

NINTH AMENDMENT TO PERMIT NO. 520
BY AND BETWEEN THE CITY OF LOS ANGELES
AND
LA SKY HARBOR, LLC

PERMIT NO. 520 by and between the CITY OF LOS ANGELES ("City"), acting by and through its Board of Harbor Commissioners ("Board"), and LA SKY HARBOR, LLC, a California limited liability company ("Tenant" or "LASH") is amended a ninth time, as follows:

RECITALS:

WHEREAS, City and a predecessor tenant entered into Permit No. 520 ("Permit No. 520" or "Permit") on or about September 3, 1987 for certain premises within the Harbor District commonly known currently as the Doubletree Hotel San Pedro;

WHEREAS, Tenant is the current tenant and operator of the Doubletree Hotel and has been operating the Doubletree Hotel San Pedro, since 2013 pursuant to an Assignment, Assumption of Permit 520 consent thereto, and the Eighth Amendment. (The terms Permit and Permit No. 520 as defined herein shall include all amendments thereto); Tenant has been the most successful operator of a hotel at the premises since the inception of Permit No. 520;

WHEREAS, the current Covid-19 pandemic has severely affected the business operations and profitability of the Doubletree Hotel San Pedro due to, among other things, decline of tourism, lack of cruise ship sailings, pandemic directives, lack of international travel, and air flights which had been a source of business for Tenant which has affected Tenant's ability to pay rent;

WHEREAS, in light of the foregoing and the ongoing Covid-19 pandemic and its continuing negative effects on international travel and tourism, there is an expected continuing period of extremely low occupancy at the hotel prior to recovery, which will continue to affect Tenant's ability to pay rent. Tenant has requested an agreement for rent deferral;

WHEREAS, Tenant, is a tenant in good standing, and has remained current on its Fixed Minimum Rent payments up to the commencement of the deferment period as provided in this Amendment, despite the hardships leading to Tenant's request for a rent deferral agreement;

WHEREAS, City and Tenant have reached an agreement for temporary deferment of Fixed Minimum Rent payments and a repayment plan of the deferred rental amounts on the following terms and conditions:

AMENDMENT

1. Tenant shall have the right to defer the payment of Fixed Minimum Rent (as that term is defined in the Permit) for a period of six (6) consecutive months commencing July 1, 2020 (i.e., Fixed Minimum Rent due on the first of each month, July 1, 2020 through December 1, 2020).
2. Tenant may request a second six-month deferral of Fixed Minimum Rent commencing January 1, 2021 (i.e., Fixed Minimum rent due on the first of each month, January 2021 through June 2021). Said request must be made in writing to the Executive Director and must be received by City no later than November 15, 2020 and is subject to the sole and absolute discretion and approval of the Executive Director of City's Harbor Department.

3. At the end of the deferred rent payment period(s) described above--i.e., beginning January 1, 2021 if there is only the first six-month deferral period for Fixed Minimum Rent Due July 1 through December 1, 2020 or beginning July 1, 2021, if the second deferral period (as described in section 2, above) takes place, Tenant shall repay the deferred rent in twelve (12) equal payments in addition to the monthly Fixed Minimum Rent payment and all other rental payments due. No late fees for the deferred rental amounts are required to be paid.
4. The rent deferment provided in this Amendment only applies to Fixed Minimum Rent and no other rental payments such as Percentage Rent and does not change the terms regarding annual rent increase per the Consumer Price Index, or reset of rent every five (5) years. Tenant's obligation to pay Percentage Rent and any other payments other than Fixed Minimum Rent remains unchanged by this Amendment.
5. The effective date of this Ninth Amendment is July 1, 2020.
6. Except as amended herein, the Permit shall remain in full force and effect.

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(Signature page to follow)

IN WITNESS WHEREOF, the parties hereto have executed this Ninth Amendment to Permit No. 520 on the date to the left of their signatures.

THE CITY OF LOS ANGELES by its
Board of Harbor Commissioners

Dated: _____, 2020

By: _____
EUGENE D. SEROKA
Executive Director

Attest: _____
AMBER M. KLESGES
Board Secretary

LA SKY HARBOR, LLC

By: Sky Harbor Management LLC, a
California limited liability company,
Its Manager

Dated: October 12th, 2020

By: _____
FRANK YUAN, MANAGER
(Print/type name and title)

By: _____
JEROME YUAN, manager
(Print/type name and title)

APPROVED AS TO FORM AND LEGALITY

10-21, 2020
MICHAEL N. FEUER, City Attorney
JANNA B. SIDLEY, General Counsel

By: _____
ESTELLE M. BRAAF, Deputy

EMB:Its
(10/7/2020)