CITY OF LOS ANGELES HARBOR DEPARTMENT
Port of Los Angeles

REVOCABLE PERMIT
No. 20-22

The Executive Director of the Harbor Department ("Executive Director") of the City of Los Angeles ("City") hereby grants permission to Paramount Pipeline, LLC, a Delaware limited liability company ("Tenant") to occupy and use certain lands within the Harbor District owned or under the control of City, acting through its Board of Harbor Commissioners ("Board"), subject to the following terms and conditions:

1. Premises. Tenant is permitted under this Revocable Permit ("Permit") the non-exclusive use of the lands designated as approximately 36,120 square feet of sub-surface area located underneath the Intermodal Container Transfer Facility as delineated and more particularly described on Exhibit A ("Premises"). By mutual agreement of Executive Director and Tenant, land and water not exceeding ten percent (10%) of the Premises granted, or 20,000 square feet, whichever is greater, may be permanently added to or deleted from the Premises granted herein without further approval of Board subject to the following conditions: (1) so long as such change in the Premises is not temporary within the meaning of the Port of Los Angeles Tariff No. 4, as it may be amended or superseded ("Tariff"), Item No. 1035 (or its successor), the compensation set forth in Section 4 of this Permit shall be increased or decreased pro rata to reflect any such addition or deletion; (2) if the change involves the addition or deletion of any improvement, the adjustment to the compensation shall also take into account this change in the same manner in which the compensation was originally calculated; (3) if permanent changes in the area of the Premises are made on more than one occasion, the cumulative net change in area may not exceed ten percent (10%) or 20,000 square feet, whichever is greater, of the originally designated Premises, and (4) the change in area of the Premises shall not result in the annual compensation exceeding One Hundred Fifty Thousand Dollars ($150,000). Executive Director is authorized to execute amendment(s) to this Permit to effect the foregoing adjustments to area of the Premises and compensation without further action of Board.

2. Permitted Use. The Premises shall be used for non-exclusive right to operate and maintain an underground pipeline for transportation of hydrogen gas and other uses incidental thereto ("Permitted Use") and not for any other use without the prior written consent of Executive Director which approval may be withheld by City in its sole and absolute discretion. Tenant shall not use the Premises in any manner, even if the use is a Permitted Use, that will cause cancellation of any insurance policy covering the Premises or adjacent premises; provided, however, Tenant may, in City's sole discretion, remain if it pays the increase in City's insurance costs caused by its operations. No offensive or refuse matter, or any substance constituting any unnecessary, unreasonable, or unlawful fire hazard, or material detrimental to the public health, shall ever be permitted by Tenant to be or remain on the Premises, and Tenant shall prevent any such material or matter from being or accumulating upon the Premises. Tenant further agrees not to keep on the Premises or permit to be kept, used, or sold thereon, anything prohibited by any policy of fire insurance covering the Premises or any structure erected thereon.

3. Effective and Termination Dates. Subject to the provisions of Charter Section 245, this Permit shall be effective on the date it is executed by Executive Director ("Effective Date"), upon authorization of the Board and upon execution of the Guaranty by Tenant's affiliated company, AltAir Paramount, LLC, a Delaware limited liability company, attached as Exhibit G, and shall thereafter be revocable at any time by Tenant or by Executive Director upon the giving of at least ninety (90) days' written notice to the other party stating the date upon which this Permit shall terminate ("Termination Date"); provided, however, if this Permit is not terminated prior to the fifth (5th) anniversary of the Effective Date, then before such time Board shall review this Permit regarding its continuation and/or modification. Termination Date shall also mean the date that the Permit terminates in connection with Tenant's Default under Section 13, Tenant's misrepresentation under Section 23, a court decision under Section 24, or a conflict of interest under Section 25 of this Permit, or any termination by operation of law or any other reason. The right of Executive Director to revoke this Permit is and shall remain unconditional. Neither City, nor any board, officer, or employee thereof, shall be liable in any manner to Tenant because of such

revocation. Tenant shall commence using the Premises for the Permitted Use within thirty (30) days from the Effective Date.

4. Compensation.

(a) Annual Rent. On or before the Effective Date and, on or before each anniversary date of the Effective Date thereafter, Tenant shall pay to City the sum of Eighty One Thousand Two Hundred Sixty Eight Dollars ($81,268.00) as annual rental ("Rent") for the use of the Premises. Rent will be subject to proration in the event of termination. Use of the Premises for purposes not expressly permitted herein, whether approved in writing by Executive Director or not, may result in additional charges, including charges required under the Tariff. Tenant agrees to pay such additional charges. Executive Director may change the amount of Rent required herein upon giving at least thirty (30) days' written notice to Tenant. Rent paid by Tenant shall be applied to the oldest outstanding balance. Rent is in addition to any applicable charges under the Tariff.

(b) Rent Adjustments. Provided this Permit is not sooner terminated, effective January 1st of the year following the Effective Date (which date and subsequent anniversaries shall be referred to individually as the "Adjustment Date") of the tenancy, and annually thereafter, the Rent will be adjusted as of January 1 automatically without further notice to reflect the percentage increase, if any, but not less than 2%, in the Consumer Price Index, all Urban Consumers of the Los Angeles-Long Beach Anaheim County, California area, 1982-84=100, as published by the U.S. Department of Labor, Bureau of Labor Statistics ("CPI"), or successor index selected by Executive Director in his or her sole reasonable discretion. Such adjusted amount of Rent shall be equal to the product obtained by multiplying the Rent amount in effect on the Adjustment Date by a fraction, the numerator of which is the July CPI index on the Adjustment Date and the denominator of which for the first adjustment is the July CPI Index for the calendar year in which the Effective Date occurs, and for all subsequent adjustments through the tenancy is the July CPI index of the prior Adjustment Date.

The formula illustrating the adjustment computation is as follows:

$$\text{Adjusted Rent} = \text{Rent as of Adjustment Date} \times \frac{\text{July CPI Index of Adjustment Date}}{\text{July CPI Index of Effective Date or Prior Adjustment Date}}$$

In addition to or in lieu of the above, City may, at any time, change the amount of Rent without reference to CPI adjustment by giving Tenant thirty (30) days' notice of such change as provided in Section 4(a) of this Permit.

(c) Late Charge. Rent payments which have not been paid within ten (10) days of the due date shall be subject to a service charge consisting of simple interest of one-thirtieth (1/30) of two percent (2%) of the invoice amount remaining unpaid each day, for costs and expenses incurred by reason of Tenant's late payment. City shall have the right, without further notice to Tenant, to change the amount charged for the late charge to the amount set forth in Tariff Item No. 270 if the amount in Tariff Item No. 270 changes. Acceptance of any late charge (or any other payments) shall not constitute a waiver of Tenant's default under Section 13 of this Permit.

(d) Security Deposit. Prior to the issuance of this Permit, Tenant shall deposit with City a sum equal to Thirteen Thousand Five Hundred Forty Five Dollars ($13,545.00) as security for Tenant's performance under this Permit ("Security Deposit") including but not limited to covering Tenant's delinquent Rent and its other obligations under this Permit including but not limited to repairing damages to the Premises. Notwithstanding the foregoing, City shall not be required to apply the Security Deposit to any of Tenant's obligations under this Permit during the term of the Permit. If all or any part of the Security Deposit is used to pay any Rent due and unpaid or to meet any other Tenant obligation, Tenant shall then immediately reimburse City for the amount applied so that at all times during the life of this Permit the full amount the Security Deposit set forth above shall be on deposit with City. Failure to maintain the full amount

of the Security Deposit shall constitute a material breach of this Permit. In the sole discretion of Executive Director, Tenant may post other forms of security but only in a form acceptable to the Los Angeles City Attorney. If for any reason City has not initially required a Security Deposit from Tenant, City may at any time and for any reason require a Security Deposit in an amount Executive Director determines necessary to secure performance of the Permit. Tenant agrees to post such deposit with City within ten (10) days of written request from City and agrees that its failure to do so constitutes a material breach of this Permit. No interest is payable by City on the Security Deposit. Any deposit required under this Section 4 shall be in addition to any deposit required for the issuance of a Harbor Engineer Permit pursuant to Section 9 of this Permit.

(e) No Right of Set-Off. Notwithstanding any other provision of this Permit, Tenant's obligation to pay all Rent shall be absolute and unconditional and shall not be affected by any circumstance including, without limitation, any set-off, counterclaim, recoupment, defense, or other right or claim which Tenant may have against City.

(f) Place of Payment. Tenant shall render its payments to City of Los Angeles Harbor Department, P.O. Box 514300, Los Angeles, CA 90051-4300, or any other place that City from time to time may designate in writing. Payment shall be made in U.S. Dollars, either in the form of a check (drawn on a bank located in the State of California) or via electronically transmitted funds. Rent is to be paid only by Tenant. Notwithstanding the foregoing, acceptance of Rent paid by any entity or person other than Tenant shall not create any rights under this Permit for the entity or person making the Rent payment.

(g) Rent. All amounts payable by Tenant to City under this Permit during the term of this Permit shall be deemed to be Rent.

5. Utility Charges. Unless otherwise provided for herein, Tenant shall pay all charges for services furnished to the Premises or used in connection with its occupancy, including, but not limited to, heat, gas, power, telephone, water, light, and janitorial services, and pay all deposits, connection fees, charges, and meter rentals required by the supplier of any such service, including City.

6. Rights-of-Way. This Permit shall at all times be subject to rights-of-way over, on, under, and through the Premises for (1) sewers; storm drains; pipelines (public or private); telecommunications equipment; conduits; telephone, cable, fiber optic, and/or power lines; and all similar items; (2) streets, highways, railroads, and all other means of transportation; and (3) equipment access, occupancy, and all other rights reasonably necessary to comply with homeland security or related requirements of federal, state, and local agencies; regardless of whether such rights-of-way exist or are authorized by Board or City in the future. City further reserves rights-of-way over, on, under, and through the Premises as Board or City requires to drill and explore new, or to maintain existing, oil, gas, or mineral wells. This Permit and the Premises shall at all times be subject to all prior exceptions, reservations, grants, easements, leases, or licenses of any kind whatsoever as the same appear of record in the Office of the Recorder of Los Angeles County, California, or in the official records of City or any of its various departments, and shall also be at all times subject to additional reservations Board or City may reasonably require after the Effective Date for which Tenant shall receive no compensation unless otherwise expressly provided.

7. Premises Satisfactory to Tenant / Required Modifications. Tenant has inspected the Premises and agrees that they are suitable for the Permitted Use. No officer or employee of City has made any representation or warranty with respect to the Premises, except as described in writing and attached hereto as an addendum, if any, and in entering into this Permit, Tenant agrees it relies only on the provisions of the Permit. Any modification, improvement, or addition to the Premises and any equipment installation or removal required by the Fire Department, Department of Building and Safety, South Coast Air Quality Management District, Regional Water Quality Control Board, U.S. Coast Guard, Environmental Protection Agency, or any other agency in connection with Tenant's operations, shall be constructed, installed, or removed at Tenant's sole expense. Tenant shall obtain a Harbor Engineer Permit from the office of the Chief Harbor Engineer, Engineering Division, of City's Harbor Department ("Chief Harbor Engineer") and shall comply with the requirements of Section 9 of this Permit before making any modification, improvement, or addition to the Premises.

8. Maintenance and Repair.

(a) Maintenance Performed by Tenant. Tenant, at its sole cost and expense, shall keep and maintain the Premises, and all buildings, works, and improvements of any kind thereon, in good and substantial repair and condition and shall be responsible for and perform all necessary inspection, maintenance, and repair thereof, including preventive maintenance, using materials and workmanship of similar quality to the original improvements. Tenant shall obtain any permits, including but not limited to those issued by City, necessary for such maintenance and repair. Notwithstanding the foregoing, if there are wharf structures present on the Premises, City will maintain at its expense the structural integrity of the wharf structures. The wharf structure for purposes of this Section 8 means the beams, girders, subsurface support slabs, bulkheads, and prestressed concrete or wood piling, joists, pile caps, and timber decking (except as noted below), and any and all mooring dolphins. The wharf structure does not include the paving, the surface condition of timber decking, or the fendering system.

(b) Failure to Maintain. If Tenant fails to make any repairs or to perform required maintenance within thirty (30) days after receipt of notice from City to do so, City may, but shall not be obligated to, make such repairs or perform such maintenance at Tenant's expense. Notwithstanding, in an emergency as determined by City (including but not limited to an immediate threat of physical harm to persons and/or material damage to the Premises and/or structural or foundational damage to any improvements thereon), City shall have the right, but not the obligation, to undertake immediate repairs to the Premises and any structures thereon without notice. Tenant shall reimburse City for City's costs (as defined in Section 8(c) of this Permit) within thirty (30) days after receipt of City's invoice for work performed. If Tenant shall commence such repairs and diligently pursue the same to completion or shall begin to perform the required maintenance within the thirty (30) day period, City shall refrain from commencing or pursuing further any repairs or performing any required maintenance until the work has been completed by Tenant. Tenant shall thereafter pay on demand City's costs incurred pursuant to this Section 8(b) prior to Tenant's commencement of repair or maintenance. The making of any repairs or the performance of maintenance by City, which is the responsibility of Tenant, shall in no event be construed as a waiver of the duty or obligation of Tenant to make future repairs or perform required maintenance as herein provided.

(c) City's Costs. "City's costs" for purposes of this Section 8 shall include, in City's sole reasonable discretion, the cost of maintenance or repair or replacement of property neglected, damaged or destroyed, including direct and allocated costs for labor, materials, services, equipment usage, and other indirect or overhead expenses arising from or related to maintenance, repair, or replacement work performed by or on behalf of City.

(d) Litter and Debris. Tenant, at its sole cost and expense shall keep and maintain the Premises in a safe, clean, and sanitary condition in accordance with all applicable federal, state, municipal, and other laws, ordinances, rules, and regulations.

(e) Fire Protection Systems. All fire-protective or extinguishing systems, or appliances which have been or may be installed on the Premises, associated with the permitted use, shall be maintained and repaired by Tenant, at its cost, in an operative condition at all times.

(f) City Inspections. Upon City's request, Tenant shall provide personnel to accompany City's representatives on periodic inspections of the Premises to determine Tenant's compliance with this Permit. Notwithstanding the foregoing, nothing obligates City to make such determinations and City shall not incur any liability for not making such inspections and determinations.

9. Alterations on Premises. Tenant shall not construct on or alter ("Alteration") the Premises, including a change in the grade, without first obtaining City's written approval and a Harbor Engineer Permit. Tenant shall submit to City a complete Application for Port Permit that attaches a complete set of drawings, plans, and specifications reflecting the proposed Alteration. Where applicable, the drawings, plans and specifications must be prepared and stamped by a licensed engineer registered in the State of California. All projects in the Harbor District are subject to review by City's Harbor Department pursuant to the

California Environmental Quality Act (CEQA) and the certified Port Master Plan. City's Chief Harbor Engineer shall have the right to reject or order reasonable changes in said drawings, plans, and specifications. Tenant, at its own expense, shall obtain all permits necessary for such Alteration, including a Harbor Engineer Permit, prior to the commencement of such Alteration. All Alterations by Tenant pursuant to this Permit shall be at Tenant's sole expense. Tenant shall keep the Premises free and clear of liens for labor and materials and shall hold City harmless from any responsibility in respect thereto. Tenant shall give written notice to the Chief Harbor Engineer, in advance, of the date it will commence any Alteration. Immediately upon the completion of the Alteration, Tenant shall notify the Chief Harbor Engineer of the date of such completion and shall, within thirty (30) days after such completion, file with the Chief Harbor Engineer, in a form acceptable to the Chief Harbor Engineer, a set of "as built" plans for such Alteration if required under the terms of the Harbor Engineer Permit issued for the Alteration.

10. Signs and Lighting. Tenant shall not erect or display, or permit to be erected or displayed, on the Premises any signs or advertising matter of any kind without first obtaining the written consent of Executive Director. If Tenant obtains consent, Tenant shall also comply with the requirements of Section 9 of this Permit prior to erecting or displaying any signs or advertising matter on the Premises. Tenant shall further post, erect, and maintain on the Premises such signs as Executive Director may direct. All signs erected or displayed on the Premises shall comply with the regulations set forth in Section 14.4.1 *et seq.* of the Los Angeles Municipal Code. Tenant acknowledges that the Premises may lack adequate lighting for a Permitted Use and that Tenant is responsible for installing temporary or permanent lighting as it may deem necessary to perform any labor, or to protect any property stored or located on the Premises, or to otherwise use the Premises for any Permitted Use. Tenant shall comply with the requirements of Section 9 of this Permit prior to installing any lighting. Any lighting installed shall meet Illuminating Engineering Society / American National Standards Institute (IES/ANSI) standards.

11. Immediate Access to Repair / Maintain Premises. Tenant is aware that City's Department of Water & Power, other utility, or other maintenance or service from or on behalf of City, may need to service or repair certain facilities on the Premises. If such repair is necessary, Tenant agrees to relocate, at its expense, all of its equipment and other personal property to provide such personnel adequate access. Tenant agrees to complete such relocation within twenty-four (24) hours of receiving notice from City except in case of emergency. Tenant agrees neither the department servicing the Premises nor City shall be responsible for any loss Tenant may suffer as a result of such maintenance or repair.

12. Premises Subject to Tariff. Tenant accepts the Premises and shall undertake the Permitted Use set forth in Section 2 of this Permit subject to each and every term and condition provided herein, and to each and every rate, term, and condition of the Tariff, as applicable to Premises and/or the Permitted Use. Tenant represents and warrants that it has received, read, and understands the rates, terms, and conditions of the Tariff. Except as otherwise set forth in this Permit, Tenant is contractually bound by all Tariff rates, terms, and conditions as if the same were set forth in full herein. City in its sole and absolute discretion shall determine if a conflict exists between a provision of this Permit and a Tariff provision. In the event of such conflict, this Permit shall at all times prevail.

13. Tenant Default.

(a) Events of Default. The occurrence of any of the following shall constitute a material breach and default by Tenant under this Permit:(1) Tenant's failure to pay when due any Rent required to be paid under this Permit if the failure continues for three (3) days after written notice from City; (2) Tenant's failure to perform any other obligation under this Permit if Tenant fails to cure the failure within three (3) days after delivery of written notice of the failure from City to Tenant; (3) Tenant's abandonment of the Premises including but not limited to (i) Tenant's absence from or failure to use the Premises or any substantial portion thereof for three (3) consecutive days (excluding Saturdays, Sundays, and California legal holidays) while in default of any provision of this Permit; or (ii) if Tenant is not in default, Tenant's absence from or failure to use the Premises or any substantial portion thereof for a period of thirty (30) consecutive days unless Tenant, prior to the expiration of any such period of thirty (30) consecutive days, notifies Executive Director in writing that such nonuse is temporary and obtains the written consent of Executive Director to such nonuse; (4) To the extent permitted by law (i) a general assignment by Tenant or any guarantor of the

Permit for the benefit of the creditors without written consent of City; (ii) the filing by or against Tenant, or any guarantor, of any proceeding under an insolvency or bankruptcy law, unless (in the case of an involuntary proceeding) the proceeding is dismissed within sixty (60) days; (iii) the appointment of a trustee or receiver to take possession of all or substantially all the assets of Tenant or any guarantor, unless possession is unconditionally restored to Tenant or that guarantor within thirty (30) days and the trusteeship or receivership is dissolved; and/or (iv) any execution or other judicially authorized seizure of all or substantially all the assets of Tenant located on the Premises, or of Tenant's interest in this Permit, unless that seizure is discharged within thirty (30) days.

(b) City's Remedies. City may pursue any and all remedies at law or in equity including seeking all monetary damages and termination of this Permit. City's remedies are cumulative and not inclusive. Nothing herein shall imply that City's right to revoke or terminate this Permit as provided in Section 3 of this Permit is limited in any way. All personal property that remains on the Premises after Tenant vacates the Premises shall become the property of City, at City's option.

14. Compliance with Applicable Laws and Environmental Obligations.

(a) The operational activities associated with the Permitted Use are subject to Mitigation Measures HM 2a, HM 2b, and HM 2c as modified in the Finding of Fact, Statement of Overriding Considerations, and Mitigation Monitoring Reporting Program for the Air Products Hydrogen Pipeline Project Environmental Impact Report (State Clearinghouse No. 2020059038). Tenant acknowledges and agrees to perform all environmental mitigation measures and mitigation monitoring and reporting set forth collectively in Exhibit B.

(b) Tenant has accepted the Premises in an "AS IS" condition. As such, Tenant shall be responsible for remediation of all contaminants associated with the use and operation of pipeline which may be on, below or emanating from the Premises whether or not such contamination occurred before or after Tenant took possession of the Premises. City and Tenant acknowledge that prior to the Effective Date, the Premises, or portions thereof, were occupied and operated pipeline for petroleum transport by Tenant, or an Affiliate of Tenant, or by an assignor or transferor to Tenant, under an entitlement or agreements separate from this Agreement ("Tenant Prior Occupancy") and that as a result of such prior use and occupancy, the Premises (and/or areas adjacent to the Premises) on the Effective Date may possess contamination ("Existing Contamination"). As to City, Tenant bears all responsibility for the Existing Contamination associated with the use and operation of pipeline which occurred during Tenant Prior Occupancy

(c) At all times in its use and occupancy of the Premises and its conduct of operations thereon, Tenant, at Tenant's sole cost and expense, shall comply with all applicable federal, state, county, City, or government agency laws, statutes, ordinances, standards, codes (including all building codes), rules, regulations, requirements, or orders in effect now or hereafter in effect ("Applicable Laws") pertaining to the use or condition of the Premises and/or Tenant's operations and conduct of its business. Applicable Laws shall include, but not be limited to, all environmental laws and regulations in effect now or hereafter in effect including:

(i) The Comprehensive Environmental Response, Compensation and Liability Act of 1980 ("CERCLA") (42 USCS §§ 9601 *et seq.*) in its present or successor form and its implementing regulations;

(ii) The Resource Conservation and Recovery Act and Hazardous and Solid Waste Amendments of 1984 ("RCRA") (42 USCS §§ 6901 *et seq.*) in its present or successor form and its implementing regulations;

(iii) The federal Clean Water Act (33 USCS §§ 1251 *et seq.*) in its present or successor form and its implementing regulations;

(iv) The California Porter-Cologne Water Quality Control Act (California Water Code §§ 13020 *et seq.*) in its present or successor form and its implementing regulations;

(v) The federal Clean Air Act (42 USCS §§ 7401 *et seq.*) in its present or successor form and its implementing regulations;

(vi) The California Clean Air Act of 1988 (Chapter 1568, Statutes of 1988) in its present or successor form and its implementing regulations;

(vii) The California Lewis-Presley Air Quality Management Act of 1976 (California Health and Safety Code §§ 40400 *et. seq.*) in its present or successor form and its implementing regulations; and

(viii) Any other applicable federal, state, or local law, regulation, ordinance or requirement (including consent decrees and administrative orders imposing liability or standard of conduct) now or hereinafter in effect which concerns Environmentally Regulated Material (as defined in Section 14(d)), the Premises, and/or Tenant's use and/or occupancy thereof.

(d) It is the parties' intent that Tenant will make, at Tenant's sole cost and expense, any and all alterations, improvements, and changes, whether structural or nonstructural, that are required by Applicable Laws. In addition, Tenant shall comply immediately with all applicable environmental policies, rules, and directives of City's Harbor Department, known as the Port Environmental Policies. This Permit shall be construed in accordance with California law.

(e) Tenant shall not cause or permit any Environmentally Regulated Material, as defined in this Section 14(e), to be generated, brought onto, handled, used, stored, transported from, received, or disposed of (hereinafter sometimes collectively referred to as "handle" or "handled") in or about the Premises except for limited quantities of standard office and janitorial supplies containing chemicals categorized as Environmentally Regulated Material and except as permitted, required, or necessary under Section 2 of this Permit, if any. Tenant shall handle all such Environmentally Regulated Material in strict compliance with Applicable Laws in effect during Tenant's occupancy. The term "Environmentally Regulated Material" shall mean:

(i) Any "hazardous substance" as that term is defined in the CERCLA;

(ii) "Hazardous waste" as that term is defined in the RCRA;

(iii) Any pollutant, contaminant, or hazardous, dangerous, or toxic chemical, material, or substance, within the meaning of any other applicable federal, state, or local law, regulation, ordinance, or requirement (including consent decrees and administrative orders imposing liability or standard of conduct concerning any hazardous, dangerous, or toxic waste, substance, or material, now or hereinafter in effect);

(iv) Radioactive material, including any source, special nuclear, or byproduct material as defined in the Atomic Energy Act of 1954 (42 USCS §§ 2011 *et seq.*) in its present or successor form;

(v) Asbestos in any form or condition;

(vi) Polychlorinated biphenyls ("PCBs") and any substance or compound containing PCBs; and

(vii) Petroleum products.

(f) Tenant shall remediate or cause the remediation of any spill, discharge, or release of any Environmentally Regulated Material that occurs in, on, under, or about the Premises ("Contamination"), whether caused by Tenant or any third-party during Tenant's occupancy, including Contamination of improvements, adjacent harbor waters, soil, sediment, groundwater, or air, or of adjacent premises (including soil, sediment, groundwater, or air) and including Contamination that is considered a nuisance

under Applicable Laws. Remediation shall be to the satisfaction of City, and the requirements of the applicable governmental agencies including the Regional Water Quality Control Board, by removing or effecting the removal of all Contamination including but not limited to contaminated soil, water, groundwater, sediment, or other material it may place or cause to be placed on site such that no encumbrances, such as deed or land use restrictions, be imposed on the Premises as a result of such Contamination. In fulfilling the obligations under this Section 14, Tenant shall also comply with any other conditions reasonably imposed by City. If Tenant knows or has reasonable cause to believe that Contamination has occurred in, on, under, or about the Premises, Tenant shall immediately give written notice to City.

(g) Tenant bears sole responsibility for full compliance with any and all Applicable Laws regarding the use, storage, handling, distribution, processing, and/or disposal of Environmentally Regulated Material including Contamination, regardless of whether the obligation for such compliance or responsibility is placed on the owner of the Premises, on the owner of any improvements on the Premises, on the user of the Premises, or on the user of any improvements on the Premises. For purposes of CERCLA, and any and all other Applicable Laws, Tenant shall be considered the owner and operator. Tenant agrees that any claims, damages, fines, or other penalties asserted against or levied on City and/or Tenant as a result of noncompliance with any Applicable Laws shall be the sole responsibility of Tenant and that Tenant shall indemnify and hold City harmless from any and all such claims, damages, fines, penalties, and/or judgments, as well as any costs expended to defend against such claims, damages, fines, and penalties and/or judgments, including attorneys' and experts' fees. City, at its sole option, may pay such claims, damages, fines, penalties, and/or judgments resulting from Tenant's noncompliance with any of the aforementioned authorities, and Tenant shall indemnify and reimburse City for any such payments.

(h) In discharging Tenant's obligations under this Permit, if Tenant disposes of any Contamination, within thirty (30) days of Tenant's receipt of original documents, Tenant shall provide City copies of all records, including a copy of each uniform hazardous waste manifest indicating the quantity and type of material being disposed of, the method of transportation of the material to the disposal site, and the location of the disposal site. Neither City, Port of Los Angeles, nor Los Angeles Harbor Department shall appear on any manifest document as a generator of such material.

(i) In discharging Tenant's obligations under this Permit, Tenant shall perform any tests using a State of California Department of Health Services certified testing laboratory or other similar laboratory upon City's written approval. By signing this Permit, Tenant hereby irrevocably directs any such laboratory to provide City, upon written request from City, copies of all of its reports, tests results, and data gathered. As used in this Section 14, "Tenant" includes agents, employees, contractors, subcontractors, and/or invitees of Tenant.

(j) Tenant shall implement City's Harbor Department's policies, known as Best Management Practices, in order to reduce the potential for pollutants to enter Harbor waters, as follows:

(i) Facility Operations: Clean and maintain facility regularly. Use dry cleaning methods whenever possible; avoid washing areas down. Do not allow sweepings or sediment to enter the storm drain or the Harbor. Collect wash water for disposal or direct to a clarifier. Do not encourage scavengers. Do not feed birds, feral cats, sea lions, or other scavengers. Recycle whenever possible.

(ii) Maintenance Operations: Use drip pans to prevent any drips or leaks from contacting the ground during maintenance and fueling operations. Clean spills or drips immediately using dry methods. Use spill cleanup kits to confine or contain spills. Do not hose down equipment or allow process water to enter the storm drain or the Harbor. Place tarps beneath maintenance and repair operations to prevent materials such as paint chips and metals from contacting the ground.

(iii) Material and Waste Handling and Storage: Train employees responsible for waste management on handling and disposal procedures. Store all hazardous and universal waste in accordance with all federal, state, and local regulations. Store all materials and waste inside and in secondary containment. If stored outside, store only in designated, covered, and contained areas. Store waste in covered, leak proof, labeled containers. Keep lids closed on all outdoor containers including dumpsters.

Store all oily products (e.g. engines), batteries, tires, and metal off the ground and under cover when stored outdoors.

(k) Except as may be otherwise provided in this Permit, Tenant's obligations in this Section 14 shall survive the Termination Date of this Permit.

15. Restoration and Surrender of Premises.

(a) Tenant's Restoration Obligations. Subject to Section 15(d) of this Permit, on or before the Termination Date of this Permit, unless otherwise excused in writing by Executive Director, Tenant shall quit and return possession of the Premises to City leaving no Tenant improvements, unless City notifies Tenant otherwise in writing, (but leaving City's improvements, if any) and leaving the Premises in at least as good and usable a condition, acceptable to Executive Director, as the same were in at the time of the first occupation thereof by Tenant, or any transferor to and/or assignor of Tenant (collectively, "Assignor") under this Permit and all other previous permits. The term Assignor shall include any and all entities that occupied the Premises prior to Tenant and actually or purportedly transferred and/or assigned its right of occupancy to Tenant either contractually or under operation of law, including any "Transfer" as defined in Section 19 of this Permit, whether or not there was a written assignment and/or approval of the assignment by City. Tenant shall not damage paving installed by City or any unpaved areas regardless of the nature of Tenant's operations on the Premises. If the condition of the Premises is upgraded during the term of this Permit, Tenant shall restore the Premises to the upgraded condition. If City terminates this Permit pursuant to Section 13 of this Permit, Tenant shall still be obligated to restore the Premises as provided in this Section 15 or to pay the cost of restoration if City chooses to perform the work, at City's option, and Tenant shall be required to pay compensation to City as provided in Section 16 of this Permit. In connection with the foregoing, Tenant, at its sole cost and expense, shall restore the Premises (including the soil, groundwater, and sediment) such that the Premises will be returned to City: (a) free of Contamination and in at least as good of a condition as the condition prior to the installation of all above-ground and below-ground works, structures, improvements, and pipelines of any kind, (collectively referred to as "Structures") in, on, or below the Premises under this Permit and all previous permits (as between City and Tenant, Tenant shall bear sole responsibility for Contamination and any costs related thereto); (b) free of any encumbrances including but not limited to deed or land use restrictions as a result of any Contamination and/or any liens (UCC, federal or state tax, or otherwise) on the Premises or on fixtures or equipment, or personal property left on the Premises; (c) free of Structures placed on the Premises by Tenant (If the Premises, at the time of the Effective Date, have been improved by a prior tenant or by both City and a prior tenant, then such Structures which are left on the Premises at Tenant's request or for Tenant's benefit shall also be the responsibility of Tenant except as may be otherwise specified by this Permit); and (d) in a clean, level, graded, and compacted condition with no excavations or holes resulting from Structures removed.

(b) Restoration Indemnity. In addition to, and not as a substitute for any remedies provided by this Permit or at law or equity, Tenant shall defend, indemnify, and hold harmless City from any and all claims and/or causes of action, damages, liabilities, judgments, expenses, penalties, loss of rents, and attorneys' and consultants' fees arising out of or involving: (a) Liens on the Premises, Structures, and/or on fixtures and/or equipment or property left on the Premises following the Termination Date; (b) Orders or enforcement actions pending against or in connection with the Premises, the Permitted Use, and/or this Permit; (c) The cleanup of any Contamination including, but not be limited to, the cost of investigation, removal, remediation, restoration and/or abatement. The obligations under this Section 15 shall survive the Termination Date of this Permit.

(c) Relocation Assistance. Nothing contained in this Permit shall create any right in Tenant or any sublessees of Tenant for relocation assistance or payment from City upon termination of this Permit (whether by revocation (Section 3) or default (Section 13) or any other reason. Tenant acknowledges and agrees that it shall not be entitled to any relocation assistance or payment pursuant to the provisions of any state or federal law, including Title 1, Division 7, Chapter 16 of the California Government Code (§§ 7260 *et seq.*) with respect to any relocation of its business or activities upon the termination of this Permit whether by City, by Tenant, pursuant to Section 13 of this Permit, or by operation of law.

(d) Demolition of Improvements / Acceptance of Improvements. If Tenant's improvements are not removed on or before the Termination Date, City shall have the right to remove and/or demolish the same at Tenant's cost. In that event, Tenant agrees to pay to City, upon demand, City's costs of any such removal or demolition. Notwithstanding the foregoing, City reserves the right, at its option, to accept any works, buildings, or other improvements upon the Premises, including a change in the grade thereof, as constructed or altered, in lieu of restoration of the Premises to their condition prior to such construction or alteration.

(e) Site Restoration Plan. Independent of any regulatory agency requirements, upon written request of Executive Director, Tenant shall submit to City a Site Characterization Work Plan for review and approval. Tenant's Site Characterization Work Plan shall include characterization of adjacent Harbor waters, soil, groundwater, and sediment of the Premises. Following City's approval of Tenant's Site Characterization Work Plan, Tenant shall conduct, at its sole cost and expense, a Site Characterization of the Premises pursuant to the Site Characterization Work Plan approved by City. The Site Characterization of the Premises shall be completed within a period of time specified by Executive Director in his or her sole reasonable discretion and shall be submitted to City for its review. If in City's sole discretion, the results of such Site Characterization indicate that Contamination has been identified or reasonably suspected in, on, under, or about the Premises, Tenant shall provide City, at Tenant's sole cost and expense, a remediation action plan or soil management plan or other work plan ("Remedial Action Plan") as required by City in a form acceptable to City. Tenant shall demonstrate to City's satisfaction that Contamination does not exist or that if Contamination exists, Tenant shall handle, store, treat, remove and properly dispose of the Contamination as described in Section 14 of this Permit pursuant to the Remedial Action Plan and to the satisfaction of City, and the requirements of the applicable governmental agencies including the Regional Water Quality Control Board.

16. Rent During Restoration. Tenant understands and agrees it is responsible for complete restoration of the Premises before the Termination Date, as provided in this Permit and under Applicable Laws, including but not limited to the clean-up of any Contamination in, on or about the Premises. If, for any reason, such restoration is not completed before the Termination Date, then Tenant is obligated to pay City compensation during such restoration period, in an amount equal to the then fair market rental value of the Premises and City's Harbor Department's then established rate of return as determined by City; however, said compensation amount shall not be less than the Rent paid by Tenant at the time of the Termination Date. Tenant also agrees to provide City a surety bond, in an amount determined by Executive Director, in his or her sole reasonable discretion, to assure removal of Contamination from the Premises at any time City demands such bond.

17. Indemnity.

(a) Except as may arise from the sole negligence or willful misconduct of City, Tenant shall at all times relieve, indemnify, protect, and save harmless City and any and all of its boards, officers, agents, and employees from any and all claims and demands, actions, proceedings, losses, liens, costs, and judgments of any kind and nature whatsoever, including cost of litigation (including all actual litigation costs incurred by City, including but not limited to costs of experts and consultants), for death of or injury to persons, or damage to property, including property owned by or under the care and custody of City, and for civil fines and penalties that may arise from or be caused directly or indirectly by:

(i) Any dangerous, hazardous, unsafe, or defective condition of, in, or on the Premises, of any nature whatsoever, which may exist by reason of any act, omission, neglect, or any use or occupation of the Premises by Tenant, its officers, agents, employees, sublessees, licensees, or invitees;

(ii) Any operation conducted upon, or any use or occupation of, the Premises by Tenant, its officers, agents, employees, sublessees, licensees, or invitees under or pursuant to the provisions of this Permit or otherwise;

(iii) Any act, error, omission, willful misconduct, or negligence of Tenant, its officers, agents, employees, sublessees, licensees, or invitees, arising from the use, operation, or occupancy of the

Premises, regardless of whether any act, omission, or negligence of City, its officers, agents, or employees contributed thereto;

(iv) Any failure of Tenant, its officers, agents, or employees to comply with any of the terms or conditions of this Permit or any Applicable Laws; or

(v) The conditions, operations, uses, occupations, acts, omissions, or negligence referred to in subdivisions (i), (ii), (iii) and (iv) above, existing or conducted upon or arising from the use or occupation by Tenant or its invitees on any other premises within the Harbor District, as defined in the Charter of City.

(b) Tenant also agrees to indemnify City and pay for all damages or loss suffered by City and City's Harbor Department including, but not limited to, damage to or loss of property, to the extent not insured by City, and loss of City revenue from any source, caused by or arising out of the conditions, operations, uses, occupations, acts, omissions, or negligence referred to in this Section 17. The term "persons" as used in this Section 17 shall include, but not be limited to, officers and employees of Tenant.

(c) Tenant shall also indemnify, defend, and hold City harmless from any and all claims, judgments, damages, penalties, fines, costs, liabilities, or losses (including, without limitation, diminution of the value of the Premises, damages for loss or restriction on use of rentable or useable space or of any amenity of the Premises, damages arising from any adverse impact on marketing of space, and sums paid in settlement of claims, attorneys' fees, consultants' fees, and experts' fees) which arise during or after the term of this Permit as a result of Contamination for which Tenant is otherwise responsible for under the terms of this Permit. This indemnification of City by Tenant includes, without limitation, costs incurred in connection with any investigation of site conditions or any clean up, remedial, removal, or restoration work required by any federal, state, or local governmental agency because of Contamination present in the soil or groundwater on or under the Premises.

(d) The indemnity obligations under this Section 17 shall survive the Termination Date of this Permit and shall apply regardless of the active or passive negligence of City and regardless of whether liability without fault or strict liability is imposed or sought to be imposed on City.

18. Insurance. In addition to, and not as a substitute for, or limitation of, any of the indemnity obligations imposed by Section 17 of this Permit, Tenant shall procure and maintain at its expense and keep in force at all times during the term of this Permit the following insurance:

(a) Commercial general liability or marine general liability insurance, including contractual liability and property damage insurance, written by an insurance company authorized to do business in the State of California, or approved by the California Department of Insurance as a surplus lines insurer eligible to do business in California, rated VII, A- or better in Best's Insurance Guide (or an alternate guide acceptable to City if a Best's Rating is not available) with Tenant's normal limits of liability but not less than One Million Dollars ($1,000,000) for injury or death to one or more persons out of each accident or occurrence and One Million Dollars ($1,000,000) for bodily injury and property damage for each occurrence / Two Million Dollars ($2,000,000) general aggregate. Where Tenant provides or dispenses alcoholic beverages, host liquor liability coverage shall be provided with the same limits of liability as above.

(b) In addition to and concurrently with the aforesaid insurance coverage, Tenant shall procure and maintain, either by an endorsement thereto or by a separate policy, fire legal liability insurance with a minimum limit of Two Hundred Fifty Thousand Dollars ($250,000) covering legal liability of Tenant for damage or destruction to the works, buildings, and improvements owned by City provided that said minimum limits of liability shall be subject to adjustments by Executive Director to conform with the deductible amount of the fire insurance policy maintained by Board, with waiver of subrogation in favor of Tenant so long as permitted by Board's fire insurance policy, upon thirty (30) days' prior written notice thereof to Tenant at any time during the term of this Permit.

(c) Where Tenant utilizes any vehicles, Tenant shall procure and maintain automobile insurance with limits of liability not less than One Million Dollars ($1,000,000) covering injuries or death resulting from each accident or claim arising out of any one claim or accident. This insurance shall cover all owned, non-owned, and/or hired automobiles.

(d) Tenant shall procure and maintain fire and extended coverage insurance covering One Hundred percent (100%) of the replacement value of the works, buildings, and improvements erected or owned by Tenant on the Premises, with such provision in the policies issued to cover the same, or in riders attached thereto, as will provide for all losses to be payable to Board to be held in trust for reconstruction. In the event of loss or damage by fire to any of such works, buildings, or improvements, Tenant shall undertake replacement or reconditioning of such items within ninety (90) days following any such loss. As Tenant undertakes such replacement or reconditioning, such proceeds shall be released by Board to Tenant as payments are required for said purpose. Upon the completion of such replacement or reconditioning to the satisfaction of Executive Director, any balance thereof remaining shall be paid to said Tenant forthwith.

(e) Where Tenant's operations involve the storage or use of any type of hazardous materials or pollutants, Tenant shall procure and maintain environmental impairment liability insurance which shall include coverage for bodily injury, property damage, including third-party claims for on-site and off-site bodily injury and property damage, clean-up, and defense of suits, with a limit of at least Two Million Dollars ($2,000,000) per occurrence, which is to remain in effect at least five (5) years after the Termination Date.

(f) Where Tenant's operations involve work within fifty (50) feet of railroad tracks, Tenant shall procure and maintain railroad protective liability insurance in which Pacific Harbor Line (PHL), acting for itself, is named the insured with Tenant. The minimum limits of railroad protective liability insurance shall be the limits normally carried by Tenant but not less than Two Million Dollars ($2,000,000) combined single limit for property damage and bodily injury including death. If the submitted policies contain aggregate limits, Tenant shall provide evidence of insurance protection for such limits so that the required coverage is not diminished in the event that the aggregate limits become exhausted. Tenant shall also provide comprehensive general liability coverage with additional insured requirements as previously indicated, however, the railroad exclusion shall be deleted.

(g) Where Tenant operates watercraft, Tenant shall procure and maintain protection and indemnity coverage with limits of One Million Dollars ($1,000,000) per occurrence for bodily injury, illness, death, loss of or damage to the property of another including masters and members of the vessel crew, and Jones Act risks or equivalent thereto internationally. City shall be named as an additional insured.

(h) If Tenant maintains higher limits than the minimums required above, City requires and shall be entitled to coverage for the higher limits maintained by Tenant. Any available insurance proceeds in excess of the specified minimum limits of insurance and coverage shall be available to City.

(i) Limits for coverage required under Section 18 of this Permit shall provide first dollar coverage except that Executive Director may permit a self-insured retention or self-insurance in those cases where, in his or her sole judgment, such retention or self-insurance is justified by the net worth of Tenant. The self-insured retention or self-insurance shall provide that any other insurance maintained by City's Harbor Department shall be excess of Tenant's insurance and shall not contribute to it. In all cases, regardless of any deductible, retention, or self-insurance, Tenant shall have all the obligations of an "insurer" under the California Insurance Code and said insurance shall be deemed to include a defense of suits provision and a severability of interest clause.

(j) Policies submitted pursuant to Section 18 of this Permit shall, in addition, provide the following coverage either in the original policy or by endorsement substantially as follows:

(i) "Notwithstanding any inconsistent statement in the policy to which this endorsement is attached, or any endorsement or certificate now or hereafter attached hereto, it is agreed that the City of Los Angeles, acting by and through its Harbor Department, the Board of Harbor

Commissioners, and their officers, agents, and employees, are additional insureds hereunder, and that coverage is provided for all contractual obligations, operations, uses, occupations, acts, and activities of all the insureds, including any sole negligence of the additional insureds, under Revocable Permit No. 20-22, and under any amendments, modifications, extensions, or renewals of said Permit regardless of whether such contractual obligations, operations, uses, occupations, acts, and activities occur on the Premises or elsewhere."

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

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

(iv) "Notice of occurrences or claims under the policy shall be made to the City's Risk Manager with copies to the Los Angeles City Attorney's Office."

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

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

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

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

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

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

(i) Each insurance policy shall provide that it will not be cancelled or reduced in coverage until after City's Risk Manager has been given a 10-day notice of cancellation for nonpayment of premium, and a 30-day notice of cancellation for any other reason.

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

(iii) Prior to the expiration of each policy, Tenant shall show through submitting to KwikComply® that the policy has been renewed or extended or, if new insurance has been obtained, submit the appropriate proof of insurance to KwikComply®. If Tenant neglects or fails to secure or maintain the

required insurance, or if Tenant fails to submit proof of insurance as required above, City's Harbor Department may, at its option and at the expense of Tenant, obtain such insurance for Tenant.

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

(v) Immediately upon procuring any and all policies of insurance required herein, Tenant must request from Tenant's insurance carrier(s) full certified copies of such policies of insurance. Tenant shall thereafter provide such full certified copies of such policies to City within thirty (30) days of Tenant's receipt of such policies from Tenant's insurance carrier(s). Tenant's obligation to provide such copies shall survive the Termination Date regardless of whether Tenant receives such policies prior to or after the Termination Date. Tenant shall further provide written notice to City of any change of terms of any policies of insurance required herein within thirty (30) days of any such change.

(vi) Tenant shall report in writing to Executive Director within fifteen (15) days after it, its officers, or its managing agents have knowledge of any accident or occurrence involving death of or injury to any person or persons, or damage in excess of Ten Thousand Dollars ($10,000) to property, occurring upon the Premises, or elsewhere within the Harbor District, if Tenant's officers, agents, or employees are involved in such an accident or occurrence. 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 relevant information as may be known to Tenant, its officers, or its managing agents.

19. No Assignments/Subleases/Transfers. No transfer of this Permit, or any interest therein or any right or privilege thereunder, regardless of whether accomplished by a separate agreement, sale of stock or assets, merger or consolidation or reorganization by or of Tenant (or any entity that directly or indirectly controls or owns fifty percent (50%) or more of Tenant), or accomplished in any other manner, whether voluntary or by operation of law, including but not limited to assignment, sublease, transfer, gift, hypothecation, or grant of total or partial control, or any encumbrance of this Permit (hereafter collectively referred to as "Transfer"), shall be valid or effective for any purpose. "Transfer" also shall include the involvement of Tenant or its assets in any transaction, or series of transactions (by way of merger, sale, acquisition, financing, transfer, leveraged buyout, or otherwise) whether or not a formal assignment or hypothecation of this Permit or Tenant's assets, which involvement results in a reduction of the net worth of Tenant (defined as the net worth of Tenant, excluding guarantors, established by generally accepted accounting principles) by an amount greater than twenty-five percent (25%) of such net worth as it was represented at the time of the execution of this Permit or as it exists immediately prior to said transaction or transactions constituting such reduction, whichever was or is greater. For purposes of this Section 19, the term "by operation of law" includes but is not limited to: (1) the placement of all or substantially all of Tenant's assets in the hands of a receiver or trustee; or (2) a transfer by Tenant for the benefit of creditors; or (3) transfers resulting from the death or incapacity of any individual who is a Tenant or of a general partner of a Tenant.

20. Tenant Name Change. Tenant shall notify City in writing within ten (10) days of making any changes to its name as set forth in the preamble of this Permit and shall provide City with all documents in connection with the change.

21. Transfer of Stock. If Tenant is a corporation and more than ten percent (10%) of the outstanding shares of capital stock of Tenant is traded during any calendar year after filing its application for this Permit, Tenant shall notify Executive Director in writing within ten (10) days after the transfer date; provided, however, that this provision shall have no application in the event the stock of Tenant is listed on either the New York Stock Exchange, NASDAQ, or the NYSE Arca Options. If more than twenty-five percent (25%) of Tenant's stock is transferred, whether by one or by means of successive transfers, regardless of whether Tenant is a publicly or privately held entity, such transfer shall be deemed an assignment within the meaning of Section 19. Any such transfer shall void this Permit. Such a transfer is

agreed to be a breach of this Permit which shall entitle the Executive Director to immediately terminate this Permit by giving written notice thereof.

22. Possessory Interest. THIS PERMIT MAY CREATE A POSSESSORY INTEREST BY TENANT WHICH MAY BE SUBJECT TO PROPERTY TAXATION. TENANT SHALL PAY ALL SUCH TAXES SO ASSESSED, AND ALL OTHER ASSESSMENTS OF WHATEVER CHARACTER LEVIED UPON ANY INTEREST CREATED BY THIS PERMIT. TENANT SHALL ALSO PAY ALL LICENSE AND PERMIT FEES REQUIRED FOR THE CONDUCT OF ITS OPERATIONS.

23. Termination for Misrepresentations. This Permit is granted pursuant to an application filed by Tenant with City. If the application or any of the attachments thereto contain any misstatement of fact which, in the judgment of Executive Director, affected his or her decision to grant said Permit, Executive Director may terminate this Permit immediately upon written notice to Tenant.

24. Termination by Court. If any court having jurisdiction in the matter renders a final decision which prevents the performance by City of any of its obligations under this Permit, then either party hereto may terminate this Permit by written notice, and all rights and obligations hereunder (with the exception of any undischarged rights and obligations) shall thereupon terminate.

25. Conflict of Interest. It is understood and agreed that the parties to this Permit have read and are aware of the provisions of Section 1090 *et seq.* and Section 87100 *et seq.* of the Government Code relating to conflict of interest of public officers and employees, as well as the Conflict of Interest Code of City's Harbor Department. All parties hereto agree that they are unaware of any financial or economic interest of any public officer or employee of City 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 this Permit, City may immediately terminate this Permit by giving written notice thereof.

26. Notice. In all cases where written notice, including the service of legal pleadings, is to be given under this Permit, service shall be deemed sufficient if said notice is deposited in the United States mail, in a sealed envelope, addressed as set forth below, with postage thereon fully prepaid. When so given, such notice shall be effective from the date of mailing. Unless changed by notice in writing from the respective parties, notice to the parties shall be as follows:

To City: Los Angeles Harbor Department
P.O. Box 151
San Pedro, California 90733-0151
Attention: Executive Director
Attention: Director of Real Estate

With a copy to: Office of City Attorney—Harbor Department
425 S. Palos Verdes Street
San Pedro, California 90731
Attention: General Counsel

To Tenant: Paramount Pipeline, LLC
14700 Downey Avenue
Paramount, CA 90723
Attention: Pipeline Manager

Nothing herein contained shall preclude or render inoperative service of such notice in the manner provided by law. All notice periods under this Permit refer to calendar days unless otherwise specifically stated.

27. Construction of Agreement. This Permit shall not be construed against the party preparing it and shall be construed without regard to the identity of the person who drafted this Permit.

28. No Waiver. No waiver by either 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 Rent by City shall not be deemed a waiver of any other breach by Tenant of any term or condition of this Permit other than the failure of Tenant to timely make any particular Rent payment so accepted. No breach of a covenant, term, or condition of this Permit will be deemed to have been waived by City unless the waiver is in writing and executed by City.

29. Joint and Several Obligations of Tenant. If more than one individual or entity comprises Tenant, the obligations imposed on each individual or entity that comprises Tenant under this Permit shall be joint and several.

30. Time of the Essence. Time is of the essence in this Permit.

31. Nondiscrimination and Affirmative Action Provisions. Tenant agrees not to discriminate in its employment practices against any employee or applicant for employment because of employee's or applicant's race, religion, ancestry, national origin, sex, sexual orientation, age, disability, marital status, domestic partner status, or medical condition. All subcontracts awarded under or pursuant to this Permit shall contain this provision. The applicable provisions of Section 10.8 *et seq.* of the Los Angeles Administrative Code are set forth in the attached Exhibit C and are incorporated herein by this reference.

32. Minority, Women and Other Business Enterprise (MBE/WBE/OBE) Outreach Program. It is the policy of City to provide minority business enterprises ("MBEs"), women's business enterprises ("WBEs"), and all other business enterprises ("OBEs") an equal opportunity to participate in the performance of all City contracts in all areas where such contracts afford such participation opportunities. Tenant shall assist City in implementing this policy and shall use its best efforts to afford the opportunity for MBEs, WBEs, and OBEs to achieve participation in subcontracts where such participation opportunities present themselves and attempt to ensure that all available business enterprises, including MBEs, WBEs, and OBEs, have an equal opportunity to compete for and participate in any such participation opportunity which might be presented under this Permit.

33. Service Contractor Worker Retention Policy and Living Wage Policy Requirements. Board adopted Resolution No. 5771 on January 3, 1999, to adopt the provisions of Los Angeles City Ordinance No. 171004 relating to Service Contractor Worker Retention, set forth at Section 10.36 *et seq.* of the Los Angeles Administrative Code, as the policy of City's Harbor Department. Further, Charter Section 378 requires compliance with City's Living Wage requirements, set forth at Section 10.37 *et seq.* of the Los Angeles Administrative Code. Tenant shall comply with these policies wherever applicable. Violation of this provision, where applicable, shall entitle City to terminate this Permit and otherwise pursue legal remedies that may be available.

34. Wage and Earnings Assignment Orders/Notices of Assignments. Tenant is obligated to fully comply with all applicable state and federal employment reporting requirements for Tenant and/or its employees. Tenant shall certify that the principal owner(s) are in compliance with any Wage and Earnings Assignment Orders and Notices of Assignments applicable to them personally. Tenant will fully comply with all lawfully served Wage and Earnings Assignment Orders and Notices of Assignments in accordance with Section 5230 *et seq.* of the California Family Code. Tenant will maintain such compliance throughout the term of this Permit.

35. Equal Benefits Policy. Board adopted Resolution No. 6328 on January 12, 2005, to adopt the provisions of Los Angeles City Ordinance No. 172,908, as amended, relating to Equal Benefits, set forth at Section 10.8.2.1 *et seq.* of the Los Angeles Administrative Code, a copy of which is attached as Exhibit D, as a policy of City's Harbor Department. Tenant shall comply with the policy wherever applicable. Violation of the policy shall entitle City to terminate this Permit and otherwise pursue legal remedies that may be available.

36. Business Tax Registration Certification. Tenant represents that it has obtained and presently holds the Business Tax Registration Certificate(s) required by City's Business Tax Ordinance set forth at

Sections 21.00 *et seq.* of the Los Angeles Municipal Code. Tenant shall provide City evidence that all such Certificates have been obtained. Tenant shall maintain, or obtain as necessary, all such Certificates required of it under said Ordinance and shall not allow any such Certificate to be revoked or suspended.

37. Wilmington Truck Route. It is recognized by both parties that Tenant may not directly control any trucks serving the Premises. However, Tenant will make its best effort to notify truck drivers, truck brokers, and trucking companies that trucks serving the Premises must confine their route to the designated Wilmington Truck Route of Alameda Street and Harry Bridges Boulevard; Figueroa Street from Harry Bridges Boulevard to "C" Street; and Anaheim Street east of Alameda Street as depicted on the attached as Exhibit E. The Wilmington Truck Route may be modified from time to time at the sole discretion of Executive Director with written notice to Tenant.

38. State Tidelands Act. This Permit, the Premises, and Tenant's use and occupancy thereof shall at all times be subject to the limitations, conditions, restrictions, and reservations contained in and prescribed by the Act of the Legislature of the State of California entitled "An Act Granting to the City of Los Angeles the Tidelands and Submerged Lands of the State Within the Boundaries of Said City," approved June 3, 1929 (1929 Cal. Stats., Ch. 651), as amended, and Article VI of the Charter of City of Los Angeles relating to such lands. Tenant shall not undertake any use of the Premises, even a Permitted Use, which is or will be inconsistent with such limitations, conditions, restrictions, and reservations.

39. Section Headings. Section headings used in the Permit are merely descriptive and not intended to alter the terms and conditions of the sections.

40. Integrated Agreement. It is understood that this Permit supersedes and cancels any and all previous negotiations, arrangements, representations, agreements, negotiations, and understandings, if any, between the parties related to the subject matter of this Permit and there are no oral agreements that affect any of the terms of this Permit.

41. Amendments. No provision of this Permit may be amended except by an agreement in writing signed by City and Tenant. Any such modifications are subject to all applicable approval processes set forth in City's Charter, City's Administrative Code, or other applicable law.

42. Governing Law and Venue. This Permit is made and entered into in the State of California and shall in all respects be construed, interpreted, enforced, and governed under the laws of the State of California without reference to choice of law rules. Any action or proceeding arising out of or related to this Permit shall be filed and litigated in the state or federal courts located in the County of Los Angeles, State of California.

43. Prior Permit Superseded. Where this Permit supersedes a previous permit or other entitlement granted by City to Tenant, from and after the Effective Date, said superseded permit or other entitlement shall have no further force or effect except to the extent either party has accrued any continuing rights or obligations that remain to be exercised or performed after the termination or expiration of the superseded permit or other entitlement as provided in the superseded permit or other entitlement.

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

Dated: _____, 2021

By: _____

EUGENE D. SEROKA
Executive Director

Attest: _____

AMBER M. KLESGES
Board Secretary

The undersigned Tenant hereby accepts the foregoing Permit and agrees to abide by, to be bound by, and to observe each and every of the terms, conditions, and covenants thereof, including those set forth in the attached addendum.

DATED: Feb 10, 2021

PARAMOUNT PIPELINE, LLC

By: Robert P. Schlatter

Chairman, Robert P Schlatter

Type/Print Name and Title

Attest: _____

_____

Type/Print Name and Title

APPROVED AS TO FORM AND LEGALITY

_____, 2021

MICHAEL N. FEUER, City Attorney

By: Minah Park, Deputy

[ADDENDUM ON FOLLOWING PAGE]

CALIFORNIA ALL-PURPOSE ACKNOWLEDGMENT

CIVIL CODE § 1189

State of California
County of Los Angels }

On Feb 10. 2021 (Date) before me, Corrine L Galbez, Notary (Here Insert Name and Title of the Officer),

personally appeared Robert P Schlatter (Name(s) of Signer(s))

,

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: Corrine L Galbez (Signature of Notary Public)

CORRINE L. GALBEZ
Notary Public - California
Los Angeles County
Commission # 2320774
My Comm. Expires Feb 8, 2024

Place Notary Seal Above

OPTIONAL

Though the information below is not required by law, it may prove valuable to persons relying on the document and could prevent fraudulent removal and reattachment of this form to another document.

Description of Attached Document

Title or Type of Document: _____

Document Date: _____ Number of Pages: _____

Signer(s) Other Than Named Above: _____

Capacity(ies) Claimed by Signer(s)

Signer's Name: _____

☐ Corporate Officer — Title(s): _____
☐ Individual
☐ Partner — ☐ Limited ☐ General
☐ Attorney in Fact
☐ Trustee
☐ Guardian or Conservator
☐ Other: _____

Signer Is Representing: _____

RIGHT THUMBPRINT OF SIGNER
Top of thumb here

Signer's Name: _____

☐ Corporate Officer — Title(s): _____
☐ Individual
☐ Partner — ☐ Limited ☐ General
☐ Attorney in Fact
☐ Trustee
☐ Guardian or Conservator
☐ Other: _____

Signer Is Representing: _____

RIGHT THUMBPRINT OF SIGNER
Top of thumb here

ADDENDUM

44. Pipelines. Tenant shall maintain at Tenant's nearest office to the Premises the as-built drawings that identify the precise position of any pipelines, utilities or improvements of any type Tenant places on the Premises, whether placed above or below ground. Upon twenty-four (24) hours' written notice by Executive Director, Tenant shall undertake at its sole cost and expense whatever measures are reasonably necessary, including subsurface exploration for any pipeline or any other substructure under Tenant's control or servicing Tenant's operation within the Premises granted herein, to precisely locate the position of such items if City considers such as-built drawings insufficient to locate such items. Tenant agrees any work necessary to locate such items or any damage which may result from the location being incorrectly described, whether incurred by Tenant or City, shall be borne exclusively by Tenant. Exploration and preparation of all documentation recording the location of lines or structures shall be completed within the time specified in said notice. The subsurface exploration shall verify the vertical, as well as horizontal location of all pipelines and substructures. Documentation reflecting the results of said exploration shall be filed with the Harbor Engineer.

If Tenant neglects, fails or refuses within the time specified in said notice to begin or fails to prosecute diligently to complete the work of locating any pipeline or any other substructure under Tenant's control or servicing Tenant's operation within the Premises granted herein, the City shall have the right to enter onto the Premises and perform the work designated in the notice. All subsurface exploration required by the provisions contained herein whether performed by Tenant or City shall be performed at Tenant's expense. In addition, Tenant agrees to bear the cost of any and all damage of whatever nature caused by any act, omission, or negligence of the City and any and all of its boards, officers, agents, consultants, and employees in the performance of said subsurface exploration as required by this provision. Work performed by City or City's contractors under this provision does not alter Tenant's obligation to maintain the Premises in a safe condition, both during and after completion of the work.

(a) Rules Governing Pipelines. For the duration of this Permit, Tenant shall comply with pipeline testing and inspection requirements, as well as the laws and regulations of the Pipeline Code, the Pipeline Safety Act, the California Public Utilities Code, the California Public Utilities Commission regulations for pipelines, the California State Lands Commission Marine Facilities Division ("CSLCIMFD"), the State of California Bureau of Conservation/Division of Oil, Gas, and Geothermal Resources ("DOGGR"), and any other state and/or federal agency not mentioned above, and as required by the California State Fire Marshal ("CSFM") under the Pipelines Safety Act. The City reserves the right to request tests for facilities not under the direct authority of the CSFM, the CSLCIMFD, the DOGGR, the California Public Utilities Commission, and the Federal Office of Pipeline Safety ("FOPS").

(b) Pipeline Tests or Inspections. Upon request by Executive Director, Tenant shall provide the Director of Real Estate of City's Harbor Department and the Director of Environmental Management of City's Harbor Department a master schedule showing dates for pipeline testing and inspection(s) in accordance with the requirements referenced in Section 44(a) 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 Tenant's existing pipelines are modified, or new pipelines are added to the Premises, Tenant shall follow the authorization procedure described in Section 44(a) and provide an updated master schedule with any addition or subtraction of pipelines. This shall cover testing or inspection requirements of all agencies mentioned in Section 44(a), above, as well as any other additional required test(s) or inspection(s).

If Tenant's pipeline test(s) or inspection(s) are approved by the applicable agency requiring or overseeing the test(s) or inspections(s), upon Executive Director's request Tenant shall confirm in writing to the City 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 a general non-technical summary of results.

Upon Executive Director's request, Tenant shall submit a summary of its certified test or inspection approval results to the Director of Environmental Management of City's Harbor Department 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 Tenant for as long as is required by Applicable Laws, but in any event not less than three (3) years. Records of all tests will be made available for inspection by Executive Director or designee at his or her request.

If Tenant's pipeline test(s) or inspection(s) are disapproved, and/or there are irregularities with Tenant's pipeline test(s) or inspection(s), indicating a leak or other operational deficiency, Tenant shall notify the Director of Environmental Management of City's Harbor Department 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).

City's receipt of any notice and/or documentation regarding any pipeline tests, inspection results, and/or irregularities with Tenant's pipelines does not constitute a waiver of any kind of Tenant's obligations under this Permit or under Applicable Laws and does not waive any rights and/or remedies of City.

(c) Relocation of Pipelines. At any time during the term of this Permit, Board shall have the right to make any such change in the route or location of any pipeline constructed or maintained on the Premises by Tenant pursuant to the authority of this Permit as may be required or made necessary for the progress of harbor development or the performance of any work or improvement within the jurisdiction of Board. If Board shall determine that any such change or relocation is necessary, Board shall give at least ninety (90) days' written notice to Tenant and the work of removal and relocation shall be completed within such time after said written notice as shall be fixed in said notice. The cost of any such removal and relocation shall be borne by Tenant. Tenant hereby expressly waives the provisions of the Water Resources Development Act of 1980, and as amended, pertaining to cost allocation for pipeline relocation.

45. Tanks. If storage tanks are located on or below the Premises, Tenant, at its expense, shall submit to City an inventory of all storage tanks, within thirty (30) days from the commencement of the term of this Permit, indicating the number of tanks, type (atmospheric, etc.), contents, capacity, past historical use, location and the date each tank was last tested for structural integrity and leaks. Tenant shall also, at its sole expense, when required by law or when deemed necessary by the Executive Director or his or her designee, test all storage tanks located on the Premises for structural integrity and leaks. Upon written request, Tenant shall make available to City the results of all such tests. Testing required herein shall be to the satisfaction of City and in conformance with all Applicable Laws (as defined in Section 14 above). If during Tenant's occupancy of the Premises a tank or the pipelines servicing a tank containing hazardous material and/or any regulated liquids/material are discovered to be leaking, Tenant shall immediately notify the City and take all steps necessary to repair the tank and/or pipelines and clean up the contaminated area to the satisfaction of City and in accordance with all Applicable Laws.

46. Source Control Program for Pipelines and Tanks. Tenant shall submit a Source Control Program, which is subject to the City's reasonable approval, within 120 days of the Effective Date, and comply with such Source Control Program at all times. Upon City's approval, the Source Control Program shall be attached as Exhibit F.

47. Restoration Security. Tenant shall provide a cash deposit, certificate of deposit, or letter of credit in the name of the City, surety bond, irrevocable letter of credit or other form of security in the name of the City and acceptable to the Executive Director and City Attorney in the amount of Ten Thousand Dollars ($10,000.00) payable to the City of Los Angeles, to guarantee, upon any termination, revocation or forfeiture of this Permit, the restoration of Premises including, but not limited to, the removal of all Contamination (as defined below) and the removal of works, structures and other improvements by Tenant as required by this Permit. Said deposit, or other form of security bond, shall be in a form acceptable to and subject to the approval of the City Attorney. No interest is payable by City on deposits if the deposits

are subsequently refunded. If Executive Director becomes aware of facts which lead him or her to believe that Tenant may not be able to meet its restoration obligation, Executive Director may increase the restoration bond or deposit requirement, and where no restoration bond or deposit is initially required, Executive Director may require such a bond or deposit. If any property of any kind is on the Premises at the request or with the permission of Tenant, its officers, agents, employees, sublessees, licensees or invitees, including vessels, machinery or equipment, and such property sinks in any channel or water area (hereafter "sunken property") and Tenant fails to remove such property within ten (10) days of a request by City to do so, Executive Director may require a restoration deposit or bond in the amount of the reasonable cost of removal as determined by Harbor Engineer. If Executive Director in his or her sole discretion determines sunken property is a safety hazard and so notifies Tenant, failure to remove the property may result in termination of this Permit upon three (3) days' notice.

48. Right to Self-Insure. Upon written approval by the Executive Director, Tenant may self-insure if the following conditions are met:

A. Tenant has a formal self-insurance program in place prior to execution of this Permit. If a corporation, Tenant must have a formal resolution of its board of directors authorizing self-insurance.

B. Tenant agrees to protect the City, its boards, officers, agents and employees at the same level as would be provided by full insurance with respect to types of coverage and minimum limits of liability required by this Permit.

C. Tenant agrees to defend the City, its boards, officers, agents and employees in any lawsuit that would otherwise be defended by an insurance carrier.

D. Tenant agrees that any insurance carried by City's Harbor Department is excess of Tenant's self-insurance and will not contribute to it.

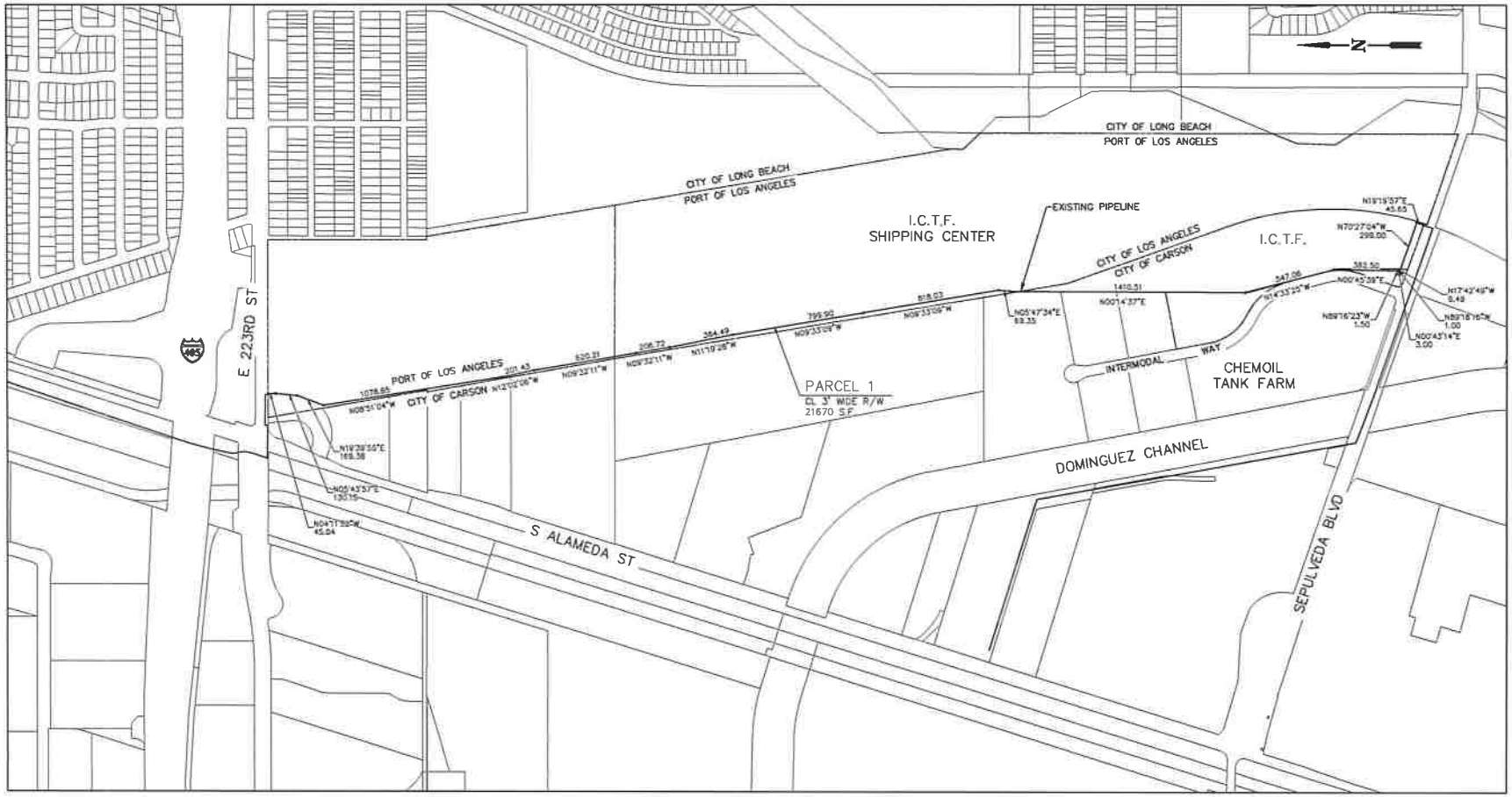
E. Tenant provides the name and address of its claims administrator.

F. Tenant submits a Financial Statement or Balance Sheet prior to Executive Director's consideration of approval of self-insurance and annually thereafter evidence of financial capacity to cover the self-insurance.

G. Tenant agrees to inform City's Harbor Department in writing immediately of any change in its status or policy which would materially affect the protection afforded City's Harbor Department by this self-insurance.

H. Tenant has complied with all laws pertaining to self-insurance.

EXHIBIT A



PARAMOUNT 6" PIPELINE LINE 4 – I.CT.F. SITE PLAN

SCALE: 1"=300'

ISSUED FOR PERMIT
DECEMBER 04, 2020

LEGEND

MATERIAL SUMMARY

ITEM	DESCRIPTION	QTY

COATING SUMMARY

REFERENCE DRAWINGS

NUMBER	TITLE

REVISIONS

NO.	DESCRIPTION	BY	CHK.	DATE
A	ISSUED FOR PERMIT	KWK	EDS	12/4/20

DRAWN BY: KWK 12/4/20
CHECKED BY: DATE
SHOP APPR.: DATE
FIELD MAN. APPR.: DATE
DOCUMENT NUMBER: S:\7368\7368-EX-120.DWG
MAGNIFY DATE: COORDINATE SYSTEM:

SPEC Services, Inc.
12240 Gilbert Ave., Suite 100 East
Fountain Valley, CA 92708
(714) 963-8077

AIR PRODUCTS
Paramount Pipeline, LLC

PARAMOUNT 6" PIPELINE – LINE 4
CITY OF CARSON, L.B., L.A. & POLA
PERMIT MAP – I.C.T.F. SITE

SCALE	PROJECT NO.	SHEET NUMBER	REV.
1"=300'		7368-EX-120	A

FILENAME: S:\7368\7368-EX-120.dwg PLOTTED BY: nkokoda DATE: Dec 07, 2020 3:47:27 pm

EXHIBIT B

FINDINGS OF FACT, STATEMENT OF OVERRIDING CONSIDERATIONS, AND MITIGATION MONITORING AND REPORTING PLAN

AIR PRODUCTS HYDROGEN PIPELINE PROJECT
SCH No. 2020059038

1. INTRODUCTION

The City of Los Angeles Harbor Department (Harbor Department), acting by and through its Board of Harbor Commissioners (Port), has reviewed the Final Environmental Impact Report (FEIR) (State Clearinghouse No. 2020059038) prepared for the Air Products Hydrogen Pipeline Project (Project) and certified on November 10, 2020 by the City of Carson (Lead Agency) under the California Environmental Quality Act (CEQA) (Pub. Resources Code, § 21000 et seq.). The Harbor Department must issue permits for the element of the Project described as "Paramount Pipeline Line 4 (Line 4)", which would change the use of an existing pipeline on Port Property and Port of Los Angeles and Port of Long Beach (Joint Ports)' Right-of-Way[1] from petroleum to hydrogen. Air Products and Paramount Pipelines, LLC (Paramount Pipelines) have each submitted separate applications for separate Master Joint Revocable Permits (MJRPs). These applications were submitted to both the Port of Los Angeles and Port of Long Beach to consolidate entitlements on the Joint Ports' Right-of-Way and change the use of Line 4 from petroleum to hydrogen. In addition to these two MJRPs, an additional application was submitted by Paramount Pipelines solely to the Port of Los Angeles for a Revocable Permit that would entitle the portion of Line 4 that traverses Port-owned land. This activity also includes a change of use from petroleum to hydrogen. The Harbor Department, as a Responsible Agency under CEQA with respect to approvals and permits, is required to consider the Lead Agency's CEQA document, prior to acting on a project.

Based on the review of certified FEIR, the Harbor Department herein makes certain findings pursuant to Public Resources Code section 21081 and Title 14 California Code of Regulations 15091; makes findings regarding the Statement of Overriding Considerations pursuant to Public Resources Code section 21081 and Title 14 California Code of Regulations section 15093; and sets forth a Mitigation Monitoring and Reporting Plan (MMRP) that pertains to the "Line 4" Project element of the certified EIR pursuant to Public Resources Code section 21081 and Title 14 California Code of Regulations section 15097.

2. PROJECT DESCRIPTION

On November 10, 2020, the City of Carson, as the lead agency under CEQA, certified the FEIR for the Air Products Hydrogen Pipeline Project as complete and in compliance with CEQA. The Project includes Air Products and Chemicals, Inc.'s (Air Products') utilization of an existing 11.5-mile-long series of pipelines and construction of a new 0.5-mile pipeline segment to connect from the Air Products' existing hydrogen facility in the City of Carson to the World Energy Paramount Refinery (Paramount Refinery) in the City of Paramount, California. The existing 11.5-mile pipeline crosses the cities of Carson, Los Angeles, Long Beach, Lakewood, Bellflower, and Paramount in addition to an unincorporated part of the County of Los Angeles and land owned or controlled by the Port of Los Angeles and the Joint Ports Authority. The 0.5-

[1] Joint Ports' Right-of-Way – Alameda Corridor rail property owned jointly by both ports as tenants-in-common, each holding an undivided 50 percent interest in the property.

mile of new pipeline would be located entirely within the City of Carson.

A portion of the existing pipeline traverses both Joint Ports' Right-of-Way and Port-owned land. This pipeline is referred to as "Line 4". Air Products Paramount Pipelines have each submitted applications for separate MJRPs. These applications were submitted to both the Port of Los Angeles and Port of Long Beach (collectively referred to as the "Ports") to consolidate entitlements on the Joint Ports' Right-of-Way and change the use of Line 4 from petroleum to hydrogen. In addition to these two MJRPs, an additional application was submitted by Paramount Pipelines solely to the Port of Los Angeles for a Revocable Permit that would entitle the portion of Line 4 that traverses Port-owned land. This activity also includes a change of use from petroleum to hydrogen.

3. FINDINGS

CEQA prohibits a public agency from approving or carrying out a project for which a CEQA document has been completed and identifies one or more significant adverse environmental effects of the project, unless the public agency makes one or more written findings for each of those significant effects, accompanied by a brief explanation of the rationale for each finding (CEQA Guidelines section 15091).

These findings provide the written analysis and conclusions of the Harbor Department, acting by and through its Board of Harbor Commissioners, as a Responsible Agency, regarding the environmental impacts of the proposed project and the mitigation measures directly applicable to the element of the Project described in the FEIR as "Line 4", which would change the use of an existing pipeline on Port Property and Joint Ports' Right-of-Way from petroleum to hydrogen.

The FEIR concluded that the Project, after mitigation, may result in the following significant adverse environmental impact:

- Hazardous Materials and Risk of Upset HM-2. Create a significant hazard to the public or the environment through reasonably foreseeable upset and accident conditions involving the release of hazardous materials into the environment. Several mitigation measures adopted as conditions of approval serve to reduce these impacts. Mitigation measures HM-2a, HM-2b and HM-2c would be applicable and accomplish reductions in size of a potential release and potentially reducing the frequency of a release through an enhanced monitoring and testing regimen during operation of pipeline "Line 4".

3.1 POTENTIALLY SIGNIFICANT IMPACTS WHICH CANNOT BE MITIGATED TO A LEVEL OF INSIGNIFICANCE

The FEIR identified one potentially significant adverse environmental impact that cannot be reduced to a level of insignificance: HM-2. Hazardous Materials and Risk of Upset: The Project would create a significant hazard to the public or the environment through reasonably foreseeable upset and accident conditions involving the release of hazardous materials into the environment. The FEIR identified six potentially significant adverse environmental impacts that can be reduced to a level of insignificance. These impacts and related mitigation measures were identified for aspects of the Project that apply solely to construction of the new pipeline connections, which would be located entirely within the City of Carson. As a result, these are not applicable to the Port's property or Joint Ports' property under the MJRP. These

construction-related environmental impacts include hazardous materials, transportation, and tribal cultural resources, which are discussed under Section 3.2.

3.1.1 The proposed Project would create a significant hazard to the public or the environment through reasonably foreseeable upset and accident conditions involving the release of hazardous materials into the environment.

Finding: The Harbor Department finds that (1) the Project creates a significant hazard to the public or the environment through reasonably foreseeable upset and accident conditions involving the release of hazardous materials into the environment.; (2) mitigation measures were incorporated into the Project that serve to reduce this impacts, but even with the inclusion of these conditions, the impact cannot be reduced to less than significant levels; (3) such mitigation measures are within the jurisdiction of the City of Carson and the Ports; and, (4) no feasible measures were identified that would mitigate this significant adverse impact to insignificance.

Explanation: The Project creates a significant hazard to the public or the environment through reasonably foreseeable upset and accident conditions involving the release of hazardous materials into the environment. The FEIR concluded that, even with application of feasible mitigation measures, this impact cannot be entirely avoided or reduced to less-than-significant levels. Three feasible mitigation measures that could potentially reduce the impact were evaluated, but they would not reduce the level to less than significant. These mitigation measures are described in the FEIR (HM-2a, HM-2b and HM-2c). Though these measures would not remove significant hazard of accidental release of hazardous materials, no other feasible mitigation measures or project alternatives have been identified that would reduce the impact to less than significant. Therefore, significant hazard effects involving the release of hazardous materials into the environment is expected to remain significant and unavoidable regionally following mitigation.

3.2 POTENTIALLY SIGNIFICANT IMPACTS WHICH CAN BE MITIGATED TO A LEVEL OF INSIGNIFICANCE

The FEIR identified six potentially significant adverse environmental impacts that can be reduced to a level of insignificance: (1) HM-4. Project could be located on a site which is included on a list of hazardous materials sites compiled pursuant to Government Code §65962.5 (Cortese List); (2) T-1. Project could conflict with a program, plan, ordinance, or policy addressing the circulation system, including transit, roadway, bicycle and pedestrian facilities; (3) T-4. The Project could result in inadequate emergency access; (4) TC-1. Project could cause substantial adverse change in the significance of a historical or archaeological resource as defined in §15064.5; (5) TC-2. Project could disturb human remains, including those interred outside of dedicated cemeteries; and (6) TC-3. Project could cause a substantial adverse change in the significance of a tribal cultural resource that is listed or eligible for listing in the California Register of Historical Resources, or in a local register of historical resources as defined in PRC Section 5020.1(k), or one that is determined by the lead agency to be significant pursuant to criteria set forth in subdivision (c) of PRC Section 5024.1. Seven feasible mitigation measures that could potentially reduce the impacts were evaluated and were found to reduce the level of the impacts to insignificant. These mitigation measures are described in the FEIR (HM-4, T-1, T-4, TC-1a, TC-1b, TC-2, and TC-3). The impacts of the Project on these potentially adverse

impacts are expected to be less than significant following implementation of the mitigation measures. These impacts and related mitigation measures were identified for aspects of the Project that apply solely to construction of the new pipeline connections, which would be located entirely within the City of Carson. As a result, these are not applicable to the Port's property or Joint Ports' property under the MJRP.

3.3 FINDINGS CONCLUSION

Changes or alterations have been incorporated into the Project to mitigate or minimize the potentially significant adverse environmental effects associated with project-specific impacts to less than the applicable significance threshold. No additional feasible mitigation measures or alternatives were identified that could further reduce the following:

1) Significant hazard to the public or the environment through reasonably foreseeable upset and accident conditions involving the release of hazardous materials into the environment.

No additional feasible mitigation measures or alternatives to the Project, other than those included in the FEIR, have been identified that can further mitigate the potentially significant adverse project impacts on hazards during the Project while meeting the basic objectives of the Project. In summary, no additional feasible mitigation measures or alternatives were identified that could further reduce the significant project-specific and cumulative environmental impacts identified here.

The Harbor Department further finds that all of the findings presented here are supported by substantial evidence as analyzed in the FEIR and in the administrative record as a whole.

The Harbor Department further finds that there have been (1) no substantial changes to the Project which would require major revisions of the FEIR, (2) no substantial changes with respect to the circumstances under which the Project is being undertaken which would require major revisions in the FEIR, and (3) no new information has become available which was not known or could have been known at the time the FEIR was certified as complete.

4.0 STATEMENT OF OVERRIDING CONSIDERATIONS

If significant adverse impacts of a Project remain after incorporating feasible mitigation measures, or no feasible measures to mitigate the adverse impacts are identified, the lead agency must make a determination that the benefits of the Project outweigh the unavoidable, significant, adverse environmental effects if it is to approve the project. In accordance with Public Resources Code section 21081 and Title 14 California Code of Regulations section 15093, the Harbor Department, in determining whether or not to approve the Project, balanced the economic, social, technological, and other project benefits against its unavoidable environmental risks, and finds that each of the benefits of the proposed project set forth below outweigh the significant adverse environmental effects that are not mitigated to less than significant levels. This statement of overriding considerations is based on the Harbor Department's review of the FEIR and the administrative record as a whole. Each of the benefits identified below provides a separate and independent basis for overriding the significant environmental effects of the Project. Accordingly, this Statement of Overriding Considerations regarding potentially significant adverse environmental impacts resulting from the Project, as

set forth below, has been prepared. Pursuant to CEQA Guidelines section 15093(c), this Statement of Overriding Considerations will be included in the record of the Project approval and will also be noted in the Notice of Determination.

Having reduced the potential effects of the proposed project through all feasible mitigation measures as described previously in this statement and balancing the benefits of the Project against its potential unavoidable adverse impact on hazards involving the release of hazardous materials into the environment during operation, the Harbor Department finds that the following legal requirements and benefits of the Project individually and collectively outweigh the potentially significant unavoidable adverse impacts for the following reasons:

1. **Substantial mitigation has been provided to further reduce impacts.** Impacts have been mitigated to the maximum extent feasible and the level of risk, while significant, has a low probability of occurrence and the analysis conducted is conservative to provide for the maximum level of scrutiny and disclosure. With regards to mitigation, the approach of the measures in the FEIR is to reduce the impacts, by reducing the size of a release, or reducing the frequency of a release. The mitigation measures require operations of the pipeline at a lower pressure in order to reduce the size of a potential release and decrease the potential for exposure. Mitigation measures HM-2a, HM-2b and HM-2c would be applicable and accomplish reductions in size of a potential release and potentially reducing the frequency of a release through an enhanced monitoring and testing regimen.
2. **Improvement over ongoing hydrogen trucking and traffic reduction.** The pipeline Project would provide an improvement in risk levels over the alternative of the future trucking of hydrogen to the Paramount Refinery. As detailed in the FEIR, use of the pipeline would result in similar risk levels to the baseline. World Energy currently receives liquefied hydrogen at its Paramount Refinery by tanker truck from a third-party supplier located in Ontario, CA. Without the proposed Project, the Paramount Refinery would continue to receive 5 – 7 tanker trucks trips per day of hydrogen, with associated hazards of hauling a flammable liquid on public roadways, as well as increased highway and local traffic and associated air quality emissions. The existing pipelines, proposed to be repurposed for hydrogen, would be used for the transport of hydrogen and eliminate the potential risk impacts of the ongoing trucking of liquefied hydrogen from Ontario to Paramount.
3. **The Project would support production of clean, renewable fuels.** Air Products proposes to utilize this pipeline route to connect Air Products with a new customer in the City of Paramount, who uses hydrogen to produce renewable biofuels (biodiesel and biojet) for the transportation market. The Paramount Refinery produces renewable jet fuel and renewable diesel fuel from non-edible vegetable oil and high-quality beef tallow. World Energy has been in partnership with Paramount Petroleum since 2013 when the Paramount Refinery began the process of converting portions of their oil refinery into renewable fuels production under the Renewable Fuels Project. World Energy's renewable products support California and Federal Low Carbon Fuel Standards. The goals of the standards are to reduce carbon intensity of transportation fuels, complement other state measures for reducing greenhouse gases, transform and diversify the transportation fuel pool, reduce petroleum dependency, and reduce overall

air emissions. World Energy currently supplies renewable gasoline, diesel, and jet fuel to fleet services such as UPS, United Airlines, Boeing, the Department of Defense, and several California municipalities and school systems, reducing both truck and airline emissions. World Energy's renewable products meet regulatory and commercial specifications without requiring engine modifications.

4. **Supports California energy independence (economic considerations and region-wide or statewide environmental benefits).** Production of crude oil has been substantially reduced in California over the past decades resulting in the need to import oil to produce fuels. The Paramount Refinery has been repurposed to allow for refining beef tallow into diesel and jet fuels that would be used in the area instead of oil produced elsewhere. The Project will provide needed hydrogen to the Refinery and as such contribute to the production of clean fuels. These clean fuels would supplant the use of local crude oil production and/or will likely displace some imported foreign crude due to the demand for this commodity. Replacement of foreign crude with production of clean fuels would reduce GHG and criteria pollutant emissions from ocean tankers and other emissions generated during production of oil overseas. In addition, as California works towards its renewable power and zero emission vehicle goals, there will remain a need for fossil fuel in both the transportation and power sectors. Currently, more than 70 percent of oil entering California to meet the State's needs is from out of the State and is delivered primarily by marine tanker. In 2019, over 58 percent of crude oil supplied to California refineries was shipped from foreign sources. The largest suppliers of foreign oil to California are Saudi Arabia, Ecuador, Colombia, and Iraq followed by smaller supplies from Brazil, Mexico, Africa and the Arabian Gulf. The Project will contribute to reducing importation of foreign crudes and supports the State's energy independence.

In balancing the benefits of the overall Project described above with the Project's unavoidable and significant adverse environmental impacts, the Harbor Department finds that the Project's benefits individually and collectively outweigh the unavoidable adverse impact, such that this impact is acceptable. The Harbor Department further finds that substantial evidence presented in the FEIR and the administrative record as a whole supports approving the Project despite the Project's potential adverse impact.

5.0 RECORD OF PROCEEDINGS

The record of the Harbor Department's approval for the Air Products Hydrogen Pipeline Project, including these Findings of Fact and Statement of Overriding Considerations, and the Notice of Determination (to be sent to the Los Angeles County Clerk and State Clearinghouse to be posted and recorded) will be available to the general public at the Port of Los Angeles, Environmental Management Division website, https://www.portoflosangeles.org/environment/environmental-documents.

The record of the City of Carson's Project approval is available to the general public for review at https://ci.carson.ca.us/content/files/pdfs/Planning/sr/2020-11-10/PC_SR_CUP%201089-18_23300%20S%20Alameda%20Street%20Air%20Products%20Hydrogen%20Pipeline_AB%20Edits%20Addressed_SE_MC.pdf

6.0 MITIGATION, MONITORING, AND REPORTING PLAN

When a public agency conducts an environmental review of a proposed project in conjunction with approving it, the lead agency shall adopt a program for monitoring or reporting on the measures it has imposed to mitigate or avoid significant adverse environmental effects pursuant Public Resources Code section 21081 and Title 14 California Code of Regulations section 15097. Public Resources Code section 21081.6 states in part that when making the findings required by section 21081(a):

> *"... the public agency shall adopt a reporting or monitoring program for the changes made to the project or conditions of project approval, adopted in order to mitigate or avoid significant effects on the environment. The reporting or monitoring program shall be designed to ensure compliance during project implementation. For those changes which have been required or incorporated into the project at the request of a responsible agency or a public agency having jurisdiction by law over natural resources affected by the project, that agency shall, if so requested by the lead or responsible agency, prepare and submit a proposed reporting or monitoring program."*

The mitigation, monitoring, and reporting requirements identified in this plan will be enforced through the Master Joint Revocable Permit issued by the Port of Los Angeles and Port of Long Beach and the Revocable Permit issued by the Port of Los Angeles. The mitigation measures are primarily the responsibility of Air Products and Paramount Pipelines to implement. To certify compliance, documentation that mitigation measures have been implemented, records will be maintained by Air Products and Paramount Pipelines to ensure potential environmental impacts are mitigated in accordance with the performance standards identified in the FEIR.

The MMRP is organized in a table format and identifies those mitigation measures adopted by the City of Carson to address impacts associated with the "Line 4" Project component of the Air Products Hydrogen Pipeline Project FEIR certified on November 10, 2020. The mitigation measure numbers listed below correspond with those identified in the approved MMRP prepared by the City of Carson and have been reflected to apply to activities associated with the Line 4 element of the Project.

6.1 HAZARDS AND HAZARDOUS MATERIALS MITIGATION MEASURES

The analysis in the FEIR concluded that one significant and unavoidable impact was identified for the Project. This impact is associated with an upset condition and release of hazardous materials into the environment (HM-2). Even with implementation of mitigation, impacts of HM-2 still fell in a range very similar to the baseline operations but would remain within the unacceptable region of the FN curves (frequency versus consequence); potential impacts to people and the environment would be significant and unavoidable.

HM-2a MAXIMUM PRESSURE ALLOWANCE

The pipeline shall be operated at a maximum pressure at any point in the pipeline of 160 psig. The operator shall maintain operating pressure information that shall be made available upon request. Information on pipeline maintenance, including pressure testing and any direct assessments or any other pipeline issues, shall be reported to the City.

Timing and Method of Verification: During Operation.

City of Carson/Port of Los Angeles/Port of Long Beach Responsibility: Review information on pipeline operating pressure and pipeline maintenance.

Air Products and Paramount Pipelines Responsibility: Operate the pipeline at a maximum pressure at any point in the pipeline of 160 psig. Maintain information on operating pressure. Information on operating pressure and pipeline maintenance shall be documented and reported.

HM-2b TESTING AND MONITORING

New and existing pipeline materials shall be consistent with CGA recommendations for avoidance of hydrogen embrittlement. Operation at or below the Maximum Pressure Allowance of 160 psig will be maintained at all times, ensuring operation that goes conservatively beyond industry recommendations to avoid hydrogen embrittlement. Monitoring of the pipeline shall include the following measures: 1) Cathodic system maintenance, including bi-monthly checks for proper operation. 2) Leak surveys with hydrogen gas detector every six months. 3) Quarterly patrols checking for unusual conditions or activity around the line. 4) Valve functionality assurance testing. 5) A leak detection capable of detecting leaks as small as 0.25 inches in diameter. 6) Damage prevention, pipeline marking and surveillance activities. 7) Other pipeline inspections and any required repairs to address inspection findings. 8) Destructive and metallurgical testing on any sections removed in the course of normal maintenance and operation. The monitoring procedure shall be documented and available for inspection upon request.

Timing and Method of Verification: During Operation.

City of Carson/Port of Los Angeles/Port of Long Beach Responsibility: Review information on pipeline monitoring procedure and inspections.

Air Products and Paramount Pipelines Responsibility: Monitor and inspect pipeline. Document pipeline monitoring procedure. Monitoring of the pipeline shall include the following measures: 1) Cathodic system maintenance, including bi-monthly checks for proper operation. 2) Leak surveys with hydrogen gas detector every six months. 3) Quarterly patrols checking for unusual conditions or activity around the line. 4) Valve functionality assurance testing. 5) A leak detection capable of detecting leaks as small as 0.25 inches in diameter. 6) Damage prevention, pipeline marking and surveillance activities. 7) Other pipeline inspections and any required repairs to address inspection findings. 8) Destructive and metallurgical testing on any sections removed in the course of normal maintenance and operation. The monitoring procedure shall be documented and available for inspection upon request.

HM-2c PRESSURE TESTING

The pipeline shall be pressure tested at 556 psig, which is approximately 3.5 times the normal operating pressure. The pressure testing shall be performed prior to the introduction of hydrogen, and repeated every 5 years in accordance with DOT regulations.

Timing and Method of Verification: During Operation.

City of Carson/Port of Los Angeles/Port of Long Beach Responsibility: Monitor compliance.

Air Products and Paramount Pipelines Responsibility: Continue to pressure test the pipeline at 556 psig. Perform testing per PHMSA requirements. The pressure testing shall be performed prior to the introduction of hydrogen, and repeated every 5 years in accordance with U.S. Department of Transportation (DOT) regulations.

7.0 CONCLUSION

During the operation of the Air Products Hydrogen Pipeline Project, Air Products and Paramount Pipelines will maintain records of applicable compliance activities to demonstrate the steps taken to assure compliance with imposed mitigation measures as specified above and in Table 1. All logs and other records shall be made available to Port staff upon request. Staff and Air Products will evaluate the effectiveness of this monitoring program.

EXHIBIT B

Table 1. Mitigation, Monitoring, and Reporting Plan for "Paramount Pipeline Line 4" of the Air Products Hydrogen Pipeline Project located on Joint-Ports Right-of-Way

Mitigation Measure/Implementation Requirement	**Party Responsible for Implementing Mitigation**	**Monitoring Action**	**1. Monitoring Agencies 2. Monitoring Phase**
HM-2a. Maximum operating pressure at any point in the pipeline of 160 psig.	Air Products	The pipeline shall be operated at a maximum pressure at any point in the pipeline of 160 psig. The operator shall maintain operating pressure information that shall be made available upon request. Information on pipeline maintenance, including pressure testing and any direct assessments or any other pipeline issues, shall be reported to the City.	1. City of Carson and POLA/POLB 2. During operation
HM-2b. Monitor pipeline for issues that could indicate increased rate of the loss of pipeline integrity	Air Products	New and existing pipeline materials shall be consistent with CGA recommendations for avoidance of hydrogen embrittlement. Operation at or below the Maximum Pressure Allowance of 160 psig will be maintained at all times, ensuring operation that goes conservatively beyond industry recommendations to avoid hydrogen embrittlement. Monitoring of the pipeline shall include the following measures: 1) Cathodic system maintenance, including bi-monthly checks for proper operation. 2) Leak surveys with hydrogen gas detector every six months. 3) Quarterly patrols checking for unusual conditions or activity around the line. 4) Valve functionality assurance testing. 5) A leak detection capable of detecting leaks as small as 0.25 inches in diameter. 6) Damage prevention, pipeline marking and surveillance activities. 7) Other pipeline inspections and any required repairs to address inspection findings. 8) Destructive and metallurgical testing on any sections removed in the course of normal maintenance and operation. The monitoring procedure shall be documented and available for inspection upon request.	1. City of Carson and POLA/POLB 2. During operation
HM-2c. Pressure test pipeline at 556 psig. Perform testing per PHMSA requirements.	Air Products	The pipeline shall be pressure tested at 556 psig, which is approximately 3.5 times the normal operating pressure. The pressure testing shall be performed prior to the introduction of hydrogen, and repeated every 5 years in accordance with DOT regulations.	1. City of Carson and POLA/POLB 2. During operation

EXHIBIT C

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 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 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:

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 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.

EXHIBIT D

Sec. 10.8.2.1. Equal Benefits Ordinance.

Discrimination in the provision of employee benefits between employees with domestic partners and employees with spouses results in unequal pay for equal work. Los Angeles law prohibits entities doing business with the City from discriminating in employment practices based on marital status and/or sexual orientation. The City's departments and contracting agents are required to place in all City contracts a provision that the company choosing to do business with the City agrees to comply with the City's nondiscrimination laws.

It is the City's intent, through the contracting practices outlined in this Ordinance, to assure that those companies wanting to do business with the City will equalize the total compensation between similarly situated employees with spouses and with domestic partners. The provisions of this Ordinance are designed to ensure that the City's contractors will maintain a competitive advantage in recruiting and retaining capable employees, thereby improving the quality of the goods and services the City and its people receive, and ensuring protection of the City's property.

(c) Equal Benefits Requirements.

(1) No Awarding Authority of the City shall execute or amend any Contract with any Contractor that discriminates in the provision of Benefits between employees with spouses and employees with Domestic Partners, between spouses of employees and Domestic Partners of employees, and between dependents and family members of spouses and dependents and family members of Domestic Partners.

(2) A Contractor must permit access to, and upon request, must provide certified copies of all of its records pertaining to its Benefits policies and its employment policies and practices to the DAA, for the purpose of investigation or to ascertain compliance with the Equal Benefits Ordinance.

(3) A Contractor must post a copy of the following statement in conspicuous places at its place of business available to employees and applicants for employment: "During the performance of a Contract with the City of Los Angeles, the Contractor will provide equal benefits to its employees with spouses and its employees with domestic partners." The posted statement must also include a City contact telephone number which will be provided each Contractor when the Contract is executed.

(4) A Contractor must not set up or use its contracting entity for the purpose of evading the requirements imposed by the Equal Benefits Ordinance.

(d) Other Options for Compliance. Provided that the Contractor does not discriminate in the provision of Benefits, a Contractor may also comply with the Equal Benefits Ordinance in the following ways:

(1) A Contractor may provide an employee with the Cash Equivalent only if the DAA determines that either:

a. The Contractor has made a reasonable, yet unsuccessful effort to provide Equal Benefits; or

b. Under the circumstances, it would be unreasonable to require the Contractor to provide Benefits to the Domestic Partner (or spouse, if applicable).

(2) Allow each employee to designate a legally domiciled member of the employee's household as being eligible for spousal equivalent Benefits.

(3) Provide Benefits neither to employees' spouses nor to employees' Domestic Partners.

(e) Applicability.

(1) Unless otherwise exempt, a Contractor is subject to and shall comply with all applicable provisions of the Equal Benefits Ordinance.

(2) The requirements of the Equal Benefits Ordinance shall apply to a Contractor's operations as follows:

a. A Contractor's operations located within the City limits, regardless of whether there are employees at those locations performing work on the Contract.

b. A Contractor's operations on real property located outside of the City limits if the property is owned by the City or the City has a right to occupy the property, and if the Contractor's presence at or on that property is connected to a Contract with the City.

c. The Contractor's employees located elsewhere in the United States but outside of the City limits if those employees are performing work on the City Contract.

(3) The requirements of the Equal Benefits Ordinance do not apply to collective bargaining agreements ("CBA") in effect prior to January 1, 2000. The Contractor must agree to propose to its union that the requirements of the Equal Benefits Ordinance be incorporated into its CBA upon amendment, extension, or other modification of a CBA occurring after January 1, 2000.

(f) Mandatory Contract Provisions Pertaining to Equal Benefits. Unless otherwise exempted, every Contract shall contain language that obligates the Contractor to comply with the applicable provisions of the Equal Benefits Ordinance. The language shall include provisions for the following:

(1) During the performance of the Contract, the Contractor certifies and represents that the Contractor will comply with the Equal Benefits Ordinance.

(2) The failure of the Contractor to comply with the Equal Benefits Ordinance will be deemed to be a material breach of the Contract by the Awarding Authority.

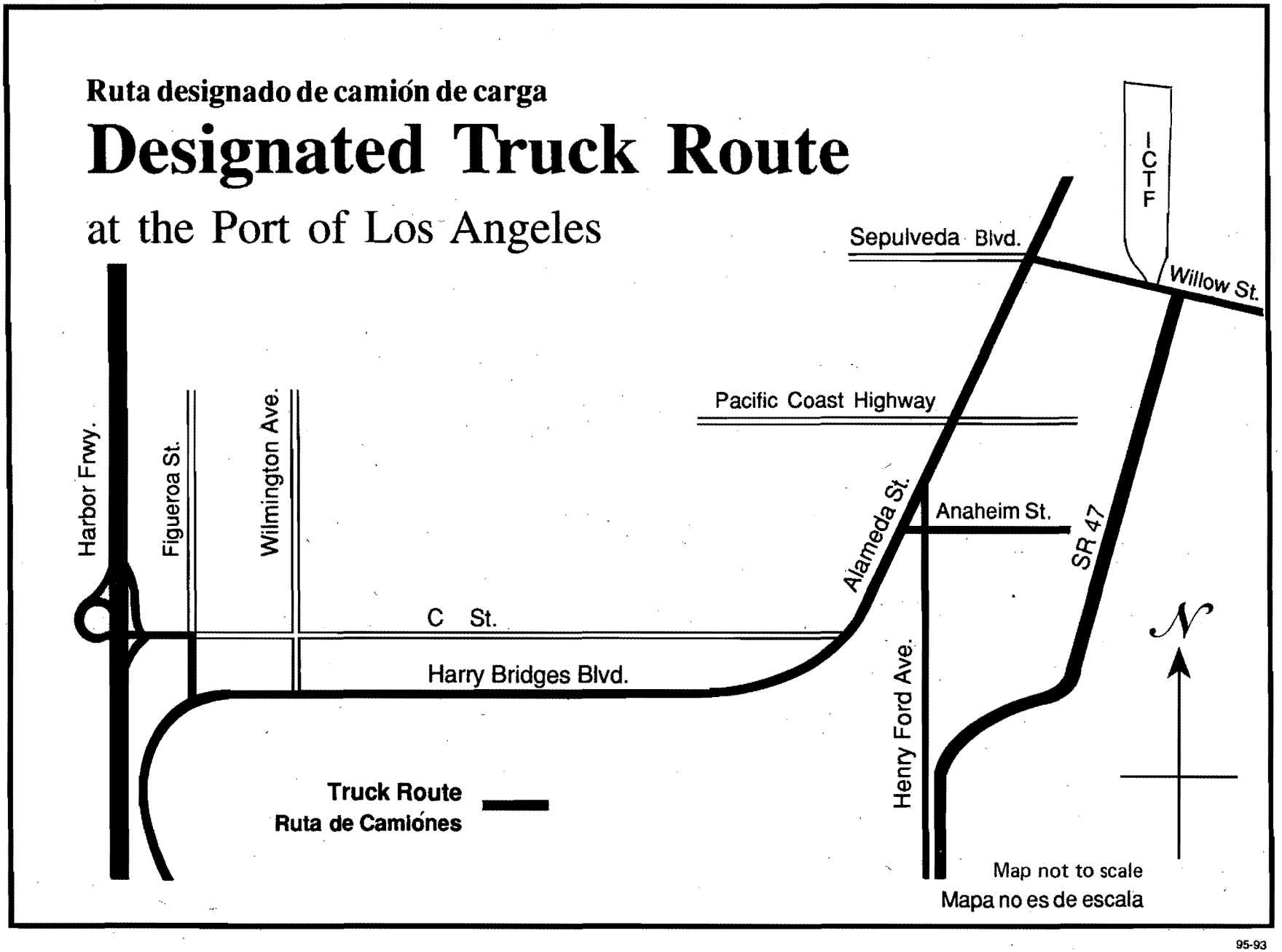
(3) If the Contractor fails to comply with the Equal Benefits Ordinance the Awarding Authority may cancel, terminate or suspend the Contract, in whole or in part, and all monies due or to become due under the Contract may be retained by the City. The City may also pursue any and all other remedies at law or in equity for any breach.

(4) Failure to comply with the Equal Benefits Ordinance may be used as evidence against the Contractor in actions taken pursuant to the provisions of Los Angeles Administrative Code Section 10.40, et seq., Contractor Responsibility Ordinance.

(5) If the DAA determines that a Contractor has set up or used its Contracting entity for the purpose of evading the intent of the Equal Benefits Ordinance, the Awarding Authority may terminate the Contract on behalf of the City. Violation of this provision may be used as evidence against the Contractor in actions taken pursuant to the provisions of Los Angeles Administrative Code Section 10.40, et seq., Contractor Responsibility Ordinance.

EXHIBIT E

TRUCKS ENTERING AND LEAVING THE PORT MUST USE THE ROUTE SHOWN BELOW.
CAMIÓNES ENTRANDO Y SALIENDO EL PORTO DEVEN DE USAR LA RUTA INDICADO ABAJO.



95-93

EXHIBIT F

(To be provided by Tenant within 120 days of the Effective Date pursuant to Section 46.)

EXHIBIT G

GUARANTY

This Guaranty (the "Guaranty") is executed by AltAir Paramount, LLC, a Delaware limited liability company ("Guarantor"), whose address is 14700 Downey Avenue, Paramount CA 90723.

For good and valuable consideration, the receipt and adequacy of which is hereby acknowledged, Guarantor hereby unconditionally guarantees to the CITY OF LOS ANGELES, a municipal corporation, acting by and through its Board of Harbor Commissioners, its successors and assigns ("City"), the full, prompt and faithful payment, performance and discharge by Paramount Pipeline, LLC ("Permittee") of each of the obligations of Permittee under Revocable Permit 20-22.

The Guarantor waives the right to require the City to (i) proceed against Permittee (ii) except as provided hereinafter, proceed against or exhaust any security that the City holds from Permittee; or (iii) pursue any other remedy in the City's power. The Guarantor waives any defense by reason of any disability of Permittee and waives any other defense based on the termination of Permittee's liability from any cause. Until all of Permittee's obligations to the City have been paid or performed in full, through the termination of RP 20-22, the Guarantor waives any right of subrogation against Permittee. The Guarantor waives all presentments, demands for performance, notices of nonperformance, protests, notices of protest, notices of dishonor, and notices of acceptance of this Guaranty.

The Guarantor further waives (i) any defense arising out of the absence, impairment or loss of any right of reimbursement or subrogation of Guarantor against Permittee or any security, whether resulting from an election by City, or otherwise, (ii) any defense based on any statute or rule of law that provides that the obligation of a surety must be neither larger in amount nor in any other respects more burdensome than that of a principal, (iii) all benefits that might otherwise be available to the Guarantor under California Civil Code Sections 2809, 2810, 2819, 2839, 2845, 2849, 2850, 2899 and 3433, and (iv) the benefit of any statute of limitations affecting the liability of the Guarantor or the enforcement of this Guaranty. The Guarantor agrees that the payment of all sums payable by Permittee under RP 20-22 or any other act that tolls any statute of limitations applicable to Permittee under RP 20-22 will similarly operate to toll the statute of limitations applicable to the Guarantor's liability.

City may perform any of the following acts at any time while the permit is in force, without notice to or assent of Guarantor and without in any way releasing, affecting or impairing any of Guarantor's obligations or liabilities under this Guaranty: (a) alter, modify or amend the Permit by agreement or course of conduct, (b) assign or otherwise transfer its interest in RP 20-22 or this Guaranty, (c) hold any agreed security for the payment of this Guaranty and exchange, enforce, waive and release any such security, and (d) apply such security and direct the order or manner of sale thereof as City, in their sole discretion, deem appropriate.

Guarantor acknowledges and agrees that Guarantor's obligations to City under this Guaranty are separate and distinct from Permittee's obligations to City under RP 20-22. The occurrence of any of the following events shall not have any effect whatsoever on any of Guarantor's obligations to City hereunder, each of which obligations shall continue in full force or effect as though such event had not occurred: (a) the commencement by Permittee of a voluntary

case under the federal bankruptcy laws or any other applicable federal or state bankruptcy, insolvency or other similar law (collectively, the "Bankruptcy Laws"), (b) the consent by Permittee to the appointment of or taking possession by a receiver or similar official of Permittee or for any substantial part of its property, (c) any assignment by Permittee for the benefit of creditors, (d) the failure of Permittee generally to pay its debts as such debts become due, (e) the taking of corporate action by Permittee in the furtherance of any of the foregoing; or (f) the entry of a decree or order for relief by a court having jurisdiction in respect of Permittee in any involuntary case under the Bankruptcy Laws, or appointing a receiver or similar official of Permittee or for any substantial part of its property, or ordering the winding-up or liquidation of any of its affairs and the continuance of any such decree or order unstayed and in effect for a period of sixty (60) consecutive days.

If Guarantor is not an entity qualified to do business in California, to the extent that Guarantor is required to perform any obligation hereunder other than the payment of money, then Guarantor shall appoint a subsidiary qualified to do business in California to perform such obligations. No such appointment shall lessen or otherwise reduce Guarantor's obligations or liabilities pursuant to this Guaranty.

If the City is required to enforce the Guarantor's obligations by legal proceedings, the Guarantor agrees that any such action may be brought in the Superior Court of the State of California for the County of Los Angeles, submits to the exclusive jurisdiction of such court and waives any objection which it may have now or hereafter to the laying of venue of any such action in said court and any claim that any such proceeding is brought in an inconvenient forum, except that City may enforce any judgment obtained in favor of City in any jurisdiction that City chooses to seek such enforcement.

This Guaranty shall be governed by and construed in all respects in accordance with the laws of the State of California.

Should any part, term, condition or provision of this Guaranty be declared or determined by any court of competent jurisdiction to be invalid, illegal or incapable of being enforced by any rule of law, public policy, or charter, the validity of the remaining parts, terms, conditions or provisions of this Guaranty shall not be affected thereby, and such invalid, illegal or unenforceable part, term, condition or provision shall be treated as follows: (a) if such part, term, condition or provision is immaterial to this Guaranty, then such part, term, condition or provision shall be deemed not to be a part of this Guaranty; or (b) if such part, term, condition or provision is material to this Guaranty, then the parties shall revise the part, term, condition or provision so as to comply with the applicable law or public policy and to effect the original intent of the parties as closely as possible.

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 City:	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 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
To Guarantor:	AltAir Paramount, LLC 14700 Downey Ave Paramount CA 90723

Feb 10, 2021

AltAir Paramount, LLC,
a Delaware limited liability company

By: _____

Name: Monsen Ahmadi

Title: Plant Manager

_____, 2021

By: _____

Name: _____

Title: _____

CALIFORNIA ALL-PURPOSE ACKNOWLEDGMENT

CIVIL CODE § 1189

State of California
County of Los Angeles

On Feb 10, 2021 (Date) before me, Corrine L Galbez, Notary (Here Insert Name and Title of the Officer),

personally appeared Monsen Schmidt (Name(s) of Signer(s))

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: Corrine L Galbez (Signature of Notary Public)

CORRINE L. GALBEZ
Notary Public - California
Los Angeles County
Commission # 2320774
My Comm. Expires Feb 8, 2024

Place Notary Seal Above

OPTIONAL

Though the information below is not required by law, it may prove valuable to persons relying on the document and could prevent fraudulent removal and reattachment of this form to another document.

Description of Attached Document

Title or Type of Document: _____

Document Date: _____ Number of Pages: _____

Signer(s) Other Than Named Above: _____

Capacity(ies) Claimed by Signer(s)

Signer's Name: _____

☐ Corporate Officer — Title(s): _____

☐ Individual

☐ Partner — ☐ Limited ☐ General

☐ Attorney in Fact

☐ Trustee

☐ Guardian or Conservator

☐ Other: _____

Signer Is Representing: _____

RIGHT THUMBPRINT OF SIGNER
Top of thumb here

Signer's Name: _____

☐ Corporate Officer — Title(s): _____

☐ Individual

☐ Partner — ☐ Limited ☐ General

☐ Attorney in Fact

☐ Trustee

☐ Guardian or Conservator

☐ Other: _____

Signer Is Representing: _____

RIGHT THUMBPRINT OF SIGNER
Top of thumb here

Item #5907