DEPARTMENT OF THE ARMY PERMIT

Permittee: Port of Los Angeles, Engineering Division
(Antonio Giotello, Chief Harbor Engineer)

Permit Number: SPL-2007-01417-SDM

Issuing Office: Los Angeles District

Note: The term "you" and its derivatives, as used in this permit, means the permittee or any future transferee. The term "this office" refers to the appropriate district or division office of the Corps of Engineers having jurisdiction over the permitted activity or the appropriate official acting under the authority of the commanding officer.

You are authorized to perform work in accordance with the terms and conditions specified below.

Project Description: To permanently discharge fill into approximately 2.9 acres of waters of the U.S. and create approximately 4.5 acres of open water, and to temporarily impact approximately 41 acres of waters of the U.S., in association with the redevelopment of the existing marina in Watchorn Basin (i.e., Cabrillo Way Marina Project), as shown on the attached drawings.

Specifically, you are authorized to:

1. Dredge approximately 8 acres of waters of the U.S. to -15 Mean Lower Low Water (MLLW) with depth to -35 MLLW in the vicinity of the Confined Disposal Facility (CDF) rock dike perimeter (dredging total of 102,000 cubic yards, including 2 foot over-dredge depth)
2. Excavate upland material (i.e., land cut) to create approximately 4.5 acres of waters of the U.S.
3. Discharge fill into approximately 2.1 acres of waters of the U.S. to create a CDF in the northeast corner of Watchorn Basin
4. Dispose of the dredged material at Anchorage Road Upland Storage Site, other approved upland site, the CDF (dredged material may be stored temporarily in an approximately 3.7 acre area south of Warehouse 6), or reuse it onsite as buried fill landward of the slope or shoreline protection/stabilization
5. Reuse the land-cut material onsite (e.g. to help stabilize the slope or shoreline protection/stabilization) or dispose of it in the CDF, Anchorage Road Upland Storage
Site, or other approved upland site
6. Construct rock and steel sheet pile slope protection/stabilization along the upland/water interface
7. Install 15 concrete piles to support the water-side/over-water promenade section
8. Install approximately 1,000 concrete or steel piles for the pre-cast concrete boat docks
9. Construct approximately 700 boat docks and 400 dry-stacking spaces in the project area.

Project Location: This project occurs in and along Watchorn Basin on the west side of the West Channel, in Los Angeles Harbor, in the City of Los Angeles, Los Angeles County, California.

Permit Conditions:

General Conditions:

1. The time limit for completing the authorized activity ends on September 3, 2011. If you find that you need more time to complete the authorized activity, submit your request for a time extension to this office for consideration at least one month before the above date is reached.

2. You must maintain the activity authorized by this permit in good condition and in conformance with the terms and conditions of this permit. You are not relieved of this requirement if you abandon the permitted activity, although you may make a good faith transfer to a third party in compliance with General Condition 4 below. Should you wish to cease to maintain the authorized activity or should you desire to abandon it without a good faith transfer, you must obtain a modification from this permit from this office, which may require restoration of the area.

3. If you discover any previously unknown historic or archeological remains while accomplishing the activity authorized by this permit, you must immediately notify this office of what you have found. We will initiate the Federal and state coordination required to determine if the remains warrant a recovery effort or if the site is eligible for listing in the National Register of Historic Places.

4. If you sell the property associated with this permit, you must obtain the signature of the new owner in the space provided and forward a copy of the permit to this office to validate the transfer of this authorization.

5. If a conditioned water quality certification has been issued for your project, you must comply with the conditions specified in the certification as special conditions to this permit. For your convenience, a copy of the certification is attached if it contains such conditions.

6. You must allow representatives from this office to inspect the authorized activity at any time deemed necessary to ensure that it is being or has been accomplished with the terms and conditions of your permit.
Special Conditions:

1. The permitted activity shall not interfere with the right of the public to free navigation on all navigable waters of the United States as defined by 33 C.F.R. Part 329.

2. A pre-construction survey for *Caulerpa taxifolia* (*Caulerpa*) of the project area shall be conducted in accordance with the *Caulerpa* Control Protocol (see http://swr.nmfs.noaa.gov/hcd/caulerpa/ccp.pdf) not earlier than 90 calendar days prior to planned construction and not later than 30 calendar days prior to construction. The results of that survey shall be furnished to the Corps, National Marine Fisheries Service, and the California Department of Fish and Game (CDFG) at least 15 calendar days prior to initiation of work in navigable waters. In the event that *Caulerpa* is detected within the project area, the permittee shall not commence work until such time as the infestation has been isolated, treated, and the risk of spread is eliminated as confirmed in writing by the Corps, in consultation with National Marine Fisheries Service and CDFG.

3. The permittee shall notify the National Marine Fisheries Service (NMFS) at least 72 hours in advance of dredging or fill operations, to provide NMFS the opportunity to directly observe the operations and evaluate impacts to Essential Fish Habitat.

4. All pilings installed for this project shall be constructed of concrete or steel. No creosote-treated pilings shall be used for this project.

5. The permittee shall discharge only clean construction materials suitable for use in the oceanic environment. The permittee shall ensure no debris, soil, silt, sand, sawdust, rubbish, cement or concrete washings thereof, oil or petroleum products, from construction shall be allowed to enter into or placed where it may be washed by rainfall or runoff into waters of the United States. Upon completion of the project authorized herein, any and all excess material or debris shall be completely removed from the work area and disposed of in an appropriate upland site.

6. During dredge or fill operations, the permittee shall implement an integrated multi-parameter water quality monitoring program in conjunction with meeting all Corps and Los Angeles Regional Water Quality Control Board (LARWQCB) Waste Discharge Requirements (WDRs), wherein dredging performance is measured in situ. The objective of the monitoring program shall be adaptive management of the dredging operations, whereby potential exceedances of water quality objectives, such as turbidity, can be measured or predicted and dredging operations subsequently modified. If exceedances are observed, the permittee shall immediately meet with the construction manager to discuss modifications of dredging operations to reduce turbidity and/or other problematic parameter to acceptable levels. This could include alteration of dredging methods and/or implementation of additional Best Management Practices, such as silt curtains. The permittee shall also immediately notify the Corps and the LARWQCB if exceedances are observed.

7. The permittee shall notify the Corps of the date of commencement of operations not less than 14 calendar days prior to commencing work, and shall notify the Corps of the date of completion of operations at least 5 calendar days prior to such completion.
8. The permittee shall notify the Commander, Eleventh Coast Guard District, and the Coast Guard Marine Safety Office / Group LA-LB, not less than 14 calendar days prior to commencing work and as project information changes. The notification, either by letter, fax, or e-mail, shall include as a minimum the following information:
A) Project description including the type of operations.
B) Location of operations, including Latitude / Longitude (NAD 83).
C) Work start and completion dates and the expected duration of operations.
D) Vessels involved in the operations (name, size, and type).
E) VHF-FM radio frequencies monitored by vessels on scene.
F) Point of contact and 24-hour phone number.
G) Potential hazards to navigation.
H) Chart number for the area of operations.

Addresses and Phone Numbers:

Commander, 11th Coast Guard District (oan)       U.S. Coast Guard
Coast Guard Island, Building 50-3              Marine Safety Office / Group LA-LB
Alameda, CA 94501-5100                        1001 South Seaside Ave., Bldg 20
ATTN: Local Notice to Mariners                      San Pedro, CA 90731
TEL: (510) 437-2986                                  Attn: Waterways Management
FAX: (510) 437-3423                                  TEL: (310) 521-3860
FAX: (310) 732-2029                                  FAX: (310) 521-3869

9. The permittee and its contractor(s) shall not remove, relocate, obstruct, willfully damage, make fast to, or interfere with any aids to navigation defined at 33 C.F.R. chapter I, subchapter C, part 66. The permittee shall ensure its contractor notifies the Eleventh Coast Guard District in writing, with a copy to the Corps, not less than 30 calendar days in advance of operating any equipment adjacent to any aids to navigation that requires relocation or removal. Should any federal aids to navigation be affected by this project, the permittee shall submit a request, in writing, to the Corps as well as the U.S. Coast Guard (USCG), Aids to Navigation office. The permittee and its contractor(s) are prohibited from relocating or removing any aids to navigation until authorized to do so by the Corps and the USCG.

10. Should the permittee determine the work requires the placement and use of private aids to navigation in navigable waters of the U.S., the permittee shall submit a request in writing to the Corps as well as the U.S. Coast Guard, Aids to Navigation office. The permittee is prohibited from establishing private aids to navigation in navigable waters of the U.S. until authorized to do so by the Corps and the USCG.

11. Upon notification to the USCG as specified in Special Condition 10, the permittee shall forward a copy of the notification to the Coast Guard Captain of the Port (COTP). The COTP may modify the deployment of marine construction equipment or mooring systems to safeguard navigation during project construction. The permittee shall direct questions concerning lighting, equipment placement, and mooring to the appropriate COTP.

12. Within 30 calendar days of completion of the project authorized by this permit, the permittee shall conduct a post-project survey indicating changes to structures and other features in navigable waters. The permittee shall forward a copy of the survey to the Corps
and to the National Oceanic and Atmospheric Service for chart updating: Gerald E Wheaton, NOAA, Regional Manager, West Coast and Pacific Ocean, DOD Center Monterey Bay, Room 5082, Seaside, CA 93955-6711.

13. The permittee understands and agrees that, if future operations by the United States require the structure or work herein authorized, or if, in the opinion of the Secretary of the Army or his authorized representative, said structure or work shall cause unreasonable obstruction to the free navigation of the navigable waters, the permittee will be required, upon due notice from the Corps of Engineers, to remove, relocate, or alter the structural work or obstructions caused thereby, without expense to the United States. No claim shall be made against the United States or account of any such removal or alteration.

14. For this permit, the term dredging operations shall mean: navigation of the dredging vessel at the dredging site, excavation of dredged material within the project boundaries, and placement of dredged material into a hopper dredge or disposal/transfer barge or scow.

15. Dredging authorized in this permit shall be limited to the areas defined in Port of Los Angeles Drawings 1-2778 D-03 to 1-2778 D-17. No more than 102,000 cubic yards of dredged material is authorized for dredging within approximately 8 acres of Watchorn Basin by the permittee (this number includes allowance for a maximum of 2 feet of over-dredge depth). Dredging does not include the excavation of upland material or land cuts to create approximately 4.5 acres of additional waters of the U.S. in the project area. No dredging is authorized in any other location under this permit.

16. For dredging under this permit, the maximum dredging design depth (also known as the project depth or grade) shall be -15 feet MLLW, with a maximum allowable over-dredge depth of -2 feet below the design grade. The only exception to this limit is the dredging to -35 MLLW in the vicinity of the Confined Disposal Facility rock dike perimeter needed to address geotechnical stability at this particular location. No dredging shall occur deeper than -2 feet below the design grade or outside the project boundaries.

17. The permittee is prohibited from disposing of any of the dredged material in waters of the U.S., except within the Confined Disposal Facility to be created in the approximately 2.1-acre northeast triangular portion of the Watchorn Basin. Disposal of dredged material in this case would include sidecasting or otherwise redistributing dredged/excavated material in waters of the U.S.

18. At least 15 calendar days before initiation of any dredging operations authorized by this permit, the permittee shall send a dredging and disposal operations plan to the Corps and LARWQCB, with the following information:

A) A list of the names, addresses, and telephone numbers of the permittee's project manager, the contractor's project manager, the dredging operations inspector, the disposal operations inspector, and the captain of each tug boat, hopper/clam-shell dredge, or other form of vehicle used to transport dredged material to the designated disposal site.

B) A list of all vessels, major dredging equipment and electronic positioning systems or navigation equipment that will be used for dredging and disposal operations, including the capacity, load level and acceptable operating sea conditions for each hopper/clam-
shell dredge or transport/disposal barge or scow to assure compliance with special conditions on dredging and disposal operations.
C) A detailed description of the dredging and disposal operations authorized by this permit. Description of the dredging and disposal operations should include, at a minimum, the following:
   i) Dredging, transport, and disposal procedures for up to 102,000 cubic yards (includes over-dredge depth of 2 feet) to be dredged from the Watchorn Basin.
   ii) A schedule showing when the dredging project is planned to begin and end.
D) A pre-dredging bathymetric condition survey (presented as a large format plan view drawing), taken within thirty (30) days before the dredging begins, accurate to 0.5-foot with the exact location of all soundings clearly defined on the survey chart. The pre-dredge survey chart shall be prepared showing the following information:
   i) The entire dredging area, the toe and top of all side-slopes and typical cross sections of the dredging areas. To ensure that the entire area is surveyed, the pre-dredge condition survey should cover an area at least 50 feet outside the top of the side-slope or the boundary of the dredging area, unless obstructions are encountered.
   ii) The dredging design depth, over-dredge depth and the side-slope ratio.
   iii) The total quantity of dredged material to be removed from the dredging areas and the side-slope areas.
   iv) Areas shallower than the dredging design depth shall be shaded green, areas between the dredging design depth and over-dredge depth shall be shaded yellow, and areas below over-dredge depth that will not be dredged shall be shaded blue. If these areas are not clearly shown, the Corps may request additional information.
   v) The pre-dredging survey chart shall be signed by the permittee to certify that the data are accurate and that the survey was completed within thirty (30) days before the proposed dredging start date.
E) A debris management plan to prevent disposal of large debris at all disposal locations. The debris management plan shall include: sources and expected types of debris, debris separation and retrieval methods, and debris disposal methods including disposal locations.

19. The permittee shall not commence dredging operations unless and until the permittee receives a Notice to Proceed, in writing (E-mail or letter), from the Corps.

20. The permittee shall maintain a copy of this permit on all vessels used to dredge, transport, or dispose of dredged material authorized under this permit.

21. The permittee shall ensure that the captain of any dredge, tug, or other vessel used in the dredging, transfer, or disposal operations, is a licensed operator under USCG regulations and follows the Inland and Ocean Rules of Navigation or the USCG Vessel Traffic Control Service. All such vessels, dredges or disposal barges or scows, shall have the proper day shapes, operating marine band radio, and other appropriate navigational aids.

22. The permittee's contractor(s) and the captain of any dredge covered by this permit shall monitor VHF-FM channels 13 and 16 while conducting dredging operations.
23. Upon request, the permittee and its contractor(s) shall allow inspectors from the Corps, U.S. Environmental Protection Agency (USEPA), LARWQCB, and/or the USCG to inspect all phases of the dredging, transfer, and disposal operations.

24. Upon request, the permittee and its contractor(s) retained to perform work authorized by the permit or to monitor compliance with this permit shall make available to inspectors from the Corps, USEPA, LARWQCB, and/or the USCG the following: dredging and disposal operations inspectors' logs, the vessel track plots and all disposal vessel logs or records, any analyses of the characteristics of dredged material, or any other documents related to dredging and disposal operations.

25. If a violation of any permit condition occurs, the violation shall be reported by the permittee to the Corps within twenty-four (24) hours. If the permittee retains any contractors to perform any activity authorized by this permit, the permittee shall instruct all such contractors that notice of any violations must be reported to the permittee immediately.

26. When using a transfer or disposal barge or scow, no water shall be allowed to flow over the sides. The level that a disposal barge or scow can be filled shall not exceed the load line to prevent any dredged material or water from spilling over the sides at the dredging site. No transfer or disposal barge or scow shall be filled above this predetermined level. Before each disposal barge or scow is transported to the transfer/disposal site, the dredging site inspector shall certify that it is filled correctly.

27. The permittee shall use an electronic positioning system to navigate at the dredging site. The electronic positioning system shall have a minimum accuracy and precision of +/- 10 feet (3 meters). If the electronic positioning system fails or navigation problems are detected, all dredging operations shall cease until the failure or navigation problems are corrected. Any navigation problems and corrective measures shall be described in the post-dredging completion report per Special Condition 30.

28. The permittee shall implement adequate measures to ensure water does not runoff and return to the Watchorn Basin/Los Angeles Harbor from the approximately 3.7 acre temporary stockpile/storage area for dredged material that will be established in the Cabrillo Way Marina project area.

29. The permittee shall not dispose of excess land-cut and dredged material (currently estimated at 181,000 cubic yards) generated by the project at an upland location other than Anchorage Road Upland Storage Site, unless approved by the Corps in writing (E-mail or letter).

30. The permittee shall submit a post-dredging completion report to the Corps within 30 calendar days after completion of the project to document compliance with all general and special conditions defined in this permit. The report shall include all information collected by the permittee, the dredging operations inspector, and the disposal operations inspector or the transfer/disposal vessel captain as required by the special conditions of this permit. The report shall indicate whether all general and special permit conditions were met. Any violations of the permit shall be explained in detail. The report shall further include the following information:
A) Permit and project number.
B) Start date and completion date of dredging and disposal operations.
C) A breakdown of the total cubic yards disposed at Anchorage Road Upland Soil Storage Site or other suitable upland disposal site, disposed of in the project's Confined Disposal Facility, and reused onsite (landward of the shoreline protection/stabilization).
D) Mode of dredging.
E) Mode of transportation.
F) Form of dredged material.
G) Percent sand, silt and clay in dredged material.
H) A certified report from the dredging site inspector indicating all general and special permit conditions were met. Any violations of the permit shall be explained in detail.
I) A detailed post-dredging hydrographic survey of the dredging area. The survey shall show areas above the dredging design depth shaded green, areas between the dredging design depth and over-dredge depth shaded yellow, areas below over-dredge depth that were not dredged or areas that were deeper than the over-dredge depth before the project began as indicated on the pre-dredging survey shaded blue, and areas dredged below the over-dredge depth or outside the project boundaries shaded red. The methods used to prepare the post-dredging survey shall be the same methods used in the pre-dredging condition survey. The survey shall be signed by the permittee certifying that the data are accurate.
J) The post-dredging report shall be signed by a duly authorized representative of the permittee. The permittee's representative shall make the following certification:

I certify under penalty of law that this document and all attachments were prepared under my direction or supervision. The information submitted is, to the best of my knowledge and belief, true, accurate, and complete. I am aware that there are significant penalties for submitting false information, including the possibility of fine and imprisonment for knowing violations.

31. In the unlikely event there is a collision between a vessel associated with project construction and a marine mammal (e.g., seal, sea lion), the permittee shall immediately notify the NMFS' Stranding Coordinator, Joseph Cordaro, at (562) 980-4017 as well as the Regulatory Division of the Corps (POC: Spencer MacNeil (805) 585-2152).

Further Information:

1. Congressional Authorities. You have been authorized to undertake the activity described above pursuant to:
   (X) Section 10 of the River and Harbor Act of 1899 (33 U.S.C. 403).
   (X) Section 404 of the Clean Water Act (33 U.S.C. 1344).

2. Limits of this authorization.
a. This permit does not obviate the need to obtain other Federal, state, or local authorizations required by law.

b. This permit does not grant any property rights or exclusive privileges.

c. This permit does not authorize any injury to the property or rights of others.

d. This permit does not authorize interference with any existing or proposed Federal project.

3. Limits of Federal Liability. In issuing this permit, the Federal Government does not assume any liability for the following:

a. Damages to the permitted project or uses thereof as a result of other permitted or unpermitted activities or from natural causes.

b. Damages to the permitted project or uses thereof as a result of current or future activities undertaken by or on behalf of the United States in the public interest.

c. Damages to persons, property, or to other permitted or unpermitted activities or structures caused by the activity authorized by this permit.

d. Design or construction deficiencies associated with the permitted work.

e. Damage claims associated with any future modification, suspension, or revocation of this permit.

4. Reliance on Applicant's Data. The determination of this office that issuance of this permit is not contrary to the public interest was made in reliance on the information you provided.

5. Reevaluation of Permit Decision. This office may reevaluate its decision on this permit at any time the circumstances warrant. Circumstances that could require a reevaluation include, but are not limited to, the following:

a. You fail to comply with the terms and conditions of this permit.

b. The information provided by you in support of your permit application proves to have been false, incomplete, or inaccurate (See 4 above).

c. Significant new information surfaces which this office did not consider in reaching the original public interest decision.

Such a reevaluation may result in a determination that it is appropriate to use the suspension, modification, and revocation procedures contained in 33 CFR 325.7 or enforcement procedures such as those contained in 33 CFR 326.4 and 326.5. The referenced enforcement procedures provide for the issuance of an administrative order requiring you to comply with the terms and conditions of your permit and for the initiation of legal action where appropriate. You will be required to pay for any corrective measure ordered by this office, and if you fail to comply with
such directive, this office may in certain situations (such as those specified in 33 CFR 209.170) accomplish the corrective measures by contract or otherwise and bill you for the cost.

6. Extensions. General condition 1 establishes a time limit for the completion of the activity authorized by this permit. Unless there are circumstances requiring either a prompt completion of the authorized activity or a reevaluation of the public interest decision, the Corps will normally give you favorable consideration to a request for an extension of this time limit.
Your signature below, as permittee, indicates that you accept and agree to comply with the terms and conditions of this permit.

PERMITTEE

[Signature]

Antonio V. Gioiello
Chief Harbor Engineer

DATE

10/21/08

This permit becomes effective when the Federal official, designated to act for the Secretary of the Army, has signed below.

[Signature]

Aaron O. Allen, PhD
Chief, North Coast Branch
Regulatory Division

DATE

10/28/08

When the structures or work authorized by this permit are still in existence at the time the property is transferred, the terms and conditions of this permit will continue to be binding on the new owner(s) of the property. To validate the transfer of this permit and the associated liabilities associated with compliance with its terms and conditions, have the transferee sign and date below.

TRANSFEREE

[Signature]

DATE
NOTIFICATION OF COMMENCEMENT OF WORK
FOR
DEPARTMENT OF THE ARMY PERMIT

Permit Number: SPL-2007-01417-SDM
Name of Permittee: Port of Los Angeles, Engineering Division
(Antonio Gioiello, Chief Harbor Engineer)
Date of Issuance: September 3, 2008

Date work in waters of the U.S. will commence: ______________________
Estimated construction period (in weeks): ______________________
Name & phone of contractor (if any): ______________________

Please note that your permitted activity is subject to a compliance inspection by an Army Corps of Engineers representative. If you fail to comply with this permit you may be subject to permit suspension, modification, or revocation.

I hereby certify that I, and the contractor (if applicable), have read and agree to comply with the terms and conditions of the above referenced permit.

__________________________________________    ______________________
Signature of Permittee                                     Date

At least ten (10) days prior to the commencement of the activity authorized by this permit, sign this certification and return it using any ONE of the following three (3) methods:

(1) E-MAIL a statement including all the above information to:
    Spencer.D.MacNeil@usace.army.mil
    OR
(2) FAX this certification, after signing, to: (805) 585-2152
    OR
(3) MAIL to the following address:

    U.S. Army Corps of Engineers, Los Angeles District
    Regulatory Division
    Ventura Field Office, ATTN: CESPL-RG-SPL-2007-01417-SDM
    2151 Alessandro Drive, Suite 110
    Ventura, California 93001
LOS ANGELES DISTRICT
U.S. ARMY CORPS OF ENGINEERS

NOTIFICATION OF COMPLETION OF WORK AND CERTIFICATION OF COMPLIANCE WITH DEPARTMENT OF THE ARMY PERMIT

Permit Number: SPL-2007-01417-SDM
Name of Permittee: Port of Los Angeles, Engineering Division
(Antonio Gioiello, Chief Harbor Engineer)
Date of Issuance: September 3, 2008

Date work in waters of the U.S. completed: ____________________________
Construction period (in weeks): ____________________________
Name & phone of contractor (if any): ____________________________

Please note that your permitted activity is subject to a compliance inspection by an Army Corps of Engineers representative. If you fail to comply with this permit you may be subject to permit suspension, modification, or revocation.

I hereby certify that the work authorized by the above referenced permit has been completed in accordance with the terms and conditions of said permit.

_________________________________________  ____________________________
Signature of Permittee  Date

Upon completion of the activity authorized by this permit, sign this certification and return it using any ONE of the following three (3) methods:

(1) E-MAIL a statement including all the above information to:
Spencer.D.Macneil@usace.army.mil
OR
(2) FAX this certification, after signing, to: (805) 585-2152
OR
(3) MAIL to the following address:
U.S. Army Corps of Engineers, Los Angeles District
Regulatory Division
Ventura Field Office, ATTN: CESPL-RG-SPL-2007-01417-SDM
2151 Alessandro Drive, Suite 110
Ventura, California 93001