

FIRST AMENDMENT TO PERMIT NO. 952
BETWEEN THE CITY OF LOS ANGELES AND
INNOVATIVE TERMINALS SERVICES, INC.
(690 New Dock Street)

THIS FIRST AMENDMENT ("First Amendment") to Permit No. 952 ("Agreement") is made and entered by and between the CITY OF LOS ANGELES, a municipal corporation, acting by order of and through its Board of Harbor Commissioners, ("Board") of the Harbor Department ("Harbor Department" or "City") and INNOVATIVE TERMINALS SERVICES, INC. (referred to as "Tenant").

RECITALS

~~WHEREAS, City and Tenant entered into the Agreement on April 12, 2021; and~~

WHEREAS, City and Tenant desire to extend the Agreement for an additional term and modify some of the provisions set forth in the Agreement;

NOW, THEREFORE, in consideration of the terms, covenants, and conditions hereinafter contained to be kept and performed by the respective parties hereto, IT IS MUTUALLY AGREED that the Agreement be amended as follows:

Section 1. Article 1, Section 3.2 of the Agreement is hereby deleted in its entirety and replaced with the following:

"3.2 Term. The Term of this Agreement shall be for ten (10) years and nineteen (19) days commencing on April 12, 2021 ("Effective Date") and expiring on April 30, 2031 ("Expiration Date"). Either party may terminate this Agreement, with or without cause, upon one hundred eighty (180) days written notice, unless otherwise terminated in accordance with this Agreement."

Section 2. Article 1, Section 4.2 of the Agreement is hereby deleted in its entirety and replaced with the following:

"4.2 Base Rent. As consideration for the rights granted in this Agreement, Tenant shall pay to City in the manner herein described without abatement, deduction or offset, except as provided herein, the following Base Rent when due, whether or not an invoice for same has been received, the initial Base Rent of Two Hundred Ninety-Three Thousand Five Hundred Thirty Dollars and Forty-Five Cents (\$293,530.45), paid monthly due on or before the first day of each month."

Section 3. Article 1, Section 4.3 of the Agreement is hereby amended to delete the following from the first paragraph before Section 4.3.1:

"7/1/2022 to 6/30/2023 \$243,391.75"

Section 4. Article 1, Section 4.3.1 of the Agreement is hereby deleted in its entirety and replaced with the following:

"4.3.1 Annual Adjustments. Effective July 1st, 2027 and every July 1st thereafter (which date and subsequent annual anniversaries shall be referred to individually as "Annual Adjustment Date"), and annually thereafter, the Base Rent shall be adjusted as of the Annual Adjustment Date automatically without further notice to reflect the percentage increase (*but in no event decrease*), if any, in the CPI-U, or successor index selected by the Executive Director in the Executive Director's sole reasonable discretion ("Annual Adjustments") or 2%, whichever is greater. Such adjusted Base Rent shall be equal to the product obtained by multiplying the Base Rent amount in effect on the Annual Adjustment Date by a fraction, the numerator of which is the CPI-U index for the second month immediately preceding the Annual Adjustment Date, (the "Adjustment Index") and the denominator of which is the CPI-U index as it stood on the same month of the prior year (the "Base Index"). For accounting purposes, the Annual Adjustment shall be rounded to the nearest thousandth.

The formula illustrating the adjustment computation is as follows:

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

Section 5. Article 2, Sections 104.6.1 and 104.6.2 of the Agreement are hereby deleted in their entirety and replaced with the following:

"104.6.1 Generally; Notice. In its use and occupancy of the Premises, Tenant shall comply (and shall immediately halt and remedy any incident of non-compliance) with: (a) Environmental Laws; (b) all applicable environmental policies, rules and directives of the Harbor Department as set forth on Exhibit "H" hereto; and (c) following certification of the environmental document required by the California Environmental Quality Act for the development at the Premises intended to implement the any improvements or legally entitle hereunder an additional term of use and occupancy of the Premises, the environmental mitigation measures ("Mitigation Measures") and Mitigation Monitoring and Reporting Program (or "MMRP") and other Environmental Compliance Requirements, if any, set forth collectively in Exhibit "I-1" hereto. Tenant shall immediately upon receipt provide City with copies of any notices or orders or similar notifications received from any Governmental Agency regarding compliance with any Environmental Laws.

104.6.2 Revision of Mitigation Measures and Environmental Compliance Requirements. Following the Effective Date, upon mutual written agreement of the Board and Tenant, or through other measures incorporated into this Agreement, the Board may revise Exhibit "I-2"."

Section 6. Exhibit "I" of the Agreement is hereby deleted in its entirety and replaced with Exhibit "I-1" and Exhibit "I-2" which is attached hereto and incorporated by reference. The Agreement is hereby further amended to delete any and all references to Exhibit "I" in the Agreement and to replace such reference with reference to Exhibit "I-1" and Exhibit "I-2".

Section 7. Except as specifically provided herein, this First Amendment shall not in any manner alter, change, modify, or affect any of the rights, privileges, duties, or obligations of either of the parties hereto under or by any reason of said Agreement, and except as expressly exercised herein, all of the terms, covenants, and conditions of said Agreement, as exercised, shall remain in full force and effect.

[signature page follows]

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

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

Dated: _____, 20__

By: _____
EUGENE D. SEROKA
Executive Director

Attest: _____
AMBER M. KLESGES
Board Secretary

Dated: February 3, 2026

INNOVATIVE TERMINAL
SERVICES, INC.

By: [Signature]
W. Michael Hawke, CEO
(Print/type Name and Title)

By: [Signature]
Kent M. Phillips, CFO
(Print/type Name and Title)

APPROVED AS TO FORM AND LEGALITY

February 11, 2026
HYDEE FELDSTEIN SOTO, City Attorney
STEVEN Y. OTERA, General Counsel

By: [Signature]
HELEN J. SOK, Deputy

EXHIBIT I – 1

PORT ENVIRONMENTAL POLICIES

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

1. Port of Los Angeles Environmental Management Policy, as amended, or its successor policy. Available at: http://www.portofla.org/img/Env_Mgmt_Policy.gif
2. [San Pedro Bay Ports Clean Air Action Plan](#), as amended, or its successor plan/document. Available at: <http://www.cleanairactionplan.org>.
3. Port of Los Angeles and Port of Long Beach Water Resources Action Plan or its successor plan/document. Available at: <https://www.portoflosangeles.org/environment/water-and-sediment-quality/water-resources-action-plan>.
4. Port of Los Angeles Green Building Policy (2007), as amended, or its successor policy.
5. Port of Los Angeles Sustainable Construction Guidelines (2008), as amended, or its successor document.
6. Resolution No. 5317 – Policy for Operation of Hazardous Waste Transfer, Storage and Disposal (TSD) Facilities on Harbor Department Property and any amendments or successor resolution.
7. Tenant acknowledges that City has provided copies or made copies available via the Port's website, of the above policies to the Tenant.

EXHIBIT I – 2

Lease Measure (LM) Monitoring and Reporting Forms are the documentation to be completed by the Tenant and submitted to the Harbor Department, to certify compliance that the measures have been implemented. The monitoring and reporting forms will be submitted to the LAHD at the address below:

Port of Los Angeles - Environmental Management Division

425 S. Palos Verdes Street

San Pedro, CA 90731

Attention: CEQA Compliance Coordinator

With the following identifier:

Innovative New Dock Chassis Depot

State Clearinghouse No. 2020090061

The Tenant shall maintain documents listed and otherwise required demonstrating compliance with each individual measure and shall provide such documentation to the Harbor Department upon request. The Tenant shall identify a representative as being responsible for: 1) verifying implementation of measures, 2) providing backup documentation and information with the Mitigation Monitoring and Reporting Program forms, and 3) ensuring all required documentation is maintained on site. The Tenant may establish their own forms as well. The Harbor Department may request a status report or an audit on the performance of compliance with measures by the Tenant.

LM AQ-1: Cleanest Available Cargo Handling Equipment

Project: Innovative New Dock Chassis Depot

Tenant: Innovative Terminal Services

Application for Port Project (APP) Number: 250717-127

State Clearinghouse Number: 2020090061

LEASE MEASURE:

Tenant shall notify LAHD prior to purchase of new cargo handling equipment. Tenant shall replace cargo handling equipment with the cleanest available equipment anytime new or replacement equipment is purchased, with a first preference for zero-emission equipment, a second preference for near-zero equipment, and third for the cleanest available if zero or near-zero equipment is not feasible, provided that LAHD shall conduct engineering assessments to confirm that such equipment is capable of installation at the facility. Starting one year after the effective date of a new entitlement between the Tenant and the LAHD, Tenant shall submit to the Port an equipment inventory and 5-year procurement plan for new cargo-handling equipment, and infrastructure, and will update the procurement plan annually in order to assist with planning for transition of equipment to zero emissions in accordance with the foregoing paragraph.

Lease Measure Monitoring Frequency: Annually

Monitoring/Reporting Requirement: Harbor Department shall include this measure in the entitlement with the applicant. LAHD shall monitor implementation of lease measures during operation of the site.

COMPLIANCE STATUS:

Has compliance with the above lease measure been met?

_____ Yes (please sign form) _____ No (If no, explain in next sections and sign form)

NON-COMPLIANCE:

Explain and/or discuss. Attach certification documents as well as document coordination with and acceptance of non-compliance or substitute equivalent.

STEPS TAKEN:

