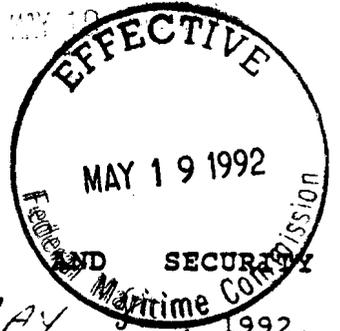


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INSTALLMENT SALE CONTRACT
AND
SECURITY AGREEMENT



THIS INSTALLMENT SALE CONTRACT AND SECURITY AGREEMENT is made and entered into as of MAY 1992, pursuant to a minute order adopted by the Board of Harbor Commissioners of the City of Long Beach at its May 4, 1992 meeting by and between the CITY OF LONG BEACH, a municipal corporation, acting by and through its Board of Harbor Commissioners ("City") and CALIFORNIA UNITED TERMINALS, a California joint venture presently consisting of General Steamship International, Ltd. and Kerr Terminals, Inc. ("Buyer").

1. RECITALS: This Installment Sale Agreement is made with reference to the following facts and objectives:

1.1 City and Buyer entered into a Fourth Amendment to and Restatement of Preferential Assignment Agreement (the "Terminal Agreement") for the use of premises at and adjacent to Piers B, C and D in the Harbor District of the City of Long Beach (Harbor Department Document No. HD-4679 and Federal Maritime Commission Agreement No. 224-003800-004).

1.2 City is the owner of forty (40) long ton MACH PORTAINER container crane bearing Paceco Corporation identification number 960. Buyer has offered to purchase the Crane from City after certain modifications have been made to be used in handling containers at the premises

1 Document No. HD-5030

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1 described in the Terminal Agreement.

2 1.3 City and Buyer intend by this Contract and
3 Security Agreement to set forth all of their
4 understandings and agreements regarding the modification
5 and repurchase of the Crane.

6 2. SALE AND DELIVERY: City shall sell, transfer and
7 deliver to Buyer on or before December 31, 1992 ("Delivery
8 Date") the forty (40) long ton MACH PORTAINER container crane
9 bearing Paceco Corporation identification number 960, modified
10 in accordance with the provisions of paragraph 10.1, together
11 with the telescopic lifting beam (spreader bar). The Crane and
12 spreader bar are now located at Berth 26, Pier C in the Harbor
13 District of the City of Long Beach. Title to the Crane shall
14 not pass to Buyer but shall remain in City until payment in
15 full of the purchase price by Buyer as security to secure
16 Buyer's full performance of all obligations arising under this
17 Contract. Buyer shall execute all financing statements and all
18 other instruments or documents reasonably related to this
19 Contract requested by City, when so requested. City shall
20 furnish Buyer with copies of all such instruments or documents
21 filed in any public office. Upon payment to City of the
22 purchase price, City shall transfer title to the Crane,
23 equipment and spare parts, if any, to Buyer or its assignee
24 free and clear of all liens and encumbrances.

25 3. EFFECTIVE DATE: The effective date of this
26 Contract shall be (i) the date on which City shall have
27 complied with the provisions of the Shipping Act of 1984 with
28 respect to the filing of marine terminal agreements with the

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1 Federal Maritime Commission or (ii) July 1, 1992, whichever is
2 later.

3 4. PURCHASE PRICE: Buyer shall pay to City an
4 amount equal to the total sum required to fully amortize a
5 principal sum consisting of the total of (i) Three Hundred
6 Fifty-one Thousand One Hundred Eighty-three and 35/100 Dollars
7 (\$351,183.35) and (ii) that portion of City's actual cost of
8 modifying the Crane attributable to the extension of the boom
9 over a payment period of seventeen (17) years which principal
10 sum shall bear compound interest at the rate of nine percent
11 (9%) per annum ("purchase price"). The purchase price shall be
12 paid in two hundred four (204) equal monthly installments on
13 the first (1st) day of each calendar month commencing July 1,
14 1992 and ending with the last payment due on June 1, 2009.
15 The installment payments of the purchase price shall be
16 calculated using the amortization schedule attached hereto
17 marked Exhibit "A" and by this reference made a part hereof.

18 4.1 The phrase "that portion of City's actual
19 cost of modifying the Crane attributable to the extension
20 of the boom" shall mean those direct and allocated costs
21 for labor, materials, supervision, supplies, tools, taxes,
22 transportation, administration, general expense and other
23 indirect or overhead costs incurred and/or expended by
24 City for design, engineering, manufacturing, erection,
25 inspection and testing of the boom of the Crane. In the
26 event "that portion of City's actual costs of modifying
27 the Crane attributable to the extension of the boom" has
28 not been ascertained as of July 1, 1992, the estimated sum

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1 of Two Million Ninety-five Thousand Two Hundred Eighty-
2 seven Dollars (\$2,095,287.00) shall be substituted for
3 City's actual costs. Upon ascertaining City's actual
4 costs of modifying the Crane attributable to the boom
5 extension, the purchase price shall be recalculated
6 together with the amount of the monthly installment
7 payments. City shall notify Buyer of the adjustment of
8 the price and the amount of the monthly statements, if
9 any.

10 4.2 Any delinquent payment due City other than
11 an installment of the purchase price shall be assessed an
12 interest charge on the unpaid balance, from the date of
13 delinquency until paid, at the rate then specified in the
14 Port of Long Beach Tariff No. 4, as amended or restated
15 ("Tariff No. 4") for delinquent payments. All invoices
16 issued by City shall be due and payable upon presentation,
17 and if not paid by the date of issue thereof shall be
18 considered delinquent.

19 4.3 Buyer may prepay the unpaid portion of the
20 purchase price at any time without penalty.

21 4.4 If the Crane shall be damaged or rendered
22 inoperable by fire, flood, earthquake, explosion, the
23 public enemy, vandalism, a shortage or deficiency in the
24 availability of power or other essential utility (for in
25 excess of thirty (30) days in any such instance), acts of
26 God or otherwise, so as to render it temporarily unfit for
27 use, the monthly installment payments, or a fair and just
28 proportion thereof according to the nature and extent of

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1 the damage sustained, shall be suspended and deferred (for
2 a period not to exceed six calendar months excluding the
3 month in which such damage occurs) until the Crane shall
4 have been rebuilt or restored. The installments subject
5 to suspension and deferral during such period shall be
6 reviewed and adjusted by mutual agreement of the parties,
7 or in the event that such agreement cannot be reached, by
8 arbitration as provided in paragraph 7. From the date
9 the Crane has been rebuilt, restored and accepted or at
10 the end of six calendar months, whichever occurs first,
11 the total of the accrued and deferred installment payments
12 shall thereafter be payable in equal monthly installments
13 over the remaining period during which installment
14 payments are to be made, or sooner at the option of Buyer.

15 4.5 If by reason of a strike, labor dispute,
16 lockout or other work stoppage, Buyer is prevented from
17 making substantial use of the Crane for the conduct of its
18 terminal business, the installment payments for such
19 period shall be suspended and deferred in an amount
20 determined by mutual agreement, or by arbitration under
21 paragraph 7 if the parties are unable to agree, commencing
22 on the thirty-first day after receipt by City of notice of
23 such strike, labor dispute, lockout or other work
24 stoppage, and ending on the date Buyer is able to make
25 substantial use of the Crane for its business or the
26 expiration of six calendar months (excluding the month in
27 which the suspension commences), whichever occurs first.
28 The accrued and deferred installment payments shall be

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payable commencing with the rental payment date next following the date the suspension period ends in equal monthly installments over the remaining period during which installment payments are to be made by Buyer, or sooner at the option of Buyer.

5. APPLICABLE LAWS: Buyer's use of the Crane shall at all times be governed by the provisions of any applicable orders, rules and regulations of the Board of Harbor Commissioners, and the Charter of the City of Long Beach and ordinances adopted pursuant thereto regarding health and safety.

6. USE AND OPERATION OF CRANE - BUYER'S RATES, CHARGES AND PRACTICES: Buyer shall maintain and operate the Crane in furtherance of the uses described in paragraph 6 of the Terminal Agreement and shall operate the Crane in an efficient manner.

6.1 The services herein authorized to be performed shall be open to all customers of Buyer without discrimination. A schedule of tariff of all rates, charges, regulations and practices which are established, observed and enforced by Buyer for the Crane shall be filed with City by Buyer prior to the effective date of this Contract. In lieu of filing such tariff, Buyer may elect to use and be bound by Tariff No. 4 by filing a written notice of concurrence with City and the Federal Maritime Commission. In the event Buyer publishes its own tariff, all crane rental charges assessed by Buyer shall be fair, reasonable and nondiscriminatory. If a dispute

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1 shall arise between City and Buyer regarding Buyer's
2 rates, charges, rules or practices which cannot be settled
3 by the parties, either party may request arbitration of
4 the matter in accordance with paragraph 7.

5 6.2 Buyer shall assess applicable tariff charges
6 at all times during the term of this Contract.

7 7. ARBITRATION: If the parties cannot agree on any
8 matter herein which is specifically subject to arbitration,
9 either party may request arbitration. The party desiring to
10 arbitrate an issue shall select an arbitrator and give written
11 notice to the other party, who shall then select a second
12 arbitrator within ten (10) business days after receipt of such
13 notice. If the other party fails to name such second
14 arbitrator within said period, the arbitrator named by the
15 first party shall decide the matter. If a second arbitrator is
16 timely chosen, the two arbitrators shall, within ten (10)
17 business days after the appointment of the second, select a
18 third. If the two cannot agree upon a third, he or she shall
19 be appointed by any judge of the Superior Court of the County
20 of Los Angeles, California, upon application made thereto by
21 either party upon ten calendar days written notice to the
22 other. Upon their appointment, the three arbitrators shall
23 enter immediately upon the discharge of their duties and
24 determine the issue or issues submitted to them and file their
25 determination in writing with the Executive Director of the
26 Long Beach Harbor Department ("Executive Director") and Buyer
27 within sixty (60) business days after the appointment of the
28 last arbitrator to be appointed. Such arbitration proceedings

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1 shall be conducted in accordance with the provisions of Title 9
2 (Arbitration) of Part 3 of the California Code of Civil
3 Procedure unless the parties hereto agree otherwise. The
4 parties shall each pay one-half of the third arbitrator's fees
5 and expenses and shall bear all costs associated with the
6 appointment and performance of their own arbitrator.

7 8. RECORDS: Buyer shall maintain in the City of
8 Long Beach, full and accurate books and records showing its
9 business transacted pertaining to the Crane, and the same shall
10 be subject to inspection or examination by City's authorized
11 representatives during business hours upon reasonable notice.

12 9. LIENS: Except where contested in good faith
13 before an administrative agency or in a court of competent
14 jurisdiction, and except for nondelinquent liens arising from
15 taxes or tax assessments, Buyer shall keep the Crane and any
16 improvements thereto free from liens of any kind or nature
17 arising out of its operations, including any liens arising out
18 of any labor performed for or materials furnished to or on
19 behalf of Buyer on the Crane.

20 10. CRANE IMPROVEMENTS, MAINTENANCE AND REPAIR:

21 10.1 Prior to the Delivery Date (as defined in
22 paragraph 2) City, at its cost, shall exercise its best
23 efforts to make those improvements to the Crane described
24 in the Paceco Corporation Proposal, attached hereto as
25 Exhibit "B" and by this reference made a part hereof (with
26 the exception of the work described in Section 5.6 of
27 Exhibit "B" regarding Cranes Nos. 848 and 849). Buyer
28 acknowledges that it has received a copy of Exhibit "B"

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1 and approves thereof.

2 10.2 At all times after the Delivery Date (as
3 defined in paragraph 2), Buyer, at its cost, shall
4 maintain the Crane in good order, condition and repair and
5 shall be solely responsible for the periodic examination
6 and certification thereof. Buyer, at its cost, shall make
7 all necessary adjustments and replacements of worn or
8 unfit parts.

9 10.3 Buyer acknowledges and agrees that City has
10 not made any express warranties with respect to the Crane
11 and that City expressly disclaims any implied warranty of
12 merchantability of the Crane or the fitness of the Crane
13 for any purpose and Buyer agrees that the Crane is sold
14 "as is". Buyer understands and agrees that all warranties
15 implied by the provisions of the California Uniform
16 Commercial Code are excluded from this sale.

17 10.4 Notwithstanding anything to the contrary
18 appearing in this Contract, City shall not be liable to
19 Buyer for any cost, expense or damage incurred or claimed
20 by Buyer resulting from City's inability to deliver the
21 Crane to Buyer on or before December 31, 1992. Buyer's
22 sole remedy shall be the assertion of a claim for damages
23 against Paceco Corporation, including liquidated damages
24 as provided in the Contract for Container Crane
25 Modifications entered into as of April 13, 1992 between
26 City and Paceco Corporation, governing the modification of
27 the Crane. City shall fully cooperate with Buyer in
28 asserting any such claim and in collecting such damages

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1 for Buyer, including liquidated damages. City shall
2 promptly pay to Buyer any such liquidated damages
3 attributable to Buyer's loss or damage collected from
4 Paceco.

5 10.5 City shall not be responsible in any manner
6 whatsoever for making any modifications or additions to
7 the Crane required by industry practices.

8 10.6 In the event the Crane shall require any
9 modifications in order to bring it into compliance with
10 applicable federal or state laws, rules, orders or
11 regulations, Buyer, at its cost, shall promptly make all
12 such required modifications.

13 10.7 Prior to the Delivery Date, City shall
14 cause the Crane to be surveyed and shall deliver a copy of
15 the written survey to Buyer. Thereafter, upon demand,
16 Buyer shall furnish City with copies of certificates and
17 maintenance records showing compliance by Buyer with the
18 rules, regulations, orders and directives of the federal
19 and California Occupational Health and Safety Acts, the
20 provisions of this Contract, and such other laws, rules,
21 regulations and orders of governmental agencies having
22 jurisdiction which apply to the Crane.

23 10.8 After the Delivery Date, City shall not be
24 liable for, and Buyer covenants and agrees to defend and
25 indemnify City from any and all claims, liabilities, costs
26 and expenses incurred or required to meet Buyer's
27 obligations (i) under paragraphs 10.2 and 10.6; (ii)
28 arising out of or caused by breakdown of the Crane or

1 (iii) the Crane being out of service.

2 11. INDEMNIFICATION. Buyer shall defend and
3 indemnify the City of Long Beach, its Board of Harbor
4 Commissioners (individually and collectively) and their
5 officers and employees ("indemnified parties") from and against
6 any and all actions, suits, proceedings, claims, demands,
7 losses, liens, costs, expense and liability of any kind or
8 nature whatsoever for injury to or death of persons or
9 property, including property owned by City, brought, made,
10 filed against, imposed upon or sustained by the indemnified
11 parties or any of them and arising from or attributable to or
12 caused, directly or indirectly, by the use or operation of the
13 Crane by Buyer, its officers, agents, employees or invitees, or
14 by any person or persons acting on behalf of Buyer and with
15 Buyer's knowledge and consent express or implied, or by reason
16 of or arising out of the state of repair and maintenance of the
17 Crane, or the construction, improvement or repair of the Crane
18 by City or Buyer, its officers, agents, employees or invitees,
19 or by any person or persons acting on behalf of Buyer and with
20 the knowledge and consent, express or implied, of Buyer, or by
21 reason of injury to or death of employees of Buyer or others
22 where liability arises out of the provisions of Section 6300 et
23 seq. of the California Labor Code or any federal, state or
24 local regulations or laws pertaining to the safety of premises
25 or of equipment located upon said premises, but excluding any
26 and all such actions, suits, proceedings, claims, demands,
27 losses, liens, costs, expenses and liability, of any kind and
28 nature whatsoever, to the extent such death, injury or damage

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1 may arise from, be attributable to or be caused, directly or
2 indirectly, by the sole or active contributory negligence or
3 the willful misconduct of the indemnified parties or any of
4 them or City's agents or any person or persons acting on behalf
5 of the City with the City's consent, express or implied,
6 pursuant to this Contract.

7 11.1 With respect to any such actions, suits,
8 proceedings, claims, demands, losses, liens, cost, expense
9 or liability (except those arising from, attributable to
10 or caused directly or indirectly by the sole or active
11 contributory negligence or willful misconduct of the
12 indemnified parties or any of them or any person or
13 persons acting on behalf of City with City's consent,
14 express or implied) City shall notify Buyer thereof, shall
15 tender Buyer defense thereof and shall assist Buyer as may
16 reasonably be requested in the defense thereof; and Buyer
17 shall resist and defend such action, suit or proceeding,
18 and shall conduct or have conducted the necessary
19 investigations and adjusting related thereto. Buyer shall
20 indemnify the indemnified parties against all costs,
21 including, but not limited to, investigating and adjusting
22 costs and counsel fees, incurred with respect to any such
23 actions, suits, fees, incurred with respect to any such
24 actions, suits, proceedings, claims and demands.

25 11.2 Buyer shall defend and indemnify and shall
26 hold City harmless against any claim, demand, cost or
27 expense incurred in or imposed as a result of any action
28 or proceeding challenging the validity of this Contract or

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1 the implementation thereof. Notwithstanding the preceding
2 sentence, City acknowledges that it has full power and
3 authority to enter into this Contract and Buyer shall not
4 be required to indemnify City in the event such
5 acknowledgement is incorrect.

6 **12. GENERAL LIABILITY INSURANCE:** As a condition
7 precedent to the effectiveness of this Contract, and in partial
8 performance of Buyer's obligations of indemnity, Buyer shall
9 procure and maintain in full force and effect, while this
10 Contract shall remain in effect a policy of commercial general
11 liability insurance with coverage at least as broad as
12 Insurance Services Office Commercial General Liability
13 Occurrence Form CG0001 with limits of at least \$5,000,000.00
14 per occurrence for bodily injury and property damage.

15 12.1 The policy or policies shall provide as
16 follows:

17 12.1.1 That the City of Long Beach, the
18 Board of Harbor Commissioners (individually and
19 collectively), and their officers and employees,
20 while acting within the scope of their authority,
21 shall be additional insureds, such insurance to be
22 primary and any other insurance, deductible,
23 retention or self-insurance maintained by the
24 foregoing shall not contribute with such primary
25 insurance.

26 12.1.2 That in the event of one insured
27 (whether named or additional) incurring liability to
28 any other insured (whether named or additional), the

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1 policy shall cover the insured against whom claim is
2 or may be made, in the same manner as if separate
3 policies had been issued to each insured except that
4 the limits of insurance shall not be increased
5 thereby.

6 12.1.3 That said policy or policies shall
7 either contain a broad form of contractual liability
8 coverage, including contracts and agreements, or
9 there shall be attached to said policy or policies an
10 endorsement, providing that such insurance as is
11 provided for therein shall apply to the obligations
12 assumed by Buyer under this Contract.

13 12.1.4 That the same shall not be cancelled
14 or coverage reduced until a thirty-day written notice
15 of cancellation has been served upon the Executive
16 Director by registered or certified mail.

17 12.2 Such insurance provided by Buyer may
18 provide for such deductible or self-insured retentions as
19 shall be acceptable to the Executive Director.

20 12.3 The City of Long Beach, the Board of Harbor
21 Commissioners, and their officers and employees shall not
22 be liable for the payment of any premiums or assessments
23 on said policy or policies.

24 12.4 Buyer shall deliver said policy or policies
25 of insurance, certified copies thereof, or an endorsement
26 or endorsements on forms approved by City ("evidence of
27 insurance") to the Executive Director for approval as to
28 sufficiency and to the City Attorney for approval as to

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1 form. At least fifteen (15) days prior to the expiration
2 of any such policy, Buyer shall file evidence of insurance
3 with the Executive Director showing that such insurance
4 coverage has been renewed or extended. If such coverage
5 is cancelled or reduced, Buyer shall, within ten (10) days
6 after receipt of written notice of such cancellation or
7 reduction of coverage, file with the Executive Director
8 evidence of insurance showing that the required insurance
9 has been reinstated or provided through another insurance
10 company or companies, and said policy shall be submitted
11 for approval as herein provided.

12 12.5 Buyer agrees to suspend and cease all use
13 of the Crane during such periods of time as the required
14 insurance coverage is not in effect.

15 12.6 The procurement of such policy or policies
16 of insurance shall not be construed to be a limitation in
17 any respect upon Buyer's obligation of indemnity
18 hereunder.

19 13. **PROPERTY INSURANCE:** From and after the Delivery
20 Date of the Crane (as defined in paragraph 2), Buyer, at its
21 cost, shall procure and maintain in force and effect at all
22 times that the purchase price remains unpaid a policy of fire
23 and extended coverage insurance, including earthquake coverage
24 which shall be not less than the then remaining balance of the
25 purchase price of the Crane subject to a deductible in amounts
26 which Buyer uses as standard coverage for similar properties.
27 The policy shall be endorsed to provide that in the event of a
28 loss the insurance proceeds shall be payable to City and Buyer

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as their interests may appear.

14. **SIGNS:** Either party may permit, inscribe or place in or on the Crane appropriate signs and placards. All such signs shall be consistent with the provisions of Tariff No. 4 and Section 1215 of the City Charter. Buyer, at its cost, shall promptly remove any and all such signs and placards placed by it on the Crane upon the termination of the Terminal Agreement.

15. **DEFAULT.** If Buyer should fail to perform any of its obligations hereunder (except where such failure may be excused) or if a proceeding in bankruptcy, insolvency, receivership, reorganization for the benefit of creditors or assignment for the benefit of creditors is instituted by or against Buyer or the property of Buyer or the business of Buyer is in any way liquidated ("Buyer's Default") all of the purchase price then owing by Buyer to City, at the option of City and without notice shall become due and payable at once; provided, however, that if Buyer's Default is not based on a proceeding in bankruptcy, insolvency, receivership, reorganization for the benefit of creditors, or assignment for the benefit of creditors being instituted by or against Buyer, or on the property of Buyer or the business of Buyer being in any way liquidated, then no amount of the purchase price then owing by Buyer to City shall be accelerated to become due and payable at once until and unless City has given written notice of such default and Buyer has failed to cure such default during a thirty (30) day period following receipt of such notice. City shall have all rights and remedies on default

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1 allowed the holder of a security interest under Division 9 of
2 the California Commercial Code, including without limitation
3 reasonable attorneys' fees and legal expenses incurred, but
4 subject to all restrictions and obligations otherwise imposed
5 by law. Without limiting the scope of these remedies, City
6 shall have the right, at any time after Buyer's Default which
7 is not cured within such thirty (30) day period following
8 receipt of such written notice to (i) accelerate the entire
9 unpaid obligation; (ii) repossess and without breach of the
10 peace secure the Crane; (iii) in lieu of recovering the
11 balance, proceed with Civil Code §§ 1812.2 and 1812.3 by
12 reselling or retaining the repossessed Crane in accordance with
13 notice as prescribed by those sections, and, if City elects to
14 resell the Crane after giving the required 10 days' notice, it
15 is specifically agreed that 10 days is reasonable advance
16 mailing or delivery of the notice of intended resale; and (iv)
17 apply the proceeds of disposition as permitted and required by
18 law.

19 16. **TAXES:** Buyer, at its cost, shall pay and
20 discharge, all license fees, assessments and taxes, that are
21 now or hereafter imposed by any federal, state or local
22 government upon the Crane, based upon the ownership, leasing,
23 renting, sale, possession or use of the Crane, together with
24 any penalties or interest in connection therewith, excepting
25 federal, state or local governmental taxes, or payments in lieu
26 thereof, imposed upon or measured by income of City.

27 17. **UTILITY CHARGES:** Buyer shall pay for all water,
28 light, fuel, electricity, power, gas and other utilities which

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may be furnished to or used by it in connection with the use of the Crane during the term of this Contract. Buyer agrees that any amounts paid by it for such utility services shall not be deducted from any installment payment due City pursuant to the provisions of this Contract.

18. DAMAGE AND DESTRUCTION: In the event that the Crane shall be damaged or destroyed, in whole or in part, so that it cannot be used at the customary or contemplated rate for loading or unloading and subject to the provisions of paragraph 4.5, Buyer shall commence and prosecute with all due diligence any work necessary to repair or restore the Crane to the condition the Crane was in immediately prior to the damage or destruction, if legally, economically and engineeringly feasible. If Buyer is unable to do so, then City, at its option may accelerate the entire unpaid purchase price. Buyer, at its cost, shall promptly remove the damaged crane from the terminal premises. Nothing contained in this paragraph is intended to nor should be construed as relieving Buyer from its obligation to pay the installment payments in accordance with paragraph 4. As between City and Buyer, it is agreed that any proceeds of insurance received with respect to such damage or destruction shall be used for the repair and restoration of the Crane. In the event that the Crane shall be damaged or destroyed beyond repair, the proceeds of insurance with respect to the Crane shall be payable first to City in satisfaction of Buyer's obligation to pay the remaining balance of the purchase price, then the balance, if any, to Buyer. In the event the insurance proceeds are insufficient to pay the remaining

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1 balance of the purchase price in full, Buyer shall pay any such
2 deficiency within thirty (30) days of City's demand therefor.

3 19. TERMINATION FOR GOVERNMENT USE: In the event
4 the United States Government, the State of California or any
5 agency or instrumentality of said governments, other than the
6 City of Long Beach, shall by condemnation or otherwise take
7 title to or possession of the Crane, the entire award for such
8 taking or sale proceeds for such sale, as between City and
9 Buyer, shall be payable first to City to the extent and in
10 satisfaction of Buyer's obligation to pay the remaining balance
11 of the purchase price and the balance, if any, to Buyer. In
12 the event the award is insufficient to pay the remaining
13 balance of the purchase price in full, Buyer shall pay any such
14 deficiency within thirty (30) days of City's demand therefor.

15 20. SALE, LEASE OR DISPOSITION: Except as otherwise
16 provided in this paragraph, Buyer shall not sell, contract to
17 sell, lease, encumber or dispose of the Crane or any interest
18 therein, without the express written consent of City until the
19 purchase price has been completely paid to City.

20 20.1 Buyer shall not be required to obtain
21 City's prior written consent in the event of a
22 substitution of partners in Buyer; provided, however,
23 General Steamship International, Ltd. shall remain as a
24 partner of the California United Terminals joint venture
25 owning fifty percent (50%) or more of the assets of said
26 joint venture.

27 20.2 Notwithstanding the prohibition against
28 selling, contracting to sell, leasing, encumbering or

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disposing of the Crane, until the purchase price has been completely paid to City, Buyer may dispose of the Crane provided the Crane is the third of Paceco Cranes Nos. 959, 960 and 507 to be disposed of and any such disposition and for removal shall not be consummated or effective for a period of twenty-four (24) months after Buyer's written notice to City of Buyer's intent to dispose of the Crane.

21. OPTION OF CITY TO PURCHASE CRANE: In the event Buyer (i) fails to exercise one or more of its options to extend the term of the Terminal Agreement or (ii) elects unconditionally to not extend the term of the Terminal Agreement and so notifies City, City shall have the option to purchase the Crane together with its equipment and spare parts, if any. City shall exercise its option by giving Buyer written notice of City's election within thirty (30) days from the date on which Buyer notifies City of its unconditional election to not extend the term of the Terminal Agreement or one hundred eighty (180) days prior to the expiration of the term of the Terminal Agreement, whichever occurs first. The purchase price shall be the fair market value of the Crane, its equipment and parts, if any, as determined by the parties. If City and Buyer are unable to agree on the fair market value, such shall be determined in accordance with paragraph 7. Delivery of the Crane and payment of the purchase price shall take place upon the date of expiration of the term of the Terminal Agreement, at which time this Contract shall terminate. If the fair market value of the Crane has not been determined as of the date of the expiration of the term of the Terminal Agreement,

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City Attorney of Long Beach
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Long Beach, California 90802
Telephone (213) 590-6061

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Telephone (213) 590-6061

1 the Crane shall nevertheless be delivered on that date and
2 interest on the purchase price for the Crane shall be paid by
3 City to Buyer and shall accrue at the then existing prime rate
4 quoted by the Bank of America National Trust and Savings
5 Association in San Francisco, plus one percent (1%) from that
6 date to the date of payment of the purchase price, compounded
7 monthly.

8 **22. NOTICES:** All notices required to be given to
9 either party under this Contract shall be deemed sufficiently
10 given if addressed, as the case may be, to City as follows:

11 Executive Director
12 Long Beach Harbor Department
13 P. O. Box 570
14 Long Beach, California 90801

15 and to Buyer as follows:

16 California United Terminals
17 c/o President
18 300 Pier B Avenue
19 Long Beach, California 90802

20 or to such other address or addresses as either party may
21 advise the other in writing, and shall be deemed to be given
22 when delivered, if delivered by hand or by facsimile
23 transmission or five (5) days after mailing if delivered by
24 registered to certified mail.

25 **23. NONDISCRIMINATION:** Buyer agrees, subject to
26 applicable laws, rules and regulations, that no person shall be
27 subject to discrimination in the performance of this Contract
28 on the basis of race, color, religion, national origin, sex,
sexual orientation, AIDS, AIDS related condition, age,
disability, handicap, or Vietnam Era veteran status. Buyer

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1 shall take affirmative action to ensure that applicants are
2 employed and that employees are treated during employment
3 without regard to any of these bases, including but not limited
4 to employment, upgrading, demotion, transfer, recruitment,
5 recruitment advertising, layoff, termination, rates of pay or
6 other forms of compensation, and selection for training,
7 including apprenticeship. Buyer agrees to post in conspicuous
8 places available to employees and applicants for employment
9 notices to be provided by the City setting out the provisions
10 of this nondiscrimination clause. Buyer shall in all
11 solicitations or advertisements for employees state that all
12 qualified applicants will receive consideration for employment
13 without regard to these bases.

14 24. WAIVERS: No waiver by either party at any time
15 of any of the terms, conditions, covenants or agreements of
16 this Contract shall be deemed or taken as a waiver at any time
17 thereafter of the same or any other term, condition, or
18 covenant nor of the strict and prompt performance thereof by
19 the party obligated to perform. No delay, failure or omission
20 of either party to exercise any right, power, privilege or
21 option arising from any default nor subsequent acceptance of
22 compensation then or thereafter accrued shall impair any such
23 right, power, privilege or option or be construed to be a
24 waiver of any such default or relinquishment thereof or
25 acquiescence therein. No option, right, power, remedy or
26 privilege of either party hereto shall be construed as being
27 exhausted or discharged by the exercise thereof in one or more
28 instances. All of the rights, powers, options or remedies

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1 given to the parties are cumulative and no one of them shall be
2 exclusive of the other or exclusive of any remedies provided by
3 law. The exercise of one right, power, option, or remedy by a
4 party shall not impair its rights to any other right, power,
5 option or remedy.

6 25. CAPTIONS: The use of titles, paragraph headings
7 or captions in this Contract is solely for the purpose of
8 convenience, and the same shall be entirely disregarded in
9 construing any part or portion of this Contract.

10 26. LAW GOVERNING: This Contract shall be governed
11 by the laws of the State of California, both as to
12 interpretation and performance.

13 27. SUCCESSORS: This Contract shall be binding upon
14 and shall inure to the benefit of the successors and assigns of
15 City and shall be binding upon and inure to the benefit of the
16 successors and permitted assigns of Buyer.

17 28. SEVERABILITY: If any clause of this Contract is
18 held to be unconscionable by any court of competent
19 jurisdiction, the clause in question shall be modified to
20 eliminate the unconscionable element and as so modified the
21 clause shall be binding on the parties. The remaining
22 provisions of this Contract shall not be affected by the
23 modification of any unconscionable clause. "Unconscionable"
24 shall be deemed to mean that the enforcement of the entire
25 agreement or a specific clause of the agreement will work
26 oppression or cause unfair surprise to one of the parties.
27 Unconscionability shall be determined as of the time when the
28 agreement is made, but shall not be deemed established either

STATE OF CALIFORNIA
COUNTY OF LOS ANGELES } SS.

On April 29, 1992, before me, LINDA M. JOHNSON, a
Notary Public in and for said State, personally appeared C. D. DOAN AND
David A. Heckstra

↑
STAPLE HERE
↓

personally known to me ~~(or proved to me on the basis of satisfactory evidence)~~ to be the person(s) whose name(s) ~~is/are~~ subscribed to the within instrument and acknowledged to me that ~~he/she/~~ they executed the same in ~~his/her/~~ their authorized capacity(ies), and that by ~~his/her/~~ their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.
WITNESS my hand and official seal.

Signature Linda M. Johnson
LINDA M. JOHNSON
Name (Typed or Printed)

L-10 (7/91)



(This area for official notarial seal)

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City Attorney of Long Beach
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Long Beach, California 90802
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by the fact that the agreement subsequently proved disadvantageous to one of the parties or by the fact that one of the parties has bargaining power superior to that of the other. Should any of the covenants, conditions or agreements of this Contract be held by a court of competent jurisdiction to be illegal or in conflict with any applicable law, or with any provision of the Charter of the City of Long Beach, the validity of the remaining portions or provisions shall not be affected thereby.

29. TERMINATION OF CRANE LEASE AGREEMENT: Upon the effective date of this Contract (as defined in paragraph 3), the Crane Lease Agreement approved by City September 14, 1981 (Harbor Department Document No. HD-3403 and Federal Maritime Agreement No. T-3800-b) shall be terminated and of no further force and effect. Notwithstanding the foregoing, Buyer shall not be excused from indemnifying City in accordance with the provisions of paragraph 8 of the Crane Lease Agreement which obligation shall survive the termination.

CALIFORNIA UNITED TERMINALS,
a joint venture

Dated: April 29, 1992 By [Signature]

Dated: April 29, 1992 BY [Signature]

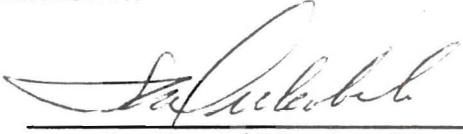
BUYER

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CITY OF LONG BEACH, a municipal corporation, acting by and through its Board of Harbor Commission

Dated: May 8, 1992

By 
S. R. Dillenbeck,
Executive Director
Long Beach Harbor Department

CITY

The foregoing Installment Sale Contract and Security Agreement is hereby approved as to form this 6th day of May, 1992.

JOHN R. CALHOUN, City Attorney

By 
Senior Deputy

certified as a True and Correct Copy

Executive Secretary
Board of Harbor Commissioners
of the City of Long Beach,
California
Dated May 13, 1992

ECP:pw
4/28/92
C-11\CUT4.CON

John R. Calhoun
City Attorney of Long Beach
333 West Ocean Boulevard
Long Beach, California 90802
Telephone (213) 590-6061

AMOUNT \$1,000
 RATE % 9.00%
 PERIODS 204
 PAYMENT \$9.59

PAYMENT #	INTEREST	PRINCIPAL	BALANCE
1	7.50	2.09	997.91
2	7.48	2.10	995.81
3	7.47	2.12	993.69
4	7.45	2.14	991.55
5	7.44	2.15	989.40
6	7.42	2.17	987.23
7	7.40	2.18	985.05
8	7.39	2.20	982.85
9	7.37	2.22	980.63
10	7.35	2.23	978.40
11	7.34	2.25	976.15
12	7.32	2.27	973.88
13	7.30	2.28	971.60
14	7.29	2.30	969.30
15	7.27	2.32	966.98
16	7.25	2.34	964.64
17	7.23	2.35	962.29
18	7.22	2.37	959.92
19	7.20	2.39	957.53
20	7.18	2.41	955.13
21	7.16	2.42	952.70
22	7.15	2.44	950.26
23	7.13	2.46	947.80
24	7.11	2.48	945.32
25	7.09	2.50	942.82
26	7.07	2.52	940.30
27	7.05	2.54	937.77
28	7.03	2.55	935.21
29	7.01	2.57	932.64
30	6.99	2.59	930.04
31	6.98	2.61	927.43
32	6.96	2.63	924.80
33	6.94	2.65	922.15
34	6.92	2.67	919.48
35	6.90	2.69	916.78
36	6.88	2.71	914.07
37	6.86	2.73	911.34
38	6.84	2.75	908.59
39	6.81	2.77	905.81
40	6.79	2.79	903.02
41	6.77	2.82	900.20
42	6.75	2.84	897.37
43	6.73	2.86	894.51
44	6.71	2.88	891.63
45	6.69	2.90	888.73
46	6.67	2.92	885.81
47	6.64	2.94	882.86
48	6.62	2.97	879.89
49	6.60	2.99	876.91

EXHIBIT A

50	6.58	3.0	873.89
51	6.55	3.03	870.86
52	6.53	3.06	867.80
53	6.51	3.08	864.72
54	6.49	3.10	861.62
55	6.46	3.13	858.50
56	6.44	3.15	855.35
57	6.42	3.17	852.17
58	6.39	3.20	848.98
59	6.37	3.22	845.76
60	6.34	3.24	842.51
61	6.32	3.27	839.24
62	6.29	3.29	835.95
63	6.27	3.32	832.63
64	6.24	3.34	829.29
65	6.22	3.37	825.92
66	6.19	3.39	822.52
67	6.17	3.42	819.11
68	6.14	3.44	815.66
69	6.12	3.47	812.19
70	6.09	3.50	808.69
71	6.07	3.52	805.17
72	6.04	3.55	801.62
73	6.01	3.58	798.05
74	5.99	3.60	794.44
75	5.96	3.63	790.81
76	5.93	3.66	787.16
77	5.90	3.68	783.47
78	5.88	3.71	779.76
79	5.85	3.74	776.02
80	5.82	3.77	772.25
81	5.79	3.80	768.46
82	5.76	3.82	764.63
83	5.73	3.85	760.78
84	5.71	3.88	756.90
85	5.68	3.91	752.98
86	5.65	3.94	749.04
87	5.62	3.97	745.07
88	5.59	4.00	741.07
89	5.56	4.03	737.04
90	5.53	4.06	732.98
91	5.50	4.09	728.89
92	5.47	4.12	724.77
93	5.44	4.15	720.62
94	5.40	4.18	716.44
95	5.37	4.21	712.22
96	5.34	4.25	707.97
97	5.31	4.28	703.70
98	5.28	4.31	699.39
99	5.25	4.34	695.04
100	5.21	4.38	690.67
101	5.18	4.41	686.26
102	5.15	4.44	681.82
103	5.11	4.47	677.34
104	5.08	4.51	672.84
105	5.05	4.54	668.30
106	5.01	4.58	663.72
107	4.98	4.61	659.11
108	4.94	4.64	654.46
109	4.91	4.68	649.79

110	4.87	4.7	645.07
111	4.84	4.75	640.32
112	4.80	4.79	635.53
113	4.77	4.82	630.71
114	4.73	4.86	625.86
115	4.69	4.89	620.96
116	4.66	4.93	616.03
117	4.62	4.97	611.06
118	4.58	5.01	606.06
119	4.55	5.04	601.02
120	4.51	5.08	595.93
121	4.47	5.12	590.82
122	4.43	5.16	585.66
123	4.39	5.20	580.46
124	4.35	5.23	575.23
125	4.31	5.27	569.96
126	4.27	5.31	564.64
127	4.23	5.35	559.29
128	4.19	5.39	553.90
129	4.15	5.43	548.46
130	4.11	5.47	542.99
131	4.07	5.52	537.47
132	4.03	5.56	531.91
133	3.99	5.60	526.32
134	3.95	5.64	520.67
135	3.91	5.68	514.99
136	3.86	5.73	509.27
137	3.82	5.77	503.50
138	3.78	5.81	497.69
139	3.73	5.86	491.83
140	3.69	5.90	485.93
141	3.64	5.94	479.99
142	3.60	5.99	474.00
143	3.55	6.03	467.97
144	3.51	6.08	461.89
145	3.46	6.12	455.76
146	3.42	6.17	449.59
147	3.37	6.22	443.38
148	3.33	6.26	437.12
149	3.28	6.31	430.81
150	3.23	6.36	424.45
151	3.18	6.40	418.04
152	3.14	6.45	411.59
153	3.09	6.50	405.09
154	3.04	6.55	398.54
155	2.99	6.60	391.94
156	2.94	6.65	385.29
157	2.89	6.70	378.59
158	2.84	6.75	371.85
159	2.79	6.80	365.05
160	2.74	6.85	358.20
161	2.69	6.90	351.30
162	2.63	6.95	344.34
163	2.58	7.01	337.34
164	2.53	7.06	330.28
165	2.48	7.11	323.17
166	2.42	7.16	316.00
167	2.37	7.22	308.79
168	2.32	7.27	301.51
169	2.26	7.33	294.19

170	2.21	7.38	286.80
171	2.15	7.44	279.37
172	2.10	7.49	271.88
173	2.04	7.55	264.33
174	1.98	7.61	256.72
175	1.93	7.66	249.06
176	1.87	7.72	241.34
177	1.81	7.78	233.56
178	1.75	7.84	225.72
179	1.69	7.90	217.83
180	1.63	7.95	209.87
181	1.57	8.01	201.86
182	1.51	8.07	193.79
183	1.45	8.13	185.65
184	1.39	8.20	177.46
185	1.33	8.26	169.20
186	1.27	8.32	160.88
187	1.21	8.38	152.50
188	1.14	8.44	144.05
189	1.08	8.51	135.55
190	1.02	8.57	126.97
191	0.95	8.64	118.34
192	0.89	8.70	109.64
193	0.82	8.77	100.87
194	0.76	8.83	92.04
195	0.69	8.90	83.14
196	0.62	8.96	74.18
197	0.56	9.03	65.15
198	0.49	9.10	56.05
199	0.42	9.17	46.88
200	0.35	9.24	37.64
201	0.28	9.31	28.34
202	0.21	9.38	18.96
203	0.14	9.45	9.52
204	0.07	9.52	(0.00)

PROPOSAL

for

BOOM EXTENSION & RELATED MAINTENANCE WORK

on

**PACECO® PORTAINER® CRANES
#960, 959 AND 507**

and

MAINTENANCE WORK

on

**PACECO PORTAINER® CRANES
#847 and 848**

at

PIER C, BERTHS 24 - 36

THE PORT OF LONG BEACH

The information contained herein is proprietary and is the exclusive property of PACECO® CORP. Disclosure or use of this information without the written consent of PACECO® CORP. is strictly prohibited.

1.0 OBJECTIVE

1.1 Primary Objective

To increase the operating outreach of three (3) PACECO MACH Portainer® cranes, Serial Numbers 960, 959 and 507, by twenty six feet (26'-0") without a significant increase in gantry wheel loading.

1.2 Secondary Objective

To provide related maintenance and operating improvements to five (5) PACECO MACH Portainer cranes serial numbers 960, 959, 507 847 and 848.

2.0 DEFINITIONS

Work : The modification to the cranes including all components thereof.
City : The Port of Long Beach
Tenant : California United Terminals
Engineer : PACECO® CORP.
Sub-contractor : On-site erector of crane modification parts.
Vendor(s) : Sub suppliers to PACECO CORP. for fabrication Work, and components.

3.0 SCOPE OF WORK

The following summarizes the Scope of Work in broad terms.

<u>ACTIVITY</u>	<u>ENGINEER</u>	<u>CITY/TENANT</u>
Structural and mechanical inspection cranes	.	
Design engineering and drafting of modification Work	.	
Provision of Work site		.
Services to Work site		.
Permits		.

<u>ACTIVITY</u>	<u>ENGINEER</u>	<u>CITY/TENANT</u>
Fabrication and procurement of materials required to complete modification Work	•	
Preservation and storage of materials	•	
Site security		•
Crane transfer to Work site	•	
Crane modification Work	•	
Installation of new materials including mechanical and electrical Works	•	
Painting/touch up Work	•	
Lubrication/greasing Work	•	
→ Crane return to rails	•	
→ Site adjusting/testing	•	
Test weights		•
→ Return crane to rails	•	
Overload testing	•	
Crane survey after modification	•	
Re-painting crane	•	
Cleaning site after modification	•	
Work		
Dispersion of old crane parts	•	

4.0 PRICING FOR PRIMARY OBJECTIVE

4.1 BOOM EXTENSION OF CRANES #960 AND 959

To supply Engineering, Materials, Site Operations, Inspection and Project Management to increase the operating outreach of two (2) Modified "A" Frame MACH Portainer cranes by 26'-0".....\$3,871,200.

Sales Tax 319,374.
Total for two (2) cranes \$4,190,574.

(Four Million, One Hundred and Ninety Thousand, Five Hundred and Seventy-Four Dollars)

4.2 BOOM EXTENSION OF CRANE #507

To supply Engineering, Materials, Site Operations, Inspection and Project Management to increase the operating outreach of one (1) "A" Frame MACH Portainer crane by 26'-0".....\$2,144,344.

Sales Tax 176,908.
Total for one (1) crane \$2,321,252.

(Two Million, Three Hundred and Twenty-One Thousand, Two Hundred and Fifty-Two Dollars)

Notes:

1. The prices in 4.1 and 4.2 are based on one contract for three (3) cranes and a single mobilization and demobilization charge.
2. The prices in 4.1 and 4.2 are also based on a clean inspection of the subject cranes. In the event the inspection reveals problems, then these will be discussed with the City and a mutually acceptable solution agreed with respect to price and delivery of the Work.
3. The Tenant shall provide the agreed Work site including utilities (electricity and telephone) at the South-East corner of the Terminal.
4. The Tenant shall be responsible for clearing obstructions (containers, etc.) away from the transfer route from the present crane operating positions to the Work Site.
5. The City shall approve the transfer route with respect to ground loading.

6. The Tenant shall provide a storage area for the sub contractor's transfer equipment adjacent to, or near, the Work Site.

4.3 REPLACEMENT OF OPERATORS CAB ON CRANES #960, 959 AND 507

To supply Engineering, Materials, Site Operations, Inspection and Project Management to install a new operator cab on three (3) subject cranes including removal of old fiber glass units.....\$222,000.

	Sales Tax	<u>18,315.</u>
Total for Three (3) cranes		\$240,315.

(Two Hundred and Forty Thousand, Three Hundred and Fifteen Dollars)

Notes:

1. Engineer will supply Tenant with drawings of proposed cab including internal equipment to allow operator input. The price in 4.3 assumes duplicate operating functions updated to latest technology.
2. The boom extension Work in 4.1 and 4.2 takes account of the weight and geometry of the new steel cabs and connection arms.
3. The price in 4.3 is based on performing the cab replacement Work in conjunction with the boom extension Work with each crane moved to the designated Work site area.

4.4 NEW TROLLEY ACCESS PLATFORM, RELATED MODIFICATIONS AND CAB WINDOW WASH PLATFORM ON CRANES #960, 969 AND 507

To supply Engineering, Materials, Site Operations, Inspection and Project Management to install new crane access platforms and a cab window wash platform on the three (3) subject cranes.....\$162,000.

	Sales Tax	<u>13,365.</u>
Total for Three (3) cranes		\$175,365.

(One Hundred and Seventy-Five Thousand, Three Hundred and Sixty-Five Dollars)

Notes:

1. The price in 4.4 is based on performing this Work with the cranes back on the operating rails. In the event the schedule permits, this Work will be completed while in the designated Work area.
2. In the event this Work is performed on the operating rails, the Tenant shall advise the Engineer of the availability of each crane for an exclusive period of at least five (5) consecutive days per crane. In the event that this Work is not completed during this period than the crane will be returned to the Tenant and completed during the next available window.

4.5 INSTALL NEW PASSENGER AND EQUIPMENT ELEVATOR ON CRANE #507

To supply and installation of a Schumaker Elevator on subject crane including all necessary Engineering, Materials, Site Operations and Project Management per CAL OSHA requirements.....\$136,500.

Sales Tax	<u>11,261.</u>
Total for One (1) crane	\$147,761.

(One Hundred and Forty-Seven Thousand, Seven Hundred and Sixty-One Dollars)

Notes:

1. The price in 4.5 is based on undertaking this Work with the crane on the rails.
2. The Tenant shall advise the Engineer of the availability of the crane for an exclusive period of at least five (5) consecutive days. In the event the Work is not completed during this period then the crane will be returned to the Tenant and completed during the next available window.
3. The price in 4.5 is based on the Tenant coordinating with the elevator vendor so that the Engineer receives the elevator at a price equal to that given to the Tenant.

4.6 STRUCTURAL, MECHANICAL AND ELECTRICAL SURVEY OF CRANES #960, 959 AND 507

To provide an NDT survey of the modified crane structure, visual and functional survey of electrical drive and mechanical systems of the subject cranes including submission of a report to the City.....\$172,500.

Total for Three (3) crane \$172,500.

(One Hundred and Seventy-Two Thousand, Five Hundred Dollars)

Note:

1. This Work will be performed with the cranes back on the rails after all modifications are complete. The Tenant shall make each crane available for a period of at least five (5) consecutive days to undertake this Work.

4.7 RE-PAINT CRANES #960, 959 AND 507

To supply all necessary Materials and Labor to repaint the subject cranes to the following specification:

1. High pressure water wash crane structure etc.
2. Degrease as required.
3. Mechanical tool or wire brush, clean any mechanically damaged areas so that they are uniformly flattened and smooth.
4. Areas as in (3) above will be coated as follows:
Primer: Carbomastic 15 3 mils dft
Intermediate: Carboline 890 3 mils dft
Finish Coat: Urethane 834 1.5/2.0 mils dft
5. Other areas of crane shall be coated as follows:
Finish coat: Urethane 834 1.5/2.0 mils dft

6. Color of finish coat PACECO Brown Olive

.....\$273,000.

	Sales Tax	<u>22,523.</u>
	Total for Three (3) crane	\$295,523.

(Two Hundred and Ninety-Five Thousand, Five Hundred and Twenty-Three Dollars)

Notes:

1. The price in 4.6 is based on commencing the re-painting by spray and roller application of each crane in the designated Work area after boom extension and related Work has been completed. Finish painting will be performed with the cranes back on the operating rails. The Tenant shall make each crane available for a period of at least five (5) consecutive days to permit completion of this Work.

5.0 PRICING FOR SECONDARY OBJECTIVE

5.1 REPLACEMENT OF OPERATOR CAB ON CRANES #847 AND 848

To supply Engineering, Materials, Site Operations, Inspection and Project Management to install a new operator cab on subject cranes including removal of the old fiber glass units.....\$160,000.

	Sales Tax	- <u>13,200.</u>
	Total for Two (2) crane	\$173,200.

(Two Hundred and Ninety-Five Thousand, Five Hundred and Twenty-Three Dollars)

Notes:

1. Engineer will supply Tenant with drawings of proposed cab including internal equipment to allow operator input. The price in 4.3 assumes duplicate functions updated to latest technology.
2. The price in 5.1 assumes that the Work will be performed with the cranes on the operating rails.

3. The Tenant shall advise the Engineer of the availability of each crane for an exclusive period of at least ten (10) consecutive days per crane to perform this Work.

5.2 NEW TROLLEY ACCESS PLATFORM, RELATED MODIFICATIONS, AND CAB WINDOW WASH PLATFORM ON CRANES #847 AND 848

To supply Engineering, Materials, Site Operations, Inspection and Project Management to install new crane access platforms and a cab window wash platform on the two (2) subject cranes.....\$108,000.

	Sales Tax	<u>8,910.</u>
	Total for Two (2) cranes	\$116,910.

(One Hundred and Sixteen Thousand, Nine Hundred and Ten Dollars)

Notes:

1. The price in 5.2 assumes that the Work will be performed with the cranes on the operating rails.
2. The Tenant shall advise the Engineer of the availability of each crane for an exclusive period of at least five (5) consecutive days per crane. In the event that this Work is not completed during this period than the crane will be returned to the Tenant and completed during the next available window.

5.3 INSTALL NEW PASSENGER AND EQUIPMENT ELEVATOR ON CRANE #847 AND 848

To supply and installation of a Schumaker elevator on each subject crane including all necessary Engineering Materials, Site Operations, Inspection and Project Management per CAL OSHA requirements.....\$249,000.

	Sales Tax	<u>20,543.</u>
	Total for Two (2) cranes	\$269,543.

(Two Hundred and Sixty-Nine Thousand, Five Hundred and Forty-Three Dollars)

Notes:

1. The price in 5.3 assumes that the Work will be done with the designated cranes on the operating rails.
2. The price in 5.3 is based on the Tenant coordinating with the elevator vendor so that the Engineer receives the elevators at a price equal to that given to the Tenant.
3. The Tenant shall advise the Engineer of the availability of each crane for an exclusive period of at least five (5) consecutive days per crane. In the event that this Work is not completed during this period than the crane will be returned to the Tenant and completed during the next available window.

5.4 STRUCTURAL, MECHANICAL AND ELECTRICAL SURVEY OF CRANES #847 AND 848

To provide an NDT survey of the crane structure, visual and functional survey of the electrical drive and mechanical systems of the subject cranes including submission of a report to the City.....\$115,000.

Total for Two (2) cranes \$115,000.

(One Hundred and Fifteen Thousand Dollars)

Note:

1. This Work will be performed with the cranes on the rails after all modifications are complete. The Tenant shall make each crane available for a period of at least three (3) consecutive days to undertake this Work.

5.5 RE-PAINT CRANES #847 AND 848

To supply all necessary materials and labor to repaint the subject cranes to the following specification:

1. High pressure water wash crane structure etc.
2. Degrease as required.
3. Mechanical tool or wire brush, clean any mechanically damaged areas so that they are uniformly flattened and smooth.

4. Areas as in (3) above will be coated as follows:
 Primer: Carbomastic 15 3 mils dft
 Intermediate: Carboline 890 3 mils dft
 Finish Coat: Urethane 834 1.5/2.0 mils dft
5. Other areas of crane shall be coated as follows:
 Finish coat: Urethane 834 1.5/2.0 mils dft
6. Color of finish coat PACECO Brown Olive

.....\$190,000.

Sales Tax	<u>15,675.</u>
Total for Two (2) cranes	\$205,675.

(Two Hundred and Five Thousand, Six Hundred and Seventy-Five Dollars)

Notes:

1. The price in 5.5 is based on painting by spray and roller application each crane on the operating rail. The Tenant shall make each crane available for a period of at least five (5) consecutive days. In the event the Work is not completed during this period then the crane(s) will be returned to the Tenant and completed during the next available window.

~~5.6 OPTION FOR BOOM EXTENSION OF CRANES #847 AND 848~~

~~To supply Engineering, Materials, Site Operations Inspection and Project Management Supervision to increase the operating outreach of two (2) Modified "A" Frame MACH Portainer cranes by 26'-0".....\$3,765,900.~~

Sales Tax	<u>310,687.</u>
Total for two (2) cranes	\$4,076,587.

~~(Four Million, Seventy-Six Thousand, Five Hundred and Eighty-Seven Dollars)~~

~~Notes:~~

- ~~1. The price in 5.6 above is based on continuing site operations after completion of the Work on cranes #960, 959 and 507 without a demobilization and re-mobilization charge.~~

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2. The price in 5.6 is also based on a clean inspection of the subject cranes. In the event the inspection reveals problems, then these will be discussed with the City and a mutually acceptable solution agreed with respect to price and delivery of the Work.
3. The Tenant shall provide the agreed Work site including utilities (electricity and telephone) at the South-East corner of the Terminal.
4. The Tenant shall be responsible for clearing obstructions (containers, etc.) away from the transfer route from the present crane operating positions to the Work Site.
5. The City shall approve the transfer route with respect to ground loading.
6. The Tenant shall provide a storage area for the sub contractor's transfer equipment adjacent to, or near, the Work Site.

6.0 GENERAL CONDITIONS

6.1 PRICES

All prices in Section 4.0 and 5.0 above are based on the award of all the Work specified in each section. It is recognized that separate Agreements may be required to achieve this objective.

6.2 VALIDITY

This offer will remain valid for acceptance for thirty (30) days from submission, after which it shall be subject to reconfirmation in all respects.

6.3 PAYMENT SCHEDULE

Payment shall be made by progress payments as follows:

- 10% of the Contract Value upon execution of the Contract.
- 20% of the contract Value upon completion of the design and engineering drawings.
- 30% of the Contract Value on mobilization at job site.
- 30% of the Contract Value on readiness for testing, payable on a per crane basis.
- 10% of the Contract Value on completion, payable on a per crane basis.

Payment shall be made on net 30 days basis against presentation of each invoice. Delayed payments shall be subject to interest charges of 1 1/2% per month, or the maximum allowed by law.

6.4 SALES TAX

All prices include 8.25% Long Beach Sales Tax, as applicable to the services provided.

6.5 MANUFACTURING/ERECTION SCHEDULE

We are still discussing the detailed schedule with our Sub-Contractor and will submit after finalization.

6.6 INSURANCE

Insurance to cover the following is included in the prices.

- 6.6.1 All Risks Builders Risk insurance in the amount of not less than 100% of the Contract value. Coverage will apply from arrival at job site until completion.
- 6.6.2 All Risks Marine Cargo Insurance, including war, riot, strike or civil commotion coverage (or the nearest available equivalent) will be provided on shipments by ocean transportation. In the case of road or rail transportation of components, normal transportation insurance is provided.
- 6.6.3 Comprehensive General Liability insurance providing a combined single limit of liability for bodily injury and property damage in the minimum amount of Five Million Dollars (\$5,000,000.00) for each occurrence and in the aggregate.
- 6.6.4 If the City requests in writing that insurance for risks other than those described above or other special hazards be included in the insurance policies, the Engineer will, if possible, include such insurance at an additional cost.
- 6.6.5 Each of the insurance policies referred to above will be taken out in the name of the Engineer, Sub-Contractor, Tenant, its officers, agents and employees, as well as the City of Long Beach, its Board of Harbor Commissioners, and their officers, and employees while acting within the scope of its authority as jointly named insured

6.7 PERMITS

The prices quoted are exclusive of the cost of permits to perform the Work in the Port. Should permits be required then the City will provide same to the Engineer and Sub-Contractor. The Engineer and Sub-Contractor will assist with information required for necessary permits.

6.8 WORKSITE

As agreed on December 10, 1991, with the Tenant, we have identified the Work site at the Terminal. The Tenant shall make available a space to be defined by the Engineer such that the Work can be performed by the Engineer and Sub-Contractor without interruption by the Tenant.

The Tenant shall also clear the route from the present crane locations to the Work site. Actual routing shall be agreed between the City, Tenant and Sub-Contractor to effect the most efficient moves.

The Engineer, through the Sub-Contractor, shall be responsible for receiving the fabrications for the Work at the Work site. The Tenant shall assist with crange in the event that materials are delivered over water. Work Site security within the terminal shall be the responsibility of the Tenant.

6.9 THIRD PARTY INSPECTION

In the event that the City requires to perform third party inspection at the places of manufacture or the job site, then the costs for such inspections will be to the account of the City.

Reasonable notice of such inspection is requested to avoid delays or problems with vendors.

6.10 ENGINEER'S PROJECT MANAGER

Upon Agreement with the City, Engineer will nominate a Project Manager for the Work to be performed.

A similar arrangement is requested from the City to ensure ease of communication.

6.11 CHANGES

Changes to the Scope of this offer shall be subject to both price and delivery review. Payments for such changes, if any, shall be made by adjustment of the payment schedule in 6.3 above.

6.12 ENGINEER'S WARRANTY CLAUSE

Engineer warrants that products manufactured by Engineer shall be free from defects in material, workmanship and title, and shall be of the kind and quality specified or designated by Engineer. Engineer's obligations, set forth below, shall apply only to failures to meet the foregoing warranties (except as to title) occurring within twelve (12) months from date of delivery of which Engineer is given written notice within thirty (30) days of such occurrence and provided the product or part thereof is made available to Engineer as specified by Engineer.

If any product or part thereof fails to meet the foregoing warranties (except as to title), Engineer shall repair same or, at its option, replace same. Any such failure shall not be cause for the extension of the warranty specified in this Article. If such failure or defect cannot be corrected by Engineer's reasonable efforts, the parties shall negotiate an equitable adjustment.

Engineer's obligations under above paragraph shall not apply to any product, or part thereof, which

- (i) is normally consumed in operation, or
- (ii) has a normal life inherently shorter than the warranty period specified in the first paragraph, or
- (iii) is not properly modified other than pursuant to Engineer's instructions or approval, or
- (iv) has been subjected to any other kind of misuse or detrimental exposure, or has been involved in an accident.

With respect to any products not manufactured by Engineer (except for integral parts of Engineer's products to which the warranties set forth above shall apply), Engineer gives no warranty, and only the warranty, if any, given by the manufacturer shall apply.

This warranty clause sets forth the exclusive remedies for claims based upon defects in or non-conformity of the products whether the claim is in contract, warranty, tort (including negligence) or otherwise. The foregoing warranties are in lieu of all other warranties, whether oral, written, express, implied or statutory.

NO IMPLIED OR STATUTORY WARRANTIES OF MERCHANTABILITY OR FITNESS FOR PARTICULAR PURPOSE SHALL APPLY.

In no event whether as a result of breach of contract, warranty, tort (including negligence or patent infringement) or otherwise, shall Engineer, or its Sub-Contractors or suppliers, be liable for any special, consequential, incidental, indirect or exemplary damages, including, but not limited to, loss of profit or revenue, loss of use of the products or any associated equipment, cost of capital, cost of substitute goods, facilities, services or replacement power, downtime costs or claims of Purchaser's customers for such damages. If Purchaser transfers title to, or suffers use by, any third party, Purchaser shall obtain from such third party a provision affording Engineer and its subcontractors and suppliers the protection of the preceding sentence.

If Engineer furnishes Purchaser with advice or other assistance which concerns any products supplied hereunder or any system or equipment in which any such product may be installed and which is not required by the terms of this instrument or pursuant to any agreement resulting hereto, /the furnishing of such advice or assistance shall not subject Engineer to any liability, whether in contract, warranty, tort (including negligence or patent infringement) or otherwise.

6.13 TERM

The term shall be deemed to start on the date the Engineer is given notice to proceed by the City. The formal Agreement shall be finalized in good faith by both parties.

6.14 FINAL AGREEMENT PRICE

Upon completion of the Work the final invoice shall be reduced by the amount already paid against Agreement HD 4984 between the Engineer and the City.