the Work To Be Performed section of the Administrative Order. The RA (or RD/RA) Work Plan shall also include:

- Updated project description
- Description of the responsibility and authority of all organizations and key personnel involved with the remedial action
- Updated schedule and meetings
- Plans for satisfying all permitting requirements
- Design, construction, sampling, and operation of the remedial action
- Identification of any concerns about the quantity, quality, completeness, or usability of data upon which the design will be based
- Verification sampling appropriate to the selected remedial action to ensure that no waste is left in place that would cause an unacceptable human or ecological health risk
- Updates to the RA work plan and periodic reporting to the agencies.

D. General Monitoring Plan

Respondents shall prepare a General Monitoring Plan for the groundwater associated with soil areas with waste left in place for a substantial period prior to attaining cleanup standards, i.e., Area C41 (partial excavation) and Areas 32D, 34D, 35D and 38D (SVE) and submit the plan to the Agencies for review. The General Monitoring Plan may be included as part of the Site-wide groundwater monitoring plan (GMP) described in the Groundwater Monitoring Plan section of Attachment 2 (SOW) to the *Administrative Order for the Performance of Remedial Design and Interim Remedial Action for Groundwater* (Administrative Order) of the Perimeter Groundwater Operable Unit (OU-5), Aerojet Superfund Site, Sacramento County, California.

E. Remedial Action

1. Remedial Action Construction

Respondents shall implement the RA as detailed in the approved RA Work Plan. Respondents shall notify EPA within ten (10) days after Respondents conclude that construction of the Remedial Action (or a discrete portion of the RA) is complete.

2. Pre-Certification Inspection

A Pre-Certification Inspection shall be conducted for the soil areas requiring an active treatment system (Areas 32D, 34D, 35D and 38D) by Respondents and EPA in accordance with the schedule contained in [Section VI](#) (Schedule for Major Deliverables and Other Tasks) of this SOW after Respondents complete construction and have commenced operation of the RA, or a discrete portion of the RA. If a Pre-Certification Inspection is held for a portion of the RA, one or more additional inspections shall be conducted so that the entire RA shall have been inspected. (For the other soil areas pre-certification inspection shall occur during construction to observe soil removal, sampling, and vapor mitigation efforts.) The objective of the inspection is to allow EPA to determine whether construction is complete, and the RA, or the inspected portion of the RA, is operational and functional.

3. Remedial Action Construction Completion Report

The pre-certification inspection shall be followed by a written report submitted within thirty (30) days of the inspection by a registered professional engineer and Respondents' Project Coordinator certifying that the Remedial Action construction has been completed in full satisfaction of the requirements of the Administrative Order. The report shall include the following:

1. A statement by a registered Professional Engineer and the Aerojet Project Coordinator that the construction of the Remedial Action has been completed in accordance with the RA (or RD/RA) Work Plan submitted under the SOW.
2. Synopsis of the work defined in the SOW (a listing of the vapor mitigation systems, vapor treatment systems, and vapor extraction wells for OU-5).
3. A brief summary of the results of operational and performance monitoring completed to date.
4. The following statement by the Aerojet Project Coordinator certifying that the submission is true, accurate and complete:

“To the best of our knowledge, after thorough investigation, we certify that the information contained in or accompanying this submission is true, accurate, and complete. I am aware that there are significant penalties for submitting false information, including the possibility of fine and imprisonment for knowing violations.”

4. EPA Construction Inspection

Within 60 days of submittal of the Remedial Action Construction Completion Report, EPA and Respondents shall conduct a Pre-final Construction Inspection of the RA, or a portion of the RA. Respondents shall provide final record drawings to EPA at least ten (10) days prior to this inspection/s.

The objective of the inspection/s is to document whether the construction of the RA (or the inspected portion) has been completed in accordance with the approved work plan. Any outstanding construction items discovered during the inspection shall be identified and noted on a punch list. Respondents shall certify that the equipment is effectively meeting the purpose and intent of the specifications. Respondents shall retest where deficiencies are revealed. EPA will prepare a Pre-final Construction Inspection Report which outlines the outstanding construction items, actions required to resolve the items, completion date for the items, and an anticipated date for a Final Inspection. The Pre-final Construction Inspection Report can be in the form of a punch list or letter.

If required by EPA, a Final Construction Inspection shall be conducted after completion of any work identified in the Pre-final Construction Inspection Report in

accordance with the schedule contained in [Section VI](#) (Schedule for Major Deliverables and Other Tasks) of this SOW. Respondents shall coordinate with EPA to schedule any final inspection. The Final Construction Inspection shall consist of a walk-through inspection by EPA and the Respondents. The Pre-final Construction Inspection Report shall be used as a checklist, with the Final Construction Inspection focusing on the outstanding construction items identified in the Pre-final Construction Inspection. Respondents shall confirm that outstanding items have been resolved for all items, including any items which may have been found after the checklist has been developed.

Any outstanding construction items discovered by Respondents or EPA during the inspection to still require correction, whether or not identified in the Pre-final Construction Inspection, shall be identified and noted on a punch list. If any items are still unresolved, the inspection shall be considered to be a Pre-final Construction Inspection that may necessitate a subsequent Final Construction Inspection.

5. Interim Remedial Action Report

Respondents shall prepare an Interim Remedial Action Report for soil areas with an active remedial system or ongoing monitoring (Area C41 and Areas 32D, 34D, 35D and 38D). Information regarding groundwater monitoring related to these soil areas will be included in the Site-wide GMP.

As specified in the approved schedule included in [Section VI](#) (Schedule for Major Deliverables and Other Tasks) of this SOW, after EPA determines that construction is completed on the entire RA and the systems are operational and functional as intended, Respondents shall submit an Interim Remedial Action Report. In the Report, a registered Professional Engineer and Respondents' Project Coordinator shall state that the construction of the RA has been completed in accordance with the RD/RA Work Plan submitted under this SOW. The written Report shall provide a synopsis of the Work defined in this SOW, describe deviations from the RD/RA Work Plan, include reproducible and PDF electronic file version of as-built drawings signed and stamped by a Professional Engineer, provide actual costs of the RA, O&M to date, and a summary of the results of operational and performance monitoring completed to date. The Report shall contain the following statement, signed by a responsible corporate official of Respondents or Respondents' Project Coordinator:

“To the best of our knowledge, after thorough investigation, we certify that the information contained in or accompanying this submission is true, accurate and complete. I am aware that there are significant penalties for submitting false information, including the possibility of fine and imprisonment for knowing violations.”

6. Final Remedial Action Report

As specified in the approved schedule included in [Section VI](#) (Schedule for Major Deliverables and Other Tasks) of this SOW, after Respondents have determined that the Performance Standards of the RA are met and all phases of the work, including O&M, have been implemented, Respondents shall submit a Final Remedial Action Report. Respondents shall prepare a Final Remedial Action Report for all soil areas after the Performance Standards are met (if waste is left in place) or after the remedy has been completed (if waste is removed). The Report may comprise separate documents for each soil area or group of the soil areas or a comprehensive document depending on dates of construction and type of RA. Draft and final versions of each report are required with agency comments to be incorporated in the final version.

In the Report for the soil areas with an active treatment system, a registered Professional Engineer and Respondents' Project Coordinator shall certify that the RA is operating and functioning as intended and that RAOs listed in [Section II](#) (Remedial Action Objectives) and other Performance Standards of this SOW are being met. The written Report shall provide a summary of the results of operational and performance monitoring completed to date.

The Remedial Action Report(s) shall contain the following statement, signed by a responsible corporate official of Respondents or Respondents' Project Coordinator:

“To the best of our knowledge, after thorough investigation, we certify that the information contained in or accompanying this submission is true, accurate and complete. I am aware that there are significant penalties for submitting false information, including the possibility of fine and imprisonment for knowing violations.”

7. Remedial Performance Evaluation and Compliance Monitoring

The Respondents shall conduct effectiveness evaluations of the SVE system for OU-5 to ensure that the remedy is implemented in an effective and efficient manner. The effectiveness evaluations shall include a thorough review of the removal of COCs in soil vapor by the OU-5 remedy and shall encompass the topics covered in the U.S. Army Corps of Engineers Remedial Systems Evaluation worksheets appropriate to the RD implemented ([USACE 2011](#)). After the data have been collated and reviewed, they shall be summarized in a Performance Evaluation Report, which shall include recommendations for improvements to the implementation of the remedy, if appropriate.

These evaluations shall be conducted on an annual basis for the first four years after the SVE system is operational. After this time, the frequency of the effectiveness evaluations shall be determined by EPA based on the ongoing performance of the

remedy. Remedial Performance Evaluation Reports shall be provided in accordance with the schedule contained in [Section VI](#) (Schedule for Major Deliverables and Other Tasks) of this SOW, and shall be coordinated with the schedule for the performance evaluation reports for OU-3.

Quarterly Compliance Monitoring Reports shall be submitted for the soil vapor extraction system. Electronic submittal of these reports is required. The Quarterly Compliance Monitoring Reports shall include: measured contaminant concentrations at soil vapor extraction wells; charts showing contaminant concentrations versus time at vapor extraction wells; assessments and statements regarding whether Performance Standards of this SOW are being satisfied by the soil vapor extraction system; predictions, if appropriate, of possible future occurrences of noncompliance; relevant preliminary calculations and supporting data used to evaluate compliance; and any other relevant requirements outlined in the GMP. The Quarterly Compliance Monitoring Reports shall be in accordance with the schedule contained in [Section VI](#) (Schedule for Major Deliverables and Other Tasks) of this SOW.

F. Operation and Maintenance

O&M shall be performed in accordance with the approved O&M Plan for sites with waste left in place.

1. Operation and Maintenance Plan

An O&M Plan is required for the soil vapor extraction system in accordance with the Remedial Design and Remedial Action paragraphs of the Administrative Order. Respondents shall submit the plan to EPA for review and approval in accordance with the schedule contained in [Section VI](#) (Schedule for Major Deliverables and Other Tasks) of this SOW. The O&M Plan shall include, at a minimum, a schedule for activities and information regarding assignment of duties.

2. Operation and Maintenance Manual (for soil vapor extraction system)

Respondents shall prepare a draft O&M Manual for the soil vapor extraction remedy (Areas 32D, 34D, 35D and 38D) during the design period. A final O&M Manual shall be prepared after the final construction inspection to incorporate manufacturer/vendor information and any design modifications implemented during the RA in accordance with the schedule contained in [Section VI](#) (Schedule for Major Deliverables and Other Tasks) of this SOW. The O&M Manual shall be submitted for Agencies' reviews and EPA's approval. The O&M Manual shall include all necessary O&M information for the operating personnel, and shall provide for the following:

- System description;

- Startup and shutdown procedures;
- Description and schedule of normal O&M tasks, including equipment and material requirements, anticipated equipment replacement for significant components, availability of spare parts, provisions for remote monitoring and control, operator training and certification requirements, staffing needs, and related requirements;
- Indicators of system performance and/or maintenance (e.g., parameters to be monitored to determine timing for replacement of any items consumed during the remediation process);
- Any planned variation in soil vapor extraction rate, including whether each extraction well is to be operated at constant or variable flow rate, and a description of the magnitude and timing of any expected variation;
- Record keeping and reporting requirements, including operating and inspection logs, maintenance records, and periodic reports; and
- Description and analysis of potential operating problems (e.g., equipment failure, higher than expected contaminant concentrations), including emergency operating and response activities (noncompliance diversion or shutdown), failure notification procedures and relevant health and safety information.

G. Institutional Controls

Within thirty (30) days of a written request from EPA or thirty (30) days prior to the transfer of property within OU-5 that is not subject to existing EPA-approved Institutional Controls, whichever is the earlier date, Respondents shall submit for review by the Agencies and then record, after obtaining EPA's approval, a Declaration of Covenants and Environmental Restrictions (Declaration of Covenants) for areas of contaminated soil that have not attained residential cleanup objectives for land to be developed within OU-5. The Declaration of Covenants shall include the following restrictions: 1) No excavation of soil without approval of the Agencies except if required by the RA; 2) No construction without use of vapor barriers in areas of VOCs; and 3) Agencies' rights of access. The Declaration of Covenants for particular categories of contaminated soil areas shall be substantially in the form of the applicable template provided in [Attachment E](#), subject to review, approval, and further modification by EPA.

These restrictions shall be implemented pursuant to California Civil Code Section 1471(c) whereby Respondents covenant to impose these restrictions. The Declaration of Covenants will be binding on the Respondents' successors and assigns as covenants running with the land. The Declaration of Covenants shall include a designation that the State of California is a "covenantee" and, that EPA is a "covenantee" or, alternatively, subject to EPA's discretion, a "third party beneficiary," allowing EPA, without acquiring an interest in real property, to maintain the right to enforce the Institutional Controls or obtain access pursuant to the Institutional Control. Respondents shall record with the County Recorder the Declaration of Covenants. Respondents shall give written notice of the contaminated soil to

each buyer, lessee, renter and mortgagee of any of these lands and every lease, deed, mortgage or instrument conveying any part of these lands shall expressly provide that it is subject to this Declaration of Covenants.

Respondents shall duly execute this IC for OU-5 soils and submit it in accordance with the schedule contained in [Section VI](#) (Schedule for Major Deliverables and Other Tasks) of this SOW. Respondents shall provide the Agencies each year with an Annual ICs Status Report detailing the status of all ICs for OU-5. Relevant information for OU-5 may be integrated into the Annual IC Status Report prepared for OU-3 or a separate report may be prepared at the discretion of Respondents.

H. Certification of All Work Complete Report

As specified in the Remedial Action section in the Administrative Order and the schedule included in [Section VI](#) (Schedule for Major Deliverables and Other Tasks) of this SOW, Respondents shall submit a Certification of All Work Complete Report after all phases of the Work (including O&M) under the Administrative Order have been performed for review by the Agencies and EPA's approval. In the Certification of Work Completion Report, a registered Professional Engineer and Respondents' Project Coordinator shall state that the Work has been completed in full satisfaction of requirements of the Remedial Action section of the Administrative Order. The written report shall provide a synopsis of the Work defined in this SOW, describe deviations from the RD/RA Work Plan, provide actual costs of the RA (and O&M), and provide a summary of the results of operational and performance monitoring that have been completed. The report shall contain the following statement, signed by a responsible corporate official of Respondents or Respondent's Project Coordinator:

"To the best of our knowledge, after thorough investigation, we certify that the information contained in or accompanying this submission is true, accurate and complete. I am aware that there are significant penalties for submitting false information, including the possibility of fine and imprisonment for knowing violations."

The Certification of All Work Complete Report may be combined with that required for OU-3 or may be for the entire OU-5 or OU-5 Contaminated Soil Areas only at the discretion of the Respondents and depending on the respective dates of completion of work for the two OUs.

I. Site Security

Respondents shall fence and otherwise secure all Site remedy components to prevent access by the public to these components and to minimize potential vandalism during the performance of the RA. Warning signs with a telephone number to call for further information shall be posted along fencing protecting OU-5 components. Security components (fences, signs, locks, etc.) shall be maintained in good condition to perform their function until EPA agrees they are no longer required. Security components shall be installed as construction progresses.

J. Dust Control

Respondents shall ensure that no visible air emissions occur at or beyond facility fence lines at all times during the performance of the RA. Respondents shall implement dust control measures which are submitted for review by the Agencies and approved by EPA. Respondents shall take corrective measures to comply with local ordinances and regulations.

K. Off-Site Rule Disposal Notification

In accordance with the Remedial Action section of the Administrative Order, six months prior to disposal of wastes generated by Respondents' Comprehensive Environmental Response, Compensation, and Liability Act (CERCLA) activities to any off-site facility for disposal, Respondents shall provide EPA and the receiving state, in accordance with federal and state law and California Title 27, disposal notification containing the following: 1) the name of the Site/facility to receive the waste with address and phone number; 2) quantity and description of the waste; 3) Resource Conservation and Recovery Act classification of the waste with basis for the classification; 4) expected date for shipment off-site; 5) the regulatory status of the receiving site (i.e., Subtitle C or D permitted); 6) method of transportation; 7) confirmation that the site is approved under the Off-site Rule; and 8) the date of the last EPA inspection.

L. Modification of SOW or Related Work Plans

If EPA determines that it is necessary to modify the work specified in the SOW and/or in work plans developed pursuant to the SOW to achieve and maintain the Performance Standards or to carry out and maintain the effectiveness of the remedy set forth in the ROD, and such modification is consistent with the scope of the remedy set forth in the ROD, then EPA may issue such modification in writing and shall notify Settling Defendants of such modification. If Settling Defendants object to the modification they may, within 30 days after EPA's notification, seek dispute resolution under the Record Review paragraph in the Administrative Order.

M. Remedy Review

As required by the EPA Periodic Review section of the Administrative Order, over the remedy period Respondents shall support EPA in performing technical and documentation support for periodic remedy reviews in accordance with Comprehensive Five-Year Review Guidance, EPA OSWER 9355.7-03B-P (June 2001 or latest revision). Respondents shall perform any necessary studies and investigations required by EPA to assess remedy protectiveness. The remedy will be reviewed at least every five years or earlier if deemed appropriate by EPA.

VI. Schedule for Major Deliverables and Other Tasks

ACTIVITY ¹	DUE DATE (Unless Otherwise Approved by EPA)
Unilateral Administrative Order for OU-5 Soil Effective Date	
PLANNING DOCUMENTS/COORDINATION	
Notice of Intent to Comply	On or before September 26, 2011
Notification of Project Manager/qualifications	<p>Ten (10) days after Effective Date of the Unilateral Administrative Order for OU-5 Soil</p> <p>If candidate disapproved by EPA, within thirty (30) days of EPA's notification of disapproval submit list candidates/qualifications</p> <p>Twenty-one (21) days after EPA's letter regarding acceptable candidates, notify EPA of the Project Manager selected from EPA's approved candidates on list</p>
Site-wide Groundwater Monitoring Plan	<p>No later than one year after Effective Date of the Unilateral Administrative Order for OU-5 Soil. Updated annually</p> <p>If required, a revised plan is due fourteen (14) days after receipt of EPA's comments</p>
Remedial Design Work Plan(s) – for Contaminated Soil Areas requiring SVE or vapor mitigation	<p>Thirty (30) days after approval of Project Manager</p> <p>If required, a revised plan is due fourteen (14) days after receipt of EPA's comments</p>
Remedial Design/Remedial Action Work Plan(s) – for Contaminated Soil Areas requiring excavation only	<p>Sixty (60) days after approval of Project Manager</p> <p>If required, a revised plan is due fourteen (14) days after receipt of EPA's comments</p>
Preliminary Remedial Design – for Contaminated Soil Areas requiring SVE or vapor mitigation	<p>Per schedule in EPA-approved RD Work Plan but no later than sixty (60) days after EPA's approval of Remedial Design Work Plan</p> <p>If required, a revised RD is due fourteen (14) days after receipt of EPA's comments</p>
Intermediate Remedial Design Submittal – addresses agency comments on Preliminary Remedial Design	Forty-five (45) days after EPA's approval of Preliminary Design Submittal
Final Design Submittal (if needed)	If required by EPA, thirty (30) days after EPA's comments on the Intermediate Design Submittal
Remedial Action Work Plan – for Contaminated Soil Areas requiring SVE or vapor mitigation	Within thirty (30) days after EPA approval of the final Remedial Design. Update, as required
General Monitoring Plan – for Soil Areas with waste left in place	Thirty (30) days after receipt of EPA's comments on Remedial Design/Remedial Action Work Plan
Monthly Progress Report/s required by Section XV of the Unilateral Administrative Order for OU-5 Soil	On or before the Fifteenth (15th) day of each month following Effective Date of the Unilateral Administrative Order for OU-5 Soil until EPA's notification of Certification of Completion
Annual IC Status Report	By end of January each year until EPA approves removal of ICs

ACTIVITY¹	DUE DATE (Unless Otherwise Approved by EPA)
Failure to Attain Performance Standards Work Plan required by Paragraph 76 of the Unilateral Administrative Order for OU-5 Soil	Thirty (30) days after notification letter by EPA
Additional Response Actions Work Plan required by Section XII of the Unilateral Administrative Order for OU-5 Soil	Thirty (30) days after notification letter by EPA
REMEDIAL ACTION	
List of Remedial Action Contractors/Title/Qualifications	Ten (10) days after EPA approves RD/RA Work Plan
Start of Construction Notice – for Contaminated Soil Areas	Seven (7) days after construction start or starts if Phased Approach
Contractor Solicitation Documents	Five (5) days after publishing solicitation documents
Pre-Certification Inspection for Completion of Remedial Action – for soil vapor extraction systems	Thirty (30) days after Remedial Action construction is complete and operation has commenced
Remedial Action Construction Completion Report – for soil vapor extraction systems	Thirty (30) days after Pre-Certification Inspection
Interim Remedial Action Report (with certification) – for soil vapor extraction system	Draft due ninety (90) days after Pre-Certification Inspection If required, a revised Report is due thirty (30) days after receipt of EPA’s comments
Final Remedial Action Report – for each of the Contaminated Soil Areas	Due sixty (60) days after Respondents determine that Performance Standards for the Remedial Action are being met If required, revised report due thirty (30) days after receipt of EPA’s comments
Compliance Action Plan	Within fourteen (14) days of receipt of compliance monitoring data indicating noncompliance If required, a revised report is due fourteen (14) days after receipt of EPA’s comments
OPERATION AND MAINTENANCE	
Operation and Maintenance (O&M) Plan – for groundwater and soil vapor extraction systems only	Draft due sixty (60) days after construction of system If required, a revised plan is due thirty (30) days after receipt of EPA’s comments
O&M Manual	Draft manual must be completed ninety (90) days after EPA’s approval of Preliminary Design Submittal but need not be submitted to the Agencies. Prefinal/final manual is due to the Agencies thirty (30) days after the Pre-Certification Inspection. If required by EPA, the final manual revision is due twenty-one (21) days after receipt of EPA’s comments
O&M Contingency Plan as required by Section V(B) (Supporting Plans and Deliverables) of this SOW	Draft plan ninety (90) days after EPA’s approval of Preliminary Design Submittal and final plan thirty (30) days after Pre-Certification Inspection
Off-Site Rule Disposal Notification	One-hundred-eighty (180) days prior to any off-site disposal

ACTIVITY ¹	DUE DATE (Unless Otherwise Approved by EPA)
PERFORMANCE EVALUATION	
Remedial Performance Evaluation Reports (for soil vapor extraction system)	Due annually after Remedial Action satisfies operational and functional criteria for first four years, and frequency thereafter to be determined by EPA
Quarterly Compliance Monitoring Reports (for soil vapor extraction system)	Due Quarterly, beginning ninety (90) days after system startup If required, revised plan due fourteen (14) days after receipt of EPA's comments
NPDES Permit (Any Off-Aerojet Property Surface Discharge)	Application to CVRWQCB one-hundred-eighty (180) days prior to start of discharge
NPDES Monitoring and Reports	As specified in the National Pollution Discharge Elimination System Permit
Periodic Review (Remedy Protective)	At least every five (5) years unless required earlier by EPA, after submission of the remedy Remedial Action Report per Section 121(c) of CERCLA
INSTITUTIONAL CONTROLS	
Notice and Copy of Property Transfer Documents	Sixty (60) days prior to transfer of any real property provide to EPA notice of transfer and copies of transfer documents; provide transferee with notice of the Unilateral Administrative Order for OU-5 Soil and any ICs, including Declaration of Covenants and Environmental Restrictions for the property to be transferred
Declarations of Covenants and Environmental Restrictions	Within thirty (30) days of a written request from EPA or thirty (30) days prior to the transfer of property within OU-5 that is not subject to existing EPA-approved Institutional Controls, whichever is the earlier date, submit for review by the Agencies Record with Official Records of Sacramento County, State of California within fifteen (15) days after EPA's approval
SUPPORTING PLANS	
Remedial Design Health and Safety Plan; Sampling and Analysis Plan with Quality Assurance Project Plan and Field Sampling Plan	Remedial Design Health and Safety Plan within thirty (30) days of selection of an approved Project Manager with remaining documents submit within one-hundred-fifty (150) days of selection of an approved Project Manager
Laboratory protocols	At least thirty (30) days before beginning analysis
Remedial Action Health and Safety Plan; Sampling and Analysis Plan with Quality Assurance Project Plan and Field Sampling Plan; and Construction Quality Assurance Plan	Submit Health and Safety Plan within 30 days after EPA approval of the Final Design Submit other plans as a part of the Intermediate Design
O&M Health and Safety Plan; Sampling and Analysis Plan with Quality Assurance Project Plan and Field Sampling Plan	Submit as a part of the Intermediate Design

ACTIVITY¹	DUE DATE (Unless Otherwise Approved by EPA)
CERTIFICATIONS REQUIRED BY SECTIONS IX AND XXIII OF THE ADMINISTRATIVE ORDER	
Certification of All Work Complete Report	Thirty (30) days after the Respondents conclude that all phases of the Work have been fully performed, that the Performance Standards have been attained, and that all Operation and Maintenance activities have been completed
FINANCIAL SECURITY REQUIRED BY SECTION XXIII OF THE ADMINISTRATIVE ORDER	
Financial Security – Performance Guarantee	Within sixty (60) days after Effective Date of the Unilateral Administrative Order for OU-5 Soil
CERTIFICATES	
Certification of General Liability and Automobile Liability Insurance Coverage	At least seven (7) days prior to commencing any work at the Site

Notes:

1. Estimated time, in calendar days.

VII. References

The following list, although not comprehensive, provides citations for many of the regulations and guidance documents that apply to the RD/RA process as well as specific documents regarding the OU-5 soil areas. Respondents shall review these guidance documents (latest edition/revision) and shall use the information provided therein in performing the RD/RA and preparing all deliverables under this SOW.

“Close Out Procedures for National Priorities List Sites,” U.S. Environmental Protection Agency (EPA), Office of Emergency and Remedial Response, January 2000 (EPA 540-R-98-016).

“Comprehensive Five-Year Review Guidance,” EPA, June 2001 (EPA 540-R-01-007).

“EPA NEIC Policies and Procedures Manual,” EPA, May 1978, revised May 1986.

“EPA Requirements for Quality Assurance Project Plans,” EPA, November 1999 (EPA QA/R-5, Interim Final).

“Final Removal Action Report, Perimeter Groundwater Operable Unit (OU-5), Source Areas 10D and 11D Soil Removal, Aerojet Superfund Site, Sacramento, California.” Aerojet. May 2010.

“Final Source Area Soil Excavation Work Plan, Sacramento Site, Sites 10D, 11D, and C41, Perimeter Groundwater Operable Unit (OU-5).” Aerojet. October 2009.

“Guidance for the Data Quality Objectives Process,” EPA, August 2000 (EPA QA/G-4, Final).

“Guidance for Quality Assurance Project Plans,” EPA, February 1998 (EPA QA/G-5, Final).

“Guidance on Remedial Actions for Contaminated Ground Water at Superfund Sites,” EPA, Office of Emergency and Remedial Response (Draft), OSWER Directive No. 9283.1-2.

“Interim Final Guidance on Oversight of Remedial Designs and Remedial Actions Performed by Potentially Responsible Parties,” EPA, Office of Emergency and Remedial Response, OSWER Directive No. 9355.5-01. April 1990 (EPA 540/G-90/001).

“National Oil and Hazardous Substances Pollution Contingency Plan, Final Rule,” 40 CFR Part 300.

“Perimeter Groundwater Operable Unit Remedial Investigation/Feasibility Study Report for OU-5 Lands.” ERM-West, Inc. June 2009.

“Periodic Field Observation Report of Removal Action Activities.” Sullivan International Group for EPA. April 2010.

“Pollution Report – Removal Action Completion May 2010, Aerojet General Superfund Site, Rancho Cordova, California. EPA. May 24, 2010 (POLREP No. Aerojet OU-5 2009).

“Preparation of a U.S. EPA Region 9 Field Sampling Plan for Private and State-Lead Superfund Projects,” EPA, April 1990 (No. 9QA-06-89).

“Proposed Plan for OU-5 Cleanup.” EPA. August 2009.

“Superfund Remedial Design/Remedial Action Handbook,” EPA, Office of Emergency and Remedial Response, June 1995 (EPA 540/R-95/059).

Unilateral Administrative Order for the Performance of Work in Support of a Removal Action. EPA. November 2009.

U.S. Army Corps of Engineers. 2011. USACE Remediation System Evaluation (RSE) Checklists (http://www.environmental.usace.army.mil/rse_checklist.htm)

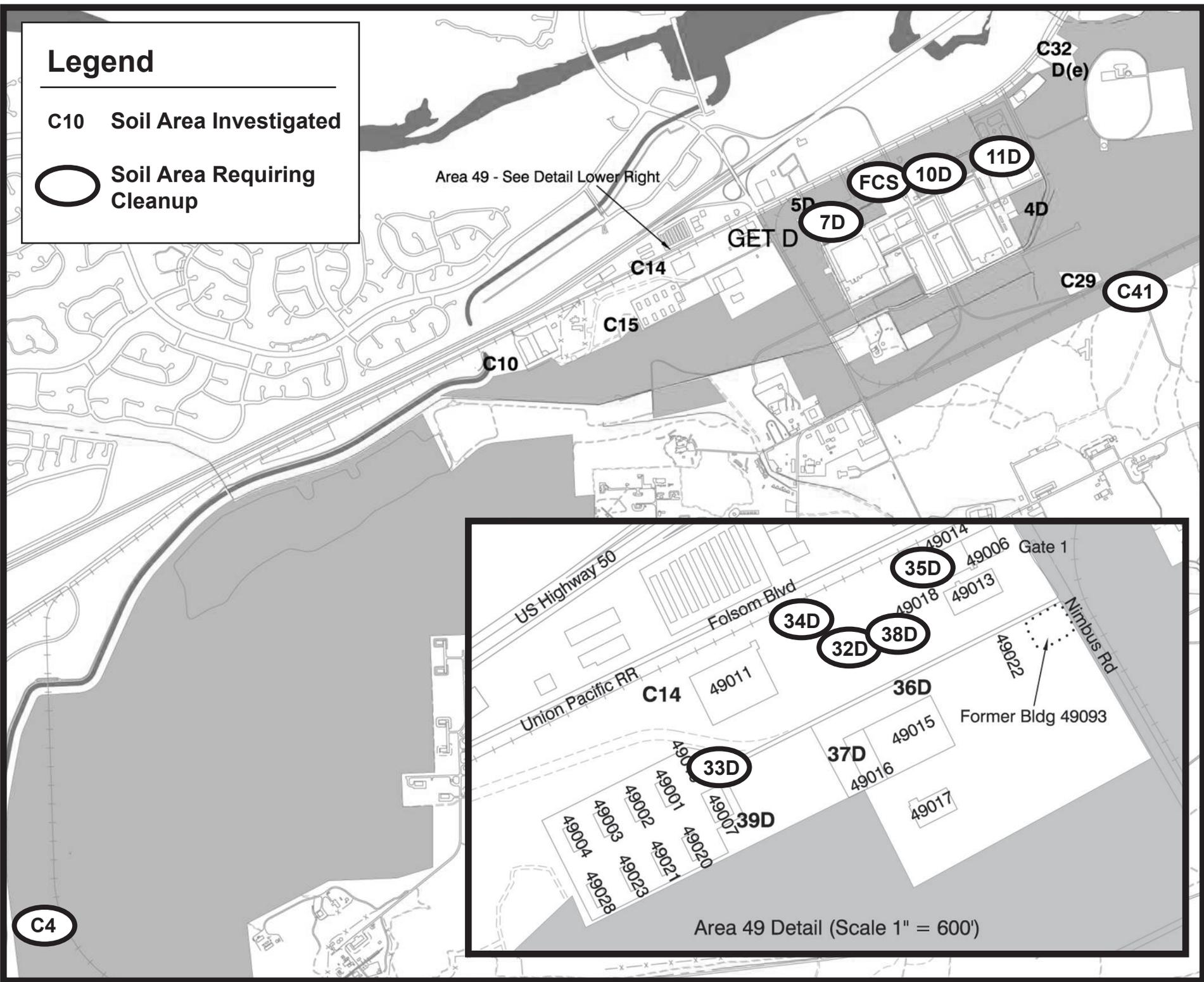
ATTACHMENT A
APPROXIMATE EXTENT OF CONTAMINATION AS OF 2006-2008

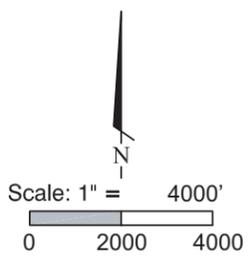
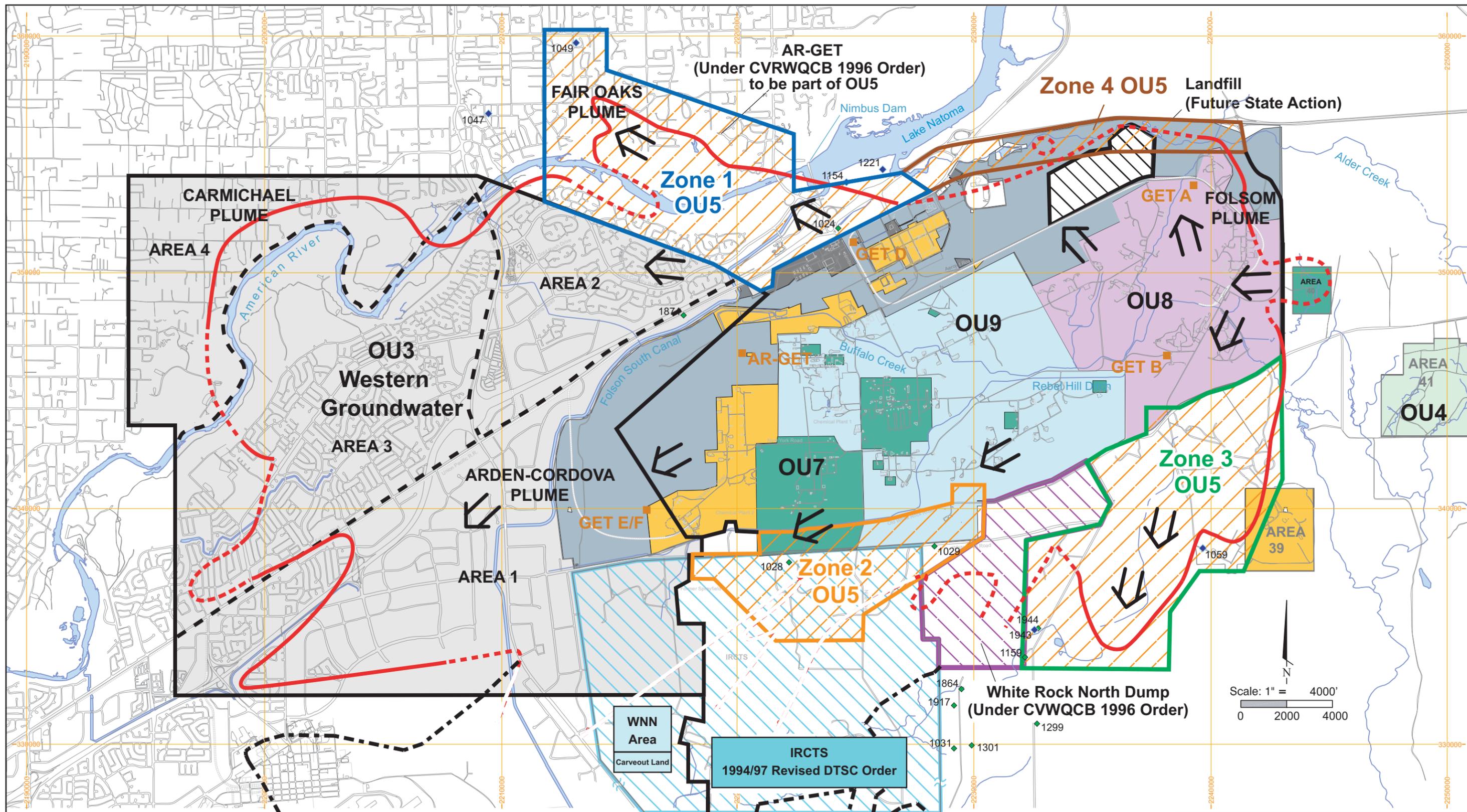
Legend

C10 Soil Area Investigated

 Soil Area Requiring Cleanup

Area 49 - See Detail Lower Right





- | | | | |
|---|---|--|--|
| <ul style="list-style-type: none"> — Approximate Extent of Contaminants of Concern with Concentrations Greater than Cleanup Levels ■ Treatment System Location ← General Groundwater Flow Direction ◆ Domestic Well ◆ Water Supply Well OU3 Remediation Areas 1-4
Note: GET A, B, D and AR are part of OU5. | <ul style="list-style-type: none"> OU3 - in RD/RA OU6 - Boundary OU OU5 - Soil Medium OU5 - Groundwater Carveout Lands IRCTS Composite Plume | <ul style="list-style-type: none"> Zone 1 - OU5 Zone 2 - OU5 Zone 3 - OU5 Zone 4 - OU5 | <ul style="list-style-type: none"> Cavitt Ranch OU4 Island OU7 Central OU9 Eastern OU8 |
|---|---|--|--|

**U.S. EPA REGION IX
AEROJET GENERAL CORP.
SUPERFUND SITE**

Composite Plume Map

ATTACHMENT B
CHEMICALS OF CONCERN WITH CLEANUP AND CONTAINMENT LEVELS

TABLE B-1: RISK BASIS FOR PERFORMANCE STANDARDS IN OU-5 SURFACE SOIL

Statement of Work for Remedial Design and Remedial Action, Attachment 2 to the Administrative Order, Perimeter Groundwater Operable Unit (OU-5), Aerojet Superfund Site, Sacramento County, California

Chemical	Unrestricted Use Level (Residential Use)		Restricted Use (Commercial Use)	
	Soil concentration (mg/kg soil)	Risk basis	Soil concentration (mg/kg soil)	Risk basis
2,3,7,8-TCDD (Dioxin)	3.9E-06	Cancer	1.6E-05	Cancer
Antimony	31	Non-cancer	120	Non-cancer (construction worker)
Bis(2-Ethylhexyl)phthalate	35	Cancer	123	Cancer
Cadmium	48	Cancer (construction worker)	48	Cancer (construction worker)
Diethyl phthalate	49,000	Non-cancer	186,000	Non-cancer (construction worker)
Di-n-butyl phthalate	6,110	Non-cancer	23,280	Non-cancer (construction worker)
Hexavalent chromium	1.4	Cancer (construction worker)	1.4	Cancer (construction worker)
Lead	127	Non-cancer	531	Non-cancer (construction worker)
Mercury	23.5	Non-cancer	84	Non-cancer (construction worker)
Perchlorate*	55	Non-cancer	210	Non-cancer (construction worker)
PCB-1254	0.09	Cancer	0.3	Cancer
PCB-1260	0.09	Cancer	0.3	Cancer
Silver	390	Non-cancer	1,500	Non-cancer (construction worker)
Zinc	23,400	Non-cancer	90,000	Non-cancer (construction worker)

Notes:

* Perchlorate cleanup goal for protection of groundwater quality is 0.06 mg/kg soil.

mg/kg Milligram per kilogram

TABLE B-2: RISK BASIS FOR PERFORMANCE STANDARDS FOR AMBIENT AIR VAPOR LEVELS OF VOC CHEMICALS OF CONCERN AT AEROJET SOIL AREAS, PROTECTIVE OF RESIDENTIAL AND INDUSTRIAL INHALATION RISK

Statement of Work for Remedial Design and Remedial Action, Attachment 2 to the Administrative Order, Perimeter Groundwater Operable Unit (OU-5), Aerojet Superfund Site, Sacramento County, California

Chemical	Unrestricted Use Level (Residential Use)		Restricted Use (Industrial Use)	
	Soil Vapor Health- Based Levels $\mu\text{g}/\text{m}^3$ soil	Risk basis	Soil Vapor Health- Based Levels $\mu\text{g}/\text{m}^3$ soil	Risk basis
Benzene	3.1E-01	Cancer 10^{-6} risk level	1.6	Cancer 10^{-6} risk level
Chloroform	1.1E-01	Cancer 10^{-6} risk level	5.3E-01	Cancer 10^{-6} risk level
1,1,1 Trichloroethane	5.2E03	Non-cancer	2.2E04	Non-cancer
Trichloroethene	1.2	Cancer 10^{-6} risk level	6.1	Cancer 10^{-6} risk level
Tetrachloroethene	4.1E-01	Cancer 10^{-6} risk level	2.1	Cancer 10^{-6} risk level

Notes:

Protective soil vapor levels in subsurface soil are decreased by location- and depth-specific attenuation factors.

$\mu\text{g}/\text{m}^3$ Microgram per cubic meter

TABLE B-3: GROUNDWATER CHEMICALS OF CONCERN WITH CONTAINMENT LEVELS FOR OU-5
Statement of Work for Remedial Design and Remedial Action, Attachment 2 to the Administrative Order,
Perimeter Groundwater Operable Unit (OU-5), Aerojet Superfund Site, Sacramento County, California

Chemicals of Concern in Groundwater	Containment Level (µg/L or ppb)	
Non-Metal Anion		
Perchlorate	6	CA Drinking Water Standard (MCL)
SVOCs		
N-Nitrosodimethylamine	0.003	CA Public Health Goal
VOCs		
Trichloroethene	5	Federal MCL
1,1,2,2-Tetrachloroethane	1	CA MCL
1,1,2-Trichloroethane	5	Federal MCL
1,1-Dichloroethene	6	CA MCL
1,2-Dichloroethane	0.5	CA MCL
cis-1,2-Dichloroethene	6	CA MCL
trans-1,2-Dichloroethene	10	CA MCL
1,4-Dioxane	1	CDPH Notification Level
Bromodichloromethane*	80*	Federal MCL
Carbon tetrachloride	0.5	CA MCL
Chloroform*	80*	Federal MCL
Dibromochloromethane*	80*	Federal MCL
Methylene chloride	5	Federal MCL
Tetrachloroethene	5	Federal MCL
Vinyl chloride	0.5	CA MCL

Notes:

* The Federal MCL establishes a limit of 80 µg/L for the sum of the concentration of all four major trihalomethanes: chloroform, bromodichloromethane, dibromochloromethane, and bromoform.

µg/L Microgram per liter
CA California
CDPH California Department of Public Health
MCL Maximum contaminant level
ppb Part per billion
SVOC Semivolatile organic compound
VOC Volatile organic compound

ATTACHMENT C
EFFLUENT DISCHARGE LIMITATIONS

**TABLE C-1: SUBSTANTIVE REQUIREMENTS IN CURRENT (NOVEMBER 2010) NPDES
EFFLUENT LIMITATIONS AT AEROJET SITE**

Statement of Work for Remedial Design and Remedial Action, Attachment 2 to the Administrative Order,
Perimeter Groundwater Operable Unit (OU-5), Aerojet Superfund Site, Sacramento County, California

Effluent Discharge Limitations		
Constituents	Daily Maximum in µg/L	Monthly Average in µg/L
Volatile Organics Compounds ¹	0.7	0.50 ²
Perchlorate	6	4
1,4-Dioxane	6	3
N-Nitrosodimethylamine	0.010	0.002

Notes:

- 1 All volatile organic compounds listed in United States Environmental Protection Agency Methods 8010 and 8020.
- 2 The monthly average concentration of each constituent shall not exceed 0.5 µg/L.

µg/l Microgram per liter

ATTACHMENT D
APPLICABLE OR RELEVANT AND APPROPRIATE REQUIREMENTS FROM THE
OU-5 RECORD OF DECISION

TABLE D-1: DESCRIPTION OF ARARS FOR SELECTED REMEDY

Statement of Work for Remedial Design and Remedial Action, Attachment 2 to the Administrative Order, Perimeter Groundwater Operable Unit (OU-5), Aerojet Superfund Site, Sacramento County, California

Authority	Medium	Requirements	Status	Synopsis of Requirements	Action to be Taken to Attain Requirements
Chemical-Specific ARARs					
Federal Regulatory Requirement	Groundwater (GW)	Federal Safe Drinking Water Maximum Contaminant Levels (MCL); 42 U.S.C. § 300(f), et seq.; 40 C.F.R. Part 141 (2010)	Relevant & Appropriate (R&A)	MCLs have been adopted for a number of common organic and inorganic contaminants. These levels regulate the concentrations of contaminants in public drinking water supplies and may be relevant and appropriate for final RODs restoring groundwater aquifers potentially used for drinking water. MCLs are Relevant and Appropriate as performance standards for on-Site treatment of water delivered for potable end use.	MCLs are Relevant and Appropriate Standards for on-Site treatment of water placed into an on-Site conveyance system for potable end use. Where there are no federal MCLs for the contaminants, e.g., NDMA and 1,4-dioxane, the treatment standards are based on State MCLs or values developed by the State of California for drinking water. See Table 2.7 of the OU-5 ROD.
State Regulatory Requirement	GW	California Safe Drinking Water Act, Cal. Health & Safety Code § 116365; 22 CCR §§ 64431 & 64444	R&A	The State has promulgated MCLs for some of the COCs that are more stringent than federal MCLs.	More stringent State MCLs are Relevant and Appropriate Standards for on-Site treatment of water for potable end use. Where there are no State MCLs for the contaminants, such as NDMA and 1,4-dioxane, the treatment standards are based on CA PHG or Drinking Water Notification Levels. See Table 2.7 of the OU-5 ROD.

TABLE D-1: DESCRIPTION OF ARARS FOR SELECTED REMEDY (CONTINUED)

Statement of Work for Remedial Design and Remedial Action, Attachment 2 to the Administrative Order, Perimeter Groundwater Operable Unit (OU-5), Aerojet Superfund Site, Sacramento County, California

Authority	Medium	Requirements	Status	Synopsis of Requirements	Action to be Taken to Attain Requirements
Chemical-Specific ARARs (Continued)					
Federal Regulatory Requirement	Soil	EPA's Regional Screening Levels (RSL) (2010)	To Be Considered (TBC)	EPA has developed regional screening levels that are risk-based levels that are used to screen sites that may require additional investigation or possible remediation. RSLs may also be considered in setting soil cleanup levels or groundwater cleanup levels in the absence of promulgated MCLs for contaminants.	RSLs are considered in setting soil cleanup levels, including soil vapor levels, to be protective for residential, commercial or industrial land use scenarios. Groundwater cleanup values are based on MCLs, CA PHGs or CA Drinking Water Notification Levels as listed in Table 2.7 of the OU-5 ROD.
California PHGs, California Environmental Protection Agency, and OEHHA	GW	California Calderon-Sher SDWA of 1996, California Health and Safety Code § 116365	TBC	OEHHA has adopted PHGs for chemicals in drinking water. PHGs are levels of drinking water contaminants at or below which adverse health effects are not expected.	In the absence of MCLs for NDMA, the state PHGs adopted by OEHHA have been considered during selection of performance standards for groundwater containment.
CDPH Drinking Water Notification Levels	GW	California Health & Safety Code § 116455	TBC	CDPH has established drinking water notification levels (formerly known as action levels) based on health effects, but in some cases they are based on organoleptic (taste and odor) values for chemicals without MCLs.	In the absence of MCLs for 1,4-Dioxane, the drinking water notification levels established by CDPH have been considered during selection of performance standards for groundwater containment.

TABLE D-1: DESCRIPTION OF ARARS FOR SELECTED REMEDY (CONTINUED)

Statement of Work for Remedial Design and Remedial Action, Attachment 2 to the Administrative Order, Perimeter Groundwater Operable Unit (OU-5), Aerojet Superfund Site, Sacramento County, California

Authority	Medium	Requirements	Status	Synopsis of Requirements	Action to be Taken to Attain Requirements
Chemical-Specific ARARs (Continued)					
State Regulatory Requirement	GW	Water Quality Control Plan (Basin Plan) for the Sacramento River and San Joaquin River Basins (2009 revisions), adopted in accordance with CA Water Code, Division 7, Sections 13240 and 13050 (Porter-Cologne Act); Chapters II & III	Applicable	Those portions of the Basin Plan which set out the designated uses (i.e., beneficial uses) and the water quality objectives based upon such uses are applicable requirements.	The designated use for the aquifer at the Aerojet Site is municipal and aquatic water supply. The containment levels for the contaminated groundwater and surface water comply with the Basin Plan's water quality objectives based upon such use.
State Regulatory Requirement	GW	SWRCB Resolution No. 88-63 (Sources of Drinking Water Policy)	Applicable	Designates all ground and surface waters of the State as drinking water except where the Total Dissolved Solids (TDS) is greater than 3,000 ppm, the well yield is less than 200 gpd from a single well, the water is a geothermal resource or in a water conveyance facility, or the water cannot reasonably be treated for domestic use using either best management practices or best economically achievable treatment practices.	The aquifers under the Aerojet Site have been identified as sources of drinking water.

TABLE D-1: DESCRIPTION OF ARARS FOR SELECTED REMEDY (CONTINUED)

Statement of Work for Remedial Design and Remedial Action, Attachment 2 to the Administrative Order, Perimeter Groundwater Operable Unit (OU-5), Aerojet Superfund Site, Sacramento County, California

Authority	Medium	Requirements	Status	Synopsis of Requirements	Action to be Taken to Attain Requirements
Location-Specific ARARS					
Federal Regulatory Requirement	Floodplain and wetland protection	Executive Order Nos. 11990 & 11988	TBC	Require avoidance of adverse effects, minimization of potential harm, and restoration and preservation of natural and beneficial values of floodplains.	Constructing groundwater treatment facilities in a 100 year flood plain will be avoided. If it cannot be avoided, the potential harm to the flood plain shall be minimized.
Federal Regulatory Requirement	Within 100-year flood-plain	40 C.F.R. §264.18(b) (2010) and 22 CCR §66264.18(b)	Applicable	A RCRA facility located in a 100-year flood plain must be designated, constructed, operated and maintained to prevent washout of any hazardous waste by a 100-year flood	Because any new treatment facilities in OU-5 may generate hazardous waste, any such facility constructed within a 100 year flood plain must comply with this requirement.
Federal Regulatory Requirement	Sites on or eligible for inclusion on the National Register of Historic Places	National Historic Preservation Act (16 U.S.C. §§ 470, et seq.); 36 C.F.R. Part 800 (2010)	Applicable	Provides for protection of sites with historic places and structures. Federal agencies are required to take into account their undertakings on historic properties and afford the State Historic Preservation Office a reasonable time to comment.	Applicable if a federal undertaking (cleanup) could adversely affect historic properties which are included in or eligible for inclusion in the National Register of Historic Places. The proposed remedial alternatives are not expected to not alter or destroy any known prehistoric or historic archeological features in OU-5 of the Aerojet Site. However, because there is always a possibility that buried historic or prehistoric remains could be discovered during such actions, this requirement would require action to address such areas.

TABLE D-1: DESCRIPTION OF ARARS FOR SELECTED REMEDY (CONTINUED)

Statement of Work for Remedial Design and Remedial Action, Attachment 2 to the Administrative Order, Perimeter Groundwater Operable Unit (OU-5), Aerojet Superfund Site, Sacramento County, California

Authority	Medium	Requirements	Status	Synopsis of Requirements	Action to be Taken to Attain Requirements
Location-Specific ARARs (Continued)					
Federal Regulatory Requirement	Endangered species or threatened species	Substantive portions of the Endangered Species Act of 1973 (16 U.S.C. 1531 et seq.); 50 C.F.R. Part 200 and 50 C.F.R. Part 402 (2010)	Applicable	Federal agencies are required under Section 7 of the ESA to insure that their actions do not jeopardize the continued existence of a listed species or result in destruction of adverse modification of its critical habitat (16 U.S.C. ‘ 1536). If the proposed action may affect the listed species or its critical habitat, consultation with the USFWS may be required (50 C.F.R. ‘ 402.14). Additionally, Section 9 of the ESA prohibits the illegal taking of a listed species (16 U.S.C. ‘ 1538(a)(1).	Two endangered floral species are known to occur within Sacramento County: the Sacramento Orcutt grass (<i>Orcuttia Viscinda</i>) and the Boggs Lake hedge hyssop (<i>Gratiola Heterospala</i>). Four listed wildlife species are expected to occur within 25 miles of the Aerojet Site: Bald Eagle, Peregrine Falcon, Giant Garter Snake, and the Valley Elderberry Longhorn Beetle. The Aerojet Site may be a habitat for the Burrowing Owl, a species of concern in CA. Any action that may impact or threaten to impact an endangered species shall comply with this requirement.
State Regulatory Requirement		CA Endangered Species Act, Cal. Fish & Game Code § 2080	Applicable	Prohibits the illegal taking of plant and animal species designated as either threatened or endangered in the state of California	See Federal ESA above.
Federal Regulatory Requirement	Listed migratory birds	Migratory Bird Treaty Act; 16 U.S.C. §§ 703, et seq.	Applicable	Prohibits the illegal taking of migratory birds	The Aerojet Site may be a habitat for the Burrowing Owl, a species of concern in CA.
Federal Regulatory Requirement	Areas affecting stream or river	Fish and Wildlife Coordination Act (16 U.S.C. 661 et seq.) and 40 §302 (2010)	Applicable	Restrictions on diversion, channeling or other activity that modifies a stream or river and affects fish or wildlife.	Applicable if a water body will be controlled or modified by the action.

TABLE D-1: DESCRIPTION OF ARARS FOR SELECTED REMEDY (CONTINUED)

Statement of Work for Remedial Design and Remedial Action, Attachment 2 to the Administrative Order, Perimeter Groundwater Operable Unit (OU-5), Aerojet Superfund Site, Sacramento County, California

Authority	Medium	Requirements	Status	Synopsis of Requirements	Action to be Taken to Attain Requirements
Location-Specific ARARs (Continued)					
State Regulatory Requirement	Streambed or riverbed alterations	Substantive Requirements of Cal. Fish & Game Code § 1602	Applicable	Prohibits substantial diversion or obstruction of the natural flow of, or a substantial change of the bed or channel of a river, stream or lake. Prohibits the deposit or disposal of debris or waste where it may pass into any river, stream or lake.	Applies to grading and filling activity.
State Regulatory Requirement	Restrictions relating to land and groundwater	Cal. Civ. Code §1471; 22 CCR § 67391.1(a), (d) (2010)	R&A	Substantive requirements for placing an environmental restrictive covenant on contaminated land in the state of California.	Require Aerojet to record environmental restrictive covenants on contaminated land and to name EPA as a third party beneficiary in the covenants.
Action-Specific ARARs					
Federal Regulatory Requirement	Dredge and Fill	33 U.S.C. §§ 1251, et seq. and 40 C.F.R. Parts 230 & 231 (2010)	R&A	Regulates discharge of dredged or fill material into waters of the United States, including wetlands.	Substantive portions applicable. Permit is not required for on-Site activities.
Federal Regulatory Requirement	Generation of waste from construction and operation due to Remedial Action selected	40 C.F.R. Part 261(2010) and 22 CCR § 66261 (2010)	Applicable	Establishes procedures and numeric limits for identification and management of characteristic hazardous wastes, listed hazardous wastes, and State-only (non-RCRA) hazardous wastes.	These requirements are applicable to management of waste materials generated as a result of construction of the selected Remedial Action or operation of a groundwater treatment plant.

TABLE D-1: DESCRIPTION OF ARARS FOR SELECTED REMEDY (CONTINUED)

Statement of Work for Remedial Design and Remedial Action, Attachment 2 to the Administrative Order, Perimeter Groundwater Operable Unit (OU-5), Aerojet Superfund Site, Sacramento County, California

Authority	Medium	Requirements	Status	Synopsis of Requirements	Action to be Taken to Attain Requirements
Action-Specific ARARs (Continued)					
Federal Regulatory Requirement	Generation of waste from construction and operation due to Remedial Action selected	40 C.F.R. §262.11 (2010) and 22 CCR §66262.11 (2010)	Applicable	Requires waste generators to determine if wastes are hazardous wastes and establishes procedures for such determinations	These requirements are applicable to management of waste materials generated as a result of construction of the selected Remedial Action or operation of a groundwater treatment plant.
Federal Regulatory Requirement	Storage of hazardous wastes for treatment or disposal off-Site	40 C.F.R. §262.34 and 22 C.C.R. §66262.34 (2010)	Applicable	Specifies maximum amounts and maximum periods for accumulation of hazardous waste on-site under generator status	These requirements are potentially applicable to management of waste materials generated as a result of construction of the Remedial Action and operation of any groundwater treatment plant if these waste materials are hazardous wastes.
Federal Regulatory Requirement	Shipment of hazardous substances off-Site	42 U.S.C. § 9621(d)(3); 40 C.F.R § 300.440 (2010) (“Offsite Rule”)	Applicable	Hazardous substances from a CERCLA response action that must be transferred off-Site for disposal or treatment must be transferred to a facility in compliance with RCRA, TSCA, and other applicable federal and state law.	Applicable to hazardous wastes from treatment facilities and to wastes from Remedial Actions that must be disposed of off-Site.

TABLE D-1: DESCRIPTION OF ARARS FOR SELECTED REMEDY (CONTINUED)

Statement of Work for Remedial Design and Remedial Action, Attachment 2 to the Administrative Order, Perimeter Groundwater Operable Unit (OU-5), Aerojet Superfund Site, Sacramento County, California

Authority	Medium	Requirements	Status	Synopsis of Requirements	Action to be Taken to Attain Requirements
Action-Specific ARARs (Continued)					
Federal Regulatory Requirement	Discharge to inland surface water	National Toxics Rule, 40 C.F.R. §§ 131.6 & 131.38 (2010) (CA Toxics Rule)	Applicable	Establishes the appropriate aquatic and human health criteria for priority toxic pollutants in inland surface waters and enclosed bays and estuaries. Included in the National Rule are EPA-promulgated specific criteria for certain water bodies in California the presence or discharge of which could reasonably be expected to interfere with maintaining designated uses.	May be applicable for off-Site discharge subject to NPDES permits and for on-Site discharge subject to substantive requirements of an NPDES permit.
State Regulatory Requirement	Discharge to surface water	Section IV-16 (Policy for Application of Water Quality Objectives) of the Basin Plan for Sacramento River and San Joaquin River Basins (2009 rev.)	TBC	Allows for the use of mixing zones as part of a determination of whether water quality is being maintained in the receiving water.	This requirement may be a performance standard if treated water is discharged to surface water.
Federal Regulatory Requirement	Discharge to surface water	National Pollutant Elimination Discharge System (NPDES) Permit 40 C.F.R. Parts 122 and 125 and 23 CCR 2235 et seq.	Applicable	Establishes treatment and monitoring requirements for discharges to surface water.	Discharge to surface water on-Site will comply with the substantive requirements of an NPDES Permit (See Table 2.15 of the OU-5 ROD); discharge to surface water off-Site will require a NPDES Permit.

TABLE D-1: DESCRIPTION OF ARARS FOR SELECTED REMEDY (CONTINUED)

Statement of Work for Remedial Design and Remedial Action, Attachment 2 to the Administrative Order, Perimeter Groundwater Operable Unit (OU-5), Aerojet Superfund Site, Sacramento County, California

Authority	Medium	Requirements	Status	Synopsis of Requirements	Action to be Taken to Attain Requirements
Action-Specific ARARs (Continued)					
Federal Regulatory Requirement	Storm-water management	40 C.F.R. Part 122.26 (2010) and 23 CCR §2235 et seq. (2010)	Applicable	Establishes, monitoring, and pollutant control requirements for storm water from industrial activities	The substantive requirements would be applicable if construction activities associated with the Remedial Action disturb an area of 5 acres or greater.
Federal Regulatory Requirement	Air	Air Emission Standards for Process Vents; 40 C.F.R. §§ 265.1030-1035 (2010); 22 CCR §§66265.1030-66265.1035	R&A	Applies to treatment, storage, and disposal facilities with process vents associated with solvent extraction or air or steam stripping operations managing RCRA hazardous wastes with organic concentrations of at least 10 ppm. These operations must reduce total organic emissions below specified device to reduce total organic emissions by 95 percent by weight.	The requirements are relevant and appropriate for groundwater extraction and air-stripping operations for the remedy where organic concentrations are at least 10 ppm.
State Regulatory Requirement	Air	Sacramento Metropolitan Air Quality Management District Rules Cal. Health & Safety Code, §§ 39602, 39606, 40001 Rule 402 Nuisance Rule 403 Fugitive Dust Rule 404 Particulate Matter Rule 441 Org	Applicable	Limits emissions of dust, particulates and organic solvents to the air.	May apply to Remedial Actions involving ground disturbing activities and to emissions from treatment facilities.

ATTACHMENT E
TEMPLATES FOR DECLARATIONS OF COVENANTS

- [Sites 10D and 11D](#)
- [No Further Action Sites except C10](#)
- [No Further Action Site C10](#)
- [Former Ehnisz Site](#)
- [Vapor Mitigation Sites 7D, 33D, Former Company Store](#)
- [Soil Vapor Extraction Sites 32D, 34D, 35D, and 38D](#)
- [Site C41 after Excavation](#)

SITES 10D AND 11D

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Recording Requested By:

Aerojet-General Corporation

When Recorded, Mail To:

[_____]

10D/11D

(Space above this line reserved for County Recorder's use.)

Assessor Parcel Number(s): Portion of

[_____]

DECLARATION OF COVENANTS AND ENVIRONMENTAL RESTRICTIONS

This Declaration of Covenants and Environmental Restrictions (this "**Declaration**") is dated, for reference purposes, as of the _____ day of _____, _____, and is executed, on the dates set forth with the signatures below, by and among Aerojet-General Corporation ("**Covenantor**"), the California Regional Water Quality Control Board for the Central Valley Region (the "**Regional Board**"), and the United States of America and its assigns (the Regional Board and the United States of America, collectively, "**Covenantees**") (Covenantor and Covenantees, collectively, the "**Parties**").

WITNESSETH:

WHEREAS, Covenantor owns real property situated in Sacramento County (the "**County**"), California more fully described in **Exhibit "A"** attached hereto and incorporated herein by this reference (the "**Property**"); and

WHEREAS, the Property is part of the Aerojet Superfund Site (the "**Site**"), which the U.S. Environmental Protection Agency (the "**USEPA**"), pursuant to section 105 of the Comprehensive Environmental Response, Compensation and Liability Act ("**CERCLA**"), 42 U.S.C. section 9605, placed on the National Priorities List (the "**NPL**"), set forth at 40 C.F.R. Part 300, by publication in the Federal Register on September 8, 1983; and

WHEREAS, the Parties' Partial Consent Decree (the "**PCD**") was entered on June 23, 1989 in the consolidated actions No. CIVS 86-0063-EJG and No. CIVS 86-0064-EJG in the United States District Court for the Eastern District of California; and

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WHEREAS, the groundwater and associated contaminated media beneath the surface of the Property contain “hazardous materials,” as that term is defined in section 25260 of the California Health and Safety Code, “waste,” as that term is defined in section 13050 of the California Water Code, and “hazardous substances,” as that term is defined in section 9601(14) of CERCLA (the “**Groundwater Contamination**”); and

WHEREAS, the Property was investigated by Covenantor under oversight of, and accepted by, the USEPA, the Regional Board and the California Department of Toxic Substances Control (“**DTSC**”) (collectively, the “**Regulatory Agencies**”) under the PCD. As a result of that investigation, USEPA determined in its decision document entitled “Interim Record of Decision for Groundwater and Final Record of Decision for Soil for the Perimeter Groundwater Operable Unit (OU-5)” dated February 15, 2011 (“**PGOU ROD**”) (which determination was concurred with by the Regional Board and DTSC) that contaminated surface soils and sediments be excavated for unrestricted use of the land; and

WHEREAS the contaminated surface soils and sediments have been excavated under oversight of the Regulatory Agencies, which have determined that (i) all continuing sources of Groundwater Contamination are outside the area of the Property and (ii) other than the restrictions described herein at section 1.3, no further remedial action is required for unrestricted use of the Property; and

WHEREAS, in order to protect present and future public health and safety and the environment, and in order to facilitate further investigation, monitoring, and remediation of the Groundwater Contamination, while maximizing the potential for development and use of the Property for all purposes, the Parties have agreed to impose upon the Property certain covenants and restrictions, including access rights, subject to various limitations and conditions designed to facilitate development and use of the Property, all as set forth in this Declaration, all of which covenants, restrictions, limitations, and conditions are intended to be, and shall be, binding on successors in title to the Property as covenants running with the land; and

WHEREAS, pursuant to California Civil Code section 1471, and under the circumstances described in the foregoing recitals, Covenantor has the right and power to impose upon its title to the Property, for the benefit of, and to be enforceable by, Covenantees and Covenantor, and to be binding upon Covenantor and its successors and assigns, covenants related to said Groundwater Contamination, including covenants to do, or refrain from doing, acts upon the Property as specified in this Declaration, and the Parties intend this Declaration to be executed, delivered, and recorded in the Official Records in compliance with the requirements of, and pursuant to, said section 1471.

NOW, THEREFORE:

ARTICLE I
DEVELOPMENT, USE, AND CONVEYANCE
OF THE PROPERTY

1.1 Declaration. In reference to the facts and circumstances set forth in the foregoing “Whereas” clauses, Covenantor does hereby declare and covenant that:

(a) Subject to all of the terms and conditions set forth in this Declaration, the Property shall be subject to the Environmental Restrictions (defined below) and Covenantees' Right of Access (defined below), and Covenantor does give, grant, and convey to Covenantees and reserve unto itself the perpetual right to enforce said Environmental Restrictions and Covenantees' Right of Access as beneficiaries thereof; and

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(b) The Property and every portion thereof shall be improved, held, used, occupied, leased, sold, hypothecated, encumbered, and/or conveyed subject to said Environmental Restrictions and Covenantees' Right of Access.

1.2 Necessity. The Parties agree that the Environmental Restrictions (defined below), Covenantees' Right of Access (defined below), and other provisions of this Declaration are reasonably necessary to protect present and future public health and safety and the environment; to reduce impediments to remediation of the Contaminated Groundwater; to allow remedial measures for the Groundwater Contamination to be studied and implemented; and to avoid potential harm to persons or property that may result from hazardous materials that are found in the Contaminated Groundwater.

1.3 Environmental Restrictions and Covenantees' Right of Access. The following covenants, conditions, and restrictions set forth in subparts (a) through (d) of this section 1.3 (collectively, the “**Environmental Restrictions**”) and the following access rights set forth in subpart (e) of this section 1.3 (collectively, the “**Covenantees' Right of Access**”) apply to the use of the Property, run with the land, and are binding upon Covenantor and its successors in interest who hold title to all or any portion of the Property (collectively, “**Owners**”) and upon those persons entitled by ownership, leasehold, or other legal relationship to the right to possession or occupancy of any portion of the Property (collectively, “**Occupants**”):

(a) No Extraction. 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 and until expressly permitted in writing by Covenantor and the Regional Board.

(b) No Recharge. No Owners or Occupants of the Property or any portion thereof shall install, operate, or maintain a recharge or sedimentation control basin that is designed to infiltrate water (a “**Recharge Activity**”) unless and until expressly permitted in writing by Covenantor and the Regional Board as follows:

(1) Recharge Waiver Request. For purposes of this section 1.3(b), the term “**Recharge Waiver Request**” means a written application signed by an Owner or Occupant or its authorized agent or contractor that sets forth (A) the legal description and, if available, street address of the affected portion of the Property; (B) the name, mailing address, telephone number, and other pertinent information about the Owner of that portion, all persons holding mortgages, deeds of trust, or other monetary encumbrances upon that portion, and the contractor or contractors, if any, expected to conduct the Recharge Activity; (C) a detailed description of the nature (including projected infiltration rate) and period of the proposed Recharge Activity; and (D) such other pertinent information as Covenantor and/or the Regional Board shall request; and

(2) Review of Requests. Upon receipt of a Recharge Waiver Request, Covenantor and the Regional Board shall consider such Recharge Waiver Request and issue their written approvals or denials thereof, which approvals, if issued, may include appropriate conditions subject to which the proposed Recharge Activity shall be conducted. Approval shall be granted for any Recharge Activity that does not interfere with, or adversely impact, remediation of the Groundwater Contamination and is otherwise undertaken in accordance with applicable law.

(c) No Injection. No Owners or Occupants of the Property or any portion thereof shall install, operate, or maintain any injection wells for any use unless and until expressly permitted in writing by Covenantor and the Regional Board.

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(d) Excavations. No Owners or Occupants of any portion of the Property shall conduct sustained extraction of the groundwater that is encountered during excavations for the construction of buildings or other improvements (“**Construction Dewatering**”) unless and until expressly permitted in writing by Covenantor and the Regional Board as follows:

(1) Request for Approval of Construction Dewatering. For purposes of this section 1.3(d), the term “**Request for Approval of Construction Dewatering**” means a written application signed by an Owner or Occupant or its authorized agent or contractor that sets forth (A) the legal description and, if available, street address of the affected portion of the Property; (B) the name, mailing address, telephone number, and other pertinent information about the Owner of that portion, all persons holding mortgages, deeds of trust, or other monetary encumbrances upon that portion, and the contractor or contractors, if any, expected to conduct the Construction Dewatering; (C) the plans and specifications for the proposed Construction Dewatering, including, but not limited to, the projected start and completion dates for the proposed Construction Dewatering; and (D) such other pertinent information as Covenantor and/or the Regional Board shall request; and

(2) Review of Requests. Upon receipt of a Request for Approval of Construction Dewatering, Covenantor and the Regional Board shall consider such Request for Approval of Construction Dewatering and issue their written approvals or denials therefor, which approvals, if issued, may include appropriate conditions subject to which the proposed Construction Dewatering shall be conducted. Approval shall be granted for any Construction Dewatering that does not interfere with, or adversely impact, remediation of the Groundwater Contamination and is otherwise undertaken in accordance with applicable law.

(e) Covenantees' Right of Access. Subject to future restriction to certain areas of the Property as set forth in section 4.3 of this Declaration, Covenantor hereby grants to Covenantees a right of access (“**Covenantees' Right of Access**”) to the Property, at all reasonable times, for the following purposes only:

(1) Implementing, or overseeing the implementation of, “response actions,” as defined in CERCLA, in any “records of decision,” as defined in CERCLA, or orders issued by either Covenantee respecting the Groundwater Contamination;

(2) Verifying any data or information respecting Groundwater Contamination submitted to Covenantees or either of them;

(3) Verifying that no action is being taken on the Property respecting the Groundwater Contamination in violation of any of the Environmental Restrictions or any of the other terms of this Declaration or of any federal or California environmental laws or regulations;

(4) Monitoring “response actions,” as defined in CERCLA, on the Property respecting Groundwater Contamination and conducting investigations related to the Groundwater Contamination on or near the Property, including, without limitation, sampling of air, water, sediments, soils, and specifically, without limitation, obtaining split or duplicate samples; and

(5) Conducting periodic reviews of the remedial action respecting the Groundwater Contamination, including, but not limited to, reviews required by applicable statutes and/or regulations.

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1.4 Reserved Rights of Covenantor. Subject to the rights of Covenantees hereunder, Covenantor hereby reserves unto itself all rights and privileges respecting ownership, use, and development of the Property.

1.5 Notice Requirement. Covenantor, in accordance with California Health and Safety Code section 25359.7, agrees to give written notice of the Groundwater Contamination to each buyer, lessee, renter, and mortgagee of all or any part of the Property. Additionally, every lease, deed, mortgage, or other instrument conveying any interest in all or any part of the Property shall expressly provide that it is subject to this Declaration.

ARTICLE II ENFORCEMENT

2.1 Remedies Available. Covenantees and Covenantor shall be entitled to enforce the terms of this Declaration, including, but not limited to, the Environmental Restrictions and Covenantees' Right of Access, by resort to specific performance, injunction, and other appropriate legal process. Any forbearance, delay, or omission to exercise rights under this Declaration in the event of a breach of any term of this Declaration shall not be deemed to be a waiver by Covenantees or Covenantor of such term or of any subsequent breach of the same or any other term, or of any rights of Covenantees or Covenantor under this Declaration.

2.2 Removal of Offending Improvements. Failure of an Owner or Occupant to comply with any of the Environmental Restrictions, as set forth in section 1.3 of this Declaration, shall be grounds for either of the Covenantees and/or Covenantor, by reason of this Declaration, to have the authority to require that the Owner modify or remove the improvements constructed in violation of that section. Violations of this Declaration shall be grounds for Covenantor and/or either or both Covenantees to file civil actions against the Owner as provided by law.

2.3 Waiver of Certain Defenses. Covenantor hereby waives any defense of laches, estoppel, or prescription.

2.4 Covenantor's Title. Covenantor hereby covenants that Covenantor is lawfully seized of fee simple title to the Property, that Covenantor has a good and lawful right and power to sell and convey it or any interest therein, that the Property is free and clear of encumbrances, except encumbrances shown in the Official Records, and that Covenantor will forever warrant and defend Covenantor's title thereto and quiet possession thereof.

2.5 Administrative Jurisdiction. The federal agency having administrative jurisdiction over the interests acquired by the United States by this Declaration is the USEPA.

ARTICLE III DURATION, TERMINATIONS, MODIFICATIONS, ASSIGNMENTS, AND TRANSFERS

3.1 Duration. Unless terminated in accordance with the provisions of this Article III, the Environmental Restrictions and Covenantees' Right of Access shall continue in perpetuity.

3.2 Terminations and Modifications. Any Owner or, with the Owners' written consent, any Occupant may apply in writing to Covenantor and to Covenantees for a termination

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or modification of all or some portion of the Environmental Restrictions and/or Covenantees' Right of Access as applied to that Owner's portion of the Property as follows:

(a) Any such application shall set forth reasons why the purposes of this Declaration can continue to be accomplished if and when such termination or modification is granted and shall have attached to it a copy of the instrument that the Owner or Occupant wants Covenantor and Covenantees to execute in order to effect such termination or modification;

(b) The decision whether or not to grant the termination or modification, what conditions may be attached thereto, and the exact language of the instrument effecting such termination or modification shall be in the discretion of both Covenantor and Covenantees, provided they shall not act arbitrarily or capriciously;

(c) Applications for a termination or modification may be granted only with the consent of both Covenantor and Covenantees, except that any amendment or modification done pursuant to section 4.3(b) of this Declaration may be made with the consent of Covenantor and the Regional Board only and without the consent of the USEPA;

(d) Whenever any such termination or modification is granted, Covenantor and Covenantees shall execute, acknowledge, and deliver an appropriate instrument to effect such termination or modification in form that is recordable in the Official Records, which instrument may be in the form provided by the applicant or in such other form as Covenantor and Covenantees shall determine;

(e) Any such termination or modification shall be effective upon recordation in the Official Records of said instrument as executed and acknowledged by Covenantor and Covenantees, with no other act or documentation required to effect such termination or modification; and

(f) No participation by, or consent from, any Owner or Occupant whose portion or portions of the Property are not directly affected by the termination or modification shall be necessary although Covenantor and/or Covenantees may, at their election, seek and receive information, opinions, or other participation about the proposed termination or modification from or by any or all other Owners or Occupants of the Property or any portion thereof.

3.3 Assignment to the Regional Board. Upon completion of "remedial action" (as that term is defined in CERCLA) respecting the Groundwater Contamination, the Regional Board agrees to accept an assignment of any covenant granted by this Declaration to the USEPA. Any such assignment and acceptance thereof shall be in writing and effective when it is recorded in the Official Records.

3.4 Successive Owners and Occupants. An Owner or Occupant's rights and obligations under this Declaration terminate upon transfer, expiration, or termination of the Owner or Occupant's interest in the Property, except that liability for acts or omissions occurring prior to transfer shall survive. The Owner or Occupant's successor in interest, if any, shall take that interest subject to this Declaration and be bound by the obligations hereunder applicable to Owners and Occupants until a later transfer, expiration, or termination of that interest occurs.

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ARTICLE IV
SUBDIVISIONS AND BOUNDARY LINE ADJUSTMENTS

4.1 Subdivisions. Concerning subdivisions of all or any portion of the Property:

(a) Approval of Tentative Maps. Except as provided in subpart (e) of this section 4.1, prior to submission to the County of any substantial change to the tentative subdivision map, for the Property previously submitted to the County, such proposed change shall be presented to Covenantor and to the Regional Board for their review and written approval to the extent such change pertains to the location, configuration, and size of:

(1) Those portions of the Property shown on such map as designated to serve as permanent roadways to be offered for dedication to the County, including both areas for vehicular travel and contiguous areas, if any, for meridians and pedestrian sidewalks (collectively, the **“Permanent Roadways”**);

(2) Any lots or parcels shown on such map (collectively, **“Well Lots”**) on which any wells, pumping stations, equipment, pipelines, and related facilities, designed for the monitoring, extraction, removal, transport, injection, or recharge of groundwater (collectively, the **“Wells, Pipelines, and Related Facilities”**) are located; and

(3) All creeks, ditches, and other channels, whether natural or artificial, that drain, are used for the drainage of, or are designed to drain, surface waters (collectively, the **“Creeks and Ditches”**) shown on that tentative subdivision map; provided that:

(4) No other parts of any tentative subdivision map shall be subject to such review and approval by Covenantor or the Regional Board;

(b) Submittal to the County. No substantial change to such previously submitted tentative subdivision map for any portion of the Property shall be submitted to the County for approval unless and until it has been approved in writing by Covenantor and the Regional Board in the manner required by subpart (a) of this section 4.1;

(c) The County's Notice List. The Owner proposing any subdivision of any portion of the Property shall arrange for Covenantor and the Regional Board to be included on all lists maintained by the County of persons to whom the County shall send notices of hearings and other matters concerning the processing of subdivision maps for the Property or any portion thereof;

(d) No Variance on Final Maps. No final subdivision map for any portion of the Property shall be different than its precedent tentative subdivision map as approved by Covenantor and the Regional Board with respect to the location, configuration, or size of Permanent Roadways, Well Lots, if any, and Creeks and Ditches, if any, shown thereon (except for any difference(s) deemed by the County to be in substantial compliance with the precedent tentative subdivision map) unless Covenantor and the Regional Board have approved in writing such difference;

(e) Further Subdivision. If and when a final subdivision map with respect to any portion of the Property (a **“Subdivided Portion”**) is recorded in the Official Records, then, for any further subdivision of that Subdivided Portion, the Owner thereof shall not be required to comply with any of the provisions of this Article IV so long as such further subdivision does not

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alter (except for any alteration(s) deemed by the County to be in substantial compliance with the precedent subdivision map) the location, configuration, or size of any of the Permanent Roadways, Well Lots, if any, or Creeks and Ditches, if any, located within that Subdivided Portion; and

(f) No Waiver of Rights. Nothing in this section 4.1 or any other provision of this Declaration limits, or shall be construed to limit, in any way, the statutory, administrative, and constitutional rights of Covenantor and Covenantees to participate in any and all public hearings conducted by the County with respect to, and to provide to the County, whether at a hearing or otherwise, any comments or suggestions that Covenantor or the Regional Board may want to offer concerning, any subdivision map for the Property or any portion thereof.

4.2 Boundary Line Adjustments. Concerning boundary line adjustments affecting all or any portion of the Property:

(a) Application of the Subdivision Procedures. If any such boundary line adjustment would alter the location, size, or configuration of any Permanent Roadway, any Well Lot, or any Creeks and Ditches, then that boundary line adjustment shall be deemed to be a subdivision governed by the provisions of section 4.1 of this Declaration. Other boundary line adjustments are not governed by the provisions of said section 4.1 except that an Owner may, at its option, elect to have any boundary line adjustment governed by the provisions of said section 4.1, which election shall be done in the form of written notice from the Owner addressed to Covenantor and the Regional Board; and

(b) Treated as a Subdivision. Upon the giving of any such written notice, then, for all purposes of this Declaration, Covenantor and Covenantees shall enjoy the rights, powers, and benefits respecting such boundary line adjustment the same as would apply if subdivision maps were being used, including, but not limited to, the following results:

(1) Deemed Lots and Parcels. The reconfigured parcels, as set forth in the boundary line adjustment, shall be deemed Lots and Parcels under the provisions of this Declaration;

(2) Deemed Subdivided Portion. That portion of the Property affected by the boundary line adjustment shall be deemed a Subdivided Portion under the provisions of this Declaration; and

(3) Constriction of Covenantees' Right of Access. The area encumbered by Covenantees' Right of Access shall become constricted as set forth in section 4.3 of this Declaration.

4.3 Effect of Final Subdivision Maps. Notwithstanding the other provisions of this Article IV or any other provision of this Declaration, when and if a final subdivision map respecting any portion of the Property is recorded in the Official Records, then, and from and after such recordation, with respect to that Subdivided Portion:

(a) Constriction of Covenantees' Right of Access. Covenantees' Right of Access shall encumber only, and the burdens thereof shall be confined to, those portions of that Subdivided Portion designated on such final subdivision map as Permanent Roadways and those portions or all of any Well Lot or Well Lots or Creeks and Ditches designated on such final subdivision map, and shall no longer encumber any other part of that Subdivided Portion, including, but not limited to, the other Lots and Parcels located therein; and

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(b) Automatic Effect. Such constriction of the areas encumbered by Covenantees' Right of Access shall happen automatically, without the need for any further instrument or document, for that Subdivided Portion, the moment the final subdivision map therefor is recorded in the Official Records. Nonetheless, Covenantor and the Regional Board shall, if requested to do so, confirm such constrictions by executing, acknowledging, and delivering, in form recordable in the Official Records, such instruments and documents as may be reasonably requested to constitute such confirmation, including, but not limited to, an amendment to, or modification of, this Declaration; provided that such request is submitted by the Owner of the Subdivided Portion to Covenantor and the Regional Board either before, or within ninety (90) days after, such final subdivision map is recorded in the Official Records.

4.4 Roadway and Utility Uses. Covenantor and Covenantees agree that:

(a) Definition of Roadway and Utility Uses. Permanent Roadways will be used by and for vehicles and pedestrians to cross the Property and for ingress and egress to, from, and among the Lots and Parcels and public streets adjacent to the Property and for utility lines, including, but not limited to, sewer, telephone, cable television, natural gas, electricity, and water, as well as incidental uses related thereto, such as, but not limited to, traffic signals, manholes, vaults, signs, transformers, pipelines, valves, meters, switches, hydrants, sprinkler controls, conduits, coverings, berms, fences, lighting, landscaping, and related facilities (collectively, the “**Roadway and Utility Uses**”), regardless when or whether any offers of dedication thereof are accepted by the County; and

(b) Reasonable Accommodation. The Roadway and Utility Uses, whether public or private, shall reasonably accommodate and not unreasonably interfere with, hinder, or impede Covenantees' rights under Covenantees' Right of Access.

4.5 Flexibility Respecting Well and Pipeline Locations. Covenantor and Covenantees anticipate having flexibility in planning for, choosing, and approving sites for Wells, Pipelines, and Related Facilities, and therefore, Covenantor has determined, and Covenantees have approved the determination, that such sites, as well as access to and from such sites, can be confined generally, but not necessarily exclusively, to Permanent Roadways, given the quantity of area for Permanent Roadways expected by the Parties to be set forth on subdivision maps of portions of the Property; and that the Parties will be able to maximize the number of Wells, Pipelines, and Related Facilities positioned entirely within the Permanent Roadways, and to minimize (possibly to zero) the number of Wells, Pipelines, and Related Facilities that encumber any Lot or Parcel.

ARTICLE V MISCELLANEOUS PROVISIONS

5.1 Recitals of Facts and Representations. Each of the Parties hereby represents and warrants that it knows of nothing indicating that any of the statements of fact set forth in the “Whereas” clauses at the beginning of this Declaration (which are incorporated herein by this reference) is false, incomplete, or misleading as written and believes that all of said statements of fact are accurate, complete, and not misleading as written.

5.2 Municipal Incorporation. If all or any portion of the Property is or becomes incorporated as a city or becomes annexed to a city, then, and from and after such date of incorporation or annexation, all references in this Declaration to “the County” with respect to

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Subdivision Maps, offers of dedication of Permanent Roadways, and other matters shall be deemed to be references to such city.

5.3 Covenants Running with the Land. The provisions of section 2.4 are personal covenants burdening Covenantor personally, and benefiting Covenantees personally, and are not intended, and shall not be, covenants running with the land. All of the other terms and conditions set forth in this Declaration, including, but not limited to, the Environmental Restrictions and Covenantees' Right of Access:

(a) Are intended to be covenants running with the land that shall be binding upon the Owners and Occupants, as Covenantor's successors in title, pursuant to section 1471 of the California Civil Code; and

(b) Shall, pursuant to said section 1471, run with the land, pass with each and every portion of the Property, and apply to and bind the respective successors in interest thereof, for the benefit of Covenantees and Covenantor personally, and not as owners of any other land.

5.4 Concurrence of Owners and Occupants Presumed. All Owners and Occupants shall be deemed by their purchase, leasing, or possession of any portion of the Property to be in accord with all of the provisions of this Declaration and to agree that the terms and conditions of this Declaration, including, but not limited to, the Environmental Restrictions and Covenantees' Right of Access, must be adhered to, for the benefit of Covenantees and Covenantor, and that the interests of the Owners and Occupants shall be subject to all of the terms and conditions of this Declaration, including, but not limited to, the Environmental Restrictions and Covenantees' Right of Access contained herein, regardless whether a copy of this Declaration has been referenced in, or incorporated into, any given deed, lease, or other instrument of transfer or conveyance.

5.5 No Admission of Responsibility for Ground Water Contamination. Nothing in this Declaration shall be construed: (a) to impose upon Covenantor, or to constitute an assumption by Covenantor of, any responsibility for the characterization, analysis, monitoring, or clean-up of the Groundwater Contamination; or (b) as an admission or acknowledgment that Covenantor is a person responsible for such characterization, analysis, monitoring, or clean-up of the Groundwater Contamination.

5.6 No Waiver of Statutory Rights. Nothing in this Declaration shall be construed as a waiver of, or as imposing any limitation or condition upon exercise of, and the Parties do not intend hereby to waive, any rights of Covenantees or either of them under any federal, state, local, or common law, including, but not limited to, CERCLA, the California Health and Safety Code, and the California Water Code, which unwaived rights include, but are not limited to, rights of access to properties when and where the statutory and regulatory conditions to exercise thereof have been satisfied.

5.7 Severability of Provisions. If any provision of this Declaration is unenforceable, it shall be deemed not a part of this Declaration, and the other remaining provisions shall remain fully enforceable and shall be interpreted to accomplish, as closely as may be lawful, the intentions of the Parties as expressed by the entirety of this Declaration.

5.8 No Dedication Intended. No gift or public dedication or right of access or use by the general public of or to any portion of the Property is intended to be offered, conveyed, or declared by this Declaration, and this Declaration does not offer, convey, or declare any such gift or public dedication or right of access or use by the general public.

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5.9 Notices. Whenever any person gives or serves any written notice, demand, or other communication with respect to this Declaration, each such notice, demand, or other communications shall be deemed effective (a) when delivered, if personally delivered to the person being served, whether or not that person is an official of a governmental agency; or (b) three (3) business days after deposit in the mail if mailed by the United States mail, postage paid certified, return receipt requested:

If to: "Covenantor"
Aerojet-General Corporation
Post Office Box 13222
Sacramento, California 95813
Attn: Director of Real Estate

If to: "Regional Board"
Aerojet Project Manager
Regional Water Quality Control Board
3443 Routier Road, Suite A
Sacramento, California 95827-3003

If to: "USEPA"
Aerojet Project Manager
United States Environmental Protection Agency
Region IX, Superfund
75 Hawthorne Street
San Francisco, California 94105

5.10 Recordation. This Declaration shall be recorded by Covenantor in the Official Records within ten (10) days of the date of execution hereof, and after such recordation, Covenantor shall deliver to each of the Covenantees a copy of this Declaration showing the recording information inserted by the County Recorder in the upper right-hand corner of the first page hereof.

5.11 Code References. All references to sections in any California or United States code or statute include successor provisions.

5.12 Interests of Covenantees. Notwithstanding any other provision of this Declaration, nothing in this Declaration shall be construed as granting or conveying, and the Parties do not intend to have any provision of this Declaration grant or convey, to Covenantees or either of them title to, or any real estate interest in, the Property or any portion thereof, except the benefit and burden, if any, of the Environmental Restrictions and the Covenantees' Right of Access, and the other covenants and provisions set forth in this Declaration that are applicable to Covenantees, all as covenants running with the land as set forth in this Declaration.

5.13 Controlling Law. The interpretation and performance of this Declaration shall be governed by applicable laws of the United States and of California.

5.14 Liberal Construction. Any general rule of construction to the contrary notwithstanding, this Declaration shall be liberally construed to accomplish the purposes of the Parties as set forth herein.

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5.15 Entire Agreement. This Declaration sets forth the entire agreement of the Parties with respect to the rights and obligations created or set forth herein and supersedes all prior discussions, negotiations, understandings, and agreements relating thereto, all of which are merged herein.

5.16 No Forfeiture. Nothing contained in this Declaration shall be construed to result in a forfeiture or reversion of Covenantor's title to the Property in any respect.

5.17 Captions and Headings. The captions and headings in this Declaration have been inserted solely for convenience of reference and are not part of this Declaration and shall have no effect upon construction or interpretations.

5.18 Counterparts. The Parties may execute this Declaration in two (2) or more counterparts, which shall, in the aggregate, be signed by all Parties; each counterpart shall be deemed an original of this Declaration as against any Party who has signed it. In the event of any disparity between counterparts produced, the counterpart recorded in the Official Records shall be controlling.

5.19 IN WITNESS WHEREOF, the Parties execute this Declaration as of the dates set forth with their signatures below, and this Declaration is effective as of the date it is recorded in the Official Records.

Covenantor: Aerojet-General Corporation

By: _____

Title: Authorized Agent

Date: _____

Covenantee: State of California
Regional Water Quality Control Board,
Central Valley Region

By: _____

Title: Executive Officer

Date: _____

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Covenantee: U.S. Environmental Protection Agency, on
behalf of the United States of America

In accordance with Section 104(j) of CERCLA, 42 U.S.C. § 9604(j), as amended, the Regional Administrator, Region IX, of the United States Environmental Protection Agency agrees to and accepts this Declaration.

By: _____

Title:

Date: _____

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NO FURTHER ACTION SITES EXCEPT C10

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Recording Requested By:

Aerojet-General Corporation

When Recorded, Mail To:

[_____]

No Further Action Sites
Land Where Sites Identified as NFA
C14, C15, C29, C32,
4D, 36D, 37D,39D, 5D, [Get D, (D(e)]

(Space above this line reserved for County Recorder's use.)

Assessor Parcel Number(s): Portion of

[_____]

DECLARATION OF COVENANTS AND ENVIRONMENTAL RESTRICTIONS

This Declaration of Covenants and Environmental Restrictions (this **“Declaration”**) is dated, for reference purposes, as of the ____ day of _____, _____, and is executed, on the dates set forth with the signatures below, by and among Aerojet-General Corporation (**“Covenantor”**), the California Regional Water Quality Control Board for the Central Valley Region (the **“Regional Board”**), and the United States of America and its assigns (the Regional Board and the United States of America, collectively, **“Covenantees”**) (Covenantor and Covenantees, collectively, the **“Parties”**).

WITNESSETH:

WHEREAS, Covenantor owns real property situated in Sacramento County (the **“County”**), California more fully described in **Exhibit “A”** attached hereto and incorporated herein by this reference (**“Property”**); and

WHEREAS, the Property is part of the Aerojet Superfund Site (the **“Site”**), which the U.S. Environmental Protection Agency (the **“USEPA”**), pursuant to section 105 of the Comprehensive Environmental Response, Compensation and Liability Act (**“CERCLA”**), 42 U.S.C. section 9605, placed on the National Priorities List (the **“NPL”**), set forth at 40 C.F.R. Part 300, by publication in the Federal Register on September 8, 1983; and

WHEREAS, the Parties’ Partial Consent Decree (the **“PCD”**) was entered on June 23, 1989 in the consolidated actions No. CIVS 86-0063-EJG and No. CIVS 86-0064-EJG in the United States District Court for the Eastern District of California; and

NO FURTHER ACTION SITES

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WHEREAS, the groundwater and associated contaminated media beneath the surface of the Property contain “hazardous materials,” as that term is defined in section 25260 of the California Health and Safety Code, “waste,” as that term is defined in section 13050 of the California Water Code, and “hazardous substances,” as that term is defined in section 9601(14) of CERCLA (the “**Groundwater Contamination**”); and

WHEREAS, the Property was investigated by Covenantor under oversight of, and accepted by, the USEPA, the Regional Board and the California Department of Toxic Substances Control (“DTSC”) (collectively, the “**Regulatory Agencies**”) under the PCD. As a result of that investigation, USEPA determined in its decision document entitled “Interim Record of Decision for Groundwater and Final Record of Decision for Soil for the Perimeter Groundwater Operable Unit (OU-5)” dated February 15, 2011 (“**PGOU ROD**”) (which determination was concurred with by the Regional Board and DTSC) that (i) all continuing sources of Groundwater Contamination are outside the area of the Property and (ii) other than the restrictions described herein at section 1.3, no further remedial action is required for unrestricted use of the Property; and

WHEREAS, in order to protect present and future public health and safety and the environment, and in order to facilitate further investigation, monitoring, and remediation of the Groundwater Contamination, while maximizing the potential for development and use of the Property for all purposes, the Parties have agreed to impose upon the Property certain covenants and restrictions, including access rights, subject to various limitations and conditions designed to facilitate development and use of the Property, all as set forth in this Declaration, all of which covenants, restrictions, limitations, and conditions are intended to be, and shall be, binding on successors in title to the Property as covenants running with the land; and

WHEREAS, pursuant to California Civil Code section 1471, and under the circumstances described in the foregoing recitals, Covenantor has the right and power to impose upon its title to the Property, for the benefit of, and to be enforceable by, Covenantees and Covenantor, and to be binding upon Covenantor and its successors and assigns, covenants related to said Groundwater Contamination, including covenants to do, or refrain from doing, acts upon the Property as specified in this Declaration, and the Parties intend this Declaration to be executed, delivered, and recorded in the Official Records in compliance with the requirements of, and pursuant to, said section 1471.

NOW, THEREFORE:

ARTICLE I
DEVELOPMENT, USE, AND CONVEYANCE
OF THE PROPERTY

1.1 Declaration. In reference to the facts and circumstances set forth in the foregoing “Whereas” clauses, Covenantor does hereby declare and covenant that:

(a) Subject to all of the terms and conditions set forth in this Declaration, the Property shall be subject to the Environmental Restrictions (defined below) and Covenantees' Right of Access (defined below), and Covenantor does give, grant, and convey to Covenantees and reserve unto itself the perpetual right to enforce said Environmental Restrictions and Covenantees' Right of Access as beneficiaries thereof; and

(b) The Property and every portion thereof shall be improved, held, used, occupied, leased, sold, hypothecated, encumbered, and/or conveyed subject to said Environmental Restrictions and Covenantees' Right of Access.

NO FURTHER ACTION SITES

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1.2 Necessity. The Parties agree that the Environmental Restrictions (defined below), Covenantees' Right of Access (defined below), and other provisions of this Declaration are reasonably necessary to protect present and future public health and safety and the environment; to reduce impediments to remediation of the Contaminated Groundwater; to allow remedial measures for the Groundwater Contamination to be studied and implemented; and to avoid potential harm to persons or property that may result from hazardous materials that are found in the Contaminated Groundwater.

1.3 Environmental Restrictions and Covenantees' Right of Access. The following covenants, conditions, and restrictions set forth in subparts (a) through (d) of this section 1.3 (collectively, the “**Environmental Restrictions**”) and the following access rights set forth in subpart (e) of this section 1.3 (collectively, the “**Covenantees' Right of Access**”) apply to the use of the Property, run with the land, and are binding upon Covenantor and its successors in interest who hold title to all or any portion of the Property (collectively, “**Owners**”) and upon those persons entitled by ownership, leasehold, or other legal relationship to the right to possession or occupancy of any portion of the Property (collectively, “**Occupants**”):

(a) No Extraction. 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 and until expressly permitted in writing by Covenantor and the Regional Board.

(b) No Recharge. No Owners or Occupants of the Property or any portion thereof shall install, operate, or maintain a recharge or sedimentation control basin that is designed to infiltrate water (a “**Recharge Activity**”) unless and until expressly permitted in writing by Covenantor and the Regional Board as follows:

(1) Recharge Waiver Request. For purposes of this section 1.3(b) , the term “**Recharge Waiver Request**” means a written application signed by an Owner or Occupant or its authorized agent or contractor that sets forth (A) the legal description and, if available, street address of the affected portion of the Property; (B) the name, mailing address, telephone number, and other pertinent information about the Owner of that portion, all persons holding mortgages, deeds of trust, or other monetary encumbrances upon that portion, and the contractor or contractors, if any, expected to conduct the Recharge Activity; (C) a detailed description of the nature (including projected infiltration rate) and period of the proposed Recharge Activity; and (D) such other pertinent information as Covenantor and/or the Regional Board shall request; and

(2) Review of Requests. Upon receipt of a Recharge Waiver Request, Covenantor and the Regional Board shall consider such Recharge Waiver Request and issue their written approvals or denials thereof, which approvals, if issued, may include appropriate conditions subject to which the proposed Recharge Activity shall be conducted. Approval shall be granted for any Recharge Activity that does not interfere with, or adversely impact, remediation of the Groundwater Contamination and is otherwise undertaken in accordance with applicable law.

(c) No Injection. No Owners or Occupants of the Property or any portion thereof shall install, operate, or maintain any injection wells for any use unless and until expressly permitted in writing by Covenantor and the Regional Board.

(d) Excavations. No Owners or Occupants of any portion of the Property shall conduct sustained extraction of the groundwater that is encountered during excavations for

NO FURTHER ACTION SITES

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the construction of buildings or other improvements (“**Construction Dewatering**”) unless and until expressly permitted in writing by Covenantor and the Regional Board as follows:

(1) Request for Approval of Construction Dewatering. For purposes of this section 1.3(d), the term “**Request for Approval of Construction Dewatering**” means a written application signed by an Owner or Occupant or its authorized agent or contractor that sets forth (A) the legal description and, if available, street address of the affected portion of the Property; (B) the name, mailing address, telephone number, and other pertinent information about the Owner of that portion, all persons holding mortgages, deeds of trust, or other monetary encumbrances upon that portion, and the contractor or contractors, if any, expected to conduct the Construction Dewatering; (C) the plans and specifications for the proposed Construction Dewatering, including, but not limited to, the projected start and completion dates for the proposed Construction Dewatering; and (D) such other pertinent information as Covenantor and/or the Regional Board shall request; and

(2) Review of Requests. Upon receipt of a Request for Approval of Construction Dewatering, Covenantor and the Regional Board shall consider such Request for Approval of Construction Dewatering and issue their written approvals or denials therefor, which approvals, if issued, may include appropriate conditions subject to which the proposed Construction Dewatering shall be conducted. Approval shall be granted for any Construction Dewatering that does not interfere with, or adversely impact, remediation of the Groundwater Contamination and is otherwise undertaken in accordance with applicable law.

(e) Covenantees' Right of Access. Subject to future restriction to certain areas of the Property as set forth in section 4.3 of this Declaration, Covenantor hereby grants to Covenantees a right of access (“**Covenantees' Right of Access**”) to the Property, at all reasonable times, for the following purposes only:

(1) Implementing, or overseeing the implementation of, “response actions,” as defined in CERCLA, in any “records of decision,” as defined in CERCLA, or orders issued by either Covenantee respecting the Groundwater Contamination;

(2) Verifying any data or information respecting Groundwater Contamination submitted to Covenantees or either of them;

(3) Verifying that no action is being taken on the Property respecting the Groundwater Contamination in violation of any of the Environmental Restrictions or any of the other terms of this Declaration or of any federal or California environmental laws or regulations;

(4) Monitoring “response actions,” as defined in CERCLA, on the Property respecting Groundwater Contamination and conducting investigations related to the Groundwater Contamination on or near the Property, including, without limitation, sampling of air, water, sediments, soils, and specifically, without limitation, obtaining split or duplicate samples; and

(5) Conducting periodic reviews of the remedial action respecting the Groundwater Contamination, including, but not limited to, reviews required by applicable statutes and/or regulations.

NO FURTHER ACTION SITES

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1.4 Reserved Rights of Covenantor. Subject to the rights of Covenantees hereunder, Covenantor hereby reserves unto itself all rights and privileges respecting ownership, use, and development of the Property.

1.5 Notice Requirement. Covenantor, in accordance with California Health and Safety Code section 25359.7, agrees to give written notice of the Groundwater Contamination to each buyer, lessee, renter, and mortgagee of all or any part of the Property. Additionally, every lease, deed, mortgage, or other instrument conveying any interest in all or any part of the Property shall expressly provide that it is subject to this Declaration.

ARTICLE II ENFORCEMENT

2.1 Remedies Available. Covenantees and Covenantor shall be entitled to enforce the terms of this Declaration, including, but not limited to, the Environmental Restrictions and Covenantees' Right of Access, by resort to specific performance, injunction, and other appropriate legal process. Any forbearance, delay, or omission to exercise rights under this Declaration in the event of a breach of any term of this Declaration shall not be deemed to be a waiver by Covenantees or Covenantor of such term or of any subsequent breach of the same or any other term, or of any rights of Covenantees or Covenantor under this Declaration.

2.2 Removal of Offending Improvements. Failure of an Owner or Occupant to comply with any of the Environmental Restrictions, as set forth in section 1.3 of this Declaration, shall be grounds for either of the Covenantees and/or Covenantor, by reason of this Declaration, to have the authority to require that the Owner modify or remove the improvements constructed in violation of that section. Violations of this Declaration shall be grounds for Covenantor and/or either or both Covenantees to file civil actions against the Owner as provided by law.

2.3 Waiver of Certain Defenses. Covenantor hereby waives any defense of laches, estoppel, or prescription.

2.4 Covenantor's Title. Covenantor hereby covenants that Covenantor is lawfully seized of fee simple title to the Property, that Covenantor has a good and lawful right and power to sell and convey it or any interest therein, that the Property is free and clear of encumbrances, except encumbrances shown in the Official Records, and that Covenantor will forever warrant and defend Covenantor's title thereto and quiet possession thereof.

2.5 Administrative Jurisdiction. The federal agency having administrative jurisdiction over the interests acquired by the United States by this Declaration is the USEPA.

ARTICLE III DURATION, TERMINATIONS, MODIFICATIONS, ASSIGNMENTS, AND TRANSFERS

3.1 Duration. Unless terminated in accordance with the provisions of this Article III, the Environmental Restrictions and Covenantees' Right of Access shall continue in perpetuity.

3.2 Terminations and Modifications. Any Owner or, with the Owners' written consent, any Occupant may apply in writing to Covenantor and to Covenantees for a termination

NO FURTHER ACTION SITES

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or modification of all or some portion of the Environmental Restrictions and/or Covenantees' Right of Access as applied to that Owner's portion of the Property as follows:

(a) Any such application shall set forth reasons why the purposes of this Declaration can continue to be accomplished if and when such termination or modification is granted and shall have attached to it a copy of the instrument that the Owner or Occupant wants Covenantor and Covenantees to execute in order to effect such termination or modification;

(b) The decision whether or not to grant the termination or modification, what conditions may be attached thereto, and the exact language of the instrument effecting such termination or modification shall be in the discretion of both Covenantor and Covenantees, provided they shall not act arbitrarily or capriciously;

(c) Applications for a termination or modification may be granted only with the consent of both Covenantor and Covenantees, except that any amendment or modification done pursuant to section 4.3(b) of this Declaration may be made with the consent of Covenantor and the Regional Board only and without the consent of the USEPA;

(d) Whenever any such termination or modification is granted, Covenantor and Covenantees shall execute, acknowledge, and deliver an appropriate instrument to effect such termination or modification in form that is recordable in the Official Records, which instrument may be in the form provided by the applicant or in such other form as Covenantor and Covenantees shall determine;

(e) Any such termination or modification shall be effective upon recordation in the Official Records of said instrument as executed and acknowledged by Covenantor and Covenantees, with no other act or documentation required to effect such termination or modification; and

(f) No participation by, or consent from, any Owner or Occupant whose portion or portions of the Property are not directly affected by the termination or modification shall be necessary although Covenantor and/or Covenantees may, at their election, seek and receive information, opinions, or other participation about the proposed termination or modification from or by any or all other Owners or Occupants of the Property or any portion thereof.

3.3 Assignment to the Regional Board. Upon completion of "remedial action" (as that term is defined in CERCLA) respecting the Groundwater Contamination, the Regional Board agrees to accept an assignment of any covenant granted by this Declaration to the USEPA. Any such assignment and acceptance thereof shall be in writing and effective when it is recorded in the Official Records.

3.4 Successive Owners and Occupants. An Owner or Occupant's rights and obligations under this Declaration terminate upon transfer, expiration, or termination of the Owner or Occupant's interest in the Property, except that liability for acts or omissions occurring prior to transfer shall survive. The Owner or Occupant's successor in interest, if any, shall take that interest subject to this Declaration and be bound by the obligations hereunder applicable to Owners and Occupants until a later transfer, expiration, or termination of that interest occurs.

NO FURTHER ACTION SITES

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ARTICLE IV
SUBDIVISIONS AND BOUNDARY LINE ADJUSTMENTS

4.1 Subdivisions. Concerning subdivisions of all or any portion of the Property:

(a) Approval of Tentative Maps. Except as provided in subpart (e) of this section 4.1, prior to submission to the County of any substantial change to the tentative subdivision map, for the Property previously submitted to the County, such proposed change shall be presented to Covenantor and to the Regional Board for their review and written approval to the extent such change pertains to the location, configuration, and size of:

(1) Those portions of the Property shown on such map as designated to serve as permanent roadways to be offered for dedication to the County, including both areas for vehicular travel and contiguous areas, if any, for meridians and pedestrian sidewalks (collectively, the **“Permanent Roadways”**);

(2) Any lots or parcels shown on such map (collectively, **“Well Lots”**) on which any wells, pumping stations, equipment, pipelines, and related facilities, designed for the monitoring, extraction, removal, transport, injection, or recharge of groundwater (collectively, the **“Wells, Pipelines, and Related Facilities”**) are located; and

(3) All creeks, ditches, and other channels, whether natural or artificial, that drain, are used for the drainage of, or are designed to drain, surface waters (collectively, the **“Creeks and Ditches”**) shown on that tentative subdivision map; provided that:

(4) No other parts of any tentative subdivision map shall be subject to such review and approval by Covenantor or the Regional Board;

(b) Submittal to the County. No substantial change to such previously submitted tentative subdivision map for any portion of the Property shall be submitted to the County for approval unless and until it has been approved in writing by Covenantor and the Regional Board in the manner required by subpart (a) of this section 4.1;

(c) The County's Notice List. The Owner proposing any subdivision of any portion of the Property shall arrange for Covenantor and the Regional Board to be included on all lists maintained by the County of persons to whom the County shall send notices of hearings and other matters concerning the processing of subdivision maps for the Property or any portion thereof;

(d) No Variance on Final Maps. No final subdivision map for any portion of the Property shall be different than its precedent tentative subdivision map as approved by Covenantor and the Regional Board with respect to the location, configuration, or size of Permanent Roadways, Well Lots, if any, and Creeks and Ditches, if any, shown thereon (except for any difference(s) deemed by the County to be in substantial compliance with the precedent tentative subdivision map) unless Covenantor and the Regional Board have approved in writing such difference;

(e) Further Subdivision. If and when a final subdivision map with respect to any portion of the Property (a **“Subdivided Portion”**) is recorded in the Official Records, then, for any further subdivision of that Subdivided Portion, the Owner thereof shall not be required to comply with any of the provisions of this Article IV so long as such further subdivision does not

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alter (except for any alteration(s) deemed by the County to be in substantial compliance with the precedent subdivision map) the location, configuration, or size of any of the Permanent Roadways, Well Lots, if any, or Creeks and Ditches, if any, located within that Subdivided Portion; and

(f) No Waiver of Rights. Nothing in this section 4.1 or any other provision of this Declaration limits, or shall be construed to limit, in any way, the statutory, administrative, and constitutional rights of Covenantor and Covenantees to participate in any and all public hearings conducted by the County with respect to, and to provide to the County, whether at a hearing or otherwise, any comments or suggestions that Covenantor or the Regional Board may want to offer concerning, any subdivision map for the Property or any portion thereof.

4.2 Boundary Line Adjustments. Concerning boundary line adjustments affecting all or any portion of the Property:

(a) Application of the Subdivision Procedures. If any such boundary line adjustment would alter the location, size, or configuration of any Permanent Roadway, any Well Lot, or any Creeks and Ditches, then that boundary line adjustment shall be deemed to be a subdivision governed by the provisions of section 4.1 of this Declaration. Other boundary line adjustments are not governed by the provisions of said section 4.1 except that an Owner may, at its option, elect to have any boundary line adjustment governed by the provisions of said section 4.1, which election shall be done in the form of written notice from the Owner addressed to Covenantor and the Regional Board; and

(b) Treated as a Subdivision. Upon the giving of any such written notice, then, for all purposes of this Declaration, Covenantor and Covenantees shall enjoy the rights, powers, and benefits respecting such boundary line adjustment the same as would apply if subdivision maps were being used, including, but not limited to, the following results:

(1) Deemed Lots and Parcels. The reconfigured parcels, as set forth in the boundary line adjustment, shall be deemed Lots and Parcels under the provisions of this Declaration;

(2) Deemed Subdivided Portion. That portion of the Property affected by the boundary line adjustment shall be deemed a Subdivided Portion under the provisions of this Declaration; and

(3) Constriction of Covenantees' Right of Access. The area encumbered by Covenantees' Right of Access shall become constricted as set forth in section 4.3 of this Declaration.

4.3 Effect of Final Subdivision Maps. Notwithstanding the other provisions of this Article IV or any other provision of this Declaration, when and if a final subdivision map respecting any portion of the Property is recorded in the Official Records, then, and from and after such recordation, with respect to that Subdivided Portion:

(a) Constriction of Covenantees' Right of Access. Covenantees' Right of Access shall encumber only, and the burdens thereof shall be confined to, those portions of that Subdivided Portion designated on such final subdivision map as Permanent Roadways and those portions or all of any Well Lot or Well Lots or Creeks and Ditches designated on such final subdivision map, and shall no longer encumber any other part of that Subdivided Portion, including, but not limited to, the other Lots and Parcels located therein; and

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(b) Automatic Effect. Such constriction of the areas encumbered by Covenantees' Right of Access shall happen automatically, without the need for any further instrument or document, for that Subdivided Portion, the moment the final subdivision map therefor is recorded in the Official Records. Nonetheless, Covenantor and the Regional Board shall, if requested to do so, confirm such constrictions by executing, acknowledging, and delivering, in form recordable in the Official Records, such instruments and documents as may be reasonably requested to constitute such confirmation, including, but not limited to, an amendment to, or modification of, this Declaration; provided that such request is submitted by the Owner of the Subdivided Portion to Covenantor and the Regional Board either before, or within ninety (90) days after, such final subdivision map is recorded in the Official Records.

4.4 Roadway and Utility Uses. Covenantor and Covenantees agree that:

(a) Definition of Roadway and Utility Uses. Permanent Roadways will be used by and for vehicles and pedestrians to cross the Property and for ingress and egress to, from, and among the Lots and Parcels and public streets adjacent to the Property and for utility lines, including, but not limited to, sewer, telephone, cable television, natural gas, electricity, and water, as well as incidental uses related thereto, such as, but not limited to, traffic signals, manholes, vaults, signs, transformers, pipelines, valves, meters, switches, hydrants, sprinkler controls, conduits, coverings, berms, fences, lighting, landscaping, and related facilities (collectively, the “**Roadway and Utility Uses**”), regardless when or whether any offers of dedication thereof are accepted by the County; and

(b) Reasonable Accommodation. The Roadway and Utility Uses, whether public or private, shall reasonably accommodate and not unreasonably interfere with, hinder, or impede Covenantees' rights under Covenantees' Right of Access.

4.5 Flexibility Respecting Well and Pipeline Locations. Covenantor and Covenantees anticipate having flexibility in planning for, choosing, and approving sites for Wells, Pipelines, and Related Facilities, and therefore, Covenantor has determined, and Covenantees have approved the determination, that such sites, as well as access to and from such sites, can be confined generally, but not necessarily exclusively, to Permanent Roadways, given the quantity of area for Permanent Roadways expected by the Parties to be set forth on subdivision maps of portions of the Property; and that the Parties will be able to maximize the number of Wells, Pipelines, and Related Facilities positioned entirely within the Permanent Roadways, and to minimize (possibly to zero) the number of Wells, Pipelines, and Related Facilities that encumber any Lot or Parcel.

ARTICLE V MISCELLANEOUS PROVISIONS

5.1 Recitals of Facts and Representations. Each of the Parties hereby represents and warrants that it knows of nothing indicating that any of the statements of fact set forth in the “Whereas” clauses at the beginning of this Declaration (which are incorporated herein by this reference) is false, incomplete, or misleading as written and believes that all of said statements of fact are accurate, complete, and not misleading as written.

5.2 Municipal Incorporation. If all or any portion of the Property is or becomes incorporated as a city or becomes annexed to a city, then, and from and after such date of incorporation or annexation, all references in this Declaration to “the County” with respect to

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Subdivision Maps, offers of dedication of Permanent Roadways, and other matters shall be deemed to be references to such city.

5.3 Covenants Running with the Land. The provisions of section 2.4 are personal covenants burdening Covenantor personally, and benefiting Covenantees personally, and are not intended, and shall not be, covenants running with the land. All of the other terms and conditions set forth in this Declaration, including, but not limited to, the Environmental Restrictions and Covenantees' Right of Access:

(a) Are intended to be covenants running with the land that shall be binding upon the Owners and Occupants, as Covenantor's successors in title, pursuant to section 1471 of the California Civil Code; and

(b) Shall, pursuant to said section 1471, run with the land, pass with each and every portion of the Property, and apply to and bind the respective successors in interest thereof, for the benefit of Covenantees and Covenantor personally, and not as owners of any other land.

5.4 Concurrence of Owners and Occupants Presumed. All Owners and Occupants shall be deemed by their purchase, leasing, or possession of any portion of the Property to be in accord with all of the provisions of this Declaration and to agree that the terms and conditions of this Declaration, including, but not limited to, the Environmental Restrictions and Covenantees' Right of Access, must be adhered to, for the benefit of Covenantees and Covenantor, and that the interests of the Owners and Occupants shall be subject to all of the terms and conditions of this Declaration, including, but not limited to, the Environmental Restrictions and Covenantees' Right of Access contained herein, regardless whether a copy of this Declaration has been referenced in, or incorporated into, any given deed, lease, or other instrument of transfer or conveyance.

5.5 No Admission of Responsibility for Ground Water Contamination. Nothing in this Declaration shall be construed: (a) to impose upon Covenantor, or to constitute an assumption by Covenantor of, any responsibility for the characterization, analysis, monitoring, or clean-up of the Groundwater Contamination; or (b) as an admission or acknowledgment that Covenantor is a person responsible for such characterization, analysis, monitoring, or clean-up of the Groundwater Contamination.

5.6 No Waiver of Statutory Rights. Nothing in this Declaration shall be construed as a waiver of, or as imposing any limitation or condition upon exercise of, and the Parties do not intend hereby to waive, any rights of Covenantees or either of them under any federal, state, local, or common law, including, but not limited to, CERCLA, the California Health and Safety Code, and the California Water Code, which unwaived rights include, but are not limited to, rights of access to properties when and where the statutory and regulatory conditions to exercise thereof have been satisfied.

5.7 Severability of Provisions. If any provision of this Declaration is unenforceable, it shall be deemed not a part of this Declaration, and the other remaining provisions shall remain fully enforceable and shall be interpreted to accomplish, as closely as may be lawful, the intentions of the Parties as expressed by the entirety of this Declaration.

5.8 No Dedication Intended. No gift or public dedication or right of access or use by the general public of or to any portion of the Property is intended to be offered, conveyed, or declared by this Declaration, and this Declaration does not offer, convey, or declare any such gift or public dedication or right of access or use by the general public.

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5.9 Notices. Whenever any person gives or serves any written notice, demand, or other communication with respect to this Declaration, each such notice, demand, or other communications shall be deemed effective (a) when delivered, if personally delivered to the person being served, whether or not that person is an official of a governmental agency; or (b) three (3) business days after deposit in the mail if mailed by the United States mail, postage paid certified, return receipt requested:

If to: "Covenantor"
Aerojet-General Corporation
Post Office Box 13222
Sacramento, California 95813
Attn: Director of Real Estate

If to: "Regional Board"
Aerojet Project Manager
Regional Water Quality Control Board
3443 Routier Road, Suite A
Sacramento, California 95827-3003

If to: "USEPA"
Aerojet Project Manager
United States Environmental Protection Agency
Region IX, Superfund
75 Hawthorne Street
San Francisco, California 94105

5.10 Recordation. This Declaration shall be recorded by Covenantor in the Official Records within ten (10) days of the date of execution hereof, and after such recordation, Covenantor shall deliver to each of the Covenantees a copy of this Declaration showing the recording information inserted by the County Recorder in the upper right-hand corner of the first page hereof.

5.11 Code References. All references to sections in any California or United States code or statute include successor provisions.

5.12 Interests of Covenantees. Notwithstanding any other provision of this Declaration, nothing in this Declaration shall be construed as granting or conveying, and the Parties do not intend to have any provision of this Declaration grant or convey, to Covenantees or either of them title to, or any real estate interest in, the Property or any portion thereof, except the benefit and burden, if any, of the Environmental Restrictions and the Covenantees' Right of Access, and the other covenants and provisions set forth in this Declaration that are applicable to Covenantees, all as covenants running with the land as set forth in this Declaration.

5.13 Controlling Law. The interpretation and performance of this Declaration shall be governed by applicable laws of the United States and of California.

5.14 Liberal Construction. Any general rule of construction to the contrary notwithstanding, this Declaration shall be liberally construed to accomplish the purposes of the Parties as set forth herein.

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5.15 Entire Agreement. This Declaration sets forth the entire agreement of the Parties with respect to the rights and obligations created or set forth herein and supersedes all prior discussions, negotiations, understandings, and agreements relating thereto, all of which are merged herein.

5.16 No Forfeiture. Nothing contained in this Declaration shall be construed to result in a forfeiture or reversion of Covenantor's title to the Property in any respect.

5.17 Captions and Headings. The captions and headings in this Declaration have been inserted solely for convenience of reference and are not part of this Declaration and shall have no effect upon construction or interpretations.

5.18 Counterparts. The Parties may execute this Declaration in two (2) or more counterparts, which shall, in the aggregate, be signed by all Parties; each counterpart shall be deemed an original of this Declaration as against any Party who has signed it. In the event of any disparity between counterparts produced, the counterpart recorded in the Official Records shall be controlling.

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IN WITNESS WHEREOF, the Parties execute this Declaration as of the dates set forth with their signatures below, and this Declaration is effective as of the date it is recorded in the Official Records.

Covenantor: Aerojet-General Corporation

By: _____

Title: Authorized Agent

Date: _____

Covenantee: State of California
Regional Water Quality Control Board,
Central Valley Region

By: _____

Title: Executive Officer

Date: _____

Covenantee: U.S. Environmental Protection Agency, on
behalf of the United States of America

In accordance with Section 104(j) of CERCLA, 42 U.S.C. § 9604(j), as amended, the Regional Administrator, Region IX, of the United States Environmental Protection Agency agrees to and accepts this Declaration.

By: _____

Title:

Date: _____

NO FURTHER ACTION SITES

NO FURTHER ACTION SITE C10

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Recording Requested By:

Aerojet-General Corporation

When Recorded, Mail To:

[_____]

No Further Action Sites
Land Where Sites Identified as NFA
C10 (aka Area D)

(Space above this line reserved for County Recorder's use.)

Assessor Parcel Number(s): Portion of

[_____]

DECLARATION OF COVENANTS AND ENVIRONMENTAL RESTRICTIONS

This Declaration of Covenants and Environmental Restrictions (this **“Declaration”**) is dated, for reference purposes, as of the ____ day of _____, _____, and is executed, on the dates set forth with the signatures below, by and among Aerojet-General Corporation (**“Covenantor”**), the California Regional Water Quality Control Board for the Central Valley Region (the **“Regional Board”**), and the United States of America and its assigns (the Regional Board and the United States of America, collectively, **“Covenantees”**) (Covenantor and Covenantees, collectively, the **“Parties”**).

WITNESSETH:

WHEREAS, Covenantor owns real property situated in Sacramento County (the **“County”**), California more fully described in **Exhibit “A”** attached hereto and incorporated herein by this reference (**“Property”**); and

WHEREAS, the Property is part of the Aerojet Superfund Site (the **“Site”**), which the U.S. Environmental Protection Agency (the **“USEPA”**), pursuant to section 105 of the Comprehensive Environmental Response, Compensation and Liability Act (**“CERCLA”**), 42 U.S.C. section 9605, placed on the National Priorities List (the **“NPL”**), set forth at 40 C.F.R. Part 300, by publication in the Federal Register on September 8, 1983; and

WHEREAS, the Parties’ Partial Consent Decree (the **“PCD”**) was entered on June 23, 1989 in the consolidated actions No. CIVS 86-0063-EJG and No. CIVS 86-0064-EJG in the United States District Court for the Eastern District of California; and

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WHEREAS, on April 1, 2003, at Book 20030401, Page 2637, as Document Number 0001884821, a Declaration of Covenants and Environmental Restrictions (the “**April 2003 Declaration**”) was recorded in the Official Records, which April 2003 Declaration is being modified to exclude the Property (therein described as “**Area D**”) from the real estate described in the April 2003 Declaration; and

WHEREAS, the effect of said modification to the April 2003 Declaration is to cause the Property to be no longer encumbered or affected by the April 2003 Declaration, such that none of its provisions shall restrict, or require any action of, Covenantor or its successors and assigns respecting use, development, or conveyance of the Property or any portion thereof; and

WHEREAS, the groundwater and associated contaminated media beneath the surface of the Property contain “hazardous materials,” as that term is defined in section 25260 of the California Health and Safety Code, “waste,” as that term is defined in section 13050 of the California Water Code, and “hazardous substances,” as that term is defined in section 9601(14) of CERCLA (the “**Groundwater Contamination**”); and

WHEREAS, the Property was investigated by Covenantor under oversight of, and accepted by, the USEPA, the Regional Board and the California Department of Toxic Substances Control (“DTSC”) (collectively, the “**Regulatory Agencies**”) under the PCD. As a result of that investigation, USEPA determined in its decision document entitled “Interim Record of Decision for Groundwater and Final Record of Decision for Soil for the Perimeter Groundwater Operable Unit (OU-5)” dated February 15, 2011 (“**PGOU ROD**”) (which determination was concurred with by the Regional Board and DTSC) that (i) all continuing sources of Groundwater Contamination are outside the area of the Property and (ii) other than the restrictions described herein at section 1.3, no further remedial action is required for unrestricted use of the Property; and

WHEREAS, in order to protect present and future public health and safety and the environment, and in order to facilitate further investigation, monitoring, and remediation of the Groundwater Contamination, while maximizing the potential for development and use of the Property for all purposes, the Parties have agreed to impose upon the Property certain covenants and restrictions, including access rights, subject to various limitations and conditions designed to facilitate development and use of the Property, all as set forth in this Declaration, all of which covenants, restrictions, limitations, and conditions are intended to be, and shall be, binding on successors in title to the Property as covenants running with the land; and

WHEREAS, pursuant to California Civil Code section 1471, and under the circumstances described in the foregoing recitals, Covenantor has the right and power to impose upon its title to the Property, for the benefit of, and to be enforceable by, Covenantees and Covenantor, and to be binding upon Covenantor and its successors and assigns, covenants related to said Groundwater Contamination, including covenants to do, or refrain from doing, acts upon the Property as specified in this Declaration, and the Parties intend this Declaration to be executed, delivered, and recorded in the Official Records in compliance with the requirements of, and pursuant to, said section 1471.

NO FURTHER ACTION SITES

NOW, THEREFORE:

ARTICLE I
DEVELOPMENT, USE, AND CONVEYANCE
OF THE PROPERTY

1.1 Declaration. In reference to the facts and circumstances set forth in the foregoing “Whereas” clauses, Covenantor does hereby declare and covenant that:

(a) Subject to all of the terms and conditions set forth in this Declaration, the Property shall be subject to the Environmental Restrictions (defined below) and Covenantees' Right of Access (defined below), and Covenantor does give, grant, and convey to Covenantees and reserve unto itself the perpetual right to enforce said Environmental Restrictions and Covenantees' Right of Access as beneficiaries thereof; and

(b) The Property and every portion thereof shall be improved, held, used, occupied, leased, sold, hypothecated, encumbered, and/or conveyed subject to said Environmental Restrictions and Covenantees' Right of Access.

1.2 Necessity. The Parties agree that the Environmental Restrictions (defined below), Covenantees' Right of Access (defined below), and other provisions of this Declaration are reasonably necessary to protect present and future public health and safety and the environment; to reduce impediments to remediation of the Contaminated Groundwater; to allow remedial measures for the Groundwater Contamination to be studied and implemented; and to avoid potential harm to persons or property that may result from hazardous materials that are found in the Contaminated Groundwater.

1.3 Environmental Restrictions and Covenantees' Right of Access. The following covenants, conditions, and restrictions set forth in subparts (a) through (d) of this section 1.3 (collectively, the “**Environmental Restrictions**”) and the following access rights set forth in subpart (e) of this section 1.3 (collectively, the “**Covenantees' Right of Access**”) apply to the use of the Property, run with the land, and are binding upon Covenantor and its successors in interest who hold title to all or any portion of the Property (collectively, “**Owners**”) and upon those persons entitled by ownership, leasehold, or other legal relationship to the right to possession or occupancy of any portion of the Property (collectively, “**Occupants**”):

(a) No Extraction. 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 and until expressly permitted in writing by Covenantor and the Regional Board.

(b) No Recharge. No Owners or Occupants of the Property or any portion thereof shall install, operate, or maintain a recharge or sedimentation control basin that is designed to infiltrate water (a “**Recharge Activity**”) unless and until expressly permitted in writing by Covenantor and the Regional Board as follows:

NO FURTHER ACTION SITES

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(1) Recharge Waiver Request. For purposes of this section 1.3(b) , the term “**Recharge Waiver Request**” means a written application signed by an Owner or Occupant or its authorized agent or contractor that sets forth (A) the legal description and, if available, street address of the affected portion of the Property; (B) the name, mailing address, telephone number, and other pertinent information about the Owner of that portion, all persons holding mortgages, deeds of trust, or other monetary encumbrances upon that portion, and the contractor or contractors, if any, expected to conduct the Recharge Activity; (C) a detailed description of the nature (including projected infiltration rate) and period of the proposed Recharge Activity; and (D) such other pertinent information as Covenantor and/or the Regional Board shall request; and

(2) Review of Requests. Upon receipt of a Recharge Waiver Request, Covenantor and the Regional Board shall consider such Recharge Waiver Request and issue their written approvals or denials thereof, which approvals, if issued, may include appropriate conditions subject to which the proposed Recharge Activity shall be conducted. Approval shall be granted for any Recharge Activity that does not interfere with, or adversely impact, remediation of the Groundwater Contamination and is otherwise undertaken in accordance with applicable law.

(c) No Injection. No Owners or Occupants of the Property or any portion thereof shall install, operate, or maintain any injection wells for any use unless and until expressly permitted in writing by Covenantor and the Regional Board.

(d) Excavations. No Owners or Occupants of any portion of the Property shall conduct sustained extraction of the groundwater that is encountered during excavations for the construction of buildings or other improvements (“**Construction Dewatering**”) unless and until expressly permitted in writing by Covenantor and the Regional Board as follows:

(1) Request for Approval of Construction Dewatering. For purposes of this section 1.3(d) , the term “**Request for Approval of Construction Dewatering**” means a written application signed by an Owner or Occupant or its authorized agent or contractor that sets forth (A) the legal description and, if available, street address of the affected portion of the Property; (B) the name, mailing address, telephone number, and other pertinent information about the Owner of that portion, all persons holding mortgages, deeds of trust, or other monetary encumbrances upon that portion, and the contractor or contractors, if any, expected to conduct the Construction Dewatering; (C) the plans and specifications for the proposed Construction Dewatering, including, but not limited to, the projected start and completion dates for the proposed Construction Dewatering; and (D) such other pertinent information as Covenantor and/or the Regional Board shall request; and

(2) Review of Requests. Upon receipt of a Request for Approval of Construction Dewatering, Covenantor and the Regional Board shall consider such Request for Approval of Construction Dewatering and issue their written approvals or denials therefor, which approvals, if issued, may include appropriate conditions subject to which the proposed Construction Dewatering shall be conducted. Approval shall be granted for any Construction Dewatering that does not interfere with, or adversely impact, remediation of the Groundwater Contamination and is otherwise undertaken in accordance with applicable law.

(e) Covenantees' Right of Access. Subject to future constriction to certain areas of the Property as set forth in section 4.3 of this Declaration, Covenantor hereby grants to Covenantees a right of access (“**Covenantees' Right of Access**”) to the Property, at all reasonable times, for the following purposes only:

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(1) Implementing, or overseeing the implementation of, “response actions,” as defined in CERCLA, in any “records of decision,” as defined in CERCLA, or orders issued by either Covenantor respecting the Groundwater Contamination;

(2) Verifying any data or information respecting Groundwater Contamination submitted to Covenantees or either of them;

(3) Verifying that no action is being taken on the Property respecting the Groundwater Contamination in violation of any of the Environmental Restrictions or any of the other terms of this Declaration or of any federal or California environmental laws or regulations;

(4) Monitoring “response actions,” as defined in CERCLA, on the Property respecting Groundwater Contamination and conducting investigations related to the Groundwater Contamination on or near the Property, including, without limitation, sampling of air, water, sediments, soils, and specifically, without limitation, obtaining split or duplicate samples; and

(5) Conducting periodic reviews of the remedial action respecting the Groundwater Contamination, including, but not limited to, reviews required by applicable statutes and/or regulations.

1.4 Reserved Rights of Covenantor. Subject to the rights of Covenantees hereunder, Covenantor hereby reserves unto itself all rights and privileges respecting ownership, use, and development of the Property.

1.5 Notice Requirement. Covenantor, in accordance with California Health and Safety Code section 25359.7, agrees to give written notice of the Groundwater Contamination to each buyer, lessee, renter, and mortgagee of all or any part of the Property. Additionally, every lease, deed, mortgage, or other instrument conveying any interest in all or any part of the Property shall expressly provide that it is subject to this Declaration.

ARTICLE II ENFORCEMENT

2.1 Remedies Available. Covenantees and Covenantor shall be entitled to enforce the terms of this Declaration, including, but not limited to, the Environmental Restrictions and Covenantees' Right of Access, by resort to specific performance, injunction, and other appropriate legal process. Any forbearance, delay, or omission to exercise rights under this Declaration in the event of a breach of any term of this Declaration shall not be deemed to be a waiver by Covenantees or Covenantor of such term or of any subsequent breach of the same or any other term, or of any rights of Covenantees or Covenantor under this Declaration.

2.2 Removal of Offending Improvements. Failure of an Owner or Occupant to comply with any of the Environmental Restrictions, as set forth in section 1.3 of this Declaration, shall be grounds for either of the Covenantees and/or Covenantor, by reason of this Declaration, to have the authority to require that the Owner modify or remove the improvements constructed in violation of that section. Violations of this Declaration shall be grounds for Covenantor and/or either or both Covenantees to file civil actions against the Owner as provided by law.

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2.3 Waiver of Certain Defenses. Covenantor hereby waives any defense of laches, estoppel, or prescription.

2.4 Covenantor's Title. Covenantor hereby covenants that Covenantor is lawfully seized of fee simple title to the Property, that Covenantor has a good and lawful right and power to sell and convey it or any interest therein, that the Property is free and clear of encumbrances, except encumbrances shown in the Official Records, and that Covenantor will forever warrant and defend Covenantor's title thereto and quiet possession thereof.

2.5 Administrative Jurisdiction. The federal agency having administrative jurisdiction over the interests acquired by the United States by this Declaration is the USEPA.

ARTICLE III
DURATION, TERMINATIONS, MODIFICATIONS,
ASSIGNMENTS, AND TRANSFERS

3.1 Duration. Unless terminated in accordance with the provisions of this Article III, the Environmental Restrictions and Covenantees' Right of Access shall continue in perpetuity.

3.2 Terminations and Modifications. Any Owner or, with the Owners' written consent, any Occupant may apply in writing to Covenantor and to Covenantees for a termination or modification of all or some portion of the Environmental Restrictions and/or Covenantees' Right of Access as applied to that Owner's portion of the Property as follows:

(a) Any such application shall set forth reasons why the purposes of this Declaration can continue to be accomplished if and when such termination or modification is granted and shall have attached to it a copy of the instrument that the Owner or Occupant wants Covenantor and Covenantees to execute in order to effect such termination or modification;

(b) The decision whether or not to grant the termination or modification, what conditions may be attached thereto, and the exact language of the instrument effecting such termination or modification shall be in the discretion of both Covenantor and Covenantees, provided they shall not act arbitrarily or capriciously;

(c) Applications for a termination or modification may be granted only with the consent of both Covenantor and Covenantees, except that any amendment or modification done pursuant to section 4.3(b) of this Declaration may be made with the consent of Covenantor and the Regional Board only and without the consent of the USEPA;

(d) Whenever any such termination or modification is granted, Covenantor and Covenantees shall execute, acknowledge, and deliver an appropriate instrument to effect such termination or modification in form that is recordable in the Official Records, which instrument may be in the form provided by the applicant or in such other form as Covenantor and Covenantees shall determine;

(e) Any such termination or modification shall be effective upon recordation in the Official Records of said instrument as executed and acknowledged by Covenantor and Covenantees, with no other act or documentation required to effect such termination or modification; and

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(f) No participation by, or consent from, any Owner or Occupant whose portion or portions of the Property are not directly affected by the termination or modification shall be necessary although Covenantor and/or Covenantees may, at their election, seek and receive information, opinions, or other participation about the proposed termination or modification from or by any or all other Owners or Occupants of the Property or any portion thereof.

3.3 Assignment to the Regional Board. Upon completion of “remedial action” (as that term is defined in CERCLA) respecting the Groundwater Contamination, the Regional Board agrees to accept an assignment of any covenant granted by this Declaration to the USEPA. Any such assignment and acceptance thereof shall be in writing and effective when it is recorded in the Official Records.

3.4 Successive Owners and Occupants. An Owner or Occupant's rights and obligations under this Declaration terminate upon transfer, expiration, or termination of the Owner or Occupant's interest in the Property, except that liability for acts or omissions occurring prior to transfer shall survive. The Owner or Occupant's successor in interest, if any, shall take that interest subject to this Declaration and be bound by the obligations hereunder applicable to Owners and Occupants until a later transfer, expiration, or termination of that interest occurs.

ARTICLE IV SUBDIVISIONS AND BOUNDARY LINE ADJUSTMENTS

4.1 Subdivisions. Concerning subdivisions of all or any portion of the Property:

(a) Approval of Tentative Maps. Except as provided in subpart (e) of this section 4.1, prior to submission to the County of any substantial change to the tentative subdivision map, for the Property previously submitted to the County, such proposed change shall be presented to Covenantor and to the Regional Board for their review and written approval to the extent such change pertains to the location, configuration, and size of:

(1) Those portions of the Property shown on such map as designated to serve as permanent roadways to be offered for dedication to the County, including both areas for vehicular travel and contiguous areas, if any, for meridians and pedestrian sidewalks (collectively, the “**Permanent Roadways**”);

(2) Any lots or parcels shown on such map (collectively, “**Well Lots**”) on which any wells, pumping stations, equipment, pipelines, and related facilities, designed for the monitoring, extraction, removal, transport, injection, or recharge of groundwater (collectively, the “**Wells, Pipelines, and Related Facilities**”) are located; and

(3) All creeks, ditches, and other channels, whether natural or artificial, that drain, are used for the drainage of, or are designed to drain, surface waters (collectively, the “**Creeks and Ditches**”) shown on that tentative subdivision map; provided that:

(4) No other parts of any tentative subdivision map shall be subject to such review and approval by Covenantor or the Regional Board;

(b) Submittal to the County. No substantial change to such previously submitted tentative subdivision map for any portion of the Property shall be submitted to the

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County for approval unless and until it has been approved in writing by Covenantor and the Regional Board in the manner required by subpart (a) of this section 4.1;

(c) The County's Notice List. The Owner proposing any subdivision of any portion of the Property shall arrange for Covenantor and the Regional Board to be included on all lists maintained by the County of persons to whom the County shall send notices of hearings and other matters concerning the processing of subdivision maps for the Property or any portion thereof;

(d) No Variance on Final Maps. No final subdivision map for any portion of the Property shall be different than its precedent tentative subdivision map as approved by Covenantor and the Regional Board with respect to the location, configuration, or size of Permanent Roadways, Well Lots, if any, and Creeks and Ditches, if any, shown thereon (except for any difference(s) deemed by the County to be in substantial compliance with the precedent tentative subdivision map) unless Covenantor and the Regional Board have approved in writing such difference;

(e) Further Subdivision. If and when a final subdivision map with respect to any portion of the Property (a **"Subdivided Portion"**) is recorded in the Official Records, then, for any further subdivision of that Subdivided Portion, the Owner thereof shall not be required to comply with any of the provisions of this Article IV so long as such further subdivision does not alter (except for any alteration(s) deemed by the County to be in substantial compliance with the precedent subdivision map) the location, configuration, or size of any of the Permanent Roadways, Well Lots, if any, or Creeks and Ditches, if any, located within that Subdivided Portion; and

(f) No Waiver of Rights. Nothing in this section 4.1 or any other provision of this Declaration limits, or shall be construed to limit, in any way, the statutory, administrative, and constitutional rights of Covenantor and Covenantees to participate in any and all public hearings conducted by the County with respect to, and to provide to the County, whether at a hearing or otherwise, any comments or suggestions that Covenantor or the Regional Board may want to offer concerning, any subdivision map for the Property or any portion thereof.

4.2 Boundary Line Adjustments. Concerning boundary line adjustments affecting all or any portion of the Property:

(a) Application of the Subdivision Procedures. If any such boundary line adjustment would alter the location, size, or configuration of any Permanent Roadway, any Well Lot, or any Creeks and Ditches, then that boundary line adjustment shall be deemed to be a subdivision governed by the provisions of section 4.1 of this Declaration. Other boundary line adjustments are not governed by the provisions of said section 4.1 except that an Owner may, at its option, elect to have any boundary line adjustment governed by the provisions of said section 4.1, which election shall be done in the form of written notice from the Owner addressed to Covenantor and the Regional Board; and

(b) Treated as a Subdivision. Upon the giving of any such written notice, then, for all purposes of this Declaration, Covenantor and Covenantees shall enjoy the rights, powers, and benefits respecting such boundary line adjustment the same as would apply if subdivision maps were being used, including, but not limited to, the following results:

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(1) Deemed Lots and Parcels. The reconfigured parcels, as set forth in the boundary line adjustment, shall be deemed Lots and Parcels under the provisions of this Declaration;

(2) Deemed Subdivided Portion. That portion of the Property affected by the boundary line adjustment shall be deemed a Subdivided Portion under the provisions of this Declaration; and

(3) Constriction of Covenantees' Right of Access. The area encumbered by Covenantees' Right of Access shall become constricted as set forth in section 4.3 of this Declaration.

4.3 Effect of Final Subdivision Maps. Notwithstanding the other provisions of this Article IV or any other provision of this Declaration, when and if a final subdivision map respecting any portion of the Property is recorded in the Official Records, then, and from and after such recordation, with respect to that Subdivided Portion:

(a) Constriction of Covenantees' Right of Access. Covenantees' Right of Access shall encumber only, and the burdens thereof shall be confined to, those portions of that Subdivided Portion designated on such final subdivision map as Permanent Roadways and those portions or all of any Well Lot or Well Lots or Creeks and Ditches designated on such final subdivision map, and shall no longer encumber any other part of that Subdivided Portion, including, but not limited to, the other Lots and Parcels located therein; and

(b) Automatic Effect. Such constriction of the areas encumbered by Covenantees' Right of Access shall happen automatically, without the need for any further instrument or document, for that Subdivided Portion, the moment the final subdivision map therefor is recorded in the Official Records. Nonetheless, Covenantor and the Regional Board shall, if requested to do so, confirm such constrictions by executing, acknowledging, and delivering, in form recordable in the Official Records, such instruments and documents as may be reasonably requested to constitute such confirmation, including, but not limited to, an amendment to, or modification of, this Declaration; provided that such request is submitted by the Owner of the Subdivided Portion to Covenantor and the Regional Board either before, or within ninety (90) days after, such final subdivision map is recorded in the Official Records.

4.4 Roadway and Utility Uses. Covenantor and Covenantees agree that:

(a) Definition of Roadway and Utility Uses. Permanent Roadways will be used by and for vehicles and pedestrians to cross the Property and for ingress and egress to, from, and among the Lots and Parcels and public streets adjacent to the Property and for utility lines, including, but not limited to, sewer, telephone, cable television, natural gas, electricity, and water, as well as incidental uses related thereto, such as, but not limited to, traffic signals, manholes, vaults, signs, transformers, pipelines, valves, meters, switches, hydrants, sprinkler controls, conduits, coverings, berms, fences, lighting, landscaping, and related facilities (collectively, the **"Roadway and Utility Uses"**), regardless when or whether any offers of dedication thereof are accepted by the County; and

(b) Reasonable Accommodation. The Roadway and Utility Uses, whether public or private, shall reasonably accommodate and not unreasonably interfere with, hinder, or impede Covenantees' rights under Covenantees' Right of Access.

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4.5 Flexibility Respecting Well and Pipeline Locations. Covenantor and Covenantees anticipate having flexibility in planning for, choosing, and approving sites for Wells, Pipelines, and Related Facilities, and therefore, Covenantor has determined, and Covenantees have approved the determination, that such sites, as well as access to and from such sites, can be confined generally, but not necessarily exclusively, to Permanent Roadways, given the quantity of area for Permanent Roadways expected by the Parties to be set forth on subdivision maps of portions of the Property; and that the Parties will be able to maximize the number of Wells, Pipelines, and Related Facilities positioned entirely within the Permanent Roadways, and to minimize (possibly to zero) the number of Wells, Pipelines, and Related Facilities that encumber any Lot or Parcel.

ARTICLE V MISCELLANEOUS PROVISIONS

5.1 Recitals of Facts and Representations. Each of the Parties hereby represents and warrants that it knows of nothing indicating that any of the statements of fact set forth in the “Whereas” clauses at the beginning of this Declaration (which are incorporated herein by this reference) is false, incomplete, or misleading as written and believes that all of said statements of fact are accurate, complete, and not misleading as written.

5.2 Municipal Incorporation. If all or any portion of the Property is or becomes incorporated as a city or becomes annexed to a city, then, and from and after such date of incorporation or annexation, all references in this Declaration to “the County” with respect to Subdivision Maps, offers of dedication of Permanent Roadways, and other matters shall be deemed to be references to such city.

5.3 Covenants Running with the Land. The provisions of section 2.4 are personal covenants burdening Covenantor personally, and benefiting Covenantees personally, and are not intended, and shall not be, covenants running with the land. All of the other terms and conditions set forth in this Declaration, including, but not limited to, the Environmental Restrictions and Covenantees' Right of Access:

(a) Are intended to be covenants running with the land that shall be binding upon the Owners and Occupants, as Covenantor's successors in title, pursuant to section 1471 of the California Civil Code; and

(b) Shall, pursuant to said section 1471, run with the land, pass with each and every portion of the Property, and apply to and bind the respective successors in interest thereof, for the benefit of Covenantees and Covenantor personally, and not as owners of any other land.

5.4 Concurrence of Owners and Occupants Presumed. All Owners and Occupants shall be deemed by their purchase, leasing, or possession of any portion of the Property to be in accord with all of the provisions of this Declaration and to agree that the terms and conditions of this Declaration, including, but not limited to, the Environmental Restrictions and Covenantees' Right of Access, must be adhered to, for the benefit of Covenantees and Covenantor, and that the interests of the Owners and Occupants shall be subject to all of the terms and conditions of this Declaration, including, but not limited to, the Environmental Restrictions and Covenantees' Right of Access contained herein, regardless whether a copy of this Declaration has been referenced in, or incorporated into, any given deed, lease, or other instrument of transfer or conveyance.

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5.5 No Admission of Responsibility for Ground Water Contamination. Nothing in this Declaration shall be construed: (a) to impose upon Covenantor, or to constitute an assumption by Covenantor of, any responsibility for the characterization, analysis, monitoring, or clean-up of the Groundwater Contamination; or (b) as an admission or acknowledgment that Covenantor is a person responsible for such characterization, analysis, monitoring, or clean-up of the Groundwater Contamination.

5.6 No Waiver of Statutory Rights. Nothing in this Declaration shall be construed as a waiver of, or as imposing any limitation or condition upon exercise of, and the Parties do not intend hereby to waive, any rights of Covenantees or either of them under any federal, state, local, or common law, including, but not limited to, CERCLA, the California Health and Safety Code, and the California Water Code, which unwaived rights include, but are not limited to, rights of access to properties when and where the statutory and regulatory conditions to exercise thereof have been satisfied.

5.7 Severability of Provisions. If any provision of this Declaration is unenforceable, it shall be deemed not a part of this Declaration, and the other remaining provisions shall remain fully enforceable and shall be interpreted to accomplish, as closely as may be lawful, the intentions of the Parties as expressed by the entirety of this Declaration.

5.8 No Dedication Intended. No gift or public dedication or right of access or use by the general public of or to any portion of the Property is intended to be offered, conveyed, or declared by this Declaration, and this Declaration does not offer, convey, or declare any such gift or public dedication or right of access or use by the general public.

5.9 Notices. Whenever any person gives or serves any written notice, demand, or other communication with respect to this Declaration, each such notice, demand, or other communications shall be deemed effective (a) when delivered, if personally delivered to the person being served, whether or not that person is an official of a governmental agency; or (b) three (3) business days after deposit in the mail if mailed by the United States mail, postage paid certified, return receipt requested:

If to: "Covenantor"
Aerojet-General Corporation
Post Office Box 13222
Sacramento, California 95813
Attn: Director of Real Estate

If to: "Regional Board"
Aerojet Project Manager
Regional Water Quality Control Board
3443 Routier Road, Suite A
Sacramento, California 95827-3003

If to: "USEPA"
Aerojet Project Manager
United States Environmental Protection Agency
Region IX, Superfund
75 Hawthorne Street
San Francisco, California 94105

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5.10 Recordation. This Declaration shall be recorded by Covenantor in the Official Records within ten (10) days of the date of execution hereof, and after such recordation, Covenantor shall deliver to each of the Covenantees a copy of this Declaration showing the recording information inserted by the County Recorder in the upper right-hand corner of the first page hereof.

5.11 Code References. All references to sections in any California or United States code or statute include successor provisions.

5.12 Interests of Covenantees. Notwithstanding any other provision of this Declaration, nothing in this Declaration shall be construed as granting or conveying, and the Parties do not intend to have any provision of this Declaration grant or convey, to Covenantees or either of them title to, or any real estate interest in, the Property or any portion thereof, except the benefit and burden, if any, of the Environmental Restrictions and the Covenantees' Right of Access, and the other covenants and provisions set forth in this Declaration that are applicable to Covenantees, all as covenants running with the land as set forth in this Declaration.

5.13 Controlling Law. The interpretation and performance of this Declaration shall be governed by applicable laws of the United States and of California.

5.14 Liberal Construction. Any general rule of construction to the contrary notwithstanding, this Declaration shall be liberally construed to accomplish the purposes of the Parties as set forth herein.

5.15 Entire Agreement. This Declaration sets forth the entire agreement of the Parties with respect to the rights and obligations created or set forth herein and supersedes all prior discussions, negotiations, understandings, and agreements relating thereto, all of which are merged herein.

5.16 No Forfeiture. Nothing contained in this Declaration shall be construed to result in a forfeiture or reversion of Covenantor's title to the Property in any respect.

5.17 Captions and Headings. The captions and headings in this Declaration have been inserted solely for convenience of reference and are not part of this Declaration and shall have no effect upon construction or interpretations.

5.18 Counterparts. The Parties may execute this Declaration in two (2) or more counterparts, which shall, in the aggregate, be signed by all Parties; each counterpart shall be deemed an original of this Declaration as against any Party who has signed it. In the event of any disparity between counterparts produced, the counterpart recorded in the Official Records shall be controlling.

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IN WITNESS WHEREOF, the Parties execute this Declaration as of the dates set forth with their signatures below, and this Declaration is effective as of the date it is recorded in the Official Records.

Covenantor: Aerojet-General Corporation

By: _____

Title: Authorized Agent

Date: _____

Covenantee: State of California
Regional Water Quality Control Board,
Central Valley Region

By: _____

Title: Executive Officer

Date: _____

Covenantee: U.S. Environmental Protection Agency, on
behalf of the United States of America

In accordance with Section 104(j) of CERCLA 42 U.S.C. § 9604(j), as amended, the Regional Administrator, Region IX, of the United States Environmental Protection Agency agrees to and accepts this Declaration.

By: _____

Title:

Date: _____

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Recording Requested By:

Aerojet-General Corporation

When Recorded, Mail To:

[_____]

Former Ehnisz

(Space above this line reserved for County Recorder's use.)

Assessor Parcel Number(s): Portion of

[_____]

DECLARATION OF COVENANTS AND ENVIRONMENTAL RESTRICTIONS

This Declaration of Covenants and Environmental Restrictions (this **“Declaration”**) is dated, for reference purposes, as of the ____ day of _____, _____, and is executed, on the dates set forth with the signatures below, by and among Aerojet-General Corporation (**“Covenantor”**), the California Regional Water Quality Control Board for the Central Valley Region (the **“Regional Board”**), and the United States of America and its assigns (the Regional Board and the United States of America, collectively, **“Covenantees”**) (Covenantor and Covenantees, collectively, the **“Parties”**).

WITNESSETH:

WHEREAS, Covenantor owns real property situated in Sacramento County (the **“County”**), California more fully described in **Exhibit “A”** attached hereto and incorporated herein by this reference (the **“Property”**); and

WHEREAS, the Property is proximate to the Aerojet Superfund Site (the **“Site”**), which the U.S. Environmental Protection Agency (the **“USEPA”**), pursuant to section 105 of the Comprehensive Environmental Response, Compensation and Liability Act (**“CERCLA”**), 42 U.S.C. section 9605, placed on the National Priorities List (the **“NPL”**), set forth at 40 C.F.R. Part 300, by publication in the Federal Register on September 8, 1983; and

WHEREAS, the Parties’ Partial Consent Decree (the **“PCD”**) was entered on June 23, 1989 in the consolidated actions No. CIVS 86-0063-EJG and No. CIVS 86-0064-EJG in the United States District Court for the Eastern District of California; and

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WHEREAS, the groundwater and associated contaminated media beneath the surface of the Property contain “hazardous materials,” as that term is defined in section 25260 of the California Health and Safety Code, “waste,” as that term is defined in section 13050 of the California Water Code, and “hazardous substances,” as that term is defined in section 9601(14) of CERCLA (the “**Groundwater Contamination**”); and

WHEREAS, the Property is proximate to the Aerojet Superfund Site (the “**Site**”), which was investigated by Covenantor under oversight of, and accepted by, the USEPA, the Regional Board and the California Department of Toxic Substances Control (“**DTSC**”) (collectively, the “**Regulatory Agencies**”) under the PCD. As a result of that investigation, USEPA determined in its decision document entitled “Interim Record of Decision for Groundwater and Final Record of Decision for Soil for the Perimeter Groundwater Operable Unit (OU-5)” dated February 15, 2011 (“**PGOU ROD**”) (which determination was concurred with by the Regional Board and DTSC) that (i) all continuing sources of Groundwater Contamination are outside the area of the Property and (ii) other than the restrictions described herein at section 1.3, no further remedial action is required for unrestricted use of the Property; and

WHEREAS, in order to protect present and future public health and safety and the environment, and in order to facilitate further investigation, monitoring, and remediation of the Groundwater Contamination, while maximizing the potential for development and use of the Property for all purposes, the Parties have agreed to impose upon the Property certain covenants and restrictions, including access rights, subject to various limitations and conditions designed to facilitate development and use of the Property, all as set forth in this Declaration, all of which covenants, restrictions, limitations, and conditions are intended to be, and shall be, binding on successors in title to the Property as covenants running with the land; and

WHEREAS, pursuant to California Civil Code section 1471, and under the circumstances described in the foregoing recitals, Covenantor has the right and power to impose upon its title to the Property, for the benefit of, and to be enforceable by, Covenantees and Covenantor, and to be binding upon Covenantor and its successors and assigns, covenants related to said Groundwater Contamination, including covenants to do, or refrain from doing, acts upon the Property as specified in this Declaration, and the Parties intend this Declaration to be executed, delivered, and recorded in the Official Records in compliance with the requirements of, and pursuant to, said section 1471.

NOW, THEREFORE:

ARTICLE I
DEVELOPMENT, USE, AND CONVEYANCE
OF THE PROPERTY

1.1 Declaration. In reference to the facts and circumstances set forth in the foregoing “Whereas” clauses, Covenantor does hereby declare and covenant that:

(a) Subject to all of the terms and conditions set forth in this Declaration, the Property shall be subject to the Environmental Restrictions (defined below) and Covenantees' Right of Access (defined below), and Covenantor does give, grant, and convey to Covenantees and reserve unto itself the perpetual right to enforce said Environmental Restrictions and Covenantees' Right of Access as beneficiaries thereof; and

(b) The Property and every portion thereof shall be improved, held, used, occupied, leased, sold, hypothecated, encumbered, and/or conveyed subject to said Environmental Restrictions and Covenantees' Right of Access.

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1.2 Necessity. The Parties agree that the Environmental Restrictions (defined below), Covenantees' Right of Access (defined below), and other provisions of this Declaration are reasonably necessary to protect present and future public health and safety and the environment; to reduce impediments to remediation of the Contaminated Groundwater; to allow remedial measures for the Groundwater Contamination to be studied and implemented; and to avoid potential harm to persons or property that may result from hazardous materials that are found in the Contaminated Groundwater.

1.3 Environmental Restrictions and Covenantees' Right of Access. The following covenants, conditions, and restrictions set forth in subparts (a) through (d) of this section 1.3 (collectively, the “**Environmental Restrictions**”) and the following access rights set forth in subpart (e) of this section 1.3 (collectively, the “**Covenantees' Right of Access**”) apply to the use of the Property, run with the land, and are binding upon Covenantor and its successors in interest who hold title to all or any portion of the Property (collectively, “**Owners**”) and upon those persons entitled by ownership, leasehold, or other legal relationship to the right to possession or occupancy of any portion of the Property (collectively, “**Occupants**”):

(a) No Extraction. 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 and until expressly permitted in writing by Covenantor and the Regional Board.

(b) No Recharge. No Owners or Occupants of the Property or any portion thereof shall install, operate, or maintain a recharge or sedimentation control basin that is designed to infiltrate water (a “**Recharge Activity**”) unless and until expressly permitted in writing by Covenantor and the Regional Board as follows:

(1) Recharge Waiver Request. For purposes of this section 1.3(b), the term “**Recharge Waiver Request**” means a written application signed by an Owner or Occupant or its authorized agent or contractor that sets forth (A) the legal description and, if available, street address of the affected portion of the Property; (B) the name, mailing address, telephone number, and other pertinent information about the Owner of that portion, all persons holding mortgages, deeds of trust, or other monetary encumbrances upon that portion, and the contractor or contractors, if any, expected to conduct the Recharge Activity; (C) a detailed description of the nature (including projected infiltration rate) and period of the proposed Recharge Activity; and (D) such other pertinent information as Covenantor and/or the Regional Board shall request; and

(2) Review of Requests. Upon receipt of a Recharge Waiver Request, Covenantor and the Regional Board shall consider such Recharge Waiver Request and issue their written approvals or denials thereof, which approvals, if issued, may include appropriate conditions subject to which the proposed Recharge Activity shall be conducted. Approval shall be granted for any Recharge Activity that does not interfere with, or adversely impact, remediation of the Groundwater Contamination and is otherwise undertaken in accordance with applicable law.

(c) No Injection. No Owners or Occupants of the Property or any portion thereof shall install, operate, or maintain any injection wells for any use unless and until expressly permitted in writing by Covenantor and the Regional Board.

(d) Excavations. No Owners or Occupants of any portion of the Property shall conduct sustained extraction of the groundwater that is encountered during excavations for

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the construction of buildings or other improvements (“**Construction Dewatering**”) unless and until expressly permitted in writing by Covenantor and the Regional Board as follows:

(1) Request for Approval of Construction Dewatering. For purposes of this section 1.3(d) , the term “**Request for Approval of Construction Dewatering**” means a written application signed by an Owner or Occupant or its authorized agent or contractor that sets forth (A) the legal description and, if available, street address of the affected portion of the Property; (B) the name, mailing address, telephone number, and other pertinent information about the Owner of that portion, all persons holding mortgages, deeds of trust, or other monetary encumbrances upon that portion, and the contractor or contractors, if any, expected to conduct the Construction Dewatering; (C) the plans and specifications for the proposed Construction Dewatering, including, but not limited to, the projected start and completion dates for the proposed Construction Dewatering; and (D) such other pertinent information as Covenantor and/or the Regional Board shall request; and

(2) Review of Requests. Upon receipt of a Request for Approval of Construction Dewatering, Covenantor and the Regional Board shall consider such Request for Approval of Construction Dewatering and issue their written approvals or denials therefor, which approvals, if issued, may include appropriate conditions subject to which the proposed Construction Dewatering shall be conducted. Approval shall be granted for any Construction Dewatering that does not interfere with, or adversely impact, remediation of the Groundwater Contamination and is otherwise undertaken in accordance with applicable law.

(e) Covenantees' Right of Access. Subject to future restriction to certain areas of the Property as set forth in section 4.3 of this Declaration, Covenantor hereby grants to Covenantees a right of access (“**Covenantees' Right of Access**”) to the Property, at all reasonable times, for the following purposes only:

(1) Implementing, or overseeing the implementation of, “response actions,” as defined in CERCLA, in any “records of decision,” as defined in CERCLA, or orders issued by either Covenantee respecting the Groundwater Contamination;

(2) Verifying any data or information respecting Groundwater Contamination submitted to Covenantees or either of them;

(3) Verifying that no action is being taken on the Property respecting the Groundwater Contamination in violation of any of the Environmental Restrictions or any of the other terms of this Declaration or of any federal or California environmental laws or regulations;

(4) Monitoring “response actions,” as defined in CERCLA, on the Property respecting Groundwater Contamination and conducting investigations related to the Groundwater Contamination on or near the Property, including, without limitation, sampling of air, water, sediments, soils, and specifically, without limitation, obtaining split or duplicate samples; and

(5) Conducting periodic reviews of the remedial action respecting the Groundwater Contamination, including, but not limited to, reviews required by applicable statutes and/or regulations.

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1.4 Reserved Rights of Covenantor. Subject to the rights of Covenantees hereunder, Covenantor hereby reserves unto itself all rights and privileges respecting ownership, use, and development of the Property.

1.5 Notice Requirement. Covenantor, in accordance with California Health and Safety Code section 25359.7, agrees to give written notice of the Groundwater Contamination to each buyer, lessee, renter, and mortgagee of all or any part of the Property. Additionally, every lease, deed, mortgage, or other instrument conveying any interest in all or any part of the Property shall expressly provide that it is subject to this Declaration.

ARTICLE II ENFORCEMENT

2.1 Remedies Available. Covenantees and Covenantor shall be entitled to enforce the terms of this Declaration, including, but not limited to, the Environmental Restrictions and Covenantees' Right of Access, by resort to specific performance, injunction, and other appropriate legal process. Any forbearance, delay, or omission to exercise rights under this Declaration in the event of a breach of any term of this Declaration shall not be deemed to be a waiver by Covenantees or Covenantor of such term or of any subsequent breach of the same or any other term, or of any rights of Covenantees or Covenantor under this Declaration.

2.2 Removal of Offending Improvements. Failure of an Owner or Occupant to comply with any of the Environmental Restrictions, as set forth in section 1.3 of this Declaration, shall be grounds for either of the Covenantees and/or Covenantor, by reason of this Declaration, to have the authority to require that the Owner modify or remove the improvements constructed in violation of that section. Violations of this Declaration shall be grounds for Covenantor and/or either or both Covenantees to file civil actions against the Owner as provided by law.

2.3 Waiver of Certain Defenses. Covenantor hereby waives any defense of laches, estoppel, or prescription.

2.4 Covenantor's Title. Covenantor hereby covenants that Covenantor is lawfully seized of fee simple title to the Property, that Covenantor has a good and lawful right and power to sell and convey it or any interest therein, that the Property is free and clear of encumbrances, except encumbrances shown in the Official Records, and that Covenantor will forever warrant and defend Covenantor's title thereto and quiet possession thereof.

2.5 Administrative Jurisdiction. The federal agency having administrative jurisdiction over the interests acquired by the United States by this Declaration is the USEPA.

ARTICLE III DURATION, TERMINATIONS, MODIFICATIONS, ASSIGNMENTS, AND TRANSFERS

3.1 Duration. Unless terminated in accordance with the provisions of this Article III, the Environmental Restrictions and Covenantees' Right of Access shall continue in perpetuity.

3.2 Terminations and Modifications. Any Owner or, with the Owners' written consent, any Occupant may apply in writing to Covenantor and to Covenantees for a termination

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or modification of all or some portion of the Environmental Restrictions and/or Covenantees' Right of Access as applied to that Owner's portion of the Property as follows:

(a) Any such application shall set forth reasons why the purposes of this Declaration can continue to be accomplished if and when such termination or modification is granted and shall have attached to it a copy of the instrument that the Owner or Occupant wants Covenantor and Covenantees to execute in order to effect such termination or modification;

(b) The decision whether or not to grant the termination or modification, what conditions may be attached thereto, and the exact language of the instrument effecting such termination or modification shall be in the discretion of both Covenantor and Covenantees, provided they shall not act arbitrarily or capriciously;

(c) Applications for a termination or modification may be granted only with the consent of both Covenantor and Covenantees, except that any amendment or modification done pursuant to section 4.3(b) of this Declaration may be made with the consent of Covenantor and the Regional Board only and without the consent of the USEPA;

(d) Whenever any such termination or modification is granted, Covenantor and Covenantees shall execute, acknowledge, and deliver an appropriate instrument to effect such termination or modification in form that is recordable in the Official Records, which instrument may be in the form provided by the applicant or in such other form as Covenantor and Covenantees shall determine;

(e) Any such termination or modification shall be effective upon recordation in the Official Records of said instrument as executed and acknowledged by Covenantor and Covenantees, with no other act or documentation required to effect such termination or modification; and

(f) No participation by, or consent from, any Owner or Occupant whose portion or portions of the Property are not directly affected by the termination or modification shall be necessary although Covenantor and/or Covenantees may, at their election, seek and receive information, opinions, or other participation about the proposed termination or modification from or by any or all other Owners or Occupants of the Property or any portion thereof.

3.3 Assignment to the Regional Board. Upon completion of "remedial action" (as that term is defined in CERCLA) respecting the Groundwater Contamination, the Regional Board agrees to accept an assignment of any covenant granted by this Declaration to the USEPA. Any such assignment and acceptance thereof shall be in writing and effective when it is recorded in the Official Records.

3.4 Successive Owners and Occupants. An Owner or Occupant's rights and obligations under this Declaration terminate upon transfer, expiration, or termination of the Owner or Occupant's interest in the Property, except that liability for acts or omissions occurring prior to transfer shall survive. The Owner or Occupant's successor in interest, if any, shall take that interest subject to this Declaration and be bound by the obligations hereunder applicable to Owners and Occupants until a later transfer, expiration, or termination of that interest occurs.

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ARTICLE IV
SUBDIVISIONS AND BOUNDARY LINE ADJUSTMENTS

4.1 Subdivisions. Concerning subdivisions of all or any portion of the Property:

(a) Approval of Tentative Maps. Except as provided in subpart (e) of this section 4.1, prior to submission to the County of any tentative subdivision map, such map shall be presented to Covenantor and to the Regional Board for their review and written approval of the location, configuration, and size of:

(1) Those portions of the Property shown on such map as designated to serve as permanent roadways to be offered for dedication to the County, including both areas for vehicular travel and contiguous areas, if any, for meridians and pedestrian sidewalks (collectively, the **“Permanent Roadways”**);

(2) Any lots or parcels shown on such map (collectively, **“Well Lots”**) on which any wells, pumping stations, equipment, pipelines, and related facilities, designed for the monitoring, extraction, removal, transport, injection, or recharge of groundwater (collectively, the **“Wells, Pipelines, and Related Facilities”**) are located; and

(3) All creeks, ditches, and other channels, whether natural or artificial, that drain, are used for the drainage of, or are designed to drain, surface waters (collectively, the **“Creeks and Ditches”**) shown on that tentative subdivision map; provided that:

(4) No other parts of any tentative subdivision map shall be subject to such review and approval by Covenantor or the Regional Board;

(b) Submittal to the County. No tentative subdivision map for any portion of the Property shall be submitted to the County for approval unless and until it has been approved in writing by Covenantor and the Regional Board in the manner required by subpart (a) of this section 4.1;

(c) The County's Notice List. The Owner proposing any subdivision of any portion of the Property shall arrange for Covenantor and the Regional Board to be included on all lists maintained by the County of persons to whom the County shall send notices of hearings and other matters concerning the processing of subdivision maps for the Property or any portion thereof;

(d) No Variance on Final Maps. No final subdivision map for any portion of the Property shall be different than its precedent tentative subdivision map as approved by Covenantor and the Regional Board with respect to the location, configuration, or size of Permanent Roadways, Well Lots, if any, and Creeks and Ditches, if any, shown thereon (except for any difference(s) deemed by the County to be in substantial compliance with the precedent tentative subdivision map) unless Covenantor and the Regional Board have approved in writing such difference;

(e) Further Subdivision. If and when a final subdivision map with respect to any portion of the Property (a **“Subdivided Portion”**) is recorded in the Official Records, then, for any further subdivision of that Subdivided Portion, the Owner thereof shall not be required to comply with any of the provisions of this Article IV so long as such further subdivision does not alter (except for any difference(s) deemed by the County to be in substantial compliance with the

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precedent tentative subdivision map) the location, configuration, or size of any of the Permanent Roadways, Well Lots, if any, or Creeks and Ditches, if any, located within that Subdivided Portion; and

(f) No Waiver of Rights. Nothing in this section 4.1 or any other provision of this Declaration limits, or shall be construed to limit, in any way, the statutory, administrative, and constitutional rights of Covenantor and Covenantees to participate in any and all public hearings conducted by the County with respect to, and to provide to the County, whether at a hearing or otherwise, any comments or suggestions that Covenantor or the Regional Board may want to offer concerning, any subdivision map for the Property or any portion thereof.

4.2 Boundary Line Adjustments. Concerning boundary line adjustments affecting all or any portion of the Property:

(a) Application of the Subdivision Procedures. If any such boundary line adjustment would alter the location, size, or configuration of any Permanent Roadway, any Well Lot, or any Creeks and Ditches, then that boundary line adjustment shall be deemed to be a subdivision governed by the provisions of section 4.1 of this Declaration. Other boundary line adjustments are not governed by the provisions of said section 4.1 except that an Owner may, at its option, elect to have any boundary line adjustment governed by the provisions of said section 4.1, which election shall be done in the form of written notice from the Owner addressed to Covenantor and the Regional Board; and

(b) Treated as a Subdivision. Upon the giving of any such written notice, then, for all purposes of this Declaration, Covenantor and Covenantees shall enjoy the rights, powers, and benefits respecting such boundary line adjustment the same as would apply if subdivision maps were being used, including, but not limited to, the following results:

(1) Deemed Lots and Parcels. The reconfigured parcels, as set forth in the boundary line adjustment, shall be deemed Lots and Parcels under the provisions of this Declaration;

(2) Deemed Subdivided Portion. That portion of the Property affected by the boundary line adjustment shall be deemed a Subdivided Portion under the provisions of this Declaration; and

(3) Constriction of Covenantees' Right of Access. The area encumbered by Covenantees' Right of Access shall become constricted as set forth in section 4.3 of this Declaration.

4.3 Effect of Final Subdivision Maps. Notwithstanding the other provisions of this Article IV or any other provision of this Declaration, when and if a final subdivision map respecting any portion of the Property is recorded in the Official Records, then, and from and after such recordation, with respect to that Subdivided Portion:

(a) Constriction of Covenantees' Right of Access. Covenantees' Right of Access shall encumber only, and the burdens thereof shall be confined to, those portions of that Subdivided Portion designated on such final subdivision map as Permanent Roadways and those portions or all of any Well Lot or Well Lots or Creeks and Ditches designated on such final subdivision map, and shall no longer encumber any other part of that Subdivided Portion, including, but not limited to, the other Lots and Parcels located therein; and

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(b) Automatic Effect. Such constriction of the areas encumbered by Covenantees' Right of Access shall happen automatically, without the need for any further instrument or document, for that Subdivided Portion, the moment the final subdivision map therefor is recorded in the Official Records. Nonetheless, Covenantor and the Regional Board shall, if requested to do so, confirm such constrictions by executing, acknowledging, and delivering, in form recordable in the Official Records, such instruments and documents as may be reasonably requested to constitute such confirmation, including, but not limited to, an amendment to, or modification of, this Declaration; provided that such request is submitted by the Owner of the Subdivided Portion to Covenantor and the Regional Board either before, or within ninety (90) days after, such final subdivision map is recorded in the Official Records.

4.4 Roadway and Utility Uses. Covenantor and Covenantees agree that:

(a) Definition of Roadway and Utility Uses. Permanent Roadways will be used by and for vehicles and pedestrians to cross the Property and for ingress and egress to, from, and among the Lots and Parcels and public streets adjacent to the Property and for utility lines, including, but not limited to, sewer, telephone, cable television, natural gas, electricity, and water, as well as incidental uses related thereto, such as, but not limited to, traffic signals, manholes, vaults, signs, transformers, pipelines, valves, meters, switches, hydrants, sprinkler controls, conduits, coverings, berms, fences, lighting, landscaping, and related facilities (collectively, the “**Roadway and Utility Uses**”), regardless when or whether any offers of dedication thereof are accepted by the County; and

(b) Reasonable Accommodation. The Roadway and Utility Uses, whether public or private, shall reasonably accommodate and not unreasonably interfere with, hinder, or impede Covenantees' rights under Covenantees' Right of Access.

4.5 Flexibility Respecting Well and Pipeline Locations. Covenantor and Covenantees anticipate having flexibility in planning for, choosing, and approving sites for Wells, Pipelines, and Related Facilities, and therefore, Covenantor has determined, and Covenantees have approved the determination, that such sites, as well as access to and from such sites, can be confined generally, but not necessarily exclusively, to Permanent Roadways, given the quantity of area for Permanent Roadways expected by the Parties to be set forth on subdivision maps of portions of the Property; and that the Parties will be able to maximize the number of Wells, Pipelines, and Related Facilities positioned entirely within the Permanent Roadways, and to minimize (possibly to zero) the number of Wells, Pipelines, and Related Facilities that encumber any Lot or Parcel.

ARTICLE V MISCELLANEOUS PROVISIONS

5.1 Recitals of Facts and Representations. Each of the Parties hereby represents and warrants that it knows of nothing indicating that any of the statements of fact set forth in the “Whereas” clauses at the beginning of this Declaration (which are incorporated herein by this reference) is false, incomplete, or misleading as written and believes that all of said statements of fact are accurate, complete, and not misleading as written.

5.2 Municipal Incorporation. If all or any portion of the Property is or becomes incorporated as a city or becomes annexed to a city, then, and from and after such date of incorporation or annexation, all references in this Declaration to “the County” with respect to

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Subdivision Maps, offers of dedication of Permanent Roadways, and other matters shall be deemed to be references to such city.

5.3 Covenants Running with the Land. The provisions of section 2.4 are personal covenants burdening Covenantor personally, and benefiting Covenantees personally, and are not intended, and shall not be, covenants running with the land. All of the other terms and conditions set forth in this Declaration, including, but not limited to, the Environmental Restrictions and Covenantees' Right of Access:

(a) Are intended to be covenants running with the land that shall be binding upon the Owners and Occupants, as Covenantor's successors in title, pursuant to section 1471 of the California Civil Code; and

(b) Shall, pursuant to said section 1471, run with the land, pass with each and every portion of the Property, and apply to and bind the respective successors in interest thereof, for the benefit of Covenantees and Covenantor personally, and not as owners of any other land.

5.4 Concurrence of Owners and Occupants Presumed. All Owners and Occupants shall be deemed by their purchase, leasing, or possession of any portion of the Property to be in accord with all of the provisions of this Declaration and to agree that the terms and conditions of this Declaration, including, but not limited to, the Environmental Restrictions and Covenantees' Right of Access, must be adhered to, for the benefit of Covenantees and Covenantor, and that the interests of the Owners and Occupants shall be subject to all of the terms and conditions of this Declaration, including, but not limited to, the Environmental Restrictions and Covenantees' Right of Access contained herein, regardless whether a copy of this Declaration has been referenced in, or incorporated into, any given deed, lease, or other instrument of transfer or conveyance.

5.5 No Admission of Responsibility for Ground Water Contamination. Nothing in this Declaration shall be construed: (a) to impose upon Covenantor, or to constitute an assumption by Covenantor of, any responsibility for the characterization, analysis, monitoring, or clean-up of the Groundwater Contamination; or (b) as an admission or acknowledgment that Covenantor is a person responsible for such characterization, analysis, monitoring, or clean-up of the Groundwater Contamination.

5.6 No Waiver of Statutory Rights. Nothing in this Declaration shall be construed as a waiver of, or as imposing any limitation or condition upon exercise of, and the Parties do not intend hereby to waive, any rights of Covenantees or either of them under any federal, state, local, or common law, including, but not limited to, CERCLA, the California Health and Safety Code, and the California Water Code, which unwaived rights include, but are not limited to, rights of access to properties when and where the statutory and regulatory conditions to exercise thereof have been satisfied.

5.7 Severability of Provisions. If any provision of this Declaration is unenforceable, it shall be deemed not a part of this Declaration, and the other remaining provisions shall remain fully enforceable and shall be interpreted to accomplish, as closely as may be lawful, the intentions of the Parties as expressed by the entirety of this Declaration.

5.8 No Dedication Intended. No gift or public dedication or right of access or use by the general public of or to any portion of the Property is intended to be offered, conveyed, or declared by this Declaration, and this Declaration does not offer, convey, or declare any such gift or public dedication or right of access or use by the general public.

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5.9 Notices. Whenever any person gives or serves any written notice, demand, or other communication with respect to this Declaration, each such notice, demand, or other communications shall be deemed effective (a) when delivered, if personally delivered to the person being served, whether or not that person is an official of a governmental agency; or (b) three (3) business days after deposit in the mail if mailed by the United States mail, postage paid certified, return receipt requested:

If to: "Covenantor"
Aerojet-General Corporation
Post Office Box 13222
Sacramento, California 95813
Attn: Director of Real Estate

If to: "Regional Board"
Aerojet Project Manager
Regional Water Quality Control Board
3443 Routier Road, Suite A
Sacramento, California 95827-3003

If to: "USEPA"
Aerojet Project Manager
United States Environmental Protection Agency
Region IX, Superfund
75 Hawthorne Street
San Francisco, California 94105

5.10 Recordation. This Declaration shall be recorded by Covenantor in the Official Records within ten (10) days of the date of execution hereof, and after such recordation, Covenantor shall deliver to each of the Covenantees a copy of this Declaration showing the recording information inserted by the County Recorder in the upper right-hand corner of the first page hereof.

5.11 Code References. All references to sections in any California or United States code or statute include successor provisions.

5.12 Interests of Covenantees. Notwithstanding any other provision of this Declaration, nothing in this Declaration shall be construed as granting or conveying, and the Parties do not intend to have any provision of this Declaration grant or convey, to Covenantees or either of them title to, or any real estate interest in, the Property or any portion thereof, except the benefit and burden, if any, of the Environmental Restrictions and the Covenantees' Right of Access, and the other covenants and provisions set forth in this Declaration that are applicable to Covenantees, all as covenants running with the land as set forth in this Declaration.

5.13 Controlling Law. The interpretation and performance of this Declaration shall be governed by applicable laws of the United States and of California.

5.14 Liberal Construction. Any general rule of construction to the contrary notwithstanding, this Declaration shall be liberally construed to accomplish the purposes of the Parties as set forth herein.

5.15 Entire Agreement. This Declaration sets forth the entire agreement of the Parties with respect to the rights and obligations created or set forth herein and supersedes all prior

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discussions, negotiations, understandings, and agreements relating thereto, all of which are merged herein.

5.16 No Forfeiture. Nothing contained in this Declaration shall be construed to result in a forfeiture or reversion of Covenantor's title to the Property in any respect.

5.17 Captions and Headings. The captions and headings in this Declaration have been inserted solely for convenience of reference and are not part of this Declaration and shall have no effect upon construction or interpretations.

5.18 Counterparts. The Parties may execute this Declaration in two (2) or more counterparts, which shall, in the aggregate, be signed by all Parties; each counterpart shall be deemed an original of this Declaration as against any Party who has signed it. In the event of any disparity between counterparts produced, the counterpart recorded in the Official Records shall be controlling.

IN WITNESS WHEREOF, the Parties execute this Declaration as of the dates set forth with their signatures below, and this Declaration is effective as of the date it is recorded in the Official Records.

Covenantor: Aerojet-General Corporation

By: _____

Title: Authorized Agent

Date: _____

Covenantee: State of California
Regional Water Quality Control Board,
Central Valley Region

By: _____

Title: Executive Officer

Date: _____

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Covenantee: U.S. Environmental Protection Agency, on
behalf of the United States of America

In accordance with Section 104(j) of CERCLA, 42 U.S.C. § 9604(j), as amended, the Regional Administrator, Region IX, of the United States Environmental Protection Agency agrees to and accepts this Declaration.

By: _____

Title:

Date: _____

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VAPOR MITIGATION SITES 7D, 33D, FORMER COMPANY STORE

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Recording Requested By:

Aerojet-General Corporation

When Recorded, Mail To:

[_____]

**Vapor Mitigation Sites
Sites 7D, 33D and Former Company Store**

(Space above this line reserved for County Recorder's use.)

Assessor Parcel Number(s): Portion of

[_____]

**DECLARATION OF COVENANTS AND
ENVIRONMENTAL RESTRICTIONS**

This Declaration of Covenants and Environmental Restrictions (this **“Declaration”**) is dated, for reference purposes, as of the ____ day of _____, _____, and is executed, on the dates set forth with the signatures below, by and among Aerojet-General Corporation (**“Covenantor”**), the California Regional Water Quality Control Board for the Central Valley Region (the **“Regional Board”**), and the United States of America and its assigns (the Regional Board and the United States of America, collectively, **“Covenantees”**) (Covenantor and Covenantees, collectively, the **“Parties”**).

WITNESSETH:

WHEREAS, Covenantor owns real property situated in Sacramento County (the **“County”**), California more fully described in **Exhibit “A”** attached hereto and incorporated herein (the **“Property”**); and

WHEREAS, the Property is part of the Aerojet Superfund Site (the **“Site”**), which the U.S. Environmental Protection Agency (the **“USEPA”**), pursuant to section 105 of the Comprehensive Environmental Response, Compensation and Liability Act (**“CERCLA”**), 42 U.S.C. section 9605, placed on the National Priorities List (the **“NPL”**), set forth at 40 C.F.R. Part 300, by publication in the Federal Register on September 8, 1983; and

WHEREAS, the Parties’ Partial Consent Decree (the **“PCD”**) was entered on June 23, 1989 in the consolidated actions No. CIVS 86-0063-EJG and No. CIVS 86-0064-EJG in the United States District Court for the Eastern District of California; and

**VAPOR MITIGATION SITES
7D, 33D, FCS**

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WHEREAS, the groundwater, soil vapor, and associated contaminated media beneath the surface of the Property contain “hazardous materials,” as that term is defined in section 25260 of the California Health and Safety Code, “waste,” as that term is defined in section 13050 of the California Water Code, and “hazardous substances,” as that term is defined in section 9601(14) of CERCLA (the “**Groundwater Contamination**”); and

WHEREAS, the Property was investigated by Covenantor under oversight of, and accepted by, the USEPA, the Regional Board and the California Department of Toxic Substances Control (“**DTSC**”) (collectively, the “**Regulatory Agencies**”) under the PCD. As a result of that investigation, USEPA determined in its decision document entitled “Interim Record of Decision for Groundwater and Final Record of Decision for Soil for the Perimeter Groundwater Operable Unit (OU-5)” dated February 15, 2011 (“**PGOU ROD**”) (which determination was concurred with by the Regional Board and DTSC) as to the Property, which was therein described as Sites 7D, 33D, and FCS that land use involving the occupancy of a building or structure will be restricted to use employing soil vapor mitigation methods as described herein, subject to waiver as described herein, until the cleanup attains unrestricted use levels as approved by USEPA.

WHEREAS, in order to protect present and future public health and safety and the environment, and in order to facilitate further investigation, monitoring, and remediation of the Groundwater Contamination, while maximizing the potential for development and use of the Property for industrial and commercial purposes, the Parties have agreed to impose upon the Property certain covenants and restrictions, including access rights, subject to various limitations and conditions designed to facilitate development and use of the Property, all as set forth in this Declaration, all of which covenants, restrictions, limitations, and conditions are intended to be, and shall be, binding on successors in title to the Property as covenants running with the land; and

WHEREAS, pursuant to California Civil Code section 1471, and under the circumstances described in the foregoing recitals, Covenantor has the right and power to impose upon its title to the Property, for the benefit of, and to be enforceable by, Covenantees and Covenantor, and to be binding upon Covenantor and its successors and assigns, covenants related to said Groundwater Contamination, including covenants to do, or refrain from doing, acts upon the Property as specified in this Declaration, and the Parties intend this Declaration to be executed, delivered, and recorded in the Official Records in compliance with the requirements of, and pursuant to, said section 1471.

NOW, THEREFORE:

ARTICLE I
DEVELOPMENT, USE, AND CONVEYANCE
OF THE PROPERTY

1.1 Declaration. In reference to the facts and circumstances set forth in the foregoing “Whereas” clauses, Covenantor does hereby declare and covenant that:

(a) Subject to all of the terms and conditions set forth in this Declaration, the Property shall be subject to the Environmental Restrictions (defined below) and Covenantees' Right of Access (defined below), and Covenantor does give, grant, and convey to Covenantees and reserve unto itself the perpetual right to enforce said Environmental Restrictions and Covenantees' Right of Access as beneficiaries thereof; and

(b) The Property and every portion thereof shall be improved, held, used, occupied, leased, sold, hypothecated, encumbered, and/or conveyed subject to said Environmental Restrictions and Covenantees' Right of Access.

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1.2 Necessity. The Parties agree that the Environmental Restrictions (defined below), Covenantees' Right of Access (defined below), and other provisions of this Declaration are reasonably necessary to protect present and future public health and safety and the environment; to reduce impediments to remediation of the Contaminated Groundwater; to allow remedial measures for the Groundwater Contamination to be studied and implemented; and to avoid potential harm to persons or property that may result from hazardous materials that are found in the Contaminated Groundwater.

1.3 Environmental Restrictions and Covenantees' Right of Access. The following covenants, conditions, and restrictions set forth in subparts (a) through (e) of this section 1.3 (collectively, the **“Environmental Restrictions”**) and the following access rights set forth in subpart (f) of this section 1.3 (collectively, the **“Covenantees' Right of Access”**) apply to the use of the Property, run with the land, and are binding upon Covenantor and its successors in interest who hold title to all or any portion of the Property (collectively, **“Owners”**) and upon those persons entitled by ownership, leasehold, or other legal relationship to the right to possession or occupancy of any portion of the Property (collectively, **“Occupants”**):

(a) No Extraction. 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 and until expressly permitted in writing by Covenantor and the Regional Board.

(b) No Recharge. No Owners or Occupants of the Property or any portion thereof shall install, operate, or maintain a recharge or sedimentation control basin that is designed to infiltrate water (a **“Recharge Activity”**) unless and until expressly permitted in writing by Covenantor and the Regional Board as follows:

(1) Recharge Waiver Request. For purposes of this section 1.3(b), the term **“Recharge Waiver Request”** means a written application signed by an Owner or Occupant or its authorized agent or contractor that sets forth (A) the legal description and, if available, street address of the affected portion of the Property; (B) the name, mailing address, telephone number, and other pertinent information about the Owner of that portion, all persons holding mortgages, deeds of trust, or other monetary encumbrances upon that portion, and the contractor or contractors, if any, expected to conduct the Recharge Activity; (C) a detailed description of the nature (including projected infiltration rate) and period of the proposed Recharge Activity; and (D) such other pertinent information as Covenantor and/or the Regional Board shall request; and

(2) Review of Requests. Upon receipt of a Recharge Waiver Request, Covenantor and the Regional Board shall consider such Recharge Waiver Request and issue their written approvals or denials thereof, which approvals, if issued, may include appropriate conditions subject to which the proposed Recharge Activity shall be conducted. Approval shall be granted for any Recharge Activity that does not interfere with, or adversely impact, remediation of the Groundwater Contamination and is otherwise undertaken in accordance with applicable law.

(c) No Injection. No Owners or Occupants of the Property or any portion thereof shall install, operate, or maintain any injection wells for any use unless and until expressly permitted in writing by Covenantor and the Regional Board.

(d) Excavations. No Owners or Occupants of any portion of the Property shall conduct sustained extraction of the groundwater that is encountered during excavations for

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the construction of buildings or other improvements (“**Construction Dewatering**”) unless and until expressly permitted in writing by Covenantor and the Regional Board as follows:

(1) Request for Approval of Construction Dewatering. For purposes of this section 1.3(d), the term “**Request for Approval of Construction Dewatering**” means a written application signed by an Owner or Occupant or its authorized agent or contractor that sets forth (A) the legal description and, if available, street address of the affected portion of the Property; (B) the name, mailing address, telephone number, and other pertinent information about the Owner of that portion, all persons holding mortgages, deeds of trust, or other monetary encumbrances upon that portion, and the contractor or contractors, if any, expected to conduct the Construction Dewatering; (C) the plans and specifications for the proposed Construction Dewatering, including, but not limited to, the projected start and completion dates for the proposed Construction Dewatering; and (D) such other pertinent information as Covenantor and/or the Regional Board shall request; and

(2) Review of Requests. Upon receipt of a Request for Approval of Construction Dewatering, Covenantor and the Regional Board shall consider such Request for Approval of Construction Dewatering and issue their written approvals or denials therefor, which approvals, if issued, may include appropriate conditions subject to which the proposed Construction Dewatering shall be conducted. Approval shall be granted for any Construction Dewatering that does not interfere with, or adversely impact, remediation of the Groundwater Contamination and is otherwise undertaken in accordance with applicable law.

(e) Development Restriction -- Vapor Mitigation. The following development restriction applies to the Property and to every portion thereof:

(1) No person shall construct any building for industrial or commercial purposes on any portion of the Property unless and until a vapor mitigation system (“**Vapor Mitigation System**”) to prevent movement of contaminant vapors into any such building in accordance with the PGOU ROD is either approved or waived by the Regulatory Agencies, as follows:

(a) Request for Approval Relative to Vapor Mitigation. For purposes of this section 1.3(e)(1), the term “**Request for Approval Relative to Vapor Mitigation**” means a written application signed by an Owner or Occupant or its authorized agent or contractor that sets forth (A) the legal description and, if available, street address of the affected portion of the Property; (B) the name, mailing address, telephone number, and other pertinent information about the Owner of that portion, all persons holding mortgages, deeds of trust, or other monetary encumbrances upon that portion, and the contractor or contractors, if any expected to construct, operate or maintain the Vapor Mitigation System, as appropriate; and (C) such other pertinent information as Covenantor and/or the Regional Board (or its designated State agency) shall request. If the Request for Approval is to obtain approval not to construct, operate or maintain Vapor Mitigation, such notice shall also be provided to Covenantor.

(b) Upon receipt of a Request for Approval Relative to Vapor Mitigation, the Regulatory Agencies (and Covenantor, if notice is required to be given to Covenantor) shall consider such request and issue their written approvals or denials thereof on a timely basis, which shall not be unreasonably withheld, which approvals or denials, if issued, shall include appropriate conditions subject to which the Vapor Mitigation System may be constructed, operated or maintained and monitored for effectiveness.

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(c) Owners and Occupants shall use only poured concrete slabs constructed in compliance with applicable building codes and in compliance with Subpart (e)(1) of this Section (Development Restrictions - Vapor Mitigation), for all buildings, unless a different type of foundation is expressly required or permitted by the Regulatory Agencies. The procedures described in subsections (a) and (b) above shall be used to seek different foundations.

(f) Covenantees' Right of Access. Subject to future constriction to certain areas of the Property as set forth in section 4.3 of this Declaration, Covenantor hereby grants to Covenantees a right of access (“**Covenantees' Right of Access**”) to the Property, at all reasonable times, for the following purposes only:

(1) Implementing, or overseeing the implementation of, “response actions,” as defined in CERCLA, in any “records of decision,” as defined in CERCLA, or orders issued by either Covenantee respecting the Groundwater Contamination;

(2) Verifying any data or information respecting Groundwater Contamination submitted to Covenantees or either of them;

(3) Verifying that no action is being taken on the Property respecting the Groundwater Contamination in violation of any of the Environmental Restrictions or any of the other terms of this Declaration or of any federal or California environmental laws or regulations;

(4) Monitoring “response actions,” as defined in CERCLA, on the Property respecting Groundwater Contamination and conducting investigations related to the Groundwater Contamination on or near the Property, including, without limitation, sampling of air, water, sediments, soils, and specifically, without limitation, obtaining split or duplicate samples; and

(5) Conducting periodic reviews of the remedial action respecting the Groundwater Contamination, including, but not limited to, reviews required by applicable

1.4 Reserved Rights of Covenantor. Subject to the rights of Covenantees hereunder, Covenantor hereby reserves unto itself all rights and privileges respecting ownership, use, and development of the Property.

1.5 Notice Requirement. Covenantor, in accordance with California Health and Safety Code section 25359.7, agrees to give written notice of the Groundwater Contamination to each buyer, lessee, renter, and mortgagee of all or any part of the Property. Additionally, every lease, deed, mortgage, or other instrument conveying any interest in all or any part of the Property shall expressly provide that it is subject to this Declaration.

ARTICLE II ENFORCEMENT

2.1 Remedies Available. Covenantees and Covenantor shall be entitled to enforce the terms of this Declaration, including, but not limited to, the Environmental Restrictions and Covenantees' Right of Access, by resort to specific performance, injunction, and other appropriate legal process. Any forbearance, delay, or omission to exercise rights under this

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Declaration in the event of a breach of any term of this Declaration shall not be deemed to be a waiver by Covenantees or Covenantor of such term or of any subsequent breach of the same or any other term, or of any rights of Covenantees or Covenantor under this Declaration.

2.2 Removal of Offending Improvements. Failure of an Owner or Occupant to comply with any of the Environmental Restrictions, as set forth in section 1.3 of this Declaration, shall be grounds for either of the Covenantees and/or Covenantor, by reason of this Declaration, to have the authority to require that the Owner modify or remove the improvements constructed in violation of that section. Violations of this Declaration shall be grounds for Covenantor and/or either or both Covenantees to file civil actions against the Owner as provided by law.

2.3 Waiver of Certain Defenses. Covenantor hereby waives any defense of laches, estoppel, or prescription.

2.4 Covenantor's Title. Covenantor hereby covenants that Covenantor is lawfully seized of fee simple title to the Property, that Covenantor has a good and lawful right and power to sell and convey it or any interest therein, that the Property is free and clear of encumbrances, except encumbrances shown in the Official Records, and that Covenantor will forever warrant and defend Covenantor's title thereto and quiet possession thereof.

2.5 Administrative Jurisdiction. The federal agency having administrative jurisdiction over the interests acquired by the United States by this Declaration is the USEPA.

ARTICLE III DURATION, TERMINATIONS, MODIFICATIONS, ASSIGNMENTS, AND TRANSFERS

3.1 Duration. Unless terminated in accordance with the provisions of this Article III, the Environmental Restrictions and Covenantees' Right of Access shall continue in perpetuity.

3.2 Terminations and Modifications. Any Owner or, with the Owners' written consent, any Occupant may apply in writing to Covenantor and to Covenantees for a termination or modification of all or some portion of the Environmental Restrictions and/or Covenantees' Right of Access as applied to that Owner's portion of the Property as follows:

(a) Any such application shall set forth reasons why the purposes of this Declaration can continue to be accomplished if and when such termination or modification is granted and shall have attached to it a copy of the instrument that the Owner or Occupant wants Covenantor and Covenantees to execute in order to effect such termination or modification;

(b) The decision whether or not to grant the termination or modification, what conditions may be attached thereto, and the exact language of the instrument effecting such termination or modification shall be in the discretion of both Covenantor and Covenantees, provided they shall not act arbitrarily or capriciously;

(c) Applications for a termination or modification may be granted only with the consent of both Covenantor and Covenantees, except that any amendment or modification done pursuant to section 4.3(b) of this Declaration may be made with the consent of Covenantor and the Regional Board only and without the consent of the USEPA;

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(d) Whenever any such termination or modification is granted, Covenantor and Covenantees shall execute, acknowledge, and deliver an appropriate instrument to effect such termination or modification in form that is recordable in the Official Records, which instrument may be in the form provided by the applicant or in such other form as Covenantor and Covenantees shall determine;

(e) Any such termination or modification shall be effective upon recordation in the Official Records of said instrument as executed and acknowledged by Covenantor and Covenantees, with no other act or documentation required to effect such termination or modification; and

(f) No participation by, or consent from, any Owner or Occupant whose portion or portions of the Property are not directly affected by the termination or modification shall be necessary although Covenantor and/or Covenantees may, at their election, seek and receive information, opinions, or other participation about the proposed termination or modification from or by any or all other Owners or Occupants of the Property or any portion thereof.

3.3 Assignment to the Regional Board. Upon completion of “remedial action” (as that term is defined in CERCLA) respecting the Groundwater Contamination, the Regional Board agrees to accept an assignment of any covenant granted by this Declaration to the USEPA. Any such assignment and acceptance thereof shall be in writing and effective when it is recorded in the Official Records.

3.4 Successive Owners and Occupants. An Owner or Occupant's rights and obligations under this Declaration terminate upon transfer, expiration, or termination of the Owner or Occupant's interest in the Property, except that liability for acts or omissions occurring prior to transfer shall survive. The Owner or Occupant's successor in interest, if any, shall take that interest subject to this Declaration and be bound by the obligations hereunder applicable to Owners and Occupants until a later transfer, expiration, or termination of that interest occurs.

ARTICLE IV SUBDIVISIONS AND BOUNDARY LINE ADJUSTMENTS

4.1 Subdivisions. Concerning subdivisions of all or any portion of the Property:

(a) Approval of Tentative Maps. Except as provided in subpart (e) of this section 4.1, prior to submission to the County of any substantial change to the tentative subdivision map, for the Property previously submitted to the County, such proposed change shall be presented to Covenantor and to the Regional Board for their review and written approval to the extent such change pertains to the location, configuration, and size of:

(1) Those portions of the Property shown on such map as designated to serve as permanent roadways to be offered for dedication to the County, including both areas for vehicular travel and contiguous areas, if any, for meridians and pedestrian sidewalks (collectively, the “**Permanent Roadways**”);

(2) Any lots or parcels shown on such map (collectively, “**Well Lots**”) on which any wells, pumping stations, equipment, pipelines, and related facilities, designed for the monitoring, extraction, removal, transport, injection, or recharge of groundwater (collectively, the “**Wells, Pipelines, and Related Facilities**”) are located; and

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(3) All creeks, ditches, and other channels, whether natural or artificial, that drain, are used for the drainage of, or are designed to drain, surface waters (collectively, the “**Creeks and Ditches**”) shown on that tentative subdivision map; provided that:

(4) No other parts of any tentative subdivision map shall be subject to such review and approval by Covenantor or the Regional Board;

(b) Submittal to the County. No substantial change to such previously submitted tentative subdivision map of the Property shall be submitted to the County for approval unless and until it has been approved in writing by Covenantor and the Regional Board in the manner required by subpart (a) of this section 4.1;

(c) The County's Notice List. The Owner proposing any subdivision of any portion of the Property shall arrange for Covenantor and the Regional Board to be included on all lists maintained by the County of persons to whom the County shall send notices of hearings and other matters concerning the processing of subdivision maps for the Property or any portion thereof;

(d) No Variance on Final Maps. No final subdivision map for any portion of the Property shall be different than its precedent tentative subdivision map as approved by Covenantor and the Regional Board with respect to the location, configuration, or size of Permanent Roadways, Well Lots, if any, and Creeks and Ditches, if any, shown thereon unless Covenantor and the Regional Board have approved in writing such difference;

(e) Further Subdivision. If and when a final subdivision map with respect to any portion of the Property (a “**Subdivided Portion**”) is recorded in the Official Records, then, for any further subdivision of that Subdivided Portion, the Owner thereof shall not be required to comply with any of the provisions of this Article IV so long as such further subdivision does not alter (except for any alteration(s) deemed by the County to be in substantial compliance with the precedent subdivision map) the location, configuration, or size of any of the Permanent Roadways, Well Lots, if any, or Creeks and Ditches, if any, located within that Subdivided Portion; and

(f) No Waiver of Rights. Nothing in this section 4.1 or any other provision of this Declaration limits, or shall be construed to limit, in any way, the statutory, administrative, and constitutional rights of Covenantor and Covenantees to participate in any and all public hearings conducted by the County with respect to, and to provide to the County, whether at a hearing or otherwise, any comments or suggestions that Covenantor or the Regional Board may want to offer concerning, any subdivision map for the Property or any portion thereof.

4.2 Boundary Line Adjustments. Concerning boundary line adjustments affecting all or any portion of the Property:

(a) Application of the Subdivision Procedures. If any such boundary line adjustment would alter the location, size, or configuration of any Permanent Roadway, any Well Lot, or any Creeks and Ditches, then that boundary line adjustment shall be deemed to be a subdivision governed by the provisions of section 4.1 of this Declaration. Other boundary line adjustments are not governed by the provisions of said section 4.1 except that an Owner may, at its option, elect to have any boundary line adjustment governed by the provisions of said section 4.1, which election shall be done in the form of written notice from the Owner addressed to Covenantor and the Regional Board; and

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(b) Treated as a Subdivision. Upon the giving of any such written notice, then, for all purposes of this Declaration, Covenantor and Covenantees shall enjoy the rights, powers, and benefits respecting such boundary line adjustment the same as would apply if subdivision maps were being used, including, but not limited to, the following results:

(1) Deemed Lots and Parcels. The reconfigured parcels, as set forth in the boundary line adjustment, shall be deemed Lots and Parcels under the provisions of this Declaration;

(2) Deemed Subdivided Portion. That portion of the Property affected by the boundary line adjustment shall be deemed a Subdivided Portion under the provisions of this Declaration; and

(3) Constriction of Covenantees' Right of Access. The area encumbered by Covenantees' Right of Access shall become constricted as set forth in section 4.3 of this Declaration.

4.3 Effect of Final Subdivision Maps. Notwithstanding the other provisions of this Article IV or any other provision of this Declaration, when and if a final subdivision map respecting any portion of the Property is recorded in the Official Records, then, and from and after such recordation, with respect to that Subdivided Portion:

(a) Constriction of Covenantees' Right of Access. Covenantees' Right of Access shall encumber only, and the burdens thereof shall be confined to, those portions of that Subdivided Portion designated on such final subdivision map as Permanent Roadways and those portions or all of any Well Lot or Well Lots or Creeks and Ditches designated on such final subdivision map, and shall no longer encumber any other part of that Subdivided Portion, including, but not limited to, the other Lots and Parcels located therein; and

(b) Automatic Effect. Such constriction of the areas encumbered by Covenantees' Right of Access shall happen automatically, without the need for any further instrument or document, for that Subdivided Portion, the moment the final subdivision map therefor is recorded in the Official Records. Nonetheless, Covenantor and the Regional Board shall, if requested to do so, confirm such constrictions by executing, acknowledging, and delivering, in form recordable in the Official Records, such instruments and documents as may be reasonably requested to constitute such confirmation, including, but not limited to, an amendment to, or modification of, this Declaration; provided that such request is submitted by the Owner of the Subdivided Portion to Covenantor and the Regional Board either before, or within ninety (90) days after, such final subdivision map is recorded in the Official Records.

4.4 Roadway and Utility Uses. Covenantor and Covenantees agree that:

(a) Definition of Roadway and Utility Uses. Permanent Roadways will be used by and for vehicles and pedestrians to cross the Property and for ingress and egress to, from, and among the Lots and Parcels and public streets adjacent to the Property and for utility lines, including, but not limited to, sewer, telephone, cable television, natural gas, electricity, and water, as well as incidental uses related thereto, such as, but not limited to, traffic signals, manholes, vaults, signs, transformers, pipelines, valves, meters, switches, hydrants, sprinkler controls, conduits, coverings, berms, fences, lighting, landscaping, and related facilities (collectively, the **"Roadway and Utility Uses"**), regardless when or whether any offers of dedication thereof are accepted by the County; and

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(b) Reasonable Accommodation. The Roadway and Utility Uses, whether public or private, shall reasonably accommodate and not unreasonably interfere with, hinder, or impede Covenantees' rights under Covenantees' Right of Access.

4.5 Flexibility Respecting Well and Pipeline Locations. Covenantor and Covenantees anticipate having flexibility in planning for, choosing, and approving sites for Wells, Pipelines, and Related Facilities, and therefore, Covenantor has determined, and Covenantees have approved the determination, that such sites, as well as access to and from such sites, can be confined generally, but not necessarily exclusively, to Permanent Roadways, given the quantity of area for Permanent Roadways expected by the Parties to be set forth on subdivision maps of portions of the Property; and that the Parties will be able to maximize the number of Wells, Pipelines, and Related Facilities positioned entirely within the Permanent Roadways, and to minimize (possibly to zero) the number of Wells, Pipelines, and Related Facilities that encumber any Lot or Parcel.

ARTICLE V MISCELLANEOUS PROVISIONS

5.1 Recitals of Facts and Representations. Each of the Parties hereby represents and warrants that it knows of nothing indicating that any of the statements of fact set forth in the "Whereas" clauses at the beginning of this Declaration (which are incorporated herein by this reference) is false, incomplete, or misleading as written and believes that all of said statements of fact are accurate, complete, and not misleading as written.

5.2 Municipal Incorporation. If all or any portion of the Property is or becomes incorporated as a city or becomes annexed to a city, then, and from and after such date of incorporation or annexation, all references in this Declaration to "the County" with respect to Subdivision Maps, offers of dedication of Permanent Roadways, and other matters shall be deemed to be references to such city.

5.3 Covenants Running with the Land. The provisions of section 2.4 are personal covenants burdening Covenantor personally, and benefiting Covenantees personally, and are not intended, and shall not be, covenants running with the land. All of the other terms and conditions set forth in this Declaration, including, but not limited to, the Environmental Restrictions and Covenantees' Right of Access:

(a) Are intended to be covenants running with the land that shall be binding upon the Owners and Occupants, as Covenantor's successors in title, pursuant to section 1471 of the California Civil Code; and

(b) Shall, pursuant to said section 1471, run with the land, pass with each and every portion of the Property, and apply to and bind the respective successors in interest thereof, for the benefit of Covenantees and Covenantor personally, and not as owners of any other land.

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5.4 Concurrence of Owners and Occupants Presumed. All Owners and Occupants shall be deemed by their purchase, leasing, or possession of any portion of the Property to be in accord with all of the provisions of this Declaration and to agree that the terms and conditions of this Declaration, including, but not limited to, the Environmental Restrictions and Covenantants' Right of Access, must be adhered to, for the benefit of Covenantants and Covenantor, and that the interests of the Owners and Occupants shall be subject to all of the terms and conditions of this Declaration, including, but not limited to, the Environmental Restrictions and Covenantants' Right of Access contained herein, regardless whether a copy of this Declaration has been referenced in, or incorporated into, any given deed, lease, or other instrument of transfer or conveyance.

5.5 No Admission of Responsibility for Ground Water Contamination. Nothing in this Declaration shall be construed: (a) to impose upon Covenantor, or to constitute an assumption by Covenantor of, any responsibility for the characterization, analysis, monitoring, or clean-up of the Groundwater Contamination; or (b) as an admission or acknowledgment that Covenantor is a person responsible for such characterization, analysis, monitoring, or clean-up of the Groundwater Contamination.

5.6 No Waiver of Statutory Rights. Nothing in this Declaration shall be construed as a waiver of, or as imposing any limitation or condition upon exercise of, and the Parties do not intend hereby to waive, any rights of Covenantants or either of them under any federal, state, local, or common law, including, but not limited to, CERCLA, the California Health and Safety Code, and the California Water Code, which unwaived rights include, but are not limited to, rights of access to properties when and where the statutory and regulatory conditions to exercise thereof have been satisfied.

5.7 Severability of Provisions. If any provision of this Declaration is unenforceable, it shall be deemed not a part of this Declaration, and the other remaining provisions shall remain fully enforceable and shall be interpreted to accomplish, as closely as may be lawful, the intentions of the Parties as expressed by the entirety of this Declaration.

5.8 No Dedication Intended. No gift or public dedication or right of access or use by the general public of or to any portion of the Property is intended to be offered, conveyed, or declared by this Declaration, and this Declaration does not offer, convey, or declare any such gift or public dedication or right of access or use by the general public.

5.9 Notices. Whenever any person gives or serves any written notice, demand, or other communication with respect to this Declaration, each such notice, demand, or other communications shall be deemed effective (a) when delivered, if personally delivered to the person being served, whether or not that person is an official of a governmental agency; or (b) three (3) business days after deposit in the mail if mailed by the United States mail, postage paid certified, return receipt requested:

If to: "Covenantor"
Aerojet-General Corporation
Post Office Box 13222
Sacramento, California 95813
Attn: Director of Real Estate

If to: "Regional Board"
Aerojet Project Manager
Regional Water Quality Control Board

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3443 Routier Road, Suite A
Sacramento, California 95827-3003

If to: "USEPA"
Aerojet Project Manager
United States Environmental Protection Agency
Region IX, Superfund
75 Hawthorne Street
San Francisco, California 94105

5.10 Recordation. This Declaration shall be recorded by Covenantor in the Official Records within ten (10) days of the date of execution hereof, and after such recordation, Covenantor shall deliver to each of the Covenantees a copy of this Declaration showing the recording information inserted by the County Recorder in the upper right-hand corner of the first page hereof.

5.11 Code References. All references to sections in any California or United States code or statute include successor provisions.

5.12 Interests of Covenantees. Notwithstanding any other provision of this Declaration, nothing in this Declaration shall be construed as granting or conveying, and the Parties do not intend to have any provision of this Declaration grant or convey, to Covenantees or either of them title to, or any real estate interest in, the Property or any portion thereof, except the benefit and burden, if any, of the Environmental Restrictions and the Covenantees' Right of Access, and the other covenants and provisions set forth in this Declaration that are applicable to Covenantees, all as covenants running with the land as set forth in this Declaration.

5.13 Controlling Law. The interpretation and performance of this Declaration shall be governed by applicable laws of the United States and of California.

5.14 Liberal Construction. Any general rule of construction to the contrary notwithstanding, this Declaration shall be liberally construed to accomplish the purposes of the Parties as set forth herein.

5.15 Entire Agreement. This Declaration sets forth the entire agreement of the Parties with respect to the rights and obligations created or set forth herein and supersedes all prior discussions, negotiations, understandings, and agreements relating thereto, all of which are merged herein.

5.16 No Forfeiture. Nothing contained in this Declaration shall be construed to result in a forfeiture or reversion of Covenantor's title to the Property in any respect.

5.17 Captions and Headings. The captions and headings in this Declaration have been inserted solely for convenience of reference and are not part of this Declaration and shall have no effect upon construction or interpretations.

5.18 Counterparts. The Parties may execute this Declaration in two (2) or more counterparts, which shall, in the aggregate, be signed by all Parties; each counterpart shall be deemed an original of this Declaration as against any Party who has signed it. In the event of any disparity between counterparts produced, the counterpart recorded in the Official Records shall be controlling.

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IN WITNESS WHEREOF, the Parties execute this Declaration as of the dates set forth with their signatures below, and this Declaration is effective as of the date it is recorded in the Official Records.

Covenantor: Aerojet-General Corporation

By: _____

Title: Authorized Agent

Date: _____

Covenantee: State of California
Regional Water Quality Control Board,
Central Valley Region

By: _____

Title: Executive Officer

Date: _____

Covenantee: U.S. Environmental Protection Agency, on
behalf of the United States of America

In accordance with Section 104(j) of CERCLA, 42 U.S.C. § 9604(j), as amended, the Regional Administrator, Region IX, of the United States Environmental Protection Agency agrees to and accepts this Declaration.

By: _____

Title:

Date: _____

SOIL VAPOR EXTRACTION SITES 32D, 34D, 35D, AND 38D

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Recording Requested By:

Aerojet-General Corporation

When Recorded, Mail To:

[_____]

**Soil Vapor Extraction Sites
32D, 34D, 35D, 38D**

(Space above this line reserved for County Recorder's use.)

Assessor Parcel Number(s): Portion of

[_____]

**DECLARATION OF COVENANTS AND
ENVIRONMENTAL RESTRICTIONS**

This Declaration of Covenants and Environmental Restrictions (this **“Declaration”**) is dated, for reference purposes, as of the ____ day of _____, _____, and is executed, on the dates set forth with the signatures below, by and among Aerojet-General Corporation (**“Covenantor”**), the California Regional Water Quality Control Board for the Central Valley Region (the **“Regional Board”**), and the United States of America and its assigns (the Regional Board and the United States of America, collectively, **“Covenantees”**) (Covenantor and Covenantees, collectively, the **“Parties”**).

WITNESSETH:

WHEREAS, Covenantor owns real property situated in Sacramento County (the **“County”**), California more fully described in **Exhibit “A”** attached hereto and incorporated herein (the **“Property”**); and

WHEREAS, the Property is part of the Aerojet Superfund Site (the **“Site”**), which the U.S. Environmental Protection Agency (the **“USEPA”**), pursuant to section 105 of the Comprehensive Environmental Response, Compensation and Liability Act (**“CERCLA”**), 42 U.S.C. section 9605, placed on the National Priorities List (the **“NPL”**), set forth at 40 C.F.R. Part 300, by publication in the Federal Register on September 8, 1983; and

WHEREAS, the Parties’ Partial Consent Decree (the **“PCD”**) was entered on June 23, 1989 in the consolidated actions No. CIVS 86-0063-EJG and No. CIVS 86-0064-EJG in the United States District Court for the Eastern District of California; and

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WHEREAS, the groundwater, soil vapor, and associated contaminated media beneath the surface of the Property contain “hazardous materials,” as that term is defined in section 25260 of the California Health and Safety Code, “waste,” as that term is defined in section 13050 of the California Water Code, and “hazardous substances,” as that term is defined in section 9601(14) of CERCLA (the “**Groundwater Contamination**”); and

WHEREAS, the Property was investigated by Covenantor under oversight of, and accepted by, the USEPA, the Regional Board and the California Department of Toxic Substances Control (“**DTSC**”) (collectively, the “**Regulatory Agencies**”) under the PCD. As a result of that investigation, USEPA determined in its decision document entitled “Interim Record of Decision for Groundwater and Final Record of Decision for Soil for the Perimeter Groundwater Operable Unit (OU-5)” dated February 15, 2011 (“**PGOU ROD**”) (which determination was concurred with by the Regional Board and DTSC) as to the Property, which was therein described as Sites 32D, 34D, 35D and 38D, that soil vapor extraction is to be implemented as a remedial action and land use will be restricted as provided herein, until the remedial action attains unrestricted use levels as approved by USEPA; and

WHEREAS, the contaminated surface soils and sediments have been excavated under oversight of the Regulatory Agencies, which have determined that (i) all continuing sources of Groundwater Contamination are outside the area of the Property and (ii) other than the restrictions described herein at section 1.3, no further remedial action is required for unrestricted use of the Property; and

WHEREAS, in order to protect present and future public health and safety and the environment, and in order to facilitate further investigation, monitoring, and remediation of the Groundwater Contamination, while maximizing the potential for development and use of the Property for all purposes, the Parties have agreed to impose upon the Property certain covenants and restrictions, including access rights, subject to various limitations and conditions designed to facilitate development and use of the Property, all as set forth in this Declaration, all of which covenants, restrictions, limitations, and conditions are intended to be, and shall be, binding on successors in title to the Property as covenants running with the land; and

WHEREAS, pursuant to California Civil Code section 1471, and under the circumstances described in the foregoing recitals, Covenantor has the right and power to impose upon its title to the Property, for the benefit of, and to be enforceable by, Covenantees and Covenantor, and to be binding upon Covenantor and its successors and assigns, covenants related to said Groundwater Contamination, including covenants to do, or refrain from doing, acts upon the Property as specified in this Declaration, and the Parties intend this Declaration to be executed, delivered, and recorded in the Official Records in compliance with the requirements of, and pursuant to, said section 1471.

NOW, THEREFORE:

ARTICLE I
DEVELOPMENT, USE, AND CONVEYANCE
OF THE PROPERTY

1.1 Declaration. In reference to the facts and circumstances set forth in the foregoing “Whereas” clauses, Covenantor does hereby declare and covenant that:

(a) Subject to all of the terms and conditions set forth in this Declaration, the Property shall be subject to the Environmental Restrictions (defined below) and Covenantees' Right of Access (defined below), and Covenantor does give, grant, and convey to Covenantees

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and reserve unto itself the perpetual right to enforce said Environmental Restrictions and Covenantees' Right of Access as beneficiaries thereof; and

(b) The Property and every portion thereof shall be improved, held, used, occupied, leased, sold, hypothecated, encumbered, and/or conveyed subject to said Environmental Restrictions and Covenantees' Right of Access.

1.2 Necessity. The Parties agree that the Environmental Restrictions (defined below), Covenantees' Right of Access (defined below), and other provisions of this Declaration are reasonably necessary to protect present and future public health and safety and the environment; to reduce impediments to remediation of the Contaminated Groundwater; to allow remedial measures for the Groundwater Contamination to be studied and implemented; and to avoid potential harm to persons or property that may result from hazardous materials that are found in the Contaminated Groundwater.

1.3 Environmental Restrictions and Covenantees' Right of Access. The following covenants, conditions, and restrictions set forth in subparts (a) through (e) of this section 1.3 (collectively, the “**Environmental Restrictions**”) and the following access rights set forth in subpart (f) of this section 1.3 (collectively, the “**Covenantees' Right of Access**”) apply to the use of the Property, run with the land, and are binding upon Covenantor and its successors in interest who hold title to all or any portion of the Property (collectively, “**Owners**”) and upon those persons entitled by ownership, leasehold, or other legal relationship to the right to possession or occupancy of any portion of the Property (collectively, “**Occupants**”):

(a) No Extraction. 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 and until expressly permitted in writing by Covenantor and the Regional Board.

(b) No Recharge. No Owners or Occupants of the Property or any portion thereof shall install, operate, or maintain a recharge or sedimentation control basin that is designed to infiltrate water (a “**Recharge Activity**”) unless and until expressly permitted in writing by Covenantor and the Regional Board as follows:

(1) Recharge Waiver Request. For purposes of this section 1.3(b), the term “**Recharge Waiver Request**” means a written application signed by an Owner or Occupant or its authorized agent or contractor that sets forth (A) the legal description and, if available, street address of the affected portion of the Property; (B) the name, mailing address, telephone number, and other pertinent information about the Owner of that portion, all persons holding mortgages, deeds of trust, or other monetary encumbrances upon that portion, and the contractor or contractors, if any, expected to conduct the Recharge Activity; (C) a detailed description of the nature (including projected infiltration rate) and period of the proposed Recharge Activity; and (D) such other pertinent information as Covenantor and/or the Regional Board shall request; and

(2) Review of Requests. Upon receipt of a Recharge Waiver Request, Covenantor and the Regional Board shall consider such Recharge Waiver Request and issue their written approvals or denials thereof, which approvals, if issued, may include appropriate conditions subject to which the proposed Recharge Activity shall be conducted. Approval shall be granted for any Recharge Activity that does not interfere with, or adversely impact, remediation of the Groundwater Contamination and is otherwise undertaken in accordance with applicable law.

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(c) No Injection. No Owners or Occupants of the Property or any portion thereof shall install, operate, or maintain any injection wells for any use unless and until expressly permitted in writing by Covenantor and the Regional Board.

(d) Excavations. No Owners or Occupants of any portion of the Property shall conduct sustained extraction of the groundwater that is encountered during excavations for the construction of buildings or other improvements (“**Construction Dewatering**”) unless and until expressly permitted in writing by Covenantor and the Regional Board as follows:

(1) Request for Approval of Construction Dewatering. For purposes of this section 1.3(d), the term “**Request for Approval of Construction Dewatering**” means a written application signed by an Owner or Occupant or its authorized agent or contractor that sets forth (A) the legal description and, if available, street address of the affected portion of the Property; (B) the name, mailing address, telephone number, and other pertinent information about the Owner of that portion, all persons holding mortgages, deeds of trust, or other monetary encumbrances upon that portion, and the contractor or contractors, if any, expected to conduct the Construction Dewatering; (C) the plans and specifications for the proposed Construction Dewatering, including, but not limited to, the projected start and completion dates for the proposed Construction Dewatering; and (D) such other pertinent information as Covenantor and/or the Regional Board shall request; and

(2) Review of Requests. Upon receipt of a Request for Approval of Construction Dewatering, Covenantor and the Regional Board shall consider such Request for Approval of Construction Dewatering and issue their written approvals or denials therefor, which approvals, if issued, may include appropriate conditions subject to which the proposed Construction Dewatering shall be conducted. Approval shall be granted for any Construction Dewatering that does not interfere with, or adversely impact, remediation of the Groundwater Contamination and is otherwise undertaken in accordance with applicable law.

(e) Development Restrictions. The following development restrictions apply to the Property and to every portion thereof pending successful completion of Soil Vapor Extraction activities pursuant to the ROD and issuance of a Certificate of Completion:

(1) Owners and Occupants shall use only poured concrete slabs constructed in compliance with applicable building codes and in compliance with Subpart (g) of this Section (Vapor Mitigation), for all buildings, unless a different type of foundation is expressly required or permitted by the Regulatory Agencies;

(2) Development of the Property shall be restricted to industrial, commercial and office space;

(3) No residence for human habitation shall be permitted on the Property;

(4) No hospitals shall be permitted on the Property;

(5) No schools for persons under twenty-one (21) years of age shall be permitted on the Property;

(6) No day-care centers for children or day-care centers for senior citizens shall be permitted on the Property unless a risk assessment is made respecting the particular day-care center to be developed and such risk assessment is done in accordance with the current

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USEPA risk assessment guidance and is accepted by Covenantor and Covenantees as adequately showing no unacceptable level of risk; provided that:

(7) Nothing in this subsection 1.3(e) shall be construed to prohibit commercial or industrial developments or uses, including, but not limited to, manufacturing buildings, warehouses, office buildings, retail stores, shopping centers, motels, hotels, restaurants, recreational facilities, and amenities related thereto.

(8) Vapor Mitigation: No person shall construct any building on any portion of the Property unless and until a vapor mitigation system (“**Vapor Mitigation System**”) to prevent movement of contaminant vapors into any such building in accordance with the PGOU ROD is either approved or waived by the Regulatory Agencies, as follows:

(a) Request for Approval Relative to Vapor Mitigation. For purposes of this section 1.3(f), the term “**Request for Approval Relative to Vapor Mitigation**” means a written application signed by an Owner or Occupant or its authorized agent or contractor that sets forth (A) the legal description and, if available, street address of the affected portion of the Property; (B) the name, mailing address, telephone number, and other pertinent information about the Owner of that portion, all persons holding mortgages, deeds of trust, or other monetary encumbrances upon that portion, and the contractor or contractors, if any expected to construct, operate or maintain the Vapor Mitigation System, as appropriate; and (C) such other pertinent information as Covenantor and/or the Regional Board (or its designated State agency) shall request. If the Request for Approval is to obtain approval not to construct, operate or maintain Vapor Mitigation, such notice shall also be provided to Covenantor.

(b) Upon receipt of a Request for Approval Relative to Vapor Mitigation, the Regulatory Agencies (and Covenantor, if notice is required to be given to Covenantor) shall consider such request and issue their written approvals or denials thereof on a timely basis, which shall not be unreasonably withheld, which approvals or denials, if issued, shall include appropriate conditions subject to which the Vapor Mitigation System may be constructed, operated or maintained and monitored for effectiveness.

(9) Interference or tampering with any vapor mitigation system is prohibited

(f) Covenantees' Right of Access. Subject to future restriction to certain areas of the Property as set forth in section 4.3 of this Declaration, Covenantor hereby grants to Covenantees a right of access (“**Covenantees' Right of Access**”) to the Property, at all reasonable times, for the following purposes only:

(1) Implementing, or overseeing the implementation of, “response actions,” as defined in CERCLA, in any “records of decision,” as defined in CERCLA, or orders issued by either Covenantee respecting the Groundwater Contamination;

(2) Verifying any data or information respecting Groundwater Contamination submitted to Covenantees or either of them;

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(3) Verifying that no action is being taken on the Property respecting the Groundwater Contamination in violation of any of the Environmental Restrictions or any of the other terms of this Declaration or of any federal or California environmental laws or regulations;

(4) Monitoring “response actions,” as defined in CERCLA, on the Property respecting Groundwater Contamination and conducting investigations related to the Groundwater Contamination on or near the Property, including, without limitation, sampling of air, water, sediments, soils, and specifically, without limitation, obtaining split or duplicate samples; and

(5) Conducting periodic reviews of the remedial action respecting the Groundwater Contamination, including, but not limited to, reviews required by applicable statutes and/or regulations.

1.4 Reserved Rights of Covenantor. Subject to the rights of Covenantees hereunder, Covenantor hereby reserves unto itself all rights and privileges respecting ownership, use, and development of the Property.

1.5 Notice Requirement. Covenantor, in accordance with California Health and Safety Code section 25359.7, agrees to give written notice of the Groundwater Contamination to each buyer, lessee, renter, and mortgagee of all or any part of the Property. Additionally, every lease, deed, mortgage, or other instrument conveying any interest in all or any part of the Property shall expressly provide that it is subject to this Declaration.

ARTICLE II ENFORCEMENT

2.1 Remedies Available. Covenantees and Covenantor shall be entitled to enforce the terms of this Declaration, including, but not limited to, the Environmental Restrictions and Covenantees' Right of Access, by resort to specific performance, injunction, and other appropriate legal process. Any forbearance, delay, or omission to exercise rights under this Declaration in the event of a breach of any term of this Declaration shall not be deemed to be a waiver by Covenantees or Covenantor of such term or of any subsequent breach of the same or any other term, or of any rights of Covenantees or Covenantor under this Declaration.

2.2 Removal of Offending Improvements. Failure of an Owner or Occupant to comply with any of the Environmental Restrictions, as set forth in section 1.3 of this Declaration, shall be grounds for either of the Covenantees and/or Covenantor, by reason of this Declaration, to have the authority to require that the Owner modify or remove the improvements constructed in violation of that section. Violations of this Declaration shall be grounds for Covenantor and/or either or both Covenantees to file civil actions against the Owner as provided by law.

2.3 Waiver of Certain Defenses. Covenantor hereby waives any defense of laches, estoppel, or prescription.

2.4 Covenantor's Title. Covenantor hereby covenants that Covenantor is lawfully seized of fee simple title to the Property, that Covenantor has a good and lawful right and power to sell and convey it or any interest therein, that the Property is free and clear of encumbrances, except encumbrances shown in the Official Records, and that Covenantor will forever warrant and defend Covenantor's title thereto and quiet possession thereof.

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2.5 Administrative Jurisdiction. The federal agency having administrative jurisdiction over the interests acquired by the United States by this Declaration is the USEPA.

ARTICLE III
DURATION, TERMINATIONS, MODIFICATIONS,
ASSIGNMENTS, AND TRANSFERS

3.1 Duration. Unless terminated in accordance with the provisions of this Article III, the Environmental Restrictions and Covenantees' Right of Access shall continue in perpetuity.

3.2 Terminations and Modifications. Any Owner or, with the Owners' written consent, any Occupant may apply in writing to Covenantor and to Covenantees for a termination or modification of all or some portion of the Environmental Restrictions and/or Covenantees' Right of Access as applied to that Owner's portion of the Property as follows:

(a) Any such application shall set forth reasons why the purposes of this Declaration can continue to be accomplished if and when such termination or modification is granted and shall have attached to it a copy of the instrument that the Owner or Occupant wants Covenantor and Covenantees to execute in order to effect such termination or modification;

(b) The decision whether or not to grant the termination or modification, what conditions may be attached thereto, and the exact language of the instrument effecting such termination or modification shall be in the discretion of both Covenantor and Covenantees, provided they shall not act arbitrarily or capriciously;

(c) Applications for a termination or modification may be granted only with the consent of both Covenantor and Covenantees, except that any amendment or modification done pursuant to section 4.3(b) of this Declaration may be made with the consent of Covenantor and the Regional Board only and without the consent of the USEPA;

(d) Whenever any such termination or modification is granted, Covenantor and Covenantees shall execute, acknowledge, and deliver an appropriate instrument to effect such termination or modification in form that is recordable in the Official Records, which instrument may be in the form provided by the applicant or in such other form as Covenantor and Covenantees shall determine;

(e) Any such termination or modification shall be effective upon recordation in the Official Records of said instrument as executed and acknowledged by Covenantor and Covenantees, with no other act or documentation required to effect such termination or modification; and

(f) No participation by, or consent from, any Owner or Occupant whose portion or portions of the Property are not directly affected by the termination or modification shall be necessary although Covenantor and/or Covenantees may, at their election, seek and receive information, opinions, or other participation about the proposed termination or modification from or by any or all other Owners or Occupants of the Property or any portion thereof.

3.3 Assignment to the Regional Board. Upon completion of "remedial action" (as that term is defined in CERCLA) respecting the Groundwater Contamination, the Regional Board agrees to accept an assignment of any covenant granted by this Declaration to the USEPA.

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Any such assignment and acceptance thereof shall be in writing and effective when it is recorded in the Official Records.

3.4 Successive Owners and Occupants. An Owner or Occupant's rights and obligations under this Declaration terminate upon transfer, expiration, or termination of the Owner or Occupant's interest in the Property, except that liability for acts or omissions occurring prior to transfer shall survive. The Owner or Occupant's successor in interest, if any, shall take that interest subject to this Declaration and be bound by the obligations hereunder applicable to Owners and Occupants until a later transfer, expiration, or termination of that interest occurs.

ARTICLE IV SUBDIVISIONS AND BOUNDARY LINE ADJUSTMENTS

4.1 Subdivisions. Concerning subdivisions of all or any portion of the Property:

(a) Approval of Tentative Maps. Except as provided in subpart (e) of this section 4.1, prior to submission to the County of any tentative subdivision map, such map shall be presented to Covenantor and to the Regional Board for their review and written approval of the location, configuration, and size of:

(1) Those portions of the Property shown on such map as designated to serve as permanent roadways to be offered for dedication to the County, including both areas for vehicular travel and contiguous areas, if any, for meridians and pedestrian sidewalks (collectively, the **“Permanent Roadways”**);

(2) Any lots or parcels shown on such map (collectively, **“Well Lots”**) on which any wells, pumping stations, equipment, pipelines, and related facilities, designed for the monitoring, extraction, removal, transport, injection, or recharge of groundwater (collectively, the **“Wells, Pipelines, and Related Facilities”**) are located; and

(3) All creeks, ditches, and other channels, whether natural or artificial, that drain, are used for the drainage of, or are designed to drain, surface waters (collectively, the **“Creeks and Ditches”**) shown on that tentative subdivision map; provided that:

(4) No other parts of any tentative subdivision map shall be subject to such review and approval by Covenantor or the Regional Board;

(b) Submittal to the County. No tentative subdivision map for any portion of the Property shall be submitted to the County for approval unless and until it has been approved in writing by Covenantor and the Regional Board in the manner required by subpart (a) of this section 4.1;

(c) The County's Notice List. The Owner proposing any subdivision of any portion of the Property shall arrange for Covenantor and the Regional Board to be included on all lists maintained by the County of persons to whom the County shall send notices of hearings and other matters concerning the processing of subdivision maps for the Property or any portion thereof;

(d) No Variance on Final Maps. No final subdivision map for any portion of the Property shall be different than its precedent tentative subdivision map as approved by

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Covenantor and the Regional Board with respect to the location, configuration, or size of Permanent Roadways, Well Lots, if any, and Creeks and Ditches, if any, shown thereon (except for any difference(s) deemed by the County to be in substantial compliance with the precedent tentative subdivision map) unless Covenantor and the Regional Board have approved in writing such difference;

(e) Further Subdivision. If and when a final subdivision map with respect to any portion of the Property (a **“Subdivided Portion”**) is recorded in the Official Records, then, for any further subdivision of that Subdivided Portion, the Owner thereof shall not be required to comply with any of the provisions of this Article IV so long as such further subdivision does not alter (except for any difference(s) deemed by the County to be in substantial compliance with the precedent tentative subdivision map) the location, configuration, or size of any of the Permanent Roadways, Well Lots, if any, or Creeks and Ditches, if any, located within that Subdivided Portion; and

(f) No Waiver of Rights. Nothing in this section 4.1 or any other provision of this Declaration limits, or shall be construed to limit, in any way, the statutory, administrative, and constitutional rights of Covenantor and Covenantees to participate in any and all public hearings conducted by the County with respect to, and to provide to the County, whether at a hearing or otherwise, any comments or suggestions that Covenantor or the Regional Board may want to offer concerning, any subdivision map for the Property or any portion thereof.

4.2 Boundary Line Adjustments. Concerning boundary line adjustments affecting all or any portion of the Property:

(a) Application of the Subdivision Procedures. If any such boundary line adjustment would alter the location, size, or configuration of any Permanent Roadway, any Well Lot, or any Creeks and Ditches, then that boundary line adjustment shall be deemed to be a subdivision governed by the provisions of section 4.1 of this Declaration. Other boundary line adjustments are not governed by the provisions of said section 4.1 except that an Owner may, at its option, elect to have any boundary line adjustment governed by the provisions of said section 4.1, which election shall be done in the form of written notice from the Owner addressed to Covenantor and the Regional Board; and

(b) Treated as a Subdivision. Upon the giving of any such written notice, then, for all purposes of this Declaration, Covenantor and Covenantees shall enjoy the rights, powers, and benefits respecting such boundary line adjustment the same as would apply if subdivision maps were being used, including, but not limited to, the following results:

(1) Deemed Lots and Parcels. The reconfigured parcels, as set forth in the boundary line adjustment, shall be deemed Lots and Parcels under the provisions of this Declaration;

(2) Deemed Subdivided Portion. That portion of the Property affected by the boundary line adjustment shall be deemed a Subdivided Portion under the provisions of this Declaration; and

(3) Constriction of Covenantees' Right of Access. The area encumbered by Covenantees' Right of Access shall become constricted as set forth in section 4.3 of this Declaration.

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4.3 Effect of Final Subdivision Maps. Notwithstanding the other provisions of this Article IV or any other provision of this Declaration, when and if a final subdivision map respecting any portion of the Property is recorded in the Official Records, then, and from and after such recordation, with respect to that Subdivided Portion:

(a) Constriction of Covenantees' Right of Access. Covenantees' Right of Access shall encumber only, and the burdens thereof shall be confined to, those portions of that Subdivided Portion designated on such final subdivision map as Permanent Roadways and those portions or all of any Well Lot or Well Lots or Creeks and Ditches designated on such final subdivision map, and shall no longer encumber any other part of that Subdivided Portion, including, but not limited to, the other Lots and Parcels located therein; and

(b) Automatic Effect. Such constriction of the areas encumbered by Covenantees' Right of Access shall happen automatically, without the need for any further instrument or document, for that Subdivided Portion, the moment the final subdivision map therefor is recorded in the Official Records. Nonetheless, Covenantor and the Regional Board shall, if requested to do so, confirm such constrictions by executing, acknowledging, and delivering, in form recordable in the Official Records, such instruments and documents as may be reasonably requested to constitute such confirmation, including, but not limited to, an amendment to, or modification of, this Declaration; provided that such request is submitted by the Owner of the Subdivided Portion to Covenantor and the Regional Board either before, or within ninety (90) days after, such final subdivision map is recorded in the Official Records.

4.4 Roadway and Utility Uses. Covenantor and Covenantees agree that:

(a) Definition of Roadway and Utility Uses. Permanent Roadways will be used by and for vehicles and pedestrians to cross the Property and for ingress and egress to, from, and among the Lots and Parcels and public streets adjacent to the Property and for utility lines, including, but not limited to, sewer, telephone, cable television, natural gas, electricity, and water, as well as incidental uses related thereto, such as, but not limited to, traffic signals, manholes, vaults, signs, transformers, pipelines, valves, meters, switches, hydrants, sprinkler controls, conduits, coverings, berms, fences, lighting, landscaping, and related facilities (collectively, the **“Roadway and Utility Uses”**), regardless when or whether any offers of dedication thereof are accepted by the County; and

(b) Reasonable Accommodation. The Roadway and Utility Uses, whether public or private, shall reasonably accommodate and not unreasonably interfere with, hinder, or impede Covenantees' rights under Covenantees' Right of Access.

4.5 Flexibility Respecting Well and Pipeline Locations. Covenantor and Covenantees anticipate having flexibility in planning for, choosing, and approving sites for Wells, Pipelines, and Related Facilities, and therefore, Covenantor has determined, and Covenantees have approved the determination, that such sites, as well as access to and from such sites, can be confined generally, but not necessarily exclusively, to Permanent Roadways, given the quantity of area for Permanent Roadways expected by the Parties to be set forth on subdivision maps of portions of the Property; and that the Parties will be able to maximize the number of Wells, Pipelines, and Related Facilities positioned entirely within the Permanent Roadways, and to minimize (possibly to zero) the number of Wells, Pipelines, and Related Facilities that encumber any Lot or Parcel.

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ARTICLE V
MISCELLANEOUS PROVISIONS

5.1 Recitals of Facts and Representations. Each of the Parties hereby represents and warrants that it knows of nothing indicating that any of the statements of fact set forth in the “Whereas” clauses at the beginning of this Declaration (which are incorporated herein by this reference) is false, incomplete, or misleading as written and believes that all of said statements of fact are accurate, complete, and not misleading as written.

5.2 Municipal Incorporation. If all or any portion of the Property is or becomes incorporated as a city or becomes annexed to a city, then, and from and after such date of incorporation or annexation, all references in this Declaration to “the County” with respect to Subdivision Maps, offers of dedication of Permanent Roadways, and other matters shall be deemed to be references to such city.

5.3 Covenants Running with the Land. The provisions of section 2.4 are personal covenants burdening Covenantor personally, and benefiting Covenantees personally, and are not intended, and shall not be, covenants running with the land. All of the other terms and conditions set forth in this Declaration, including, but not limited to, the Environmental Restrictions and Covenantees' Right of Access:

(a) Are intended to be covenants running with the land that shall be binding upon the Owners and Occupants, as Covenantor's successors in title, pursuant to section 1471 of the California Civil Code; and

(b) Shall, pursuant to said section 1471, run with the land, pass with each and every portion of the Property, and apply to and bind the respective successors in interest thereof, for the benefit of Covenantees and Covenantor personally, and not as owners of any other land.

5.4 Concurrence of Owners and Occupants Presumed. All Owners and Occupants shall be deemed by their purchase, leasing, or possession of any portion of the Property to be in accord with all of the provisions of this Declaration and to agree that the terms and conditions of this Declaration, including, but not limited to, the Environmental Restrictions and Covenantees' Right of Access, must be adhered to, for the benefit of Covenantees and Covenantor, and that the interests of the Owners and Occupants shall be subject to all of the terms and conditions of this Declaration, including, but not limited to, the Environmental Restrictions and Covenantees' Right of Access contained herein, regardless whether a copy of this Declaration has been referenced in, or incorporated into, any given deed, lease, or other instrument of transfer or conveyance.

5.5 No Admission of Responsibility for Ground Water Contamination. Nothing in this Declaration shall be construed: (a) to impose upon Covenantor, or to constitute an assumption by Covenantor of, any responsibility for the characterization, analysis, monitoring, or clean-up of the Groundwater Contamination; or (b) as an admission or acknowledgment that Covenantor is a person responsible for such characterization, analysis, monitoring, or clean-up of the Groundwater Contamination.

5.6 No Waiver of Statutory Rights. Nothing in this Declaration shall be construed as a waiver of, or as imposing any limitation or condition upon exercise of, and the Parties do not intend hereby to waive, any rights of Covenantees or either of them under any federal, state, local, or common law, including, but not limited to, CERCLA, the California Health and Safety Code, and the California Water Code, which unwaived rights include, but are not limited to,

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rights of access to properties when and where the statutory and regulatory conditions to exercise thereof have been satisfied.

5.7 Severability of Provisions. If any provision of this Declaration is unenforceable, it shall be deemed not a part of this Declaration, and the other remaining provisions shall remain fully enforceable and shall be interpreted to accomplish, as closely as may be lawful, the intentions of the Parties as expressed by the entirety of this Declaration.

5.8 No Dedication Intended. No gift or public dedication or right of access or use by the general public of or to any portion of the Property is intended to be offered, conveyed, or declared by this Declaration, and this Declaration does not offer, convey, or declare any such gift or public dedication or right of access or use by the general public.

5.9 Notices. Whenever any person gives or serves any written notice, demand, or other communication with respect to this Declaration, each such notice, demand, or other communications shall be deemed effective (a) when delivered, if personally delivered to the person being served, whether or not that person is an official of a governmental agency; or (b) three (3) business days after deposit in the mail if mailed by the United States mail, postage paid certified, return receipt requested:

If to: "Covenantor"
Aerojet-General Corporation
Post Office Box 13222
Sacramento, California 95813
Attn: Director of Real Estate

If to: "Regional Board"
Aerojet Project Manager
Regional Water Quality Control Board
3443 Routier Road, Suite A
Sacramento, California 95827-3003

If to: "USEPA"
Aerojet Project Manager
United States Environmental Protection Agency
Region IX, Superfund
75 Hawthorne Street
San Francisco, California 94105

5.10 Recordation. This Declaration shall be recorded by Covenantor in the Official Records within ten (10) days of the date of execution hereof, and after such recordation, Covenantor shall deliver to each of the Covenantees a copy of this Declaration showing the recording information inserted by the County Recorder in the upper right-hand corner of the first page hereof.

5.11 Code References. All references to sections in any California or United States code or statute include successor provisions.

5.12 Interests of Covenantees. Notwithstanding any other provision of this Declaration, nothing in this Declaration shall be construed as granting or conveying, and the Parties do not intend to have any provision of this Declaration grant or convey, to Covenantees or either of them title to, or any real estate interest in, the Property or any portion thereof, except

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the benefit and burden, if any, of the Environmental Restrictions and the Covenantees' Right of Access, and the other covenants and provisions set forth in this Declaration that are applicable to Covenantees, all as covenants running with the land as set forth in this Declaration.

5.13 Controlling Law. The interpretation and performance of this Declaration shall be governed by applicable laws of the United States and of California.

5.14 Liberal Construction. Any general rule of construction to the contrary notwithstanding, this Declaration shall be liberally construed to accomplish the purposes of the Parties as set forth herein.

5.15 Entire Agreement. This Declaration sets forth the entire agreement of the Parties with respect to the rights and obligations created or set forth herein and supersedes all prior discussions, negotiations, understandings, and agreements relating thereto, all of which are merged herein.

5.16 No Forfeiture. Nothing contained in this Declaration shall be construed to result in a forfeiture or reversion of Covenantor's title to the Property in any respect.

5.17 Captions and Headings. The captions and headings in this Declaration have been inserted solely for convenience of reference and are not part of this Declaration and shall have no effect upon construction or interpretations.

5.18 Counterparts. The Parties may execute this Declaration in two (2) or more counterparts, which shall, in the aggregate, be signed by all Parties; each counterpart shall be deemed an original of this Declaration as against any Party who has signed it. In the event of any disparity between counterparts produced, the counterpart recorded in the Official Records shall be controlling.

IN WITNESS WHEREOF, the Parties execute this Declaration as of the dates set forth with their signatures below, and this Declaration is effective as of the date it is recorded in the Official Records.

Covenantor: Aerojet-General Corporation

By: _____

Title: Authorized Agent

Date: _____

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Covenantee: State of California
Regional Water Quality Control Board,
Central Valley Region

By: _____

Title: Executive Officer

Date: _____

Covenantee: U.S. Environmental Protection Agency, on
behalf of the United States of America

In accordance with Section 104(j) of CERCLA, 42 U.S.C. § 9604(j), as amended, the Regional Administrator, Region IX, of the United States Environmental Protection Agency agrees to and accepts this Declaration.

By: _____

Title:

Date: _____

SITE C41 AFTER EXCAVATION

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Recording Requested By:

Aerojet-General Corporation

When Recorded, Mail To:

[_____]

C41 After Excavation

(Space above this line reserved for County Recorder's use.)

Assessor Parcel Number(s): Portion of

[_____]

DECLARATION OF COVENANTS AND ENVIRONMENTAL RESTRICTIONS

This Declaration of Covenants and Environmental Restrictions (this **“Declaration”**) is dated, for reference purposes, as of the ____ day of _____, _____, and is executed, on the dates set forth with the signatures below, by and among Aerojet-General Corporation (**“Covenantor”**), the California Regional Water Quality Control Board for the Central Valley Region (the **“Regional Board”**), and the United States of America and its assigns (the Regional Board and the United States of America, collectively, **“Covenantees”**) (Covenantor and Covenantees, collectively, the **“Parties”**).

WITNESSETH:

WHEREAS, Covenantor owns real property situated in Sacramento County (the **“County”**), California more fully described in **Exhibit “A”** attached hereto and incorporated herein by this reference (the **“Property”**); and

WHEREAS, the Property is part of the Aerojet Superfund Site (the **“Site”**), which the U.S. Environmental Protection Agency (the **“USEPA”**), pursuant to section 105 of the Comprehensive Environmental Response, Compensation and Liability Act (**“CERCLA”**), 42 U.S.C. section 9605, placed on the National Priorities List (the **“NPL”**), set forth at 40 C.F.R. Part 300, by publication in the Federal Register on September 8, 1983; and

WHEREAS, the Parties’ Partial Consent Decree (the **“PCD”**) was entered on June 23, 1989 in the consolidated actions No. CIVS 86-0063-EJG and No. CIVS 86-0064-EJG in the United States District Court for the Eastern District of California; and

C41 COVENANT

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WHEREAS, the groundwater and associated contaminated media beneath the surface of the Property contain “hazardous materials,” as that term is defined in section 25260 of the California Health and Safety Code, “waste,” as that term is defined in section 13050 of the California Water Code, and “hazardous substances,” as that term is defined in section 9601(14) of CERCLA (the “**Groundwater Contamination**”); and

WHEREAS, the Property was investigated by Covenantor under oversight of, and accepted by, the USEPA, the Regional Board and the California Department of Toxic Substances Control (“**DTSC**”) (collectively, the “**Regulatory Agencies**”) under the PCD. As a result of that investigation, USEPA determined in its decision document entitled “Interim Record of Decision for Groundwater and Final Record of Decision for Soil for the Perimeter Groundwater Operable Unit (OU-5)” dated February 15, 2011 (“**PGOU ROD**”) (which determination was concurred with by the Regional Board and DTSC) that contaminated soil to a depth of 10 feet be excavated for unrestricted use of the land; and

WHEREAS contaminated soil was excavated under oversight of the Regulatory Agencies to a depth of 10 feet below ground surface, the Regulatory Agencies have determined that other than the Environmental Restrictions and Covenantees’ Right of Access described herein at section 1.3, no further remedial action is required for unrestricted use of the Property; and

WHEREAS, in order to protect present and future public health and safety and the environment, and in order to facilitate further investigation, monitoring, and remediation of the Groundwater Contamination, while maximizing the potential for development and use of the Property for all purposes, the Parties have agreed to impose upon the Property certain covenants and restrictions, including access rights, subject to various limitations and conditions designed to facilitate development and use of the Property, all as set forth in this Declaration, all of which covenants, restrictions, limitations, and conditions are intended to be, and shall be, binding on successors in title to the Property as covenants running with the land; and

WHEREAS, pursuant to California Civil Code section 1471, and under the circumstances described in the foregoing recitals, Covenantor has the right and power to impose upon its title to the Property, for the benefit of, and to be enforceable by, Covenantees and Covenantor, and to be binding upon Covenantor and its successors and assigns, covenants related to said Groundwater Contamination, including covenants to do, or refrain from doing, acts upon the Property as specified in this Declaration, and the Parties intend this Declaration to be executed, delivered, and recorded in the Official Records in compliance with the requirements of, and pursuant to, said section 1471.

NOW, THEREFORE:

ARTICLE I
DEVELOPMENT, USE, AND CONVEYANCE
OF THE PROPERTY

1.1 Declaration. In reference to the facts and circumstances set forth in the foregoing “Whereas” clauses, Covenantor does hereby declare and covenant that:

(a) Subject to all of the terms and conditions set forth in this Declaration, the Property shall be subject to the Environmental Restrictions (defined below) and Covenantees’ Right of Access (defined below), and Covenantor does give, grant, and convey to Covenantees and reserve unto itself the perpetual right to enforce said Environmental Restrictions and Covenantees’ Right of Access as beneficiaries thereof; and

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(b) The Property and every portion thereof shall be improved, held, used, occupied, leased, sold, hypothecated, encumbered, and/or conveyed subject to said Environmental Restrictions and Covenantees' Right of Access.

1.2 Necessity. The Parties agree that the Environmental Restrictions (defined below), Covenantees' Right of Access (defined below), and other provisions of this Declaration are reasonably necessary to protect present and future public health and safety and the environment; to reduce impediments to remediation of the Contaminated Groundwater; to allow remedial measures for the Groundwater Contamination to be studied and implemented; and to avoid potential harm to persons or property that may result from hazardous materials that are found in the Contaminated Groundwater.

1.3 Environmental Restrictions and Covenantees' Right of Access. The following covenants, conditions, and restrictions set forth in subparts (a) through (e) of this section 1.3 (collectively, the “**Environmental Restrictions**”) and the following access rights set forth in subpart (f) of this section 1.3 (collectively, the “**Covenantees' Right of Access**”) apply to the use of the Property, run with the land, and are binding upon Covenantor and its successors in interest who hold title to all or any portion of the Property (collectively, “**Owners**”) and upon those persons entitled by ownership, leasehold, or other legal relationship to the right to possession or occupancy of any portion of the Property (collectively, “**Occupants**”):

(a) No Extraction. 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 and until expressly permitted in writing by Covenantor and the Regional Board.

(b) No Recharge. No Owners or Occupants of the Property or any portion thereof shall install, operate, or maintain a recharge or sedimentation control basin that is designed to infiltrate water (a “**Recharge Activity**”) unless and until expressly permitted in writing by Covenantor and the Regional Board as follows:

(1) Recharge Waiver Request. For purposes of this section 1.3(b), the term “**Recharge Waiver Request**” means a written application signed by an Owner or Occupant or its authorized agent or contractor that sets forth (A) the legal description and, if available, street address of the affected portion of the Property; (B) the name, mailing address, telephone number, and other pertinent information about the Owner of that portion, all persons holding mortgages, deeds of trust, or other monetary encumbrances upon that portion, and the contractor or contractors, if any, expected to conduct the Recharge Activity; (C) a detailed description of the nature (including projected infiltration rate) and period of the proposed Recharge Activity; and (D) such other pertinent information as Covenantor and/or the Regional Board shall request; and

(2) Review of Requests. Upon receipt of a Recharge Waiver Request, Covenantor and the Regional Board shall consider such Recharge Waiver Request and issue their written approvals or denials thereof, which approvals, if issued, may include appropriate conditions subject to which the proposed Recharge Activity shall be conducted. Approval shall be granted for any Recharge Activity that does not interfere with, or adversely impact, remediation of the Groundwater Contamination and is otherwise undertaken in accordance with applicable law.

(c) No Injection. No Owners or Occupants of the Property or any portion thereof shall install, operate, or maintain any injection wells for any use unless and until expressly permitted in writing by Covenantor and the Regional Board.

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(d) Excavations. No Owners or Occupants of any portion of the Property shall conduct sustained extraction of the groundwater that is encountered during excavations for the construction of buildings or other improvements (“**Construction Dewatering**”) unless and until expressly permitted in writing by Covenantor and the Regional Board as follows:

(1) Request for Approval of Construction Dewatering. For purposes of this section 1.3(d), the term “**Request for Approval of Construction Dewatering**” means a written application signed by an Owner or Occupant or its authorized agent or contractor that sets forth (A) the legal description and, if available, street address of the affected portion of the Property; (B) the name, mailing address, telephone number, and other pertinent information about the Owner of that portion, all persons holding mortgages, deeds of trust, or other monetary encumbrances upon that portion, and the contractor or contractors, if any, expected to conduct the Construction Dewatering; (C) the plans and specifications for the proposed Construction Dewatering, including, but not limited to, the projected start and completion dates for the proposed Construction Dewatering; and (D) such other pertinent information as Covenantor and/or the Regional Board shall request; and

(2) Review of Requests. Upon receipt of a Request for Approval of Construction Dewatering, Covenantor and the Regional Board shall consider such Request for Approval of Construction Dewatering and issue their written approvals or denials therefor, which approvals, if issued, may include appropriate conditions subject to which the proposed Construction Dewatering shall be conducted. Approval shall be granted for any Construction Dewatering that does not interfere with, or adversely impact, remediation of the Groundwater Contamination and is otherwise undertaken in accordance with applicable law.

(e) Subsurface Disturbance 10 Feet or Deeper Below Ground Surface: Prior to conducting any activity that disturbs soil on the Property located at 10 feet or deeper below ground surface and within an area of excavation described in Exhibit B, a party shall obtain Regional Board approval or waiver as follows:

(1) Request for Approval Relative to Subsurface Disturbance Below 10 Feet Below Ground Surface: For purposes of this section 1.3(f), the term “**Subsurface Disturbance Below 10 Feet Below Ground Surface**” means a written application signed by an Owner or Occupant or its authorized agent or contractor that sets forth (A) the legal description and, if available, street address of the affected portion of the Property; (B) the name, mailing address, telephone number, and other pertinent information about the Owner of that portion, all persons holding mortgages, deeds of trust, or other monetary encumbrances upon that portion, and the contractor or contractors, if any expected to undertake the activity, as appropriate; and (C) such other pertinent information as Covenantor and/or the Regional Board (or its designated State agency) shall request.

(2) Upon receipt of a Request for Approval Relative to Subsurface Disturbance Below 10 Feet Below Ground Surface, the Regional Board, or its designated State agency (and Covenantor, if notice is required to be given to Covenantor) shall consider such request and issue their written approvals or denials thereof on a timely basis, which shall not be unreasonably withheld, which approvals or denials, if issued, may include appropriate conditions subject to which the activity may be maintained.

(f) Covenantees' Right of Access. Subject to future restriction to certain areas of the Property as set forth in section 4.3 of this Declaration, Covenantor hereby grants to Covenantees a right of access (“**Covenantees' Right of Access**”) to the Property, at all reasonable times, for the following purposes only:

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(1) Implementing, or overseeing the implementation of, “response actions,” as defined in CERCLA, in any “records of decision,” as defined in CERCLA, or orders issued by either Covenantor respecting the Groundwater Contamination;

(2) Verifying any data or information respecting Groundwater Contamination submitted to Covenantees or either of them;

(3) Verifying that no action is being taken on the Property respecting the Groundwater Contamination in violation of any of the Environmental Restrictions or any of the other terms of this Declaration or of any federal or California environmental laws or regulations;

(4) Monitoring “response actions,” as defined in CERCLA, on the Property respecting Groundwater Contamination and conducting investigations related to the Groundwater Contamination on or near the Property, including, without limitation, sampling of air, water, sediments, soils, and specifically, without limitation, obtaining split or duplicate samples; and

(5) Conducting periodic reviews of the remedial action respecting the Groundwater Contamination, including, but not limited to, reviews required by applicable statutes and/or regulations.

1.4 Reserved Rights of Covenantor. Subject to the rights of Covenantees hereunder, Covenantor hereby reserves unto itself all rights and privileges respecting ownership, use, and development of the Property.

1.5 Notice Requirement. Covenantor, in accordance with California Health and Safety Code section 25359.7, agrees to give written notice of the Groundwater Contamination to each buyer, lessee, renter, and mortgagee of all or any part of the Property. Additionally, every lease, deed, mortgage, or other instrument conveying any interest in all or any part of the Property shall expressly provide that it is subject to this Declaration.

ARTICLE II ENFORCEMENT

2.1 Remedies Available. Covenantees and Covenantor shall be entitled to enforce the terms of this Declaration, including, but not limited to, the Environmental Restrictions and Covenantees' Right of Access, by resort to specific performance, injunction, and other appropriate legal process. Any forbearance, delay, or omission to exercise rights under this Declaration in the event of a breach of any term of this Declaration shall not be deemed to be a waiver by Covenantees or Covenantor of such term or of any subsequent breach of the same or any other term, or of any rights of Covenantees or Covenantor under this Declaration.

2.2 Removal of Offending Improvements. Failure of an Owner or Occupant to comply with any of the Environmental Restrictions, as set forth in section 1.3 of this Declaration, shall be grounds for either of the Covenantees and/or Covenantor, by reason of this Declaration, to have the authority to require that the Owner modify or remove the improvements constructed in violation of that section. Violations of this Declaration shall be grounds for Covenantor and/or either or both Covenantees to file civil actions against the Owner as provided by law.

2.3 Waiver of Certain Defenses. Covenantor hereby waives any defense of laches, estoppel, or prescription.

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2.4 Covenantor's Title. Covenantor hereby covenants that Covenantor is lawfully seized of fee simple title to the Property, that Covenantor has a good and lawful right and power to sell and convey it or any interest therein, that the Property is free and clear of encumbrances, except encumbrances shown in the Official Records, and that Covenantor will forever warrant and defend Covenantor's title thereto and quiet possession thereof.

2.5 Administrative Jurisdiction. The federal agency having administrative jurisdiction over the interests acquired by the United States by this Declaration is the USEPA.

ARTICLE III
DURATION, TERMINATIONS, MODIFICATIONS,
ASSIGNMENTS, AND TRANSFERS

3.1 Duration. Unless terminated in accordance with the provisions of this Article III, the Environmental Restrictions and Covenantees' Right of Access shall continue in perpetuity.

3.2 Terminations and Modifications. Any Owner or, with the Owners' written consent, any Occupant may apply in writing to Covenantor and to Covenantees for a termination or modification of all or some portion of the Environmental Restrictions and/or Covenantees' Right of Access as applied to that Owner's portion of the Property as follows:

(a) Any such application shall set forth reasons why the purposes of this Declaration can continue to be accomplished if and when such termination or modification is granted and shall have attached to it a copy of the instrument that the Owner or Occupant wants Covenantor and Covenantees to execute in order to effect such termination or modification;

(b) The decision whether or not to grant the termination or modification, what conditions may be attached thereto, and the exact language of the instrument effecting such termination or modification shall be in the discretion of both Covenantor and Covenantees, provided they shall not act arbitrarily or capriciously;

(c) Applications for a termination or modification may be granted only with the consent of both Covenantor and Covenantees, except that any amendment or modification done pursuant to section 4.3(b) of this Declaration may be made with the consent of Covenantor and the Regional Board only and without the consent of the USEPA;

(d) Whenever any such termination or modification is granted, Covenantor and Covenantees shall execute, acknowledge, and deliver an appropriate instrument to effect such termination or modification in form that is recordable in the Official Records, which instrument may be in the form provided by the applicant or in such other form as Covenantor and Covenantees shall determine;

(e) Any such termination or modification shall be effective upon recordation in the Official Records of said instrument as executed and acknowledged by Covenantor and Covenantees, with no other act or documentation required to effect such termination or modification; and

(f) No participation by, or consent from, any Owner or Occupant whose portion or portions of the Property are not directly affected by the termination or modification shall be necessary although Covenantor and/or Covenantees may, at their election, seek and receive information, opinions, or other participation about the proposed termination or

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modification from or by any or all other Owners or Occupants of the Property or any portion thereof.

3.3 Assignment to the Regional Board. Upon completion of “remedial action” (as that term is defined in CERCLA) respecting the Groundwater Contamination, the Regional Board agrees to accept an assignment of any covenant granted by this Declaration to the USEPA. Any such assignment and acceptance thereof shall be in writing and effective when it is recorded in the Official Records.

3.4 Successive Owners and Occupants. An Owner or Occupant's rights and obligations under this Declaration terminate upon transfer, expiration, or termination of the Owner or Occupant's interest in the Property, except that liability for acts or omissions occurring prior to transfer shall survive. The Owner or Occupant's successor in interest, if any, shall take that interest subject to this Declaration and be bound by the obligations hereunder applicable to Owners and Occupants until a later transfer, expiration, or termination of that interest occurs.

ARTICLE IV SUBDIVISIONS AND BOUNDARY LINE ADJUSTMENTS

4.1 Subdivisions. Concerning subdivisions of all or any portion of the Property:

(a) Approval of Tentative Maps. Except as provided in subpart (e) of this section 4.1, prior to submission to the County of any substantial change to the tentative subdivision map, for the Property previously submitted to the County, such proposed change shall be presented to Covenantor and to the Regional Board for their review and written approval to the extent such change pertains to the location, configuration, and size of:

(1) Those portions of the Property shown on such map as designated to serve as permanent roadways to be offered for dedication to the County, including both areas for vehicular travel and contiguous areas, if any, for meridians and pedestrian sidewalks (collectively, the “**Permanent Roadways**”);

(2) Any lots or parcels shown on such map (collectively, “**Well Lots**”) on which any wells, pumping stations, equipment, pipelines, and related facilities, designed for the monitoring, extraction, removal, transport, injection, or recharge of groundwater (collectively, the “**Wells, Pipelines, and Related Facilities**”) are located; and

(3) All creeks, ditches, and other channels, whether natural or artificial, that drain, are used for the drainage of, or are designed to drain, surface waters (collectively, the “**Creeks and Ditches**”) shown on that tentative subdivision map; provided that:

(4) No other parts of any tentative subdivision map shall be subject to such review and approval by Covenantor or the Regional Board;

(b) Submittal to the County. No substantial change to such previously submitted tentative subdivision map for any portion of the Property shall be submitted to the County for approval unless and until it has been approved in writing by Covenantor and the Regional Board in the manner required by subpart (a) of this section 4.1;

(c) The County's Notice List. The Owner proposing any subdivision of any portion of the Property shall arrange for Covenantor and the Regional Board to be included on all

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lists maintained by the County of persons to whom the County shall send notices of hearings and other matters concerning the processing of subdivision maps for the Property or any portion thereof;

(d) No Variance on Final Maps. No final subdivision map for any portion of the Property shall be different than its precedent tentative subdivision map as approved by Covenantor and the Regional Board with respect to the location, configuration, or size of Permanent Roadways, Well Lots, if any, and Creeks and Ditches, if any, shown thereon (except for any difference(s) deemed by the County to be in substantial compliance with the precedent tentative subdivision map) unless Covenantor and the Regional Board have approved in writing such difference;

(e) Further Subdivision. If and when a final subdivision map with respect to any portion of the Property (a **“Subdivided Portion”**) is recorded in the Official Records, then, for any further subdivision of that Subdivided Portion, the Owner thereof shall not be required to comply with any of the provisions of this Article IV so long as such further subdivision does not alter (except for any alteration(s) deemed by the County to be in substantial compliance with the precedent subdivision map) the location, configuration, or size of any of the Permanent Roadways, Well Lots, if any, or Creeks and Ditches, if any, located within that Subdivided Portion; and

(f) No Waiver of Rights. Nothing in this section 4.1 or any other provision of this Declaration limits, or shall be construed to limit, in any way, the statutory, administrative, and constitutional rights of Covenantor and Covenantees to participate in any and all public hearings conducted by the County with respect to, and to provide to the County, whether at a hearing or otherwise, any comments or suggestions that Covenantor or the Regional Board may want to offer concerning, any subdivision map for the Property or any portion thereof.

4.2 Boundary Line Adjustments. Concerning boundary line adjustments affecting all or any portion of the Property:

(a) Application of the Subdivision Procedures. If any such boundary line adjustment would alter the location, size, or configuration of any Permanent Roadway, any Well Lot, or any Creeks and Ditches, then that boundary line adjustment shall be deemed to be a subdivision governed by the provisions of section 4.1 of this Declaration. Other boundary line adjustments are not governed by the provisions of said section 4.1 except that an Owner may, at its option, elect to have any boundary line adjustment governed by the provisions of said section 4.1, which election shall be done in the form of written notice from the Owner addressed to Covenantor and the Regional Board; and

(b) Treated as a Subdivision. Upon the giving of any such written notice, then, for all purposes of this Declaration, Covenantor and Covenantees shall enjoy the rights, powers, and benefits respecting such boundary line adjustment the same as would apply if subdivision maps were being used, including, but not limited to, the following results:

(1) Deemed Lots and Parcels. The reconfigured parcels, as set forth in the boundary line adjustment, shall be deemed Lots and Parcels under the provisions of this Declaration;

(2) Deemed Subdivided Portion. That portion of the Property affected by the boundary line adjustment shall be deemed a Subdivided Portion under the provisions of this Declaration; and

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(3) Constriction of Covenantees' Right of Access. The area encumbered by Covenantees' Right of Access shall become constricted as set forth in section 4.3 of this Declaration.

4.3 Effect of Final Subdivision Maps. Notwithstanding the other provisions of this Article IV or any other provision of this Declaration, when and if a final subdivision map respecting any portion of the Property is recorded in the Official Records, then, and from and after such recordation, with respect to that Subdivided Portion:

(a) Constriction of Covenantees' Right of Access. Covenantees' Right of Access shall encumber only, and the burdens thereof shall be confined to, those portions of that Subdivided Portion designated on such final subdivision map as Permanent Roadways and those portions or all of any Well Lot or Well Lots or Creeks and Ditches designated on such final subdivision map, and shall no longer encumber any other part of that Subdivided Portion, including, but not limited to, the other Lots and Parcels located therein; and

(b) Automatic Effect. Such constriction of the areas encumbered by Covenantees' Right of Access shall happen automatically, without the need for any further instrument or document, for that Subdivided Portion, the moment the final subdivision map therefor is recorded in the Official Records. Nonetheless, Covenantor and the Regional Board shall, if requested to do so, confirm such constrictions by executing, acknowledging, and delivering, in form recordable in the Official Records, such instruments and documents as may be reasonably requested to constitute such confirmation, including, but not limited to, an amendment to, or modification of, this Declaration; provided that such request is submitted by the Owner of the Subdivided Portion to Covenantor and the Regional Board either before, or within ninety (90) days after, such final subdivision map is recorded in the Official Records.

4.4 Roadway and Utility Uses. Covenantor and Covenantees agree that:

(a) Definition of Roadway and Utility Uses. Permanent Roadways will be used by and for vehicles and pedestrians to cross the Property and for ingress and egress to, from, and among the Lots and Parcels and public streets adjacent to the Property and for utility lines, including, but not limited to, sewer, telephone, cable television, natural gas, electricity, and water, as well as incidental uses related thereto, such as, but not limited to, traffic signals, manholes, vaults, signs, transformers, pipelines, valves, meters, switches, hydrants, sprinkler controls, conduits, coverings, berms, fences, lighting, landscaping, and related facilities (collectively, the **"Roadway and Utility Uses"**), regardless when or whether any offers of dedication thereof are accepted by the County; and

(b) Reasonable Accommodation. The Roadway and Utility Uses, whether public or private, shall reasonably accommodate and not unreasonably interfere with, hinder, or impede Covenantees' rights under Covenantees' Right of Access.

4.5 Flexibility Respecting Well and Pipeline Locations. Covenantor and Covenantees anticipate having flexibility in planning for, choosing, and approving sites for Wells, Pipelines, and Related Facilities, and therefore, Covenantor has determined, and Covenantees have approved the determination, that such sites, as well as access to and from such sites, can be confined generally, but not necessarily exclusively, to Permanent Roadways, given the quantity of area for Permanent Roadways expected by the Parties to be set forth on subdivision maps of portions of the Property; and that the Parties will be able to maximize the number of Wells, Pipelines, and Related Facilities positioned entirely within the Permanent Roadways, and to minimize (possibly to zero) the number of Wells, Pipelines, and Related Facilities that encumber any Lot or Parcel.

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ARTICLE V
MISCELLANEOUS PROVISIONS

5.1 Recitals of Facts and Representations. Each of the Parties hereby represents and warrants that it knows of nothing indicating that any of the statements of fact set forth in the “Whereas” clauses at the beginning of this Declaration (which are incorporated herein by this reference) is false, incomplete, or misleading as written and believes that all of said statements of fact are accurate, complete, and not misleading as written.

5.2 Municipal Incorporation. If all or any portion of the Property is or becomes incorporated as a city or becomes annexed to a city, then, and from and after such date of incorporation or annexation, all references in this Declaration to “the County” with respect to Subdivision Maps, offers of dedication of Permanent Roadways, and other matters shall be deemed to be references to such city.

5.3 Covenants Running with the Land. The provisions of section 2.4 are personal covenants burdening Covenantor personally, and benefiting Covenantees personally, and are not intended, and shall not be, covenants running with the land. All of the other terms and conditions set forth in this Declaration, including, but not limited to, the Environmental Restrictions and Covenantees' Right of Access:

(a) Are intended to be covenants running with the land that shall be binding upon the Owners and Occupants, as Covenantor's successors in title, pursuant to section 1471 of the California Civil Code; and

(b) Shall, pursuant to said section 1471, run with the land, pass with each and every portion of the Property, and apply to and bind the respective successors in interest thereof, for the benefit of Covenantees and Covenantor personally, and not as owners of any other land.

5.4 Concurrence of Owners and Occupants Presumed. All Owners and Occupants shall be deemed by their purchase, leasing, or possession of any portion of the Property to be in accord with all of the provisions of this Declaration and to agree that the terms and conditions of this Declaration, including, but not limited to, the Environmental Restrictions and Covenantees' Right of Access, must be adhered to, for the benefit of Covenantees and Covenantor, and that the interests of the Owners and Occupants shall be subject to all of the terms and conditions of this Declaration, including, but not limited to, the Environmental Restrictions and Covenantees' Right of Access contained herein, regardless whether a copy of this Declaration has been referenced in, or incorporated into, any given deed, lease, or other instrument of transfer or conveyance.

5.5 No Admission of Responsibility for Ground Water Contamination. Nothing in this Declaration shall be construed: (a) to impose upon Covenantor, or to constitute an assumption by Covenantor of, any responsibility for the characterization, analysis, monitoring, or clean-up of the Groundwater Contamination; or (b) as an admission or acknowledgment that Covenantor is a person responsible for such characterization, analysis, monitoring, or clean-up of the Groundwater Contamination.

5.6 No Waiver of Statutory Rights. Nothing in this Declaration shall be construed as a waiver of, or as imposing any limitation or condition upon exercise of, and the Parties do not intend hereby to waive, any rights of Covenantees or either of them under any federal, state, local, or common law, including, but not limited to, CERCLA, the California Health and Safety Code, and the California Water Code, which unwaived rights include, but are not limited to,

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rights of access to properties when and where the statutory and regulatory conditions to exercise thereof have been satisfied.

5.7 Severability of Provisions. If any provision of this Declaration is unenforceable, it shall be deemed not a part of this Declaration, and the other remaining provisions shall remain fully enforceable and shall be interpreted to accomplish, as closely as may be lawful, the intentions of the Parties as expressed by the entirety of this Declaration.

5.8 No Dedication Intended. No gift or public dedication or right of access or use by the general public of or to any portion of the Property is intended to be offered, conveyed, or declared by this Declaration, and this Declaration does not offer, convey, or declare any such gift or public dedication or right of access or use by the general public.

5.9 Notices. Whenever any person gives or serves any written notice, demand, or other communication with respect to this Declaration, each such notice, demand, or other communications shall be deemed effective (a) when delivered, if personally delivered to the person being served, whether or not that person is an official of a governmental agency; or (b) three (3) business days after deposit in the mail if mailed by the United States mail, postage paid certified, return receipt requested:

If to: "Covenantor"
Aerojet-General Corporation
Post Office Box 13222
Sacramento, California 95813
Attn: Director of Real Estate

If to: "Regional Board"
Aerojet Project Manager
Regional Water Quality Control Board
3443 Routier Road, Suite A
Sacramento, California 95827-3003

If to: "USEPA"
Aerojet Project Manager
United States Environmental Protection Agency
Region IX, Superfund
75 Hawthorne Street
San Francisco, California 94105

5.10 Recordation. This Declaration shall be recorded by Covenantor in the Official Records within ten (10) days of the date of execution hereof, and after such recordation, Covenantor shall deliver to each of the Covenantees a copy of this Declaration showing the recording information inserted by the County Recorder in the upper right-hand corner of the first page hereof.

5.11 Code References. All references to sections in any California or United States code or statute include successor provisions.

5.12 Interests of Covenantees. Notwithstanding any other provision of this Declaration, nothing in this Declaration shall be construed as granting or conveying, and the

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Parties do not intend to have any provision of this Declaration grant or convey, to Covenantees or either of them title to, or any real estate interest in, the Property or any portion thereof, except the benefit and burden, if any, of the Environmental Restrictions and the Covenantees' Right of Access, and the other covenants and provisions set forth in this Declaration that are applicable to Covenantees, all as covenants running with the land as set forth in this Declaration.

5.13 Controlling Law. The interpretation and performance of this Declaration shall be governed by applicable laws of the United States and of California.

5.14 Liberal Construction. Any general rule of construction to the contrary notwithstanding, this Declaration shall be liberally construed to accomplish the purposes of the Parties as set forth herein.

5.15 Entire Agreement. This Declaration sets forth the entire agreement of the Parties with respect to the rights and obligations created or set forth herein and supersedes all prior discussions, negotiations, understandings, and agreements relating thereto, all of which are merged herein.

5.16 No Forfeiture. Nothing contained in this Declaration shall be construed to result in a forfeiture or reversion of Covenantor's title to the Property in any respect.

5.17 Captions and Headings. The captions and headings in this Declaration have been inserted solely for convenience of reference and are not part of this Declaration and shall have no effect upon construction or interpretations.

5.18 Counterparts. The Parties may execute this Declaration in two (2) or more counterparts, which shall, in the aggregate, be signed by all Parties; each counterpart shall be deemed an original of this Declaration as against any Party who has signed it. In the event of any disparity between counterparts produced, the counterpart recorded in the Official Records shall be controlling.

IN WITNESS WHEREOF, the Parties execute this Declaration as of the dates set forth with their signatures below, and this Declaration is effective as of the date it is recorded in the Official Records.

Covenantor: Aerojet-General Corporation

By: _____

Title: Authorized Agent

Date: _____

Covantee: State of California
Regional Water Quality Control Board,
Central Valley Region

By: _____

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Title: Executive Officer

Date: _____

Covenantee: U.S. Environmental Protection Agency, on
behalf of the United States of America

In accordance with Section 104(j) of CERCLA, 42 U.S.C. § 9604(j), as amended, the Regional Administrator, Region IX, of the United States Environmental Protection Agency agrees to and accepts this Declaration.

By: _____

Title:

Date: _____