

FIRST AMENDMENT TO PERMIT NO. 634
BETWEEN THE CITY OF LOS ANGELES AND
SHELL OIL COMPANY

THIS FIRST AMENDMENT to Permit No. 634 is made and entered into by and between the CITY OF LOS ANGELES, a municipal corporation ("City"), acting by and through its Board of Harbor Commissioners ("Board"), and SHELL OIL COMPANY ("Tenant") with respect to the following:

WHEREAS, Permit No. 634 was originally granted to SHELL OIL COMPANY, pursuant to Order No. 6136, for a term of thirty-five years; and

WHEREAS, Board desires annual adjustments of rental compensation to cover inflationary and other cost adjustments and be based upon a Consumer Price Index (CPI); and

WHEREAS, City and Tenant have agreed to amend Permit No. 634 to include an annual adjustment based upon CPI;

NOW, THEREFORE, for good and valuable consideration, Permit No. 634 is hereby amended as follows:

1. Section 4 is amended by adding a new subsection (a)(1) which provides as follows:

"(a)(1) Annual Adjustments. The rental for the use of the premises from February 12, 2018 to February 11, 2019 is \$397,290.00 per quarter ("Quarterly Base Rent"). Effective on February 12, 2019 (which date and subsequent annual anniversaries shall be referred to individually as "Annual Adjustment Date"), and annually thereafter, the Quarterly Base Rent shall be adjusted as of the Annual Adjustment Date automatically without further notice to reflect the percentage increase (*but in no event decrease*), if any, in the CPI-U (as defined below), or successor index selected by the Executive Director in the Executive Director's sole reasonable discretion ("Annual Adjustments"). Such adjusted Quarterly Base Rent shall be equal to the product obtained by multiplying the Quarterly Base Rent amount in effect on the Annual Adjustment Date by a fraction, the numerator of which is the CPI-U index for the second month immediately preceding the Annual Adjustment Date, (the "Adjustment Index") and the denominator of which is the CPI-U index as it stood on the same month of the prior year (the "Base Index"). For accounting purposes, the Annual Adjustment shall be rounded to the nearest thousandth. For purposes hereof, "CPI-U" means the Consumer Price Index for All Items, All Urban Consumers for the Los Angeles-Riverside-Orange County, California area, 1982-84=100 as published by the U.S. Department of Labor, Bureau of Labor Statistics.

The formula illustrating the adjustment computation is as follows:

Annual Adjusted Rent = Base Rent as of Annual Adjustment Date x $\frac{\text{Adjustment Index}}{\text{Base Index}}$

Except as amended herein, all remaining terms and conditions of Permit No. 634 shall remain in full force and effect.

IN WITNESS THEREOF, the parties hereto have executed this First Amendment to Permit No. 634 on the date to the left of their signatures.

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

Dated: _____, 2018

By: _____
EUGENE D. SEROKA
Executive Director

Attest _____
AMBER M. KLESGES
Board Secretary

SHELL OIL COMPANY

Dated: March 21, 2018

By: M. L. Elmore
M.L. Elmore, Attorney-in-Fact
(Type/Print Name and Title)

Attest: Alan Elliott
Alan Elliott Pipeline Integrity Manager
(Type/Print Name and Title)

APPROVED AS TO FORM AND LEGALITY

March 28, 2018

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

For
By: _____
JOHN T. DRISCOLL, Deputy City Attorney