

LICENSE AGREEMENT

**32651**

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3 THE CITY OF LONG BEACH ("City") is the surface fee owner of the real  
4 property depicted on Exhibit "A" ("City Property") attached hereto and incorporated  
5 herein. City hereby grants to SIGNAL HILL PETROLEUM, INC., a California corporation  
6 ("SHP"), a non-exclusive revocable license to use those areas of City Property depicted  
7 in Exhibit "A" and identified as the Access Area therein ("Access Area") on the terms and  
8 conditions stated below, pursuant to a minute order adopted by the City Council of the  
9 City at its meeting held on March 1, 2011.

10 1. USE. SHP, its employees, volunteers, consultants, agents,  
11 inspectors, valid contractors, and other invitees by or through SHP (all of which shall be  
12 collectively referred to as "Licensee" for purposes of this License Agreement), may use  
13 the Access Area for the purpose of access and egress to certain property owned by SHP  
14 adjoining the eastern boundary of the City Property. Any contractors accessing the  
15 Access Area shall be required to have a written contract with SHP, wherein such  
16 contractor indemnifies City and holds City harmless according to the terms of this License  
17 Agreement. Any uses other than the one permitted herein shall be subject to the prior  
18 approval of the City Manager of the City or designee ("City Manager"), which may be  
19 withheld in his or her sole and absolute discretion. In its use of the Access Area,  
20 Licensee shall not in any manner interfere with or impede operations conducted by City  
21 or its other licensees (including without limitation LCW Oil, LLC and its successors and  
22 assigns) on the Access Area or on the City Property. City shall provide Licensee with  
23 keys and/or key codes, as necessary, to access the Access Area.

24 2. INITIAL TERM. The initial term of this License Agreement shall  
25 commence on June 7, 2010 and shall terminate on June 6, 2015. This License  
26 Agreement may be terminated by either party, at any time, for any reason, with ninety  
27 (90) days' advance written notice.  
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1           3.     FEE. SHP shall make monthly payments to City, in advance on or  
2 before the first day of each month, in the amount of One Thousand Dollars (\$1,000).  
3 Payments for any partial months shall be prorated based upon the actual number of days  
4 in such month. City has certain maintenance obligations pursuant to a Surface Use  
5 Agreement and Grant of Easements recorded against the City Property. Should City  
6 incur any documented costs associated with the Licensee's use of the Access Area,  
7 including without limitation costs associated with the above-referenced maintenance  
8 obligations, SHP shall reimburse City for the expense within thirty (30) days of receiving  
9 reasonable documentary evidence of such costs from City.

10           4.     COMPLIANCE. Licensee shall comply with all City, state and  
11 federal laws, regulations, rules, codes, and instructions from the City Manager relating to  
12 the use of the Access Area, specifically including all laws regarding the transport and  
13 handling of petroleum products, by-products and hazardous materials. Notwithstanding  
14 anything to the contrary herein, failure to do so may result in immediate revocation or  
15 suspension of this License Agreement.

16           5.     PERMITS, LICENSES, AND TAXES. SHP shall obtain, pay for  
17 and carry or display, as required, all permits or licenses required by law, regulation, or  
18 code for the use of the Access Area. In addition, SHP shall pay all taxes which may be  
19 levied against SHP's interest in the Access Area, including possessory interest taxes, if  
20 any.

21           6.     NUISANCE. Licensee shall not use the Access Area in any manner  
22 that will create a nuisance or unreasonable annoyance to the public. Licensee shall not  
23 take any action which creates an unsafe condition in the Access Area and shall not cause  
24 or allow any littering of the Access Area with trash, garbage, rubbish, or other litter.  
25 Licensee shall not cause or allow any substance constituting a fire hazard or material  
26 detrimental to the public health to be placed in the Access Area.

27           7.     UTILITIES. No utilities shall be provided to Licensee at the Access  
28 Area.

1           8.     INSPECTION.     City shall have the right to observe and inspect  
2 Licensee's use of the Access Area at any time for the purpose of determining whether the  
3 Access Area is being used in compliance with the requirements of this License  
4 Agreement, the law, regulations, codes and instructions.

5           9.     TEMPORARY REVOCATION.     City shall have a right to deny  
6 access by Licensee to the Access Area when the operations of City or its other licensees  
7 reasonably require such temporary denial of access. Payment of the license fee  
8 described in Section 3 shall be abated for all days on which access was denied.

9           10.    IMPROVEMENTS. Licensee shall not erect or maintain, or cause to  
10 be erected or maintained, any structure or improvements whatsoever on the Access  
11 Area.

12           11.    INSURANCE.     SHP shall procure and maintain the following  
13 insurance at SHP's expense for the duration of this License Agreement from an  
14 insurance company that is admitted to write insurance in the State of California or from  
15 an authorized nonadmitted insurer that has a rating of or equivalent to A:VIII by A. M.  
16 Best Company:

17                   A.     Commercial general liability insurance (equivalent in scope to  
18 ISO form CG 00 01 11 85 or 11 88) in an amount not less than One Million Dollars  
19 (\$1,000,000.00) per occurrence and Two Million Dollars (\$2,000,000.00) general  
20 aggregate. Such insurance shall include coverage for broad form contractual  
21 liability, independent contractors' liability, and products and completed operations  
22 liability. The City of Long Beach, its officials, employees, and agents shall be  
23 added as additional insureds by endorsement (equivalent in coverage scope to  
24 ISO form CG 20 26 11 85) with respect to liability arising from the use of the  
25 Access by Licensee. This insurance shall be endorsed to provide cross liability  
26 protection, thirty (30) days prior written notice of cancellation, nonrenewal or  
27 reduction in coverage, and primary and noncontributing coverage to the City, its  
28 officials, employees, and agents.

1                   B.       Commercial automobile liability insurance (equivalent in scope  
2 to CA 00 01 06 92) covering Auto Symbol 1 ("Any Auto") in an amount not less  
3 than Five Hundred Thousand Dollars (\$500,000.00) per accident combined single  
4 limit for bodily injury and property damage. Such policy shall be endorsed to  
5 provide additional insured coverage to the City, its officials, employees, and  
6 agents, and thirty (30) days prior written notice of cancellation, nonrenewal or  
7 reduction in coverage, and primary and noncontributing coverage to the City, its  
8 officials, employees, and agents.

9                   Any self-insurance program, self-insured retention, or deductible must be  
10 approved separately in writing by City and shall protect the City of Long Beach, its  
11 officials, employees, and agents in the same manner and to the same extent as they  
12 would have been protected had the policy or policies not contained such retention or  
13 deductible provisions.

14                   SHP shall deliver to the City, certificates of insurance and the required  
15 endorsements for approval as to sufficiency and form prior to commencement of this  
16 License. The certificates and endorsements for each insurance policy shall contain the  
17 original signature of a person authorized by that insurer to bind coverage on its behalf.  
18 SHP shall, at least thirty (30) days prior to expiration of such insurance, furnish City with  
19 evidence of renewals. City reserves the right to require complete certified copies of all  
20 said policies at any time.

21                   Such insurance as required herein, shall not be deemed to limit SHP's  
22 liability relating to performance under this License Agreement. The procuring of  
23 insurance shall not be construed as a limitation on liability or as full performance of the  
24 indemnification and hold harmless provisions of this License Agreement.

25                   Any modification or waiver of the insurance requirements herein shall be  
26 made only with the written approval of the City's Risk Manager or designee.

27                   12. INDEMNIFICATION. SHP shall defend, indemnify and hold  
28 harmless the City, its officials, employees and agents from and against any and all

1 claims, demands, damages, losses, liability, causes of action, penalties, fines,  
2 proceedings, costs and expenses (including reasonable attorneys' fees) of any kind to  
3 the extent arising from the alleged acts or omissions of Licensee which alleged acts or  
4 omissions are connected in any way with the use of the Access Area.

5 13. ASSIGNMENT. SHP shall not assign this License Agreement  
6 without the written consent of the City Manager, which consent may be withheld in the  
7 sole and absolute discretion of the City Manager; nor shall SHP in any manner transfer or  
8 convey or grant any of the rights or privileges herein granted without said written consent.  
9 SHP shall not sublicense the Access Area or any part thereof. SHP shall not allow the  
10 Access Area to be used or occupied by any other person or entity, or for any other use  
11 than that specified herein.

12 14. NOTICE. Any notice required or desired hereunder shall be in  
13 writing and personally served or deposited in the U.S. Postal Service, certified, return  
14 receipt, postage prepaid, to the City at 333 West Ocean Boulevard, Long Beach,  
15 California 90802 Attn: City Manager (phone: (562) 570-6916 – fax (562) 570-7650), and  
16 to SHP at 2633 Cherry Ave, Signal Hill, CA 90755.

17 Change of address shall be given in the manner provided for notices.  
18 Notice shall be deemed received on the date shown on the certified, return receipt, or on  
19 the date personal service is obtained, whichever occurs first.

20 15. NON-RESPONSIBILITY. City shall not be responsible for and SHP  
21 hereby waives all claims against the City for loss or damage by theft, fire, flood, burglary,  
22 vandalism or any other cause of any of Licensee's supplies, equipment and other  
23 property in, on or about the Access Area, including loss caused by City's negligence acts  
24 or omissions.

25 16. NO TITLE. Licensee acknowledges that, by this License Agreement,  
26 SHP does not acquire any right, title or interest of any kind in the Access Area. City shall  
27 have and retain absolute and full control of the Access Area.  
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1           17.    REVOCAION, SUSPENSION. This License Agreement may be  
2 revoked or suspended by the City Manager at any time that it is determined that the  
3 Licensee has violated any conditions of this License Agreement or any applicable code,  
4 law, rule or regulation, or that the City has evidence of unfair or bad faith dealing with the  
5 public or with the City by Licensee, or evidence of any action adversely affecting the  
6 health, welfare or safety of the public.

7           18.    DEFAULT. In the event Licensee fails, neglects or refuses to  
8 perform any of the conditions of this License Agreement or otherwise defaults in  
9 performance and said default continues for a period of thirty (30) days after notice thereof  
10 to SHP from City, then City may declare this License Agreement to be revoked. Any  
11 waiver by City of a default shall not be construed as, or constitute a waiver of, any  
12 subsequent default of the same or any other term.

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1 IN WITNESS WHEREOF, the parties have executed this License  
2 Agreement on the respective dates set forth opposite their signatures.

3 SIGNAL HILL PETROLEUM, INC.,  
4 a California corporation

5 June 8<sup>th</sup>, 2011

By [Signature] <sup>BCB</sup>  
6 President

7 Type or Print Name

8 By [Signature]  
9 Secretary, ~~Executive Vice President~~  
10 David Slater  
11 Type or Print Name

12 "SHP"

13 CITY OF LONG BEACH, a municipal  
14 corporation

15 5.14, 2011  
16 2012

By [Signature]  
17 Assistant City Manager  
18 City Manager

EXECUTED PURSUANT  
TO SECTION 301 OF  
THE CITY CHARTER.

19 "City"

20 This Agreement is approved as to form on June 29, 2011.

21 ROBERT E. SHANNON, City Attorney

22 By: [Signature]

OFFICE OF THE CITY ATTORNEY  
ROBERT E. SHANNON, City Attorney  
333 West Ocean Boulevard, 11th Floor  
Long Beach, CA 90802-4664

# EXHIBIT A

