

**JOINT REVOCABLE PERMIT
DEDEAUX PROPERTIES, LLC**

The City of Los Angeles, a municipal corporation duly organized and existing under its charter and the constitution and laws of the State of California, and the City of Long Beach, a municipal corporation duly organized and existing under its charter and the constitution and laws of the State of California (individually, a “City” and together, the “Cities”), by and through their respective Boards of Harbor Commissioners, jointly own certain real property located in the County of Los Angeles. Pursuant to a recommendation adopted by the Board of Harbor Commissioners of the City of Los Angeles under Resolution No. _____ at its _____, 20__ meeting, and Resolution No. HD-_____ adopted by the Board of Harbor Commissioners of the City of Long Beach at its _____, 20__ meeting, the Cities hereby issue this Joint Revocable Permit (the “Permit”) and grant permission to Dedeaux Properties, LLC, a California limited liability company (“Permittee”), to install, operate and maintain the facilities (“Facilities”) more particularly described in Paragraph 1 below and made a part hereof (the “Permit Area”). This Permit shall be effective upon last execution by the Executive Directors of the respective Harbor Departments of the Cities (referred to hereinafter as “Executive Director” singular or the “Executive Directors” plural). Such date shall be known as the “Effective Date” for purposes of this Permit.

This Permit shall be subject to the following terms, conditions, and limitations:

1. PERMIT AREA. The Cities hereby grant Permittee the right to use a portion of the Alameda Corridor railroad right of way property immediately south of 25th Street, Vernon, CA for the installation of an electrical line in a 1 inch galvanized steel conduit, a 3/4 inch PVC water pipeline in a 1 1/2 inch galvanized steel casing, and approximately eighty (80) feet of eight (8) foot high chain link security fence as listed in Exhibit A attached hereto and more particularly shown in Exhibit B attached hereto and made a part hereof. The Facilities shall be installed and maintained in conformity with the requirements outlined in Section 5 below.

2. PERMITTED USE. The Permit Area shall be used to install, operate and maintain, on a non-exclusive basis, the Facilities as specifically described in Exhibit A, over, under and/or across the Permit Area and for no other purpose without the prior written consent of the Executive Directors, which may be withheld in their sole and absolute discretion. Permittee has inspected the Permit Area and agrees that it is suitable for the uses permitted herein. No officer, employee, agent, or property manager of either City has made any representation or warranty with respect to the Permit Area, except as described in writing and attached hereto as an addendum, and in entering into this Permit, Permittee agrees it relies only on the provisions of this Permit.

3. PERMIT FEE.

3.1 Amount and Time of Payment. Permittee shall pay to the Cities, as a permit fee for the use of the Permit Area, without deduction, set off, demand or prior notice, the annual sum of Four Thousand Dollars (\$4,000.00) or as subsequently adjusted pursuant to this Paragraph and Paragraph 3.2 (the “Permit Fee”). In addition, a one-time Permit Processing Fee of Two Thousand

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Five Hundred Dollars (\$2,500.00) shall be paid to the Cities to cover costs associated with the administration of this Permit. The Permit Fee shall be paid in advance on or before the Effective Date and thereafter on each anniversary of that date. The Permit Fee and the Permit Processing Fee shall be made payable to Cal Pacific Land Services, Inc. Trust Account and delivered to the Cities' designated property manager, which shall be Cal Pacific Land Services, Inc., 7245 Garden Grove Blvd., Ste. M, Garden Grove, CA 92841, or as otherwise instructed by written notice of the Executive Directors.

3.2 Adjustment. The Cities may, in their sole and absolute discretion, increase the Permit Fee upon sixty (60) days' written notice to Permittee.

3.3 Annual Adjustment. The Permit Fee shall be adjusted by comparing the Consumer Price Index for All Urban Consumers (base year 1982-84=100) for Los Angeles-Riverside-Orange County, published by the United States Department of Labor, Bureau of Labor Statistics (the "Index"), for the month of the Adjustment Date (the "Current Index"), with the Index published 12 months before the Adjustment Date (the "Beginning Index"). If the Current Index has increased over the Beginning Index, the Permit Fee for the then-current Permit Year shall be set by multiplying the current Permit Fee by a fraction, the numerator of which is the Current Index and the denominator of which is the Beginning Index. In no event shall the Permit Fee be less than the Permit Fee applicable during the immediately preceding Permit Year. If the Index is discontinued or revised during the period in which this Permit is in effect, another government index or computation shall be selected by the Cities and used in order to obtain substantially the same result as if the Index had not been discontinued. On adjustment of the Permit Fee as provided herein, the Cities shall provide notice in writing to the Permittee of the adjusted Permit Fee. When such notice is provided to Permittee, Permit Fee amount shown in said notice shall constitute a legally binding agreement of the parties without further municipal, corporate or other action.

3.4 Late Charge; Default Interest. Permittee acknowledges that if any payment required under this Permit is not paid within ten (10) days after the same becomes due and payable, the Cities will incur extra administrative expenses, in addition to expenses incident to receipt of timely payment, and the loss of the use of funds in connection with the delinquency in payment. Because the actual damages suffered by the Cities by reason of such extra administrative expenses and loss of use of funds would be impracticable or extremely difficult to ascertain from the nature of the circumstances, Permittee agrees that five percent (5%) of the amount of the delinquent payment or \$100.00 (whichever is greater), and the imposition of the default interest rate provided for below, shall be the amount of damages to which the Cities are entitled, upon such breach, in compensation therefor. Permittee shall, therefore, in such event, without further notice, pay to the Cities liquidated damages in the amount of five percent (5%) of the amount of such delinquent payment or \$100.00 (whichever is greater) and interest as provided below. The provisions of this Paragraph are intended to govern only the determination of damages in the event of a breach in the performance of the obligation of Permittee to make timely payments hereunder. Nothing in this Permit shall be construed as an express or implied agreement by the Cities to forbear in the collection of any delinquent payment, or be construed as in any way giving Permittee the right, express or implied, to fail to make timely payments hereunder, whether upon payment of such damages or otherwise. The right of the Cities to receive payment of such liquidated and actual damages, and receipt thereof, are

without prejudice to the right of the Cities to collect such delinquent payments and any other amounts provided to be paid hereunder or to declare a default hereunder. Further, any amounts owing under this Permit and not paid when due shall bear interest at a rate equal to ten percent (10%) per annum, payable monthly on the first day of each and every month.

3.5 Books and Records. All books, accounts and other records showing the affairs of Permittee with respect to its business transacted at, upon or over the Permit Area (collectively, "Permit Records") shall be maintained in Los Angeles County, and shall be subject to copying, examination, audit and transcription by either City, from time to time. In the event it becomes necessary to make such copying, examination, audit or transcription at any place other than within fifty (50) miles of the Permit Area, then all costs and expenses necessary or incident to such copying, examination, audit or transcription, shall be paid by Permittee. The Permit Records shall be retained during the term of this Permit so that the Permit Records for the four (4) most recent years are available. After this Permit terminates, Permittee shall maintain the Permit Records for the four (4) most recent years for at least two (2) years. Upon request in writing by either City, Permittee shall, within fifteen (15) days of the request, furnish a statement of the exact location of all Permit Records and the name and telephone number of the custodian of the Permit Records. Permit Records will include, but not be limited to, general ledgers, charts of accounts, subledgers including cash receipts journals, cash disbursement journals and all original receipts and documents which support the information provided to the Cities.

3.6 Security Deposit. Permittee shall provide a cash deposit, certificate of deposit, surety bond, irrevocable letter of credit or other form of security (the "Security Deposit") in the name of the Cities and acceptable to the Executive Directors and City Attorneys of the Cities in an amount equal to One Thousand Dollars (\$1,000.00) as security for Permittee's faithful performance of its obligations under this Permit, including but not limited to the restoration of the Permit Area and the removal of the Facilities (as defined in Paragraph 5.7) by Permittee as required by this Permit upon any termination, revocation or forfeiture of this Permit. The Cities shall pay no interest on the Security Deposit. If the financial condition of Permittee substantially changes such that Permittee may not be able to meet its restoration obligations, either Executive Director may require an increase of the Security Deposit.

4. REVOCABILITY; TERMINATION.

4.1 Revocability without Cause. This Permit is revocable without cause by any party upon sixty (60) days' written notice to the other parties. Upon termination of this Permit, Permittee shall vacate, and surrender possession of, the Permit Area (subject to Permittee's obligations under Paragraphs 5 and 7 below). If this Permit is revoked by either City pursuant to this Paragraph 4.1, Permittee shall be entitled to a prorated refund of the Permit Fee for the year in which such revocation occurs. If this Permit is revoked by Permittee pursuant to this Paragraph 4.1, Permittee shall not be entitled to receive back any portion of the Permit Fee already paid by it.

4.2 Termination. The Executive Director of either City may terminate this Permit in the event: (i) Permittee fails to perform any term or condition of this Permit within ten (10) days after written notice from the Cities or either of them; (ii) Permittee makes a general assignment or

general arrangement for the benefit of creditors; (iii) a petition for adjudication of bankruptcy or for reorganization or rearrangement is filed by or against Permittee and is not dismissed within thirty (30) days; (iv) a trustee or receiver is appointed to take possession of substantially all of Permittee's assets located at the Permit Area or of Permittee's interest in this Permit and possession is not restored to Permittee within thirty (30) days; or (v) substantially all of Permittee's assets, or Permittee's interest in the Permit Area are subjected to attachment, execution or other judicial seizure which is not discharged within thirty (30) days. If any court having jurisdiction in the matter renders a final decision which prevents the performance by the Cities of any of their obligations under this Permit, then any party hereto may terminate this Permit by notice to the other parties. Additionally, a seizure of the Permit Area by the Internal Revenue Service shall automatically terminate this Permit.

Upon termination of this Permit: (i) Permittee shall immediately vacate, and surrender possession of, the Permit Area and (ii) all rights and obligations hereunder (with the exception of Permittee's obligations under Paragraphs 5, 7 and 14) shall thereupon terminate.

4.3 Application. This Permit is granted pursuant to an application or applications filed by Permittee with the Cities. If any application or any of the attachments thereto contain any misstatement of fact, which in the judgment of either Executive Director affected the decision to grant this Permit, that Executive Director may terminate this Permit. Termination pursuant to this Paragraph shall not be termination by forfeiture.

4.4 No Relocation Assistance. Permittee understands and agrees that nothing contained in this Permit shall create any right in Permittee for relocation assistance or payment from the Cities upon the termination or revocation of this Permit. Permittee acknowledges and agrees that it shall not be entitled to, and waives any right to, any relocation assistance or payment pursuant to the provisions of Title 1, Division 7, Chapter 16, of the Government Code of the State of California (Sections 7260 *et seq.*) or any other applicable law with respect to any relocation of its business or activities upon the termination or revocation of this Permit for no reason or any reason whatsoever.

5. FACILITIES; ALTERATIONS.

5.1 General. Permittee, at its cost, may install or construct Facilities on the Permit Area, and alter, repair, relocate, reconstruct or remove Facilities; provided, however, Permittee shall first obtain the written consent of both Executive Directors, which may be withheld in their sole and absolute discretion, and any necessary permits prior to the commencement of any work of improvement, relocation, alteration, removal or repair. Permittee shall retain title to all such Facilities.

5.2 Port of Los Angeles Harbor Engineer Permit. All excavation and/or construction work undertaken on property owned by the City of Los Angeles Harbor Department requires the Permittee obtain, pay for, and abide by the terms and conditions of the Harbor Engineer Permit. Notwithstanding any other provision of this Permit, no such work is authorized on property owned by City of Los Angeles Harbor Department without Permittee obtaining said Harbor Engineer Permit.

5.3 Port of Long Beach Harbor Development Permit. Notwithstanding any other provision of this Permit, if Permit Area, or any portion thereof, is within the Port of Long Beach Harbor District, all excavation and/or construction work related to the Permitted Use within such Permit Area requires the Permittee obtain, pay for, and abide by the terms and conditions of a Port of Long Beach Harbor Development Permit. No work is authorized on property within the Port of Long Beach Harbor District without Permittee obtaining said Port of Long Beach Harbor Development Permit.

5.4 Plans. The Facilities shall be installed only in accordance with approved plans and specifications previously submitted to the Cities with the application for this Permit. Permittee shall proceed diligently and in a workmanlike manner in the installation, repair, relocation, reconstruction or removal of the Facilities. Any and all work shall be done by Permittee in accordance with all applicable Laws (as defined in Paragraph 9 below).

5.5 Damage; Repair. If the Facilities become damaged or malfunction, Permittee, at its cost, shall immediately make such repairs as will insure the future safe and proper operation of the Facilities. Permittee shall perform such cleanup and repairs as shall be required by the Cities.

5.6 As-Built Drawings.

5.6.1 Within thirty (30) days after the completion of the installation of the Facilities, Permittee shall furnish to Cities four (4) sets of survey notes and “as-built” drawings, signed by a California licensed land surveyor, who shall certify to the correctness of the horizontal and vertical alignment of the Facilities.

5.6.2 All of the “as-built” drawings furnished pursuant to Paragraph 5.6.1 shall be drawn to a scale in which the number of feet per inch shall not exceed two hundred (200). The drawings shall show the accurate alignment of the Facilities by centerline traverses. The elevations of the tops of the Facilities shall be shown on the drawings. All survey work, both horizontal and vertical, shall be to the latest third order of accuracy as established by the National Geodetic Survey.

5.6.3 In the event Permittee is granted permission to install, relocate or remove pipelines, tanks or pressure vessels, Permittee shall furnish to the Cities, in addition to the “as-built” drawings thereof required by this Paragraph, four (4) sets of revised composite drawings drawn to a scale in which the number of feet per inch does not exceed two hundred (200). The revised composite drawings shall be submitted on or before March 1 of each calendar year this Permit remains in force and effect and shall show all pipelines owned or operated by Permittee and the total lineal footage thereof in existence as of December 31 of the calendar year just ended.

5.6.4 Where applicable, “as-built” drawings shall be available at the Permit Area at all times and copies thereof shall be provided to the Cities upon thirty (30) days’ written notice.

5.7 Removal Upon Termination; Restoration. No later than the date upon which this Permit terminates (the "Termination Date"), Permittee, at its cost, shall remove the Facilities and any personal property placed by it on the Permit Area and restore the Permit Area to a condition acceptable to both Cities. Permittee shall repair, at Permittee's expense, any damage to the Permit Area caused by the removal of any Facilities or personal property. Permittee understands and agrees it is responsible for complete restoration of the Permit Area, including the clean-up of any Hazardous Substances (as defined in Paragraph 7.1 below) required pursuant to Paragraph 7 on or before the Termination Date. If, for any reason, removal of Facilities and personal property from the Permit Area or restoration of the Permit Area is not completed by the Termination Date, then Permittee is obligated to pay the Cities, as compensation during such restoration, a permit fee in an amount equal to the then fair market rental value of the Permit Area as reasonably determined by the Cities; however, the new permit fee shall not be less than provided in Paragraph 3. Additionally, if the Facilities and any personal property of Permittee have not been removed and the Permit Area not restored to an acceptable condition by the Termination Date, the Cities shall have the right, but not the obligation, to remove any such property and to restore the Permit Area at Permittee's expense. Permittee shall pay to the Cities, upon demand, all costs incurred by the Cities in removing such property and restoring the Permit Area, together with interest from the date the Cities incur any cost or expense, at the maximum rate allowed by law on any such sum. The restoration requirements of Paragraph 5.7 shall apply to Permittee whether improvements were installed by Permittee or any prior users of the premises.

5.8 Restoration Plan. Upon request of either Executive Director, Permittee shall, at its expense, provide to the Cities a site characterization study and site restoration plan in a form acceptable to the Cities. The study and plan shall be used in part by the Cities to determine if Permittee has breached its obligations pursuant to Paragraph 7 below.

5.9 Waiver. The Cities, at their election, may waive the requirement that Permittee remove all or a portion of the Facilities or personal property from the Permit Area and that Permittee restore the Permit Area. However, unless such waiver is in writing executed by both Cities stating such waiver is "permanent and final," Cities reserve the right to require Permittee at any time in the future to remove all or a portion of the Facilities or personal property from the Permit Area or to restore the Permit Area despite such waiver.

5.10 Removal; Relocation. Whenever and as often as the Executive Directors deem convenient or necessary, Permittee, at its cost, shall remove, relocate or alter the Facilities constructed on the Permit Area and restore the Permit Area. Permittee shall commence such removal, alteration or change of location within sixty (60) days after notice from the Executive Directors, and shall proceed to complete such work with due diligence.

5.11 Failure to Commence Work. In case Permittee fails to commence work in compliance with the notice given pursuant to Paragraph 5.10 within sixty (60) days after such notice (unless Permittee is unable to comply with such instructions due to strikes, riots, acts of God or acts of public enemies), the Executive Directors may, but shall not be required to, cause the work required in such notice to be done; and Permittee agrees to pay the Cities' cost thereof within thirty (30) days after delivery of an itemized bill.

5.12 Rules Governing Pipelines. After installation, and in any event for the duration of this agreement, Permittee shall comply with pipeline testing and inspection requirements of the Pipeline Code, the Pipeline Safety Act, the California Public Utilities Code, California Public Utilities Commission regulations for pipelines, any other state and/or federal agency not mentioned above, and as required by the California State Fire Marshal (CSFM) under the Pipeline Safety Act. The Cities reserve the right to request tests for facilities not under the direct authority of the CSFM, the California Public Utilities Commission, the Federal Office of Pipeline Safety (FOPS), and the State of California Bureau of Conservation/Division of Oil, Gas, and Geothermal Resources (DOGGR).

5.13 Location of Subsurface Pipelines and Structures. Upon at least two (2) days' notice from the Cities, Permittee shall commence exploration for any subsurface structures under Permittee's control or servicing Permittee's operation within the Permit Area. Exploration and preparation of all documentation recording the location of substructures shall be completed within the time specified in the notice. The subsurface exploration shall verify the vertical and horizontal location of all substructures. Documentation reflecting the results of the exploration shall be provided to the Executive Directors. If Permittee fails or refuses within the time specified in the notice to begin or fails to prosecute diligently to complete the work of locating any substructure under Permittee's control or servicing Permittee's operation within the Permit Area, the Cities shall have the right to enter onto the Permit Area and perform the work designated in the notice. All subsurface exploration required by the provisions contained herein, whether performed by Permittee or the Cities, shall be performed at Permittee's expense. In addition, Permittee agrees to bear the cost of any and all damage of whatever nature caused by any act, omission or negligence of the Cities and any and all of their boards, officers, agents, consultants, and employees in the performance of the subsurface exploration as required by this provision. Notwithstanding any work performed by the Cities or the Cities' contractors under this provision, Permittee shall remain obligated to maintain the Permit Area in a safe condition, both during and after completion of the work.

5.14 Pipeline Tests or Inspections. Within thirty (30) days from the commencement date of the permit, Permittee shall provide the Executive Directors with a master schedule showing dates for pipeline testing and inspection(s) in accordance with the requirements referenced in Paragraph 5.12 above. The master schedule shall include an itemized list with corresponding line item reference numbers for each pipeline covered under the subject permit, corresponding required test(s) or inspection(s), date(s) of test(s) or inspection(s), method(s) of test(s) or inspection(s), applicable agency, the frequency of required test(s) or inspection(s), and the California State Fire Marshal Line No. and the California State Fire Marshal Test ID No., if applicable. If Permittee's existing pipelines are modified, or new pipelines are added to Permittee's premises, Permittee shall provide Cities with written notice, including an updated master schedule with any addition or subtraction of pipelines. This notice should cover testing or inspection requirements of all agencies mentioned in Paragraph 5.12, as well as any other additional required test(s) or inspection(s).

If Permittee's pipeline test(s) or inspection(s) are approved by the applicable agency requiring or overseeing the test(s) or inspections(s), Permittee shall confirm in writing approval of the test(s) or inspections(s) and/or submit documentation including master schedule reference

number for pipeline(s) being reported on, date(s) of test(s) or inspection(s), method(s) of test(s) or inspection(s) and general non-technical summary of results.

Permittee shall submit a summary of its certified test or inspection approval results to the Executive Directors within thirty (30) days after they have been approved by the agencies which required the pipeline testing or inspection(s), and the records of such test(s) shall be retained by Permittee for as long as is required by applicable law, but in any event not less than three (3) years. Records of all tests will be made available for inspection by the Executive Directors or their designees at their request.

If Permittee's pipeline test(s) or inspection(s) are disapproved, and/or there are irregularities with Permittee's pipeline test(s) or inspection(s), indicating a leak or other operational deficiency, Permittee shall notify the Executive Directors within three (3) days of disapproval and/or receipt of test(s) or inspection(s) results with a non-technical summary of the results including the circumstances that resulted in the disapproval or test(s)/inspection(s) irregularities as well as all test documentation produced and a description and schedule for implementation of corrective action as directed by the applicable agency requiring or overseeing the test(s) or inspection(s).

5.15 Electrical Line Installation. Permittee or its Contractor shall install the electrical line on the southerly side of the south wall of the 25th Street Bridge over the Alameda Corridor Trench (Trench). To accomplish the installation, the Permittee or its contractor shall remove the fasteners holding the existing chain link fence over the Trench from the lower portion of the fence posts, install the electrical line, attach it to the concrete wall by suitable anchors driven or cemented into the wall, and replace the fence fasteners. Railroad flagging during construction is required and shall be arranged through ACTA (as that term is defined below in Section 13.2) pursuant to Exhibit C attached hereto and made a part hereof.

5.16 Water Line Installation. Permittee or its Contractor shall install the water line on the northerly side of the south wall of the 25th Street Bridge over the Trench. The steel casing pipe shall be attached to the concrete wall by suitable anchors driven or cemented into the wall. The casing pipe shall be installed at such an angle that in the event of a failure of the water pipe, the water in the casing will drain away from the Trench and into Permittee's storm water drainage system. A shutoff valve, accessible to ACTA personnel and contractors, shall be placed on the upstream side of the water pipeline such that in the event of failure to the pipeline, the water flow can be stopped.

5.17 Security Fence. As a condition to the issuance of this Permit, Permittee or its Contractor shall construct and maintain approximately 80 feet of eight (8) foot high chain link fence with one inch mesh surrounding the Permit area from 25th Street to the concrete wall adjacent to the Trench as shown on Exhibit B. The fence shall have a twelve (12) foot access gate as shown on Exhibit B. ACTA shall be able to place an ACTA lock on the gate.

6. MAINTENANCE. The Cities have no duty to make any improvement or repair to the Permit Area or any improvements thereon. Permittee's sole and exclusive remedy by reason of any condition of the Permit Area (whether such condition now or hereafter exists) shall be to terminate

this Permit and vacate the Permit Area. Any and all uses of the Permit Area by Permittee, its agents, contractors and their employees shall be at their sole risk, cost and expense. Permittee, at its cost, shall keep and maintain the Permit Area and all Facilities thereon during its use and occupancy thereof, in good order, condition and repair, free and clear of all rubbish, debris and litter.

7. HAZARDOUS SUBSTANCES.

7.1 Hazardous Substances. As used in this Permit, the term “Hazardous Substance” means any product, substance, chemical, material or waste, the presence, nature, quantity and/or intensity of which, either by itself or in combination with other materials on the Permit Area, is either: (i) potentially injurious to the public health, safety or welfare, the environment or the Permit Area; (ii) regulated or monitored by any governmental authority; or (iii) a basis for potential liability of the Cities to any governmental agency or third party under any applicable statute or common law theory. Hazardous Substances shall include, but not be limited to, any substance or material deemed hazardous or toxic pursuant to any federal or state statute or regulation, including but not limited to hydrocarbons, petroleum, gasoline, crude oil or any products or by-products thereof. Permittee shall not direct, suffer or permit any of its agents, contractors, employees, licensees, or invitees at any time to handle, use, manufacture, store, release or dispose of any Hazardous Substances in or about the Permit Area.

7.2 Notification; Removal. During its use and occupancy of the Permit Area, Permittee shall notify the Executive Directors within two (2) days following the release of any Hazardous Substances onto or from the Permit Area. Upon the release, discharge or spill of any Hazardous Substances arising from or caused by Permittee, its employees, agents, invitees or affiliated predecessors in interest, Permittee, at its cost, shall promptly remove and/or remediate and dispose of all such Hazardous Substances in accordance with the provisions of Paragraph 7.3 below, and restore the Permit Area to the condition it was in prior to the release of the Hazardous Substances. Permittee also agrees to provide to the Cities a surety bond to assure removal of such Hazardous Substances from the Permit Area if at any time the Cities demand such bond.

During its use and occupancy of the Permit Area, Permittee shall notify the Executive Directors within two (2) days following the release of any water from the water pipeline which flows into the Trench, or any damage to the electrical line or conduit which might present a safety hazard to the general public; the Cities; ACTA; the Railroads (as that term is defined below in Section 13); and each of their respective council members, mayors, trustees, boards, officers, employees, agents, contractors, property managers, representatives and designees.

7.3 Excavation. If Permittee discovers or believes that any material being excavated from the Permit Area contains any Hazardous Substances, Permittee, at its cost, shall: (i) promptly notify both Executive Directors of Permittee’s discovery or belief; (ii) at the request of either Executive Director, initiate chemical and/or physical analyses of the suspected Hazardous Substances; (iii) promptly submit all laboratory or other test results upon receipt thereof to both Executive Directors; (iv) develop and submit, for approval by both Executive Directors, a remediation plan providing for the disposal and/or treatment of the hazardous materials; (v) treat and dispose of or remove the Hazardous Substances in accordance with all applicable Laws; (vi) if

Hazardous Substances are removed, replace the same with clean, structurally suitable fill material and cause the excavation to be backfilled and compacted; and (vii) promptly submit copies of all waste manifests to both Executive Directors. Waste manifests shall identify Permittee and its contractors, not the Cities, as the generator of any Hazardous Substances removed pursuant to this provision.

8. UTILITIES. Permittee shall pay all charges for services or utilities furnished to the Permit Area or used in connection with its occupancy, and shall pay all deposits, connection fees, charges and meter rentals required by the supplier of any such service, including the Cities.

9. LEGAL COMPLIANCE. Permittee shall comply with all applicable laws, regulations, ordinances, rules, policies, guidelines, specifications, procedures and orders of any government entities ("Laws") in connection with its use and occupancy of the Permit Area and obtain all necessary licenses, consents and permits from all federal, state and local governmental authorities having jurisdiction over the Permit Area and Permittee's activities thereon.

10. NO ASSIGNMENT. Permittee shall not assign, sublet or transfer this Permit or any interest herein (whether by operation of law or otherwise) without the prior written consent of the Cities. The transfer, on a cumulative basis, of twenty-five percent (25%) or more of the voting control of Permittee shall constitute an assignment for this purpose. Any attempted transfer or assignment without the prior written consent of the Cities shall be void and confer no rights whatsoever upon a transferee or assignee. In addition, Cities shall have the right to terminate this Permit if any assignment or transfer, whether voluntary, by operation of law, or otherwise is made or attempted without the prior written consent of the Cities. Each request for consent to an assignment shall be in writing, accompanied by information relevant to the Cities' determination as to the financial and operational responsibility and appropriateness of the proposed assignee, including but not limited to the intended use and/or required modification of the Permit Area, if any, together with a nonrefundable processing fee of Three Thousand Dollars (\$3,000) or ten percent (10%) of the current annual Permit Fee applicable to the Permit Area which are the subject of the proposed assignment, whichever is greater, as consideration for the Cities considering and processing the request. Permittee agrees to provide to the Cities such other or additional information and/or documentation pertaining to the requested consent as may be reasonably requested by the Cities.

11. ACCESS. The Cities' representatives shall have access to and across the Permit Area during normal business hours and, in the event of an emergency, at any other time for inspection, repair of publicly owned utilities and structures and for fire and police department purposes.

12. RIGHTS-OF-WAY. The Permit Area is subject to all existing and future rights of way and entry thereon for the installation, relocation, removal, operation and maintenance of rail lines, sewers, pipelines, conduits, and telephone, telegraph, light, heat and power lines (whether underground or overhead).

13. RAILROAD APPROVAL AND NOTICE, EMERGENCY NOTIFICATION.

13.1 Rail Carrier Approval. In non-emergency situations, Permittee shall obtain the

written approval from the rail carriers that operate on the rail line traversing the Permit Area (“Railroads”) prior to the commencement of any work within the Permit Area in connection with the construction, repair, renewal, modification, reconstruction, relocation or removal of the Facilities, excepting only periodic inspection of the Facilities. Permittee shall comply with all permits, notifications, protective and safety requirements imposed by the Railroads, and Permittee shall pay all associated costs. In addition, the Cities have included in this Permit, certain Safety Protocols, hereto attached as Exhibit C. Permittee agrees to perform all safety precautions, approvals and notices associated with activities in the vicinity of the rail lines as set forth in Exhibit C. Exhibit C may be updated from time to time by the Executive Directors or their designees upon fourteen (14) days written notice to Permittee.

13.2 Alameda Corridor. If an emergency should arise requiring immediate attention for Permit Area in the Alameda Corridor, Permittee shall call the maintenance contractor for the Alameda Corridor Transportation Authority (“ACTA”), presently Balfour Beatty at (562) 285-0366; the ACTA Construction and Maintenance Manager at (323) 855-8068; ACTA at (562) 247-7777; and Pacific Harbor Line’s (“PHL”) Badger Bridge at (310) 830-0660.

14. INDEMNIFICATION. Permittee shall indemnify, defend (using counsel selected by the Cities) and hold harmless: (a) the Cities; (b) ACTA; (c) the Railroads; and (d) each of their respective council members, mayors, trustees, boards, officers, employees, agents, contractors, property managers, representatives and designees (collectively, “Indemnified Parties”) from and against any and all actions, suits, proceedings, claims, demands, damages, loss, liens, costs (including court costs and attorneys’ fees including the allocated cost of in-house counsel), expenses or liabilities, of any kind or nature whatsoever, for injury to or death of persons or damage to property, including property owned by or under the care and custody of the Cities, which may be brought, made, filed against, imposed upon or sustained by the Indemnified Parties, or any of them, and arising from or attributable to or caused by any acts or omissions of Permittee or any of the Indemnified Parties relating to or arising out of the Permit Areas, or by reason of any actual or asserted failure of Permittee to keep, observe or perform any provision of this Permit, except to the extent that such injury, death or damage is caused by the active negligence or willful misconduct of the Indemnified Parties or any of them. The indemnity required herein shall survive the revocation, termination or expiration of this Permit.

15. INSURANCE.

15.1 Specific Coverages Required. As a condition precedent to the effectiveness of this Permit, Permittee shall procure and maintain in full force and effect during the term of this Permit the types and levels of insurance described below. The required insurance and the documents provided as evidence thereof shall be in the name of Permittee as indicated on this contract. Insurance that requires the Cities to tender defense and/or indemnity to their own insurer(s) or make their insurance available is not permitted. If policies are written with aggregate limits, the aggregate limit shall be at least twice the occurrence limits or as specified below. Excess or umbrella policies, if used, shall be following form and shall provide coverage that is equal to or broader than the underlying coverage.

15.1.1 Commercial General Liability. Commercial General Liability insurance shall be provided on Insurance Services Office (ISO) CGL Form No. CG 00 01 or the equivalent, and shall include provisions for defense of additional insureds and defense costs in addition to limits. Policy limits shall be no less than one million dollars (\$1,000,000) per occurrence for all coverage provided and two million dollars (\$2,000,000) general aggregate. Coverage shall be included on behalf of the insured for claims arising out of the actions of independent contractors. The policy shall contain no provisions or endorsements limiting coverage for contractual liability or third party over action claims. The policy shall not limit coverage for the additional insured to “ongoing operations” or in any way exclude coverage for completed operations.

Coverage shall contain no contractors’ limitation or other endorsement limiting the scope of coverage for liability arising from explosion, collapse, or underground property damage.

Coverage shall be provided for property damage or bodily injury that occurs on or within fifty feet of railroad property using ISO CG 24 17 (10 01) or its equivalent. Defense costs shall be excess of limits. The policy must include work performed “by or on behalf” of the Permittee. Coverage shall apply on a primary non-contributing basis in relation to any other insurance or self-insurance, primary or excess, available to the Cities or any employee or agent of the Cities.

Coverage shall not be limited to the vicarious liability or supervisory role of any additional insured. Coverage shall not exclude contractual liability, restrict coverage to the sole liability of Permittee or contain any other exclusion contrary to this Permit. If this coverage is written on a claims-made basis, the retroactive date shall precede the effective date of this Permit. Continuous coverage will be maintained or an extended reporting period will be exercised for a period of at least three (3) years from termination or expiration of this Permit.

Cancellation: The policy shall not be cancelled or the coverage reduced by endorsement unless agreed to in writing by the Cities. Permittee agrees to provide written notice as required by this paragraph within 24 hours of initiating cancellation or receiving notice of cancellation from its insurer, insurance broker, or insurance agent.

The policy of insurance shall be endorsed as follows:

Additional Insured: The City of Long Beach and the City of Los Angeles, their Boards of Harbor Commissioners, employees and agents shall be added as additional insured with regard to liability and defense of suits or claims arising from the operations and activities performed by or on behalf of the Named Insured using ISO Forms CG 20 10 (2004) and CG 20 37 (2004) or their equivalent.

Additional Insured endorsements shall not: 1) be limited to “on-going operations”, 2) exclude “Contractual Liability”, 3) restrict coverage to the sole liability of the Permittee, or 4) contain any other exclusion contrary to this Permit.

15.1.2 Business Automobile Insurance. Automobile Liability Insurance shall be written on ISO Business Auto Coverage Form CA 00 01 or the equivalent, including symbol (8 & 9) (Hired and Non-Owned). Limit shall be no less than one million dollars (\$1,000,000) combined

single limit per accident. Coverage shall apply on a primary non-contributing basis in relation to any other insurance or self-insurance, primary or excess, available to City or any employee or agent of the Cities.

If Permittee does not own any vehicles, this requirement may be satisfied by a non-owned vehicle endorsement to the general and umbrella liability policies provided that a separate policy limit is provided for this coverage as required by this Permit.

Cancellation: The policy shall not be cancelled or the coverage reduced by endorsement unless jointly agreed to in writing by the Cities. Permittee agrees to provide written notice as required by this paragraph within 24 hours of initiating cancellation or receiving notice of cancellation from its insurer, insurance broker, or insurance agent.

The policy of insurance required above shall be endorsed as follows:

Additional Insured: The City of Long Beach and the City of Los Angeles, its Board of Harbor Commissioners, employees and agents shall be added as additional insured with regard to liability and defense of suits or claims arising from the operations and activities performed by or on behalf of the Named Insured.

Additional Insured endorsements shall not: 1) be limited to "on-going operations", 2) exclude "Contractual Liability", 3) restrict coverage to the sole liability of the Permittee, or 4) contain any other exclusion contrary to this Permit.

15.1.3 Workers' Compensation. Workers' Compensation Insurance, as required by the State of California, and Employer's Liability Insurance with a limit of not less than one million dollars (\$1,000,000) per accident for bodily injury and disease.

Cancellation: The policy shall not be cancelled or the coverage reduced by endorsement unless agreed to in writing by the Cities. Permittee agrees to provide written notice as required by this paragraph within 24 hours of initiating cancellation or receiving notice of cancellation from its insurer, insurance broker, or insurance agent.

The policy of insurance required above shall be endorsed as follows:

Waiver of Subrogation: A waiver of subrogation stating that the insurer waives all rights of subrogation against the Cities, their Boards of Harbor Commissioners, employees and agents.

15.2 General Requirements

15.2.1 Deductible/Self-Insured Retention. Any deductible or self-insured retention must be approved in writing by the Executives and shall protect the Indemnified Parties in the same manner and to the same extent as they would have been protected had the policy or policies not contained a deductible or self-insured retention. Any deductible or self-insured retention must be approved in writing in accordance with the Cities' insurance guidelines.

15.2.2 Evidence of Insurance.

15.2.2.1 City of Long Beach. The Permittee, concurrently with the execution of, and as a condition precedent to, the effectiveness of this Permit, shall deliver either endorsements on forms approved by the City of Long Beach acting by and through its Board of Harbor Commissioners (“Evidence of Insurance”) or certified copies of the required policies containing the terms and conditions required by this contract to the Chief Executive of the Port of Long Beach for approval as to sufficiency and to the City Attorney of the Port of Long Beach for approval as to form.

15.2.2.2 City of Los Angeles. For the City of Los Angeles, electronic submission is the required method of submitting Permittee’s insurance documents. Track4LA® is the City’s online insurance compliance system. The system uses the standard insurance industry form known as the ACORD 25 Certificate of Liability Insurance in electronic format. Permittee’s insurance broker or agent shall obtain access to Track4LA® at <http://track4la.city.org> and follow the instructions to register and submit the appropriate proof of insurance on Permittee’s behalf.

15.2.2.3 Both Cities. At least fifteen (15) days prior to the expiration of any such policy, evidence of insurance showing that such insurance has been renewed or extended shall be filed with the Executives.

15.3 Failure to Maintain Coverage. Permittee agrees to suspend and cease all operations hereunder during such period of time as the required insurance coverage is not in effect and evidence of insurance has not been approved by the Cities.

15.4 Acceptability of Insurers. Each such policy shall be from a company or companies with a current A.M. Best’s rating of no less than A-:VII and authorized to do business in the State of California or otherwise allowed to place insurance through surplus line brokers under applicable provisions of the California Insurance Code or any federal law. Any other rating must be approved in writing in accordance with the Cities’ insurance guidelines.

15.5 Contractual Liability. The coverage provided shall apply to the obligations assumed by the Permittee under the indemnity provisions of this contract but this insurance provision in no way limits the indemnity provisions and the indemnity provisions in no way limit this insurance provision.

15.6 Adjustment. Not more frequently than once each year, if in the opinion of either Executive the coverages or the limits of insurance described in this Paragraph are not adequate, Permittee shall modify the insurance coverage or the limits as required by either Executive.

15.7 Accident Reports. Permittee shall report in writing to Cities within fifteen (15) days after it, its officers or 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 Districts, if

Permittee's officers, agents or employees are involved in such an accident or occurrence while undertaking the permitted uses. 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 Permittee, its officers or managing agents.

16. TAXATION. THIS PERMIT MAY CREATE A POSSESSORY INTEREST IN FAVOR OF PERMITTEE, WHICH MAY BE SUBJECT TO TAXES. PERMITTEE SHALL PAY, PRIOR TO DELINQUENCY, ANY SUCH TAXES, AND ANY OTHER ASSESSMENTS OF WHATEVER CHARACTER LEVIED UPON ANY INTEREST CREATED BY THIS PERMIT. PERMITTEE SHALL ALSO PAY ALL LICENSE AND PERMIT FEES REQUIRED FOR THE CONDUCT OF ITS OPERATIONS. PERMITTEE SHALL DELIVER SATISFACTORY EVIDENCE OF ALL SUCH PAYMENTS TO EACH EXECUTIVE DIRECTOR UPON DEMAND.

17. NOTICE. Any notice, demand, request, consent or communication that any party desires or is required to give to the other parties shall be in writing and either be served personally, by facsimile transmission with electronic verification of transmission, or sent by prepaid, certified mail, addressed as follows:

To the Cities: Executive Director
 Long Beach Harbor Department
 4801 Airport Plaza Drive
 Long Beach, CA 90815
 Fax No.: (562) 283-7451

And: Executive Director
 Los Angeles Harbor Department
 425 South Palos Verdes Street
 San Pedro, CA 90731
 Fax No.: (310) 831-6936

With copies to: Port of Long Beach
 4801 Airport Plaza Drive
 Long Beach, CA 90815
 Attention: Director of Real Estate
 Fax No.: (562) 283-7451

 Port of Los Angeles
 425 South Palos Verdes Street
 Post Office Box 151
 San Pedro, CA 90731
 Attention: Director of Cargo/Industrial Real Estate
 Fax No.: (310) 547-4611

Cal Pacific Land Services, Inc.
7245 Garden Grove Blvd., Ste. M
Garden Grove, CA 92841
Attn: Ports' Property Manager
Fax No.: (714) 799-0500

Or such other Property Management firm as may be designated by the
Cities from time to time.

To Permittee: Stephen Summers
Dedeaux Properties LLC
1430 S. Eastman Ave.
Commerce, CA 90023
stephens@dedeauxproperties.com
(323) 981-8295

Any party may change its address by notifying the other parties of the change of address in accordance with this Paragraph. Notice shall be deemed communicated upon delivery if personally served or given by facsimile transmission and within seventy-two (72) hours from the time of mailing if mailed as provided in this Paragraph.

18. NO DISCRIMINATION. Permittee agrees, and as a condition to the continuance of this Permit, that it shall not discriminate in its employment practices against any employee or applicant for employment because of the employee's or applicant's race, religion, ancestry, national origin, sex, sexual orientation, age, disability, marital status, domestic partner status or medical condition or in any manner prohibited by any applicable law, including any laws established by the Cities. Permittee hereby agrees to comply with all reporting requirements related to such laws. Any contracts relating to the Permit Area entered into by Permittee shall contain this provision. The provisions of Section 10.8.4 of the Administrative Code of the City of Los Angeles are attached hereto as Exhibit D, and are hereby incorporated herein and made a part hereof.

19. CONFLICT OF INTEREST. It is understood and agreed that the parties to this Permit have read and are aware of the provisions of Sections 1090 *et seq.* and Sections 87100 *et seq.* of the Government Code relating to conflict of interest of public officers and employees, as well as the conflict of interest policies of the Cities. All parties hereto agree that they are unaware of any financial or economic interest of any public officer or employee of the Cities relating to this Permit. Notwithstanding any other provision of this Permit, it is further understood and agreed that if such a financial interest does exist at the inception of or at any time during the continuance of this Permit, the Executive Director of either City may immediately terminate this Permit by giving notice to Permittee. Termination pursuant to this Paragraph shall not be termination by forfeiture.

20. MISCELLANEOUS PROVISIONS.

20.1. Effect of Waiver. No waiver by any party at any time of any terms or conditions of this Permit shall be a waiver at any subsequent time of the same or any other term or

condition. The acceptance of a late Permit Fee by the Cities shall not be deemed a waiver of any other breach by Permittee of any term or condition of this Permit other than the failure of Permittee to make timely the particular payment so accepted.

20.2 Termination of Prior Agreements. Deleted.

20.3 Costs of Cities. Whenever this Permit requires Permittee to reimburse the Cities for costs of the Cities, such costs are agreed to include all direct and indirect costs which the Cities incur whether with the Cities' own forces or with independent contractors. These costs include salaries and all other costs the Cities incur for their employees, including attorneys, all material and equipment costs, together with an administrative handling charge and allocation of general overhead expense as determined by the Cities in good faith.

20.4 No Joint Venture. Nothing contained in this Permit shall have the effect of creating a joint venture or partnership between or among the parties, or of rendering one liable for any of the debts or obligations of any other, unless expressly provided in this Permit. Further, nothing contained in this Permit shall have the effect of creating a joint venture or partnership between the Cities or to render either of such entities liable for the debts, obligations or actions of the other, nor shall either the City of Los Angeles or the City of Long Beach be liable or responsible hereunder for any default, failure of performance, action or inaction of the other solely as a result of this Permit.

20.5 Actions of the Cities. All actions (except as otherwise specified in this Permit), approvals, decisions and consents of the Cities under this Permit shall require the consent of both the City of Los Angeles and the City of Long Beach in the Cities' sole and absolute discretion.

20.6 Governing Law; Venue. This Permit shall be governed by and construed in accordance with the laws of the State of California, without reference to the conflicts of law rules and principles of such State. The parties agree that all actions or proceedings arising in connection with this Permit shall be tried and litigated exclusively in the State and Federal courts located in the County of Los Angeles, State of California, in the judicial district required by court rules. The aforementioned choice of venue is intended by the parties to be mandatory and not permissive in nature, thereby precluding the possibility of litigation between the parties with respect to or arising out of this Permit in any jurisdiction other than that specified in this Paragraph, except that the Cities or either of them may in their sole and absolute discretion file and pursue actions in other forums in order to obtain such relief as the Cities or either of them deem appropriate.

20.7 Construction; Headings. The language in all parts of this Permit shall be in all cases construed simply according to its fair meaning and not strictly for or against any of the parties. Paragraph headings in this Permit are solely for convenience of reference and shall not govern the interpretation of any of the provisions of this Permit. Whenever required by the context of this Permit, the singular shall include the plural, the plural shall include the singular and the masculine, feminine and neuter genders shall each include the other. References in this Permit to days shall mean calendar days unless otherwise expressly provided.

20.8 Severability. Each provision of this Permit shall be interpreted so as to be effective and valid to the fullest extent possible. In the event, however, that any provision contained herein shall for any reason be held invalid, illegal or unenforceable in any respect, then, in order to effect the purposes of this Permit it shall be construed as if such provision had never been contained herein.

20.9 Amendments. This Permit shall not be altered, modified, or amended except by an instrument in writing, agreed to and signed by all parties. Any such alterations, modifications, or amendments are subject to all applicable approval processes required by, without limitation, either of the Cities' Charter and Administrative Codes.

20.10 No Liens. Permittee shall pay or cause to be paid all costs and charges for work done by it or caused to be done by it in, on, or to the Permit Area and for all materials furnished for or in connection with such work. Permittee shall keep the Permit Area free from any mechanics' liens, vendors' liens or any other liens arising out of any work performed, materials furnished or obligations incurred by Permittee. In the event that there shall be recorded against the Permit Area or the property of which the Permit Area is a part any claim or lien arising out of any such work performed, materials furnished or obligations incurred by Permittee and such claim or lien is not removed or discharged, or Permittee has not provided a bond therefor, within ten (10) days of filing, the claim or lien shall constitute a default hereunder and the Cities shall have the right but not the obligation to pay and discharge the lien without regard to whether such lien shall be lawful or correct. Nothing contained in this Permit shall be deemed the consent or agreement of the Cities to subject the Cities' interest in the Permit Area to liability under any mechanics' or other lien law.

20.11 Signs. Except for signs, markings and notices required by agencies with jurisdiction, Permittee shall not install, place, inscribe, paint or otherwise attach any sign, advertisement, notices, marquee or awning on any part of the Permit Area without the prior written consent of the Cities.

20.12 Security Measures. Permittee hereby acknowledges that the Permit Fee payable to the Cities hereunder does not include the cost of guard service or other security measures, and that the Cities have no obligation whatsoever to provide security. Permittee assumes all responsibility for the security and protection of the Permit Area, Permittee, its agents and invitees and their property from the acts of third parties.

20.13 Small/Very Small Business Enterprise Program. It is the policy of the City of Los Angeles to provide Small Business Enterprises (SBE), Very Small Business Enterprises (VSBE) and Minority-Owned, Women-Owned, Disabled Veteran Business Enterprises and all Other Business Enterprises (MBE/WBE/DVBE/OBE) an equal opportunity to participate in the performance of all City of Los Angeles contracts in all Areas where such contracts afford such participation opportunities. Permittee shall assist the City of Los Angeles in implementing this policy and shall use its best efforts to afford the opportunity for SBEs, VSBEs, MBEs, WBEs, DVBEs, and OBEs to achieve participation in subcontracts where such participation opportunities present themselves and attempt to ensure that all available business enterprises, including SBEs, VSBEs,

MBEs, WBEs, DVBEs, and OBEs, have equal participation opportunities which might be presented under the Permit.

20.14 Service Contract Worker Retention and Living Wage Policy. The Board of Harbor Commissioners of the City of Los Angeles adopted Resolution No. 5771 on January 13, 1999 agreeing to adopt the provisions of Los Angeles City Ordinance No. 171004 relating to Service Contract Worker Retention (SCWR) as the policy of the Harbor Department. Further, Charter Section 378 requires compliance with the City's Living Wage (LW) requirements. Permittee shall comply with these policies wherever applicable. Violation of this provision, where applicable, shall entitle the City of Los Angeles to terminate this Permit and otherwise pursue legal remedies that may be available.

20.15 Business Tax Registration Certificates. Permittee represents that it has obtained and presently holds the Business Tax Registration Certificates required by the City of Los Angeles and/or the City of Long Beach, as applicable. Permittee will provide each City evidence that such certificates have been obtained. Permittee shall maintain all such certificates required of it by each of the Cities and shall not allow any such certificates to be revoked or suspended.

20.16 Manager; Representatives. The Cities may designate one or more property managers, representatives, designees or employees to serve as their respective contact person or persons for purposes of this Permit. Permittee agrees to cooperate with any other persons or entities occupying, managing, using or performing work on the various portions of the Permit Area, including but not limited to ACTA and its designees.

20.17 Equal Benefits Policy. The Board of Harbor Commissioners of the City of Los Angeles adopted Resolution No. 6328 on January 12, 2005, agreeing to adopt the provisions of Los Angeles City Ordinance 172,908, as amended, relating to Equal Benefits, Section 10.8.2.1 et seq. of the Los Angeles Administrative Code, as a policy of the Harbor Department. Permittee shall comply with the policy wherever applicable. Violation of the policy shall entitle the City to terminate this Permit with Permittee and pursue any and all other legal remedies that may be available.

21. ADDITIONS. There is attached to this Permit an addendum, consisting of numbered Paragraphs N/A, inclusive, the provisions of which are made a part of this Permit as though set forth herein in full.

22. DELETIONS. Paragraph 20.2 is deleted and is not considered as part of this Permit, and it is so marked.


23. COUNTERPARTS. This Permit may be executed in any number of counterparts, each of which shall be deemed an original, but all of which shall constitute one and the same instrument.

24. ADDITIONAL REQUIREMENT. As a material inducement to the Cities for issuing this Permit, Permittee shall limit landscaping on its property adjacent to the Trench to low growing

plants/foliage which shall enable viewing inside the Trench from adjacent locations and Permittee shall prevent any landscaping from growing into the chain link mesh. Permittee shall use only low growing ground cover with mulch on its property within ten (10) feet of the emergency ladder gate as depicted on Exhibit B.

“PERMITTEE”
DEDEAUX PROPERTIES, LLC
a California limited liability company

January 8, 2018

By: 
Name: Brett Deaux
Title: Manager

_____, 20__

By: _____
Name: _____
Title: _____

ACKNOWLEDGMENT

A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

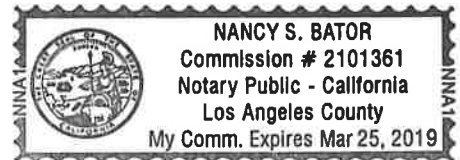
State of California
County of Los Angeles)

On January 8, 2018 before me, Nancy S. Bator, Notary Public
(insert name and title of the officer)

personally appeared Brett Dedeaux
who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are
subscribed to the within instrument and acknowledged to me that he/~~she~~/they executed the same in
his/~~her~~/their authorized capacity(ies), and that by his/~~her~~/their signature(s) on the instrument the
person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.



Signature Nancy S. Bator (Seal)

“CITIES”

THE CITY OF LONG BEACH, a municipal corporation, acting by and through its Board of Harbor Commissioners

_____, 20__

By: _____
Mario Cordero
Executive Director
Long Beach Harbor Department

Approved as to form this _____ day of _____, 20__.

CHARLES PARKIN, City Attorney

By: _____
David R. Albers
Deputy City Attorney

THE CITY OF LOS ANGELES, a municipal corporation, acting by and through its Board of Harbor Commissioners

_____, 20__

By: _____
Eugene D. Seroka
Executive Director
Los Angeles Harbor Department

Attest: _____
Secretary

Approved as to form and legality this 15th day of February, 2018.

MICHAEL N. FEUER, City Attorney
Janna B. Sidley, General Counsel

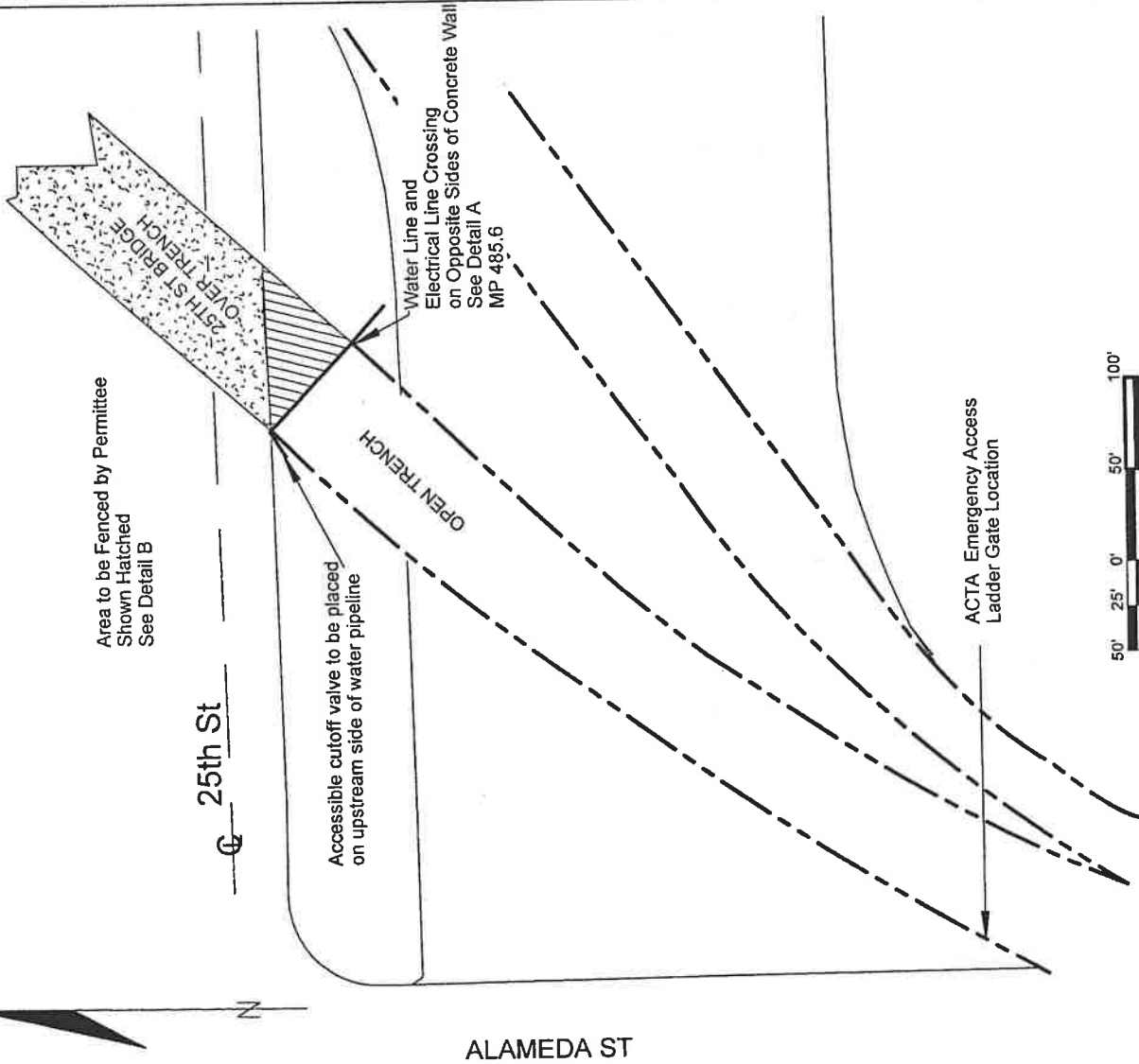
By: 
Heather M. McCloskey, Deputy

Exhibit A

Schedule of Permit Area
 DEDEAUX PROPERTIES, LLC
 Facilities on Port of Los Angeles / Port of Long Beach Jointly Owned Railroad Rights of Way

Railroad Right of Way	Cal Pacific P No.	Former Lease Audit No.	Mile Post	Facility Location (Cross Street)	Facility Description	Date of Occupancy	Facility Status	Length (ft.)	Width (ft.)	Annual Fee (\$2,000 Minimum or as Noted)
ACTA Corridor	N/A	N/A	485.6	25th Street, Vernon	3/4" PVC Water Pipeline in 1 1/2" Casing	New Facility	Active	65'	3	\$2,000
ACTA Corridor	N/A	N/A	485.6	25th Street, Vernon	Electrical Line in 1" Steel Conduit	New Facility	Active	65'	3	\$2,000
ACTA Corridor	N/A	N/A	485.6	25th Street, Vernon	Security Fence	New Facility	Active	80' +/-		\$0
<u>\$4,000</u>										

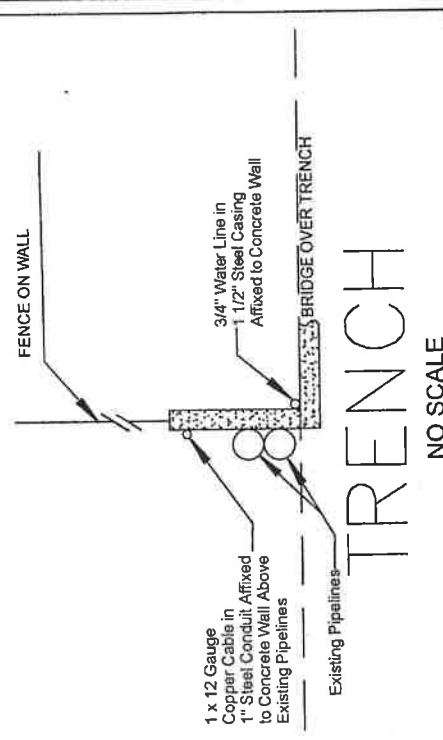
EXHIBIT B



Ports' ROW Delineated by ---
 This Exhibit is not a representation or warranty of the extent of, or boundaries of, the Ports' Property.

DETAIL A Wall on Bridge over Trench

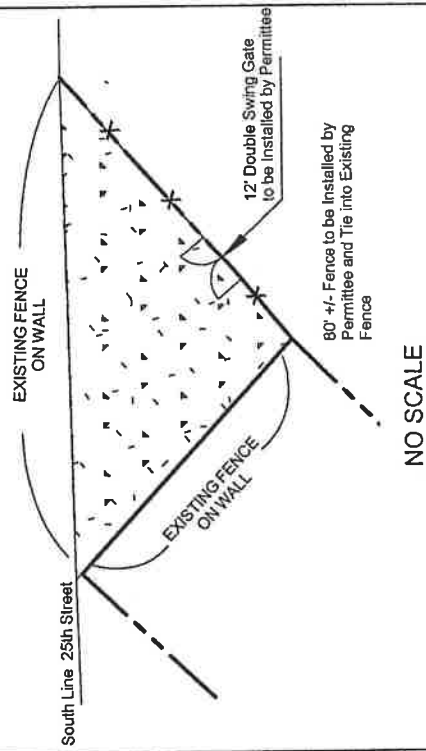
Southerly Side



TRENCH

NO SCALE

DETAIL B Fencing Requirements



DISTANCE ON PORTS' ROW - 67' +/-

CAL PACIFIC LAND SERVICES, INC.
 726 Garden Grove Blvd. #2
 Garden Grove, CA 92641
 714.799.0900

PORT OF LOS ANGELES/PORT OF LONG BEACH			
PERMITTEE	DEDEAUX PROPERTIES, LLC		
RR	ALAMEDA CORRIDOR	MIP AS SHOWN	FACILITY AS SHOWN
CITY	VERNON	COUNTY	LOS ANGELES
SCALE	AS SHOWN	TITLE BLOCK	674-G2
		DATE	7/24/17
		SHEET NO.	2

EXHIBIT C

LOS ANGELES
CALIFORNIA

ALAMEDA CORRIDOR
TRANSPORTATION AUTHORITY

LONG BEACH
CALIFORNIA

Alameda Corridor Transportation Authority Right-of-Way Work Permit Protocols

The Alameda Corridor Transportation Authority (ACTA) railroad right-of-way (“Railroad Property”) is owned by the Harbor Departments of the Cities of Los Angeles and Long Beach (“Ports”). The Work Permit Protocols set out below are applicable to the Permittee and any of its contractors, agents or other parties entering the right-of-way pursuant to the Permit.

The work contemplated must be permitted either under a Joint Ports issued Revocable Permit or under an permit issued by the railroad which previously sold the right of way to the Ports. The Ports must review and approve the Railroad Work Plan described below prior to commencement of work.

1.0 Conditions for Physical Access to the Railroad Property.

All Permittees, whether under an existing permit or a newly issued Joint Revocable Permit (JRP) must conform to the following conditions for physical access to the Railroad Property.

1.1 ACTA is responsible for track integrity within the Railroad Property. Permittee is responsible for any damage to the existing track or right-of-way due to any construction, alteration and/or operations. A pre-inspection of the site prior to work is required to verify existing conditions.

The Permittee or its Contractor shall mark the rails and Railroad Property lines at the centerline of the proposed casing and 10’ north and 10’ south of the casing centerline. Elevations shall be shot, under the direction of a licensed land surveyor, at the property lines and each rail along each of the three reference lines. A numbering scheme, plan schematic, horizontal coordinates and spreadsheet shall be developed and provided to record elevations on each day that elevations are checked, as noted below.

Threshold limits within the ACTA right-of-way are 0.25” of movement of rail (horizontal or vertical). If it is determined that settlement or movement exceeds these threshold limits, the Contractor and ACTA flagger on-site shall be immediately notified. The Contractor shall suspend all operations until site conditions are reassessed and remediation is coordinated with Permittee or its Contractor and ACTA.

Monitoring of settlement shall be performed at minimum intervals as follows:
a) once before construction, b) daily during the passage of

EXHIBIT C

1 boring/jacking/drilling activities under the RR tracks, c) the day thereafter, d)
2 14 days thereafter, and e) 30 days after the completion of
3 boring/jacking/drilling activities under the railroad tracks.
4

5 Reports of the lateral and elevation readings shall be submitted to ACTA and
6 Cal Pacific after the completion of construction, after the survey reading on
7 the 14th day, and after the survey reading on the 30th day.
8

9 1.2 A Railroad Work Plan shall be submitted to the Ports and ACTA at least 14
10 days prior to any work for approval of any access to the Railroad Property. A
11 copy of the required Work Plan is included as Attachment 2.

12 1.3 The Permittee or their Contractor must make arrangements for access with
13 ACTA's Manager of Corridor Rail Facilities (see Attachment 1). Failure to do
14 so or failure to abide by his/her requirements and instructions will be cause for
15 termination of the JRP/license and will result in personnel being removed
16 from the right-of-way.

17 1.4 At the Ports' or ACTA's discretion, a full time qualified inspector employed
18 by the Ports, Ports' Property Manager or ACTA and paid by the entity
19 requiring access for any work or access to the Ports owned Railroad Property
20 may be required.

21 1.5 Daily written email or faxed reports of work within the Railroad Property shall
22 be required. These reports will include all activity within the railroad right-of-
23 way (including work force, equipment, date/time, and actual work performed)
24 and a description of any injuries, accidents, or unusual circumstances which
25 occur. The Ports' Property Manager shall distribute the daily reports to ACTA
26 and Ports.

27 1.6 Any work within 25 feet measured perpendicular from centerline of the
28 nearest track (including the length of crane boom) within the railroad right-of-
29 way shall require a Flagperson. This includes above and below ground work.
30 The Flagperson shall be provided by ACTA and paid for by the entity doing
31 work or requiring access to the Railroad Property. The request for a
32 Flagperson shall require no less than a 14-day advance written notice to
33 ACTA from the entity doing work or requiring access. ACTA will provide a
34 Flagperson at their own discretion. The ACTA contact for a Flagperson on the
35 ACTA railroad right-of-way shall be the Construction and Maintenance
36 Manager (see Attachment 1).

37 1.7 Daily contact shall be required between ACTA and the entity doing work or
38 access to the Railroad Property. The ACTA contact is the Construction and
39 Maintenance Manager.

EXHIBIT C

- 1
2 1.8 All excavations shall be continuously shored. Temporary shoring shall be
3 designed for a minimum of E80 loading using AREMA standards and the
4 method of shoring shall be approved by ACTA's Engineer or subcontractor at
5 Permittee's expense. The shoring plans shall be included in the Railroad
6 Work Plan submitted by the permittee or their sub-contractor.
- 7 1.9 All work shall be performed during daylight hours, Monday through Friday,
8 unless approved otherwise in writing by the Ports and ACTA. Work shall
9 progress in a manner so that all work shall be completed in the least possible
10 time.
- 11 1.10 Temporary Horizontal Construction Clearances
- 12 A minimum temporary horizontal construction clearance of 12 feet, measured
13 perpendicular or normal from the centerline of the nearest track to all physical
14 obstructions including but not limited to formwork, stockpiled materials,
15 parked equipment, bracing or other construction supports, shall be provided.
16 Temporary horizontal construction clearance shall provide space for drainage
17 ditches parallel to the standard roadbed section or provide an alternative
18 system that maintains positive drainage. Greater clearances may be required
19 for special cases to satisfy local operating conditions such as required sight
20 distance for signals. All access roads along the right-of-way shall remain
21 unobstructed at all times so that maintenance and emergency vehicles may
22 pass unrestricted through work areas. The work and storage areas shall be
23 kept free of tripping hazards at all times. All excavated materials shall be
24 stockpiled in an area approved in writing by the Ports and ACTA. The
25 temporary horizontal clearances are subject to local operating requirements
26 and ACTA approval. All walkway shall be maintained be in compliance with
27 California Public Utilities Commission regulations at all times.
- 28 1.11 Temporary Vertical Clearances
- 29 A minimum temporary vertical construction clearance of 22 feet 6 inches
30 measured above top of rail for all tracks shall be provided. The temporary
31 vertical clearance shall not be violated due to deflection of formwork. Greater
32 temporary vertical clearances may be required. The temporary vertical
33 clearances are subject to local operating requirements and ACTA approval.
- 34 1.12 All personnel of the Permittee and or its Contractors and/or subcontractors
35 shall possess a valid railroad Roadway Worker Card if work is to be
36 performed within 25 feet of the nearest track and shall abide by all safety rules
37 and instructions from the Flagperson and the Ports and/or ACTA Engineers.
38 Public safety and safeguarding the tracks and the trains that operate on those

EXHIBIT C

1 tracks are paramount. Work over or near the tracks will require one or more
2 of the following personnel at the Ports and/or ACTA's sole discretion and at
3 the Permittee's cost.

4 1.12.1 Flagperson, Signal Maintainer, Inspector, and/or Engineer:
5 Requires a 14-day advance written notice and will be
6 provided at the current ACTA rate to be provided at time of
7 service.

8 1.12.2 ACTA Approval: Before entering upon or performing work
9 of any kind on the permit area, Permittee shall obtain the
10 written approval of ACTA for the permit area. Permittee
11 shall comply with all permit, notification, protective, and
12 safety requirements imposed by ACTA, and Permittee shall
13 pay all associated costs.

14 1.13 The Permittee or Permittee's representative will keep a copy of the Ports'
15 fully executed agreement, exhibits and all attachments including a complete
16 Railroad Work Plan at the job site at all times during construction on the
17 Railroad Property. Failure to provide the necessary information or documents
18 at the job-site will result in the removal of the Permittee, their employees and
19 equipment from the Railroad Property.

20 1.14 A final job walkthrough shall be provided within 14 days upon written
21 notification to the Ports and ACTA of completion of the work. ACTA and
22 Permittee shall prepare a list of the items remaining to be completed. The
23 Permittee shall promptly remedy the defective and/or uncompleted portions of
24 the work to ACTA's satisfaction. The ACTA contact is the Manager of
25 Corridor Rail Facilities. Written confirmation shall be provided to the Ports
26 and ACTA that all items of the final job walkthrough have been completed to
27 the satisfaction of ACTA. Failure to promptly complete the final job
28 walkthrough list of items remaining to be completed shall result in the work
29 being completed by ACTA and Permittee shall pay all associated costs.

30 1.15 Permittee shall provide "As-built" drawings to ACTA with copies to the Ports
31 and the Ports' Property Manager within thirty (30) days upon completion of
32 the work, and will update them to reflect any future changes and supply copies
33 to the Ports. The ACTA contact for the "As-builts" is the Project Coordinator
34 (see Attachment 1).

35 1.16 All excavation/jacking/boring operations shall be observed for the presence of
36 petroleum products, chemicals, or contaminated soil. Deeply discolored soil or
37 suspected contaminated soil shall be segregated from uncontaminated soil;
38 suspected contaminated soil and related materials shall be sampled and tested

EXHIBIT C

1 for classification in accordance with applicable regulatory requirements and
2 shall be disposed of in accordance with such requirements.

3 1.17 The construction procedures for jacking/boring under the railroad tracks shall
4 be included in the Railroad Work Plan.

5 1.18 The Contractor shall install a warning marker over the pipeline at each end of
6 the rail right-of-way as approved by ACTA.

7 1.19 Design and construction shall comply with Ports' Rail Property Pipeline
8 Crossing Application conditions and AREMA Part 5, Section 5.1 requirement
9 for pipes carrying flammable liquids.

10 1.20 The following additional attachments are provided with this Exhibit: Contact
11 List (Attachment 1) and Railroad Work Plan (Attachment 2). The Contact List
12 is current as of the effective date of the Permit, however, during the term of
13 the Permit Permittee shall be obligated to verify the accuracy of Attachment 1
14 by contacting Ports' Property Manager and requesting verification.

15 Written Notices to the Agencies may be made to the following Entities:

16 Port of Long Beach
17 4801 Airport Plaza Drive
18 Long Beach, CA 90815
19 Attention: Director of Real Estate
20 Fax No. 562-283-7761

21
22 Port of Los Angeles
23 425 South Palos Verdes Street
24 San Pedro, CA 90731
25 Attention: Director of Cargo/Industrial Real Estate
26 Fax No. 310-547-1725

27
28 Alameda Corridor Transportation Authority
29 3760 Kilroy Airport Way, Suite 200
30 Long Beach, CA 90806
31 Attn: Chief Executive Officer
32 Fax No. 562 247-7090

33
34 Cal Pacific Land Services, Inc. (Ports' Property Manager)
35 7245 Garden Grove Blvd., Ste. M
36 Garden Grove, CA 92841
37 Attn: Ports' Property Manager
38 Fax No. 714-799-0500

39 Or such other property management firm as may be designated by the Ports from
40 time to time.

41 These protocols are approved as of September 18, 2015.

**EXHIBIT C
(Attachment 1)**

LOS ANGELES
CALIFORNIA

ALAMEDA CORRIDOR
TRANSPORTATION AUTHORITY

LONG BEACH
CALIFORNIA

Alameda Corridor Track Contact List – June 2016

1. Alameda Corridor Transportation Authority:

- CEO: John Doherty (562-247-7070) jdoherty@acta.org
- Project Coordinator: Jorge Pantoja (562/247-7074), cell (562/335-8528), pantoja@trenchteam.com
- Construction and Maintenance Manager: Manny Hernandez (562/247-7073), cell (323/855-8068), hernandez@trenchteam.com
- Environmental Manager: Elaine Silvestro (562/247-7087), cell (310/650-3359), silvestro@trenchteam.com

2. Badger Bridge

- For Alameda Corridor Emergency, also call: (310/830-0660)

3. Balfour Beatty

- For Alameda Corridor Emergency, also call: (562/285-0366)
- For after hours: BBII Rail Track Manager – Sergio Montes cell (310/863-0914) or BBII Area Operations Manager – Brian Bennett cell (317/471-9798)
- Railroad Crossing/Signals: Kevan Kelly cell (310/863-0860) kkelley@bbius.com

4. Port of Long Beach

- Real Estate: Debra Shepack (562/283-7459) debra.shepack@polb.com
- Real Estate: Mari Takahashi (562/283-7458) mari.takahashi@polb.com
- Rail Operations: Carlo Luzzi (562/283-7278) carlo.luzzi@polb.com

5. Port of Los Angeles

- Real Estate: Paul Andre, (310/732-3479) pandre@portla.org
- Engineering: Daniel Samaro (310/732-7673) dsamaro@Portla.org

6. Cal Pacific Land Services, Inc.

- Chuck Wadell: 714/799-0900 (714/679-9091 cell) cwadell@calpacland.com

This Contact List may change from time to time. Permittee shall be at all times responsible for contacting Cal Pacific, the Ports' Property Manager, for the most current list.

**EXHIBIT C
(Attachment 2)**

LOS ANGELES
CALIFORNIA

ALAMEDA CORRIDOR
TRANSPORTATION AUTHORITY

LONG BEACH
CALIFORNIA

Alameda Corridor Railroad Work Plan – Date: _____

**REQUIREMENTS WHEN WORKING WITHIN, ADJACENT TO, ABOVE, OR
BENEATH RAILROAD RIGHT-OF-WAY**

START DATE: _____

DURATION (Start & End Date): Start on _____ and End on _____

TRACK LOCATION: Track number _____ Track located
_____ (See attached plan.)

START & STOP TIMES: Begin each day at _____ and end at _____

DESCRIPTION OF WORK: The work includes

_____ (See attached plan.)

WORK CREW: The work will be performed by _____. The equipment used
will be _____.

PURCHASE ORDER NUMBER (Attach Approved Joint Revocable Permit) _____

SAFETY PROTECTION:

The Railroad Work Plan is submitted fourteen (14) days in advance of any work within twenty five (25) feet of track centerline. ACTA will confirm if a Flagperson or watchman is required.

If a Flagperson is required or if equipment is within twenty five (25) feet from the nearest track measured perpendicular to the centerline, then flagging will be provided by ACTA. When a Flagperson is required, a new work plan request will be submitted to ACTA a minimum of fourteen (14) working days prior to any work being performed. The Railroad track closure will be at the full discretion of ACTA and the railroads which operate on ACTA tracks. The ACTA primary contact is the Environmental Manager (562/247-7087, cell (310/650-3359). The ACTA secondary contact is the Project Coordinator (562/247-7074, cell (562/335-8528).

If an Inspector is required by ACTA or the Ports, the charges relating to such Inspector will be paid for by the Permittee or Permittee's Contractor. Inspection will be arranged by ACTA.

Note: The Contractor shall submit the Railroad Work Plan to Cal Pacific Land Services, Inc., the Ports' Property Manager (714/799-0900). All related permits shall be obtained prior to submitting the Railroad Work Plan.

EXHIBIT D

AFFIRMATIVE ACTION PROGRAM PROVISIONS

Sec. 10.8.4 Affirmative Action Program Provisions.

Every non-construction contract with or on behalf of the City of Los Angeles for which the consideration is \$100,000 or more and every construction contract with or on behalf of the City of Los Angeles for which the consideration is \$5,000 or more shall contain the following provisions which shall be designated as the AFFIRMATIVE ACTION PROGRAM provisions of such contract:

- A. During the performance of City contract, the contractor certifies and represents that the contractor and each subcontractor hereunder will adhere to an affirmative action program to ensure that in its employment practices, persons are employed and employees are treated equally and without regard to or because of race, religion, ancestry, national origin, sex, sexual orientation, age, disability, marital status, domestic partner status, or medical condition.
 - 1. This provision applies to work or services performed or materials manufactured or assembled in the United States.
 - 2. Nothing in this section shall require or prohibit the establishment of new classifications of employees in any given craft, work or service category.
 - 3. The contractor shall post a copy of Paragraph A hereof in conspicuous places at its place of business available to employees and applicants for employment.
- B. The contractor will, in all solicitations or advertisements for employees placed by or on behalf of the contractor, state that all qualified applicants will receive consideration for employment without regard to their race, religion, ancestry, national origin, sex, sexual orientation, age, disability, marital status, domestic partner status, or medical condition.
- C. As part of the City's supplier registration process, and/or at the request of the awarding authority or the Office of Contract Compliance, the contractor shall certify on an electronic or hard copy form to be supplied, that the contractor has not discriminated in the performance of City contracts against any employee or applicant for employment on the basis or because of race, religion, ancestry, national origin, sex, sexual orientation, age, disability, marital status, domestic partner status, or medical condition.
- D. The contractor shall permit access to and may be required to provide certified copies of all of its records pertaining to employment and to its employment practices by the awarding authority or the Office of Contract Compliance, for the

EXHIBIT D

purpose of investigation to ascertain compliance with the Affirmative Action Program provisions of City contracts, and on their or either of their request to provide evidence that it has or will comply therewith.

- E. The failure of any contractor to comply with the Affirmative Action Program provisions of City contracts may be deemed to be a material breach of contract. Such failure shall only be established upon a finding to that effect by the awarding authority, on the basis of its own investigation or that of the Board of Public Works, Office of Contract Compliance. No such finding shall be made except upon a full and fair hearing after notice and an opportunity to be heard has been given to the contractor.
- F. Upon a finding duly made that the contractor has breached the Affirmative Action Program provisions of a City contract, the contract may be forthwith cancelled, terminated or suspended, in whole or in part, by the awarding authority, and all monies due or to become due hereunder may be forwarded to and retained by the City of Los Angeles. In addition thereto, such breach may be the basis for a determination by the awarding authority or the Board of Public Works that the said contractor is an irresponsible bidder or proposer pursuant to the provisions of Section 371 of the Los Angeles City Charter. In the event of such determination, such contractor shall be disqualified from being awarded a contract with the City of Los Angeles for a period of two years, or until he or she shall establish and carry out a program in conformance with the provisions hereof.
- G. In the event of a finding by the Fair Employment and Housing Commission of the State of California, or the Board of Public Works of the City of Los Angeles, or any court of competent jurisdiction, that the contractor has been guilty of a willful violation of the California Fair Employment and Housing Act, or the Affirmative Action Program provisions of a City contract, there may be deducted from the amount payable to the contractor by the City of Los Angeles under the contract, a penalty of TEN DOLLARS (\$10.00) for each person for each calendar day on which such person was discriminated against in violation of the provisions of a City contract.
- H. Notwithstanding any other provisions of a City contract, the City of Los Angeles shall have any and all other remedies at law or in equity for any breach hereof.
- I. The Public Works Board of Commissioners shall promulgate rules and regulations through the Office of Contract Compliance and provide to the awarding authorities electronic and hard copy forms for the implementation of the Affirmative Action Program provisions of City contracts, and rules and regulations and forms shall, so far as practicable, be similar to those adopted in applicable Federal Executive Orders. No other rules, regulations or forms may be

EXHIBIT D

used by an awarding authority of the City to accomplish this contract compliance program.

- J. Nothing contained in City contracts shall be construed in any manner so as to require or permit any act which is prohibited by law.
- K. The Contractor shall submit an Affirmative Action Plan which shall meet the requirements of this chapter at the time it submits its bid or proposal or at the time it registers to do business with the City. The plan shall be subject to approval by the Office of Contract Compliance prior to award of the contract. The awarding authority may also require contractors and suppliers to take part in a pre-registration, pre-bid, pre-proposal, or pre-award conference in order to develop, improve or implement a qualifying Affirmative Action Plan. Affirmative Action Programs developed pursuant to this section shall be effective for a period of twelve months from the date of approval by the Office of Contract Compliance. In case of prior submission of a plan, the contractor may submit documentation that it has an Affirmative Action Plan approved by the Office of Contract Compliance within the previous twelve months. If the approval is 30 days or less from expiration, the contractor must submit a new Plan to the Office of Contract Compliance and that Plan must be approved before the contract is awarded.
1. Every contract of \$5,000 or more which may provide construction, demolition, renovation, conservation or major maintenance of any kind shall in addition comply with the requirements of Section 10.13 of the Los Angeles Administrative Code.
 2. A contractor may establish and adopt as its own Affirmative Action Plan, by affixing his or her signature thereto, an Affirmative Action Plan prepared and furnished by the Office of Contract Compliance, or it may prepare and submit its own Plan for approval.
- L. The Office of Contract Compliance shall annually supply the awarding authorities of the City with a list of contractors and suppliers who have developed Affirmative Action Programs. For each contractor and supplier the Office of Contract Compliance shall state the date the approval expires. The Office of Contract Compliance shall not withdraw its approval for any Affirmative Action Plan or change the Affirmative Action Plan after the date of contract award for the entire contract term without the mutual agreement of the awarding authority and the contractor.
- M. The Affirmative Action Plan required to be submitted hereunder and the pre-registration, pre-bid, pre-proposal or pre-award conference which may be required by the Board of Public Works, Office of Contract Compliance or the awarding authority shall, without limitation as to the subject or nature of employment activity, be concerned with such employment practices as:

EXHIBIT D

1. Apprenticeship where approved programs are functioning, and other on-the-job training for non-apprenticeable occupations;
 2. Classroom preparation for the job when not apprenticeable;
 3. Pre-apprenticeship education and preparation;
 4. Upgrading training and opportunities;
 5. Encouraging the use of contractors, subcontractors and suppliers of all racial and ethnic groups, provided, however, that any contract subject to this ordinance shall require the contractor, subcontractor or supplier to provide not less than the prevailing wage, working conditions and practices generally observed in private industries in the contractor's, subcontractor's or supplier's geographical area for such work;
 6. The entry of qualified women, minority and all other journeymen into the industry; and
 7. The provision of needed supplies or job conditions to permit persons with disabilities to be employed, and minimize the impact of any disability.
- N. Any adjustments which may be made in the contractor's or supplier's workforce to achieve the requirements of the City's Affirmative Action Contract Compliance Program in purchasing and construction shall be accomplished by either an increase in the size of the workforce or replacement of those employees who leave the workforce by reason of resignation, retirement or death and not by termination, layoff, demotion or change in grade.
- O. Affirmative Action Agreements resulting from the proposed Affirmative Action Plan or the pre-registration, pre-bid, pre-proposal or pre-award conferences shall not be confidential and may be publicized by the contractor at his or her discretion. Approved Affirmative Action Agreements become the property of the City and may be used at the discretion of the City in its Contract Compliance Affirmative Action Program.
- P. This ordinance shall not confer upon the City of Los Angeles or any Agency, Board or Commission thereof any power not otherwise provided by law to determine the legality of any existing collective bargaining agreement and shall have application only to discriminatory employment practices by contractors or suppliers engaged in the performance of City contracts.
- Q. All contractors subject to the provisions of this section shall include a like provision in all subcontracts awarded for work to be performed under the contract with the City and shall impose the same obligations, including but not limited to

EXHIBIT D

filing and reporting obligations, on the subcontractors as are applicable to the contractor. Failure of the contractor to comply with this requirement or to obtain the compliance of its subcontractors with all such obligations shall subject the contractor to the imposition of any and all sanctions allowed by law, including but not limited to termination of the contractor's contract with the City.