

**FIRST AMENDMENT TO
REVOCABLE PERMIT NO. 15-19
SPACE EXPLORATION TECHNOLOGIES CORP. dba SPACEX**

Revocable Permit No. 15-19 granted to Space Exploration Technologies Corp. dba SpaceX is hereby amended a first time as follows:

1. Section 18, "Insurance", is amended to read:

"18. Insurance. Tenant shall procure and maintain at its expense and keep in force at all times during the term of this Permit the following insurance:

(a) Commercial general liability insurance and, if necessary, commercial umbrella insurance, including contractual liability, and property damage insurance written by an insurance company authorized to do business in the State of California, or approved by the California Department of Insurance as a surplus lines insurer eligible to do business in California, rated VII, A- or better in Best's Insurance Guide (or an alternate guide acceptable to City if a Best's Rating is not available) with Tenant's normal limits of liability, but not less than Twenty Million Dollars (\$20,000,000) for injury or death to one or more persons out of each accident or occurrence and Twenty Million Dollars (\$20,000,000) for bodily injury and property damage for each occurrence/Twenty Million Dollars (\$20,000,000) general aggregate. Where Tenant provides or dispenses alcoholic beverages, coverage shall be provided with limits of One Million Dollars (\$1,000,000).

(b) Tenant shall also procure and maintain at its expense and keep in force at all times during the term of this Permit automobile insurance and, if necessary, commercial umbrella insurance, with limits of liability not less than Five Million Dollars (\$5,000,000) covering Injuries or death resulting from each accident or claim arising out of any one claim or accident. This insurance shall cover all owned, non-owned, and/or hired automobiles.

(c) In addition to and concurrently with the aforesaid insurance coverage, Tenant shall also secure and maintain, either by an endorsement thereto or by a separate policy, fire legal liability insurance with a minimum limit of One Million Dollars (\$1,000,000.00), covering legal liability of Tenant for damage or destruction to the works, buildings, and improvements owned by City provided that said minimum limits of liability may be subject to adjustments by Executive Director to conform with the deductible amount of the fire insurance policy maintained by Board, with waiver of subrogation in favor of Tenant so long as permitted by Board's fire insurance policy, upon thirty (30) days' prior written notice thereof to Tenant at any time during the term of this Permit. Neither City nor Board should be named as additional insureds on this policy.

(d) Tenant shall also secure and maintain fire and extended coverage insurance covering one hundred percent (100%) of the replacement value of the works, buildings, and improvements erected or owned by Tenant on the Premises, with such provision in the policies issued to cover the same, or in riders attached thereto, as will provide for all losses over Two Hundred Fifty Thousand Dollars (\$250,000.00) to be

payable to Board to be held in trust for reconstruction. In the event of loss or damage by fire to any of such buildings or improvements, Tenant shall undertake replacement or reconditioning of such Items within ninety (90) days following any such loss. In the event Tenant shall undertake such replacement or reconditioning within said period of ninety (90) days, such proceeds shall be released by Board to Tenant as payments are required for said purpose. Upon the completion of such replacement or reconditioning to the satisfaction of Executive Director, any balance thereof remaining shall be paid to said Tenant forthwith.

(e) Limits for coverage required under Section 18(a)(b)(c) and (d) of this Permit shall provide first dollar coverage. If the Tenant maintains higher limits than the minimum shown above, the City requires and shall be entitled to coverage for the higher limits maintained by the Tenant. Any available insurance proceeds in excess of the specified minimum limits of insurance and coverage shall be available to the City. The Executive Director may permit a self-insured retention or self-insurance in those cases where, in his or her judgment, such retention or self-insurance is justified by the net worth of Tenant. The retention or self-insurance provided shall provide that any other insurance maintained by City's Harbor Department shall be excess of Tenant's insurance and shall not contribute to it. In all cases, regardless of any deductible or retention, said insurance shall contain a defense of suits provision and a severability of interest clause.

(f) Where Tenant operates watercraft, liability coverage for such craft must be provided as follows: (1) Hull and machinery coverage for the value of each vessel which will call at the Premises during the term of this Permit; and (2) Protection and indemnity coverage with combined single limits of One Million Dollars (\$1,000,000.00) per occurrence for bodily injury, illness, death, loss of or damage to the property of another, Jones Act risks or equivalent thereto internationally, and pollution liability. Pollution liability shall include coverage for bodily injury, including death and mental anguish, property damage, defense costs, and cleanup costs. Such coverage shall contain a defense of suits provision and a severability of interest clause. City shall be named as an Additional Insured.

(g) Policies submitted pursuant to Section 18(a)(b)(c)(d) and (f) of this Permit shall, in addition, provide the following coverage either in the original policy or by endorsement substantially as follows:

(i) "Notwithstanding any inconsistent statement in the policy to which this endorsement is attached, or any endorsement or certificate now or hereafter attached hereto, it is agreed that the City of Los Angeles, Board of Harbor Commissioners, their officers, agents and employees, are additional insureds hereunder, and that coverage is provided for all operations, uses, occupations, acts and activities of the insured under Revocable Permit No. 15-19, and under any amendments, modifications, extensions, or renewals of said Permit regardless of whether such operations, uses, occupations, acts, and activities occur on the Premises or elsewhere within the Harbor District."

(ii) "The coverage provided by the policy to which this endorsement is attached is primary coverage and any other insurance carried by the City is excess coverage."

(iii) "In the event of one of the named insureds incurring liability to any other of the named insureds, this policy shall provide protection for each named insured against whom claim is or may be made, including claims by other named insureds, in the same manner as if separate policies had been issued to each named insured. Nothing contained herein shall operate to increase the company's limit of liability:

If the carrier does not use ISO forms such that an endorsement to an existing policy is not possible, the language required in this Section 18(g) may be added to the certificate of insurance.

(h) Tenant shall secure the payment of compensation to employees injured while performing work or labor necessary for and incidental to performance under this Permit in accordance with Section 3700 of the California Labor Code. Tenant shall file with City one of the following:

(i) A certificate of consent to self-insure issued by the Director of Industrial Relations, State of California;

(ii) A certificate of Workers' Compensation insurance issued by an admitted carrier;

or

(iii) An exact copy or duplicate thereof of the policy certified by the Director or the insurer.

Such documents shall be filed prior to Tenant's occupancy of the Premises. Where Tenant has employees who are covered by the United States Longshore and Harbor Workers' Compensation Act ("USLHWC Act"), Tenant shall furnish proof of such coverage to City. It is suggested that Tenant consult with its insurance professional of its choosing to determine whether its proposed operation methods will render its employees subject to coverage under the USLHWC Act. All Workers' Compensation insurance submitted to City shall include an endorsement providing that any carrier paying benefits agrees to waive any right of subrogation it may have against City.

(i) Since Tenant's operations may involve the storage or use of hazardous materials or pollutants, Tenant shall also secure and maintain environmental impairment liability insurance which shall include coverage for bodily injury, property damage, including third-party claims for on-site and off-site bodily injury and property damage, clean-up and defense, with a limit of at least Ten Million Dollars (\$10,000,000.00) per occurrence, which is to remain in effect at least five (5) years after the termination of the Permit.

(j) All insurance procured by Tenant shall comply with the following:

(i) Electronic submission is the required method of submitting Tenant's insurance documents. Track4LA® is City's online insurance compliance system which is designed to be used by insurance brokers and agents to submit client insurance certificates directly to City. Tenant's insurance broker or agent shall obtain access to Track4LA® at <http://track4la.lacity.org/> and follow the instructions to register and submit the appropriate proof of insurance on Tenant's behalf.

(ii) Prior to the expiration of each policy, Tenant shall show through submitting to Track4LA® that the policy has been renewed or extended or, if new insurance has been obtained, submit the appropriate proof of Insurance to Track4LA®. If Tenant neglects or fails to secure or maintain the required insurance, or if Tenant fails to submit proof of insurance as required above, City's Harbor Department may, at its option and at the expense of Tenant, obtain such insurance for Tenant.

(iii) Executive Director, at his or her discretion, based upon recommendation of the Risk Manager of City's Harbor Department, may request that Tenant increase or decrease amounts and types of insurance coverage required hereunder at any time during the term hereof by giving ninety (90) days' prior written notice to Tenant.

(iv) Tenant shall report in writing to Executive Director within fifteen (15) days after it, its officers, or its managing agents have knowledge of any accident or occurrence involving death of or injury to any person or persons, or damage in excess of Fifty Thousand Dollars (\$50,000) to property, occurring upon the Premises, or elsewhere within the Harbor District, if Tenant's officers, agents, or employees are involved in such an accident or occurrence while undertaking the Permitted Use. Such report shall contain to the extent available: (1) the name and address of the persons involved; (2) a general statement as to the nature and extent of Injury or damage; (3) the date and hour of occurrence; (4) the names and addresses of known witnesses; and (5) such other information as may be known to Tenant, its officers, or its managing agents."

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Except as amended herein, all remaining terms and conditions of Revocable Permit No. 15-19 shall remain the same.

IN WITNESS WHEREOF, the parties hereto have executed this First Amendment to Revocable Permit No. 15-19 on the date to the left of their signatures.

CITY OF LOS ANGELES
HARBOR DEPARTMENT

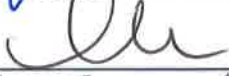
Dated: _____

By _____
EUGENE D. SEROKA
Executive Director

SPACE EXPLORATION
TECHNOLOGIES CORP. dba SPACEX

Dated: 5/12/16

By: 
Bret Johnson, CFO
(Print/type name and title)

Attest: 
Keli Turner, Purchasing Director
(Print/type name and title)

APPROVED AS TO FORM AND LEGALITY

May 12, 2016
MICHAEL N. FEUER, City Attorney
JANNA B. SIDLEY, General Counsel

By 
JANET KARKANEN, Deputy