

SIXTH AMENDMENT TO
PERMIT NO. 827
APM TERMINALS PACIFIC, LTD.

Permit No. 827, as amended, between the CITY OF LOS ANGELES, a municipal corporation acting by and through its Board of Harbor Commissioners ("City"), and APM TERMINALS PACIFIC, LTD. ("Tenant"), is hereby amended a sixth time as follows:

WHEREAS, City issued the Permit to Tenant in 2000 and afterwards approved five amendments thereof, which amendments hereby are deemed included in the defined term "Permit;"

WHEREAS, the Permit defines in Section 2 the Premises in connection with which Tenant may undertake the uses permitted in Section 4 which, in turn, give rise to compensation obligations in Section 3;

WHEREAS, the Permit requires compensation to be readjusted during its term in five (5) year increments, in accordance with the procedure set forth in Section 3(h); and

WHEREAS, City and Tenant have agreed pursuant to Section 3(h) to readjust compensation for the period August 1, 2012 through July 31, 2017 as set forth in the Order Resetting Compensation applicable to such period ("Order") and, also, have agreed to amend certain terms of this Permit, as set forth herein.

NOW, THEREFORE, City and Tenant agree as follows:

1. Defined Terms, References. Terms defined in the Permit shall have the same meanings herein. References herein to "Sections" shall be to sections of the Permit, unless otherwise stated.
2. Preamble. The name of the Tenant identified in the Permit's preamble hereby is changed from "APM Terminals Pacific, Ltd." to "APM Terminals Pacific, LLC."
3. Section 3(a). Section 3(a) is deleted in its entirety and replaced with the following:

"3(a) Compensation Defined. "Compensation" is defined as the total aggregate amount Tenant is required to pay City during each compensation year. Compensation includes the following: (i) all Twenty-Foot Equivalent Unit Container Charges [referred to subsequently in this Permit as "TEU charge(s)," including the "minimum annual guarantee (referred to subsequently as the "MAG)," as defined below in subsections (d) and (e) of this Section 3], and (ii) compensation payable by Tenant for use of the Pier 400 Intermodal Rail Facility [referred to subsequently in this Permit as "IRF compensation"], in accordance with subsection (f) of this Section 3, and (iii) applicable wharfage and dockage charges prescribed by Tariff and all Tariff charges payable by Tenant other than wharfage and dockage pursuant to

subsection (g) of this Section 3, and (iv) any other charges whatsoever as provided elsewhere in this Permit other than charges specified herein above. Notwithstanding foregoing and the other terms of this Permit (including but not limited to Section 3(c)(2)), from the effective date of this Sixth Amendment until the later to occur of (i) July 31, 2017, or (ii) alteration pursuant to the terms of this Permit or the Tariff, the aforementioned "applicable wharfage and dockage charges prescribed by Tariff and all Tariff charges payable by Tenant other than wharfage and dockage pursuant to subsection (g) of this Section 3, and (iv) any other charges whatsoever as provided elsewhere in this Permit other than charges specified herein above" shall remain unchanged from the amounts in effect on the effective date of this Sixth Amendment."

4. Section 3(c)(2). Section 3(c)(2) is deleted in its entirety and replaced with the following:

"3(c)(2) Tariff Adjustment Applicable to TEU Rates, MAG and IRF Compensation. From and after the Occupancy Date, any increase in the Tariff rate for Merchandise Not Otherwise Specified [referred to herein as the "N.O.S. rate"], set forth in Tariff Item 550-[A]001, shall, upon the effective date thereof, be immediately and automatically applicable to readjust the TEU rates, the MAG and the IRF compensation. Any increase in the N.O.S. rate over the previous N.O.S. rate shall be expressed as a percentage; all TEU rates, the MAG and the IRF compensation shall each be increased by the same percentage. City and Tenant shall mutually verify the N.O.S. rate in effect as of the Occupancy Date, to establish the initial N.O.S. rate for purposes of subsequent readjustment of the TEU rates, MAG and IRF compensation. Notwithstanding the foregoing and the other terms of this Permit, from the effective date of this Sixth Amendment until the later to occur of (i) July 31, 2017, or (ii) alteration of the MAG and/or IRF Compensation pursuant to the terms of this Permit or the Tariff, the MAG and the IRF Compensation shall remain unchanged from the amounts in effect on the effective date of this Sixth Amendment."

5. Effective Date of Sixth Amendment. The effective date of this Sixth Amendment shall be upon execution by the Executive Director and Board Secretary after approval of the City Council of the Resolution approving this Amendment.

6. No Changes Except as Stated Herein. Except as expressly amended herein, all remaining terms and conditions of the Permit, shall remain the same.

IN WITNESS WHEREOF, the parties hereto have executed this Sixth Amendment to Permit No. 827 on the date to the left of their signatures.

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


Dated: _____


By _____
Executive Director

Attest _____
Board Secretary

APM TERMINALS PACIFIC, LTD.

Dated: September 16, 2014

By 
Peter Jabbar / Vice President & General Counsel
(Type/Print Name and Title)

Attest 
Matt Thiel / Associate General Counsel
(Type/Print Name and Title)

APPROVED AS TO FORM AND LEGALITY

_____, 2014
MICHAEL N. FEUER, City Attorney
Janna B. Sidley, General Counsel

By _____
Steven Y. Otera, Deputy

EXHIBIT B-3

Efficiency Bracket		With 2.00% Increase	Efficiency Bracket		With 2.00% Increase
TEUs Per Acre			TEUs Per Acre		
Low	High		Low	High	
0	to 2499	58.48	6600	to 6699	33.73
2500	to 2599	57.17	6700	to 6799	33.50
2600	to 2699	56.23	6800	to 6899	33.27
2700	to 2799	54.89	6900	to 6999	33.05
2800	to 2899	53.65	7000	to 7099	32.83
2900	to 2999	52.49	7100	to 7199	32.62
3000	to 3099	51.42	7200	to 7299	32.42
3100	to 3199	50.41	7300	to 7399	32.21
3200	to 3299	49.43	7400	to 7499	32.03
3300	to 3399	48.55	7500	to 7599	31.83
3400	to 3499	47.71	7600	to 7699	31.66
3500	to 3599	46.92	7700	to 7799	31.49
3600	to 3699	46.18	7800	to 7899	31.30
3700	to 3799	45.45	7900	to 7999	31.13
3800	to 3899	44.78	8000	to 8099	30.99
3900	to 3999	44.14	8100	to 8199	30.82
4000	to 4099	43.53	8200	to 8299	30.66
4100	to 4199	42.94	8300	to 8399	30.52
4200	to 4299	42.40	8400	to 8499	30.37
4300	to 4399	41.86	8500	to 8599	30.21
4400	to 4499	41.37	8600	to 8699	30.08
4500	to 4599	40.89	8700	to 8799	29.94
4600	to 4699	40.41	8800	to 8899	29.80
4700	to 4799	39.97	8900	to 8999	29.67
4800	to 4899	39.57	9000	to 9099	29.54
4900	to 4999	39.16	9100	to 9199	29.42
5000	to 5099	38.76	9200	to 9299	29.28
5100	to 5199	38.35	9300	to 9399	29.17
5200	to 5299	37.96	9400	to 9499	29.06
5300	to 5399	37.59	9500	to 9599	28.94
5400	to 5499	37.22	9600	to 9699	28.83
5500	to 5599	36.86	9700	to 9799	28.71
5600	to 5699	36.53	9800	to 9899	28.61
5700	to 5799	36.22	9900	to 9999	28.50
5800	to 5899	35.90	10000	to +	28.39
5900	to 5999	35.58			
6000	to 6099	35.28			
6100	to 6199	35.01			
6200	to 6299	34.74			
6300	to 6399	34.48			
6400	to 6499	34.22			
6500	to 6599	33.97			

		Rate	% Increased
MAG/Acre		157,411	8%
Intermodal \$/Acre		49,768	0%

NOTES: 1) SINGLE TEU RATE APPLIED TO ALL CONTAINERS, INBOUND OR OUTBOUND, LOADED OR EMPTY, AND INCLUDES WHARFAGE, DOCKAGE, STORAGE AND DEMURRAGE.

2) COST PER TEU BASED ON EFFICIENCY PER ACRE, NOT INCLUDING THE INTERMODAL AREA. EFFICIENCY BRACKETS ARE IN TEUS PER ACRE PER ANNUM.

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 APM TERMINALS PACIFIC, LTD. ("Tenant"), pursuant to Permit No. 827, as amended ("Permit"), for the five-year period commencing August 1, 2012 and ending July 31, 2017.

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 five-year period following the end of the first five-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 five-year period commencing August 1, 2012 and ending July 31, 2017, which fair compensation value they desire to be established through this Order;

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

Section 1. For the five-year period commencing August 1, 2012 and ending July 31, 2017, the fair compensation value of the premises covered by the Permit shall be as follows:

- a. Terms defined in the Permit have the same meaning herein.
- b. Effective as of January 1, 2014, subject to the other terms of the Permit:
 - i. The TEU charges set forth on Exhibit B-2, and each of them, shall be increased two percent (2%), as reflected on the attached Exhibit B-3, which Exhibit B-3 shall replace and supersede Exhibit B-2.
 - ii. The MAG shall be increased eight percent (8%), to One Hundred Fifty Seven Thousand, Four Hundred and Eleven Dollars and No Cents (\$157,411) per acre of the premises.
- c. Effective on August 1, 2015, subject to the other terms of the Permit, the existing TEU charges, and each of them, shall be adjusted only by the percentage increase (which increase is subject to a minimum of 0% and a maximum of 3%), 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 a successor index selected by the Executive Director in the Executive Director's sole reasonable

discretion ("CPI-U"). Adjusted TEU charges shall be the products of multiplying the TEU charges in effect on August 1 of the compensation year in which the adjustment is occurring by a fraction, the numerator of which is the CPI-U index on June 1, of the compensation year in which the adjustment is occurring and the denominator of which is the CPI-U index as it stood on the same month of the prior compensation year. Such formula used to generate adjusted TEU charges shall be referred to herein as the "CPI-U Adjustment."

- i. Notwithstanding the other provisions of this Order and the Permit, until July 31, 2017, to the extent that percentage increases of TEU charges, the MAG and/or IRF Compensation occur in a compensation year through application of Section 3(c)(2) of the Permit, in the case of TEU charges, the aggregate percentage increases of such charges resulting from CPI-U Adjustments shall be deemed to constitute full increases of such TEU charges as required by application of Section 3(c)(2), if any. For accounting purposes, the Annual Adjustment shall be rounded to the nearest thousandth. Such adjusted TEU charges shall be depicted on an Exhibit B-4, which, upon transmittal to Tenant by City, shall replace and supersede Exhibit B-3 and shall be deemed to have been attached to the Permit.

- d. Effective on August 1, 2016, subject to the other terms of this Order and the Permit, the existing TEU charges, and each of them, shall be adjusted only by implementing the CPI-U adjustment, which adjusted TEU charges shall be depicted on an Exhibit B-5, which, upon transmittal to Tenant by City, shall replace and supersede Exhibit B-4 and shall be deemed to have been attached to the Permit.

Section 2. 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 3. 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


AMBER M. KLESGES
Commission Secretary

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, 2012 and ending July 31, 2017.

APM TERMINALS PACIFIC, LTD.

Dated: September 16, 2014

By 
Peter Jabbour / Vice President & General Counsel
(Print/Type Name and Title)

Attest 
Matt Thiel / Associate General Counsel
(Print/Type Name and Title)

APPROVED AS TO FORM AND LEGALITY

_____, 2014
MICHAEL N. FEUER, City Attorney

By _____
STEVEN Y. OTERA, Deputy

EXHIBIT B-2

Efficiency Bracket		Existing	Efficiency Bracket		Existing
TEUs Per Acre		0.00%	TEUs Per Acre		0.00%
Low	High	Increase	Low	High	Increase
0	to 2499	57.33	6600	to 6699	33.07
2500	to 2599	56.05	6700	to 6799	32.84
2600	to 2699	55.13	6800	to 6899	32.62
2700	to 2799	53.81	6900	to 6999	32.40
2800	to 2899	52.60	7000	to 7099	32.19
2900	to 2999	51.46	7100	to 7199	31.98
3000	to 3099	50.41	7200	to 7299	31.78
3100	to 3199	49.42	7300	to 7399	31.58
3200	to 3299	48.46	7400	to 7499	31.40
3300	to 3399	47.60	7500	to 7599	31.21
3400	to 3499	46.77	7600	to 7699	31.04
3500	to 3599	46.00	7700	to 7799	30.87
3600	to 3699	45.27	7800	to 7899	30.69
3700	to 3799	44.56	7900	to 7999	30.52
3800	to 3899	43.90	8000	to 8099	30.38
3900	to 3999	43.27	8100	to 8199	30.22
4000	to 4099	42.68	8200	to 8299	30.06
4100	to 4199	42.10	8300	to 8399	29.92
4200	to 4299	41.57	8400	to 8499	29.77
4300	to 4399	41.04	8500	to 8599	29.62
4400	to 4499	40.56	8600	to 8699	29.49
4500	to 4599	40.09	8700	to 8799	29.35
4600	to 4699	39.62	8800	to 8899	29.22
4700	to 4799	39.19	8900	to 8999	29.09
4800	to 4899	38.79	9000	to 9099	28.96
4900	to 4999	38.39	9100	to 9199	28.84
5000	to 5099	38.00	9200	to 9299	28.71
5100	to 5199	37.60	9300	to 9399	28.60
5200	to 5299	37.22	9400	to 9499	28.49
5300	to 5399	36.85	9500	to 9599	28.37
5400	to 5499	36.49	9600	to 9699	28.26
5500	to 5599	36.14	9700	to 9799	28.15
5600	to 5699	35.81	9800	to 9899	28.05
5700	to 5799	35.51	9900	to 9999	27.94
5800	to 5899	35.20	10000	to +	27.83
5900	to 5999	34.88			
6000	to 6099	34.59			
6100	to 6199	34.32	MAG/Acre		145,751
6200	to 6299	34.06	Intermodal \$/Acre		49,768
6300	to 6399	33.80			
6400	to 6499	33.55			
6500	to 6599	33.30			

- NOTES: 1) SINGLE TEU RATE APPLIED TO ALL CONTAINERS, INBOUND OR OUTBOUND, LOADED OR EMPTY, AND INCLUDES WHARFAGE, DOCKAGE, STORAGE AND DEMURRAGE.
- 2) COST PER TEU BASED ON EFFICIENCY PER ACRE, NOT INCLUDING THE INTERMODAL AREA. EFFICIENCY BRACKETS ARE IN TEUS PER ACRE PER ANNUM.

