




Recording Requested By:

Aerojet-General Corporation

When Recorded, Mail To:

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Sacramento County Recording
Mark Norris, Clerk/Recorder
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Assessor Parcel Number(s):

Portions of APN

072-0231-039, 055, 010, 011, 007, 008-0000

DECLARATION OF COVENANTS AND ENVIRONMENTAL RESTRICTIONS

This Declaration of Covenants and Environmental Restrictions (this "**Declaration**") is dated, for reference purposes, as of the 19th day of June, 2001, 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 the unincorporated area of Sacramento County (the "**County**"), California more fully described in **Exhibits "A" and "B"** attached hereto and incorporated herein by this reference (collectively, excluding all interests in contaminated groundwater and associated contaminated media beneath the surface of said real property, the "**Property**"); and

WHEREAS, the Property was 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, with the consent and approval of the Regional Board, the USEPA determined that it no longer considers the Property to be part of the Site and issued to

Covenantor correspondence setting forth that determination, a copy of which correspondence is attached hereto as **Exhibit "C"**; and

WHEREAS, concurrently with, or immediately before, recordation of this Declaration in the Official Records of County (the "**Official Records**"), that certain Partial Consent Decree (the "**PCD**") 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 was, with the consent and approval of Parties, modified to remove, or carve out, the Property from other real property encumbered by the PCD, a copy of which PCD as so modified can be found in the files of that court; and

WHEREAS, on July 20, 1989, at Book 89 07 20, Page 1004, as Document Number 165366, Paragraph 11 of the PCD ("**Paragraph 11**") was recorded in the Official Records, and concurrently with, or immediately after, recordation of this Declaration in the Official Records, Paragraph 11, with the consent and approval of Parties, is being modified to exclude the Property from the real estate described in the exhibits attached thereto; and

WHEREAS, the effect of said modifications to the PCD and Paragraph 11 is to cause the Property to be no longer encumbered or affected by the PCD and/or Paragraph 11, such that none of their 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 or portions thereof may also contain chemicals in soil gas because (a) that portion of the Property described in **Exhibit "A"** is the location of a currently operating gasoline service station; and (b) there are chemicals in groundwater and upgradient groundwater beneath that portion of the Property described in **Exhibit "B"**; and

WHEREAS, in 1999, Covenantor conducted an investigation under the oversight of, and accepted by, the USEPA, the Regional Board, and the California Department of Toxic Substances Control (collectively, the "**Regulatory Agencies**"), which investigation, described in a report entitled Site Assessment Report for Candidate Carve-Out Lands (ERM-West 2001), concluded that the Property is not a source of the Groundwater Contamination and all known sources of the Groundwater Contamination are outside the area of the Property, and the Regulatory Agencies accepted said report; 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 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 Consideration and Declaration. In consideration for removal of the Property from the Site, and in consideration for the modifications of the PCD and Paragraph 11, all as set forth above, 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 and in soil gas beneath the Property or portions thereof.

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 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:

(1) Owners and Occupants shall use only poured concrete slabs constructed in compliance with applicable building codes for all buildings, unless a different type of foundation is expressly permitted in writing by Covenantor and the Regional Board;

(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 then current 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 section 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.

(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 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 and of the possibility of chemicals in soil gas 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's 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's 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. 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 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 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

(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 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 benefitting 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.

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 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 forthwith their signatures below, and this Declaration is effective as of the date it is recorded in the Official Records.

Covenantor: Aerojet-General Corporation

By: 
Terrance P. Griffin

Title: Authorized Agent

Date: 2006.02

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

By: 
Thomas R. Pinkos

Title: Executive Officer

Date: 11/18/02

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

Pursuant to the PCD and in accordance with section 104(j) of CERCLA, as amended, the Regional Administrator, Region IX, of the United States Environmental Protection Agency agrees to and accepts this Declaration.

By: _____
Deborah Jordan

Title: Acting Director, Superfund Division

Date: _____

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: _____
Terrance P. Griffin

Title: Authorized Agent

Date: _____

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

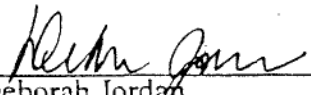
By: _____
Thomas R. Pinkos

Title: Executive Officer

Date: _____

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

Pursuant to the PCD and in accordance with section 104(j) of CERCLA, as amended, the Regional Administrator, Region IX, of the United States Environmental Protection Agency agrees to and accepts this Declaration.

By:  _____
Deborah Jordan

Title: Acting Director, Superfund Division

Date: 11/15/02

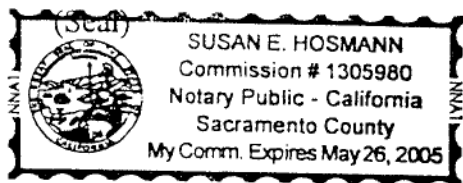
STATE OF California }
COUNTY OF Sacramento }

SS.

On 11/18, 2007, before me, Susan Hosmann, a Notary Public personally appeared Thomas R. Pinkos, personally known to me, or proved to me on the basis of satisfactory evidence, to be the person(s) whose name(s) is/are subscribed to the within instrument, and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

WITNESS my hand and official seal.

Susan E. Hosmann
Signature of Notary



STATE OF CALIFORNIA }
COUNTY OF PLACER }

SS.

On NOVEMBER 20, 2007, before me, CAROLYN HUNT, a Notary Public personally appeared TERRANCE P. GRIFFIN, personally known to me, or proved to me on the basis of satisfactory evidence, to be the person(s) whose name(s) is/are subscribed to the within instrument, and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

WITNESS my hand and official seal.

Carolyn Hunt
Signature of Notary



STATE OF CALIFORNIA

COUNTY OF SAN FRANCISCO

On this ____ 15th ____ day of ____ November ____, in the year 2002,

before me ____ KATHLEEN L. KAWAKAMI ____, personally appeared

____ DEBORAH JORDAN ____

personally known to me (or proved to me on the basis of satisfactory evidence) to be the person whose name is subscribed to the within instrument and acknowledged to me that she executed the same in her authorized capacity, and that by her signature on the instrument the person, or the entity upon behalf of which the person acted, executed the instrument.

WITNESS my hand and official seal.

Notary Signature

Kathleen L. Kawakami

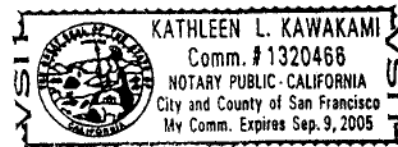


Exhibit "A"
(Attached to Declaration of Covenants
and Environmental Restrictions)

That certain real property situated in the State of California, County of Sacramento, unincorporated area, described as follows: Area "J," as said area is shown and so designated on that certain "Record of Survey, being Projected Sections 22, 23, 28, 29 and Portions of Projected Sections 11, 12, 13, 14, 15, 16, 19, 20, 21, 24, 25, 26, 27, 30, 31, 32, 33 and 34, T 9 N, R 7 E, M.D.M. in Rancho Rio de Los Americanos together with Portions of Sections 13, 24 and 25, T 9 N, R 7 E, M.D.M." as said Survey is filed in the Office of the Recorder of Sacramento County in Book 62 of Surveys at page 4.

Exhibit "B"
(Attached to Declaration of Covenants
and Environmental Restrictions)

That certain real property situated in the State of California, County of Sacramento, unincorporated area, described as follows: Areas 5, 6, 7, 10, 11, and 12, as said areas are shown and so designated on that certain "Record of Survey, being Projected Sections 22, 23, 28, 29 and Portions of Projected Sections 11, 12, 13, 14, 15, 16, 19, 20, 21, 24, 25, 26, 27, 30, 31, 32, 33 and 34, T 9 N, R 7 E, M.D.M. in Rancho Rio de Los Americanos together with Portions of Sections 13, 24 and 25, T 9 N, R 7 E, M.D.M." as said Survey is filed in the Office of the Recorder of Sacramento County in Book 62 of Surveys at page 4.

EXHIBIT "C"
(The USEPA Delisting Comfort Letter)



UNITED STATES ENVIRONMENTAL PROTECTION AGENCY
REGION IX
75 Hawthorne Street
San Francisco, CA 94105

September 17, 2001

Chris W. Conley
Vice President, Environmental Health and Safety
Aerojet-General Corporation
P.O. Box 537012
Sacramento, California 95853-7012

Dear Mr. Conley:

The Aerojet facility in Sacramento County, California was listed by the U.S. Environmental Protection Agency (EPA) as part of the Superfund National Priorities List (NPL) on September 8, 1983. Pursuant to the Comprehensive Environmental Response, Compensation and Liability Act of 1980 (CERCLA), and implementing regulations and policies, the Aerojet NPL Site is defined as those areas where hazardous substances have been released or have come to be located, and areas in close proximity that are needed for cleanup activities (e.g., to locate groundwater wells or treatment facilities). In June of 1989, a Partial Consent Decree was entered requiring Aerojet, among other things, to perform a Remedial Investigation/Feasibility Study (RI/FS) on the entire eight thousand five hundred (8,500)-acre facility. EPA Region 9 and the State of California are currently overseeing Aerojet's RI/FS activities.

Aerojet representatives have requested that EPA consider delisting lands that Aerojet intends to develop from the Aerojet NPL Site. This letter responds to that request. Based upon Aerojet's investigations performed pursuant to a workplan approved by EPA and the State of California, and subject to declarations of covenants and environmental restrictions to be recorded in the Official Records of Sacramento County, California, EPA does not consider the areas in Exhibit A attached hereto to be part of the Aerojet Site, except for contaminated groundwater and associated contaminated media beneath the surface of these areas (the "Carve-Out Lands"). With regard to the sale of any interest in the Carve-Out Lands or any portion thereof, Aerojet and its buyers should be aware that EPA generally will not take enforcement actions against or seek cost recovery from owners of property containing contaminated groundwater that have not contributed to or exacerbated groundwater contamination. Please refer to the EPA policy entitled "Policy Towards Owners of Property Containing Contaminated Aquifers," (July 3, 1995) 60 Fed. Reg. 34790. Prospective purchasers acquiring these properties may be entitled to the benefits of this policy. The clarification of the Aerojet Site's boundaries does not, of course, affect the liability of responsible parties, or impede efforts by EPA or the State of California to require or take response actions not inconsistent with the National Contingency Plan or to recover costs associated with response efforts under CERCLA.

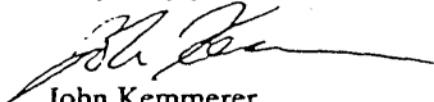
Based on the investigations of the Carve-Out Lands and consideration of anticipated groundwater cleanup plans, the EPA and the State of California have agreed to seek to modify

the Partial Consent Decree, removing the Carve-Out Lands from the definition of the Aerojet NPL Site contained in the Partial Consent Decree and dividing up the Site into operable units for purposes of performing the RI/FS. This modification to the Partial Consent Decree is subject to public comment and entry by the Court.

Effective upon court entry of said modification to the Partial Consent Decree, EPA will no longer consider the Carve-Out Lands to be part of the Aerojet NPL Site. Moreover, EPA will update its NPL database to reflect the fact that EPA does not consider the Carve-Out Lands to be part of the Aerojet NPL Site, and future references to the Aerojet NPL Site by EPA will not include the Carve-Out Lands. EPA will also issue a Fact Sheet clarifying the boundaries of the Aerojet NPL Site, which will include all contaminated areas, but will not include areas that have not been impacted by hazardous substance releases.

Should your legal counsel have further questions regarding this matter, he or she may contact Thelma Estrada of our Office of Regional Counsel at (415) 744-1386.

Very truly yours,

A handwritten signature in dark ink, appearing to read "John Kemmerer", with a long horizontal flourish extending to the right.

John Kemmerer
Chief, Site Cleanup Branch
Superfund Division