

APPENDIX F: HAZARDS

Environmental Summary North Airport Facility Divestment The Boeing Company, Long Beach, California April 9, 2020

Boeing's Long Beach property (the "Property") consists of approximately 77 acres of the former McDonnell Douglas C-1 Facility and includes the former North Airport Facility (NAF), Paramount Carson RV and Boat Storage Facility (RV Storage), and Stineman Court properties. The former NAF and Stineman Court properties are currently undeveloped and have undergone various phases of surface structure decommissioning, demolition and clean-up over the past several years in anticipation of divestment. The RV Storage property is currently fenced, paved, and used as RV and boat storage.

Subsurface environmental assessments, clean-up, sale, redevelopment, and future use of the Property is governed by a number of requirements, conditions, and restrictions associated with a Cleanup and Abatement Order (CAO) issued by the California Regional Water Quality Control Board, Los Angeles Region (RWQCB-LA). The CAO will remain in-place and in-force for the foreseeable future, including after the sale of the Property. Boeing will remain responsible for completed the CAO remedial requirements. New owners, developers, and occupants will be required to adhere to RWQCB-LA's access and inspection rights associated with the CAO.

Localized soil remediation was completed at the NAF property by way of excavation and removal of impacted soils and RWQCB-LA issued unrestricted no further action letters. During decommissioning, demolition, and clean-up to prepare the NAF property for divestment, Boeing further characterized subsurface soils and subsequently excavated and removed additional soil impacts (referred to as the Assessment Confirmation and Expedited Remediation [ACER] program). Deep soil volatile organic compound (VOC) impacts identified at the aircraft wash down area during ACER implementation are currently undergoing remediation via soil vapor extraction (SVE), with the system expected to continue to at least Q2 2020. Although RWQCB-LA requirements are not yet known, agency closure may require land use covenants in areas with deep soil impacts left-in-place. Despite residual concentrations of contaminants in the soil at the NAF property, Boeing anticipates that RWQCB-LA will issue an ACER complete letter, thus reaffirming the earlier no further action closure status.

Soil impacts at the RV Storage property were remediated by SVE and RWQCB-LA issued an unrestricted no further action letter subject to satisfactory completion of the yet-to-be-performed ACER program. Boeing will be responsible to complete the ACER program for the RV Storage property after close of the sale and will restrict redevelopment until a no further action letter is obtained from the Agency (estimated at approximately 18 months following ACER initiation). Buyer shall vacate RV Storage tenants and complete demolition (e.g., remove modular trailer, subsurface RV "dump station", and asphalt) within 24 months of closing escrow.

Based on soil sampling results and completion of the ACER program at the Stineman Court properties, RWQCB-LA issued unrestricted no further action letters for soil.

Groundwater beneath the Property has been contaminated from on- and off-site sources. Elevated concentrations of contaminants include VOCs and petroleum-related compounds. Groundwater remediation has occurred at areas beneath the Property in the form of groundwater extraction and treatment (GET), dual-phase extraction (DPE), and SVE, and significant environmental infrastructure exists on the Property, mainly in the form of subsurface pipelines, extraction wells, and monitoring wells (Figure 1). Operation, maintenance, and monitoring of the Building 10 remediation system is anticipated to continue for decades. Therefore, environmental infrastructure needs to be protected-in-place and accessible over the long-term. Accordingly, Boeing will restrict new buildings over recorded environmental easements.

Additionally, Boeing will restrict new habitable structures within a 350-foot buffer setback area surrounding the Building 10 remediation system.

The presence of VOCs in soil and groundwater beneath the Property is considered a vapor intrusion condition and/or vapor encroachment condition for the Property according to ASTM guidance. RWQCB-LA issued unrestricted no further action letters for soil based on results of the Phase II investigations, screening-level health risk assessments, and implementation of SVE. Currently, there are no additional agency requirements to re-evaluate soil vapor at the Property. Boeing will restrict future land use at the Property to commercial/industrial and will require the Buyer to install at a minimum passive vapor barriers beneath all future buildings.

Following demolition and remedial excavation, crushed miscellaneous base (CMB) from former building slabs and concrete pavement was spread across the entire former NAF property up to 2 feet deep. While RWQCB-LA has accepted Boeing's use of CMB as cover material, the Agency has not approved use of CMB as backfill (i.e., deeper than 2 feet). Similarly, a majority of the Stineman Court properties is occupied by a stockpile of soil and CMB up to 12 feet high and containing over 15,000 cubic yards of material. Soil samples collected from the stockpile indicate a few compounds exceed their respective residential and/or commercial screening criteria. Boeing will require the buyer to comply with agency requirements for onsite reuse of CMB or stockpiled material as backfill material, or restrict offsite disposal of CMB and stockpile material to an appropriate landfill or treatment facility, and offsite reuse to commercial/industrial land uses.

A complete list of primary EHS land use restrictions and Buyer's redevelopment restrictions and requirements are summarized in Attachment A.

Attachment A: Summary of Pertinent EHS Terms for North Airport Facility Divestment (full EHS terms to be provided with draft Site-Specific Purchase and Sale Agreement/CC&Rs)

Land Use Restrictions

- Future land use should be limited to commercial/industrial use only; no sensitive use, including residential, school, daycare, hospital, assisted living, medical office, or extended-stay hotel.
- No agricultural or farming purposes.
- No drinking water production wells or any other consumption or other use of groundwater under the Property.
- No new infiltration basins, percolation ponds, etc. including stormwater or other discharges including those as may be contemplated by LEED building concepts.
- No underground storage tanks (USTs) of any kind.
- No outdoor washing, maintenance, or repair of vehicles of any kind.
- No “heavy” industrial facilities including:
 - No environmental remediation treatment facilities, other than those required to complete obligations pursuant to the CAO or for contamination originating from the property;
 - No manufacture, refining, storage or distribution of butane, propane, gasoline or other fuels (except storage of propane and gasoline shall be allowed for ancillary uses to support normal business operations at the Property);
 - No bulk storage of paint or varnish (e.g., in excess of 500 gallons in a single container);
 - No facilities for manufacturing involving drop forge industries, smelting or metal plating or compounding, processing or treatment of acids, detergents, disinfectants, dyes or lubricating oils;
 - No facilities for disposal or treatment, recycling or storage of garbage, refuse, or hazardous or toxic materials or substances;
 - No facilities for recycling of plastics, metals or other materials;
 - No repairing or rewinding of transformers or generators, outdoor storage of paving materials or outdoor building materials storage, welding shop (except where such welding shop use is limited to ancillary uses to support normal business operations at the Property), wrecking yard or junk yard; and
 - No wrecking yard, junk yard, or any other use(s) as to which heightened or special environmental requirements or standards may apply from time to time under applicable environmental laws or regulations, beyond the remediation levels or environmental standards required for a commercial or industrial use of the Property only.

Boeing Retained Remediation Obligations and Requirements

- Boeing only obligated to clean up to commercial/industrial standards, and only those standards as required by agency pursuant to the CAO; and not to any schedule.
- Boeing responsible for contamination to the extent caused by Boeing and pursuant to CAO.
- Boeing is allowed future access at no cost for ongoing, planned, or potential remediation, including easements for current and future infrastructure (e.g., groundwater monitoring wells and SVE system) and incorporation of remediation infrastructure in new developments.
- Buyer shall allow Boeing to connect to utilities for remediation purposes if necessary, at Boeing’s cost.
- Boeing makes no representations or warranties regarding environmental, health, and safety compliance or conditions.
- Buyer shall not interfere with and/or modify remediation infrastructure (including existing groundwater wells); any damage at Buyer’s cost.
- Buyer agrees to any future deed restrictions if required by agency and/or to be a signatory to agency orders and/or permits if required by agency, including implementation of a risk management plan,

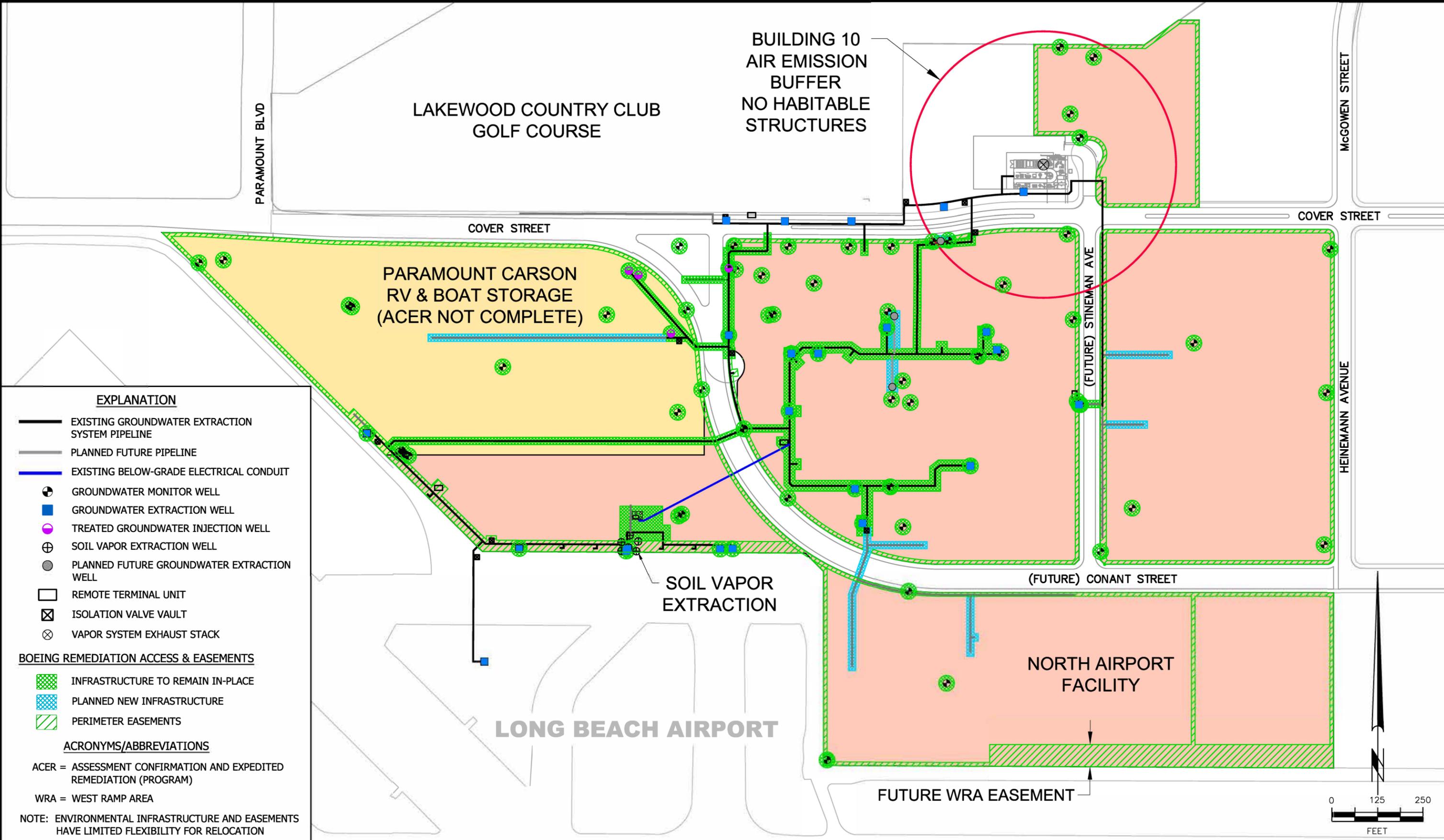
soil management plan, and potentially restricting to commercial/industrial use, if so required by the Agency.

- Boeing to perform ACER at RV Storage property after close of the sale. Buyer will not be allowed to redevelop the property until a no further action letter is obtained from the Agency.

Buyer Redevelopment Obligations

- Prior to any redevelopment activities, Buyer shall prepare for Boeing's review and approval an "Environmental Infrastructure Avoidance Plan" intended to avoid conflict and damage to existing environmental infrastructure (e.g., wells, pipelines, treatment systems) and shall include as appropriate at a minimum the following requirements: a) a construction representative onsite full time to oversee activities; b) periodic onsite meetings with all contractors and their representatives to review the Boeing easements, constraints, and general coordination; c) stripe or demarcate environmental easements and features and add visual delineators to ensure the boundaries of such are clear to all workers; and d) steel plating covers in critical areas.
- Buyer agrees to no new buildings or any other permanent infrastructure over or within recorded environmental easements.
- Buyer agrees to no new habitable structures within Boeing Building 10 buffer setback area.
- For any new building, Buyer to install at a minimum a passive vapor barrier meeting or exceeding a Boeing-approved specification, with design drawings provided to Boeing a minimum of 90 days prior to construction, and with reasonable evidence of compliance provide to Boeing. Boeing does not make any representation as to the sufficiency of vapor intrusion mitigation. Buyer to obtain any municipal or regulatory agency approvals as may be required.
- Buyer, developer, and future owners and occupants will be required to adhere to ongoing requirements of the CAO (e.g., RWQCB-LA's access and inspection rights) and groundwater monitoring and contingency plans at no cost to Boeing.
- Boeing makes no representations about suitability of CMB or stockpiled material for either onsite reuse or offsite disposal. Buyer agrees to comply with agency requirements for onsite reuse of CMB or stockpiled material as backfill material at Buyer's cost. Boeing will restrict offsite disposal of CMB and stockpile material to an appropriate landfill or treatment facility, and offsite reuse to commercial/industrial land uses.
- Buyer responsible for all costs associated with any environmental infrastructure relocation necessary to accommodate redevelopment, including redevelopment of pipelines, wells, and electrical components, as well as coordination, design, and field inspections.
- Buyer shall vacate RV Storage tenants and complete any demolition (e.g., remove modular trailer, subsurface RV "dump station", and asphalt) required for Boeing to perform ACER within 24 months of closing escrow.

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**BOEING ENVIRONMENTAL REMEDIATION INFRASTRUCTURE
FORMER C-1 FACILITY, LONG BEACH, CALIFORNIA
FIGURE 1**