Linda S. Adams
Secretary for
nvironmental Protection

Department of Toxic Substances Control

Maureen F. Gorsen, Director
1001 "I" Street
P.O. Box 806
Sacramento, California 95812-0806

Arnold Schwarzenegger
Governor

STANDARD AGREEMENT
for participating under California's Land Reuse and Revitalization Act (CLRRA) Program

Docket No. HSA-CLRRA – 07/08-160

Overview

The California Land Reuse and Revitalization Act of 2004 (CLRRA) was enacted by Assembly Bill No. 389, Montanez, on September 23, 2004.[1] CLRRA provides for an eligible bona fide purchaser (BFP), innocent landowner (ILO), or contiguous property owner (CPO) (a "Person" under this Agreement) to qualify for specified immunities from liability for certain response costs or damage claims under applicable state statutes. Under CLRRA, a Person seeking the immunities provided by this Act is required to enter into an agreement. By entering into this Agreement, Runkle Canyon, LLC meets the CLRRA requirement to enter into such an agreement. The CLRRA program is a voluntary program afforded to qualifying Persons and does not alter existing state law regarding liability for releases or discharges of hazardous substances or hazardous materials not addressed by this Agreement.

Runkle Canyon, LLC and DTSC hereby agree as follows:

1. Introduction

1.1 Parties. This Agreement is entered into by Runkle Canyon, LLC, a Delaware limited liability company, and DTSC, who are collectively the "Parties" to this Agreement.

1.2 Site Description. This Agreement applies to the "Site" which is defined as the real property located at the southerly terminus of Sequoia Avenue in the City of Simi Valley, Los Angeles County, California 93065, identified by Assessor's Parcel Numbers (APNs) 685-0-040-270, 685-0-040-325, 685-0-040-335, 685-0-040-345, 685-0-040-350, 685-0-040-365, 685-0-040-370, 685-0-040-380, 685-0-040-390, 685-0-040-400, 685-0-040-415, 685-0-040-425, 685-0-040-435, 685-0-040-445, 685-0-040-455 and 685-0-130-210. The Site is approximately 1592.7 acres and is bounded to the north by existing single family residential homes; to

[1] Assembly Bill No. 389 added Chapter 6.82 (commencing with section 25395.60) and Chapter 6.83 (commencing with section 25395.110) to Division 20 of the Health and Safety Code.

the east by the Brandeis Bardin Institute and the Santa Susana Field Laboratory; to the south by the Mountain Recreation and Conservancy Authority; and to the west by single family homes and open space. The Site was previously occupied by a gravel mining operation and cattle grazing. A diagram of the Site and a location map are attached as Exhibit A.

1.3 Jurisdiction. CLRRA, as codified in Health and Safety Code (HSC) section 25395.92, authorizes DTSC to enter into an agreement with Runkle Canyon, LLC with respect to the Site.

1.4 Purpose. The purpose of this Agreement is to implement CLRRA for the review of documents, and possible assessment and/or remediation of the Site, so that Runkle Canyon, LLC may qualify for the immunities afforded under CLRRA and DTSC may be reimbursed for the costs incurred by DTSC.

1.5 Agreement Not an Admission. Entry into this Agreement by Runkle Canyon, LLC does not constitute an admission of fact or liability or conclusion of law for any purpose or proceeding nor does it limit or waive any defense to responsibility or liability that may be available to Runkle Canyon, LLC under any provision of law.

1.6 Agreement Not a Limitation. Nothing in this Agreement limits DTSC's authority to conduct a response action DTSC determines is necessary to protect public health and safety or the environment pursuant to an applicable statute. Except as otherwise expressly provided, nothing in this Agreement limits DTSC's authority to issue an order or take any other action under any provision of law to protect public health and safety or the environment or to pursue any existing legal, equitable or administrative remedies pursuant to state or federal law.

2. Definitions

2.1 Unless otherwise specified, definitions of terms used in this Agreement are those set forth in HSC, Division 20, Chapters 6.82 and 6.83.

2.2 "Applicable statute" means the statutory provisions listed in HSC §25395.66(a)-(e).

3. Findings

3.1 Site History. The Site was previously occupied by a gravel mining operation and cattle grazing. The Site is currently owned by Runkle Canyon, LLC.

3.2 Site Eligibility. On April 18, 2008, Runkle Canyon, LLC submitted electronically to DTSC a complete application and All Appropriate Inquiries (AAI) report that provide sufficient information for DTSC, pursuant to HSC section 25395.92(c), to prepare this Agreement, to determine that the Site is an eligible site under HSC section 25395.79.2 and to determine that Runkle Canyon, LLC meets the

conditions that apply as of the effective date of this Agreement to qualify as an Innocent Landowner under HSC section 25395.75.

Based on the information submitted in the application and the AAI report, DTSC has determined that the Site meets the definition of a site specified under HSC section 25395.79.2 because it is real property located in an urban infill area and its redevelopment is complicated by the perceived presence of hazardous materials and is not excluded as an NPL site or state superfund site and is not solely impacted by a petroleum release.

3.3 Eligibility of Runkle Canyon, LLC. Based on the information submitted in the application and AAI report, DTSC has determined that Runkle Canyon, LLC meets the definition of an ILO pursuant to HSC section 25395.75 and that Runkle Canyon, LLC made all appropriate inquiries pursuant to HSC section 25395.65 and meets the conditions under HSC section 25395.80 that apply as of the effective date of this Agreement. The following documents are being provided to DTSC, which includes among them the AAI report, as well as additional reports and appendices, tables and figures, correspondence, and other documents:

1) Summary of Environmental Documents Containing Testing Results for Arsenic and Other Title 22 Metals, prepared by Geocon Runkle, dated August 10, 2007;

2) Results of July 2, 2007 Surface Water and Soil Sampling, prepared by Geocon, dated July 13, 2007;

3) Results of Surface Water and Soil Sampling and Analysis, prepared by Geocon-Runkle, dated July 26, 2007;

4) Water Quality Issues Related to the Runkle Canyon Development, prepared by Larry Walker, dated October 30, 2007;

5) Radiological Health Risks from Sr90, prepared by Dade Moeller, dated April 2005;

6) Supplemental Soil Sampling for Strontium-90, prepared by Dade Moeller, dated August 1, 2005;

7) Strontium 90 Sampling in Runkle Canyon, prepared by Dade Moeller, dated December 18, 2007;

8) Results of Limited Soil Sampling, prepared by Harding ESE, dated November 3, 2000;

9) Report for Asphaltic Material and Surface Water Sampling and Analysis Program on the 550 - Acre Parcel within the Runkle Canyon Property, prepared by Miller Brooks, dated May 21, 2003;

10) Oversight of Converse Soil and Groundwater Sampling, prepared by Miller Brooks, dated June 9, 2005;

11) Phase I and II Environmental Site Assessment - 550 Acre Parcel, prepared by Miller Brooks, dated May 8, 2003;

12) Phase I Environmental Site Assessment and Soil Sampling Program - 715 Acre Parcel, prepared by Miller Brooks, dated October 19, 2000;

13) Site Investigation of Southern 715 Acre Parcel, prepared by Miller Brooks, dated September 17, 2003;

14) Site Investigation of Western 350 Acre Parcel, prepared by Miller Brooks, dated September 17, 2003;

15) Site Investigation Report 550 Acre Parcel, prepared by Miller Brooks, dated September 17, 2003;

16) Surface Water and Groundwater Sampling for Specific Organic - Inorganic and Perchlorate, prepared by Miller Brooks, dated September 17, 2003;

17) Source Evaluation Report, prepared by Miller Brooks, dated March 31, 2004;

18) Work Plan to Conduct Onsite Groundwater Investigation Activities, prepared by Miller Brooks, dated March 31, 2004;

19) Supplemental Site Assessment Report for Groundwater Investigation Activites, prepared by Miller Brooks, dated July 29, 2004;

20) Supplemental Report for Groundwater Sampling Activites, prepared by Miller Brooks, dated February 9, 2005;

21) Groundwater Sampling Activites, prepared by Miller Brooks, dated June 2005 - July 22, 2005;

22) Groundwater Sampling Activities, prepared by Miller Brooks, dated March 2006 - May 25, 2006;

23) Phase I Environmental Site Assessment of Western 350 Acre Parcel, prepared by Foster Wheeler, dated May 16, 2000;

24) Site Investigation-Volume I, part 1, prepared by Foster Wheeler, dated October 1999;

25) Site Investigation Volume 1, part 2, prepared by Foster Wheeler, dated October 1999;

26) Site Investigation Report, Volume II, part 1, prepared by Foster Wheeler, dated October 1999;

27) Site Investigation Report, Volume II, part 2, prepared by Foster Wheeler, dated October 1999;

28) Approval to Abandon Wells, prepared by RWQCB, dated April 5, 2007;

29) Request for Historical and Current Site Information, prepared by RWQCB, dated February 26, 2004;

30) KB Home L33274 – Report of Analysis/Certificate of Conformance, prepared by Teledyne Brown Engineering, Inc., dated October 24, 2007;

31) KB Home L33275 – Report of Analysis/Certificate of Conformance, prepared by Teledyne Brown Engineering, Inc., dated October 25, 2007;

32) KB Home L33276 - Report of Analysis/Certificate of Conformance, prepared by Teledyne Brown Engineering, Inc., dated October 26, 2007;

33) KB Home L33277 - Report of Analysis/Certificate of Conformance, prepared by Teledyne Brown Engineering, Inc., dated October 26, 2007;

34) KB Home L33278 - Report of Analysis/Certificate of Conformance, prepared by Teledyne Brown Engineering, Inc., dated October 26, 2007;

35) KB Home L33284 - Report of Analysis/Certificate of Conformance, prepared by Teledyne Brown Engineering, Inc., dated October 26, 2007;

36) Radiation survey, prepared by Miller Brooks, dated October 12, 2000;

37) Department of Oil, Gas and Geothermal Resources letter, dated November 5, 2003;

38) Preliminary Sampling Report, prepared by QST Environmental, dated February 5, 1999;

39) Phase I report, prepared by RAMCO, dated August 27, 1998;

40) Letter from the Regional Water Quality Control Board, dated November 29, 2006; and

41) Phase I Environmental Site Assessment and Limited Soil Sampling Report, prepared by Geocon Consultant, Inc. for Runkle Canyon, LLC, dated September 6, 2005.

4. Immunities, Withdrawal and Termination

4.0 Immunities. Runkle Canyon, LLC is entitled to the immunities provided for by CLRRA, subject to its limitations and conditions, upon entry into this Agreement. Any successor-in-interest to the Site will also be entitled to the immunities set forth by the CLRRA provided: (a) such successor-in-interest executes a written agreement (in the form attached hereto as Exhibit E) to assume any remaining obligations under the Agreement not performed by Runkle Canyon, LLC, including, without limitation, long-term operation and maintenance; (b) DTSC finds that such successor-in-interest meets all of the qualifying conditions of HSC section 25395.80 and either section 25395.69 or 25395.70 of CLRRA, as applicable; and (c) DTSC accepts the assumption by such successor-in-interest of the remaining obligations under this Agreement. DTSC's acceptance of the successor-in-interest qualifying under the conditions of HSC section 25395.80 and either section 25395.69 or section 25395.70 of CLRRA, as applicable, shall be evidenced solely by DTSC's execution of the assumption agreement by such successor-in-interest. Such agreement shall then be incorporated into the Agreement as a subsequent Exhibit.

4.1 Withdrawal and Termination. The circumstances and procedures under which Runkle Canyon, LLC or DTSC may withdraw from or terminate this Agreement, and the consequences of withdrawal or termination are as set forth in CLRRA.

4.2 Opportunity to Cure. Runkle Canyon, LLC shall be given notice and an opportunity to cure within a reasonable period of time before DTSC terminates this Agreement for an unapproved material deviation from the Agreement pursuant to HSC sections 25395.81(c)(1) and 25395.93(d) of CLRRA.

5. Activities

5.0 Activities. Runkle Canyon, LLC and DTSC agree that the following activities are to be conducted under this Agreement in accordance with the schedule contained in Exhibit B.

5.1 Submittal of Existing Data. Runkle Canyon, LLC represents that it has made available and shall continue to make available to DTSC until DTSC' s issuance of the certificate of completion, all known data and non-privileged information concerning contamination at the Site whether or not such data and information was developed pursuant to this Agreement. Runkle Canyon, LLC further represents that it has informed DTSC of any other known reports and documents, not in its possession, pertinent to the hazardous materials

management and/or release, characterization and cleanup of the Site, including the name of the document (if known) and the identity and address of the person/entity with possession of the document (if known).

5.2 Site Assessment. Runkle Canyon, LLC shall submit a Site Assessment Plan to DTSC that contains all necessary information required under HSC section 25395.94(b) and (c). The Site Assessment Plan may consist of information about the Site already generated to date. Based upon the information submitted, DTSC will determine if a health risk assessment (HRA) prepared in accordance with HSC section 25356.1.5(b), (c), and (d) will be required.

5.2.1 Site Assessment Plan and Report of Findings. Runkle Canyon, LLC shall submit a Site Assessment Plan based upon comments from DTSC on the existing environmental reports. Following implementation of the Site Assessment Plan, Runkle Canyon, LLC shall submit a Report of Findings as part of the Response Plan containing all information required under HSC section 25395.94(b) and (c). The Report of Findings and the workplan together will constitute the Site Assessment Plan required under HSC section 25395.94.

5.2.2 Approval of Site Assessment Plan. If DTSC finds the Site Assessment Plan is adequate and contains all necessary information required pursuant to HSC section 25395.94(b) and (c), DTSC will notify appropriate persons, including any public drinking water system that relies on impacted groundwater for public drinking water purposes.

5.3 Response Plan. Based upon the AAI and other information submitted, DTSC may determine that response action is necessary to prevent or eliminate an unreasonable risk at the Site. If requested by DTSC, Runkle Canyon, LLC shall submit a Response Plan to DTSC for approval. Once the Response Plan is approved, Runkle Canyon, LLC shall implement the plan. The Response Plan shall contain the information specified in HSC section 25395.96(a) and (b) and shall provide that implementation of the plan will place the site in a condition that allows it to be used for its reasonably anticipated future land use without unreasonable risk to human health and safety and the environment. Public participation shall meet the requirements of HSC section 25395.96, including a DTSC public meeting if requested. Upon approval of the Response Plan, DTSC will notify all appropriate persons.

5.3.1 Agreement to Implement Response Plan. Pursuant to HSC section 25395.92(d)(1), Runkle Canyon, LLC agrees to take all actions required for a response action pursuant to HSC, Division 20, Chapter 6.8 and Water Code Division 7. Required actions may include actions necessary to prevent an unreasonable risk before approval of the Response Plan.

5.3.2 Schedule for Compliance. The Response Plan shall include a timetable that identifies a schedule for compliance with the response action activities required for the site.

5.3.3 Determination of Appropriate Care. Within sixty (60) calendar days after DTSC receives the Response Plan submitted under Section 5.2, DTSC will make a written determination as to whether proper completion of the Response Plan will constitute appropriate care for the purposes of HSC section 25395.67(a).

5.3.4 Certificate of Completion. DTSC will issue a certificate of completion upon determining that all response actions have been satisfactorily completed in accordance with the approved Response Plan and that, based upon the data provided to DTSC at the time of the determination, no further remedial action, except only compliance with operation and maintenance and land use restriction requirements, if any, is necessary. If the Response Plan includes long-term obligations that have not been completed, including operation and maintenance (O&M) requirements or monitoring, DTSC will not issue a certificate of completion unless DTSC determines that all response actions other than the long-term O&M requirements and monitoring in the Response Plan have been completed, Runkle Canyon, LLC has submitted an adequate long-term O&M plan (O&M Plan) and Runkle Canyon, LLC has demonstrated initial compliance with the O&M Plan.

5.3.5 Notification of Prospective Change in Land Use. After the Response Plan is approved, Runkle Canyon, LLC shall notify DTSC of any proposed change in the use or anticipated use of the property different from that specified in the Response Plan. If the proposed change in use or anticipated use of the property requires a higher level of protection than use or anticipated use identified in the Response Plan, DTSC may require Runkle Canyon, LLC to prepare and implement a new response plan that takes into account the change in use or anticipated use of the property. Runkle Canyon, LLC shall not make any change in use of the property inconsistent with any recorded land use control without the express approval of DTSC made in accordance with HSC section 25395.99(f).

5.4 Land Use Controls. Runkle Canyon, LLC will execute and record any land use controls required under the approved Response Plan.

5.5 Operation and Maintenance. If DTSC determines long-term O&M is required, as provided in an approved Response Plan, DTSC may, as a condition of issuing a certificate of completion, enter into an O&M agreement with Runkle Canyon, LLC that governs long-term O&M activities and that provides for adequate financial assurance. Runkle Canyon, LLC shall select financial assurance provisions from the options available in Title 22, California Code of Regulations section

66264.145. DTSC may agree to the assignment and termination of Runkle Canyon, LLC's O&M obligations, if any, if it is provided satisfactory evidence of financial assurance for the O&M obligations by the assignee and such successor enters into an acceptable O&M Agreement with DTSC. Such agreement shall not be unreasonably withheld.

5.6. CEQA Compliance. To the extent required by law, Runkle Canyon, LLC shall submit to DTSC all documentation necessary for compliance with the California Environmental Quality Act, Public Resources Code sections 21000-21177 (CEQA).

5.7 Final Reports. For all final reports, Runkle Canyon, LLC shall submit one hard (paper) copy and one electronic copy with all applicable signatures and certification stamps as a text-readable Portable Document Formatted (pdf) file Adobe Acrobat version 7.0 or lower or Microsoft Word 2003 formatted file (doc) or lower.

5.8 Endangerment.

5.8.1 Runkle Canyon, LLC shall notify DTSC's Project Manager immediately upon learning of any previously unknown condition that endangers public health or safety or that poses an unreasonable risk to human health and safety or the environment.

5.8.2 In the event DTSC determines that any activity (whether or not pursued in compliance with the Agreement) may pose an imminent or substantial endangerment to the health and safety of people on the Site or in the surrounding area or to the environment, DTSC may order Runkle Canyon, LLC to stop further implementation of the Agreement for such period of time as may be needed to abate the endangerment.

5.9 Further Response Actions. DTSC may require Runkle Canyon, LLC to conduct further response actions only under the circumstances set forth in CLRRA.

5.10 Disclosure Provisions. Runkle Canyon, LLC will provide all notices and satisfy reporting requirements required by state or federal law with respect to the discovery or release of hazardous substances at the site.

5.11 Exclusion from Permit Requirements. DTSC may exclude any portion of a response action conducted entirely on a site subject to an approved Response Plan from the hazardous waste facilities permit requirements if the Response Plan specifies that the response action will be conducted in compliance with the standards, requirements, criteria or limitations specified in HSC section 25395.100(b), including any condition imposed by DTSC.

5.12 Access. While Runkle Canyon, LLC is the owner of the Site, Runkle Canyon, LLC shall provide access to the Site. Such access shall be provided to DTSC's employees, contractors, and consultants at all reasonable times. Nothing in this paragraph is intended or shall be construed to limit in any way the right of entry or inspection that DTSC or any other agency may otherwise have by operation of any law.

5.13 Notification of Field Activities. Runkle Canyon, LLC shall inform DTSC at least seven (7) calendar days in advance of all field activities pursuant to the Agreement and shall allow DTSC and its authorized representatives to take duplicates of any samples collected pursuant to the Agreement

6. Oversight, Management and Payment

6.1 Oversight Agreement Managers and Project Managers. Norman E. Riley, SSFL Project Director, is designated by DTSC as its manager for this Agreement. Chuck Heffernan, Authorized Member Representative, and Jeffrey Lawhon, Authorized Member Representative, are designated by Runkle Canyon, LLC as its managers for this Agreement. Each Party will provide at least ten (10) calendar day advance written notice to the other Party of a change of its designated agreement manager. All notices, documents and communications unless otherwise specified will be sent to the following addresses:

To: Norman E. Riley, SSFL Project Director
Department of Toxic Substances Control
Headquarters
1001 I Street
P.O. Box 806
Sacramento, CA 95812-0806

To: Chuck Heffernan, Authorized Member Representative
Runkle Canyon, LLC
27240 Turnberry Lane
Suite 100
Valencia, CA 91355

and

To: Jeffrey Lawhon, Authorized Member Representative
Runkle Canyon, LLC
23823 Valencia Boulevard
Valencia, CA 91355

6.2 Payment of DTSC's Costs. Runkle Canyon, LLC shall follow the procedures for payment of DTSC's oversight costs.

6.2.1 Costs Included. Runkle Canyon, LLC shall reimburse DTSC for all DTSC's costs. Subject to the provisions of section 6.2.6 below, Runkle Canyon, LLC will reimburse DTSC costs in accordance with HSC Division 20, Chapter 6.66. DTSC's costs are recoverable pursuant to HSC section 25360.

6.2.2 Cost Estimate. An estimate of DTSC oversight costs is contained in Exhibit C. The cost estimate is the estimated cost of DTSC oversight of the activities discussed in Section 5, above. The Parties acknowledge that the cost estimate is not the final cost figure. DTSC will provide an updated Cost Estimate if the estimated oversight cost increases or the scope of work changes. If the Parties revise the Cost Estimate in Exhibit C, such revision will be incorporated into this Agreement as an amendment to Exhibit C.

6.2.3 Payment Procedures. In anticipation of the costs to be incurred under this Agreement, including costs of preparing this Agreement, Runkle Canyon, LLC has made an advance payment of $57,500. If the advance payment does not cover all costs payable to DTSC, DTSC will invoice Runkle Canyon, LLC quarterly. Runkle Canyon, LLC shall pay all invoices within sixty (60) calendar days of the mailing date of the invoice. If payment is not received by DTSC within sixty (60) calendar days of the date of the invoice, Runkle Canyon, LLC may be deemed to be in material default of this Agreement, subject to the cure period specified in section 4.2. Any payment for billing not received by DTSC within sixty (60) calendar days is subject to interest based on applicable Federal and State laws and regulations, including but not limited to Health and Safety Code section 25360.1.

6.2.4 Billing Address. DTSC will provide a Statement of Account to Runkle Canyon, LLC at least quarterly. Runkle Canyon, LLC's billing address is:

Chuck Heffernan
Runkle Canyon, LLC
27240 Turnberry Lane
Suite 100
Valencia, CA 91355

6.2.5 Payment Address. All payments made by Runkle Canyon, LLC pursuant to this Agreement shall be by check made payable to DTSC, and bearing on its face the project code for the Site (#301383) and the docket number (HAS-CLRRA 07/08-160) of this Agreement. Payments shall be sent to:

Department of Toxic Substances Control
Accounting/Cashier
1001 I Street, 21st Floor
P.O. Box 806
Sacramento, California 95812-0806

6.2.6 Dispute Resolution. If Runkle Canyon, LLC disputes DTSC's billing, or any part thereof, Runkle Canyon, LLC shall notify DTSC's assigned project manager and attempt to informally resolve the dispute with DTSC's project manager [and supervisor or branch chief]. If Runkle Canyon, LLC desires to formally request dispute resolution with regard to the billing, Runkle Canyon, LLC shall file a request for dispute resolution in writing within forty-five (45) calendar days of the date of the billing in dispute. The written request shall describe all issues in dispute and shall set forth the reasons for the dispute, both factual and legal. If the dispute pertains only to a portion of the costs included in the invoice, Runkle Canyon, LLC shall pay all costs that are undisputed in accordance with this section. The filing of a notice of dispute pursuant to this section shall not stay the accrual of interest on any unpaid costs pending resolution of the dispute. The written request shall be sent to:

Special Assistant for Cost Recovery and Reimbursement Policy
Department of Toxic Substances Control
P.O. Box 806
Sacramento, CA 95812-0806

A copy of the written request for dispute resolution shall also be sent to the person designated by DTSC to receive submittals under this Agreement. A decision on the billing dispute will be rendered by the Special Assistant for Cost Recovery and Reimbursement Policy or other DTSC designee.

6.2.7 Effect of Billing Dispute. The existence of a billing dispute shall not excuse, stay, or suspend any other compliance obligation or deadline required pursuant to this Agreement.

7. Additional Provisions

7.1 Exhibits. All Exhibits are incorporated into this Agreement by reference.

7.2 Liens. To the extent Runkle Canyon, LLC fails to perform a response action, and DTSC pays for such response action, DTSC shall have a lien on the property constituting the Site for its un-recovered costs of such response action carried out at the Site, if the response action increased the fair market value of the site

that existed before the response action was initiated. DTSC and Runkle Canyon, LLC may agree to substitute a lien on another property or other assurance of payment for the un-recovered response costs.

7.3 Proponent Liabilities. Except as specified in CLRRA, nothing in the Agreement shall constitute or be considered a satisfaction or release from liability for any condition or claim arising as a result of Runkle Canyon, LLC's past, current, or future operations.

7.4 Government Liabilities. The State of California (State) shall not be liable for any injuries or damages to persons or property resulting from acts or omissions by Runkle Canyon, LLC or by related parties in carrying out activities pursuant to the Agreement, nor shall the State of California be held as a party to any contract entered into by Runkle Canyon, LLC or its agents in carrying out the activities pursuant to the Agreement.

7.5 Third Party Actions. In the event that Runkle Canyon, LLC is a party to any suit or claim for damages or contribution to which DTSC is not a party, relating to environmental conditions at the Site, Runkle Canyon, LLC will notify DTSC in writing within ten (10) calendar days after service of the complaint in the third-party action. However, failure to give such notice within ten (10) calendar days will not be a material breach of the Agreement, and this requirement confers no rights on any third parties not party to the Agreement.

7.6 California Law. The Agreement shall be governed, performed and interpreted under the laws of the State of California.

7.7 Severability. If any portion of the Agreement is ultimately determined not to be enforceable, that portion will be severed from the Agreement and the severability shall not affect the enforceability of the remaining terms of the Agreement.

7.8 Parties Bound. The Agreement applies to and is binding, jointly and severally, upon Runkle Canyon, LLC and its officers and directors, and upon any successor agency of DTSC that may have responsibility for and jurisdiction over the subject matter of the Agreement.

7.9 Amendment. This Agreement may be amended in writing by mutual agreement of DTSC and Runkle Canyon, LLC. Any agreed upon amendment shall be in writing, shall be signed by both parties, shall be effective upon the date the amendment is signed by DTSC and, once signed by DTSC, is incorporated in this Agreement.

7.9.1 An amendment may include changes to the terms and conditions of this Agreement, including changes to the Schedule in Exhibit B and the Cost Estimate in Exhibit C and addition of another party in Exhibit D (provided that the party meets all of the qualifying conditions of HSC section

25395.80 and either section 25395.69 or section 25395.70, as applicable) and any other changes DTSC determines to be necessary. Such amendment shall then be incorporated into the Agreement as a subsequent Exhibit.

7.10 Effective Date. The effective date of this Agreement is the date when this Agreement is fully executed.

7.11 Representative Authority. Each undersigned representative of the Parties to this Agreement certifies that she or he is fully authorized to enter into the terms and conditions of this Agreement and to execute and legally bind the Parties to this Agreement.

7.12 Counterparts. The Agreement may be executed and delivered in any number of counterparts, each of which when executed and delivered shall be deemed to be an original, but such counterparts shall together constitute one and the same document.

Norman E. Riley, SSFL Project Director
Department of Toxic Substances Control

Date: APRIL 23, 2008

Thomas C. Diprima
Authorized Member Representative
Runkle Canyon, LLC

Date: 4-18-08

Jeffrey Lawhon
Authorized Member Representative
Runkle Canyon, LLC

Date: 4/18/08

Date: 4·18·08

Bob Tummolo
Authorized Member Representative
Runkle Canyon, LLC

LIST OF EXHIBITS

Exhibit A: Site Map

Exhibit B: Schedule

Exhibit C: DTSC Oversight Cost Estimate

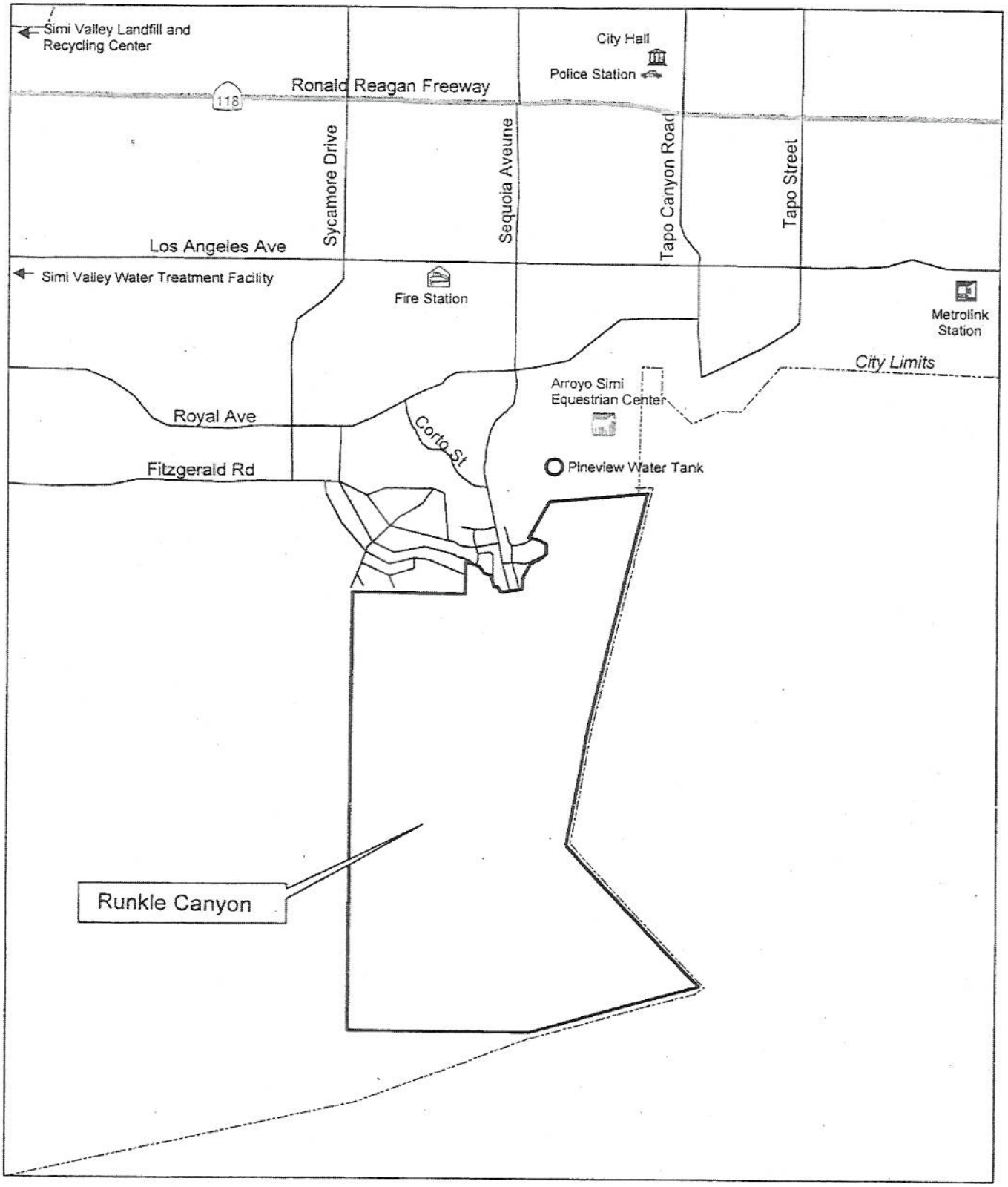
Exhibit D: Amendment to Add an Additional Party

Exhibit E Successor Assignment and Assumption Agreement

EXHIBIT A

Site Map

EXHIBIT A



PROJECT VICINITY MAP

Runkle Canyon Specific Plan

0 1,500 3,000

EXHIBIT B
SCHEDULE

If Runkle Canyon, LLC is unable to perform any activity or submit any document within the schedule outlined below, Runkle Canyon, LLC shall notify DTSC's Project Manager prior to the date the task was to be completed in the schedule below. If DTSC determines that the revised schedule will have a significant effect on the schedule outlined below or upon its review schedule, the schedule shall be amended pursuant to Section 7.2.

Activity	Schedule
Submit existing data	Within 7 days of signed Agreement
DTSC comments to existing data	Within 75 days after Agreement is signed

EXHIBIT C

DTSC Oversight Cost Estimate

EXHIBIT C

DRAFT COST ESTIMATE WORKSHEET

HAS-CLRRA-07/08-160: RUNKLE CANYONE, LLC

Project Name: RUNKLE CANYON
CalStars Site Code: 301383 (11 WP)

Title	VCP Coord	Project Manager		Supervisor		Toxicology	Geology	Industrial Hygiene	HQ Engring	Public Particip	HQ CEQA	Legal	Clerical
Classification	CEA II	HSS	HSE	HSSI	HSSII	Staff Toxicologist	Eng Geol	Assoc IH	HSE	PPS	AEP	Staff Counsel	WPT
TASK: Agreement Prep/Negotiation	20						4					4	
Review and comment on 41 investigative reports and letters parpeared by Proponent	2					16	400					2	1
Review and comment on PEA Workplan and PEA Report, General Project Oversight													
Scoping Documents: HSP/SAP/QAP													
Remedial Investigation/Feasibility Study (RI/FS)													
- Workplan													
- Implementation													
- Report													
Risk Assessment						16							
Public Participation	20					8	8			40		2	8
CEQA													
Removal Action Workplan													
Remedial Action Plan (RAP)													
Remedial Design (RD)													
Implement RAP													
Completion Report													
Certification													
Deed Restriction													
Operation & Maint													
Total No. Hours/Class	42	0	0	0	0	40	412	0	0	40	0	8	9
Hourly Rate/Class	247	127	169	146	169	181	219	146	169	119	125	211	66
Cost/Class	10374					7240	90228			4760		1688	594
Grand Total Cost	$114,884												

EXHIBIT D

[MONTH, DATE, YEAR] AMENDMENT TO ADD AN ADDITIONAL PARTY

This Amendment is made and entered into, by and between the State of California, Department of Toxic Substances Control ("Department") and [Existing BFP, CPO or IL] and [Name of Additional Party] (the " Additional Party") (collectively referred to as the "Parties").

1. The Standard Agreement for participating under California's Land Reuse and Revitalization Act (CLRRA) Program, DTSC Docket No. HSA – CLRRA – 07/08-160 (the "Agreement") is amended to replace "**[Name of existing BFP, CPO, IL named in the Agreement]**" with **"[Name of existing BFP, CPO, IL named in the Agreement]** and **[Name of Additional Party]".**

2. The **Additional Party** agrees to comply with the amended Agreement.

3. The Department has verified that the **Additional Party** meets the requirements and conditions for a **[CHOOSE ONE: Bona fide purchaser pursuant to HSC section 25395.69, Contiguous Property Owner pursuant to HSC section 25395.70, or Innocent landowner pursuant to HSC section 25395.75]** and has made all appropriate inquiries pursuant to HSC section 25395.65 and section 25395.80.

4. Submittals to the **Additional Party**, pursuant to section 6.1 of the Agreement, shall be addressed as follows:

   [Name of Company]
   [Street Address]
   [City, County, State, Zip Code]
   Attention:
   Telephone:
   Fax:
   Email address:

5. The Department reviewed the all appropriate inquiries documentation submitted by [Existing BFP, CPO, IO] and updated as necessary by [Additional Party] and has determined that the documentation meets the requirements for a Site Assessment Plan, pursuant to section 5.2 of this Agreement, and that no changes to the existing Site Assessment Plan are necessary.

Each undersigned representative of the Parties to this Agreement certifies that she or he is fully authorized to enter into the terms and conditions of this Agreement and to execute and legally bind the Parties to this Agreement.

_____ Dated: _____

[Typed Name of Person Authorized to Sign on Behalf of existing BFP, CPO, IL]
[Title]

_____ Dated: _____

[Typed Name of Person Authorized to Sign on Behalf of Additional Party]
[Title]

_____ Dated: _____

Norman E. Riley, SSFL Project Director

Department of Toxic Substances Control

EXHIBIT E

ASSIGNMENT AND ASSUMPTION AGREEMENT

This ASSIGNMENT AND ASSUMPTION AGREEMENT (this "*Assumption Agreement*") is dated as of [_____] [__], 2006 (the "*Effective Date*"), by and among [NAME OF ORIGINAL PARTY/PARTIES TO THE CLRRA AGREEMENT], a [_____]("*Assignor(s)*"), [NAME OF ASSIGNEE/SUCCESSOR], a [_____]("*Assignee*"), and, for purposes of consenting to this Assumption Agreement only, the State of California, Department of Toxic Substances Control ("*Department*").

RECITALS

WHEREAS, Assignor is a party to that certain Standard Agreement For Participating Under California's Land Reuse and Revitalization Act Program, by and between Assignor and Department, dated as of [_____] (the "*CLRRA Agreement*");

WHEREAS, Assignor wishes to assign to Assignee all of its obligations (from and after the Effective Date) pursuant to this Assumption Agreement effective as of the Effective Date, and Assignee wishes to assume all of Assignor's obligations (to the extent arising from and after the Effective Date) with respect to the CLRRA Agreement effective as of the Effective Date; and

NOW, THEREFORE, for good and valuable consideration, the receipt and sufficiency of which is hereby expressly acknowledged, the parties hereto agree as follows:

1. Assumption. Effective as of the Effective Date, Assignee agrees to hereby assume all of the remaining obligations (to the extent arising from and after the Effective Date) of the CLRRA Agreement.

2. DTSC's Determinations. DTSC has determined that the Assignee meets all of the qualifying conditions of HSC Section 25395.80 and either Section 25395.69 or 25395.70 of CLRRA, as applicable, and is qualified to perform any remaining obligations under the CLRRA Agreement, including, without limitation, long-term operation and maintenance, and, by execution of this Assumption Agreement, has agreed to assume such obligations.

3. Further Actions. DTSC hereby consents to the Assumption by the Assignee of the Assignor's remaining obligations under the CLRRA Agreement.

Assignor and Assignee each covenants and agrees, at its own expense, to execute and deliver, at the request of the other party hereto, such further instruments of transfer and assignment and to take such other action as such other party may reasonably request to more effectively consummate the assignments and assumptions contemplated by this Agreement.

4. Counterparts. This Assumption Agreement may be executed in one or more counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument.

5. Binding Effect. This Assumption Agreement shall be binding upon, and shall inure to the benefit of the parties, and each of their respective successors and permitted assigns.

6. Governing Law. This Assumption Agreement shall be governed by, and be construed in accordance with, the laws of the State of California.

IN WITNESS WHEREOF, the parties have executed this Assumption Agreement on the date first set forth above.

_____ Dated: _____

[Assignor:]
[Title]

_____ Dated: _____

[Assignee:]
[Title]

_____ Dated: _____

Norman E. Riley, SSFL Project Director
Department of Toxic Substances Control