

RECEIVED

2006 JAN 10 AM 8:43

CITY CLERK
CITY OF
HUNTINGTON BEACH

Council/Agency Meeting Held: _____	_____ City Clerk's Signature
Deferred/Continued to: _____	
<input type="checkbox"/> Approved <input type="checkbox"/> Conditionally Approved <input type="checkbox"/> Denied	
Council Meeting Date: 1/17/2006	Department ID Number: PW 05-083

**CITY OF HUNTINGTON BEACH
REQUEST FOR CITY COUNCIL ACTION**

SUBMITTED TO: HONORABLE MAYOR AND CITY COUNCIL MEMBERS

SUBMITTED BY: PENELOPE CULBRETH-GRAFT, CITY ADMINISTRATOR

PREPARED BY: *RF* ROBERT F. BEARDSLEY, PE, DIRECTOR OF PUBLIC WORKS

Phyllis Wall
Don R.F.B.

SUBJECT: **Approve License Agreement by and Between the City Of Huntington Beach and Cannery Hamilton Properties, LLC for Encroachment Into the Public Right-Of-Way**

Statement of Issue, Funding Source, Recommended Action, Alternative Action(s), Analysis, Environmental Status, Attachment(s)

Statement of Issue: Cannery Hamilton Properties, LLC shall provide a License Agreement with the City for encroachment into the public right-of-way located at the southwest corner of Magnolia Street and Hamilton Avenue.

Funding Source: No funding is required for this action.

Recommended Action: Motion to: Approve and authorize the Director of Public Works to execute the License Agreement by and between the City of Huntington Beach and Cannery Hamilton Properties, LLC, for encroachment into the public right-of-way.

Alternative Action(s): Do not approve the License Agreement. This action will prevent Cannery Hamilton Properties, LLC from meeting the Department of Toxic Substance and Control's requirements of the emergency Coastal Development Permit.

E-8

REQUEST FOR ACTION

MEETING DATE: 1/17/2006

DEPARTMENT ID NUMBER: PW 05-083

Analysis: The license agreement is for the encroachment into the public right-of-way for the installation of facilities, such as drainage piping, sump pumps, electrical pedestal, conduits and other appurtenances, to prevent seepage from the perimeter berms to Hamilton Avenue and to drain the site from rainwater overflow to Magnolia Street. The encroachment is due to the location of the existing berms within the public right-of-way and the inability to remove the berms until environmental analysis is completed. The license agreement will be effective until the final clean up of the site.

The State of California Department of Toxic Substances Control (DTSC) issued an "Imminent or Substantial Endangerment Determination" for the Ascon Landfill site and is the primary responsible agency for this work.

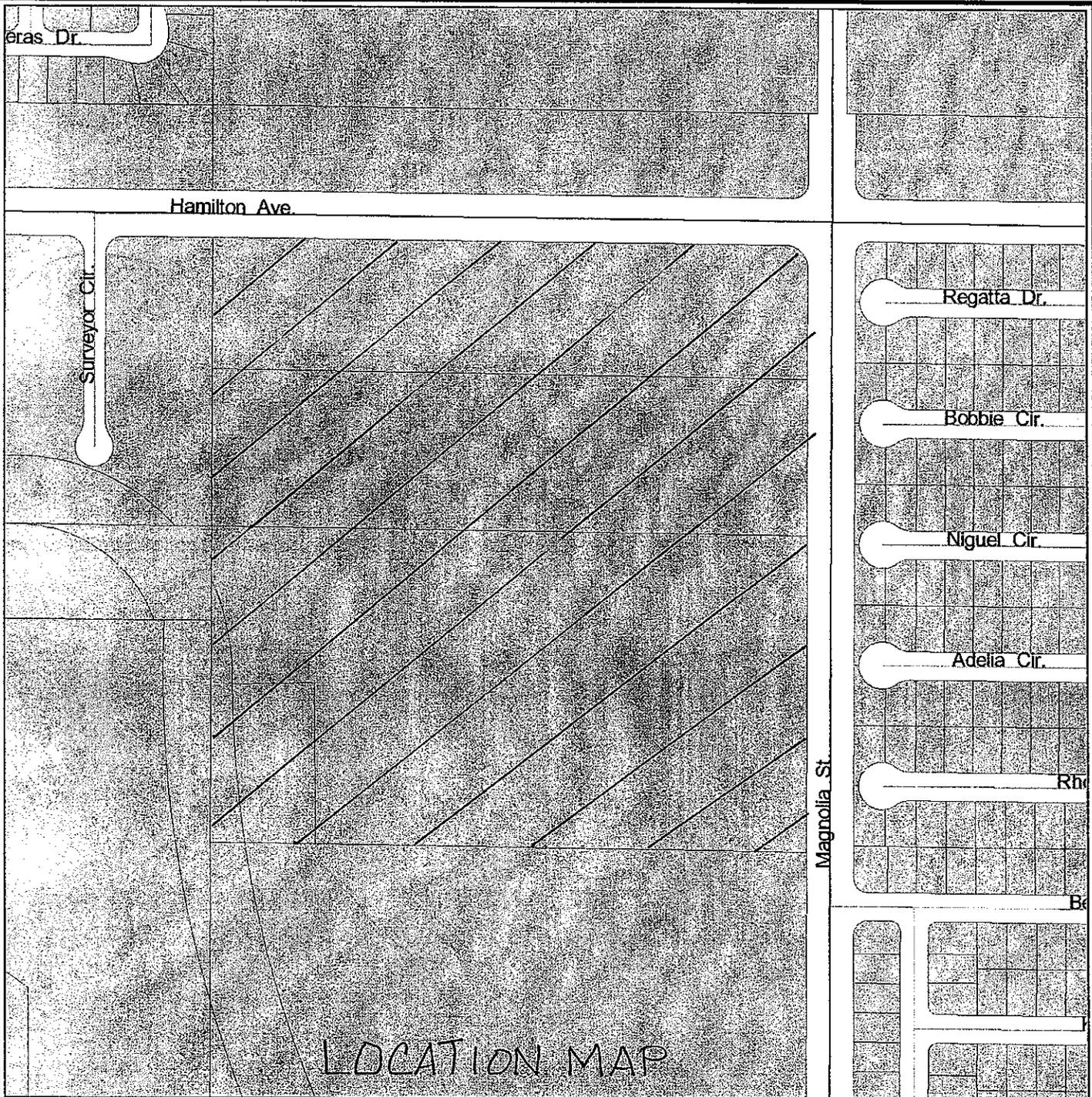
Public Works Commission Action: Not required.

Environmental Status: Exempt pursuant to Section 15061(b)(3).

Attachment(s):

City Clerk's Page Number	No.	Description
3 5	1.	Location Map
	2.	License Agreement By and Between the City of Huntington Beach and Cannery Hamilton Properties, LLC for Encroachment into the Public Right-of-Way

ATTACHMENT 1

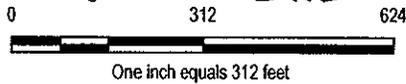


ASCON

Map produced by information contained in the City of Huntington Beach Information Services Department Geographic Information System. Information warranted for City use only. Huntington Beach does not guarantee its completeness or accuracy.
Map Produced on 12/1/2005



HB
GIS



STREET NAMES

— CITY BOUNDARY

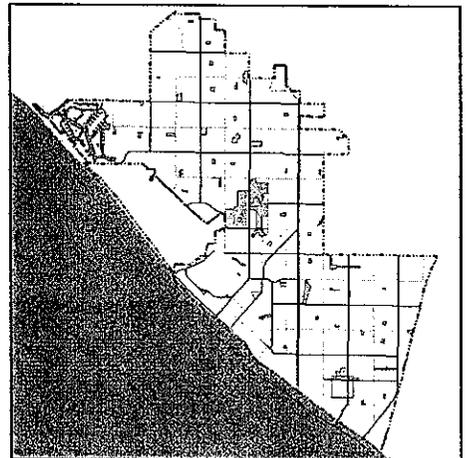
STREET CENTERLINES (CLASS)

- Smartstreet
- Major
- Collector
- Primary
- Secondary
- Residential
- Travelway
- Alley

ISOBATHS

— HARBOR

E8.4



ATTACHMENT 2

**INTENTIONALLY
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LICENSE AGREEMENT BY AND BETWEEN
THE CITY OF HUNTINGTON BEACH AND
CANNERY HAMILTON PROPERTIES, LLC
FOR ENCROACHMENT INTO THE PUBLIC RIGHT OF WAY

This License Agreement is made and entered into by and between the CITY OF HUNTINGTON BEACH, a California municipal corporation, hereinafter referred to as "CITY," and CANNERY HAMILTON PROPERTIES, LLC, hereinafter referred to as "LICENSEE."

LICENSEE may also include: 1) those settling parties (the "Settling Parties") as defined in that certain "Imminent and Substantial Endangerment Determination and Consent Order Between the Department of Toxic Substances Control and Settling Parties," dated December 19, 2002 (the "Consent Order"); and 2) Exxon-Mobil, Inc., a Delaware corporation. All such additional LICENSEES shall be approved and designated to the CITY by CANNERY HAMILTON PROPERTIES, LLC.

WHEREAS, LICENSEE has applied to CITY for permission to encroach into the public right-of-way at the ASCON property, for the purpose of vehicular and pedestrian traffic and site remediation, as more specifically set forth in the application for the License; and

CITY desires to allow such encroachment; and

The parties wish to enter into an agreement defining their respective rights and responsibilities concerning said encroachment,

NOW, THEREFORE, in consideration of the promises and agreements hereinafter made and exchanged, the parties covenant and agree as follows:

1. PERMISSION. Permission is hereby given to LICENSEE to enter upon and use the right-of-way easement as depicted in the site plan attached hereto as Exhibit "A" (hereinafter referred to as the "Easement") for the purpose of vehicular and pedestrian traffic and site remediation by LICENSEE. This permission includes the installation and maintenance of French drains, drainage piping, sump pumps, fencing and gates, SCE electrical pedestal and conduits, and all appurtenances related to the remediation of seepage from the perimeter berms.

2. TERM. This Permit shall terminate on the date the California Environmental Protection Agency, Department of Toxic Substances Control ("DTSC") notifies the Settling Parties of completion of the Settling Parties' obligations under the Consent Order, and the Removal of French drains, drainage piping, sump pumps, fencing and gates, SCE electrical pedestals and conduits, and all appurtenances related to the remediation of seepage from the perimeter berms. PERMITEE will notify the CITY in writing promptly upon receipt of such notice. Alternatively, this Permit will terminate upon sixty (60) days notice by the CITY. Notice of Termination will be in writing and served by certified mail.

3. INDEMNIFICATION, DEFENSE, HOLD HARMLESS. LICENSEE hereby agrees to protect, defend, indemnify and hold and save harmless CITY, its officers, and employees against any and all liability, claims, judgments, costs and demands, however caused, including those resulting from death or injury to LICENSEE'S employees and damage to LICENSEE'S property, arising directly or indirectly out of the grant of License herein contained, including those arising from the passive concurrent negligence of CITY, but save and except those which arise out of the active concurrent negligence, sole negligence, or the sole willful misconduct of CITY. LICENSEE will conduct all defense at its sole cost and expense. This indemnity shall not apply to any liabilities, claims, judgments, costs and demands which arise out of any CITY obligation to remediate the Easement or ASCON imposed by a governmental agency, including but not limited to the DTSC and the EPA.

4. WORKERS' COMPENSATION INSURANCE. Pursuant to the *California Labor Code* Section 1861, LICENSEE acknowledges awareness of Section 3700 et seq. of said code, which requires every employer to be insured against liability for workers' compensation; LICENSEE covenants that it will comply with all such laws and provisions prior to the encroachment into the Easement pursuant to this License.

LICENSEE represents and warrants that it does not have any employees requiring LICENSEE to obtain Workers' Compensation Insurance. LICENSEE shall require all contractors performing work on or using the Easement to maintain such Workers' Compensation Insurance in an amount of not less than One Hundred Thousand Dollars (\$100,000) bodily injury by accident, each occurrence, One Hundred Thousand Dollars (\$100,000) bodily injury by disease, each employee, and Two Hundred Fifty Thousand Dollars (\$250,000) bodily injury by disease, policy limit, at all times incident hereto, in forms and underwritten by insurance companies satisfactory to CITY.

5. INSURANCE. LICENSEE shall carry at all times incident hereto, on all activities to be performed in the Easement as contemplated herein, general liability insurance, including coverage for bodily injury, and property damage. All insurance shall be underwritten by insurance companies in forms satisfactory to CITY. Said insurance shall name the CITY, its officers, agents and employees and all public agencies as determined by the CITY as Additional Insureds. LICENSEE shall subscribe for and maintain said insurance policies in full force and effect during the life of this License, in an amount of not less than Two Million Dollars (\$2,000,000) combined single limit coverage. If coverage is provided under a form which includes a designated general aggregate limit, such limit shall be not less than Two Million Dollars (\$2,000,000). In the event of aggregate coverage, LICENSEE shall immediately notify CITY of any known depletion of limits. LICENSEE shall require its insurer to waive its subrogation rights against CITY and agrees to provide certificates evidencing the same.

6. CERTIFICATES OF INSURANCE; ADDITIONAL INSURED ENDORSEMENT. Prior to the encroachment into the Easement pursuant to this License, LICENSEE shall furnish to CITY certificates of insurance subject to approval of the City Attorney evidencing the foregoing insurance coverages as required by this Agreement; said certificates shall provide the name and policy number of each carrier and policy, and shall state

that the policy is currently in force and shall promise to provide that such policies will not be canceled without thirty (30) days prior written notice to CITY. LICENSEE shall maintain the foregoing insurance coverages in force until this Agreement is terminated.

The requirement for carrying the foregoing insurance shall not derogate from the provisions for indemnification of CITY by LICENSEE under this License. CITY or its representative shall at all times have the right to demand the original or a copy of all said policies of insurance. LICENSEE shall pay, in a prompt and timely manner, the premiums on all insurance hereinabove required.

A separate copy of the additional insured endorsement to each of LICENSEE'S insurance policies, naming the CITY, its officers and employees as Additional Insureds shall be provided to the City Attorney for approval prior to the encroachment into the Easement pursuant to this License.

7. RELEASE. LICENSEE hereby releases and forever discharges CITY of and from any and all claims, demands, actions or causes of action whatsoever which LICENSEE may have, or may hereafter have, against the CITY specifically arising out of the matter of the entry of LICENSEE onto the Easement. This release shall not apply to any claims, demands, actions or causes of actions which relate to any CITY obligation to remediate the Easement or ASCON imposed by a governmental agency, including but not limited to the DTSC and the EPA. This is a complete and final release and shall be binding upon LICENSEE and the heirs, executors, administrators, successors and assigns of LICENSEE'S use of the Easement.

LICENSEE hereby expressly waives any rights under or benefit of any law of any jurisdiction whatsoever providing to the contrary. Neither the acceptance of this release nor any payment made hereunder shall constitute any admission of any liability of CITY.

8. WASTE. Except as reasonably required in order to comply with the Consent Order, the implementation thereof, DTSC directives and orders, and remediation and removal activities under the Consent Order: 1) LICENSEE shall not alter, damage or commit any kind of waste upon the Easement or any improvement, equipment or personal property thereon and shall not interfere in any manner with the operations or activities of CITY; and 2) LICENSEE shall make no change in the use of the Easement nor shall the design of the Easement be changed other than as authorized herein without prior written consent of CITY. LICENSEE shall not cause any workmen's or materialmen's liens to be placed upon the Easement and agrees to indemnify and hold CITY harmless against any such liens including but not limited to the payment of attorneys' fees. This paragraph will not apply in cases where work is and is approved in advance by the CITY. CITY approval is required prior to LICENSEE engaging in work that will cause damage to the Easement. CITY will not unreasonably withhold consent to such work.

9. MAINTENANCE. LICENSEE agrees to care for and maintain the Easement in good and satisfactory condition as acceptable to the CITY. Maintenance shall include daily cleaning of the Easement area including but not limited to removal of all rubbish, food stuffs, paper, bottles, cans, gum, cigarettes, animal litter, dirt and sand.

LICENSEE shall keep the Easement area reasonably clean and free of debris during its use thereof, and except for reasonable wear and tear on the property and fixtures, shall restore the Easement Area, as much as reasonably practicable, to its former condition, subject to any changes to the area required by the DTSC Order, the Remedial Action Plan approved by the DTSC after public comments, and the remediation of the ASCON Landfill.

In the event LICENSEE does not maintain the Easement in a satisfactory manner, LICENSEE authorizes CITY to perform such maintenance on LICENSEE'S behalf. All costs incurred performing said maintenance shall be assessed to and billed directly to the LICENSEE. LICENSEE agrees to pay such costs within thirty (30) days of billing.

In the event any damage is caused to the Easement and / or Public Right-of-Way, as a result of the use authorized hereunder, LICENSEE agrees to repair same at its own expense.

10. ACCESS. a) Each party shall provide access to the Easement to the other party, and its employees, agents, contractors and subcontractors, twenty-four (24) hours a day, seven (7) days a week or as designated in License approvals. CITY represents and warrants that it has full rights of ingress and egress to and from the Easement, and hereby grants such rights to LICENSEE to the extent required for authorized operations. LICENSEE's exercise of such rights shall not cause undue inconvenience to CITY. All LICENSEES' operations shall comply with all ordinances, regulations, and laws.

b) LICENSEE shall, at its sole cost and expense, maintain and repair the Easement and LICENSEE'S Facilities including, but not limited to, the removal of all trash, debris and graffiti. If LICENSEE causes any damage to the Easement or to access roadways or other nearby facilities, it shall properly repair same as specified by CITY. Each of the foregoing covenants shall not apply to the extent the Consent Order or the requirements of the DTSC shall conflict therewith.

c) Upon the expiration or termination of this License, LICENSEE shall surrender the Easement to CITY in good and clean condition, less ordinary wear and tear, and as approved in writing by CITY.

11. EQUIPMENT. LICENSEE shall keep any equipment used or brought onto the Easement under its or the contractors of LICENSEE'S absolute and complete control at all times and said equipment shall be used on the Easement at the sole risk of LICENSEE.

Removal of French drains, drainage piping, sump pumps, SCE electrical pedestals and conduits, and all appurtenances related to the remediation of seepage from the perimeter berms will be on or before JANUARY 17, 2011 (date), subject to the Consent Order and the regulations of the DTSC and EPA.

12. INDEPENDENT CONTRACTOR. LICENSEE agrees that all work done or undertaken by it on the Easement shall be for its sole account and not as an agent, servant or contractor for CITY.

13. HAZARDOUS SUBSTANCE. Each of the following covenants, representations and warranties shall not apply to those activities of LICENSEE reasonably required in order to comply with the Consent Order or the requirements or directives of the DTSC, and the CITY shall not require clean-up and remediation of Hazardous Wastes more extensive than that required by the DTSC. LICENSEE represents and warrants that its use of the Easement herein will not create or allow any hazardous substance to spill over into the public right-of-way, and it will not store or dispose of hazardous waste on the Easement nor transport hazardous waste to or over the Easement except to capture and return seepage back to the on site detention lagoons. LICENSEE further agrees to clean-up and remediate any hazardous substance on the Easement, and public right-of-way, brought to the Easement by LICENSEE after the date hereof, and hold CITY harmless from and indemnify CITY against any release of any such hazardous substance and any damage, loss, or expense or liability resulting from such release including all attorneys' fees, costs and penalties incurred as a result thereof except any release caused by the negligence of CITY, its employees or agents. "Hazardous substance" shall be interpreted broadly to mean any substance or material defined or designated as hazardous or toxic waste, hazardous or toxic material, hazardous or toxic or radioactive substance, or other similar term by any federal, state or local environmental law, regulation or rule presently in effect or promulgated in the future, as such laws, regulations or rules may be amended from time to time; and it shall be interpreted to include, but not be limited to, any substance which after release into the environment will or may reasonably be anticipated to cause sickness, death or disease.

14. NO ASSIGNMENT. LICENSEE agrees that the permission herein extended shall be personal to it and that it shall not assign or License any third party to avail itself of any of the privileges granted hereunder, without the express written permission of CITY.

15. NO TITLE INTEREST. No title interest of any kind is hereby given and LICENSEE shall never assert any claim or title to the Easement area.

16. NOTICES. All notices given hereunder shall be effective when personally delivered or if mailed, within 48 hours of the deposit of such notice in the U.S. Mail, postage prepaid, and certified with return receipt requested and addressed to LICENSEE or to CITY at the respective addresses shown below:

CITY:

Director of Public Works
City of Huntington Beach
2000 Main Street
Huntington Beach, CA 92648

LICENSEE:

Dan Fischman
Cannery Hamilton Properties, LLC
P.O. Box 25376
Santa Ana, CA 92799-5376

17. NO DISCRIMINATION. LICENSEE agrees that in performance of the activities authorized by this License and in the use of the Easement area authorized hereunder, it will not engage in, nor License its officers, agents or employees to engage in, any discrimination or discriminatory practices against any person based on race, religion, creed, color, natural origin, ancestry, physical handicap, medical condition, marital status or gender.

18. FINAL INSPECTION BY CITY LICENSEE shall remove equipment and CITY shall inspect easement area before final release of this license agreement.

19. ADDITIONAL REMEDIATION LICENSEE shall conduct additional remediation, after removal of equipment, to have a clean Easement as determined by DTSC for the eventual widening of Hamilton Avenue.

20. ATTORNEY'S FEES. In the event suit is brought by either party to enforce the terms and provisions of this License or to secure the performance hereof, each party shall bear its own attorney's fees. The prevailing party shall not be entitled to recover its attorney's fees.

IN WITNESS WHEREOF, LICENSEE acknowledges and accepts the License and these Supplemental Conditions by and through its authorized officers on December 28, 2005.

CANNERY HAMILTON PROPERTIES,
LLC.

CITY OF HUNTINGTON BEACH, a
municipal corporation of the State of
California

By: _____

David Wohl 12-28-05
Director of Public Works
For RFB.

print name
ITS: (circle one) Chairman/President/Vice President

By: D. F.

APPROVED AS TO FORM:

Don Fischman
print name

P. L. De... 12/27/05
City Attorney
12/28/05

ITS: (circle one) Secretary/Chief Financial
Officer/Asst. Secretary Treasurer

17. NO DISCRIMINATION. LICENSEE agrees that in performance of the activities authorized by this License and in the use of the Easement area authorized hereunder, it will not engage in, nor License its officers, agents or employees to engage in, any discrimination or discriminatory practices against any person based on race, religion, creed, color, natural origin ancestry, physical handicap, medical condition, marital status or gender.

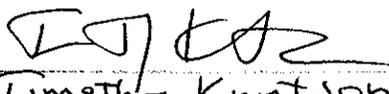
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IN WITNESS WHEREOF, LICENSEE acknowledges and accepts the License and these Supplemental Conditions by and through its authorized officers on _____, 2005.

CANNERY HAMILTON PROPERTIES,
LLC.

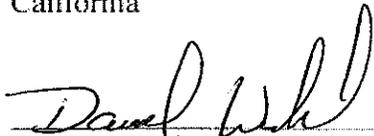
By: 

print name
ITS: (circle one) Chairman/President/Vice President

By: _____

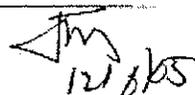
print name
ITS: (circle one) Secretary/Chief Financial Officer/Asst. Secretary - Treasurer

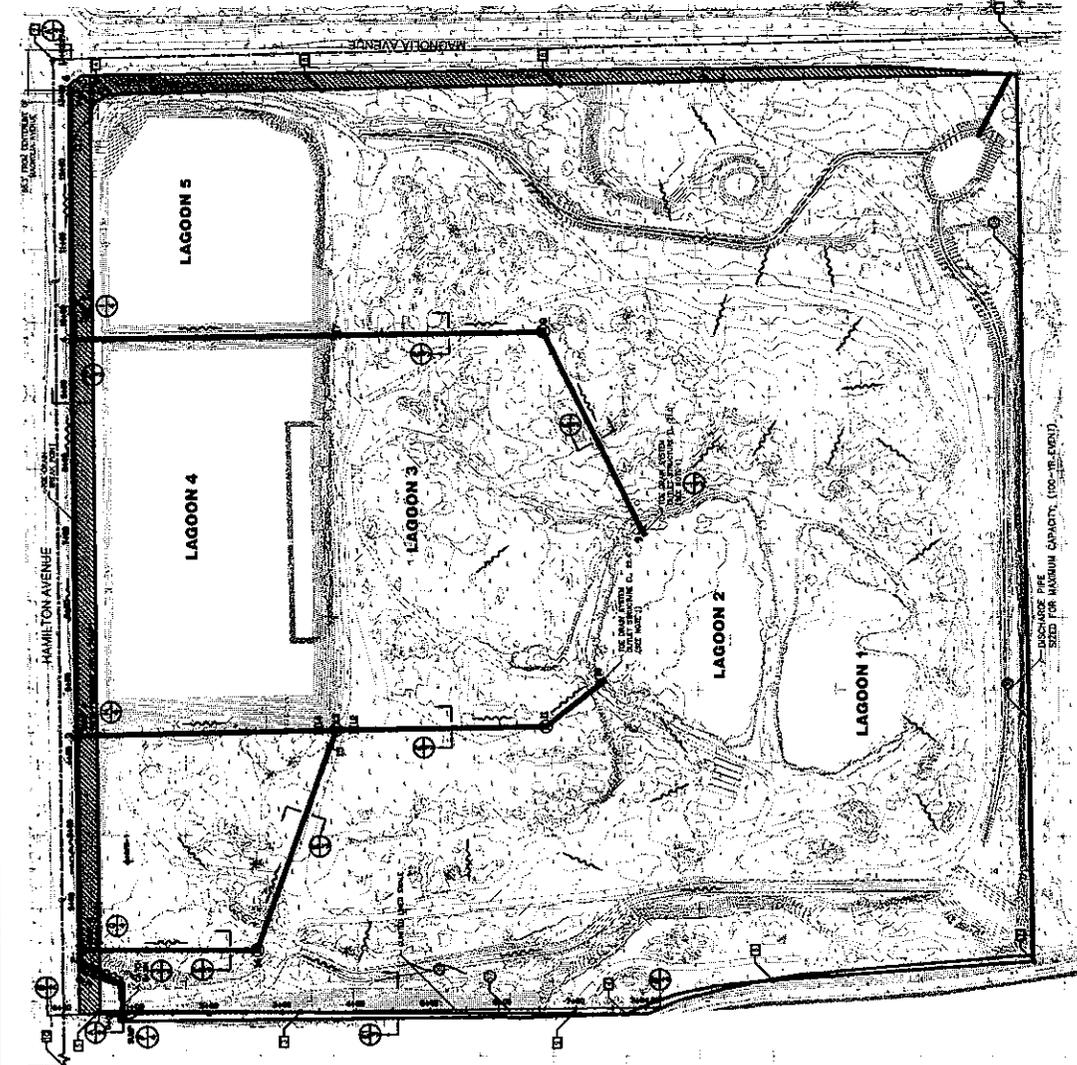
CITY OF HUNTINGTON BEACH, a
municipal corporation of the State of
California

 12-28-05

Director of Public Works
For RFB

APPROVED AS TO FORM:
 12/21/05

City Attorney
 12/21/05



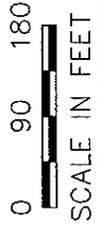
- LEGEND**
- EXISTING TOPOGRAPHY (FEET ABOVE M.S.L.)
 - SITE LIMIT ESTABLISHED BY DTSC
 - PROPERTY LINE
 - EMERGENCY ACTION TOE DRAIN SYSTEM
 - TOE DRAIN UNDER "HOUSEKEEPING ACTIVITIES" SWALE
 - CENTERLINE OF STREET
 - 2" HOPE GATE VALVE
 - ANGLE OF PIPES TO BE FIELD ADJUSTED
 - 1-IN. Ø PVC CONDUIT BURIED 24" BELOW GROUND SURFACE (874 FT TOTAL)
 - 2-IN. Ø PVC OUTLET PIPE (2280 FT TOTAL)
 - DIRECTION OF FLOW
 - SUMPS
 - MONITORING WELL
 - SITE MONUMENTS (SEE SHEET 1A OF 4)
 - SITE EASEMENT (SEE SHEET 1A OF 4)
 - CONTROL POINTS (SEE TABLE BELOW)

LICENSE AGREEMENT EASEMENT AREA

LOCATION	DISTANCE
SUMP E	37.25 FT
SUMP D	36.25 FT
TOE DRAIN BREAK POINT	41.33 FT

POINT	NORTHING	EASTING
1	2184584.75	6036855.27
2	2184643.41	6036743.63
3	2184846.70	6037036.62
4	2184820.74	6037171.96
5	2184851.25	6037917.26
6	2184280.93	6037584.46
7	2184007.78	6037589.57
8	2183974.72	6037318.99
9	2183933.55	6037109.88
10	2184007.78	6037050.14
11	2184269.87	6037045.42
12	2184269.87	6037044.98
13	2184318.01	6037044.77
14	2184318.01	6037044.77
15	2184302.98	6036743.63
16	2184302.98	6036743.63

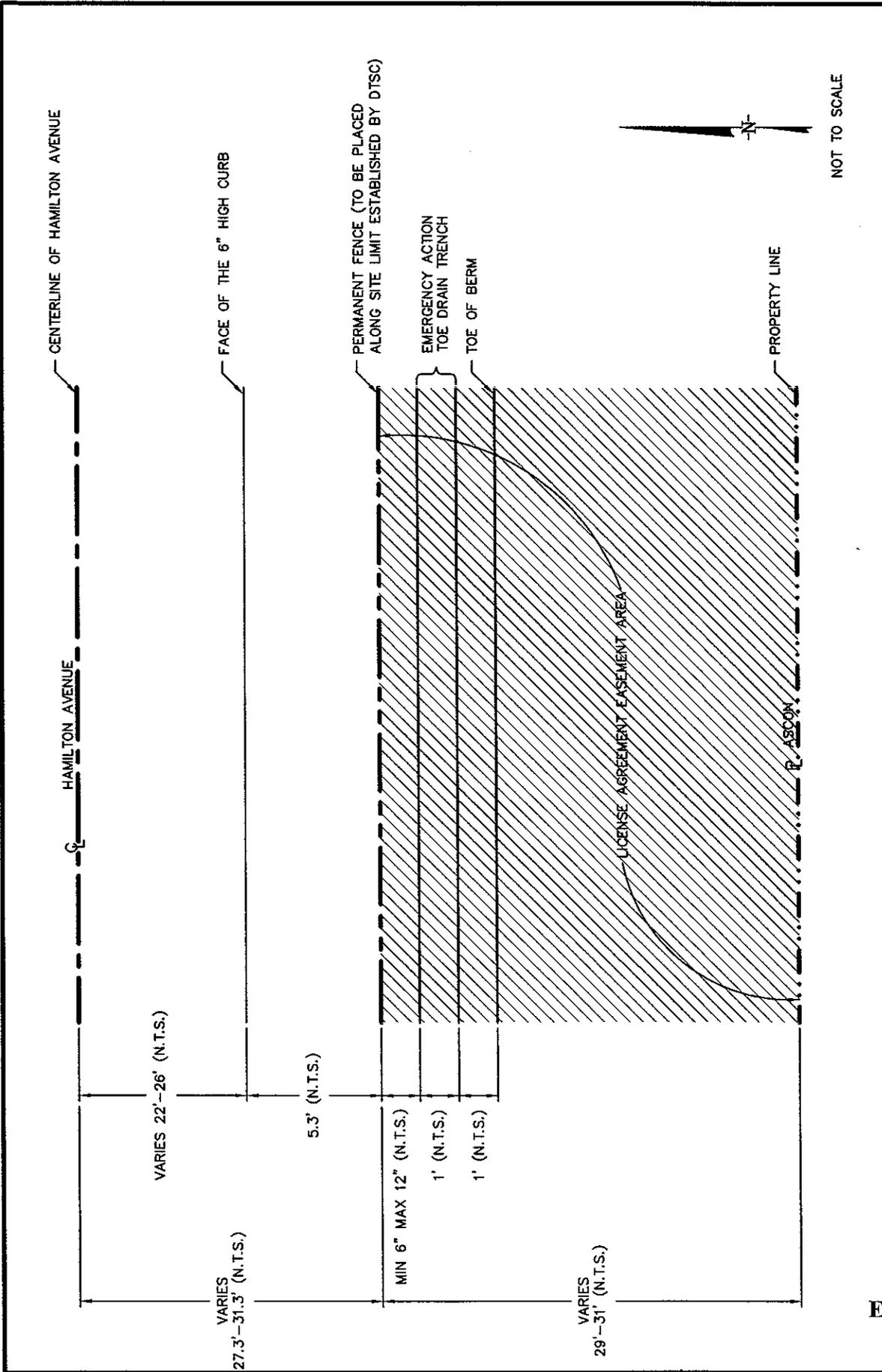
The purpose of this exhibit is to illustrate the Remediation "Easement" Area of the License Agreement By and between The City of Huntington Beach and Cannery Hamilton Properties, and Cannery Hamilton Properties, LLC.



- NOTES:**
- FINAL LOCATION OF THE TOE DRAIN SYSTEM OUTLET STRUCTURE TO BE DECIDED IN THE FIELD AND APPROVED BY THE ENGINEER. OUTLET STRUCTURE SHALL BE CONSTRUCTED ON NATIVE SOIL.
 - TOE DRAIN SYSTEM TO BE INSTALLED AT GRADE EXCEPT AT ROAD CROSSINGS. CONTRACTOR SHALL PROVIDE A 2-FT MINIMUM SOIL COVER OVER TOE DRAIN AT ROAD CROSSING.
 - PRIOR TO CONSTRUCTION OF TOE DRAIN, CONTRACTOR SHALL REMOVE EXISTING CHAIN LINK (C.L.) FENCE. UPON COMPLETION OF TOE DRAIN, CONTRACTOR SHALL INSTALL NEW (PERMANENT) C.L. FENCE AT THE LOCATION OF THE ORIGINAL C.L. FENCE.

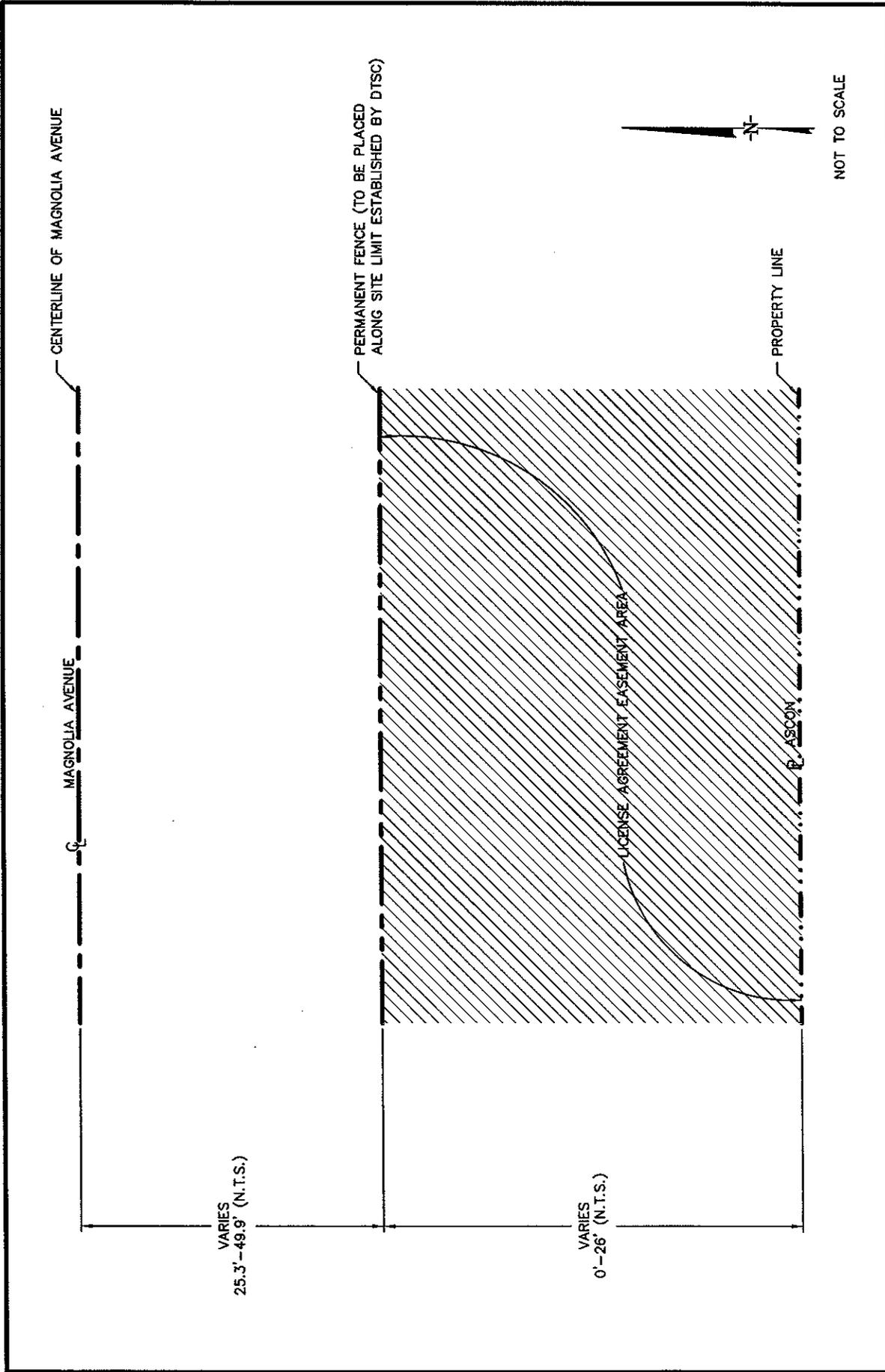
GEOSYNTEC CONSULTANTS
 EXHIBIT A
 EMERGENCY ACTION ACTIVITIES
 ASCCON LANDFILL
 HUNTINGTON BEACH, CALIFORNIA

FIGURE NO. 1 OF 3
 PROJECT NO. SB0202-52
 DOCUMENT NO.
 DATE: DECEMBER 2005



E8.14

 GEOSYNTEC CONSULTANTS EXHIBIT A EMERGENCY ACTION ACTIVITIES ASCON LANDFILL HUNTINGTON BEACH, CALIFORNIA	FIGURE NO. 2 OF 3
	PROJECT NO. SB0202-52
	DOCUMENT NO.
	DATE: DECEMBER 2005



GEOSYNTEC CONSULTANTS	
EXHIBIT A	
EMERGENCY ACTION ACTIVITIES	
ASCON LANDFILL	
HUNTINGTON BEACH, CALIFORNIA	
FIGURE NO.	3 OF 3
PROJECT NO.	SB0202-52
DOCUMENT NO.	
DATE:	DECEMBER 2005



INSURANCE AND INDEMNIFICATION WAIVER MODIFICATION REQUEST

RECEIVED

DEC 19 2005

City of Huntington Beach
City Attorney's Office

- Requested by: Christi Mendoza, Risk Management
- Date: December 15, 2005
- Name of contractor/permittee: Cannery Hamilton Properties, LLC (CHP)
- Description of work to be performed: License Agreement by and between the city and CHP LLC for use of city's easement of 37 acre property at southwest corner of Magnolia and Hamilton Avenues for maintenance and repair of berms on the north and east sides of property.
- Value and length of contract: \$200,000; One (1) to two (2) years
- Waiver/modification request: Waiver of third party insurance requirement
- Reason for request and why it should be granted: Cannery Hamilton Properties, LLC requests insurance waiver as part of the proposed License Agreement
- Identify the risks to the City in approving this waiver/modification: None.

PR Beardsley
 Department Head Signature

12/15/05
 Date:

APPROVALS

Approvals must be obtained in the order listed on this form. Two approvals are required for a request to be granted. Approval from the City Administrator's Office is only required if Risk Management and the City Attorney's Office disagree.

1. Risk Management	<input checked="" type="checkbox"/> Approved <input type="checkbox"/> Denied	<i>Patricia Williams</i>	<u>12/19/05</u>
		Signature	Date
2. City Attorney's Office	<input checked="" type="checkbox"/> Approved <input type="checkbox"/> Denied	<i>Jennifer McGrath</i>	<u>12/19/05</u>
		Signature	Date
3. City Administrator's Office	<input type="checkbox"/> Approved <input type="checkbox"/> Denied	_____	_____
		Signature	Date

If approved, the completed waiver/modification request is to be submitted to the City Attorney's Office along with the contract for approval. Once the contract has been approved, this form is to be filed with the Risk Management Division of Administrative Services

SMITH & RENDON LLP
ATTORNEYS AT LAW

2222 Martin
Suite 255
Irvine, California 92612-1481
Tel. (949) 474-2231
Fax (949) 260-0940



www.smithrendon.com

333 South Grand Avenue
Suite 4200
Los Angeles, California 90071-1546
Tel. (213) 626-9000
Fax (213) 626-2870

Reply to: **DAN SHASTEEN**
ATTORNEY AT LAW
28592 Murrelet Drive
LAGUNA HIGUEL, CALIFORNIA 92677
(949) 425-1632
FACSIMILE (949) 831-1268

December 14, 2005

Via Facsimile (714) 536-5212

Chris Mendoza
Risk Management
City of Huntington Beach
2000 Main Street
Huntington Beach, California 92648

Re: Insurance Waiver in Connection with License Agreement

Dear Ms. Mendoza:

As you know, I am an attorney representing Cannery Hamilton Properties, LLC ("CHP") owner of that certain 38 acre property (the "Property") located at the Southwest corner of Magnolia and Hamilton Avenues, in the City of Huntington Beach (the "City"). CHP is a limited liability company whose only members are Chevron Environmental Services Company, Inc. and ConocoPhillips Company, a Delaware corporation. CHP is in the process of installing fixtures such as a toe drain, drainage piping, sump pumps, SCE electrical pedestals and conduits in connection with storm-water controls for the Property and the City's adjacent property. A fence will also be located in the city's property along Hamilton Avenue and Magnolia Street at this location. This perimeter fence surrounds the Ascon Landfill Site.

In connection with such work, CHP has requested access to and use of the City's property. The City's representative, requested CHP execute that certain "License Agreement By and Between the City of Huntington Beach and Cannery Hamilton Properties, LLC For Encroachment into the Public Right of Way". I have attached a copy of this proposed agreement for your reference. CHP is willing to execute the agreement, provided the requirement that CHP obtain third party insurance is waived.

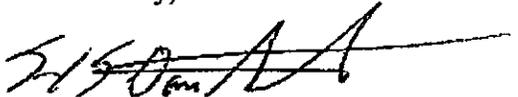
Ms. Chris Mendoza
December 14, 2005
Page 2

In order to obtain such waiver and satisfy the insurance requirements, I have enclosed a letter which has been executed by Chevron Corporation explaining their self insurance status.

In addition, the following information about the work to be performed is provided to you. The project involves the reshaping of berms which are located on the North and East side of the Property. The approximate cost for such reshaping is \$200,000 and is estimated to be completed in January. The fixtures, however, will remain in place until completion of the remedy selected for the Property by the Department of Toxic Substances Control, which is anticipated to take at least five years.

Please contact me if I you have any further questions regarding this project.

Sincerely,

A handwritten signature in black ink, appearing to read "H.E. Dan Shasteen", with a long horizontal line extending to the right.

H.E. Dan Shasteen



James D. Lyness
Assistant Treasurer
Insurance Division

Treasury Department
Chevron Corporation
6001 Bollinger Canyon Rd., E1160
San Ramon, CA 94583
Tel 925 842 8136
Fax 925 842 6007
JDLyness@chevron.com

May 16, 2005

City of Huntington Beach
2000 Main Street
Huntington Beach, CA 92648

**License Agreement by and between
City of Huntington Beach and Cannery
Hamilton Properties LLC for use of the City Easement**

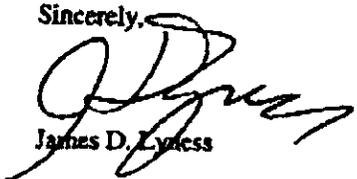
Gentlemen:

Chevron Environmental Services Company, Inc, a 50% owner of Cannery Hamilton Properties LLC, is covered for property and liability exposures through Chevron's major worldwide insurance programs with large deductibles. Losses that fall within these deductible levels, including those for which a Chevron company is contractually liable, are paid through the financial resources of the company and are administered by Chevron Corporation under its Self-Administered Claims Program, hereinafter referred to as the Program.

This is to advise you that the property/liability insurance requirements of the subject agreement fall within the deductible levels of Chevron's insurance programs. Therefore, losses for which Chevron is responsible under the agreement will be handled under the above-described Program. The scope of this Program is equal to the insurance requirements of the subject agreement.

Unless canceled earlier, this letter will remain in effect until the expiration or earlier termination of the subject agreement (or any renewal thereof). If this program is canceled or materially changed, we will provide you with 30 days' written notice.

Sincerely,


James D. Lyness

cc: Tim Knutson

KBJ/kmt

E8.19