

SAN PEDRO PUBLIC MARKET LLC
700 S. FLOWER STREET, SUITE 1500
LOS ANGELES, CA 90017

May 6, 2019

VIA E-MAIL AND REGULAR MAIL

Harbor Department
Board of Harbor Commissioners
Port of Los Angeles
425 South Palos Verdes
Street San Pedro, California
90731
Attn: Executive Director

**Re: Lease No. 915 (Lease) - San Pedro Public Market LLC (SPPM), as Lessee Request
for Consent for Transfer representing a Change of Control**

Dear Mr. Seroka:

This letter constitutes a "Transfer Notice" by SPPM to the City of Los Angeles ("City") pursuant to Section 15 of the Lease, requesting the consent of City to a "Transfer" as defined therein. The Transfer in question is not a transfer of SPPM's rights under the Lease; it is technically a change in control of SPPM and SPPM will remain the party responsible as lessee under the Lease.

SPPM is a single purpose entity that entered into the Lease for the purposes of redeveloping the former Ports O' Call site in San Pedro (the "Project"). The manager and sole owner of SPPM is SPPM Managing Member LLC.

The contemplated transaction for which the City's approval is sought is as follows:

Subject to obtaining the consent of the City, SPPM Managing Member LLC will assign its interest as the sole owner of SPPM to a newly-formed entity known as SPPM Development, LLC. (A copy of the Assignment and Assumption of Membership Interest is attached to this letter.) SPPM Managing Member LLC will be the managing member of SPPM Development, LLC and will remain the managing member of SPPM following the Transfer.

The only members in SPPM Development LLC are SPPM Managing Member LLC, with a 20% membership interest, and Osprey Investors LLC ("Osprey"), with a 80% membership interest. Osprey will contribute to SPPM Development, LLC funds which will provide the majority of the equity capital needed to develop the Project. A "before and after" organizational chart for the entities involved in the transaction accompanies this letter.

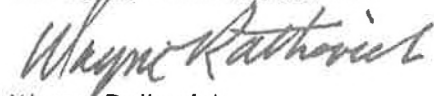
The information required to be contained in a Transfer Notice under Section 15.2.1 of the Lease, is being provided as follows:

- a. The Transfer is being undertaken with SPPM Development LLC (see above), whose majority owner is Osprey. The same principals who exercised management authority over SPPM and the Project prior to the transfer will exercise such management authority after the transfer.
- b. The description of the Transferee's entity type and ownership is set forth above. SPPM will provide all relevant information regarding Osprey that is requested by the City.
- c. A description of the type of Transfer and the rights proposed to be transferred is set forth above.
- d. There is no change in the operations proposed to be undertaken at the Premises following the Transfer.
- e. The Assignment Agreement (see above) will be effective upon SPPM's receipt of the City's consent to the Transfer.
- f. There is no change in the business plan for the Project following the Transfer.
- g. SPPM will provide all available financial information regarding Osprey that is requested by the City.

In the event the City should have any questions or concerns, please advise.

Very truly yours,

San Pedro Public Market, LLC



Wayne Ratkovich
President

SPPM
Attachments