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RECORDING REQUESTED BY:

Phillips 66 Company
P.O. Box 4428
Houston, Texas 77210



WHEN RECORDED, MAIL TO:

Department of Toxic Substances Control
9211 Oakdale Avenue
Chatsworth, California 91311
Attention: Project Manager
Office of Permitting

SPACE ABOVE THIS LINE RESERVED FOR RECORDER'S USE

COVENANT TO RESTRICT USE OF PROPERTY
ENVIRONMENTAL RESTRICTION

PHILLIPS 66 COMPANY
LOS ANGELES REFINERY CARSON PLANT
1520 EAST SEPULVEDA BOULEVARD
CARSON, CALIFORNIA 90745
LOS ANGELES COUNTY
COUNTY ASSESSOR'S PARCEL NUMBER 7315-002-021¹

NAME OF THE SITE TO BE RESTRICTED: CLOSED PROCESS WATER POND
EPA ID. NO. CAD 980881676
DTSC SITE CODE NUMBER: 400277

This Covenant and Agreement ("Covenant") is made by and between PHILLIPS 66 COMPANY (the "Covenantor"), the current owner of real property situated in the City of Carson, County of Los Angeles, State of California, described and depicted in the Exhibit "A," (the "Property") and the State of California Department of Toxic Substances Control (the "Department"). Pursuant to Civil Code section 1471, the Department has determined that this Covenant is reasonably necessary to protect

¹ This Covenant applies to the limited portion of the parcel as described more specifically in Exhibit B "Legal Description".

present or future human health or safety or the environment as a result of the presence on the land of hazardous materials as defined in Health and Safety Code section 25260. The Covenantor and the Department, collectively referred to as the "Parties," hereby agree, pursuant to Civil Code section 1471, and Health and Safety Code section 25202.5, that the use of the Property be restricted as set forth in this Covenant, and the Parties further agree that the Covenant shall conform with the requirements of California Code of Regulations, title 22, section 67391.1.

ARTICLE I
STATEMENT OF FACTS

1.01. The Property consists of approximately 245 acres and is comprised of one parcel. It is more particularly described and depicted in the attached Exhibit "A." The Property is also generally described as Los Angeles County Assessor's Parcel No. 7315-002-021.

The Property is located in an area of relatively flat land within the former floodplain of the Los Angeles River on which refinery operations have been conducted since 1923. The Property is roughly rectangular in shape and is located on the south side of East Sepulveda Boulevard in a heavily industrialized area. The BP refinery is located across the street on the north side of East Sepulveda Boulevard. The northern portion of the Property borders, a light industrial complex consisting of warehouses, East Sepulveda Boulevard, Linde Gases facility and Shippers Express Truck yard. The eastern part of the Property borders the Alameda corridor (property owned by various railroad companies). The southern portion of the Property borders the Lomita Rail Terminal and associated tracks and ethanol unloading terminal. The western part of the Property borders the Shell Pipeline Lomita Manifold and property, the Lomita Rail Terminal and the BP Carson Crude Terminal.

1.02. This Covenant applies to a limited portion of the Property -- the closed Process Water Pond (PWP), which is also referred to herein as the "Capped Property", which is located in the east-central portion of the Property in an area designated as Unit DR. The closed PWP is more particularly described and depicted in Exhibit "B." The closed PWP is roughly rectangular in shape with maximum surface dimensions of approximately 232.9 feet long by 83.09 feet wide and a depth at the deepest point of 15 feet. The closed PWP, which was an integral part of the oil recovery/process water handling system, was used to temporarily store effluent overflow or off-specification wastewater from the Facility's oil recovery system.

The closure activities for the closed PWP included: 1) permanently removing all wastes from the PWP, 2) filling the PWP with clean clay soil, and 3) capping the PWP with an asphalt cover (Cap; or Capped Property).

Because the constituents of concern in the waste stream of the closed PWP could not be distinguished from other sources of contamination at the site (e.g., free-phase and dissolved-phase hydrocarbons in the uppermost aquifer underlying the refinery), post closure and groundwater monitoring is required.

The Department issued a Hazardous Waste Post Closure Facility Permit (Post Closure Permit) to the Covenantor effective on November 27, 2007. The Post Closure Permit includes the ongoing sampling of groundwater monitoring wells ("Monitoring Wells"). The location of the Monitoring Wells (upgradient well 2 and downgradient wells 17, 38 and 59) that comprise the groundwater monitoring system ("Groundwater Monitoring System") are shown on Exhibit "C." The maintenance, inspection, and repair of the closed PWP and ongoing sampling of the Monitoring Wells are performed pursuant to Post Closure Permit dated November 27, 2007.

1.03. The Covenantor is conducting corrective action to address any release of hazardous waste and/or constituents at the Property under the oversight of the California Regional Water Quality Control Board (RWQCB), Los Angeles Region

under Cleanup and Abatement Order No. 94-139 as modified by the RWQCB and other future requirements by the RWQCB. Depending on the final corrective measure(s) selected for the Property, this Covenant may be modified to assure consistency.

ARTICLE II DEFINITIONS

2.01. Department. "Department" means the California Department of Toxic Substances Control and includes its successor agencies, if any.

2.02. Environmental Restrictions. "Environmental Restrictions" means all protective provisions, covenants, restrictions, prohibitions, and terms and conditions as set forth in any section of this Covenant.

2.03. Improvements. "Improvements" means those additions to the Capped Property that extends beyond repairs and replacement, and includes, but is not limited to: buildings, structures, roads, driveways, improved parking areas, wells, pipelines, or other utilities.

2.04. Lease. "Lease" means lease, rental agreement, or any other document that creates a right to use or occupy any portion of the Property.

2.05. Occupant. "Occupant" means Owners and any person or entity entitled by ownership, leasehold, or other legal relationship to the right to occupy any portion of the Property.

2.06. Owner. "Owner" means the Covenantor, and all successors in interest including heirs and assigns, who at any time hold title to all or any portion of the Property.

ARTICLE III
GENERAL PROVISIONS

3.01. Runs with the Land. This Covenant sets forth Environmental Restrictions that apply to and encumber the Property and every portion thereof no matter how it is improved, held, used, occupied, leased, sold, hypothecated, encumbered, or conveyed. This Covenant: (a) runs with the land pursuant to Health and Safety Code sections 25202.5 and 25202.6, and Civil Code section 1471; (b) inures to the benefit of and passes with each and every portion of the Property, (c) is for the benefit of, and is enforceable by the Department, and (d) as indicated by the prohibition described in Section 4, below, only applies to the Capped Property.

3.02. Binding upon Owners/Occupants. Pursuant to the Health and Safety Code, this Covenant binds all owners of the Property, their heirs, successors, and assignees, and the agents, employees, and lessees of the owners, heirs, successors, and assignees. Pursuant to Civil Code section 1471, all successive owners of the Property are expressly bound hereby for the benefit of the Department.

3.03. Incorporation into Deeds and Leases. This Covenant shall be incorporated by reference in each and every Deed and Lease for any portion of the Property.

3.04. Conveyance of Property. The Owner shall provide written notice to the Department not later than thirty (30) days after any conveyance of any ownership interest in the Property (excluding Leases, and mortgages, liens, and other non-possessory encumbrances). The written notice shall include the name and mailing address of the new owner of the Property and shall reference the site name and site code as listed on page one of this Covenant. The notice shall also include the Assessor's Parcel Number (APN) noted on page one. If the new owner's property has been assigned a different APN, each such APN that covers the Property must be provided. The Department shall not, by reason of this Covenant, have authority to approve, disapprove, or otherwise affect proposed conveyance, except as otherwise provided by law or by administrative order.

3.05. Costs of Administering the Covenant to be paid by Owner. The Department has already incurred and will in the future incur costs associated with the administration of this Covenant. Therefore, the Covenantor hereby covenants for the Covenantor and for all subsequent Owners that, pursuant to California Code of Regulations, title 22, section 67391.1(h), the Owner agrees to pay the Department's costs in administering the Covenant. Failure of the Owner to pay such costs when billed is a breach of the Covenant and enforceable pursuant to section 5.1 of this Covenant. Notwithstanding California Civil Code section 1466, in the event the property ownership changes between the time when the costs were incurred and the invoice for such costs is received, each Owner of the property for the period covered by the invoice, as well as the then-current Owner is responsible for such costs.

ARTICLE IV
RESTRICTIONS AND REQUIREMENTS

4.01. Prohibited Uses. The use of the Capped Property shall be restricted for industrial purposes only. The Capped Property shall not be used for any of the following purposes:

- (a) A residence, including any mobile home or factory built housing, constructed or installed for use as residential human habitation.
- (b) A hospital for humans.
- (c) A public or private school for persons under 21 years of age
- (d) A day care center for children.

4.02. Soil Management

- (a) No activities that will disturb the soil (e.g., excavation, grading, removal, trenching, filling, earth movement, mining, or drilling) shall be allowed on the Capped Property without a Soil Management Plan approved by the Department in advance.
 - (b) Any contaminated soils brought to the surface at or on the Capped Property by grading, excavation, trenching or backfilling shall be managed in accordance with all applicable provisions of state and federal law.
-

4.03. Prohibited Activities. The following activities shall not be conducted at the Capped Property:

- (a) Drilling for drinking water.
- (b) Extraction of ground water for purposes other than the Department-approved or the RWQCB-approved groundwater monitoring, site remediation or construction dewatering.
- (c) Raising of cattle, food crops or agricultural products.
- (d) Any activity that may interfere with the performance of any post closure care activities required by the Post Closure Permit or any corrective action activities required by the RWQCB.

4.04. Non-Interference with Cap and Groundwater Monitoring System.

- (a) Activities that may disturb or adversely affect the integrity of the Cap (e.g., excavation, grading, removal, trenching, filling, earth movement, mining, or drilling) shall not be permitted on the Capped Property without prior written approval by the Department.
- (b) All uses and development of the closed PWP shall preserve the integrity or effectiveness of the Cap.
- (c) All uses shall preserve the physical accessibility to and integrity of the

Groundwater Monitoring Wells (upgradient well 2 and downgradient wells 17, 38 and 59) that are required per the Post Closure Permit dated November 27, 2007.

- (d) The Cap and Groundwater Monitoring Wells shall not be altered without prior written approval by the Department.

4.05. Access for Department. The Department shall have reasonable right of entry and access to the Property for inspection, monitoring, and other activities consistent with the purposes of this Covenant as deemed necessary by the Department in order to protect the public health or safety, or the environment.

4.06. Inspection and Reporting Requirements. The Owner shall conduct an annual inspection of the Capped Property verifying compliance with this Covenant, and shall submit an annual inspection report to the Department for its approval by March 1 of each year. The annual inspection report must include the dates, times, and names of those who conducted the inspection and reviewed the annual inspection report. It also shall describe how the observations were performed that were the basis for the statements and conclusions in the annual inspection report (e.g., drive by, fly over, walk in, etc.). If violations are noted, the annual inspection report must detail the steps taken to return to compliance. If the Owner identifies any violations of this Covenant during the annual inspections or at any other time, the Owner must within 10 days of identifying the violation: determine the identity of the party in violation, send a letter advising the party of the violation of the Covenant, and demand that the violation cease immediately. Additionally, copies of any correspondence related to the violation of this Covenant shall be sent to the Department within 10 days of its original transmission.

ARTICLE V ENFORCEMENT

5.01. Enforcement. Failure of the Owner or Occupant to comply with this Covenant shall be grounds for the Department to require modification or removal of any improvements constructed or placed upon any portion of the Capped

Property in violation of this Covenant. Violation of this Covenant, including but not limited to, failure to submit, or the submission of any false statement, record or report to the Department, shall be grounds for the Department to pursue administrative, civil, or criminal actions, as provided by law.

ARTICLE VI

VARIANCE, TERMINATION, AND TERM

6.01. Variance. Owner, or any other aggrieved person, may apply to the Department for a written variance from the provisions of this Covenant. Such application shall be made in accordance with Health and Safety Code section 25223.

6.02. Termination or Partial Termination. Owner, or any other aggrieved person, may apply to the Department for a termination or partial termination of one or more terms of this Covenant as they apply to all or any portion of the Property. Such application shall be made in accordance with Health and Safety Code section 25224.

6.03. Term. Unless ended in accordance with paragraph 6.02, by law, or by the Department in the exercise of its discretion, this Covenant shall continue in effect in perpetuity.

ARTICLE VII

MISCELLANEOUS

7.01. No Taking or Dedication Intended. Nothing set forth in this Covenant shall be construed to be a gift or dedication, or offer of a gift or dedication, of the Property, or any portion thereof to the general public or anyone else for any purpose whatsoever. Further, nothing set forth in this Covenant shall be construed to effect a taking under federal or state law.

7.02. Recordation. The Covenantor shall record this Covenant, with all referenced Exhibits, in the County of Los Angeles within ten (10) days of the Covenantor's receipt of a fully executed original.

7.03. Notices. Whenever any person gives or serves any Notice ("Notice" as used herein includes any demand or other communication with respect to this Covenant), each such Notice shall be in writing and shall be deemed effective: (1) when delivered, if personally delivered to the person being served or to an officer of a corporate party being served, or (2) three business days after deposit in the mail, if mailed by United States mail, postage paid, certified, return receipt requested:

To Owner:
PHILLIPS 66 COMPANY
3010 Briarpark Drive
Houston, Texas 77042

and to:

PHILLIPS 66 COMPANY
PTRRC
3900 Kilroy Airport Way
Long Beach, California 90806

and to:

PHILLIPS 66 COMPANY
Refinery Manager, Los Angeles Refinery
1660 West Anaheim Street
Wilmington, California 90744

and to:

Department of Toxic Substances Control
9211 Oakdale Avenue
Chatsworth, California 91311
Attention: Project Manager, Office of Permitting

and to:

California Regional Water Quality Control Board
Los Angeles Region
320 West 4th Street, Suite 200
Los Angeles, California 90013
Attention: Executive Officer

The Owner shall immediately forward any notice to the Occupant(s) if the Occupant(s) are affected by such notice. Any party may change its address or the individual to whose attention a Notice is to be sent by giving written Notice in compliance with this paragraph.

7.04. Partial Invalidity. If any portion of the Restrictions or other terms set forth herein is determined by a court of competent jurisdiction to be invalid for any reason, the surviving portions of this Covenant shall remain in full force and effect as if such portion found invalid had not been included herein.

7.05. Statutory References. All statutory references include successor provisions.

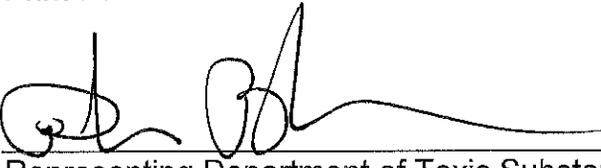
7.06. Incorporation of Attachments. All attachments and Exhibits to this Covenant are incorporated herein by reference.

IN WITNESS WHEREOF, the Parties execute this Covenant.

"Covenantor"

Date: July 31, 2013 By: 
Representing Phillips 66 Company
Greg L. Cardwell *Attorney in Fact*
Print Name and Title

"Department"

Date: 8/14/13 By: 
Representing Department of Toxic Substances Control
Phillip Blum, Unit Chief
Print Name and Title

STATE OF TEXAS §
COUNTY OF HARRIS §

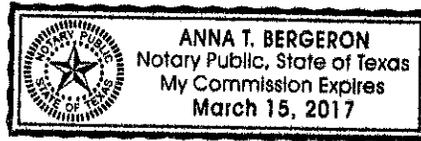
On this 31 day of July, 2013, before me personally appeared Greg Cardwell, known to me to be the person whose name is subscribed to the foregoing instrument as Attorney in Fact of Phillips 66 Company and acknowledged to me that he executed the same for purposes and consideration therein expressed, and in the capacity therein stated.

Given under my hand and seal of office this 31 day of July, 2013.


Notary Public in and for the
State of Texas

My Commission Expires:

3/15/17



State of California

County of Los Angeles

On 08/21/2013 before me,

Tae Sung Kim, Notary Public

(space above this line is for name and title of the officer/notary),

personally appeared Phillip John Blum, who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument. I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.-----

WITNESS my hand and official seal,



(seal)

Signature of Notary Public

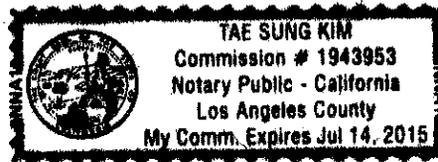


EXHIBIT A

1. Location Map
2. Figure 1 - Location Map

Location Map

Phillips 66 Los Angeles Refinery
1520 East Sepulveda Boulevard, Carson, California 01745
Closed Water Process Pond
Land Use Covenant

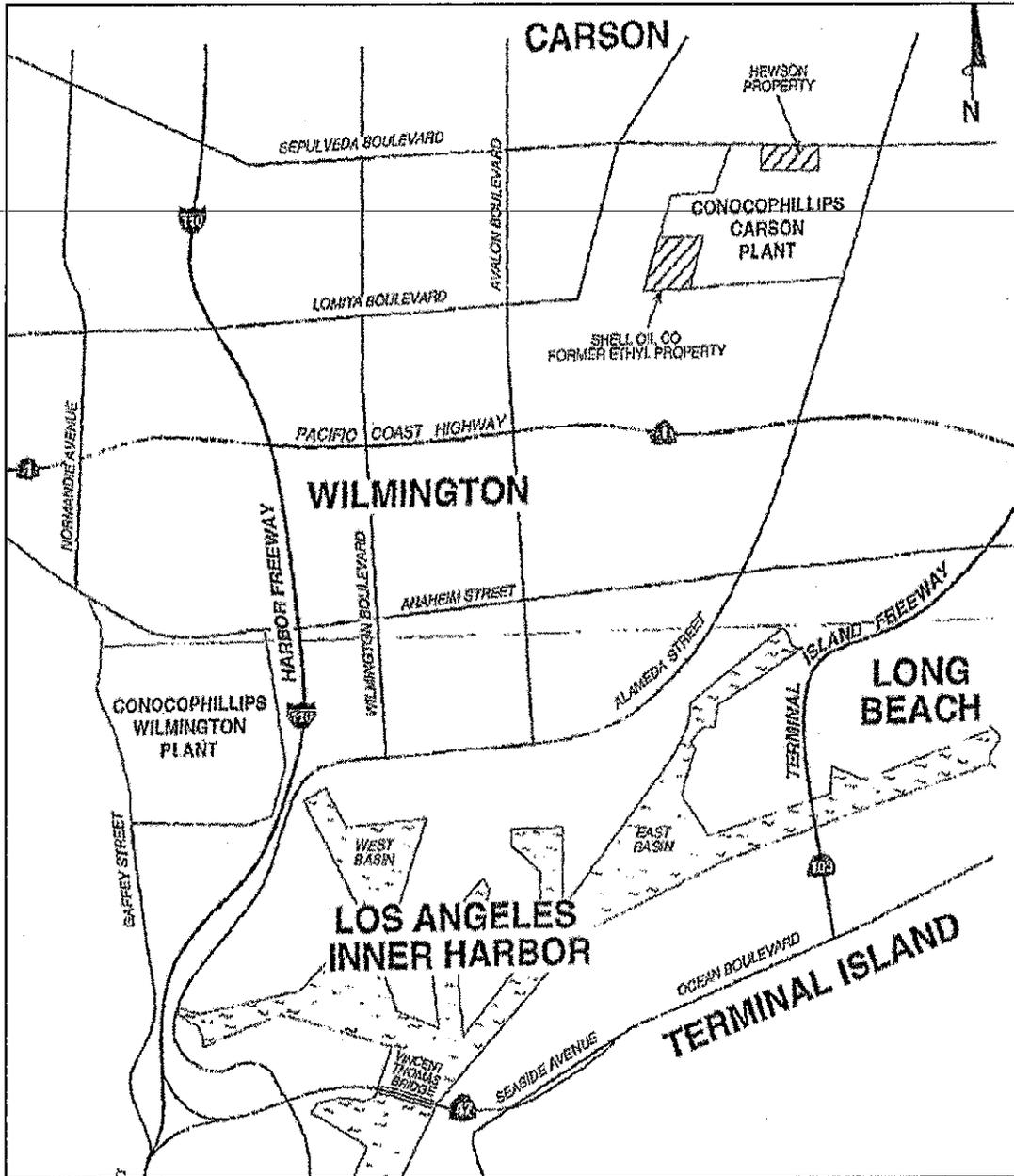


Figure 1 - Location Map

Phillips 66 Los Angeles Refinery
 1520 East Sepulveda Boulevard, Carson, California 01745
 Closed Water Process Pond
 Land Use Covenant

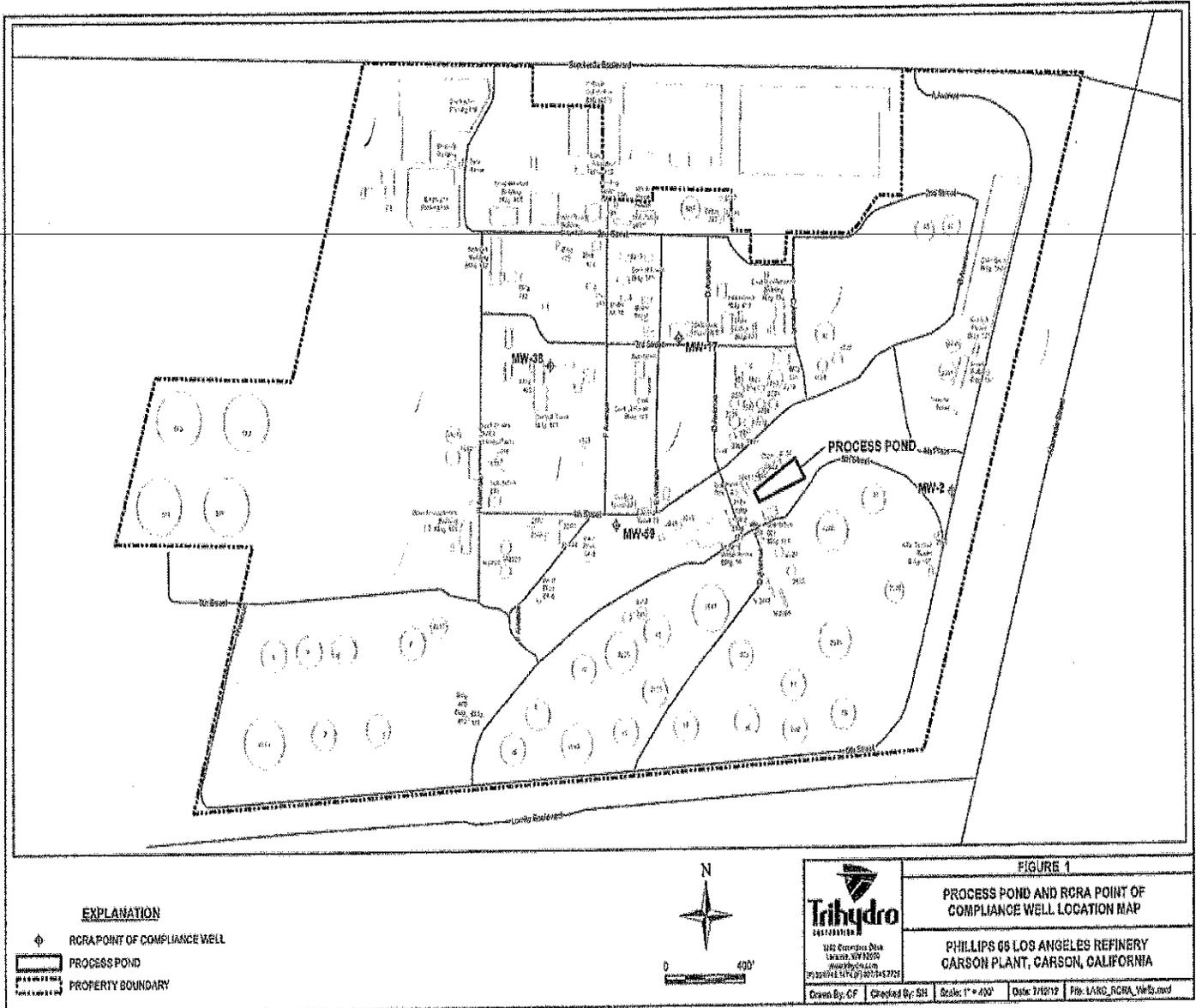
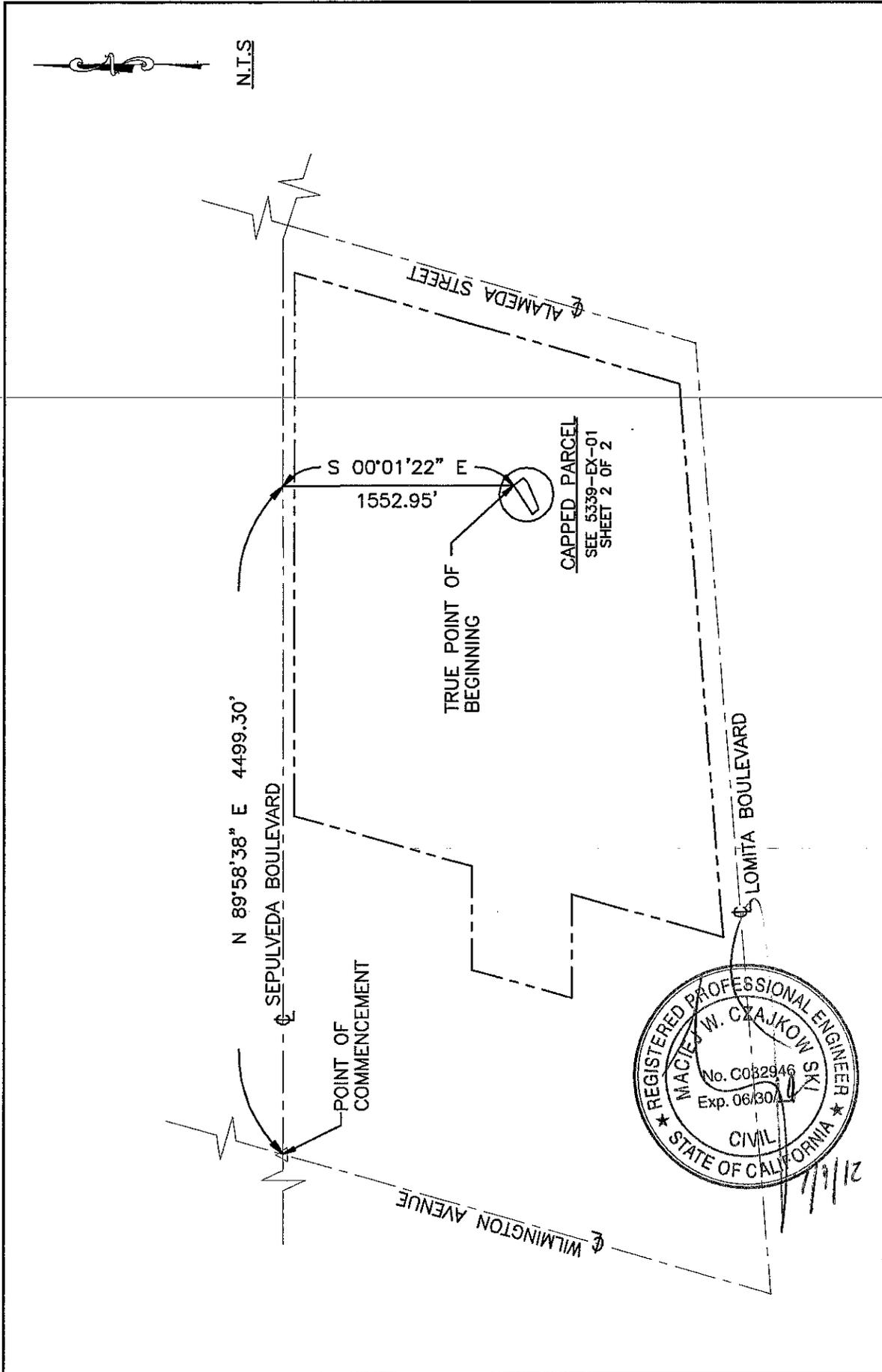


EXHIBIT B

1. Plat Map - Plat Exhibit A (1 of 2)
2. Plat Map - Plat Exhibit A (2 of 2)
3. Legal Description (Process Water Pond)



 Los Angeles Refinery	SPEC SERVICES SPEC Services, Inc. 17101 Bushard Street Fountain Valley, CA 92708 (714) 963-8077	DRAWN SR SCALE AS SHOWN	ORDER NO. 5339-EX-01 DATE 06/26/12
		PLAT MAP PLAT EXHIBIT A SHEET 1 OF 2	



N.T.S.

SEPULVEDA BOULEVARD

DISTURBANCE OF THIS PARCEL OF LAND IS RESTRICTED AS SPECIFIED IN 66264.117(c)

TRUE POINT OF BEGINNING

S 00°01'22" E
1552.95'

S 38°11'39" E
83.09'

S 44°24'59" W
45.20'

S 67°01'52" W
175.98'

N 56°10'23" E
232.90'

N 37°20'11" W
48.89'

S 84°00'14" W
21.66'



SPEC Services, Inc.
17101 Bushard Street
Fountain Valley, CA 92708
(714) 963-8077



PLAT MAP

PLAT EXHIBIT A
SHEET 2 OF 2

DRAWING NO. 5339-EX-01A
DATE 06/26/12

SCALE AS SHOWN

Legal Description
For a parcel of land within the
Phillips 66 Los Angeles Refinery Carson Plant
Carson, California

A Parcel of land situated within the City of Carson, County of Los Angeles, State of California, said Parcel is described as follows:

Commencing at the centerline intersection of Sepulveda Boulevard and Wilmington Avenue at a lead and tag survey marker, stamped L.S. 2569 and as shown on sheet 2 of 6 sheets of Parcel Map 23503, filed in Book 270 of Parcel Maps at Page 37 in the Office of the County Recorder of Los Angeles County, California; thence easterly along the said centerline of Sepulveda Boulevard, N 89°58'38" E a distance of 4499.30' to a point on said centerline; thence, now leaving said centerline of Sepulveda Boulevard, S 00°01'22" E a distance of 1552.95' to the TRUE POINT OF BEGINNING of this description, said TRUE POINT OF BEGINNING is the most northerly point of a six sided polygonal parcel, thence S 38°11'39" E a distance of 83.09'; thence S 44°24'59" W a distance of 45.20'; thence S 67°01'52" W a distance of 175.98'; thence S 84°00'14" W a distance of 21.66'; thence N 37°20'11" W a distance of 48.89'; thence N 56°10'23" E a distance of 232.90' to the TRUE POINT OF BEGINNING.

The above described parcel is 17,758.2 sq. feet in area (0.408 acres) more or less, as shown on the attached 2 page, Plat Exhibit A, which is hereby made a part of this description.

The basis of bearings in the above description are based on the centerline of Sepulveda Boulevard as shown on Parcel Map No. 23503



EXHIBIT C

Ground Water Monitoring System Carson Process Pond

