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RECORDED/FILED IN OFFICIAL RECORDS
RECORDER'S OFFICE
LOS ANGELES COUNTY
CALIFORNIA
01/17/06 AT 08:00am

TITLE(S) :



FEE

D.T.T.

FREE MM 14

CODE
20

CODE
19

CODE
9

Assessor's Identification Number (AIN)

To be completed by Examiner OR Title Company in black ink.

Number of AIN's Shown

THIS FORM IS NOT TO BE DUPLICATED

RECORDING REQUESTED BY:

Lar Par, Inc.
c/o Allen Matkins Leck Gamble & Mallory LLP
1900 Main Street, 5th Floor
Irvine, California 92614
Attention: Pamela L. Andes, Esq.

WHEN RECORDED, MAIL TO:

Department of Toxic Substances Control
1011 North Grandview Avenue
Glendale, California 91201
Attention: Sayareh Amir, Branch Chief

9890189-DJ

SPACE ABOVE THIS LINE RESERVED FOR RECORDER'S USE

COVENANT TO RESTRICT USE OF PROPERTY
ENVIRONMENTAL RESTRICTION

(Re: South Gate, California, Parcel 3S of former Firestone Tire and Rubber Plant)

This Covenant To Restrict Use of Property Environmental Restriction ("Covenant") is made by and between Lar Par, Inc., a California corporation ("Covenantor"), the current owner of property situated in the City of South Gate, County of Los Angeles, State of California, described and depicted in Exhibit "A", attached hereto and incorporated herein by this reference (the "Property") and the Department of Toxic Substances Control (the "Department"). Pursuant to California Civil Code ("Civil Code") section 1471, the Department 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 presence on the Property of hazardous materials as defined in California Health and Safety Code ("Health and Safety Code") section 25260. The Covenantor and the

Department, collectively referred to as the "Parties", hereby agree, pursuant to Civil Code section 1471 and Health and Safety Code section 25355.5, that the use of the Property be restricted as set forth in this Covenant; and the Parties further agree that the Covenant shall comply with the requirements of California Code of Regulations, title 22, section 67391.1.

ARTICLE I
STATEMENT OF FACTS

1.01. The Property, totaling approximately 2.36 acres, is more particularly described and depicted in Exhibit "A", attached hereto and incorporated herein by this reference. The Property is presently improved with a warehouse building ("Building"). The Property was previously part of the former Firestone Tire and Rubber Plant located at 2323 and 2525 East Firestone Boulevard, South Gate, California. The Property is located at 2405 Southern Avenue, in the City of South Gate, California and is located in a mixed residential/commercial/industrial area. The Property is owned by Covenantor.

1.02 The Property was investigated pursuant to chapter 6.8 of division 20 of the Health and Safety Code and Orders issued by the Department (Docket No. HAS-93-94-012 and I/E 01/02-002), under the oversight of the Department. Investigations at the Property identified arsenic and polynuclear aromatic hydrocarbons ("PAHs") concentrations in excess of background levels under portions of the Building. The maximum arsenic concentration detected was 133 milligrams per kilogram ("ppm") at 5 feet below ground surface ("bgs") and the maximum "benzo(a)pyrene equivalent" concentration was 7.123 ppm at 7 feet bgs. The investigations of the Property and attendant results are documented in that certain Preliminary Endangerment

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Assessment prepared by Premier Environmental Services, Inc. and EarthRisk, Inc., dated August 19, 2005 ("PEA").

The PEA provides that a deed restriction is required because arsenic and PAHs, which are hazardous substances, as defined in Health and Safety Code section 25316, and hazardous materials as defined in Health and Safety Code section 25260, remain in some of the soil on the Property at concentrations that, based upon the health risk evaluation conducted as part of the PEA, make certain limitations on the use of the Property appropriate.

ARTICLE II

DEFINITIONS

2.01. Department. "Department" shall mean the California Department of Toxic Substances Control and includes successor agencies, departments, or other entities, if any.

2.02. Hazardous Substances. "Hazardous Substances" shall mean those substances, wastes or constituents, or materials as defined in Health and Safety Code sections 25316, 25317, and 25260 of the Health and Safety Code.

2.03. Improvements. "Improvements" shall include, but not be limited to, all buildings, structures, utilities, roads, driveways, paved parking areas, and above or below ground tanks.

2.04. 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.

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2.05. 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.

ARTICLE III

GENERAL PROVISIONS

3.01. 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 Health and Safety Code section 25355.5, subdivision (a)(1)(C), Civil Code section 1471, and California Code of Regulations section 67391.1; (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 Department; and (d) is imposed upon the entire Property unless expressly stated as applicable only to a specific portion thereof.

3.02. Binding upon Owners/Occupants. Pursuant to Health and Safety Code section 25355.5, subdivision (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, subdivision (b), all successive Owners of the Property are expressly bound hereby for the benefit of the Department. Notwithstanding the foregoing or Section 3.01, upon any Owner's sale or transfer of its entire interest in the Property, such conveying Owner (including Covenantor) shall forever be released and relieved of any further obligation or

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liability thereafter arising under this Covenant, subject to the penultimate sentence of Section 3.06 below.

3.03. 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 Health and Safety Code section 25359.7.

3.04. 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.

3.05. Conveyance of Property. The Owner shall provide notice to the Department 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 Department shall not, by reason of this Covenant, have authority to approve, disapprove, or otherwise affect a proposed conveyance, except as otherwise provided by law, by administrative order, or by a specific provision of this Covenant.

3.06. Costs of Administering the Covenant. The terms of this Covenant run with the land and will continue in perpetuity unless a variance is granted pursuant to section 6.01, or unless terminated pursuant to section 6.02. The Department has incurred and will in the future incur costs associated with the administration of this Covenant. Therefore, the Owner hereby covenants for itself and for all subsequent Owners that, pursuant to California Code of Regulations, title 22, section 67391.1(h), the Owner

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agrees to pay the Department's costs associated with the administration of this Covenant, which costs include costs to review the Annual Covenant Report described in Section 3.07 and an annual inspection by the Department. Notwithstanding Civil Code section 1466, in the event the Property ownership changes between the time that the Department's administrative costs were incurred and the invoice for such costs is received, each Owner of the Property for the period covered by the invoice, as well as the current Owner, is responsible for such costs. Failure of the responsible Owner to pay such costs when billed is a breach of the Covenant and enforceable pursuant to section 5.01 of the Covenant.

3.07. Annual Covenant Report/Notice of Violation. Owner shall provide the Department with an annual written report on compliance issues pertaining to this Covenant. The report should include, at a minimum, the date(s) of any visual inspections conducted by Owner or Owner's agent, any activities that occurred that violated the terms of this Covenant, and activities conducted to correct any violations of the terms of this Covenant. The report shall be provided to the Department annually within 30 days of the anniversary date of the recording of this Covenant. If the Owner or Owner's agent identifies any violations of this Covenant during the annual inspections, the Owner shall immediately commence taking any necessary and reasonable actions required to return to compliance with the terms of this Covenant. The annual report shall detail the steps taken to return to compliance; additionally, copies of any correspondence related to the enforcement of this Covenant shall be sent to the Department within ten (10) days of its original transmission. If the Owner or Owner's agent identifies any violations of this Covenant independent of the annual inspections

that are reported in the annual report, the Owner shall notify the Department of the violation as soon as practicable.

ARTICLE IV
RESTRICTIONS

4.01. Prohibited Uses. The Property shall only be used for industrial and commercial uses, including parking. The Property shall not be used for any of the following purposes:

- (a) A residence, including any mobile home or factory built housing, constructed or installed for use as residential human habitation.
- (b) A hospital for humans.
- (c) A public or private school for persons under 21 years of age.
- (d) A day care center for children.
- (e) A nursing home.

4.02. Soil Management.

(a) No activities that will disturb the soil below the foundation of the Building shall be allowed on the Property without compliance with a Soil Management Plan approved by the Department.

(b) Any contaminated soils brought to the surface by grading, excavation, trenching or backfilling shall be managed in accordance with all applicable provisions of state and federal law.

4.03. Access for Department. The Department shall have reasonable right of entry and access to the Property for inspection, monitoring, and other activities

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consistent with the purposes of this Covenant as deemed necessary by the Department in order to protect the public health or safety, or the environment.

ARTICLE V

ENFORCEMENT

5.01. Enforcement. Failure of the Covenantor, Owner or Occupant to comply with any of the provisions of Sections 4.01, 4.02, or 4.03 specifically applicable to it shall be grounds for the Department to require that the Covenantor or Owner to terminate any uses and modify or remove any Improvements constructed or placed upon any portion of the Property in violation of those provisions. Violation of this Covenant or failure to comply with this Covenant shall be grounds for the Department to file civil or criminal actions as provided by law.

ARTICLE VI

VARIANCE, TERMINATION, AND TERM

6.01. Variance. Covenantor or any other aggrieved person, may apply to the Department for a written variance from the provisions of this Covenant. Such application shall be made in accordance with Health and Safety Code section 25233.

6.02. Termination. Covenantor or any other aggrieved person, may apply to the Department 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 Health and Safety Code section 25234.

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

ARTICLE VII

MISCELLANEOUS

7.01. 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.

7.02. Recordation. The Covenantor shall record this Covenant, with all referenced Exhibits, in the County of Los Angeles within ten (10) days of the Covenantor's receipt of a fully executed original.

7.03. 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 : Lar Par, Inc.
401 South Anderson Street
Los Angeles, California 90033
Attention: John Anderson, Jr.
Facsimile: (323) 264-2602

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Copy to: Allen Matkins Leck Gamble & Mallory LLP
1900 Main Street, 5th Floor
Irvine, California 92614
Attention: Pamela L. Andes, Esq.
Facsimile: (949) 553-8354

To Department: Sayareh Amir, Branch Chief
Southern California Cleanup Operations Branch
Glendale Office
Department of Toxic Substances Control
1011 North Grandview Avenue
Glendale, California 91201

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

7.04. 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.

7.05. Statutory References. All statutory references include successor provisions.

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IN WITNESS WHEREOF, the Parties execute this Covenant.

Covenantor: Lar Par, Inc.

By: John E. Anderson

Title: President

Date: 1/04/06

Department of Toxic Substances Control:

By: Sayd Amir
SAYAREH AMIR

Title: Branch Chief

Date: 1/12/06

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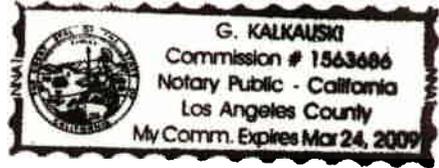
STATE OF CALIFORNIA)
COUNTY OF Los Angeles)

On this 4th day of January, in the year 2006, before me
G. Kalkauski, NOTARY PUBLIC, personally appeared John E. Anderson,

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 G. Kalkauski



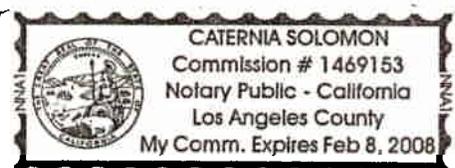
STATE OF CALIFORNIA)
COUNTY OF Los Angeles)

On this 12 day of Jan, in the year 2006, before me
Caterina Solomon, NOTARY PUBLIC, personally appeared SAYAREH Amir,

~~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 Caterina Solomon



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EXHIBIT A

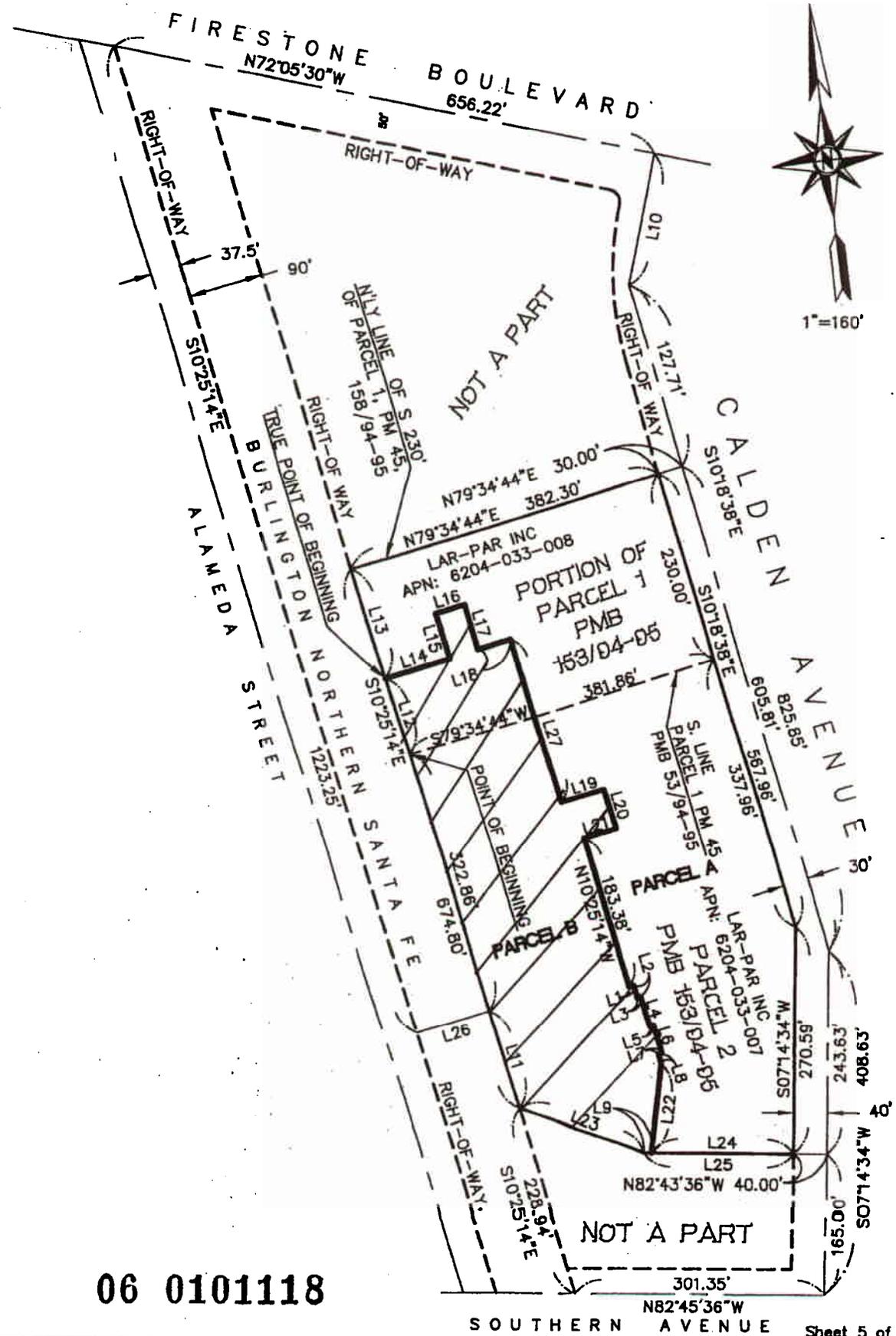
PARCEL 2 AND THE SOUTH 230 FEET OF PARCEL 1, PARCEL MAP NO. 45, IN THE CITY OF SOUTH GATE, COUNTY OF LOS ANGELES, STATE OF CALIFORNIA, AS SHOWN ON A MAP FILED IN BOOK 153 PAGES 94 AND 95 OF PARCEL MAPS IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY.

EXCEPTING THEREFROM THE FOLLOWING DESCRIBED PROPERTY:

BEGINNING AT THE NORTHWEST CORNER OF SAID PARCEL 2; THENCE NORTH 10°25'14" WEST 96.02 FEET ALONG THE WESTERLY LINE OF SAID PARCEL 1 TO THE TRUE POINT OF BEGINNING; THENCE CONTINUING NORTH 10°25'14" WEST 133.98 FEET TO THE NORTHERLY LINE OF THE SOUTH 230.00 FEET OF SAID PARCEL 1, THENCE ALONG SAID NORTHERLY LINE NORTH 79°34'44" EAST 382.30 FEET TO THE SOUTHWESTERLY LINE OF CALDEN AVENUE, 60 FEET WIDE; THENCE ALONG SAID SOUTHWESTERLY LINE SOUTH 10°18'38" EAST 567.96 FEET; THENCE SOUTH 07°14'34" EAST 270.59 FEET TO THE SOUTHERLY LINE OF SAID PARCEL 2; THENCE ALONG SAID SOUTHERLY LINE NORTH 82°43'36" WEST 171.99 FEET; THENCE NORTH 13°17'05" EAST 107.44 FEET; THENCE NORTH 10°16'38" WEST 10.77 FEET; THENCE NORTH 79°29'28" EAST 4.55 FEET; THENCE NORTH 10°29'51" WEST 36.23 FEET; THENCE SOUTH 10°29'51" EAST 4.48 FEET; THENCE NORTH 10°24'25" WEST 37.74 FEET; THENCE SOUTH 79°43'25" WEST 4.31 FEET; THENCE NORTH 10°28'00" WEST 15.26 FEET; THENCE SOUTH 79°34'59" WEST 5.45 FEET; THENCE NORTH 10°25'14" WEST 183.38 FEET; THENCE NORTH 79°43'19" EAST 39.78 FEET; THENCE NORTH 10°28'07" WEST 50.10 FEET; THENCE SOUTH 79°33'46" WEST 52.96 FEET; THENCE NORTH 10°22'39" WEST 207.84 FEET; THENCE SOUTH 79°32'48" WEST 40.95 FEET; THENCE NORTH 10°14'01" WEST 54.75 FEET; THENCE SOUTH 79°41'56" WEST 35.89 FEET; THENCE SOUTH 10°45'39" EAST 54.85 FEET; THENCE SOUTH 79°32'48" WEST 79.32 FEET TO THE TRUE POINT OF BEGINNING.

CONTAINING 102,602 SQ. FT., MORE OR LESS

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SOUTHERN AVENUE Sheet 5 of 5