

**CLEAN AIR ACTION PLAN
MASTER COST SHARING AGREEMENT**

This agreement (the "Master Agreement") is entered into this 14 day of May, 2007, by the City of Long Beach, a municipal corporation, acting through its Board of Harbor Commissioners ("Long Beach") and by the City of Los Angeles, a municipal corporation, acting through its Board of Harbor Commissioners ("Los Angeles") (collectively, the "Ports").

Section 1. Recitals

- A. On November 20, 2006, Long Beach and Los Angeles adopted the San Pedro Bay Ports Clean Air Action Plan ("CAAP").
- B. The CAAP contains a number of joint strategies and initiatives to reduce emissions from port-related sources.
- C. Concurrently with this Mater Agreement, Long Beach and Los Angeles are entering into a memorandum of understanding regarding CAAP joint defense and legal cost sharing.
- D. With this Master Agreement, Long Beach and Los Angeles wish to establish a master cost sharing arrangement for all joint non-legal CAAP expenditures.
- E. Attached to this Master Agreement as an exhibit is a form for supplemental agreements for sharing specific costs pursuant to the terms and conditions of this Master Agreement.

Section 2. Term

This Master Agreement shall commence on the date last signed by either the Executive Director of the Port of Los Angeles or the Executive director of the Port of Long Beach. It shall terminate upon completion of the last agreement entered into to accomplish work described in Section 1 of this Master Agreement or upon termination by either party as provided in this Master Agreement.

Section 3. Preparation of Scope of Work and Award of Contract

- A. The Coordinating Committee shall consist of the Executive Directors of the Ports, the Director of Environmental Management of Los Angeles and the Managing Director of Environmental Affairs and Planning of Long Beach, or their respective designees. The Coordinating Committee shall establish a mutually satisfactory scope of work, budget, and terms of compensation, with each selected consultant or contractor for each separable element of work to be undertaken.

B. The third-party contracts shall be in the format of the contracting Port's procurement requirements. The non-contracting Port shall not be obligated to commit to share any costs under this Master Agreement unless the non-contracting Port is satisfied with the scope of work and the consultant organization or contractor selected for the study and has so indicated in writing and the Ports have executed an agreement to share costs in the form attached hereto as Exhibit "A."

Section 4. Responsibility for Administration of Third-Party Contracts

A. Contract administration shall be the responsibility of the contracting Port. However, the contracting and non-contracting Ports agree to meet in good faith through the Coordinating Committee to discuss progress and to resolve any disputes which may arise as to the quality or quantity of the work or questions regarding other contract terms.

B. If members of the Coordinating Committee cannot resolve a given dispute, then the dispute shall be resolved by the Executive Directors of the two Ports. If the Executive Directors cannot reach agreement, then either Port may withdraw from participation in the sharing of costs under that contract upon ten days notice and shall be liable only for its share of costs accrued through the effective date of such withdrawal.

C. Each third-party contract shall contain a provision which allows for termination upon ten days notice and for payment to the consultant or contractor for work performed before termination. The third-party contract shall require that the consultant or contractor deliver to the contracting Port, all data gathered and all reports prepared prior to termination of the contract. All such data shall be shared through the Coordinating Committee.

D. All correspondence from the consultant or contractor to the contracting Port shall also be copied to the non-contracting Port. Any instructions from the contracting Port to the consultant or contractor shall also be copied to the non-contracting Port.

Section 5. Reimbursement of Monies Between Ports

It shall be the responsibility of the contracting Port to pay all monies due the consultant or contractor under the terms of the third-party contract. Subject to the provisions of Section 6 below, the non-contracting Port agrees to reimburse the contracting Port its share of the contracting costs actually paid to the consultant or contractor within 45 days of the receipt of a billing statement or invoice from the contracting Port.

Section 6. Limitations on Reimbursement

A. The contracting Port shall not be entitled to reimbursement for the cost of any extra work requested by the consultant or contractor unless the Ports have executed an amendment to the agreement in the form attached as Exhibit "A." If the consultant requests any extra work or extra monies, both Ports agree that this request shall be directed by the contracting Port to the Coordinating Committee, which shall recommend to the Ports whether payment for such extra work is appropriate.

B. If a dispute arises between the Ports, the non-contracting Port shall have the right to veto any proposed payment to the consultant or contractor for extra work conducted on behalf of the non-contracting Port, provided that the non-contracting Port agrees to defend, indemnify and hold harmless, the contracting Port, from any claims of the consultant or contractor arising from a veto by the non-contracting Port. If the non-contracting Port refuses to provide such written indemnity assurances, the contracting Port may pay the cost of such extra work and will be entitled to reimbursement from the non-contracting Port.

C. The non-contracting Port shall not be responsible for any extra costs resulting from the negligence of the contracting Port in the administration of the third-party contract.

Section 7. Rights and Obligations

A. **Ownership of Data and Records.** Both Ports agree that all records, exhibits, work product and all related data collected or reproduced by a consultant or contractor ("data and records"), for which the costs are shared pursuant to this Master Agreement, are to be the joint property of the Ports. The data and records shall not be released to any one nor used by anyone other than the Ports for any purpose or project without the express written authorization of the Executive Directors of the Ports, except to the extent that such data and records may be classified as public records under the California Government Code and except for use and release of such data and records for the direct benefit of either Port.

B. **Notices.** Any notices to be given under or pursuant to this Master Agreement shall be served by mail or by personal delivery. When so given, such notice shall be effective two calendar days after the date of mailing or upon personal delivery, if not mailed. For the purpose hereof, unless otherwise provided in writing by the parties hereto, the address of the Port of Long Beach and the proper person to receive any such notice on its behalf is the Executive Director, Port of Long Beach, P.O. Box 570, Long Beach, California 90802. For the Port of Los Angeles, the proper person to receive notices on its behalf is the Executive Director, Port of Los Angeles, P.O. Box 151, San Pedro, California 90733.

C. **Termination.** Either Port shall have the right to terminate this Master Agreement upon ten calendar days written notice to the other Port provided, however, such termination shall not affect the respective obligations of the Ports for any reimbursement due for third-party contract costs accrued through the effective date of termination. If termination of the Master Agreement occurs, each Port agrees to notify its consultants and contractors of any change in the scope of work or specific work tasks, which may result from such termination.

D. Cooperation and Port Staff Costs. Both Ports pledge to cooperate with each other and the consultant(s) selected to conduct the work. Both Ports agree that each will absorb its respective staff costs necessary to implement and meet the obligations of this Master Agreement.

CITY OF LOS ANGELES BY ITS BOARD OF HARBOR COMMISSIONERS

By: [Signature]
Name: GERALDINE KNATZ
Title: EXECUTIVE DIRECTOR

Date: JUNE 21, 2007

ATTEST: [Signature]
Name: Rose M. Dwarshak
Title: Acting Board

Date: June 27, 2007

CITY OF LONG BEACH BY ITS BOARD OF HARBOR COMMISSIONERS

By: [Signature]
Name: Dick Steink
Title: Executive Director

Date: 6/7, 2007

ATTEST: [Signature]
Name: Gustav T. Hein
Title: Executive Officer

Date: June 7, 2007

APPROVED AS TO FORM:
ROCKARD J. DELGADILLO, City Attorney
City of Los Angeles

By: [Signature]
Joy M. Crose
Assistant General Counsel

Date: June 14, 2007

APPROVED AS TO FORM:
ROBERT E. SHANNON, City Attorney
City of Long Beach

By: [Signature]
Dominic T. Holzhaus,
Principal Deputy City Attorney

Date: 6/5, 2007

AGREEMENT BETWEEN THE CITY OF LOS ANGELES
AND THE CITY OF LONG BEACH

ESTABLISHING SPECIFIC CLEAN AIR ACTION PLAN
COSTS TO BE SHARED

[TITLE OF THIRD-PARTY CONTRACT]

WHEREAS, the Cities of Los Angeles and Long Beach, acting by their respective Boards of Harbor Commissioners ("Ports") have entered into Los Angeles Agreement No. _____ / Long Beach Agreement No. _____ ("Master Cost Sharing Agreement") expressing their desire to share the costs of certain contracts related to the San Pedro Bay Ports Clean Air Action Plan.

WHEREAS, Ports are interested in sharing the cost of the contract for [describe purpose of contract].

NOW, THEREFORE, PORTS AGREE AS FOLLOWS:

1. The City of [insert] has retained [third-party] to undertake the following work: [describe]. The term of this contract is [term]. The total contract amount is [\$ ____]. The share of the City of Los Angeles shall be [__%] percent; the share of the City of Long Beach shall be [__%] percent.

2. The terms and conditions of the Master Agreement are incorporated by reference into this agreement and Ports agree to abide by all the terms and conditions of said agreement.

CITY OF LOS ANGELES BY ITS BOARD OF
HAR

By: _____
Name
Title

Date

ATTEST
Name
Title

Date

CITY OF LONG BEACH BY ITS BOARD OF
HARBOR COMMISSIONERS

By: John Rubin for
Name: Dick Stenke
Title: Executive Director

Date: 6/7, 2007

ATTEST: Gustav T Hein
Name: Gustav T Hein
Title: Executive Officer

Date: June 7, 2007

*Exhibit is a
sample not
for signature*

APPROVED AS TO FORM:
ROCKARD J. DELGADILLO, City Attorney
City of Los Angeles

APPROVED AS TO FORM:
ROBERT E. SHANNON, City Attorney
City of Long Beach

By: _____
Joy M. Crose
Assistant General Counsel

By: _____
Dominic T. Holzhaus,
Principal Deputy City Attorney

Date: _____, 2007

Date: _____, 2007

*This is a
sample agreement
Dominic's signature
not required.*