

CATALINA CHANNEL EXPRESS, INC.  
THIRD AMENDMENT TO  
PERMIT NO. 897

THE THIRD AMENDMENT TO PERMIT NO. 897 is made this \_\_\_\_ day of \_\_\_\_\_, 2017, by and between THE CITY OF LOS ANGELES, a municipal corporation, ("City"), acting by and through its Board of Harbor Commissioners ("Board") and CATALINA CHANNEL EXPRESS, INC. ("Tenant") as follows:

Article 1. The below subsections of Section 3, "Premises," are amended by adding the following:

"3.1.4 Effective April 1, 2016, the Permit shall entitle Tenant to also use and occupy additional Premises as depicted on Preliminary Exhibit A-3 hereto, consisting of:

- (a) Parcel 10 – consisting of 15,030 s.f. of paved parking underneath and 20 feet beyond the Vincent Thomas Bridge, encumbered by a California Department of Transportation Easement (Caltrans Easement);
- (b) Parcel 11 – consisting of 6,437 s.f. of paved parking; and
- (c) Parcel 12 – consisting of 7,159 s.f. of paved parking underneath and 20 feet beyond the Vincent Thomas Bridge, encumbered by a Caltrans Easement.

3.1.5 Effective January 1, 2017, the Permit shall entitle Tenant to also use and occupy the Premises as depicted on Preliminary Exhibit A-3 hereto, consisting of:

- (a) Parcel 13 – consisting of 4,255 s.f. of paved parking underneath and 20 feet beyond the Vincent Thomas Bridge, encumbered by a Caltrans Easement.

3.1.6 Parcels 10 through 13 of Preliminary Exhibit A-3 shall be included in the collective term "Premises." A Harbor Engineer's drawing, to be designated Exhibit A-3, shall be substituted for Preliminary Exhibit A-3 when available."

Article 2. Subsection 3.4.1 of Section 3.4, "Inspection by Tenant," is replaced in its entirety with the following:

"3.4.1 Tenant has inspected the Premises depicted in Exhibit A-2 (Harbor Engineering Drawing No. 45644) and Preliminary Exhibit A-3 hereto, and acknowledges and agrees that said Premises are suitable for the permitted uses for a facility for freight operations, administrative and call center offices. Tenant has performed its due diligence in ascertaining the Premises' suitability for such operations, and has taken into consideration the Caltrans Easement over the

northern portion of subject Premises. No individual of or affiliated with City has made any representation or warranty with respect to subject Premises, or improvements existing or planned."

**Article 3.** Subsection 5.3.1 of Section 5, "Compensation," is replaced in its entirety with the following:

**"5.3.1** For the following periods of this Agreement, for Parcels 1 through 7 Tenant shall make monthly payments, in lawful money of the United States as follows:

<b>First Year:</b>		
July 25, 2012 to July 24, 2013		
Five Thousand Twenty Seven Dollars		(\$5,027)
<b>Second Year:</b>		
July 25, 2013 to November 30, 2013		
Five Thousand Eight Hundred Sixty-Five Dollars		(\$5,865)
December 1, 2013 to April 30, 2014		
Six Thousand Eight Hundred Thirty-Eight Dollars		(\$6,838)
May 1, 2014 to July 24, 2014		
Seven Thousand Seven Hundred Seventy-Seven Dollars		(\$7,777)
<b>Third Year:</b>		
July 25, 2014 to July 24, 2015		
Eight Thousand Seven Hundred Fifty-Three Dollars		(\$8,753)
<b>Fourth Year:</b>		
July 25, 2015 to July 24, 2016		
Nine Thousand Seven Hundred Thirty Dollars		(\$9,730)
<b>Fifth Year to end of Seventh Year:</b>		
July 25, 2016 to July 24, 2019		
Ten Thousand Seven Hundred and Seven Dollars		(\$10,707)"

**Article 4.** Subsection 5.3.1 of Section 5.3, "Fixed Minimum Compensation," is amended by adding the following:

**"5.3.1.3** In addition to the Compensation payable for Parcels 1 through 7, specified in Section 5.3.1, and Parcels 8, 9A and 9B, specified in Section 5.3.1.1, effective April 1, 2016, Tenant shall make monthly payments in the amount of \$3,726.54 for Parcels 10 through 12, and, effective January 1, 2017, Tenant shall make monthly payment in the amount of \$354.58 for Parcel 13. Compensation payable for Parcels 10 through 13 shall be referred to as "Third Amendment Rent."

**Article 5.** Subsection 5.3.2 of Section 5.3, "Fixed Minimum Compensation," is amended by adding the following:

"5.3.2.2 The Third Amendment Rent, currently \$4,081.13, shall be re-set concurrently with the Fixed Minimum Compensation five-year anniversary for the period starting July 25, 2019, and every five-year period thereafter. However, such Third Amendment Rent shall be subject to annual adjustments pursuant to CPI, as set forth in Section 5.3.3."

**Article 6.** Section 5.5, "Compensation Deposit," is amended by adding the following:

"5.5.2 Within thirty (30) days of the Third Amendment Effective Date, Tenant shall deposit the sum of two months' Third Amendment Compensation, which amount equals Eight Thousand One Hundred Sixty-Two Dollars and Twenty-Five Cents (\$8,162.25), with the Board at the address shown in Subsection 5.2. This deposit amount is in addition to the Fixed Minimum Compensation previously submitted and required by Section 5.5 and Subsection 5.5.1. Compensation credits may not be applied to this deposit amount. Following each Year Five (5) readjustment, pursuant to Section 5.11, Tenant shall deposit an additional sum equal to two (2) months Third Amendment Compensation as determined by the Board. Said deposit shall be held as a guarantee to cover delinquent Third Amendment Compensation. In the event all or a part of the deposit is used to apply against Third Amendment Compensation due and unpaid, Tenant shall immediately make another deposit in an amount equal to the amount so used, so that, at all times during the term of this Agreement, said deposit shall be maintained in the sum stated above."

**Article 7.** Section 11.1, "Tenant's Restoration Obligations," is amended by adding the following:

"11.1.2 On or before the Expiration Date, or any sooner termination of this Agreement, unless otherwise excused in writing by the City, Tenant shall quit and surrender possession of Parcels 10 through 13, and any and all other parcels as may subsequently be added to Premises, to Board, either having demolished and removed all Additional Tenant Improvements, or leaving such Additional Tenant Improvements in place as City may authorize in City's sole and absolute discretion."

This Third Amendment shall become effective upon execution by City and Tenant, and upon the last approval required by the City's Charter and Administrative Code, the date it is approved by the City Council pursuant to Section 606 of City's Charter ("Third Amendment Effective Date").

Except as amended herein, all other terms and conditions of Permit No. 897 shall remain the same.

IN WITNESS WHEREOF, the parties hereto have executed this Third Amendment to Permit No. 897 on the date to the left of their signatures.

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

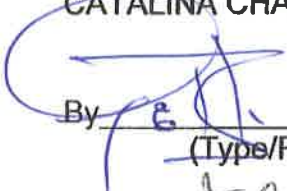
Dated: \_\_\_\_\_

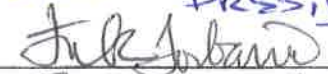
By \_\_\_\_\_  
EUGENE D. SEROKA  
Executive Director

Attest \_\_\_\_\_  
AMBER M. KLESGES  
Board Secretary

CATALINA CHANNEL EXPRESS, INC.


Dated: 04.20.2017

By  GREG ROMBARI  
(Type/Print Name and Title)  
PRESIDENT

Attest   
JULIA TORBARINA, EXEC ASST  
(Type/Print Name and Title)

APPROVED AS TO FORM AND LEGALITY

April 26, 2017  
MICHAEL N. FEUER, City Attorney  
JANNA B. SIDLEY, General Counsel

By   
CHRISTOPHER B. BOBO, Assistant

CBB:ila  
02/28/2017



