

SECOND AMENDMENT TO PERMIT NO. 896  
BETWEEN THE CITY OF LOS ANGELES  
AND CRAFTED AT THE PORT OF LOS ANGELES

Permit 896 between the CITY OF LOS ANGELES, a municipal corporation acting by and through its Board of Harbor Commissioners (“City”), and CRAFTED AT THE PORT OF LOS ANGELES (“Tenant”), is hereby amended a second time (Second Amendment) as follows:

WHEREAS, City issued the Permit No. 896 (“Agreement”) to Tenant in 2011;

WHEREAS, the Agreement sets forth the terms and conditions of Tenant’s use and occupancy of the premises it covers;

WHEREAS, City and Tenant entered into the First Amendment on or about December 12, 2015 to modify certain provisions of the Agreement;

NOW, THEREFORE, City and Tenant agree as follows:

1. Defined Terms. References. Terms defined in the Agreement shall have the same meanings herein. References herein to “Sections” shall be to sections of the Agreement, unless otherwise stated.

2. Section 5.1.4. Section 5.1.4 is deleted in its entirety and replaced with the following:

“5.1.4 Fourth Compensation Period 1 and 2.

5.1.4(a) Fourth Compensation Period 1. “Fourth Compensation Period 1” shall mean the compensation year beginning September 1, 2020 through and including August 31, 2023.

5.1.4(b) Fourth Compensation Period 2. “Fourth Compensation Period 2” shall mean the compensation year beginning September 1, 2023 through and including August 31, 2028.”

3. Section 5.1.5. Section 5.1.5 is deleted in its entirety and replaced with the following:

“5.1.5 Fifth Compensation Period. “Fifth Compensation Period” shall mean the compensation year beginning September 1, 2028 through and including August 31, 2033, including holdovers thereafter.”

4. Section 5.1.6. The Agreement is amended to add a new Section 5.1.6 as follows:

“5.1.6 Sixth Compensation Period. “Sixth Compensation Period” shall mean the compensation year beginning September 1, 2033 to December 15, 2036, including holdovers thereafter.”

5. Section 5.3.4. Section 5.3.4 of the Agreement is deleted in its entirety and replaced with the following:

“5.3.4 Fourth Compensation Period 1 and 2.

5.3.4.1 Fourth Compensation Period 1. Tenant shall pay Minimum Rent or Fourth Compensation Period 1 Percentage Rent, whichever is greater, subject to Section 5.3.6. If Tenant's calculated Percentage Rent is not greater than the Minimum Rent due in any Compensation Year no Percentage Rent is due. Submission of annual Gross Receipts statements, per Section 5.2.2.1 (a), will determine if any Percentage Rent is due and the amount of Percentage Rent due for any Compensation Year. Minimum Rent will be subject to adjustment as described below in subsection (c).

(a) Minimum Rent. As described in Section 5.2.1, Tenant is obligated to pay at Fifty Thousand Dollars (\$50,000) in Minimum Rent to City subject to Sections 5.3.4.(c) and 5.3.6 below.

(b) Fourth Compensation Period 1 Percentage Rent. Tenant shall pay to City within thirty (30) days after the end of each Compensation Year (concurrent with its submittal of the yearly statement required by Section 5.2.2.1 (a)):

(1) Three and One-Half Percent (3.5%) of Gross Receipts up to Four Million Nine Hundred Ninety-Nine Thousand Nine Hundred and Ninety-Nine Dollars (\$4,999,999), and

(2) Six and One-Half Percent (6.5%) of Gross Receipts from Five Million Dollars (\$5,000,000) up to Six Million Nine Hundred and Ninety-Nine Thousand Nine Hundred and Ninety-Nine Dollars (\$6,999,999), and

(3) Seven and One-Half Percent (7.5%) of Gross Receipts from Seven Million Dollars (\$7,000,000) and up.

(c) Minimum Rent shall be adjusted annually on the Adjustment Date based on the greater of the following:

- (1) The previous Compensation Year's Minimum Rent subject to CPI Adjustment, or
- (2) The sum of the Percentage Rents calculated (whether or not any are paid to the City) during the three previous years divided by three (3) with the resulting quotient multiplied by Seventy-Five Percent (75%).

5.3.4.2 Fourth Compensation Period 2. Tenant shall pay Minimum Rent or Fourth Compensation Period 2 Percentage Rent, whichever is greater, subject to Section 5.3.6. If Tenant's calculated Percentage Rent is not greater than the Minimum Rent due in any Compensation Year no Percentage Rent is due. Submission of annual Gross Receipts statements, per Section 5.2.2.1 (a), will determine if any Percentage Rent is due and the amount of Percentage Rent due for any Compensation Year. Minimum Rent will be subject to adjustment as described below in subsection (c).

- (a) Minimum Rent. As described in Section 5.2.1, Tenant is obligated to pay at current Minimum Rent to City subject to Sections 5.3.4.(c) and 5.3.6 below.
- (b) Fourth Compensation Period 2 Percentage Rent. Tenant shall pay to City within thirty (30) days after the end of each Compensation Year (concurrent with its submittal of the yearly statement required by Section 5.2.2.1 (a)):
  - (1) In the Fourth Compensation Period 2 from September 1, 2023 to August 31, 2025, Tenant shall pay to City Three and One-Half Percent (3.5%) of Gross Receipts up to Four Million Nine Hundred Ninety-Nine Thousand Nine Hundred and Ninety-Nine Dollars (\$4,999,999), and
  - (2) In the Fourth Compensation Period 2 from September 1, 2025 to August 31, 2028, Tenant shall pay to City Five Percent (5%) of Gross Receipts up to Four Million Nine Hundred Ninety-Nine Dollars (\$4,999,999) and
  - (3) Six and One-Half Percent (6.5%) of Gross Receipts from Five Million Dollars (\$5,000,000) up to Six Million Nine Hundred and Ninety-Nine Thousand Nine Hundred and Ninety-Nine Dollars

(\$6,999,999), and

- (4) Seven and One-Half Percent (7.5%) of Gross Receipts from Seven Million Dollars (\$7,000,000) and up.

(c) Minimum Rent shall be adjusted annually on the Adjustment Date based on the greater of the following:

- (1) The previous Compensation Year's Minimum Rent subject to CPI Adjustment, or
- (2) The sum of the Percentage Rents calculated (whether or not any are paid to the City) during the three previous years divided by three (3) with the resulting quotient multiplied by Seventy-Five Percent (75%)."

6. Section 5.3.5. Section 5.3.5 of the Agreement is hereby deleted in its entirety and replaced with the following:

"5.3.5 Fifth and Sixth Compensation Period. Tenant shall pay Minimum Rent, subject to Section 5.3.6, or Fifth Compensation Period Percentage Rent, whichever is greater and Minimum Rent, subject to Section 5.3.6, or Sixth Compensation Period Percentage Rent, whichever is greater. If Tenant's calculated Percentage Rent is not greater than the Minimum Rent due in any Compensation Year no Percentage Rent is due. Submission of annual Gross Receipts statements, per Section 5.2.2.1 (a), will determine if any Percentage Rent is due and the amount of Percentage Rent due for any Compensation Year. Minimum Rent will be subject to adjustment as described below in subsection (c).

(a) Minimum Rent. As described in Section 5.2.1, Tenant is obligated to pay current Minimum Rent to City subject to Sections 5.3.4.(c) and 5.3.6 below.

(b) Fifth and Sixth Compensation Period Percentage Rent. Tenant shall pay to City within thirty (30) days after the end of each Compensation Year (concurrent with its submittal of the yearly statement required by Section 5.2.2.1 (a)):

- (1) Five Percent (5%) of Gross Receipts up to Four Million Nine Hundred Ninety-Nine Thousand Nine Hundred and Ninety-Nine Dollars (\$4,999,999), and

- (2) Six and One-Half Percent (6.5%) of Gross Receipts from Five Million Dollars (\$5,000,000) up to Six Million Nine

Hundred and Ninety-Nine Thousand Nine Hundred and Ninety-Nine Dollars (\$6,999,999), and

(3) Seven and One-Half Percent (7.5%) of Gross Receipts from Seven Million Dollars (\$7,000,000) and up.

(c) Minimum Rent shall be adjusted annually on the Adjustment Date based on the greater of the following:

(1) The previous Compensation Year's Minimum Rent subject to CPI Adjustment, or

(2) The sum of the Percentage Rents calculated (whether or not any are paid to the City) during the three previous years divided by three (3) with the resulting quotient multiplied by Seventy-Five Percent (75%).

7. Except as specifically amended in this Second Amendment, all remaining terms and conditions of the Agreement shall and do remain unchanged.

IN WITNESS WHEREOF, the parties hereto have executed this Second Amendment to Permit 896 on the date to the left of their signatures.

[signature page to follow]

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

Dated: \_\_\_\_\_, 20\_\_

By \_\_\_\_\_  
Executive Director

Attest \_\_\_\_\_  
Board Secretary

CRAFTED AT THE PORT OF  
LOS ANGELES

Dated: April 9, 2022

By Wayne S Blank  
Wayne S Blank, general partner  
(Type/Print Name and Title)

Attest Rachel Sindelar  
Rachel Sindelar, Director  
(Type/Print Name and Title)

APPROVED AS TO FORM AND LEGALITY

[Signature], 2022  
MICHAEL N. FEUER, City Attorney  
JANNA B. SIDLEY, General Counsel

By \_\_\_\_\_  
HELEN J. SOK, Deputy