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SECOND AMENDMENT TO
PERMIT NO. 692
BETWEEN THE CITY OF LOS ANGELES AND
NIPPON YUSEN KAISHA (NYK)



RECEIVED

WHEREAS, the City of Los Angeles and NYK (Tenant) have entered into Permit No. 692 for the construction and operation of a cargo facility;

WHEREAS, the parties have entered into a First Amendment to Permit No. 692 regarding the construction of facilities; and

WHEREAS, the parties agree it is desirable to amend the agreement to provide for the purchase of certain chassis stacker equipment by the Tenant and to provide for the assignment of Tenant's interest in Permit No. 692 to Yusen Terminals Inc., a subsidiary of Tenant, subject to the below stated continuing obligations of NYK.

NOW, THEREFORE, the parties agree as follows:

1. Equipment. Section 7(a)(6) on page 25 of this Agreement is amended to read as follows:

"(6) Tenant will purchase at its expense, subject to financing arrangements satisfactory to Tenant, four (4) gantry container cranes and mobile yard equipment necessary for cargo operations at the premises. Tenant shall make two (2) gantry cranes available for operation at the terminal by the terminal delivery date. All four (4) cranes shall be available for operation at the terminal within six (6) months of the terminal delivery date. Tenant shall also provide a terminal operating system for purposes of financial reporting and auditing which will serve its needs, provide all necessary customs information and at all times be compatible with automated reporting of all revenues due under this Agreement and sufficient to verify all charges due under the Port Tariff in a reasonable and timely manner. Tenant shall provide all furniture and fixtures which it needs for its operations. Tenant agrees to provide City the crane design drawings for its review and incorporate changes reasonably requested by City to the extent such changes may be accommodated by the crane manufacturer at the time of the request by City. City authorizes Tenant or its nominee to purchase from the contractor performing Phase IV construction (as that term is defined in Section 7(a)(2)(cc)(cc2)) (the "Contractor") chassis stacker equipment in the principal amount of One Million Two Hundred Four Thousand Dollars (\$1,204,000) (the



"Stacker Purchase Price"), which will result in a cost savings to City in the amount of the Stacker Purchase Price. City agrees to apply an amount equal to the Stacker Purchase Price to reduce the cost of the Phase IV Tenant Designed Improvements included within the Construction Budget (as that term is defined in Section 7(a)(2)(bb)). The parties recognize that pursuant to Section 09 at page 00022-3 of Specification 2365A, the Contractor is obligated to pay applicable sales and use taxes on the chassis stacker equipment delivered to the terminal if such taxes are due. Since sale of the chassis stacker equipment will be made to Tenant in place of City and since delivery of the chassis stacker equipment at the terminal is now being made to Tenant rather than to City, the parties do not expect any additional taxes to be due beyond those the Contractor is obligated to pay under Specification 2365A. If additional taxes are due, however, Tenant shall be responsible for such taxes. If Tenant is liable for any sales or use tax not included in the Stacker Purchase Price or not paid by the Contractor and Tenant satisfies such liability, City agrees to apply such amount to further reduce the cost of the Phase IV Tenant Designed Improvements to the extent City would have been liable for such tax if it had purchased the chassis stacker equipment in accordance with Specification 2365A. The adjustment to the Phase IV costs shall be made when Tenant or its nominee has paid the full Stacker Purchase Price to the Contractor and Board has accepted the chassis stacker equipment as in conformance with Specification No. 2365A. Tenant agrees that the chassis stacker equipment so purchased shall be installed on the premises by the Contractor in accordance with the terms of installation contained in Specification No. 2365A between City and the Contractor and, subject to further amendment of this Agreement, shall remain on the premises for the intended use of such equipment during the term of this Agreement. In the event such chassis stacker equipment is purchased by the nominee of Tenant, Tenant shall cause its nominee to comply with the terms of this Section 7(a)(6). Tenant shall remain responsible for maintaining the chassis stacker equipment at its expense. At the option of City and upon expiration or termination of this Agreement, Tenant shall remove the chassis stacker equipment and restore the premises."

2. Sublease and Assignment. Section 10 on page 43 is amended to read as follows:

"Section 10. Sublease and Assignment.

Tenant may not assign, sublease, transfer, grant, hypothecate, give away or encumber (hereafter collectively referred to as "transfer") the premises or this Agreement and any such attempted transfer is void; provided, however, Board hereby consents to and approves assignment of this Agreement and Tenant's rights hereunder and delegation of Tenant's duties hereunder to Yusen Terminals Inc., a California corporation and wholly-owned subsidiary of Tenant, effective upon the effective date of the Second Amendment to this Agreement. This consent and approval by Board of the assignment to Yusen Terminals Inc. shall not be deemed to be an approval by Board of any other assignment, sublease, transfer, gift, hypothecation, or grant of control or other encumbrance. The assignment to Yusen Terminals Inc. shall not act to relieve Tenant from the obligations Tenant assumed under this Agreement (Permit No. 692) or from the obligations which Yusen Terminals Inc. may assume by future amendments to this Agreement including, but not limited to, adjustments to compensation or modification of any other terms or conditions of this Agreement and both NYK and YTI shall be jointly and severally responsible for the obligations of Tenant under this Agreement. Subject to the foregoing continuing obligations of NYK to comply with the terms and conditions of this Agreement as it now exists or may hereafter be amended, the term "Tenant" shall be taken to mean and include Yusen Terminals Inc. from and after the effective date of assignment as hereinabove provided and future amendments to this Agreement shall be entered into between the City and Yusen Terminals Inc."

3. Other Terms Unchanged. Except as provided above, the terms and conditions of this Agreement shall remain the same.

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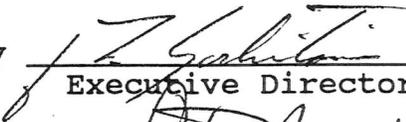
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IN WITNESSS WHEREOF, the parties hereto have executed this Second Amendment to Permit No. 692 on the date to the left of their signatures.

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

Date FEB 28 1991

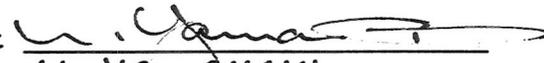
By  T. Yoshitani
Executive Director

Attest  Peter Mandia
Board Secretary

NIPPON YUSEN KAISHA (NYK)

Date Feb. 25, 1991

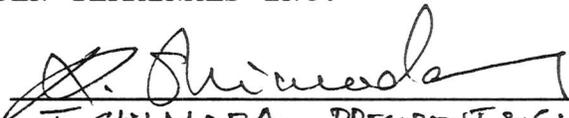
By 
H. Takahashi, Senior Managing Director
(Print/Type Name and Title)

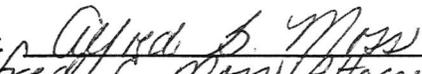
Attest 
N. YAMAUCHI
(Print/Type Name and Title)

YUSEN TERMINALS INC. hereby consents to the assignment of this Agreement as provided hereinabove in this Second Amendment and hereby agrees to be bound by all of the terms and conditions of this Agreement as it now exists or may hereafter be amended.

YUSEN TERMINALS INC.

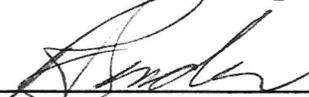
Date FEB 22 1991

By 
T. SHIMODA, PRESIDENT & C.E.O.
(Print/Type Name and Title)

Attest 
Alfred G. Moss, Attorney at Law
(Print/Type Name and Title)

APPROVED AS TO FORM

2/27, 1991
JAMES K. HAHN, City Attorney

By 
RAYMOND P. BENDER, Assistant

RPB:cd
2/22/91