

FOURTH AMENDMENT TO LEASE NO. 915
BETWEEN THE CITY OF LOS ANGELES AND
SAN PEDRO PUBLIC MARKET, LLC
FOR THE COMMERCIAL REDEVELOPMENT OF THE PORTS O' CALL SITE
AT THE PORT OF LOS ANGELES

THIS FOURTH AMENDMENT ("Fourth Amendment") to Lease No. 915 ("Lease") is made and entered into this _____ day of _____, 2022 by and between the CITY OF LOS ANGELES, a municipal corporation, acting by order of and through its Board of Harbor Commissioners, ("Board") of the Harbor Department ("Harbor Department" or "City") and SAN PEDRO PUBLIC MARKET, LLC, a California Limited Liability Company (referred to as "Lessee").

RECITALS

WHEREAS, City and Lessee entered into the Lease on June 17, 2016 for the commercial redevelopment of the Ports O' Call Site at the Port of Los Angeles ("Port"); and

WHEREAS, effective as of November 21, 2019, the City approved a change in the control of the Lessee; and

WHEREAS, City and Lessee entered into the First Amendment on February 14, 2020 to further refine and develop the design and scope of the project; and

WHEREAS, on or about June 5, 2020, pursuant to Article 1, Section 1.2.1 of the Lease, Lessee exercised its 1st Option Extension to extend the Option Period for an additional six (6) months extending the Option Period to December 17, 2020; and

WHEREAS, due to the 2020 global COVID-19 pandemic impacts on public health, travel, economy, and business, City and Lessee entered into the Second Amendment on or about December 30, 2020 to further amend Lease terms and conditions including but not limited to granting Lessee the 2nd Option Extension and 3rd Option Extension which extended the Option Period to June 16, 2021 and December 17, 2021, respectively; and

WHEREAS, Lessee has exercised both the 2nd and 3rd Option Extension; and

WHEREAS, City and Lessee entered into the Third Amendment on or about October 2021 to further modify the Lease including but not limited to granting Lessee the 4th Option Extension which extended the Option Period to June 16, 2022 predicated on Lessee's successful completion of certain milestones; and

WHEREAS, Lessee exercised the 4th Option Extension after demonstrating completion of Milestone 1 as defined in Article 1, Section 1.2.1(d) of the Lease; and

WHEREAS, one of the conditions to Lessee's exercise of the Option is satisfactory debt financing which Lessee is pursuing and City and Lessee desire to further modify the Lease provide additional time for the Lessee to complete debt financing; and

NOW, THEREFORE, in consideration of the terms, covenants, and conditions hereinafter contained to be kept and performed by the respective parties hereto, IT IS MUTUALLY AGREED that the Lease be amended as follows:

Section 1. Article 1, Section 1.2.1 of the Lease, subpart (d) is hereby deleted in its entirety and replaced with the following new subpart (d):

"(d) 4th Option Extension: Lessee shall have the right to an additional seven (7) months added to the Option Period to be exercised on or before December 16, 2021 ("4th Option Extension") provided Lessee satisfies the following: (i) complete Milestone 1 (as defined below); (ii) provide to City written notice of completion of Milestone 1; and (iii) submit for City review, reasonably satisfactory to City, evidence of completion of Milestone 1. Lessee's financing milestones are as follows ("Financing Milestones"):

1. Release debt request marketing package ("Milestone 1")
2. Receive first bona fide term sheet for project construction debt ("Milestone 2").
3. Execute term sheet with selected lender ("Milestone 3").
4. Receive credit committee approval from selected lender ("Milestone 4").
5. Close loan ("Milestone 5").

Lessee shall complete Milestones 1 through 5, inclusive, no later than July 16, 2022 ("Milestones Completion Date"). Provided Lessee submits, reasonably satisfactory to City, evidence demonstrating Lessee's commercially reasonable efforts to diligently pursue completion of all Financing Milestones in order to close financing for the project and begin construction, Executive Director may extend the Milestones Completion Date and the 4th Option Extension, but in no event shall the Milestones Completion Date and the 4th Option Extension go beyond September 17, 2022. In the event Lessee completes the Financing Milestones prior to September 17, 2022, Lessee shall exercise its Option within thirty (30) days of completing Milestone 5.

During the 4th Option Extension period, Lessee shall not materially interfere with existing City tenants on the Premises and said existing tenants may remain on the Premises for the duration of the 4th Option Extension period as described in Article 1, Section 2.5."

Section 2. Article 1, Section 2.5 of the Lease is hereby amended to add the following as the last sentence of the paragraph:

"If the 4th Option Extension is exercised under Article 1, Section 1.2.1, the Option Period shall expire June 16, 2022 as may be extended subject to the terms set forth in Article 1, Section 1.2.1(d)."

Section 3. City and Lessee acknowledge and agree that the extension set forth above in this Fourth Amendment has been exercised.

Section 4. Except as specifically provided herein, this Fourth Amendment shall not in any manner alter, change, modify, or affect any of the rights, privileges, duties, or obligations of either of the parties hereto under or by any reason of said Lease, and except as expressly exercised herein, all of the terms, covenants, and conditions of said Lease, as exercised, shall remain in full force and effect.

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IN WITNESS WHEREOF, the parties hereto have executed this Fourth Amendment on the date of the left of their signatures.

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

Dated: _____, 2022

By _____
Executive Director

Attest: _____
Board Secretary

SAN PEDRO PUBLIC MARKET LLC
a California limited liability company

Dated: 5/19, 2022

By 
ERIC JOHNSON, VP
(Print/type Name and Title)

Attest: 
Linda M. Ballantyne
(Print/type Name and Title)

APPROVED AS TO FORM AND LEGALITY

May 19, 2022
MICHAEL N. FEUER, City Attorney
STEVEN Y. OTERA, General Counsel

By 
HELEN J. SOK, Deputy City Attorney