

1.0 GLOSSARY

Brownfield EPA’s definition of a brownfield is: “Real property, the expansion, redevelopment, or reuse of which may be complicated by the presence or potential presence of a hazardous substance, pollutant, or contaminant.” In practice, a brownfield is typically an industrial or commercial property that is vacant, abandoned or underutilized at least in part because of environmental contamination, or the presumption or fear of such contamination.

Buffer Zones An element of the Managed Approach to Phased Occupancy (MAPO) approved by DTSC, in order for phased occupancy of the property by cell to occur, the remediation and development of each of the Cells would need to be coordinated, including the possible construction of liner and GCCS for a certain distance on an adjoining cells to provide an extra measure of protection for occupants of the occupied cells.

Builder’s Risk Program means that phased first party property coverage tower for damage to real property issued by Lloyd’s of London as Policy No. B0901LB1833162000 as the lead policy and all excess policies thereof. Under the Builder’s Risk policy, the insured property is the assets that are installed or being built on the property and once construction is complete, Builder’s Risk policies cease providing coverage. Developers then convert coverage to regular property coverage.

Building Protection System (BPS) The sub-slab system designed to prevent migration of landfill gas into a building or structure, which has the following both subsurface and above ground components, including: a membrane layer; a ventilation layer; a gas control pipeline; a monitoring system, and associated equipment, each to the extent required and approved by the Los Angeles County Department of Public Works, Environmental Programs Division. The BPS will be installed above the primary landfill cap liner and under the slabs of all buildings slated for occupancy. The BPS must be installed and approved by DTSC prior to allowing vertical construction on a particular Cell to be done without Hazardous Waste Operations and Emergency Response (“HAZWOPER”) trained workers.

Covenants, Conditions and Restrictions (CC&Rs) are written guidelines used to regulate the use, appearance, and maintenance of property. They are recorded on title and binding upon all owners and tenants of the property.

Cal Compact Landfill (CCLF or Property) The 157-acre former landfill site located at 20400 South Main Street, Carson, California.

CALReUSE Grant The California Pollution Control Financing Authority (“CPCFA”) issued a California Recycle Underutilized Sites (“CALReUSE”) Remediation Program Grant (the “Grant”) to CM for The Boulevards at South Bay site in 2009 to assist in the remediation of the full 157 acre Site, specifically providing \$5 million for the installation of the primary liner for the Project. The CPCFA Grant was for the purpose of funding the installation of the primary liner at the Site. CM purchased all of the primary liner material and installed it over 40 acres of the Site. The Grant Agreement was scheduled to terminate in November 2015, but was extended to allow the CRA the ability to pursue and finalize development plans for the Site and the appropriate infill development. The CRA is still subject to the requirements of the Grant and continues negotiations with CPCFA staff on Grant performance and milestones.

California Department of Finance (DOF) The state finance agency that approved issuance of series 2015A and Series 2015B Bonds to finance additional remediation and infrastructure to be repaid by Successor Agency.

California Environmental Quality Act (CEQA) A California statute that requires state and local agencies to review and identify the significant environmental impacts of proposed projects, and to adopt all feasible measures to mitigate those impacts. CEQA makes environmental protection a mandatory part of every California state and local agency's decision making process. It has also become the basis for numerous lawsuits concerning public and private projects.

CAM-CARSON, LLC (CAM), a joint venture between Macerich and Simon Property Group. CAM was to be the vertical developer of the Fashion Outlets of Los Angeles on Cell 2.

Carson Goose Owner, LLC. The entity of Faring Capital, LLC undertaking the development of the Remainder Cells (Cells 3, 5, and 5).

Carson Marketplace, LLC (CM) Part of the Starwood family of companies; the entity that owned the CCLF prior to CRA.

Carson Reclamation Authority (CRA) is a Joint Powers Authority comprised of the CFD 1, CFD 2 and the Carson Housing Authority. The CRA is the owner of the CCLF and is acting as the Successor Agency to the Carson Redevelopment Agency for redevelopment of the CCLF.

Cell One of five waste fill areas in the CCLF. In total, the landfill cells reportedly contain 7.8 million cubic yards of waste (including 6.2 to 6.3 million cubic yards of municipal solid waste); 54 million gallons of potentially hazardous waste liquids; and 19 million gallons of liquid industrial waste. Landfill waste extends to more than 60 feet in some areas.

Cell 1 is located on the northwest portion of the CCLF. It is bounded to the north by Del Amo Boulevard, to the west by Main Street, to the east by Cell 2, and to the south by Lenardo Drive.

Cell 2 is located along the eastern side of the CCLF. It is bounded to the north by Del Amo Boulevard, to the west by Cell 1 and Lenardo Drive, to the east by the 405 Freeway, and to the south by Lenardo Drive.

Cell 3 is located along the western edge of the CCLF. It is bounded to the north by Lenardo Drive, to the west by the Torrance Lateral, to the east by Cell 4 and Cell 5, and to the south by the Torrance Lateral.

Cell 4 is located in the middle of the CCLF. It is bounded to the north by Lenardo Drive, to the west by Cell 3, to the east by Lenardo Drive, and to the south by Cell 3 and Cell 5.

Cell 5 is located on the south side of the CCLF. It is bounded by Cell 4 to the north, Cell 3 to the west, Cell 2 to the east, and the Torrance Lateral to the south.

Certificate of Occupancy (CO) An entitlement / approval issued by the City of Carson indicating that structures can be occupied for their intended use(s).

City Unless otherwise specified, the City of Carson, California

Commercial Realty Projects, Inc. (CRP) A previous owner of the CCLF and a party to the Original Decree (*see* Consent Decree).

Community Facilities District (CFD) A special district (sometimes referred to as a Mello-Roos district) that may be established by local governments (including counties, cities and joint powers authorities) in California as a means of obtaining additional public funding to pay for public works and some public services. The City of Carson created two CFDs in 2012 to collect special taxes from future owners of all or portions of the CLLF to fund site work and if needed, to repay loans used to construct other site improvements.

CFD 1 Community Facilities District No. 2012-1, responsible for paying O&M costs, and other periodic environmental costs, including remedial and oversight fees.

CFD 2 Community Facilities District No. 2012-2, responsible for reimbursing costs of site improvements.

Commutation The cancellation of the AIG EPP policy and distribution of remaining funds in the Notional Account back to Tetra Tech, to be shared with CRA pursuant to the Termination and Release Agreement by and between Tetra Tech and the CRA, dated November 14, 2016, as amended.

Compliance Framework Agreement (CFA) An agreement between DTSC and CM dated September 28, 2006, as amended, setting forth the terms under which CM, upon purchase of the Property, would implement the Original Decree (*see* Consent Decree) and Supplemental Decree to complete the cleanup of the CCLF.

Consent Decree (CD) An enforcement agreement dated December 1996 between DTSC and then Site Owner LAM and CRP (the Original Decree) to implement the RAP, fund site cleanup, and provide financial assurance. The CD divided the CCLF into two operable units (OUs), the Lower Operable Unit and the Upper Operable Unit. Consent decrees are approved and issued by a judge, and are often subject to a public comment period before being finalized and recorded.

Consent Order (CO) The 1995 DTSC Consent Order and Remedial Action Order with the original landfill owner/operator (BKK Corporation), successor to Cal Compact Inc., for preparation of a RAP. Consent orders are approved and issued by regulatory agencies, such as DTSC, and are often subject to a public comment period before being finalized.

Construction Completion Report A cell-specific report issued upon completion of vertical construction for DTSC review prior to submission to the City for issuance of COs for buildings and structures within any Cell. The nomenclature for this term may change in the future as DTSC considers and approves the Phased Development Plan to be submitted by CRA.

Contribution and Release Agreement A 1995 agreement in which BKK was released by CRP and other owners of the site of Upper OU liability.

Conveyancing Agreement On September 6, 2018, the CRA entered into a Conveyancing Agreement with CAM-CARSON, LLC for the disposition and development of the Los Angeles Premium Outlets project (the “**Cell 2 Project**”). Construction began in September 2018 with the commencement of construction of the Remedial Systems, grading and waste reconsolidation, installation of piles and pile caps, installation of vaults and under slab utilities and underground utility runs, and other sub-surface work. Vertical development of the Cell 2 Project has not

commenced. Since CAM did not want to perform any work in the Subsurface Parcel, the Conveyancing Agreement broke the site development for Cell 2 into the following separate components: (i) the grading and construction of the Remedial Systems to be constructed and paid for by CRA; (ii) the street work and public infrastructure to be constructed and paid for by CRA and a \$10,000,000 loan from CAM; (iii) the Site Development Improvements including the sub-foundation systems, the structural slab improvements, the BPS, the storm water work and the utility work, all of which were to be constructed by CRA, but the costs of which would be reimbursed by CAM; and (iv) the Vertical Improvements, which were to be constructed by CAM and paid for by CAM. For all the work to be performed by CRA, RES (in coordination with necessary subcontractors) was to design and construct the improvements and manage the subcontractor contracts as the Master Development Manager primarily for the Cell 2 Project but also for the 157 Acre Site overall.

Cooperation Agreement The City contracted with the CRA to perform the City's Infrastructure Obligations on the 157 Acre Site to avoid any City liability for the remediation of the Site, which was a purpose for creating the CRA in 2015. The CRA shall be responsible for constructing the Offsite Improvements (defined below) to serve the Site. In addition, CRA shall be responsible for certain site preparation work that is being undertaken by the CRA as a result of the environmental and geotechnical condition of the Site, defined as "Site Development Improvements". However, the CRA does not have sufficient funds to pay for the Offsite Improvements and Site Development Improvements. CAM was willing to advance funds to CRA to fund the Offsite Improvements and Site Development Costs. If CAM were unable to recover such advances, such development of the Project would be financially infeasible. In order to make the development of the Project financially feasible, the Parties have negotiated an arrangement whereby the City will turn over to CRA 50% of sales taxes derived from the Project, and CRA will in turn pay over such amounts to Developer as recovery of its advances, for a period of up to twenty-five years, subject to certain limitations and exceptions, to the extent required to make the Project economically feasible.

Covenant Not to Sue *See* Settlement Agreement.

Defense Group Defendants named in the Owner Contribution Action.

Del Amo Property The 11-acre parcel north of the CCLF property, along Del Amo Boulevard, that is owned by Carson Holdings, LLC.

Department of Toxic Substances Control (DTSC) The lead regulatory agency with oversight and enforcement authority for the CCLF.

Design and Construction Environmental Assurance Agreement (D&C EAA) The December 31, 2007 Tetra Tech Fixed Price contract to remediate the site. The D&C EAA was partially protected from cost over-runs by the AIG EPP cost cap insurance policy. The Termination and Release Agreement terminating the D&C EAA was executed on November 14, 2016.

Development Period A period that commences with any: (i) grading, landfill waste relocation, installation of subsurface utilities; (ii) construction of foundation and pile systems; (iii) installation of any portion of the landfill cap not already installed as of the Termination Date (as defined in the Termination and Release Agreement); (iv) installation of any portion of the landfill gas system not already installed as of the Termination Date; or (v) installation of

Building Protection Systems at the Property, excluding from (i) through (v) above, however, any ministerial work conducted by CRA or its direct contractors prior to larger-scale site redevelopment and affiliated with the installation of infrastructure on the Property to be owned by CRA or the City of Carson, including without limitation, filling the Lenardo Depression and preliminary site grading for access; and that ends upon the occurrence of either of the following:

- If DTSC has approved a Phased Development Plan: The approval by DTSC of: Cell-specific Health Risk Assessments (defined below) for all five (5) Cells of the Property, which DTSC approval permits vertical construction to occur on each of the five (5) Cells of the Property without HAZWOPER trained workers and confirms that all remedial systems on the applicable Cell have been installed and are operational; and Building Protection Systems have been installed on each of the five (5) Cells of the Property; or
- If DTSC has not approved a Phased Development Plan: The written confirmation by DTSC that remedial systems on each of the five (5) Cells of the Property have been installed and are operational, which confirmation permits vertical construction to occur on all five (5) Cells of the Property without HAZWOPER trained workers; and Building Protection Systems have been installed on each of the five (5) Cells of the Property; and Development has commenced on the last Cell of the Property such that no further development on additional undeveloped Cells, if any, is contemplated.

DIF Agreement (The Agreement to Grant Development Impact Fee Credit and for Construction of Public Infrastructure with the Carson Reclamation Authority and Faring Capital, LLC) An Option Agreement with Developer was approved by the Authority Board on December 16, 2020, along with this Agreement, an Agreement to Grant Development Fee Credit (“DIF Securing Carrying Costs”), and a Reimbursement Agreement. Two Advances will be made to the Authority under Option A of the Option Agreement, the First Advance for \$12,500,000 and the Second Advance for \$32,500,000. The First Advance is released under the following conditions:

An executed “Agreement to Grant Development Impact Fee Credit Agreement and for Construction of Public Infrastructure” made by the Authority and City in favor of Developer (“DIF Agreement”), which provides for, among other things, a transferable credit to Developer in the amount of \$12,500,000 (“DIF Credit”) against any development impact fees for any project which may be undertaken by Developer or any other developer of a project in the City of Carson; and in exchange for which Authority will agree to use the \$12,500,000 First Advance proceeds solely to construct the public infrastructure required for the Project on behalf of the City or complete its current obligations under the various agreements related to the CAM Agreement, as provided in the DIF Agreement.

Enterprise Fund A segregated bank and brokerage account created by CRA and the City’s investment advisor to hold the funds transferred from the Trust Account. The Enterprise Fund serves as Financial Assurance to DTSC for the performance of environmental obligations, including installation of Remedial Systems and O&M.

Environmental Covenant. A legal agreement between the Property Owner(s) and DTSC restricting activities and/or uses on the Property consistent with the approved remedy, and

requiring periodic monitoring and reporting of compliance with those restrictions. An Environmental Covenant must be executed prior to issuing Certificates of Occupancy. The Environmental Covenant must be recorded by the Property Owner(s) within 10 days of receipt of the executed Covenant from DTSC.

Environmental Deed Restriction A legally binding restriction on use or activity on the Property that is created when the Environmental Covenant is recorded on title. The Environmental Deed Restriction runs with the land and is enforceable upon all future Property Owners.

Environmental Protection Program (EPP) The name of the AIG insurance policy that held pre-funded O&M costs and provided insurance to support specific elements of the Tetra Tech risk transfer contracts.

Environmental Trust Account An investment account established to hold funds designated for the CCLF environmental remediation. It is formally termed the “Design and Construction Trust,” and was created pursuant to the Trust Agreement by and between Carson Marketplace LLC and Wells Fargo Bank, National Association, dated April 13, 2009 (as amended on June 12, 2012 and May 18, 2015), for the benefit of Tetra Tech.

Exclusive Negotiating Agreement (ENA) The July 2015 agreement between CRA and CAM-CARSON, LLC (Macerich entity) to negotiate the development of Cell 2.

Faring Capital, LLC (Faring) The Developer proposing a Project on Cells 3, 4, and 5 of the Property, and the Managing Member of Carson Goose Owner, LLC, its development entity on the site.

Faring Option Agreement CRA and Faring entered into an Option Agreement and Joint Escrow Instructions, dated January 17, 2021, under which Faring was granted an option right for its acquisition and development of the Surface Lot of Cells 3, 4 and 5 (the “**Remainder Cells**”), subject to terms and conditions including the obligation of Faring to obtain certain Entitlements and other Required Approvals (as defined in the Option Agreement), and reserving full discretionary authority of the CRA Board and City Council to approve or deny the Entitlements and other Required Approvals.

Fashion Outlets of Los Angeles (FOLA) Renamed the Los Angeles Premium Outlets (**LAPO**) with the addition of the Simon Property Group to the Project, this is the planned development for Cell 2 originally proposed by Macerich, a high-end fashion outlet center on Cell 2 comprising approximately 715,000 s.f. of building area on 42 acres.

Final Environmental Impact Report (FEIR) The final CEQA document for the CCLF dated January 2006, which provides an analysis of the impacts of the Project and the Mitigation Measures required to offset those impacts to the extent possible. The CCLF FEIR includes a summary of the of CEQA analysis, a Mitigation Monitoring and Reporting Program, corrections and additions to the draft environmental impact report (DEIR); and responses to written comments received in the review and consultation process.

Financial Assurance (FA) Owners and operators of hazardous waste facilities are required by statute and regulation to maintain financial resources to adequately pay for closure, post closure (maintenance and monitoring), third party liability and corrective action (clean-ups) at hazardous

waste facilities. These requirements are known as financial assurance or financial responsibility. The regulations allow for the use of the following forms of financial assurance:

- Trust Fund
- Payment (or Financial Guarantee) Bond
- Performance Bond
- Irrevocable Standby Letter of Credit
- Insurance Policy
- Financial Test / Corporate Guarantee
- Alternative Financial Mechanism

In October 2016 the CRA proposed to DTSC an alternative Financial Assurance structure permitted under CalRecycle regulations that: terminates the TetraTech agreements; commutes the AIG EPP policy; amends, restates, and restructures the Environmental Trust Account; creates an Enterprise Fund to hold the Environmental Trust Account monies; updates the cost estimates for closure and post-closure care; and pledges CFD revenues of up to \$2.3 million per year for long-term O&M.

Foundation Systems Structural piles, pile caps, and landfill cap membrane tie-in (pile boots). Pile locations, numbers, bearing capacity and design of pile caps will be determined based on construction drawings and specifications provided by Vertical Developer(s).

Gas Collection and Control System (GCCS) *See* Landfill Gas Collection and Control System

Groundwater Upper OU groundwater is contained in coarse pockets within the Bellflower Aquitard, which overlies the Gage Aquifer, over the Lynwood and Silverado Aquifers.

Groundwater Extraction and Treatment System (GETS) The GETS includes the Upper OU groundwater extraction system completed in May 2016 to pump groundwater from the Upper Bellflower Aquitard. The collected groundwater is treated onsite and discharged to the LACSD municipal sanitary sewer. The groundwater treatment system also treats condensate from the Gas Collection and Control System.

Groundwater Monitoring Program A planned approach to sampling and analysis of groundwater wells to monitor the distribution and concentration of contaminants over time. The selected remedy for the Lower OU is groundwater monitoring, and groundwater monitoring will be required in addition to groundwater extraction and treatment as part of the Upper OU long-term O&M.

Hazardous Material Any item or agent (biological, chemical, radiological, and/or physical), which has the potential to cause harm to humans, animals, or the environment, either by itself or through interaction with other factors. Various state and federal environmental laws have specific definitions of Hazardous Materials and Hazardous Substances that are subject to regulation under the respective laws.

Hazardous Waste Operations and Emergency Response (HAZWOPER) Training under Occupational Safety and Health Act (OSHA) Standard 29 CFR Part 1910.120 for workers on hazardous waste sites. HAZWOPER trained workers are required for all construction work at the CCLF until a cell-specific HRA has been approved by DTSC and the BPS is installed in locations where it is required.

Health Risk Assessment (HRA) Site wide health risk assessment that documents the remedial systems are operating on a site wide basis. The HRA incorporates all the HREs and addresses identified data gaps. Approval of the site-wide HRA by DTSC satisfies the requirements of MM-D4. Under the proposed Phased Development Plan, CRA is proposing to perform Cell-specific HRAs to permit the commencement of vertical construction activity on the Cell, and the elimination of the HREs.

Health Risk Evaluation (HRE) Cell-specific health risk evaluation to be performed following remedial system installation. A written Cell-specific risk evaluation prepared by CRA or a consultant acting on its behalf, which assessment will be reviewed and approved in writing by DTSC prior to commencement of vertical development on that particular Cell, and which will address risks to construction workers, future commercial workers, occupants and customers on the subject cell and adjacent cells from Hazardous Material on, at, under or migrating from, the subject cell as and to the extent required by DTSC. Under the proposed Phased Development Plan, the Cell-specific HRAs would be equivalent to HREs.

Infrastructure – Utilities and storm drains; curb, gutter, sidewalks, base course and final paving for public streets; sidewalks; signage; and street lighting required to develop and use the Property

Institutional Control Program (ICP) A framework for the long-term management of the remediated site. Institutional controls are legal (as opposed to engineering) instruments, such as administrative and legal controls, that help minimize the potential for human exposure to contamination and/or protect the integrity of the remedy.

Insurance A practice or arrangement by which a company or government agency provides a guarantee of compensation for specified loss, damage, illness, or death in return for payment of a premium.

Contractor Pollution and Professional Liability (CPL and PLI) Insurance that provides coverage for bodily injury, property damage, defense expense, and remediation expense arising from (i) the Contracting Operations of an insured resulting in pollution conditions and (ii) the Professional Services of an insured. There was a prior ACE CPL Insurance policy that expired in December 2016. It was replaced by the Tokio Marine CPL/PLI (see below).

ACE CPL The ACE CPL was designed primarily to provide coverage for Tetra Tech in the course of its work pursuant to the D&C EAA and the O&M EAA, and for Snyder Langston as CM's engineer. It expired on December 21, 2016, but still provides some coverage to Tetra Tech, to the extent such coverage is provided on an 'occurrence' basis.

Tokio Marine CPL/PLI The new/replacement CPL/PLI coverage is Tokio Marine (Philadelphia) Contractors Environmental and Professional Liability Policy No. PPK1590707, effective December 21, 2016. The Tokio Marine CPL/PLI has a limit of liability of \$25 million for Contracting Operations, \$10 million for Professional Services, an SIR of \$500,000 per incident, and a term of 2 years, expiring on December 21, 2018. Under the Tokio Marine CPL/PLI,

Contractor Operations and Professional Services means all activities and services performed under or in support of the “Project,” which is defined as the following:

Remedial work (including investigations, monitoring, and construction) and operation, management and maintenance of landfill gas extraction system, preliminary design, permitting, and risk assessment work for expansion of the landfill gas extraction system, groundwater extraction and treatment system, landfill liner and cap installation, vector control, stormwater prevention and pollution plans and controls, and maintenance and site preparation work in advance of the development of the former Cal Compact landfill site in Carson, California.

D&O Insurance This is an ACE American Insurance Company Public Entity Liability Policy procured on behalf of the CRA by Chubb Companies USA through Marsh USA, Inc., with an aggregate limit of liability of no more than \$10,000,000 and a premium amount not to exceed \$144,000. This policy is placed instead of a standard Directors and Officers Liability (D&O) policy to ensure that the public officials are adequately covered for their D&O exposure — personal liability as well as Errors and Omissions exposure (E&O) and Employment Practices Liability (EPL) exposure. It is a much broader D&O type coverage and tailored to CRA in its capacity as a quasi-governmental agency making development decisions on environmentally contaminated property, and includes both E&O and EPL in one policy form.

Environmental Protection Program (EPP) AIG Specialty Lines EPP Policy No. 7783922, remediation cost cap policy issued to Tetra Tech. The EPP was terminated on the same date as Termination of the Termination and Release Agreement.

General Liability Policy (GL Program) means that owner controlled general liability and excess (umbrella) master-wrap Comprehensive General Liability program tower issued by Tokio Marine HCC, Policy No. H18PC31029 as the lead policy and all excess policies thereof. This is also discussed below under the Owner Controlled Insurance Program (OCIP).

Pollution Legal Liability Insurance (PLL) An environmental insurance policy that provides coverage for bodily injury, property damage, defense expense, and remediation expense arising from associated with pollution releases, and also ancillary coverages such as regulatory reopeners; non-owned disposal sites; and business interruption. Different insurers have different names for their pollution liability policies, but PLL (taken from the former AIG liability product) has become the generic term for such policies. PLL policies that are or have been placed on the CCLF include:

PARLL XL Catlin Pollution and Remediation Legal Liability (PARLL) policy that expired on September 29, 2016.

Predevelopment PLL The Beazley Elements Consortium PLL policy with an inception date of September 29, 2016, which replaced the XL PARLL policy upon the latter’s expiration. The Beazley PLL has a limit of liability of \$25 million, an SIR of \$250,000 per incident, and a term of 5 years, expiring on September 29, 2021.

Development PLL means the site-specific pollution legal liability program issued by Beazley as Policy No. B0901EK1702322000 and the excess policies issued by Ironshore as Policy No. 003389700, Great American Insurance Group as Policy No. EEL E240608 00, XL Catlin as Policy No. XEC0051209 and Zurich as Policy No. AEC 0386238 00, policies placed prior to the commencement of the Development Period that replaced the Pre-Development PLL policy, having a combined limit of \$200,000,000, an SIR of \$250,000 per incident, and a term of 10 years. This policy was placed at the end of 2017.

Renewal Development PLL A replacement policy to be placed in the event that the Development PLL expires before the end of the Development Period, having a limit of liability of at least \$35,000,000 and an SIR of no greater than \$500,000 per incident.

Renewal Stand-Alone PLL A replacement policy for the Stand-Alone PLL with the same terms that will be placed in the event that the Stand-Alone PLL expires prior to the end of the Development Period.

Stand-Alone PLL A PLL policy for the benefit of Tetra Tech, bound on the Termination Date, providing third party BI/PD coverage with a limit of liability of \$10,000,000, an SIR no greater than \$250,000 per incident and \$750,000 in the aggregate, and a term of 10 years, with Tetra Tech listed as the only Named Insured.

Owner Controlled Insurance Program (OCIP) CRA and CAM undertook a joint OCIP insurance program that included general liability and excess (umbrella) coverage for the Project. This program is an occurrence based, dedicated liability insurance program for all tiers of horizontal and vertical contractors and subcontractors working on the Project, which is placed and controlled by the owner of the property or the project. The OCIP was administered by Construction Risk Partners. The GL Wrap will be the primary bodily injury coverage at or on the property during the Project, and will include affirmative coverage for concussive risk, but shall otherwise exclude losses arising out of pollution conditions. The GL Wrap may also be expanded to cover work performed by CRA to install remedial systems, mitigation measures and related infrastructure on the other cells of the Site, together with vertical construction thereon.

Owner's Protective Professional Indemnity Policy ("OPPI") This is an excess professional liability policy written on behalf of the owner. The coverages are equivalent to professional liability insurance [PLI a/k/a Errors and Omissions (E&O)] policies, but an OPPI runs only to the owner and sits excess of the design/engineering professionals' own E&O insurance, which is primary. The OPPI provides first party coverage to the owner, but does not extend to the design professionals or contractors (i.e. the engineers, architects, etc. are not added as named insureds to the policy). CAM and CRA obtained an OPPI program to cover activities associated with vertical development of Cell 2 as well as horizontal development of the entire Site and will require appropriate underlying professional liability limits from all directly- contracted design firms, construction managers and the general contractor in order to enable underwriting of the OPPI policy. The OPPI will have a limit of liability of at least \$25,000,000.

LA Metro Mall, LLC (LAM) An owner of the Property prior to CM.

Landfill Cap Sometimes referred to simply as the “cap,” it is the landfill cover system that is comprised of an impermeable linear low density polyethylene (LLDPE) synthetic geomembrane, a drainage layer, the overlying soil cover and the pile cap boots that form the connection and closure between the geomembrane and the pile caps. The purpose of a landfill cap is to cover the waste material with a barrier that is impermeable to water infiltration or gas migration.

Landfill Gas (LFG) Vapor that is released from materials in a landfill as they deteriorate or degrade. Landfill gas is commonly comprised of methane and vapor phase contaminant compounds. In addition to having an unpleasant odor, landfill gas can be both toxic and flammable, presenting a range of health and safety concerns. It is usually heavier than air, can create oxygen-deficient atmospheres and therefore creates confined space dangers. Landfill gas also can have sufficient levels of methane to create a risk of fire and/or explosion.

Landfill Gas Collection and Control System (GCCS) An engineering system that is designed to collect landfill gases and remove them from the subsurface before they can pressurize below the Cap and/or migrate through the landfill. When fully installed, the GCCS will consist of a combination horizontal and vertical wells installed below the Cap throughout the landfill. Landfill gas is conveyed to a central treatment unit that is operated in accordance with South Coast Air Quality Management District (SCAQMD) requirements. As of the end of 2016, 166 out of 360 proposed LFG extraction wells have been installed. Of those 166 wells, 53 are actively routing gas to the LFG Control System, which consists of two blowers and two combustion flares, along with backup blowers and filter system.

Landfill Operation Center (OC or Ops Center) A facility to operate, monitor and control the GETS, GCCS and BPS systems that have been installed or are to be installed at the CCLF. The Ops Center has been designed and the building foundation is in place, however the structure has not yet been built.

Leachate Landfill leachate is a liquid that is released from materials in a landfill, either as water percolates through the waste, or as organic wastes deteriorate. The composition of leachate varies widely depending on the material in the landfill and its age, but usually contains both dissolved and suspended contaminants such as metals, and organic and inorganic chemicals.

Linear Low Density Polyethylene (LLDPE) A plastic landfill cap membrane liner specified to be 60-millimeter thick for the CCLF cap.

Los Angeles County Sanitation District (LACSD) The LA County agency responsible for the collection and treatment of wastewater, including sanitary sewer and industrial wastewater. Water collected from the GETS is treated and discharged under the LACSD Industrial Wastewater permit program.

Los Angeles Premium Outlets (LAPO) See Fashion Outlets of Los Angeles.

Lot A measured and defined parcel of real property, owned or meant to be owned by some owner(s). The CCLF has been subdivided into two vertical lots, but the dividing line between the two remains subject to the processing of a Final Map and potentially modification of regulatory agreements. The definition of the lots, and the boundary between them, have

implications for environmental liability; ownership of mitigation measures, such as the Building Protection Systems; development; and long-term Property management.

[**NOTE:** The following definitions of the various lots, together with the regulatory definitions of Upper and Lower OU, sometimes overlap or are in conflict with each other. We are working with DTSC to arrive at a single consistent definition and make sure the subdivision works in practice to shield vertical developers from liability, while allowing them to conduct reasonable construction and maintenance activities on their Property.]

Surface Lot Development contractual definition: “All the land and airspace above the Subsurface Lot.” The Surface Lot is where all vertical development will occur and may be further subdivided into additional parcels to facilitate phased development.

Subsurface Lot Development contractual definition: “All the land extending from within one (1) foot above the landfill cap in all areas outside of the building slabs; all the land below the building slabs; and all improvements now or in the future located below such depth or below the building slabs, including the Remedial Systems.”

Remediation Lot DTSC definition: Remedial Systems, land below the Cap, improvements below the Cap (including piles and collars/caps on the piles), and the land within one foot above the Cap.

Vertical Lot DTSC definition: Remaining property and airspace not included in the Remediation Lot.

Lower Operable Unit (Lower OU) The Lower OU is composed of the Gage, Lynwood and Silverado Aquifers, and all areas impacted by the aerial extent of any hazardous substance which may have migrated or may migrate from those three aquifers or from the Upper OU. Includes the groundwater beneath the Upper OU with impacts. (*See* Upper Operable Unit)

Lower Operable Unit Remedial Action Plan (Lower OU RAP) The remedial action plan developed by the Defense Group for the Lower Operable Unit. The selected remedy for the Lower OU is groundwater monitoring.

Macerich At the time of the Agreement, Macerich owned and managed 55 million square feet of regional shopping centers and remains one of the largest owners and operators of shopping centers in the United States. They demonstrated skill and expertise in retail and mixed use real estate development and the ability to attract first class commercial tenants. Headquartered in Santa Monica, Macerich also has substantial local Southern California experience, owning and managing Santa Monica Place, Lakewood Center, Los Cerritos Center and Stonewood Mall.

Managed Approach to Phased Occupancy (“MAPO”) Approved by DTSC, the MAPO allows for phased occupancy of the property, by cell and, among other things, requires coordination of the remediation and development of each of the Cells and special actions along the border of the Cells (Buffer Zones).

Master Developer A single entity that will control site-wide planning and horizontal development in order to ensure consistent planning (including CEQA analysis), design, engineering and installation of Remedial Systems, Building Protection Systems, utilities and other infrastructure. Sometimes referred to as the Phase I Developer.

Method of Apportionment (MOA) (*See* Rate and Method of Apportionment)

Mitigation Measures (MM) Actions that must be taken to offset impacts from the planned remediation and development Project, as specified in the Final Environmental Impact Report.

Mitigation Monitoring and Reporting Program (MMRP) The plan included in and required by the Final Environmental Impact Report to monitor and report on the Mitigation Measures required by the FEIR. The MMRP requires that certain Mitigation Measures be completed and documented to the City prior to issuing a Certificate of Occupancy. **On-Property Infrastructure** Site improvements required for the development and use of the Property including all Infrastructure and Utilities.

Off-Property Infrastructure Improvements to the transportation and utility systems not located on the Property and required pursuant to the Final Environmental Impact Report, or otherwise determined to be required by the CRA or City to develop the Property.

On-Cell Infrastructure – Site improvements including all Infrastructure and Utilities located on a Site (typically a Cell) within the Property

Operable Unit A smaller or distinct clean-up area of a large, complex site. Operable units are defined by a regulatory agency to divide a large or complicated site into smaller clean-up areas for ease of remediation or division of liability. (See Upper Operable Unit, Lower Operable Unit)

Operating Properly and Successfully (OPS) Report A report documenting that the remedial systems on installed on a cell are operating properly. Under the current regulatory framework, having the Remedial Systems installed and operating properly on a given Cell, as documented in an OPS Report, is necessary in order for an HRE to be completed for the Cell. This concept, and the requirement for the OPS Report, are likely to be revised upon DTSC acceptance of the Phased Development Plan and amendments to the corresponding regulatory agreements.

Operation and Maintenance Environmental Assurance Agreement (O&M EAA) December 31, 2007 TetraTech Fixed Price contract for O&M work. The Termination and Release Agreement terminating the O&M EAA was executed on November 14, 2016, effective January 25, 2017.

Operation and Maintenance (O&M) Long term post-cleanup actions designed to ensure the on-going integrity of a site's installed remedies. O&M can include activities associated with the functioning of the remedial and mitigation systems, such as maintenance of remedial equipment; inspections and reporting; and/or groundwater monitoring. At the CCLF, O&M activities including the operation and maintenance of the Groundwater Extraction and Treatment System (GETS), Building Protection Systems (BPS), and landfill Gas Collection and Control System (GCCS), as well as inspection and repairs to the landfill Cap.

Operation and Maintenance Agreement (O&M Agreement) In general, an agreement between a responsible party and DTSC requiring specific activities to operate, maintain and monitor environmental conditions on a property after remedial actions have been successfully implemented.

Operation and Maintenance Plan (O&M Plan) The plan detailing the long term O&M of the remedial and mitigation systems, including the groundwater extraction and treatment system (GETS), the landfill cap, building protection systems (BPS), and the landfill gas collection and control system (GCCS).

Owner Contribution Action A 1998 claim filed by CRP against Atlantic Richfield and fourteen other potentially responsible parties asserting responsibility for contamination at the CCLF and demanding financial contribution to its cleanup.

Owner Participation Agreement (OPA) The 2006 Agreement between CM and the former Carson Redevelopment Agency, as amended in 2008 and 2009.

Permit to Operate (PTO) A permit issued by the South Coast Air Quality Management District (SCAQMD) to operate a piece of equipment that has air emissions as part of its normal operation. SCAQMD has issued a permit to operate the GCCS.

Phase I Developer A developer working for or on behalf of CRA to complete the installation of the Remedial Systems, the Foundation Systems and On-site Infrastructure necessary to allow vertical development. The Phase I Developer will coordinate the horizontal development work with the installation of the Remedial Systems and Building Protection Systems. (*See* Master Developer)

Phase II Developer(s) One or more vertical Developers to plan and construct remaining Cells. (*See* Vertical Developer)

Phased Development Plan (PDP) The Phased Development Plan was ultimately approved as the Management Approach to Phased Occupancy, see above. A draft Phased Development Plan was submitted to DTSC to allow the phased development of the Property for retail, commercial, hotel and multi-family residential uses. Elements of the PDP/MAPO will be incorporated into a new or modified Compliance Framework Agreement. The PDP/MAPO includes: (i) a process for DTSC approval of remedial systems and vertical construction on a Cell-by-Cell basis on the Property (the **“Roadmap to Occupancy”**); (ii) a process for DTSC to issue a notice of “no objection” to occupancy of certain Cells within the Property prior to the completion of all remedial work on all Cells; (iii) appropriate safety and quality assurance practices to minimize damage to any of the previous Tetra Tech work and minimize risk to future tenants, occupants, and the Property’s remedial systems; and (iv) procedures and mitigation measures as and to the extent required by DTSC to allow phased development to take place.

Pile Pole-like vertical structural element of a foundation that is driven or drilled deep into the ground at a building site to support building slabs or other foundation elements. At CCLF, pre-cast friction piles will be driven through the waste into underlying soil to support Pile Caps.

Pile Cap Concrete platform that rests on Pile(s) and that supports the building slab and vertical building components.

Previous Site Owners Commercial Realty Projects, Inc. (CRP), L.A. Metro Mall, LLC (LAM) and Carson Marketplace, LLC (CM), among others.

Public Subsidy Financing provided by the CRA or City to Developer(s) to close the gap between total project costs and returns required by the developer to complete the project. For example, the City is currently proposing to share sales tax receipts generated by the Fashion Outlets of Los Angeles with the project’s Developer (Macerich).

Purchase Price Monetary amount paid by Phase II Developer(s) to CRA for title to the property. Fee title purchase or ground lease may be used. Any compensation paid to the CRA may be used by the CRA to install Foundation Systems.

Rate and Method of Apportionment (RMA) The process for assessing and collecting taxes under a Community Facilities District (CFD) plan. Special taxes levied within the boundaries of a Mello-Roos Community Facilities District (CFD) are levied pursuant to a document known as the Rate and Method of Apportionment. The RMA sets forth the term of the special tax, the basis upon which the tax will be levied, the various classes of property that may be affected by the tax, and the order in which the taxes will be levied or collected.

RE|Solutions, LLC (RES) As part of its 2016 RFQ process seeking a Master Developer for the Site, the CRA selected RES to solely manage the operation and maintenance of the Site, perform the Remedial System Work and construction of site infrastructure (“**RES Work**”), and enter into contracts with necessary subcontractors to ensure the performance and completion of the RES Work (as the “**Master Development Manager**”) and thereafter CRA and RES entered into an Environmental Remediation and Development Management Agreement (“**DMA**”), dated as of July 26, 2017, which was later amended and restated pursuant to the DMA. The RES Work includes (i) Predevelopment Services and Development Services, including but not limited to the design, installation, and construction of certain Remedial Systems, building protection systems (“**BPS**”) and Infrastructure Improvements, (ii) the coordination, oversight and implementation of the operation and maintenance obligations (“**O&M**”) required for the Property, and (iii) assisting Vertical Developers in the pursuit of the land use/environmental approval and regulatory permits required for the completion of the Vertical Development of the Property. RES also administers the following subcontracts on the CRA’s behalf:

- TRC Solutions, Inc. (O&M and remedial construction)
- WSP-Golder, Inc. (O&M as of May 1, 2012)
- SL Carson Builders, LLC (Civil/Horizontal construction – piles and slab, infrastructure)
- Leighton Consulting Inc. (geotechnical engineers)
- Cummings Curley and Associates Inc. (landscape architects)
- Nadel Studio One (on-call architects and site planners)
- KPFF (structural engineers)
- Michael Baker International, Inc. (civil engineers, SWPPP quality assurance)
- Securitas Security Services USA, Inc. (site security)
- B&D Construction (grading)
- Mayfield Enterprises, Inc. (landscape maintenance, weed abatement, SWPPP implementation)
- TER International LLC (noise and vibration monitoring during construction)
- Twining Consulting, Inc. (concrete inspection/special inspection services)
- Cumming Construction Management, Inc. (peer review of cost estimates)
- Labor Compliance Management (prevailing wage compliance)

Remainder Cells Referred to in a number of agreements, especially with CAM, it generally refers to Cells 1, 3, 4, and 5, but sometimes only Cells 3, 4, and 5.

Remedial Action Completion Report (RACR) A report that documents to DTSC that all remedial actions proposed by the RAP have been completed for one or more cells. Approval and concurrence with the RACR is the triggers for a cell entering O&M Phase, and for drawing on the Enterprise Fund O&M subaccount to pay for O&M activities.

Remedial Action Order (RAO) The 1988 Department of Health Services (DHS) Order issued to BKK and fourteen other PRPs; 1995 DTSC ROA with BKK Corporation requiring preparation of a RAP.

Remedial Action Plan (RAP) October 1995 RAP developed by Brown & Root Environmental (B&RE) for Upper OU of the CCLF. The RAP proposed the installation of several Remedial Systems at the Site, designed to keep the contaminants at the Site within the refuse mass. The Remedial Systems at the Site included a landfill cap system, landfill gas system, groundwater remediation system, and long-term monitoring of these systems.

Remedial Design (RD) Engineering designs and specifications for the construction of the Remedial Systems, including preliminary design, draft and final designs.

Remedial Investigation/Feasibility Study (RI/FS) Standard activities and associated reports in a Federal or State cleanup process. Remedial Investigations are designed to investigate areas of known or suspected contamination at a site. During the Remedial Investigation, extensive sampling and analyses are performed to determine the nature and extent of the contamination. The Feasibility Study is the mechanism for the development, screening, and detailed evaluation of alternative remedial actions. It considers factors such as technical feasibility, effectiveness, cost and timing of the remedial options. The RI for the CCLF was submitted to DTSC by Brown & Root Environmental (B&RE) in July 1995. The FS was submitted to DTSC by B&RE in August 1995.

Remedial Refinements Changes to the landfill Cap design proposed in Tetra Tech's October 11, 2007, letter to DTSC with subject: "Landfill Cap Remedial Design Refinement and Response to Request for Additional Information, Avalon at South Bay (formerly Carson Marketplace)." The letter served as an addendum to the document "Preliminary Remedial Design Refinements" dated December 27, 2004, and a response to questions and comments in various meetings and communications from DTSC. The letter recommended and requested DTSC approval for designs changes, termed "refinements" to the remedy selected in the RAP; however, these changes were never formally incorporated into the regulatory documents. The refinements included a change in Cap construction from soil to Linear Low Density Polyethylene plastic sheeting, and improvements to the GCCS. The changes to the GCCS were to provide for collection of landfill gas throughout the site instead of just at the perimeter of the landfill, and to integrate the GCCS with the Building Protection Systems.

Remedial Systems Consists of the following components, all as approved in the Remedial Action Plan (RAP) and to be installed in locations coordinated with the development plan:

- Landfill Gas Collection and Control System (GCCS)
- Groundwater Extraction and Treatment System (GETS) and
- Landfill Cap

Remediation Actions carried out to remove or contain pollution or contaminants from environmental media such as soil, groundwater, sediment, surface water; or in the case of a landfill, to contain waste material and prevent migration of contaminants through capture or control of landfill leachate and/or gas.

Remediation Contractor An environmental engineering firm that will be selected through a bid process to undertake the installation of the Remedial Systems and Building Protection Systems.

Roadmap to Occupancy (RtO) The RtO is a flow diagram of the process and management approach that will allow phased implementation of the remedy, phased Site development, and phased occupancy of the developed Cells. The CRA received approval from DTSC of the MAPO and RtO in October, 2017. The objective of the RtO is to establish a mechanism that integrates the various approval and decision-making milestones allowing for the development of a particular Cell and incorporates all the elements necessary to implement phased occupancy.

Sampling and Analysis Plan (SAP) A plan that sets for the procedures to be followed for collection of water, soil, sediment, or other samples taken to characterize areas of potential environmental contamination.

Settlement Agreement A Settlement, Release and Indemnity Agreement between CRA and CM dated May 2015 transferring the Property to CRA and releasing CM from environmental liability for the CCLF.

Simon Property Group (SI-Carson) Simon joined Macerich in CAM-CARSON, LLC and is one of the largest mall developers in the USA. They are 50-50 partners with Macerich being the administrative partner in charge of day to day activities, but SI-Carson having the right to become the administrative partner in the future or take over from Macerich.

At the time of the Agreement, Simon owned or held an interest in 207 income-producing properties in the United States, which consisted of 107 malls, 68 Premium Outlets, 14 Mills, four lifestyle centers, and 14 other retail properties in 37 states and Puerto Rico. They also own outlets internationally.

Site – A portion of the Property being developed by a single or master Vertical Developer selected by the CRA. Typically a former landfill Cell or Cells.

Site-Specific Health and Safety Plan (HASp) A plan that evaluates to ensure worker health and safety to be utilized for the duration of on-site remedial activities.

Snyder Langston (SL Carson Builders, LLC) Snyder Langston, the parent of SL Carson Builders, LLC, was selected in September, 2017 as the civil general contractor. They installed all of the piles on Cell 2 and were responsible for lab and concrete work and the construction of the infrastructure.

Soil Management Plan (SMP) Plan that details how soil will be excavated and managed post closure.

South Coast Air Quality Management District (SCAQMD) The SCAQMD is the air pollution agency responsible for regulating stationary sources of air pollution in the South Coast Air Basin, in Southern California.

Structural Slab Structural system resting on piles and pile caps that will support vertical construction. On the CCLF, it is the first element of the construction that can be built with non-HAZWOPER trained workers (after HRA approval), all as set forth in construction drawings and specification provided by developer.

Supplemental Consent Decree March 2001 Decree Ordered LAM and CRP to submit a revised Remedial Design, and resolved claims against Atlantic Richfield Company; also Modifications by Consent to Supplemental Consent Decree and Defense Group Decree.

Surface Grading Surface grading includes providing a certified and compacted site/pad meeting developer provided specifications and elevations ready for all Vertical Developers to begin construction. CRA to design and coordinate grading plans accommodating Vertical Developer's specs. CRA's scope to include all cut, fill, export deep dynamic compaction (DDC) and/or relocation of trash as needed for the entire CCLF property.

Termination Date The date that the Tetra Tech contracts terminate and the AIG EPP policy is commuted pursuant to the terms of the Termination and Release Agreement; January 25, 2017.

Termination and Release Agreement An agreement by and between Tetra Tech and the CRA dated November 14, 2016, as amended, terminating the Tetra Tech contract for site remediation (D&C EAA) and operation and maintenance (O&M EAA) and providing for the Commutation of the AIG EPP policy and sharing of proceeds.

TRC Solutions TRC ENVIRONMENTAL CORPORATION ("TRC") and RES entered into a Master Services Agreement ("MSA") which provided for the issuance of various written work orders ("Work Authorizations") under which TRC would provide RES with various services including environmental design (liner, gas system) and construction. They were also competitively award the O&M contract in February, 2018, and served as the O&M contractor until May, 2021.

Upper Operable Unit (Upper OU) The Upper OU encompasses site soils, the waste zone, and the groundwater immediately beneath ground surface (the Bellflower Aquitard) down to but not including the Gage Aquifer.

Utilities All wet and dry utilities, including potable and non-potable water supply, sanitary sewer, storm drains (wet utilities); and gas and electrical supply, telephone, cable and internet service (dry utilities).

Validation Action CAM and the CRA entered a Supplemental Consulting Agreement for legal services by Orrick, Herrington & Sutcliffe, LLP on behalf of the City and CRA to file and process a Validation Action in order for the City and CRA bring a Validation Action in the Superior Court of California pursuant to California Code of Civil Procedure 860 et seq. to validate the Revised Conveyance Transaction as provided in the Project Agreements. This was a legal test of the City and CRA's agreement related to the sales tax sharing in return for the construction of infrastructure.

Vertical Developer(s) Macerich and Simon (CAM-CARSON, LLC) for development of Cell 2, Faring (Carson Goose Owner, LLC) for Cells 3, 4 and 5 and a developer to be selected for Cell 1 to complete design, planning and construction of buildings.