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5 **AMENDMENT NO. 3**  
6 **TO**  
7 **LONG-TERM SUBLEASE**  
8 **BETWEEN**  
9 **CITY OF ALAMEDA, CALIFORNIA, SUCCESSOR IN INTEREST TO**  
10 **ALAMEDA REUSE AND REDEVELOPMENT AUTHORITY**  
11 **AND**  
12 **U.S. DEPARTMENT OF TRANSPORTATION MARITIME ADMINISTRATION**  
13  
14  
15

16 **THIS AMENDMENT NO. 3** (“Amendment No. 3”) to the **LONG-TERM SUBLEASE**  
17 (“Sublease”) is made by and between the **CITY OF ALAMEDA, CALIFORNIA,**  
18 **SUCCESSOR IN INTEREST TO ALAMEDA REUSE AND REDEVELOPMENT**  
19 **AUTHORITY** (“Sublessor”), and the **U.S. MARITIME ADMINISTRATION**, an agency of the  
20 U.S. Government (“Sublessee”).  
21

22 **RECITALS**  
23

24 **WHEREAS**, the **UNITED STATES OF AMERICA**, acting by and through the  
25 Department of the Navy (the “Navy”), has previously declared certain facilities surplus at the  
26 Naval Air Station, Alameda, California (the “Station”), and  
27

28 **WHEREAS**, pursuant to 10 U.S.C. 2667(f), the Navy entered into a lease agreement (the  
29 “Prime Lease”) with the Alameda Reuse and Redevelopment Authority, a Joint Powers Authority  
30 established by the City of Alameda and the County of Alameda (“ARRA”), by which the Navy  
31 leased to ARRA a portion of the Station commonly known as “Alameda Point,” and  
32

33 **WHEREAS**, on May 1, 2006, Sublessor and Sublessee entered into that certain Long-  
34 Term Sublease (“Sublease”) for, among other things, certain layberthing facilities at the Station  
35 for use in layberthing vessels enrolled in the Ready Reserve Force (“RRF”), and  
36

37 **WHEREAS**, on October 14, 2007, Sublessor and Sublessee did agree and execute  
38 Amendment No. 1 to the Sublease, and  
39

40 **WHEREAS**, on February 1, 2012, the City of Alameda did assume all contractual  
41 obligations of ARRA, and  
42

43 **WHEREAS**, on February 1, 2012, Sublessor and Sublessee did agree and execute  
44 Amendment No. 2 to the Sublease, and  
45

46 **WHEREAS**, on April 12, 2016, the United States conveyed the fee interest in the real

**AMENDMENT NO. 3 TO LONG-TERM SUBLEASE BETWEEN CITY OF ALAMEDA AND MARAD**

Page 2.

1 property subject to the Sublease to the Sublessor, and pursuant to Article 12 of the Sublease, as of  
2 that date the Prime Lease from the United States to the Sublessor ceased to have any force and  
3 effect with regard to the Leased Premises, but the Sublease otherwise remains in full force and  
4 effect, and

5  
6 **WHEREAS**, Sublessor and Sublessee desire to reduce Sublessee’s occupancy of certain  
7 portions of the premises and revise the Parties’ obligations regarding such reduction.

8  
9 **NOW THEREFORE**, in consideration of the premises, and the mutual covenants, terms  
10 and conditions set forth herein, the Parties hereto agree as follows:

11  
12 **Article 1. Premises:**

13  
14 a. Exhibit D of the Sublease, as it relates to the physical boundaries of the Pier  
15 Property portion of the Sublease, and in order to redefine the term “Pier Property” and to depict  
16 the boundaries of the now reduced occupancy of what constitutes the Pier Property by Sublessee,  
17 is hereby deleted, and substituted instead thereof as a new **Exhibit “D-Amended”** is Exhibit A to  
18 this Amendment No. 3, attached hereto;

19  
20 b. Section 1.b. of the Sublease entitled “Sublessor Optional Changes to Premises,” as  
21 amended, is deleted in its entirety, and a new Section 1.b. is substituted instead, as follows:

22  
23 **“1.b. Optional Changes to Premises:**

24  
25 **“(i) Cooperation Between the Parties.**

26  
27 **1. Relocation of vessels from Pier 2. Sublessee shall have**  
28 **continued priority use of Pier 2 for layberthing activities under**  
29 **this Sublease. In order to maximize the use of Pier 2,**  
30 **Sublessor may request in writing that the Sublessee relocate**  
31 **vessels outside of the Pier Property to either Pier 1 or Pier 3,**  
32 **or relocate vessels to different locations on the Pier Property,**  
33 **all as designated by the Sublessor.**

34  
35 **a. Sublessor shall be liable for all costs associated with**  
36 **Sublessee’s relocation of its vessels in response to such**  
37 **a request;**

38 **b. Such a request shall state Sublessor’s desired**  
39 **relocation date, the reason for the requested relocation,**  
40 **d the desired duration of relocation;**

41 **c. Such a request shall be given to Sublessee at least thirty**

**AMENDMENT NO. 3 TO LONG-TERM SUBLEASE BETWEEN CITY OF ALAMEDA AND MARAD**

Page 3.

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*(30) calendar days in advance of Sublessor's desired relocation date;*

- d. Within ten (10) business days after receiving such a request, Sublessee shall provide Sublessor with a written estimate of the costs associated with relocating Sublessee's vessels as requested;*
- e. If Sublessor is unwilling to bear the estimated costs of the relocation, Sublessor may withdraw its request by written notice to Sublessee;*
- f. Such a relocation shall not in any way interfere with the operational readiness of Sublessee's vessels, any repairs to Sublessee's vessels that are ongoing or already-scheduled at the time of Sublessee's request, or Sublessee's broader national security concerns. If Sublessee believes that such interference will occur, Sublessee shall provide written notice to the Sublessor as to how such request interferes with operational readiness within ten (10) business days of the receipt of the Sublessor's written request to relocate;*
- g. If Sublessee agrees to relocate its vessels in response to Sublessor's request, the terms of such a relocation shall be negotiated and agreed-upon between the Parties.*

**2. Sublessor's use of unoccupied portions of the Pier Property.**

*In the event that portions of the Pier Property are not utilized by the Sublessee for layberthing activities, the Sublessor may utilize such portions of the Pier Property for other uses, with no change in the Rent paid by Sublessee, provided that such uses shall not in any way interfere with Sublessee's use of the Pier Property or the operational readiness of Sublessee's vessels, and shall be done in a manner that minimizes any inconvenience to Sublessee.*

- a. Before exercising this right, Sublessor shall provide Sublessee with written notice of its intent to exercise this right, with said notice to include details of Sublessor's intended uses, as well as the timing and duration of such uses;*
- b. Such a written notice shall be given to Sublessee at least ten (10) business days in advance of the date upon*

**AMENDMENT NO. 3 TO LONG-TERM SUBLEASE BETWEEN CITY OF ALAMEDA AND MARAD**

Page 4.

1                                    *which Sublessor intends to begin utilizing the*  
2                                    *unoccupied portions of the Pier Property*

3                    c. *If, after Sublessor has exercised this right, Sublessee*  
4                    *desires to utilize those portions of the Pier Property*  
5                    *being used by Sublessor, Sublessor shall terminate all*  
6                    *such uses within ten (10) business days after Sublessee*  
7                    *provides Sublessor with written notice of its intent to*  
8                    *reoccupy such portions of the Pier Property.*

9  
10                    “(ii)    Warehouse Property.

11  
12                    (A) *In the event the Sublessee terminates the portion of the Sublease*  
13                    *relating to the lease of the Pier Property, Sublessor may, under Subsection (C)*  
14                    *below, elect by written notice to the Sublessee to remove the Warehouse Property*  
15                    *from the Leasehold and terminate that portion of the Sublease relating to the*  
16                    *Warehouse Property.*

17  
18                    (B) *If the Sublessor signs a contract with a developer willing to undertake*  
19                    *the economic development of the Warehouse and contiguous developable*  
20                    *property, the Sublessor may remove the Warehouse Property from the Leasehold*  
21                    *and terminate that portion of the Sublease relating to the Warehouse Property.*

22  
23                    (C) *If Sublessor intends to terminate that portion of the Sublease relating*  
24                    *to the Warehouse Property under either Subsection (A) or (B) above*  
25                    *(“Warehouse Property Termination Right”), Sublessor shall provide Sublessee*  
26                    *with fourteen (14) month prior written notice (“Warehouse Termination*  
27                    *Notice”), in which event, Sublessee shall quietly and peacefully remove itself and*  
28                    *its property from the Warehouse Property and surrender the possession thereof*  
29                    *to Sublessor within such fourteen (14) month period (the “Warehouse Removal*  
30                    *Period”). If Sublessee vacates the Warehouse Property within the Warehouse*  
31                    *Removal Period, Sublessor shall provide a credit to Sublessee in the amount of*  
32                    *four (4) months of Warehouse Rent. If Sublessee fails to vacate the Warehouse*  
33                    *Property within the Warehouse Removal Period, Sublessee shall pay during the*  
34                    *hold-over period an amount equal to one hundred fifty percent (150.00%) of the*  
35                    *Warehouse Rent until Sublessee vacates the Warehouse Property.”*

36  
37                    d.     Exhibit F of the Sublease entitled “New Warehouse Building Plans” is removed in  
38                    its entirety.

39  
40                    e.     In order to conform to the new Pier Property boundaries, the Sublessor may relocate

**AMENDMENT NO. 3 TO LONG-TERM SUBLEASE BETWEEN CITY OF ALAMEDA AND MARAD**

Page 5.

1 or remove, the existing fence installed by Sublessor originally to establish a Sublessee compound,  
2 provided that the Sublessor must still comply with the security requirements set forth in Exhibit H  
3 to the Sublease.

4  
5 **Article 2. Amended Term of the Sublease:**

6  
7 a. Section 2 of the Sublease is amended to delete the following language of such  
8 section:

9  
10 ***“2. Term. The Term of this Sublease shall begin on May 1, 2006 and shall end on April***  
11 ***30, 2026, unless sooner terminated as hereinafter provided.”***

12  
13 and insert in lieu thereof, the following replacement language:

14  
15 ***“2. Term. As of the date of this Amendment No. 3 to the Sublease, the Term of this***  
16 ***Sublease now differs, as follows:***

17  
18 ***A. The Amended Term of the Sublease shall begin retroactively on October***  
19 ***1, 2017, and shall end September 30, 2018, unless sooner terminated as provided***  
20 ***in the Sublease.***

21  
22 ***B. The Sublessee may extend the term of the Sublease with respect to the Pier***  
23 ***Property, or the Warehouse Property, or both the Pier Property and the***  
24 ***Warehouse Property, for a period of one (1) year, by written notice to the***  
25 ***Sublessor within thirty (30) days before the expiration of the Sublease. The***  
26 ***Sublessee shall endeavor to give the Sublessor a preliminary written notice of its***  
27 ***intent to extend at least sixty (60) days before the Sublease expires. The***  
28 ***preliminary notice does not commit the Sublessee to an extension.***

29  
30 ***1. If the Sublessee exercises this option with respect only to the Pier***  
31 ***Property, then the Warehouse Property shall be removed from the***  
32 ***Leasehold, but the Sublease shall remain otherwise unchanged.***

33  
34 ***2. If the Sublessee exercises this option with respect only to the***  
35 ***Warehouse Property, then the Pier Property shall be removed from***  
36 ***the Leasehold, but the Sublease shall remain otherwise unchanged,***  
37 ***with the understanding that the Sublessor may terminate the***  
38 ***Leasehold with regard to the Warehouse Property, in the manner set***  
39 ***forth in Section 1.b.(ii)(A) of the Sublease, as amended by this***  
40 ***Amendment No. 3.***

**AMENDMENT NO. 3 TO LONG-TERM SUBLEASE BETWEEN CITY OF ALAMEDA AND MARAD**

Page 6.

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2                   3. *If the Sublessee exercises this option with respect to both the Pier*  
3 *Property and the Warehouse Property, then the Leasehold and the*  
4 *Sublease shall remain otherwise unchanged.*

5  
6                   4. *Sublessee is entitled to exercise its option eight (8) times, for a total*  
7 *duration of the Amended Term, provided that in no circumstances*  
8 *may the Amended Term of the Sublease extend beyond May 31, 2026.*  
9

10 **Article 3.     Payments:**

11  
12           a.     In order to address the reduction in the Pier Property, the Parties hereby agree to  
13 amend the Base Rent as calculated in Section 3.a. of the Sublease, and as further detailed in Exhibit  
14 G of the Sublease.

15  
16           b.     Exhibit G of the Sublease is hereby deleted, and substituted instead thereof are new  
17 Exhibits **“G1 – Amended Pier Rent”** and **“G2 – Amended Warehouse Rent,”** which are  
18 attached to this Amendment No. 3 as Exhibit B hereto. Exhibit G1 shall be effective retroactively  
19 on October 1, 2017. Exhibit G2 shall be effective retroactively on October 1, 2017, with its  
20 payment schedule remaining unchanged from its initial implementation in accordance with  
21 Amendment No. 2 to the Sublease.

22  
23           c.     Subsection 3.a. of the Sublease, as amended by Amendment No. 1 and Amendment  
24 No. 2, is deleted in its entirety, and replaced with the following language:

25  
26           ***“3.a. Amended Base Rent. Subject to rent increases as provided in subsections***  
27 ***b. and c. below, during the Term of this Sublease, Sublessee shall pay to***  
28 ***Sublessor a monthly rent hereinafter termed the “Amended Base Rent.”***  
29 ***This Amended Base Rent shall be the sum of the Amended Pier Rent and***  
30 ***Amended Warehouse Rent, which are calculated as follows:***

31  
32           ***1. Amended Pier Rent. The Amended Pier Rent is defined as***  
33 ***the rent due by Sublessee for its use and occupancy of the***  
34 ***Pier Property, as depicted in Exhibit “D-Amended” (which***  
35 ***is Exhibit A to this Amendment No. 3, attached hereto),***  
36 ***and shall be calculated on a per-assigned-vessel-per-day***  
37 ***cost of \$715.00 per-assigned-vessel-per-day, with a***  
38 ***minimum of three (3) assigned vessels per day for a***  
39 ***minimum daily rate of \$2,145.00. The Amended Pier Rent***  
40 ***shall be escalated annually by three (3) percent***

**AMENDMENT NO. 3 TO LONG-TERM SUBLEASE BETWEEN CITY OF ALAMEDA AND MARAD**

Page 7.

1 *commencing effective October 1, 2017, as shown in Exhibit*  
2 *G1 – Amended Pier Rent.*

- 3  
4 *i. Sublessee shall provide Sublessor with a written list of the*  
5 *vessels assigned to the Pier Property as of October 1, 2017.*  
6 *ii. Sublessee shall provide Sublessor with prompt written*  
7 *notice of any changes in the vessels assigned to the Pier*  
8 *Property so that the Amended Pier Rent can be accurately*  
9 *calculated.*

- 10  
11 2. *Amended Warehouse Rent.* *The Amended Warehouse*  
12 *Rent is defined as the rent due by Sublessee for its use and*  
13 *occupancy of the Warehouse Property, as amended in*  
14 *Amendment No. 2 to the Sublease. Commencing on*  
15 *February 1, 2011, the monthly Warehouse Rent shall be set*  
16 *at \$31,539.00 as it may be escalated annually by three (3)*  
17 *percent commencing effective February 1, 2012, as shown*  
18 *in Exhibit G2 – Amended Warehouse Rent.*

19  
20 *The Amended Base Rent shall be paid monthly in arrears. Sublessor*  
21 *agrees to provide Sublessee with a two-part monthly invoice on the first*  
22 *of each month for the previous month’s Amended Base Rent, detailing*  
23 *the Amended Pier Rent and the Amended Warehouse Rent separately, as*  
24 *shown in more detail in “Exhibit G1 – Amended Pier Rent” and “Exhibit*  
25 *G2 – Amended Warehouse Rent.” Sublessee agrees to pay such amount*  
26 *thirty (30) days after receipt of such invoice. If the date for submission*  
27 *of the invoice or payment of the invoice is a Saturday, Sunday or Federal*  
28 *Government holiday, the submission of the invoice or payment, by the*  
29 *Sublessor or Sublessee, as appropriate, shall be not later than the next*  
30 *business day.”*

31  
32 **Article 4. Notices:**

33  
34 The addresses in Section 30 of the Sublease for all notices permitted or required to be given  
35 pursuant to the Sublease are hereby updated as follows:

36  
37 If to Sublessee: U.S. Maritime Administration  
38 MAR 310, Room 7301  
39 400 Seventh Street, S.W.  
40 Washington, DC 20590



**AMENDMENT NO. 3 TO LONG-TERM SUBLEASE BETWEEN CITY OF ALAMEDA AND MARAD**

Page 9.

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**IN WITNESS WHEREOF**, the parties hereto have entered into this Amendment No. 3 as of the date of the last signature hereto.

**SUBLESSEE**

**SUBLESSOR**

**UNITED STATES MARITIME ADMINISTRATION**, an agency of the U.S. Government

**CITY OF ALAMEDA, CALIFORNIA**

By: \_\_\_\_\_  
Office of Management and Information Services

By: \_\_\_\_\_  
Jill Keimach  
City Manager

Dated: \_\_\_\_\_

Dated: \_\_\_\_\_

Approved as to form:

By: \_\_\_\_\_  
Janet Kern, Esq.  
City Attorney

**AMENDMENT NO. 3 TO LONG-TERM SUBLEASE BETWEEN CITY OF ALAMEDA  
AND MARAD**

Page 10.

1  
2  
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Exhibit A

(New Exhibit D-Amended)

[Reduced Physical Boundaries of Pier Property portion of Sublease]



Google

**AMENDMENT NO. 3 TO LONG-TERM SUBLEASE BETWEEN CITY OF ALAMEDA  
AND MARAD**

Page 11.

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Exhibit B

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(New Exhibit G1 – Amended Pier Rent and Exhibit G2 – Amended Warehouse Rent)

4

5

[Payment Schedule to Reflect Reduced Pier & Warehouse Occupancy]

Exhibit G1 - Amended Pier Rent

Revised Payment Schedule: Reduced Pier usage

Amended Lease Period: 1 OCT 2017 - 30 SEP 2018 (with option years)

Effective Date	Daily Per-Assigned-Vessel rate	Minimum Daily Rate
Oct-17	\$715.00	\$2,145.00
Nov-17	\$715.00	\$2,145.00
Dec-17	\$715.00	\$2,145.00
Jan-18	\$715.00	\$2,145.00
Feb-18	\$715.00	\$2,145.00
Mar-18	\$715.00	\$2,145.00
Apr-18	\$715.00	\$2,145.00
May-18	\$715.00	\$2,145.00
Jun-18	\$715.00	\$2,145.00
Jul-18	\$715.00	\$2,145.00
Aug-18	\$715.00	\$2,145.00
Sep-18	\$715.00	\$2,145.00
10/1/2018 - 9/30/2019 Option Year 1	\$736.45	\$2,209.35
10/1/2019 - 9/30/2020 Option Year 2	\$758.54	\$2,275.63
10/1/2020 - 9/30/2021 Option Year 3	\$781.30	\$2,343.90
10/1/2021 - 9/30/2022 Option Year 4	\$804.74	\$2,414.22
10/1/2022 - 9/30/2023 Option Year 5	\$828.88	\$2,486.64
10/1/2023 - 9/30/2024 Option Year 6	\$853.75	\$2,561.24
10/1/2024 - 9/30/2025 Option Year 7	\$879.36	\$2,638.08
10/1/2025 - 9/30/2026 Option Year 8	\$905.74	\$2,717.22

Exhibit G2 - Amended Warehouse Rent

Amended Lease Period: 1 OCT 2017 - 30 SEP 2018 (with option years)

Effective Date		Monthly Warehouse Rent	Monthly Electricity & Water/Sewer Charges
Oct-17		\$37,659.22	\$1,500.00
Nov-17		\$37,659.22	\$1,500.00
Dec-17		\$37,659.22	\$1,500.00
Jan-18		\$37,659.22	\$1,500.00
Feb-18		\$37,659.22	\$1,500.00
Mar-18		\$37,659.22	\$1,500.00
Apr-18		\$37,659.22	\$1,500.00
May-18		\$37,659.22	\$1,500.00
Jun-18		\$37,659.22	\$1,500.00
Jul-18		\$37,659.22	\$1,500.00
Aug-18		\$37,659.22	\$1,500.00
Sep-18		\$37,659.22	\$1,500.00
10/1/2018 - 9/30/2019	Option Year 1	\$38,789.00	\$1,500.00
10/1/2019 - 9/30/2020	Option Year 2	\$39,952.67	\$1,500.00
10/1/2020 - 9/30/2021	Option Year 3	\$41,151.25	\$1,500.00
10/1/2021 - 9/30/2022	Option Year 4	\$42,385.78	\$1,500.00
10/1/2022 - 9/30/2023	Option Year 5	\$43,657.36	\$1,500.00
10/1/2023 - 9/30/2024	Option Year 6	\$44,967.08	\$1,500.00
10/1/2024 - 9/30/2025	Option Year 7	\$46,316.09	\$1,500.00
10/1/2025 - 9/30/2026	Option Year 8	\$47,705.57	\$1,500.00

Total Monthly Warehouse Payment	Annual Warehouse Payment
\$39,159.22	\$469,910.64
\$39,159.22	\$469,910.64
\$39,159.22	\$469,910.64
\$39,159.22	\$469,910.64
\$39,159.22	\$469,910.64
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\$39,159.22	\$469,910.64
\$39,159.22	\$469,910.64
\$39,159.22	\$469,910.64
\$40,289.00	\$483,467.96
\$41,452.67	\$497,432.00
\$42,651.25	\$511,814.96
\$43,885.78	\$526,629.41
\$45,157.36	\$541,888.29
\$46,467.08	\$557,604.94
\$47,816.09	\$573,793.09
\$49,205.57	\$590,466.88