

ORDER NO. _____

An Order of the Board of Harbor Commissioners of the City of Los Angeles ("Board" and "City," respectively) fixing the compensation to be paid by APMT TERMINALS PACIFIC LLC ("Tenant"), pursuant to Permit No. 827, as amended ("Permit"), for the five-year period commencing August 1, 2017 and ending July 31, 2022.

WHEREAS, the Permit possesses a term of twenty-five years; and

WHEREAS, the Permit provides that the compensation to be paid by Tenant for each ensuing 5-Year Period following the end of the first 5-Year Period of the twenty-five-year term shall be readjusted and established by order of the Board; and

WHEREAS, pursuant to Section 3(h) of the Permit, City and Tenant have mutually agreed as to the fair compensation value of such premises for the 5-Year Period commencing August 1, 2017 and ending July 31, 2022, which fair compensation value they desire to be established through this Order;

NOW, THEREFORE, it hereby is ordered by the Board as follows:

Section 1. Terms defined in the Permit have the same meaning herein.

Section 2. From August 1, 2017 through and including July 31, 2018:

- a. The MAG shall be One Hundred Seventy Thousand Dollars (\$170,000) per acre of the premises;
- b. TEU charges shall be those set forth on the attached Exhibit "B-6;"
- c. IRF Compensation shall be maintained at the amount in effect on the effective date of this Order.

Section 3. From August 1, 2018 through and including July 31, 2019:

- a. The MAG shall be One Hundred Seventy Thousand Dollars (\$170,000) per acre of the premises;
- b. TEU charges shall be those set forth on the attached Exhibit "B-6;"
- c. IRF Compensation shall be maintained at the amount in effect on the effective date of this Order.

Section 4. From August 1, 2019 through and including July 31, 2020:

- a. The MAG shall be One Hundred Eighty Thousand Dollars (\$180,000) per acre of the premises;

- b. TEU charges shall be adjusted from those set forth on Exhibit "B-6" by the percentage increase in the Consumer Price Index for All Items, All Urban Consumers for the Los Angeles-Riverside-Orange County, California area, 1982-84=100 as published by the U.S. Department of Labor, Bureau of Labor Statistics, or an equivalent successor index selected by the Executive Director in the Executive Director's sole reasonable discretion ("CPI-U"), using the following process, which process shall be entitled "CPI-U Adjustment of TEU Charges." The TEU charges shall be adjusted by multiplying the TEU charges in effect on July 31 of the compensation year in which the adjustment is occurring, and each of them, by a percentage (which percentage shall be subject to adjustment and to the limitations set forth below) ("CPI Adjustment Number") which is calculated by dividing (x) [the CPI-U recorded in the month of June in the year in which the adjustment is to occur] by (y) [the CPI-U recorded in the month of June in the immediately prior compensation year]. If the CPI-U Adjustment Number is three percent (3%) or less, TEU charges, and each of them, shall be adjusted by the amount of the CPI-U Adjustment Number. If the CPI-U Adjustment Number exceeds three percent (3%), then any increase exceeding three percent (3%) shall be halved and added to such three percent (3%) to obtain a total, with such total capped at four and one-half percent (4.5%). To illustrate the calculation intended by the foregoing sentence, if the CPI-U Adjustment Number is five and one-half percent (5.5%), TEU charges, and each of them, shall be increased by four and one-quarter percent (4.25%);
- c. IRF Compensation shall be maintained at the amount in effect on the effective date of this Order.

Section 5. From August 1, 2020 through and including July 31, 2021:

- a. The MAG shall be One Hundred Eighty Thousand Dollars (\$180,000) per acre of the premises;
- b. TEU charges shall be adjusted from those in effect on July 31, 2020 by implementing the CPI-U Adjustment of TEU Charges;
- c. IRF Compensation shall be maintained at the amount in effect on the effective date of this Order.

Section 6. From August 1, 2021 through and including July 31, 2022:

- a. The MAG shall be One Hundred Eighty-Five Thousand Dollars (\$185,000) per acre of the premises;

- b. TEU charges shall be adjusted from those in effect on July 31, 2021 by implementing the CPI-U Adjustment of TEU Charges;
- c. IRF Compensation shall be maintained at the amount in effect on the effective date of this Order.

Section 7. After their determination, TEU charges adjusted pursuant to the provisions of this Order shall be depicted on Exhibit "B-7" for the period running from August 1, 2019 through and including July 31, 2020, on Exhibit "B-8" for the period running from August 1, 2020 through and including July 31, 2021, and on Exhibit "B-9" for the period running from August 1, 2021 through and including July 31, 2022. Upon transmittal to Tenant by City, such exhibits shall replace and supersede their predecessor exhibits and shall be deemed to have been attached to the Permit.

Section 8. Except as herein provided, each and every one of the covenants, terms and conditions of the Permit, shall be and remain in full force and effect.

Section 9. The Board Secretary shall certify to the adoption of this Order by the Board of Harbor Commissioners of the City of Los Angeles.

I HEREBY CERTIFY that the foregoing Order was adopted by the Board of Harbor Commissioners of the City of Los Angeles at its meeting held on

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AMBER M. KLESGES
Commission Secretary

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The undersigned Tenant hereby consents to the foregoing readjustment of compensation and agrees to pay to the Board of Harbor Commissioners of the City of Los Angeles the amount set forth herein during the five-year period commencing August 1, 2017 and ending July 31, 2022.

APM TERMINALS PACIFIC LLC

Dated: _____

By St. M. Trombly
Steven M. Trombly President & CEO
(Print/Type Name and Title)

Attest John Ochs
JOHN OCHS Senior Director
(Print/Type Name and Title)

APPROVED AS TO FORM AND LEGALITY

_____, 2018
MICHAEL N. FEUER, City Attorney
JANNA B. SIDLEY, General Counsel

By _____
STEVEN Y. OTERA, Deputy