

Council Meeting of  
January 24, 2006

Honorable Mayor and Members  
of the City Council  
City Hall  
Torrance, California

**Members of the Council:**

**SUBJECT: Renewal of a License Agreement for Groundwater Monitoring  
Wells with ExxonMobil Oil Corporation**

**RECOMMENDATION**

The Community Development Director recommends that the City Council approve an application by ExxonMobil Oil Corporation for the renewal of a License Agreement, previously held under six (6) License Agreements, for nineteen (19) existing groundwater monitoring wells for a period of ten (10) years.

**BACKGROUND AND ANALYSIS**

The City Council has previously approved and adopted License Agreements C-2718, C-2860, C-2940, C-3016, C89-111, and C90-064, for nineteen (19) monitoring wells, which have expired.

Groundwater monitoring wells are required by the Regional Water Control Board and the California Department of Health Service for the evaluation of subsurface conditions adjacent to the ExxonMobil Refinery.

At the time the initial applications for the License Agreements were made, ExxonMobil did not have a firm estimate of the length of time that the wells would be needed. The License Agreements were therefore prepared and approved for a term of two (2) to five (5) years. These wells were renewed later for five (5) more years. ExxonMobil has now determined that additional time is needed to continue with the underground study, and has requested that all of the License Agreements which had authorized the initial installations of these wells be renewed for an additional ten (10) years and be combined into one (1) License Agreement.

The License Agreement requires that the Grantee post a bond in the sum of \$10,000 per well to ensure Grantee's continued compliance with the terms and

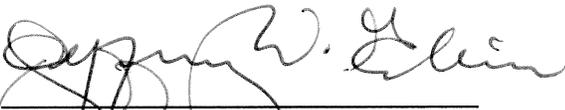
conditions of the Agreements, pay \$433 for the first well and \$54 for each additional well and to carry comprehensive public liability insurance with a liability limit of \$1,000,000 per occurrence if ExxonMobil Oil Corporation is not self-insured. It exempts the city from any financial or legal encumbrances associated with the construction, operation, and relocation or actions required as a result of test data obtained from said wells. A copy of expired License Agreement, C-2860, is attached. It is typical of each of the expired License Agreements.

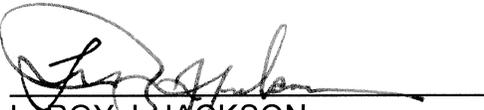
Respectfully submitted,

JEFFERY W. GIBSON  
Community Development Director

By:   
TED SEMAAN, Manager  
Transportation Planning,  
Engineering Permits & Records  
Division

NOTED:

  
JEFFERY W. GIBSON  
Community Development Director

  
LEROY J. JACKSON  
City Manger

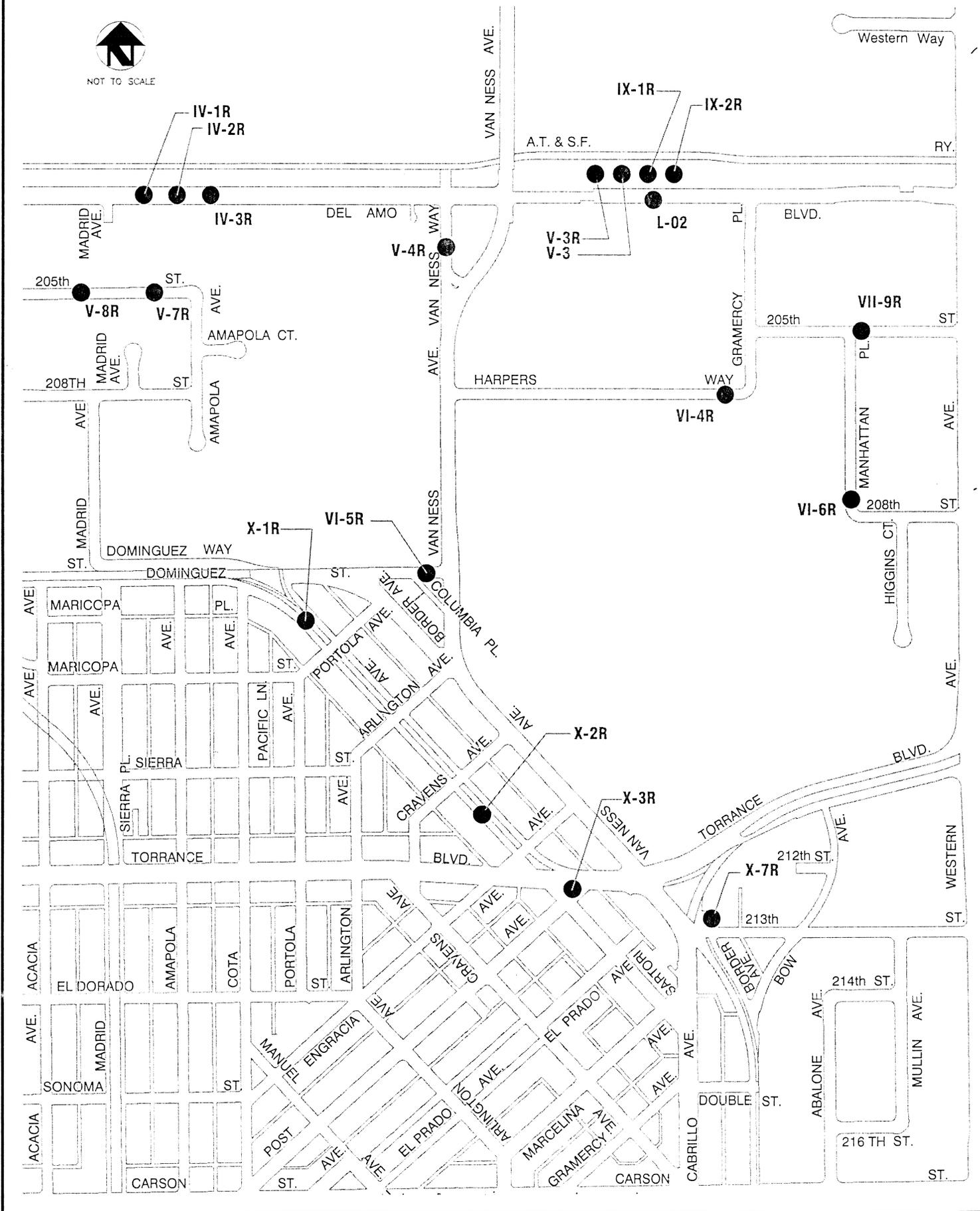
- Attachments:
- A. Location Sketch of Monitoring Wells
  - B. License Agreement Renewal
  - C. Expired License Agreement C-2860

IGM/cks1704

# MONITORING WELLS LOCATIONS (EXXONMOBIL)

## Exhibit "A"

ATTACHMENT A



**RENEWAL OF  
LICENSE AGREEMENT FOR MONITORING WELLS**

**THIS AGREEMENT**, made and entered into in quadruplicate as of this \_\_\_\_\_ day of \_\_\_\_\_, 2005, in the City of Torrance by and between the **CITY OF TORRANCE**, a municipal corporation, hereinafter called the "City", and **ExxonMobil Oil Corporation**, a New York Corporation, hereinafter called "Grantee";

**WHEREAS**, License Agreements C-2718, C-2860, C-2940, C-3016, C89-111, and C90-064 for Monitoring Wells X-07R, X-03R, X-02R, X-01R, IX-01R, IX-02R, VII-09R, VI-06R, VI-05R, VI-04R, V-08R, V-07R, V-04R, V-03R, V-03, IV-03R, IV-02R, IV-01R, and L-02, which are expired; and

**WHEREAS**, Grantee desires to renew said License Agreements for a term of ten (10) years, and

**WHEREAS**, said monitoring wells are for the purpose of determining the extent of hydrocarbon migration from the **ExxonMobil Oil Refinery** property in the City of Torrance hereinafter called "Site".

**NOW, THEREFORE**, the parties hereto agree as follows:

The City hereby grants to Grantee a renewal of License Agreements C-2718, C-2860, C-2940, C-3016, C89-111, and C90-064 for a term of ten (10) years from the effective date of this Renewal of License Agreement subject to the terms listed below:

**GENERAL PROVISIONS**

- I. **LOCATION OF WELLS** - The wells shall be located as described and shown in Exhibit "A".
- II. **OPERATION OF WELLS**
  - A. **Other Approvals**. The installation and operation of the wells shall be to existing requirements of the City of Torrance and the Los Angeles Regional Water Control Board.
  - B. **Installation and Testing of Wells**. The wells shall be installed, sampled and tested in substantial accordance with the **URS Corporation Work Plan** prepared for **ExxonMobil Oil Corporation**, for assessment as may be amended or modified with approval of the Regional Water Quality Control Board ("RWQCB").

### III. CONFORMANCE REQUIREMENTS

- A. Conformance with Regulations and Requirements of Boards and Agencies. The wells shall be maintained in accordance with standards, regulations, or existing requirements of the Los Angeles Regional Water Quality Control Board and the State of California Department of Health Services.
- B. In the event Grantee assumes control of the Site, Grantee will maintain the grounds and improvements on the Site in a safe, clean and neat manner to the reasonable satisfaction of the Environmental Division of the Department of Building and Safety of the City. Any containers stored on the Site must be screened from public view.
- C. Conformance with Regulations and Requirements of Boards and Agencies. The wells shall be constructed and maintained in accordance with standards, regulations, or existing requirements of the Los Angeles Regional Water Quality Control Board and the State of California Department of Health Services.

### IV. CLEANUP OF BREAKS AND LEAKS

If any portion of any street shall be damaged by reason of Grantee's operation or maintenance of any facility constructed or maintained under this Agreement, or if any street, sidewalk, sewer, storm drain or other facility be contaminated with waste water, gasoline or other substance due to operations by the Grantee, the Grantee shall, at its own expense, immediately repair or clean up or cause to be repaired or cleaned up any such damage or contamination and put such street, sidewalk, sewer, storm drain or other facility in substantially as good condition as it was before such contamination, to the reasonable satisfaction of the City. Such cleanups shall be accomplished in a timely manner, with as little public disruption as possible.

### V. EMERGENCY CREWS

During the term of this Agreement, the Grantee shall provide within a twenty-four (24) hour notification, crews for the purpose of repairs, cleanup, preventing or minimizing serious immediate damage or the threat of damage to people or the environment in the event of an emergency resulting from an earthquake, act of war, civil disturbance, flood, leakage or other cause.

## VI. REARRANGEMENT OF FACILITIES

- A. Expense of Grantee. Whenever, during the existence of this Agreement, the City shall change the grade, width, or location of any street or improve any street in any manner, including the laying of any sewer, storm drain, conduits, gas, water or other pipes owned or operated by the City or any other public agency, or construct any pedestrian tunnels, or other work of the City (the right to do all of which is specifically reserved to the City without any admission in its part that it would not otherwise have such rights) and such work shall, in the opinion of the City, render necessary any change in the position or location of any facilities of the Grantee in the street, the Grantee shall, at its own cost and expense, do any and all things to effect such change in position or location, in conformity with the written notice of the Community Development Director as provided in Paragraph D below.
- B. Expense of Others. When such change in construction or work is done for the accommodation of any person, firm or corporation, the cost of such rearrangement shall be borne by the accommodated party. Such accommodated party, in advance of such rearrangement, shall (a) deposit with the Grantee either cash or a corporate surety bond in an amount, as in the reasonable discretion of the Grantee shall be required to pay the costs of such change in work; and (b) shall execute an instrument agreeing to indemnify, defend and hold harmless the Grantee from any and all damages or claims caused by such rearrangement.
- C. Rearrangement of the Facilities of Others. Nothing in this Agreement contained shall be construed to require the City to move, alter or relocate any of its facilities upon said streets, at its own expense, for the convenience, accommodation or necessity of any other public utility, person, firm or corporation, or to require the City or any person, firm or corporation now or hereafter owning a public utility system of any type or nature, to move, alter or relocate any part of its system upon said streets for the convenience, accommodation or necessity of the Grantee. If the wells cannot be located as described in Exhibit "A", Grantor shall furnish Grantee with another reasonable acceptable location for such wells in the immediate vicinity.
- D. Notice. The Grantee shall be given not less than thirty (30) days written notice of any change or relocation of facilities which the Grantee is required to make hereunder. Such notice shall specify in reasonable detail the work to be done by the Grantee and shall specify the time that such work is to be accomplished. In the event that the City shall change the provisions of any such notice given to the Grantee, the Grantee shall be given an additional period not less than thirty (30) days to accomplish such work.

## VII. REMOVAL OR ABANDONMENT OF FACILITIES

- A. Application to City. At the expiration, revocation or termination of this Agreement or of the permanent discontinuance of the use of its facilities or any portion thereof, the Grantee shall, within thirty (30) days thereafter, make a written application to the City for authority (as determined by the Grantee) either (a) to abandon all, or a portion, of such facilities in place; or (b) to remove all, or a portion, of such facilities. Such application shall describe the facilities desired to be abandoned or removed by reference to the map or maps required by Article II, Section B, of this Agreement and shall also describe with reasonable accuracy the relative physical condition of such facilities.
- B. Determination of City. The City shall determine whether such abandonment or removal which is thereby proposed may be effected without detriment to the public interest or under what conditions such proposed abandonment or removal may be safely effected. The City shall then notify the Grantee in writing within 30 days following its receipt of Grantee's application, and according to such reasonable conditions as shall be specified that the Grantee may either effect such abandonment or such removal shall, as appropriate, within ninety (90) days thereafter, either:
1. Remove all or a portion of such facilities; or
  2. Abandon in place all or a portion of such facilities, as set forth in the Community Development Director's order.
- C. Failure to Properly Abandon. If any facilities to be abandoned in place subject to prescribed conditions shall not be abandoned in accordance with all such conditions, then the City may make additional appropriate orders, including, if deemed desirable, an order that the Grantee shall remove all such facilities in accordance with applicable requirements. In the event the Grantee shall fail to remove any facilities which the Grantee is obligated to remove in accordance with such applicable requirements within such time as may be prescribed by the City, then the City may remove or cause to be removed such facilities at the Grantee's expense and the Grantee shall pay to the City the actual cost thereof plus the current rate of overhead being charged by the City for reimbursable work.

## VIII. INDEMNIFICATION BY GRANTEE

- A. Grantee will indemnify, defend, and hold harmless City, the City Council, each member thereof, present and future, its officers, agents and employees from and against any and all liability, expenses, including defense costs and legal fees, and claims for damages whatsoever, relating to Grantee's activities under this Agreement, including, but not limited to, those arising from breach of contract,

bodily injury, death, personal injury, property damage, loss of use, or property loss however the same may be caused and regardless of the responsibility for negligence. The obligation to indemnify, defend and hold harmless includes, but is not limited to, any liability or expense, including defense costs and legal fees, arising from the negligent acts or omissions, or willful misconduct of Grantee, its officers, employees, agents, subcontractors or vendors. It is further agreed, Grantee's obligations to indemnify, defend and hold harmless will apply even in the event of concurrent negligence on the part of City, the City Council, each member thereof, present and future, or its officers, agents and employees, except for liability resulting solely from the negligence or willful misconduct of City, its officers, employees or agents. Payment by City is not a condition precedent to enforcement of this indemnity. In the event of any dispute between Grantee and City, as to whether liability arises from the sole negligence of the City or its officers, employees, agents, subcontractors or vendors, Grantee will be obligated to pay for City's defense until such time as a final judgment has been entered adjudicating the City as solely negligent. Grantee will not be entitled in the event of such a determination to any reimbursement of defense costs including but not limited to attorney's fees, expert fees and costs of litigation.

- B. Grantee shall indemnify and hold harmless the City, its officers, agents and/or employees from and against all claims, costs, expenses, actions, lawsuits, expenses of response, remediation, or cleanup costs, or damages and liability of any kind whatsoever, including but not limited to attorney fees and expenses, directly or indirectly arising out of or attributable to the release or threatened release of a hazardous substance emanating from the Site. This provision shall not apply to any action brought by a third party against the City. Grantee expressly covenants, warrants and promises not to sue the City, its officers, agents and/or employees in any action for contribution or indemnification for any remediation cleanup costs or response which Grantee undertakes as a result of any release of hydrocarbons from the Site.

This indemnity shall continue in full force and effect, and shall survive the termination of this agreement.

## **IX. INSURANCE REQUIREMENTS**

### **A. INSURANCE**

Licensee shall procure and maintain for the duration of the agreement insurance against claims for injuries to persons or damages to property which may arise from, or in connection with, the use of City of Torrance property thereunder by the Licensee, its' agents, representatives, employees or subcontractors. The insurance must be full coverage, or if self-insured, such self insurance must be approved by the City's Risk Manager.

1. Automobile Liability, including owned, non-owned and hired vehicles, with at least the following limits of liability.
  - a. Primary Bodily Injury with limits of at least \$250,000 per person, \$500,000 per occurrence and;
  - b. Primary Property Damage with limits of at least \$100,000 per occurrence, or;
  - c. Combined single limits of at least \$500,000 per occurrence.
2. General Liability including coverage for premises, products and completed operations, independent contractors/vendors, explosion, collapse and underground hazards, and contractual obligations with combined single limits of at least \$1,000,000 per occurrence.
3. Pollution Liability with coverage for:
  - a. Bodily injury, sickness, disease, mental anguish or shock sustained by any person, including death;
  - b. Property damage including physical injury to or destruction of tangible property including the resulting loss of use thereof, clean-up costs, and the loss of use of tangible property that has not been physically injured or destroyed;
  - c. Defense, including costs, charges and expenses incurred in the investigation, adjustment or defense of claims for such compensatory damages, and
  - d. Losses caused by pollution conditions that arise from the operations of the licensee described under the Scope of Services of this contract with combined single limits of at least \$1,000,000 per occurrence.
4. Workers' Compensation with limits as required by the State of California and Employers Liability with limits of at least \$500,000.

B. ADDITIONAL INSURED

The City of Torrance, Los Angeles County-Torrance Civic Center authority, Torrance Public Facilities Building Corporation, Torrance Transit System, Redevelopment Agency of the City of Torrance, Torrance Municipal Water Department, elected officials, officers, agents, employees, volunteers, and members of boards and commissions must be named as additional insureds with respect to liability arising out of the operation or property of Grantee.

C. SUFFICIENCY OF INSURERS

Insurance required by this contract/purchase order will be satisfactory only if issued by companies rated “B+” or better in the most recent edition of Best’s Key Rating Guide, and only if they are of a financial category of a “VII” or better.

D. INCREASE IN REQUIREMENTS

Such insurance shall be maintained by the Grantee for the life of Agreement, and each year on the anniversary of this franchise, Grantee will provide updated evidence that such insurance is in force. The City has the right during the term of this Agreement to amend the insurance requirements to increase the amount and scope of coverage. The City covenants that it will not exercise such right in an unreasonable manner.

X. DEFAULT

- A. Effect of Default. In the event that the Grantee shall default in the performance of any of the terms, covenants and conditions herein and such default is curable, the City shall give written notice to the Grantee of such default. In the event that the Grantee does not commence the work necessary to cure such default within thirty (30) days after such notice is sent or prosecute such work diligently to completion, the City may declare this Agreement forfeited. Upon giving written notice thereof to the Grantee, this Agreement shall be void and the rights of the Grantee hereunder shall terminate and the Grantee shall execute an instrument of surrender and deliver same to the City.
- B. Force Majeure. In the event Grantee is unable to perform any of the terms of this Agreement by reason of strikes, riots, acts of God, acts of public enemies or other such cause beyond its control, it shall not be deemed to be in default or have forfeited its rights hereunder if it shall commence and prosecute such performance with reasonable promptness as soon as possible to do so.
- C. Cumulative Remedies. No provision herein made for the purpose of securing the enforcement of the terms and conditions of this Agreement shall be deemed an exclusive remedy, or to afford the exclusive procedure, for the enforcement of said terms and conditions, but the remedies and procedures herein provided, in addition to those provided by law, shall be deemed to be cumulative.

XI. SCOPE OF RESERVATION

The enumeration herein of specific rights reserved shall not be construed as exclusive or as limiting and general reservation herein made or as limiting such rights as the City may now or hereafter have in law.

## XII. NOTICE

All notices, requests, demands, or other communications under this Agreement must be in writing. Notice will be sufficiently given for all purposes as follows:

- A. **Personal delivery.** When personally delivered to the recipient: notice is effective on delivery.
- B. **First-class mail.** When mailed first class to the last address of the recipient known to the party giving notice: notice is effective three mail delivery days after deposit in a United States Postal Service office or mailbox.
- C. **Certified mail.** When mailed certified mail, return receipt requested: notice is effective on receipt, if delivery is confirmed by a return receipt.
- D. **Overnight delivery.** When delivered by an overnight delivery service, charges prepaid or charged to the sender's account: notice is effective on delivery, if delivery is confirmed by the delivery service.
- E. **Facsimile transmission.** When sent by fax to the last fax number of the recipient known to the party giving notice: notice is effective on receipt, provided that (i) a duplicate copy of the notice is promptly given by first-class or certified mail or by overnight delivery, or (ii) the receiving party delivers a written confirmation of receipt. Any notice given by fax will be deemed received on the next business day if it is received after 5:00 p.m. (recipient's time) or on a nonbusiness day. Addresses for purpose of giving notice are as follows:

Grantee: Peter W. Trelenberg  
 ExxonMobil Torrance Refinery  
 3700 West 190<sup>th</sup> Street  
 Torrance, CA 90509  
 Fax Number: 310-212-4592

City of Torrance:  
 City Clerk  
 3031 Torrance Boulevard  
 Torrance, CA 90503  
 Fax: 310-618-2931

Any correctly addressed notice that is refused, unclaimed, or undeliverable because of an act or omission of the party to be notified will be deemed effective as of the first date the notice was refused, unclaimed or deemed undeliverable by the postal authorities, messenger or overnight delivery service.

Any party may change its address or fax number by giving the other party notice of the change in any manner permitted by this Agreement.

### **XIII. SUCCESSORS**

The terms herein shall inure to the benefit of or shall bind, as the case may be, the successors and assigns of the parties hereto.

### **XIV. ACCEPTANCE OF AGREEMENT**

This Agreement is entered and shall be held and enjoyed only upon the terms and conditions herein contained.

### **XV. AGREEMENT TO BE STRICTLY CONSTRUED AGAINST GRANTEE**

The Agreement is granted upon each and every condition herein contained and shall ever be strictly construed against Grantee. Nothing shall pass hereby unless it be granted in plain and unambiguous terms. Each of said conditions is a material and essential condition to the granting of this Agreement.

### **XVI. SPECIAL PROVISIONS**

- A. **Bond.** This Agreement is granted on the condition that the Grantee has now and shall at all times during the life of this Agreement keep on file with the City a bond running to the City in the sum of Ten Thousand Dollars (\$10,000) per well, executed by a reputable indemnity company entitled to do business in the State of California. The said Bond shall contain the condition that the Grantee shall well and truly observe, fulfill and perform each and every term and condition of this Agreement, and that in case of any breach of condition of said Bond the whole amount of the sum therein named shall be taken and deemed to be liquidated damages and shall be recoverable from the principal and from the sureties upon said Bond. The provisions of this paragraph shall not exempt the Grantee from compliance with any of the laws of the City in force during the term hereof, which require the Grantee to post a Bond other than the bond required by this paragraph.
- B. **Fees.** As reimbursement for administrative costs in the execution of this Agreement, the Grantee shall pay to the City in lawful money of the United States a fee of Four Hundred Thirty-Three Dollars (\$433) and Fifty-Four Dollars (\$54) for each additional well. This payment shall be made to the City prior to the signing of this Agreement and if made by check shall be made payable to the City of Torrance.

- C. Independent Laboratory Analysis. Grantee agrees to have all chemical analyses of samples taken from the wells, which are the subject of this Agreement, performed by qualified independent laboratories which are mutually acceptable to the Grantee and to the City. Grantee also agrees to provide, on request, copies of all analytical test reports to the City as soon as said reports are available.

**CITY OF TORRANCE**  
A Municipal Corporation

**EXXONMOBIL OIL CORPORATION**  
A New York Corporation

By \_\_\_\_\_  
Dan Walker  
Mayor of the City of Torrance

By Peter W. Trelenberg  
Peter W. Trelenberg  
Refinery Manager

**ATTEST:**

\_\_\_\_\_  
Sue Herbers  
City Clerk of City of Torrance

**APPROVED AS TO FORM:**

JOHN L. FELLOWS III  
City Attorney

By \_\_\_\_\_  
Ronald T. Pohl  
Assistant City Attorney

Attachment: Exhibit A

*[Handwritten signature]*



# MONITORING WELLS LOCATIONS (EXXONMOBIL)

## Exhibit "A"



NOT TO SCALE



## RENEWAL OF LICENSE AGREEMENT C-2860

THIS AGREEMENT, made and entered into in quadruplicate this 13th day of September, 1993, in the city of torrance by and between the city of torrance, a municipal corporation, hereinafter called the "City" and Mobil Oil Corporation hereinafter called "Grantee";

WHEREAS, License Agreement C-2860 for Monitoring Wells V-3R, V-4R, V-7R and V-8R expired on October 30, 1992,

WHEREAS, Grantee desires to renew said License Agreement for a term of five years,

WHEREAS, said monitoring wells are for the purpose of determining the extent of hydrocarbon migration from the Mobil Oil Refinery property in the City of Torrance hereinafter called "Site".

NOW, THEREFORE, the parties hereto agree as follows:

The City hereby grants to Grantee a renewal of License Agreement C-2860 for a term of five years from the effective date of this Renewal of License Agreement subject to the terms listed below:

## ARTICLE IX INDEMNIFICATION BY GRANTEE

After the first paragraph, add the following:

Grantee shall indemnify and hold harmless the City, its officers, agents and/or employees from and against all claims, costs, expenses, actions, lawsuits, expenses of response, remediation, or cleanup costs, or damages and liability of any kind whatsoever, including but not limited to attorney fees and expenses, directly or indirectly arising out of or attributable to the release or threatened release of a hazardous substance emanating from the Site. This provision shall not apply to any action brought by a third party against the City.

Grantee expressly covenants, warrants and promises not to sue the City, its officers, agents and/or employees in any action for contribution or indemnification for any remediation cleanup costs or response which Grantee undertakes as a result of any release of hydrocarbons from the Site.

This indemnity shall continue in full force and effect, and shall survive the termination of this agreement.

## ARTICLE XVII SPECIAL PROVISIONS

After paragraph B, add the following:

As consideration for the granting of a renewal of this Agreement, the Grantee shall pay to the

C-2860

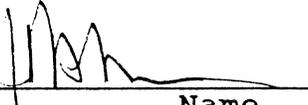
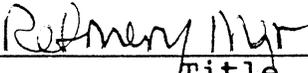
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City in lawful money of the United States a fee of One Hundred Fifty Dollars (\$150) for the first well and Twenty-Five Dollars (\$25) for each additional well. This payment shall be made to the City prior to the signing of this Agreement and if made by check shall be made payable to the City of Torrance.

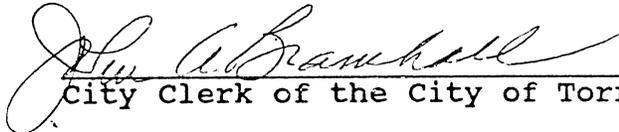
CITY OF TORRANCE  
A Municipal Corporation

By   
Mayor

Mobil Oil Corporation

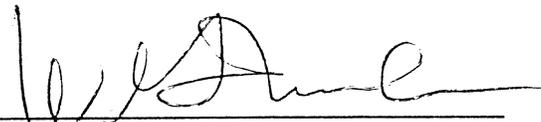
By   
Name  
JOEL MANESS  
  
Title

ATTEST:

  
City Clerk of the City of Torrance

APPROVED AS TO FORM:

JOHN L. FELLOWS III  
City Attorney

By   
William G. Quale  
Assistant City Attorney

Doc. #C-2860

### ALL-PURPOSE ACKNOWLEDGMENT

State of California  
County of Los Angeles }

On 9/13/93 before me, Susan E. Huntsberry,  
DATE NAME, TITLE OF OFFICER - E.G., "JANE DOE, NOTARY PUBLIC"

personally appeared Joel H. Mancos  
NAME(S) OF SIGNER(S)

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

#### CAPACITY CLAIMED BY SIGNER

- INDIVIDUAL(S)
- CORPORATE OFFICER(S) Refinery mgr.  
TITLE(S)
- PARTNER(S)
- ATTORNEY-IN-FACT
- TRUSTEE(S)
- SUBSCRIBING WITNESS
- GUARDIAN/CONSERVATOR
- OTHER: \_\_\_\_\_

#### SIGNER IS REPRESENTING:

NAME OF PERSON(S) OR ENTITY(IES)



Witness my hand and official seal.

Susan E. Huntsberry  
SIGNATURE OF NOTARY

ATTENTION NOTARY: Although the information requested below is OPTIONAL, it could prevent fraudulent attachment of this certificate to unauthorized document.

THIS CERTIFICATE  
MUST BE ATTACHED  
TO THE DOCUMENT  
DESCRIBED AT RIGHT:

Title or Type of Document Renewal of License Agreement C-2860  
Number of Pages 2 Date of Document 9/13/93  
Signer(s) Other Than Named Above -

3.

LICENSE AGREEMENT

THIS AGREEMENT, made and entered into in quadruplicate this 30th day of October, 1987, in the City of Torrance by and between the CITY OF TORRANCE, a municipal corporation, hereinafter called the "City", and MOBIL OIL CORPORATION, hereinafter called "Grantee";

WHEREAS, Grantee desires to drill four monitoring wells having an outside diameter of 10 inches and a depth of approximately 130 feet within the public rights-of-way of Van Ness Way, 205th Street and on City-owned property; and

WHEREAS, the location and general description of the wells are satisfactory to the City; and

WHEREAS, said monitoring wells are for the purpose of determining the extent of hydrocarbon migration from the Mobil Refinery in the City of Torrance.

NOW, THEREFORE, the parties hereto agree as follows:

The City hereby grants to Grantee for the term of five (5) years from the effective date of this Agreement, subject, however, to all the special and general provisions attached hereto and made a part hereof, the right and privilege to construct, erect, maintain, operate, repair, renew, remove and abandon monitoring wells for determining the extent of hydrocarbon migration in, under, and along the public streets, highways and alleys (hereinafter for convenience collectively referred to as "Streets") in the City of Torrance as described and shown on Exhibits "A" through "D" attached hereto and made a part thereof.

GENERAL PROVISIONS

I. LOCATION OF WELLS - The wells shall be located as shown on Exhibits "A" through "D".

II. CONSTRUCTION OF WELLS

A. Time of Construction. The Grantee, in good faith, shall commence the work of constructing the wells within one year from the date of the passage of the resolution granting this Agreement and shall complete such construction within one year after commencing construction; provided, however, that the Grantee shall not commence such construction until it first shall have obtained a Construction-Excavation Permit therefore from the City Engineer.

B. Inspection Fees. The Grantee shall pay any and all permit and inspection fees of the City.

C. As Built Drawings and Maps. Within ninety (90) days following the date in which any facilities have been constructed under this Agreement, the Grantee shall file as-built drawings and maps in such form as may be required by the City Engineer, showing accurately the location and size of all its facilities then in place, and shall, upon installation of any additional facilities, or upon removal, change or abandonment of all or any portion thereof, file revised as-built drawings and maps showing the location and size of all such additional, removed or abandoned facilities as of that date.

Original COPY

4.

D. Other Approvals. The installation and operation of the wells shall be to existing requirements of the City of Torrance and the Los Angeles Regional Water Control Board.

E. Installation and Testing of Wells. Wells shall be installed, sampled and tested in accordance with the proposal of Harding Lawson Associates to Mobil Oil Corporation dated September 26, 1986.

### III. CONFORMANCE REQUIREMENTS -

A. Conformance with State Codes. All wells and appurtenances shall be constructed in accordance with all State of California standards for the construction of wells as set forth in State laws, rules or regulations.

B. Conformance with City Ordinances and Permits. All wells and appurtenances shall be constructed in conformity with all ordinances, rules or regulations in effect at the time of construction, or as prescribed by the City Council, and in accordance with the terms and conditions of any permit issued by the City Engineer.

C. Conformance with regulations and requirements of Boards and Agencies. All wells shall be constructed and maintained in accordance with standards, regulations, or existing requirements of the Los Angeles Regional Water Quality Control Board and the State of California Department of Health Services.

### IV. STREET EXCAVATION RULES -

A. Permit Required. Except in an emergency, the Grantee shall not excavate in a City street without having first obtained a Construction-Excavation Permit from the City Engineer. For the purpose of this Article, "City Street" shall mean any public street, alley, way, or any property owned by the City. The Grantee shall pay any fees required by such permit.

B. Duty to Repair Streets. As soon as any excavation work is completed, all portions of the streets or City property excavated or otherwise damaged thereby shall be placed in as good condition as they were before the commencement of such work, to the satisfaction of the City Engineer. All street and City property repair work shall be made by the Grantee at the expense of the Grantee in accordance with the ordinances of the City and the conditions of the Construction-Excavation Permit issued therefore by the City Engineer.

V. CLEAN UP OF BREAKS AND LEAKS - If any portion of any street shall be damaged by reason of any facility constructed or maintained under this Agreement, or if any street, sidewalk, sewer, storm drain or other facility be contaminated with waste water, gasoline or other substance due to operations by the Grantee, the Grantee shall, at its own expense, immediately repair or clean up or cause to be repaired or cleaned up any such damage or contamination and put such street, sidewalk, sewer, storm drain or other facility in as good condition as it was before such contamination, to the satisfaction of the City Engineer. Such cleanups shall be accomplished in a timely manner, with as little public disruption as possible.

5.

VI. EMERGENCY CREWS - During the term of this Agreement, the Grantee shall maintain on a twenty-four (24) hour basis adequate standby equipment and properly trained crews, for the purpose of implementing emergency response such as repairs, cleanup, preventing or minimizing damage or the threat of damage to people or the environment in the event of an emergency resulting from an earthquake, act of war, civil disturbance, flood, leakage or other cause. The emergency crews and standby equipment shall be capable of being at the site requiring the emergency call-out within two (2) hours.

VII. REARRANGEMENT OF FACILITIES -

A. Expense of Grantee. Whenever, during the existence of this Agreement, the City shall change the grade, width, or location of any street or improve any street in any manner, including the laying of any sewer, storm drain, conduits, gas, water or other pipes owned or operated by the City or any other public agency, or construct any pedestrian tunnels, or other work of the City (the right to do all of which is specifically reserved to the City without any admission on its part that it would not otherwise have such rights) and such work shall, in the opinion of the City Engineer, render necessary any change in the position or location of any facilities of the Grantee in the street, the Grantee shall, at its own cost and expense, do any and all things to effect such change in position or location, in conformity with the written notice of the City Engineer as provided in Paragraph D below; provided, however, that the City shall not require the Grantee to remove its facilities entirely from such street.

B. Expense of Others. Except as provided in Paragraph A of this Article 8, when such rearrangement is done for the accommodation of any person, firm or corporation, the cost of such rearrangement shall be borne by the accommodated party. Such accommodated party, in advance of such rearrangement, shall (a) deposit with the Grantee either cash or a corporate surety bond in an amount, as in the reasonable discretion of the Grantee shall be required to pay the costs of such rearrangement; and (b) shall execute an instrument agreeing to indemnify and hold harmless the Grantee from any and all damages or claims caused by such rearrangement.

C. Rearrangement of the Facilities of Others. Nothing in this Agreement contained shall be construed to require the City to move, alter or relocate any of its facilities upon said streets, at its own expense, for the convenience, accommodation or necessity of any other public utility, person, firm or corporation, or to require the City or any person, firm or corporation now or hereafter owning a public utility system of any type or nature, to move, alter or relocate any part of its system upon said streets for the convenience, accommodation or necessity of the Grantee.

D. Notice. The Grantee shall be given not less than thirty (30) days' written notice of any rearrangement of facilities which the Grantee is required to make hereunder. Such notice shall specify in reasonable detail the work to be done by the Grantee and shall specify the time that such work is to be accomplished. In the event that the City shall change the provisions of any such notice given to the Grantee, the Grantee shall be given an additional period not less than thirty (30) days to accomplish such work.

6.

VIII. REMOVAL OR ABANDONMENT OF FACILITIES -

A. Application to City Engineer. At the expiration, revocation or termination of this Agreement or of the permanent discontinuance of the use of its facilities or any portion thereof, the Grantee shall, within thirty (30) days thereafter, make a written application to the City Engineer for authority (as determined by the Grantee) either (1) to abandon all, or a portion, of such facilities in place; or (2) to remove all, or a portion, of such facilities. Such application shall describe the facilities desired to be abandoned or removed by reference to the map or maps required by Article 2 of this Agreement and shall also describe with reasonable accuracy the relative physical condition of such facilities.

B. Determination of City Engineer. The City Engineer shall determine whether such abandonment or removal which is thereby proposed may be effected without detriment to the public interest or under what conditions such proposed abandonment or removal may be safely effected. He shall then notify the Grantee, and according to such requirements as shall be specified in the City Engineer's order, the Grantee shall, within ninety (90) days thereafter, either:

- (1) Remove all or a portion of such facilities; or
- (2) Abandon in place all or a portion of such facilities, as set forth in the City Engineer's order.

C. Failure to Properly Abandon. If any facilities to be abandoned in place subject to prescribed conditions shall not be abandoned in accordance with all such conditions, then the City Engineer may make additional appropriate orders, including, if he deems desirable, an order that the Grantee shall remove all such facilities in accordance with applicable requirements. In the event the Grantee shall fail to remove any facilities which it is obligated to remove in accordance with such applicable requirements within such time as may be prescribed by the City Engineer, then the City may remove or cause to be removed such facilities at the Grantee's expense and the Grantee shall pay to the City the actual cost thereof plus the current rate of overhead being charged by the City for reimbursable work.

IX. INDEMNIFICATION BY GRANTEE - The Grantee, by the acceptance or use of the Agreement hereby granted, agrees to keep and save free and harmless the City, its officers, agents, and/or employees against any and all claims, demands or causes of action which may be asserted, prosecuted or established against them, or any of them for damage to persons or property, of whatever nature, arising out of the use by it of the City streets hereunder or arising out of any of the operations or activities of the Grantee pursuant to this Agreement, whether such damage shall be caused by negligence or otherwise; excepting therefrom, however, any claim, demand or cause of action which may be asserted, prosecuted or established against the City under the provision of the Workman's Compensation Act for injury to, or the death of any of the City's officers, agents, or employees while acting within the scope of their employment; and further excepting therefrom any claim, demand or cause of action arising out of the sole negligence of the City, its officers, agents and/or employees.

X. INSURANCE REQUIREMENTS -

A. Type and Amount. Within five (5) days after the effective date of this Agreement, the Grantee shall furnish to the City Clerk of the City of Torrance evidence of insurance applicable to all operations conducted under this Agreement and including the liability arising out of the existence of real property, in the following forms and amounts:

(1) Comprehensive Public Liability Insurance, including coverage for the explosion, collapse and underground damage hazards, with a limit of liability of \$1,000,000 per occurrence. Such insurance shall name the City of Torrance, Los Angeles County-Torrance Civic Center Authority, Torrance Public Facilities Building Corporation, Torrance Transit System, Redevelopment Agency of the City of Torrance, Torrance Municipal Water Department, elected officials, officers, agents, employees, members of boards and commissions as additional insured with respect to liability arising out of the operation or property of Grantee. Such insurance and any other Public Liability Insurance to the full limits thereof carried by the Grantee shall be primary and any insurance available to the City of Torrance shall not be called to contribute to any loss(es) arising out of this Agreement.

(2) Worker's Compensation Insurance covering the Grantee's statutory obligation under California Law for injury to employees. If Grantee is self insured, evidence must be provided of current State Certificate to Self Insure and that the required self insurer's bond is in effect.

B. Licensed Insurer. Insurance provided by this Article X shall be carried with insurers licensed to do business in the State of California.

C. Increase in Requirements. Such insurance shall be maintained by the Grantee for the life of this Agreement, and each year on the anniversary of this franchise Grantee will provide updated evidence that such insurance is in force. The City has the right during the terms of this Agreement to amend the insurance requirements to increase the amount and scope of coverage. The City covenants that it will not exercise such right in an unreasonable manner.

XI. DEFAULT -

A. Effect of Default. In the event that the Grantee shall default in the performance of any of the terms, covenants and conditions herein and such default is curable, the City may give written notice to the Grantee of such default. In the event that the Grantee does not commence the work necessary to cure such default within thirty (30) days after such notice is sent or prosecute such work diligently to completion, the City may declare this Agreement forfeited. Upon giving written notice thereof to the Grantee, this Agreement shall be void and the rights of the Grantee hereunder shall terminate and the Grantee shall execute an instrument of surrender and deliver same to the City.

B. Force Majeure. In the event Grantee is unable to perform any of the terms of this Agreement by reason of strikes, riots, acts of God, acts of public enemies or other such cause beyond its control, it shall not be deemed to be in default or have forfeited its rights hereunder if it shall commence and prosecute such performance with reasonable promptness as soon as possible to do so.

8.

C. Cumulative Remedies. No provision herein made for the purpose of securing the enforcement of the terms and conditions of this Agreement shall be deemed an exclusive remedy, or to afford the exclusive procedure, for the enforcement of said terms and conditions, but the remedies and procedures herein provided, in addition to those provided by law, shall be deemed to be cumulative.

XII. SCOPE OF RESERVATION - The enumeration herein of specific rights reserved shall not be construed as exclusive or as limiting and general reservation herein made or as limiting such rights as the City may now or hereafter have in law.

XIII. NOTICE - Any notice required to be given under the terms of this Agreement, the manner of services of which is not specifically provided for, may be served as follows:

(1) Upon the City, by serving the City Manager or the City Clerk personally, or by addressing a written notice to the City Clerk of the City of Torrance, City Hall, 3031 Torrance Boulevard, Torrance, California 90503, and depositing such notice in the United States mail, postage prepaid; or

(2) Upon the Grantee, by personal delivery to the Secretary, or by addressing a written notice to Grantee addressed to C. T. Corporation, 800 S. Figueroa, Suite 1000, Los Angeles, CA 90017, and depositing such notice in the United States mail, certified mail return receipt or such other address as may from time to time be furnished in writing by one party to the other, and depositing said notice in the United States mail, certified mail return receipt.

When the service of any such notice is made by mail, the time of such notice shall begin with and run from the date of the receipt by addressee.

XIV. SUCCESSORS - The terms herein shall inure to the benefit of or shall bind, as the case may be, the successors and assigns of the parties hereto.

XV. ACCEPTANCE OF AGREEMENT - This Agreement is granted and shall be held and enjoyed only upon the terms and conditions herein contained, and the Grantee must, within thirty (30) days after the effective date of this Agreement, file with the City Clerk of the City of Torrance a written acceptance of such terms and conditions.

XVI. AGREEMENT TO BE STRICTLY CONSTRUED AGAINST GRANTEE - The Agreement is granted upon each and every condition herein contained and shall ever be strictly construed against Grantee. Nothing shall pass hereby unless it be granted in plain and unambiguous terms. Each of said conditions is a material and essential condition to the granting of this Agreement.

9.

XVII. SPECIAL PROVISIONS -

A. Bond. This Agreement is granted on the condition that the Grantee has now and shall at all times during the life of this Agreement keep on file with the City a bond running to the City in the sum of Forty Thousand Dollars (\$40,000.00) executed by a reputable indemnity company entitled to do business in the State of California. The said bond shall contain the condition and conditions that the Grantee shall well and truly observe, fulfill and perform each and every term and condition of this Agreement, and that in case of any breach of condition of said bond the whole amount of the sum therein named shall be taken and deemed to be liquidated damages and shall be recoverable from the principal and from the sureties upon said bond. The provisions of this paragraph shall not exempt the Grantee from compliance with any of the laws of the City in force during the term hereof which require the Grantee to post a bond other than the bond required by this paragraph.

B. Fees. As consideration for the granting of this License Agreement, the Grantee shall pay to the City in lawful money of the United States a fee of Five Hundred Dollars (\$500.00). This payment shall be made to the City Engineer prior to the signing of this Agreement and if made by check shall be made payable to the City of Torrance.

C. Independent Laboratory Analysis. Grantee agrees to have all chemical analyses of samples taken from the wells which are subject of this Agreement performed by qualified independent laboratories which are mutually acceptable to the Grantee and to the City. Grantee also agrees to provide copies of all analytical test reports to the City Engineer as soon as said reports are available. Grantee further agrees that:

Within thirty (30) days of receipt of notice from the City Engineer, Grantee shall take at least one (1) additional water and one (1) additional vapor sample from each of the wells; and

Within forty-five (45) days of the above sample taking, Grantee shall have chemical analyses of the additional samples conducted by an independent qualified laboratory, which is acceptable to both the City and Grantee, and shall present copies of the resulting analytical test reports to the City Engineer.

CITY OF TORRANCE  
a municipal corporation

BY Katy Beiser  
Mayor

MOBIL OIL CORPORATION

BY Wynan D. Lohr

ATTEST:

Donald E. Nelson  
City Clerk

APPROVED AS TO FORM:

STANLEY E. REMELMEYER  
City Attorney

By Stanley E. Remelmeier

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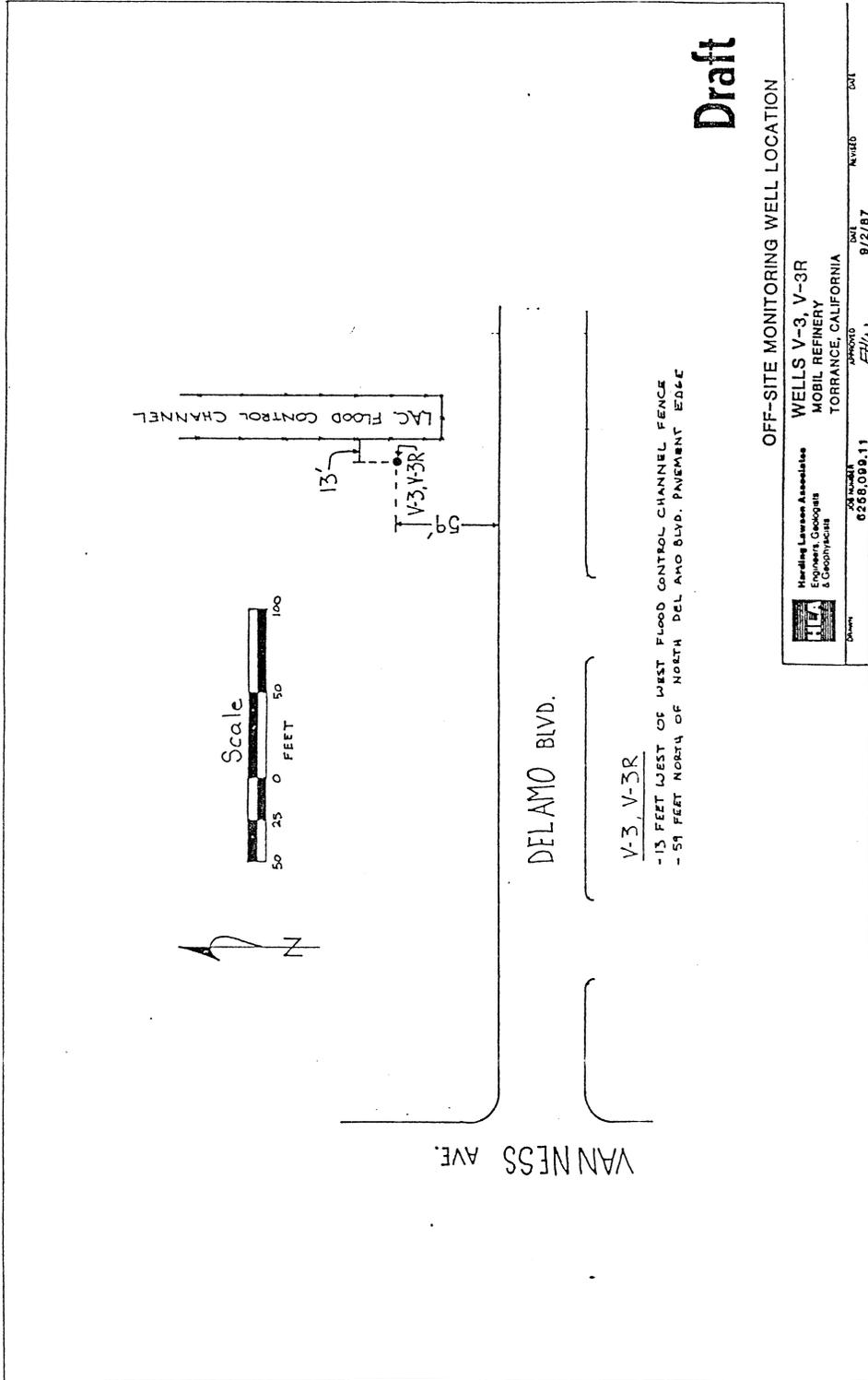
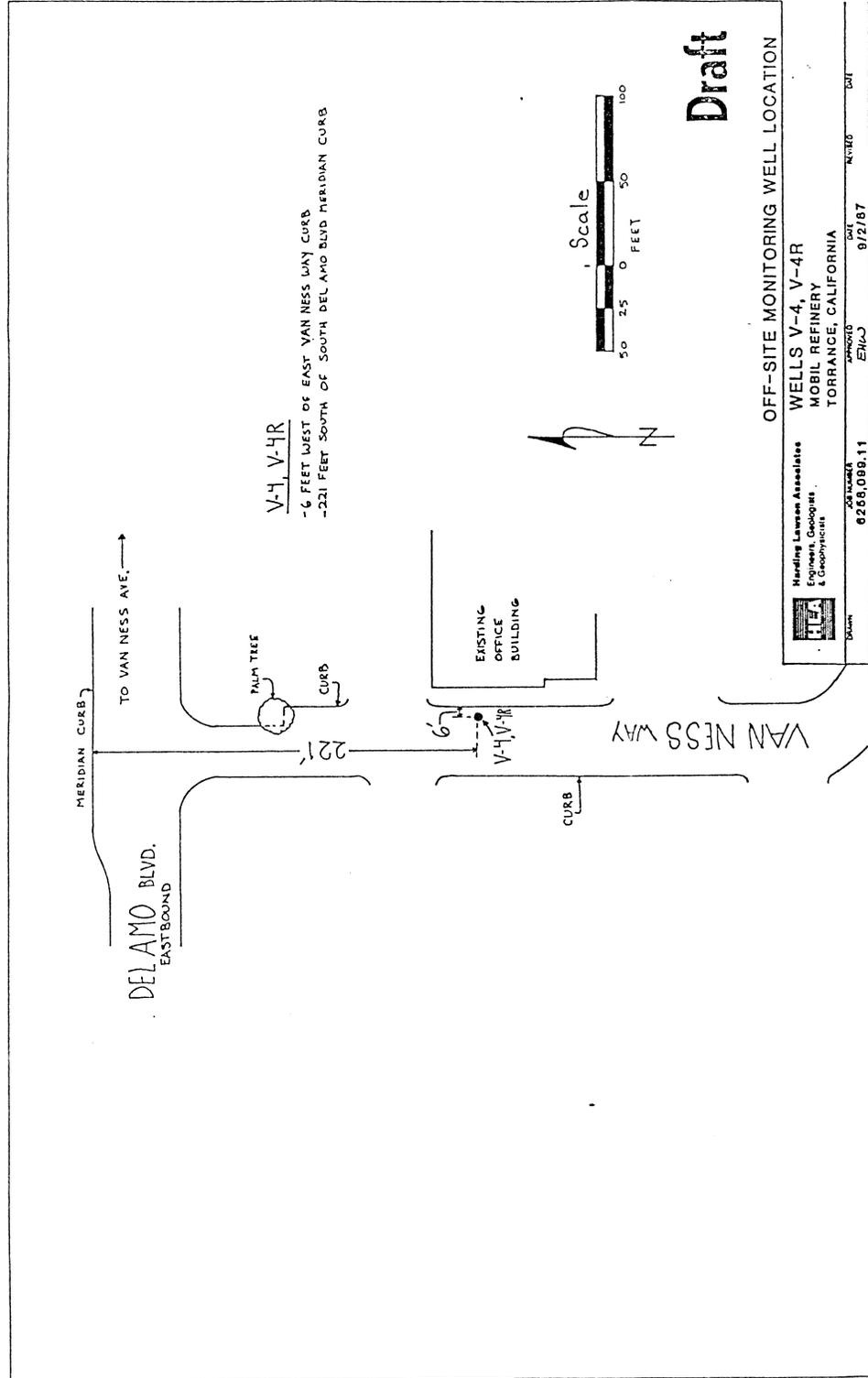
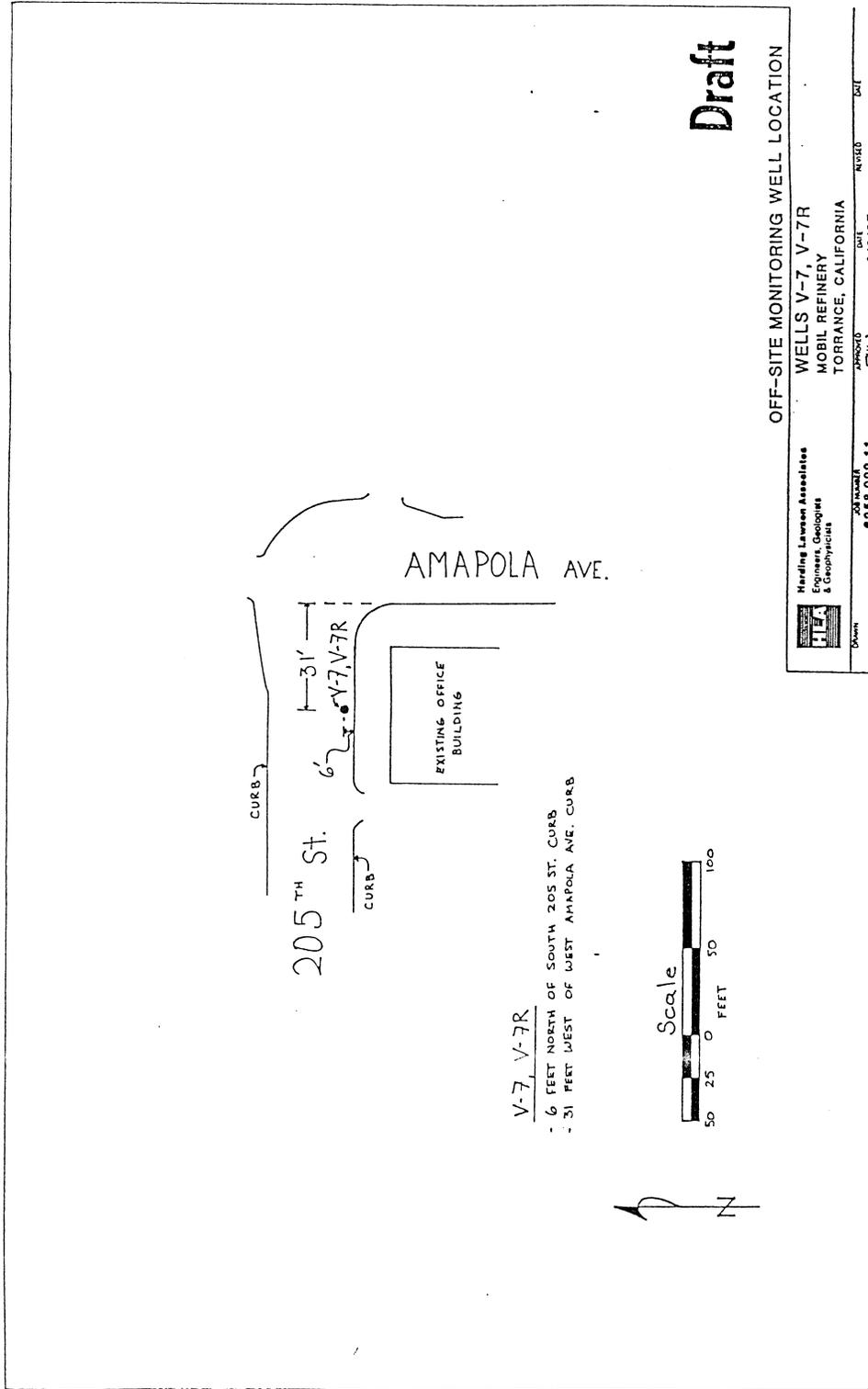


EXHIBIT "A"





Draft

EXHIBIT "C"

14.

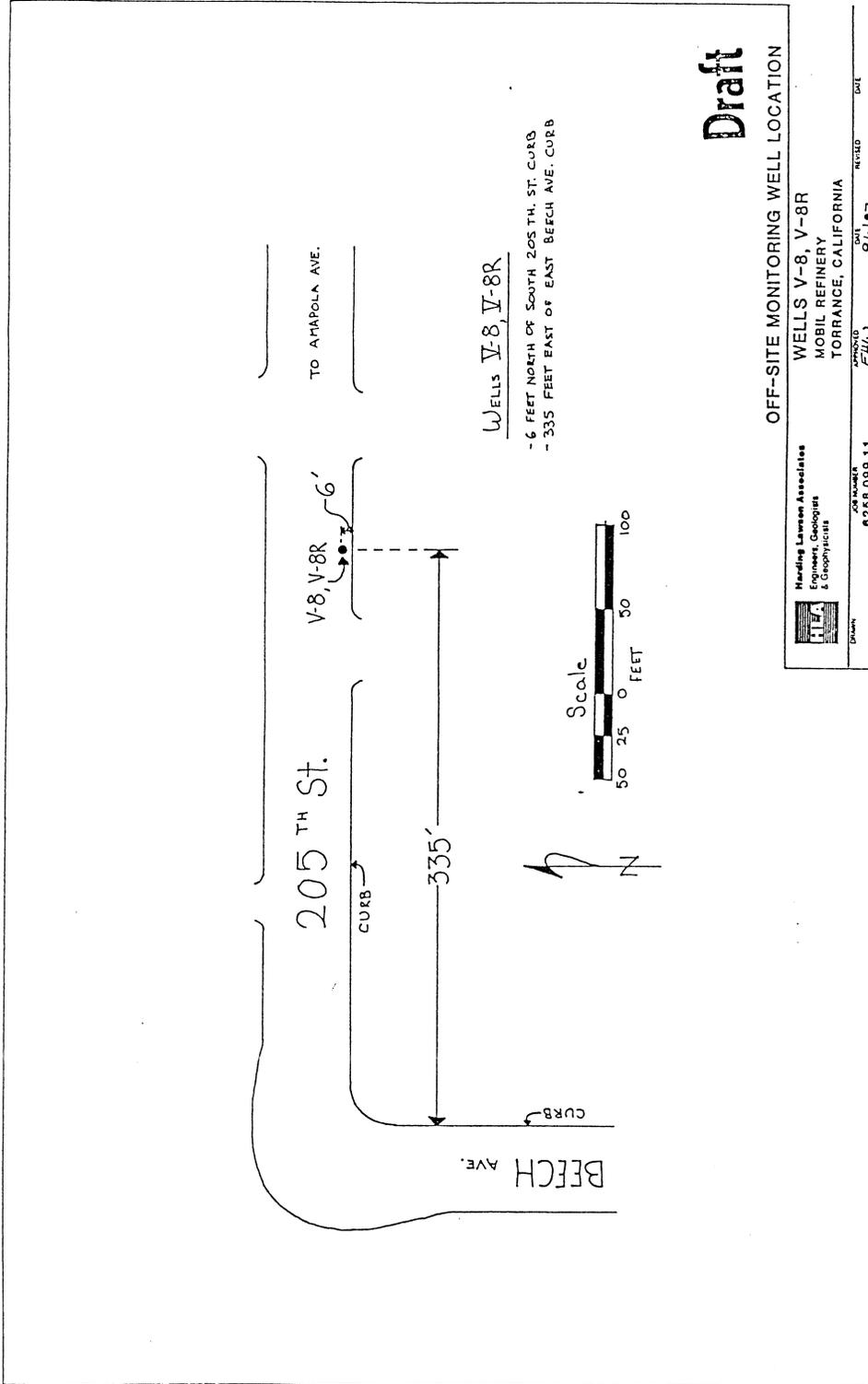


EXHIBIT "D"