



222 West 6th Street, Suite 1010
San Pedro, CA 90731
www.AltaSea.org

July 2021

Gene Seroka
Executive Director
Port of Los Angeles
425 South Palos Verdes Street
San Pedro, CA 90731

RE: Amended and Restated Lease No. 904 (the "Lease")

Transfer Notice

Dear Mr. Seroka,

In accordance with Section 13.2.1 of the Lease, AltaSea at the Port of Los Angeles ("AltaSea") respectfully requests Executive Director confirmation that AltaSea's proposed agreement to construct a solar electric generation and distribution facility at the Premises is a Permitted Transfer in compliance with all requirements of the Lease.

Pursuant to Section 13.2.1 of the Lease, AltaSea hereby submits the following Transfer Notice:

- (a) **Transferee**: Signal Street Operating, LLC, a Delaware limited liability company ("SSO").
- (b) **Transferee Description**: SSO will be in the business of building and operating distributed solar power in Los Angeles.
- (c) **Transfer Type**: Sublease of rooftop space at Parcels B58-B60 for construction and operation of a solar facility for feed-in-tariff with the Los Angeles Department of Water and Power ("LADWP").
- (d) **Proposed Operations**: SSO has contracted with PermaCity Development Corp. ("PermaCity") as its development partner and will enter into an Interconnection and Power Purchase Agreement with LADWP. PermaCity is the largest commercial solar developer and installer in Los Angeles with more than 150 MWs installed and operating on more than 14 million square feet of commercial roofs, including the Westmont Industrial Complex and Los Angeles Convention Center.
- (e) **Transfer Terms**: The solar facility sublease provides for a twenty (20) year operating term, with the option to extend for two periods of five years each. The estimated contributions to AltaSea are shown on Schedule 1 hereto. Please see enclosed executed Sublease, First Amendment and Second Amendment.
- (f) **Non-Disturbance and Attornment Agreement**: Pursuant to Section 13.4.2 of the Lease, AltaSea and SSO have requested the Port of Los Angeles to execute the Non-Disturbance and Attornment Agreement substantially in the form attached as Schedule 3 hereto. The parent company of SSO

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is a fund with a valuation of \$400 million as of 12/31/2020. The sublease with SSO provides for compensation to AltaSea in the form of electrical infrastructure equipment and interconnection work paid for by SSO and required for AltaSea to upgrade the existing power system at the AltaSea Premises, the cost of which is payable by SSO and currently estimated to be \$1,644,258.20, as well as monetary compensation in the amount of \$500,000 that AltaSea will use to perform other required upgrades to the Premises electrical system as part of AltaSea's Tenant Improvements to the Premises. The estimated infrastructure contributions to AltaSea under the SSO sublease are highlighted in yellow on Schedule 1 hereto, and the SSO monetary contribution that AltaSea will use for upgrades to the Premises electrical system are highlighted in green on Schedule 1 hereto.

- (g) Guaranty: Not applicable as this is a permitted sublease pursuant Section 13.4.1(g) and Exhibit U of the Lease.
- (h) Business Plan: Not applicable as this is a permitted sublease pursuant Section 13.4.1(g) and Exhibit U of the Lease.
- (i) Alterations/Improvements: PermaCity will construct the solar facility on the roof of warehouses 58-60 substantially as shown on Schedule 2 hereto.
- (j) Transferee Net Worth: Not applicable as this is a permitted sublease pursuant Section 13.4.1(g) and Exhibit U of the Lease.
- (k) Other Relevant Information: See truegreencapital.com and permacity.com for more information.
- (l) Authorization to Review Books/Records: Not applicable as this is a permitted sublease pursuant Section 13.4.1(g) and Exhibit U of the Lease.

Please provide confirmation at your soonest opportunity. We look forward to our ongoing relationship with the Port of Los Angeles and appreciate your cooperation.

Sincerely,

Timothy B. McOsker
Chief Executive Officer
AltaSea at the Port of Los Angeles