

MITIGATION AGREEMENT

Title: Interim Removal Measure Workplan for the Ascon Landfill Site

Location: City of Huntington Beach, Orange County, California

WHEREAS, the California Department of Toxic Substances Control (DTSC) prepared an Initial Study/Mitigated Negative Declaration (IS/MND) which analyzed the potential adverse environmental impacts, including air quality impacts, from the Interim Removal Measure (IRM) Workplan for the Ascon Landfill Site project; and

WHEREAS, the DTSC approved the Interim Removal Measure Workplan for the Ascon Landfill Site (the Project) on May 10, 2010. In accordance with the requirements of the California Environmental Quality Act (CEQA), the DTSC also adopted the IS/MND on May 10, 2010 and transmitted the Notice of Determination to the State Clearinghouse on May 12, 2010; and

WHEREAS, the IS/MND provided mitigation measures, in which the Project approval was conditioned on the Project Proponent¹ minimizing emissions from on-site equipment and haul trucks to the extent feasible and monitoring, calculating, and off-setting emissions in a manner acceptable to the SCAQMD, to mitigate significant air quality impacts; and

WHEREAS, Mitigation Measure AQ-3 requires the authorized representative of the Project Proponent to enter into a Mitigation Agreement with the SCAQMD requiring the Project Proponent to purchase NOx credits to offset any NOx emissions above 100 pounds per day for the entire duration of the Project; and

WHEREAS, with the implementation of Mitigation Measure AQ-3 and the purchase of emission credits from an acceptable SCAQMD-approved emission credit protocol or regulation, it was concluded that the significant adverse NOx emission impacts can be mitigated to a less than significant level; and

WHEREAS, a Mitigation Monitoring and Reporting Plan (MMRP) has been prepared pursuant to Public Resources Code §21081.6, which outlines the requirements of Mitigation Measure AQ-3 and identifies the Project Proponent and the DTSC as the responsible monitoring party and the DTSC as the verifying and approving party; and

WHEREAS, the Project Proponent has designated Project Navigator, Limited as its authorized representative (Project Coordinator), as set forth in the Agreement for Services between the Project Proponent and Project Navigator, Limited, dated October 1, 2001; and

¹ The Project Proponent consists of: Atlantic Richfield Company; Chevron Environmental Management Company, for itself and as Attorney-in Fact for Chevron U.S.A. Inc., Chevron Pipe Line Company and Texaco Inc.; ConocoPhillips Company; The Dow Chemical Company; Shell Oil Company for itself and on behalf of its affiliate; Southern California Edison Company; Northrop Grumman Systems Corporation (successor to TRW Inc.); and Exxon Mobil Corporation.

WHEREAS, the Project Coordinator or its successor(s) will enter into a contract to purchase the NOx emission credits required to fulfill the Project Proponent's or its successor(s)' obligations under Mitigation Measure AQ-3; and

WHEREAS, in accordance with applicable procedures set forth under SCAQMD-approved protocols and/or applicable SCAQMD regulations, the Project Coordinator or its successor(s) will purchase a minimum of 4,248 pounds of NOx emission credits projected to be needed to offset daily emissions above 100 pounds per day and will retire the entire amount within 3 weeks of the signing of the Mitigation Agreement by all parties; and

WHEREAS, the Project Proponent or its successor(s) will be given a 15-day reconciliation period after each quarter in which IRM-related activities occurred (three calendar months ending September 30th, December 31st, March 31st, June 30th) and after all activities including demobilization are completed, without penalties, for the Project Coordinator or its successor(s) to purchase additional emission credits, if needed, to continue the project; and failure to do so will result in a penalty of purchasing additional credits in an amount equal to the additional excess emissions plus 100 percent of the additional excess emissions; and

WHEREAS, the cost of the NOx emission credits will be determined by the market rate at the time of purchase; and

WHEREAS, if the Project is not completed prior to the expiration of the emission credits, the Project Coordinator or its successor(s) will replace those expired emission credits with current, active emission credits in the amount needed to complete the project; and

NOW, THEREFORE, BE IT RESOLVED, the SCAQMD, as a responsible agency, agrees to verify that the implementation of Mitigation Measure AQ-3 occurs in accordance with SCAQMD recommended processes and procedures, specifically, the purchase by the Project Coordinator of a minimum of 4,248 pounds of NOx emission credits and the purchase of quarterly reconciliation credits, if necessary, to mitigate significant adverse NOx emissions from the Project pursuant to the conditions in the MMRP, and forward the record(s) of transaction to the DTSC.

BE IT FURTHER RESOLVED, the Project Coordinator or its successor(s) will purchase the appropriate amount of NOx emission credits, and ensure the retiring of the emission credits, the reconciliation of any criteria pollutant emissions, if warranted, and comply with the mitigation measure requirements detailed in the MMRP for AQ-3, including the meter reading and recordkeeping, and supply the DTSC with verification of compliance prior to commencement of and during IRM activities.

BE IT FURTHER RESOLVED, the Project Proponent or its successors are solely responsible for purchasing all necessary credits, which credits shall be purchased by the Project Coordinator.

SIGNATURE PAGE

Dated: 7/9/2010

Signed: Barry R. Wallerstein
Barry R. Wallerstein, D.Env.
Executive Officer
South Coast Air Quality Management District

APPROVED AS TO FORM

By: Kurt R. Wiese
Kurt R. Wiese
General Counsel
South Coast Air Quality Management District

Dated: 6/30/10

Signed: Greg Holmes
Greg Holmes
Unit Chief
Supervising Hazardous Substances Scientist
Brownfields and Environmental Restoration
Program
Department of Toxic Substance Control

The authorized representatives of the Project Proponent have agreed to the terms and conditions of this Mitigation Agreement for the Interim Removal Measure Workplan for the Ascon Landfill Site, and have authorized the Project Coordinator to sign this Mitigation Agreement.

THE PROJECT PROPONENT

Dated: 6/30/10

Signed: Tamara Zeier
Tamara Zeier, P.E.
Project Navigator, Ltd.
Project Coordinator

On behalf of the Project Proponent