

CITY OF LOS ANGELES HARBOR DEPARTMENT  
Port of Los Angeles

REVOCABLE PERMIT  
(License to Use and Occupy)

No.1

The Executive Director of the Harbor Department (“Executive Director”) of the City of Los Angeles (“City”) hereby grants permission to PBF Energy Western Region LLC dba Torrance Pipeline Company, LLC (“Assignee”) to occupy and use certain lands and/or waters and/or facilities 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. Assignee is permitted under this Revocable Permit (“Permit”) to use and occupy the lands and/or waters and/or facilities designated as Three Hundred (300) square feet of land area located at 655 S. Fries Ave, approximately 914 feet south of Pier A. Street and Water Street, in Wilmington as delineated and more particularly described on Exhibit A (“Premises”). By mutual agreement of Executive Director and Assignee, 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in the Premises is not temporary within the meaning of the Port of Los Angeles Tariff No. 4, as it may be amended or superseded (“Tariff”), Item No. 1035 (or its successor), the compensation set forth in Section 5 of this Permit shall be increased or decreased pro rata to reflect any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 the repair of Permit 914 pipeline. Activities to include: site reconnaissance, Underground Service Alert notification, meeting with utility owners, geophysical survey, potholing to locate pipelines and utilities, trench excavations, installing and rerouting pipeline, in-place abandonment, excavation backfill, surface restoration, and temporary storage of pipeline segments and other project-derived waste streams. 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. The rights hereby granted to use the Premises for said purposes shall not be exclusive and whenever the Premises, or any part thereof, are not required in whole or in part for the use of Assignee for the stated purposes, the Executive Director may make other assignments to any other person or entity to use such Premises, or any part thereof. Assignee 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, Assignee 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 Assignee to be or remain on the Premises, and Assignee shall prevent any such material or matter from being or accumulating upon the Premises. Assignee 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. This Permit shall be effective weekdays only, commencing February 20, 2017 (“Effective Date”) and terminating on March 10, 2017 (“Termination Date”).

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4. Assignment Revocable. This Permit shall be revocable at any time prior to the Termination Date by Executive Director, at his or her sole option, upon the giving of at least thirty days' written notice to Assignee stating the date and time upon which this Permit shall terminate. Assignee understands and agrees that Assignee has the interest only of a licensee and has no other interest in the Premises. Assignee understands and agrees that the City reserves the unqualified and unconditional right at any time without any more notice to Assignee than set forth in this Section 4 to withdraw the Premises from Assignee's use provided the City refunds to Assignee any compensation previously collected for the number of days Assignee has actually been prevented from using the Premises. Assignee understands and agrees that, notwithstanding any expenditures it may have made in preparation for its use of the Premises, such withdrawal from use by City does not entitle Assignee or any other person to any damages. Neither City, nor any Board member, officer, or employee thereof, shall be liable in any manner to Assignee because of such revocation.

5. Compensation.

(a) Fee. Prior to execution of the Permit, in advance, Assignee shall pay to City the sum of Three Thousand Seven Hundred Fifty Dollars (\$3,750.00) ("Compensation") for the use of the Premises. 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. Assignee agrees to pay such additional charges. Executive Director may change the amount of Compensation required herein upon giving at least thirty (30) days' written notice to Assignee. Compensation paid by Assignee shall be applied to the oldest outstanding balance. Compensation is in addition to any applicable charges under the Tariff.

(b) Security Deposit. Prior to the issuance of this Permit, Assignee shall deposit with City a sum equal to Zero Dollars (\$0.00) as security for Assignee's performance under this Permit ("Security Deposit") including but not limited to covering Assignee's delinquent Compensation 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 Assignee'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 Compensation due and unpaid or to meet any other Assignee obligation, Assignee 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, Assignee 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 Assignee, 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. Assignee 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 5 shall be in addition to any deposit required for the issuance of a Harbor Engineer Permit pursuant to Section 10 of this Permit.

(c) Compensation. All amounts payable by Assignee to City under this Permit during the term of this Permit shall be deemed to be Compensation.

6. Utility Charges. Unless otherwise provided for herein, Assignee 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.

7. 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 Assignee shall receive no compensation unless otherwise expressly provided.

8. Premises Satisfactory to Assignee / Required Modifications. Assignee 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, Assignee 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 Assignee's operations, shall be constructed, installed, or removed at Assignee's sole expense. Assignee 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 10 of this Permit before making any modification, improvement, or addition to the Premises.

9. Litter and Debris. Assignee, at its sole cost and expense, shall provide sufficient dumpsters or other like containers for trash collection and disposal and keep the Premises free and clear of rubbish, debris, and litter at all times. Assignee shall perform annually, at a minimum, before the commencement of the rainy season, inspections and cleaning of any storm water catch basins (including filters), maintenance holes, and drains, maintaining the submerged land underlying any water berthing area at the Premises free and clear of debris from the wharf and from vessels, and cargo loading and unloading operations of vessels berthed at said berths in connection with Assignee's undertaking of the Permitted Use. Assignee, at its sole cost and expense, further 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.

10. Alterations on Premises. Assignee 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. Assignee 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. Assignee, 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 Assignee pursuant to this Permit shall be at Assignee's sole expense. Assignee shall keep the Premises free and clear of liens for labor and materials and shall hold City harmless from any responsibility in respect thereto. Assignee 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, Assignee 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.

11. Signs and Lighting. Assignee 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 Assignee obtains consent, Assignee shall also comply with the requirements of Section 10 of this Permit prior to erecting or displaying any signs or advertising matter on the Premises. Assignee 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. Assignee acknowledges that the Premises may lack adequate lighting for a Permitted Use and that Assignee 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. Assignee shall comply with the requirements of Section 10 of this Permit prior to installing any lighting. Any lighting installed shall meet Illuminating Engineering Society / American National Standards Institute (IES/ANSI) standards.

12. Immediate Access to Repair / Maintain Premises. Assignee 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, Assignee agrees to relocate, at its expense, all of its equipment and other personal property to provide such personnel adequate access. Assignee agrees to complete such relocation within twenty-four (24) hours of receiving notice from City except in case of emergency. Assignee agrees neither the department servicing the Premises nor City shall be responsible for any loss Assignee may suffer as a result of such maintenance or repair.

13. Premises Subject to Tariff. Assignee 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. Assignee 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, Assignee 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.

14. Assignee Default.

(a) Events of Default. The occurrence of any of the following shall constitute a material breach and default by Assignee under this Permit: (1) Assignee's failure to pay when due any Compensation required to be paid under this Permit if the failure continues for three (3) days after written notice from City; (2) Assignee's failure to perform any other obligation under this Permit if Assignee fails to cure the failure within three (3) days after delivery of written notice of the failure from City to Assignee; (3) Assignee's abandonment of the Premises including but not limited to (i) Assignee'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 Assignee is not in default, Assignee's absence from or failure to use the Premises or any substantial portion thereof for a period of thirty (30) consecutive days unless Assignee, 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 Assignee or any guarantor of the Permit for the benefit of the creditors without written consent of City; (ii) the filing by or against Assignee, 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 Assignee or any guarantor, unless possession is unconditionally restored to Assignee 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 Assignee located on the Premises, or of Assignee'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 Sections 3 and 4 of this Permit is limited in any way. All personal property that remains on the Premises after Assignee vacates the Premises shall become the property of City, at City's option.

15. Compliance with Applicable Laws and Environmental Obligations.

(a) At all times in its use and occupancy of the Premises and its conduct of operations thereon, Assignee, at Assignee'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 Assignee'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 15(c)), the Premises, and/or Assignee's use and/or occupancy thereof.

(b) It is the parties' intent that Assignee will make, at Assignee's sole cost and expense, any and all alterations, improvements, and changes, whether structural or nonstructural, that are required by Applicable Laws. In addition, Assignee 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.

(c) Assignee shall not cause or permit any Environmentally Regulated Material, as defined in this Section 15(c), 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. Assignee shall handle all such Environmentally Regulated Material in strict compliance with Applicable Laws in effect during Assignee'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.

(d) Assignee shall remediate or cause the remediation of any spill, discharge, or release of any Environmental Regulated Material that occurs in, on, under, or about the Premises ("Contamination"), whether caused by Assignee or any third-party during Assignee'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 15, Assignee shall also comply with any other conditions reasonably imposed by City. If Assignee knows or has reasonable cause to believe that Contamination has occurred in, on, under, or about the Premises, Assignee shall immediately give written notice to City.

(e) Assignee 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, Assignee shall be considered the owner and operator. Assignee agrees that any claims, damages, fines, or other penalties asserted against or levied on City and/or Assignee as a result of noncompliance with any Applicable Laws shall be the sole responsibility of Assignee and that Assignee 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 Assignee's noncompliance with any of the aforementioned authorities, and Assignee shall indemnify and reimburse City for any such payments.

(f) In discharging Assignee's obligations under this Permit, if Assignee disposes of any Contamination, within thirty (30) days of Assignee's receipt of original documents, Assignee 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.

(g) In discharging Assignee's obligations under this Permit, Assignee 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, Assignee 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 15, "Assignee" includes agents, employees, contractors, subcontractors, and/or invitees of Assignee.

(h) Assignee 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.

(i) Except as may be otherwise provided in this Permit, Assignee's obligations in this Section 15 shall survive the Termination Date of this Permit.

#### 16. Restoration and Surrender of Premises.

(a) Assignee's Restoration Obligations. Subject to Section 16(d) of this Permit, on or before the Termination Date of this Permit, unless otherwise excused in writing by Executive Director, Assignee shall quit and surrender occupancy and use of the Premises to City leaving no Assignee improvements, unless City notifies Assignee 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 Assignee, or any transferor to and/or assignor of Assignee (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 Assignee and actually or purportedly transferred and/or assigned its right of occupancy to Assignee either contractually or under operation of law, including any "Transfer" as defined in Section 20 of this Permit, whether or not there was a written assignment and/or approval of the assignment by City. Assignee shall not damage paving installed by City or any unpaved areas regardless of the nature of Assignee's operations on the Premises. If the condition of the Premises is upgraded during the term of this Permit, Assignee shall restore the Premises

to the upgraded condition. If City terminates this Permit pursuant to Section 14 of this Permit, Assignee shall still be obligated to restore the Premises as provided in this Section 16 or to pay the cost of restoration if City chooses to perform the work, at City's option, and Assignee shall be required to pay compensation to City as provided in Section 16 of this Permit. In connection with the foregoing, Assignee, 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 Assignee, Assignee 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 Assignee (If the Premises, at the time of the Effective Date, have been improved by a prior Assignee or by both City and a prior Assignee, then such Structures which are left on the Premises at Assignee's request or for Assignee's benefit shall also be the responsibility of Assignee 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, Assignee 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 16 shall survive the Termination Date of this Permit.

(c) Demolition of Improvements / Acceptance of Improvements. If Assignee's improvements are not removed on or before the Termination Date, City shall have the right to remove and/or demolish the same at Assignee's cost. In that event, Assignee 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.

(d) Site Restoration Plan. Independent of any regulatory agency requirements, upon written request of Executive Director, Assignee shall submit to City a Site Characterization Work Plan for review and approval. Assignee's Site Characterization Work Plan shall include characterization of adjacent Harbor waters, soil, groundwater, and sediment of the Premises. Following City's approval of Assignee's Site Characterization Work Plan, Assignee 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, Assignee shall provide City, at Assignee'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. Assignee shall demonstrate to City's satisfaction that Contamination does not exist or that if Contamination exists, Assignee shall handle, store, treat, remove and properly dispose of the Contamination as described in Section 15 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.

17. Compensation During Restoration. Assignee 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 Assignee 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 Compensation paid by Assignee at the time of the Termination Date. Assignee 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.

18. Indemnity.

(a) Except as may arise from the sole negligence or willful misconduct of City, Assignee 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 Assignee, its officers, agents, employees, sublessees, licensees, or invitees;

(ii) Any operation conducted upon, or any use or occupation of, the Premises by Assignee, 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 Assignee, 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 Assignee, 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 Assignee or its invitees on any other premises within the Harbor District, as defined in the Charter of City.

(b) Assignee 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 18. The term "persons" as used in this Section 18 shall include, but not be limited to, officers and employees of Assignee.

(c) Assignee 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 Assignee is otherwise responsible for under the terms of this Permit. This indemnification of City by Assignee 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 18 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.

19. Insurance. In addition to, and not as a substitute for, or limitation of, any of the indemnity obligations imposed by Section 18 of this Permit, Assignee shall procure and maintain at its sole cost and 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 Assignee'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.

(b) Where Assignee utilizes any vehicles, Assignee shall also procure and maintain at its expense and keep in force at all times during the term of this Permit 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.

(c) Where Assignee operates watercraft, liability coverage for such craft must be provided as follows: 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.

(d) Limits for coverage required under Section 19 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 Assignee. The self-insured retention or self-insurance shall provide that any other insurance maintained by City's Harbor Department shall be excess of Assignee's insurance and shall not contribute to it. In all cases, regardless of any deductible, retention, or self insurance, Assignee 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.

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

(f) Policies submitted pursuant to Section 19 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 License Permit No. 1, 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.”

(g) Assignee 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. Assignee 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 Assignee's occupancy of the Premises. Where Assignee has employees who are covered by the United States Longshore and Harbor Workers' Compensation Act ("USLHWC Act"), Assignee shall furnish proof of such coverage to City. It is suggested that Assignee 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.

(h) All insurance procured by Assignee 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 Assignee's insurance documents. Track4LA<sup>®</sup> 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. Assignee's insurance broker or agent shall obtain access to Track4LA<sup>®</sup> at <http://track4la.lacity.org> and follow the instructions to register and submit the appropriate proof of insurance on Assignee's behalf.

(iii) Prior to the expiration of each policy, Assignee shall show through submitting to Track4LA<sup>®</sup> that the policy has been renewed or extended or, if new insurance has been obtained, submit the appropriate proof of insurance to Track4LA<sup>®</sup>. If Assignee neglects or fails to secure or maintain the

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

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

(v) Immediately upon procuring any and all policies of insurance required herein, Assignee must request from Assignee's insurance carrier(s) full certified copies of such policies of insurance. Assignee shall thereafter provide such full certified copies of such policies to City within thirty (30) days of Assignee's receipt of such policies from Assignee's insurance carrier(s). Assignee's obligation to provide such copies shall survive the Termination Date regardless of whether Assignee receives such policies prior to or after the Termination Date. Assignee 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) Assignee 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 Assignee'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 information as may be known to Assignee, its officers, or its managing agents.

20. 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 Assignee (or any entity that directly or indirectly controls or owns fifty percent (50%) or more of Assignee), 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 Assignee 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 Assignee's assets, which involvement results in a reduction of the net worth of Assignee (defined as the net worth of Assignee, 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 20, the term "by operation of law" includes but is not limited to: (1) the placement of all or substantially all of Assignee's assets in the hands of a receiver or trustee; or (2) a transfer by Assignee for the benefit of creditors; or (3) transfers resulting from the death or incapacity of any individual who is a Assignee or of a general partner of a Assignee.

21. Assignee Name Change. Assignee 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.

22. Transfer of Stock. If Assignee is a corporation and more than ten percent (10%) of the outstanding shares of capital stock of Assignee is traded during any calendar year after filing its application for this Permit, Assignee 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 Assignee is listed on either the New York Stock Exchange, NASDAQ, or the NYSE Arca Options. If more

than twenty-five percent (25%) of Assignee's stock is transferred, whether by one or by means of successive transfers, regardless of whether Assignee is a publicly or privately held entity, such transfer shall be deemed an assignment within the meaning of Section 20. 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.

23. Termination for Misrepresentations. This Permit is granted pursuant to an application filed by Assignee 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 Assignee.

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 Assignee: Andrea Flores  
12851 E. 166th Street  
Cerritos, CA 90703

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 Compensation by City shall not be deemed a waiver of any other breach by Assignee of any term or

condition of this Permit other than the failure of Assignee to timely make any particular Compensation 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 Assignee. If more than one individual or entity comprises Assignee, the obligations imposed on each individual or entity that comprises Assignee 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. Assignee 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.

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. Assignee 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. Assignee 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. Assignee is obligated to fully comply with all applicable state and federal employment reporting requirements for Assignee and/or its employees. Assignee 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. Assignee 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. Assignee 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 as a policy of City's Harbor Department. Assignee 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. Assignee 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. Assignee shall provide City evidence that all such Certificates have been obtained. Assignee 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 Assignee may not directly control any trucks serving the Premises. However, Assignee 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. The Wilmington Truck Route may be modified from time to time at the sole discretion of Executive Director with written notice to Assignee.

38. State Tidelands Act. This Permit, the Premises, and Assignee'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. Assignee 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 Assignee. 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 Assignee, 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.

DATED: \_\_\_\_\_

CITY OF LOS ANGELES  
HARBOR DEPARTMENT

By: \_\_\_\_\_  
EUGENE D. SEROKA  
Executive Director

The undersigned Assignee 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 any addendum.

DATED: \_\_\_\_\_

PBF Energy Western Region LLC dba Torrance  
Pipeline Company, LLC

By: \_\_\_\_\_

\_\_\_\_\_  
Type/Print Name and Title

Attest: \_\_\_\_\_

\_\_\_\_\_  
Type/Print Name and Title

APPROVED AS TO FORM AND LEGALITY

\_\_\_\_\_, 20\_\_  
MICHAEL N. FEUER, City Attorney

By: \_\_\_\_\_  
\_\_\_\_\_, Assistant/Deputy

**ADDENDUM**

43. **SUBSTRUCTURES:** Assignee is responsible for determining location of, marking, and protecting substructures in the vicinity of the proposed work. Drawings and maps of substructures showing record locations may be available for review at the Port of Los Angeles, Engineering Division. The City does not belong to nor participate in the activities of Underground Service Alert. The City does not mark substructures in the field.
44. **COORDINATION:** Assignee is responsible for coordinating with surrounding tenants and the Harbor Department's Engineering, Environmental, and Construction divisions.
45. **DRAWINGS:** Assignee is responsible for providing the Harbor Department's Real Estate division updated AutoCAD drawings of the pipelines, reflecting the new pathway and the abandoned portion.
46. **INSURANCE:** The Assignee shall provide a policy of Railroad Protective Liability insurance in which Pacific Harbor Line (PHL) acting for itself and its railroad users are named insureds and the City of Los Angeles, its boards, officers, agents and employees are included as additional insureds with Assignee. The minimum limits of Railroad Protective Liability insurance shall be the limits normally carried by Assignee but not less than \$2,000,000 combined single limit for property damage and bodily injury including death. If the submitted policies contain aggregate limits, Assignee 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. Said limit shall be without deduction, provided that the Executive Director or designee may permit a deductible amount when it is justified by the financial capacity of Assignee. Any deductible amount permitted by the Executive Director shall be paid solely by Assignee.

# EXHIBIT 'A'

