

CALIFORNIA STRATEGIES, LLC

March 16, 2017

Contract

This contract will describe the relationship between the Consulate General of Japan in San Francisco and California Strategies, LLC, a consulting firm organized under the laws of California. Shoichi Nagayoshi, representing the Consulate will work with Steve Larson, Partner in California Strategies, and they will represent their respective entities for the purposes of this contract.

Article 1 - Scope of Work

1. Continue to build a strong working relationship and trust between California Officials and officials from Japan, and the Japan California High Speed Rail Consortium.
2. Identify and promote appropriate opportunities for direct relationship building and dialogue centered upon mutual interests pertaining to the CHSR project.
3. Provide information and insight into the CHSR project; including key stakeholders such as state and local governments, local supporters and opponents.
4. Provide information and insight in the CHSR market, including possible competitors to Japanese firms such as Siemens, the Chinese, and European interests.
5. Collect and analyze information concerning high-speed rail activity by possible competitors to Japanese firms, including information that relates to media that might favor competitors of Japanese interests in high-speed rail.
6. Collect and analyze information concerning high-speed rail activity by Chinese interests in the Las Vegas to California corridor.
7. Upon request, provide advice and recommendations relating to public statements by spokespersons of Japan (e.g., Consul General, etc.) related to high-speed rail.
8. Facilitate meetings and visits to Japan between leaders of the CHSR effort and leaders of the high-speed rail effort in Japan.
9. Where possible and when time permits, advise Japanese companies interested in participation in the California high-speed rail program.

U.S. BANK PLAZA
980 NINTH STREET, SUITE 2000 • SACRAMENTO, CA 95814
TELEPHONE (916) 266-4575 • FACSIMILE (916) 266-4580

Article 2 - California Strategies

Steve Larson, a Principal Partner with California Strategies will represent the firm to the Consulate (i.e., Mr. Nagayoshi) and if required may involve other assets of California Strategies without additional cost to the Consulate. There will be no additional costs to the Consulate except those agreed upon by both the Consulate and Mr. Larson.

Article 3 - Reporting

At the request of the Consulate, Mr. Larson shall provide timely written reports of activities related to high speed rail activity in California, particularly those activities related to the tasks outlined in Article 1. Oral reports will be provided as needed.

Article 4 - Length of Time for the Contract

The life of this contract shall be from April 1, 2017 to March 31, 2018. The terms of the contract and any amendments to the contract can be extended upon agreement of both parties to this contract. This contract can be terminated with a written 30 day notice at anytime.

Article 5 - Compensation

Upon receipt of an invoice and activity report from California Strategies and approval by the Consulate, a payment of \$10,000 per month for the life of this contract will be made to California Strategies.

Article 6 - Confidentiality

Except as required by federal or state law California Strategies agrees to protect confidential information against unauthorized disclosure. Under the Foreign Agents Registration ACT (FARA) this agreement must be disclosed. The Consultant will protect such information using a reasonable degree of care as is used to protect its own confidential information of a like nature. California Strategies agrees to protect confidential information disclosed under this agreement in both a.) a tangible form, clearly labeled confidential at time of disclosure, and b.) in nontangible form, pertaining to matters disclosed in writing or orally which protect or enhance the competitive position of companies designated by the Consulate. This agreement covers confidential information California Strategies has obtained to date and will obtain in the future. California Strategies' obligations regarding confidential information received under this agreement shall survive for two years following the termination to this contract. Also, the principal partner (Steve Larson) of California Strategies will not have any business relationships, except for those approved by the Consulate, with companies deemed to be competitors of Japanese interests in high speed rail in California during the life of this contract.

Article 7 - Indemnification

California Strategies will act in accordance with California law when pursuing objectives outlined in this contract. In addition, and notwithstanding any provision of this Agreement to the contrary, neither party shall be liable to the other for indirect, incidental or consequential damages. In the event any damage, liability, loss, expense or cost, including attorney's fees, is the result of a negligent act, error, or omission of a party to this Agreement or any person employed by it, and arises out of the performance of this Agreement, the negligent party shall indemnify, defend and hold the other party harmless.

Article 8 - Resolution of Differences

Any matters arising out of or in connection with this contract shall be resolved through consultation between the Consulate and California Strategies. Notwithstanding this mechanism of resolution of differences, either party may terminate this contract by issuing notification 30 days in advance.

Article 9 - Code of Ethics

In respect to the performance of its Scope of Work, the Principal Partner of California Strategies specifically represents, warrants and agrees that, in respect of its involvement with the Consulate, no payment or offer of payment has been made or shall be approved or made by Mr. Larson with the intention of understanding that any part of such payment is to be used to influence or attempt to influence, corruptly or unlawfully, any decision or judgement of any official of any government or of any subdivision, agency, or instrument thereof of any political party in connection with the Consulate. The obligations in the paragraph shall survive the termination of this Agreement.

Article 10 - Independent Contractor

By execution of the agreement, California Strategies acknowledges that it is an independent contractor and neither it nor its employees are employees of the Consulate for any purpose whatsoever. California Strategies has no right or authority to assume or create any obligation or responsibility, express or implied, on behalf of the Consulate, except as expressly authorized in writing by the Consulate.

Article 11 - Other Conditions

The scope of consulting services contemplated under this agreement does not include "lobbying" as that term is defined under the Political Reform Act (Government Code Sections 81000 et. seq.) or local law. Consequently, the Consulate hereby agrees that no payments to California Strategies will be classified as payments made to lobbyists or lobbying firms on any lobby disclosure reports filed by the Consulate, if any. Should at any time a question arise regarding lobbying activities, the Consulate and California Strategies agree to discuss immediately and take the appropriate action. If the scope of

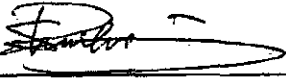
services needs to be amended to include lobbying activities the Consulate and California Strategies agree to make such amendment immediately and file the appropriate paperwork with the Secretary of State. California Strategies will register and file reports as required pursuant to FARA.

This Agreement will be governed by, and construed and enforced in accordance with the laws of the State of California and the United States.

In witness whereof, the parties hereto have caused this contract to be executed in duplicate originals, one original to be retained by each party.

Consulate General of Japan
In San Francisco

California Strategies, LLC

By: 
Shoichi Nagayoshi,
Deputy Consul General

By: 
James E. Burton, Managing Partner

Date: 4.18.2017

Date: 4.14.2017