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FIRST AMENDMENT	*	UNITED STATES OF AMERICA
	*	
TO THE	*	STATE OF LOUISIANA
	*	
LEASE AGREEMENT	*	PARISH OF ORLEANS
	*	
BETWEEN	*	
	*	
THE BOARD OF COMMISSIONERS	*	
OF THE PORT OF NEW ORLEANS	*	
	*	
AND	*	
	*	
CERES GULF, INC.	*	
	*	
*****	*	



THIS FIRST AMENDMENT TO THE LEASE AGREEMENT (hereafter First Amendment), made and entered into on the dates written below and effective November 1, 1998, between the Board of Commissioners of the Port of New Orleans (hereafter Board), a political subdivision of the State of Louisiana, represented herein by J. Ron Brinson, its President and Chief Executive Officer, by virtue of a resolution of said Board, a certified copy of which is annexed hereto as Exhibit A, and Ceres Gulf, Inc. (hereafter Ceres or Lessee), a corporation organized and existing under the laws of the State of Delaware, represented herein by Christos N. Kritikos, its President, duly authorized to act by virtue of a Consent in Lieu of a Special Meeting of the Sole Director of Ceres, dated November 5, 1998, a certified copy of which is annexed hereto as Exhibit B,

WITNESSES:

WHEREAS, on November 1, 1996, Ceres entered into a lease with the Board of the Board's France Road Terminal No. 4 and adjacent property for marine terminal operations (the Lease); and

WHEREAS, Ceres desires a change in its lease site and in its operations on the lease site,

NOW, THEREFORE, for the consideration and on the terms and conditions hereinafter set forth, the Board and Ceres Gulf, Inc. hereby stipulate and agree to amend the Lease as follows:

I.

(A) Section 2 ("Leased Premises") of the Lease is hereby amended by deleting Section 2(A) and replacing it with the following new Section 2(A):

The Board does hereby lease to Lessee 47.6 acres plus an office

building, a maintenance and inspection building, a consolidation shed and a 1,100-foot long berth, all as more particularly described below (hereafter the Leased Premises):

- (i) France Road Berth No. 4 - 1,100-foot long ship berth
- (ii) FRT Berth #4 and marshalling yard - 36.1 acres (Site 2b-E)
- (iii) Site 2b-T -271,066.20 square feet (6.2 acres)
- (iv) Site 2b-S - 230,974 square feet (5.3 acres)
- (v) Consolidation shed - 26,700 square feet
- (vi) Office building, maintenance and inspection building, maintenance shed, gate house and scale, reefer plugs, and other improvements on the Leased Premises.

The Leased Premises are more particularly set out in yellow on Board Drawing No. M12-1225, dated November 1, 1998, attached to and hereby made part of this Lease as Exhibit C.

(B) Section 2 ("Leased Premises") of the Lease is further amended by adding the following as Subsection (C):

- (C)(i) Every two (2) years throughout the Primary Term (as defined hereafter) of the Lease and any Renewal Period (as defined hereafter), the Board may add acreage to the Leased Premises with the approval of the Lessee or remove acreage under the terms of this Section at the sole discretion of the Board in order to reflect business changes which may occur at the Leased Premises and other France Road Terminals. The first time such adjustments may occur shall be November 1, 2000. The Board's right to make such adjustments hereunder shall occur every two (2) years thereafter as long as this Lease remains in effect.

Sixty (60) days prior to the adjustment date, the Board shall notify the Lessee in writing of adjustments in acreages which will occur on the adjustment date.

The removal of acreage shall be limited for each adjustment to no more than twenty-five percent (25%) of the total of the Leased Premises at the time of adjustment. Any acreage designated for removal by the Board shall be based on a comparison of the "annual cargo volumes" of the Lessee and the "annual cargo volumes" of the lessees at France Road Terminal Berth No. 1 and France Road Terminal Berth No. 5. For purposes of this Section, "annual cargo volume" shall mean the total number of loaded containers handled at its lease site by each lessee during the most recent 12-month period ending ninety (90) days prior to any adjustment date.

Any acreage designated for addition or removal by the Board shall be based on a comparison of the "annual cargo volumes" of each France Road Terminal lessee with additional consideration given to the "throughput efficiency" of each terminal lessee. The "throughput efficiency" is defined as the "annual cargo volume" divided by the total acres under lease by the terminal lessee. The primary goal of any acreage reallocation will be to provide each terminal lessee with an equitable allocation of total space to handle its business level in comparison to other terminal lessees. Final decisions on any acreage reallocation is in the sole discretion of the Board.

- (ii) The location of acreage to be removed will be determined solely by the Board after consultation with the Lessee. The Board shall consider the efficient continuation of operations of Lessee after removal of acreage and the efficient handling of all cargo by all France Road Terminal lessees in determining the location of acreage to be removed.
- (iii) If acreage is added to the Leased Premises with approval of the Lessee or removed from the Leased Premises as per this Section, the rental scale in Section 6(A)

("Rent") shall be modified to reflect the new capacity of the Leased Premises. The adjusted rental scale shall be computed by determining a new facility capacity from the following formula:

$$\text{New Capacity} = \text{Total Facility Acreage} \times 1,210 \text{ Loaded Units/Acre/Year}$$

The "New Capacity" will be applied to the rental scale as follows:

0 Units to (1/3 New Capacity) Units	\$59/Unit
(1/3 New Capacity + 1) Units to (2/3 New Capacity) Units	\$49/Unit
(2/3 New Capacity + 1) Units to (New Capacity) Units	\$39/Unit
(New Capacity +1) Units and Over	\$20/Unit

Unit rates are subject to escalation in accordance with Section 6(D) of this Lease.

- (iv) If acreage is added to the Leased Premises with approval of the Lessee or removed from the Leased Premises as per this Section, the Minimum Annual Revenue Guarantee of Section 5 of the Lease will be replaced by a "New Minimum Annual Revenue Guarantee", which shall be computed by applying to the New Rental Scale the number of units resulting from sixty percent (60%) of New Capacity as defined above.

II.

Section 4 ("Early Termination") of the Lease is hereby amended by deleting its first sentence and replacing it with the following sentence:

If Lessee handles fewer loaded containers than fifty (50%) percent of terminal capacity as defined in Section 2(C)(iii) above for three (3) consecutive Lease Years, Board shall have the option to terminate this Lease by the giving to Lessee of six (6) months advanced written notice of Board's exercise of this option.

III.

(A) Section 5 ("Minimum Annual Revenue Guarantee") is hereby amended by deleting the first sentence of Subsection 5(A) and replacing it with the following sentence:

(A) Lessee hereby guarantees to Board from this Lease a minimum annual revenue of one million, eight hundred eighty-five thousand dollars (\$1,885,000) from revenue collected under Section 6 ("Rent") below.

(B) Section 5 ("Minimum Annual Revenue Guarantee") is hereby further amended by adding the following to become new Subsections (C) and (D):

(C) The Minimum Annual Revenue Guarantee shall increase by a percentage equal to the percentage increase in rental rates set out in Section 6(C) ("Rent") below at the time such rental increases become effective.

(D) The Minimum Annual Revenue Guarantee shall be adjusted on a pro rata basis when the Mississippi River Gulf Outlet is closed to ocean-going vessels drawing more than thirty-two (32) feet of vessel depth for periods in excess of fourteen (14) days.

IV.

(A) Section 6 ("Rent") is hereby amended by deleting Subsection 6 (A)(i) in its entirety and replacing it with the following:

(A) (i) As to containers loaded onto or discharged from a waterborne vessel at the Leased Premises, or any other location specifically approved in writing by the Board for such activity under the terms of this Lease, Lessee shall pay to Board the amount set out below based on the number of units of loaded containers moved, loaded onto or discharged from a waterborne vessel into or out of the Leased Premises during any Lease Year. The amount shall be calculated according to the following schedule:

Loaded Containers	Cost
0 - 19,200 units	\$59.00 per unit
19,201 - 38,400 units	\$49.00 per unit
38,401 - 57,600 units	\$39.00 per unit
Over 57,600 units	\$20.00 per unit

(B) Section 6 ("Rent") is hereby amended by deleting Section 6(F) in its entirety.

V.

Section 7 ("Operating Agreements Regarding Berth Sharing") is hereby amended by deleting it in its entirety and replacing it with the following:

(A) When Lessee is not conducting vessel operations at its Berth No. 4 on the Leased Premises, Lessee is hereby required to allow second priority access to Berth No. 4 to vessels of the Board's tenants at the France Road Terminal Berths Nos. 1 and 5. In exchange, Lessee shall have the right to use Berths Nos. 1 and 5 when the tenants of those berths are not using the berths for their operations. When Lessee allows use of its Berth No. 4 to another tenant under this Section, Lessee shall grant full and unfettered access to the other tenants so that they may utilize Berth No. 4 to its maximal efficiency.

(B) When Lessee's vessels are handled at Berths Nos. 1 or 5, all charges and obligations due to the Board shall be in accordance with the terms and conditions of this Lease as if the vessels had been handled at Berth No. 4 under this Lease.

(C) When a vessel from a tenant at Berths Nos. 1 or 5 is handled at Berth No. 4, all charges will be handled by the tenant under the terms of its lease with this Board. Lessee cannot charge any fees for these vessels to work at Berth No. 4 unless Lessee provides services for the vessels such as stevedoring, terminal operations, cranes or other traditional maritime services. Lessee may include within the operating agreement required by Section 7(D) below a reasonable charge to cover a pro rata share of Lessee's maintenance obligations at the berth. Any cargo discharged from these vessels which is handled by the Lessee as the terminal operator shall be under the terms and conditions of this Lease for payment of rent as well as other lease conditions.

(D) A written operating agreement defining the operational

procedures for berth sharing shall be developed by Lessee and the tenants of Berths Nos. 1 and 5. The operating agreement shall not survive the leases under which it is authorized. The operating agreement shall require its signatories to exchange information on scheduled ship arrivals at each berth on at least a biweekly basis so that all parties are aware of berth availability on a timely basis. The operating agreement shall also require each signatory to confirm or deny promptly any request for second priority berthing with supporting reasons if a berth request is denied. The assignment of a berth under the second priority berthing arrangement set out in this Section shall be made strictly on a "first-come, first-served" basis. The first party requesting access to Berth No. 4 for a specific time shall be the party to whom access is granted, provided Lessee has no valid reason for denial as set out herein. In addition, the operating agreement shall require the signatories to adhere to a confirmed request for second priority berthing despite what other berthing opportunities may occur later. The operating agreement shall be subject to the Board's prior written approval. Lessee shall use its best efforts to achieve a berth-sharing operating agreement which maximizes the efficient utilization of all berths by all parties. In the event of any dispute or conflict among Lessee and the tenants of Berths Nos. 1 and 5 arising out of a request for berth-sharing, the conflict or dispute shall be referred to the Board, which shall act as arbiter of the dispute or conflict, and the Board's decision shall be final and binding on all parties.

(E) This provision is contingent on similar provisions becoming effective in the terminal leases for Berths Nos. 1 and 5. Furthermore, this provision of this Lease shall become effective on the date or dates on which become effective similar provisions in the Board's leases with its tenants at the France Road Terminal Berths Nos. 1 and 5 to allow Lessee second priority access to Berths Nos. 1 and 5.

(F) Lessee agrees to cooperate fully in locating vessels within the berthing areas so that maximum utilization of all berths can be achieved to the benefit of all terminal users at the France Road Terminal Complex. The Board reserves the right to require the Lessee to place a vessel at a specific location within the berthing area to achieve this objective.

VI.

Section 12 ("Construction and Improvements") shall be amended by adding the following as new Subsection (C):

The Board agrees that it will provide asphalt surfacing of the unpaved portions of Yard 2b-E, approximately 3.9 acres within eighteen (18) months of the effective date of this First Amendment.

VII.

Section 17 (Terminal Charges; Berth Application; Priority) is hereby amended by deleting Section 17 (B) in its entirety and replacing it with the following:

(B) All vessels (including barges) calling at the Leased Premises shall be required to file with Lessee an application for berth. Board shall have the right to and shall exact payment of its established harbor fee directly from each vessel, as provided in the Board's Tariff. Except

in exercising its rights under Section 7(F) ("Operating Agreements Regarding Berth Sharing") above, the Board shall not assign specific berthing space or control the berthing process at the Leased Premises. These responsibilities shall be exercised by Lessee.

VIII.

Section 18 ("Cranes") is hereby amended by deleting it in its entirety and replacing it with the following:

(A) Lessee owns a container crane presently located at the Board's Jourdan Road Terminal. Lessee shall cause the container crane to be secured in place in a manner acceptable to Board, and Lessee shall remain responsible for any loss, damage or destruction that might result from failure to properly secure the crane. Board may require Lessee to remove the container crane from Board property on six (6) months' written notice.

(B) Board shall assign the three multipurpose cranes at the France Road Terminal Berths Nos. 4 and 5 to Lessee and other tenants based on the criteria attached hereto as Exhibit D.

(C) Board has agreed to assign cranes in a manner that minimizes interference with Lessee's normal operations. Lessee agrees to cooperate fully in minimizing any interference by Lessee with operations of any other tenants or of any other stevedores utilizing the cranes or the berth areas.

IX.

Section 19 ("Tariff of Rates and Charges; Rules and Regulations; Discrimination") is hereby amended by adding the following section before the last complete sentence of Subsection 19 (A):

However, Lessee's tariff and all charges, rules and regulations contained in it shall first be reviewed and approved by the Board acting through its president and chief executive officer in his discretion. From the date of the receipt by Board of Lessee's proposed tariff or any amendments to it, Board shall have forty-five (45) days to indicate in writing its approval or disapproval of the said tariff or any amendments to it. If Board fails to indicate its approval or disapproval of the proposed tariff or any amendment to it within the forty-five (45) day period, the proposed tariff or amendment to it shall be deemed approved, and Lessee may proceed to place the proposed tariff in effect on the forty-sixth day after submission to Board.

X.

Section 20 (Maintenance and Repair) of the Lease is hereby amended by deleting Section 20 (B) in its entirety and replacing it with the following:

(B) Board's responsibility. The Board shall be responsible for and shall at its own cost, risk and expense perform and pay all costs of maintenance and repair of the (i) the flood protection systems including walls, gates, and pumps, (ii) wharf substructure, (iii) fire protection systems not to include portable fire extinguishers, and (iv) structural defects of the improvements on the Leased Premises, including any subsurface settlements not caused by acts, omissions, or negligence of Lessee. To assist the Board in carrying out its responsibilities under this Subsection, Lessee agrees to notify Board timely in writing of any defects or need for repairs of such defects required under this Subsection, and Board shall have a reasonable period of time in

which to commence and accomplish those maintenance repairs. Board's liability shall be limited to the cost of repairs or the curing of the defect. If Lessee fails to give the said written notice within thirty (30) days of Lessee's becoming aware of any such defect or any need for maintenance or repair, Board shall have no obligation to perform the maintenance or make the repair, and Lessee shall become so obligated.

XI.

(A) Section 25 ("Insurance Requirements") of the Lease is hereby amended by adding the following to Subsection A(i):

Such insurance shall be written in the name of Lessee, but shall provide that any loss payable under the policy shall be adjustable with and payable to Board. Lessee shall not insure the property for an amount exceeding Board's stated requirement plus an amount equal to the value of Lessee's leasehold improvements. Any insurance proceeds received in excess of Board's stated amount and the value of Lessee's improvements shall be payable to Board. Board shall have the right from time to time to require Lessee to increase the amount of such insurance in accordance with standard insurance practices or if Board's property insurance deductible increases.

(B) Section 25 ("Insurance Requirements") of the Lease is hereby further amended by lowering the limits of the required comprehensive motor vehicle insurance in Subsection (D) from \$1.750 million to \$1 million.

(C) Section 25 (F) ("Insurance Requirements") of the Lease is hereby amended by revising the required Best's rating to A+, IV, and by adding the following sentence to the end of the Subsection:

All insurance required under this Section shall provide that it is primary to any similar insurance maintained by Board.

XII.

Section 33 ("Security Requirement") of the Lease is hereby amended by revising Subsection (A) to require the amount of security to be one million, eight hundred eighty-five thousand dollars (\$1,885,000).

XIII.

Section 37 ("Assignment and Subletting") of the Lease is hereby amended by revising Subsection (A) to add at the end of line 14 the following: "consent to the release after receipt of due".

XIV.

The parties agree that immediately on execution of this First Amendment, Board may at its option submit an original of it to the Federal Maritime Commission. Should this First Amendment fail to become effective, the parties agree to negotiate in an effort to eliminate or revise those provisions found to be objectionable to the end that this First Amendment may become effective. If the parties should fail to agree on the deletion, revision or amendment of any provision found to be objectionable, then this First Amendment shall be null, void and of no legal effect.

XV.

Except as specifically amended herein, all other terms and conditions of the Lease shall remain in full force and effect as if restated here in their entirety.

THUS DONE AND SIGNED in three originals in the City of New Orleans, State of Louisiana, in the presence of the subscribing witnesses, on the dates indicated below and effective November 1, 1998.

BOARD OF COMMISSIONERS OF
OF THE PORT OF NEW ORLEANS

WITNESSES:

[Signature]
[Signature]

by:

[Signature]

J. Ron Brinson
President and Chief Executive
Officer

date:

11 19 98

at New Orleans, Louisiana

APPROVED:

[Signature]
Attorney for Board

CERES GULF, INC.

WITNESSES:

[Signature]
[Signature]

by:

[Signature]
Christos N. Kritikos
President

date:

November 18, 1998

at: Weehawken, New Jersey

ACKNOWLEDGMENT

**STATE OF NEW JERSEY
COUNTY OF HUDSON**

Before me, the undersigned authority, personally appeared Christos N. Kritikos, who after being duly sworn deposed that he is the President of Ceres Gulf, Inc. and that he signed the foregoing First Amendment between the Board and Ceres Gulf, Inc. on behalf of said corporation as he was duly authorized to do this 18 day of November, 1998.


Christos N. Kritikos

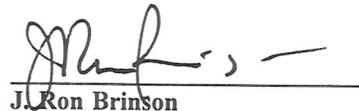

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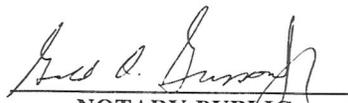
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ACKNOWLEDGMENT

**STATE OF LOUISIANA
PARISH OF ORLEANS**

Before me, the undersigned authority, personally appeared J. Ron Brinson, who after being duly sworn deposed that he is the President and Chief Executive Officer of the Board of Commissioners of New Orleans, and that he signed the foregoing First Amendment between the Board and Ceres Gulf, Inc. on behalf of said Board as he was duly authorized to do this 19th day of November, 1998.


J. Ron Brinson


NOTARY PUBLIC
GERALD O. GUSSONI, JR.
NOTARY PUBLIC
Parish of Orleans, State of Louisiana
My Commission is issued for Life,

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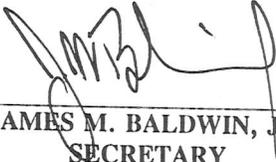
CERTIFICATION

I JAMES M. BALDWIN, JR., Secretary of the Board of Commissioners of the Port of New Orleans, do hereby certify that the following is a true and correct copy of a resolution adopted by the Board at a duly scheduled and convened meeting of the Board held at its offices in the City of New Orleans on the 30th day of October, 1998, at which a quorum was present and voted in favor of said resolution:

IT IS HEREBY RESOLVED BY THE BOARD OF COMMISSIONERS OF THE PORT OF NEW ORLEANS that its President and Chief Executive Officer J. Ron Brinson be, and he is, hereby, authorized and empowered on behalf of this Board to enter into an agreement with Ceres Gulf, Inc., to amend the lease effective November 1, 1996, between this Board and Ceres Gulf, Inc., said amendment to contain the terms and conditions set out on Exhibit A, attached to and hereby made part of this Resolution, and including such other terms and conditions as the said J. Ron Brinson may in his discretion deem to be in the Board's best interests; and

IT IS HEREBY FURTHER RESOLVED BY THIS BOARD that the said J. Ron Brinson be, and he is, hereby authorized and empowered on behalf of this Board to take such actions, enter into such agreements and execute all such documents as he may in his discretion deem necessary in order to carry out the intentions of this resolution.

THUS DONE AND SIGNED by me under the seal of the Board of Commissioners of the Port of New Orleans this 30th day of October, 1998.



JAMES M. BALDWIN, JR.
SECRETARY
BOARD OF COMMISSIONERS
OF THE PORT OF NEW ORLEANS



CERES LEASE AMENDMENT CONCEPT

1. LEASED AREA
 - 47.6 Acres
 - 26,700 SF Consolidation Shed
 - Maintenance Building, Operations Building, Office Building

2. TERM
 - Primary Term Ends October 31, 2001
 - Three Options of Five Years Each

3. RENTAL TERMS

	<u>Scale</u>	
0 - 19,200 Units		\$ 59/Unit
19,201 - 38,400 Units		\$ 49/Unit
38,401 - 57,600 Units		\$ 39/Unit
57,601+ Units		\$ 20/Unit
Empty Units		\$ 5/Unit
Breakbulk		\$2.20/Ton

(All rates escalate by 5.5 percent on November 1, 1999.)

4. ANNUAL REVENUE GUARANTEE
 - \$1,885,000/Year
5. Minimum guarantee adjusted in event of extended closures of Mississippi River-Gulf Outlet.
6. Board will have right to periodically remove or add acreage to the leased premises within defined limits.
7. Ceres tariff and future changes are required to be submitted for Board approval. Board has 45 days to act on a request for approval.
8. Ceres retains primary use of expanded Berth #4 with secondary access granted to NOMC and Sea-Land. Ceres gets secondary access to Berth #1 and Berth #5.
9. Board agrees to pave 3.9 acres of new terminal space.