

EIGHTH AMENDMENT TO  
PERMIT NO. 827  
APM TERMINALS PACIFIC LLC

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

1. Section 2(f). Section 2(f) of the Permit hereby is deleted in its entirety.
2. Section 3. The first full paragraph of Section 3 hereby is amended to state as follows:

"From and after the Occupancy Date, as defined in Section 6(b) of this Permit, Tenant shall pay to City compensation and all other charges for the use of the premises as provided in this Section. Except as provided in this Permit, Tenant's obligation to pay all compensation and other charges, rent, and fees required hereunder shall be absolute and unconditional and shall not be affected by any circumstance, including, without limitation, any set-off (except as specifically provided in this Section 3), counterclaim, recoupment, defense or other right which Tenant may have against City. Compensation shall be payable as provided in this Section based on City accounting records of verified billed amounts."

3. Section 3(c)(2). Section 3(c)(2) of the Permit hereby is amended to state as follows:

"Section 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, from the effective date of this Eighth Amendment until July 31, 2019, no readjustments pursuant to this Section 3(c)(2) shall occur, should the Tariff amendments described herein occur. Commencing August 1, 2019 and ending July 31, 2022, Tariff amendments described in this Section 3(c)(2) adopted by City shall be applicable as follows. The increase in the N.O.S. rate over the previous N.O.S. rate shall be expressed as a percentage. The percentage change shall be offset by the effective CPI adjustments since the date of the last Tariff change. The resulting percentage, when positive, shall immediately be applied to increase TEU rates in effect on the effective date of the increase in the N.O.S. rate (rounded to the nearest cent). Any

subsequent percent increase of the N.O.S. rate shall be reduced, but not below zero, by the sum of percentage increases of TEU rates since the effective date of the immediately previous N.O.S. increase.”

4. Section 3(e)(4). Section 3(e)(4) of the Permit hereby is amended to state as follows.

“3(e)(4) Full Payment of the MAG. Except as provided below in paragraph (5) of this subsection (e) and in compensation years 2018 and 2020, if Tenant has not generated sufficient TEU charges to pay City the MAG by the end of each compensation year (“MAG deficiency”), Tenant shall within thirty (30) days of the end of each year pay such additional sums as are necessary to assure that City has been paid the MAG. All monies due and unpaid after the thirty (30) days have elapsed shall be subject to a late payment charge at the rate provided in Item 270 of Tariff No. 4, currently two percent (2%) per month, or at the rate provided in any amendment or successor to Tariff No. 4. To the extent that a MAG deficiency within the meaning of Section 3(e)(4) exists at the close of the 2018 compensation year, TEU charges, if any, in excess of the MAG attributable to the premises in the 2017 compensation year, shall offset such MAG deficiency on a dollar-for-dollar basis to the extent of any such excess. To the extent that a MAG deficiency within the meaning of Section 3(e)(4) exists at the close of the 2020 compensation year, TEU charges, if any, in excess of the MAG attributable to the premises in the 2019 compensation year, shall offset such MAG deficiency on a dollar-for-dollar basis to the extent of any such excess.”

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

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6. No Changes Except as Stated Herein. Except as expressly amended herein, all remaining terms and conditions of Permit No. 827, as amended, shall remain unchanged.

IN WITNESS WHEREOF, the parties hereto have executed this Eighth 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 LLC

Dated: 2/7/18

By Steven M. Trombley  
Steven M. Trombley, President & CEO  
(Type/Print Name and Title)

Attest John Ock  
John Ock, Senior Director  
(Type/Print Name and Title)

APPROVED AS TO FORM AND LEGALITY

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

By Steven Y. Otera  
STEVEN Y. OTERA, Deputy