

THIRD AMENDMENT TO LEASE NO. 904A
BETWEEN THE CITY OF LOS ANGELES AND
ALTASEA AT THE PORT OF LOS ANGELES

THIS THIRD AMENDMENT to Lease No. 904A ("Agreement") is made and entered into by and between the CITY OF LOS ANGELES, a municipal corporation ("City"), acting by and through its Executive Director of the Harbor Department ("Executive Director"), and ALTASEA AT THE PORT OF LOS ANGELES ("Tenant").

The Agreement is hereby amended a third time as follows:

1. Section 3.1. Section 3.1 is hereby deleted in its entirety and replaced with the following provision:

"3.1 Description. The premises subject to this Agreement consist of Parcel Nos. B56A, B56B, B57, B57.5, B58, B59, B60, B60B, B61A, B61B, B61C, B70, B71, B72A, B72B and S22, as delineated and more particularly described on Permit Map-Authority No. L904A ("Premises") that is on file in the office of the Chief Harbor Engineer of the Harbor Department ("Harbor Engineer") and is attached hereto as Exhibit A-3. The list of Existing City Improvements is attached hereto as Exhibit C. The total acreage of the Premises is 32.85 acres of land/wharf/warehouse and water including 21.55 acres of land/wharf/warehouse and 11.30 acres of water. The Premises encompass the total property and improvements subject to this Agreement. However, Tenant shall be entitled to accept and take possession of individual Parcels within the Premises pursuant to the process for Tenant acceptance and possession of individual Parcels described in Section 3.2 below. Exhibit B shall identify the Demised Premises as said Demised Premises may be revised from time to time during the Term of the Agreement. Upon incorporating any individual Parcels into the Demised Premises, the Executive Director shall issue an updated Demised Premises Exhibit as Exhibit B-2 and so forth numerically as Tenant accepts and takes possession of Parcels over the Term of the Agreement. Said revised Exhibit B-# shall be transmitted to Tenant and shall list all of the Parcels that Tenant has accepted or is in possession of as permitted in Section 3.2 of this Agreement. Upon City's transmittal to Tenant, each such issued Exhibit B-# shall be deemed to: (i) be incorporated into this Agreement without further action of the Board or Council; and (ii) supersede any earlier iterations of Exhibit B-#."

2. Exhibit A-2 is hereby deleted in its entirety, and replaced with Exhibit A-3, attached hereto and made a part of the Agreement.
3. Section 3.2.1.3 (g). Section 3.2.1.3 (g) is hereby added as follows:

"(g) Parcels B60B, B72A and B72B: Tenant shall accept and possess Parcels B60B, B72A and B72B upon the effective date of this Third Amendment."

4. Exhibit B-1 and B-2 are hereby deleted in their entirety, and replaced with Exhibit B-3, attached hereto and made a part of the Agreement.

5. Section 3.3.4.7. Section 3.3.4.7 is hereby added as follows:

"3.3.4.7 Parcels B60B, B72A and B72B

(a) Scope

i. Electrical Substation – Develop and use the parcels to house electrical substation equipment and underground conduit lines to be utilized by the City of Los Angeles Department of Water and Power.

(b) Schedule – Tenant shall complete improvements to Parcels B60B, B72A and B72B no later than December 31, 2022.

(c) Required Minimum Investment – There shall be no required minimum investment for Parcels B60B, B72A and B72B."

6. Section 3.3.5.1. Section 3.3.5.1 is hereby deleted in its entirety and replaced with the following provision:

"Section 3.3.5.1. Parcels B57.5, B58, B59, B60, B60B, B72A and B72B

(a) Reimbursement for Remediation - On the authority of the Executive Director and subject to reimbursement process established in Exhibit M, City shall reimburse up to a maximum of \$6 million subject to the reimbursement allocation conditions established in Section 3.3.6.1 for Tenant's actual remediation costs for removal of any Environmentally Regulated Materials including addressing soil, ground water, or hazardous building materials relating to construction of Tenant Improvements referenced in Section 3.3.4.3 and 3.3.4.7. Tenant shall notify City in writing within sixty (60) days of the date Tenant determines that remediation costs are estimated to exceed \$6 million. City and Tenant shall schedule a meeting within thirty (30) days of such written notice to discuss opportunities and strategies to complete the Tenant Improvements referenced in Section 3.3.4.3 in consideration of Tenant's finding."

7. Section 3.3.6.1. Section 3.3.6.1 is hereby removed in its entirety and replaced with the following provision:

"Section 3.3.6.1 Parcels B57.5, B58, B59, B60, B60B, B72A and B72B. Reimbursement for Remediation of Environmentally Regulated Material including addressing soil, groundwater, and hazardous building materials.

(a) In compliance with the Remediation Reimbursement Process in Exhibit M, City shall reimburse Tenant up to six million dollars (\$6,000,000) of Tenant's actual costs for remediation addressing soil, groundwater and hazardous building materials related to Existing City Improvements and New Tenant Improvements. Following Tenant's evaluation of the scope of remediation work allowable under this section, the Parties shall meet and confer in good faith no later than six (6) months following the effective date of the Agreement to determine if the project completion dates referenced in Section 3.3.4.3 require adjustment, which shall be subject to the approval process described in Section 3.3.4.3(b). Tenant shall be eligible for reimbursement in phases, subject to the Executive Director's determination that Tenant has completed the following conditions:

- i. Tenant shall be reimbursed up to one million five hundred thousand dollars (\$1,500,000) upon completion of Parcels B58-B60 Tenant Improvements in accordance with Section 3.3.4.3 and submission by Tenant to City documentation showing actual costs paid for the remediation;
- ii. Tenant shall be reimbursed up to one million five hundred thousand dollars (\$1,500,000) upon completion of Parcel B57.5 Tenant Improvements in accordance with Section 3.3.4.3 and submission by Tenant to City documentation showing actual costs paid for the remediation;
- iii. After payment under subsections (i) and (ii) herein, any remaining amount of the six million dollars (\$6,000,000) may be paid upon Tenant's execution of the construction contract for Parcel B57 Tenant Improvements, which shall include a performance bond for the project, said payment conditioned on Tenant's acceptance of Parcel B57 in accordance with Section 3.2.1.3(c) and submission by Tenant to City of documentation showing actual costs paid for the remediation.
- iv. After payment under subsections (i) and (ii) herein, any remaining amount of the six million dollars (\$6,000,000) may be paid for remediation costs as part of the completion of Parcels B60B, B72A and B72B Tenant Improvements in accordance with Section 3.3.4.7 and submission by Tenant to City documentation showing actual costs paid for the remediation."

8. Section 3.3.6.5. Section 3.3.6.5 is hereby added as follows:

"3.3.6.5 Parcels B60B, B72A and B72B

(a) City's Environmental Remediation Conditions Precedent:

- (i) Tenant shall complete construction of Parcels B58, B59 and B60 Tenant Improvements in accordance with Section 3.3.4.3.
- (ii) Tenant shall complete Parcels B60B, B72A and B72B Tenant Improvements in accordance with Section 3.3.4.7.
- (iii) Tenant shall document its actual costs paid for remediation of the Premises at Parcels B60B, B72A and B72B.

9. Section 5.4.5. Section 5.4.5 is hereby deleted in its entirety and replaced with the following provision:

"5.4.5 Parcels B58-60, B61A, B60B, B72A and B72B. Minimum Annual Rent for Parcels B58-60 and B61A shall be \$75,600 and the Minimum Annual Rent for Parcels B60B, B72A and B72B shall be \$330.70 provided the Tenant complies with Exhibit F. Provided, however, that the compensation shall be pro-rated based on the phased schedule set forth in Section 3.3.4.3(b) as follows:

- (i) Tenant shall begin paying 1/3 of the rent due herein for Parcels B58-60 and B61A (\$25,200) and the full amount of Minimum Annual Rent for Parcels B60B, B72A and B72B upon completion of the first phase of Improvements described in Section 3.3.4.3(a)(i) and (iii), 3.3.4.3(b) or December 31, 2022, whichever occurs first;
- (ii) In addition to the 1/3 rent then being paid, the remaining 2/3 of the rent due herein (\$50,400) shall be paid starting upon completion of the remaining Improvements described in Section 3.3.4.3(a)(i) and (iii) and 3.3.4.3(b) or December 31, 2023, whichever occurs first.

10. Section 5.8.1(d). Section 5.8.1(d) is hereby added as follows:

"(d) Any expenditures by Tenant and/or third parties for solar energy infrastructure on the Premises, including but not limited to Parcels B58-60, B60B, B72A and B72B, shall not be eligible for rent credits under Section 5.8, provided that any expenditures by Tenant for its own electrical infrastructure on the Premises, including but not limited to Parcels B58-60, B60B, B72A and B72B, for Tenant's and subtenants' use, shall be eligible for rent credits under Section 5.8."

Except as amended herein, all remaining terms and conditions of Lease No. 904A

shall remain in full force and effect.

Pursuant to the delegated authority granted under Section 3.8 of Lease No. 904A, this Third Amendment does not require approval by the Board of Harbor Commissioners or the City of Los Angeles City Council, and shall be effective upon the date of signature by the Executive Director.

IN WITNESS THEREOF, the parties hereto have executed this Third Amendment to Lease No. 904A on the date to the left of their signatures.

Dated: 8/26/2021

THE CITY OF LOS ANGELES
HARBOR DEPARTMENT

By Michael D. Bernard
for EUGENE D. SEROKA
Executive Director

Dated: 8/4/2021

ALTASEA AT THE
PORT OF LOS ANGELES

By: Tim McOsker
TIMOTHY B. MCOSKER
Chief Executive Officer

Attest: Tim McOsker
Chief Executive Officer
(Print/type name and title)

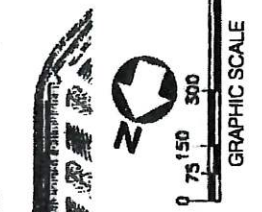
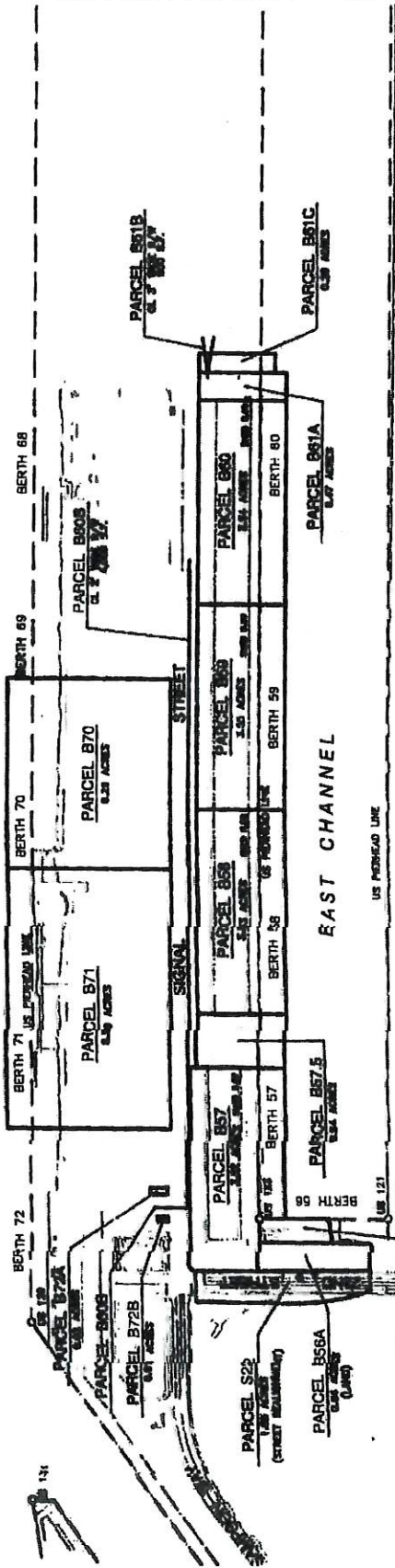
APPROVED AS TO FORM AND LEGALITY

Aug 26, 2021
MICHAEL N. FEUER, City Attorney
Janna B. Sidley, General Counsel

By Janna Sidley for
Heather M. McCloskey, Deputy

SHED	AREA
BERTH 57	46,500 S.F.
BERTH 58	59,850 S.F.
BERTH 59	60,150 S.F.
BERTH 60	60,000 S.F.

MAIN CHANNEL



NOTES:
 1) Horizontal Datum is based on the North American Datum of 1983 (NAD 83), California Coordinate System, Zone 3, East. Parcel locations and areas are approximate and require a more detailed survey and leveling of significant importance shown on this drawing is for planning purposes only.
 2) Parcel B81B (Scheerer Inland Pipeline) will be added. Other parcels B59, B58, B60 & B61A. Exact location to be determined.

NO	DATE	DRAWN	REVISIONS	CHK'D	APP'D	SCALE	1" = 300'	RECOMMENDED FOR APPROVAL	PERMIT MAP - AUTHORITY NO. L904A
1	04/18	DRR	REVISED AND RENUMBERED PARCELS	DRR	DRR	9/13		CHIEF OF DESIGN	ALTASEA - MARINE RESEARCH CENTER APPROVED: <i>[Signature]</i> CHIEF ENGINEER LA <small>LA 001 555-9999</small> DRAWING NUMBER: 45640
2	09/19	DRR	ADDED PARCEL B61C, REVISED PARCELS B58 & B59 AND CHANGED AUTHORITY NO.	DRR	C. GRESSI	9/13		ASSISTANT CHIEF HARBOR ENGINEER	
3	08/20	PN	REVISED PARCEL B70	PN	D. RAJASCH	9/13			
4	12/20	PN	ADDED PARCELS B72A & B72B	PN	E. W. PARSONS				
5	08/21	PN	ADDED PARCEL B60B	PN	S. R. BOND				

Exhibit A-3



EXHIBIT B-3

DEMISED PREMISES

1. Parcels In Tenant Possession

The Demised Premises consists of the following Parcels, Existing City Improvements and completed New City Improvements thereon that Tenant has taken possession of pursuant to the procedures and requirements established in Section 3.2 of the Agreement.

Parcel No.	Date of Possession	Rent Due Date
• Warehouse/Berth 57.5	• 8/23/2018	• Reference Section 5.8.1 as outlined in the 2 nd Amendment
• Warehouse/Berth 58	• 11/27/2017	• Reference Section 5.4.5 as outlined in the 2 nd Amendment
• Warehouse/Berth 59	• 7/5/2016	• Reference Section 5.4.5 as outlined in the 2 nd Amendment
• Warehouse/Berth 60	• 3/8/2018	• Reference Section 5.4.5 as outlined in the 2 nd Amendment
• Warehouse/Berth 61A	• 8/23/2018	• Reference Section 5.4.5 as outlined in the 2 nd Amendment
• Warehouse/Berth 61C	• 8/23/2018	• Reference Section 5.4.6.1 as outlined in the 1 st Amendment
• Berth 60B	• Upon Execution of Amendment	• Reference Section 5.4.11 as outlined in the 3 rd Amendment
• Berth 72A	• Upon Execution of Amendment	• Reference Section 5.4.11 as outlined in the 3 rd Amendment
• Berth 72B	• Upon Execution of Amendment	• Reference Section 5.4.11 as outlined in the 3 rd Amendment