

This page is part of your document - DO NOT DISCARD

05 2837315

RECORDED/FILED IN OFFICIAL RECORDS
RECORDER'S OFFICE
LOS ANGELES COUNTY
CALIFORNIA
11/22/05 AT 08:00am

TITLE(S) :



FEE

FREE 00

19

CODE
20

CODE
19

CODE
9

D.T.I.

CALIFORNIA REGIONAL WATER
QUALITY CONTROL BOARD
LOS ANGELES REGION

2005 DEC 14 PM 3:01

RECEIVED

Assessor's Identification Number (AIN)

To be completed by Examiner OR Title Company in black ink.

Number of AIN's Shown

THIS FORM IS NOT TO BE DUPLICATED

LandAmerica Commercial Services

05 2837315

Recording Requested By:

Honeywell International Inc.
101 Columbia Turnpike
Morristown, NJ 07962

When Recorded, Mail To:

Executive Officer
California Regional Water Quality Control Board
Los Angeles Region
320 W. 4th Street, Suite 200
Los Angeles, California 90013

6153497-27

CALIFORNIA REGIONAL WATER
QUALITY CONTROL BOARD
LOS ANGELES REGION

2005 DEC 14 PM 3:01

**COVENANT AND ENVIRONMENTAL RESTRICTION
ON PROPERTY**

THIS COVENANT AND ENVIRONMENTAL RESTRICTION ON PROPERTY ("Covenant") is made as of the 10th day of November 2005 by **HONEYWELL INTERNATIONAL INC.**, a Delaware corporation ("Covenantor") which is the Owner of record of that certain property situated in the City of El Segundo, County of Los Angeles, State of California, which property is more particularly described in **Exhibit A** attached hereto and incorporated herein by this reference (hereinafter referred to as the "**Burdened Property**"), for the benefit of the **CALIFORNIA REGIONAL WATER QUALITY CONTROL BOARD** ("**Board**," as further defined in Section 2.01 below), Los Angeles Region, with reference to the following facts:

- A. The Burdened Property and groundwater underlying it contain hazardous materials.
- B. The historical operations at the Burdened Property included, without limitation, phthalic anhydride manufacturing, solvents distribution and production and distribution of refrigerants.
 1. The historical operations resulted in the contamination of groundwater with chemicals including, without limitation, carbon tetrachloride, chloroform, methylene chloride, trichlorofluoromethane, trichloroethene, 1,1-dichloroethene and arsenic; the contamination of deep soil with chemicals including, without limitation, carbon tetrachloride, chloroform, methylene chloride, trichlorofluoromethane, dichlorodifluoromethane, 1,1,2-trichlorofluoroethane, chlorodifluoromethane, 1,1-dichloro-1-fluoroethane, trichloroethene and 1,1-dichloroethene; and the contamination of shallow soil with chemicals including, without limitation, carbon tetrachloride, chloroform, methylene chloride, trichlorofluoromethane, dichlorodifluoromethane, 1,1,2-

trichlorofluoroethane, chlorodifluoromethane, 1,1-dichloro-1-fluoroethane, trichloroethene, 1,1-dichloroethene, dichlorodiphenyltrichloroethane (DDT), dichlorodiphenyldichloroethylene (DDE), dichlorodiphenyldichloroethane (DDD), benzo[a]pyrene, benzo[a]anthracene, benzo[b,k]fluoranthene, chrysene, dibenz[a,h]anthracene, indeno[1,2,3-cd]pyrene, heptachlor epoxide, Aroclor 1248, Aroclor 1260, phthalic anhydride, chromium, antimony, lead, and arsenic. The foregoing contaminants are hazardous materials as that term is defined in California Health & Safety Code § 25260.

2. The contaminants at the Burdened Property are expected to be addressed by the following remedial program: soils exceeding risk-based criteria approved by the Board have been or will be removed to a depth of approximately ten feet below ground surface; soil vapor will be extracted in accordance with the Board approved remedial action plan; vapor barriers will be placed under buildings to be constructed at the Burdened Property; and Groundwater Remediation Work (as defined in Section 2.06 below) will be performed, if required; in each case, to the extent applicable and appropriate.

C. The contaminants addressed in this Covenant are present in soil and groundwater on or under the Burdened Property. The Board has issued an approval of the soil remedial action plan, a copy of which is attached hereto as **Exhibit B**. Without the mitigation measures which have been and will be performed on the Burdened Property, exposure to these contaminants could take place through contact with subsurface soils during the course of subsurface excavation activities and work; through contact with groundwater or surface water accumulating in excavated areas; and through inhalation of contaminants volatilizing from groundwater or subsurface soils. The risk of public exposure to the contaminants has been and will be substantially lessened by the remediation and controls described herein.

D. The Burdened Property is currently vacant, but it is intended for commercial, retail, office and/or industrial use and it is adjacent to commercial and industrial uses.

E. Full and voluntary disclosure to the Board of the presence of hazardous materials on the Burdened Property has been made and extensive sampling of the Burdened Property has been conducted.

F. Covenantor desires and intends that in order to benefit the Board and to protect the present and future public health and safety, the Burdened Property shall be used in such a manner as to avoid potential harm to persons or property that may result from hazardous materials that may have been deposited on portions of the Burdened Property.

ARTICLE I. GENERAL PROVISIONS

Section 1.01 **Provisions to Run with the Land.** This Covenant sets forth protective provisions, covenants, conditions and restrictions (collectively referred to as "Restrictions") upon and subject to which the Burdened Property and every portion thereof shall be improved, held, used, occupied, leased, sold, hypothecated, encumbered, and/or conveyed. The restrictions

set forth in Article III are reasonably necessary to protect present and future human health and safety or the environment as a result of the presence of hazardous materials in the land and groundwater. Each and all of the Restrictions are for the benefit of all portions of the Burdened Property, shall run with the land, shall pass with each and every portion of the Burdened Property, and shall apply to, inure to the benefit of, and bind the respective successors in interest thereof, for the benefit of the Board, the Covenantor and all Owners (as defined in Section 2.08 below) and Occupants (as defined in Section 2.09 below). Each and all of the Restrictions are imposed upon the entire Burdened Property. Each and all of the Restrictions run with the land pursuant to section 1471 of the Civil Code. Each and all of the Restrictions shall be enforceable by the Board and by the Covenantor.

Section 1.02 Concurrence of Owners and Lessees Presumed. All purchasers, lessees, or possessors of any portion of the Burdened Property shall be deemed by their purchase, leasing, or possession of such Burdened Property to be in accord with the foregoing and to agree for and among themselves, their heirs, successors, and assignees, and the agents, employees, and lessees of such owners, heirs, successors, and assignees, that the Restrictions as herein established must be adhered to for the benefit of the Board, the Covenantor and the Owners and Occupants of the Burdened Property and that the interest of the Owners and Occupants of the Burdened Property shall be subject to the Restrictions contained herein.

Section 1.03 Incorporation into Deeds and Leases. Covenantor desires and covenants that the Restrictions set out herein shall be incorporated by it in and attached to each and all deeds and leases of any portion of the Burdened Property and Covenantor requests that all future Owners of the Burdened Property, or any portion thereof, similarly cause that the Restrictions set out herein shall be incorporated by them in and attached to each and all deeds and leases of any portion of the Burdened Property executed by them. Nevertheless, recordation of this Covenant shall be deemed binding on all successors, assigns, subsequent Owners and lessees, regardless of whether a copy of this Covenant and Agreement has been attached to or incorporated into any given deed or lease.

Section 1.04 Purpose. It is the purpose of this instrument to convey to the Board real property rights and to retain certain such rights for Covenantor, which rights will run with the land, to facilitate the remediation of past environmental contamination and to protect human health and the environment by reducing the risk of exposure to residual hazardous materials.

ARTICLE II. DEFINITIONS

Section 2.01 Board. "Board" shall mean the California Regional Water Quality Control Board, Los Angeles Region and shall include its successor agencies, if any.

Section 2.02 Board-Approved Work. "Board-Approved Work" shall mean current and future remedial and investigation work performed pursuant to plans, procedures and requirements approved by the Board.

Section 2.03 Burdened Property. "Burdened Property" shall have the meaning given in the first paragraph appearing above.

Section 2.04 Covenant. "Covenant" shall have the meaning given in the first paragraph appearing above.

Section 2.05 Covenantor. "Covenantor" shall have the meaning given in the first paragraph appearing above, and also shall include the successors and assigns of Honeywell International Inc.; provided, the foregoing notwithstanding, Covenantor shall not include any Owner other than Honeywell International Inc.

Section 2.06 Groundwater Remediation Work. "Groundwater Remediation Work" shall mean Board-Approved Work for remediating contamination in the groundwater at the Burdened Property.

Section 2.07 Improvements. "Improvements" shall mean all buildings, roads, driveways, regradings, and paved parking areas, constructed or placed upon any portion of the Burdened Property.

Section 2.08 Occupants. "Occupants" shall mean any persons entitled by ownership, leasehold, or other legal relationship to use and/or occupy all or any portion of the Burdened Property.

Section 2.09 Owner or Owners. "Owner" or "Owners" shall mean the Covenantor and/or its successors in interest during the period that Covenantor and/or its successors in interest hold title to all or any portion of the Burdened Property. Upon conveyance of the Burdened Property, "Owner" or "Owners" shall also mean the person or entity that holds title to all or any portion of the Burdened Property.

Section 2.10 Restrictions. "Restrictions" shall have the meaning given in Section 1.01 above.

ARTICLE III. DEVELOPMENT, USE AND CONVEYANCE OF THE BURDENED PROPERTY

Section 3.01 Restrictions on Development and Use. Owners shall restrict the use of the Burdened Property as follows:

(a) Development of the Burdened Property shall be restricted to industrial, commercial, retail or office space uses.

(b) No residence for human habitation shall be permitted on the Burdened Property; provided, the foregoing notwithstanding, the Burdened Property may be used for purposes of a hotel on condition that all hotel rooms for overnight accommodation shall be at least one (1) floor above the ground floor; there shall be no hotel basement space. In the event such hotel use contradicts or requires modification to the risk assessment(s) used to obtain regulatory approvals of remedial activities at the Burdened Property (including, without limitation, institutional and engineering controls), the Owner or Occupant shall, at the Owner or Occupant's expense and to the Covenantor's reasonable satisfaction, (i) prepare a revised risk assessment appropriate for such hotel use, (ii) obtain approval for such use from the City of El Segundo and from applicable state agencies including, without limitation, the Board, and (iii) perform any new and additional remedial activities and modifications to existing remedial activities that may be required by such revised risk assessment and approval;

(c) No hospitals shall be permitted on the Burdened Property;

(d) No schools for persons under twenty one (21) years of age shall be permitted on the Burdened Property;

(e) No day care centers for children or senior citizens shall be permitted on the Burdened Property;

(f) Owners or Occupants of the Burdened Property or any portion thereof may conduct excavation work on the Burdened Property without further notice to or approval by the Board to the extent that such excavation work is confined to the first four (4) feet below ground surface or is wholly within refilled soils in areas that previously have been excavated and refilled with clean fill. Owners or Occupants shall perform no other excavation work unless pursuant to a health and safety plan approved in writing by the Board. Any contaminated soils brought to the surface by grading, excavation, trenching, or backfilling shall be managed by the Owner and/or Occupants in accordance with all applicable provisions of local, state and federal law;

(g) All uses and development of the Burdened Property shall be consistent with any applicable Board order or risk management plan, each of which is hereby incorporated herein by reference, and including future amendments thereto. All uses and development shall preserve the integrity of any existing or future remedial measures pursuant to the requirements of the Board including, without limitation, any cap, remedial equipment, groundwater monitoring system, or any other Board-Approved Work on the Burdened Property, unless otherwise expressly permitted in writing by the Board and Covenantor.

(h) No Owners or Occupants of the Burdened Property or any portion thereof shall drill, bore, otherwise construct, or use a well for the purpose of extracting water for any use, including but not limited to, domestic, potable, or industrial uses.

(i) In the event that the Covenantor, Owners or Occupants are responsible for or cause any of the following occurrences, the responsible entity shall notify the Board in writing of the occurrence, including: (i) the type, cause, location and date of any material disturbance (but not including routine maintenance) to any cap or remedial measures, any remedial equipment and the groundwater monitoring system on the Burdened Property installed currently or in the future pursuant to the requirements of the Board, which could affect the ability of such cap or remedial measures, remedial equipment, or monitoring system to perform their respective functions and (ii) the type and date of repair of such disturbance. Notification to the Board shall be made by registered mail within ten (10) working days of both the discovery of such disturbance and the completion of repairs.

(j) The Owner and Occupant shall provide to the Board and Covenantor, and to any other persons acting pursuant to Board orders or performing Board-Approved Work, reasonable access to the Burdened Property for the purposes of inspection, surveillance, maintenance, or monitoring, as provided for in Division 7 of the Water Code, and for the performance of such Board-Approved Work.

(k) No Owner or Occupant of the Burdened Property shall act in any manner that will aggravate or contribute to the existing environmental conditions of the Burdened Property. All use and development of the Burdened Property shall be conducted in such manner so as to preserve the integrity of any capped areas and be consistent with the performance of Board-Approved Work.

(l) All Occupants shall execute a written instrument which shall accompany all purchase agreements or leases relating to the Burdened Property. Such instrument shall contain the following statement:

All Occupants acknowledge that a vapor barrier has been installed underneath each building on the Burdened Property to protect indoor air quality, and that such barrier is specially sealed to avoid any vapor intrusions to the building. Each Occupant will take all appropriate steps to protect the integrity of the barrier at all times, including avoiding taking any action that may result in breach, cutting, holes, openings or any other penetration or intrusion of the barrier therein. Prior to conducting any activities that may pose a risk to the integrity of the barrier, including without limitation penetration, drilling or cutting, each Occupant shall provide Owner with a 10-day notice of such proposed action, and shall: (i) designate a contractor qualified to work with such barrier; (ii) inform such contractor of the existence of the barrier and the need to maintain its integrity; (iii) obtain Owner's prior written approval of such contractor, in Owner's sole discretion; and (iv) obtain Owner's prior written approval to engage in any such activity.

Each Occupant shall ensure that the approved contractor: (v) understands the location of plumbing and utilities located below the barrier; (vi) reviews as-built construction drawings to determine location of the subslab vent system, monitoring probes and remediation equipment; (vii) take all appropriate steps to prevent disturbance, cutting or scratching of the barrier; (viii) replace sand layer as soon as practicable; (ix) test barrier seam/folds and visually inspect barrier for damage. Owner shall have the right, but not the obligation, to be present and/or monitor Occupant's proposed activities.

Section 3.02 Enforcement. Failure of an Owner or Occupant to comply with any of the restrictions, as set forth in Section 3.01 above, shall be grounds for the Board and/or Covenantor, by reason of this Covenant, to have the authority to require that the Owner modify or change the use of any Improvements constructed in violation of that paragraph so as to comply with such restrictions, unless such Improvements were constructed and used in accordance with entitlements approved by the City of El Segundo, or permitted by the Board pursuant to Section Section 3.01(a) or Section 3.01(b) above. The Board and covenantor shall provide the Owner or Occupant with written notice to cure, and the Owner or Occupant shall commence the cure within thirty (30) days thereafter.

(a) Violation of the Covenant shall be grounds for the Board and the Covenantor to file civil actions against the Owner as provided by law.

(b) There are no adequate remedies at law for violation of the Covenant, and the failure of any Owner or Occupant to comply with the Covenant may be enjoined (including both mandatory and prohibitory injunctions) by appropriate legal proceedings instituted by Covenantor and/or the Board.

Section 3.03 Notice in Agreements. After the date of recordation hereof, all Owners and Occupants shall execute a written instrument which shall accompany all purchase

8

agreements or leases relating to the Burdened Property. Any such instrument shall contain the following statement:

The land described herein contains or has contained hazardous materials in soils and in the ground water under the property, and is subject to a Covenant and Environmental Restriction on Property dated as of November ____, 2005, and recorded on _____, 2005, in the Official Records of Los Angeles County, California, as Instrument No. _____, which Covenant and Environmental Restriction imposes certain covenants, conditions, and restrictions on usage of the property described herein. This statement is not a declaration that a hazard exists.

ARTICLE IV. VARIANCE, TERMINATION, MODIFICATION AND TERM

Section 4.01 **Variance.** Subject to Section 4.03 below, any Owner or, with the Owner's consent, any Occupant of the Burdened Property or any portion thereof may apply to the Board for a written variance from the provisions of this Covenant.

Section 4.02 **Termination.** Subject to Section 4.03 below, any Owner or, with the Owner's consent, any Occupant of the Burdened Property or a portion thereof may apply to the Board for a termination of the Restrictions as they apply to all or any portion of the Burdened Property.

Section 4.03 **Modification.** This Covenant may not be modified in any way (including, without limitation, by variance pursuant to Section 4.01 above and termination pursuant to Section 4.02 above) without notice to and the prior written consent of Covenantor, which consent may be given or withheld in the sole and absolute discretion of Covenantor. Any purported modification in violation of this Section 4.03 shall be of no force and effect.

Section 4.04 **Term.** Unless terminated in accordance with Section 4.02 above, by law or otherwise, this Covenant shall continue in effect in perpetuity, except that any activities set forth in Exhibit B that are the subject of a no further action letter by the Board or other governmental authority shall terminate upon the issuance of such no further action letter.

ARTICLE V. MISCELLANEOUS

Section 5.01 **No Dedication Intended.** Nothing set forth herein shall be construed to be a gift or dedication, or offer of a gift or dedication, of the Burdened Property or any portion thereof to the general public.

Section 5.02 **Notices.** Whenever any person gives or serves any notice, demand, or other communication with respect to this Covenant, each such notice, demand, or other communication shall be in writing and shall be deemed effective (a) when delivered, if personally delivered or sent by overnight courier, such as, without limitation, Fed Ex, to the person being served or official of a government agency being served, or (b) three (3) business days after deposit in the mail if mailed by United States mail, postage paid certified, return receipt requested:

If To: "Covenantor"
 William J. Hague
 Honeywell International Inc.
 Specialty Materials-Engineering Department
 101 Columbia Road
 Mail Stop NIC-3
 Morristown, N.J. 07962

with a copy to:
 Chief Environmental Counsel
 Honeywell International Inc.
 101 Columbia Road
 Morristown, NJ 07962

With a copy to
 Mr. Allan Mackenzie
 Mar Ventures, Inc.
 2050 West 19th Street, Suite 201
 Torrance, California 90504

With a copy to:
 Mr. Daniel Crosser
 Comstock, Crosser and Associates Development Company, Inc.
 321 12th Street, Suite 200
 Manhattan Beach, CA 90266

If To: "Board"
 Regional Water Quality Control Board
 Los Angeles Region
 Attention: Mr. Jonathan S. Bishop, Executive Officer
 320 W. 4th Street, Suite 200
 Los Angeles, California 90013

Section 5.03 **Partial Invalidity.** If any portion of the Restrictions or terms set forth herein is determined to be invalid for any reason, the remaining portion shall remain in full force and effect as if such portion had not been included herein.

Section 5.04 **Article Headings.** Headings at the beginning of each numbered article of this Covenant are solely for the convenience of the parties and are not a part of the Covenant.

Section 5.05 **Recordation.** This instrument shall be executed by the Covenantor and by the Executive Officer of the Board. This instrument shall be recorded by the Covenantor in the County of Los Angeles within ten (10) days of the date of execution.

05 2837315

Section 5.06 **References.** All references to Code sections include successor provisions.

Section 5.07 **Construction.** Any general rule of construction to the contrary notwithstanding, this instrument shall be liberally construed in favor of the Covenant to affect the purpose of this instrument and the policy and purpose of the Water Code. If any provision of this instrument is found to be ambiguous, an interpretation consistent with the purpose of this instrument that would render the provision valid shall be favored over any interpretation that would render it invalid.

IN WITNESS WHEREOF, the Covenantor has executed this Covenant as of its date.

HONEYWELL INTERNATIONAL INC.

By: 

Philip E. Hammel

Title: Director, Real Estate Development

Date: November 9, 2005

05 2837315

STATE OF CALIFORNIA) Acknowledgment as to Covenantor
)
COUNTY OF Los Angeles)

On November 9, 2005 before me, Debbie A. Dalton,
[insert date] [insert name and title of officer]
the undersigned personally appeared Philip E. Hammel,
[insert Covenantor's or Covenantor's agent's name]

~~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.

WITNESS my hand and official seal.

Debbie A. Dalton
Notary Public in and for said
County and State

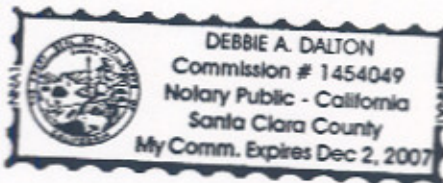


EXHIBIT A

All that certain real property situated in the County of Los Angeles, State of California, described as follows:

Parcel 1:

That portion of the Southwest Quarter of Section 18, Township 3 South, Range 14 West, S.B.B. & M., in the City of El Segundo, County of Los Angeles, State of California, and more particularly described as:

Beginning at a point in the Easterly line of Sepulveda Boulevard, as described in the Final Decree of Condemnation recorded in Book 13174 at Page 92, Official Records of said County, said point being 1040 feet Northerly, measured along said Easterly line, from the intersection of said Easterly line with the Northerly line of Lot 4 of Tract No. 1314, as per map recorded in Book 20, Page 161 of Maps, in the Office of the County Recorder of said County; thence along Easterly line as follows:

South 0° 01' East a distance of 70.16 feet to the beginning of a tangent curve concave to the West and having a radius of 3050.00 feet; Southerly along said curve a distance of 292.78 feet; South 5° 29' West a distance of 389.98 feet to the beginning of a tangent curve concave to the East and having a radius of 2950.00 feet; Southerly along said curve a distance of 283.18 feet; and South 0° 01' East a distance of 3.90 feet to the Northerly line of aforesaid Lot 4 of Tract No. 1314; thence along the Northerly line of said Lot 4, South 60° 41' East a distance of 5.74 feet to the most Westerly corner of the land described in the deed to the Pacific Electric Land Company, recorded in Book 5839, Page 185 of Deeds, records of said County; thence along the Northerly line of said land so described (a portion of which is shown on a map filed for records with the deed recorded in Book 6708, Page 304 of said deed records) South 70° 41' East, a distance of 219.75 feet to the beginning of a curve concave to the North and having a radius of 458.59 feet; thence Easterly along said curve in said Northerly line a distance of 475.29 feet; thence continuing along said Northerly line of said land so described, North 49° 56' 05" East a distance of 1601.41 feet to an intersection with a line which is parallel with the South line of said Southwest Quarter and passes through the point of beginning; thence North 89° 59' 30" West, a distance of 1820.11 feet to the point of beginning.

EXCEPTING THEREFROM that portion of said land described and granted in the deed from Allied Corporation, a New York Corporation to Chevron U.S.A. Inc., a California Corporation recorded October 15, 1984 as Instrument No. 841233577, Official Records attached thereto a Resolution of the City of El Segundo No. 2030 dated February 11, 1983, approving said Lot Line Adjustment.

Assessor's Parcel No. 4138-015-030 and 031

Parcel 2:

Those portions of the Southwest Quarter of Section 18 Township 3 South Range 14 West in the Rancho Sausal Redondo, in the City of El Segundo, County of Los Angeles, State of California.

Beginning at the intersection of the Northwesterly line of the land described in deed to the Pacific Electric Land Company recorded in Book 5839, Page 185 of Deeds, with a line parallel with the Southerly line of the Southwest Quarter of said Section 18, which passes through a point in the Easterly line of Sepulveda Boulevard, as described in the Final Decree of Condemnation recorded in Book 13174, Page 29, Official Records, said point being 1040 feet Northerly, measured along said Easterly line from the intersection of said Easterly line with the Northerly line of Lot 4 of Tract No. 1314, as per map recorded in Book 20, Page 161 of Maps, in the Office of the County Recorder of said County; thence along the above mentioned Northwesterly line South $49^{\circ} 56' 05''$ West a distance of 1601.41 feet to the beginning of a tangent curve in said Northwesterly line concave Northerly and having a radius of 458.59 feet; thence Westerly along said curve, a distance of 347.97 feet to the Northerly line of the land described in the deed recorded in Book 6708, Page 304, of Deeds; thence along the Northerly line of said last mentioned land the following courses and distances; South $68^{\circ} 48' 25''$ East 98.98 feet to the beginning of a tangent curve concave Northerly and having a radius of 421.07 feet; thence Easterly along said curve 390.17 feet; thence tangent to said curve at its point of ending North $58^{\circ} 06' 05''$ East 172.86 feet; thence North $49^{\circ} 56' 06''$ East a distance of 1388.71 feet to a point which bears South $40^{\circ} 03' 55''$ East from the point of beginning; thence leaving said Northerly line, North $40^{\circ} 03' 55''$ West 200 feet to the point of beginning.

Assessor's Parcel No. 4138-015-003 and 004

11/22/05

14

EXHIBIT B

WATER BOARD APPROVAL LETTER

05 2837315



11/21/05
California Regional Water Quality Control Board
Los Angeles Region



Recipient of the 2001 Environmental Leadership Award from Keep California Beautiful

Alan C. Lloyd, Ph.D.
 Agency Secretary

320 W. 4th Street, Suite 200, Los Angeles, California 90013
 Phone (213) 576-6600 FAX (213) 576-6640 - Internet Address: <http://www.swrcb.ca.gov/RegionalBoard4>

15
 Arnold Schwarzenegger
 Governor

June 6, 2005

Benny DeHghi
 Manager Remediation & Evaluation Services
 Honeywell
 2525 West 190th Street
 Torrance, CA 90504-6099

Post-it [®] Fax Note	7671	Date	6/7/05	# of pages	6
To	TERRY FENG	From	ADNAN S.		
Co./Dept.	CHLM Hill	Co.			
Phone #		Phone #	(213) 576-6812		
Fax #	510 893 8205	Fax #			

NO FURTHER ACTION DETERMINATION FOR SHALLOW SOILS, PHASE I REDEVELOPMENT AREA, HONEYWELL EL SEGUNDO FACILITY - 850 SEPULVEDA BOULEVARD, EL SEGUNDO, CALIFORNIA. (SLIC NO. 0041, Site ID No. 2047800)

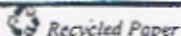
Dear Mr. DeHghi:

Regional Water Quality Control Board (Regional Board) staff have reviewed the "IRM Soil Removal Action Completion Report" (IRM Report) dated March 15, 2005 and the "Addendum for the IRM Soil Removal Action Completion Report" (Addendum) dated April 15, 2005, prepared by Parsons on behalf of Honeywell International, Inc. (Honeywell). Honeywell El Segundo facility (Site) comprises 55 acres and it is located at the intersection of Sepulveda Boulevard and Rosecrans Avenue in the city of El Segundo, California (see Figure 1) in an area of industrial and commercial properties. This No Further Action (NFA) determination pertains only to the shallow (0 to 10 feet below ground surface) soils on the 42-acre Phase I Redevelopment Area, which consists of the 37.3-acre Refrigerant Parcel including Unlined Depression Areas (UND) 1 through 3 and the 4.3-acre Southwest (SW) Corner Lot (see Figure 1). Site characterization and cleanup activities have been going on at the Site under the regulatory oversight of the Regional Board since 1996.

The majority of Site was not developed until 1960s. The oldest Site facility was initially constructed in early 1920s to produce sulfuric acid and to process spent sulfuric acid generated at the Standard Oil Company (now Chevron-Texaco) petroleum refinery located immediately to the west of the Site. Site operations were subsequently expanded to include: (1) phthalic anhydride manufacturing between 1963 and 1982; (2) solvents packaging and distribution at the Old Solvents Warehouse from 1964 to 1978; (3) solvents distribution at the Baron Blakeslee Inc. (BBI) Terminal from 1985 to 1992; (4) production of refrigerants at the Refrigerant Plant from 1964 to February 2003; and (5) distribution of refrigerants from Genesolv[™] Terminal from the 1980s to February 2003. The five UND areas were used to collect all surface runoff and wastewater from the active operations between 1920 and 1974. Beginning in 1974, wastewater was treated onsite and disposed through a publicly owned treatment works (POTW). As the industrial operations changed through time, selected UND areas were filled with a combination of the solid wastes and soils produced during the construction of new operational facilities. All site operations ceased in February 2003. Honeywell completed the demolition of all facilities at the Site in 2004 to facilitate the redevelopment of the property. Currently the Site is vacant land.

Between 1996 to 2002, Brown and Caldwell, and Parsons conducted four phases of environmental investigation at the Site. Soil matrix and soil vapor samples were collected from a number of locations,

California Environmental Protection Agency



Our mission is to preserve and enhance the quality of California's water resources for the benefit of present and future generations.

05 2837315

Mr. Benny DeHghi
Honeywell

- 2 -

June 6, 2005

and eighteen groundwater monitoring wells were installed across the Site. Various organics, were commonly detected in soil and soil vapor. Elevated concentrations of inorganics (metals), semivolatile organic compounds (SVOCs), and pesticides were detected in shallow soil matrix samples. A volatile organic compound (VOC) vapor plume was also identified within the vadose zone soil centered beneath the Refrigerant Plant area.

Groundwater monitoring from the 18 monitoring wells has identified two groundwater contaminant source areas at the Site. The Refrigerant Plant plume consisting primarily of chloroform, carbon tetrachloride and trichlorofluoromethane (CFC-11) and the Southwest Corner Lot plume, which consists primarily of trichloroethene (TCE) and cis-1,2-dichloroethene (cis-1,2-DCE).

In 1988, a 14,000-gallon spill of chloroform occurred at the eastern part of Refrigerant. Honeywell excavated approximately 3,000 cubic yards of soils in the spill area. The excavated soil was subsequently treated on-site in a lined treatment cell. In 2000, Honeywell installed a soil vapor extraction (SVE) system to remediate VOCs vapor plume in the vadose zone soil beneath the Refrigerant Plant. The SVE system was shut down in March 2004 to accommodate demolition activities and planned to resume operation in near future.

In order to facilitate property transfer and subsequent redevelopment of the Site, Parsons conducted a five-step, phased remedial investigation (RI) at the Site from 2003 to 2004. Site-wide soil matrix sampling was conducted based on a 100-foot grid. In addition, a large number of "judgmental" sampling locations were positioned at suspected contaminant source locations identified based on operational history of the Site. Step-out borings were drilled from select initial sampling locations where the initial sampling results exceeding any site-specific soil screening level (SSL).

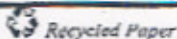
In addition to soil matrix sampling, more than 350 soil vapor borings/probes were installed to collect soil vapor samples to delineate the lateral and vertical extent of the soil vapor plume throughout of the 55-acre site. The site characterization activities concluded that generally soil matrix impacts were limited within the upper 10 feet of soil and that most of the soils impacted by non-VOC contaminants are limited within the upper 5-foot depth. Because of the presence of uniform sandy soils at the Site, the deep soil impact from VOCs is primarily in the vapor phase.

To date a total of 40, onsite and offsite groundwater monitoring wells have already been installed and additional wells are planned to complete the groundwater characterization. Quarterly groundwater monitoring is being conducted under the Regional Board oversight.

A fate and transport assessment including vadose zone modeling using VLEACH was performed to evaluate the behavior of contaminants of potential concern (COPCs) detected in the Site soil and to support the development of soil and soil vapor action levels protective of groundwater. For the shallow soil, VLEACH modeling was also limited to COPCs for the Phase I Redevelopment parcels.

Based on the future intended commercial use of the Site, a human health risk assessment was performed. The approach for conducting the human health risk assessment proposed by Parsons was approved by the Regional Board in consultation with the Office of Environmental Health hazard Assessment (OEHHA). It was agreed that a cumulative risk $> 1 \times 10^{-5}$ or cumulative hazard index (HI) > 1 would constitute an

California Environmental Protection Agency



Our mission is to preserve and enhance the quality of California's water resources for the benefit of present and future generations.

05 2837315

Mr. Benny DeHghi
Honeywell

- 3 -

June 6, 2005

unacceptable risk to human health. The risk assessment evaluated potential receptors, who may be exposed to COPCs in near surface soil (10 feet bgs or less) and/or soil vapor. Exposure pathways to groundwater were not considered complete and were not evaluated in the risk assessment. A comparison of the soil cleanup level protective of groundwater resources with the corresponding risk-based cleanup goals (RBCGs), which are protective of human health confirmed that for shallow soils, the RBCGs are more stringent (conservative) than the groundwater protection soil cleanup levels. Therefore, RBCGs were used as final cleanup level for the shallow soil, where necessary in the Phase I Redevelopment area.

Potential hot spots were identified on Phase I redevelopment parcels that determined to either pose unacceptable risks (cumulative risk $> 1 \times 10^{-5}$ or cumulative hazard index (HI) > 1) or concentrations of certain inorganics exceeded their background level and therefore required remedial action.

Honeywell proposed remedial excavation and subsequent confirmation sampling to verify the effectiveness of the remedial excavation at each shallow soil hot spot. The remedial excavation was focused on specific COPCs that were identified as risk drivers at each hot spot. This approach was designed to reduce the residual COPC concentrations to levels below RBCGs for organics and/or background levels for inorganics in shallow soils. Regional Board approved the proposed Interim Remedial Measure (IRM) approach. The IRM did not target those hot spots, where unacceptable risk was attributed to soil vapors.

The IRM was implemented from June 2004 to February 2005 at all shallow soil hot spots on the Phase I redevelopment parcels identified through remedial investigation and risk assessment. Excavated soil was profiled and disposed offsite at the appropriate disposal facility.

Upon completion of the IRM, a final risk assessment was performed using the residual COPC concentrations from post-IRM confirmation sampling. The post IRM final risk assessment for shallow soils verified that cumulative risk and cumulative HI do not exceed 1×10^{-5} or 1 respectively after the completion of IRM remedial excavation. OEHHA has reviewed the post IRM risk assessment and concluded that the Site conditions no longer pose unacceptable risk to human health with respect to shallow soil.

The purpose of considering a restricted No Further Action (NFA) determination with respect to only shallow (top 10 feet) soil in the Phase I Redevelopment parcels is to allow Site redevelopment while appropriate remedial action(s) under the Regional Board oversight are implemented for the vadoze zone VOCs vapor plume as well as for the groundwater plumes.

Therefore, with the provision that the information provided to this agency was accurate and representative of site conditions, Regional Board has determined that the shallow soils (0 to 10 feet) in the Phase I redevelopment parcels do not pose a threat to the environment. However, following conditions must be met before this NFA determination is considered valid:

1. This NFA is only for the commercial and/or industrial use of the Site. Regional Board must be notified immediately in the event of a change in Site use in the future.

California Environmental Protection Agency

 Recycled Paper

Our mission is to preserve and enhance the quality of California's water resources for the benefit of present and future generations.

05 2837315

Mr. Benny DeHghi
Honeywell

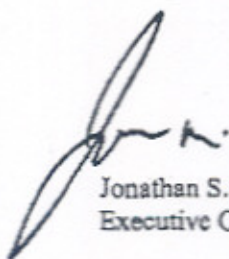
- 4 -

June 6, 2005

2. The SVE system shall expand according to the approved *Remedial Action Plan for Soil (Parsons)* to clean up the vadose zone VOCs vapor plume.
3. Engineering controls such as vapor barrier installation must be implemented beneath all future buildings located in areas with potential vapor intrusion.
4. Any hot spots identified during site grading operation shall be handled according to the IRM procedures.
5. If previously unidentified contamination is encountered at the site during any future site development, you are required to submit a written report to this Regional Board within 72 hours.
6. The groundwater monitoring shall continue and appropriate remedial action shall be implemented upon completion of the ongoing groundwater remedial investigation and treatability studies under the Regional Board oversight.
7. A deed notification shall be recorded.
8. A 0.3-acre area located in the northwest portion of the Site was identified as wetlands. No disturbance shall be allowed in this area until a 401 Water Quality Certification is completed and a 404 permit is obtained from the United States Army Corps of Engineers.
9. The redevelopment of the Site may take place; however, the future redevelopment plan shall conform to the approved remediation activities for the cleanup of vapor plume and the impacted groundwater at the Site.

If you have any questions, please feel free to contact Dr. Arthur Heath at (213) 576-6725 or Mr. Adnan Siddiqui at (213) 576-6812. For information on 401 Certification, please contact Miss Valerie Carrillo at (213) 576-6759.

Sincerely,

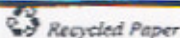


Jonathan S. Bishop
Executive Officer

Enclosure: Figure 1

cc: See next page

California Environmental Protection Agency



Our mission is to preserve and enhance the quality of California's water resources for the benefit of present and future generations.

05 2837315

11/22/05

Mr. Benny DeHghi
Honeywell


- 5 -

June 6, 2005

19

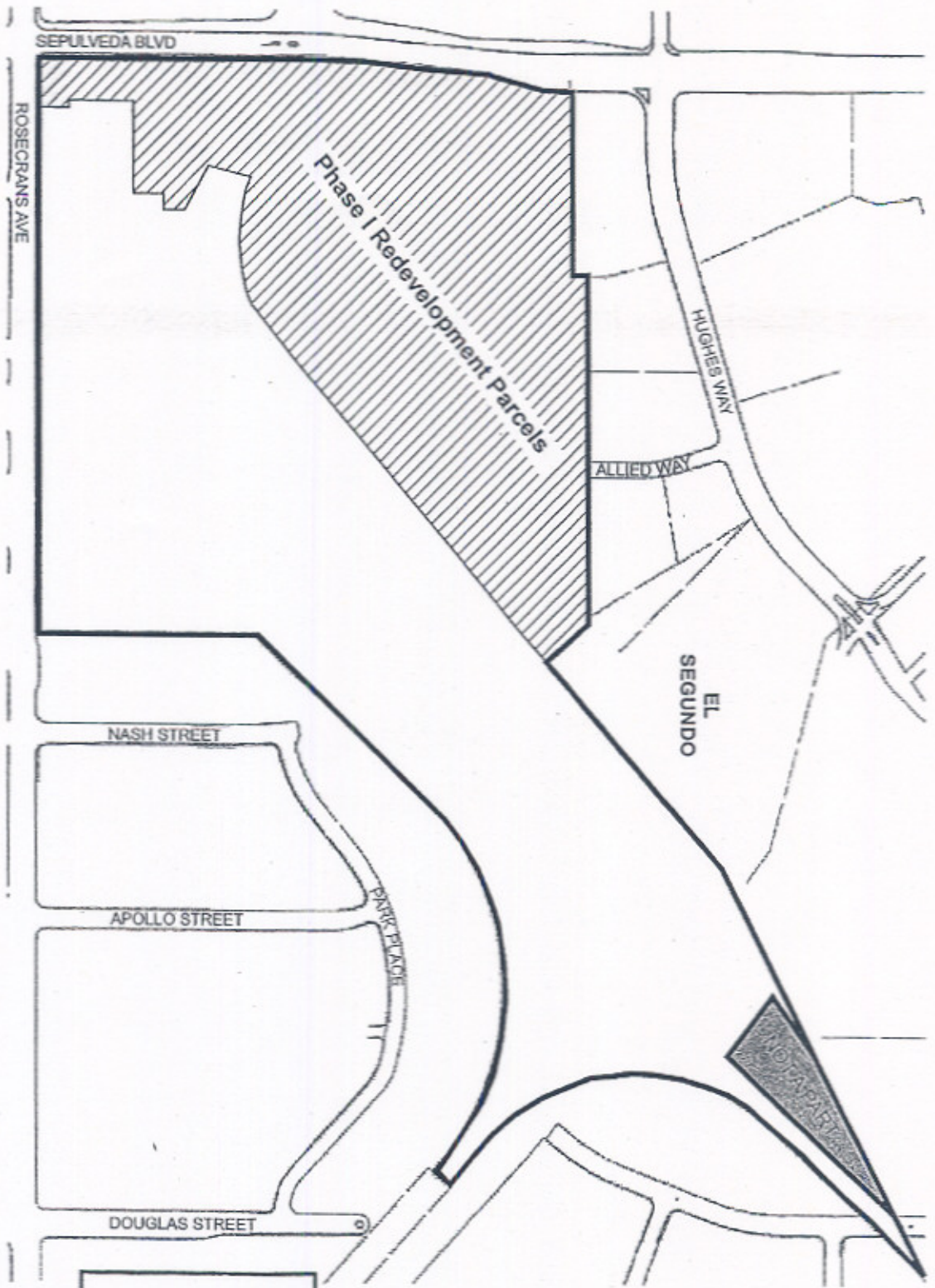
cc: Dina Cramer, El Segundo Public Library
Terry Feng, CH2M Hill
Donald Smallbek, Mactec
Kimberly Christensen, City of El Segundo
Allen Mackenzie, Mar Ventures, Inc.
Brett Bowyer, ERM
Manager, Manhattan Village Estate Homeowners Association
Jim Carlisle, Cal/EPA - OEHHA

California Environmental Protection Agency

 Recycled Paper

Our mission is to preserve and enhance the quality of California's water resources for the benefit of present and future generations.

05 2837315



05 2837315

Legend

	Plaza El Segundo Site
	Sepulveda/Rosecrans Rezoning Boundary

Figure 1
 Honeywell El Segundo Site
 850 South Sepulveda Boulevard
 El Segundo, California 90245