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AMENDMENT NO. 1 TO AGREEMENT FOR PURCHASE OF REAL PROPERTY AND JOINT ESCROW INSTRUCTIONS AND RIGHT OF ENTRY PERMIT BETWEEN THE CITY OF LONG BEACH AND THE LOS ANGELES COUNTY METROPOLITAN TRANSPORTATION AUTHORITY

This Amendment No. 1 to Agreement for Purchase of Real Property and Joint Escrow Instructions and Right of Entry Permit between (this "Amendment"), is dated as of April 27, 2007, by and between the City of Long Beach ("CITY"), and the Los Angeles County Metropolitan Transportation Authority ("LACMTA").

RECITALS:

1. CITY and LACMTA entered into (i) that certain Agreement for Purchase of Real Property and Joint Escrow Instructions dated September 25, 2006 (the "Existing Agreement"), which Existing Agreement provides for LACMTA to sell the Property to CITY, and (ii) that certain Right of Entry Permit ("Permit") dated for reference purposes as of August 8, 2006, which Permit grants LACMTA certain rights of access to the Property after the close of escrow.

2. LACMTA initiated the preparation of an expanded Phase II environmental assessment of the Property pursuant to Exhibit B of the Existing Agreement. Review of the laboratory testing results confirmed that the Hazardous Materials found on the Property was below the response level established by the federal, state or local governmental agencies having jurisdiction over the Property, thereby requiring less remediation and monitoring than expected.

3. LACMTA has instructed its environmental consultant to prepare a remediation plan based on the laboratory test results, a copy of which is attached hereto as Exhibit "A" (the "Remediation Plan").

4. LACMTA and CITY estimate that the cost to implement the Remediation Plan is \$25,000, which includes performing a human health risk assessment, and a fate and transport model (collectively, the "HRA"). The HRA required by the Remediation Plan shall be conducted under the direction of the CITY's environmental consultant as specified in the Remediation Plan.

5. CITY desires to close Escrow prior to completion of the Remediation Plan.

6. LACMTA desires to accommodate CITY's desire to close Escrow provided, however, should further environmental work be required on the Property, LACMTA desires that its obligation for clean up be limited to \$300,000.

7. LACMTA continues to require use of the Property after the closing for transit purposes, including, without limitation, using the Property to decommission LACMTA buses and CITY desires that LACMTA use the Property for such purposes in consideration for the payment described as the Third Installment, as set forth in Section

2.2(iii) of the Existing Agreement.

8. Defined terms used herein shall have the same meaning as provided in the Existing Agreement.

9. CITY and LACMTA desire to amend the Existing Agreement as provided herein.

NOW, THEREFORE, for good and valuable consideration, the receipt and adequacy of which are hereby acknowledged, the parties hereby agree as follows:

AGREEMENT:

1. Section 2.2(iii) of the Existing Agreement is amended by deleting it in its entirety and replacing it with the following new Section 2.2 (iii):

"The Third Installment shall be an amount equal to Nine Hundred Twenty Five Thousand Dollars (\$925,000) less any amounts due and owing to CITY as Permit Fees under a Permit (the "Permit") giving LACMTA permission to use the Property in the form attached as Exhibit "C" to the Agreement. The Permit Fees due to CITY under the Permit from LACMTA shall total (i) \$888,760 if the duration of the term of the Permit is thirty (30) months or less, leaving a balance due from CITY to LACMTA of \$36,240, or (ii) \$925,000 if the duration of the term of the Permit is more than thirty (30) months. Assuming the duration of the Permit will be thirty (30) months or less, the balance due shall be paid to LACMTA by CITY at the time of Closing. Should the term of the Permit extend beyond thirty (30) months, then LACMTA shall refund \$36,240 to CITY."

2. Section 3.1 of the Existing Agreement is hereby amended by deleting "December 31, 2007" and substituting "April 30, 2007" as the new Closing Date.

3. LACMTA shall pay City \$25,000 toward the HRA described in the Remediation Plan. Should the cost of the HRA exceed \$25,000, CITY shall be responsible for any such excess costs. Should the cost of the testing be less than \$25,000, CITY shall have no obligation to return any funds to LACMTA. The payment of \$25,000 shall be off-set by the Third Installment payment of \$36,240 identified in Section 2.2(iii) of the Existing Agreement, as amended above, leaving a balance due from CITY to LACMTA of \$11,240.

4. Section 4.1(f) of the Existing Agreement is hereby amended by deleting it in its entirety and replacing it with the following new Section 4.1(f):

"(f) Disburse any remaining balance of the Deposit, Second Installment and the \$11,240 owing as the remaining balance of the Third Installment to LACMTA and record documents of conveyance when conditions of the Escrow have been fulfilled by LACMTA and CITY."

5. Section 23.2 of the Existing Agreement is hereby amended by adding the following to the end thereof: "If the Property is not required to be remediated, this Indemnity shall terminate upon the issuance of a "No Further Action Letter" by the governing Agency, and LACMTA shall have no further obligation to the CITY for remediation of the Property."

6. Pursuant to paragraph 5 of Exhibit B of the Existing Agreement, the Remediation Plan as approved by the CITY and LACMTA is attached as Exhibit "A" to this Amendment.

7. Paragraph 8 of Exhibit B to the Existing Agreement is hereby amended by deleting it in its entirety and replacing it with the following:

"CITY shall be responsible for implementing and paying for the human health risk assessment and fate and transport model (collectively, the "HRA") specified in the Remediation Plan. LACMTA shall pay CITY \$25,000 toward the HRA. Should the additional testing indicate further environmental remediation work is required, CITY shall be responsible for implementing such further environmental remediation work, and LACMTA shall be responsible for paying for such further environmental work; provided, however, that LACMTA shall not be responsible for any remediation costs which exceed \$300,000."

8. The first sentence of Paragraph 1 of the Permit is hereby amended by deleting it in its entirety and replacing it with the following:

"City grants to LACMTA, its environmental consultants, contractors, agents and employees (collectively, the "LACMTA Parties"; individually, a "LACMTA Party") a nonexclusive right to enter the City-owned property described in Exhibit "A" attached to this Permit and incorporated by reference ("Property") for the purpose and to the extent reasonably necessary for (i) LACMTA Parties to conduct and perform the activities required by the Agreement for Purchase of Real Property and Joint Escrow Instructions ("Purchase Agreement"), attached to this Permit as Addendum "A" and incorporated by reference, and (ii) the temporary storage and de-commissioning of buses owned and operated by LACMTA, and other transit purposes.

9. Paragraph 3 of the Permit is hereby amended by deleting "thirty (30) months" and substituting "twenty-four (24) months" as the new duration of the Permit.

10. Paragraph 4 of the Permit is hereby amended so that (d) thereof is deleted in its entirety.

11. The first two sentences of Paragraph 5 of the Permit are hereby amended by deleting such sentences in their entirety and replacing them with the following:

"With respect to this Permit, LACMTA shall indemnify and hold harmless the City, its Boards and Commissions, and their officials, employees and agents (collectively in this Section "City") from and against any and all liability, claims, demands, damage, loss, causes of action, proceedings, penalties, fines, assessments related to LACMTA's use of the Property, including without limitation the Remediation, as defined in Exhibit "B" to the Purchase Agreement, costs and expenses (including but not limited to attorney's fees, court costs, and expert and witness fees)(collectively "Claims" or individually "Claim"), and interest. Claims include allegations and include by way of example but are not limited to: Claims for environmental liability arising from the use of the Property by LACMTA under this Permit, property damage, personal injury or death arising, in whole or in part, from the negligent act or omission of LACMTA, its officers, employees, agents, invitees, contractors or anyone under LACMTA's control on the Property (collectively "Indemnitor"); LACMTA's breach of this Permit; misrepresentation; willful misconduct; and Claims by any employee of Indemnitor relating in any way to worker's compensation."


12. Except as expressly amended hereby, the Existing Agreement remains in full force and effect as originally executed. All rights and obligations of the parties under the Existing Agreement that are not expressly amended by this Amendment shall remain unchanged by this Amendment.

13. This Amendment may be executed in counterparts, each of which, when executed, shall be deemed an original, and all such counterparts shall constitute one and the same agreement.

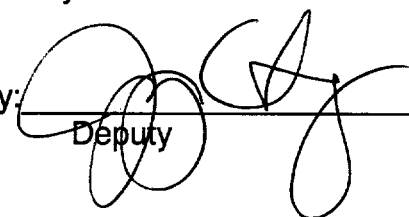
IN WITNESS WHEREOF, the parties have caused this Amendment to be duly executed and delivered as of the above date.

SELLER

**LOS ANGELES COUNTY
METROPOLITAN TRANSPORTATION
AUTHORITY**

By: 
Name: Velma C. Marshall
Title: Deputy Executive Officer – Real Estate

Approved as to form:
Raymond G. Fortner, Jr.
County Counsel

By: 
Deputy

BUYER

CITY OF LONG BEACH

By: Christine J. Shippey
Name: Gerald R. Miller
Title: City Manager

**ASSISTANT
EXECUTED PURSUANT
TO SECTION 301 OF
THE CITY CHARTER.**

APPROVED AS TO FORM

4/25, 2007
ROBERT E. SHANNON, City Attorney
By [Signature]
DEPUTY CITY ATTORNEY

EXHIBIT "A"



CH2MHILL
Constructors, Inc.

CH2M HILL
Constructors, Inc.
3 Hutton Centro Drive
Suite 200
Santa Ana, CA 92707
Tel 714.429.2000
Fax 714.429.2050

April 26, 2007

Tom Kefalas
Los Angeles County
Metropolitan Transportation Authority
Mail Code 99-17-2
One Gateway Plaza
Los Angeles, CA 90012

Subject: Remediation Plan
Los Angeles County Metropolitan Transportation Authority (LACMTA),
Division 12, 970 W. Chester Avenue, Long Beach, CA

Dear Mr. Kefalas:

CH2M HILL was retained by LACMTA to prepare an expanded Phase II environmental assessment of its Division 12 property located at 970 West Chester Avenue in Long Beach, California. CH2M HILL conducted the Phase II by drilling and sampling nine soil borings. The samples were submitted to a laboratory for testing. The laboratory results were presented to LACMTA and to representatives of the City of Long Beach and their consultant, Mearns Consulting, LLC.

On April 17, 2007, a meeting was held at the LACMTA Offices, at One Gateway Center, Los Angeles, California, regarding the subject property. The following people attended the meeting:

Tom Kefalas - LACMTA
Velma Marshall - LACMTA
Mike Conway - City of Long Beach
Susan L. Mearns, Ph.D. - Mearns Consulting, LLC, City of Long Beach Consultant
Mark Fishel, P.G. - CH2M HILL, LACMTA Contractor

The purpose of this meeting was to discuss the soil analytical findings from the phase II investigation conducted at the site on April 4 and 5, 2007. The additional phase II site assessment work at Division 12 included drilling nine additional soil borings, collecting, and analyzing soil samples. This work was performed in an effort to further characterize the lateral extent of potential soil contamination based on recommendations from Dr. Mearns, after a review of the initial sampling and analysis data collected during the UST excavation and removal effort conducted in 2002, and a site reconnaissance in November 2006.

Former Fueling Island Area

Based on the analytical results collected during the UST removal, the area with the highest concentrations of petroleum hydrocarbons is the east side of the excavation, which is the former fuel island area. The maximum concentrations of TPH-gasoline, and TPH-diesel, detected were 300 mg/kg, 133,000 mg/kg, respectively, in sample 171031FI-BF-001 collected at 8 feet bgs.

A soil boring (D12-SB-06) was drilled approximately 10 feet east of the former excavation area as part of the phase II assessment. The 5-foot sample had concentrations of TPH-gasoline, TPH-diesel (C13-C22), and TPH-heavy hydrocarbons (C23-C44) were 64.8 mg/kg, 8,220 mg/kg, and 3,850 mg/kg, respectively. The 10-foot sample had concentrations of TPH-diesel (C13-C22), and TPH-heavy hydrocarbons (C23-C44) of 96.5 mg/kg and 404 mg/kg, respectively. Soil boring D12-SB-07 was drilled immediately southeast of the former excavation, also in the vicinity of the former fueling island area. The 5-foot sample results were below the laboratory reporting limits. The 10-foot sample results had concentrations of TPH-diesel (C13-C22), and TPH-heavy hydrocarbons (C23-C40) of 81.1 mg/kg, and 1,180 mg/kg, respectively.

Former Main UST Excavation

The analytical results from soil samples collected from the main UST excavation, during the initial UST removal, did not indicate any significant impact to the soils. Soil boring D12-SB-08 was drilled on the south corner of the former excavation as part of the Phase II assessment. The 5- and 10-foot sample results were below the laboratory reporting limits. The 15-foot sample results had concentrations of TPH-gasoline and TPH-diesel hydrocarbons of 28.1 mg/kg and 13.7 mg/kg, respectively. The 17-foot sample results had concentrations of TPH-gasoline and TPH-diesel hydrocarbons of 75.7 mg/kg and 387 mg/kg, respectively. Both the 15- and 17-foot samples were collected at or slightly below the bottom elevation of the former UST Excavation.

Groundwater Sampling

Following the removal of the USTs in 2002, from the main UST excavation, a pothole was excavated through the concrete hold down slab to approximately 20 feet bgs to explore for the possibility of ground water. At 19 feet bgs, ground water was initially encountered. A groundwater sample was collected on August 29, 2002, using a disposable bailer. TPH-gasoline and TPH-motor oil were detected at concentrations of 0.02J and 0.06J mg/L, respectively. VOCs were below laboratory reporting limits, with the exception of trace concentrations of methylene chloride (0.4J µg/L) and MTBE (5J µg/L).

Summary

The analytical results from the former fueling island area indicate that there is a localized area of impacted soil, possibly from the product piping into the fuel island. The analytical results from the main UST excavation area indicate that there was possibly some localized impact from the diesel and unleaded UST and/or piping, prior to their removal. Based on the analytical results from the soil sampling events and the groundwater sample results, the

areas of impacted soil appear to be localized in the fuel island area and at the base of the former excavation.

Conclusion

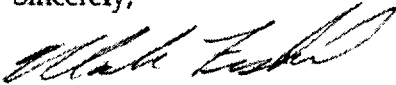
As a result of this meeting and after review of the laboratory results from the Phase II investigation, it was agreed that two additional assessments would be completed related to the condition of the Property – (1) a human health risk assessment and (2) fate and transport model (SESOIL). It was further agreed that the City of Long Beach will have Dr. Mearns perform these. CH2M HILL provided copies of the laboratory analytical results from both the UST removal and phase II investigation to Dr. Mearns for her use in the modeling of the site. The cost to complete the two assessments was estimated to be approximately \$25,000.

It was further determined that CH2M HILL would send a letter requesting the Long Beach Department of Health Services (DHS) to take jurisdiction over the further review of the Property and to issue the final "No Further Action Letter". The Regional Water Board has thirty (30) days to respond to the request to transfer jurisdiction to DHS.

The completion of the two assessments discussed above constitutes the Remediation Plan for closing out the environmental assessment of the Property.

If you have any questions, please do not hesitate to call me at (714) 435-6240.

Sincerely,



CH2M HILL
Mark L. Fishel, P.G.
Project Geologist