

CITY OF RICHMOND
Pt. Molate Community Advisory Committee

Monday, May 9, 2016 6:30 PM
Multi-Purpose Room, 440 Civic Center Plaza

AGENDA

Members:

Shana Bagley
Vice Chair

Bruce Beyaert

Bruce Brubaker

Paul Carman

Charles Duncan
Chair

Joan Garrett

Dorothy Gilbert

Al Guggemos

Jim Hanson

Mark Howe

Jeanne Kortz

Jeff Lee

Bob McNeil

Katrinka Ruk

Pam Stello

1. **Call to Order** (1 min.)
2. **Roll Call** (1 min.)
3. **Welcome and Meeting Procedures** (1 min.)

Individuals who would like to address the committee on matters not listed on the agenda may do so under Open Forum. Please file a speaker's card with the note taker prior to the commencement of Open Forum. Individuals who want to comment on an individual item, please file a speaker's card before the item is called. The standard amount of time for each speaker will be three minutes.

At 8:30 PM, any items remaining on the agenda that require immediate attention may be taken out of turn, as necessary. All other items will be continued to another or the following committee meeting in order to make fair and attentive decisions. This meeting adjourns at 9:00 PM. The meeting may be extended by a majority vote of the committee.

4. **Agenda Review and Adoption** (2 min.)
The order in which items will be heard may be adjusted at this time. In addition, items may be removed from or placed on the Consent Calendar at this time.
5. **Announcements through the Chair** (2 min.)
6. **Open Forum** (3 minutes per person limit)
7. **Presentations, Discussion & Action Items** (65 min.)
 - a. Discussion: Weekly and monthly remediation progress report out with Terraphase (10 min.), Q&A (5 min.) Bill Carson, Principal, Terraphase
 1. ACE Report
 2. Monthly Report – March 2016
 3. IR Site 3 Wetlands Mitigation Project
 - b. Presentation: Pt Molate Electrical System Study (10 min.), Q&A (5 min.) Mark Howe, MSH Group
 - c. Discussion: Nematode Point Molate License Agreement concerns, (10 min.) Shana Bagley
 - d. Discussion: Point Molate Non Profit Corporation Review, (10 min.) Joan Garrett
 - e. Review of PMCAC feedback to ULI/TAP Panel (10 min.), Q&A (5 min.) Charles Duncan
8. **Staff Reports** (10 min.)
Following discussion of each item, the Committee may vote to make recommendations to staff or to the City Council.
 - a. Project Manager's Staff Report (10 min.) – including
 1. Expenditures and balance from the Navy Escrow Fund
 2. Expenditures and balance from the General Fund
 3. Insurance Reporting filings
 4. Lease/Occupation Status for all Pt Molate users
 5. Monthly summary of security incidents
 6. Monthly summary of authorized entries
 7. Caretaker Summary
 8. Beach Park
 9. IR Site 3 Remediation and Abatement Project
 10. Other – Single Audit Report

CITY OF RICHMOND
Pt. Molate Community Advisory Committee
Monday, May 9, 2016 6:30 PM
Multi-Purpose Room, 440 Civic Center Plaza

AGENDA

Members:

Shana Bagley
Vice Chair

Bruce Beyaert

Bruce Brubaker

Paul Carman

Charles Duncan
Chair

Joan Garrett

Dorothy Gilbert

Al Guggemos

Jim Hanson

Mark Howe

Jeanne Kortz

Jeff Lee

Bob McNeil

Katrinka Ruk

Pam Stello

9. Consent Calendar (2 min.)

Items on the consent calendar are considered matters requiring little or no discussion and will be acted upon in one motion

- a. APPROVE – PMCAC meeting minutes of March 14, 2016
- b. APPROVE – PMCAC meeting minutes of April 11, 2016

10. PMCAC Report to City Council (5 min.)

11. Future Agenda Items (5 min.)

- a. Presidio Trust Presentation
- b. EBRPD Pt San Pablo/Pt Molate Bay Trail
- c. Bike Skills Park
- d. Cottages Review
- e. RM3 Presentation Bobby Winston

12. City Council Liaison Reports (12 min.)

- a. Report by Councilmember McLaughlin regarding recent issues in Richmond relevant to the Advisory Committee. (10 min.)
- b. PMCAC appointment status – TBD (2 min.)

13. Chair and Sub-Committee Reports (15 min.)

Following discussion of each item, the Committee may vote to make recommendations to staff or to the City Council.

- a. Clean-Up and Restoration (3 min.)
- b. Parks and Open Space (3 min.)
- c. Legal (3 min.)
- d. Finance (3 min.)
- e. ULI Ad Hoc Committee
- f. Chair (2 min.)
 1. Identification of pending schedule conflicts

14. Adjournment of PMCAC regular meeting

15. Assemblage of PMCAC Standing Sub-Committees

Scheduled Meetings

Committee Meeting - Monday, June 13, 2016, 6:30 pm. This meeting is held in a building that is accessible to people with disabilities. Persons with disabilities, who require auxiliary aids of services using city facilities, services or programs or would like information of the city's compliance with the American Disabilities Act (ADA) of 1990, contact: Rochelle Monk, City of Richmond (510) 620-6511 (voice).

Pt. Molate Community Advisory Committee Staff Liaison Contact: Craig K. Murray (510) 307-8140, craig_murray@ci.richmond.ca.us.

Agenda and minute information on the PMCAC can be found on the

City Clerk's web location: <http://ca-richmond2.civicplus.com/index.aspx?NID=2442>

Additional correspondence can be directed to PtMolateCAC@gmail.com

PMCAC Repository Information is available at: <https://docs.google.com/open?id=0B9WXrZeb-72MzVkkZWQ1ZDQ1NWlwNC00ZjE4LTgxYjctOTQyMDk4Y2FjNDYw>

Craig Murray

From: Tomer Schetrit <tomerschetrit@terraphase.com>
Sent: Wednesday, May 04, 2016 3:46 PM
To: Venkat Puranapanda (Venkat.Puranapanda@acegroup.com)
Cc: Carlos A. Privat; William Carson; Craig Murray; 'mleacox@ncenet.com'; david.j.clark2@navy.mil; james.h.whitcomb@navy.mil
Subject: Naval Fuel Depot Point Molate ACE Project Update
Attachments: Attachments.html

ShareFile Attachments	
Title	Size
ACE-Project Update-January-2016_4272016.pdf	13.1 MB

[Download Attachments](#) Tomer Schetrit uses ShareFile to share documents securely. [Learn More.](#)

145
PAGES

Mr. Puranapanda,

Please find above a link to the Remediation Project Update report and cost summary worksheet for the remediation work at the former Naval Fuel Depot Point Molate. The Project update through January 2016 is available for your review.

If you have any questions or issues accessing the files please feel free to contact me.

Sincerely,

Tomer Schetrit

Tomer Schetrit, P.E.

Senior Project Engineer

Terraphase Engineering Inc.

1404 Franklin Street, Suite 600

Oakland, California 94612

tomerschetrit@terraphase.com

510-645-1850 x50 (office)

650-793-5686 (cell)

510-380-6304 (fax)

www.terraphase.com



May 4, 2016

Mr. Venkat Puranapanda
ACE USA
10 Exchange Place, 9th Floor
Jersey City, New Jersey 07302

Sent via e-mail

Subject: Transmittal of the Remediation Project Update for the Former Naval Fuel Depot Point Molate Richmond, California (Policy RCC G2488965B 001)

Mr. Puranapanda:

As requested, this transmittal includes the Remediation Project Update report and cost summary worksheet for the remediation work at the former Naval Fuel Depot Point Molate located in Richmond, California. These documents were prepared on behalf of the City of Richmond, the name insured.

If you have any question or comments regarding this transmittal, please contact Tomer Schetrit at (510) 645-1850.

Sincerely,
For Terraphase Engineering Inc.

A handwritten signature in blue ink, appearing to read 'TS', is positioned above the typed name.

Tomer Schetrit, PE (C81411)
Senior Project Engineer

cc: Carlos Privat, City of Richmond
Craig Murray, City of Richmond
Michael Leacox, NCE
William Carson, Terraphase Engineering
David Clark, BRAC Program Management Office
James Whitcomb, BRAC Program Management Office

Attachments: Remediation Project Update (through January 31, 2016)
Cost Summary (through January 31, 2016)
January 2016 Monthly Remediation Status Report
Invoices for October through January 2016

Terraphase Engineering Inc.
1404 Franklin Street, Suite 600
Oakland, California 94612
www.terrphase.com

7A1.3

REMEDIATION PROJECT UPDATE

Named Insured	City of Richmond	Insured contact(s)	Kim Greer, Carlos Privat, Craig Murray (City of Richmond)
Insured Location	450 Civic Center Plaza, 2 nd Floor , Richmond	Other Insured Contact (Technical)	William Carson
Additional Site Location(s)	None	Other Insured Contact (Legal)	
Policy Number	RCC G2488965B 001	Insured's Lead Consultant/Contractor	Terraphase Engineering, Inc.
Policy Term	March 31, 2010 to March 31, 2020	Regulatory Contact	Margarete Beth (California RWQCB)
Policy Limit	\$20,000,000	Broker Contact	Seth Cole (Alliant Insurance Services)
Projected Remediation Cost	\$20,943,385	ACE Underwriter	Venkat Puranapanda
Self Insured Retention	\$29,500,000	ACE Cost Cap Monitoring Manager	Venkat Puranapanda
Date Submitted	April 8, 2015	Reporting Period	September 28, 2015 through January 31, 2016

Scope of Work Conducted in Reporting Period

List activities conducted in the reporting period in accordance with the scope of work in the Remediation Plan Schedule Endorsement No. _____ to the policy.

Scope of work

1. Brief description of project activities completed in the reporting period

See attached monthly status reports.

2. List tasks completed since last update

See attached monthly status reports.

3. List tasks which are at 100 % completion

IR Site 4 – Drum Lot 1 and 2 – Site Management Plan (Task 1.0)

Long-Term Groundwater Monitoring – Plans (Task 1.0)

Long-Term Groundwater Monitoring – Sampling and Analysis (Years 1-4) (Task 3.0)

IR Site 4 – Drum Lot 1 and 2 - Additional Investigation for TCE Plume at IR Site 4 Drum Lot 2 (Task 3.0)

IR Site 3 – Feasibility Study and Remedial Action Plan (Task 1.0)

IR Site 3 – Waste Characterization Plan (Task 2.0)

IR Site 3 – Remedial Design Implementation Plan (Task 3.0)

Changes in Project Conditions

Please identify the following:

1. *Changes in project assumptions (field conditions, regulatory changes; changes in site use, permit approvals/delays etc.)*

The treatment area at IR Site 4 was expanded both horizontally and vertically based on groundwater samples collected during the investigation. Even with increase of treatment area, the remediation efforts are currently estimated to remain under budget.

The revised IR Site 3 FS/RAP addresses comments by the RWQCB regarding development of IR Site 3 as a Waste Management Unit under Title 27 as reported on March 11, 2013 and discussed in the June 2013 meeting with ACE in Emeryville, CA. Costs under IR 3 Task 4 have been adjusted in accordance with projected costs as the work at IR Site 3 progresses. The costs estimated for the recommended alternative for remediation of IR Site 3 remains below the estimated budget in the FS/RAP.

On February 7th 2014 the RWQCB informed the City that silica gel cleanup analysis – a long standing and regulatory required and accepted practice – could no longer be implemented prior to analysis of total petroleum hydrocarbons (TPH). This change in regulatory position was implemented and some of the resulting reported laboratory concentrations exceed site specific ceiling values. This resulted in a RWQCB Notice of Violation (August 26, 2014) for discharge of TPH and TPH decomposition products into waters of the state and could potentially affect monitoring and remediation costs. The City submitted a “Polar Compounds Assessment Work Plan” on January 16, 2015 and met with the RWQCB on February 11, 2015 to present and discuss the draft work plan. The RWQCB provided formal comments to the work plan on May 21, 2015. A revised “Polar Compounds Assessment Work Plan” was submitted to the RWQCB on February 9, 2016. Per the revised Work Plan, the polar compounds assessment will consist of (1) a detailed literature study of polar compounds and their properties and (2) a site-specific field study to evaluate the potential presence and impact of polar compounds at the site including aquatic toxicity testing.

The Remediation and Abatement contract for IR Site 3 was awarded on August 8, 2014 and implementation of the remedial plan has been implemented. The remediation action was substantially completed on November 6, 2015.

2. *Any increase/decrease in contamination.*

The quantity of Non-RCRA hazardous waste located in the former fuel reclamation facility was 41% greater than initial planning estimates.

Class II excavation, transport and disposal amounts were approximately 31% greater than planning estimates. Import fill required exceeded initial estimates by approximately 38%.

The total cost for implementation of the IR Site 3 Remediation Plan is approximately \$13,289,272, a decrease of approximately 4% in comparison to the previous ACE report, based upon final excavation and fill quantities.

3. *Off-site migration of contaminant plume; impacts to sensitive receptors?*

None at this time. Although this conclusion could be altered as the polar compounds issue matures through newer information and changes in regulatory policy.

Project Schedule

1. *Describe events/activities that may impact the project schedule including revised completion dates that may exceed the original estimates schedule, if any.*

The remediation is based on the RWQCB Order R2-2011-0087 (see attached monthly status report for a breakdown of tasks and required completion dates). IR Site 3 remedial activities commenced in August 2014 and were substantially completed on November 6, 2015.

Out of Scope Activities (if any)

Please identify any out of scope activities including those *conducted* due to the following:

1. *Changes in Regulatory conditions*

- a. Revisions of IR Site 3 remediation approach based on changes in the RWQCB regulatory approach to IR Site 3 to treat IR Site 3 as a Title 27 Waste Management Unit.
- b. RWQCB letter informing that silica gel cleanup will no longer be allowed to be used prior to analysis for total petroleum hydrocarbons.
- c. Notice of Violation (August 26, 2014) from RWQCB regarding discharge of TPH decomposition byproducts into waters of the state. The City submitted the "Polar Compounds Assessment Work Plan" to the RWQCB on January 16, 2015, proposing alternative quantification methodology, additional characterization and/or risk evaluation for areas outside of IR Site 3 where USEPA Method 8015 without Silica Gel Cleanup quantifies TPH and TPH decomposition products as exceeding the Fuel Product Action Levels within 150 feet of the San Pablo Bay. The City met with the RWQCB on February 11, 2015 to present and discuss the draft work plan. The RWQCB provided formal comments to the work plan on May 21, 2015. A revised "Polar Compounds Assessment Work Plan" was submitted to the RWQCB on February 9, 2016. Per the revised Work Plan, the polar compounds assessment will consist of (1) a detailed literature study of polar compounds and their properties and (2) a site-specific field study to evaluate the potential presence and impact of polar compounds at the site including aquatic toxicity testing.

2. *Discovery of additional contamination*

The quantity of Non-RCRA hazardous waste located in IR Site 3 was 41% greater than initial planning estimates. Class II excavation, transport and disposal amounts were approximately 31% greater than planning estimates. Import fill required exceeded initial estimates by approximately 38%. The total cost for implementation of the IR Site 3 Remediation Plan is approximately \$13,289,272, a decrease of approximately 4% in comparison to the previous ACE report, based upon final excavation quantities.

3. *Discovery of new contaminants*

None

4. *Changes in site conditions*

Please refer to response above regarding changes in regulatory conditions.

5. *Changes in Project schedule*

The remediation is based on the RWQCB Order R2-2011-0087 (see attached monthly status (January 2016) report for a breakdown of tasks and required completion dates).

6. *Other unanticipated changes*

None

Project Cost/Controls for Out of Scope Activities

1. *Describe plans to address out of scope activities, actions undertaken to control project costs and to meet the project schedule.*

As required by the RQWCB, any out of scope activities will be completed as quickly as possible to allow for the remediation of IR Site 3. As described above, the City prepared a work plan that proposes alternative quantification methodology, additional characterization and/or risk evaluation for areas outside of IR Site 3 where USEPA Method 8015 without Silica Gel Cleanup quantifies TPH and TPH decomposition products as exceeding the Fuel Product Action Levels within 150 feet of the San Pablo Bay. A revised "Polar Compounds Assessment Work Plan" was submitted to the RWQCB on February 9, 2016. Per the revised Work Plan, the polar compounds assessment will consist of (1) a detailed literature study of polar compounds and their properties and (2) a site-specific field study to evaluate the potential presence and impact of polar compounds at the site including aquatic toxicity testing.

Project Deliverables - Milestone Completion

Please identify project deliverables and scheduled date of completion.

Please see the attached monthly remediation status report (January 2016).

Project Budget Report

USE ATTACHED EXCEL SPREADSHEET TEMPLATE (COST REPORT)

Please discuss the following:

1. *Changes if any to the anticipated costs incurred in comparison to the projected budgets*

The projected cost to complete remediation has been revised to \$20,943,385, which is lower than the previous project update (\$21,255,645) due to the final quantities of Class II excavation and required import fill upon completion of the remediation implementation plan at IR Site 3. Contingency associated with Task 4.0 for IR Site 3 has been eliminated as the task has been substantially completed.

2. *Backup provided for costs incurred.*

Invoices October through January 2016.

3. *Costs/tasks associated with items not included in the insured scope of work (Out of Scope items).*

None

Potential for Excess Remediation Costs

1. *Please provide a brief description of any issues that have arisen since the last update that may lead to any "Remediation Costs" or "Excess Remediation Costs" as defined in the policy.*

Execution of the Polar Compounds Assessment Work Plan could add approximately \$160,000 in additional costs associated with Task 1 under Long Term Groundwater Monitoring.

2. *Please provide a brief description/summary of issues that have arisen to date that may lead to any "Remediation Costs" or "Excess Remediation Costs" as defined in the policy.*

Sand filters installed at the IR Site 1 Landfill treatment system (approximately \$30,000). Included in Task 1.0 of IR Site 1 – Closed Landfill.

Additional remediation on IR Site 4 Drum Lot 2. Included in Task 4.0 of IR Site 4 – Drum Lot 1 and 2.

Permitting and construction of compensatory mitigation wetlands on site (approximately \$500,000). Included in Task 4.0 of IR Site 3- Former Oily Sump Area.

Evaluation of soil vapor and Title 27 requirements at IR Site 3 (approximately \$100,000). Included in Task 2.0 of IR Site 3-Former Oily Sump Area.

Extended operation of the PGWTP for two additional years (approximately \$550,000). Included in Task 5.0 of IR Site 3- Former Oily Sump Area.

Additional investigation costs could be associated with the revised Polar Compounds Assessment Work Plan submitted to the RWQCB on February 9, 2016. Per the revised Work Plan, the polar compounds assessment will consist of (1) a detailed literature study of polar compounds and their properties and (2) a site-specific field study to evaluate the potential presence and impact of polar compounds at the site including aquatic toxicity testing.

Additional analytical costs associated with confirmation sampling included in Task 5.0 (approximately \$34,000)

Winterization of IR Site 3 until April 2015 included in Task 5.0 (approximately \$50,000)

Continued operation of the PGWTP through July 2015 included in Task 5.0 (approximate increase of \$217,000)

The quantity of Non-RCRA hazardous waste located in IR Site 3 was 41% greater than initial planning estimates. Class II excavation, transport and disposal amounts were approximately 31% greater than planning estimates. Import fill required exceeded initial estimates by approximately 38%. This represents an approximate additional cost of \$1,188,166 to Task 4.0 IR Site 3 – Former Oil Sump Area compared to initial estimates. All excavation and fill activities have been substantially completed within IR Site 3.

Backup Documentation

The Insurer requires backup documentation that can substantiate all "Remediation Costs" and "Excess Remediation Costs" for which coverage may be afforded under the policy, including, but not limited to, the following:

1. *Copies of all invoices associated with implementation of remediation activities at the site. The invoices should include a listing of personnel, equipment and expenses along with unit rates, quantities and description of activities performed at the site.*

Invoices and backups provided for the invoice period September 28, 2015 through January 31, 2016.

2. *Copies of all subcontractor expenses associated with implementation of remediation activities at the site.*

Subcontractor expenses and invoices are included on the invoices and backups.

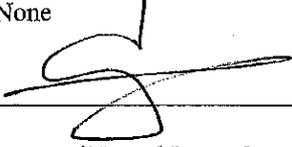
3. *Copies of daily field notes describing the activities conducted at the site.*

Field notes are incorporated into the reports (provided to ACE Group when they are submitted to the RWQCB), invoices (services), and monthly status reports (see attached).

Insured Name: City of Richmond
Date: April 26, 2016

4. Copies of subcontractor time sheets and equipment records.
Subcontractor expenses and invoices are included on the invoices and backups.
5. Copies of disposal manifests and bills of lading associated with the offsite disposal of remediation generated wastes at the site.

None



Signature of Named Insured

CRAIG K. MURRAY

Print Name

DEVELOPMENT PROJECT MANAGER II

Title

4/29/16

Date

BY SIGNING THIS REMEDIATION PROJECT UPDATE ("UPDATE") THE NAMED INSURED WARRANTS TO THE INSURER THAT ALL STATEMENTS MADE IN THIS UPDATE INCLUDING ATTACHMENT(S), ARE TRUE AND COMPLETE AND THAT NO MATERIAL FACTS HAVE BEEN MISSTATED OR CONCEALED IN THIS UPDATE.

ANY PERSON WHO KNOWINGLY AND WITH INTENT TO DEFRAUD ANY INSURANCE COMPANY OR ANOTHER PERSON FILES AN APPLICATION FOR INSURANCE OR STATEMENT OF CLAIM CONTAINING ANY MATERIALLY FALSE INFORMATION OR CONCEALS INFORMATION FOR THE PURPOSE OF MISLEADING OR MISREPRESENTATION COMMITS A FRAUDELENT INSURANCE ACT AND IS POTENTIALLY SUBJECT TO CRIMINAL AND CIVIL PENALTIES

FOR USE BY ACE PERSONNEL ONLY			
Claim Number		ACE Claims Manager	Christopher Stella christopher.stella@acegroup.com
Date Received		ACE Cost Cap Monitoring Manager	Venkat Puranapanda venkat.puranapanda@acegroup.com
Date Reviewed			
Reviewed By		Distribution	

Insured/Insured	City of Richmond	Insured Contact:	Carla Piva, Craig Murray, Kim Greer (City of Richmond)
Address/Location	450 Civic Center Plaza, 2nd Floor, Richmond	Contractor:	Terrachlor Engineering Inc.
Policy Number	R.C. 02488545B-00	Termination Date:	September 30, 2015
Policy Term	March 31, 2010 to March 31, 2020	Submitted By:	Tomer Schecht
Policy Start	\$10,000,000	Date Submitted:	4/26/2016
Self Insured Retention	\$2,500,000	Reporting Period:	September 30, 2015 to January 31, 2016

Task Number	Description	Performance Measure (unit)	Proposed Budget (\$)	Costs incurred (\$)	Work completed (%)	Total This Period (\$)	Work completed (%)	Costs incurred (\$)	Work completed (%)	High-Dollar Budget	High-Dollar % Complete	Total (Work to date) - (Costs to date)	Comment
1.0	EP Site 1 - Closed Landfill	N/A	\$ 684,651	\$ 23,188	0.3%	\$ 23,187	5%	\$ 23,187	5%	\$ 311,294	\$ 107,540	\$ 1,038,834	
2.0	Annual Operations and Maintenance	N/A	\$ 471,861	\$ 24,983	0.5%	\$ 24,983	4%	\$ 24,983	4%	\$ 106,683	\$ 177,540	\$ 542,721	included in individual work orders
3.0	Close Out	N/A	\$ 144,235	N/A	0%	\$ -	0%	\$ -	0%	\$ -	\$ -	\$ -	
4.0	Annual Project Management	N/A	\$ 67,563	\$ 346	0.5%	\$ 346	0%	\$ 346	0%	\$ 99,088	\$ 13,000.00	\$ 22,577	
5.0	Regulatory Oversight	N/A	\$ -	N/A	N/A	\$ -	N/A	\$ -	N/A	\$ -	\$ -	\$ -	Not Covered
6.0	IR Site 2 - Former Oil Stamp Area	N/A	\$ 20,489,113	\$ 772,931	4.6%	\$ 772,931	93%	\$ 1,571,043	93%	\$ 4,738,008	\$ 1,176,509	\$ 16,881,551	
7.0	Investigative Study and Remedial Action Plan	N/A	\$ 282,175	\$ -	0%	\$ -	0%	\$ -	0%	\$ 148,883	\$ 28,000	\$ 158,332	
8.0	Remedial Design and Construction	N/A	\$ 445,000	\$ -	0%	\$ -	0%	\$ -	0%	\$ 1,157,855	\$ 5,000	\$ 1,162,855	
9.0	Remedial Design Implementation Plan	N/A	\$ 257,215	\$ -	0%	\$ -	0%	\$ -	0%	\$ 1,057,185	\$ -	\$ 1,057,185	
10.0	Implementation of Remedial Plan	N/A	\$ 18,248,411	\$ 764,461	5.7%	\$ 764,461	84%	\$ 5,694,055	84%	\$ 5,694,055	\$ 734,956	\$ 13,259,222	Midpoint of implementation not covered
11.0	Annual O&M on FOWTP	N/A	\$ 951,350	\$ 8,151	0.4%	\$ 8,151	100%	\$ 2,026,189	100%	\$ 1,074,839	\$ -	\$ 2,026,189	FOWTP included July 2015
12.0	Large Term Monitoring	N/A	\$ 345,533	\$ -	0%	\$ -	0%	\$ -	0%	\$ 445,553	\$ 345,553	\$ 791,106	
13.0	Project Management	N/A	\$ 141,321	\$ 10,339	3.6%	\$ 10,339	79%	\$ 61,173	79%	\$ 61,173	\$ 60,000	\$ 206,194	
14.0	Regulatory Oversight	N/A	\$ -	N/A	N/A	\$ -	N/A	\$ -	N/A	\$ -	\$ -	\$ -	Not Covered
15.0	IR Site 3 - Drum Lot Land 2	N/A	\$ 2,123,901	\$ 16,398	0.3%	\$ 16,398	45%	\$ 907,422	45%	\$ 1,218,479	\$ 1,699,337	\$ 2,906,735	
16.0	Annual Operations and Maintenance	N/A	\$ 1,661,580	\$ -	0%	\$ -	0%	\$ -	0%	\$ 1,861,580	\$ 1,061,480	\$ 2,923,060	
17.0	Construction Excavation - Drum Lot 1	N/A	\$ 165,389	\$ -	0%	\$ -	0%	\$ -	0%	\$ 1,557,130	\$ -	\$ 1,557,130	
18.0	Additional Investigation for TCE Phase Drum Lot 2	N/A	\$ 540,420	\$ 3,355	0.6%	\$ 3,355	100%	\$ 46,436	100%	\$ 1,550	\$ 4,830	\$ 483,419	
19.0	Localized Remediation for TCE Phase Drum Lot 2	N/A	\$ 124,102	\$ -	0%	\$ -	0%	\$ -	0%	\$ 124,202	\$ 6,824	\$ 6,824	
20.0	Monitoring of Remediation at Drum Lot 2	N/A	\$ 93,169	\$ 11,971	13%	\$ 11,971	17%	\$ 15,648	17%	\$ 77,521	\$ 13,773	\$ 27,020	
21.0	Unified Risk Assessment and Response for Drum Lot 2	N/A	\$ 37,724	\$ 1,074	N/A	\$ 1,074	N/A	\$ 23,524	N/A	\$ 14,209	\$ 15,000.00	\$ 38,524	
22.0	Project Management	N/A	\$ -	N/A	N/A	\$ -	N/A	\$ -	N/A	\$ -	\$ -	\$ -	Not Covered
23.0	Regulatory Oversight	N/A	\$ 237,481	\$ 130	0%	\$ 130	0%	\$ -	0%	\$ 234,851	\$ 199,818	\$ 434,669	
24.0	Annual Groundwater Monitoring - Large USYs	N/A	\$ -	N/A	N/A	\$ -	N/A	\$ -	N/A	\$ -	\$ -	\$ -	Not Covered
25.0	5 Year Abatement - Large USYs	N/A	\$ -	N/A	N/A	\$ -	N/A	\$ -	N/A	\$ -	\$ -	\$ -	Not Covered
26.0	Annual Maintenance - Large USYs	N/A	\$ -	N/A	N/A	\$ -	N/A	\$ -	N/A	\$ -	\$ -	\$ -	Not Covered
27.0	Large USY Environmental Closure Documentation	N/A	\$ -	N/A	N/A	\$ -	N/A	\$ -	N/A	\$ -	\$ -	\$ -	Not Covered
28.0	Remediation of Groundwater around Large USYs	N/A	\$ 169,918	\$ -	0%	\$ -	0%	\$ -	0%	\$ 169,918	\$ 169,918	\$ 339,836	
29.0	Small USYs Removal and Remediation	N/A	\$ 67,593	\$ 120	0%	\$ 120	0%	\$ 7,639	0%	\$ 64,933	\$ 30,000	\$ 94,933	
30.0	Regulatory Oversight	N/A	\$ 1,139,715	\$ 3,882	0.3%	\$ 3,882	0%	\$ -	0%	\$ 582,878	\$ 438,886	\$ 1,021,764	
31.0	Annual Project Management	N/A	\$ 34,566	\$ 13,362	15.7%	\$ 13,362	36%	\$ 43,363	36%	\$ 43,363	\$ 43,363	\$ 86,726	
32.0	Regulatory Oversight	N/A	\$ 81,347	\$ -	0%	\$ -	0%	\$ -	0%	\$ 81,347	\$ -	\$ 81,347	
33.0	Annual Sampling and Analysis (Year 1-4)	N/A	\$ 532,445	N/A	N/A	\$ -	N/A	\$ -	N/A	\$ 205,276	\$ -	\$ 205,276	
34.0	Annual Sampling and Analysis (Year 5-8)	N/A	\$ 522,456	\$ 10,997	5.8%	\$ 10,997	52%	\$ 34,096	52%	\$ 34,096	\$ 167,019	\$ 201,115	complete
35.0	Annual Sampling and Analysis (Year 9-10)	N/A	\$ 211,658	N/A	N/A	\$ -	N/A	\$ -	0%	\$ 211,658	\$ -	\$ 211,658	2 years left
36.0	Monitoring Well Installation	N/A	\$ -	\$ -	0%	\$ -	0%	\$ -	0%	\$ 123,314	\$ -	\$ 123,314	2 years
37.0	Annual Project Management	N/A	\$ 46,194	\$ 751	0%	\$ 751	55%	\$ 30,347	55%	\$ 30,347	\$ 30,000	\$ 60,347	
38.0	Program Maintenance	N/A	\$ -	N/A	N/A	\$ -	N/A	\$ -	N/A	\$ -	\$ -	\$ -	Not Covered
39.0	Program Maintenance	N/A	\$ -	N/A	N/A	\$ -	N/A	\$ -	N/A	\$ -	\$ -	\$ -	Not Covered
40.0	Annual Land Use Controls	N/A	\$ 24,925,348	\$ 18,042	0.1%	\$ 18,042	100%	\$ 7,084,564	100%	\$ 7,084,564	\$ 10,000.00	\$ 17,084,564	
41.0	Remediation Status Reports	N/A	\$ -	\$ -	0%	\$ -	0%	\$ -	0%	\$ -	\$ -	\$ -	included in above tasks
42.0	Investigative Study and Remedial Action Plan	N/A	\$ -	\$ -	0%	\$ -	0%	\$ -	0%	\$ -	\$ -	\$ -	unknown
43.0	Construction Stigmatizer Capital Permit	N/A	\$ -	\$ -	0%	\$ -	0%	\$ -	0%	\$ -	\$ -	\$ -	included in IR Site 3 Task 4.0

Please review the following:
 1. Changes of cost to the proposed cost incurred in comparison to the projected budget
 2. Backup provided for cost incurred
 3. Controls associated with items not included in the insured scope of work

Client Number:		FOR USE BY ACE PERSONNEL ONLY
Date Reviewed:		Reviewed By:
		Distribution:

Remediation Project Update Attachment: Invoices and Backup



February 28, 2016

Ms. Margarete Beth
California Regional Water Quality Control Board
San Francisco Bay Region
1515 Clay Street, Suite 1400
Oakland, California 94612

sent via: email

Subject: Monthly Remediation Status Report for Work in January 2016, Former Naval Fuel Depot Point Molate, Richmond, California

Dear Ms. Beth:

This monthly remediation status report summarizes the remediation activities conducted by Terraphase Engineering Inc. (Terraphase) on behalf of the City of Richmond at the former Naval Fuel Depot Point Molate (the Site). This remediation status report is intended to meet the requirements of Task 9 in the Regional Water Quality Control Board (RWQCB) Order R2-2011-0087 (RWQCB 2011d). The requirements of Task 9 are as follows:

The Discharger shall submit a report to the Regional Water Board, 30 days prior to the start of any onsite remediation activities, and then on a monthly basis beginning 30 days after the start of the remediation activities, outlining the onsite remediation activities accomplished during the past month and those planned for the following month. The first monthly report at the beginning of each quarter shall include monitoring and test results and any conclusions or proposed changes to the remediation process based on those results. If any changes to the remediation are proposed during any monthly report, applicable supporting monitoring or test data will be submitted at that time. The status report shall also verify that the Prohibitions in Section A, stipulated above, have been adhered to. Should any of those prohibitions be trespassed, the report shall propose a recommendation acceptable to the Executive Officer to correct the trespass.

This remediation status report provides a monthly update on the progress of environmental investigations, remediation, maintenance, and monitoring at the Site. This report is organized around each task listed in the RWQCB Order R2-2011-0087 (RWQCB 2011d). Additional tasks related to the Installation Restoration (IR) Site 3 Packaged Groundwater Treatment Plant (PGWTP) and site-wide groundwater monitoring are included below. For major work tasks completed in 2015, please see the monthly status report for December 2015 (Terraphase 2016a). A reference list of reports and submittals is included as an attachment to this letter.

Terraphase Engineering Inc.
1404 Franklin Street, Suite 600
Oakland, California 94612
www.terrphase.com

7/1.12



April 29, 2016

Ms. Margarete Beth
California Regional Water Quality Control Board
San Francisco Bay Region
1515 Clay Street, Suite 1400
Oakland, California 94612

sent via: email

Subject: Monthly Remediation Status Report for Work in March 2016, Former Naval Fuel Depot Point Molate, Richmond, California

Dear Ms. Beth:

This monthly remediation status report summarizes the remediation activities conducted by Terraphase Engineering Inc. (Terraphase) on behalf of the City of Richmond at the former Naval Fuel Depot Point Molate (the Site). This remediation status report is intended to meet the requirements of Task 9 in the Regional Water Quality Control Board (RWQCB) Order R2-2011-0087 (RWQCB 2011d). The requirements of Task 9 are as follows:

The Discharger shall submit a report to the Regional Water Board, 30 days prior to the start of any onsite remediation activities, and then on a monthly basis beginning 30 days after the start of the remediation activities, outlining the onsite remediation activities accomplished during the past month and those planned for the following month. The first monthly report at the beginning of each quarter shall include monitoring and test results and any conclusions or proposed changes to the remediation process based on those results. If any changes to the remediation are proposed during any monthly report, applicable supporting monitoring or test data will be submitted at that time. The status report shall also verify that the Prohibitions in Section A, stipulated above, have been adhered to. Should any of those prohibitions be trespassed, the report shall propose a recommendation acceptable to the Executive Officer to correct the trespass.

This remediation status report provides a monthly update on the progress of environmental investigations, remediation, maintenance, and monitoring at the Site. This report is organized around each task listed in the RWQCB Order R2-2011-0087 (RWQCB 2011d). Additional tasks related to the Installation Restoration (IR) Site 3 Packaged Groundwater Treatment Plant (PGWTP) and site-wide groundwater monitoring are included below. For major work tasks completed in 2015, please see the monthly status report for December 2015 (Terraphase 2015aa). A reference list of reports and submittals is included as an attachment to this letter.

Task 1: Soil Cleanup Goals (Compliance Date: February 13, 2012)

Work completed in March 2016:

1. None.

Major Work Items Previously Completed in 2016:

1. None.

Upcoming Work in April 2016:

1. None.

Task 2: Soil and Groundwater Management Plan (Compliance Date: March 15, 2012)

Complete - *Final Soil and Groundwater Management Plan submitted to the RWQCB September 21, 2012 (Terraphase 2012jj).*

Task 3a: IR Site 3 Feasibility Study and Remedial Action Plan (Compliance Date: May 4, 2012 Revised: February 28, 2014)

Complete - *Final Feasibility Study and Remedial Action Plan submitted to the RWQCB June 4, 2014 (Terraphase 2014a).*

Task 3b: IR Site 3 Remedial Action Completion Report (Compliance Date: February 3, 2014 Revised: June 30, 2015)

Remedial Action commenced August 2014 and was substantially completed in November 2015.

Work completed in March 2016:

1. Preparation of Remedial Action Completion Report

Major Work Items Previously Completed in 2016:

1. None.

Upcoming Work in April 2016:

1. Preparation of Remedial Action Completion Report

Task 4a: IR Site 4 Interim Remedial Action Work Plan (Compliance Date: April 3, 2012)

Complete - *IR Site 4 Interim Remedial Action Work Plan submitted to the RWQCB (Terraphase 2011r, 2012gg, 2012ii, and 2012mm).*

Task 4b: IR Site 4 Interim Remedial Action Completion Report (Compliance Date: November 2, 2012)

Complete - *Interim Remedial Measures Performance Evaluation, IR Site 4, Drum Lot2/Building 87 Area, Former Naval Fuel Depot, Point Molate, Richmond, California. October 22 (Terraphase 2015u)*

Task 4c: IR Site 4 Human Health Risk Assessment (Compliance Date: November 4, 2013)

Work completed in March 2016:

1. Preparation of HHRA work plan

Major Work Items Previously Completed in 2016:

1. None.

Upcoming Work in April 2016:

1. Submittal of HHRA work plan

Task 4d: IR Site 4 Feasibility Study and Remedial Action Plan (Compliance Date: February 3, 2014)

Not Applicable. This task may not be necessary dependent upon the outcome of Task 4c. A revised completion date will be requested from the RWQCB.

Task 4e: IR Site 4 Remedial Action Completion Report (Compliance Date: February 3, 2015)

Not Applicable. This task may not be necessary dependent upon the outcome of Task 4c. A revised completion date will be requested from the RWQCB.

Task 5: UST Management Plan (Compliance Date: March 4, 2013)

Work completed in March 2016:

1. None.

Major Work Items Previously Completed in 2016:

1. Submittal of tank closure requests to the RWQCB for UST 2 (Terraphase 2016g).

Upcoming Work in April 2016:

1. Review of RWQCB comments on tank closure request for UST 2

Task 6: UST Removal Plan (Compliance Date: 90 days prior to UST demolition)

Not Applicable – Triggered when demolition of a UST is contemplated. No UST demolition is scheduled at this time.

Task 7: UST Status Report (Compliance Date: June 3, 2012)

Work completed in March 2016:

1. Conducted the routine monthly UST closure monitoring inspections.

Major Work Items Previously Completed in 2016:

1. Submittal of Q4 UST Monitoring Report (Terraphase 2016d).

Upcoming Work in April 2016:

1. Conduct routine monthly UST closure monitoring inspections.
2. Preparation of Q1 UST Monitoring Report

Task 8: Amended Land Use Controls (Compliance Date: When environmental closure is requested)

Not Applicable. No closures have been requested.

Task 9: Remediation Status Reports (Compliance Date: Monthly)

Work completed in March 2016:

1. Submitted the monthly remediation status report for February 2016 (Terraphase 2016h) to the RWQCB.

Major Work Items Previously Completed in 2016:

1. Submitted the monthly remediation status report for January 2016 (Terraphase 2016f) to the RWQCB.

Upcoming Work in April 2016:

1. Submit the monthly remediation status report for March 2016 to the RWQCB.

Task 10: Discoveries During Facility Redevelopment (Compliance Date: 60 days from initial discovery)

None

Task 11: IR Site 1 ROD (Compliance Date: None)

Work completed in March 2016:

1. Routine monthly landfill inspection of signs, gates, locks, etc.
2. Routine operation, maintenance, and monitoring of the landfill treatment system.
3. Monthly sampling of treatment system.
4. Preparation of IR Site 1 5 year review report.

Major Work Items Previously Completed in 2016:

1. Submittal of 2015 annual monitoring report (Terraphase 2016c).

Upcoming Work in April 2016:

1. Routine monthly landfill inspection of signs, gates, locks, etc.
2. Routine operation, maintenance, and monitoring of the landfill treatment system.
3. Routine winter sampling of treatment system.
4. Preparation of IR Site 1 5 year review report.

Task 12: Construction Stormwater General Permit (Compliance Date: Prior to field work)

A Notice of Intent was filed with the Water Board (Application # 449157) September 3, 2014. A WDID was issued for the project (2 07C370778).

IR Site 3: PGWTP

Terraphase, under the direction of the City of Richmond, operated, maintained, and monitored the PGWTP under the existing General Waste Discharge Requirements for: Discharge or Reuse of Extracted and Treated Groundwater Resulting from the Cleanup of Groundwater Polluted by Volatile Organic Compounds (VOC), Fuel Leaks and Other Related Wastes (VOC and Fuel General Permit) (RWQCB 2012a). The PGWTP ceased all operations on July 31, 2015. Notice of Termination for the VOC and Fuel

General Permit to the RWQCB and receipt of Notice of Rescission from the RWQCB was received October 9, 2015.

Work completed in March 2016:

1. None.

Major work items completed previously in 2016:

1. Submittal of 2015 Annual Monitoring Report (Terraphase 2016e).

Upcoming Work in April 2016:

1. None.

Site-wide Groundwater Monitoring

The purpose of the site-wide groundwater monitoring is to provide groundwater quality data that can be evaluated against established screening criteria for the Site. This program will help protect human health and the environment and prevent releases to the San Francisco Bay. Integrating data collected under this program with previous data is intended to support compliance and closure in accordance with regulatory requirements. Groundwater monitoring is being conducted on a semi-annual basis (wet-season and dry-season) per the Site-Wide Groundwater Monitoring Plan (Terraphase 2011n) that was approved by the RWQCB on August 30, 2011 (RWQCB 2011b). Data collected is summarized and submitted as semi-annual monitoring reports to the RWQCB.

Work completed in March 2016:

1. Monthly monitoring and skimming of free product in wells MTWB-01R, MWT05-02, MWT08-01, MWT06-02, MW10-23, MWT15-02, MW02-06R. Bi-weekly skimming of MW10-24.

Major work items completed previously in 2016:

1. Submittal of 2015 dry season semi-annual groundwater monitoring report (Terraphase 2016b).
2. Submittal of Draft Workplan for alternative quantification methodology, additional characterization and/or risk evaluation for areas outside of IR Site 3 where USEPA Method 8015 without Silica Gel Cleanup quantifies TPH and TPH decomposition products as exceeding the Fuel Product Action Levels within 150 feet of the San Pablo Bay (Terraphase 2015a).

Upcoming Work in April 2016:

1. Monthly monitoring and skimming of free product in wells MTWB-01R, MWT05-02, MWT08-01, MWT06-02, MW10-23, MWT15-02, MW02-06R. Bi-weekly skimming of MW10-24.
2. Preparation for wet season 2016 semi-annual monitoring event.

Prohibitions Verification

As required in Task 9 of the RWQCB Order, the following prohibitions (Section A of the RWQCB Order) were adhered to during the remedial activities in March 2016, to the knowledge of Terraphase.

1. The discharge of wastes and/or non-hazardous or hazardous substances in a manner which will degrade, or threaten to degrade, water quality or adversely affect, or threaten to adversely affect, the beneficial uses of the waters of the State is prohibited.
2. Further migration of wastes or hazardous substances through subsurface transport to waters of the State is prohibited.
3. Activities associated with the subsurface investigation and cleanup that will cause adverse migration of wastes or hazardous substances are prohibited.
4. The tidal marsh habitat and wetland habitats onsite shall be completely avoided unless encroachment on these areas is required to implement Facility remediation work and resultant impacts to the affected habitat are mitigated through a plan approved by the Executive Officer. A setback of 50 feet shall be established around the tidal marsh and any wetland area as a means of preventing any unintended impacts to it from the remediation.
5. The Site's offshore eel-grass habitat shall be completely avoided during any remedial work to the maximum extent practicable.

Summary

The above detailed summaries by task provide a look at the ongoing remediation activities at the former Naval Fuel Depot Point Molate. The RWQCB accepted the Final FS/RAP on June 4, 2014. Construction at IR Site 3 was substantially completed in November 2015.

If you have questions regarding this report, please call Tomer Schetrit at (510) 645-1850.

Sincerely,
For Terraphase Engineering Inc.



Tomer Schetrit, PE (C81411)
Senior Project Engineer

cc: Craig Murray, City of Richmond
Carlos Privat, City of Richmond
Bruce Goodmiller, City of Richmond
LaShonda White, City of Richmond
Michael Leacox, NCE
James Whitcomb, BRAC Program Management Office
Venkat Puranapanda, ACE Group
Charles Duncan, PMCAC
Mark Howe, PMCAC
Joan Garret, PMCAC

Attachments: Point Molate Bibliography

Craig Murray

From: Mark Howe ~~404 W. Richmond CA, 94801~~
Sent: Thursday, April 21, 2016 4:02 PM
To: Craig Murray; Tom Butt - external; Alex Knox; Bobby Winston; Joan Garrett; Charles Duncan; Bruce Brubaker; Bruce Beyaert; Bill Lindsay
Subject: \$300,000 to restore power at Point Molate
Attachments: POINT MOLATE discussion 4-21-16.pdf

Craig, Bill, Tom & Alex:

I have attached a quick, preliminary, draft, 12 page study of the power system at Point Molate. The report includes what I think needs to be done to get it fixed including a very rough cost estimate.

Craig can you forward this document to Conejo (I am not sure how to spell his name) at public works who is responsible for the electrical at Point Molate.

Call me with questions or we can even visit the site together and I can show you what I found.

The drawings we are inventorying in bldg 6 are not complete with respect to electrical. In fact the colored map of the site's circuits, that is in this document, I found buried in mud under an old transformer in Bldg 13 - notice the yellow color. There are however a complete set of construction drawings for the 2.4 KV switch gear in bldg 6.

Anyway I think getting power to the site is important, mainly for safety reasons if nothing else.

Mark Howe

Mark Howe
MSH Group
201 W. Richmond Ave., Ste. C | Point Richmond CA 94801
(510) 215-5134 (Office) | (510) 932-4435 (Cell)
(510) 215-5163 (Fax)
www.mshproperties.com

For our current listings go to: <http://www.loopnet.com/Profile/390993060/Mark-Howe/>

POINT MOLATE
(Draft) Preliminary Review of Point Molate Electrical System
Distribution Diagrams, Circuit Drawing, Equipment Map
Prepared by Mark Howe 4-19-16

Current Status:

Since last year, the entire Point Molate electrical system has been de-energized by PGE. Since the end of WWII, the facility has been a heavy power consuming, fuel storage and pumping facility for the Navy. 24, two million-gallon fuel tanks buried in the hillside have been de-commissioned, as have most of the fuel piping and all of the control valves.

The electrical system that remains is too big for the future anticipated loads. Many loads and branches of the existing circuits should be disconnected before the system is re-energized.

Copper thieves have heavily damaged much of the switchgear. However, key pieces of switch gear remain untouched: the 12 KV, Meter main & Disconnect (pages 7, 8, 9) and the 2,000 KVA, 12KV/2.4KV stepdown transformer (page 10). But the 2.4 KV distribution section (page 11, 12) will need to be replaced with a smaller pad-mounted exterior version.

This paper and the associated diagrams present a preliminary plan to repair, remove unnecessary loads, and replace key switch gear so the system can be re-energized.

This plan is intended to familiarize the engineering firm personnel, who will prepare electrical construction drawings, and the City of Richmond Staff with the current system design and the various options to rebuild the system.

Electrical engineering drawings will be required. The plan will have to be submitted to the building department to get a building permit. The system will need a new green tag and an approved service planning application will required by PGE.

How the system was designed (Site Diagrams):

Page 4 shows a colored map of the existing circuits. Many lengths of the circuits shown on this old map have been removed including the poles. Circuit #4 is a good example of this.

Page 5 shows how a single line diagram of the system. Basically, 1,200 amps of 12 KV, 3-phase, delta comes from PGE's main line shown in red. It enters the main meter section (pages 7, 8, 9) where it divides into two 600 amp 12 KV fused disconnect sections. One section goes to a 2,000 KVA, 12 KV - 2,4KV stepdown transformer (page 10) that feeds the 2.4KV distribution panel (page 11, 12) inside Bldg. 13 and then on to the 2.4KV Circuits: 1, 2, 3, & 5 shown in color on the map (page 4). The other 12 KV section feeds an overhead line that used to go to the pier area where there were large pump motor loads. These loads have since, been removed and this 12KV line

had been shortened, now terminating at the West end of Building 1. It is shown in magenta/brown on the map (page 4).

Existing circuits, Upgrading the distribution voltage to 12 KV.

The 2,4KV distribution system at Point Molate is antiquated. I was probably installed to feed all the large pump motors that existed there. Those motors are no longer in use. A modern distribution system distributes power at 12KV. Where we can, we need to convert the distribution voltage to 12KV. For example, I would suggest that we re-use the shortened 12 KV line to feed two new 12KV/480V pad-mount stepdown transformers to feed two new 3-phase, 480 V, 1,000 amp subpanels in Bldg. #1 and Bldg. #6.

Circuit 5, shown in pink, will need to remain because those poles carry all of the communication wiring and the streetlights for Western Drive. I would suggest that we install a pole mount transformer from the 12 KV line with a fused feed for Circuit 5 to keep the streetlights working. This circuit could then be disconnected from the 2.4KV distribution panel.

Circuit 2 & 3 feed the cottages, fire station, and the old fire tank up the hill along with a many abandoned loads and lights on the hill that are no longer necessary. I suggest that the city remove the abandoned loads on the uphill portion of Circuit 3. Like Circuit 1, we probably are stuck with running this circuit at 2.4KV as there are many loads with transformers in place that would be costly to replace if the distribution voltage increased to 12KV. Also, all of the conductors on the Circuit 2 section to the cottages and 4 poles are missing. This needs to be repaired.

Circuit 1 has the same problems as Circuits 2 & 3. It needs to have many of its abandoned loads disconnected and probably will have to stay on the 2.4KV distribution voltage for the same reason as Circuits 2 & 3. This circuit goes to Bldg. 87 and Drum Lot 2, areas considered important for future development, so it will need to be fixed. It also feeds Willie Agnew's Bldg. 123 and the areas surrounding it, including interior streetlights.

Condition of existing switch gear:

The meter main (page 7, 8, 9) needs to be secured ASAP. A door is missing on the meter section and Section 2 cannot be locked. It needs to be protected so that it does not get vandalized. Replacing it will be expensive. Other than the door and lock problem it is in good shape. We need to make sure it stays in good shape.

The 2,000 KVA transformer (page 10) is also in good shape. It is secure and will not need any immediate work.

The 2.4KV distribution section (pages 11, 12) inside Bldg. 13 has been vandalized. It also is inside Bldg. 13, a bldg. that has been condemned by the city. It will have to be replaced with an exterior pad mount unit. The load on the two remaining circuits (1, 2, 3) will use less power than in the past. This switchgear will have to be redesigned for the lower loads and placed outside on a

concrete pad. This piece of switchgear will cost around \$100,000 installed. I have a call into IEM Fremont to see what a rough cost is for this equipment will be.

Cost estimate to Restore Power:

I am estimating that it will cost around \$300,000 to re-energize the electrical system at Point Molate. This assumes PGE will postpone its impact fee, likely to be around \$150,000. If the property owner can deliver a large load over a three year period, they can waive this fee. But it will be due in three years if the load does not materialize.

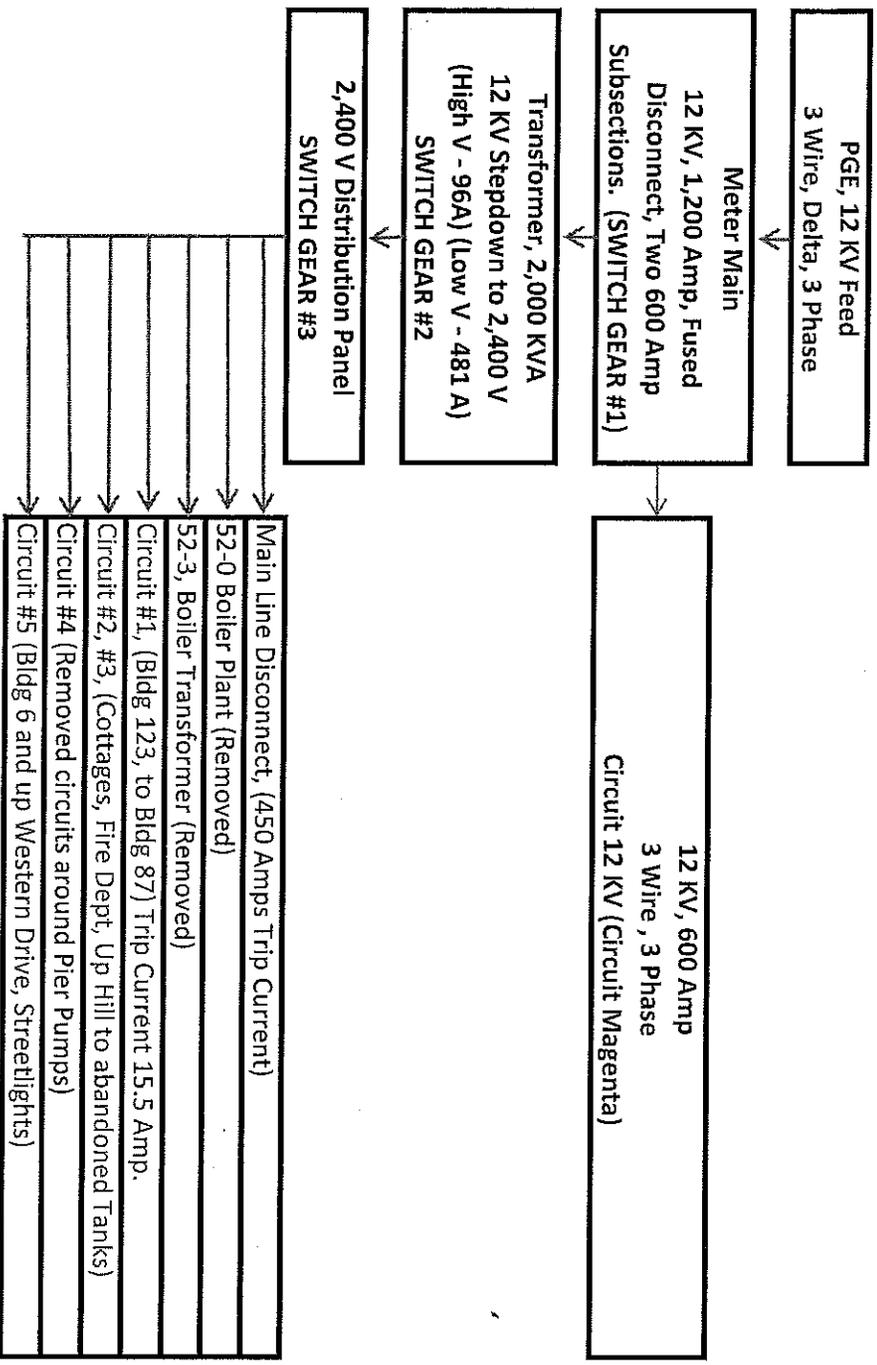
Jim Levine's Current Bid:

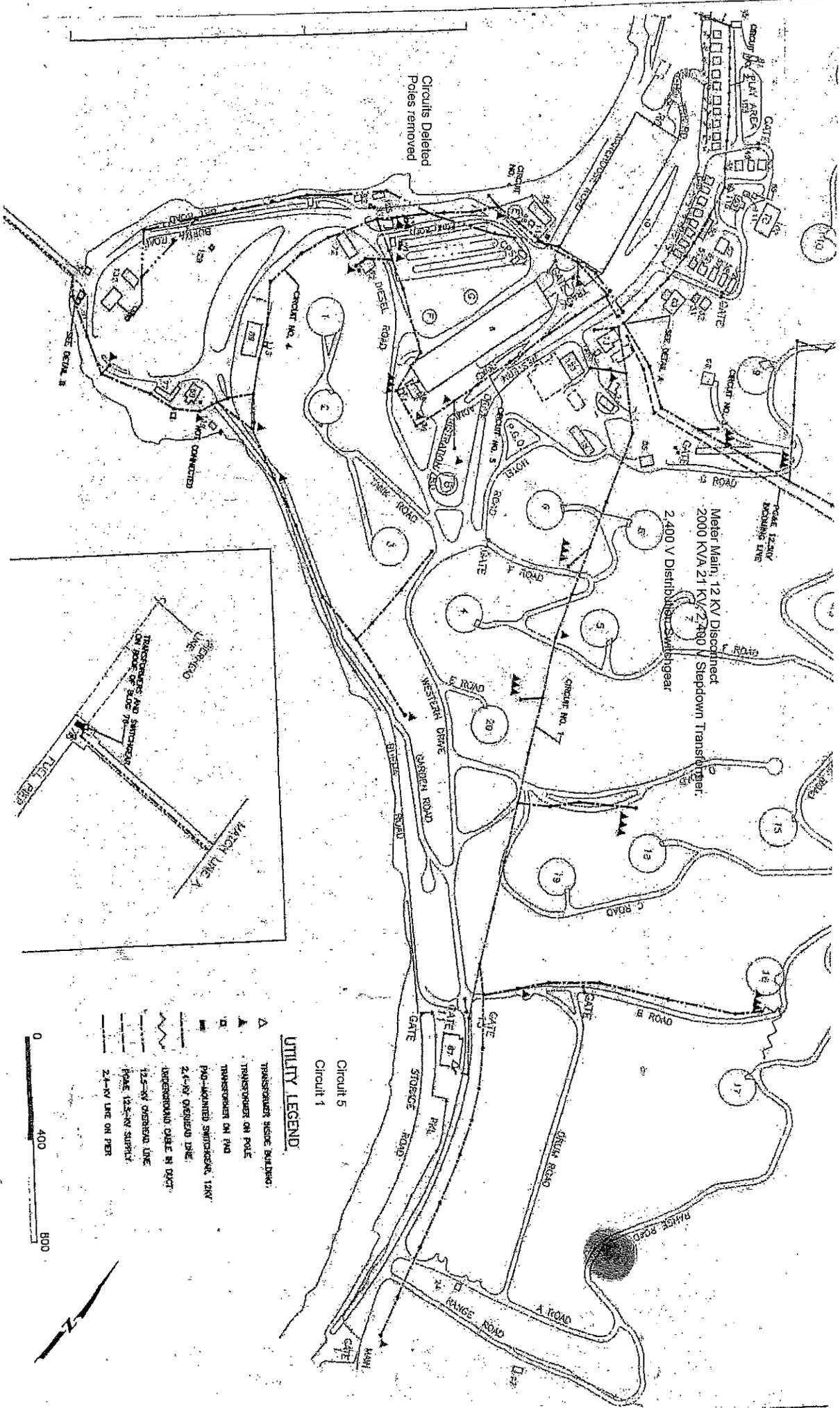
Many people know that Levine is making another bid that includes 1,200 residential units. So you ask "Why do should we spend \$300,000 reenergizing an old electrical system that Levine may not even use?" I would respond that: the buildings (that a reenergized system will power) are historic and cannot be removed even if he completes his transaction. Moreover, the city is leasing some of this property out on a short-term basis and it is simply unsafe not to have power at the site. Building 123 does not even have power to close the gate – today the gate remains wide open 7 days a week 24 hours per day. \$300,000 is about what Terraphase bills every quarter for writing up reports that have zero residual value. Restoring the power at Point Molate is an investment, not an environmental expense. The increased rental income alone can justify the cost of restoring power to the site. Maybe the environmental trust fund can pay for this?

What's next?:

1. Get some quotes for the gear that the city will need to reestablish electrical service.
2. Who is going to pay for the upgrade costs and how much is it going to cost?
3. Submit an application with PGE service planning. There is a long lead time.
4. Decide if the city wants to stay at primary voltage. I think it will be too expensive to switch. Primary is also 6% cheaper than secondary voltage.
5. Price out replacement LED cobra head streetlights. Ballasts and HID bulbs are expensive to replace and consume 10 times more power than LED lights that NEVER need to be replaced. Check the night time off and on relays to see that they all work before energizing the lights.
6. Find a bucket truck so the contractor will not have rent one.
7. Inventory the internal distribution wiring in all the important buildings being repowered. Although most of this distribution gear is old it still works fine. The city will probably need new (used is good, too) 1,000 amp, 480 V 3-phase panels in Bldgs. #1 and #6.
8. Find used pad-mount transformers for Bldgs. #1 & #6.
9. Get Metro Power or an equivalent electrical engineering firm to get started on the drawings.
10. Much of the load removal information can be done by volunteers – like me for example.
11. And on and on and on and on!!!!

POINT MOLATE ELECTRICAL DISTRIBUTION MAP Prepared by Mark Howe, 4-19-16





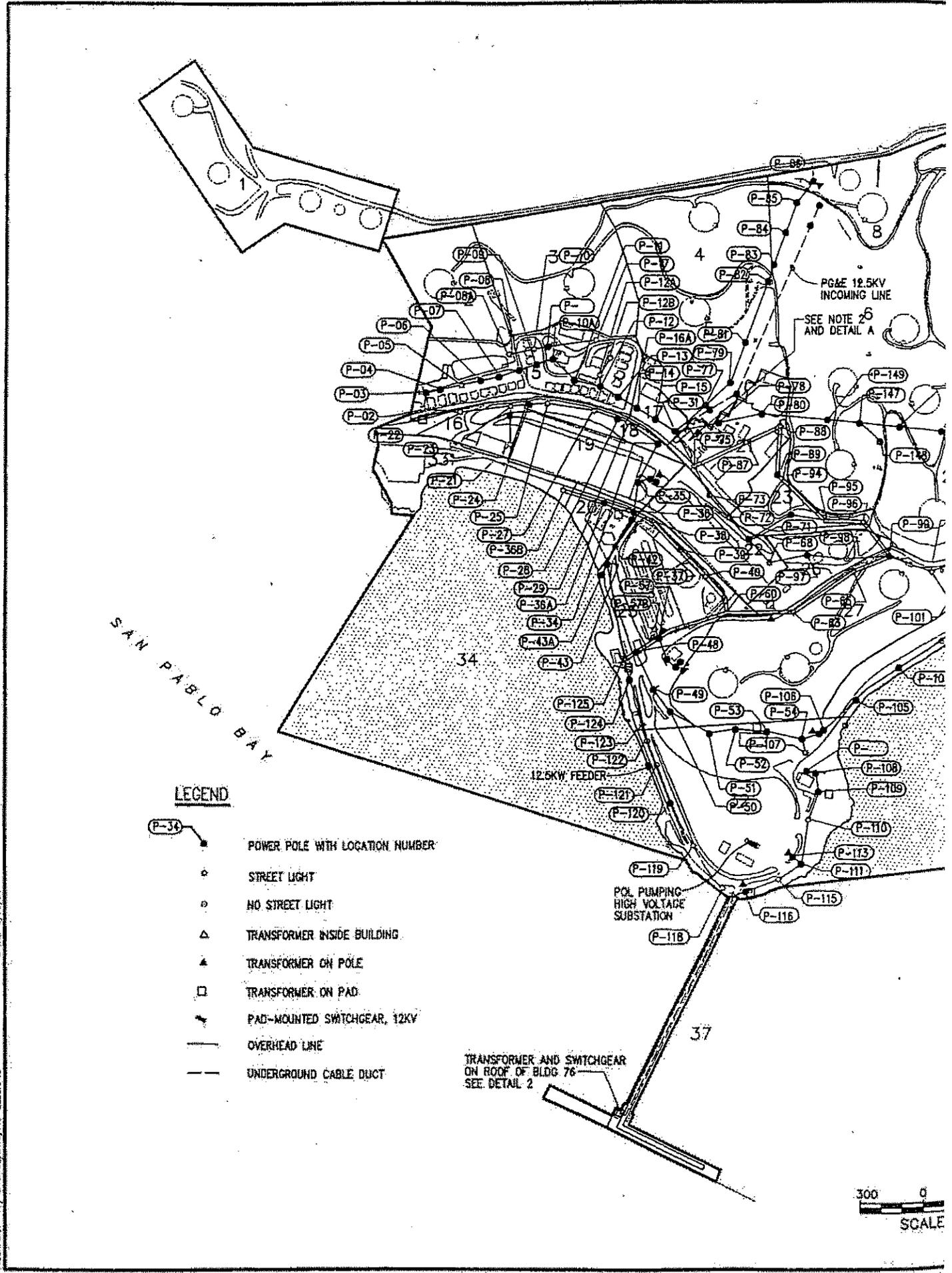
Circuit Deleted
Poles removed

Meter Main, 12 KV Disconnected
2000 KVA 21 KV/2.780 V Steppedown Transformer
2,400 V Distribution Switchgear

- UTILITY LEGEND**
- ▲ TRANSFORMER W/OUT SHEDDING
 - ▲ TRANSFORMER ON POLE
 - TRANSFORMER ON PAD
 - PAD-MOUNTED SWITCHGEAR 12KV
 - 2,400V OVERHEAD LINE
 - ~ 12.5KV OVERHEAD LINE
 - POLE 12.5KV SUPPLY
 - 2.4KV LINE ON PER

Circuit 5
Circuit 1





PG&E 12.5KV
INCOMING LINE
SEE NOTE 2⁶
AND DETAIL A

SAN PABLO BAY

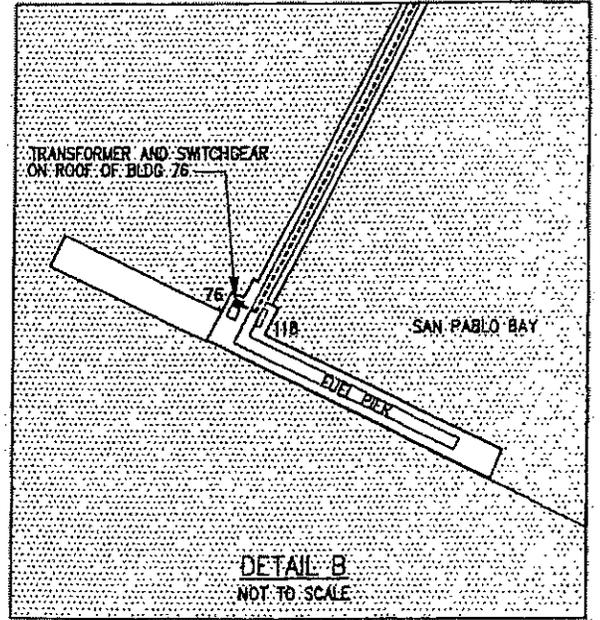
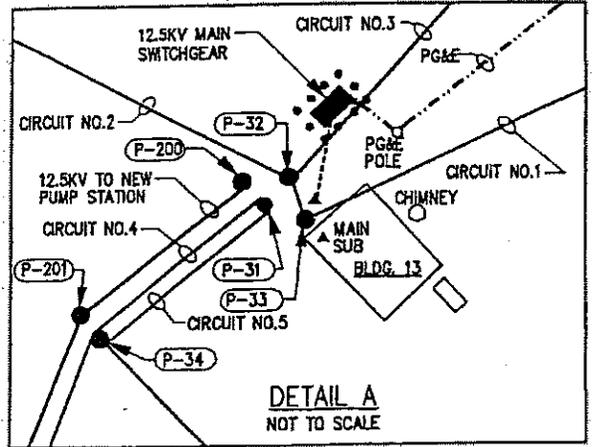
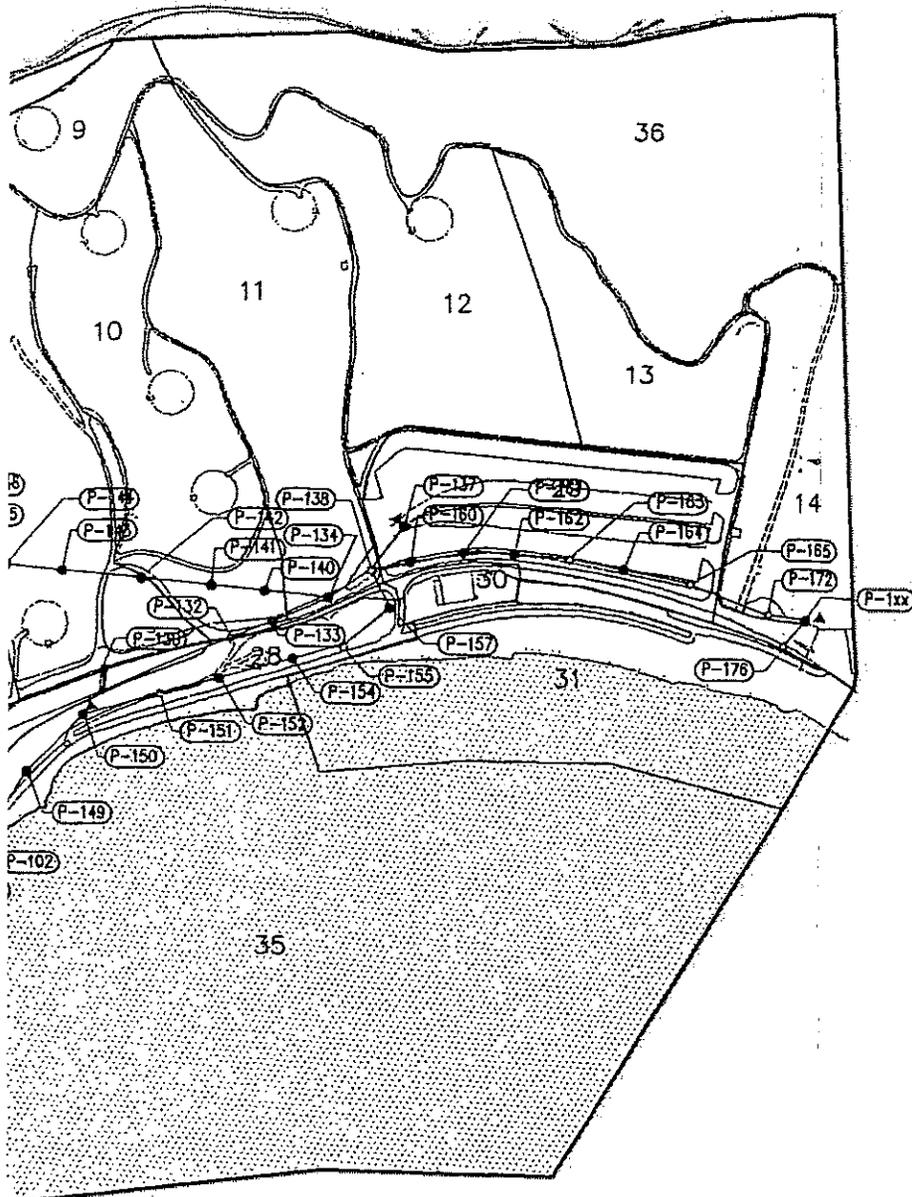
LEGEND

- POWER POLE WITH LOCATION NUMBER
- STREET LIGHT
- NO STREET LIGHT
- TRANSFORMER INSIDE BUILDING
- TRANSFORMER ON POLE
- TRANSFORMER ON PAD
- PAD-MOUNTED SWITCHGEAR, 12KV
- OVERHEAD LINE
- UNDERGROUND CABLE DUCT

TRANSFORMER AND SWITCHGEAR
ON ROOF OF BLDG 76
SEE DETAIL 2

300 0
SCALE

FILENAME: P:\514510\DWG\718-ELEC.DWG DATE: 6/15/95

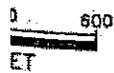


FRANCISCO BAY

NOTES:

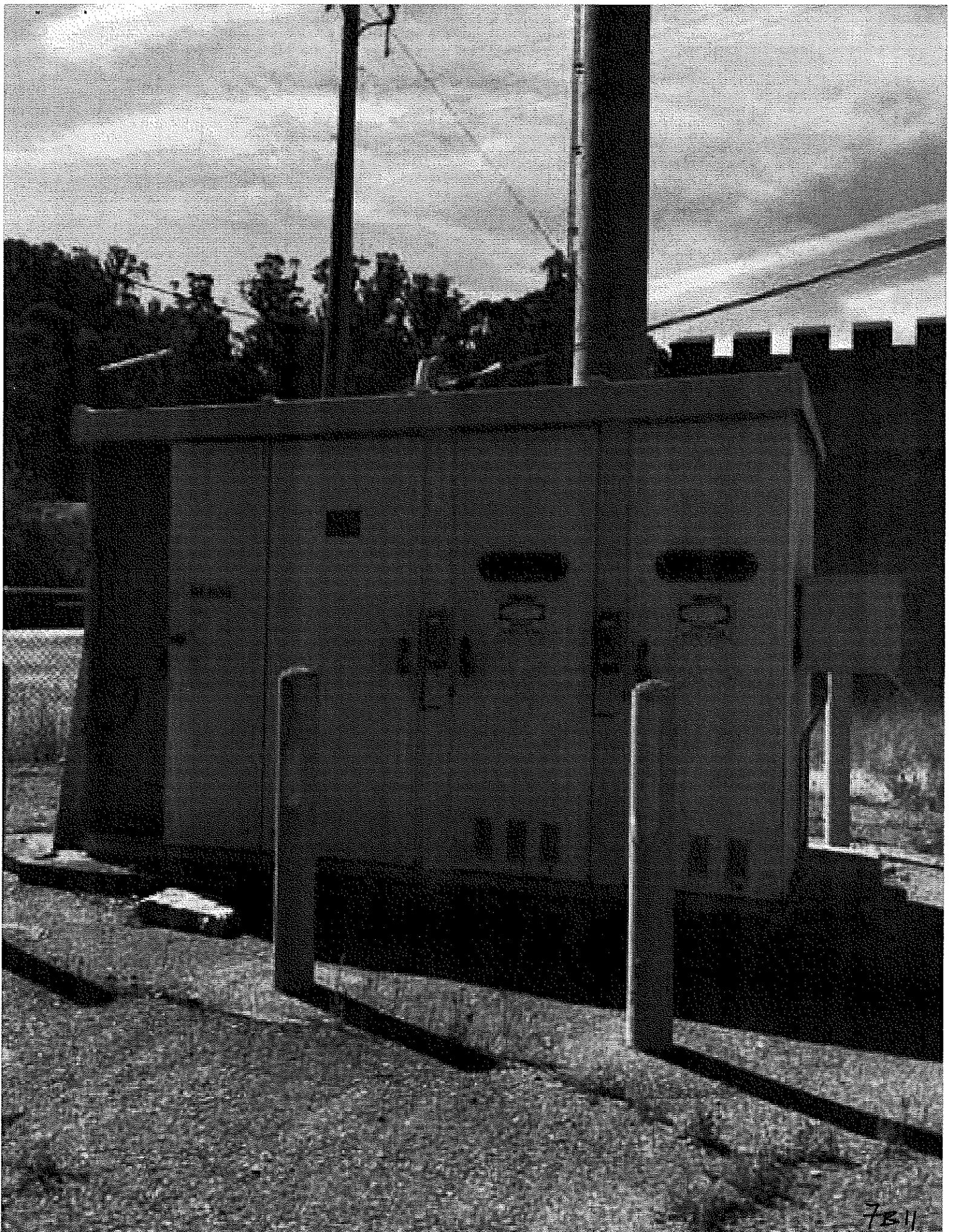
1. TANKS 21, 22, 23 AND 24 ARE GOVERNMENT OWNED. THE LAND IS LEASED.
2. SIX (6) METERS ARE INSIDE BUILDING 13.

WH2	#31015798
WH3	#31015794
WH4	#31015795
WH5	#31015798
WH6	#31015793
WH7	#31015792



SOURCE: WESTERN DIVISION - NAVAL FACILITIES ENGINEERING COMMAND, NAVY PUBLIC WORKS CENTER, DRAWING NO. 17.618.

FIGURE 4-5
ELECTRICAL SYSTEM
NAVAL FUEL DEPOT POINT MOLATE



7B11



12 KV. 95K BIL 1200 A 3Ø-3W
PG & E METER AND PRIMARY INTERRUPT SW.

INSTALLED BY

DEPARTMENT OF THE NAVY

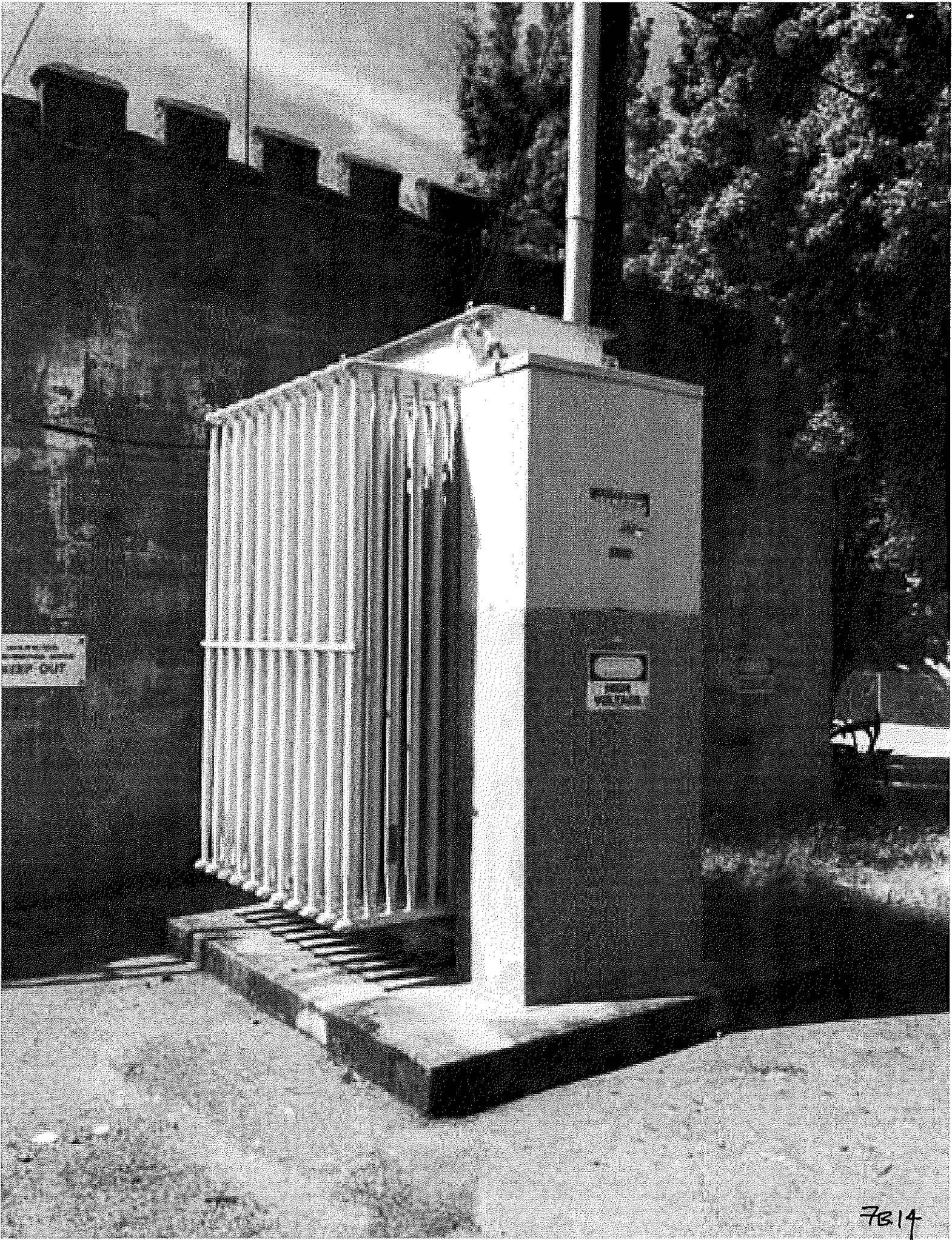
POINT MOLATE BLDG. Nº 13 RICHMOND, CA. 94804

MANUFACTURED BY

CUSTOM SWITCHGEAR & CONTROLS INC.

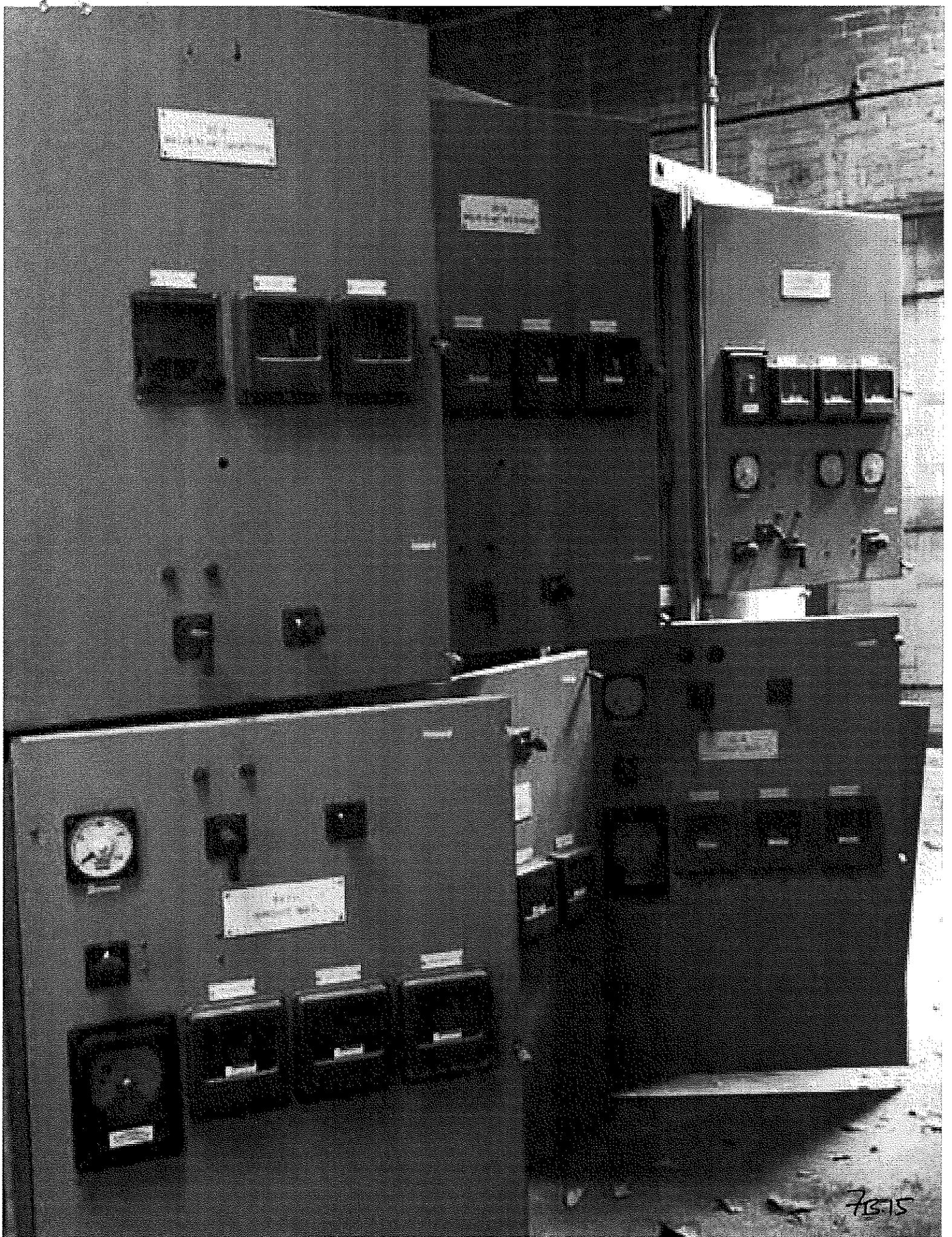
SANTA CLARA, CA.

S.O. Nº 1586 1988

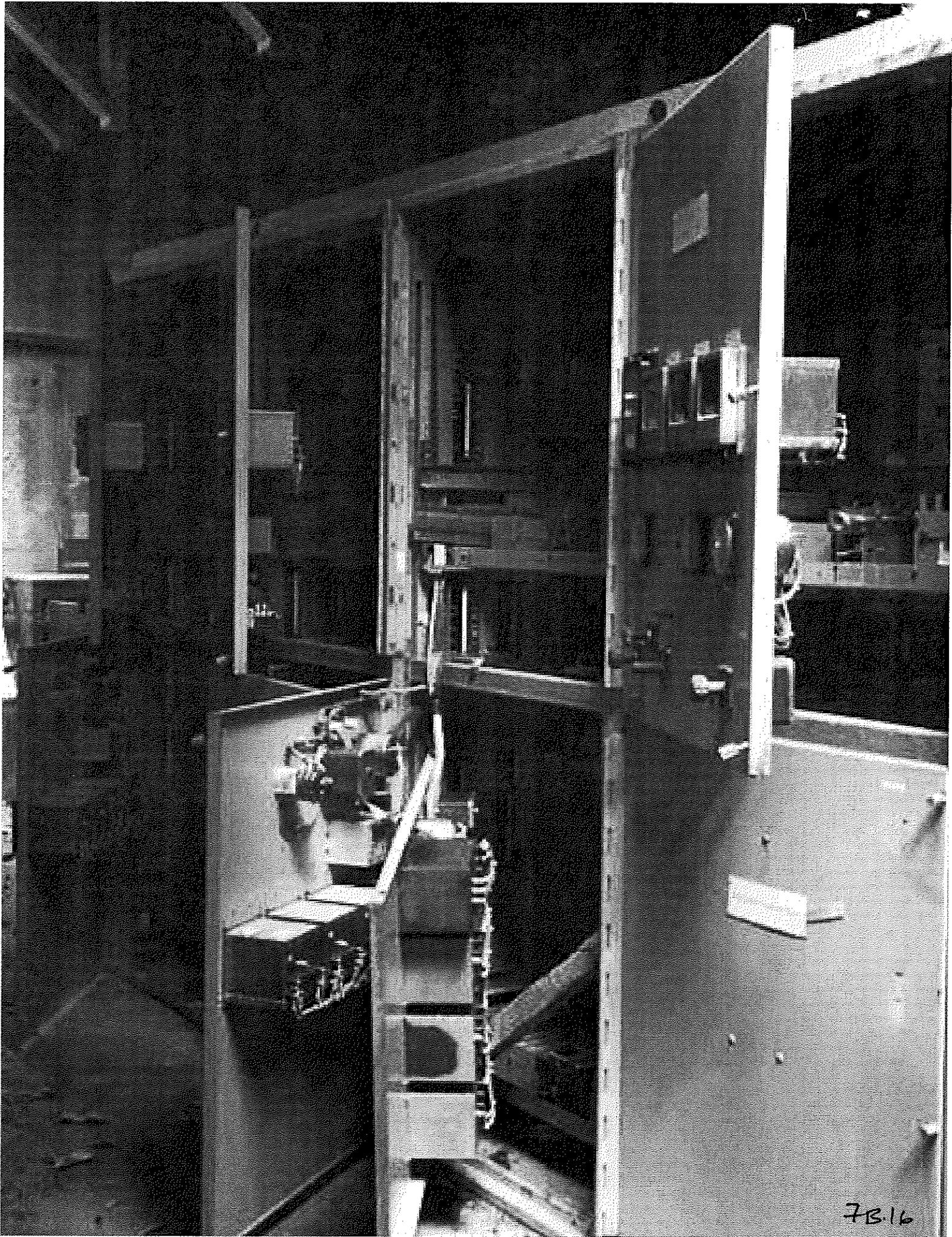


KEEP OUT

7B14



71375



7B.16

Craig Murray

From: Shana Bagley, Esq. [REDACTED]
Sent: Tuesday, April 19, 2016 11:46 AM
To: Craig Murray; Charlie Duncan; Joan Garrett
Subject: Proposed Agenda Item
Attachments: Nematode Point Molate Lease revised Oct 2015 to include Bldgs 123 and 16....pdf; Pt Molate Lic Agrmnt Nematode Feb 2014.pdf

For the May meeting, I would like to add as a formal agenda item the issue of leasing and subleasing at Point Molate. I would like to add the two attached documents (License and Amendment) as exhibits.

Per Richmond Resolution 8-11, PMCAC is:

*a community advisory committee that works with the City Council, staff and other citizen advisory boards and commissions as appropriate to provide advice and input on all Point Molate matters; that reviews proposed Point Molate development budgets with City staff; and that makes Point Molate development expenditure recommendations, in conjunction with staff, to the City Council; and WHEREAS, a community advisory committee will provide Richmond residents with a vehicle for interacting and cooperating with other governmental jurisdictions **on all matters related to the Point Molate area of Richmond, including but not limited to clean-up, restoration, sustainable development and use of Point Molate;**... (Emphasis mine.)*

I am surprised to learn of leasing, subleasing, and unpermitted/unlicensed construction at Point Molate. I even saw a rental advert on Craig's List for car storage in the area behind Building 123 (it has since been removed). Nematode/Winston (aka Ellinthorpe) does not hold a broker's license and cannot be a property manager without one.

Clearly, the subleasing, rental, "repair," of any buildings/structures at Point Molate are Point Molate "matters." There has not been any transparency with PMCAC or the public on these issues. [REDACTED]

I would like Craig Murray or someone from the City to provide an explanation as to what is happening out there and assurances (and written proof) that it is being conducted legally and transparently.

Because the City did not inform PMCAC of the leases/subleases (other than the October 2015 License Amendment with Nematode) and actual repairs/construction, there are multiple potential "License" issues that are unresolved:

1. Nematode/Winston, per paragraph 14 of the License Agreement with the City is required to comply with all laws and ordinances.

14. Compliance with Law. Licensee shall cause all work performed and activities undertaken in connection with this Agreement to be performed and undertaken in compliance with all applicable federal, State and local laws, statutes and ordinances, and all directions, rules and regulations of any fire marshal, health officer, building inspector, or other officer of every governmental agency now having or hereafter acquiring jurisdiction (collectively, the "Rules and Regulations"). Compliance under this provision includes compliance with the California Environmental Quality Act ("CEQA") and all provisions of the Municipal Code of the City of Richmond, including Chapters 2.28, 2.39, 2.50, 2.52, 2.56, and 2.60, if applicable, which are herein incorporated by reference. All work performed and activities undertaken shall proceed only after procurement of each permit, license, or other authorization that may be required by any governmental agency having jurisdiction, whether discretionary or ministerial, and Licensee

shall be responsible to Licensor for the procurement and maintenance thereof, as may be required of Licensee and Licensee's Agents using the License Area or engaged Storage Activities. Licensee shall require all Licensee's Agents to obey and observe all terms of this Agreement and all Rules and Regulations. Licensee shall be responsible for paying for fines or charges which may be levied by any governmental bodies, agencies, authorities or courts for violations of Rules and Regulations.

If anyone is doing any construction with a total project value (labor and materials) over \$500, they need a Contractor's License or need to hire a licensed contractor. A contractor's license and Dept. of Industrial Relations registration are required in order to submit a bid to a public agency, - but it appears that there was no request for proposal process. (Business and Professions Code sections 7028, 7048, and Labor Code section 1021, 1720, 1725.5.)

2. They are required to obtain building permits through a licensed contractor (they are not an owner-builder and they are not licensed contractors). Repairs and electrical work have been performed on site that require permits. (Richmond Municipal Code section 6.02.150, subdivs. (a).)

Per <https://etrakit.ci.richmond.ca.us/Search/permit.aspx>, only Terraphase and Pacific States have pulled permits at 2100 Western or 2100 Stenmark Drive.

3. They are also possibly performing work on historical buildings - which might also require government review/approval/permits. Are they aware of Municipal and Historical Building Code requirements?

4. Are the buildings approved by the Fire Department for the uses therein (sprinklers, extinguishers, exit signs (there is no electricity), door locks, exits, occupancy, storage of hazardous materials...)?

5. Are the buildings structurally sound? Clearly, they are not ADA compliant.

6. Are there use permits and occupancy permits? I do not see any license listings for Nematode, Winston, or Ellinthorpe.

7. While Winston has/had a worker's comp policy, he is required to "maintain payroll records accurately segregating the remuneration of the employees while engaged in the work described in the Schedule." If he having people work (paid or not) on the property or do "eviction" work for him, they must be listed in his payroll.

8. More importantly, per the City Insurance Requirements, a tenant (licensee) cannot sublease the property without written consent. Sub-lessees are required to comply with the same insurance and legal requirements as Nematode. The City must approve of each tenant.

Sublets

LESSEE shall not sublet the premises without the advance written consent of the City. Sublessees shall be subject to all of the requirements stated herein. Sublessee(s) must furnish to the City for review and approval, separate certificates and endorsements.

The City has only rented to Nematode Buildings 123, the open shed area behind 123, and Building 17 (Richmond Museum Association is to move from Building 17 to Building 6). There is no mention of Winehaven, the Fuel Pier, or the Quonset huts. Who are the other tenants and do they have written agreements with the City and are they properly insured and permitted?

10. Who is acting as the property manager and do they have a broker's license?

Shana A. Bagley, Esq.
Vice-Chair, PMCAC

MSH Group
201 W. Richmond Ave., Ste. C
Richmond, CA 94801
510.215.5134

FIRST AMENDMENT TO LICENSE

THIS FIRST AMENDMENT TO LICENSE (“**First Amendment**”) dated as of October __, 2015, is made by and between the City of Richmond, a municipal corporation and charter city (“**Licensor**”), and Nematode Holdings, LLC., a California corporation (“**Licensee**”). Licensor and Licensee are sometimes collectively referred to as the “**Parties**”.

RECITALS

- A. Licensor and Licensee entered into that certain license dated March 1, 2014 (the “**License**”);
- B. Pursuant to the License, Licensor grants to Licensee the non-exclusive license to access, occupy, and use the License Area located at 2100 Western Drive, in the City of Richmond, California; and
- C. The Parties desire to amend the License pursuant to this First Amendment to add additional space to the License Area for up to one (1) year as set forth below.
- D. Defined terms used herein shall have the meaning set forth in the License.

NOW THEREFORE, for good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, Licensor and Licensee hereby agree to amend the License as follows:

1. Increase to License Area. In addition to the License Area, Licensee shall be allowed to use an additional 3,538 square feet located in Building 123 and all of Building 17 (2,046 square feet), as shown on Attachment 1 to this First Amendment (the “**Additional License Area**”). The total square footage of the Additional License Area is approximately 5,584 square feet. Licensee shall occupy the License Area and Additional License Area shown in Attachment 1 in their AS IS condition. Licensee acknowledges that neither Licensor nor any of Licensor’s agents has agreed to undertake any alterations or additions or to perform any maintenance or repair of the License Area or Additional License Area whatsoever.
2. Term of the Additional License Area. The term of the Additional License Area (the “**Additional License Area Term**”) begins on the Effective Date and ends on the date which is one (1) year thereafter (the “**Additional License Area Expiration Date**”), unless earlier terminated as provided in the License.
3. Payments. The Parties agree that as of the Effective Date the Payment for the Additional License Area shall be **\$558.40** per month, in consideration for the addition of the Additional License Area. However, Licensee shall be granted a rent credit for an amount not to exceed **\$6,700.80** (\$558.40 x 12 months) in consideration for the Work (defined below) and RMA-related Work (defined below) (the “**Rent Credit**”), subject to Section 4. Notwithstanding anything to the contrary in the foregoing, Licensee shall continue to pay **\$100.00** per month as consideration for Licensee’s use of the License Area.

4. Licensor's and Richmond Museum Association's Personal Property.
 - a. The Additional License Area in Building 123 is currently being used by Licensor as storage for bulk and dry materials (the "Licensor's Personal Property"). Licensee shall clean and repair Building 123 as necessary for License's use and relocate or donate the Licensor's Personal Property at its sole cost and expense to location(s) or donee(s) to be determined by Licensor (the "Work").
 - b. Building 17 is currently being used by the Richmond Museum Association as storage for museum equipment, including 1) a horse-drawn buggy with black and red trim, 2) a horse-drawn buggy with tan and brown trim, 3) a horse-drawn fire hose cart, and 4) US Navy-era pressure panel (the "RMA's Personal Property"). Licensee shall clean and repair Building 17 as necessary for Licensee's use and relocate the RMA Personal Property to Building 6 without causing harm to such personal property and at its sole cost and expense (the "RMA-related Work").
 - c. Upon completion of the Work and RMA-related Work, Licensee may request a Rent Credit to Licensor for such work (the "Rent Credit Request"). The Rent Credit Request shall be adequately detailed, based on accurate records, in a form satisfactory to Licensor, and accompanied by information pertaining to the Work and the RMA-related Work as may be reasonably requested by Licensor.
 - d. The Rent Credit Request shall be subject to the review and approval by the Pt. Molate Project Manager before any Rent Credit shall be authorized by Licensor. In no event shall the Rent Credit be applied to anything but Licensee's requirement to make Payment on Licensee's use of the Additional License Area. Licensee shall forfeit any Rent Credit should Licensee vacate the Additional License Area prior to the Additional License Area Expiration Date.
5. Attorney's Fees. If any lawsuit is commenced to enforce any of the terms of this First Amendment, the prevailing party will have the right to recover its reasonable attorney's fees and costs of suite from the other party.
6. Effective Date. This First Amendment shall be effective as of the date first set forth above.
7. Effect of First Amendment. Except as provided in this First Amendment, all other terms of the License are unamended and shall remain in full force and effect. The terms and provisions of this First Amendment shall have the same meaning as like terms in the License. In case of any inconsistencies between the terms and conditions contained in the License and the terms and conditions contained herein, the terms and conditions herein shall control.
8. Counterparts. This First Amendment may be executed in several counterparts, each of which shall be an original and all of which shall constitute one and the same instrument.

[Signatures on following page]

IN WITNESS WHEREOF, the parties have caused this First Amendment to be executed by their properly authorized representatives as of the date and year first above written.

LICENSOR: City of Richmond, a municipal corporation and charter city

By: _____

Name: _____

Title: _____

Date: _____

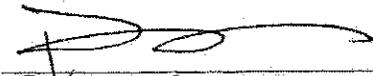
Approved as to form:

City Attorney

Attest:

City Clerk

LICENSEE: Nematode Holdings, Inc., a California corporation

By: 

Name: Bobby Winston Elliott

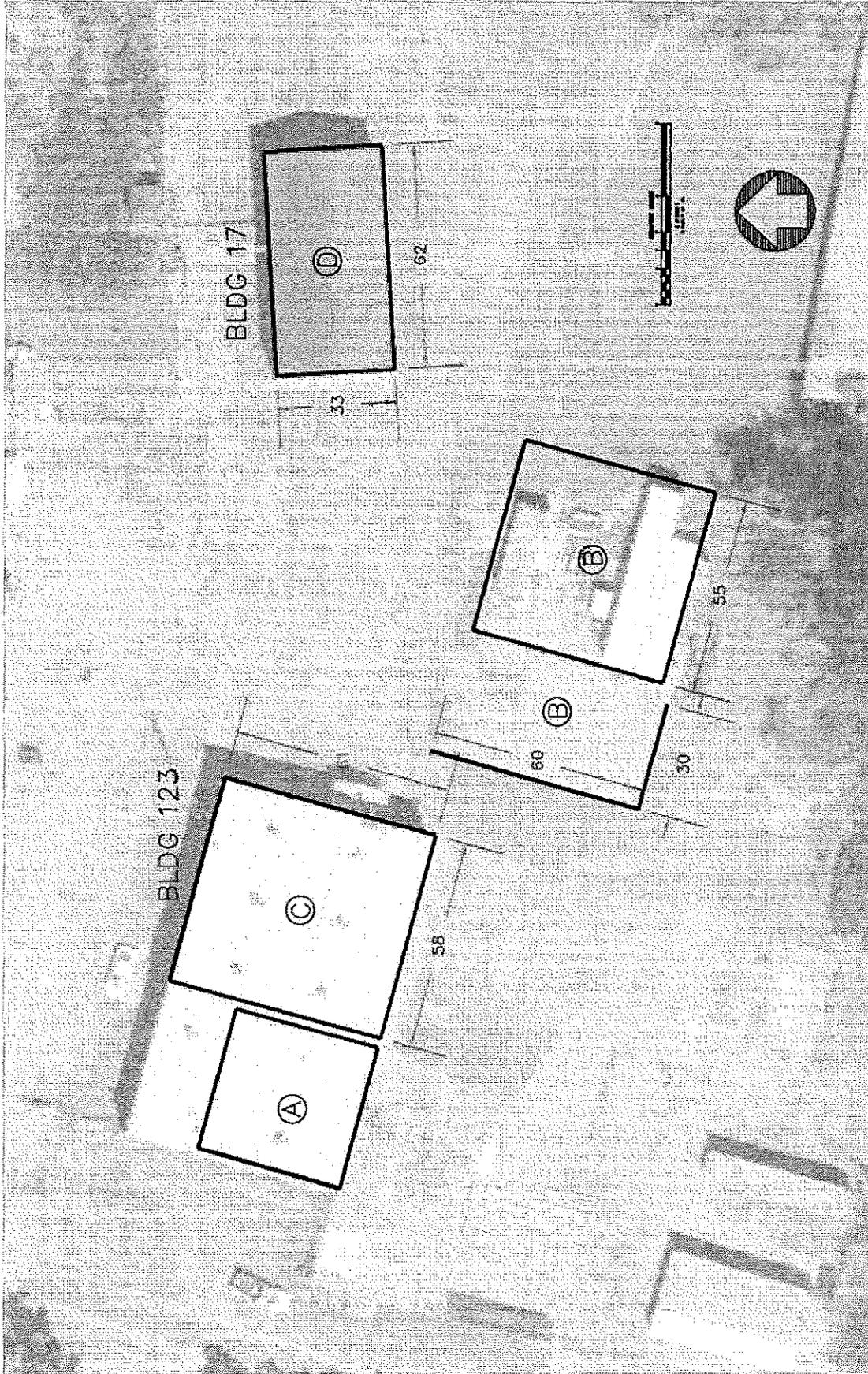
Title: owner

Date: 10/15/10



Attachment 1
License Area and Additional License Area





A: LICENSE AREA
 B: LICENSE AREA
 C: 3,538 SF
 D: 2,046 SF

ADDITIONAL LICENSE AREA
 5,584 SF
 x .10 =
 \$558.40/MO

2100 STENMARK
 (WESTERN) DRIVE

LICENSE AGREEMENT

This License Agreement ("Agreement") is entered into as of February, 2014 by and between the CITY OF RICHMOND, a California municipal corporation and charter city ("Licensor"), and NEMATODE HOLDINGS, INC., a California corporation ("Licensee").

RECITALS

A. Licensor is the owner of certain real property and improvements located at 2100 Western Drive, in the City of Richmond, California, which is more completely described on the Exhibit A attached hereto, a portion of which Licensee currently occupies and uses as set forth in Recital B (the "License Area"). The License Area is shown in red on Exhibit A,

B. Licensee is presently entering upon, occupying and using the License Area for the storage of miscellaneous equipment primarily related to the ferry rider's publication "Bay Crossings", including newspaper boxes, handling equipment, and miscellaneous printing tools (the "Permitted Storage"),

C. Licensor believes that Licensee is providing a public benefit to the City of Richmond in the following ways:

- Licensee has made a substantial financial investment in reconditioning the building currently being utilized in the License Area;
- Licensee maintains the building's lights and generates purposeful activity around the structure that has helped reduce vandalism and metal theft, problems that have accelerated deterioration of numerous structures in the Pt. Molate District and cost the City thousands of dollars; and
- Licensee has consistently highlighted Richmond's waterfront amenities, covered positive City activities, and actively promoted Richmond as a destination through its publication, Bay Crossings.

D. Licensor and Licensee desire to formalize the terms and conditions of Licensee's entry, use, and occupation of the License Area for the Permitted Storage through this Agreement.

NOW, THEREFORE, in consideration of the mutual covenants contained in this Agreement, and for valuable consideration, the receipt and sufficiency of which are acknowledged by the parties, the parties agree as follows:

AGREEMENT

1. License. In consideration of Licensee's covenants contained herein, Licensor hereby grants to Licensee a non-exclusive license to access, occupy, and use the License Area during the Term (defined below) of this Agreement, for the limited purposes of the Permitted Storage. This license is non-exclusive, and Licensor retains the right to access the License Area

and to use the License Area for any purpose that is not inconsistent with the license granted herein.

2. Term. The term ("Term") of this Agreement begins on the date hereof and ends on the date which is three (3) years thereafter (the "Expiration Date"), unless earlier terminated as provided herein.

3. Use. Licensee's use of the License Area (i) is limited to the Permitted Storage, and (ii) must be in compliance with all applicable laws, covenants and restrictions. Licensee shall not use the License Area for any purpose not expressly permitted herein.

4. Payments. In consideration for being allowed to use the License Area for the purposes of the Permitted Storage, Licensee agrees to pay Licensor the sum of **ONE HUNDRED DOLLARS (\$100.00)** per month.

5. Maintenance, Improvements and Restoration.

5.1 Licensee acknowledges that use of the License Area is being granted in its current "AS-IS" condition, and Licensor has no obligation to Licensee to make any improvements, repairs, or alterations thereto. The Licensor hereby expressly disclaims any and all warranties or representations regarding the License Area, the physical condition thereof or the compliance thereof with any applicable laws, rules or regulations, whether such warranties or representations were written or oral, or expressed or implied, and whether the same were made by an officer, director or employee of the Licensor or any other agent of Licensor.

5.2 Licensee shall promptly repair any damage to the License Area attributable to Licensee or its employees, agents, contractors, invitees, or licensees (collectively "Licensee's Agents").

5.3 Licensee shall not make any alterations, modifications, or improvements to the License Area (collectively "Improvements") without Licensor's prior written consent at Licensor's sole and absolute discretion. Upon completion, any Improvements become part of the License Area and the property of Licensor.

5.4 Upon the termination of this Agreement, Licensee shall restore the License Area to the condition that existed prior to Licensee's use.

6. Indemnity. Except to the extent caused by the gross negligence or willful misconduct of Licensor or Licensor's Agents, Licensee shall indemnify, defend, and hold harmless Licensor, its officers, employees and agents from and against any claims, damages, costs, expenses (including reasonable attorneys' fees), losses, liabilities, or obligations arising out of (i) Licensee's or any Licensee's Agents' entry on and use of the License Area in connection with this Agreement, and (ii) any breach of this Agreement by Licensee, including, without limitation, claims, damages, costs, expenses or liabilities for loss of or damage to any property, or for death or injury to any person or persons. The indemnification obligations of Licensee and

Licensee's Agents shall extend to claims asserted after termination of this Agreement for whatever reason.

7. Insurance. Licensee shall, at its own cost and expense, obtain and maintain during the Term, and shall require any Licensee's Agents entering upon the License Area to maintain insurance coverage as required in Exhibit B, "City of Richmond Insurance Requirements for Lessees," such insurance issued by an insurance company reasonably acceptable to Licensor. Licensor must be named as an additional insured under such policies. Licensee shall deliver to Licensor certificates of insurance evidencing the coverage required hereunder prior to any entry upon the License Area, and thereafter from time to time upon written request of Licensor.

8. Lien Free Condition. Licensee shall not cause or permit any liens to be placed on the License Area as a result of Licensee's exercise of rights under this Agreement. In the event of the filing of any such lien, Licensee shall promptly cause such lien to be removed. Licensee shall indemnify and hold harmless Licensor and the License Area from and against any and all liens, claims, and expenses related to work done, labor performed, activities undertaken or materials furnished in connection with Licensee's entry on the License Area in accordance with this Agreement.

9. Termination.

9.1 If Licensee fails to perform its obligations hereunder, and such failure persists for more than thirty (30) days after notice from Licensor of such failure, or such shorter period as may be allowed for compliance with applicable laws, then Licensor may terminate this Agreement and may also exercise any remedies available under applicable laws.

9.2 If at any time during the Term, Licensee's continued use of the License Area would violate any applicable laws, then Licensor may terminate this Agreement upon 30-days' written notice to Licensee.

9.3 Notwithstanding anything in Sections 8.1 or 8.2 to the contrary, Licensor may terminate this Agreement with ninety (90) days' written notice to Licensee for any reason whatsoever at Licensor's sole and absolute discretion.

10. Hazardous Materials.

10.1 Licensee shall keep and maintain the License Area in compliance with, and shall not cause or permit the License Area to be in violation of any federal, State or local laws, ordinances or regulations relating to industrial hygiene or to the environmental conditions on, under or about the License Area, including, but not limited to, soil and ground water conditions. Licensee shall not use, generate, load, handle, remove, manufacture, store or dispose of on, under, or about the License Area, or transport to or from the License Area, contaminated water, soil, bunkers, chipped or removed paint, flammable explosives, radioactive materials, hazardous wastes, toxic substances or related materials, including without limitation, any substances defined as or included in the definition of "hazardous substances," "hazardous wastes," "hazardous materials," or "toxic substances" under any applicable federal or state laws or regulations (collectively referred to hereinafter as "Hazardous Materials").

10.2 Licensee shall immediately advise Licensor in writing if at any time it receives written notice of (i) any and all enforcement, cleanup, removal or other governmental or regulatory actions instituted, completed or threatened against Licensee or the License Area, pursuant to any applicable federal, State or local laws, ordinances, or regulations relating to any Hazardous Materials, ("Hazardous Materials Law"); (ii) all claims made or threatened by any third party against Licensee or the License Area, relating to damage, contribution, cost recovery compensation, loss or injury resulting from any Hazardous Materials (the matters set forth in clauses (i) and (ii) above are hereinafter referred to as "Hazardous Materials Claims"); and (iii) Licensee's discovery of any occurrence or condition on any real properties adjoining or in the vicinity of the License Area, that could cause the License Area or any part thereof to be classified as "border-zone property" under the provision of California Health and Safety Code, Sections 25220 *et seq.* or any regulation adopted in accordance therewith, or to be otherwise subject to any restrictions on the ownership, occupancy, transferability or use of the License Area under any Hazardous Materials Law.

10.3 Licensor has the right to join and participate in, as a party if it so elects, any legal proceedings or actions initiated in connection with any Hazardous Materials Claims. Licensee shall indemnify and hold harmless Licensor and its council members, board members, supervisors, directors, officers, employees, agents, successors and assigns from and against any loss, damage, cost, expense or liability directly or indirectly arising out of or attributable to the use, generation, storage, release, threatened release, discharge, disposal, or presence of Hazardous Materials on, under, or about the License Area, including without limitation: (i) all foreseeable consequential damages; (ii) the costs of any required or necessary repair, cleanup or detoxification of the License Area, and the preparation and implementation of any closure, remedial or other required plans; and (iii) all reasonable costs and expenses incurred by Licensor in connection with clauses (i) and (ii), including but not limited to reasonable attorney's fees. This obligation to indemnify shall survive the termination of this Agreement.

11. Signs. No signs or placards of an advertising or promotional nature shall be painted, inscribed or placed in, on or about the License Area without the prior written consent of Licensor at Licensor's sole and absolute discretion. Licensee agrees to remove promptly and to the satisfaction of Licensor, at the cost and expense of Licensee, upon the termination of this Agreement, any and all signs and placards placed by it upon the License Area pursuant to this Section.

12. Security and Utilities. Licensee acknowledges that Licensor does not provide security services or utilities for the License Area. Licensee shall indemnify, defend and hold Licensor harmless from and against any and all claims, demands, losses, costs, liabilities and damages arising out of Licensee's failure to procure adequate security or utilities in connection with Licensee's use of the License Area, to the fullest extent provided in Section 5.

13. Taxes. Licensee shall pay all taxes which may be levied, imposed or assessed upon or against the License Area, or any possessory interest right which Licensee may have in or to the License Area by reason of its use or occupancy thereof, and upon or against the structures, personal property and Improvements located thereon. Licensee recognizes and understands that this Agreement may create a possessory interest subject to property taxation and that Licensee may be subject to the payment of property taxes levied on such interest. Licensee agrees to pay

all taxes, assessments, and charges on goods, merchandise, appliances, equipment and property owned by it in or about the License Area.

14. Compliance with Law. Licensee shall cause all work performed and activities undertaken in connection with this Agreement to be performed and undertaken in compliance with all applicable federal, State and local laws, statutes and ordinances, and all directions, rules and regulations of any fire marshal, health officer, building inspector, or other officer of every governmental agency now having or hereafter acquiring jurisdiction (collectively, the "Rules and Regulations"). Compliance under this provision includes compliance with the California Environmental Quality Act ("CEQA") and all provisions of the Municipal Code of the City of Richmond, including Chapters 2.28, 2.39, 2.50, 2.52, 2.56, and 2.60, if applicable, which are herein incorporated by reference. All work performed and activities undertaken shall proceed only after procurement of each permit, license, or other authorization that may be required by any governmental agency having jurisdiction, whether discretionary or ministerial, and Licensee shall be responsible to Licensor for the procurement and maintenance thereof, as may be required of Licensee and Licensee's Agents using the License Area or engaged Storage Activities. Licensee shall require all Licensee's Agents to obey and observe all terms of this Agreement and all Rules and Regulations. Licensee shall be responsible for paying for fines or charges which may be levied by any governmental bodies, agencies, authorities or courts for violations of Rules and Regulations.

15. Waivers. Any waiver by Licensor of any obligation or condition in this Agreement must be in writing. No waiver will be implied from any delay or failure by Licensor to take action on any breach or default of Licensee or to pursue any remedy allowed under this Agreement or applicable law. Consent by Licensor to any act or omission by Licensee shall not be construed to be a consent to any other or subsequent act or omission or to waive the requirement for Licensor's written consent to future waivers.

16. Default. If Licensee defaults in the performance of any of the covenants, conditions or agreements contained in this Agreement, then Licensee shall be deemed to have breached the Agreement. Upon the occurrence of a default, Licensor shall have, in addition to all other remedies at law or equity, the right to terminate this Agreement as provided herein and to seek monetary damages and/or equitable relief.

17. Assignment. Licensee shall not assign its rights or obligations under this Agreement without the prior written consent of Licensor, which consent shall be in Licensor's sole and absolute discretion. Licensor may assign this Agreement pursuant to any sale or other legal transfer of Licensor's interest in the License Area.

18. Governing Law. This Agreement is governed by and to be construed in accordance with the laws of the State of California. This Agreement is made in Contra Costa County, California, and any action relating to this Agreement shall be instituted and prosecuted in the courts of Contra Costa County, California.

19. Execution. This Agreement may be executed in counterparts, each of which shall be deemed an original, and taken together shall constitute one and the same instrument. This Agreement may be executed by facsimile signature(s).

20. Captions. Section titles or captions contained in this Agreement are inserted only as a matter of convenience and for reference and in no way define, limit, extend or describe the scope of this Agreement or the intent of any provision hereof.

21. Incorporation. The Exhibits attached hereto are hereby incorporated into this Agreement.

22. Notices. All written notices required to be given pursuant to the terms hereof must be either delivered personally, by facsimile (so long as a copy of any such notice also sent by one of the other methods) or by commercial messenger service or national overnight courier service, addressed as follows:

To Licensor: City of Richmond
Attn: City Manager
450 Civic Center Plaza
Richmond, CA 04804
Tel: (510) 620-6512
Fax: (510) 620-6542

with a copy to: City of Richmond
Attn: City Attorney
450 Civic Center Plaza
Richmond, CA 04804
Tel: (510) 620-6509
Fax: (510) 620-6518

To Licensee: Nematode Holdings, Inc.
Attn: Bobby Winston
3026 Fairview Ave.
Alameda, CA 94501
Tel: (510) 205-1447
Fax: (925) 215-2520

with a copy to: Sheppard Mullin Richter & Hampton LLP
Four Embarcadero Center, 17th Floor
San Francisco, CA 94111-4106
Attn: William Manierre, Esq.
Tel: (415) 774-3283
Fax: (415) 434-3947

The foregoing addresses may be changed from time to time by written notice. Notices will be deemed received upon the earlier of actual receipt or upon signed acceptance from an overnight courier or if sent by facsimile on the same day thereof upon confirmation of receipt.

23. Entire Agreement. This Agreement constitutes the final, complete, and exclusive statement between the parties to this Agreement pertaining to Licensee's use of the License Area,

supersedes all prior and contemporaneous understandings or agreements of the parties, and is binding on and inures to the benefit of their respective heirs, representatives, successors, and assigns. Any agreement made after the date of this Agreement is ineffective to modify, waive, release, terminate, or effect an abandonment of this Agreement, in whole or in part, unless that agreement is in writing, is signed by the parties to this Agreement, and specifically states that that agreement modifies this Agreement.

24. Attorneys' Fees. In the event any dispute between the parties arising out of or in connection with this Agreement should result in litigation, the prevailing party must be reimbursed for all reasonable costs incurred in connection with such litigation, including, without limitation, reasonable attorneys' fees.

25. Construction. The parties acknowledge that each party and its counsel have reviewed and revised this Agreement and that the normal rule of construction to the effect that any ambiguities are to be resolved against the drafting party is not to be employed in the interpretation of this Agreement or any amendments or exhibits hereto.

Remainder of page intentionally left blank.

Signatures on following page.

IN WITNESS WHEREOF, the parties hereby agree to the terms and conditions contained herein.

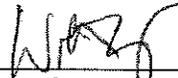
LICENSOR

CITY OF RICHMOND, a California municipal corporation and charter city

By:

Name:

Its:



WILLIAM A. LINDSAY

CITY MANAGER

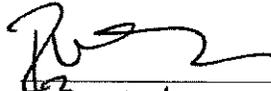
LICENSEE

NEMATODE HOLDINGS, INC., a California corporation

By:

Name:

Its:



BOB LEMAN

OWNER

EXHIBIT A

Append description or map of the License Area.

Exhibit A: Space Occupied by
Nematode Holdings LLC at 2100
Western Drive, Richmond, CA

Interior space:
former
Carpentry Shop

Exterior space:
parking for truck
trailers

EXHIBIT B

City of Richmond Insurance Requirements for Lessees.

**City of Richmond - Insurance Requirements – Type 4:
Leases of City Property**

In all instances where LESSEE or its representatives will be leasing or using City of Richmond (City) property for an extended period, the City requires the following minimum insurance requirements and limits.

LESSEE shall procure and maintain for the duration of the contract or lease agreement insurance against claims for injuries to persons or damages to property which may arise from or in connection with the LESSEE's, its agents', representatives', employees' or vendor's use of the premises. **Maintenance of proper insurance coverage is a material element of the contract or lease agreement. Failure to maintain or renew coverage or to provide evidence of renewal may be treated by the City as a material breach of contract.**

LESSEE agrees that in the event of loss due to any of the perils for which it has agreed to provide Commercial General Liability insurance, LESSEE shall look solely to its insurance for recovery. LESSEE hereby grants to CITY, on behalf of any insurer providing Commercial General Liability insurance to either LESSEE or CITY with respect to the services of LESSEE herein, a waiver of any right to subrogation which any such insurer of said LESSEE may acquire against the CITY by virtue of the payment of any loss under such insurance.

Original, signed certificates and original, separate policy endorsement, naming the City as an additional insured for general liability coverage, as well as a waiver of subrogation for Workers' Compensation insurance (if applicable), shall be received and approved by the City **before occupancy may occur**. However, failure to do so shall not operate as a waiver of these insurance requirements.

City reserves the right to modify or require additional coverages for specific risk exposures depending on scope of the Lease.

Minimum coverage is detailed below. The policy limits of coverage shall be made available to the full limits of the policy. The minimum limits stated herein shall not serve to reduce the policy limits of coverage of LESSEE.

Minimum Scope of Insurance – the following forms shall be provided and coverage shall be at least as broad as the following:

1. Insurance Services Office Commercial General Liability coverage (ISO Occurrence Form CG 0001).
2. Insurance Services Office Automobile Liability coverage (ISO Form CA 0001, Code 1, Any Auto).
3. Original and Separate Additional Insured Endorsements for General Liability (ISO Form CG 20 10 11/85 or its equivalent) with primary and non-contributory language.
4. Workers' Compensation insurance as required by the State of California including Employer's Liability (for LESSEE's with employees).
5. Original and Separate Waiver of Subrogation for Workers' Compensation Insurance (if applicable).
6. Property insurance against all risks of loss to tenant improvements, betterments and contents.

Required Coverage	Minimum Limits
Workers' Compensation and Employers' Liability	Statutory limits as required by the State of California including \$1 million Employers' Liability per accident, per employee for bodily injury or disease. If LESSEE is self-insured, provide a certificate of Permission to Self-Insure, signed by the California Department of Industrial Relations and Self-Insurance. If Lessee is a sole proprietor (has no employees) than Lessee must sign "Contractor Release of Liability" found at: http://www.ci.richmond.ca.us/index.aspx?nid=61 .
General Liability <i>(primary and excess limits combined)</i>	\$2,000,000 per occurrence for bodily injury, personal injury and property damage. If the policy includes a general aggregate, either the general aggregate shall apply separately to this project, service or location or the minimum required aggregate limit shall be twice the per occurrence limit (\$4 million aggregate). Policy shall also include coverage for liability arising out of the use and operation of any City-owned or City-furnished equipment used or operated by the LESSEE, its employees, agents or others with LESSEE's permission. Policy shall be endorsed to name the City of Richmond as an additional insured per the conditions detailed below.

**City of Richmond - Insurance Requirements - Type 4:
Leases of City Property**

Automobile Liability	\$1,000,000 per occurrence for bodily injury and property damage.
Property Insurance - Only applicable to leases of City property involving tenant improvements, betterments and contents	Total value of all tenant improvements, betterments, and contents. The City of Richmond shall be named as loss payee as its interest may appear. The insurer shall waive all rights against City.

Required Policy Conditions	
Additional Insured Endorsement	Applicable to General Liability Coverage. The City of Richmond, its officers, officials, employees, agents and volunteers are to be covered as insureds for all liability arising out of ownership, maintenance or use of that part of the premises leased or used by the LESSEE.
Primary and Noncontributory	The LESSEE's insurance coverage must be primary as it pertains to the City, its officers, officials, employees, agents and volunteers. Any insurance or self insurance maintained by the City is wholly separate from the insurance of the LESSEE, shall be excess of the LESSEE's insurance, and shall not contribute with it.
A. M. Best Rating	A:VII or Better. If the A.M. Best Rating falls below the required rating, LESSEE must replace coverage immediately and provide notice to City.
Waiver of Subrogation Endorsement Form	LESSEE's insurer will provide a Waiver of Subrogation in favor of the City for Workers' Compensation Insurance during the life of this contract. SAMPLE Endorsements can be found at http://www.ci.richmond.ca.us/index.aspx?nid=61 .
Deductibles and Self-Insured Retentions	Any deductible or self-insured retention must be declared to and approved by the City. At the option of the City either the insurer shall reduce or eliminate such deductibles or self-insured retention as respects the City or the LESSEE shall procure a financial guarantee in an amount equal to the deductible or self-insured retention guaranteeing payment of losses and related investigations, claims administration and defense expenses. LESSEE is responsible for satisfaction of the deductible and/or self-insured retention for each loss.

Umbrella/Excess Liability Policies

If an Umbrella or Excess Liability Policy is used to meet the liability limits, coverage shall be as broad as specified for underlying coverages and cover those insured in the underlying policies.

Sublets

LESSEE shall not sublet the premises without the advance written consent of the City. Sublessees shall be subject to all of the requirements stated herein. Sublessee(s) must furnish to the City for review and approval, separate certificates and endorsements.

LESSEE agrees to defend and indemnify the City of Richmond for any damage resulting to it from failure of either LESSEE or any sublessee(s) to take out or maintain the required insurance policies. The fact that insurance is obtained by LESSEE, and/or LESSEE's Sublessees, will not be deemed to release or diminish the liability of LESSEE, including, without limitation, liability under the indemnity provisions of this contract. Damages recoverable by CITY from LESSEE or any third party will not be limited by the amount of the required insurance coverage.

**City of Richmond - Insurance Requirements – Type 4:
Leases of City Property**

Verification of Coverage

All original certificates and endorsements shall be received and approved by the City before LESSEE may occupy the premises. The City of Richmond reserves the right to require complete, certified copies of all required insurance policies including endorsements affecting the coverage at any time.

Original insurance certificates and required policy endorsements shall be mailed or delivered to the Designated Project Manager for the City of Richmond.

Insurance certificates and endorsements may be faxed to the Designated Project Manager. However, Lessee must mail the original certificates and endorsements to Designated Project Manager once faxed.

Continuous Coverage

LESSEE shall maintain the required insurance for the life of the contract or lease agreement. Should the LESSEE cease to have insurance as required during this time, LESSEE's right to use or occupy the premises may be rescinded. In the event that LESSEE fails to comply with the City's insurance requirements, the City may take such action as it deems necessary to protect the City's interests including but not limited to termination of the contract or lease agreement, eviction, or other actions as the City deems appropriate.

If LESSEE's use or occupancy of the premises extends beyond the expiration dates of the required insurance policies initially approved by the City, LESSEE must provide updated certificates and endorsements indicating that the required coverage, terms and conditions are still in place. **Renewal certificates and updated endorsements shall be mailed to the Designated Project Manager.**

Cancellation

LESSEE shall ensure that coverage shall not be cancelled, reduced or otherwise materially changed except after thirty (30) days' prior written notice has been given to the City.

Reporting Requirements

Any failure to comply with reporting or other provisions of the policies including breaches of warranties shall not affect coverage provided to the City, its officers, officials, employees or volunteers.

Consistent with Public Policy

The insuring provisions, insofar as they may be judged to be against public policy shall be void and unenforceable only to the minimum extent necessary so that the remaining terms and provisions herein may be consistent with public policy and thus enforceable.



CERTIFICATE OF LIABILITY INSURANCE

DATE (MM/DD/YYYY)
02/26/2014

THIS CERTIFICATE IS ISSUED AS A MATTER OF INFORMATION ONLY AND CONFERS NO RIGHTS UPON THE CERTIFICATE HOLDER. THIS CERTIFICATE DOES NOT AFFIRMATIVELY OR NEGATIVELY AMEND, EXTEND OR ALTER THE COVERAGE AFFORDED BY THE POLICIES BELOW. THIS CERTIFICATE OF INSURANCE DOES NOT CONSTITUTE A CONTRACT BETWEEN THE ISSUING INSURER(S), AUTHORIZED REPRESENTATIVE OR PRODUCER, AND THE CERTIFICATE HOLDER.

IMPORTANT: If the certificate holder is an ADDITIONAL INSURED, the policy(ies) must be endorsed. If SUBROGATION IS WAIVED, subject to the terms and conditions of the policy, certain policies may require an endorsement. A statement on this certificate does not confer rights to the certificate holder in lieu of such endorsement(s).

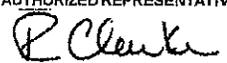
PRODUCER Walton & Associates Insurance Atlantic-Pacific Brokers, Inc. 3150 Almaden Expwy Suite 102 San Jose, CA 95118 Ryan Clarke		Phone: 408-265-2800 Fax: 408-265-9174	CONTACT NAME: Ryan Clarke PHONE (A/C No., Ext): 408-265-2800 E-MAIL ADDRESS: ryan@waltoninsurance.com FAX (A/C No.): 408-265-9174
INSURED Nematode Holdings, LLC Bobby Winston 3026 Fairview Avenue Alameda, CA 94501		INSURER(S) AFFORDING COVERAGE INSURER A: Republic Indemnity of America NAIC # 22179 INSURER B: Hartford Casualty Insurance Co 29424 INSURER C: Great America Insurance Compan INSURER D: INSURER E: INSURER F:	

COVERAGES CERTIFICATE NUMBER: REVISION NUMBER:

THIS IS TO CERTIFY THAT THE POLICIES OF INSURANCE LISTED BELOW HAVE BEEN ISSUED TO THE INSURED NAMED ABOVE FOR THE POLICY PERIOD INDICATED. NOTWITHSTANDING ANY REQUIREMENT, TERM OR CONDITION OF ANY CONTRACT OR OTHER DOCUMENT WITH RESPECT TO WHICH THIS CERTIFICATE MAY BE ISSUED OR MAY PERTAIN, THE INSURANCE AFFORDED BY THE POLICIES DESCRIBED HEREIN IS SUBJECT TO ALL THE TERMS, EXCLUSIONS AND CONDITIONS OF SUCH POLICIES. LIMITS SHOWN MAY HAVE BEEN REDUCED BY PAID CLAIMS.

INSR LTR	TYPE OF INSURANCE	ADDL INSR	SUBR WVD	POLICY NUMBER	POLICY EFF (MM/DD/YYYY)	POLICY EXP (MM/DD/YYYY)	LIMITS
B	GENERAL LIABILITY <input checked="" type="checkbox"/> COMMERCIAL GENERAL LIABILITY CLAIMS-MADE <input checked="" type="checkbox"/> OCCUR	X		57SBAAIC8271	05/07/2013	05/07/2014	EACH OCCURRENCE \$ 2,000,000 DAMAGE TO RENTED PREMISES (Ea occurrence) \$ 300,000 MED EXP (Any one person) \$ 10,000 PERSONAL & ADV INJURY \$ 2,000,000 GENERAL AGGREGATE \$ 4,000,000 PRODUCTS - COMP/OP AGG \$ 4,000,000
	GEN'L AGGREGATE LIMIT APPLIES PER: <input checked="" type="checkbox"/> POLICY <input type="checkbox"/> PROJECT <input type="checkbox"/> LOC						
B	AUTOMOBILE LIABILITY <input type="checkbox"/> ANY AUTO ALL OWNED AUTOS <input checked="" type="checkbox"/> HIRED AUTOS <input checked="" type="checkbox"/> SCHEDULED AUTOS NON-OWNED AUTOS			57SBAAIC8271	05/07/2013	05/07/2014	COMBINED SINGLE LIMIT (Ea accident) \$ 2,000,000 BODILY INJURY (Per person) \$ BODILY INJURY (Per accident) \$ PROPERTY DAMAGE (Per accident) \$
	UMBRELLA LIAB <input type="checkbox"/> OCCUR EXCESS LIAB <input type="checkbox"/> CLAIMS-MADE DED <input type="checkbox"/> RETENTION \$						
A	WORKERS COMPENSATION AND EMPLOYERS' LIABILITY ANY PROPRIETOR/PARTNER/EXECUTIVE OFFICER/MEMBER EXCLUDED? (Mandatory in NH) If yes, describe under DESCRIPTION OF OPERATIONS below			16146810	04/01/2013	04/01/2014	<input checked="" type="checkbox"/> WC STATUTORY LIMITS <input type="checkbox"/> OTHER E.L. EACH ACCIDENT \$ 1,000,000 E.L. DISEASE - EA EMPLOYEE \$ 1,000,000 E.L. DISEASE - POLICY LIMIT \$ 1,000,000
B	Commercial Crime			57BDDCK5726	09/15/2014	09/15/2015	Crime 400,000
C	E&O/Privacy Liab.			THP1332066	02/14/2014	02/14/2015	E&O 1,000,000

DESCRIPTION OF OPERATIONS / LOCATIONS / VEHICLES (Attach ACORD 101, Additional Remarks Schedule, if more space is required)
The City of Richmond, its officers, officials, employees, agents and volunteers are named additional insured to the general liability policy and primary non-contributory coverage pursuant to attached form SS00080405. Waiver of Subrogations granted for the workers compensation policy pursuant to attached form WC040306.

CERTIFICATE HOLDER The City of Richmond 450 Civic Center Plaza Richmond, CA 94804	CANCELLATION SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, NOTICE WILL BE DELIVERED IN ACCORDANCE WITH THE POLICY PROVISIONS. AUTHORIZED REPRESENTATIVE 
---	--

BUSINESS LIABILITY COVERAGE FORM

2. Applicable To Medical Expenses Coverage

We will not pay expenses for "bodily injury":

a. Any Insured

To any insured, except "volunteer workers".

b. Hired Person

To a person hired to do work for or on behalf of any insured or a tenant of any insured.

c. Injury On Normally Occupied Premises

To a person injured on that part of premises you own or rent that the person normally occupies.

d. Workers' Compensation And Similar Laws

To a person, whether or not an "employee" of any insured, if benefits for the "bodily injury" are payable or must be provided under a workers' compensation or disability benefits law or a similar law.

e. Athletics Activities

To a person injured while practicing, instructing or participating in any physical exercises or games, sports or athletic contests.

f. Products-Completed Operations Hazard

Included with the "products-completed operations hazard".

g. Business Liability Exclusions

Excluded under Business Liability Coverage.

C. WHO IS AN INSURED

1. If you are designated in the Declarations as:

a. An individual, you and your spouse are insureds, but only with respect to the conduct of a business of which you are the sole owner.

b. A partnership or joint venture, you are an insured. Your members, your partners, and their spouses are also insureds, but only with respect to the conduct of your business.

c. A limited liability company, you are an insured. Your members are also insureds, but only with respect to the conduct of your business. Your managers are insureds, but only with respect to their duties as your managers.

d. An organization other than a partnership, joint venture or limited liability company, you are an insured. Your "executive officers" and directors are insureds, but only with respect to their duties as your officers or directors. Your stockholders are also insureds, but only with respect to their liability as stockholders.

e. A trust, you are an insured. Your trustees are also insureds, but only with respect to their duties as trustees.

2. Each of the following is also an insured:

a. Employees And Volunteer Workers

Your "volunteer workers" only while performing duties related to the conduct of your business, or your "employees", other than either your "executive officers" (if you are an organization other than a partnership, joint venture or limited liability company) or your managers (if you are a limited liability company), but only for acts within the scope of their employment by you or while performing duties related to the conduct of your business.

However, none of these "employees" or "volunteer workers" are insureds for:

(1) "Bodily Injury" or "personal and advertising injury":

(a) To you, to your partners or members (if you are a partnership or joint venture), to your members (if you are a limited liability company), or to a co-"employee" while in the course of his or her employment or performing duties related to the conduct of your business, or to your other "volunteer workers" while performing duties related to the conduct of your business;

(b) To the spouse, child, parent, brother or sister of that co-"employee" or that "volunteer worker" as a consequence of Paragraph **(1)(a)** above;

(c) For which there is any obligation to share damages with or repay someone else who must pay damages because of the injury described in Paragraphs **(1)(a)** or **(b)** above; or

(d) Arising out of his or her providing or failing to provide professional health care services.

If you are not in the business of providing professional health care services, Paragraph **(d)** does not apply to any nurse, emergency medical technician or paramedic employed by you to provide such services.

(2) "Property damage" to property:

(a) Owned, occupied or used by,

E NESS LIABILITY COVERAGE FORM

(b) Rented to, in the care, custody or control of, or over which physical control is being exercised for any purpose by you, any of your "employees", "volunteer workers", any partner or member (if you are a partnership or joint venture), or any member (if you are a limited liability company).

b. Real Estate Manager

Any person (other than your "employee" or "volunteer worker"), or any organization while acting as your real estate manager.

c. Temporary Custodians Of Your Property

Any person or organization having proper temporary custody of your property if you die, but only:

- (1) With respect to liability arising out of the maintenance or use of that property; and
- (2) Until your legal representative has been appointed.

d. Legal Representative If You Die

Your legal representative if you die, but only with respect to duties as such. That representative will have all your rights and duties under this insurance.

e. Unnamed Subsidiary

Any subsidiary and subsidiary thereof, of yours which is a legally incorporated entity of which you own a financial interest of more than 50% of the voting stock on the effective date of this Coverage Part.

The insurance afforded herein for any subsidiary not shown in the Declarations as a named insured does not apply to injury or damage with respect to which an insured under this insurance is also an insured under another policy or would be an insured under such policy but for its termination or upon the exhaustion of its limits of insurance.

3. Newly Acquired Or Formed Organization

Any organization you newly acquire or form, other than a partnership, joint venture or limited liability company, and over which you maintain financial interest of more than 50% of the voting stock, will qualify as a Named Insured if there is no other similar insurance available to that organization. However:

- a. Coverage under this provision is afforded only until the 180th day after you acquire or form the organization or the end of the policy period, whichever is earlier; and

b. Coverage under this provision does not apply to:

- (1) "Bodily injury" or "property damage" that occurred; or
- (2) "Personal and advertising injury" arising out of an offense committed

before you acquired or formed the organization.

4. Operator Of Mobile Equipment

With respect to "mobile equipment" registered in your name under any motor vehicle registration law, any person is an insured while driving such equipment along a public highway with your permission. Any other person or organization responsible for the conduct of such person is also an insured, but only with respect to liability arising out of the operation of the equipment, and only if no other insurance of any kind is available to that person or organization for this liability. However, no person or organization is an insured with respect to:

- a. "Bodily injury" to a co-"employee" of the person driving the equipment; or
- b. "Property damage" to property owned by, rented to, in the charge of or occupied by you or the employer of any person who is an insured under this provision.

5. Operator of Nonowned Watercraft

With respect to watercraft you do not own that is less than 51 feet long and is not being used to carry persons for a charge, any person is an insured while operating such watercraft with your permission. Any other person or organization responsible for the conduct of such person is also an insured, but only with respect to liability arising out of the operation of the watercraft, and only if no other insurance of any kind is available to that person or organization for this liability.

However, no person or organization is an insured with respect to:

- a. "Bodily injury" to a co-"employee" of the person operating the watercraft; or
- b. "Property damage" to property owned by, rented to, in the charge of or occupied by you or the employer of any person who is an insured under this provision.

6. Additional Insureds When Required By Written Contract, Written Agreement Or Permit

The person(s) or organization(s) identified in Paragraphs a. through f. below are additional insureds when you have agreed, in a written

contract, written agreement or because of a permit issued by a state or political subdivision, that such person or organization be added as an additional insured on your policy, provided the injury or damage occurs subsequent to the execution of the contract or agreement, or the issuance of the permit.

A person or organization is an additional insured under this provision only for that period of time required by the contract, agreement or permit.

However, no such person or organization is an additional insured under this provision if such person or organization is included as an additional insured by an endorsement issued by us and made a part of this Coverage Part, including all persons or organizations added as additional insureds under the specific additional insured coverage grants in Section F. – Optional Additional Insured Coverages.

a. Vendors

Any person(s) or organization(s) (referred to below as vendor), but only with respect to "bodily injury" or "property damage" arising out of "your products" which are distributed or sold in the regular course of the vendor's business and only if this Coverage Part provides coverage for "bodily injury" or "property damage" included within the "products-completed operations hazard".

- (1) The insurance afforded to the vendor is subject to the following additional exclusions:

This insurance does not apply to:

- (a) "Bodily injury" or "property damage" for which the vendor is obligated to pay damages by reason of the assumption of liability in a contract or agreement. This exclusion does not apply to liability for damages that the vendor would have in the absence of the contract or agreement;
- (b) Any express warranty unauthorized by you;
- (c) Any physical or chemical change in the product made intentionally by the vendor;
- (d) Repackaging, except when unpacked solely for the purpose of inspection, demonstration, testing, or the substitution of parts under instructions from the manufacturer, and then repackaged in the original container;

- (e) Any failure to make such inspections, adjustments, tests or servicing as the vendor has agreed to make or normally undertakes to make in the usual course of business, in connection with the distribution or sale of the products;

- (f) Demonstration, installation, servicing or repair operations, except such operations performed at the vendor's premises in connection with the sale of the product;

- (g) Products which, after distribution or sale by you, have been labeled or relabeled or used as a container, part or ingredient of any other thing or substance by or for the vendor; or

- (h) "Bodily injury" or "property damage" arising out of the sole negligence of the vendor for its own acts or omissions or those of its employees or anyone else acting on its behalf. However, this exclusion does not apply to:

- (i) The exceptions contained in Subparagraphs (d) or (f); or

- (ii) Such inspections, adjustments, tests or servicing as the vendor has agreed to make or normally undertakes to make in the usual course of business, in connection with the distribution or sale of the products.

- (2) This insurance does not apply to any insured person or organization from whom you have acquired such products, or any ingredient, part or container, entering into, accompanying or containing such products.

b. Lessors Of Equipment

- (1) Any person or organization from whom you lease equipment; but only with respect to their liability for "bodily injury", "property damage" or "personal and advertising injury" caused, in whole or in part, by your maintenance, operation or use of equipment leased to you by such person or organization.

- (2) With respect to the insurance afforded to these additional insureds, this insurance does not apply to any "occurrence" which takes place after you cease to lease that equipment.

c. Lessors Of Land Or Premises

- (1) Any person or organization from whom you lease land or premises, but only with respect to liability arising out of the ownership, maintenance or use of that part of the land or premises leased to you.
- (2) With respect to the insurance afforded to these additional insureds, this insurance does not apply to:
 - (a) Any "occurrence" which takes place after you cease to lease that land or be a tenant in that premises; or
 - (b) Structural alterations, new construction or demolition operations performed by or on behalf of such person or organization.

d. Architects, Engineers Or Surveyors

- (1) Any architect, engineer, or surveyor, but only with respect to liability for "bodily injury", "property damage" or "personal and advertising injury" caused, in whole or in part, by your acts or omissions or the acts or omissions of those acting on your behalf:
 - (a) In connection with your premises; or
 - (b) In the performance of your ongoing operations performed by you or on your behalf.
- (2) With respect to the insurance afforded to these additional insureds, the following additional exclusion applies:
 This insurance does not apply to "bodily injury", "property damage" or "personal and advertising injury" arising out of the rendering of or the failure to render any professional services by or for you, including:
 - (a) The preparing, approving, or failure to prepare or approve, maps, shop drawings, opinions, reports, surveys, field orders, change orders, designs or drawings and specifications; or
 - (b) Supervisory, inspection, architectural or engineering activities.

e. Permits Issued By State Or Political Subdivisions

- (1) Any state or political subdivision, but only with respect to operations performed by you or on your behalf for which the state or political subdivision has issued a permit.
- (2) With respect to the insurance afforded to these additional insureds, this insurance does not apply to:
 - (a) "Bodily injury", "property damage" or "personal and advertising injury" arising out of operations performed for the state or municipality; or
 - (b) "Bodily injury" or "property damage" included within the "products-completed operations hazard".

f. Any Other Party

- (1) Any other person or organization who is not an insured under Paragraphs a. through e. above, but only with respect to liability for "bodily injury", "property damage" or "personal and advertising injury" caused, in whole or in part, by your acts or omissions or the acts or omissions of those acting on your behalf:
 - (a) In the performance of your ongoing operations;
 - (b) In connection with your premises owned by or rented to you; or
 - (c) In connection with "your work" and included within the "products-completed operations hazard", but only if
 - (i) The written contract or written agreement requires you to provide such coverage to such additional insured; and
 - (ii) This Coverage Part provides coverage for "bodily injury" or "property damage" included within the "products-completed operations hazard".
- (2) With respect to the insurance afforded to these additional insureds, this insurance does not apply to:
 "Bodily injury", "property damage" or "personal and advertising injury" arising out of the rendering of, or the failure to render, any professional architectural, engineering or surveying services, including:

- (a) The preparing, approving, or failure to prepare or approve, maps, shop drawings, opinions, reports, surveys, field orders, change orders, designs or drawings and specifications; or
- (b) Supervisory, inspection, architectural or engineering activities.

The limits of insurance that apply to additional insureds are described in Section D. – Limits Of Insurance.

How this insurance applies when other insurance is available to an additional insured is described in the Other Insurance Condition in Section E. – Liability And Medical Expenses General Conditions.

No person or organization is an insured with respect to the conduct of any current or past partnership, joint venture or limited liability company that is not shown as a Named Insured in the Declarations.

D. LIABILITY AND MEDICAL EXPENSES LIMITS OF INSURANCE

1. The Most We Will Pay

The Limits of Insurance shown in the Declarations and the rules below fix the most we will pay regardless of the number of:

- a. Insureds;
- b. Claims made or "suits" brought; or
- c. Persons or organizations making claims or bringing "suits".

2. Aggregate Limits

The most we will pay for:

- a. Damages because of "bodily injury" and "property damage" included in the "products-completed operations hazard" is the Products-Completed Operations Aggregate Limit shown in the Declarations.
- b. Damages because of all other "bodily injury", "property damage" or "personal and advertising injury", including medical expenses, is the General Aggregate Limit shown in the Declarations.

This General Aggregate Limit applies separately to each of your "locations" owned by or rented to you.

"Location" means premises involving the same or connecting lots, or premises whose connection is interrupted only by a street, roadway or right-of-way of a railroad.

This General Aggregate limit does not apply to "property damage" to premises while rented to you or temporarily occupied by you with permission of the owner, arising out of fire, lightning or explosion.

3. Each Occurrence Limit

Subject to 2.a. or 2.b above, whichever applies, the most we will pay for the sum of all damages because of all "bodily injury", "property damage" and medical expenses arising out of any one "occurrence" is the Liability and Medical Expenses Limit shown in the Declarations.

The most we will pay for all medical expenses because of "bodily injury" sustained by any one person is the Medical Expenses Limit shown in the Declarations.

4. Personal And Advertising Injury Limit

Subject to 2.b. above, the most we will pay for the sum of all damages because of all "personal and advertising injury" sustained by any one person or organization is the Personal and Advertising Injury Limit shown in the Declarations.

5. Damage To Premises Rented To You Limit

The Damage To Premises Rented To You Limit is the most we will pay under Business Liability Coverage for damages because of "property damage" to any one premises, while rented to you, or in the case of damage by fire, lightning or explosion, while rented to you or temporarily occupied by you with permission of the owner.

In the case of damage by fire, lightning or explosion, the Damage to Premises Rented To You Limit applies to all damage proximately caused by the same event, whether such damage results from fire, lightning or explosion or any combination of these.

6. How Limits Apply To Additional Insureds

The most we will pay on behalf of a person or organization who is an additional insured under this Coverage Part is the lesser of:

- a. The limits of insurance specified in a written contract, written agreement or permit issued by a state or political subdivision; or
- b. The Limits of Insurance shown in the Declarations.

Such amount shall be a part of and not in addition to the Limits of Insurance shown in the Declarations and described in this Section.

If more than one limit of insurance under this policy and any endorsements attached thereto applies to any claim or "suit", the most we will pay under this policy and the endorsements is the single highest limit of liability of all coverages applicable to such claim or "suit". However, this paragraph does not apply to the Medical Expenses limit set forth in Paragraph 3. above.

The Limits of Insurance of this Coverage Part apply separately to each consecutive annual period and to any remaining period of less than 12 months, starting with the beginning of the policy period shown in the Declarations, unless the policy period is extended after issuance for an additional period of less than 12 months. In that case, the additional period will be deemed part of the last preceding period for purposes of determining the Limits of Insurance.

E. LIABILITY AND MEDICAL EXPENSES GENERAL CONDITIONS

1. Bankruptcy

Bankruptcy or insolvency of the insured or of the insured's estate will not relieve us of our obligations under this Coverage Part.

2. Duties In The Event Of Occurrence, Offense, Claim Or Suit

a. Notice Of Occurrence Or Offense

You or any additional insured must see to it that we are notified as soon as practicable of an "occurrence" or an offense which may result in a claim. To the extent possible, notice should include:

- (1) How, when and where the "occurrence" or offense took place;
- (2) The names and addresses of any injured persons and witnesses; and
- (3) The nature and location of any injury or damage arising out of the "occurrence" or offense.

b. Notice Of Claim

If a claim is made or "suit" is brought against any insured, you or any additional insured must:

- (1) Immediately record the specifics of the claim or "suit" and the date received; and
- (2) Notify us as soon as practicable.

You or any additional insured must see to it that we receive a written notice of the claim or "suit" as soon as practicable.

c. Assistance And Cooperation Of The Insured

You and any other involved insured must:

B. NESS LIABILITY COVERAGE FORM

- (1) Immediately send us copies of any demands, notices, summonses or legal papers received in connection with the claim or "suit";
- (2) Authorize us to obtain records and other information;
- (3) Cooperate with us in the investigation, settlement of the claim or defense against the "suit"; and
- (4) Assist us, upon our request, in the enforcement of any right against any person or organization that may be liable to the insured because of injury or damage to which this insurance may also apply.

d. Obligations At The Insured's Own Cost

No insured will, except at that insured's own cost, voluntarily make a payment, assume any obligation, or incur any expense, other than for first aid, without our consent.

e. Additional Insured's Other Insurance

If we cover a claim or "suit" under this Coverage Part that may also be covered by other insurance available to an additional insured, such additional insured must submit such claim or "suit" to the other insurer for defense and indemnity.

However, this provision does not apply to the extent that you have agreed in a written contract, written agreement or permit that this insurance is primary and non-contributory with the additional insured's own insurance.

f. Knowledge Of An Occurrence, Offense, Claim Or Suit

Paragraphs a. and b. apply to you or to any additional insured only when such "occurrence", offense, claim or "suit" is known to:

- (1) You or any additional insured that is an individual;
- (2) Any partner, if you or an additional insured is a partnership;
- (3) Any manager, if you or an additional insured is a limited liability company;
- (4) Any "executive officer" or insurance manager, if you or an additional insured is a corporation;
- (5) Any trustee, if you or an additional insured is a trust; or
- (6) Any elected or appointed official, if you or an additional insured is a political subdivision or public entity.

This Paragraph f. applies separately to you and any additional insured.

3. Financial Responsibility Laws

- a. When this policy is certified as proof of financial responsibility for the future under the provisions of any motor vehicle financial responsibility law, the insurance provided by the policy for "bodily injury" liability and "property damage" liability will comply with the provisions of the law to the extent of the coverage and limits of insurance required by that law.
- b. With respect to "mobile equipment" to which this insurance applies, we will provide any liability, uninsured motorists, underinsured motorists, no-fault or other coverage required by any motor vehicle law. We will provide the required limits for those coverages.

4. Legal Action Against Us

No person or organization has a right under this Coverage Form:

- a. To join us as a party or otherwise bring us into a "suit" asking for damages from an insured; or
- b. To sue us on this Coverage Form unless all of its terms have been fully complied with.

A person or organization may sue us to recover on an agreed settlement or on a final judgment against an insured; but we will not be liable for damages that are not payable under the terms of this insurance or that are in excess of the applicable limit of insurance. An agreed settlement means a settlement and release of liability signed by us, the insured and the claimant or the claimant's legal representative.

5. Separation Of Insureds

Except with respect to the Limits of Insurance, and any rights or duties specifically assigned in this policy to the first Named Insured, this insurance applies:

- a. As if each Named Insured were the only Named Insured; and
- b. Separately to each insured against whom a claim is made or "suit" is brought.

6. Representations

a. When You Accept This Policy

By accepting this policy, you agree:

- (1) The statements in the Declarations are accurate and complete;
- (2) Those statements are based upon representations you made to us; and

(3) We have issued this policy in reliance upon your representations.

b. Unintentional Failure To Disclose Hazards

If unintentionally you should fail to disclose all hazards relating to the conduct of your business at the inception date of this Coverage Part, we shall not deny any coverage under this Coverage Part because of such failure.

7. Other Insurance

If other valid and collectible insurance is available for a loss we cover under this Coverage Part, our obligations are limited as follows:

a. Primary Insurance

This insurance is primary except when b. below applies. If other insurance is also primary, we will share with all that other insurance by the method described in c. below.

b. Excess Insurance

This insurance is excess over any of the other insurance, whether primary, excess, contingent or on any other basis:

(1) Your Work

That is Fire, Extended Coverage, Builder's Risk, Installation Risk or similar coverage for "your work";

(2) Premises Rented To You

That is fire, lightning or explosion insurance for premises rented to you or temporarily occupied by you with permission of the owner;

(3) Tenant Liability

That is insurance purchased by you to cover your liability as a tenant for "property damage" to premises rented to you or temporarily occupied by you with permission of the owner;

(4) Aircraft, Auto Or Watercraft

If the loss arises out of the maintenance or use of aircraft, "autos" or watercraft to the extent not subject to Exclusion g. of Section A. - Coverages.

(5) Property Damage To Borrowed Equipment Or Use Of Elevators

If the loss arises out of "property damage" to borrowed equipment or the use of elevators to the extent not subject to Exclusion k. of Section A. - Coverages.

B. BUSINESS LIABILITY COVERAGE FORM

(6) When You Are Added As An Additional Insured To Other Insurance

That is other insurance available to you covering liability for damages arising out of the premises or operations, or products and completed operations, for which you have been added as an additional insured by that insurance; or

(7) When You Add Others As An Additional Insured To This Insurance

That is other insurance available to an additional insured.

However, the following provisions apply to other insurance available to any person or organization who is an additional insured under this Coverage Part:

(a) Primary Insurance When Required By Contract

This insurance is primary if you have agreed in a written contract, written agreement or permit that this insurance be primary. If other insurance is also primary, we will share with all that other insurance by the method described in c. below.

(b) Primary And Non-Contributory To Other Insurance When Required By Contract

If you have agreed in a written contract, written agreement or permit that this insurance is primary and non-contributory with the additional insured's own insurance, this insurance is primary and we will not seek contribution from that other insurance.

Paragraphs (a) and (b) do not apply to other insurance to which the additional insured has been added as an additional insured.

When this insurance is excess, we will have no duty under this Coverage Part to defend the insured against any "suit" if any other insurer has a duty to defend the insured against that "suit". If no other insurer defends, we will undertake to do so, but we will be entitled to the insured's rights against all those other insurers.

When this insurance is excess over other insurance, we will pay only our share of the amount of the loss, if any, that exceeds the sum of:

- (1) The total amount that all such other insurance would pay for the loss in the absence of this insurance; and
- (2) The total of all deductible and self-insured amounts under all that other insurance.

We will share the remaining loss, if any, with any other insurance that is not described in this Excess Insurance provision and was not bought specifically to apply in excess of the Limits of Insurance shown in the Declarations of this Coverage Part.

c. Method Of Sharing

If all the other insurance permits contribution by equal shares, we will follow this method also. Under this approach, each insurer contributes equal amounts until it has paid its applicable limit of insurance or none of the loss remains, whichever comes first.

If any of the other insurance does not permit contribution by equal shares, we will contribute by limits. Under this method, each insurer's share is based on the ratio of its applicable limit of insurance to the total applicable limits of insurance of all insurers.

8. Transfer Of Rights Of Recovery Against Others To Us

a. Transfer Of Rights Of Recovery

If the insured has rights to recover all or part of any payment, including Supplementary Payments, we have made under this Coverage Part, those rights are transferred to us. The insured must do nothing after loss to impair them. At our request, the insured will bring "suit" or transfer those rights to us and help us enforce them. This condition does not apply to Medical Expenses Coverage.

b. Waiver Of Rights Of Recovery (Waiver Of Subrogation)

If the insured has waived any rights of recovery against any person or organization for all or part of any payment, including Supplementary Payments, we have made under this Coverage Part, we also waive that right, provided the insured waived their rights of recovery against such person or organization in a contract, agreement or permit that was executed prior to the injury or damage.

F. OPTIONAL ADDITIONAL INSURED COVERAGES

If listed or shown as applicable in the Declarations, one or more of the following Optional Additional Insured Coverages also apply. When any of these Optional Additional Insured Coverages apply, Paragraph 6. (Additional Insureds When Required by Written Contract, Written Agreement or Permit) of Section C., Who Is An Insured, does not apply to the person or organization shown in the Declarations. These coverages are subject to the terms and conditions applicable to Business Liability Coverage in this policy, except as provided below:

1. Additional Insured - Designated Person Or Organization

WHO IS AN INSURED under Section C. is amended to include as an additional insured the person(s) or organization(s) shown in the Declarations, but only with respect to liability for "bodily injury", "property damage" or "personal and advertising injury" caused, in whole or in part, by your acts or omissions or the acts or omissions of those acting on your behalf:

- a. In the performance of your ongoing operations; or
- b. In connection with your premises owned by or rented to you.

2. Additional Insured - Managers Or Lessors Of Premises

a. WHO IS AN INSURED under Section C. is amended to include as an additional insured the person(s) or organization(s) shown in the Declarations as an Additional Insured - Designated Person Or Organization; but only with respect to liability arising out of the ownership, maintenance or use of that part of the premises leased to you and shown in the Declarations.

b. With respect to the insurance afforded to these additional insureds, the following additional exclusions apply:

This insurance does not apply to:

- (1) Any "occurrence" which takes place after you cease to be a tenant in that premises; or
- (2) Structural alterations, new construction or demolition operations performed by or on behalf of such person or organization.

3. Additional Insured - Grantor Of Franchise

WHO IS AN INSURED under Section C. is amended to include as an additional insured the person(s) or organization(s) shown in the Declarations as an Additional Insured - Grantor Of Franchise, but only with respect to their liability as grantor of franchise to you.

4. Additional Insured - Lessor Of Leased Equipment

a. WHO IS AN INSURED under Section C. is amended to include as an additional insured the person(s) or organization(s) shown in the Declarations as an Additional Insured - Lessor of Leased Equipment, but only with respect to liability for "bodily injury", "property damage" or "personal and advertising injury" caused, in whole or in part, by your maintenance, operation or use of equipment leased to you by such person(s) or organization(s).

b. With respect to the insurance afforded to these additional insureds, this insurance does not apply to any "occurrence" which takes place after you cease to lease that equipment.

5. Additional Insured - Owners Or Other Interests From Whom Land Has Been Leased

a. WHO IS AN INSURED under Section C. is amended to include as an additional insured the person(s) or organization(s) shown in the Declarations as an Additional Insured - Owners Or Other Interests From Whom Land Has Been Leased, but only with respect to liability arising out of the ownership, maintenance or use of that part of the land leased to you and shown in the Declarations.

b. With respect to the insurance afforded to these additional insureds, the following additional exclusions apply:

This insurance does not apply to:

- (1) Any "occurrence" that takes place after you cease to lease that land; or
- (2) Structural alterations, new construction or demolition operations performed by or on behalf of such person or organization.

6. Additional Insured - State Or Political Subdivision - Permits

a. WHO IS AN INSURED under Section C. is amended to include as an additional insured the state or political subdivision shown in the Declarations as an Additional

Insured – State Or Political Subdivision - Permits, but only with respect to operations performed by you or on your behalf for which the state or political subdivision has issued a permit.

- b. With respect to the insurance afforded to these additional insureds, the following additional exclusions apply:

This insurance does not apply to:

- (1) "Bodily injury", "property damage" or "personal and advertising injury" arising out of operations performed for the state or municipality; or
- (2) "Bodily injury" or "property damage" included in the "product-completed operations" hazard.

7. Additional Insured – Vendors

- a. WHO IS AN INSURED under Section C. is amended to include as an additional insured the person(s) or organization(s) (referred to below as vendor) shown in the Declarations as an Additional Insured - Vendor, but only with respect to "bodily injury" or "property damage" arising out of "your products" which are distributed or sold in the regular course of the vendor's business and only if this Coverage Part provides coverage for "bodily injury" or "property damage" included within the "products-completed operations hazard".

- b. The insurance afforded to the vendor is subject to the following additional exclusions:

- (1) This insurance does not apply to:
 - (a) "Bodily injury" or "property damage" for which the vendor is obligated to pay damages by reason of the assumption of liability in a contract or agreement. This exclusion does not apply to liability for damages that the vendor would have in the absence of the contract or agreement;
 - (b) Any express warranty unauthorized by you;
 - (c) Any physical or chemical change in the product made intentionally by the vendor;
 - (d) Repackaging, unless unpacked solely for the purpose of inspection, demonstration, testing, or the substitution of parts under instructions from the manufacturer, and then repackaged in the original container;

- (e) Any failure to make such inspections, adjustments, tests or servicing as the vendor has agreed to make or normally undertakes to make in the usual course of business, in connection with the distribution or sale of the products;

- (f) Demonstration, installation, servicing or repair operations, except such operations performed at the vendor's premises in connection with the sale of the product;

- (g) Products which, after distribution or sale by you, have been labeled or relabeled or used as a container, part or ingredient of any other thing or substance by or for the vendor; or

- (h) "Bodily injury" or "property damage" arising out of the sole negligence of the vendor for its own acts or omissions or those of its employees or anyone else acting on its behalf. However, this exclusion does not apply to:

- (i) The exceptions contained in Subparagraphs (d) or (f); or

- (ii) Such inspections, adjustments, tests or servicing as the vendor has agreed to make or normally undertakes to make in the usual course of business, in connection with the distribution or sale of the products.

- (2) This insurance does not apply to any insured person or organization from whom you have acquired such products, or any ingredient, part or container, entering into, accompanying or containing such products.

8. Additional Insured – Controlling Interest

WHO IS AN INSURED under Section C. is amended to include as an additional insured the person(s) or organization(s) shown in the Declarations as an Additional Insured – Controlling Interest, but only with respect to their liability arising out of:

- a. Their financial control of you; or
- b. Premises they own, maintain or control while you lease or occupy these premises.

BUSINESS LIABILITY COVERAGE FORM

This insurance does not apply to structural alterations, new construction and demolition operations performed by or for that person or organization.

9. Additional Insured – Owners, Lessees Or Contractors – Scheduled Person Or Organization

a. WHO IS AN INSURED under Section C. is amended to include as an additional insured the person(s) or organization(s) shown in the Declarations as an Additional Insured – Owner, Lessees Or Contractors, but only with respect to liability for "bodily injury", "property damage" or "personal and advertising injury" caused, in whole or in part, by your acts or omissions or the acts or omissions of those acting on your behalf:

(1) In the performance of your ongoing operations for the additional insured(s); or

(2) In connection with "your work" performed for that additional insured and included within the "products-completed operations hazard", but only if this Coverage Part provides coverage for "bodily injury" or "property damage" included within the "products-completed operations hazard".

b. With respect to the insurance afforded to these additional insureds, this insurance does not apply to "bodily injury", "property damage" or "personal and advertising injury" arising out of the rendering of, or the failure to render, any professional architectural, engineering or surveying services, including:

(1) The preparing, approving, or failure to prepare or approve, maps, shop drawings, opinions, reports, surveys, field orders, change orders, designs or drawings and specifications; or

(2) Supervisory, inspection, architectural or engineering activities.

10. Additional Insured – Co-Owner Of Insured Premises

WHO IS AN INSURED under Section C. is amended to include as an additional insured the person(s) or Organization(s) shown in the Declarations as an Additional Insured – Co-Owner Of Insured Premises, but only with respect to their liability as co-owner of the premises shown in the Declarations.

The limits of insurance that apply to additional insureds are described in Section D. – Limits Of Insurance.

How this insurance applies when other insurance is available to an additional insured is described in the Other Insurance Condition in Section E. – Liability And Medical Expenses General Conditions.

G. LIABILITY AND MEDICAL EXPENSES DEFINITIONS

1. "Advertisement" means the widespread public dissemination of information or images that has the purpose of inducing the sale of goods, products or services through:

- a. (1) Radio;
- (2) Television;
- (3) Billboard;
- (4) Magazine;
- (5) Newspaper;

b. The Internet, but only that part of a web site that is about goods, products or services for the purposes of inducing the sale of goods, products or services; or

c. Any other publication that is given widespread public distribution.

However, "advertisement" does not include:

a. The design, printed material, information or images contained in, on or upon the packaging or labeling of any goods or products; or

b. An interactive conversation between or among persons through a computer network.

2. "Advertising idea" means any idea for an "advertisement".

3. "Asbestos hazard" means an exposure or threat of exposure to the actual or alleged properties of asbestos and includes the mere presence of asbestos in any form.

4. "Auto" means a land motor vehicle, trailer or semi-trailer designed for travel on public roads, including any attached machinery or equipment. But "auto" does not include "mobile equipment".

5. "Bodily injury" means physical:

- a. Injury;
- b. Sickness; or
- c. Disease

sustained by a person and, if arising out of the above, mental anguish or death at any time.

6. "Coverage territory" means:

Waiver of Our Right to Recover From Others Endorsement - California

We have the right to recover our payments from anyone liable for an injury covered by this policy. We will not enforce our right against the person or organization named in the Schedule. This agreement applies only to the extent that you perform work under a written contract that requires you to obtain this agreement from us.

You must maintain payroll records accurately segregating the remuneration of your employees while engaged in the work described in the Schedule.

Schedule

Person or Organization

The City of Richmond
450 Civi Center Plaza
Richmond, CA 04804

Job Description

Re Location: 2100 Western Drive
Richmond, CA 94801

This endorsement changes the policy to which it is attached and is effective on the date issued unless otherwise stated.

Republic Indemnity Company of America

Company No. 19739

Insured: Nematode Holdings, LLC

Policy Number: 161468-10

Endorsement Number: 6

Endorsement Effective: February 25, 2014

Printed on: February 25, 2014

Form No. WC306 10/93

