

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

**Members of the Council:**

**SUBJECT: Public Works – Approve a Right of Entry Agreement for Construction Purposes for the relocation of sewer and water pipelines and other improvements for the Del Amo Boulevard Extension, T-30. Expenditure: NONE**

**RECOMMENDATION**

Recommendation of the Public Works Director that City Council approve a Right of Entry Agreement for Construction Purposes with ExxonMobil Oil Corporation for the relocation of a 24-inch sewer pipeline and a 18-inch water pipeline and a driveway modification for the Del Amo Boulevard Extension, T-30.

**FUNDING**

Funding is not required.

**BACKGROUND AND ANALYSIS**

In May 1999, the City and Mobil Oil Corporation executed an Agreement on Franchise Modifications. The Agreement, in part, required Mobil Oil Corporation to provide an irrevocable offer to dedicate approximately 1-acre of property for the proposed Del Amo Boulevard Extension, T-30. The irrevocable offer was received in June 1999. On September 23, 2008 the Agreement on Franchise Modifications was amended by the City and ExxonMobil Oil Corporation, a successor to Mobil Oil Corporation. The Amendment authorizes the City to do the following:

1. Relocate a sewer pipeline owned by the County Sanitation District No. 5 of Los Angeles County to a new easement located on property owned by ExxonMobil Oil Corporation;
2. Relocate an 18-inch water pipeline owned by California Water Service Company; and
3. Modify an existing driveway opening on the south side of Del Amo Boulevard, west of Maple Ave, to make it accessible to the future Del Amo Boulevard.

The pipeline relocations and driveway modification are required to construct the Del Amo Boulevard Extension.

Accordingly, the City must acquire from ExxonMobil Oil Corporation ("ExxonMobil") a temporary right-of-entry to access their property for construction purposes. The right-of-entry is required because the permanent easement for street and highway purposes for the proposed Del Amo Boulevard Extension is not to be granted to the City until after the relocation of existing surface improvements and subsurface pipelines is completed. This requirement was established in the Amendment.

The Right of Entry Agreement for Construction Purposes agreement will allow the City and its contractor to access ExxonMobil's property to relocate the sewer and water pipelines and modify the driveway. The City Attorney and staff have reviewed the Right of Entry Agreement for Construction Purposes and are in agreement with the terms and conditions. Therefore, staff recommends its approval.

Staff is currently in progress of finalizing several other agreements required for this project, as well as preparing the request to the State of California for authorization to advertise the project for construction bids. Staff anticipates the Del Amo Boulevard Extension, T-30 will be advertised for bid in summer 2009.

Respectfully submitted,

ROBERT J. BESTE  
Public Works Director



By Craig Bilezerian  
Engineering Manager



Elizabeth Overstreet  
Engineering Manager

CONCUR:



Robert J. Beste  
Public Works Director



LeRoy J. Jackson  
City Manager

Attachments: A. Right of Entry Agreement for Construction Purposes  
B. Amendment No. 1 to Agreement dated Sept. 23, 2008  
C. Agreement on Franchise Modifications dated May 11, 1999

## **RIGHT OF ENTRY AGREEMENT FOR CONSTRUCTION PURPOSES**

This Right of Entry Agreement For Construction Purposes (the "Agreement") is made and entered into as of \_\_\_\_\_, 2009, by and between ExxonMobil Oil Corporation, a New York corporation ("ExxonMobil"), and the City of Torrance, a municipal corporation (the "City") (ExxonMobil and the City may also be identified herein as a "Party" or collectively as the "Parties").

### **RECITALS**

**WHEREAS**, on May 11, 1999, the City and Mobil Oil Corporation (hereinafter referred to by the name of its successor in interest, ExxonMobil) entered into an agreement, entitled "AGREEMENT BETWEEN MOBIL OIL CORPORATION AND THE CITY OF TORRANCE" (the "1999 Agreement"), under which the parties thereto agreed to perform certain activities with respect to the City's proposed project to extend Del Amo Boulevard from Madrona Avenue to Crenshaw Boulevard (the "Del Amo Project"); and

**WHEREAS**, pursuant to the terms of the 1999 Agreement, ExxonMobil and the City entered into a Letter Agreement, dated June 30, 1999, under which ExxonMobil made an irrevocable offer to grant the City an easement to facilitate the Del Amo Project over approximately one acre of land (the "Easement Property") within the ExxonMobil refinery located in Torrance, California (the "Refinery"); and

**WHEREAS**, on September 16, 2008, ExxonMobil and the City entered into an "AMENDMENT NO.1 TO THE AGREEMENT BETWEEN MOBIL OIL CORPORATION AND THE CITY OF TORRANCE" (the "Amendment"), in order to further define the duties and obligations of ExxonMobil and the City with respect to the Del Amo Project; and

**WHEREAS**, the Amendment specifies that ExxonMobil will execute a "Roadway Easement and/or Right of Way" to the City over the Easement Property once actions identified as being the responsibility of ExxonMobil have been completed; and

**WHEREAS**, the Amendment also specifies that the City will be permitted to enter onto the Easement Property and adjacent portions of the Refinery prior to execution of the "Roadway Easement and/or Right of Way" under a "RIGHT OF ENTRY AGREEMENT FOR CONSTRUCTION PURPOSES" executed by ExxonMobil and the City, for the purpose of performing certain duties and obligations as specified in the Amendment.

**NOW, THEREFORE**, in consideration of the promises and acts contained herein, the Parties agree as follows:

## 1. Entry onto the Access Property

(a) Upon execution of this Agreement, and subject to the limitations stated herein, the City, and its officers, employees, contractors, subcontractors, agents, representatives, consultants, and invitees (collectively, the "City-Affiliated Parties"), will be authorized to enter the Easement Property and adjoining portions of the Refinery, as identified in Exhibit A to this Agreement (the Easement Property and such adjoining portions of the Refinery being hereinafter collectively referred to as the "Access Property"), for the purpose of implementing and carrying out:

(i) The actions specified under paragraph I(C) of the Amendment, which provides:

"C. The City has requested that it be permitted to oversee, coordinate and manage the relocation of the Los Angeles County Sanitation Districts sewer pipeline.... This activity will require relocation of the sewer pipeline by or at the direction of the City from the Easement Property onto another location within ExxonMobil's Refinery property. The City and ExxonMobil shall enter into a 'RIGHT OF ENTRY FOR CONSTRUCTION PURPOSES' agreement regarding the rights and obligations, including indemnification, of the City in furtherance of this activity."

The new location of the Los Angeles County Sanitation Districts sewer pipeline is set forth in Exhibit B to this Agreement.

(ii) The relocation of an 18-inch water line owned and operated by the California Water Service Company from its current location to the location set forth in Exhibit C to this Agreement.

(iii) The removal of an ExxonMobil parking lot driveway, the location of which is set forth in Exhibit D to this Agreement.

(iv) Such other activities as the Parties agree to in advance and in writing. For purposes of this Agreement, advance notice will be considered to have been given if it is received by the recipient no less than forty-eight (48) hours before the activity at issue is supposed to take place.

(b) The activities specified in Sections 1(a)(i)-(iv) above will be limited to the dates set forth in a written schedule that the Parties will agree upon in advance of any activity being undertaken. In carrying out these activities, the City and the City-Affiliated Parties will, at all times, avoid interference with ExxonMobil's operations at the Refinery. ExxonMobil will notify the City in writing whenever it reasonably believes that any work being performed or scheduled to be performed by the City or the City-Affiliated Parties interferes with or will interfere with ExxonMobil's operations. The Parties will then have thirty (30) days from the City's receipt of this notice to meet and mutually agree upon a revised schedule of work for the City or the City-Affiliated Parties, provided that, during this 30-day period, the City and the City-Affiliated Parties will abstain from performing the work that is the subject of the actual or threatened interference.

(c) Notwithstanding the above, the City and the City-Affiliated Parties will not enter onto the Access Property under this Agreement until ExxonMobil has completed the relocation of its existing fence line to exclude the Access Property and other portions of the Refinery property, as may be required, from the controlled access portion of the Refinery. ExxonMobil will relocate the existing fence line within six (6) months of receiving written authorization to begin doing so from the City. ExxonMobil will provide written notice to the City upon completing the relocation of the fence line, and the right of the City and the City-Affiliated Parties to enter onto the Access Property under this Agreement will only commence upon the receipt of this notice.

## **2. Indemnification by the City**

The City, on behalf of itself, the City-Affiliated Parties, and their respective successors and assigns, agrees to indemnify, defend by counsel satisfactory to ExxonMobil, and hold harmless ExxonMobil, its Affiliates (as defined below), and each of their respective officers, employees, contractors, subcontractors, agents, representatives, consultants, invitees, successors, and assigns, to the maximum extent allowed by law, from and against any and all claims, demands, suits, judgments, fines, penalties, encumbrances, liens, damages of any type whatsoever (whether foreseeable or unforeseeable), costs and expenses (including, without limitation, any litigation expenses and experts' and attorneys' fees), liabilities, or losses (collectively, the "Liabilities"), arising out of, connected with, or relating in any way to the following: (i) the acts or omissions (including, without limitation, the negligence, gross negligence, or willful misconduct) of the City or the City-Affiliated Parties in exercising their rights or performing their obligations under this Agreement; (ii) bodily and/or personal injury or death of any person (including, without limitation, employees of the City or the City-Affiliated Parties) arising out of, connected with, or relating in any way to the exercise of rights or performance of obligations under this Agreement by the City or the City-Affiliated Parties; or (iii) non-performance, breach, or violation by the City or the City-Affiliated Parties of any term or condition of this Agreement, whether occurring during the term of this Agreement or thereafter.

For purposes of this Agreement, ExxonMobil's "Affiliates" include: (a) the parent of ExxonMobil Oil Corporation; (b) any company or partnership in the United States which ExxonMobil Oil Corporation or its parent now or hereafter owns, or in which ExxonMobil Oil Corporation or its parent now or hereafter controls, directly or indirectly, more than fifty percent (50%) of the ownership interest having a right to vote or to appoint directors or their functional equivalents (an "Affiliated Company"); (c) any joint venture in which ExxonMobil Oil Corporation, its parent, or any Affiliated Company is the operator; and (d) any successor in interest to (a) through (c).

## **3. Assumption of Liability by the City**

(a) To the maximum extent allowed by law, the City, on behalf of itself, the City-Affiliated Parties, and their respective successors and assigns, releases ExxonMobil, its Affiliates, and each of their respective officers, employees, contractors, subcontractors, agents, representatives, consultants, invitees, successors, and assigns, from, and assumes any and all risk of, loss, damage, or injury of any kind to any person or property, including, without limitation, the

Access Property, and any other property belonging to, or under the control or custody of, the City, the City-Affiliated Parties, and their respective successors and assigns, arising from the exercise of rights or performance of obligations under this Agreement by the City or the City-Affiliated Parties. The City's assumption of risk will include, without limitation, any and all loss, damage, or injury caused by defects in structures or improvements on the Access Property; accident, fire, or other casualties on the Access Property; and electrical discharge, noise, or vibration resulting from the operations of ExxonMobil or other persons or entities employed, retained, or engaged by ExxonMobil to perform activities at the Refinery.

(b) The City, on behalf of itself, the City-Affiliated Parties, and their respective successors and assigns, hereby waives all claims and demands against ExxonMobil, its Affiliates, and each of their respective officers, employees, contractors, subcontractors, agents, representatives, consultants, invitees, successors, and assigns, pertaining to Liabilities arising from the exercise of rights or performance of obligations under this Agreement by the City or the City-Affiliated Parties.

(c) The City, on behalf of itself, the City-Affiliated Parties, and their respective successors and assigns, hereby waives the benefit of California Civil Code Section 1542, which provides that: "A general release does not extend to claims which the creditor does not know or suspect to exist in his favor at the time of executing the release, which if known by him must have materially affected his or her settlement with the debtor."

(d) The provisions of this Section will survive the termination or expiration of this Agreement.

#### 4. **Insurance**

(a) The City, at its sole cost and expense, will obtain and maintain in full force and effect during the term of this Agreement the following insurance coverage: (i) General Liability: \$1,000,000 per occurrence for bodily injury, personal injury, death, and property damage; (ii) Automobile Liability for owned, non-owned and rented equipment: \$1,000,000 per accident for bodily injury, death, and property damage; and (iii) Employer's Liability: \$1,000,000 per accident for bodily injury or disease.

(b) Notwithstanding any provision of this Agreement to the contrary, the City's insurance policy(ies) described in this Section 4 will: (i) cover ExxonMobil and its Affiliates as additional insureds in connection with the exercise of rights or performance of obligations under this Agreement by the City or the City-Affiliated Parties; and (ii) be primary as to all other policies (including any deductibles) which may provide coverage. The Parties agree that the City and its insurer(s) providing coverage in this Section 4 will waive all rights of subrogation and/or contribution against ExxonMobil and its Affiliates with respect to liabilities assumed by the City.

(c) ExxonMobil reserves the right, throughout the term of this Agreement, to review and change the amount and type of insurance coverage it requires in connection with this Agreement. Prior to entering the Access Property, or performing any work or maintenance thereon, the City will furnish ExxonMobil with insurance endorsements or certificates evidencing the existence,

amounts, and coverage of the required insurance. The endorsements or certificates must be signed by a person authorized by the insurer to bind coverage on its behalf. In most instances, ExxonMobil does not allow self-insurance; however, if the City can demonstrate assets or retention funds sufficient to meet ExxonMobil's self-insurance requirements, ExxonMobil may, in its sole and absolute discretion, permit the City to self-insure. The right to self-insure with respect to any coverage required hereunder may be granted or revoked at the sole and absolute discretion of ExxonMobil. ExxonMobil will not be liable for the payment of any premiums or assessments for insurance required to be maintained by the City under this Agreement. The City agrees that all contractors and subcontractors covered by this Agreement are, or will be required to be, insured to the same limits required of the City or that they will be included under the City's insurance coverage.

(d) Prior to the expiration of any policy, the City will furnish ExxonMobil with certificates of renewal or "binders" thereof. Each certificate will expressly state that such policies will not be cancelable or otherwise subject to modification except after thirty (30) days' prior written notice to ExxonMobil.

## **5. Compliance by the City**

Whenever present upon the Access Property, the City and City-Affiliated Parties will take all steps necessary to ensure compliance with the terms and conditions of this Agreement, as well as with all applicable federal, state, and local laws and regulations. The City will ensure that no lien is placed upon the Access Property due to the exercise of rights or performance of obligations under this Agreement by the City or the City-Affiliated Parties. If such a lien is placed upon the Access Property, the City will immediately cause it to be removed.

## **6. Environmental Issues**

(a) For purposes of this Agreement, the term "Hazardous Materials" will include: (i) any substance that is defined or listed in, or otherwise classified pursuant to, any federal, state, or local law or regulation as a "hazardous substance," "extremely hazardous substance," "hazardous material," "hazardous waste," "infectious waste," "medical waste," "toxic substance," "toxic pollutant," or any other formulation intended to classify substances by reason of deleterious properties, such as ignitability, corrosivity, reactivity, carcinogenicity, toxicity, or reproductive toxicity; and (ii) any other substance the presence of which is recognized as detrimental to property, natural resources, health, or the environment.

(b) The City acknowledges that the Refinery is a facility at which Hazardous Materials have been managed and used on a routine basis and that Hazardous Materials may have been spilled, released, or discharged in, on, or under the Access Property as a result of Refinery-related operations. The City will take all steps necessary to ensure that it and the City-Affiliated Parties comply with all applicable federal, state, and local laws and regulations concerning Hazardous Materials, including, without limitation, those pertaining to the communication of occupational safety and health hazards to employees and contractors.

(c) The City will notify ExxonMobil in writing pursuant to Section 9(e) below of any: (i) Hazardous Materials that it or any City-Affiliated Party discovers on the Access Property in the

course of exercising its rights or performing its obligations under this Agreement; or (ii) release, spill, or discharge in, on, or under the Access Property caused by the City or by any City-Affiliated Party. With respect to Hazardous Materials that the City or any City-Affiliated Party discovers under Section 6(c)(i), the City or the City-Affiliated Party will stop all work in the area of the discovery until: (A) ExxonMobil determines whether the Hazardous Materials discovered resulted from past or present Refinery-related operations; and (B) if so, the extent to which the Hazardous Materials will be remediated, if at all, under Section 6(d) below.

(d) Regarding any Hazardous Materials brought to ExxonMobil's notice under Section 6(c)(i) above that it determines were spilled, released, or discharged as a result of past or present Refinery-related operations, ExxonMobil will, in its sole discretion, determine the extent to which the Hazardous Materials will be remediated (i.e., removed, handled, stored, transported, and disposed), if at all, to enable the City to properly and lawfully perform its activities under Section 1(a) of this Agreement. If ExxonMobil determines that remediation is necessary, it will perform the remediation and pay the costs associated therewith. Notwithstanding the foregoing sentence, ExxonMobil has no obligation to the City to: (A) remediate, or pay for the remediation of, a Hazardous Materials release to the extent that it did not result from a past or present Refinery-related operation, or to the extent that the City or any City-Affiliated Party caused the release; or (B) pay for increased remediation costs arising from the failure of the City or the City-Affiliated Parties to perform their obligations under this Agreement with due care.

(e) The City agrees that all costs paid by ExxonMobil pursuant to Section 6(d) above (as well as all costs and expenses paid by ExxonMobil under the 1999 Agreement and the Amendment, including, but not limited to, any soil remediation costs associated with the Easement Property) will be subject to, and count towards, the \$12,500,000 expenditure limit established under Section II(G)(3)(f) of the Amendment.

(f) The City agrees to promptly perform, at its sole cost and expense, any environmental remediation associated with spills, releases, or discharges of Hazardous Materials on the Access Property that are not the responsibility of ExxonMobil under Section 6(d) above. Any environmental remediation required of the City by this Section 6(f) must be performed in accordance with all applicable federal, state, and local laws and regulations. The City will provide ExxonMobil, for its review and approval, any plans, data, reports, or other documents prepared in connection with the City's obligations under this Section 6(f) before the City submits such documents to third-parties, including, without limitation, the City-Affiliated Parties or regulatory agencies.

(g) With respect to Section 6(f) above, the City will ensure that, to the extent permitted by law, all notifications or communications to regulatory agencies, as well as all documentation pertaining to remediation activities (including, but not limited to, hazardous waste generator identification numbers and hazardous waste manifests) will be in the name of the City or the City-Affiliated Parties, and not in the name of ExxonMobil or any of its Affiliates.

## **7. Warranty for Plan Review**

ExxonMobil's review or approval of any plans or calculations submitted by the City to ExxonMobil will not relieve the City of responsibility for full compliance with contract

requirements, correctness of design drawings and details, proper fabrication and construction techniques, and coordination with other government and private permitting agencies, nor will such review or approval by ExxonMobil in any way relieve the City from, or otherwise modify, the City's indemnity and assumption of liability under Sections 2 and 3, respectively, of this Agreement. Execution of this Agreement does not imply design warranty on the part of ExxonMobil engineering employees. The parties expressly agree that ExxonMobil makes no warranty of any kind and assumes no responsibility therefor.

## **8. Survival of Representations, Warranties, and Indemnities**

All representation, warranties, and indemnities of each Party to this Agreement will survive the termination of this Agreement.

## **9. Notices**

Except as provided in Section 9(e) below, all notices, requests, demands, or other communications under this Agreement will be in writing and will be provided as follows:

- (a) Notice will be sufficiently given for all purposes when provided as follows:
- (i) Personal Delivery. When personally delivered to the recipient: notice is effective upon delivery.
  - (ii) First Class Mail. When mailed first class to the last address of the recipient known to the Party giving notice: notice is effective after three mail delivery days of being deposited in a United States Postal Service office or mailbox.
  - (iii) Certified Mail. When mailed by certified mail, with return receipt requested: notice is effective upon receipt, if delivery is confirmed by a return receipt.
  - (iv) Overnight Delivery. When delivered by an overnight delivery service, with charges prepaid or charged to sender's account: notice is effective upon delivery, if delivery is confirmed by the delivery service.
  - (v) Facsimile Transmission. When sent by fax to the last fax number of the recipient known to the Party giving notice: notice is effective upon receipt or, if it is received after 5:00 p.m. (recipient's time) or on a non-business day, on the next business day.

(b) Except as provided in Section 9(e) below in the case of certain notifications to ExxonMobil, addresses for purpose of giving notice hereunder are as follows:

- (i) EXXONMOBIL      Renato P. Villareal  
EXXONMOBIL OIL CORPORATION  
Torrance Refinery  
3700 West 190<sup>th</sup> Street  
Torrance, CA 90509-2929  
Fax: (310) 212-1887
- (ii) CITY              City Clerk  
City of Torrance

3031 Torrance Boulevard  
 Torrance, California 90509-2970  
 Fax: (310) 618-2931

(c) 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.

(d) Each Party must provide advance written notice to the other of any change to its contact information (i.e., address, telephone number, or fax number).

(e) For written notices under Section 6(c) above, the City will provide an immediate notification to ExxonMobil by electronic mail (“e-mail”) that describes the circumstances under which the City or the City-Affiliated Parties discovered, spilled, released, or discharged the Hazardous Materials. The City will then submit to ExxonMobil within three (3) business days a follow-up notification by any method permitted under Section 9(a) above containing additional, relevant information about the Hazardous Materials. The addressee for both the e-mail and the follow-up notification is:

Renato P. Villareal  
 EXXONMOBIL OIL CORPORATION  
 Torrance Refinery  
 3700 West 190<sup>th</sup> Street  
 Torrance, CA 90509-2929  
 Fax: (310) 212-1887  
 renato.p.villareal@exxonmobil.com

## **10. Assignment**

This Agreement will be binding upon the successors and assigns of the Parties. Neither Party may assign this Agreement without the prior written consent of the other.

## **11. Modification of the Agreement**

This Agreement represents the entire understanding of the Parties as to those matters contained herein. No prior oral or written understanding will be of any force or effect with respect to this Agreement. This Agreement may not be modified or altered except in writing and signed by both Parties.

## **12. Conflict With Applicable Law**

If any part of this Agreement is found to be in conflict with applicable laws or regulations, that part will be inoperative, null, and void insofar as it is in conflict; however, the remainder of the Agreement will remain in full force and effect.

**13. Jurisdiction**

This Agreement will be administered and interpreted under the laws of the State of California.

**14. Waiver**

The failure by one Party to enforce or require the other Party's full compliance with the terms and provisions of this Agreement will not constitute a waiver of its right to do so in the future, nor will it release the other Party from its responsibilities under this Agreement. A Party's consent to or approval of any act by the other Party, which act requires the first Party's consent or approval, will not be construed to waive or render unnecessary the first Party's consent to or approval of subsequent acts. A waiver of rights under this Agreement will only be valid if it is clearly set forth in writing.

**15. Exhibits**

All exhibits identified in this Agreement are hereby incorporated by this reference.

**16. Authority to Execute**

The persons executing this Agreement on behalf of each Party warrant that they are duly authorized to execute this Agreement.

**17. Termination of Agreement**

This Agreement will terminate and be of no further force or effect upon the earlier of: (i) the completion of the activities stated in Section 1 of this Agreement; (ii) execution of a Roadway Easement and/or Right of Way to the City pursuant to Section II(G)(4) of the Amendment; or (iii) the mutual agreement of the Parties to terminate this Agreement.

**IN WITNESS WHEREOF**, this Agreement has been executed, in duplicate, by the Parties and is effective as of the date first written above.

**CITY OF TORRANCE**  
A Municipal Corporation

**EXXONMOBIL OIL CORPORATION**  
A New York Corporation

By: \_\_\_\_\_  
Frank Scotto, Mayor

By: \_\_\_\_\_  
Maxwell A. Ocansey, its Attorney-in-Fact

Dated: \_\_\_\_\_

Dated: \_\_\_\_\_

ATTEST:

By: \_\_\_\_\_  
Sue Herbers, City Clerk

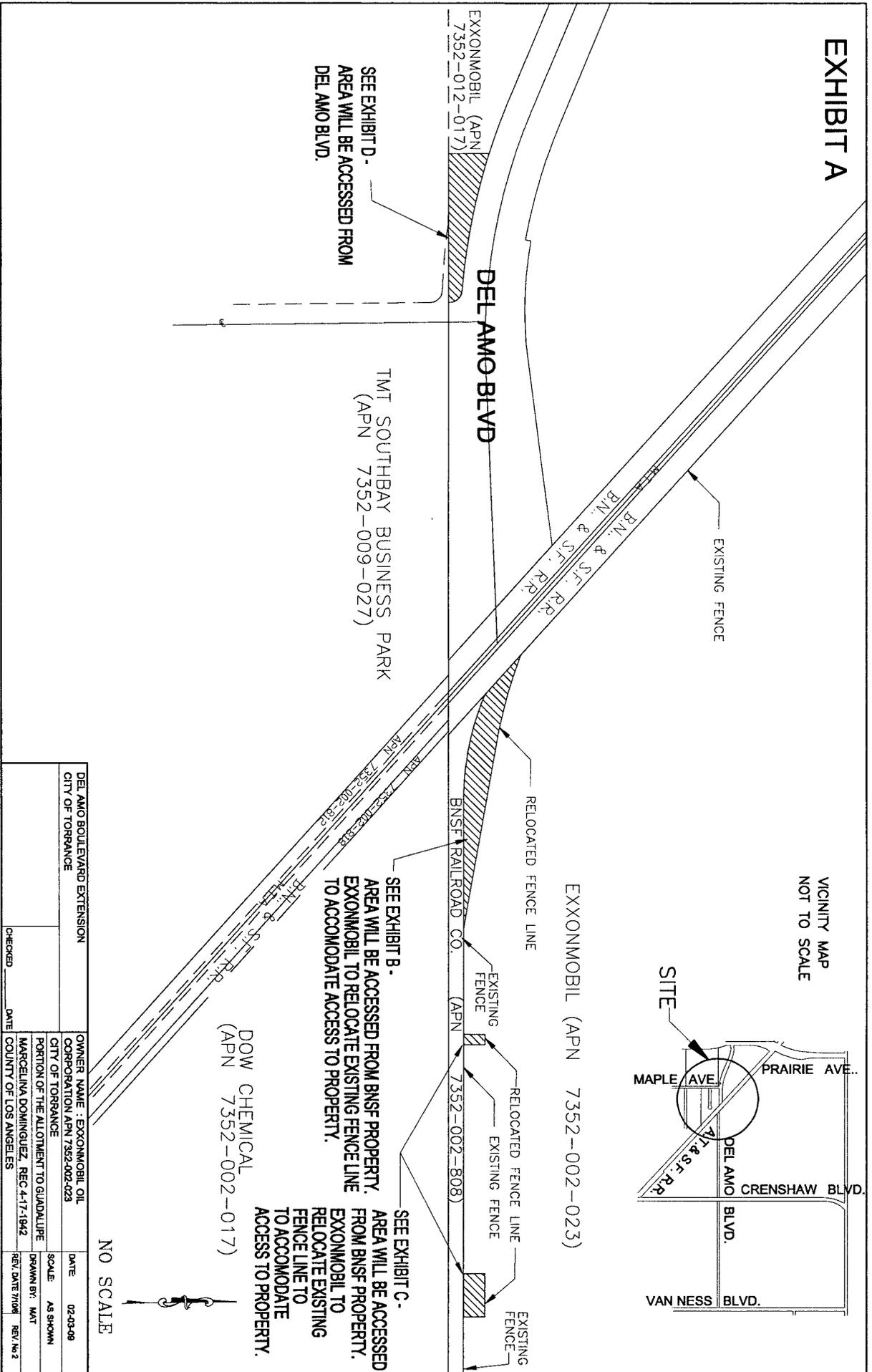
Dated: \_\_\_\_\_

APPROVED AS TO FORM:  
JOHN L. FELLOWS III  
City Attorney

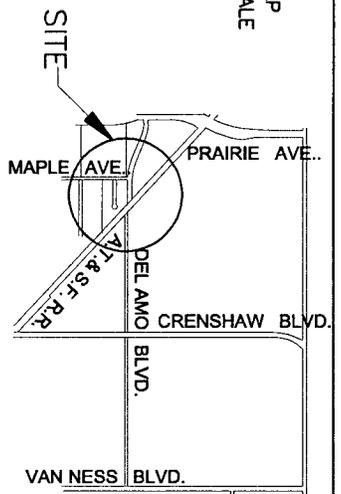
By: \_\_\_\_\_  
Deputy City Attorney

Dated: \_\_\_\_\_

**EXHIBIT A**

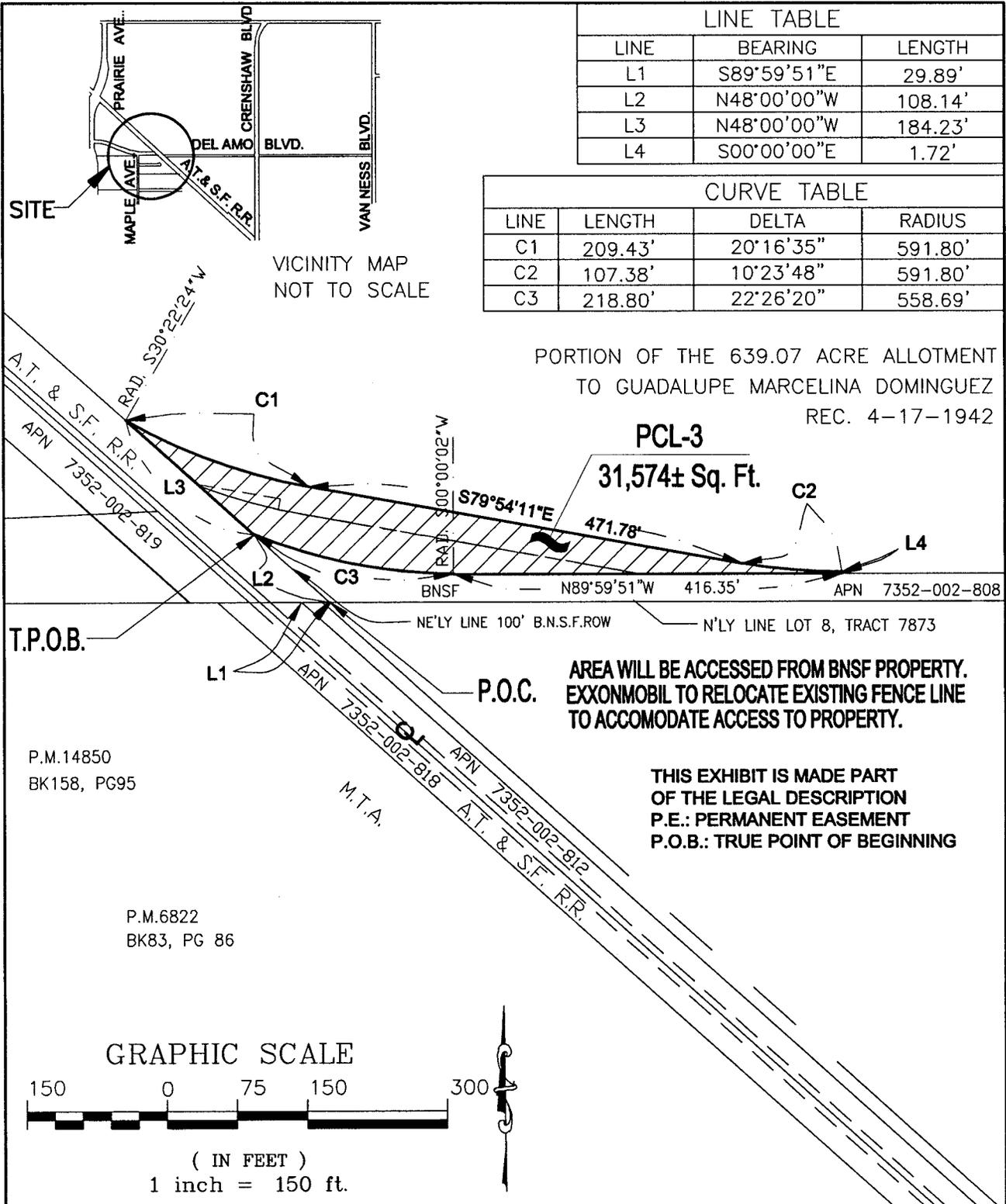


VICINITY MAP  
NOT TO SCALE



DEL AMO BOULEVARD EXTENSION CITY OF TORRANCE		OWNER NAME : EXXONMOBIL OIL CORPORATION APN 7352-002-023	DATE: 02-03-09
PORTION OF THE ALLOTMENT TO GUADALUPE		CITY OF TORRANCE	SCALE: AS SHOWN
CHECKED	DATE	MARCELINA DOMINGUEZ, REC 4-17-1942 COUNTY OF LOS ANGELES	DRAWN BY: MAT REV. DATE: 7/09 REV. NO 2

# EXHIBIT B



LINE TABLE		
LINE	BEARING	LENGTH
L1	S89°59'51"E	29.89'
L2	N48°00'00"W	108.14'
L3	N48°00'00"W	184.23'
L4	S00°00'00"E	1.72'

CURVE TABLE			
LINE	LENGTH	DELTA	RADIUS
C1	209.43'	20°16'35"	591.80'
C2	107.38'	10°23'48"	591.80'
C3	218.80'	22°26'20"	558.69'

PORTION OF THE 639.07 ACRE ALLOTMENT  
TO GUADALUPE MARCELINA DOMINGUEZ  
REC. 4-17-1942

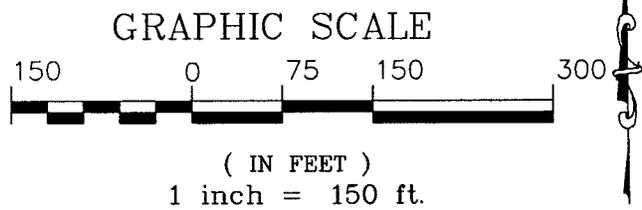
**PCL-3**  
31,574± Sq. Ft.

AREA WILL BE ACCESSED FROM BNSF PROPERTY.  
EXXONMOBIL TO RELOCATE EXISTING FENCE LINE  
TO ACCOMODATE ACCESS TO PROPERTY.

THIS EXHIBIT IS MADE PART  
OF THE LEGAL DESCRIPTION  
P.E.: PERMANENT EASEMENT  
P.O.B.: TRUE POINT OF BEGINNING

P.M.14850  
BK158, PG95

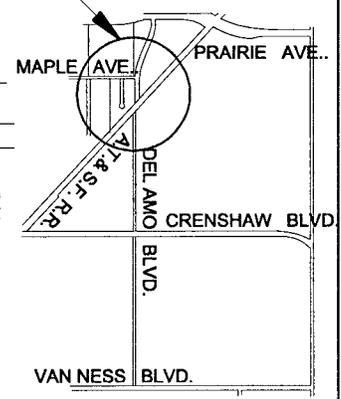
P.M.6822  
BK83, PG 86



DEL AMO BOULEVARD EXTENSION CITY OF TORRANCE		OWNER NAME : MOBIL OIL CORPORATION APN 7352-002-023	DATE: 07-21-06
Paragon Partners Ltd. 5762 Bolsa Avenue, Ste. 201 Huntington Beach, CA 92649		CITY OF TORRANCE PORTION OF THE ALLOTMENT TO GUADALUPE MARCELINA DOMINGUEZ, REC 4-17-1942	SCALE: AS SHOWN DRAWN BY MAT
CHECKED _____	DATE _____	COUNTY OF LOS ANGELES	REV. DATE _____ REV. No _____

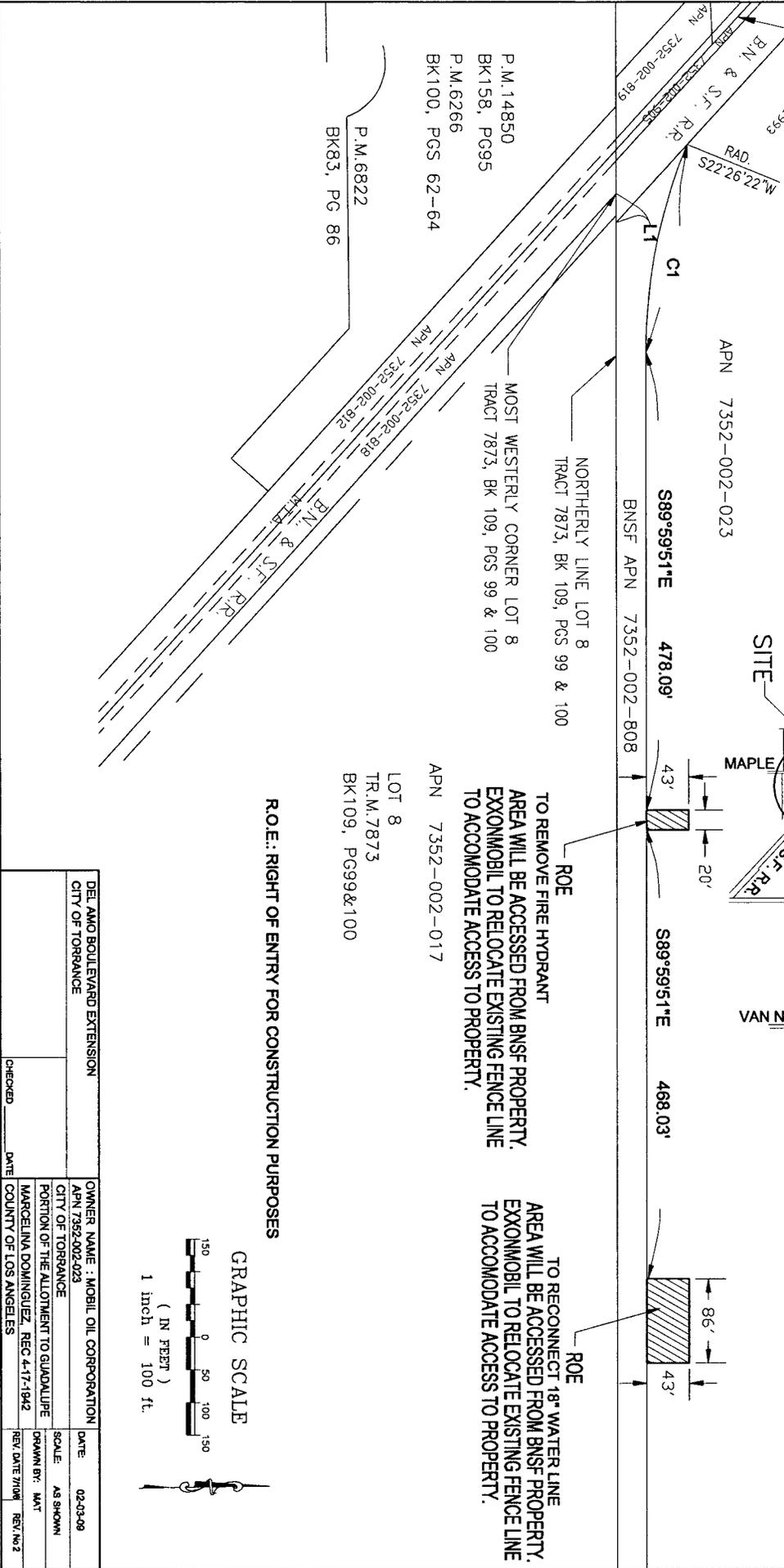
# EXHIBIT C

VICINITY MAP  
NOT TO SCALE



LINE TABLE	
LINE	LENGTH
LT	29.89'

CURVE TABLE		
LINE	LENGTH	RADIUS
C1	218.80'	558.69'



TO REMOVE FIRE HYDRANT  
AREA WILL BE ACCESSED FROM BNSF PROPERTY,  
EXONMOBIL TO RELOCATE EXISTING FENCE LINE  
TO ACCOMMODATE ACCESS TO PROPERTY.

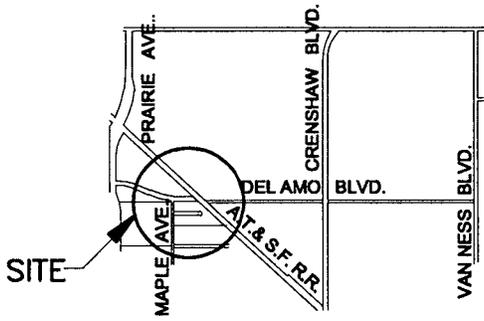
TO RECONNECT 18" WATER LINE  
AREA WILL BE ACCESSED FROM BNSF PROPERTY,  
EXONMOBIL TO RELOCATE EXISTING FENCE LINE  
TO ACCOMMODATE ACCESS TO PROPERTY.

RO.E.: RIGHT OF ENTRY FOR CONSTRUCTION PURPOSES



DEL AMO BOULEVARD EXTENSION CITY OF TORRANCE	OWNER NAME : MOBIL OIL CORPORATION APN 7352-002-023	DATE: 02-03-08
CHECKED _____	CITY OF TORRANCE PORTION OF THE ALLOTMENT TO GUADALUPE MARGELINA DOMINGUEZ, REC 4-17-1942	SCALE: AS SHOWN
DATE _____	COUNTY OF LOS ANGELES	DRAWN BY: MAT
		REV DATE 3/10/08 REV: NO 2

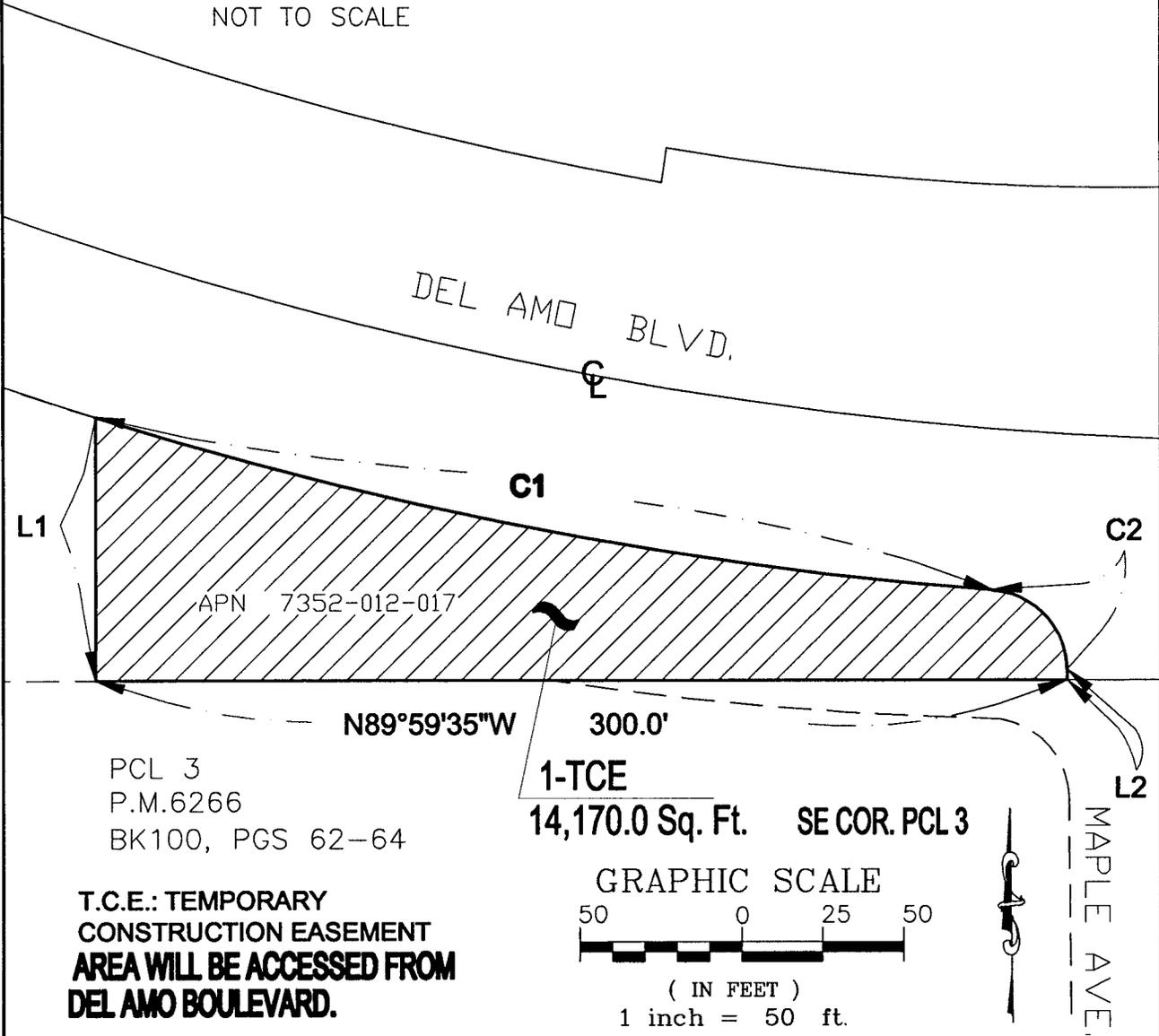
### EXHIBIT D



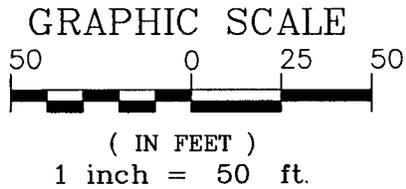
VICINITY MAP  
NOT TO SCALE

LINE TABLE		
LINE	BEARING	LENGTH
L1	N00°00'25"W	81.71'
L2	S00°33'40"E	3.14'

CURVE TABLE			
LINE	LENGTH	DELTA	RADIUS
C1	282.47'	12°57'36"	1,250.0'
C2	37.05'	84°54'27"	25.00'



**T.C.E.: TEMPORARY  
CONSTRUCTION EASEMENT  
AREA WILL BE ACCESSED FROM  
DEL AMO BOULEVARD.**



DEL AMO BOULEVARD EXTENSION CITY OF TORRANCE		OWNER NAME : MOBILE CALIFORNIA EXPLORATION CORP. APN 7352-012-017		DATE: 03-23-06	
Paragon Partners Ltd. 5762 Bolsa Avenue, Ste. 201 Huntington Beach, CA 92649		CITY OF TORRANCE PORTION OF PCL. 3, P.M. 6266 BK 100, PGS 61 & 64		SCALE: AS SHOWN	
CHECKED _____ DATE _____		COUNTY OF LOS ANGELES		DRAWN BY _____	
				REV. DATE _____ REV. No _____	

**Attachment B****AMENDMENT NO. 1 TO THE AGREEMENT BETWEEN  
MOBIL OIL CORPORATION AND THE CITY OF TORRANCE**

**This Amendment Number 1** (the "Amendment") to the AGREEMENT BETWEEN MOBIL OIL CORPORATION AND THE CITY OF TORRANCE, dated May 11, 1999, is made and entered into as of September 16, 2008 ("Effective Date"), by and between the City of Torrance, California, a municipal corporation ("City") and ExxonMobil Oil Corporation ("ExxonMobil"), a New York corporation, as the successor company to Mobil Oil Corporation, collectively referred to herein as the "Parties" or, individually, as a "Party".

**RECITALS**

**WHEREAS**, on May 11, 1999, the City and ExxonMobil entered into an agreement, entitled "AGREEMENT BETWEEN MOBIL OIL CORPORATION AND THE CITY OF TORRANCE," (the "1999 Agreement") under which ExxonMobil and the City agreed to perform certain activities with respect to the City's proposed project to extend Del Amo Boulevard from Madrona Avenue to Crenshaw Boulevard in the City of Torrance, California (the "Del Amo Project" or the "Del Amo Extension"); and

**WHEREAS**, pursuant to the terms of the 1999 Agreement, ExxonMobil and the City entered into a Letter Agreement, dated June 30, 1999, under which ExxonMobil made an irrevocable offer of dedication to the City as a permanent easement for street and highway purposes of approximately one acre of land (the "Easement Property") within the ExxonMobil Refinery located in Torrance, California (the "Refinery"); and

**WHEREAS**, the 1999 Agreement contemplated performance of certain activities by ExxonMobil, the City, and third parties on the Easement Property and on adjacent property at the Refinery, to facilitate the City's proposed Del Amo Project; and

**WHEREAS**, the 1999 Agreement established certain allocations of costs between the parties for the work to be done in completing the Del Amo Project; and

**WHEREAS**, in the 1999 Agreement ExxonMobil agreed to contribute \$3 million toward the cost of the Del Amo Project; and

**WHEREAS**, in August 2006, the City and ExxonMobil developed a shared cost estimate for the cost of the Del Amo Project, and based upon that estimate of \$8.5 million, less the \$3 million to be contributed by ExxonMobil pursuant to the 1999 Agreement, the City proceeded to secure additional funding of \$5.5 million; and

**WHEREAS**, in August, 2007, ExxonMobil advised the City of a revised cost estimate of \$11.5 million for the Del Amo Project, \$3 million more than the \$3 million ExxonMobil contribution to be made pursuant to the 1999 Agreement and the \$5.5 million in additional funding previously secured by the City; and

**WHEREAS**, the City agrees that ExxonMobil's obligations under the 1999 Agreement, and liability for any and all costs and expenses thereunder relating to or concerning the Del Amo Project, shall in no event and under no circumstances exceed \$12.5 million dollars (including the \$5.5 million dollars to be expended by ExxonMobil and reimbursed by the City); and

**WHEREAS**, the City agrees that it will bring forward an amendment for City Council consideration to amend Ordinance No. 3351 to authorize a ten percent (10%) increase in total maximum input upon demonstration of no degradation of the Refinery's environmental, health and safety performance as a result of such increase (this clause does not constitute approval of the ten percent increase and approval of the increase can only be given by the City Council); and

**WHEREAS**, ExxonMobil and the City wish to continue their historic cooperation; and

**WHEREAS**, ExxonMobil and the City desire to enter into this Amendment No. 1 to the 1999 Agreement in order to further define the duties and obligations of ExxonMobil and the City with respect to the Del Amo Project.

**NOW, THEREFORE**, in consideration of the promises and acts contained herein, the Parties agree to amend the 1999 Agreement as follows:

I. The Parties agree to amend Section I, City's Obligations, by adding new subsections A, B and C as follows:

A. The City agrees that, pursuant to City Ordinance No. 3351, the City will consider a ten percent (10%) increase in maximum total input for the Refinery, including a total maximum average annual input of crude at 176 Thousand Barrels per Day ("TBPD") and intermediate feedstock for a total not to exceed 220 TBPD, excluding external blend components (this clause does not constitute approval of the ten percent increase and approval of the increase can only be given by the City Council). Such increase will be subject to a demonstration by ExxonMobil of no degradation of the Refinery's environmental, health and safety performance as a result of such increase. An adequate demonstration will require the concurrence of the City Council upon the recommendation of the City Staff, the City Fire Department, and a third party safety expert acceptable to the City. ExxonMobil will pay the cost of the third party expert. The City and ExxonMobil agree that, in the event that a demonstration of no degradation is considered inadequate for any reason, the City and ExxonMobil will work to reach a mutually agreeable resolution of any alleged inadequacies. The acceptance of any findings is at the sole discretion of the City.

B. The City agrees that it will undertake the following work or actions pursuant to the 1999 Agreement and pursuant to the "Torrance Refinery Safety Advisor Project, Torrance Refinery ("Rate Cap"), Final Report," dated May 5,

1999 and attached as Exhibit A to the 1999 Agreement (the "Safety Advisor Report"):

1) Scope of Work

- (a) The design, oversight, coordination and management of the Los Angeles County Sanitation Districts sewer pipeline relocation, including negotiation of required agreements for the sewer pipeline relocation.
- (b) The design, oversight, coordination and management of the relocation of four water lines crossing the Easement Property.
- (c) Installation of remotely-operated physical barriers at both the east and west end of the Del Amo Project (also identified herein as the Del Amo Extension) and City to provide 120 VAC power for the field signal apparatus, which is to be supplied by ExxonMobil.
- (d) The City and ExxonMobil will jointly develop emergency communication and activation protocols for response to emergency events. The City will provide copies of its emergency response procedures to ExxonMobil for review during development of the protocols.
- (e) There will be no sidewalk or bicycle path on the Del Amo Extension. Signs will be installed at both the east and west end of the Del Amo Extension stating that pedestrians and cyclists are prohibited on the Del Amo Extension.
- (f) Provision of truck access for BOC during construction. Any outages will be scheduled in advance with the agreement of BOC.
- (g) Provide lighting under the new railroad overpass, if permitted by the railroad owner.
- (h) Incorporation of the following Safety Advisor Report recommendations in the design of the roadway:
  - (i) Designing the eastbound traffic flow, so that even during rush hour, traffic is not backed up and "stalled" at the point closest to the elevated flares and the South Oil Movements LPG Storage Area on the Refinery Property.
  - (ii) Emergency traffic light sequencing capabilities.
  - (iii) Installation of a median to minimize the potential for head-on collisions resulting from driver distraction.

(iv) For traffic control issues associated with the Del Amo Extension, consider including familiarization training for the Torrance Police or other personnel. Such training should include updating the traffic flow diagrams that are located in the Safety Advisor's Evaluation of Traffic Control Systems, assimilated into the Torrance Police Department training program.

(i) Removal of City-owned firewater hydrants and capping of firewater lines on the Easement Property.

(j) The City will require that its contractors provide temporary shelters during the Del Amo Project.

(k) Relocation of the east-west rail spur (the aluminum spur located off of ExxonMobil property) to provide on-going rail service to BOC Gases. Due to BOC's requirements, such work may only be performed between November and April of each year. Outages will be scheduled in advance with the agreement of BOC.

2) Funding of Work and Accounting For Costs

(a) The City shall pay the costs for work identified as part of the City's Scope of Work under the 1999 Agreement, as amended herein. Such costs shall not be considered as part of the costs to be borne by ExxonMobil, pursuant to Section II.G(3) of this Amendment.

3) Environmental Conditions

(a) The City has conducted soil tests on the Easement Property and has concluded that no remediation is required for the property's intended use.

C. The City has requested that it be permitted to oversee, coordinate and manage the relocation of the Los Angeles County Sanitation Districts sewer pipeline, as stated in Section I(B)(1)(a) herein. This activity will require relocation of the sewer pipeline by or at the direction of the City from the Easement Property onto another location within ExxonMobil's Refinery property. The City and ExxonMobil shall enter into a "RIGHT OF ENTRY FOR CONSTRUCTION PURPOSES" agreement regarding the rights and obligations, including indemnification, of the City in furtherance of this activity.

II. The Parties agree to amend Section 4, ExxonMobil's Obligations With Respect to the Del Amo Project, by adding a new subsection G as follows:

G. ExxonMobil agrees that it will undertake the following work or actions to assist the City in completion of the Del Amo Project:

1) Scope of Work

(a) Project definition, project development, project management, detailed engineering design, and construction management to support the implementation of this scope of work.

(b) Specific scope of work items are as follows:

(i) Installation of temporary shelters and temporary lighting for ExxonMobil's construction activities.

(ii) Modification of the southwest corner of Tank 5000x1 dike wall to provide adequate space for the relocation of other facilities on ExxonMobil property and restoration of containment capacity of the Tank 5000x1 berm to 110% of the tanks rated capacity. These actions will include demolition, construction and excavation and disposal of soil as necessary

(iii) Relocation, demolition, and/or reconstruction of surface drains and associated process water and stormwater pipelines.

(iv) Relocation, demolition and/or reconstruction of various structures, equipment or shelters currently located on the Easement Property or on adjacent Refinery property as may be determined to be necessary by ExxonMobil for completion of the ExxonMobil scope of work.

(v) Construction, relocation and/or modification, as may be required, of three ExxonMobil pipelines and their related appurtenances, designated as one 8-inch (No. M-134), one 8-inch (No. M-135), and one 8-inch (No. M-141) pipelines, respectively. Existing ExxonMobil pipelines that are determined by ExxonMobil to be in conflict with the City Project will be purged and abandoned in place pursuant to standard industry practice.

(vi) Design and coordination of the relocation of three third party hydrocarbon pipelines located within ExxonMobil's property. Existing portions of these pipelines that are underground will be purged and abandoned in place. It is expected that the third party owners of these pipelines will pay a portion of the relocation costs pursuant to existing agreements with such parties. In the event that ExxonMobil is unable to obtain agreement with, or entering into such agreement is unreasonably delayed by, any or all of the three third party owners regarding relocation of a hydrocarbon pipeline(s), or in the event that, after agreement with such party or parties, relocation of any or all of the third party pipelines is unreasonably delayed due to the acts or failures to act of such third party or parties, ExxonMobil shall provide written notification of such event to the City within 72 hours after ExxonMobil becomes aware of such event.

ExxonMobil and the City shall then meet and confer regarding resolution of issues regarding relocation of the third party pipeline(s).

(vii) Relocation by ExxonMobil of firewater lines and two firewater hydrants in the Easement Property.

(viii) Relocation of ExxonMobil power poles and lighting as may be required for Easement Property clearance.

(ix) Removal by ExxonMobil of a monitoring well on the Easement Property and installation of a new monitoring well on Refinery property.

(x) Construction of a new portion of access road, and reconnection to the existing access road on the south side of Tank 5000x1 as may be determined to be required by ExxonMobil. Reconstruction, as required by the relocation of pipelines, of the access road along Railroad Avenue.

(xi) Excavation, transportation, storage and disposal of soil and/or water associated with ExxonMobil's work or actions.

(xii) Removal of existing fencing and installation of new chain link fencing to ExxonMobil standards.

(xiii) Installation of "No Trespassing" signs on the Refinery perimeter fencing adjacent to the Easement Property.

(xiv) Provision of remote field signal apparatus located in close proximity to the road barriers to be constructed by the City on the Del Amo roadway. The field signal apparatus will communicate with the ExxonMobil operating consoles. ExxonMobil and the City will jointly develop emergency communication and activation protocols for response to emergency events. ExxonMobil will provide copies of its emergency response procedures to the City for review during development of the protocols.

(xv) Installation of four additional hydrocarbon detectors on the south perimeter of the Refinery's South Oil Movements LPG Storage Area.

(xvi) Performance of community familiarization through issuance of a brief article in ExxonMobil's community newsletter regarding the potential for driver distraction should a flaring event occur.

## 2) Schedule

(a) Subject to refinery operations, agreements with third parties, and review and approval by regulatory agencies, as applicable, ExxonMobil will complete the work required to clear the Easement Property (Items 1(b)(i)-(xii)) within the schedule prepared by ExxonMobil, a copy of which is attached to this Amendment as Exhibit A.. ExxonMobil will notify the City of any events that may significantly impact the schedule. Upon approval of the City, the schedule may be extended for such period of time as may be required by ExxonMobil to address significant impacts to the schedule and in a timeframe acceptable to the City so as to not jeopardize the City's funding requirements.

(b) The remaining work items (Items 1(b) (xiii)-(xvi)) will be completed within the proposed Del Amo Project completion schedule.

(c) ExxonMobil reserves the right to revise its proposed schedule and will notify the City of any significant change in schedule.

### 3) Funding of Work and Accounting for Costs

(a) It is understood that ExxonMobil has been expending money from the \$3 million reserve on design. ExxonMobil agrees that it will not proceed with any construction activities and/or incur expenses related to construction activities without prior written authorization from the City. Any construction activities and/or expenses related to construction activities without prior written authorization from the City will not be reimbursed by the City.

(b) The City understands that the \$3 million reserve established in the Del Amo Project pursuant to the 1999 Agreement was to be ExxonMobil's total monetary contribution to the Del Amo Project. ExxonMobil has to date committed approximately \$1,000,000 from funds in the \$3 million reserve.

(c) ExxonMobil and the City acknowledge that pursuant to ExxonMobil's scope of work set forth in Section II.G(1) above, certain activities will be undertaken on ExxonMobil's property, and that these activities will be performed by ExxonMobil or its contractors.

(d) ExxonMobil shall provide to the City an accounting of expenditures incurred on a quarterly basis, commencing with the third quarter of 2007. ExxonMobil shall provide such accounting to the City within sixty (60) days after the end of the quarter. The City shall review any such accounting and respond with its acceptance or notice of dispute of any charges within thirty (30) days of receipt of any accounting. The City understands and agrees that the failure to accept or dispute charges within the thirty (30) day timeframe shall be deemed as acceptance by the City of the ExxonMobil expenditures.

(e) The City agrees to reimburse ExxonMobil for the first \$5.5 million of expenditures, over the \$3 million dollar reserve, for ExxonMobil's scope of

work. Payment shall be made within seventy-five (75) days of final acceptance by the City of the ExxonMobil expenditures.

(f) The City agrees that ExxonMobil's obligations under the 1999 Agreement, and liability for any and all costs and expenses thereunder relating to or concerning the Del Amo Project, shall in no event and under no circumstances exceed: 1) the \$3 million dollar reserve; 2) the \$5.5 million dollars to be expended by ExxonMobil and reimbursed by the City; and 3) such additional costs and expenses not to exceed \$4 million dollars as may be incurred or expended by ExxonMobil.

4) Execution of Deed

(a) ExxonMobil will execute a "Roadway Easement and/or Right of Way" deed to the City once the actions identified as being the responsibility of ExxonMobil under the 1999 Agreement, as amended herein, have been completed.

III. The Parties agree to amend Section 5, Third Party Risk Analysis, by deleting the Section in its entirety and replacing it with a new Section 5 as follows:

5. Third Party Risk Analysis

A. A third party risk analysis has been completed which determines that raising the annual average refinery input limit to 200 TBPD, excluding external blend components, is acceptable as long as ExxonMobil complies with all of the mitigation measures contained in Exhibit A, as amended below.

B. Torrance Refinery Safety Advisor Project, Torrance Refinery Increase Report of May 5, 1999 ("Safety Advisor Report") and Actions Under The 1999 Agreement

(1) The Parties agree that the following Safety Advisor recommendations and actions under the 1999 Agreement will not be undertaken:

(a) Installation of signage at both ends of the Del Amo Extension suggesting that drivers focus on driving, even if a flaring event is in progress.

(b) Development of a common truck entrance and exit for ExxonMobil, Dow and BOC.

(c) Installation of a reinforced decorative concrete wall on the refinery perimeter.

(2) The Parties further agree that the following Safety Advisor Report recommendations and 1999 Agreement actions have been completed or addressed:

(a) ExxonMobil provided the City with an irrevocable offer to dedicate 39,700 square feet of property for the Del Amo Project under a letter agreement entered into between ExxonMobil and the City dated June 30, 1999.

(b) ExxonMobil provided the City with an unconditional, irrevocable guarantee in the amount of \$3 million under a Guarantee of Payment, dated July 7, 1999, executed by ExxonMobil.

(c) ExxonMobil confirmed that no additional safety or hazard mitigation measures are required due to the construction of a pentane sphere near the Liquefied Petroleum Gases ("LPG") storage area.

(d) ExxonMobil provided the City with the Process Hazard Analysis ("PHA") for Tank 5000x1. No additional safety precautions are required for Tank 5000x1.

Except as herein amended, all of the terms, provisions and conditions of the 1999 Agreement are reaffirmed and shall remain in full force and effect.

**IN WITNESS WHEREOF**, this Amendment has been executed, in duplicate, by the Parties and effective as of the date first above written.

**CITY OF TORRANCE,**  
a Municipal Corporation

**ExxonMobil Oil Corporation**

\_\_\_\_\_  
Frank Scotto, Mayor

By: \_\_\_\_\_  
Maxwell A. Ocansey  
Torrance Refinery Manager  
For ExxonMobil Oil Corporation

ATTEST:

\_\_\_\_\_  
Sue Herbers, City Clerk

APPROVED AS TO FORM:

JOHN L. FELLOWS III  
City Attorney

By: \_\_\_\_\_  
Patrick Q. Sullivan  
Deputy City Attorney

**AGREEMENT BETWEEN MOBIL OIL CORPORATION  
AND THE CITY OF TORRANCE**

This Agreement is made and entered into as of May 11, 1999 ("Effective Date"), by and between the City of Torrance, a municipal corporation ("City") and the Mobil Oil Corporation, a New York corporation ("Mobil").

**RECITALS:**

- A. On May 19, 1992, by City of Torrance Ordinance No. 3351, the City granted a pipeline franchise to Mobil for that portion of the M-70 pipeline running along Prairie Avenue in the City of Torrance between 190<sup>th</sup> Street and the northerly City limits.
- B. Pursuant to Ordinance No. 3351, throughput of the M-70 pipeline was capped at 95 Thousand Barrels per Day ("TBPD"), and at 63.5 TBPD if the refinery's crude unit processing inputs exceeded 130 TBPD. These caps were imposed in conformity with the environmental analysis for the M-70 pipeline (Proposed M-70 Pipeline Replacement and System Optimization Project, Final Environmental Impact Report/Statement, SCH No. 89010177). The purpose of the throughput cap linked to the crude unit's processing inputs was to control air emissions from the refinery.
- C. Subsequent to the M-70 EIR/EIS, Mobil undertook additional environmental analysis in connection with the reformulated fuels process (Mobil Torrance Refinery Reformulated Fuels Project, Final Environmental Impact Report, SCH No. 93011009). This subsequent environmental analysis considered air quality issues in connection with imposition of reformulated fuels requirements and concluded that no additional air quality impacts will result from sustained crude unit processing of 160 TBPD of crude input.
- D. Mobil now wishes to amend Ordinance No. 3351 to increase the crude unit processing cap to 160 TBPD and institute a total refinery input limit, excluding external blending components, to 200 TBPD and apply California State Fire Marshal standards and requirements to the M-70 pipeline operation, with both changes to be consistent with existing environmental assessments and emission limits.
- E. At the same time Mobil and the City wish to continue their historic cooperation with respect to the Consent Decree and with respect to other infrastructure improvements in the area of the refinery, including the City's proposed project to extend Del Amo Boulevard from Madrona Avenue to Crenshaw Boulevard (the "Del Amo Project").

1999-100

**ORIGINAL COPY**

**AGREEMENT:**1. City's Obligations.

A. City agrees to present to the City Council and pursue expeditious adoption of a proposed ordinance amending Ordinance No. 3351 to delete the M-70 pipeline throughput cap and the 130 TBPD annual average crude processing limit on the refinery operation. If adopted, the proposed ordinance would authorize a total maximum average annual input of crude at 160 TBPD and intermediate feedstock for a total not to exceed 200 TBPD, excluding external blend components, and provide the City the authority to approve a 10% increase in the maximum total input upon demonstration by Mobil of no degradation of the refinery environmental, health and safety performance as a result of such increase. Adequate demonstration would require the concurrence of the City Council upon the recommendation of City staff, the Torrance Fire Department, and a third party safety expert acceptable to the City. Mobil will pay the cost of the third party safety expert.

2. Mobil's Obligations With Respect to the M-70 Pipeline.

A. The operation of the M-70 pipeline will at all times be consistent with State Fire Marshal regulations for pipelines and all other applicable government laws, rules and regulations.

3. Mobil's Obligations With Respect to Refinery Operations.

A. Mobil will track the refinery's performance relative to environmental, health and safety activities in order to demonstrate that increasing the crude unit input limit does not lead to any degradation of performance as compared to the established operating baseline listed below:

<u>Item</u>	<u>Baseline</u>
• All fires reportable to Torrance Fire Department (Defined as all reportable fires including incidents such as burning paper and smoldering scaffold)	12
• OSHA recordables	17
• OES reportable releases	29
• Confirmed community odor complaints	40

B. While the proposed 200 TBPD maximum average annual refinery input is based on annual averages and Critical Design Review, each refinery unit will be operated consistent with its demonstrated safety threshold. Any increase in the demonstrated safety threshold must be accomplished as outlined in the Torrance Refinery Safety Advisor Project, Torrance Refinery ("Rate Cap") Increase Report of May 5, 1999, attached as Exhibit A to this Agreement.

- C. Mobil will provide a written report to the Torrance Fire Department on a quarterly basis of the refinery's performance against these baseline metrics. If it appears that a degradation of performance has occurred in any quarter, a review by a mutually agreeable third party may be required, at the discretion of the City, to assess the situation and recommend corrective actions. Mobil will pay the cost of the third party review. Further, Mobil will in a timely manner report to the Torrance Fire Department any process upset or other incident that Mobil reasonably believes may have occurred as a result of the increased refinery inputs.
4. Mobil's Obligations With Respect to the Del Amo Project.
- A. Mobil will not oppose the efforts of City to extend Del Amo Blvd. from Madrona Avenue to Crenshaw Boulevard, provided all recommendations contained in the Safety Advisor's Del Amo Boulevard Extension Hazard Analysis Report of May 5, 1999, are implemented. A copy of the Safety Advisor's Del Amo Boulevard Extension Hazard Analysis Report of May 5, 1999, is attached as Exhibit B to this Agreement.
- B. If the City Council adopts an ordinance amending Ordinance No. 3351, and the ordinance goes into effect without challenge, within fifteen days after the ordinance becomes effective, Mobil will provide City with an irrevocable offer to dedicate a right of way consisting of approximately 39,700 square feet of property. The irrevocable offer will be in the form attached as Exhibit C.
- C. Mobil will be responsible for any soil remediation costs associated with the land dedicated by Mobil for the Del Amo Project.
- D. If the City Council adopts an ordinance amending Ordinance No. 3351, and the ordinance goes into effect without challenge, within fifteen days after the ordinance becomes effective, Mobil will provide the City with a \$3,000,000 irrevocable, unconditional guaranty from the Mobil Corporation, the parent company to the Mobil Oil Corporation. In the event Mobil Corporation ceases to exist, Mobil Corporation will provide a substitute guaranty in the same form from an entity of comparable financial worth acceptable to City or alternate security acceptable to the City. Payment under the guaranty, the guaranty to be in the form attached as Exhibit D, is Mobil's total contribution to the costs associated with the Del Amo Project, including but not limited to the following:
- (1) Refinery modifications necessary to clear the right of way for the Del Amo Project. This includes relocation of the railroad spur, an active pipeline, and moving and raising the impacted tank dike. Mobil will not, however, be required to relocate tank 5000X1 or any refinery flare as part of the Del Amo Project.

- (2) All risk mitigation, traffic control, and perimeter improvements identified in Exhibit B.
- (3) Development of a common truck entrance and exit for Mobil, Dow and BOC to accommodate the Del Amo Project.

E. Funds for the work identified above will be released to City upon presentation by the City of appropriate invoices for covered expenses. In the event the City fails to commence or to complete the Del Amo Project, within two years from the Effective Date of this Agreement, any unexpended portion of the \$3,000,000 guaranty will be released to the City. Notwithstanding the above, should City at any time declare its intent to abandon or place the Del Amo Project on hold, Mobil will release all of the remaining \$3,000,000 to City within thirty days of receipt of the City's written request for disbursement. Under either circumstance, \$3,000,000 is the total agreed sum Mobil will be required to contribute to the City's infrastructure improvements and refinery modifications as set forth in sections 4.C.(1), (2) and (3), associated with the Del Amo Project.

F. If the City Council adopts an ordinance amending Ordinance No. 3351, as provided under paragraph 1.A. above, and the ordinance goes into effect without being challenged, Mobil will, within fifteen days of the date the ordinance becomes effective, provide City with an additional cash payment, pursuant to the following schedule:

- (1) Final Council action prior to June 1, 1999- \$2,000,000
- (2) Final Council action prior to August 31, 1999- \$1,500,000
- (3) Final Council action prior to December 1, 1999-\$1,000,000

5. Third Party Risk Analysis.

A third party risk analysis has been completed which determines that raising the annual average refinery input limit to 200 TBD, excluding external blend components, is acceptable as long as Mobil complies with all of the mitigation measures contained in Exhibit A.

6. Conflict of Interest.

A. No officer or employee of the City may have any financial interest, direct or indirect, in this Agreement, nor may any officer or employee participate in any decision relating to the Agreement that effects the officer or employee's financial interest or the financial interest of any corporation, partnership or association in which the officer or employee is, directly or indirectly interested, in violation of any law, rule or regulation.

B. No person may offer, give, or agree to give any officer or employee or former officer or employee, nor may any officer or employee solicit, demand, accept, or agree to accept from another person, a gratuity or an offer of employment in connection with any decision, approval,

disapproval, recommendation, preparation or any part of a program requirement or a purchase request, influencing the content of any specification or procurement standard, rendering of advice, investigation, auditing, or in any other advisory capacity in any way pertaining to any program requirement, contract or subcontract, or to any solicitation or proposal.

7. Notice.

- A. All notices, requests, demands, or other communications under this Agreement will be in writing. Notice will be sufficiently given for all purposes as follows:
- (1) Personal delivery. When personally delivered to the recipient: notice is effective on delivery.
  - (2) 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 an United States Postal Service office or mailbox.
  - (3) Certified mail. When mailed certified mail, return receipt requested: notice is effective on receipt, if delivery is confirmed by a return receipt.
  - (4) 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.
  - (5) 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. 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 non-business day.

Addresses for purpose of giving notice are as follows:

Mobil: Mobil Oil Corporation  
Torrance Refinery  
3700 West 190<sup>th</sup> Street  
Torrance, CA 90509-2929  
Fax: (310) 212-1887

City: City Clerk  
City of Torrance  
3031 Torrance Boulevard  
Torrance, CA 90509-2970  
Fax: (310) 618-2931

- B. 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.
- C. Either party may change its address or fax number by giving the other party notice of the change in any manner permitted by this Agreement.
8. Prohibition Against Assignment and Subcontracting.  
This Agreement and all exhibits are binding on the heirs, successors, and assigns of the parties. The Agreement may not be assigned or subcontracted by either City or Mobil without the prior written consent of the other. The parties agree the completion of the proposed merger of Exxon and Mobil is not an assignment or subcontracting of which approval of the City is required. In such event, the resulting entity or operator of the Torrance Refinery, if other than Mobil Oil Corporation, will be obligated to perform all Mobil commitments under this Agreement.
9. Integration; Amendment.  
This Agreement represents the entire understanding of City and Mobil as to those matters contained in it. No prior oral or written understanding will be of any force or effect with respect to the terms of this Agreement. The Agreement may not be modified or altered except in writing signed by both parties.
10. Interpretation.  
The terms of this Agreement should be construed in accordance with the meaning of the language used and should not be construed for or against either party by reason of the authorship of this Agreement or any other rule of construction that might otherwise apply.

11. Severability.  
If any part of this Agreement is found to be in conflict with applicable laws, that part will be inoperative, null and void insofar as it is in conflict with any applicable laws, but the remainder of the Agreement will remain in full force and effect.
12. Governing Law; Jurisdiction.  
This Agreement will be administered and interpreted under the laws of the State of California. Jurisdiction of any litigation arising from the Agreement will be in Los Angeles County, California.
13. Waiver of Breach.  
No delay or omission in the exercise of any right or remedy by a nondefaulting party on any default will impair the right or remedy or be construed as a waiver. A party's consent or approval of any act by the other party requiring the first party's consent or approval will not be deemed to waive or render unnecessary that party's consent to or approval of any subsequent act. Any waiver by either party of any default must be in writing and will not be a waiver of any other default concerning the same or any other provision of this Agreement.
14. Attorney's Fees.  
In any dispute, litigation, arbitration, or other proceeding by which one party either seeks to enforce its rights under this Agreement (whether in contract, tort or both) or seeks a declaration of any rights or obligations under this Agreement, the prevailing party will be awarded reasonable attorney's fees, together with any costs and expenses, to resolve the dispute and to enforce any judgment.
15. Exhibits.  
All exhibits identified in this Agreement are incorporated into the Agreement by this reference.
16. Mobil's Authority to Execute.  
The person(s) executing this Agreement on behalf of Mobil warrant that (i) Mobil is duly organized and existing; (ii) they are duly authorized to execute this Agreement on behalf of Mobil; (iii) by so executing this Agreement, Mobil is formally bound to the provisions of this Agreement; and (iv) the entering into this

Agreement does not violate any provision of any other Agreement to which Mobil is bound.

City of Torrance,  
a Municipal Corporation

By: Dee Hardison  
Dee Hardison,  
Mayor

Mobil Oil Corporation,  
a New York corporation

By: Harry A. McVeigh 5/6/99  
Harry A. McVeigh  
Mobil West Region Manager

ATTEST:

Sue Herbers  
Sue Herbers, City Clerk

APPROVED AS TO FORM:

JOHN L. FELLOWS III  
City Attorney

By: Heather K. Whitham  
Heather K. Whitham,  
Deputy City Attorney

List of Exhibits:

- Exhibit A- Torrance Refinery Safety Advisor Project, Torrance refinery ("Rate Cap") Increase Report of May 5, 1999.
- Exhibit B- Safety Advisor's Del Amo Boulevard Extension Hazard Analysis Report of May 5, 1999
- Exhibit C- Property to be Dedicated
- Exhibit D- Guaranty