


TraPac

Los Angeles • Oakland • Jacksonville • Austin

December 2, 2013

Port of Los Angeles
 425 South Palos Verdes Street
 San Pedro, California 90731
 Attention: Executive Director

Re: Tenant Holdco Transfer Notice

Dear Executive Director:

Reference is made to that certain Permit No. 881 (as amended, the "**Terminal Permit**"), dated September 29, 2009, between the City of Los Angeles, acting by and through its Board of Harbor Commissioners (the "**City**"), and TraPac, Inc. (the "**Tenant**"). The Tenant is a wholly-owned subsidiary of International Transportation, Inc., a Delaware corporation ("**Tenant Holdco**"). Tenant Holdco's sole shareholder, Mitsui O.S.K. Lines, Ltd., a Japanese corporation ("**Parent**"), expects to enter into a purchase agreement in December 2013 (the "**Purchase Agreement**"), whereby Parent will sell 49% of Tenant Holdco (the "**Transaction**") to an entity ("**Transferee**") controlled by Brookfield Asset Management, Inc., a corporation formed under the laws of Ontario, Canada (together with its affiliates and managed vehicles) ("**Brookfield**"). Capitalized terms used in this Transfer Notice but not otherwise defined herein will have the meaning given in the Terminal Permit.

In connection with the Transaction, Tenant submits this Transfer Notice and respectively requests that the City consent to the proposed transfer of 49% of the issued and outstanding shares of Tenant Holdco by Parent to Transferee (the "**Transfer**") in accordance with Section 14.2 of the Terminal Permit. Tenant respectively requests that this matter be presented to the Board of Harbor Commissioners for approval at its next regularly scheduled meeting on December 12, 2013.

As general background, the Transaction involves the purchase by Transferee of 49% of the issued and outstanding shares of Tenant Holdco. Tenant Holdco is a holding company and the sole shareholder of Tenant. Tenant currently owns and operates several marine terminal facilities in the United States, including marine terminals located in the Port of Los Angeles, the Port of Oakland and the Port of Jacksonville, as well as certain operations and customer service facilities located in Austin, Texas (collectively, the "**Tenant's Businesses**"). Under the terms of the Transaction, Transferee will purchase an indirect interest in 49% of Tenant's Businesses (except with respect to the marine terminal located in the Port of Jacksonville in which Transferee will have an option to purchase a 49% interest in such marine terminal in 2017). Subsequent to the Transaction, the Tenant's Businesses will have the combined expertise and capital of the Parent and Brookfield to support their operations as a result Brookfield's investment.

TraPac, Inc.

920 W. Harry Bridges Blvd. • Wilmington, California 90744-5230
 P.O. Box 1178 • Wilmington, California 90748-1178
 (310) 830-2000 • FAX (310) 513-7410

With regard to the impact on Tenant's Business at the Port of Los Angeles, Tenant will remain the tenant under the Terminal Permit following the Transaction, and no rights or obligations of Tenant under the Terminal Permit will be transferred to Transferee (or otherwise) in connection with the Transaction. In addition, the existing Guaranty provided by Parent to the City under the Terminal Permit (which Guaranty unconditionally guarantees Tenant's obligations under the Terminal Permit) will remain in place. Because the Transaction occurs at the level of Tenant's holding company, the day-to-day operations of Tenant are expected to be unaffected and the existing management team of Tenant is not expected to change.

In order for the City to evaluate this Transfer Notice and Tenant's request for the City's consent to the Transfer, Tenant submits in this Transfer Notice the following additional information and documentation pursuant to Section 14.2.1 of the Terminal Permit.

(a) Specific identification of the entity or entities with whom Tenant proposes to undertake the Transfer ("Transferee").

The legal name of the Transferee is BIF II TP Aggregator (Delaware), L.P., a Delaware limited partnership.

(b) Specific and detailed description of the Transferee's entity type, ownership (including identification of all parent and subsidiary entities), background/history, nature of the Transferee's business, Transferee's character and reputation and experience in the operations proposed.

Brookfield is a global alternative asset manager with over \$175 billion in assets under management. It has over a 100-year history of owning and operating assets with a focus on infrastructure, property, renewable power and private equity. A global organization with 15,000 employees and operations located in 20 countries on five continents, Brookfield's major regional head offices include New York, Toronto, London, Sydney and Rio de Janeiro.

Brookfield has an extensive history as a long-term investor spanning over 100 years. Throughout much of this period, Brookfield has maintained a focus on real assets such as commercial real estate, power generation, electricity transmission and other hard assets. For example, Brookfield is the largest landlord of Class A office buildings in downtown Los Angeles. With this depth of investing and operating experience, Brookfield is one of the world's premier investors in real assets. Brookfield has a current market capitalization of approximately US\$25 billion and is listed on the NYSE, Toronto Stock Exchange and Euronext Amsterdam under the symbol BAM, BAM.A and BAMA, respectively.

Brookfield's is one of the world's largest multi-purpose port owners, handling over 170 million tons per annum of bulk and general cargo traffic. Brookfield's port infrastructure platform includes:

- Dalrymple Bay Coal Terminal -- DBCT is one of the world's largest coal export facilities with a contracted capacity of 85 million tons per annum. DBCT exports high value metallurgical and thermal coal mined in the Bowen Basin of Queensland.

- PD Ports – PD Ports is a leading diversified deep sea port company operating in the UK handling over 30 million tons per annum of diversified traffic including coal. PD Ports is the landlord and statutory harbor authority of the Port of Tees and Hartlepool, the fifth largest port in the UK by tonnage.
- Euroports – Euroports is one of Europe's largest and most diverse port companies, which owns and operates port facilities in 16 key strategic locations in Europe and China and handles approximately 55 million tons per annum of diversified traffic.

Brookfield's extensive presence in the global port industry positions Brookfield to constructively and effectively deploy an extensive array of strategic, commercial and operational capabilities, in order to deliver enhanced efficiency and seek to maximize cargo traffic through the Terminal.

A core element of Brookfield's asset management and investment strategy is to deploy a significant amount of its own capital alongside that of its institutional clients. The Transferee is a Delaware limited partnership established by Brookfield Infrastructure Fund II for the purpose of investing in 49% of Tenant Holdco (which is effectively an indirect investment in Tenant). The Transferee is managed by Brookfield on for its own account and on behalf of its partners. For more information on Brookfield, its operations and holdings, please see <http://www.brookfield.com/>.

(c) Specific and detailed description of the type of Transfer proposed (e.g., assignment, sublease, grant of control, etc.) and the rights proposed to be transferred.

The Transfer would consist of the purchase of 49% of the issued and outstanding shares of Tenant Holdco by the Transferee. Tenant Holdco is a holding company and sole shareholder of Tenant. Tenant will remain the tenant under the Terminal Permit following the Transaction, and no rights or obligations of Tenant under the Terminal Permit will be transferred to Transferee or otherwise in connection with the Transaction.

(d) Specific and detailed description of the operations proposed to be undertaken at the Premises by Tenant and Transferee if City consents to the Transfer which includes a breakdown of the responsibilities and duties of Tenant and Transferee.

The Transfer will have minimal impact on the current operations of Tenant because:

1. the Transfer occurs above Tenant at the level of Tenant's holding company,
2. the existing management team at Tenant will not change as a result of the Transfer; and
3. the day-to-day operations of Tenant are expected to be unaffected by the Transfer.

Subsequent to the Transaction, the Tenant will have the combined expertise and capital of the Parent and Brookfield to support its operations as a result Brookfield's investment.

(e) All of the terms of the proposed Transfer, including the total consideration payable by Transferee; the specific consideration (if any) payable by Transferee in connection with the Premises and/or uses under this Agreement if the proposed Transfer is part of an acquisition or purchase that involves assets outside this Agreement; the proposed use of the Premises; the

effective date of the proposed Transfer; and a copy of all documentation concerning the proposed Transfer.

The Transaction is part of a broader strategic relationship between Brookfield and Parent which involves other assets of the Tenant including a marine terminal located in the Port of Oakland, a purchase option on a marine terminal located in the Port of Jacksonville, and certain operations and customer service facilities located in Austin, Texas. Attached hereto as Annex A is a summary of Transaction.

(f) The proposed form of a guaranty or guarantys providing greater or substantially the same protection to City as any guaranty in effect prior to or contemporaneous with the proposed Transfer.

The Guaranty from Parent to and for the benefit of the City that was delivered by Parent in 2009 as a condition to the effectiveness of the Terminal Permit (the "2009 Guaranty") will not be terminated, amended, or otherwise changed in connection with the Transaction, and the 2009 Guaranty will remain in full force and effect following the Transaction to the same extent as prior to the Transaction.

(g) A business plan for the Transferee including specific estimates of cargo volume anticipated under each of the following categories: existing contracts, contracts under negotiation and other specified sources;

The Tenant will continue to operate the terminal facility at the Premises and therefore there are no changes contemplated to the business plan of Tenant currently in effect. Parent will enter into new terminal services agreements with Tenant with respect to the Ports of Los Angeles and Oakland which will be substantially the same as the existing agreements, but will expressly provide for exclusive use and minimum cargo volumes by Parent at the terminal facilities operated by Tenant.

(h) A general description of any planned Alterations or improvements to the Premises.

No Alterations or improvements to the Premises are planned as a result of the Transfer. Alterations and improvements currently in progress or that have been previously approved with respect to the Premises are intended to be completed as currently contemplated.

(i) Written authorization in a form acceptable to City allowing City to inspect and review but not to copy, at times and locations reasonably selected by City, any books and records or other information of Tenant or Transferee (or third-parties acting for or on either of their behalves) reasonably determined by City to be necessary for its assessment of Tenant's request for consent.

Tenant authorizes City to inspect and review (but not to copy), at times and locations reasonably selected by City, any books and records or other information of Tenant or third-parties acting for or on behalf of Tenant reasonably determined by City to be necessary for its assessment of this request for consent to the Transfer described herein.

Attached hereto as Annex B is a written Authorization of Transferee providing the same authorization to City.

* * * * *

Please sign the enclosed duplicate copy of this letter to confirm the City's consent to the Transfer and acknowledgement and agreement that no further action is required by the City, Tenant or Transferee under the Terminal Permit with respect to the Transfer or the Transaction.

Should you have any questions regarding the above or require additional information with respect to the Transaction, please do not hesitate to contact Frank Pisano at 310-513-7441.

Sincerely,



Yoshiharu Hirakawa

Acknowledged and Agreed as of the Date First Written Above:

CITY OF LOS ANGELES, acting by and through its Board of Harbor Commissioners.

Dated: _____, 2013

By: _____
Executive Director

Attest: _____
Secretary

Approved as to Form and Legality

MICHAEL N. FEUER, City Attorney
Janna B. Sidley, General Counsel

Dated: _____, 2013

By: _____
Deputy/Assistant

Attachments:

Annex A (Summary of Transaction)
Annex B (Authorization of Transferee)

[continued on following page]

cc:

Los Angeles City Attorney's Office
425 South Palos Verdes Street
San Pedro, CA 90731

Brookfield Infrastructure Fund GP II LLC
250 Vesey Street, 15th Floor
New York, NY, 10281-1023
Attention: Mark SruLOWITZ
Facsimile: (212) 417-7182

O'Melveny & Myers LLP
400 South Hope Street
Los Angeles, CA 90071
Attention: Eric Richards and John Laco
Facsimile: (213) 430-6407

Mitsui O.S.K. Lines, Ltd.
Attention: Toshiya Konishi
Facsimile: (81-3)-3587-7729

Nixon Peabody LLP
437 Madison Avenue
New York, New York 10022
Attention: Richard F. Langan, Jr.
Facsimile: (212) 940-3111

ANNEX A

SUMMARY OF TRANSACTION

Parties	<ul style="list-style-type: none"> • BIF II TP Aggregator (Delaware), L.P., a Delaware limited partnership (“Transferee”) • International Transportation, Inc., a Delaware corporation (the “Tenant Holdco”) • TraPac, Inc., a California corporation (the “Tenant”) • Mitsui O.S.K. Lines, Ltd., a Japanese corporation (“Parent”)
Transaction	<p>Transferee will acquire 49% of the issued and outstanding shares of Tenant Holdco (the “Shares”). The day-to-day operations of Tenant will continue consistent with past practice. After signing the Stock Purchase Agreement (the “Agreement”), Tenant Holdco will reorganize its operations by placing Tenant’s operations at the Port of Jacksonville, Florida in a separate company, such that Tenant’s only operations following closing of the Transaction will be at the Port of Los Angeles, the Port of Oakland and in Austin, Texas. Transferee will have an option to purchase the operations at the Port of Jacksonville, Florida in 2017. Parent and Transferee will enter into a Stockholders Agreement and Parent will enter into new terminal services agreements with Tenant with respect to the Ports of Los Angeles and Oakland which will be substantially the same as the existing agreements, but will expressly provide for exclusive use and minimum cargo volumes by Parent at the terminal facilities operated by Tenant.</p>
Purchase Price	<p>At the closing of the Transaction (the “Closing” or “Closing Date”), one-third of the Purchase Price will be paid in cash. On each of the first and second anniversaries of the Closing Date, the remainder of the Purchase Price will be paid in equal installments.</p>
Purchase Price Adjustment	<p>The Purchase Price will be increased or decreased, as the case may be, by a typical post-Closing working capital adjustment as set forth in the Agreement.</p>
Performance Payment	<p>Parent may receive additional payments, based on the financial performance of Tenant measured through EBITDA, which payments (if any) will be made in 2016 and 2017.</p>
Representations and Warranties	<p>The parties represent and warrant regarding themselves (and in the case of Tenant Holdco and Tenant, their businesses) in a manner customary for a transaction of this size and nature.</p>
Conditions Precedent to Closing	<p>Conditions to consummation of the Transaction include: (i) Receipt of required governmental approvals (including consent of the City of Los Angeles and the Port of Oakland, U.S. federal antitrust approval and CFIUS approval); (ii) Receipt of any necessary permits and approvals; and (iii) No judgment, order or decree preventing the Transaction.</p> <p>Each party must fulfill certain conditions, perform its covenants and deliver certain documents, before the other party is obligated to consummate the Transaction.</p>
Indemnification	<p>Each party will indemnify the other party and such party’s respective affiliates against breaches of representations, warranties, covenants and agreements under the Agreement. The parties’ indemnification obligations are subject to customary monetary and procedural limitations.</p>
Covenants of the Parties	<p>The parties will agree to certain matters, such as (i) access to information, (ii) continued conduct of the business in the ordinary course prior to Closing, (iii) assistance in obtaining regulatory approval and other consents, (iv) confidentiality, (v) using best efforts to consummate the transaction, (vi) Parent agreeing not to negotiate with any other party after signing, (vii) cooperation of the parties, (viii) Parent providing notice of certain events, (ix) Parent terminating certain intercompany arrangements, (x) Parent reorganizing Tenant’s Jacksonville operations, and (xi) tax matters.</p>
Termination	<p>In the Agreement, the Transaction may be terminated and abandoned at any time prior to the Closing, (i) by mutual written consent of Transferee and the Parent, (ii) by either the Parent or Transferee if the Closing does not occur on or prior to the date that is 180 days after the date of the Agreement (the “Termination Date”), (iii) by either the Parent or Transferee if a governmental entity enjoins the Transaction; or (iv) by either Transferee or the Parent if its conditions to consummation of the Transaction have become incapable of fulfillment by the earlier of Termination Date or within 30 days of notice of a breach by the other party.</p>

ANNEX B

CONSENT OF TRANSFEREE

Reference is made to that certain Transfer Notice, dated as of December 2, 2013 (the "Transfer Notice"), delivered by TraPac, Inc., a California corporation ("Tenant") pursuant to that certain Permit No. 881 (as amended, the "Terminal Permit"), dated September 29, 2009, between the City of Los Angeles, acting by and through its Board of Harbor Commissioners ("City"), and Tenant. In accordance with Section 14.2.1(i) of the Terminal Permit, the undersigned, being the proposed transferee, authorizes City to inspect and review (but not to copy), at times and locations reasonably selected by City, any books and records or other information of Transferee or third-parties acting for or on behalf of Transferee reasonably determined by City to be necessary for its assessment of request for consent to the Transfer described in the Transfer Notice.

BIF II TP Aggregator (Delaware), L.P.

By: Brookfield Infrastructure Fund GP II LLC,
its General Partner

By: _____
Name: _____
Title: _____