FIRST AMENDMENT TO PERMIT NO. 750
BETWEEN THE CITY OF LOS ANGELES AND
SA RECYCLING LLC

PERMIT No. 750 ("Agreement" or "Permit No. 750") between CITY OF LOS ANGELES ("City") through its Board of Harbor Commissioners and SA RECYCLING LLC, a Delaware Limited Liability Company ("Tenant" or "SA Recycling") located at 901 New Dock Street, Terminal Island, CA 90731, is hereby amended a first time by this First Amendment to Permit No. 750 ("First Amendment"), for good and valuable consideration, as follows:

1. Section 3 Term of the Agreement is amended as follows:

Section 3(a) is amended by adding the following as section 3(a)(i):

3(a)(i) Extension of Term: The term of the Agreement is extended ten (10) years ("Extended Term") from August 31, 2024 through August 30, 2034 ("Extended Expiration Date") and shall be deemed operative as of August 31, 2024 subject to all required approvals including the Board of Harbor Commissioners ("Board") and the City Council of Los Angeles ("Council").

Section 3(b) is deleted and replaced with the following:

Early Termination. Notwithstanding the foregoing, either party may terminate the Agreement prior to the Extended Expiration Date by giving at least thirty-six (36) months' written notice, provided however, the Extended Term shall be a minimum of five (5) years. All requirements that the Agreement requires Tenant to complete before the expiration of the term of the Agreement shall be completed by the expiration of the Extended Term (or earlier expiration or termination) including but not limited to the preparation of a site characterization report and restoration of the Premises.

Section 3 (c) is deleted and replaced with the following:

Holdover. Should Tenant remain in possession of all or any part of the Premises after the expiration of this Agreement, with or without the express or implied consent of Executive Director, such occupancy shall be considered to be a "holdover" from month-to-month only, and not a renewal of this Agreement nor an extension for any further term, and in such case, rent or other monetary sums due hereunder for such expired Premises shall be payable in the amount of: (i) one hundred fifty percent (150%) of the MAG payable before the expiration of the Extended Term plus (ii) other charges payable hereunder at the time specified in the Agreement, and such month-to-month occupancy shall be subject to every other provision, covenant and agreement contained herein, including any applicable rental adjustments set forth in Section 4. The foregoing provisions of this Section 3(c) are in addition to and do not affect the right of re-entry or any right of City hereunder or as otherwise provided by law, and in no way shall such

provisions affect any right which City may otherwise have to recover damages, to the extent permissible by applicable law, from Tenant for loss or liability incurred by City resulting from the failure by Tenant to surrender the Premises, or for any other reason. Nothing contained in this Section 3(c) shall be construed as consent by City to any holding over by Tenant, and City expressly reserves the right to require Tenant to surrender possession of the Premises to City as provided in the Agreement, and to the extent permissible by applicable law, upon the expiration of this Agreement.

2. Section 4 Compensation shall be amended as follows:

Section 4(a) shall be deleted and shall remain intentionally omitted.

Section 4(b) Payment of Tariff No. 4 Charges shall be deleted and replacing with the following:

(b) Tariff Charges. Tenant shall collect and remit to City all Tariff charges accruing at the Premises established and required by Tariff No. 4, any amendments thereto or successor tariffs ("Tariff").

Whenever the berth and adjoining wharf area of the Premises is not required in whole or in part by Tenant for uses permitted under this Permit No. 750, the Executive Director shall have the right to make temporary assignments to other persons, firms and/or corporations to use said berth and adjoining wharf area or any part thereof, as provided in the Tariff. In the event of such temporary assignment, all Tariff charges in connection therewith shall be billed by and payable to City. All Tariff charges so assessed shall be the sole property of the City and shall not be apportioned between the City and Tenant. In addition, any direct charges accruing against Tenant due to use of the berth and adjoining wharf area shall be paid by the temporary assignee.

Section 4(c) shall be deleted and replaced with the following:

Minimum Annual Guarantee ("MAG"). The MAG shall mean the minimum amount of monetary compensation Tenant shall pay to City for use of the Premises which shall be the amount of Six Million Four Hundred Four Thousand and Two Dollars and Zero Cents ($6,404,002.00) effective August 31, 2024, and subject to increase thereafter as provided in this First Amendment. Tariff charges accruing at the Premises shall accrue toward the MAG. For the avoidance of doubt, Tenant shall pay the greater of: (i) MAG or (ii) Tariff charges ("Rent").

4(c)(i) MAG Annual Adjustments. On August 31, 2025 (which date and subsequent annual anniversaries shall be referred to individually as "Annual Adjustment Date"), and annually thereafter, including any holdover, the MAG shall be adjusted as of the Annual Adjustment Date automatically without further notice to reflect the greater of i) 2% or ii) the percentage increase (but in no event decrease), if any, in the CPI-U, or successor index selected by the

Executive Director in the Executive Director's sole reasonable discretion ("Annual Adjustments"). Such adjusted MAG shall be equal to the product obtained by multiplying the MAG in effect on the Annual Adjustment Date by a fraction, the numerator of which is the CPI-U index for the month immediately preceding the Annual Adjustment Date, (the "Adjustment Index") and the denominator of which is the CPI-U index as it stood on the same month of the prior year (the "Base Index"). For accounting purposes, the Annual Adjustment shall be rounded to the nearest thousandth. (CPI-U shall mean the Consumer Price Index for All Items, All Urban Consumers for the Los Angeles-Long Beach -Anaheim, California area, 1982-84=100 as published by the U.S. Department of Labor, Bureau of Labor Statistics).

The formula illustrating MAG adjustment computation is as follows:

$$\text{MAG Adjustment: Annual Adjusted Rent} = \text{MAG as of Annual Adjustment Date} \times \frac{\text{Adjustment Index}}{\text{Base Index}}$$

Section 4(e) shall be deleted and replaced with the following:

Payments:

(i) Procedure. Whether invoiced by City or not, Tenant shall render its payments due and payable under this Agreement to the City of Los Angeles Harbor Department Administration Building, P.O. Box 514300, Los Angeles, CA 90051-4300, or any other place that City from time to time may designate in writing. All payments due to City under this Agreement shall be made in U.S. Dollars, either in the form of a check (drawn on a bank located in the State of California) or via electronically transmitted funds. Tenant shall remit Tariff charges to City within fifteen (15) days after the departure of each vessel from the Premises.

(ii) Deficient Payments. If Tenant has been required to make up a MAG deficiency, or if Tenant has received a notice of delinquency from City for failure to pay amounts due to City within thirty (30) calendar days of invoice, City may require Tenant to pay the MAG in monthly installments at the beginning of each month for the balance of the compensation period and for any succeeding compensation period(s) as City may require; provided, that Tenant's obligation to pay monthly installments of the MAG shall cease if Tenant's payment of Tariff charges exceed the MAG in any compensation period and all outstanding delinquency has been cured. Each payment shall be in the amount of one twelfth (1/12th) of the MAG or such adjusted amount as is necessary to assure that City will receive full payment of the MAG by the end of the compensation period.

(iii) Tenant's Obligation to Pay; No Right of Set-Off. Notwithstanding any other provision of this Agreement, Tenant's obligations to pay Rent to City according to the terms and conditions of this Agreement shall be absolute and unconditional and shall be unaffected by any circumstance, including, without

limitation, off-set, counterclaim, recoupment, defense or other right which Tenant may have against City.

Section 4(i) of the Agreement shall be deleted and replaced with the following:

"(i) Annual Adjustment. In addition to, and not as a substitute for the Annual CPI Adjustments, the MAG to be paid by Tenant to City for each five (5) year period or any portion thereof following August 31, 2029 ("Five-year Adjustment Period"), if any, shall be readjusted (in no event downward). Such MAG shall be negotiated in good faith and mutually agreed upon between Tenant and City at some time not more than nine (9) months and not less than three (3) months before the beginning of such period. The MAG shall be established by order of Board without further action from City Council, provided that if MAG has not been determined by the beginning of the new compensation period, MAG for the new period, subject to the final MAG being negotiated, shall be 150% of the MAG for the former period, which shall be paid in the same manner as provided in Subsection 4(c) of this Permit No. 750.

Any MAG as set forth above pending determination of final MAG will be credited back by the City to Tenant if the MAG is greater than the Adjusted Base Rent for the Five-Year Adjusted Period, as follows:

- If within 3 months of the due date of the reset, 100% of monies paid in excess of the final MAG for the Five-Year Adjustment Period.
- If within 6 months of the due date of the reset, 75% of monies paid in excess of the final MAG for the Five-Year Adjustment Period.
- If within 9 months of the due date of the reset, 50% of monies paid in excess of the final MAG for the Five-Year Adjustment Period.
- If within 12 months of the due date of the reset, 25% of monies paid in excess of the final MAG for the Five-Year.
- At or after 1 year of the due date of the reset, tenant shall receive no credit.

As an example, if the MAG is $7,000,000 as of August 30, 2029, and a new MAG has not been agreed upon by the beginning of the next five-year period, then the MAG as of August 31, 2029 shall be set at a level of $10,500,000 or $7,000,000 x 150%, pending resolution of compensation reset negotiations.

If a MAG of $7,500,000 is ultimately agreed upon by December 15, 2029, then the credit amount shall be determined as follows:

MAG as increased to 150% of prior MAG	$10,500,000
Less: Agreed upon MAG	($7,500,000)
Equals: Differential	$3,000,000
Multiply by: Portion of Year Elapsed	107 days/365 days per year

Equals: Credit Amount, prior to Credit %	$879,000
Multiply by Credit %	75%
Equals Credit Amount	$659,589

In the event Tenant and City cannot agree on the final MAG for the Five-Year Adjustment Period and the appraisal process as set forth below is initiated, the 150% increase will be suspended upon submission of the requisite appraisals by City and Tenant to the Board.

(ii) If negotiations for the new MAG have not begun six (6) months prior to August 31, 2029, Tenant shall immediately set a date with City to discuss the readjustment of MAG. If Tenant and Board cannot agree upon the amount of such MAG, the MAG for the new period shall be determined in the following manner:

Executive Director shall provide notice that City and Tenant shall each respectively, within sixty (60) days of date preceding the Five Year Adjustment Period, exchange the names and qualifications of two (2) appraisers, which appraisers shall possess the qualifications noted below, from which list Executive Director and Tenant shall utilize best efforts to agree, within fifteen (15) calendar days, upon a single qualified appraiser from that list whom the City shall instruct to conduct the appraisal to determine market rental value of the Premises, as improved ("Market Rent"), in substantially the manner established by the Executive Director and applicable to the Premises and comparable properties and in compliance with the latest edition of the Uniform Standards of Professional Appraisal Practice ("Appraisal Instructions"). The selected appraiser shall be instructed to determine Market Rent within ninety (90) calendar days of the selection. Executive Director and Tenant shall cooperate with the selected appraiser to provide information or documents in their respective custody or control which are reasonably necessary to generate an appraisal in conformity with the Appraisal Instructions. City shall retain the selected appraiser; however, the costs incurred for the appraisal shall be borne equally by City and Tenant. Tenant agrees to reimburse City for half of the fees and half of the costs for the appraisal within fifteen (15) calendar days of receipt of an invoice for payment of same. If, despite best efforts, Executive Director and Tenant cannot agree upon such single appraiser within the aforementioned fifteen (15) calendar days, or if the selected appraiser fails to transmit the required appraisal report within ninety (90) calendar days following the appraiser's retention, Executive Director, on behalf of City, and Tenant shall each retain an appraiser possessing the qualifications set forth below to determine the Market Rent pursuant to the Appraisal Instructions within no more than sixty (60) days, unless extended by mutual written agreement of the Parties. If both Parties are required to retain an appraiser, fees and costs of each appraiser shall be borne by the Party retaining that appraiser. The Board, in its sole discretion, may require the two appraisers to appoint a third appraiser possessing the Appraiser Qualifications to determine Market Rent in accordance with the Appraisal Instructions. If the two appraisers fail to appoint a third appraiser within the timeframe required by the Board, the

Tenant and City may retain a neutral arbitrator to appoint a third appraiser possessing the Appraiser Qualifications to determine Market Rent in accordance with the Appraisal Instructions.

Each party shall pay the costs and expenses of the appraiser appointed by it or on its behalf, together with fifty percent (50%) of the costs and expenses of the third appraiser, and of the arbitrator, if any.

Appraisals generated pursuant to this procedure, shall be submitted to the Board along with the Executive Director's recommendation for the Board's determination of the appropriate final MAG for the Five-Year Adjustment Period, which determination shall be made at a public meeting. Board shall review all the relevant facts and evidence, including the appraisals, submitted to it and shall then establish by order the Final MAG to apply throughout the Five-Year Adjustment Period. Such a determination by Board shall be binding on the Parties, without further action from City Council, and, in that regard, Tenant knowingly and voluntarily waives any right to contest such determination.

Each appraiser shall i) hold a Certified General Appraiser classification within the State of California obtained through the qualification procedures set forth by the State of California Bureau of Real Estate Appraisers and be a member in good standing with the Appraisal Institute and hold the designation of MAI or its equivalent as determined in the Executive Director's sole discretion; and ii) have at least five (5) years commercial experience in the Los Angeles – Long Beach Harbor area ("Appraisal Qualifications").

3. Section 8(b) (1) Restoration is deleted and replaced with the following:

(1) Tenant shall comply with Department of Toxic Substances Control ("DTSC") Consent Order Docket HWCA 20187418 ("Consent Order"), the Los Angeles Regional Quality Control Board Case No. 0305, Site ID 2040400 ("LARWQCB Case"), and any other orders or requirements of regulatory agencies with jurisdiction and any later requirements or orders of the DTSC. On or before expiration of the Extended Term of this Agreement or any sooner termination thereof other than by default pursuant to Subsections(a) and (b) of Section 6 of this Agreement, Tenant shall remove, at its sole cost and expense, if directed by City, all works, structures, improvements and pipelines of any kind including paving (the term "paving" shall include the concrete cap) (collectively referred to as "structures") on the Premises if directed by City; provided, however, City may elect to accept any such paving or structures, in whole or in part, on the Premises. If City directs Tenant to remove paving on the Premises and the paving is suitable, as reasonably determined by the Harbor Engineer, then Tenant may, at its sole expense, crush the paving to the reasonable satisfaction of the Harbor Engineer and leave the crushed paving on the Premises (in compliance with Section 8(c)(3)). Tenant shall environmentally characterize and restore the Premises in compliance with Subsections 8(c)(2) and 8(c)(3) of this

Agreement. Any structures left on the Premises shall be free of hazardous materials in excess of established regulatory levels. If the paving is removed, Tenant shall leave the surface of the ground in a level, graded and compacted condition with no excavations or holes resulting from structures removed. Upon the expiration of the Extended Term of this Agreement or any sooner termination thereof, other than by forfeiture pursuant to Subsections (a) and (b) of Section 6 of this Agreement, Tenant shall quit and surrender possession of the Premises to Board leaving all City improvements in at least as good and usable a condition, acceptable to Executive Director, as the same were in at the time of the first occupation thereof by Tenant under this or any prior Agreement, lease or permit, ordinary wear and tear excepted. However, the exception for wear and tear shall not entitle Tenant to damage paving installed by City or any unpaved areas regardless of the nature of Tenant's operations on the Premises. Tenant shall have no obligation to remove debris and sunken hulks from channels, slips and water areas within or fronting upon Premises other than debris and sunken hulks which result from Tenant's use of the Premises. Tenant expressly waives the benefits of the "Wreck Act" (Act of March 3, 1899) 33 U.S.C. Section 401 et seq. and the Limitation of Liability Acts (March 3, 1851, c. 43, 9 Stat. 635) (June 26, 1884, c. 121, Sec. 18, 23 Stat. 57) 46 U.S.C. 189 (Feb. 13, 1893, c. 105, 27 Stat. 445) 46 U.S.C. Sec. 190-196 and any amendments to these Acts if it is entitled to claim the benefits of such acts. If City terminates this Agreement pursuant to Subsection (a) or (b) of Section 6, Tenant is also obligated to restore the Premises as provided above or to pay the cost of restoration if City chooses to perform the work.

Section 8(b)(3) is deleted and replaced with the following:

(3) Restoration Security and Financial Assurances. In addition to any other requirement to provide security under this Agreement, Tenant also agrees to provide City a cash deposit or irrevocable letter of credit in the name of City to assure restoration of the Premises in accordance with the terms of this Agreement. The restoration security shall be in a form acceptable to the City Attorney and shall be in the amount of $3,500,000 to be funded with $700,000 deposited on the third year of the Extended Term (August 31, 2027), and an additional $700,000 deposited every year thereafter until year seven (August 31, 2031). Upon City's satisfaction with the restoration in whole or in part, the $3,500,000 will be released back to Tenant, in whole or in part, accordingly. (Notwithstanding the foregoing, $3,500,000 does not represent a cap on the amount to be paid for restoration if said amount is insufficient to restore the Premises.)

In the event of early Termination, the $3,500,000 (or any remaining amount due of the $3,500,000) must be paid within two years, in two equal installments, with the first installment due one year from the date of early termination, and the second installment due on the second year from the date of early termination. No interest is payable by City on deposits if the

deposits are subsequently refunded.

Letters of credit shall be self-renewing from year-to-year and shall remain in full force and effect for a minimum period of ninety (90) days following the Extended Expiration Date, any holdover, or any earlier termination of this Agreement, as applicable. In addition, City reserves the right to require any letter of credit to remain in effect wholly or partially in its sole discretion until City is satisfied with the restoration of the Premises, at which time the letter of credit will be released. Notwithstanding the foregoing, the irrevocable letter of credit may be subject to termination upon sixty (60) days written notice, provided that Tenant shall first give City notice in writing of its intent to terminate the letter of credit and provide a replacement irrevocable letter of credit to the City, in a form acceptable to City in its sole and absolute discretion, so there is no lapse in coverage.

Section 8(c)(1) Use of Hazardous Material is deleted and replaced with the following:

(1) Use of Hazardous Material. With the exception of hazardous materials [as defined in Subsection (c)(5)] associated with Tenant's operations pursuant to Subsection 5(a) of this Agreement and those hazardous materials used by Tenant for maintenance and operation of the facility, Tenant may not handle, use, store, transport, transfer, receive or dispose of, or allow to remain on the Premises (hereinafter sometimes collectively referred to as "handle"), any substance classified as hazardous material in such quantities as would require the reporting of such activity to any person or agency having jurisdiction thereof without first receiving written permission of the City. If any such hazardous material has contaminated or threatens to contaminate the Premises or adjacent Premises (including structures, harbor, air, waters, soil or groundwater), Tenant, to the extent obligated by law and to the extent necessary to satisfy City, shall at its own expense perform soil and groundwater tests to determine the extent of such contamination, and shall remediate any such material from the Premises.

If during Tenant's occupancy hazardous materials are discovered on the Premises or such materials have migrated to or threaten to contaminate the adjacent Premises (including structures, harbor waters, air, soil or groundwater), Tenant shall immediately notify the City and any other appropriate agency required by statute or regulation, and Tenant, at its sole expense, shall perform such soil and groundwater testing as required by law and as City deems necessary and take immediate steps to remediate the Premises to the satisfaction of City and any agency with jurisdiction.
If Tenant disposes of any soil, material or groundwater contaminated with hazardous material, Tenant shall provide City copies of all records, including a copy of each bill of lading or uniform hazardous waste manifest indicating the quantity and type of material being disposed of, the method of transportation of the material to the disposal site and the location of the disposal site. The name of the City of Los Angeles shall not appear on any

manifest document as a generator of such material.

Any tests required of Tenant by this section shall be performed by a State of California certified testing laboratory. By signing this Agreement, Tenant hereby irrevocably directs any such laboratory to provide City, upon written request from City, copies of all of its reports, test results, and data gathered. As used in this Section 8, the term "Tenant" includes agents, employees, contractors, subcontractors, and/or invitees of the Tenant.
Section 8(c) (2) Site Characterization shall be deleted and amended to read as follows:

(2) Two years before the Extended Expiration Date, or any earlier termination date, Tenant shall prepare and deliver to City an updated site characterization plan and an updated characterization report, in a form acceptable to the Executive Director, documenting the status of the Premises at that time for Tenant to comply with the restoration and remediation obligations under Permit No. 750, as amended. The plan shall include a detailed program for sampling and chemical analysis of the soil and groundwater and shall be in conformance with all applicable, federal, state and local laws, regulations and guidelines. Provided Tenant has delivered to City a complete site characterization plan, City shall use its best efforts to expeditiously approve or disapprove the plan. Tenant shall provide additional information upon request of City if City deems the plan inadequate. Upon notice of approval of the complete site characterization plan, Tenant shall forthwith commence investigation and testing of soil and groundwater in accordance with the plan and shall promptly provide to City the results of such investigation and tests shall be completed and the results submitted to City within ninety (90) days of notice of approval of the plan by City. Executive Director at his/her sole discretion may extend the date for the preparation of the site characterization plan under this section.

Section 8(c)(3) Site Remediation is deleted and replaced with the following:

(3) Site Remediation. Tenant shall perform required characterization and remediation as specified under the Consent Order, LARWQCB Case, and/or any other requirements of any other regulatory agencies with jurisdiction, including the posting of required financial assurances. Tenant agrees to a final cleanup standard that provides that if, at the time of the expiration or termination of the Agreement the City directs that the concrete cap be removed, Tenant will be responsible for limiting exposure to soil in accordance with agency requirements until such time as a cap is installed as part of future development, or, if no future cap will be installed, Tenant will perform soil remediation in accordance with agency requirements to a standard to allow industrial development without a cap. Soil and/or groundwater sampling conducted upon the completion of activities conducted under the Consent Order shall serve as the baseline for assessing the condition of the Premises after completion of activities

conducted under the Consent Order, the LARWQCB Case and any other orders or requirements of any other regulatory agencies with jurisdiction during the term of the Agreement including any holdover period.

Tenant shall return the Premises in a condition acceptable to City and to any governmental agency having jurisdiction over the Premises, as follows: Tenant, at its sole cost and expense, shall restore the Premises (including the soil, groundwater, and sediment) such that, by the Extended Expiration Date, or earlier termination, or termination of any holdover tenancy, if applicable, the Premises shall be returned to City:

(i) free of all hazardous materials stored on the Premises.

(ii) in compliance with the Consent Order and/or any order form or agreement with the Department of Toxic Substances Control, LARWQCB (and/or other regulatory agencies with jurisdiction) requiring characterization and remediation of contamination of improvements, adjacent harbor waters, soil, sediment, or groundwater of the Premises or the adjacent premises (including soil, sediment, or groundwater of those adjacent premises) resulting from a spill, discharge or any other type of release of hazardous material that occurs during the term of Permit No. 750, as amended by this Agreement, or during any holdover period, whether caused by Tenant or any predecessor entity operating at the site under Permit No. 750, or its respective agents, invitees, licensees or any other third-party performing service on the Premises or on behalf of Tenant with Tenant's permission. The presence of emerging chemicals resulting from activities at the Premises that do not have regulatory thresholds shall be addressed as required by applicable oversight agencies with jurisdiction. Notwithstanding the foregoing, remediation performed under a governmental order or agreement, with properly posted financial assurance, including the Consent Order, LARWQCB Case, or other regulatory agencies with jurisdiction, shall be deemed to satisfy this condition except for any hazardous substances that are in excess of the Baseline disclosed during the site characterization conducted before the Extended Expiration Date (Section 8(c)(2)).

(iii) free of any encumbrances arising out of the term of the Agreement, as extended, with the exception of institutional controls required by the Department of Toxic Substances Control, the Los Angeles Regional Water Quality Control Board (or another regulatory agency with jurisdiction) and approved by the City.

(iv) Tenant shall submit written evidence of compliance with and/or satisfaction of all orders, directives or voluntary agreements or settlements with any governmental agency with jurisdiction including through any Extended Expiration Date, the termination of any holdover, or any earlier termination of this Agreement, whichever occurs first. Tenant shall provide copies to City of all communications between Tenant (and any third parties acting for or on its behalf), and any governmental agency with jurisdiction over the Premises regarding any hazardous materials or contamination concerning the Premises. All site characterization plans or reports, and remediation action plans are subject to review and comment by governmental agencies and the City.

Section 8(c)(5) shall be amended by adding the following to the end of the section.

Hazardous Materials shall include any material, pollutant, hazardous or toxic substance, material, or waste at any concentration that is or becomes regulated by the United States, the State of California, or any local or governmental authority having jurisdiction over the Premises and/or Tenant's undertaking of the Permitted Uses.

4. The following shall be added as subsection 11(s):

Security Deposit. Tenant shall provide a security deposit in the amount of $500,000 on or before the effective date of this First Amendment. Said security deposit shall be in cash or a standby irrevocable letter of credit, or equivalent, in a form approved by City and, if applicable, the City's City Attorney. Letters of credit shall be self-renewing from year-to-year and shall remain in full force and effect for a minimum period of ninety (90) days following the Extended Expiration Date or any earlier termination of this Agreement. Notwithstanding the foregoing, the irrevocable letter of credit may be subject to termination upon sixty (60) days written notice, provided that, Tenant shall first give City notice in writing of its intent to terminate the letter of credit and provide a replacement irrevocable letter of credit to the City so that there is no lapse in coverage.

Said deposit may be used to cover delinquent Rent, and other obligations under this Agreement including, but not limited to, any obligation to repair, maintain, or restore the Premises. This deposit shall not, in any way, reduce Tenant's liabilities under this Agreement unless specifically stated in writing by City and approved by the Board. Should all or part of such deposit be applied against Rent due and unpaid, or other obligations due and unpaid, Tenant shall immediately make another deposit in an amount equal to the amount so used, so that at all times during the term of this Agreement said deposit shall be maintained in the sum stated above. Upon the expiration

or earlier termination of this Agreement, as amended, the Executive Director may release any standby letter of credit, or its equivalent, and refund one hundred percent (100%) of the Security Deposit to Tenant, provided that Tenant is in compliance with all the terms and conditions of this Agreement. City shall have the right to apply the security deposit against Rent due and unpaid, or other obligations due and unpaid. Tenant shall not use any part of the security deposit to pay any Rent due hereunder.

5. The following shall be added as Section 12, Mitigation and Other Environmental Obligations.

(1) Compliance Obligation; Notice. Tenant shall comply (and shall immediately halt and remedy any incident of non-compliance) with:

(i) Applicable Laws. Tenant shall immediately upon receipt provide City with copies of any notices or orders or similar notifications received from any governmental agency regarding the Premises.

(ii) Environmental Policies, Rules and Deliveries. All applicable environmental policies, rules and directives of the Harbor Department as set forth in Exhibit "F" attached hereto and incorporated herein as if set forth in full; and

(iii) Mitigation Measures and MMRP. Attached hereto collectively as Exhibit "G" are a copy of the environmental mitigation measures ("Mitigation Measures") and a copy of the Mitigation Monitoring and Reporting Program ("MMRP") adopted in connection with the certification of the Subsequent Environmental Impact Report ("SEIR") in or about April 2024 as required by the California Environmental Quality Act ("CEQA") for the entitlement for the Extended Term of Permit No. 750. Tenant shall report any non-compliance with Exhibit "G" to Executive Director, including the facts of such non-compliance and Tenant's proposed cure of such non-compliance. Tenant shall be considered to be in compliance with the requirements imposed by Exhibit "G" if it complies with laws and regulations adopted by applicable governmental agencies that are equivalent to or more stringent than those of Exhibit "G." In such event of superseding regulations, Tenant shall not be required to continue reporting on the superseded MMRP measures unless a violation occurs, in which event Tenant shall provide notification to the City in addition to any required agency notifications. Tenant shall perform annual written audits of its compliance with Exhibit "G". The results of such audits shall be maintained on Premises for review by City and transmitted to the City annually.

6. Sections 2(e) and (f) shall be deleted.

7. Section 7 (a) and (h) shall be deleted.

8. Except as provided herein, Permit No. 750 shall remain unchanged. Any capitalized terms not defined herein shall have the same definition as in Permit No. 750.

IN WITNESS WHEREOF, the parties hereto have executed this First Amendment to Permit 750 on the date to the left of their signatures.

THE CITY OF LOS ANGELES, by its
Board of Harbor Commissioners

Dated: _____, 2024

By _____
EUGENE D. SEROKA
Executive Director

Attest _____
AMBER M. KLESGES
Board Secretary

SA RECYCLING LLC, a Delaware Limited Liability Company

Dated: July 1, 2024

By: _____
George Adams, CEO/President
(Print/type name and title)

By: _____
Mark Sweetman, CFO
(Print/type name and title)

APPROVED AS TO FORM AND LEGALITY

July 3, 2024
HYDEE FELDSTEIN SOTO, City Attorney
Steven Y. Otera, General Counsel

By _____
Estelle M. Braaf, Deputy

EXHIBIT F – PORT ENVIRONMENTAL POLICIES

APPLICABLE ENVIRONMENTAL POLICIES, RULES AND DIRECTIVES OF CITY'S HARBOR DEPARTMENT

1. Port of Los Angeles Environmental Management Policy, as amended, or its successor policy. Environmental Management Policy | Environment | Port of Los Angeles | Port of Los Angeles
   Available at: https://www.portoflosangeles.org/environment/environmental-management-policy

2. San Pedro Bay Ports Clean Air Action Plan, as amended, or its successor plan/document. Available at: http://www.cleanairactionplan.org.

3. Port of Los Angeles and Port of Long Beach Water Resources Action Plan or its successor plan/document. Available at https://www.portoflosangeles.org/environment/water-and-sediment-quality/water-resources-action-plan.

4. Port of Los Angeles Green Building Policy (2007), as amended, or its successor policy.

5. Port of Los Angeles Sustainable Construction Guidelines (2008), as amended, or its successor document.

6. Resolution No. 5317 – Policy for Operation of Hazardous Waste Transfer, Storage and Disposal (TSD) Facilities on Harbor Department Property and any amendments or successor resolution.

7. Tenant shall implement the Harbor Department's policies, known as Best Management Practices, in order to reduce the potential for pollutants to enter Harbor waters, as follows: Facility Operations. Tenant shall clean and maintain its facilities regularly using dry cleaning methods whenever possible and avoiding washing areas down. Tenant shall not allow sweepings or sediment to enter the storm drain or the Harbor. Tenant shall collect wash water for disposal or direct it to a clarifier. Tenant shall not encourage scavengers and shall not feed birds, feral cats, sea lions, or other scavengers. Tenant shall recycle whenever possible.

   As to maintenance operations, Tenant shall use drip pans to prevent any drips or leaks from contacting the ground during maintenance and fueling operations. Tenant shall

clean spills or drips immediately using dry methods and use spill cleanup kits to confine or contain spills. Tenant shall not hose down equipment or allow process water to enter the storm drain or the Harbor. Tenant shall place tarps beneath maintenance and repair operations to prevent materials such as paint chips and metals from contacting the ground.

As to material and waste handling and storage. Tenant shall train employees responsible for waste management on handling and disposal procedures. Tenant shall store all hazardous and universal waste in accordance with all federal, state, and local regulations. Tenant shall store all materials and waste inside and in secondary containment. If hazardous and universal waste is stored outside, it shall be stored only in designated, covered, and contained areas. Tenant shall store waste in covered, leak proof, labeled containers. Tenant shall keep lids closed on all outdoor containers including dumpsters. Tenant shall store all oily products (e.g. engines), batteries, tires, and metal off the ground and under cover when stored outdoors.

8. Tenant acknowledges that City has provided copies or made copies available via the Port's website, of the above policies to the Tenant.

Exhibit G - Mitigation Measures (MM) and Standard Conditions (SC) of Approval

MM-HAZ-1: Maintenance of the Existing Cap. The existing cap shall, at all times during the continued operations of the Proposed Project, prior to the deconstruction activities, meet the requirements of A.6 of the WDR, which includes a minimum of 6 inches of concrete pavement over a minimum of 8 inches of base rock or base material. A maintenance schedule shall be prepared and implemented that addresses ongoing maintenance and repair of the concrete cap. The schedule shall be reviewed and approved by LAHD. Inspections will be conducted by the site operator; inspection reports will be submitted to LAHD for review prior to finalization and/or submittal to any regulatory agency. Additionally, LAHD shall have authority to conduct regular cap inspections as outlined in the maintenance schedule to verify cap integrity and confirm the maintenance and repair schedule is being appropriately implemented. In addition to LAHD oversight, a workplan must be submitted to and approved by DTSC if corrective actions associated with the Consent Order require removal of pavements overlying contaminated soils.

MM-HAZ-2: Pre-Demolition Hazardous Materials Survey and Abatement. A hazardous materials survey will be conducted on the Project site prior to demolition or other deconstruction activities. Demolition or renovation plans and contract specifications shall incorporate abatement procedures for the removal of materials containing hazardous materials, as defined at the time of the activity. All abatement work shall be done in accordance with federal, state, and local regulations and requirements, including those of the U.S. Environmental Protection Agency (which regulates disposal), Occupational Safety and Health Administration, U.S. Department of Housing and Urban Development, California Occupational Safety and Health Administration (which regulates employee exposure), and the South Coast Air Quality Management District.

SC-CR-1: Stop Work in the Area if Archaeological Resources Are Encountered. In the unlikely event that any prehistoric artifact of historic period materials or bone, shell or nonnative stone is encountered during restoration activities, work shall be immediately stopped, the area secured, and work relocated to another area until the found materials can be assessed by a qualified archaeologist. Examples of such cultural materials might include historical trash pits containing bottles and/or ceramics; structural remains or concentrations of grinding stone tools such as mortars, bowls, pestles, and manos; chipped stone tools such as projectile points or choppers; and flakes of stone not consistent with the immediate geology such as obsidian or fused shale. The contractor shall stop construction within 30 feet of the location of these finds until a qualified archaeologist can be retained to evaluate the find. If the resources are found to be significant, they shall be avoided or shall be mitigated consistent with State Historic Preservation Officer Guidelines.

SC-CR-2: Stop Work in the Area if Human Remains are Encountered. In the unlikely event that any human remains are encountered during restoration activities, excavation shall be immediately stopped, the area shall be secured, and no further disturbance shall occur in the area of the find until the County Coroner has made the necessary findings as to origin. If the remains are determined to be of Native American origin, the Most Likely Descendant (MLD), as identified by the Native American Heritage Commission (NAHC), shall be contacted in order to determine proper treatment and disposition of the remains. The immediate vicinity where the Native American human remains are located is not to be damaged or disturbed by further excavation activity until consultation with the MLD regarding their recommendations as required by California Public Resources Code Section 5097.98 has been conducted. In addition, California Public Resources Code Section 5097.98, CEQA Guidelines Section 15064.5 and California Health and Safety Code

SA Recycling Amendment to Permit No. 750 Project Subsequent Environmental Impact Report Mitigation Monitoring and Reporting Program

Prepared for:

Los Angeles Harbor Department

April 2024

California Public Resources Code Section 21081.6 requires that, upon certification of an EIR, "the public agency shall adopt a reporting or monitoring program for the changes made to the project or conditions of project approval, adopted in order to mitigate or avoid significant effects on the environment. The reporting or monitoring program shall be designed to ensure compliance during project implementation."

This mitigation monitoring and reporting program (MMRP) is for the SA Recycling Amendment to Permit No. 750 Project (Project). This MMRP has been developed in compliance with Public Resources Code Section 21081.6 and Section 15097 of the CEQA Guidelines. The mitigation measures in this MMRP are coded by alphanumeric identification consistent with the Subsequent EIR (SEIR). The following items are identified for each mitigation measure:

- **Mitigation Monitoring.** This section of the MMRP lists the phase of the Project during which the mitigation measure would be implemented and indicates who is responsible for implementing the mitigation measure (i.e., the "implementing party"). It also lists the agency that is responsible for ensuring that the mitigation measure is implemented and that it is implemented properly.

- **Reporting.** This section of the MMRP provides a location for the implementing party and/or enforcing agency to make notes and to record their initials and the compliance date for each mitigation measure.

In addition to required mitigation measures in the SEIR, standard conditions of approval (SCs) are to be implemented, as necessary. These SCs are similarly coded by alphanumeric identification consistent with the SEIR and a separate table lists when the SC would be implemented, the implementing party and the reporting. The Los Angeles Harbor Department must adopt this MMRP, or an equally effective program, if it approves the Proposed Project with the mitigation measures that were adopted or made conditions of approval.

SA Recycling Amendment to Permit No. 750 Project – Mitigation Measures

Mitigation Measure	Monitoring Phase	Monitoring Method	Responsible Agencies
MM-HAZ-1 Maintenance of the Existing Cap. The existing cap shall, at all times during the continued operations of the Proposed Project, prior to the deconstruction activities, meet the requirements of A.6 of the Waste Discharge Requirement, which includes a minimum of 6 inches of concrete pavement over a minimum of 8 inches of base rock or base material. A maintenance schedule shall be prepared and implemented that addresses ongoing maintenance and repair of the asphalt cap. The schedule shall be reviewed and approved by LAHD. Inspections will be conducted by the site operator; inspection reports will be submitted to LAHD for review prior to finalization and/or submittal to any regulatory agency. Additionally, LAHD shall have authority to conduct regular cap inspections as outlined in the maintenance schedule to verify cap integrity and confirm the maintenance and repair schedule is being appropriately implemented. In addition to LAHD oversight, a workplan must be submitted to and approved by DTSC if corrective actions associated with the Consent Order require removal of pavements overlying contaminated soils.	Throughout Phase 1	LAHD shall review and approve the schedule. Inspections will be conducted by the site operator; inspection reports will be submitted to LAHD for review prior to finalization and/or submittal to any regulatory agency. Additionally, LAHD shall have authority to conduct regular cap inspections as outlined in the maintenance schedule to verify cap integrity and confirm the maintenance and repair schedule is being appropriately implemented. In addition to LAHD oversight, a workplan must be submitted to and approved by DTSC.	**Implementation:** SA Recycling **Monitoring and Reporting:** LAHD DTSC
MM-HAZ-2 Pre-Demolition Hazardous Materials Survey and Abatement. A hazardous materials survey will be conducted on the Project site prior to demolition or other deconstruction activities. Demolition or renovation plans and contract specifications shall incorporate abatement procedures for the removal of materials containing hazardous materials, as defined at the time of the activity. All abatement work shall be done in accordance with federal, state, and local regulations and requirements, including those of the U.S. Environmental Protection Agency (which regulates disposal), Occupational Safety and Health Administration, U.S. Department of Housing and Urban Development, California Occupational Safety and Health Administration (which regulates employee exposure), and the South Coast Air Quality Management District.	Prior to issuance of any Harbor Engineer Permits, this condition shall be incorporated into the demolition plans.	LAHD shall verify that the specific note(s) has been placed on all sets of the demolition plans and made conditions of demolition permit prior to issuance of Harbor Engineer Permit.	**Implementation:** SA Recycling **Monitoring and Reporting:** LAHD

SA Recycling Amendment to Permit No. 750 Project – Standard Conditions of Approval

Standard Conditions of Approval	Monitoring Phase	Monitoring Method	Responsible Agencies
SC CR-1: Stop Work in the Area if Archaeological Resources Are Encountered. In the unlikely event that any prehistoric artifact of historic-period materials or bone, shell or nonnative stone is encountered during decommissioning, work shall be immediately stopped, the area secured, and work relocated to another area until the found materials can be assessed by a qualified archaeologist. Examples of such cultural materials might include historical trash pits containing bottles and/or ceramics; structural remains or concentrations of grinding stone tools such as mortars, bowls, pestles, and manos; chipped stone tools such as projectile points or choppers; and flakes of stone not consistent with the immediate geology such as obsidian or fused shale. The contractor shall stop construction within 30 feet of the location of these finds until a qualified archaeologist can be retained to evaluate the find. If the resources are found to be significant, they shall be avoided or shall be mitigated consistent with the California Office of Historic Preservation guidelines.	This condition shall apply throughout the duration of Phase 2.	LAHD will be notified that work has stopped and will receive a report of the find by the qualified archaeologist.	**Implementation:** SA Recycling **Monitoring and Reporting:** LAHD
SC CR-2: Stop Work in the Area if Human Remains are Encountered. In the unlikely event that any human remains are encountered during restoration activities, excavation shall be immediately stopped, the area shall be secured, and no further disturbance shall occur in the area of the find until the County Coroner has made the necessary findings as to origin. If the remains are determined to be of Native American origin, the Most Likely Descendant (MLD), as identified by the Native American Heritage Commission (NAHC), shall be contacted in order to determine proper treatment and disposition of the remains. The immediate vicinity where the Native American human remains are located is not to be damaged or disturbed by further excavation activity until consultation with the MLD regarding their recommendations as required by California Public Resources Code Section 5097.98 has been conducted. In addition, California Public Resources Code Section 5097.98, CEQA Guidelines Section 15064.5 and California Health and Safety Code Section 7050.5 shall be followed in the event that human remains are discovered.	This condition shall apply throughout the duration of Phase 2.	LAHD will be notified of the find and the County Coroner shall be contacted in accordance with California Health and Safety Code Section 7050.5. The NAHC shall also be contacted, if applicable in accordance with California Public Resource Code Section 5097.98.	**Implementation:** SA Recycling **Monitoring and Reporting:** LAHD