



California Regional Water Quality Control Board

Los Angeles Region



Winston H. Hickox
Secretary for
Environmental
Protection

Over 50 Years Serving Coastal Los Angeles and Ventura Counties
Recipient of the 2001 *Environmental Leadership Award* from Keep California Beautiful

Gray Davis
Governor

320 W. 4th Street, Suite 200, Los Angeles, California 90013
Phone (213) 576-6600 FAX (213) 576-6640 - Internet Address: <http://www.swrcb.ca.gov/rwqcb4>

June 16, 2003

Mr. Michael M. Drucker
12 Napoli
Newport Beach, CA 92660

NO FURTHER ACTION FOR SOIL ONLY – COUNTRY HILLS CLEANERS, 1155 SOUTH DIAMOND BAR STREET, DIAMOND BAR (SLIC NO. 1001) (SITE ID NO. 2040043)

Dear Mr. Drucker

We have reviewed the "Soil Excavation Report" (Report), dated December 5, 2002, prepared by Centec Engineering. The Report documents soil remediation activities conducted at the subject site (Site) in November 2002, and requested soil closure.

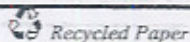
The Country Hills Cleaners formerly occupied Unit I of the Diamond Bar Shopping Center. Country Hills ceased dry cleaning operations at the Site in late 2002. All equipment related to the former dry cleaner business was removed from the Site. The Site is currently operated as a drop-off only dry cleaner. Soil and groundwater assessments conducted between 2001 and 2003 indicated that the underlying soil and groundwater are impacted with tetrachloroethene (PCE). PCE was detected in the soil at a maximum concentration of 4,530 micrograms per kilogram ($\mu\text{g}/\text{kg}$), at 10 feet below ground surface (BGS). The highest PCE and trichloroethylene (TCE) concentrations detected in the groundwater are 7,400 $\mu\text{g}/\text{L}$ and 1,700 $\mu\text{g}/\text{L}$, respectively.

In November 2002, a limited soil excavation was conducted at the Site to remove the impacted soil. The volume of excavation was limited to approximately 10 feet by 8 feet, and 9 feet deep. Approximately 20 tons of impacted soil were removed and transported to Chem Waste Management Landfill in Kettleman City for disposal. Confirmation soil sampling data collected from the sidewalls and bottom of the excavation detected a maximum concentration of 360 $\mu\text{g}/\text{kg}$ of PCE at 9 feet BGS. It is estimated that approximately 196 cubic yards of impacted soil are left in-place. The residual soil contamination is above the site specific screening levels and may continue to pose a threat to the groundwater. The excavation was backfilled with concrete slurry. Impacted soil was excavated to the extent possible due to limited access. Additional excavation to remove the remaining impacted soil, which is located beneath or adjacent to the building, may compromise the structural integrity of the building. Therefore, we have determined that no further soil remediation is required at this time with the following conditions:

1. In accordance with AB 2436, a land use restriction covenant was developed for the Site and was submitted to the Los Angeles County Recorder's Office for recording. A copy of the Environmental Restriction Covenant, with the Recorder's stamp, is contained in our case file. When recorded, a copy of the deed containing the original Environmental Restriction Covenant will be sent to the Regional Board. This no further action letter is conditional and contingent upon the Regional Board receiving the original bearing the Recorder's confirmation of recordation.

California Environmental Protection Agency

The energy challenge facing California is real. Every Californian needs to take immediate action to reduce energy consumption
For a list of simple ways to reduce demand and cut your energy costs, see the tips at: <http://www.swrcb.ca.gov/news/echallenge.html>



Our mission is to preserve and enhance the quality of California's water resources for the benefit of present and future generations.

Mr. Michael M. Drucker
Country Hills Dry Cleaners

- 2 -

June 16, 2003

2. The existing soil contamination will be required to be remediated during any future site alteration, demolition, or subsurface construction activities.
3. In the event that contamination is discovered during site development activities in the future, the responsible party shall take steps for the complete abatement of the contaminant(s). You are required to provide verbal notification to this Regional Board immediately and submit a follow-up written report to this Regional Board within 72 hours.
4. This conditional soil closure does not extend to or include groundwater remediation.

The groundwater contamination detected at the Site will require remediation. Regional Board staff has approved the Proposed Groundwater Remediation Plan contained in the Workplan for Remediation, dated September 16, 2002. Waste discharge requirements for the injection of hydrogen releasing compounds are being established for the Site and will be issued by July 30, 2003. You are to implement groundwater remediation no later than October 31, 2003.

If you have any questions regarding this matter, please contact Dr. Rebecca Chou at (213) 576-6733 or Ms. Jenny M. Au at (213) 576-6734.

Sincerely,

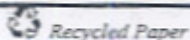


Dennis A. Dickerson
Executive Officer

cc: Ms. Roxanne Taylor, Pacific West Asset Management Corp.
Mr. Steve Collins, Centec Engineering

California Environmental Protection Agency

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Our mission is to preserve and enhance the quality of California's water resources for the benefit of present and future generations.

MAY 23 2003

Recording Requested By:
Michael M. Drucker

COPY of Document Recorded
~~03-1488346~~
Has not been compared with original.
Original will be returned when
processing has been completed.
LOS ANGELES COUNTY REGISTRAR - RECORDER

When Recorded, Mail To:
Dennis A. Dickerson, Executive Officer
California Regional Water Quality Control Board
Los Angeles Region
200 West 4th Street, Suite 200
Los Angeles, California 90013-2343

(SPACE ABOVE THIS LINE FOR RECORDER'S USE ONLY)

COVENANT AND ENVIRONMENTAL RESTRICTION
ON PROPERTY

1155 South Diamond Bar Boulevard
Diamond Bar, California
Assessor's Parcel No. 8717-031-010

This Covenant and Environmental Restriction on Property (this "Covenant") is made as of the 22nd day of May, 2003 by Michael M. Drucker ("Covenantor") who is the Owner of record of that certain property situated at 1155 South Diamond Bar Boulevard in the City of Diamond Bar, County of Los Angeles, State of California, which is described in Exhibit A attached hereto and incorporated herein by this reference (such portion hereinafter referred to as the "Burdened Property"), for the benefit of the California Regional Water Quality Control Board for the Los Angeles Region (the "Board"), with reference to the following facts:

A. The Burdened Property and groundwater underlying the property contains hazardous materials.

B. Contamination of the Burdened Property. Soil at the Burdened Property was contaminated by unauthorized releases from former dry cleaning operations conducted by several former operators. These operations resulted in contamination of soil and groundwater with volatile organic compounds (VOCs) including tetrachloroethene and trichloroethene, which constitute hazardous materials as that term is defined in Health & Safety Code Section 25260. In November 2002, approximately 20 tons of impacted soil was excavated by a limited access backhoe and disposed off-site. The excavation was limited to the upper nine (9) feet of impacted soil and backfilled with concrete slurry. The remaining contaminated soils within the Burdened Property are located at a depth of 9 to 15 feet below ground surface, and are covered by a concrete slab and an overlying commercial building.

C. Exposure Pathways. The contaminants addressed in this Covenant are present in soil and groundwater on the Burdened Property. Without the mitigation measures which have been performed on the Burdened Property, exposure to these contaminants may have been possible as a result of soil excavation and/or groundwater use. The risk of public exposure to the contaminants has been substantially lessened by the remediation and controls described herein.

D. Adjacent Land Uses and Population Potentially Affected. The Burdened Property is used for commercial and is adjacent to commercial and residential land uses.

E. Full and voluntary disclosure to the Board of the presence of hazardous materials on the Burdened Property has been made and extensive sampling of the Burdened Property has been conducted.

F. Covenantor desires and intends that in order to benefit the Board, and to protect the present and future public health and safety, the Burdened Property shall be used in such a manner as to avoid potential harm to persons or property that may result from hazardous materials that may have been deposited on portions of the Burdened Property.

ARTICLE I GENERAL PROVISIONS

1.1 Provisions to Run with the Land. This Covenant sets forth protective provisions, covenants, conditions and restrictions (collectively referred to as "Restrictions") upon and subject to which the Burdened Property and every portion thereof shall be improved, held, used, occupied, leased, sold, hypothecated, encumbered, and/or conveyed. The restrictions set forth in Article III are reasonably necessary to protect present and future human health and safety or the environment as a result of the presence on the land of hazardous materials. Each and all of the Restrictions shall run with the land, and pass with each and every portion of the Burdened Property, and shall apply to, inure to the benefit of, and bind the respective successors in interest thereof, for the benefit of the Board and all Owners and Occupants. Each and all of the Restrictions are imposed upon the entire Burdened Property unless expressly stated as applicable to a specific portion of the Burdened Property. Each and all of the Restrictions run with the land pursuant to section 1471 of the Civil Code. Each and all of the Restrictions are enforceable by the Board.

1.2 Concurrence of Owners and Lessees Presumed. All purchasers, lessees, or possessors of any portion of the Burdened Property shall be deemed by their purchase, leasing, or possession of such Burdened Property, to be in accord with the foregoing and to agree for and among themselves, their heirs, successors, and assignees, and the agents, employees, and lessees of such owners, heirs, successors, and assignees, that the Restrictions as herein established must be adhered to for the benefit of the Board and the Owners and Occupants of the Burdened Property and that the interest of the Owners and Occupants of the Burdened Property shall be subject to the Restrictions contained herein.

1.3 Incorporation into Deeds and Leases. Covenantor desires and covenants that the Restrictions set out herein shall be incorporated in and attached to each and all deeds and leases of any portion of the Burdened Property. Recordation of this Covenant shall be deemed binding on all successors, assigns, and lessees, regardless of whether a copy of this Covenant and Agreement has been attached to or incorporated into any given deed or lease.

1.4 Purpose. It is the purpose of this instrument to convey to the Board real property rights, which will run with the land, to facilitate the remediation of past environmental contamination and to protect human health and the environment by reducing the risk of exposure to residual hazardous materials.

ARTICLE II DEFINITIONS

2.1 Board. "Board" shall mean the California Regional Water Quality Control Board for the Los Angeles Region and shall include its successor agencies, if any.

2.2 Improvements. "Improvements" shall mean all buildings, roads, driveways, regradings, and paved parking areas, constructed or placed upon any portion of the Burdened Property.

2.3 Occupants. "Occupants" shall mean Owners and those persons entitled by ownership, leasehold, or other legal relationship to the exclusive right to occupy any portion of the Burdened Property.

2.4 Owner or Owners. "Owner" or "Owners" shall mean the Covenantor and/or its successors in interest, who hold title to all or any portion of the Burdened Property.

ARTICLE III DEVELOPMENT, USE AND CONVEYANCE OF THE BURDENED PROPERTY

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

- a. Development of the Burdened Property shall be restricted to industrial, commercial or office space;
- b. No residence for human habitation shall be permitted on the Burdened Property;
- c. No hospitals shall be permitted on the Burdened Property;
- d. No schools for persons under 21 years of age shall be permitted on the Burdened Property;

e. No day care centers for children or day care centers for Senior Citizens shall be permitted on the Burdened Property;

f. No Owners or Occupants of the Property or any portion thereof shall conduct any excavation work on the Property, unless expressly permitted in writing by the Board. Any contaminated soils brought to the surface by grading, excavation, trenching, or backfilling shall be managed by Covenantor or his agent in accordance with all applicable provisions of local, state and federal law;

g. All uses and development of the Burdened Property shall be consistent with any applicable Board Order or Risk Management Plan, each of which is hereby incorporated by reference including future amendments thereto. All uses and development shall preserve the integrity of any cap, any remedial measures taken or remedial equipment installed, and any groundwater monitoring system installed on the Burdened Property pursuant to the requirements of the Board, unless otherwise expressly permitted in writing by the Board.

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

i. The Owner shall notify the Board of each of the following: (1) The type, cause, location and date of any disturbance to any cap, any remedial measures taken or remedial equipment installed, and of the groundwater monitoring system installed on the Burdened Property pursuant to the requirements of the Board, which could affect the ability of such cap or remedial measures, remedial equipment, or monitoring system to perform their respective functions and (2) the type and date of repair of such disturbance. Notification to the Board shall be made by registered mail within ten (10) working days of both the discovery of such disturbance and the completion of repairs;

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

k. No Owner or Occupant of the Burdened Property shall act in any manner that will aggravate or contribute to the existing environmental conditions of the Burdened Property. All use and development of the Burdened Property shall preserve the integrity of any capped areas.

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

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

The land described herein contains hazardous materials in soils and in the groundwater under the property, and is subject to a deed restriction dated as of _____, 2003, and recorded on _____, 2003, in the Official Records of _____ County, California, as Document No. _____, which Covenant and Restriction imposes certain covenants, conditions, and restrictions on usage of the property described herein. This statement is not a declaration that a hazard exists.

ARTICLE IV VARIANCE AND TERMINATION

4.1 Variance. Any Owner or, with the Owner's consent, any Occupant of the Burdened Property or any portion thereof may apply to the Board for a written variance from the provisions of this Covenant.

4.2 Termination. Any Owner or, with the Owner's consent, any Occupant of the Burdened Property or a portion thereof may apply to the Board for a termination of the Restrictions as they apply to all or any portion of the Burdened Property.

4.3 Term. Unless terminated in accordance with paragraph 4.2 above, by law or otherwise, this Covenant shall continue in effect in perpetuity.

ARTICLE V MISCELLANEOUS

5.1 No Dedication Intended. Nothing set forth herein shall be construed to be a gift or dedication, or offer of a gift or dedication, of the Burdened Property or any portion thereof to the general public.

5.2 Notices. Whenever any person gives or serves any notice, demand, or other communication with respect to this Covenant, each such notice, demand, or other communication shall be in writing and shall be deemed effective (1) when delivered, if personally delivered to the person being served or official of a government agency being served, or (2) three (3) business days after deposit in the mail if mailed by United States mail, postage paid certified, return receipt requested:

If To: "Covenantor"
Michael M. Drucker
C/O Pacific West Asset Management Corp.
150 Paularino, Suite 285
Costa Mesa, California 92626

If To: "Board"
California Regional Water Quality Control Board
Los Angeles Region
320 West 4th Street, Suite 200
Los Angeles, California 90013-2343

5.3 Partial Invalidity. If any portion of the Restrictions or terms set forth herein is determined to be invalid for any reason, the remaining portion shall remain in full force and effect as if such portion had not been included herein.

5.4 Article Headings. Headings at the beginning of each numbered article of this Covenant are solely for the convenience of the parties and are not a part of the Covenant.

5.5 Recordation. This instrument shall be executed by the Covenantor and by the Executive Officer of the Board. This instrument shall be recorded by the Covenantor in the County of Los Angeles within ten (10) days of the date of execution.

5.6 References. All references to Code sections include successor provisions.

5.7 Construction. Any general rule of construction to the contrary notwithstanding, this instrument shall be liberally construed in favor of the Covenant to effect the purpose of this instrument and the policy and purpose of the Water Code. If any provision of this instrument is found to be ambiguous, an interpretation consistent with the purpose of this instrument that would render the provision valid shall be favored over any interpretation that would render it invalid.

IN WITNESS WHEREOF, the parties execute this Covenant as of the date set forth above.

Covenantor: Michael M. Drucker

By: Michael M. Drucker

Title: _____

Date: May 22, 2003

Agency: State of California
Regional Water Quality Board,
Los Angeles Region

By: Daniel A. D...K

Title: Executive Officer

Date: May 19, 2003

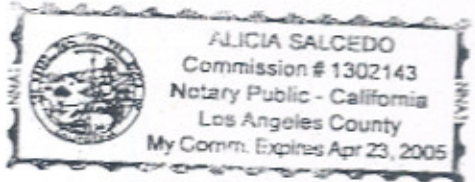
STATE OF CALIFORNIA)
)
COUNTY OF Los Angeles)

On May 19th, 2003 before me, the undersigned a Notary Public in and for said state, personally appeared [Covenantor], personally known to me or proved to me on the basis of satisfactory evidence to be the person who executed the within instrument.

WITNESS my hand and official seal.

[Signature]

Notary Public in and for said
County and State



STATE OF CALIFORNIA)
)
COUNTY OF Orange)

On May 22, 2003 before me, the undersigned a Notary Public in and for said state, personally appeared [^{Covenantor}~~EXECUTIVE OFFICER~~], personally known to me or proved to me on the basis of satisfactory evidence to be the person who executed the within instrument.

WITNESS my hand and official seal.

Leslie A. Bower

Notary Public in and for said
County and State

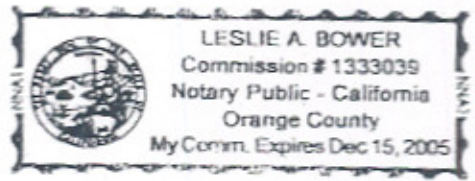


EXHIBIT A

LEGAL DESCRIPTION OF PROPERTY

Property located at 1155 South Diamond Bar Boulevard, Diamond Bar, California, more particularly described as Parcel 1 of Parcel Map 17337, as per map filed in Book 186, Pages 43 and 44 of Parcel Maps, in the office of the County Recorder of Los Angeles County, consisting of Parcels A through D.



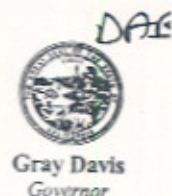
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May 21, 2003

Mr. Michael M. Drucker
12 Napoli
Newport Beach, CA 92660

COVENANT AND ENVIRONMENTAL RESTRICTION ON PROPERTY – COUNTRY HILLS CLEANERS, 1155 SOUTH DIAMOND BAR STREET, DIAMOND BAR (SLIC NO. 1001) (SITE ID NO. 2040043)

Dear Mr. Drucker

Recent legislation, AB 2436, prohibits the Regional Board from issuing closure letter or making a determination that no further action is required if a property is not suitable for unrestricted use, unless a land use restriction is recorded. We have determined that a land use restriction is necessary for the protection of public health or safety or the environment at the above-mentioned Site, due to the levels of contaminant left on-site.

Attached is an Environmental Restriction covenant which has been approved the Executive Officer. Existing law provides for the recording of an instrument containing an Environmental Restriction covenant for such purposes. You are required to record an instrument containing the Environmental Restriction covenant with the Los Angeles County Recorder's Office. A copy of the recorded instrument containing the Environmental Restriction covenant must be sent to the Regional Board by **June 6, 2003**.

If you have any questions regarding this matter, please contact Dr. Rebecca Chou at (213) 576-6733 or Ms. Jenny M. Au at (213) 576-6734.

Sincerely,

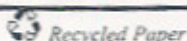
Dennis A. Dickerson
Executive Officer

Enclosure

cc: Ms. Leslie A. Bower, White & Bower, Attorneys at Law
Ms. Roxanne Taylor, Pacific West Asset Management Corp.
Mr. Steve Collins, Centec Engineering

California Environmental Protection Agency

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RECORDING REQUESTED BY AND WHEN RECORDED,
MAIL TO:

Richards, Watson & Gershon
355 South Grand Avenue, 40th Floor
Los Angeles, California 90017
Attention: Michael Estrada

SPACE ABOVE THIS LINE RESERVED FOR RECORDER' USE

**COVENANT TO RESTRICT USE OF PROPERTY
ENVIRONMENTAL RESTRICTION**

(Re: APN 5409-007-900- Parcel PA-018 – 924 N. Spring St., Los Angeles, CA.)

THIS COVENANT AND AGREEMENT ("Covenant") is made as of March ____, 2003, by the **LOS ANGELES TO PASADENA METRO BLUE LINE CONSTRUCTION AUTHORITY** (the "Covenantor"), the current owner of the property situated in the City of Los Angeles, County of Los Angeles, State of California, described in Exhibit "A" attached hereto and incorporated herein by this reference (the "Property"), in favor of the **CALIFORNIA REGIONAL WATER QUALITY CONTROL BOARD, LOS ANGELES REGION** (as defined in Article 2 below, the "RWQCB"). Pursuant to California Civil Code ("Civil Code") section 1471(c), the RWQCB has determined that this Covenant is reasonably necessary to protect present or future human health or safety or the environment as a result of the potential presence on the land of hazardous materials as defined in California Health and Safety Code ("H&SC") section 25260. The Covenantor hereby agrees that the use of the Property shall be restricted as set forth in this Covenant.

ARTICLE 1
STATEMENT OF FACTS

1.1 The Property totals approximately 5.6 acres and is located in the area generally bounded by College Street and Spring Street in the City of Los Angeles, California and is more specifically described as County Assessor's Parcel No. 5409-007-900 and in Exhibit A.

1.2 Covenantor plans to transfer the Property to a developer which contemplates the development of the Property with a building or buildings with commercial and retail businesses on the lower level(s) and residential and/or commercial uses on floors above the first floor. The ground surface of the Property will be paved or landscaped.

1.3 By letter dated August 27, 2002, the RWQCB approved a revised remedial action plan for the Property, entitled, "Response to OEHHA Comments – Updated Remedial Action

Plan Parcel PA-018" dated February, 2002 ("Updated RAP"). A "Supplemental Human Health Risk Assessment," included in the Updated RAP, was reviewed and approved by the California Office of Environmental Health Hazard Assessment ("OEHHA") in a memorandum to the RWQCB dated July 23, 2002. The Updated RAP identified five areas at the Property that required remedial action. By letter dated December 12, 2002, the RWQCB clarified its August 27, 2002 letter approving the Updated RAP, and stated, "Notwithstanding any statements to the contrary in the RAP or in the approval letter, residential use and occupation of the subject property will be restricted only below the second floor of the property."

1.4 Subsequently, the Updated RAP was implemented and soils with chemical constituents exceeding the concentration levels set forth in the Updated RAP were excavated in certain areas of the Property and disposed offsite. However, some residual concentrations of chemicals may remain in the soil beneath the Property.

1.5 The RWQCB received and reviewed the "Remedial Action Plan Implementation Summary Site Closure Request" ("Closure Report"), dated November 21, 2002. A "Post Remediation Human Health Risk Assessment" ("HRA") was included with the Closure Report and submitted to the OEHHA for review.

1.6 In comments to the RWQCB from OEHHA received February 10, 2003 (the "OEHHA Comments"), analytical data and health risk analyses presented in the Closure Report and the HRA indicated that residual levels of hazardous contaminants at the Property were below levels of concern. Therefore, OEHHA concluded that the Property would not pose any significant health threat to humans following the development of the Property. OEHHA also noted that as long as the nature, extent and severity of contamination did not significantly depart from those identified at the Property, and the use of the land did not depart from the proposed use, the health risks associated with residual contamination left in the soils of the Property would not exceed, and most likely would be less than, those estimated for the protection of human health.

1.7 Based on the information submitted in the Closure Report and on the OEHHA Comments, and based on the assumption that the information provided in the Closure Report to the RWQCB was accurate and representative of the conditions of the Property, the RWQCB issued a letter dated February 20, 2003 stating that the RWQCB has "no further requirements" for the Property with respect to the Spills, Leaks, The Investigation And Cleanup Program at this time" (the "No Further Action Letter"). The No Further Action Letter, a copy of which is attached hereto as Exhibit "B" and which is incorporated herein by this reference, also provided that written notification must be provided to the RWQCB within 72 hours should additional contamination be encountered during future activities at the Property, and that written notification must be submitted to the RWQCB should a change of current land use be proposed.

1.8 As detailed in the HRA, as approved by the RWQCB, and the No Further Action Letter, portions of the subsurface soils of the Property may contain residual concentrations of hazardous substances. However, the RWQCB has determined that the Property, as remediated, and subject to the restrictions of this Covenant, does not present an unacceptable threat to human

safety or the environment, if limited to the contemplated development plans, as described in the No Further Action Letter, Updated RAP and the HRA and in this Covenant.

ARTICLE 2 DEFINITIONS

2.1 RWQCB. "RWQCB" means the California Regional Water Quality Control Board, Los Angeles Region and includes its successor agencies, if any.

2.2 Owner. "Owner" means the Covenantor, its successors in interest, and their successors in interest, including heirs and assigns, who at any time hold title to all or any portion of the Property.

2.3 Occupant. "Occupant" means Owners and any person or entity entitled by ownership, leasehold, or other legal relationship to the right to occupy any portion of the Property.

2.4 Improvements. "Improvements" herein shall mean all buildings, roads, driveways, and paved parking areas),

ARTICLE 3 GENERAL PROVISIONS

3.1 Restrictions to Run with the Land. This Covenant sets forth protective provisions, covenants, restrictions, and conditions (collectively referred to as "Restrictions"), subject to which the Property and every portion thereof shall be improved, held, used, occupied, leased, sold, hypothecated, encumbered, and/or conveyed. Each and every Restriction: (a) runs with the land pursuant to H&SC section 25355.5(a)(1)(C) and Civil Code section 1471; (b) inures to the benefit of and passes with each and every portion of the Property, (c) is for the benefit of, and is enforceable by the RWQCB, and (d) is imposed upon and burdens the entire Property unless expressly stated as applicable only to a specific portion thereof.

3.2 Binding upon Owners/Occupants. Pursuant to H&SC section 25355.5(a)(1)(C), this Covenant binds all Owners of the Property, their heirs, successors, and assignees, and the agents, employees, and lessees of the owners, heirs, successors and assignees. Pursuant to Civil Code section 1471(b), all successive Owners of the Property are expressly bound hereby for the benefit of the RWQCB.

3.3 Written Notice of the Presence of Hazardous Substances. Prior to the sale, lease or sublease of the Property, or any portion thereof, the owner, lessor, or sublessor shall give the buyer, lessee, or sublessee notice that hazardous substances are located on or beneath the Property, as required by H&SC section 25359.7.

3.4 Incorporation into Deeds and Leases. The Restrictions set forth herein shall be incorporated by reference in each and all deeds and leases for any portion of the Property and shall apply with respect to the Property even if the same are not so incorporated.

3.5 Conveyance of Property. The Owner shall provide notice to the RWQCB not later than thirty (30) days after any conveyance of any ownership interest in the Property (excluding mortgages, liens, and other non-possessory encumbrances). The RWQCB shall not, by reason of this Covenant, have authority to approve, disapprove, or otherwise affect proposed conveyance, except as otherwise provided by law, by administrative order, or by a specific provision of this Covenant.

ARTICLE 4 RESTRICTIONS

4.1 Development In Accordance With The No Further Action Letter. Covenantor and any subsequent Owner will develop the Property in accordance with the provisions of the No Further Action Letter, which are hereby incorporated by reference and the restrictions set forth herein.

4.2 Access for RWQCB. The RWQCB shall have reasonable right of entry and access to the Property for inspection, monitoring, and other activities consistent with the purposes of this Covenant as deemed necessary by the RWQCB in order to protect the public health or safety, or the environment.

ARTICLE 5 ENFORCEMENT

5.1 Enforcement. Failure of the Owner or any Occupant to comply with any of the Restrictions specifically applicable to it shall be grounds for the RWQCB to require that such Owner or Occupant modify or remove any Improvements constructed or placed upon any portion of the Property in violation of the Restrictions set forth herein. Violation of this Covenant shall be grounds for the RWQCB to file civil or criminal actions as provided by law.

ARTICLE 6 VARIANCE, TERMINATION, AND TERM

6.1 Variance. Covenantor or any subsequent Owner, or any other aggrieved person, may apply to the RWQCB for a written variance from the provisions of this Covenant. Such application shall be made in accordance with H&SC section 25233.

6.2 Termination. Covenantor, or any other aggrieved person, may apply to the RWQCB for a termination of the Restrictions or other terms of this Covenant as they apply to all or any portion of the Property. Such application shall be made in accordance with H&SC section 25234.

6.3 Term. Unless ended in accordance with the Termination paragraph above, by law, or by the RWQCB in the exercise of its discretion, this Covenant shall continue in effect in perpetuity.

ARTICLE 7
MISCELLANEOUS

7.1 **No Dedication Intended.** Nothing set forth in this Covenant shall be construed to be a gift or dedication, or offer of a gift or dedication, of the Property, or any portion thereof to the general public or anyone else for any purpose whatsoever.

7.2 **Notices.** Whenever any person gives or serves any Notice ("Notice" as used herein includes any demand or other communication with respect to this Covenant), each such Notice shall be in writing and shall be deemed effective: (1) when delivered, if personally delivered to the person being served or to an officer of a corporate party being served, or (2) three (3) business days after deposit in the mail, if mailed by United States mail, postage paid, certified, return receipt requested:

To Owner:

Los Angeles to Pasadena Metro Blue Line Construction Authority
625 Fair Oaks Ave.
Suite 200
South Pasadena, CA 91030
ATTN: Habib Balian

To RWQCB:

Executive Officer
California Regional Water Quality Control Board, Los Angeles Region
320 W. 4th Street, Suite 200
Los Angeles, California 90013-1105

Change its address or the individual to whose attention a Notice is to be sent by giving written Notice in compliance with this paragraph.

7.3 **Partial Invalidity.** If any portion of the Restrictions or other term set forth herein is determined by a court of competent jurisdiction to be invalid for any reason, the surviving portions of this Covenant shall remain in full force and effect as if such portion found invalid had not been included herein.

7.4 **Statutory References.** All statutory references include successor provisions.

IN WITNESS WHEREOF, Covenantor executes this Covenant as of the date first set forth above.

Covenantor:

THE LOS ANGELES TO PASADENA METRO BLUE
LINE CONSTRUCTION AUTHORITY

By: _____
Name: _____
Title: _____

Approved as to form:

The Los Angeles to Pasadena Metro Blue Line
Construction Authority

By: Gilchrist & Rutter Professional Corporation

By: _____
Amy E. Freilich
Special Counsel

STATE OF CALIFORNIA)
)
COUNTY OF _____)

On this _____ day of _____, in the year _____, before me _____, personally appeared _____, personally known to me (or proved to me on the basis of satisfactory evidence) to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

WITNESS my hand and official seal.

Signature _____

EXHIBIT "A"

Legal Description of Property

That certain real property located in the City and County of Los Angeles, State of California, more particularly described as follows:

Lot 1 of Tract No. 19617, in the City of Los Angeles, County of Los Angeles, State of California, as per map recorded in Book 558 Pages 45 and 46 of Maps, in the Office of the County Recorder of said County.

Except therefrom all minerals and mineral rights, interests and royalties, including without limitation, all oil, gas and other hydrocarbon substances, as well as metallic or other solid minerals of whatever kind or character, whether now known or hereafter discovered, in and under the land below a depth of 500 feet under the surface without regard to the manner in which the same may be produced or extracted from the land, but without any right to enter upon or through the surface down to 500 feet below the surface to extract, drill, explore or otherwise exploit such minerals or mineral rights and without any right to remove or impair lateral or subjacent support as excepted by Southern Pacific Transportation Company, in that certain Deed recorded December 21, 1990, as Instrument No. 90-2105717, Official Records.