

CITY OF LOS ANGELES HARBOR DEPARTMENT  
Port of Los Angeles

PERMIT

The Executive Director of the Harbor Department ("Executive Director") of the City of Los Angeles ("City") hereby grants permission to CALIFORNIA TRANSLOAD SERVICES, LLC, a Delaware limited liability company, 2931 Redondo Avenue, Long Beach, CA 90806 ("Tenant"), 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. Tenant is permitted to use the lands and/or waters and/or facilities (hereinafter called "Premises"), which consist of 85.511 acres (3,724,902 square feet), including 84.826 acres of paved land (3,695,031 sq. ft.), which includes three (3) trans-loading warehouses and ancillary structures and 0.685 acres (29,871 sq. ft.) of land for parking (Exhibit "A").

2. Permitted Use. The Premises shall be used for the distribution of products transported by truck and rail from a trans-loading yard, parking, storage, and LNG fueling, the Vacation and Surrender of the Premises in accordance with Section 11 of this Permit ("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. This Permit ("Permit") shall be effective upon execution by the Executive Director ("Effective Date"), and shall terminate one hundred and eighty (180) days thereafter ("Termination Date"). (Termination Date shall also mean the date that the Permit terminates in connection with Tenant's Default under Section 8 and any termination by operation of law or any other reason.) City shall refund to Tenant within thirty (30) days after the Effective Date, the prorated portion of any rent paid by Tenant to the City for the use of the Premises attributable to the period from and after the Effective Date to the end of the month for which such rent was paid.

4. Compensation. Tenant shall pay no rent for use and occupancy of the Premises, provided that Tenant shall be responsible Permit for charges under City's Tariff, if any.

5. Rights-of-Way. This Permit shall at all times be subject to such rights-of-way over, on and/or through the Premises for sewers, pipelines (public or private), conduits, telephone, telecommunications equipment, light, heat or power lines that exist and/or as may from time to time be determined by Board, and shall also be subject to rights-of-way for, among other things, streets and other highways, and for railroads and other means of transportation as shall have been duly established or as shall be reserved herein, and/or other rights-of-ways for equipment access, occupancy and/or other rights reasonably necessary to comply with homeland security or related requirements of federal, state and/or local agencies; and to such rights-of-way as Board requires to drill and explore new or 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 City may reasonably require after the Effective Date, of which Tenant shall receive advance written notice, for which Tenant shall receive no compensation unless otherwise provided.

6. 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, 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 General Permit from the office of the Chief Harbor Engineer, Engineering Division, of the Harbor Department ("Harbor Engineer") and shall comply with the requirements of Section 14 before making any modifications to the Premises.

7. 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, including, but not limited to the interior and exterior of all structures and paved areas within the Premises, in good and substantial repair and condition and shall be responsible for and perform all necessary inspection, maintenance and repair thereof, including preventive maintenance, in each case subject to reasonable wear and tear and as otherwise provided herein in regard to events causing substantial destruction of the improvements on the Premises ("Casualty Event"). Tenant shall obtain any permits, including but not limited to those issued by City, necessary for such maintenance and repair. In lieu of performing any maintenance and/or making any Alteration required by Applicable Laws or after a Casualty Event, Tenant may restore and surrender the Premises as provided in Section 11 and thereafter terminate the Permit.

(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 7(c)) within thirty (30) days after receipt of City's invoice for work performed. If Tenant shall commence such repairs and diligently prosecute the same to completion or shall begin to perform the required maintenance within the thirty (30) day period, City shall refrain from commencing or prosecuting 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 7(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 7 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 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. Tenant shall perform annually, at a minimum, before the commencement of the rainy season, inspections and cleaning of the storm water catch basins (including filters), maintenance holes, and drains, maintaining the submerged land underlying the 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 Tenant's undertaking of the Permitted Use. Tenant, 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.

(e) Fire Protection Systems. All fire protection sprinkler systems, standpipe systems, fire hoses, fire alarm systems, portable fire extinguishers and other fire-protective or extinguishing systems, with the exception of hydrant systems, or appliances which have been or may be installed on the Premises 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 Agreement. Notwithstanding the foregoing, nothing obligates City to make such determinations and City shall not incur any liability for not making such inspections and determinations.

8. 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 perform any obligation under this Permit if Tenant fails to cure the failure within thirty (30) days after delivery of written notice of the failure from City to Tenant; (2) Subject to Section 11, 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; (3) 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; (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. Notwithstanding the foregoing, City and Tenant waive, and fully and irrevocably release one another, from the pursuit and collection of consequential or indirect damages that may arise from the breach of this Permit. City's remedies are cumulative and not inclusive. All personal property that remains on the Premises after Tenant vacates the Premises shall become the property of City, at City's option.

9. Compliance with Applicable Laws. 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, 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: (a) CERCLA and its implementing regulations; (b) RCRA and its implementing regulations; (c) The federal Clean Water Act (33 U.S.C. Sections 1251-1376, *et seq.*) and its implementing regulations; (d) The California Porter Cologne Water Quality Control Act (California Water Code, Division 7) and its implementing regulations; (e) The federal Clean Air Act (42 U.S.C. Sections 7401-7601) and its implementing regulations; (f) The California Clean Air Act of 1988 and its implementing regulations; (g) The California Lewis-Presley Air Quality Management Act of 1976 (California Health and Safety Code Section 40400, *et seq.*) and its implementing regulations; and (h) 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 (defined below), the Premises and/or Tenant's use and/or occupancy thereof. 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. Tenant shall implement an injury and illness prevention program as required by regulations promulgated by the Occupational Safety and Health Administration. Upon City's written request, Tenant shall provide copies of its safety policies. Tenant shall provide safety training

programs to its employees. Tenant shall provide a copy of its safety and training plan to City within sixty (60) days following the Effective Date. This Permit shall be construed in accordance with California law.

10. Tenant's Environmental Obligations.

(a) Tenant shall not cause or permit any Environmentally Regulated Material (defined below) 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, 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 (a) any "hazardous substance" as that term is defined in the Comprehensive Environmental Response, Compensation and Liability Act of 1980 ("CERCLA") (42 U.S.A. Sections 9601-9675) in its present or successor form; (b) Hazardous waste" as that term is defined in the Resource Conservation and Recovery Act of 1976 ("RCRA") (42 U.S.C. Sections 6901-6992k) in its present or successor form; (c) 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); (d) Radioactive material, including any source, special nuclear, or byproduct material as defined in 42 U.S.C. Sections 2011-2297g-4 in its present or successor form; (e) Asbestos in any form or condition; (f) Polychlorinated biphenyls ("PCBs") and substances or compound containing PCBs; and (g) Petroleum products.

(b) Tenant shall remediate or cause the remediation of any spill, discharge or release of any Environmental Regulated Material that occurred, occurs in, on, under or about the Premises commencing from and after the Effective Date and continuing during Tenant's occupancy, whether caused by Tenant or any third-parties acting by, through, under, for, or on Tenant's behalf, ("Contamination"), 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 a 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 ("RWQCB"), 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 10, Tenant shall also comply with any other conditions reasonably imposed by the 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. The issuance of this Permit shall not waive or alter any rights City may possess concerning environmental contamination or remediation set forth in prior real estate documents issued to Tenant for use and occupancy of the Premises or portions of the Premises. In connection with the foregoing obligations, Tenant acknowledges and agrees that it has reviewed and approved the document attached hereto as Exhibit "E," which document constitutes the written depiction of the environmental condition of the Premises on the Effective Date ("Baseline Condition") and which hereinafter shall be referred to as the "Baseline Report." Such Baseline Report may be replaced upon mutual written agreement of Executive Director and Tenant in the event such report is updated or supplemented with information concerning the Premises condition from 2013 to the Effective Date. Tenant acknowledges and agrees that a presumption shall exist that any Environmentally Regulated Material not specifically depicted and analyzed in the Baseline Report constitutes Contamination for which, as between City and Tenant, Tenant is solely responsible. City shall provide written notice of the existence of any such Contamination to Tenant. Tenant may rebut such presumption by providing to City, within ninety (90) days of City's written notice, conclusive evidence demonstrating that such Environmentally Regulated Material is not Contamination. Otherwise, such presumption shall be deemed confirmed, making Tenant solely responsible for such Contamination. Whether any information submitted by Tenant rebuts the aforementioned presumption shall be within City's sole and absolute discretion, exercised reasonably and in good faith. This provision shall survive the Termination Date of this Permit.

(c) 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 occurring from and after the Effective Date, 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 by Tenant, and any and all third-parties acting by, through, under, for, or on Tenant's behalf, 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.

(d) Waste Disposal. 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. The name of the City of Los Angeles, the Port of Los Angeles or the City's Harbor Department shall not appear on any manifest document as a generator of such material.

(e) Laboratory Testing. In discharging its obligations under this Section, Tenant shall perform any tests using a State of California Department of Health Services certified testing laboratory or other similar laboratory of which City shall approve in writing. 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, "Tenant" includes agents, employees, contractors, subcontractors, and/or invitees of the Tenant.

(f) Survival of Obligations. Except as may be otherwise provided in this Section 10, Tenant's obligations in this Section shall survive the Termination Date of this Permit.

11. Vacation and Surrender of Premises.

(a) Vacation and Surrender Obligations. On or before the Termination Date of this Permit, Tenant shall Vacate and Surrender the Premises. "Vacate and Surrender" shall mean: (a) cessation of all commercial activities on the Premises authorized by this Permit; (b) completion of all work necessary to fully comply with Section 10(b); (c) removing all personal property of Tenant, and other items of personal property as may be reasonably requested by Executive Director; (d) full discharge of all obligations under Section 4 of that certain Settlement Agreement and General Release by and between the City of Los Angeles and Tenant; (e) departing the Premises, leaving all buildings, structures, utilities, tracks, pipelines and improvements thereon in a condition as good or better than the condition they were in on the Effective Date of this Permit, normal wear and tear excepted; (f) relinquishing (by bill of sale, quitclaim deed, Form UCC-3 Financing Statement amendment/termination, or other means as reasonably requested by City) all interest in the fixtures, equipment, improvements and personal property on the Premises as of the Termination Date, together with a release of all liens and encumbrances on the Premises attributable to the Permit and operations thereunder (the form of such release shall be subject to City's approval, which shall not be unreasonably withheld, conditioned or delayed), and any all fixtures, equipment, improvements and/or personal property on the Premises; (g) conveyance to City, by bill of sale, or other means reasonably required by City, any and all interests in and to any and all fixtures, equipment, improvements and/or personal property on the Premises as of the Termination Date; (h) provision of written notice by Tenant to Executive Director that the obligations (a) through (g) of this Section 11(a) have been fully discharged.

City and Tenant acknowledge and agree that discharge of Vacate and Surrender obligations may occur on a rolling basis, which may result in elimination of individual obligations in advance of the Termination Date, and which shall require walk-throughs and physical inspections of the Premises. City

and CTS shall meet and confer on the Premises, and perform such walk-throughs and inspections, not less than every month during the term of this Permit. City and Tenant shall cooperate fully in completing such walk-throughs, inspections and steps as are reasonably necessary for Tenant to timely fulfill its obligations in Section 11(a). Tenant and City shall each comply with the reasonable directions and requests provided by the other party during such walk-throughs and inspections.

City shall confirm Tenant's discharge of obligations (a) through (g) of this Section 11(a) in a written notice delivered to Tenant, which shall identify the specific date on which such Vacate and Surrender obligations were fully completed.

(b) Vacation and Surrender 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 to the extent required of Tenant in Section 10(b), and also shall include but not be limited to the cost of investigation, removal, remediation, restoration and/or abatement. The obligations under this Section shall survive the Termination Date of this Permit. Tenant's use of the land is subject to prior easements/permits. Contamination caused by or from prior existing easement/permit grantees, demonstrated by evidence, would be the responsibility of the easement/permit holder.

(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 8) 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 (Sections 7260 et seq.) with respect to any relocation of its business or activities upon the termination of this Permit whether by City, Tenant or pursuant to Section 8 or operation of law.

12. Liquidated Damages for Delayed Vacation and Surrender. Tenant understands and agrees it is responsible to Vacate and Surrender the Premises on or 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. Should Tenant's discharge of obligations (a) through (f) of Section 11(a) extend beyond the Termination Date, Tenant shall pay City \$14,899.24 per day, every day, until such discharge is complete. Such obligation shall survive 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. The obligations of this Section 12 shall survive the Termination Date.

13. Premises Subject to Tariff. Tenant accepts the Premises and shall undertake the Permitted Use set forth in Section 2 subject to each and every of the terms and conditions provided herein, and to each and every of the rates, terms and conditions 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 and covenants that, at all times during the term of this Permit, it shall maintain a complete and current Tariff at the address set forth in Section 26 below. 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.

14. 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. Tenant shall submit to City a complete Application for Discretionary Projects that attaches a complete set of drawings, plans and specifications (prepared and stamped by a licensed engineer registered in the State of California) reflecting the proposed Alteration. City's 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 construction. All construction 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 Harbor Engineer, in advance, of the date it will commence any Alteration. Immediately upon the completion of the construction, Tenant shall notify Harbor Engineer of the date of such completion and shall, within thirty (30) days after such completion, file with Harbor Engineer, in a form acceptable to Harbor Engineer, a set of "as built" plans for such construction.

15. Indemnity. 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 the 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:

(a) 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;

(b) 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;

(c) Any act, omission or negligence of Tenant, its officers, agents, employees, sublessees, licensees or invitees, regardless of whether any act, omission or negligence of City, its officers, agents or employees contributed thereto;

(d) 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

(e) The conditions, operations, uses, occupations, acts, omissions or negligence referred to in subdivisions (a), (b), (c) and (d) 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.

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, to the extent caused by or arising out of the conditions, operations, uses, occupations, acts, omissions or negligence referred to in this Section. The term "persons" as used in this Section shall include, but not be limited to, officers and employees of Tenant.

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, consultant fees and expert fees) which arise during or after the Permit term as a result of Contamination of the Premises. 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.

The obligations under this Section 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.

16. Insurance. In addition to, and not as a substitute for, or limitation of, any of the indemnity obligations imposed by Section 15 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) Tenant shall secure, and shall maintain at all times during the life of this Agreement, All Risk Property insurance that requires the Tenant to insure the works, structures and improvements erected by Tenant on the premises on an "All Risk" basis equal to Ninety Percent (90%) replacement cost for value over Two Hundred Fifty Thousand Dollars (\$250,000) of the property with no coinsurance clause. Coverage shall include a "Loss Payee" endorsement where losses payable under this policy shall be adjusted with the named insured and paid to the "City of Los Angeles Harbor Department" as its interests may appear. Additionally, evidence of Business Interruption and Extra Expense insurance in such amounts as will cover all rent and other monies payable to the Harbor Department and will reimburse Consultant for direct and indirect loss of earnings due to a covered peril for a period of at least twelve (12) months.

Said policy shall include an additional insured endorsement (CG 2010 or equivalent) naming the City of Los Angeles Harbor Department, its officers, agents and employees as additional insureds, a 10-days notice of cancellation for nonpayment of premium, and a 30-days notice of cancellation for any other reasons.

(d) 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.

(e) 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, or deliver proceeds from such insurance coverage to satisfy Tenant's obligations under this Permit.

(f) 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 One Million Dollars (\$1,000,000) per occurrence, which is to remain in effect at least five (5) years after the Termination Date.

(g) 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.

(h) 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.

(i) 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 to satisfy obligations of Tenant under this Permit.

(j) Limits for coverage required under Section 16 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.

(k) Policies submitted pursuant to Section 16 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 the subject Permit, 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."

(l) 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.

- (m) 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 <https://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.

17. 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, 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.

18. 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 the 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 the preceding paragraph. Any such transfer shall void this Permit. Such a transfer is agreed to be a breach of this Permit which shall entitle City to evict Tenant on at least seven (7) days' notice.

19. 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.

20. Signs. 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, it shall comply with the requirements of Section 14. Tenant shall post, erect and maintain on the Premises such signs as Executive Director may direct.

21. Termination for Misrepresentations. This Permit is granted pursuant to an application filed by Tenant with Board. 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.

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. 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, trash, sewer, light and janitorial services, and pay all deposits, connection fees, charges and meter rentals required by the supplier of any such service, including City.

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 the 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, postage prepaid or delivered to the Permit premises. 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 the 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 the Tenant: California Transload Services, LLC  
2931 Redondo Avenue  
Long Beach, CA 90806

with a copy to: Legal Department  
c/o NFI Industries, Inc.  
1515 Burnt Mill Road  
Cherry Hill, NJ 08003

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 the 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. Immediate Access to Repair/Maintain Premises. Tenant is aware that the 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 cargo equipment or 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.

30. Records and Reports. All books, accounts and other records showing the affairs of Tenant with respect to its business transacted at, upon or over the Premises shall be maintained at the Premises or Tenant's nearest office to the Premises, and may be subject to examination, audit and transcription by Executive Director or any person designated by her; and in the event it becomes necessary to make such examination, audit or transcription at any place other than within fifty (50) miles of the Premises, then all costs and expenses necessary, or incident to such examination, audit or transcription shall be paid by Tenant. These records shall be retained during the term of this Permit so that the records for the four (4) most recent years are available. After this Permit terminates, Tenant shall maintain the records for the four (4) most recent years for at least two (2) years. Upon request in writing by Executive Director or his or her designated representative, Tenant shall furnish a statement of the exact location of all records and the name and telephone number of the custodian of these records. The statement shall be submitted within fifteen (15) days of the request and shall contain such detail and cover such period of time as may be specified in any such request. From time to time Executive Director or designee shall audit Tenants' records and accounts. Information to be provided by Tenant will include, but not be limited to, general ledgers, charts of accounts, subledgers including cash receipts journals, cash disbursement journals, and all original receipts and documents which support the information provided to City.

31. Promotion of Los Angeles Harbor Facilities. Tenant shall in good faith and with all reasonable diligence use its best efforts by suitable advertising and other means to promote the use of the Premises granted by this Permit.

32. 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 Agreement shall be joint and several.

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

34. 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 "B" and are incorporated herein by this reference.

35. Minority, Women and Other Business Enterprise (MBE/WBE/OBE) Outreach Program. It is the policy of the 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. The Tenant shall assist the 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.

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

37. Wage and Earnings Assignment Orders/Notices of Assignments. The Tenant is obligated to fully comply with all applicable state and federal employment reporting requirements for the 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. The Tenant will fully comply with all lawfully served Wage and Earnings Assignment Orders and Notices of Assignments in

accordance with California Family Code §§ 5230 et seq. The Tenant will maintain such compliance throughout the term of this Permit.

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

39. Wilmington Truck Route. It is recognized by both parties that Tenant may not directly control the 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. A copy of the Wilmington Truck Route is attached hereto and marked Exhibit "D," which may be modified from time to time at the sole discretion of the Executive Director with written notice to Tenant.

40. Business Tax Registration Certificate. The City of Los Angeles Office of Finance requires the implementation and enforcement of Los Angeles Municipal Code Section 21.09 et seq. This section provides that every person, other than a municipal employee, who engages in business within the City of Los Angeles, is required to obtain the necessary Business Tax Registration Certificate and pay business taxes. The City Controller has determined that this Code Section applies to consulting firms that are doing work for the City's Harbor Department

41. Supervision of Business Practices. The nature and manner of conducting any and all business activities on the Premises shall be subject to reasonable regulation by Board. In the event such business is not conducted in a reasonable manner as determined by Board, it may direct that corrective action be taken by Tenant or its sublessees to remedy such practices and upon failure to comply therewith within thirty (30) days of Tenant receiving such written notice, Board may declare this Permit terminated.

Pursuant to the provisions of the Los Angeles City Charter and of the tide and submerged land grant, Tenant and its sublessees shall use the Premises in such a manner so that there shall be no discrimination made, authorized or permitted in the rates, tolls, or charges or in the facilities provided for any use or service in connection therewith.

Tenant shall also conduct its business and cause the businesses of its sublessees upon the Premises (if any have been expressly authorized by City in writing) to be conducted in a first-class manner. Tenant shall furnish and maintain a standard of service at least equal to that of the better class of similar businesses providing similar services and facilities in the City of Los Angeles and adjacent communities during the entire term of this Permit.

Board reserves the right to have access to and inspect the schedule of rates and prices for services and facilities performed or provided upon the Premises. In the event that after Tenant has been advised and given a reasonable opportunity to confer with Board and to justify any rate or price challenged by it as unreasonable or noncompensatory, and Board has determined such rate or price to be unreasonable or inappropriate for the services rendered or the facilities provided, such rates or prices shall be modified by Tenant as directed by Board.

42. State Tidelands Act. This Agreement, 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, (Stats. 1929, Ch. 651), as amended, and Article VI of the Charter of the 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.

43. Paragraph Headings. Paragraph headings used in the Permit are merely descriptive and not intended to alter the terms and conditions of the paragraphs.

44. 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 and there are no oral agreements that affect any of the terms of this Permit.

45. Prior Permit Superseded. This Permit shall supersede Revocable Permit No. RP 95-40 with California Cartage Company and Agreement No. 2069 with California Cartage Corporation/California Cartage Company, Inc., which were terminated on November 2, 2013. Said termination does not affect rights of either party have accrued or obligations which remain to be performed or rights and/or obligations which provide they continue after termination or expiration of the agreement or which continue by operation of law.

46. 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.

47. 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.

CITY OF LOS ANGELES  
HARBOR DEPARTMENT.

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

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

The undersigned Tenant hereby accepts the foregoing Permit and agrees to abide and be bound by and to observe each and every of the terms, conditions and covenants, thereof, including those set forth in the addendum, if any, and excluding those marked as being deleted.

CALIFORNIA TRANSLOAD SERVICES, LLC

DATED: 1/16/19

By: [Signature]  
Scott Brucker, Sr. VP & General Counsel  
Type/Print Name and Title of Officer

Attest: [Signature]  
THOMAS J. LYNCH, Sr. VP Finance  
Type/Print Name and Title of Officer

APPROVED AS TO FORM AND LEGALITY  
\_\_\_\_\_, 2018  
MICHAEL N. FEUER, City Attorney  
JANNA B. SIDLEY, General Counsel

By: \_\_\_\_\_  
STEVEN Y. OTERA, Deputy