

**ACKNOWLEDGEMENT OF CONVERSION OF TENANT  
UNDER PERMIT NO. 692**

This ACKNOWLEDGMENT OF CONVERSION OF TENANT UNDER PERMIT NO. 692 ("Agreement") dated as of \_\_\_\_\_, 2016 is entered into by and between Yusen Terminals LLC ("Assignee" or "YTI LLC"), Nippon Yusen Kaisha ("NYK") and the City of Los Angeles (the "City").

**RECITALS**

- A. Yusen Terminals Inc. ("YTI Inc.") changed its form of business entity on September 25, 2014 (the "Conversion Date") by converting from a corporation to a limited liability company in accordance with California law (the "Conversion").
- B. As a result of the Conversion, YTI Inc. ceased to exist and by operation of law, YTI LLC succeeded to all rights and obligations of YTI Inc.
- C. The City has requested that the parties hereto enter into this Agreement in order to formally recognize YTI LLC for all legal and administrative purposes as the Tenant under that certain Permit No. 692 ("Permit") dated September 21, 1990, with the City, acting by and through its Board of Harbor Commissioners, with respect to certain real property located in the City of Los Angeles, State of California ("Property") as more particularly described in Exhibit A of the Permit. The Permit has been amended eleven (11) times and all references to the Permit herein shall include every Amendment. Unless otherwise defined herein, all capitalized terms used herein shall have the same meaning as set forth in the Permit.
- D. The Second Amendment to the Permit amended Section 10 of the Permit to require that NYK remain primarily liable as Tenant for all obligations under the Permit following the assignment of the Permit from NYK to YTI Inc. in accordance with such Second Amendment.
- E. The City has requested that NYK confirm its continuing primary liability under the Permit notwithstanding the Conversion, including NYK's irrevocable and unconditional guaranty in favor of the City of the full and timely payment and performance of the debts, obligations, covenants, conditions and liability (monetary and non-monetary) of YTI LLC as Tenant under the Permit, including any period of holdover.

NOW THEREFORE, in consideration of the promises and conditions herein, the parties agree as follows:

**AGREEMENT**

- 1. **Acknowledgement.** The parties hereto hereby acknowledge and agree that upon the Conversion Date, YTI Inc. became YTI LLC, and all right, title and interest in and to the Permit, and all personal property owned by

YTI Inc. located on the Property ("Personal Property") became the right, title and interest, and property of, YTI LLC by operation of law.

2. **Confirmation.** YTI LLC confirms and agrees that it is bound by and required to perform all of the obligations, terms, conditions and covenants of Tenant under the Permit, and confirms that it holds title to the Personal Property.
3. **No Proration of Payments.** Neither YTI Inc. nor YTI LLC shall tender any prorated amounts to City as payments for obligations arising under or out of the Permit including but not limited to rent payments. The City shall have no obligation as a result of the Conversion or otherwise to prorate any amounts or credits due to Tenant under Permit. As provided in Section 8, below, all payments, credits, and all other communications shall be sent to YTI LLC even if they pertain to the period before the Conversion Date. This Agreement and/or any other agreement between YTI Inc. and YTI LLC does not affect the obligations of Tenant to pay to the City in full the rent payment or any other payment due to the City under the Permit.
4. **Successors.** This Agreement shall be binding on and inure to the benefit of the parties hereto, their successors-in-interest and assigns. Notwithstanding, nothing stated herein shall expressly or impliedly be a consent to any further or additional assignment or transfer.
5. **Jurisdiction.** In the event of any dispute or lawsuit in connection with and/or arising out of the Permit including but not limited to this Agreement, all parties including but not limited to Assignee and NYK agree to irrevocably submit to the jurisdiction of the state and federal courts located in Los Angeles County, California.

a. **Notice to YTI LLC:** The address for written notice to YTI LLC as provided in Section 11 (l) of the Permit shall be:

VP of West Coast Operations  
Yusen Terminals LLC  
701 New Dock Street  
Terminal Island, CA 90731

6. **Governing Law.** This Agreement shall be governed by and construed in accordance with the laws of the State of California.
7. **Nippon Yusen Kaisha's (NYK) Continuing Liability:** NYK confirms and agrees to its continuing primary liability in all respects as Tenant to Permit No. 692 as previously stated and agreed to in the Second Amendment to the Permit and further confirms and agrees that the Conversion does not

modify, release, discharge or otherwise affect such primary liability in any manner.

8. **Agreement Effective Date.** This Agreement shall become effective and enforceable ("Effective Date") against all parties when this Agreement is executed by all parties and all required approvals of said documents are obtained including by City's Board of Harbor Commissioners. As of the Effective Date, any and all communications to the Tenant under the Permit, including but not limited to any billings, invoices, credits, reconciliations, payments, shall be sent by City to Assignee, even if such communications pertain to the period before the Effective Date. As of the Effective Date, any and all communications to the City by the Assignee under the Permit, including but not limited to letters of acceptance, payments, shall be deemed sent by Tenant, even if such communications were sent and/or received prior to the Effective Date.
9. **Further Assurances.** Assignee and NYK each agree to execute and deliver to the other party, upon demand, such further documents, instruments, and conveyances, and shall take such further actions, in each case as may be reasonably necessary or desirable to give effect to or evidence the Conversion.
10. **Counterparts.** This Agreement may be executed in any number of counterparts, each of which shall be deemed an original of which, when taken together shall constitute one and the same document.
11. **Entire Agreement.** This Agreement constitutes the entire agreement of the parties with respect to the Agreement. Captions appearing herein are used for reference only and shall not be construed as limiting anything set forth herein. Nothing stated herein amends the terms of the Permit nor waives any of the City's rights.

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IN WITNESS WHEREOF, the parties hereto have executed this Agreement on the date to the left of their signatures.

Dated: 1/12/16, 2016

YUSEN TERMINALS LLC

By: [Signature]  
ALAN McCOCKLE VDE MESA  
Type/Print Name and Title

Attest: [Signature]  
Sakura Kuma, Senior Manager  
Type/Print Name and Title

Dated: Jan, 6, 2016

NIPPON YUSEN KAISHA

By: [Signature]  
HIROAKI ISHIDA, General Manager, Terminal Group  
Type/Print Name and Title

Attest: [Signature]  
HIROYUKI KITAGAWA, Manager, Terminal Group  
Type/Print Name and Title

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CONSENT

The City of Los Angeles acting by and through its Board of Harbor Commissioners hereby consents to the foregoing Agreement. This consent shall not be deemed a consent to any other or further transfers.

THE CITY OF LOS ANGELES, by its  
Board of Harbor Commissioners

Dated: \_\_\_\_\_, 2016

By: \_\_\_\_\_  
Executive Director

Attest: \_\_\_\_\_  
Board Secretary

APPROVED AS TO FORM AND LEGALITY

January 14, 2016  
MICHAEL N. FEUER, City Attorney  
JANNA B. SIDLEY, General Counsel

By:   
JUSTIN HOUTERMAN, Deputy