

Technical Requirements and Reimbursable Services – Exhibit H

1. INTRODUCTION AND BACKGROUND

The Maritime Administration (MARAD) requires real property for the exclusive long-term safe layberthing for RRF vessels on the California Coast. Although the layberths are intended for the vessels identified in this tertiary sublease, the Sublessee may substitute vessels of a similar size or smaller. A Memorandum of Agreement (MOA) between the Department of the Defense (DoD) and the Department of Transportation (DOT) establishes that, in consideration of the National Defense and the American Merchant Marine, a mutual interest and responsibility exists for the joint establishment, maintenance and control of a Ready Reserve Force (RRF), which is an element of the National Defense Reserve Fleet (NDRF). The ships of the RRF are maintained by MARAD in various states of readiness to meet common user lift requirements of the armed services in a contingency. The RRF consists of 59 vessels as of October 1, 2004.

2. DEFINITIONS

Apron: An area adjacent to and extending the length of the berth used for vehicle passage, material staging, parking of vehicles engaged in maintenance, repair, delivery of parts, etc.

Berth: Any designated place where a vessel is secured including the dock and slip, usually indicated by a code or name.

Dock: The structure located within the layberth facility having the mooring hardware for vessels, synonymous with pier and wharf.

Layberth: A berth used by a vessel for an extended period of time.

Ramp: The primary vehicular access way onto a RO/RO vessel that is characterized by the location of entry (stern ramp/side-port ramp).

Slip: The water area of the layberth adjacent to the dock where the vessel is maneuvered during arrivals and departures.

Ship Manager/General Agent: The MARAD contractor for a designated group of RRF vessels that is responsible for ship operation, maintenance, and activation readiness.

Vertical live loads: These are items moving or being caused to move over the dock.

Water level: The height of water above or below the datum reference point as predicted by local tide tables and affected by seasonal flooding or drought.

Working Area: The area of a dock adjacent to vessel to be used for deliveries, staging gear, and vehicle access.

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3. STATUS OF VESSELS

- a. RRF vessels will normally be maintained in an idle status and will remain at the layberth site in all weather conditions, except to participate in a military exercise/operation, to conduct some repairs, or comply with periodic regulatory requirements. Ship activations and dock trials are expected to be conducted at the layberth.
- b. RRF vessels may have a Reduced Operating Status (ROS) crew onboard.
- c. The shipboard fire fighting system may be inoperable.
- d. The cathodic protection systems may be energized.
- e. Interior house and engineering spaces may be dehumidified with ship's equipment.
- f. The mooring equipment will remain in operating condition. Mooring lines and wires will be provided by the Sublessee or the Sublessee's Ship Manager/General Agent for each vessel.
- g. The vessels may be used for cargo handling training and for other training purposes.

4. BERTH REQUIREMENTS AND THE SUBLESSORS OBLIGATIONS

- a. The layberth Sublessor shall bear all costs associated with obtaining and maintaining an acceptable safe layberth except as specifically identified. Some items are identified for emphasis only. An acceptable safe layberth shall meet the following minimum criteria and technical features:
 - 1) Water depth shall be maintained at 32 feet for the NOAA chart datum. If the performance of normal maintenance to the layberth requires temporary movement of the vessel from the subject layberth, the Sublessor shall bear all expenses incurred in moving the vessel including but not limited to tugs, pilotage and temporary layberth costs. Any temporary layberth used shall meet all the requirements of this tertiary sublease. Should the Sublessor be unable to offer an acceptable substitute layberth during such a maintenance period, the Sublessee reserves the right to acquire and move the vessel to a temporary layberth of its choice at the Sublessor's expense or to terminate the tertiary sublease for default.
 - 2) The proposed berthing facility shall be of sound structural design, construction and condition to support ship mooring.
 - a) The current configuration of mooring line fittings (bollards, bitts, cleats, etc.) shall be maintained to meet designed Safe Working Loads.

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- b) The Safe Working Load of all fittings on the layberth shall be identified on the required drawings that are submitted to the Sublessee.
- 3) N/A
- 4) The facility, including but not limited to the layberth and associated structures, shall be well preserved and maintained at all times to ensure the proper level of safety and security for the vessel and the facility, the safe movement of the vessel and vehicular traffic within the facility, and the cleanliness of the layberth (e.g., free from garbage and debris).
- 5) The Sublessor shall maintain all timber fenders.
 - a) Fenders between the dock and the vessel shall be provided to keep the vessel off non-wood portions (e.g., wood, metal, concrete) of the dock face at all times. No hull contact with non-wood surfaces is acceptable.
 - b) After the vessel(s) arrives at the berth, the Sublessee will inspect to ensure proper fendering.
- 6) The dock shall meet the following minimum criteria:
 - a) The deck shall have a paved concrete or asphalt surface in good condition.
 - b) The dock shall be of sufficient strength and dimensions to facilitate the movements of an HS 20-44 truck or the largest local fire fighting vehicle, whichever is greater, to and from the locations identified for the applicable vessel. The width of dock apron shall safely accommodate the two-way passing of two HS 20-44 trucks or fire fighting vehicles whichever is greater.
 - c) The dock shall safely support vertical live loads as follows:
 - (i) The dock shall support a point-load characterized by a small tire warehouse forklift with 4,000-lb load.
 - (ii) Support uniform loading of 425 lbs. per square foot in all areas, including areas where the ramps will land.
 - (iii) The dock shall support truck loading to include the heaviest local fire fighting vehicle used in fire fighting efforts and American Association of State Highways and Transportation Officials (AASHTO) standard HS 20-44 truck.

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Standard HS 20-44 can be found in the Standard Specification for Highway Bridges and is available at the following address:

AASHTO
444 N. Capitol St., N.W.
Suite 225
Washington, D.C. 20001
(202) 624-5800

- 7) Present no obstruction, protrusion or obstacle that may prove hazardous to the ship and/or personnel.
- 8) The dock shall be located sufficiently distant from areas where sand, grit, dust, bird droppings or other airborne or waterborne substances could hazard the material readiness of the ship's equipment or crew safety. If foreign material is deposited on these vessels, the Sublessor shall be responsible for the cost of cleaning the vessel to the satisfaction of the Sublessee. Persistent deposits of foreign material are cause for termination of this tertiary sublease by default.
- 9) The Sublessor shall ensure that the layberth is protected by a well-maintained security fence that prevents access by unauthorized personnel. If the layberth is part of a larger facility, there shall be a security fence separating the layberth from the rest of the facility.
 - a) The Sublessor and the Sublessee shall jointly design a security fence of sufficient height and coverage that meets the Sublessee's security requirements and i) prevents unauthorized personnel from getting within 100 feet of the ship's hull, ii) prevents unauthorized access to mooring fittings, and iii) prevents access around the fence, all in a manner that aesthetically blends into the surrounding developed property. Unless otherwise specified, the height of the security fence shall not be less than eight (8) feet.
 - b) The fence shall have a gate of sufficient size to allow access of the size vehicles discussed in 4.a.6). It shall have a lock with a card key/key code access system. Card keys/access codes will be provided to MARAD surveyors and appropriate crewmembers and contractors as determined by the ship manager.
 - c) Fences and gates shall be properly maintained at all times. This includes, but is not limited to, ensuring that all fences, gates, and posts are free of rust, properly painted, vertically aligned and kept in a tear-free state (free from holes). Signs shall be placed on the fences advising that the area enclosed is Government property.

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- 10) The Sublessor shall ensure personnel and contractor access to and security of the facility to meet the requirements set forth below:
 - a) Layberth and ship access shall be available at all times (including Sublessor provided access between nested vessels) to facilitate training, crew boarding, cargo handling, ship husbanding, activations, and repair services required by the Sublessee or its contractors.
 - b) The Sublessee/Ship Manager reserves the right to subcontract for ship repair and/or stevedore services of its own choosing for the purpose of performing work onboard, or associated with the vessel, at all times that the vessel is moored at the facility. Said contractors and subcontractors shall be provided with unencumbered access to the vessel (including support vehicles) including, but not limited to, access across any and all labor related picket lines. The ship's crew shall be permitted to load ship's stores and spare parts without the assessment of stevedore's fees.
- 11) The layberth and structures adjacent to the layberth shall not present a fire hazard to the vessel(s).
- 12) The Sublessor shall be responsible for, and bear all expenses associated with ensuring that there are properly paved and maintained access roads, (including bridges and tunnels if applicable) within the layberth facility. At all times during the term of this tertiary sublease, access roads (including bridges and tunnels) shall not present obstructions nor restrict the safe access to the dock by personnel and vehicular traffic including all local firefighting vehicles and AASHTO HS 20-44 trucks.
- 13) The access roads and bridges shall have sufficient load bearing capacity and dimensions for AASHTO standard HS 20-44 truck traffic and the largest and heaviest local firefighting vehicles.
- 14) There shall be an adequately sized turn around area to enable AASHTO standard HS 20-44 trucks to turn around. The turn-around area shall be in close proximity to the dock apron so that such vehicles can turn around and back up to the dock or turn around before leaving via the access road.
- 15) Provide paved, fenced and well maintained parking areas as delineated in the facility drawing attached at Exhibit D.
- 16) Road maintenance within the layberth facility shall be the responsibility of the Sublessor. All access roads, roadways, and layberth shall be kept clear from snow, ice, debris, potholes and vegetation at all times.

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- 17) Provide lighting of at least 1.0 Foot-candles on the layberth for its entire length and width to include the apron and all mooring points to permit safe passage of personnel, line handlers, etc, as well as all parking areas.
 - 18) Ensure that telephone communication with the facility operator and/or manager are available to the Sublessee on a 24-hour a day, seven-day a week basis. The Sublessor shall maintain telecopier capability (fax machine) in support of this requirement during normal working hours at the place of business.
 - 19) Sublessor shall have a layberth security plan in compliance with U.S. Coast Guard Captain of the Port requirements, and have an Oil spill plan for their facility that is in accordance with the Clean Water Act.
- b. The following equipment and services shall be provided and maintained by the Sublessor at the layberth:
- 1) Separate shore power outlets, connections and electric company metered services for each ship (including cables and attachment fittings approved by U.S. Coast Guard or American Bureau of Shipping) rated to meet at least 1200A per vessel 460V/3-phase/60hz electrical requirements to supply electric power for hotel services, lighting, machinery tests, dehumidification equipment and cathodic protection. Electric service shall provide circuit breakers equipped with short circuit and overload protection on all three phases, and when using single conductor cables, they must be of the same length, new or in good condition. Electric power service will be arranged between the Sublessee, General Service Administration and local utility. Electric power bills will be paid directly by the Sublessee to the utility.
 - 2) Three telephone lines for each ship (including cables, attachment fittings, jack, and phones) shall be provided. Initial activation and ongoing service charges for the three lines shall be paid for by the Ship Manager/General Agent. Any additional lines requested by the Ship Manager/General Agent will be at their expense.
 - 3) An industrial size dumpster (minimum size shall be 4.0 cubic yards), shall be located within 100 feet of the gangway base or stern ramp of the vessel and emptied weekly.
 - 4) Layberth potable water service with demonstrated pressure maintained at minimum of 40 PSI via a minimum of a two and one-half inch (2½ inch) line capable of a minimum requirement of 200,000 gallons per day (g.p.d.), as well as sewage.
 - 5) At all times, Oil booms shall be placed around the vessel or nested group of vessels to effectively contain an oil spill. Booms shall run between the vessel or nested group and the pier if fendering and pier construction enables effective encapsulation of the

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vessel or nested group. Booms shall be held off the skin of the vessel by an appropriate method approved by the Sublessee. The existing oil booms shall be maintained and replaced as needed to support RRF Operations.

- c. 1) Immediately following the execution of the Long-Term Sublease, the Sublessor and Sublessee shall jointly inspect the facilities and document the condition of the premises and their compliance with the requirements of the Sublease and these Technical Requirements. The Parties shall jointly prepare a list of items that must be addressed by Sublessor ("List of Deficiencies"). Sublessor shall, within four (4) months of the date of receiving a copy of the List of Deficiencies, correct such deficiencies or otherwise resolve each such deficiency in a manner satisfactory to the Sublessee.
- 2) In the event performance by Sublessor is impossible with respect to remedying the List of Deficiencies, Sublessee may undertake to remedy such deficiencies and offset costs incurred by Sublessee against the monthly lease amounts due and owing to Sublessor.
- 3) Notwithstanding subparagraph (1) above, on February 7, 2006, MARAD and ARRA personnel conducted the joint inspection required by such subparagraph, and on February 15, 2006, MARAD published the results of that inspection ("Joint Inspection Report"). ARRA has reviewed and agrees to implement the List of Deficiencies contained in the Joint Inspection Report in accordance with Subparagraph (1).
- 4) The Joint Inspection Report reviewed, among other things, the number and adequacy of shore power outlets, shore power connections, telephone lines and other connections and utility services located on each pier to serve each ship in accordance with Subparagraph 4.(b) of these Technical Requirements, and the parties agree that the number of such items is sufficient to meet Sublessee's current requirements. In the event, that additional ships are berthed at the piers such that additional shore power outlets, shore power connections, telephone lines and other utility service connections are required in accordance with Subparagraph 4.(b), then Sublessor agrees to install such outlets, lines and other utility connections promptly subject to receiving reasonable reimbursement from Sublessee for the costs of such improvements.
- 5) Nothing contained herein shall relieve the Sublessor from the responsibility of maintaining the existing capabilities of shore power outlets, shore power connections, telephone lines and other connections and utility services located on each pier. Sublessor will maintain and service the existing hook-ups (which have been more than adequate over the years), but should Sublessee place additional ships at the piers (over and above what can be serviced by the existing telephone/electrical

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infrastructure), then Sublessee would pay for any additional infrastructure it may require, as an improvement, and Sublessor would maintain that infrastructure under the lease.

5. REIMBURSABLE SERVICES

- a. Reimbursable services agreed to by the Sublessee shall be paid by the Sublessor and reimbursed by the Sublessee.
- b. Water and sewage cost will be reimbursed by the Sublessee only for the actual cost of the volume of the water and sewage used. This calculation shall be based on the actual metered usage for each vessel and invoiced by the Sublessor periodically (monthly or quarterly).
- c. Trash removal will be reimbursed by the Sublessee in excess of the required minimum service stated in 4.b.3.