CITY OF LOS ANGELES HARBOR DEPARTMENT
Port of Los Angeles

REVOCABLE PERMIT
No. 20-13

The Executive Director of the Harbor Department ("Executive Director") of the City of Los Angeles ("City") hereby grants permission to SO CAL SHIP SERVICES, a California corporation ("Tenant") to occupy and use certain lands and/or waters and/or facilities within the Harbor District owned or under the control of City, acting through its Board of Harbor Commissioners ("Board"), subject to the following terms and conditions:

1. Premises. Tenant is permitted under this Revocable Permit ("Permit") to use the lands and/or waters and/or facilities designated as Parcel 1 – 16,737 square feet of unpaved land area and Parcel 2 – 83,325 square feet of water area located at located at 971 S. Seaside Avenue, as delineated and more particularly described on **Exhibit A** ("Premises"). By mutual agreement of Executive Director and Tenant, land and water not exceeding ten percent (10%) of the Premises granted, or 20,000 square feet, whichever is greater, may be permanently added to or deleted from the Premises granted herein without further approval of Board subject to the following conditions: (1) so long as such change in the Premises is not temporary within the meaning of the Port of Los Angeles Tariff No. 4, as it may be amended or superseded ("Tariff"), Item No. 1035 (or its successor), the compensation set forth in Section 4 of this Permit shall be increased or decreased pro rata to reflect any such addition or deletion; (2) if the change involves the addition or deletion of any improvement, the adjustment to the compensation shall also take into account this change in the same manner in which the compensation was originally calculated; (3) if permanent changes in the area of the Premises are made on more than one occasion, the cumulative net change in area may not exceed ten percent (10%) or 20,000 square feet, whichever is greater, of the originally designated Premises, and (4) the change in area of the Premises shall not result in the annual compensation exceeding One Hundred Fifty Thousand Dollars ($150,000). Executive Director is authorized to execute amendment(s) to this Permit to effect the foregoing adjustments to area of the Premises and compensation without further action of Board.

2. Permitted Use. The Premises shall be used for mooring of vessels and storage of associated oil platform operating materials and other uses incidental thereto ("Permitted Use") and not for any other use without the prior written consent of Executive Director which approval may be withheld by City in its sole and absolute discretion. Tenant shall not use the Premises in any manner, even if the use is a Permitted Use, that will cause cancellation of any insurance policy covering the Premises or adjacent premises; provided, however, Tenant may, in City's sole discretion, remain if it pays the increase in City's insurance costs caused by its operations. No offensive or refuse matter, or any substance constituting any unnecessary, unreasonable, or unlawful fire hazard, or material detrimental to the public health, shall ever be permitted by Tenant to be or remain on the Premises, and Tenant shall prevent any such material or matter from being or accumulating upon the Premises. Tenant further agrees not to keep on the Premises or permit to be kept, used, or sold thereon, anything prohibited by any policy of fire insurance covering the Premises or any structure erected thereon.

3. Effective and Termination Dates. This Permit shall be effective on October 1, 2020 upon approval by the Board and execution by Executive Director ("Effective Date"), and any other required approvals, and shall thereafter be revocable at any time by Tenant or by Executive Director upon the giving of at least thirty (30) days' written notice to the other party stating the date upon which this Permit shall terminate ("Termination Date"); provided, however, this Permit shall not exceed twenty four (24) months from the Effective Date. Termination Date shall also mean the date that the Permit terminates in connection with Tenant's Default under Section 13, Tenant's misrepresentation under Section 23, a court decision under Section 24, or a conflict of interest under Section 25 of this Permit, or any termination by operation of law or any other reason. The right of Executive Director to revoke this Permit is and shall remain unconditional. Neither City, nor any board, officer, or employee thereof, shall be liable in any manner to

Tenant because of such revocation. Tenant shall commence using the Premises for the Permitted Use within thirty (30) days from the Effective Date.

4. Compensation

(a) Monthly Rent. On or before the first day of each month, in advance, Tenant shall pay to City rental ("Rent") for the use of the Premises according to the table below. Initial rent will be Seven Thousand Eight Hundred Forty-Four Dollars and Seventy-Nine Cents ($7,844.79) as "Monthly Rent."

Provided this Permit is not sooner terminated, the Monthly Rent shall be adjusted as follows and as more detailed in **Exhibit AA**:

October 1, 2020 to December 31, 2020:	$7,844.79 per month
January 1, 2021 to December 31, 2021:	$11,014.02 per month
January 1, 2022 to September 30, 2022:	$14,517.99 per month

Use of the Premises for purposes not expressly permitted herein, whether approved in writing by Executive Director or not, may result in additional charges, including charges required under the Tariff. Tenant agrees to pay such additional charges. Executive Director may change the amount of Rent required herein upon giving at least thirty (30) days' written notice to Tenant. Rent paid by Tenant shall be applied to the oldest outstanding balance. Rent is in addition to any applicable charges under the Tariff.

(b) Late Charge. Rent payments which have not been paid within ten (10) days of the due date shall be subject to a service charge consisting of simple interest of one-thirtieth (1/30) of two percent (2%) of the invoice amount remaining unpaid each day, for costs and expenses incurred by reason of Tenant's late payment. City shall have the right, without further notice to Tenant, to change the amount charged for the late charge to the amount set forth in Tariff Item No. 270 if the amount in Tariff Item No. 270 changes. Acceptance of any late charge (or any other payments) shall not constitute a waiver of Tenant's default under Section 13 of this Permit.

(c) Security Deposit. Prior to the issuance of this Permit, Tenant shall deposit with City a sum equal to Fifteen Thousand Twenty Dollars and Ten Cents ($15,689.58) as security for Tenant's performance under this Permit ("Security Deposit") including but not limited to covering Tenant's delinquent Rent and its other obligations under this Permit including but not limited to repairing damages to the Premises. Notwithstanding the foregoing, City shall not be required to apply the Security Deposit to any of Tenant's obligations under this Permit during the term of the Permit. If all or any part of the Security Deposit is used to pay any Rent due and unpaid or to meet any other Tenant obligation, Tenant shall then immediately reimburse City for the amount applied so that at all times during the life of this Permit the full amount the Security Deposit set forth above shall be on deposit with City. Failure to maintain the full amount of the Security Deposit shall constitute a material breach of this Permit. In the sole discretion of Executive Director, Tenant may post other forms of security but only in a form acceptable to the Los Angeles City Attorney. If for any reason City has not initially required a Security Deposit from Tenant, City may at any time and for any reason require a Security Deposit in an amount Executive Director determines necessary to secure performance of the Permit. Tenant agrees to post such deposit with City within ten (10) days of written request from City and agrees that its failure to do so constitutes a material breach of this Permit. No interest is payable by City on the Security Deposit. Any deposit required under this Section 4 shall be in addition to any deposit required for the issuance of a Harbor Engineer Permit pursuant to Section 9 of this Permit.

(d) No Right of Set-Off. Notwithstanding any other provision of this Permit, Tenant's obligation to pay all Rent shall be absolute and unconditional and shall not be affected by any circumstance including, without limitation, any set-off, counterclaim, recoupment, defense, or other right or claim which Tenant may have against City.

(e) Place of Payment. Tenant shall render its payments to City of Los Angeles Harbor Department, P.O. Box 514300, Los Angeles, CA 90051-4300, or any other place that City from time to time may designate in writing. Payment shall be made in U.S. Dollars, either in the form of a check (drawn on a bank located in the State of California) or via electronically transmitted funds. Rent is to be paid only by Tenant. Notwithstanding the foregoing, acceptance of Rent paid by any entity or person other than Tenant shall not create any rights under this Permit for the entity or person making the Rent payment.

(f) Rent. All amounts payable by Tenant to City under this Permit during the term of this Permit shall be deemed to be Rent.

5. Utility Charges. Unless otherwise provided for herein, Tenant shall pay all charges for services furnished to the Premises or used in connection with its occupancy, including, but not limited to, heat, gas, power, telephone, water, light, and janitorial services, and pay all deposits, connection fees, charges, and meter rentals required by the supplier of any such service, including City.

6. Rights-of-Way. This Permit shall at all times be subject to rights-of-way over, on, under, and through the Premises for (1) sewers; storm drains; pipelines (public or private); telecommunications equipment; conduits; telephone, cable, fiber optic, and/or power lines; and all similar items; (2) streets, highways, railroads, and all other means of transportation; and (3) equipment access, occupancy, and all other rights reasonably necessary to comply with homeland security or related requirements of federal, state, and local agencies; regardless of whether such rights-of-way exist or are authorized by Board or City in the future. City further reserves rights-of-way over, on, under, and through the Premises as Board or City requires to drill and explore new, or to maintain existing, oil, gas, or mineral wells. This Permit and the Premises shall at all times be subject to all prior exceptions, reservations, grants, easements, leases, or licenses of any kind whatsoever as the same appear of record in the Office of the Recorder of Los Angeles County, California, or in the official records of City or any of its various departments, and shall also be at all times subject to additional reservations Board or City may reasonably require after the Effective Date for which Tenant shall receive no compensation unless otherwise expressly provided.

Tenant is aware there are monitoring wells located on the Premises. Tenant shall allow City access to the monitoring wells and access to the Premises to verify compliance with the soil management plan.

7. Premises Satisfactory to Tenant / Required Modifications. Tenant has inspected the Premises and agrees that they are suitable for the Permitted Use. No officer or employee of City has made any representation or warranty with respect to the Premises, except as described in writing and attached hereto as an addendum, if any, and in entering into this Permit, Tenant agrees it relies only on the provisions of the Permit. Any modification, improvement, or addition to the Premises and any equipment installation or removal required by the Fire Department, Department of Building and Safety, South Coast Air Quality Management District, Regional Water Quality Control Board, U.S. Coast Guard, Environmental Protection Agency, or any other agency in connection with Tenant's operations, shall be constructed, installed, or removed at Tenant's sole expense. Tenant shall obtain a Harbor Engineer Permit from the office of the Chief Harbor Engineer, Engineering Division, of City's Harbor Department ("Chief Harbor Engineer") and shall comply with the requirements of Section 9 of this Permit before making any modification, improvement, or addition to the Premises.

7(a) The Premises are under an approved United States Environmental Protection Agency (USEPA) and Department of Toxic Substances Control (DTSC) Soil Management Plan (SMP). A copy of the Soil Management Plan is attached as **Exhibit B**. There shall be no soil disturbances or development of the Premises without going through the APP process (see section 9 below) and if approved, all work will require City's (e.g., Environmental Management Division) consultation and oversight. The Premises shall be subject to a Land Use Covenant and Agreement (LUC) by and between the DTSC and City which provides, among other things, environmental restrictions and which is currently in draft form. A copy of the draft LUC is attached here as **Exhibit C**. A copy of the final LUC shall be substituted for the draft LUC when completed without further action of the Board. The LUC shall be incorporated into the Agreement by this reference. Among other things, the LUC prohibits the Premises from being used as residence. Tenant represents and warrants that the Premises are not being used as a residence by anyone and Tenant will not permit anyone to use the Premises as a residence.

8. Maintenance and Repair.

(a) Maintenance Performed by Tenant. Tenant, at its sole cost and expense, shall keep and maintain the Premises, and all buildings, works, and improvements of any kind thereon, in good and substantial repair and condition and shall be responsible for and perform all necessary inspection, maintenance, and repair thereof, including preventive maintenance, using materials and workmanship of similar quality to the original improvements. Tenant shall obtain any permits, including but not limited to those issued by City, necessary for such maintenance and repair. Notwithstanding the foregoing, if there are wharf structures present on the Premises, City will maintain at its expense the structural integrity of the wharf structures. The wharf structure for purposes of this Section 8 means the beams, girders, subsurface support slabs, bulkheads, and prestressed concrete or wood piling, joists, pile caps, and timber decking (except as noted below), and any and all mooring dolphins. The wharf structure does not include the paving, the surface condition of timber decking, or the fendering system.

(b) Failure to Maintain. If Tenant fails to make any repairs or to perform required maintenance within thirty (30) days after receipt of notice from City to do so, City may, but shall not be obligated to, make such repairs or perform such maintenance at Tenant's expense. Notwithstanding, in an emergency as determined by City (including but not limited to an immediate threat of physical harm to persons and/or material damage to the Premises and/or structural or foundational damage to any improvements thereon), City shall have the right, but not the obligation, to undertake immediate repairs to the Premises and any structures thereon without notice. Tenant shall reimburse City for City's costs (as defined in Section 8(c) of this Permit) within thirty (30) days after receipt of City's invoice for work performed. If Tenant shall commence such repairs and diligently pursue the same to completion or shall begin to perform the required maintenance within the thirty (30) day period, City shall refrain from commencing or pursuing further any repairs or performing any required maintenance until the work has been completed by Tenant. Tenant shall thereafter pay on demand City's costs incurred pursuant to this Section 8(b) prior to Tenant's commencement of repair or maintenance. The making of any repairs or the performance of maintenance by City, which is the responsibility of Tenant, shall in no event be construed as a waiver of the duty or obligation of Tenant to make future repairs or perform required maintenance as herein provided.

(c) City's Costs. "City's costs" for purposes of this Section 8 shall include, in City's sole reasonable discretion, the cost of maintenance or repair or replacement of property neglected, damaged or destroyed, including direct and allocated costs for labor, materials, services, equipment usage, and other indirect or overhead expenses arising from or related to maintenance, repair, or replacement work performed by or on behalf of City.

(d) Litter and Debris. Tenant, at its sole cost and expense, shall provide sufficient dumpsters or other like containers for trash collection and disposal and keep the Premises free and clear of rubbish, debris, and litter at all times. Tenant shall perform annually, at a minimum, before the commencement of the rainy season, inspections and cleaning of any storm water catch basins (including filters), maintenance holes, and drains, maintaining the submerged land underlying any water berthing area at the Premises free and clear of debris from the wharf and from vessels, and cargo loading and unloading operations of vessels berthed at said berths in connection with Tenant's undertaking of the Permitted Use. Tenant, at its sole cost and expense, further shall keep and maintain the Premises in a safe, clean, and sanitary condition in accordance with all applicable federal, state, municipal, and other laws, ordinances, rules, and regulations.

(e) Fire Protection Systems. All fire protection sprinkler systems, standpipe systems, fire hoses, fire alarm systems, portable fire extinguishers, and other fire-protective or extinguishing systems, with the exception of hydrant systems, or appliances which have been or may be installed on the Premises shall be maintained and repaired by Tenant, at its cost, in an operative condition at all times.

(f) City Inspections. Upon City's request, Tenant shall provide personnel to accompany City's representatives on periodic inspections of the Premises to determine Tenant's compliance with this Permit. Notwithstanding the foregoing, nothing obligates City to make such determinations and City shall not incur any liability for not making such inspections and determinations.

9. Alterations on Premises. Tenant shall not construct on or alter ("Alteration") the Premises, including a change in the grade, without first obtaining City's written approval and a Harbor Engineer Permit. Tenant shall submit to City a complete Application for Port Permit that attaches a complete set of drawings, plans, and specifications reflecting the proposed Alteration. Where applicable, the drawings, plans and specifications must be prepared and stamped by a licensed engineer registered in the State of California. All projects in the Harbor District are subject to review by City's Harbor Department pursuant to the California Environmental Quality Act (CEQA) and the certified Port Master Plan. City's Chief Harbor Engineer shall have the right to reject or order reasonable changes in said drawings, plans, and specifications. Tenant, at its own expense, shall obtain all permits necessary for such Alteration, including a Harbor Engineer Permit, prior to the commencement of such Alteration. All Alterations by Tenant pursuant to this Permit shall be at Tenant's sole expense. Tenant shall keep the Premises free and clear of liens for labor and materials and shall hold City harmless from any responsibility in respect thereto. Tenant shall give written notice to the Chief Harbor Engineer, in advance, of the date it will commence any Alteration. Immediately upon the completion of the Alteration, Tenant shall notify the Chief Harbor Engineer of the date of such completion and shall, within thirty (30) days after such completion, file with the Chief Harbor Engineer, in a form acceptable to the Chief Harbor Engineer, a set of "as built" plans for such Alteration if required under the terms of the Harbor Engineer Permit issued for the Alteration.

10. Signs and Lighting. Tenant shall not erect or display, or permit to be erected or displayed, on the Premises any signs or advertising matter of any kind without first obtaining the written consent of Executive Director. If Tenant obtains consent, Tenant shall also comply with the requirements of Section 9 of this Permit prior to erecting or displaying any signs or advertising matter on the Premises. Tenant shall further post, erect, and maintain on the Premises such signs as Executive Director may direct. All signs erected or displayed on the Premises shall comply with the regulations set forth in Section 14.4.1 *et seq.* of the Los Angeles Municipal Code. Tenant acknowledges that the Premises may lack adequate lighting for a Permitted Use and that Tenant is responsible for installing temporary or permanent lighting as it may deem necessary to perform any labor, or to protect any property stored or located on the Premises, or to otherwise use the Premises for any Permitted Use. Tenant shall comply with the requirements of Section 9 of this Permit prior to installing any lighting. Any lighting installed shall meet Illuminating Engineering Society / American National Standards Institute (IES/ANSI) standards.

11. Immediate Access to Repair / Maintain Premises. Tenant is aware that City's Department of Water & Power, other utility, or other maintenance or service from or on behalf of City, may need to service or repair certain facilities on the Premises. If such repair is necessary, Tenant agrees to relocate, at its expense, all of its equipment and other personal property to provide such personnel adequate access. Tenant agrees to complete such relocation within twenty-four (24) hours of receiving notice from City except in case of emergency. Tenant agrees neither the department servicing the Premises nor City shall be responsible for any loss Tenant may suffer as a result of such maintenance or repair.

12. Premises Subject to Tariff. Tenant accepts the Premises and shall undertake the Permitted Use set forth in Section 2 of this Permit subject to each and every term and condition provided herein, and to each and every rate, term, and condition of the Tariff, as applicable to Premises and/or the Permitted Use. Tenant represents and warrants that it has received, read, and understands the rates, terms, and conditions of the Tariff. Except as otherwise set forth in this Permit, Tenant is contractually bound by all Tariff rates, terms, and conditions as if the same were set forth in full herein. City in its sole and absolute discretion shall determine if a conflict exists between a provision of this Permit and a Tariff provision. In the event of such conflict, this Permit shall at all times prevail.

13. Tenant Default.

(a) Events of Default. The occurrence of any of the following shall constitute a material breach and default by Tenant under this Permit:(1) Tenant's failure to pay when due any Rent required to be paid under this Permit if the failure continues for three (3) days after written notice from City; (2) Tenant's failure to perform any other obligation under this Permit if Tenant fails to cure the failure within three (3) days after delivery of written notice of the failure from City to Tenant; (3) Tenant's abandonment of the Premises including but not limited to (i) Tenant's absence from or failure to use the Premises or any substantial portion thereof for three (3) consecutive days (excluding Saturdays, Sundays, and California legal holidays) while in default of any provision of this Permit; or (ii) if Tenant is not in default, Tenant's absence from or failure to use the Premises or any substantial portion thereof for a period of thirty (30) consecutive days unless Tenant, prior to the expiration of any such period of thirty (30) consecutive days, notifies Executive Director in writing that such nonuse is temporary and obtains the written consent of Executive Director to such nonuse; (4) To the extent permitted by law (i) a general assignment by Tenant or any guarantor of the Permit for the benefit of the creditors without written consent of City; (ii) the filing by or against Tenant, or any guarantor, of any proceeding under an insolvency or bankruptcy law, unless (in the case of an involuntary proceeding) the proceeding is dismissed within sixty (60) days; (iii) the appointment of a trustee or receiver to take possession of all or substantially all the assets of Tenant or any guarantor, unless possession is unconditionally restored to Tenant or that guarantor within thirty (30) days and the trusteeship or receivership is dissolved; and/or (iv) any execution or other judicially authorized seizure of all or substantially all the assets of Tenant located on the Premises, or of Tenant's interest in this Permit, unless that seizure is discharged within thirty (30) days.

(b) City's Remedies. City may pursue any and all remedies at law or in equity including seeking all monetary damages and termination of this Permit. City's remedies are cumulative and not inclusive. Nothing herein shall imply that City's right to revoke or terminate this Permit as provided in Section 3 of this Permit is limited in any way. All personal property that remains on the Premises after Tenant vacates the Premises shall become the property of City, at City's option.

14. Compliance with Applicable Laws and Environmental Obligations.

(a) At all times in its use and occupancy of the Premises and its conduct of operations thereon, Tenant, at Tenant's sole cost and expense, shall comply with all applicable federal, state, county, City, or government agency laws, statutes, ordinances, standards, codes (including all building codes), rules, regulations, requirements, or orders in effect now or hereafter in effect ("Applicable Laws") pertaining to the use or condition of the Premises and/or Tenant's operations and conduct of its business. Applicable Laws shall include, but not be limited to, all environmental laws and regulations in effect now or hereafter in effect including:

(i) The Comprehensive Environmental Response, Compensation and Liability Act of 1980 ("CERCLA") (42 USCS §§ 9601 *et seq.*) in its present or successor form and its implementing regulations;

(ii) The Resource Conservation and Recovery Act and Hazardous and Solid Waste Amendments of 1984 ("RCRA") (42 USCS §§ 6901 *et seq.*) in its present or successor form and its implementing regulations;

(iii) The federal Clean Water Act (33 USCS §§ 1251 *et seq.*) in its present or successor form and its implementing regulations;

(iv) The California Porter-Cologne Water Quality Control Act (California Water Code §§ 13020 *et seq.*) in its present or successor form and its implementing regulations;

(v) The federal Clean Air Act (42 USCS §§ 7401 *et seq.*) in its present or successor form and its implementing regulations;

(vi) The California Clean Air Act of 1988 (Chapter 1568, Statutes of 1988) in its present or successor form and its implementing regulations;

(vii) The California Lewis-Presley Air Quality Management Act of 1976 (California Health and Safety Code §§ 40400 *et. seq.*) in its present or successor form and its implementing regulations; and

(viii) Any other applicable federal, state, or local law, regulation, ordinance or requirement (including consent decrees and administrative orders imposing liability or standard of conduct) now or hereinafter in effect which concerns Environmentally Regulated Material (as defined in Section 14(c)), the Premises, and/or Tenant's use and/or occupancy thereof.

(b) It is the parties' intent that Tenant will make, at Tenant's sole cost and expense, any and all alterations, improvements, and changes, whether structural or nonstructural, that are required by Applicable Laws. In addition, Tenant shall comply immediately with all applicable environmental policies, rules, and directives of City's Harbor Department, known as the Port Environmental Policies. This Permit shall be construed in accordance with California law.

(c) Tenant shall not cause or permit any Environmentally Regulated Material, as defined in this Section 14(c), to be generated, brought onto, handled, used, stored, transported from, received, or disposed of (hereinafter sometimes collectively referred to as "handle" or "handled") in or about the Premises except for limited quantities of standard office and janitorial supplies containing chemicals categorized as Environmentally Regulated Material and except as permitted, required, or necessary under Section 2 of this Permit, if any. Tenant shall handle all such Environmentally Regulated Material in strict compliance with Applicable Laws in effect during Tenant's occupancy. The term "Environmentally Regulated Material" shall mean:

(i) Any "hazardous substance" as that term is defined in the CERCLA;

(ii) "Hazardous waste" as that term is defined in the RCRA;

(iii) Any pollutant, contaminant, or hazardous, dangerous, or toxic chemical, material, or substance, within the meaning of any other applicable federal, state, or local law, regulation, ordinance, or requirement (including consent decrees and administrative orders imposing liability or standard of conduct concerning any hazardous, dangerous, or toxic waste, substance, or material, now or hereinafter in effect);

(iv) Radioactive material, including any source, special nuclear, or byproduct material as defined in the Atomic Energy Act of 1954 (42 USCS §§ 2011 *et seq.*) in its present or successor form;

(v) Asbestos in any form or condition;

(vi) Polychlorinated biphenyls ("PCBs") and any substance or compound containing PCBs; and

(vii) Petroleum products.

(d) Tenant shall remediate or cause the remediation of any spill, discharge, or release of any Environmentally Regulated Material that occurs in, on, under, or about the Premises ("Contamination"), whether caused by Tenant or any third-party during Tenant's occupancy, including Contamination of improvements, adjacent harbor waters, soil, sediment, groundwater, or air, or of adjacent premises (including soil, sediment, groundwater, or air) and including Contamination that is considered a nuisance under Applicable Laws. Remediation shall be to the satisfaction of City, and the requirements of the applicable governmental agencies including the Regional Water Quality Control Board, by removing or effecting the removal of all Contamination including but not limited to contaminated soil, water, groundwater, sediment, or other material it may place or cause to be placed on site such that no encumbrances, such as deed or land use restrictions, be imposed on the Premises as a result of such Contamination. In fulfilling the obligations under this Section 14, Tenant shall also comply with any other conditions reasonably imposed by City. If Tenant knows or has reasonable cause to believe that Contamination has occurred in, on, under, or about the Premises, Tenant shall immediately give written notice to City.

(e) Tenant bears sole responsibility for full compliance with any and all Applicable Laws regarding the use, storage, handling, distribution, processing, and/or disposal of Environmentally Regulated Material including Contamination, regardless of whether the obligation for such compliance or responsibility is placed on the owner of the Premises, on the owner of any improvements on the Premises, on the user of the Premises, or on the user of any improvements on the Premises. For purposes of CERCLA, and any and all other Applicable Laws, Tenant shall be considered the owner and operator. Tenant agrees that any claims, damages, fines, or other penalties asserted against or levied on City and/or Tenant as a result of noncompliance with any Applicable Laws shall be the sole responsibility of Tenant and that Tenant shall indemnify and hold City harmless from any and all such claims, damages, fines, penalties, and/or judgments, as well as any costs expended to defend against such claims, damages, fines, and penalties and/or judgments, including attorneys' and experts' fees. City, at its sole option, may pay such claims, damages, fines, penalties, and/or judgments resulting from Tenant's noncompliance with any of the aforementioned authorities, and Tenant shall indemnify and reimburse City for any such payments.

(f) In discharging Tenant's obligations under this Permit, if Tenant disposes of any Contamination, within thirty (30) days of Tenant's receipt of original documents, Tenant shall provide City copies of all records, including a copy of each uniform hazardous waste manifest indicating the quantity and type of material being disposed of, the method of transportation of the material to the disposal site, and the location of the disposal site. Neither City, Port of Los Angeles, nor Los Angeles Harbor Department shall appear on any manifest document as a generator of such material.

(g) In discharging Tenant's obligations under this Permit, Tenant shall perform any tests using a State of California Department of Health Services certified testing laboratory or other similar laboratory upon City's written approval. By signing this Permit, Tenant hereby irrevocably directs any such laboratory to provide City, upon written request from City, copies of all of its reports, tests results, and data gathered. As used in this Section 14, "Tenant" includes agents, employees, contractors, subcontractors, and/or invitees of Tenant.

(h) Tenant shall implement City's Harbor Department's policies, known as Best Management Practices, in order to reduce the potential for pollutants to enter Harbor waters, as follows:

(i) Facility Operations: Clean and maintain facility regularly. Use dry cleaning methods whenever possible; avoid washing areas down. Do not allow sweepings or sediment to enter the storm drain or the Harbor. Collect wash water for disposal or direct to a clarifier. Do not encourage scavengers. Do not feed birds, feral cats, sea lions, or other scavengers. Recycle whenever possible.

(ii) Maintenance Operations: Use drip pans to prevent any drips or leaks from contacting the ground during maintenance and fueling operations. Clean spills or drips immediately using dry methods. Use spill cleanup kits to confine or contain spills. Do not hose down equipment or allow process water to enter the storm drain or the Harbor. Place tarps beneath maintenance and repair operations to prevent materials such as paint chips and metals from contacting the ground.

(iii) Material and Waste Handling and Storage: Train employees responsible for waste management on handling and disposal procedures. Store all hazardous and universal waste in accordance with all federal, state, and local regulations. Store all materials and waste inside and in secondary containment. If stored outside, store only in designated, covered, and contained areas. Store waste in covered, leak proof, labeled containers. Keep lids closed on all outdoor containers including dumpsters.

Store all oily products (e.g. engines), batteries, tires, and metal off the ground and under cover when stored outdoors.

(i) Except as may be otherwise provided in this Permit, Tenant's obligations in this Section 14 shall survive the Termination Date of this Permit.

15. Restoration and Surrender of Premises.

(a) Tenant's Restoration Obligations. Subject to Section 15(d) of this Permit, on or before the Termination Date of this Permit, unless otherwise excused in writing by Executive Director, Tenant shall quit and return possession of the Premises to City leaving no Tenant improvements, unless City notifies Tenant otherwise in writing, (but leaving City's improvements, if any) and leaving the Premises in at least as good and usable a condition, acceptable to Executive Director, as the same were in at the time of the first occupation thereof by Tenant, or any transferor to and/or assignor of Tenant (collectively, "Assignor") under this Permit and all other previous permits. The term Assignor shall include any and all entities that occupied the Premises prior to Tenant and actually or purportedly transferred and/or assigned its right of occupancy to Tenant either contractually or under operation of law, including any "Transfer" as defined in Section 19 of this Permit, whether or not there was a written assignment and/or approval of the assignment by City. Tenant shall not damage paving installed by City or any unpaved areas regardless of the nature of Tenant's operations on the Premises. If the condition of the Premises is upgraded during the term of this Permit, Tenant shall restore the Premises to the upgraded condition. If City terminates this Permit pursuant to Section 13 of this Permit, Tenant shall still be obligated to restore the Premises as provided in this Section 15 or to pay the cost of restoration if City chooses to perform the work, at City's option, and Tenant shall be required to pay compensation to City as provided in Section 16 of this Permit. In connection with the foregoing, Tenant, at its sole cost and expense, shall restore the Premises (including the soil, groundwater, and sediment) such that the Premises will be returned to City: (a) free of Contamination and in at least as good of a condition as the condition prior to the installation of all above-ground and below-ground works, structures, improvements, and pipelines of any kind, (collectively referred to as "Structures") in, on, or below the Premises under this Permit and all previous permits (as between City and Tenant, Tenant shall bear sole responsibility for Contamination and any costs related thereto); (b) free of any encumbrances including but not limited to deed or land use restrictions as a result of any Contamination and/or any liens (UCC, federal or state tax, or otherwise) on the Premises or on fixtures or equipment, or personal property left on the Premises; (c) free of Structures placed on the Premises by Tenant (If the Premises, at the time of the Effective Date, have been improved by a prior tenant or by both City and a prior tenant, then such Structures which are left on the Premises at Tenant's request or for Tenant's benefit shall also be the responsibility of Tenant except as may be otherwise specified by this Permit); and (d) in a clean, level, graded, and compacted condition with no excavations or holes resulting from Structures removed.

(b) Restoration Indemnity. In addition to, and not as a substitute for any remedies provided by this Permit or at law or equity, Tenant shall defend, indemnify, and hold harmless City from any and all claims and/or causes of action, damages, liabilities, judgments, expenses, penalties, loss of rents, and attorneys' and consultants' fees arising out of or involving: (a) Liens on the Premises, Structures, and/or on fixtures and/or equipment or property left on the Premises following the Termination Date; (b) Orders or enforcement actions pending against or in connection with the Premises, the Permitted Use, and/or this Permit; (c) The cleanup of any Contamination including, but not be limited to, the cost of investigation, removal, remediation, restoration and/or abatement. The obligations under this Section 15 shall survive the Termination Date of this Permit.

(c) Relocation Assistance. Nothing contained in this Permit shall create any right in Tenant or any sublessees of Tenant for relocation assistance or payment from City upon termination of this Permit (whether by revocation (Section 3) or default (Section 13) or any other reason. Tenant acknowledges and agrees that it shall not be entitled to any relocation assistance or payment pursuant to the provisions of any state or federal law, including Title 1, Division 7, Chapter 16 of the California Government Code (§§ 7260 *et seq.*) with respect to any relocation of its business or activities upon the termination of this Permit whether by City, by Tenant, pursuant to Section 13 of this Permit, or by operation of law.

(d) Demolition of Improvements / Acceptance of Improvements. If Tenant's improvements are not removed on or before the Termination Date, City shall have the right to remove and/or demolish the same at Tenant's cost. In that event, Tenant agrees to pay to City, upon demand, City's costs of any such removal or demolition. Notwithstanding the foregoing, City reserves the right, at its option, to accept any works, buildings, or other improvements upon the Premises, including a change in the grade thereof, as constructed or altered, in lieu of restoration of the Premises to their condition prior to such construction or alteration.

(e) Site Restoration Plan. Independent of any regulatory agency requirements, upon written request of Executive Director, Tenant shall submit to City a Site Characterization Work Plan for review and approval. Tenant's Site Characterization Work Plan shall include characterization of adjacent Harbor waters, soil, groundwater, and sediment of the Premises. Following City's approval of Tenant's Site Characterization Work Plan, Tenant shall conduct, at its sole cost and expense, a Site Characterization of the Premises pursuant to the Site Characterization Work Plan approved by City. The Site Characterization of the Premises shall be completed within a period of time specified by Executive Director in his or her sole reasonable discretion and shall be submitted to City for its review. If in City's sole discretion, the results of such Site Characterization indicate that Contamination has been identified or reasonably suspected in, on, under, or about the Premises, Tenant shall provide City, at Tenant's sole cost and expense, a remediation action plan or soil management plan or other work plan ("Remedial Action Plan") as required by City in a form acceptable to City. Tenant shall demonstrate to City's satisfaction that Contamination does not exist or that if Contamination exists, Tenant shall handle, store, treat, remove and properly dispose of the Contamination as described in Section 14 of this Permit pursuant to the Remedial Action Plan and to the satisfaction of City, and the requirements of the applicable governmental agencies including the Regional Water Quality Control Board.

16. Rent During Restoration. Tenant understands and agrees it is responsible for complete restoration of the Premises before the Termination Date, as provided in this Permit and under Applicable Laws, including but not limited to the clean-up of any Contamination in, on or about the Premises. If, for any reason, such restoration is not completed before the Termination Date, then Tenant is obligated to pay City compensation during such restoration period, in an amount equal to the then fair market rental value of the Premises and City's Harbor Department's then established rate of return as determined by City; however, said compensation amount shall not be less than the Rent paid by Tenant at the time of the Termination Date. Tenant also agrees to provide City a surety bond, in an amount determined by Executive Director, in his or her sole reasonable discretion, to assure removal of Contamination from the Premises at any time City demands such bond.

17. Indemnity.

(a) Except as may arise from the sole negligence or willful misconduct of City, Tenant shall at all times relieve, indemnify, protect, and save harmless City and any and all of its boards, officers, agents, and employees from any and all claims and demands, actions, proceedings, losses, liens, costs, and judgments of any kind and nature whatsoever, including cost of litigation (including all actual litigation costs incurred by City, including but not limited to costs of experts and consultants), for death of or injury to persons, or damage to property, including property owned by or under the care and custody of City, and for civil fines and penalties that may arise from or be caused directly or indirectly by:

(i) Any dangerous, hazardous, unsafe, or defective condition of, in, or on the Premises, of any nature whatsoever, which may exist by reason of any act, omission, neglect, or any use or occupation of the Premises by Tenant, its officers, agents, employees, sublessees, licensees, or invitees;

(ii) Any operation conducted upon, or any use or occupation of, the Premises by Tenant, its officers, agents, employees, sublessees, licensees, or invitees under or pursuant to the provisions of this Permit or otherwise;

(iii) Any act, error, omission, willful misconduct, or negligence of Tenant, its officers, agents, employees, sublessees, licensees, or invitees, arising from the use, operation, or occupancy of the Premises, regardless of whether any act, omission, or negligence of City, its officers, agents, or employees contributed thereto;

(iv) Any failure of Tenant, its officers, agents, or employees to comply with any of the terms or conditions of this Permit or any Applicable Laws; or

(v) The conditions, operations, uses, occupations, acts, omissions, or negligence referred to in subdivisions (i), (ii), (iii) and (iv) above, existing or conducted upon or arising from the use or occupation by Tenant or its invitees on any other premises within the Harbor District, as defined in the Charter of City.

(b) Tenant also agrees to indemnify City and pay for all damages or loss suffered by City and City's Harbor Department including, but not limited to, damage to or loss of property, to the extent not insured by City, and loss of City revenue from any source, caused by or arising out of the conditions, operations, uses, occupations, acts, omissions, or negligence referred to in this Section 17. The term "persons" as used in this Section 17 shall include, but not be limited to, officers and employees of Tenant.

(c) Tenant shall also indemnify, defend, and hold City harmless from any and all claims, judgments, damages, penalties, fines, costs, liabilities, or losses (including, without limitation, diminution of the value of the Premises, damages for loss or restriction on use of rentable or useable space or of any amenity of the Premises, damages arising from any adverse impact on marketing of space, and sums paid in settlement of claims, attorneys' fees, consultants' fees, and experts' fees) which arise during or after the term of this Permit as a result of Contamination for which Tenant is otherwise responsible for under the terms of this Permit. This indemnification of City by Tenant includes, without limitation, costs incurred in connection with any investigation of site conditions or any clean up, remedial, removal, or restoration work required by any federal, state, or local governmental agency because of Contamination present in the soil or groundwater on or under the Premises.

(d) The indemnity obligations under this Section 17 shall survive the Termination Date of this Permit and shall apply regardless of the active or passive negligence of City and regardless of whether liability without fault or strict liability is imposed or sought to be imposed on City.

18. Insurance. In addition to, and not as a substitute for, or limitation of, any of the indemnity obligations imposed by Section 17 of this Permit, Tenant shall procure and maintain at its expense and keep in force at all times during the term of this Permit the following insurance:

(a) Commercial general liability or marine general liability insurance, including contractual liability and property damage insurance, written by an insurance company authorized to do business in the State of California, or approved by the California Department of Insurance as a surplus lines insurer eligible to do business in California, rated VII, A- or better in Best's Insurance Guide (or an alternate guide acceptable to City if a Best's Rating is not available) with Tenant's normal limits of liability but not less than One Million Dollars ($1,000,000) for injury or death to one or more persons out of each accident or occurrence and One Million Dollars ($1,000,000) for bodily injury and property damage for each occurrence / Two Million Dollars ($2,000,000) general aggregate. Where Tenant provides or dispenses alcoholic beverages, host liquor liability coverage shall be provided with the same limits of liability as above.

(b) In addition to and concurrently with the aforesaid insurance coverage, Tenant shall procure and maintain, either by an endorsement thereto or by a separate policy, fire legal liability insurance with a minimum limit of Two Hundred Fifty Thousand Dollars ($250,000) covering legal liability of Tenant for damage or destruction to the works, buildings, and improvements owned by City provided that said minimum limits of liability shall be subject to adjustments by Executive Director to conform with the deductible amount of the fire insurance policy maintained by Board, with waiver of subrogation in favor of

Tenant so long as permitted by Board's fire insurance policy, upon thirty (30) days' prior written notice thereof to Tenant at any time during the term of this Permit.

(c) Where Tenant utilizes any vehicles, Tenant shall procure and maintain automobile insurance with limits of liability not less than One Million Dollars ($1,000,000) covering injuries or death resulting from each accident or claim arising out of any one claim or accident. This insurance shall cover all owned, non-owned, and/or hired automobiles.

(d) Tenant shall procure and maintain fire and extended coverage insurance covering One Hundred percent (100%) of the replacement value of the works, buildings, and improvements erected or owned by Tenant on the Premises, with such provision in the policies issued to cover the same, or in riders attached thereto, as will provide for all losses to be payable to Board to be held in trust for reconstruction. In the event of loss or damage by fire to any of such works, buildings, or improvements, Tenant shall undertake replacement or reconditioning of such items within ninety (90) days following any such loss. As Tenant undertakes such replacement or reconditioning, such proceeds shall be released by Board to Tenant as payments are required for said purpose. Upon the completion of such replacement or reconditioning to the satisfaction of Executive Director, any balance thereof remaining shall be paid to said Tenant forthwith.

(e) Where Tenant's operations involve the storage or use of any type of hazardous materials or pollutants, Tenant shall procure and maintain environmental impairment liability insurance which shall include coverage for bodily injury, property damage, including third-party claims for on-site and off-site bodily injury and property damage, clean-up, and defense of suits, with a limit of at least One Million Dollars ($1,000,000) per occurrence, which is to remain in effect at least five (5) years after the Termination Date.

(f) Where Tenant's operations involve work within fifty (50) feet of railroad tracks, Tenant shall procure and maintain railroad protective liability insurance in which Pacific Harbor Line (PHL), acting for itself, is named the insured with Tenant. The minimum limits of railroad protective liability insurance shall be the limits normally carried by Tenant but not less than Two Million Dollars ($2,000,000) combined single limit for property damage and bodily injury including death. If the submitted policies contain aggregate limits, Tenant shall provide evidence of insurance protection for such limits so that the required coverage is not diminished in the event that the aggregate limits become exhausted. Tenant shall also provide comprehensive general liability coverage with additional insured requirements as previously indicated, however, the railroad exclusion shall be deleted.

(g) Where Tenant operates watercraft, Tenant shall procure and maintain protection and indemnity coverage with limits of One Million Dollars ($1,000,000) per occurrence for bodily injury, illness, death, loss of or damage to the property of another including masters and members of the vessel crew, and Jones Act risks or equivalent thereto internationally. City shall be named as an additional insured.

(h) If Tenant maintains higher limits than the minimums required above, City requires and shall be entitled to coverage for the higher limits maintained by Tenant. Any available insurance proceeds in excess of the specified minimum limits of insurance and coverage shall be available to City.

(i) Limits for coverage required under Section 18 of this Permit shall provide first dollar coverage except that Executive Director may permit a self-insured retention or self-insurance in those cases where, in his or her sole judgment, such retention or self-insurance is justified by the net worth of Tenant. The self-insured retention or self-insurance shall provide that any other insurance maintained by City's Harbor Department shall be excess of Tenant's insurance and shall not contribute to it. In all cases, regardless of any deductible, retention, or self-insurance, Tenant shall have all the obligations of an "insurer" under the California Insurance Code and said insurance shall be deemed to include a defense of suits provision and a severability of interest clause.

(j) Policies submitted pursuant to Section 18 of this Permit shall, in addition, provide the following coverage either in the original policy or by endorsement substantially as follows:

(i) "Notwithstanding any inconsistent statement in the policy to which this endorsement is attached, or any endorsement or certificate now or hereafter attached hereto, it is agreed that the City of Los Angeles, acting by and through its Harbor Department, the Board of Harbor Commissioners, and their officers, agents, and employees, are additional insureds hereunder, and that coverage is provided for all contractual obligations, operations, uses, occupations, acts, and activities of all the insureds, including any sole negligence of the additional insureds, under Revocable Permit No. RP 20-13, and under any amendments, modifications, extensions, or renewals of said Permit regardless of whether such contractual obligations, operations, uses, occupations, acts, and activities occur on the Premises or elsewhere."

(ii) "The coverage provided by the policy to which this endorsement is attached is primary coverage and any other insurance carried by the City is excess coverage."

(iii) "In the event of one of the named insureds incurring liability to any other of the named insureds, this policy shall provide protection for each named insured against whom claim is or may be made, including claims by other named insureds, in the same manner as if separate policies had been issued to each named insured. Nothing contained herein shall operate to increase the insurance company's limit of liability."

(iv) "Notice of occurrences or claims under the policy shall be made to the City's Risk Manager with copies to the Los Angeles City Attorney's Office."

(k) Tenant shall secure the payment of compensation to any employees injured while performing work or labor necessary for and incidental to performance under this Permit in accordance with Section 3700 of the California Labor Code. Tenant shall file with City one of the following:

(i) A certificate of consent to self-insure issued by the Director of Industrial Relations, State of California;

(ii) A certificate of Workers' Compensation insurance issued by an admitted carrier; or

(iii) An exact copy or duplicate thereof of the policy certified by the Director of Industrial Relations or the insurer.

Such documents shall be filed prior to Tenant's occupancy of the Premises. Where Tenant has employees who are covered by the United States Longshore and Harbor Workers' Compensation Act ("USLHWC Act"), Tenant shall furnish proof of such coverage to City. It is suggested that Tenant consult with its insurance professional of its choosing to determine whether its proposed operation methods will render its employees subject to coverage under the USLHWC Act. All Workers' Compensation insurance submitted to City shall include an endorsement providing that any carrier paying benefits agrees to waive any right of subrogation it may have against City.

(l) All insurance procured by Tenant shall comply with the following:

(i) Each insurance policy shall provide that it will not be cancelled or reduced in coverage until after City's Risk Manager has been given a 10-day notice of cancellation for nonpayment of premium, and a 30-day notice of cancellation for any other reason.

(ii) Electronic submission is the required method of submitting Tenant's insurance documents. KwikComply® is City's online insurance compliance system which is designed to be used by insurance brokers and agents to submit client insurance certificates directly to City. Tenant's insurance broker or agent shall obtain access to KwikComply® at http://kwikcomply.org and follow the instructions to register and submit the appropriate proof of insurance on Tenant's behalf.

(iii) Prior to the expiration of each policy, Tenant shall show through submitting to KwikComply® that the policy has been renewed or extended or, if new insurance has been obtained, submit the appropriate proof of insurance to KwikComply®. If Tenant neglects or fails to secure or maintain the required insurance, or if Tenant fails to submit proof of insurance as required above, City's Harbor Department may, at its option and at the expense of Tenant, obtain such insurance for Tenant.

(iv) Executive Director, at his or her discretion, based upon recommendation of the Risk Manager of City's Harbor Department, may request that Tenant increase or decrease amounts and types of insurance coverage required hereunder at any time during the term hereof by giving written notice to Tenant.

(v) Immediately upon procuring any and all policies of insurance required herein, Tenant must request from Tenant's insurance carrier(s) full certified copies of such policies of insurance. Tenant shall thereafter provide such full certified copies of such policies to City within thirty (30) days of Tenant's receipt of such policies from Tenant's insurance carrier(s). Tenant's obligation to provide such copies shall survive the Termination Date regardless of whether Tenant receives such policies prior to or after the Termination Date. Tenant shall further provide written notice to City of any change of terms of any policies of insurance required herein within thirty (30) days of any such change.

(vi) Tenant shall report in writing to Executive Director within fifteen (15) days after it, its officers, or its managing agents have knowledge of any accident or occurrence involving death of or injury to any person or persons, or damage in excess of Ten Thousand Dollars ($10,000) to property, occurring upon the Premises, or elsewhere within the Harbor District, if Tenant's officers, agents, or employees are involved in such an accident or occurrence. Such report shall contain to the extent available: (1) the name and address of the persons involved; (2) a general statement as to the nature and extent of injury or damage; (3) the date and hour of occurrence; (4) the names and addresses of known witnesses; and (5) such other relevant information as may be known to Tenant, its officers, or its managing agents.

19. No Assignments/Subleases/Transfers. No transfer of this Permit, or any interest therein or any right or privilege thereunder, regardless of whether accomplished by a separate agreement, sale of stock or assets, merger or consolidation or reorganization by or of Tenant (or any entity that directly or indirectly controls or owns fifty percent (50%) or more of Tenant), or accomplished in any other manner, whether voluntary or by operation of law, including but not limited to assignment, sublease, transfer, gift, hypothecation, or grant of total or partial control, or any encumbrance of this Permit (hereafter collectively referred to as "Transfer"), shall be valid or effective for any purpose. "Transfer" also shall include the involvement of Tenant or its assets in any transaction, or series of transactions (by way of merger, sale, acquisition, financing, transfer, leveraged buyout, or otherwise) whether or not a formal assignment or hypothecation of this Permit or Tenant's assets, which involvement results in a reduction of the net worth of Tenant (defined as the net worth of Tenant, excluding guarantors, established by generally accepted accounting principles) by an amount greater than twenty-five percent (25%) of such net worth as it was represented at the time of the execution of this Permit or as it exists immediately prior to said transaction or transactions constituting such reduction, whichever was or is greater. For purposes of this Section 19, the term "by operation of law" includes but is not limited to: (1) the placement of all or substantially all of Tenant's assets in the hands of a receiver or trustee; or (2) a transfer by Tenant for the benefit of creditors; or (3) transfers resulting from the death or incapacity of any individual who is a Tenant or of a general partner of a Tenant.

20. Tenant Name Change. Tenant shall notify City in writing within ten (10) days of making any changes to its name as set forth in the preamble of this Permit and shall provide City with all documents in connection with the change.

21. Transfer of Stock. If Tenant is a corporation and more than ten percent (10%) of the outstanding shares of capital stock of Tenant is traded during any calendar year after filing its application for this Permit, Tenant shall notify Executive Director in writing within ten (10) days after the transfer date;

provided, however, that this provision shall have no application in the event the stock of Tenant is listed on either the New York Stock Exchange, NASDAQ, or the NYSE Arca Options. If more than twenty-five percent (25%) of Tenant's stock is transferred, whether by one or by means of successive transfers, regardless of whether Tenant is a publicly or privately held entity, such transfer shall be deemed an assignment within the meaning of Section 19. Any such transfer shall void this Permit. Such a transfer is agreed to be a breach of this Permit which shall entitle the Executive Director to immediately terminate this Permit by giving written notice thereof.

22. Possessory Interest. THIS PERMIT MAY CREATE A POSSESSORY INTEREST BY TENANT WHICH MAY BE SUBJECT TO PROPERTY TAXATION. TENANT SHALL PAY ALL SUCH TAXES SO ASSESSED, AND ALL OTHER ASSESSMENTS OF WHATEVER CHARACTER LEVIED UPON ANY INTEREST CREATED BY THIS PERMIT. TENANT SHALL ALSO PAY ALL LICENSE AND PERMIT FEES REQUIRED FOR THE CONDUCT OF ITS OPERATIONS.

23. Termination for Misrepresentations. This Permit is granted pursuant to an application filed by Tenant with City. If the application or any of the attachments thereto contain any misstatement of fact which, in the judgment of Executive Director, affected his or her decision to grant said Permit, Executive Director may terminate this Permit immediately upon written notice to Tenant.

24. Termination by Court. If any court having jurisdiction in the matter renders a final decision which prevents the performance by City of any of its obligations under this Permit, then either party hereto may terminate this Permit by written notice, and all rights and obligations hereunder (with the exception of any undischarged rights and obligations) shall thereupon terminate.

25. Conflict of Interest. It is understood and agreed that the parties to this Permit have read and are aware of the provisions of Section 1090 *et seq.* and Section 87100 *et seq.* of the Government Code relating to conflict of interest of public officers and employees, as well as the Conflict of Interest Code of City's Harbor Department. All parties hereto agree that they are unaware of any financial or economic interest of any public officer or employee of City relating to this Permit. Notwithstanding any other provision of this Permit, it is further understood and agreed that if such a financial interest does exist at the inception of this Permit, City may immediately terminate this Permit by giving written notice thereof.

26. Notice. In all cases where written notice, including the service of legal pleadings, is to be given under this Permit, service shall be deemed sufficient if said notice is deposited in the United States mail, in a sealed envelope, addressed as set forth below, with postage thereon fully prepaid. When so given, such notice shall be effective from the date of mailing. Unless changed by notice in writing from the respective parties, notice to the parties shall be as follows:

To City: Los Angeles Harbor Department
P.O. Box 151
San Pedro, California 90733-0151
Attention: Executive Director
Attention: Director of Real Estate

With a copy to: Office of City Attorney—Harbor Department
425 S. Palos Verdes Street
San Pedro, California 90731
Attention: General Counsel

To Tenant: So Cal Ship Services
Attn: Mark Wrobel
971 Seaside Avenue
Terminal Island, CA 90731

Nothing herein contained shall preclude or render inoperative service of such notice in the manner provided by law. All notice periods under this Permit refer to calendar days unless otherwise specifically stated.

27. Construction of Agreement. This Permit shall not be construed against the party preparing it and shall be construed without regard to the identity of the person who drafted this Permit.

28. No Waiver. No waiver by either party at any time of any terms or conditions of this Permit shall be a waiver at any subsequent time of the same or any other term or condition. The acceptance of Rent by City shall not be deemed a waiver of any other breach by Tenant of any term or condition of this Permit other than the failure of Tenant to timely make any particular Rent payment so accepted. No breach of a covenant, term, or condition of this Permit will be deemed to have been waived by City unless the waiver is in writing and executed by City.

29. Joint and Several Obligations of Tenant**.** If more than one individual or entity comprises Tenant, the obligations imposed on each individual or entity that comprises Tenant under this Permit shall be joint and several.

30. Time of the Essence. Time is of the essence in this Permit.

31. Nondiscrimination and Affirmative Action Provisions. Tenant agrees not to discriminate in its employment practices against any employee or applicant for employment because of employee's or applicant's race, religion, ancestry, national origin, sex, sexual orientation, age, disability, marital status, domestic partner status, or medical condition. All subcontracts awarded under or pursuant to this Permit shall contain this provision. The applicable provisions of Section 10.8 *et seq.* of the Los Angeles Administrative Code are set forth in the attached **Exhibit D** and are incorporated herein by this reference.

32. Minority, Women and Other Business Enterprise (MBE/WBE/OBE) Outreach Program. It is the policy of City to provide minority business enterprises ("MBEs"), women's business enterprises ("WBEs"), and all other business enterprises ("OBEs") an equal opportunity to participate in the performance of all City contracts in all areas where such contracts afford such participation opportunities. Tenant shall assist City in implementing this policy and shall use its best efforts to afford the opportunity for MBEs, WBEs, and OBEs to achieve participation in subcontracts where such participation opportunities present themselves and attempt to ensure that all available business enterprises, including MBEs, WBEs, and OBEs, have an equal opportunity to compete for and participate in any such participation opportunity which might be presented under this Permit.

33. Service Contractor Worker Retention Policy and Living Wage Policy Requirements. Board adopted Resolution No. 5771 on January 3, 1999, to adopt the provisions of Los Angeles City Ordinance No. 171004 relating to Service Contractor Worker Retention, set forth at Section 10.36 *et seq.* of the Los Angeles Administrative Code, as the policy of City's Harbor Department. Further, Charter Section 378 requires compliance with City's Living Wage requirements, set forth at Section 10.37 *et seq.* of the Los Angeles Administrative Code. Tenant shall comply with these policies wherever applicable. Violation of this provision, where applicable, shall entitle City to terminate this Permit and otherwise pursue legal remedies that may be available.

34. Wage and Earnings Assignment Orders/Notices of Assignments. Tenant is obligated to fully comply with all applicable state and federal employment reporting requirements for Tenant and/or its employees. Tenant shall certify that the principal owner(s) are in compliance with any Wage and Earnings Assignment Orders and Notices of Assignments applicable to them personally. Tenant will fully comply with all lawfully served Wage and Earnings Assignment Orders and Notices of Assignments in accordance with Section 5230 *et seq.* of the California Family Code. Tenant will maintain such compliance throughout the term of this Permit.

35. Equal Benefits Policy. Board adopted Resolution No. 6328 on January 12, 2005, to adopt the provisions of Los Angeles City Ordinance No. 172,908, as amended, relating to Equal Benefits, set forth

at Section 10.8.2.1 *et seq.* of the Los Angeles Administrative Code, a copy of which is attached as **Exhibit E**, as a policy of City's Harbor Department. Tenant shall comply with the policy wherever applicable. Violation of the policy shall entitle City to terminate this Permit and otherwise pursue legal remedies that may be available.

36. Business Tax Registration Certification. Tenant represents that it has obtained and presently holds the Business Tax Registration Certificate(s) required by City's Business Tax Ordinance set forth at Sections 21.00 *et seq.* of the Los Angeles Municipal Code. Tenant shall provide City evidence that all such Certificates have been obtained. Tenant shall maintain, or obtain as necessary, all such Certificates required of it under said Ordinance and shall not allow any such Certificate to be revoked or suspended.

37. Wilmington Truck Route. It is recognized by both parties that Tenant may not directly control any trucks serving the Premises. However, Tenant will make its best effort to notify truck drivers, truck brokers, and trucking companies that trucks serving the Premises must confine their route to the designated Wilmington Truck Route of Alameda Street and Harry Bridges Boulevard; Figueroa Street from Harry Bridges Boulevard to "C" Street; and Anaheim Street east of Alameda Street as depicted on the attached as **Exhibit F**. The Wilmington Truck Route may be modified from time to time at the sole discretion of Executive Director with written notice to Tenant.

38. State Tidelands Act. This Permit, the Premises, and Tenant's use and occupancy thereof shall at all times be subject to the limitations, conditions, restrictions, and reservations contained in and prescribed by the Act of the Legislature of the State of California entitled "An Act Granting to the City of Los Angeles the Tidelands and Submerged Lands of the State Within the Boundaries of Said City," approved June 3, 1929 (1929 Cal. Stats., Ch. 651), as amended, and Article VI of the Charter of City of Los Angeles relating to such lands. Tenant shall not undertake any use of the Premises, even a Permitted Use, which is or will be inconsistent with such limitations, conditions, restrictions, and reservations.

39. Section Headings. Section headings used in the Permit are merely descriptive and not intended to alter the terms and conditions of the sections.

40. Integrated Agreement. It is understood that this Permit supersedes and cancels any and all previous negotiations, arrangements, representations, agreements, negotiations, and understandings, if any, between the parties related to the subject matter of this Permit and there are no oral agreements that affect any of the terms of this Permit.

41. Amendments. No provision of this Permit may be amended except by an agreement in writing signed by City and Tenant. Any such modifications are subject to all applicable approval processes set forth in City's Charter, City's Administrative Code, or other applicable law.

42. Governing Law and Venue. This Permit is made and entered into in the State of California and shall in all respects be construed, interpreted, enforced, and governed under the laws of the State of California without reference to choice of law rules. Any action or proceeding arising out of or related to this Permit shall be filed and litigated in the state or federal courts located in the County of Los Angeles, State of California.

43. Prior Permit Superseded. This Permit supersedes Space Assignment 18-24. From and after the Effective Date, said superseded permit or other entitlement shall have no further force or effect except to the extent either party has accrued any continuing rights or obligations that remain to be exercised or performed after the termination or expiration of the superseded permit or other entitlement as provided in the superseded permit or other entitlement.

(Signature page follows)

DATED: ______________

CITY OF LOS ANGELES
HARBOR DEPARTMENT

By: ______________________________
EUGENE D. SEROKA
Executive Director

The undersigned Tenant hereby accepts the foregoing Permit and agrees to abide by, to be bound by, and to observe each and every of the terms, conditions, and covenants thereof, including those set forth in any addendum.

DATED: 9-1-2020

SO CAL SHIP SERVICES, a California Corporation

By: [signature]

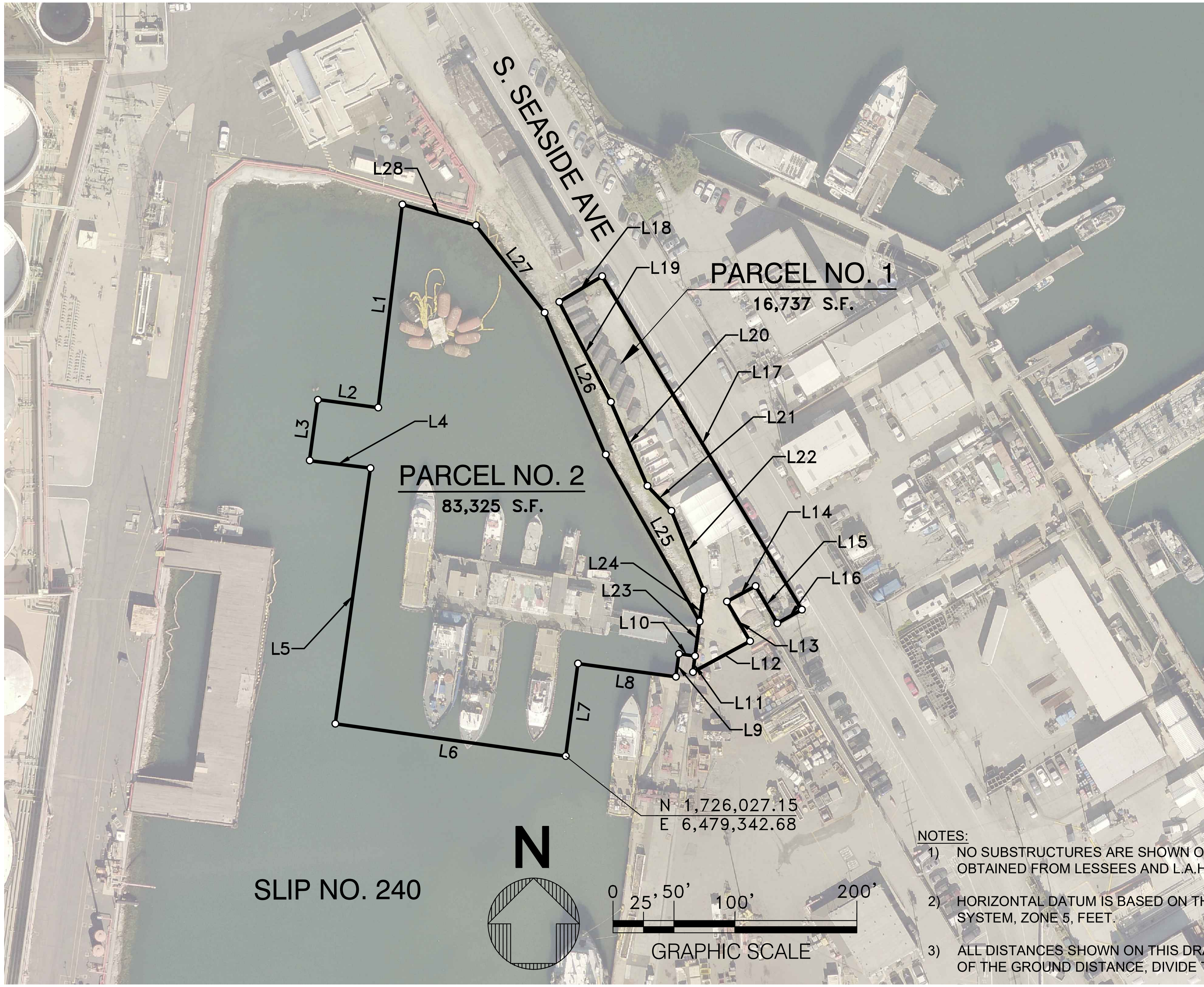
Mark Wrobel - President
Type/Print Name and Title

Attest: ______________________________

____
Type/Print Name and Title

APPROVED AS TO FORM AND LEGALITY
Sept 3, 2020
MICHAEL N. FEUER, City Attorney

By: [signature] for
MINAH PARK, Deputy



LINE TABLE			LINE TABLE		
NO.	BEARING	DISTANCE(FT)	NO.	BEARING	DISTANCE(FT)
L1	N6°45'53"E	167.72	L15	N30°18'40"W	35.35
L2	N82°19'00"W	47.24	L16	N60°46'26"E	23.03
L3	N7°43'38"E	50.54	L17	N30°55'36"W	317.15
L4	N82°59'39"W	47.28	L18	N59°04'24"E	41.07
L5	N7°50'10"E	211.45	L19	N27°20'05"W	90.79
L6	N81°59'32"W	190.71	L20	N23°27'06"W	74.83
L7	N7°37'16"E	76.47	L21	N44°02'38"W	28.71
L8	N82°22'44"W	80.97	L22	N22°10'34"W	70.27
L9	N7°37'16"E	18.88	L23	N7°36'44"E	28.52
L10	N82°22'44"W	13.32	L24	N7°36'44"E	16.95
L11	N7°36'44"E	13.25	L25	N29°29'47"W	157.78
L12	N61°42'13"E	47.10	L26	N23°08'03"W	125.94
L13	N30°22'44"W	37.65	L27	N38°07'32"W	91.19
L14	N61°42'36"E	26.75	L28	N74°16'17"W	62.69

NOTES:
1) NO SUBSTRUCTURES ARE SHOWN ON THIS DRAWING. ACCURATE SUBSTRUCTURE INFORMATION MUST BE OBTAINED FROM LESSEES AND L.A.H.D. ENGINEERING RECORDS.
2) HORIZONTAL DATUM IS BASED ON THE NORTH AMERICAN DATUM OF 1983 (NAD 83), CALIFORNIA COORDINATE SYSTEM, ZONE 5, FEET.
3) ALL DISTANCES SHOWN ON THIS DRAWING ARE GRID DISTANCES. TO OBTAIN A REASONABLE REPRESENTATION OF THE GROUND DISTANCE, DIVIDE THE DISTANCE HEREIN BY THE AVERAGE SCALE FACTOR OF 1.000076.

EXHIBIT A

NO.	DATE	DRAWN	REVISIONS –	CH'KD	APP'D

SCALE: AS SHOWN
DRAWN: S. RENTERIA
CHECKED: C. BROWN
DESIGNED: P. HOANG
ENGR/ARCH
Phoek Hoang

CHIEF OF DESIGN
ASSISTANT CHIEF OF HARBOR ENGINEER
Stuart L. Fricke
CHIEF OF HARBOR ENGINEER DATE
David M. Walsh

PERMIT MAP - AUTHORITY NO. RP20-13

SOUTHERN CALIFORNIA SHIP SERVICES

THE PORT OF LOS ANGELES
ENGINEERING DIVISION
425 S. PALOS VERDES STREET SAN PEDRO CA 90731-3309

DRAWING NUMBER
45697

SOCAL SHIP SERVICES RENT SCHEDULE

REVOCABLE PERMIT NO. 20-13

PARCEL	LAND TYPE	SIZE IN SF	STATUS	YEAR 2020 RENTAL RATE OCT 1 TO DEC 31 (3 MONTHS)	TOTAL RENT	YEAR 2021 RENTAL RATE JAN 1 TO DEC 31 (12 MONTHS)	TOTAL RENT	YEAR 2022 RENTAL RATE JAN 1 TO SEPT 30 (9 MONTHS)	TOTAL RENT
1	UNPAVED LAND	16,737	CORTESE	$0.17	$8,535.87	$0.21	$42,177.24	$0.27	$40,670.91
2	WATER	83,325	NORMAL (1/3)	$0.06	$14,998.50	$0.09	$89,991.00	$0.12	$89,991.00
				MONTHLY RENT:	$7,844.79		$11,014.02		$14,517.99
				TOTAL RENT 2020	$23,534.37	**TOTAL RENT 2021**	$132,168.24	**TOTAL RENT 2022**	$130,661.91
								NET TOTAL RENT (2 YEARS)	**$286,364.52**

EXHIBIT AA

EXHIBIT B

FINAL SOIL MANAGEMENT PLAN REVISED
Post Grading Update - July 2018

Former Southwest Marine Property
985 Seaside Avenue
Terminal Island, California 90731

091-EMD-005

APP: 050405-050H

Prepared For:

THE PORT OF LOS ANGELES
425 South Palos Verdes Street
San Pedro, California 90733

Prepared By:

SGI environmental | APEX

1962 Freeman Avenue
Signal Hill, California 90755

February 2018 / Revised - Post Grading Update July 2018

Prepared By:

Paola Gomez-Birenbaum, P.G.
Senior Scientist

Reviewed By:

Neil F. Irish, P.G.
Principal Geologist

Paul Parmentier, P.G.
Principal Hydrogeologist

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FIGURES

APPENDICES

1.0 INTRODUCTION

On behalf of the City of Los Angeles Harbor Department (Harbor Department), The Source Group, Inc. (SGI), a division of Apex Companies, LLC., (Apex), has prepared this *Soil Management Plan* (SMP) for the Former Southwest Marine Property (hereafter referred to as "the Site") located at 985 Seaside Avenue, Terminal Island, California (Figure 1). This SMP will be used in support of long term stewardship of the Site for pending and/or potential future redevelopment. Environmental remediation via soil excavation has been completed at the Site under the direction of the Department of Toxic Substances Control Division (DTSC) and the United States Environmental Protection Agency (USEPA). This SMP will be used as a guidance document for handling potentially impacted soil during redevelopment activities, after the final grading is completed.

1.1 Property Description

The Site is an approximate 25-acre, elongated parcel of Harbor Department-owned land bounded by Seaside Avenue to the north and east, and by water to the south and west (Figures 1 and 2).

The Site soils were remediated in two phases in 2014 and 2017 to remove polychlorinated biphenyls (PCBs) metals, and petroleum hydrocarbons. Remedial completion reports were completed to document Site conditions:

- *Interim Removal Action Completion Report* (SGI, 2015), and
- *Removal Action Completion Report* (SGI, 2017).

In coordination with DTSC, USEPA, a deed restriction will be in-place for this Site to limit Site usage to commercial/industrial use. As a component of redevelopment of the Site, grading and potential excavation of the redevelopment area may be required to assure that geotechnical parameters within the near surface soils are achieved for new buildings and/or for the establishment of underground utility trenches (hereafter referred to as Site Preparation Activities). Given the former use of the Site to conduct ship repair, retrofit, and demolition operations, and known residual concentrations of PCB's and metals and petroleum hydrocarbons in soil, the potential exists for impacted soils to be encountered during redevelopment activities. Utilizing this SMP, the Harbor Department will ensure proper handling and disposal of impacted and potentially impacted soils, which may be encountered during Site Preparation Activities. The Site houses several former industrial buildings that have been designated as historic and are protected. These historic buildings are not planned for demolition or redevelopment (Figure 3). An Environmental Impact Report may be required for removal of these buildings.

1.2 Purpose and Objective

This SMP was prepared to provide guidance for handling potentially contaminated soil. Although the Site soils were effectively remediated in 2017 using a risk-based approach, under the oversight of DTSC and the USEPA, there remains a potential for future construction workers to encounter soils with residual concentrations of PCBs, metals, and/or total petroleum hydrocarbons (TPH) that must be managed in accordance with state and federal requirements. This SMP will provide personnel responsible for Site management and workers with procedures for internal and agency notifications, level of needed oversight, air and safety monitoring, soil segregation and monitoring, soil sampling and analysis, waste characterization and profiling, waste recycling and disposal procedures, record keeping and reporting in areas of known or encountered impacts. This SMP was prepared to govern Site Preparation Activities associated with future redevelopment and/or intrusive work at the Site, such as soil excavation, trenching, and backfilling, and was updated in July 2018 to document post-remediation site grading in the SpaceX development area.

1.3 Project Responsibilities

The Harbor Department will be responsible for ensuring that the Site occupants and contractors are aware of the SMP, and requirements for soil handling and disposal. The Harbor Department and its tenant(s) will be responsible for complying with the management elements outlined in this document, including but not limited to notifications as necessary, field observations and photoionization detector (PID) screening, collection of any required in-situ or waste characterization soil samples, contamination removals, and for coordinating the disposition of excavated/disturbed soil as defined in this SMP.

It is the responsibility of all contractors to adhere to this SMP, project specifications, and Site and worker safety in accordance with local, State, and Federal laws and requirements.

2.0 BACKGROUND

This section provides a summary of Site history and subsurface conditions. Further details can be found in the *Revised Soil and Groundwater Remedial Action Plan* (SGI, 2015).

2.1 Site History

The Site real property is owned by the City of Los Angeles. From approximately 1981 to 2006, Southwest Marine (also later known as BAE Systems Ship Repair, Inc.) operated ship repair, retrofit, and demolition operations at the Site. Prior to Southwest Marine's tenancy, Southwest Shipbuilding and Dry Dock Company used the Site as early as 1918. Southwest Shipbuilding Company occupied the Site until 1921. From 1921 to 1981, the Site was occupied by Southwest Shipbuilding Corporation, Ltd., Bethlehem Steel Company – Shipbuilding Division – San Pedro Yard, and Bethlehem Pacific Coast Steel Corporation. During the period prior to Southwest Marine's occupancy (1918-1981), the Site was a significant contributor to the naval war effort supporting both World Wars, and the Korean and Vietnam wars. Southwest Marine used the Site for ship repair, maintenance, and some ship demolition. When the nearby Naval Shipyard closed, Southwest Marine's operation experienced a temporary increase in activity. This activity began to decline in 1989 but continued until 2006.

The Site has been subdivided into four principal parcels (Figure 2). Parcels 1, 2 and 3 (further divided into Parcel 3a and 3b) were used for ship repair, machining, sandblasting and painting, woodwork, pipefitting, and other related support activities, and Parcel 4 is the former dry-dock area of the Site. The Site is currently unoccupied with the exception of SoCal Ship Services in the northern part of Parcel 3 (Parcel 3b). All manufacturing equipment and supplies associated with Southwest Marine's operations were removed prior to 2014. Only the vacant buildings remain, and the Site is sometimes used for filming television and motion picture productions.

Parcel 1 is located along Seaside Avenue in the eastern part of the Site and contains several structures formerly used as machine shops, welding shops, an abrasive blasting room, a paint booth, hazardous waste accumulation points, warehouses and storage areas, an electrical power substation, and administrative offices.

Parcel 2 is located in the western part of the Site along the Main Channel and contains a former paint booth and offices.

Parcel 3 is located north of Parcels 1 and 2 and was leased by Southwest Marine between 1981 and 1995. The southern, unoccupied portion of Parcel 3 (Parcel 3a) currently contains one structure (a former compressor building) and is largely an unpaved and enclosed open field. This portion of the Site is currently pending for redevelopment with commercial/industrial buildings, with the majority of the remaining surface paved.

The northern portion of Parcel 3 (Parcel 3b) is currently leased and occupied by SoCal Ship Services. Parcel 3b has an existing asphalt-paved cap with a plastic vapor barrier.

Parcel 4, located south of Parcels 1 and 2, contains three piers and was formerly used for dry-docking ships. No remedial excavation was conducted or is planned for Parcel 4.

2.2 Chemicals of Potential Concern at the Site

Primary residual chemicals of concern (COCs) present in Site soils following the soil remediation include TPH, metals (lead, copper, mercury, and arsenic), and PCBs. Figure 4 (Soil Management Areas) shows the areas of historic impact by COCs at the Site (SMP Designated Areas). Area A includes areas where initial investigations and remediation encountered PCBs, metals, and TPH. Area B includes areas where PCBs are not considered to be a COC, and where residual metals and TPH are known or suspected to be present. Soils from Area A cannot be moved to Area B during any future redevelopment.

Although the soil was remediated through excavation, and the remediation achieved the target cleanup goals using the 95 percent Upper Confidence Level (95 UCL) evaluation, some areas of apparent residual higher COC concentrations were left in place due to access restrictions, existing structures, or other Site physical limitations. Figure 5 illustrates these areas of known contamination where remediation could not be completed. These areas include soil containing contaminants above cleanup goals as follows:

- lead above cleanup goals (up to 320 milligrams per kilogram [mg/kg]) in the former paint shop in the northern part of Parcel 2. This is assumed to present no significant risk to Site occupants as the soil lies beneath concrete pavement and is within an historic building. This residual contamination would be addressed if the historic building is removed or if soil is disturbed at that location for any reason

- area of residual lead concentrations (up to 490 mg/kg) and PCBs (up to 7.8 mg/kg at a depth of 10 feet below grade) along the western part of Parcel 3a and in the northwestern part of Parcel 2

- areas of deep petroleum hydrocarbons in Parcels 1 and 2. These are assumed to present no significant risk to Site occupants since the soil lies beneath concrete pavement and is within historic buildings. This residual contamination would be addressed if the historic buildings are demolished or if soil is disturbed at these locations for any reason. Groundwater monitoring will also be conducted in the vicinity of these areas.

- the northern boundary of Parcel 3a (southern edge of parcel 3b), where relatively high PCBs and lead (up to 58.9 mg/kg PCBs at a depth of two feet below grade; and 350 mg/kg, respectively) were noted in the remedial excavation’s northern slope but could not be accessed. Removal of soils in this area will occur if/when physical remediation of Parcel 3b (currently occupied by So Cal Ship Services) is implemented. This boundary was lined with geotextile material.

- western edge of Parcel 2 and Parcel 3a, where some soil within 10 feet of the structural seawall could not be excavated further west, and where metal debris may be encountered.

2.3 Surface Topography and Ground Cover

Based upon a review of previous subsurface investigations conducted at the Site, historic fill material underlies the upper 20 feet of the Site and is predominantly composed of light brown to dark gray poorly graded (well sorted), fine- to medium-grained sand with trace to five percent (%) silt and occasional gravel. Silt and gravel are occasionally noted up to 20% by volume and shell fragments are noted throughout the Site soils.

The Site is generally flat with asphalt or concrete groundcover or buildings in the southern portion of the Site. Prior to redevelopment plans, the northern portion of the Site (Parcel 3a) will temporarily remain only graded or partially backfilled, with later backfilling to be determined in conjunction with detailed future construction plans. During the interim, un-backfilled period, the bottom of the excavations will be compacted and graded to prevent off-Site drainage. The Harbor Department will maintain a record of the depth and locations of areas excavated, and the corresponding clean backfill areas and thicknesses to allow for evaluation of whether future proposed ground disturbances will impact backfilled soil only or will also impact native soil.

Figure 6 represents the distribution on Site of the areas excavated as part of the soil remediation and backfilled following confirmation sampling, and the elevation of the bottom of the excavations. Based on the elevation of native soil depicted on Figure 6, and deduction from the ground elevation, the depth to native soil can be inferred to determine if the proposed soil disturbance is likely to encounter native soil.

2.4 Post-Remediation Site Grading

Parcel 3a in Area A was not completely backfilled at completion of the remediation, pending upcoming construction for redevelopment (tentatively planned for 2018/2019) in this Parcel. Final grading of Parcel 3a will occur during construction. The purpose of this grading will be to provide a level grade through each contiguous remediation excavation prior to the placement and compaction of clean fill, and to return the Site to a uniform grade prior to the construction of pending Site improvements. The final grade and elevations following the remediation are shown on Figures 6 and 7. Figure 7 was to be updated after the final grading for redevelopment is performed in order to adequately document the native/fill soil interface for future management of Site soils. In May-June 2018, the central part of Parcel 3a and northern part of Parcel 2 were graded to prepare for SpaceX construction. Figure 7A was prepared to document the post-grading elevation of native soil based on survey data collected by the Port's surveying crews (Appendix C).

The recorded native soil elevation presented on Figure 7A will assist in future evaluations of proposed construction activities as to whether native soils will be encountered and if native soil management in accordance with this plan is needed.

2.5 Groundwater Monitoring Well Management

Figure 8 shows the locations of the groundwater monitoring wells that will require access for periodic groundwater sampling and future well abandonment. Some groundwater monitoring wells are already existing in the eastern and southern portions of the Site, and replacement groundwater monitoring wells will be installed in the western portion of the Site. The location and duration of required access for monitoring of the groundwater wells may be modified over time based on the findings from the groundwater monitoring and on regulatory requirements. These wells must not be damaged, and access to these wells must be maintained. Alternate well locations may be requested from regulatory agencies.

At the completion of the groundwater monitoring period, access to the wells will be required for well abandonment.

3.0 PLANNING AND NOTIFICATIONS

The presence of residual contamination at the Site requires that subsurface soil disturbances be evaluated prior to starting field operations and be managed to protect Site workers and to ensure proper re-use of soil or disposal of soil off-Site. During future developments, projects affecting native soils that were previously shown to contain PCBs cannot be relocated from Area A to other areas of the Site. Any native soil removed from Area A must be hauled off-Site as described in Section 3.4. Figures 9A and 9B present flow charts of notifications, agency involvement, required monitoring and soil disposal decisions to be reviewed and followed for Areas A and B prior to any subsurface intrusive activities at the Site. Appendix B includes a form to be used for decisions on soil management.

3.1 Pre-work Notifications

Any Site excavation planning will occur through the Harbor Department's Application for Port Project (APP) process which will ensure review by the Environmental Management Division (EMD). EMD will evaluate the areas of proposed subsurface disturbance by comparison with known or suspected subsurface conditions and will determine if the proposed disturbance reaches areas or depths of potential residual contamination by comparison to areas of known contamination (Figure 5) and areas of backfill or native soil (Figure 7 and Figure 7A), and if waste characterization and/or off-Site hauling of soil is necessary.

Figures 9A and 9B indicate that EMD will notify the DTSC (Area A and B) and USEPA (Area A) if the proposed soil project will include disturbance of native soil. The form presented in Appendix B will be used by Harbor Department EMD personnel during the APP review process to help with evaluation of any proposed project and to determine requisite agency notification and soil handling/disposal requirements. Necessary instructions will be provided to the project proponent in EMD's response to the APP.

3.2 Utility Clearance and Protection

All locations where the ground is to be disturbed shall be cleared of potential utilities by Underground Service Alert (USA). USA shall be contacted at least 72 hours prior to commencing any excavation or intrusive work. It is anticipated that Site Preparation Activities will progress in stages. To accommodate this, USA will be contacted prior to moving to new areas of the Site that are outside of prior USA notified area(s).

3.3 Health & Safety

Excavation and soil management activities will be completed with safety as the foremost concern to minimize the potential for accidents, injuries, contaminant exposures, and or illnesses. As required by Occupational Safety and Health Administration (OSHA), Health and Safety Plan (HASP) will be developed, implemented, reviewed, and followed by all personnel handling contaminated soil.

3.4 Soil Management

Any redevelopment at the Site will ensure that no soil from Area A will be moved to Area B. Figures 9A and 10 present the soil management decision frame-work for the management of soil within Area A (where residual PCBs are present in the native soil). Upon notification to EMD through the APP process, EMD will evaluate the proposed soil disturbance activities in relation with the 2017 post-remediation *in-situ* soil data (Remedial Action Completion Report, SGI, 2018). EMD will review existing data to determine: if native soil is expected to be disturbed.

NOTE: The off-Site transportation and disposal of any PCB-containing native soil excavated from Area A, will be based on the *in-situ* (post-remediation confirmation sampling results) PCB concentration and in accordance with TSCA regulations as prescribed in 40 CFR 761.61. Additional sampling and analysis of soil proposed for off-Site transport and disposal may be required by the receiving disposal facility. Regardless of the analytical results of these future sampling episodes, any PCB-containing soil generated in Area A must be transported and disposed of as TSCA regulated waste under 40 CFR 761.61 (a)(5)(v).

Following the final grading for the upcoming redevelopment (2018/2019), if native soils are expected to be encountered in Area A, EMD will notify USEPA and DTSC and will provide by email a description of the proposed soil disturbance, the proposed area and the depth of excavation, and the previous in-situ data representative of the soil in the proposed excavation area. After notification, EMD will instruct the project applicant of required environmental monitoring, sampling, and waste characterization requirements. For Area A projects, soil handling will be required to follow TSCA regulations in 40 CFR 761 including equipment decontamination under 40 CFR 716.79 (e) and 761.79 (c)(2), 761.79(f)(2).

Figure 9B presents the soil management decision tree for Area B. Upon notification to EMD through the APP process, EMD will evaluate the proposed soil disturbance activities in relation with previous in-situ soil data. EMD will review existing data and will notify DTSC, as necessary, of the proposed soil work. After notification, EMD will also instruct the project applicant of required environmental monitoring, sampling, and waste characterization requirements. If on-Site soil reuse is considered as part of the planned construction, EMD will ensure that the Harbor Department's Environmental Guidance for Industrial Soil (Appendix A) is followed, including the sampling frequency, analyte list, and allowable contaminant concentrations.

The South Coast Air Quality Management District (SCAQMD) will be notified during excavation events if strong odors are encountered and VOCs are detected by a PID in excess of 50 parts per million by volume (ppmv). If contaminated soil removal is anticipated or if contamination is encountered, SCAQMD will need to be notified under Rule 1466 for handling of contaminated soil.

If import soil is proposed to be brought to the Site, it must comply with the Harbor Department's Environmental Guidance for Industrial Use Soil.

3.5 Protection of Existing Wells

The Site has existing groundwater monitoring wells installed across the property, and some new wells will be installed in the western part of Parcel 2 and potentially in Parcel 3a (Figure 5). All wells are flush mounted with traffic-rated well boxes. Future development plans must account for Harbor Department access to the required wells. The Harbor Department will work with the developer/future tenant for well access.

Groundwater monitoring wells are constructed using PVC casing and are thus susceptible to breakage during earth moving activities. In some cases, wellheads may be lowered to an elevation below the lowest grading elevations, capped and marked. The temporary wellhead elevation will be established for each excavation area. These wellheads should be restored to final grade level following excavation during the backfill and compaction activities and accurately marked to avoid future damage. A detailed map showing all final well locations will be provided to all field personnel to facilitate the protection and preservation of this equipment/infrastructure prior to earthwork activities.

3.6 Parcel 3b Remediation

Soil contamination at Parcel 3b (occupied by So Cal Ship Services) was not remediated, and remediation is not currently scheduled due to tenant’s occupancy. Any future remediation of Parcel 3b will require a Remedial Action Plan, which will include the removal of the residual soil at the northern edge of Parcel 3a, as noted on Figure 5 and described in Section 2.2.

4.0 SOIL MANAGEMENT GENERAL ACTIVITIES

This section outlines the general soil management guidelines that shall be implemented by parties involved in Site Preparation or other soil intrusive activities during future redevelopment of the Site.

4.1 Soil Management Plan Designated Areas

Contractors or personnel working at the Site should be aware that there may be locations with PCBs or metal contaminated areas that need to be properly managed in accordance with this SMP. Personnel working at the Site involved with tasks that include subsurface disturbances are required to adhere to the Harbor Department's APP process and this SMP. Figure 4 shows suspected and confirmed areas of impact by COCs at the Site. As discussed in Section 2.2, PCBs, metals, and TPH are COCs for areas designated at Area A. Metals and TPH are COCs for areas designated as Area B. Excavated soil from these two areas shall not be combined with one another nor should soil be moved to a different area from its origin without prior approval from the EMD.

In the event that native soil (or contaminated fill from new operations must be removed as part of a future development project, the soil removal process shall be dependent upon a suite of criteria (including, location and depth, types of chemical constituents, concentration of the chemicals, health and safety issues, time constraints, cost, etc.) and shall be determined on an area specific basis. A Harbor Department EMD representative may coordinate with relevant regulatory agencies regarding soil removal, if deemed necessary.

In the event that unexpected contaminated soil is encountered, all on-Site personnel handling or working in the vicinity of the contaminated material must be trained in accordance with EPA and Occupational Safety and Health and Administration (OSHA) regulations for hazardous waste operations or demonstrate they have completed the appropriate training. Training must provide protective measures and practices to reduce or eliminate hazardous materials/waste hazards at the work place.

4.2 General Site Control and Soil Handling Procedures

The following procedures shall be followed during all soil intrusive activities conducted during Site redevelopment:

- Any stockpiled soil shall be covered with plastic sheeting or tarps and will not be stockpiled in or near storm drains;
- Specified areas shall be identified and used for stockpiling soil that does not pass field screening to minimize cross-contamination with clean soil;
- The access to the excavated areas shall be controlled to prevent unauthorized persons accessing exposed soil;

- Access to the work zones where soil will be disturbed shall be controlled using caution tape, cones, fencing, steel plates, or other measures to clearly designate the active work area and to prevent access by the public or non-essential personnel; and,
- Native soil containing PCBs based on in-situ concentrations will be stockpiled following 40 CFR 761.65.

The extent of soil removal actions shall be determined on an area specific basis. At a minimum, the impacted soil within the boundaries of the excavation area shall be removed and managed to the satisfaction of the Applicant, LAHD, and the lead regulatory agency (if applicable) for the Site. The Harbor Department EMD representative overseeing removal actions shall inform the contractor when the removal action is complete.

4.3 Dust Control Measures

Dust control measures shall be utilized during all excavation, soil segregation, soil stockpiling, transport, and compaction activities to prevent or control surface and air movement of dust from disturbed soil surfaces.

Additionally, the excavation of any soil potentially containing arsenic, asbestos, cadmium, chromium, lead, mercury, nickel, and/or polychlorinated biphenyls (PCBs) will require obtaining and complying with a South Coast Air Quality Management District Rule 1466 permit.

As necessary, the following dust control measures shall be utilized:

- All active construction activities within the SMP Designated Areas shall be watered at least twice daily;
- All trucks hauling soil, sand, or other loose materials excavated from the Site shall be covered or shall maintain at least two feet of freeboard;
- Trucks hauling native soil from Area A designated as TSCA will be lined, and
- Operations will include measures to prevent soil being carried on adjacent streets. If visible soil material is carried onto adjacent public streets, the streets shall be swept with water sweepers as necessary to maintain them free of material.

4.4 Decontamination

Decontamination procedures shall be developed and followed to minimize the equipment contamination during excavation activities. The procedures should include removing loose soil from the vehicle exterior using dry methods, such as brushing, scraping, or vacuuming. Soil not removed by dry methods, should be cleaned by pressure washing or steam cleaning.

If soil removal in Area A includes removal of PCB-containing soil, all equipment shall be decontaminated following 40 CFR 761.79 regulations, including:

- Use of performance-based organic decontamination fluid (PODF) such as hexane or terpene-based citrus cleaners, such as hexane, or diesel.

- Identification of an area where equipment will be decontaminated and where cleaning fluids and wipe materials can be stored. For hand tools decontamination, be prepared to hand clean the equipment over buckets or a drum. If large equipment is to be decontaminated, prepare a lined decontamination area to collect potential spills of dirt or liquids.
- Wiping of equipment using wipe cloth or rag and water with regular soap.
- Wiping of equipment with PODF, making sure surface stays wet for one minute.
- First Rinse: using water or water with other cleaners, rinsing of the equipment for one minute then wipe until no more liquid is visible.
- Repeat of PODF wiping for at least one minute.
- Repeat of rinse with cloth or pad.
- Collection and containerizing of water and cleaner.
- Disposal as TSCA-regulated waste.
- Keeping records and photographs of decontamination tasks for 3 years (provide documentation to a Harbor Department EMD representative).

4.5 Storm Water Control

Storm water pollution controls shall be implemented by the contractor to minimize sediment runoff in storm water, which could include soil containing contaminants of concern. Procedures to prevent erosion and sediment runoff from the Site shall include grading the Site, installing storm water control devices such as temporary earth berms or erecting silt fences around the perimeter of exposed soil at the Site. Straw bale barriers or sediment traps are required to protect any existing catch basins or drainage channels. A separate storm water pollution prevention plan shall be provided by the soil disturbance contractor Qualified Stormwater Plan Developer (QSD) prior to beginning Site activities.

5.0 FIELD SCREENING AND SOIL SEGREGATION

During any Site Preparation Activities, visual observation and field screening measurements will be conducted. If soil contamination is suspected or observed, soil will be segregated and stockpiled.

Due to the nature of the some of the COCs, soil impacted by PCBs and/or metals may not be discernable using field screening methods. As discussed in Section 5.2, soil from Area A will be assumed to contain PCBs to be managed under TSCA, and soil samples for laboratory analysis may be needed to confirm the presence of COCs other than PCBs in any stockpiles generated based on the source of the soil.

5.1 Field Screening Methodology

Initial field screening measurements will consist of the following and observations/measurements will be noted. Harbor Department EMD will be notified if any of the following are identified:

- Native soil;
- Odorous soil;
- Stained or discolored soil;
- Presence of free-phase petroleum product; and,
- Any encountered unknown subsurface features.

A PID or other organic vapor detecting device shall be used by the contractor during grading and excavation activities in areas of excavation of native soil. Field screening of excavations and exposed soil using a PID shall be conducted during soil intrusive activities. PID field screening procedures are summarized as follows:

- The PID shall be calibrated daily, utilizing hexane gas or other equivalent method;
- The PID probe inlet should be placed no more than three inches from the surface of the excavated soil and while slowly moving the probe across the soil surface, the instrument readout shall be observed; and
- The maximum meter reading shall be recorded approximately every 15 minutes on a Field Record.

In the event that VOC-containing soils are encountered, SCAQMD will be notified and screening will be conducted in accordance with SCAQMD Rule 1166 monitoring, including soil handling requirements associated with PID readings of <50 ppmv, >50 ppmv and <1000 ppmv, and > 1000 ppmv.

5.2 Stockpile Management

5.2.1 Soil from Area A

Native soil excavated from Area A cannot be reused on-Site and will require off-Site disposal as a TSCA designated waste, with additional waste characterization by sampling as described in Section 5.2.3.

5.2.2 Soil from Area B

Any soils removed from Area B will be stockpiled and sampled as described in Section 5.2.3.

5.2.3 Stockpile Sampling

All soil excavated will be temporarily stockpiled on plastic sheeting and covered with plastic sheeting. The stockpiles will be labeled, sampled for waste classification, profiled for waste disposal or treatment, and hauled from the Site within regulatory time limits for disposal or treatment.

Native soil from Area A will be classified as TSCA-regulated regardless of what stockpile waste characterization data show for PCBs. In addition, stockpiles will also require sampling for other contaminants. The frequency of stockpile sampling or set of stockpiles from the same excavation will be as follows:

- One sample will be collected from stockpiles less than 100 cubic yards;
- Three samples will be collected from stockpiles less than 500 cubic yards;
- Five samples will be collected from stockpiles totaling up to 1,000 cubic yards;
- Five soil samples for the first 1,000 cubic yards and one sample for each additional 500 cubic yards in a stockpile containing up to 5,000 cubic yards; and
- Thirteen samples for the first 5,000 cubic yards and one sample for each additional 1,000 cubic yards in stockpiles greater than 5,000 cubic yards.

The sample analytical protocol for waste soil shall include analyses for:

- TPH by EPA Method 8015M (hydrocarbon chain)
- VOCs by USEPA Method 8260B
- California Assessment Metals by USEPA Method 6010/7471 series
- PCBs by USEPA Methods 3540C/8082A, if required by the disposal facility.

Based on the initial metals analytical results, soil samples will be additionally characterized by soluble threshold limit concentration (STLC) and/or toxicity characteristic leaching procedure (TCLP) methodologies, if necessary (e.g., total threshold limit concentration [TTLC] results exceed ten times the equivalent STLC standard or 20 times the equivalent TCLP standard). Analytical program may vary based on the disposal facility needs.

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6.0 WRITTEN RECORDS AND REPORTING

At the completion of the redevelopment activities, the project applicant will provide (at a minimum) the following information to the Harbor Department's EMD:

- Any field data collected (e.g. PID readings, sample locations, notes, photographs);
- Survey data;
- Laboratory reports; and,
- Waste Manifests documenting the disposal of all soil from the Site.

Soil removal, soil sampling or soil disposal documents will be submitted by the Harbor Department, if requested, to DTSC, and to USEPA (for PCB containing soils only) handling of soils in Area A, in accordance to 40 CFR 761.61, 761.79 and 761.65).

The Harbor Department will maintain updated documentation of Site conditions to include post-remediation findings of contaminated soil and associated actions, if any.

7.0 LIMITATIONS

This SMP was prepared to address potential TPH, metals, and PCBs present in the soil at the Site and current known Site conditions, regulations, and laws. This SMP does not address issues related to groundwater, other chemicals or future Site conditions that may be encountered during construction projects, including but not limited to, demolition and construction debris, asphalt, concrete, and asbestos-containing materials. If such materials are encountered during a construction project, contractors and workers are responsible for complying with all applicable laws pertaining to the handling and disposal of these materials.

The Site-related activities may be subject to federal, state, and local laws and regulations, including those published by USEPA, the SCAQMD, California Environmental Protection Agency (Cal-EPA), Los Angeles County, and the City of Los Angeles. These regulations address issues such as health and safety, hazardous waste, dust generation, storm water, and community right-to-know. It is the responsibility of the parties involved to ensure that all construction and maintenance activities abide by current applicable laws and regulations.

SGI/Apex disclaims any responsibility for any unauthorized use of this SMP. It is understood that while this SMP is intended to provide guidance and establish a framework for the management of potential chemical impacts in the subsurface soil to protect human health and the environment, this SMP shall not create any warranties or obligations to the Harbor Department as to implementation, adequacy, or success of protective measures under this SMP.

8.0 REFERENCES

Los Angeles Harbor Department, 2011. *Port of Los Angeles Chemical Requirements for Import Fill/Material*, February.

The Source Group, Inc. 2015. *Interim Removal Action Completion Report*. March.

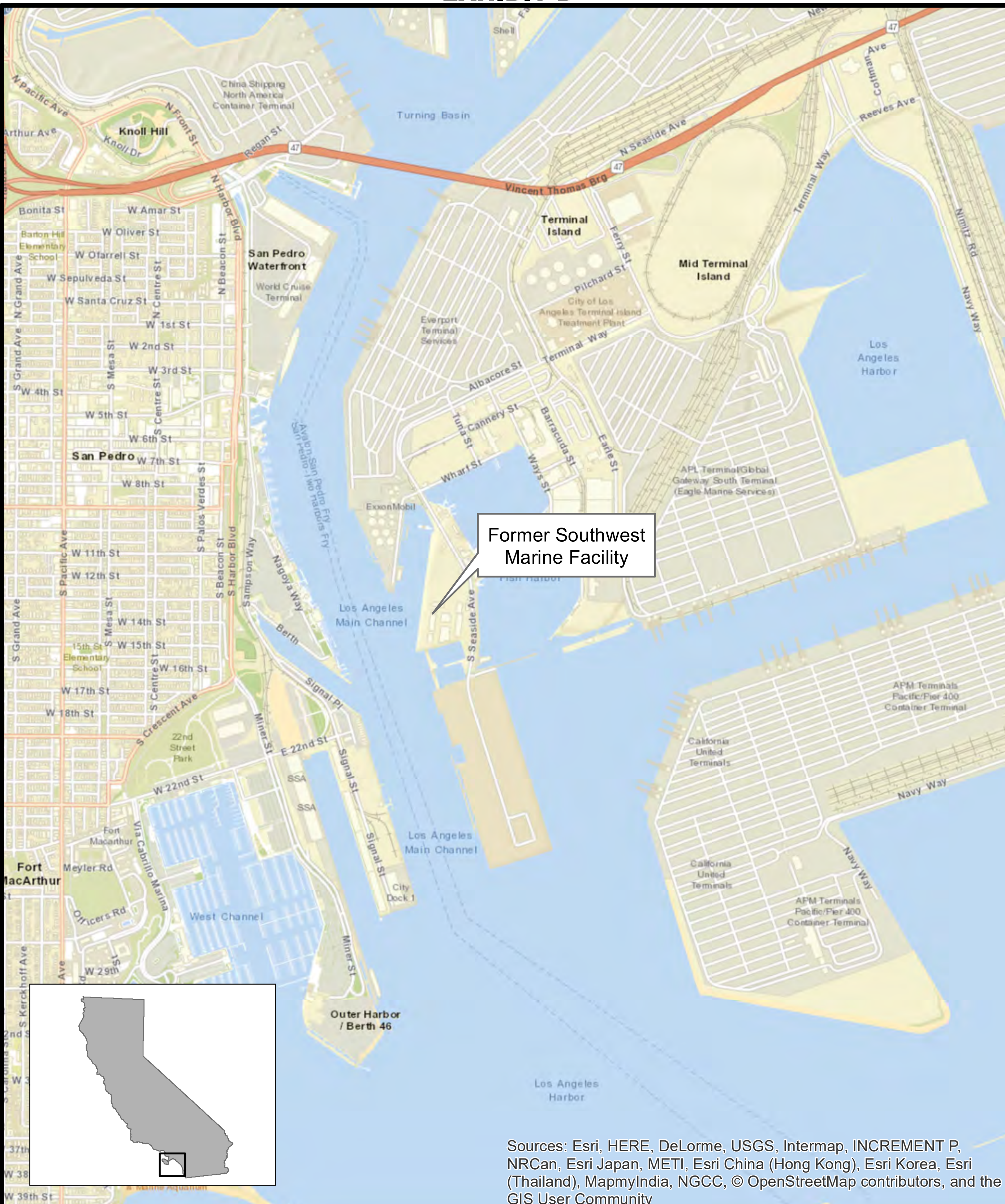
The Source Group, Inc. 2015. *Revised Soil and Groundwater Remedial Action Plan, Former Southwest Marine Property, 985 Seaside Avenue, Terminal Island, California*. February.

The Source Group, Inc. 2018. *Remedial Action Completion Report, Parcels 1, 2 and 3a*. February (pending).

EXHIBIT B

FIGURES

EXHIBIT B



SOURCE: ESRI 7.5 MINUTE TOPOGRAPHIC MAP. http://resources.esri.com/arcgisonlineservices	PROJECT NO.: POLA6-PD-05	DATE: 11/20/17	DR.BY: PWU	APP.BY: PP	SCALE= 1:24,000 (0, 875, 1,750, 3,500 Feet)	N

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Former Southwest Marine Terminal

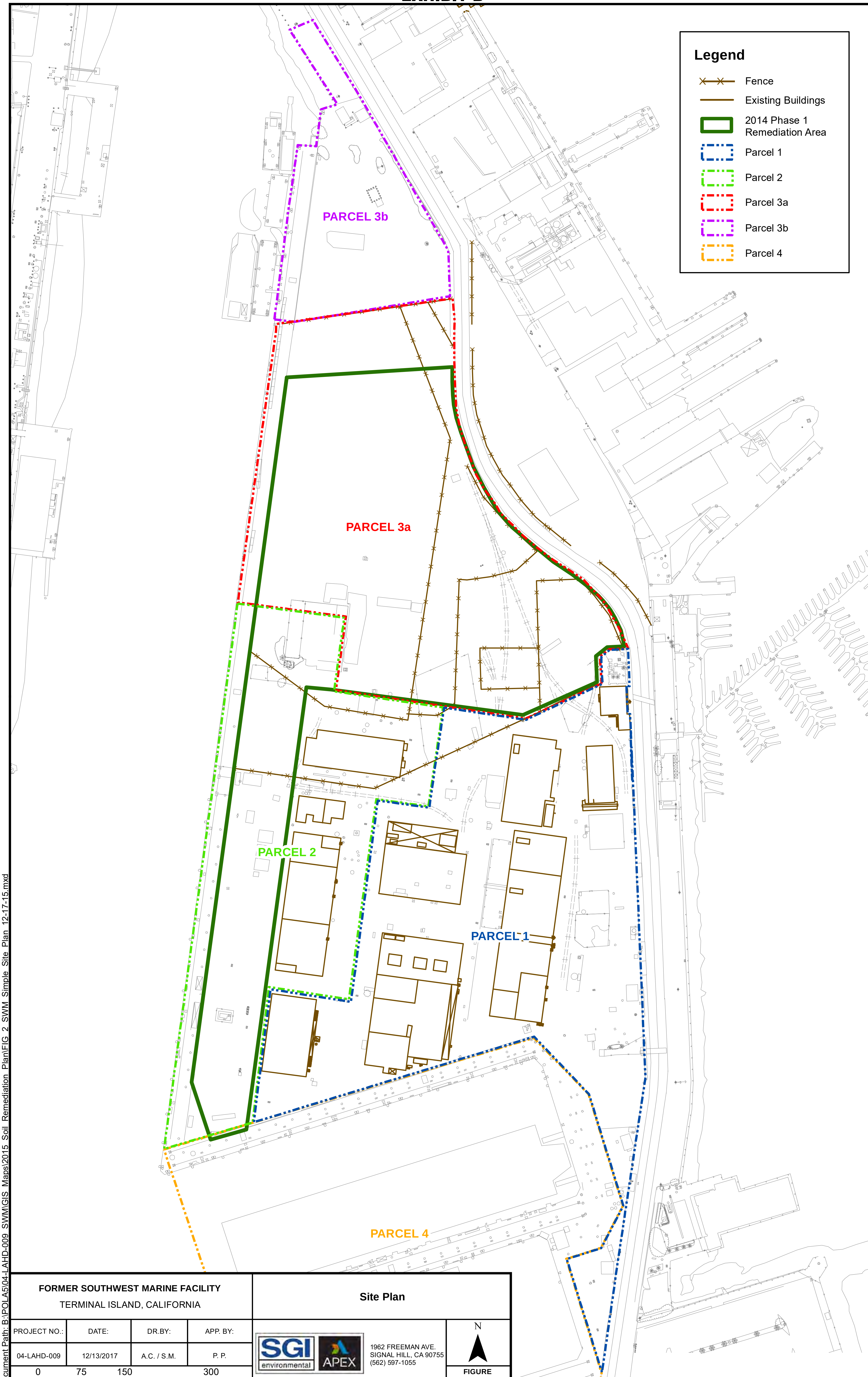
Terminal Island, California 90731

Site Location Map

FIGURE **1**

Document Path: B:\POLA4\04-LAP-030_SWM\GIS_Maps\FIG-1_Site_Location_Map_2014-10.mxd

EXHIBIT B



Document Path: B:\POLA\504-LAHD-009 SWM\GIS Maps\2015 Soil Remediation Plan\FIG 2 SWM Simple Site Plan 12-17-15.mxd

EXHIBIT B

FORMER SOUTHWEST MARINE FACILITY TERMINAL ISLAND, CALIFORNIA				Historic Buildings
PROJECT NO.:	DATE:	DR.BY:	APP. BY:	SGI environmental / APEX 1962 FREEMAN AVE. SIGNAL HILL, CA 90755 (562) 597-1055
POLA6-PD-05	11/16/2017	S.M.	P.P.	FIGURE 3

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EXHIBIT B

Document Path: B:\POLA5\04-LAHD-009_SWM\GIS_Maps\2015_Soil_Remediation_Plan\FIG_4_SWM_Soil_Management_Areas_100317.mxd

EXHIBIT B

Document Path: B:\POLA5\04-LAHD-009_SWM\GIS_Maps\2015_Soil_Remediation_Plan\FIG_5_SWM_Residual_Contamination_092117.mxd

FORMER SOUTHWEST MARINE FACILITY TERMINAL ISLAND, CALIFORNIA				Locations of Known Contamination Left in Place
PROJECT NO.:	DATE:	DR.BY:	APP. BY:	FIGURE
POLA6-PD-05	09/21/2017	S.M.	P.P.	5

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EXHIBIT B

Legend

Fence

Existing Buildings

7.5' Backfilled Excavation Elevation in Feet Above Sea Level of Top of Native Soil. (For example, sea level was observed within the deepest excavations at 9 feet below ground surface [bgs] and marked as 0 feet above mean sea level [amsl]. 7.5' designates native soil was excavated to an elevation of 7.5 feet amsl, in a 1.5-foot deep excavation).

FORMER SOUTHWEST MARINE FACILITY
TERMINAL ISLAND, CALIFORNIA

PROJECT NO.:	DATE:	DR.BY:	APP. BY:
POLA6-PD-05	11/16/2017	S.M.	P.P.

0 50 100 200 Feet

Distribution of Backfilled and Native Soil

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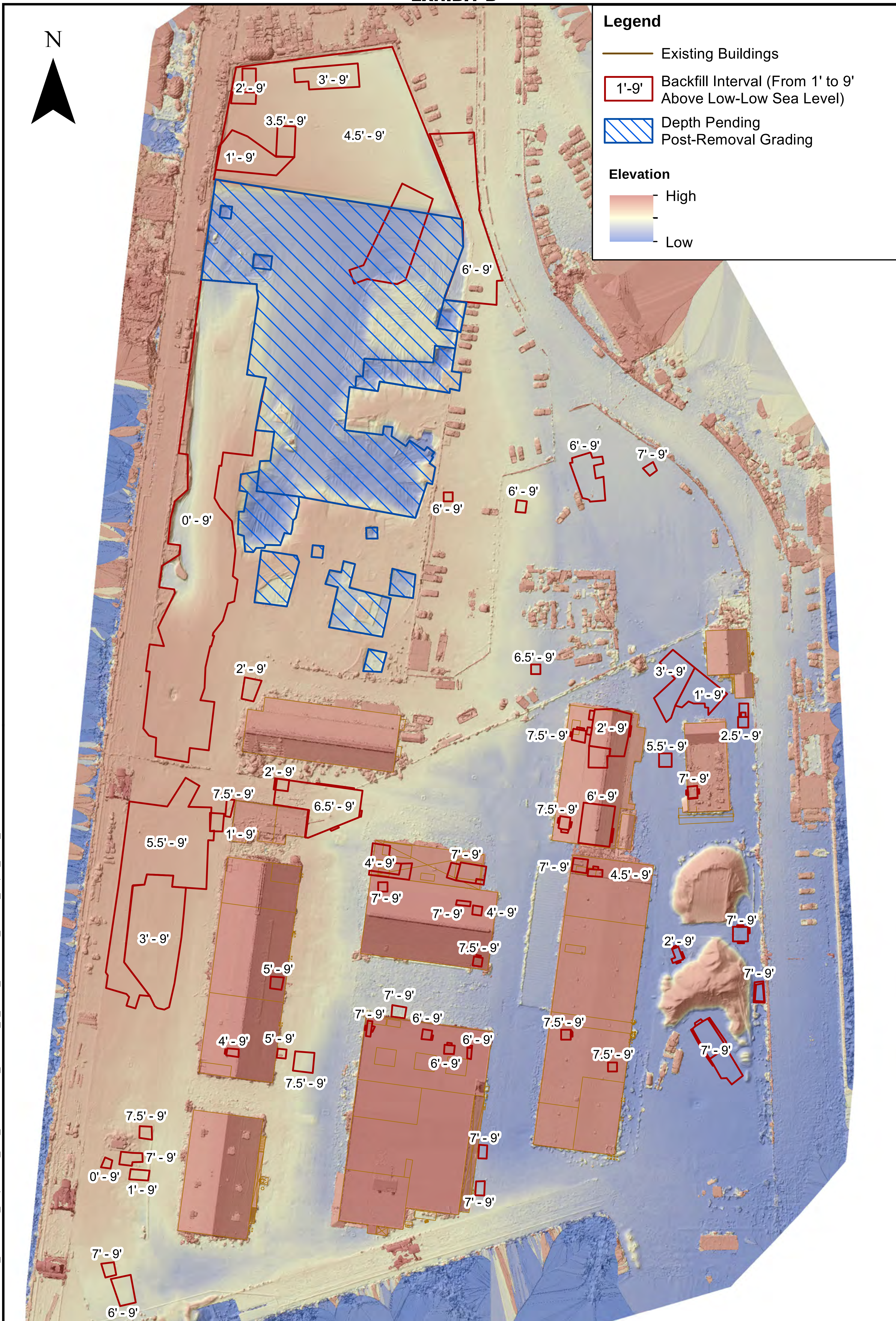
FIGURE 6

Document Path: B:\POLA5\04-LAHD-009_SWM\GIS_Maps\2015_Soil_Remediation_Plan\FIG_6_SWM_Exc_Elevations.mxd

EXHIBIT B



FORMER SOUTHWEST MARINE FACILITY TERMINAL ISLAND, CALIFORNIA				Post-Remediation Elevation of Native Soil Map (Phase 2, 2017 Remediation)
PROJECT NO.:	DATE:	DR.BY:	APP. BY:	FIGURE
POLA6-PD-05	2/22/2018	S.M.	P.P.	7

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Document Path: B:\POLA5\04-LAHD-009_SWM\GIS_Maps\2015_Soil_Remediation_Plan\FIG_7_SWM_Post-Rem_Backfill_Depth_DEM_02122018.mxd

EXHIBIT B

FORMER SOUTHWEST MARINE FACILITY
TERMINAL ISLAND, CALIFORNIA

Post-Grading Elevation of Native Soil - SpaceX Development Area (2018)

PROJECT NO.:	DATE:	DR.BY:	APP. BY:
091-EMD-012	7/16/2018	S.M.	P.P.

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FIGURE 7A

Document Path: B:\POLA5\04-LAHD-009_SWM\GIS_Maps\2015_Soil_Remediation_Plan\FIG_7A_SWM_Post_Grading_Elevation_SpaceX.mxd

EXHIBIT B

FORMER SOUTHWEST MARINE FACILITY
TERMINAL ISLAND, CALIFORNIA

Locations of Groundwater Monitoring Wells

PROJECT NO.:	DATE:	DR.BY:	APP. BY:
POLA6-PD-05	08/14/2017	S.M.	P.P.

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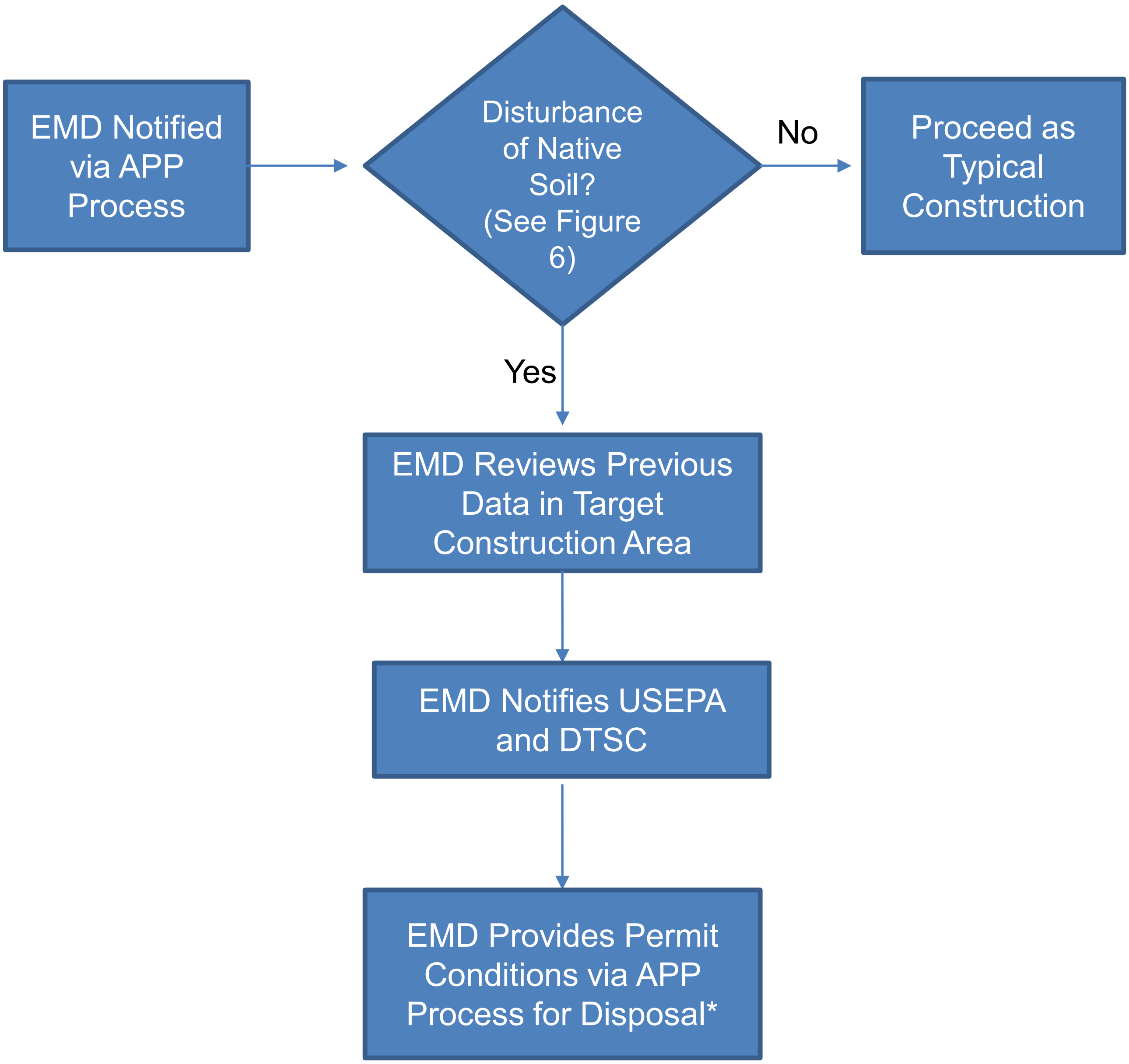
FIGURE
8

Document Path: B:\POLA5\04-LAHD-009_SWM\GIS_Maps\2015_Soil_Remediation_Plan\FIG_8_SWM_GWM_Wells_081417.mxd

EXHIBIT B



*Per USEPA Requirements, soil from Area A cannot be re-used on-Site and must be hauled as TSCA-designated waste for disposal

Notes:

EMD – Environmental Management Division
APP – Application for Port Project
DTSC – Department of Toxic Substances Control
USEPA – United States Environmental Protection Agency
TSCA – Toxic Substances Control Act

Soil Management Decision Tree- Area A (PCB Area)

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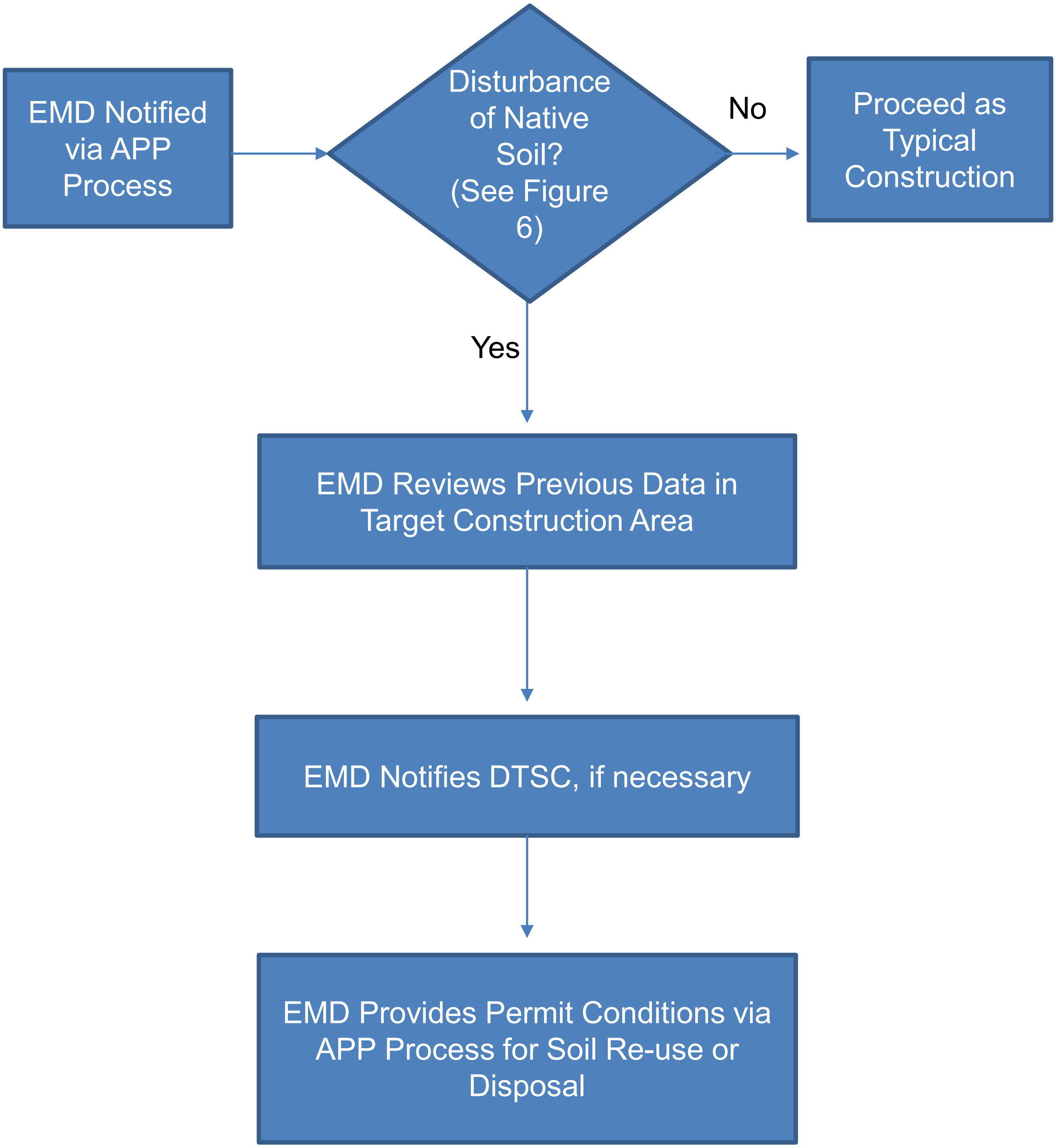
FIGURE 9A

EXHIBIT B



Notes:
EMD – Environmental Management Division
APP – Application for Port Project
DTSC – Department of Toxic Substances Control

Soil Management Decision Tree-
Area B (Metals/TPH Area)

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TERMINAL ISLAND, CALIFORNIA

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FIGURE
9B

EXHIBIT B

APPENDIX A

HARBOR DEPARTMENT'S GUIDANCE FOR INDUSTRIAL SOIL

EXHIBIT B

THE PORT OF LOS ANGELES

ENVIRONMENTAL GUIDANCE FOR INDUSTRIAL USE SOIL

FEBRUARY 2016

To aid in determining whether soil and various fill materials meet environmental suitability and standards (both regulatory and Port) for acceptable industrial land-use, Environmental Management Division (EMD) has prepared this guidance document. The guideline procedures are intended to both reduce liability and future remediation costs by preventing the inadvertent placement or reuse of contaminated soil/fill material on Port property. The chemical concentrations listed in the guidelines are for the protection of both human health and the environment and intended only for Port industrial land-use (i.e., restricted use). Please note that the guidelines are not appropriate or applicable in determining the environmental suitability of soil/fill material for use at former or active regulated/cleanup sites, public access land-use areas (i.e., unrestricted use), or for worker health & safety protection. Also, the guidelines are not to be used as a substitute for complying with all applicable Federal, State, and local laws, regulations, and/or regulatory directives, site-specific plans, or orders.

Environmental Suitability of Soil/Fill Material

The following general process steps for determining the environmental suitability of soil/fill material for industrial land-use are:

- Source/Location Identification
- Volume Estimation
- Sampling Frequency Determination
- Chemical Analyses Based on Source
- Representative Sample Collection
- Applicable Samples Analyses
- Comparisons with Allowable Concentrations
- Documentation and Retention

1. Source Location Identification

It is important to identify where the soil/fill material originated, including the former and current land uses of the material. Past activities, especially commercial and industrial, at or near the proposed borrow source location can adversely affect the environmental quality of the soil/fill material and the suitability of use. Prior use of the source site should always be documented and be made available for review.

Also, the unique hydrogeological characteristics of the Port area (i.e., very shallow groundwater and close proximity to harbor waters) require added attention to the environmental quality of the soil/fill material for the protection of water quality and the environment. In the case of CMB, it's strongly recommended that only clean CMB be used for placement applications such as road base, paving, container terminal construction, and/or asphalt/concrete parking. CMB should not ever be used as a substitute for soil as general fill, or within sensitive-use areas including, but not limited to, sites under regulatory oversight or remediation, park lands, public access areas, and waterfront areas in potential or actual contact with harbor waters.

2. Volume Estimation of Soil/Fill Material

The volume of soil/fill material determines the required sampling frequency, involving both the number of samples and sampling locations. It is important to have a fairly accurate volume estimate of the soil material prior to initiating sample collection and analyses. If the volume of soil/fill material cannot be accurately determined, the upper-end estimate range of the volume shall be used for purposes of determining sampling frequency.

3. Sampling Frequency Determination

Environmental characterizations of soil/fill material are primarily focused on evaluating the potential hazards from contaminants and pollutants. However, as opposed to environmental characterizations, geotechnical evaluations are concerned with the structural suitability of the material (e.g., soil bearing pressure, active soil load, soil layer characteristics, etc.). In order to satisfy the separate objectives of environmental and geotechnical characterizations, different sampling strategies and approaches are required. In general, a larger number of samples in various locations are needed, both laterally and horizontally (e.g., sampling depths), to determine the environmental condition of the soil material because of the greater amount of types and viability of contaminants.

In general, a series of field screened, discrete grab samples should be collected, biased to areas that may indicate the proposed clean fill is actually contaminated. Where biased sampling is not necessary or only a few biased samples are needed, then use grid-based, random sampling procedures using accepted USEPA guidance or other statistically appropriate references (For example, for undisturbed in-situ material, collect samples at the surface and at depth to ensure that the samples are representative of the total volume of material that may be used as clean fill.) Where a large stockpile of proposed clean fill has already been staged and can be maintained for use on a specific project, then the sampling should be statistically designed to collect representative samples from the surface and interior of the stockpile. Very large stockpiles may need re-grading to smaller sizes to allow for practical physical access for sampling.

The default sampling frequency and number of total environmental samples for soil/fill material can be found in Table 1. While the recommended sampling approach in Table 1 is considered a minimalist program, site-specific conditions may require additional samples to be collected and analyzed to adequately determine the environmental status of the soil/fill.

Borrow sources that are not contiguous to each other are considered to be separate or different sources and need to be tested separately according to the sampling frequencies described in Table 1. In order to distinguish between multiple borrow sources, the sampler/supplier needs to provide a “unique identifier” for each stockpile or borrow source sampled (e.g. Stockpile A, Stockpile B, etc.). A site plan (e.g. map) showing the location of the source material, sample locations, and sampling depths should be prepared. In addition, the laboratory analytical results of the soil/material, along with an approval certification stating the environmental status/condition of the source material, should also be provided.

Table 1 **Recommended Minimum Sampling Frequency for Each (Separate) Source of Fill Material**

Volume of Borrow Area Stockpile	Number of Samples per Volume
Up to 1,000 CY	1 sample per 250 CY
1,000 to 5,000 CY	4 samples for first 1000 CY +1 sample per each additional 500 CY
Greater than 5,000 CY	12 samples for first 5,000 CY +1 sample per each additional 1,000 CY

4. Chemical Analyses Based on Source

Table 2 provides a set of recommended chemical analyses based on the source or origin of the fill material. Except as noted, soil/fill source areas shall not be located in:

a. Heavy industrial/manufacturing areas (with the exception of soils/material generated within the Port).
b. Sites designated for or undergoing environmental cleanup.
c. Sites where hazardous materials were used or hazardous wastes were generated (e.g., service or fueling stations, dry cleaners, oil refineries, scrap yards, boatyards, chemical/liquid storage areas, painting facilities, metal processing shops, etc.).

For both excavated on-site and off-site material, target compounds to be analyzed may be pre-determined or reduced by assessing environmental conditions of the borrow area prior to implementing the excavation. Although, the Port does not recommend the use of soil/fill material from land adjacent to freeways and highways, mining areas, and/or agricultural lands, Table 2 provides a suggested minimum list of target compounds and sampling tests for such locations.

Table 2 Recommended Minimum Chemical Analyses of Material Based on Source/Origin

Fill Source	Target Compounds and Analyses
Land near an existing freeway or major highway	• TPH (modified EPA Method 8015) • Lead (EPA Method 6010B) • PAHs (EPA method 8310)
Mining area or rock quarry	• Heavy metals (EPA Methods 6020 and 7471A) • Asbestos (polarized light microscopy)
Agricultural	• Pesticides and Herbicides (Organochlorine Pesticides: EPA Method 8081A or 8080A; Organophosphorus Pesticides: EPA Method 8141A; Chlorinated Herbicides: EPA Method 8151A) • Heavy metals (EPA Methods 6020 and 7471A), including hexavalent chromium (EPA Method 7199)
Acceptable commercial land	1. VOCs (EPA Method 8021 or 8260B, as appropriate and combined with collection by EPA Method 5035) 2. Semi-VOCs (EPA Method 8270SIM) 3. TPH (modified EPA Method 8015B) 4. PCBs (EPA Method 8082 or 8080A) 5. Heavy metals including lead (EPA Methods 6020 and 7471A), including hexavalent chromium (EPA Method 7199)

5. Representative Sample Collection

Soil/fill material samples needs to be collected in a manner (both in sample number and depth) that accurately represents the overall environmental chemical quality of the excavation area, borrow site, or stockpile(s). In-situ sampling requirements for in-place fill material should be determined in advanced consultation/discussions with qualified Port personnel.

Samples must be collected and properly preserved/stored (e.g., specified temperatures, within appropriate containers and holding times, etc.) until delivery to a California-certified analytical laboratory (e.g., ELAP and/or NELAP certification) for analyses. Appropriate sample handling and preservation procedures are specified in the U.S. EPA "Test Methods for Evaluating Solid Waste-Physical/Chemical Methods (SW-846)." Each collected soil/material sample will be recorded on a chain-of-custody form prior to submittal to the laboratory for analysis.

6. Applicable Samples Analyses

All soil samples should be analyzed prior to import, reuse, or export using the applicable EPA Methods listed in Table 3. If one is aware of, has knowledge of, or suspects possible contaminants in the soil/fill material (e.g., observations of staining, discoloration, and/or odors) that are not included in the list, an analysis of the suspected contaminant(s) should be conducted. In addition, due diligence needs to be demonstrated in obtaining information (e.g., Phase I) about historical property land uses at proposed existing and off-site borrow locations prior to removal and subsequent placement of the material in the Port.

7. Comparisons with Allowable Concentrations

Table 3 presents the chemical concentrations for general environmental use of soil/fill material in the Port of Los Angeles. The concentration levels are based on mandated regulatory and/or risk-based numbers. Soil/fill material with analytical sample results below (less than) the permissible chemical concentrations may be used as industrial-use fill within the Port. Soil/fill material with sample results above (greater than) the permissible chemical concentrations material cannot be used as fill and must be properly disposed of, unless directed otherwise. It's important to note that the recommended sampling frequencies in Table 1 and the subsequent sampling results provide an indication of the contamination associated with the soil/fill material. It may be necessary to take additional samples in order to determine if the contamination is widespread or just in isolated pockets. In the latter case, it may be possible to section-off and dispose of contaminated stockpile material that exceeds the industrial concentration levels listed in Table 3 which would then allow use of the remaining selected fill material. (Please contact EMD for assistance.)

In general, the primary target or 'driver' compounds of concern in the Port are TPH, metals (lead, copper, etc.), benzene, PCBs, and PAHs. While there are a number of other chemicals (including human carcinogens) found in the Port, these target compounds are the most prevalent. At a minimum, all samples should be tested for these target compounds.

Please note in Table 3 that any soil/fill sample having undergone chemical analyses with a dilution factor greater than 1 (see Footnote #3) or uses detection limits greater than the permissible concentrations in Table 3 will likely be rejected due to potentially elevated concentrations of one or more contaminants.

As a reminder, the environmental chemical concentrations listed in Table 3 are intended only for general industrial land use for both the protection of human health and the environment. The listed concentrations are not appropriate in determining the environmental suitability of soil/fill material for use, nor do they supersede site-specific requirements, at former or active regulated/cleanup sites, public/recreation land use areas, or for worker health & safety protection.

EXHIBIT B

Table 3 Permissible Chemical Concentrations in Industrial-Use Fill Material

Chemicals of Concern (COC) Industrial Land Use	Soil/Fill Material Concentration (mg/kg)	Source
Total Petroleum Hydrocarbons (TPH) *(EPA Method 8015M/8015B)*		
TPH (Total Petroleum Hydrocarbons)	1,000	Cal-EPA SWRCB[1]
➢ Gasoline	180	Cal-EPA SWRCB/DTSC[1]
➢ Diesel	180	Cal-EPA SWRCB/DTSC[1]
Heavy Metals *(EPA Method 6020/7471A)*		
Antimony	40	Cal-EPA SWRCB/DTSC[1]
Arsenic	8.7	Cal-EPA SWRCB/DTSC[1]
Barium	1000	10 X STLC[2]/DTSC
Beryllium	7.5	10 X STLC[2]
Cadmium	1.4	Cal-EPA SWRCB/DTSC[1]
Chromium VI (EPA Method 7199/3060A)	8	Cal-EPA SWRCB/DTSC[1]
Total Chromium	100	20 X TCLP/STLC[2]
Cobalt	80	Cal-EPA SWRCB/DTSC[1]
Copper	69	Cal-EPA SWRCB/DTSC[1]
Lead	50	10 X STLC[2]/DTSC
Mercury	0.69	Cal-EPA SWRCB/DTSC[1]
Molybdenum	4.4	Cal-EPA SWRCB/DTSC[1]
Nickel	200	10 X STLC[2]/DTSC
Selenium	0.23	Cal-EPA SWRCB[1]
Silver	3.75	Cal-EPA SWRCB/DTSC[1]
Thallium	0.95	Cal-EPA SWRCB[1]
Vanadium	200	Cal-EPA SWRCB[1]
Zinc	680	Cal-EPA SWRCB/DTSC[1]
BTEX *(EPA Method 8260)*		
Benzene	0.055	Cal-EPA SWRCB/DTSC[1]
Toluene	56	Cal-EPA SWRCB[1]
Ethylbenzene	3.9	Cal-EPA SWRCB[1]
Xylene	7.2	Cal-EPA SWRCB[1]
Naphthalene	0.17	DTSC
Asbestos *(OSHA Method ID-191)*	ND	Laboratory Reporting Limit[3]
Polychlorinated Biphenyls (PCBs) *(EPA 8082)*	ND	Laboratory Reporting Limit[3]/US EPA
Other Chemicals of Concern		
Volatile Organic Compounds (VOCs) (EPA Method 8260)		Laboratory Reporting Limit[3]
Polynuclear Aromatic Hydrocarbons (PAHs) (EPA Method 8310)		Laboratory Reporting Limit[3]
Semi Volatile Organic Compounds (SVOCs) (EPA Method8270)		Laboratory Reporting Limit[3]
Organochlorine Pesticides (EPA Method 8081A)		Laboratory Reporting Limit[3]
Organophosphorus Pesticides (EPA Method 8141A)		Laboratory Reporting Limit[3]
Chlorinated Herbicides (EPA Method 8151A)		Laboratory Reporting Limit[3]

NOTES:

1. Cal-EPA State Water Resources Control Board & Department of Toxic Substances Control Action Goals for Industrial Land Use sites only. (The listed concentrations/levels in Table 3 are not for use at former or active cleanup sites, public land use, or worker health & safety.)
2. Soluble Threshold Limit Concentration (STLC), California Code of Regulations (CCR), Title 22, Section 66261.24. Characteristic of Toxicity
3. Laboratory Reporting Limit is based on reporting limits commonly used by Southern California laboratories (DAF=1)

8. Documentation and Retention

A written, preferably electronic, record of the sampling protocols, sampling locations, analytical results, and determination of suitability for industrial land use as fill shall be maintained and made available for staff review, upon request.

Authorization for Soil/Fill Concentrations

The chemical/contaminant criteria utilized in this document for determination of industrial land-use soil/fill material were compiled from a number of current sources, standards, regulations, and/or guidance documents including, but not limited to:

- Compliance with applicable laws and regulations;
- California Environmental Protection Agency - State Water Resources Control Board (SWRCB) and Department of Toxic Substances Control (DTSC);
- Title 40, Code of Federal Regulations (40 CFR)
- California Health and Safety Code (HSC), Division 20, Chapter 6.5, Hazardous Waste Control Law and California Code of Regulations, Division 4.5, Title 22 CCR;
- Information Advisory Clean Imported Fill Material (DTSC, October 2001);
- User's Guide: Derivation and Application of Environmental Screening Levels (SFRWQCB), Interim Final 2013);
- Revised Responses to Stakeholder's Comments Memorandum - Former GATX Los Angeles Marine Terminal (LAMT), Berths 171 through 173, Wilmington, CA (Cleanup and Abatement Order No. R4-2008-006), (LARWQCB Geotracker), January 19, 2010); and
- Commonly used Laboratory Reporting Limits (LRLs) and Method Detection Limits (MDLs) by analytical laboratories in Southern California.

Applicability of Soil/Fill Material

All analytical data submitted to determine the environmental quality and suitability of the soil/fill material will be reviewed by qualified Port personnel prior to placement. Meeting the concentration criteria listed in Table 3 is essential for the fill or excavated material to be considered minimally acceptable for industrial use as general fill within the Port.

The Port will not be responsible for any delays or other associated costs if the soil/fill material is rejected due to incomplete or inaccurate data submittals, exceedances of permissible chemical concentrations (both regulatory and Port-wide limits), and/or the soil/fill material does not comply with regulatory requirements (e.g., material would be classified as hazardous wastes, SCAQMD Rule 1166 requirements, UST requirements, site-specific plans or directives, etc.). If a third-party brings any soil/fill material into the Port that classifies as hazardous waste (i.e., RCRA, non-RCRA, TSCA, etc.), the third party will be considered the generator of the waste. The third-party (e.g., contractor) will be responsible for all costs, including costs incurred by the Port, associated with removal and proper disposal of the waste. Further, the third party will also have signatory responsibility for the hazardous waste uniform manifest.

This management/guidance document and its contents may be amended or updated to reflect future changes in Port policies and/or regulatory requirements. EMD reserves the right to observe sampling activities and data; and independently sample, analyze, and/or verify the results of any analytical data submitted for evaluation.

Acronym List

BTEX	Benzene, Toluene, Ethylbenzene, Xylenes
Cal-EPA	California Environmental Protection Agency
CY	Cubic Yard
DTSC	Department of Toxic Substances Control
ELAP	Environmental Laboratory Accreditation Program
EMD	Environmental Management Division
ESL	Environmental Screening Level
LARWQCB	Los Angeles Regional Water Quality Control Board
LRL	Laboratory Reporting Limit
MHHW	Mean Higher High Water
MDL	Method Detection Limit
NELAP	National Environmental Laboratory Accreditation Program
OSHA	Occupational Safety and Health Administration
PAH	Polynuclear Aromatic Hydrocarbons
PCB	Polychlorinated Biphenyls
POLA	Port of Los Angeles
SCAQMD	South Coast Air Quality Management District
SFRWQCB	San Francisco Regional Water Quality Control Board
STLC	Soluble Threshold Limit Concentration
SVOC	Semi-Volatile Organic Compound
SWRCB	State Water Resources Control Board
TPH	Total Petroleum Hydrocarbons
TTLC	Total threshold Limit Concentration
USEPA	United Stated Environmental Protection Agency
VOC	Volatile Organic Compound

EXHIBIT B

References

Clean Imported Fill Material - http://www.dtsc.ca.gov/Schools/upload/SMP_FS_Cleanfill-Schools.pdf

ELAP - http://www.waterboards.ca.gov/drinking_water/certlic/labs/index.shtml

NELAP - http://www.nelac-institute.org/

SW-846 - http://www.epa.gov/osw/hazard/testmethods/sw846/

TPH - http://www.atsdr.cdc.gov/toxfaqs/tf.asp?id=423&tid=75

benzene - http://www.atsdr.cdc.gov/substances/toxsubstance.asp?toxid=14

PCBs - http://www.atsdr.cdc.gov/substances/toxsubstance.asp?toxid=26

lead - http://www.atsdr.cdc.gov/substances/toxsubstance.asp?toxid=22

copper - http://www.atsdr.cdc.gov/substances/toxsubstance.asp?toxid=37

20 X TCLP/STLC - http://www.torrentlab.com/torrent/resources/resource/STLC_and_TTLC_Limits.pdf

Laboratory Reporting Limit - http://www.arb.ca.gov/toxics/atcm/asb2atcm.htm

STLC - http://www.eurofinsus.com/media/161417/hazardous_waste_regulatory_limits.pdf

SWRCB - http://www.swrcb.ca.gov/

DTSC - https://www.dtsc.ca.gov/

40 CFR - http://www2.epa.gov/laws-regulations/regulations

HSC - http://www.leginfo.ca.gov/cgi-bin/calawquery?codesection=hsc

CCR - https://govt.westlaw.com/calregs/Browse/Home/California/CaliforniaCodeofRegulations?guid=I77C6B3D0D4BA11DE8879F88E8B0DAAAE&originationContext=documenttoc&transitionType=Default&contextData=(sc.Default)

SFRWQCB - http://www.waterboards.ca.gov/rwqcb2/water_issues/programs/ESL/Users_Guide_Dec_2013.pdf

Geotracker - http://geotracker.waterboards.ca.gov/view_documents.asp?global_id=SL377432476&enforcement_id=6041012

LRLs - http://www.mywaterquality.ca.gov/monitoring_council/collaboration_network/docs/bvanbuuren_jan2012.pdf

MDLs - http://water.usgs.gov/owq/OFR_99-193/detection.html

hazardous wastes - https://www.dtsc.ca.gov/HazardousWaste/upload/HWMP_DefiningHW111.pdf

EXHIBIT B

Rule 1166 - http://www.aqmd.gov/home/regulations/compliance/rule-1166-site-specific-and-various-locations-soil-mitigation-plan

UST - http://www.waterboards.ca.gov/ust/

RCRA - http://www.epa.gov/osw/laws-regs/regs-haz.htm

non-RCRA - http://ccelearn.csus.edu/wasteclass/mod7/mod7_03.htmlgenerator - http://www.dtsc.ca.gov/HazardousWaste/Generators.cfm

hazardous waste uniform manifest - https://www.dtsc.ca.gov/IDManifest/upload/HWMP_FS_manifestChanges2.pdf

Acknowledgements

U.S. Environmental Protection Agency - http://www.epa.gov/

California Office of Environmental Health Hazard Assessment - http://oehha.ca.gov/risk.html

California Environmental Protection Agency - http://www.calepa.ca.gov/

Port of Long Beach - http://www.polb.com

Port of Oakland - http://www.portofoakland.com

California Department of Transportation (Caltrans) - http://www.dot.ca.gov

California State University, Fullerton - https://riskmanagement.fullerton.edu/

Expo Metro Rail, Santa Monica - http://www.buildexpo.org

State of Hawai'i Department of Health - http://www.hawaiidoh.org

Maryland, Department of the Environment - http://www.mde.state.md.us

Minnesota Pollution Control Agency - http://www.pca.state.mn.us

New Jersey Department of Environmental Protection - http://www.nj.gov/dep/srp

New York State Department of Environmental Conservation - http://www.dec.ny.gov

Ontario Ministry of the Environment (Canada) - https://www.apgo.net

02-XX-2016

EXHIBIT B

APPENDIX B

AREA A PROJECT EVALUATION FORM

EXHIBIT B

APPENDIX B: AREA PROJECT EVALUATION FORM

FORMER SOUTHWEST MARINE
EVALUATION OF PROPOSED PROJECT
POTENTIAL AFFECTS ON
RESIDUAL PCB-CONTAINING SOIL
(AREA A FIGURE 4: SOIL MANAGEMENT PLAN)

Date ____________

APP # ________________________

Former Southwest Marine Facility

Terminal Island, California

Project Description:

PROJECT EVALUATION:

		YES	NO
1.	Does proposed project include soil disturbance (e.g., digging, trenching, drilling, etc.)?		
2.	Will proposed project disturb more than 10 cubic yards of soil?		
3.	Is proposed project located within the limits of TSCA-regulated soil area (Area A; Figure 4, 2018 SWM Soil Management Plan)?		
4.	Will proposed project require disturbance of native soil below imported soil depths (reference Figure 7, 2018 SWM Soil Management Plan)?		
5.	Will proposed project require transport and off-site disposal of native soil from within TSCA regulated soil area?		

PROJECT ACTIONS

If answers to the above 5 questions are all YES, the DTSC and the U.S.EPA must be notified. EMD will consult with project proponents for additional details and will make the requisite notifications on behalf of the Harbor Department. Soil shall be handled, transported, and disposed of based on in-situ PCB concentrations. Figures 4 and 7 of the SMP will be used for this determination. Additional soil analytical data may be required by the receiving disposal facility. However, the soil will be transported and disposed of as TSCA waste, regardless of the stockpile analytical data results.

If less than 10 cubic yards of native soil will be disturbed (question 2), no agency notification is required, but soil handling and disposal will require compliance with TSCA regulations.

If answers to question 4 or question 5 are both NO, no agency notification is required.

EXHIBIT B

APPENDIX C

POST-GRADING SURVEY PLOT MAP, JULY 2018

EXHIBIT B

REFERENCES: FB: * ENGR. DWGS: * FILES: *	CONTROL: NAD83 EPOCH 1995 NGVD29 HORIZ: E5344_B.PRO BM: TIDAL 8 VERT: E5344_B.PRO MLLW EL: 13.929	INITIAL FILE: E6812.PRO DATE: 25-JUN-18 REVISIONS:

GENERAL · POST · LIGHT POLE · CONTROL POINT · TREE · PALM TREE · VALVE · WATER METER · FIRE HYDRANT · SEWER M.H. · DRAIN M.H. · TELEPHONE M.H. · ELECTRICAL M.H. · WATER M.H. · HIGH MAST POLE · GUY WIRE · WATER VALVE · GAS VALVE · POWER POLE · PULLBOX · MONITORING WELL · ANODE · STANDARD SURVEY MON. · XING ARM · FIRE CONNECTION · GAS METER · RAIL · FENCE

SURVEYOR: ESPARZA CHECKED: MONTOYA	EWO NO.: * SPEC NO.: *	FILE: E6812.PRO DISC: 3041	PORT OF LOS ANGELES CONSTRUCTION DIVISION SURVEY SECTION
REVIEWED: RAMIREZ APPROVED: GILBERTSON	JOB NO.: * DIVISION: 82	PROJECT SCALE: HORIZ 1"=20' VERT 1"=*	BERTH 240 (OLD SOUTHWEST MARINE) DIRT GRADE
COMPILED: *	PLAN	SHEET 1 OF 1	

EXHIBIT C

RECORDING REQUESTED BY:

Department of Toxic Substances Control
and
City of Los Angeles Harbor Department
425 South Palos Verdes Street
San Pedro, California
90731

WHEN RECORDED, MAIL TO:

Department of Toxic Substances Control
5796 Corporate Avenue
Cypress, California 90630
Attention: Branch Manager
Site Mitigation and Restoration Program

SPACE ABOVE THIS LINE RESERVED FOR RECORDER'S USE

LAND USE COVENANT AND AGREEMENT

ENVIRONMENTAL RESTRICTIONS

County of Los Angeles, Assessor Parcel Number(s): 7440-031-907,
7440-032-904, 7440-033-904 and 7440-034-903
Southwest Marine
Site Code: 401456

This Land Use Covenant and Agreement ("Covenant") is made by and between T~~t~~he Harbor Department of the City of Los Angeles, ~~City of Los Angeles Harbor Department~~, a municipal corporation, (the "Covenantor"), the current owner of the property located at 985 Seaside Avenue (Berth 240), Port of Los Angeles, in the County of Los Angeles, and State of California (the "Property"), and the Department of Toxic Substances Control (the "Department"). Pursuant to 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 land of

Commented [HP1]: Please verify this information is correct.

EXHIBIT C

hazardous materials as defined in Health and Safety Code 25260. The Covenantor and the Department hereby agree that, pursuant to Civil Code section 1471 and Health and Safety Code section 25355.5, the use of the Property be restricted as set forth in this Covenant and that the Covenant shall conform with the requirements of California Code of Regulations, title 22, section 67391.1.

ARTICLE I

STATEMENT OF FACTS

1.1. Property Location. The Property that is subject to this Covenant, totaling approximately 204 acres, is more particularly described in the attached Exhibit A, "Legal Description", and depicted in Exhibit B, "Plot Plan". The Property is divided into the Parcel 1, Parcel 2, and Parcel 3 (3a, and 3b), and is located in the area bounded by South Seaside Avenue on the east and northeast and the Los Angeles Main Channel on the west and a Federal Corrections Facility to the south. The Property Site Location is shown in Exhibit C. A Site Topographic Map is depicted in Exhibit B. The Property is identified as portions of County of Los Angeles, Assessor Parcel Numbers (APNs): 7440-031-907, 7440-032-904, 7440-033-904 and 7440-034-903.

1.2. Remediation of Property. This Property has been investigated and/or remediated under the Department's oversight in accordance with a Remedial Action Order (RAO; HAS-RAO 08/09-056). The Department approved a *Removal Action Workplan* in 2013, a *Final Revised Soil and Groundwater Removal Action Plan* (RAP) on September 21, 2016, the *Removal Action Completion Report* (RACR) in 2018, in accordance with Health and Safety Code, division 20, chapter 6.8, and a Memo to File dated February 14, 2020. The RACR includes a Soil Management Plan (SMP). An Operation and Maintenance (O&M) Plan was finalized in January 2019. Section 5.15 of the RAO specifies implementation and adherence to the O&M Plan.

Remediation activities conducted at the Property included excavation/removal of contaminated soils. Hazardous substances at the Property include polychlorinated biphenyls (PCBs), antimony, arsenic, chromium, copper, lead, mercury, zinc, and total petroleum hydrocarbons. Due to limited access, the complete removal of contaminated soil to unrestricted use could not be achieved. Post-remediation concentrations of

Commented [BR2]: Approximately 20 Acres based on legal description since the LUC includes Parcels 1, 2, and 3 only

Commented [BR3]: Please update Exhibit A with the attached version.

Commented [BR4]: Update date – We never saw a final

Commented [BR5]: The Site was never intended to be remediated to unrestricted use – only commercial industrial. We have areas that could not be remediated to commercial/industrial Site cleanup goals based on access.

PCBs and metals in soil remaining at the Property above levels acceptable for residential (unrestricted land use) are within levels acceptable for commercial or industrial use. ~~Other areas that were inaccessible to soil removal operations in 2017 include: the former Paint Booth in the northern part of Parcel 2, an area under the western edge of the Maintenance Building No.9; five areas of residual hydrocarbons: four in Parcel 1 and one in Parcel 2; the western edge of Parcels 2 and 3a adjacent to the seawall, and the northern edge of Parcel 3a, all depicted in Exhibit _D.~~

Groundwater investigations at the Property identified total petroleum hydrocarbons and metals above remedial action goals protective of ecological risk receptors. The groundwater remedy selected in the RAP consisted of continued monitoring of groundwater for two years after removal of soil sources of contamination. Arsenic up to 25 micrograms per liter (µg/l), copper up to 87 µg/l, lead up to 46 µg/l, ~~molybdenum up to 24 µg/l, nickel up to 26 µg/l~~, and zinc up to 100 µg/l remains in groundwater beneath the Property above cleanup goals of 1.4 µg/L, 30 µg/L, 20 µg/L, and 2.0 µg/L, respectively.

Based on the ~~Memo to File, the~~ RACR and the RAP, this Covenant is required to protect human health and the environment from remaining contamination. Beyond the localized areas noted in the SMP, the evaluation of post-removal confirmation samples indicates that the Property can be redeveloped for commercial or industrial usage. These localized areas are identified in Exhibit E and described as follows:

• Metal contamination in soil above cleanup goals in the former paint shop area in the northern part of Parcel 2 are currently covered by the foundation beneath a historic building.

• Areas of deep petroleum hydrocarbons in Parcel 1 and Parcel 2 are located in soil covered by foundations beneath historic buildings.

• The northern area of Parcel 3a, which borders Parcel 3b, contains residual PCBs and metals. Parcel 3b was not included in the soil removal action because it is currently occupied by a commercial operating business. The need and scope of any future remedial actions for Parcel 3b, will be evaluated during its redevelopment. Parcel 3b has an existing asphalt-paved cover with an underlining plastic barrier to isolate site workers from the underlying soil.

Commented [NI6]: Recommend deleting the this text - this same information is repeated in a clearer format on the bottom half of page 3.

Commented [NI7]: Moly cleanup goal is 230 µg/L

Commented [NI8]: Nickel cleanup goal is 50 µg/L

Commented [BR9]: Is it necessary to include reference to memo to file in an LUC?

Commented [BR10]: There are no references in this document to Exhibits F and G. Further, these are figures that were excerpted from other documents in which they are described for their purpose in those other documents, it is recommended that these be removed entirely from the LUC.

• In the western area of Parcel 2 and the southern area of Parcel 3a, where metal debris and soil containing metals may be encountered within 10 feet of the seawall, soil, which could not be excavated, remains in place.

~~Hazardous substances, including lead up to 320 milligrams per kilogram (mg/kg) in the former paint shop in the northern part of Parcel 2, lead up to 490 mg/kg and PCBs up to 7.8 mg/kg along the western part of Parcel 3a and in the northwestern part of Parcel 2, PCBs up to 58.9 mg/kg and lead up to 350 mg/kg in the northern boundary of Parcel 3a (southern edge of Parcel 3b) remain at the Property above levels acceptable for unrestricted land use.~~

1.3 ~~Application for Port Permit (APP). As discussed in the RAP, the City of Los Angeles Harbor Department (Harbor Department) must review and approve certain activities and improvements on the Property. The approval process by the Harbor Department includes submission of an APP. The APP requirements are independent of this Covenant, and regardless of the APP process, DTSC has separate and distinct enforcement authority pursuant to this Covenant.~~

1.4. Basis for Environmental Restrictions. As a result of the presence of hazardous wastes, which are also hazardous substances/materials as defined in Health and Safety Code section 25260, at the Property, the Department has concluded that it is reasonably necessary to restrict the use of the Property and groundwater in order to protect present or future human health and or safety or the environment, and that this Covenant is required as part of the Department approved remedy for the Property. The Department has also concluded that the Property, as remediated and when used in compliance with the Environmental Restrictions of this Covenant, does not present an unacceptable risk to present and future human health or safety or the environment.

ARTICLE II
DEFINITIONS

2.1. Department. "Department" means the California Department of Toxic Substances Control and includes its successor agencies, if any.

2.2. Environmental Restrictions. “Environmental Restrictions” means all protective provisions, institutional controls, covenants, restrictions, requirements,

Commented [NI11]: This is a repeat of the bulleted information provided on page 3.

Commented [BR12]: Is it prudent or necessary to include the LUC? Recommend deleting.

Commented [HP13]: Would this more simply be “the Covenantor”?

prohibitions, and terms and conditions as set forth in this Covenant.

2.3. Improvements. "Improvements" includes, but is not limited to buildings, structures, roads, driveways, improved parking areas, wells, pipelines, or other utilities.

2.4. Lease. "Lease" means lease, rental agreement, or any other document that creates a right to use or occupy any portion of the Property.

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

2.6. Owner. "Owner" or "Owners" means the Covenantor, and any successor in interest including any heir and assignee, who at any time holds title to all or any portion of the Property.

ARTICLE III

GENERAL PROVISIONS

3.1. Runs with the Land. This Covenant sets forth Environmental Restrictions that apply to and encumber the Property and every portion thereof no matter how it is improved, held, used, occupied, leased, sold, hypothecated, encumbered, or conveyed. This Covenant: (a) runs with the land pursuant to Civil Code section 1471 and Health and Safety Code section 25355.5; (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.

3.2. Binding upon Owners/Occupants. This Covenant: (a) binds all Owners of the Property, their heirs, successors, and assignees; and (b) the agents, employees, and lessees of the Owners and the Owners' heirs, successors, and assignees. Pursuant to Civil Code section 1471, all successive Owners of the Property are expressly bound hereby for the benefit of the Department; this Covenant, however, is binding on all Owners and Occupants, and their respective successors and assignees, only during their respective periods of ownership or occupancy except that such Owners or Occupants shall continue to be liable for any violations of, or non-compliance with, the Environmental Restrictions of this Covenant or any acts or omissions during their ownership or occupancy.

3.3. Incorporation into Deeds and Leases. This Covenant shall be incorporated by reference in each and every deed and Lease for any portion of the Property.

3.4. Conveyance of Property. The Owner and new Owner shall provide Notice to the Department not later than 30 calendar days after any conveyance or receipt of any ownership interest in the Property (excluding Leases, and mortgages, liens, and other non-possessory encumbrances). The Notice shall include the name and mailing address of the new Owner of the Property and shall reference the Property name and site code as listed on page one of this Covenant. The notice shall also include the Assessor's Parcel Number(s) noted on page one. If the new Owner's property has been assigned a different Assessor Parcel Number, each such Assessor Parcel Number that covers the Property must be provided. The Department shall not, by reason of this Covenant, have authority to approve, disapprove, or otherwise affect proposed conveyance, except as otherwise provided by law or by administrative order.

3.5. Costs of Administering the Covenant to Be Paid by Owner. The Department has already incurred and will in the future incur costs associated with this Covenant. Therefore, the Covenantor hereby covenants for the Covenantor and for all subsequent Owners that, pursuant to California Code of Regulations, title 22, section 67391.1(h), the Owner agrees to pay the Department's costs in administering, implementing and enforcing this Covenant.

ARTICLE IV
RESTRICTIONS AND REQUIREMENTS

4.1. Prohibited Uses. The Property shall not be used for any of the following purposes without prior written approval by the Department:

(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 18 years of age.

(d) A day care center for children.

4.2. Soil Management. Soil management activities at the Property are subject to the following requirements in addition to any other applicable Environmental Restrictions:

(a) No activities that will disturb the areas of known contamination left in place (Exhibit E) soils (e.g., excavation, grading, removal, trenching, filling, earth movement, mining, or drilling) shall be allowed at the Property without prior written notification and approval from the Department. In addition, a~~A~~ll activities shall be conducted pursuant to the SMP. The SMP provides details of the location of clean, imported fill that was placed on the property following remedial actions and the location of soils undisturbed during remedial actions and defined herein as "native soils."

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

4.3. Prohibited Activities. The following activities shall not be conducted at the Property:

(a) Drilling for any water, oil, or gas without prior written approval by the Department.

(b) Extraction or removal of groundwater without a Groundwater Management Plan pre-approved by the Department in writing.

(c) Demolition of the foundations of historical buildings within Parcel 1 and 2 or the foundations of buildings and asphalt cover within Parcel 3b without an approved SMP by the Department.

4.4. Access for Department. The Department shall have reasonable right of entry and access to the Property for inspection, investigation, remediation, monitoring, and other activities as deemed necessary by the Department in order to protect human health or safety or the environment.

4.5. Access for Implementing Operation and Maintenance. The entity or person responsible for implementing the O&M Plan activities, if any, shall have reasonable right of entry and access to the Property for the purpose of implementing such operation and maintenance activities until the Department determines that no further operation and maintenance activity is required.

4.6. Inspection and Reporting Requirements. The Owner shall conduct an annual inspection of the Property verifying compliance with this Covenant and shall submit an annual inspection report to the Department for its approval by January 30th of each year. The annual inspection report must include the dates, times, and names of those who conducted the inspection and those who prepared and reviewed the annual inspection report. It also shall describe how the observations that were the basis for the statements and conclusions in the annual inspection report were performed (e.g., drive by, fly-over, walk-in, etc.). If any violation is noted, the annual inspection report must detail the steps taken to correct the violation and return to compliance. If the Owner identifies any violations of this Covenant during the annual inspection or at any other time, the Owner must within 10 calendar days of identifying the violation: (a) determine the identity of the party in violation; (b) send a letter advising the party of the violation of the Covenant; and (c) demand that the violation cease immediately. Additionally, a copy of any correspondence related to the violation of this Covenant shall be sent to the Department within 10 calendar days of its original transmission.

ARTICLE V

ENFORCEMENT

5.1. Enforcement. Failure of the Owner or Occupant to comply with this Covenant shall be grounds for the Department to require modification or removal of any Improvements constructed or placed upon any portion of the Property in violation of this Covenant. Violation of this Covenant, such as failure to submit (including submission of any false statement) record or report to the Department, shall be grounds for the Department to pursue administrative, civil, or criminal actions, as provided by law.

ARTICLE VI

VARIANCE, REMOVAL AND TERM

6.1. Variance from Environmental Restrictions. Any person may apply to the Department for a written variance from any of the Environmental Restrictions imposed by this Covenant. Such application shall be made in accordance with Health and Safety

Code section 25223.

6.2 Removal of Environmental Restrictions. Any person may apply to the Department to remove any of the Environmental Restrictions imposed by this Covenant or terminate the Covenant in its entirety. Such application shall be made in accordance with Health and Safety Code section 25224.

6.3 Term. Unless ended in accordance with paragraph 6.2, by law, or by the Department in the exercise of its discretion, this Covenant shall continue in effect in perpetuity.

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

7.3. 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: (a) when delivered, if personally delivered to the person being served or to an officer of a corporate party being served; or (b) five calendar days after deposit in the mail, if mailed by United States mail, postage paid, certified, return receipt requested:

To Owner:
City of Los Angeles Harbor Department
425 South Palos Verdes Street
San Pedro, California 90731

And

To Department:
Department of Toxic Substances Control
Branch Manager
5796 Corporate Ave.
Cypress Ca. 90630

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

7.4. Partial Invalidity. If this Covenant or any of its terms are 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.

7.5. Statutory References. All statutory or regulatory references include successor provisions.

7.6. Incorporation of Exhibits. All exhibits and attachments to this Covenant are incorporated herein by reference.

IN WITNESS WHEREOF, the Covenantor and the Department hereby execute this Covenant.

Covenantor: City of Los Angeles, Harbor Department

By: ________________________________

Title: ________________________________

Print Name and Title of Signatory

Date: ________________________________

Department of Toxic Substances Control:

By: ________________________________

Title: ________________________________

Print Name and Title of Signatory

Date: ________________________________

EXHIBIT C

A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

State of California

County of _________

On ________________________ before me,

____

(space above this line is for name and title of the officer/notary),

personally appeared ____, who 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.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal,

_______________________________ (seal)
Signature of Notary Public

EXHIBIT C

References:

2019 January. The Source Group. Operations and Maintenance Plan Former Southwest Marine Property 985 Seaside Avenue Terminal Island, California.

2018 April. The Source Group. Removal Action Completion Report Parcels 1, 2, and 3a Former Southwest Marine Property 985 Seaside Avenue Terminal Island, California.

2016 August. The Source Group. Final Revised Southwest Marine Remedial Action Plan.

Exhibits

A. Legal Property Description

B. Site Plot Plan

C. Site Location/Topo Map

D. Site Plan Parcels 1-34

E. Soil Management Plan: Figure 5 Areas of Known Contaminants Left in Place 2017

F. ~~Contaminants Above Cleanup Levels in Individual Samples Yet Consistent With a 95 UCL Average Below Cleanup Goal~~

G. ~~Area A: Potential PCB, TPH, Metals~~
~~Area B: Potential TPH, Metals~~

Commented [NI14]: This figure should be revised to remove reference to Parcel 4

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Commented [NI15]: Recommend removing – these figures are very hard to read and are provided in the Site RACR with a more detailed explanation of the information provided on the figures – and not referenced in text.

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EXHIBIT D

AFFIRMATIVE ACTION PROGRAM PROVISIONS

Sec. 10.8.4 Affirmative Action Program Provisions.

Every non-construction contract with or on behalf of the City of Los Angeles for which the consideration is $100,000 or more and every construction contract with or on behalf of the City of Los Angeles for which the consideration is $5,000 or more shall contain the following provisions which shall be designated as the AFFIRMATIVE ACTION PROGRAM provisions of such contract:

A. During the performance of City contract, the contractor certifies and represents that the contractor and each subcontractor hereunder will adhere to an affirmative action program to ensure that in its employment practices, persons are employed and employees are treated equally and without regard to or because of race, religion, ancestry, national origin, sex, sexual orientation, age, disability, marital status, domestic partner status, or medical condition.

   1. This provision applies to work or services performed or materials manufactured or assembled in the United States.

   2. Nothing in this section shall require or prohibit the establishment of new classifications of employees in any given craft, work or service category.

   3. The contractor shall post a copy of Paragraph A hereof in conspicuous places at its place of business available to employees and applicants for employment.

B. The contractor will, in all solicitations or advertisements for employees placed by or on behalf of the contractor, state that all qualified applicants will receive consideration for employment without regard to their race, religion, ancestry, national origin, sex, sexual orientation, age, disability, marital status, domestic partner status, or medical condition.

C. As part of the City's supplier registration process, and/or at the request of the awarding authority or the Office of Contract Compliance, the contractor shall certify on an electronic or hard copy form to be supplied, that the contractor has not discriminated in the performance of City contracts against any employee or applicant for employment on the basis or because of race, religion, ancestry, national origin, sex, sexual orientation, age, disability, marital status, domestic partner status, or medical condition.

D. The contractor shall permit access to and may be required to provide certified copies of all of its records pertaining to employment and to its employment practices by the awarding authority or the Office of Contract

Compliance, for the purpose of investigation to ascertain compliance with the Affirmative Action Program provisions of City contracts, and on their or either of their request to provide evidence that it has or will comply therewith.

E. The failure of any contractor to comply with the Affirmative Action Program provisions of City contracts may be deemed to be a material breach of contract. Such failure shall only be established upon a finding to that effect by the awarding authority, on the basis of its own investigation or that of the Board of Public Works, Office of Contract Compliance. No such finding shall be made except upon a full and fair hearing after notice and an opportunity to be heard has been given to the contractor.

F. Upon a finding duly made that the contractor has breached the Affirmative Action Program provisions of a City contract, the contract may be forthwith cancelled, terminated or suspended, in whole or in part, by the awarding authority, and all monies due or to become due hereunder may be forwarded to and retained by the City of Los Angeles. In addition thereto, such breach may be the basis for a determination by the awarding authority or the Board of Public Works that the said contractor is an irresponsible bidder or proposer pursuant to the provisions of Section 371 of the Los Angeles City Charter. In the event of such determination, such contractor shall be disqualified from being awarded a contract with the City of Los Angeles for a period of two years, or until he or she shall establish and carry out a program in conformance with the provisions hereof.

G. In the event of a finding by the Fair Employment and Housing Commission of the State of California, or the Board of Public Works of the City of Los Angeles, or any court of competent jurisdiction, that the contractor has been guilty of a willful violation of the California Fair Employment and Housing Act, or the Affirmative Action Program provisions of a City contract, there may be deducted from the amount payable to the contractor by the City of Los Angeles under the contract, a penalty of TEN DOLLARS ($10.00) for each person for each calendar day on which such person was discriminated against in violation of the provisions of a City contract.

H. Notwithstanding any other provisions of a City contract, the City of Los Angeles shall have any and all other remedies at law or in equity for any breach hereof.

I. The Public Works Board of Commissioners shall promulgate rules and regulations through the Office of Contract Compliance and provide to the awarding authorities electronic and hard copy forms for the implementation of the Affirmative Action Program provisions of City contracts, and rules and regulations and forms shall, so far as practicable, be similar to those adopted in applicable Federal Executive Orders. No other rules, regulations or forms may be used by an awarding authority of the City to accomplish this contract compliance program.

J. Nothing contained in City contracts shall be construed in any manner so as to require or permit any act which is prohibited by law.

K. The Contractor shall submit an Affirmative Action Plan which shall meet the requirements of this chapter at the time it submits its bid or proposal or at the time it registers to do business with the City. The plan shall be subject to approval by the Office of Contract Compliance prior to award of the contract. The awarding authority may also require contractors and suppliers to take part in a pre-registration, pre-bid, pre-proposal, or pre-award conference in order to develop, improve or implement a qualifying Affirmative Action Plan. Affirmative Action Programs developed pursuant to this section shall be effective for a period of twelve

months from the date of approval by the Office of Contract Compliance. In case of prior submission of a plan, the contractor may submit documentation that it has an Affirmative Action Plan approved by the Office of Contract Compliance within the previous twelve months. If the approval is 30 days or less from expiration, the contractor must submit a new Plan to the Office of Contract Compliance and that Plan must be approved before the contract is awarded.

1. Every contract of $5,000 or more which may provide construction, demolition, renovation, conservation or major maintenance of any kind shall in addition comply with the requirements of Section 10.13 of the Los Angeles Administrative Code.

2. A contractor may establish and adopt as its own Affirmative Action Plan, by affixing his or her signature thereto, an Affirmative Action Plan prepared and furnished by the Office of Contract Compliance, or it may prepare and submit its own Plan for approval.

L. The Office of Contract Compliance shall annually supply the awarding authorities of the City with a list of contractors and suppliers who have developed Affirmative Action Programs. For each contractor and supplier the Office of Contract Compliance shall state the date the approval expires. The Office of Contract Compliance shall not withdraw its approval for any Affirmative Action Plan or change the Affirmative Action Plan after the date of contract award for the entire contract term without the mutual agreement of the awarding authority and the contractor.

M. The Affirmative Action Plan required to be submitted hereunder and the pre-registration, pre-bid, pre-proposal or pre-award conference which may be required by the Board of Public Works, Office of Contract Compliance or the awarding authority shall, without limitation as to the subject or nature of employment activity, be concerned with such employment practices as:

1. Apprenticeship where approved programs are functioning, and other on-the-job training for non-apprenticeable occupations;

2. Classroom preparation for the job when not apprenticeable;

3. Pre-apprenticeship education and preparation;

4. Upgrading training and opportunities;

5. Encouraging the use of contractors, subcontractors and suppliers of all racial and ethnic groups, provided, however, that any contract subject to this ordinance shall require the contractor, subcontractor or supplier to provide not less than the prevailing wage, working conditions and practices generally observed in private industries in the contractor's, subcontractor's or supplier's geographical area for such work;

6. The entry of qualified women, minority and all other journeymen into the industry; and

7. The provision of needed supplies or job conditions to permit persons with disabilities to be employed, and minimize the impact of any disability.

N. Any adjustments which may be made in the contractor's or supplier's workforce to achieve the requirements of the City's Affirmative Action Contract Compliance Program in purchasing and construction shall be accomplished by either an increase in the size of the workforce or replacement of those employees who leave the workforce by reason of resignation, retirement or death and not by termination, layoff, demotion or change in grade.

O. Affirmative Action Agreements resulting from the proposed Affirmative Action Plan or the pre-registration, pre-bid, pre-proposal or pre-award conferences shall not be confidential and may be publicized by the contractor at his or her discretion. Approved Affirmative Action Agreements become the property of the City and may be used at the discretion of the City in its Contract Compliance Affirmative Action Program.

P. This ordinance shall not confer upon the City of Los Angeles or any Agency, Board or Commission thereof any power not otherwise provided by law to determine the legality of any existing collective bargaining agreement and shall have application only to discriminatory employment practices by contractors or suppliers engaged in the performance of City contracts.

EXHIBIT D

Q. All contractors subject to the provisions of this section shall include a like provision in all subcontracts awarded for work to be performed under the contract with the City and shall impose the same obligations, including but not limited to filing and reporting obligations, on the subcontractors as are applicable to the contractor. Failure of the contractor to comply with this requirement or to obtain the compliance of its subcontractors with all such obligations shall subject the contractor to the imposition of any and all sanctions allowed by law, including but not limited to termination of the contractor's contract with the City.

EXHIBIT E

Sec. 10.8.2.1. Equal Benefits Ordinance.

Discrimination in the provision of employee benefits between employees with domestic partners and employees with spouses results in unequal pay for equal work. Los Angeles law prohibits entities doing business with the City from discriminating in employment practices based on marital status and/or sexual orientation. The City's departments and contracting agents are required to place in all City contracts a provision that the company choosing to do business with the City agrees to comply with the City's nondiscrimination laws.

It is the City's intent, through the contracting practices outlined in this Ordinance, to assure that those companies wanting to do business with the City will equalize the total compensation between similarly situated employees with spouses and with domestic partners. The provisions of this Ordinance are designed to ensure that the City's contractors will maintain a competitive advantage in recruiting and retaining capable employees, thereby improving the quality of the goods and services the City and its people receive, and ensuring protection of the City's property.

(c) Equal Benefits Requirements.

(1) No Awarding Authority of the City shall execute or amend any Contract with any Contractor that discriminates in the provision of Benefits between employees with spouses and employees with Domestic Partners, between spouses of employees and Domestic Partners of employees, and between dependents and family members of spouses and dependents and family members of Domestic Partners.

(2) A Contractor must permit access to, and upon request, must provide certified copies of all of its records pertaining to its Benefits policies and its employment policies and practices to the DAA, for the purpose of investigation or to ascertain compliance with the Equal Benefits Ordinance.

(3) A Contractor must post a copy of the following statement in conspicuous places at its place of business available to employees and applicants for employment: "During the performance of a Contract with the City of Los Angeles, the Contractor will provide equal benefits to its employees with spouses and its employees with domestic partners." The posted statement must also include a City contact telephone number which will be provided each Contractor when the Contract is executed.

(4) A Contractor must not set up or use its contracting entity for the purpose of evading the requirements imposed by the Equal Benefits Ordinance.

EXHIBIT E

(d) Other Options for Compliance. Provided that the Contractor does not discriminate in the provision of Benefits, a Contractor may also comply with the Equal Benefits Ordinance in the following ways:

(1) A Contractor may provide an employee with the Cash Equivalent only if the DAA determines that either:

a. The Contractor has made a reasonable, yet unsuccessful effort to provide Equal Benefits; or

b. Under the circumstances, it would be unreasonable to require the Contractor to provide Benefits to the Domestic Partner (or spouse, if applicable).

(2) Allow each employee to designate a legally domiciled member of the employee's household as being eligible for spousal equivalent Benefits.

(3) Provide Benefits neither to employees' spouses nor to employees' Domestic Partners.

(e) Applicability.

(1) Unless otherwise exempt, a Contractor is subject to and shall comply with all applicable provisions of the Equal Benefits Ordinance.

(2) The requirements of the Equal Benefits Ordinance shall apply to a Contractor's operations as follows:

a. A Contractor's operations located within the City limits, regardless of whether there are employees at those locations performing work on the Contract.

b. A Contractor's operations on real property located outside of the City limits if the property is owned by the City or the City has a right to occupy the property, and if the Contractor's presence at or on that property is connected to a Contract with the City.

c. The Contractor's employees located elsewhere in the United States but outside of the City limits if those employees are performing work on the City Contract.

(3) The requirements of the Equal Benefits Ordinance do not apply to collective bargaining agreements ("CBA") in effect prior to January 1, 2000. The Contractor must agree to propose to its union that the requirements of the Equal Benefits Ordinance be incorporated into its CBA upon amendment, extension, or other modification of a CBA occurring after January 1, 2000.

EXHIBIT E

(f) Mandatory Contract Provisions Pertaining to Equal Benefits. Unless otherwise exempted, every Contract shall contain language that obligates the Contractor to comply with the applicable provisions of the Equal Benefits Ordinance. The language shall include provisions for the following:

(1) During the performance of the Contract, the Contractor certifies and represents that the Contractor will comply with the Equal Benefits Ordinance.

(2) The failure of the Contractor to comply with the Equal Benefits Ordinance will be deemed to be a material breach of the Contract by the Awarding Authority.

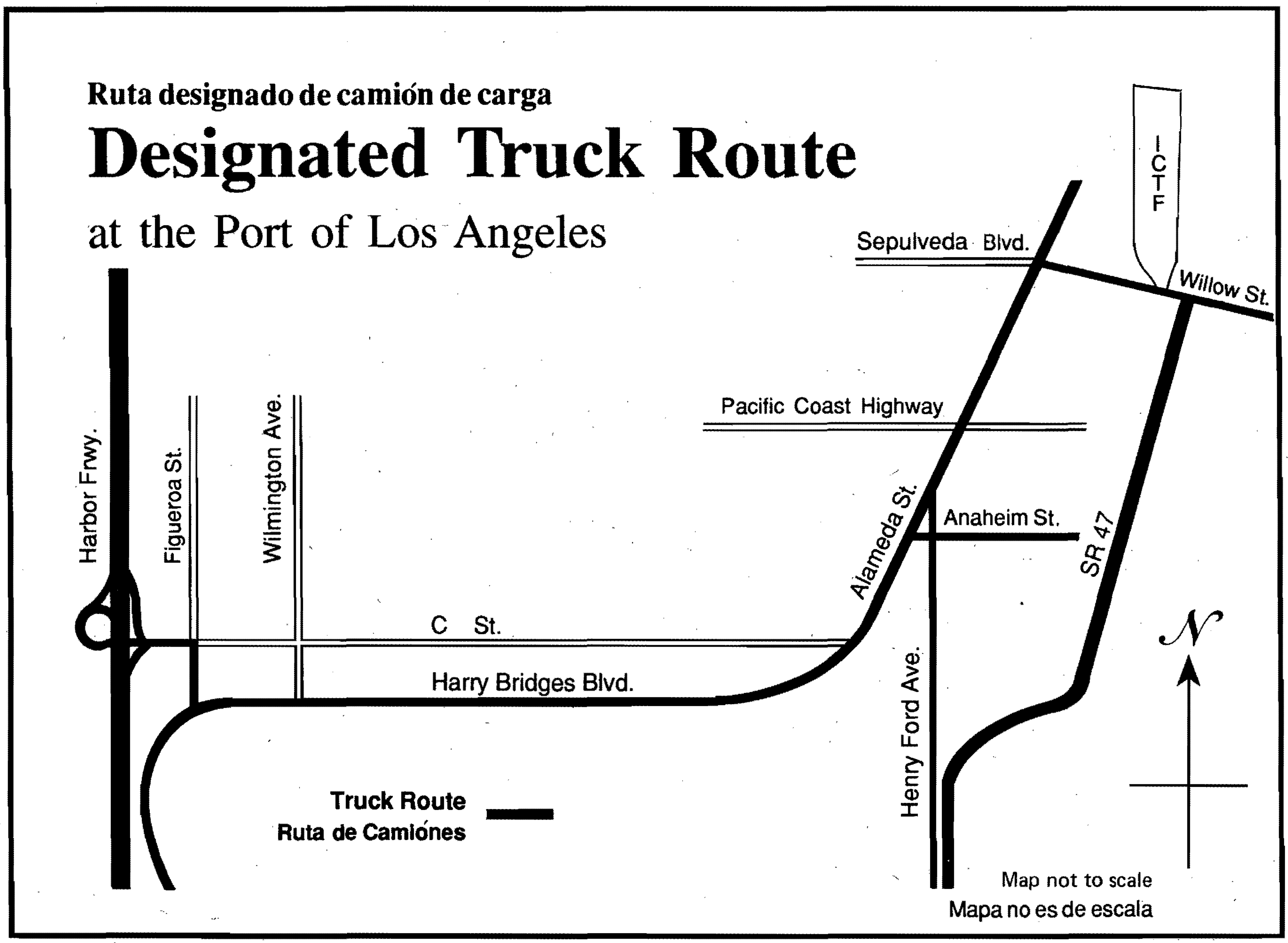
(3) If the Contractor fails to comply with the Equal Benefits Ordinance the Awarding Authority may cancel, terminate or suspend the Contract, in whole or in part, and all monies due or to become due under the Contract may be retained by the City. The City may also pursue any and all other remedies at law or in equity for any breach.

(4) Failure to comply with the Equal Benefits Ordinance may be used as evidence against the Contractor in actions taken pursuant to the provisions of Los Angeles Administrative Code Section 10.40, et seq., Contractor Responsibility Ordinance.

(5) If the DAA determines that a Contractor has set up or used its Contracting entity for the purpose of evading the intent of the Equal Benefits Ordinance, the Awarding Authority may terminate the Contract on behalf of the City. Violation of this provision may be used as evidence against the Contractor in actions taken pursuant to the provisions of Los Angeles Administrative Code Section 10.40, et seq., Contractor Responsibility Ordinance.

EXHIBIT F

TRUCKS ENTERING AND LEAVING THE PORT MUST USE THE ROUTE SHOWN BELOW.
CAMIÓNES ENTRANDO Y SALIENDO EL PORTO DEVEN DE USAR LA RUTA INDICADO ABAJO.



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