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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 and entered into this 1<sup>st</sup> day of October 2017 (**“Effective Date”**), by and  
18 between the **CITY OF ALAMEDA, CALIFORNIA, SUCCESSOR IN INTEREST TO**  
19 **ALAMEDA REUSE AND REDEVELOPMENT AUTHORITY** (“Sublessor”), and the **U.S.**  
20 **MARITIME ADMINISTRATION**, an agency of the 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

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

Page 2.

1       **WHEREAS**, on April 12, 2016, the United States conveyed the fee interest in the real  
2 property subject to the Sublease to the Sublessor, and pursuant to Article 12 of the Sublease, as of  
3 that date the Prime Lease from the United States to the Sublessor ceased to have any force and  
4 effect with regard to the Leased Premises, but the Sublease otherwise remains in full force and  
5 effect, and  
6

7       **WHEREAS**, Sublessor and Sublessee desire to reduce Sublessee's occupancy of certain  
8 portions of the premises and revise the Parties' obligations regarding such reduction.  
9

10       **NOW THEREFORE**, in consideration of the premises, and the mutual covenants, terms  
11 and conditions set forth herein, the Parties hereto agree as follows:  
12

13       **Article 1.     Premises:**  
14

15       a.       Exhibit D of the Sublease, as it relates to the physical boundaries of the Pier  
16 Property portion of the Sublease, and in order to redefine the term "Pier Property" and to depict  
17 the boundaries of the now reduced occupancy of what constitutes the Pier Property by Sublessee,  
18 is hereby deleted, and substituted instead thereof as a new **Exhibit "D-Amended"** is Exhibit A to  
19 this Amendment No. 3, attached hereto;  
20

21       b.       Section 1.b. of the Sublease entitled "Sublessor Optional Changes to Premises," as  
22 amended, is deleted in its entirety, and a new Section 1.b. is substituted instead, as follows:  
23

24       **"1.b.   Optional Changes to Premises:**  
25

26       **"(i)   Cooperation Between the Parties.**  
27

28       1. **Relocation of vessels from Pier 2.** *Sublessee shall have*  
29 *continued priority use of Pier 2 for layberthing activities under*  
30 *this Sublease. In order to maximize the use of Pier 2,*  
31 *Sublessor may request in writing that the Sublessee relocate*  
32 *vessels outside of the Pier Property to either Pier 1 or Pier 3,*  
33 *or relocate vessels to different locations on the Pier Property,*  
34 *all as designated by the Sublessor.*  
35

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

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

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

Page 3.

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

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

Page 4.

1                    *ten (10) business days in advance of the date upon*  
2                    *which Sublessor intends to begin utilizing the*  
3                    *unoccupied portions of the Pier Property*

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

10  
11                    “(ii)    Warehouse Property.

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

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

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

- 37  
38                    d.        Exhibit F of the Sublease entitled “New Warehouse Building Plans” is removed in  
39                    its entirety.  
40

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

Page 5.

e. In order to conform to the new Pier Property boundaries, the Sublessor may relocate or remove, the existing fence installed by Sublessor originally to establish a Sublessee compound, provided that the Sublessor must still comply with the security requirements set forth in Exhibit H to the Sublease.

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

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

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

and insert in lieu thereof, the following replacement language:

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

***A. The Amended Term of the Sublease shall begin on the Effective Date, and shall end exactly one year following the Effective Date, unless sooner terminated as provided in the Sublease.***

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

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

***2. If the Sublessee exercises this option with respect only to the Warehouse Property, then the Pier Property shall be removed from the Leasehold, but the Sublease shall remain otherwise unchanged, with the understanding that the Sublessor may terminate the Leasehold with regard to the Warehouse Property, in the manner set forth in Section 1.b.(ii)(A) of the Sublease, as amended by this***

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

Page 6.

*Amendment No. 3.*

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

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

**Article 3. Payments:**

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

b. Exhibit G of the Sublease is hereby deleted, and substituted instead thereof are new Exhibits “**G1 – Amended Pier Rent**” and “**G2 – Amended Warehouse Rent**,” which are attached to this Amendment No. 3 as Exhibit B hereto. Exhibit G1 shall be effective with regard to the Amended Pier Rent as of the first day of the month following the Sublessee’s relocation of its vessels to an area within the new definition of Pier Property in accordance with Exhibit D-Amended. Exhibit G2 shall be effective on the Effective Date, with its payment schedule remaining unchanged from its initial implementation in accordance with Amendment No. 2 to the Sublease.

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

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

**1. Amended Pier Rent. The Amended Pier Rent is defined as the rent due by Sublessee for its use and occupancy of the Pier Property, as depicted in Exhibit “D-Amended” (which is Exhibit A to this Amendment No. 3, attached hereto), and shall be calculated on a per-assigned-vessel-per-day cost of \$715.00 per-assigned-vessel-per-day, with a**

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

Page 7.

*minimum of three (3) assigned vessels per day for a minimum daily rate of \$2,145.00. The Amended Pier Rent shall be escalated annually by three (3) percent commencing effective October 1, 2017, as shown in Exhibit G1 – Amended Pier Rent.*

- i. Sublessee shall provide Sublessor with a written list of the vessels assigned to the Pier Property as of the effective date of this Amendment No. 3.*
- ii. Sublessee shall provide Sublessor with prompt written notice of any changes in the vessels assigned to the Pier Property so that the Amended Pier Rent can be accurately calculated.*

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

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

**Article 4. Notices:**

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

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

Page 8.

If to Sublessee: U.S. Maritime Administration  
MAR 310, Room 7301  
400 Seventh Street, S.W.  
Washington, DC 20590  
ATTN: Facilities Manager

If to Sublessor: City of Alameda  
Alameda City hall  
2263 Santa Clara Avenue  
Alameda, California 94501  
ATTN: City Manager

With a copy to: George R. Schlossberg, Esq.  
Kutak Rock LLP  
1625 "Eye" Street, N.W.  
Washington, D.C. 20006  
202-828-2418  
[george.schlossberg@kutakrock.com](mailto:george.schlossberg@kutakrock.com)

**Article 5. Dredging:**

Notwithstanding the obligations of the Parties with regard to bearing the costs of dredging the Federal channel that provides access to Alameda Point Piers 1, 2, and 3, as set forth in Section 19.c. of the Sublease, the Sublessor made the unilateral offer to bear some of the actual expenses in connection with Dredging Activities, which offer was not accepted by the Sublessee. In the event that the Sublessee and Sublessor decide to engage in future Dredging Activities such that the Sublessee desires to expand the footprint of the reduced Pier Property as described in Exhibit D-Amended, the Parties shall reestablish the original terms and conditions of the Pier Property portion of the Sublease.

**Article 6. Effective Date and Conflict Clause:**

All Articles of this Amendment No. 3 shall be effective on the Effective Date. All other terms and conditions of the Sublease shall remain effective as written. In the event of a conflict between the terms of this Amendment No. 3 and the Sublease, the terms of this Amendment No. 3 shall govern.

**[Signature Page Follows]**



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

Page 9.

**IN WITNESS WHEREOF**, the parties hereto have entered into this Amendment No. 3  
on the Effective Date.

**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: \_\_\_\_\_  
City Manager

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  
3  
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Exhibit A

(New Exhibit D-Amended)

[Reduced Physical Boundaries of Pier Property portion of Sublease]

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

Page 11.

1 Exhibit B

2

3 (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 (MDB draft) (002)

Exhibit G1 - Amended Pier Rent

Revised Payment Schedule: Reduced Pier usage

Amended Lease Period: 1 JUL 2017 - 30 JUN 2018 (with option years)

Effective Date		Daily Per-Assigned- Vessel rate	Minimum Daily Rate
Jul-17	Month 1	\$715.00	\$2,145.00
Aug-17	Month 2	\$715.00	\$2,145.00
Sep-17	Month 3	\$715.00	\$2,145.00
Oct-17	Month 4	\$715.00	\$2,145.00
Nov-17	Month 5	\$715.00	\$2,145.00
Dec-17	Month 6	\$715.00	\$2,145.00
Jan-18	Month 7	\$715.00	\$2,145.00
Feb-18	Month 8	\$715.00	\$2,145.00
Mar-18	Month 9	\$715.00	\$2,145.00
Apr-18	Month 10	\$715.00	\$2,145.00
May-18	Month 11	\$715.00	\$2,145.00
Jun-18	Month 12	\$715.00	\$2,145.00
7/1/2018 - 6/30/2019	Option Year 1	\$736.45	\$2,209.35
7/1/2019 - 6/30/2020	Option Year 2	\$758.54	\$2,275.63
7/1/2020 - 6/30/2021	Option Year 3	\$781.30	\$2,343.90
7/1/2021 - 6/30/2022	Option Year 4	\$804.74	\$2,414.22
7/1/2022 - 6/30/2023	Option Year 5	\$828.88	\$2,486.64
7/1/2023 - 6/30/2024	Option Year 6	\$853.75	\$2,561.24
7/1/2024 - 6/30/2025	Option Year 7	\$879.36	\$2,638.08
7/1/2025 - 6/30/2026	Option Year 8	\$905.74	\$2,717.22

	Piers - Baseline	Pier Rent*	Bldg. 168 Whse. - Baseline		Warehouse Rent**	Base Rent
2006 Month 1	\$150,000	\$150,000	\$38,000		\$38,000	\$188,000
Month 2	\$150,000	\$150,000	\$38,000		\$38,000	\$188,000
Month 3	\$150,000	\$150,000	\$38,000		\$38,000	\$188,000
Month 4	\$150,000	\$150,000	\$38,000		\$38,000	\$188,000
Month 2	\$150,000	\$150,000	\$38,000		\$38,000	\$188,000
Month 5	\$150,000	\$150,000	\$38,000		\$38,000	\$188,000
Month 6	\$150,000	\$150,000	\$38,000		\$38,000	\$188,000
Month 7	\$150,000	\$150,000	\$38,000		\$38,000	\$188,000
Month 8	\$150,000	\$150,000	\$38,000		\$38,000	\$188,000
Month 9	\$150,000	\$150,000	\$38,000		\$38,000	\$188,000
Month 10	\$150,000	\$150,000	\$38,000		\$38,000	\$188,000
Month 11	\$150,000	\$150,000	\$38,000		\$38,000	\$188,000
Month 12	\$150,000	\$150,000	\$38,000		\$38,000	\$188,000
2007 Year 2	\$1,800,000	\$1,800,000	\$456,000		<b>\$469,680</b>	\$2,269,680
2008 Year 3	\$1,800,000	<b>\$1,854,000</b>	\$456,000	\$154,500	\$483,770	\$2,337,770
2009 Year 4	\$1,800,000	\$1,909,620	\$456,000	\$159,135	\$498,284	\$2,407,904
2010 Year 5	\$1,800,000	\$1,966,909	\$456,000	\$163,909	\$513,232	\$2,480,141
2011 Year 6	\$1,800,000	\$2,025,916	\$456,000	\$168,826	\$528,629	\$2,554,545
2012 Year 7	\$1,800,000	\$2,086,693	\$456,000	\$173,891	\$544,488	\$2,631,181
2013 Year 8	\$1,800,000	\$2,149,294	\$456,000	\$179,108	\$560,822	\$2,710,117
2014 Year 9	\$1,800,000	\$2,213,773	\$456,000	\$184,481	\$577,647	\$2,791,420
2015 Year 10	\$1,800,000	\$2,280,186	\$456,000	\$190,016	\$594,977	\$2,875,163
2016 Year 11	\$1,800,000	\$2,348,592	\$456,000	\$195,716	\$612,826	\$2,961,418
2017 Year 12						
2018 Year 13						
2019 Year 14						

Payment Schedule #2: Exclusive Use of Pier 3 Increase in Month 29 & No Warehouse Construction  
Lease Period: 1 FEB 2006 - 31 JAN 2026

CY.		Piers - Baseline	Pier Rent
2006	Year 1	\$1,800,000	\$1,800,000
2007	Year 2	\$1,800,000	\$1,800,000
	Month 25	\$150,000	<b>\$154,500</b>
	Month 26	\$150,000	\$154,500
	Month 27	\$150,000	\$154,500
	Month 28	\$150,000	\$154,500
	Month 29*	\$150,000	<b>\$159,908</b>
	Month 30	\$150,000	\$159,908
	Month 31	\$150,000	\$159,908
	Month 32	\$150,000	\$159,908
	Month 33	\$150,000	\$159,908
	Month 34	\$150,000	\$159,908
	Month 35	\$150,000	\$159,908
2008	Month 36	\$150,000	\$159,908
2009	Year 4	\$1,800,000	<b>\$1,954,178</b>
2010	Year 5	\$1,800,000	\$2,012,803
2011	Year 6	\$1,800,000	\$2,073,187
2012	Year 7	\$1,800,000	\$2,135,383
2013	Year 8	\$1,800,000	\$2,199,444
2014	Year 9	\$1,800,000	\$2,265,428
2015	Year 10	\$1,800,000	\$2,333,390
2016	Year 11	\$1,800,000	\$2,403,392
2017	Year 12	\$1,800,000	\$2,475,494
2018	Year 13	\$1,800,000	\$2,549,759
2019	Year 14	\$1,800,000	\$2,626,252
2020	Year 15	\$1,800,000	\$2,705,039
2021	Year 16	\$1,800,000	\$2,786,190
2022	Year 17	\$1,800,000	\$2,869,776
2023	Year 18	\$1,800,000	\$2,955,869
2024	Year 19	\$1,800,000	\$3,044,545
2025	Year 20	\$1,800,000	\$3,135,882

\* Exclusive Use of Pier 3 Increase is equal to a 3.5% increase from the previous month's payment (\$154,500 X 1.035 = \$159,908); this increase is also included in the 3% escalation.

\* This example of a Month 29 Exclusive Use of Pier 3 Increase is for illustrative purposes only. If this event occurs, Exhibit G will need to be recalculated.

Payment Schedule #3: No Pier Changes & New Warehouse Occupied in Month 29  
Lease Period: 1 FEB 2006 - 31 JAN 2026

CY		Piers - Baseline	Pier Rent	New Whse. Bldg. Rent*	Relocation Rent Credit
2006	Year 1	\$1,800,000	\$1,800,000		
2007	Year 2	\$1,800,000	\$1,800,000		
	Month 25	\$150,000	<b>\$154,500</b>		
	Month 26	\$150,000	\$154,500		
	Month 27	\$150,000	\$154,500		
	Month 28	\$150,000	\$154,500		
	Month 29	\$150,000	\$154,500	<b>\$65,296</b>	\$100,000
	Month 30	\$150,000	\$154,500		
	Month 31	\$150,000	\$154,500		
	Month 32	\$150,000	\$154,500		
	Month 33	\$150,000	\$154,500		
	Month 34	\$150,000	\$154,500		
	Month 35	\$150,000	\$154,500		
2008	Month 36	\$150,000	\$154,500		
2009	Year 4	\$1,800,000	\$1,909,620		
2010	Year 5	\$1,800,000	\$1,966,909		
2011	Year 6	\$1,800,000	\$2,025,916		
2012	Year 7	\$1,800,000	\$2,086,693		
2013	Year 8	\$1,800,000	\$2,149,294		
2014	Year 9	\$1,800,000	\$2,213,773		
2015	Year 10	\$1,800,000	\$2,280,186		
2016	Year 11	\$1,800,000	\$2,348,592		
2017	Year 12	\$1,800,000	\$2,419,049		
2018	Year 13	\$1,800,000	\$2,491,621		
2019	Year 14	\$1,800,000	\$2,566,370		
2020	Year 15	\$1,800,000	\$2,643,361		
2021	Year 16	\$1,800,000	\$2,722,662		
2022	Year 17	\$1,800,000	\$2,804,341		
2023	Year 18	\$1,800,000	\$2,888,472		
2024	Year 19	\$1,800,000	\$2,975,126		
2025	Year 20	\$1,800,000	\$3,064,380		

\* New Warehouse Bldg. Rent =  $(\$ .70/\text{SQFT} \times 88,000 \text{ SQFT} = \$61,600) \times 1.06 = \$65,296$

\* Cost Per SQFT (\$ .70) times Est. SQFT of New Warehouse (88,000), times Estimated December 2005 Construction CPI Index Escalation (1.06).

\* For example, if the December 2005 CPI is 208.0 and the April 2008 CPI is 224.7, then the CPI increase is  $224.7/208.0 = 1.08$ .

\* This example of a Month 29 New Warehouse Building Rent is for illustrative purposes only. If this event occurs, Exhibit G will need to be recalculated.

Exhibit G2 - Amended Warehouse Rent

Amended Lease Period: 1 JUL 2017 - 30 JUN 2018 (with option years)

Effective Date		Monthly Warehouse Rent	Monthly Electricity & Water/Sewer Charges	Total Monthly Warehouse Payment	Annual Warehouse Payment
Jul-17	Month 1	\$37,659.22	\$1,500.00	\$39,159.22	\$469,910.58
Aug-17	Month 2	\$37,659.22	\$1,500.00	\$39,159.22	\$469,910.58
Sep-17	Month 3	\$37,659.22	\$1,500.00	\$39,159.22	\$469,910.58
Oct-17	Month 4	\$37,659.22	\$1,500.00	\$39,159.22	\$469,910.58
Nov-17	Month 5	\$37,659.22	\$1,500.00	\$39,159.22	\$469,910.58
Dec-17	Month 6	\$37,659.22	\$1,500.00	\$39,159.22	\$469,910.58
Jan-18	Month 7	\$37,659.22	\$1,500.00	\$39,159.22	\$469,910.58
Feb-18	Month 8	\$37,659.22	\$1,500.00	\$39,159.22	\$469,910.58
Mar-18	Month 9	\$37,659.22	\$1,500.00	\$39,159.22	\$469,910.58
Apr-18	Month 10	\$37,659.22	\$1,500.00	\$39,159.22	\$469,910.58
May-18	Month 11	\$37,659.22	\$1,500.00	\$39,159.22	\$469,910.58
Jun-18	Month 12	\$37,659.22	\$1,500.00	\$39,159.22	\$469,910.58
7/1/2018 - 6/30/2019	Option Year 1	\$38,788.99	\$1,500.00	\$40,288.99	\$483,467.90
7/1/2019 - 6/30/2020	Option Year 2	\$39,952.66	\$1,500.00	\$41,452.66	\$497,431.94
7/1/2020 - 6/30/2021	Option Year 3	\$41,151.24	\$1,500.00	\$42,651.24	\$511,814.90
7/1/2021 - 6/30/2022	Option Year 4	\$42,385.78	\$1,500.00	\$43,885.78	\$526,629.34
7/1/2022 - 6/30/2023	Option Year 5	\$43,657.35	\$1,500.00	\$45,157.35	\$541,888.22
7/1/2023 - 6/30/2024	Option Year 6	\$44,967.07	\$1,500.00	\$46,467.07	\$557,604.87
7/1/2024 - 6/30/2025	Option Year 7	\$46,316.08	\$1,500.00	\$47,816.08	\$573,793.02
7/1/2025 - 6/30/2026	Option Year 8	\$47,705.57	\$1,500.00	\$49,205.57	\$590,466.81



Exhibit G2 - Amended Warehouse Rent (MDB draft)

Payment Schedule #1: No Pier Changes & No Warehouse Construction  
Lease Period: 1 MAY2006 - 30 APR 2026

	Piers - Baseline	Pier Rent*	Bldg. 168 Whse. - Baseline	Warehouse Rent**	Base Rent
Month 1	\$150,000	\$150,000	\$38,000	\$38,000	\$188,000
Month 2	\$150,000	\$150,000	\$38,000	\$38,000	\$188,000
Month 3	\$150,000	\$150,000	\$38,000	\$38,000	\$188,000
Month 4	\$150,000	\$150,000	\$38,000	\$38,000	\$188,000
Month 2	\$150,000	\$150,000	\$38,000	\$38,000	\$188,000
Month 5	\$150,000	\$150,000	\$38,000	\$38,000	\$188,000
Month 6	\$150,000	\$150,000	\$38,000	\$38,000	\$188,000
Month 7	\$150,000	\$150,000	\$38,000	\$38,000	\$188,000
Month 8	\$150,000	\$150,000	\$38,000	\$38,000	\$188,000
Month 9	\$150,000	\$150,000	\$38,000	\$38,000	\$188,000
Month 10	\$150,000	\$150,000	\$38,000	\$38,000	\$188,000
Month 11	\$150,000	\$150,000	\$38,000	\$38,000	\$188,000
Month 12	\$150,000	\$150,000	\$38,000	\$38,000	\$188,000
Year 2	\$1,800,000	\$1,800,000	\$456,000	<b>\$469,680</b>	\$2,269,680
Year 3	\$1,800,000	<b>\$1,854,000</b>	\$456,000	\$483,770	\$2,337,770
Year 4	\$1,800,000	\$1,909,620	\$456,000	\$498,284	\$2,407,904
Year 5	\$1,800,000	\$1,966,909	\$456,000	\$513,232	\$2,480,141
Year 6	\$1,800,000	\$2,025,916	\$456,000	\$528,629	\$2,554,545
Year 7	\$1,800,000	\$2,086,693	\$456,000	\$544,488	\$2,631,181
Year 8	\$1,800,000	\$2,149,294	\$456,000	\$560,822	\$2,710,117
Year 9	\$1,800,000	\$2,213,773	\$456,000	\$577,647	\$2,791,420
Year 10	\$1,800,000	\$2,280,186	\$456,000	\$594,977	\$2,875,163
Year 11	\$1,800,000	\$2,348,592	\$456,000	\$612,826	\$2,961,418
Year 12	\$1,800,000	\$2,419,049	\$456,000	\$631,211	\$3,050,260
Year 13	\$1,800,000	\$2,491,621	\$456,000	\$650,147	\$3,141,768
Year 14	\$1,800,000	\$2,566,370	\$456,000	\$669,651	\$3,236,021
Year 15	\$1,800,000	\$2,643,361	\$456,000	\$689,741	\$3,333,102
Year 16	\$1,800,000	\$2,722,662	\$456,000	\$710,433	\$3,433,095
Year 17	\$1,800,000	\$2,804,341	\$456,000	\$731,746	\$3,536,087
Year 18	\$1,800,000	\$2,888,472	\$456,000	\$753,699	\$3,642,170
Year 19	\$1,800,000	\$2,975,126	\$456,000	\$776,309	\$3,751,435
Year 20	\$1,800,000	\$3,064,380	\$456,000	\$799,599	\$3,863,978

\* Pier Rent starts to escalate by 3% in Month 25 ( $(\$1,800,000 \times 1.03) / 12$ ) = \$154,500 X 12 Months = \$1,854,000.

\*\* Warehouse Rent starts to escalate by 3% in Month 13 ( $(\$456,000 \times 1.03) / 12$ ) = \$39,140 X 12 Months = \$469,680.

Exhibit G2 - Amended Warehouse Rent (MDB draft)

Payment Schedule #2: Exclusive Use of Pier 3 Increase in Month 29 & No Warehouse Construction  
Lease Period: 1 MAY2006 - 30 APR 2026

	Piers - Baseline	Pier Rent	Bldg. 168 Whse. - Baseline	Warehouse Rent	Base Rent
Year 1	\$1,800,000	\$1,800,000	\$456,000	\$456,000	\$2,256,000
Year 2	\$1,800,000	\$1,800,000	\$456,000	<b>\$469,680</b>	\$2,269,680
Month 25	\$150,000	<b>\$154,500</b>	\$38,000	\$40,314	\$194,814
Month 26	\$150,000	\$154,500	\$38,000	\$40,314	\$194,814
Month 27	\$150,000	\$154,500	\$38,000	\$40,314	\$194,814
Month 28	\$150,000	\$154,500	\$38,000	\$40,314	\$194,814
Month 29*	\$150,000	<b>\$159,908</b>	\$38,000	\$40,314	\$200,222
Month 30	\$150,000	\$159,908	\$38,000	\$40,314	\$200,222
Month 31	\$150,000	\$159,908	\$38,000	\$40,314	\$200,222
Month 32	\$150,000	\$159,908	\$38,000	\$40,314	\$200,222
Month 33	\$150,000	\$159,908	\$38,000	\$40,314	\$200,222
Month 34	\$150,000	\$159,908	\$38,000	\$40,314	\$200,222
Month 35	\$150,000	\$159,908	\$456,000	\$40,314	\$200,222
Month 36	\$150,000	\$159,908	\$456,000	\$40,314	\$200,222
Year 4	\$1,800,000	<b>\$1,954,178</b>	\$456,000	\$498,283	\$2,452,461
Year 5	\$1,800,000	\$2,012,803	\$456,000	\$513,231	\$2,526,035
Year 6	\$1,800,000	\$2,073,187	\$456,000	\$528,628	\$2,601,816
Year 7	\$1,800,000	\$2,135,383	\$456,000	\$544,487	\$2,679,870
Year 8	\$1,800,000	\$2,199,444	\$456,000	\$560,822	\$2,760,266
Year 9	\$1,800,000	\$2,265,428	\$456,000	\$577,647	\$2,843,074
Year 10	\$1,800,000	\$2,333,390	\$456,000	\$594,976	\$2,928,366
Year 11	\$1,800,000	\$2,403,392	\$456,000	\$612,825	\$3,016,217
Year 12	\$1,800,000	\$2,475,494	\$456,000	\$631,210	\$3,106,704
Year 13	\$1,800,000	\$2,549,759	\$456,000	\$650,146	\$3,199,905
Year 14	\$1,800,000	\$2,626,252	\$456,000	\$669,651	\$3,295,902
Year 15	\$1,800,000	\$2,705,039	\$456,000	\$689,740	\$3,394,779
Year 16	\$1,800,000	\$2,786,190	\$456,000	\$710,432	\$3,496,623
Year 17	\$1,800,000	\$2,869,776	\$456,000	\$731,745	\$3,601,521
Year 18	\$1,800,000	\$2,955,869	\$456,000	\$753,698	\$3,709,567
Year 19	\$1,800,000	\$3,044,545	\$456,000	\$776,309	\$3,820,854
Year 20	\$1,800,000	\$3,135,882	\$456,000	\$799,598	\$3,935,480

\* Exclusive Use of Pier 3 Increase is equal to a 3.5% increase from the previous month's payment (\$154,500 X 1.035 = \$159,908); this increase is also included in the 3% escalation.

\* This example of a Month 29 Exclusive Use of Pier 3 Increase is for illustrative purposes only. If this event occurs, Exhibit G will need to be recalculated.

Exhibit G2 - Amended Warehouse Rent (MDB draft)

Payment Schedule #3: No Pier Changes & New Warehouse Occupied in Month 29  
Lease Period: 1 MAY2006 - 30 APR 2026

	Piers - Baseline	Pier Rent	Bldg. 168 Whse. - Baseline	New Whse. Bldg. Rent*	Relocation Rent Credit	Warehouse Rent	Base Rent
Year 1	\$1,800,000	\$1,800,000	\$456,000			\$456,000	\$2,256,000
Year 2	\$1,800,000	\$1,800,000	\$456,000			<b>\$469,680</b>	\$2,269,680
Month 25	\$150,000	<b>\$154,500</b>	\$38,000			\$40,314	\$194,814
Month 26	\$150,000	\$154,500	\$38,000			\$40,314	\$194,814
Month 27	\$150,000	\$154,500	\$38,000			\$40,314	\$194,814
Month 28	\$150,000	\$154,500	\$38,000			\$40,314	\$194,814
Month 29	\$150,000	\$154,500	\$38,000	<b>\$65,296</b>	\$100,000	\$0	\$154,500
Month 30	\$150,000	\$154,500				\$30,592	\$185,092
Month 31	\$150,000	\$154,500				\$65,296	\$219,796
Month 32	\$150,000	\$154,500				\$65,296	\$219,796
Month 33	\$150,000	\$154,500				\$65,296	\$219,796
Month 34	\$150,000	\$154,500				\$65,296	\$219,796
Month 35	\$150,000	\$154,500				\$65,296	\$219,796
Month 36	\$150,000	\$154,500				\$65,296	\$219,796
Year 4	\$1,800,000	\$1,909,620				\$807,059	\$2,716,679
Year 5	\$1,800,000	\$1,966,909				\$831,270	\$2,798,179
Year 6	\$1,800,000	\$2,025,916				\$856,208	\$2,882,124
Year 7	\$1,800,000	\$2,086,693				\$881,895	\$2,968,588
Year 8	\$1,800,000	\$2,149,294				\$908,352	\$3,057,646
Year 9	\$1,800,000	\$2,213,773				\$935,602	\$3,149,375
Year 10	\$1,800,000	\$2,280,186				\$963,670	\$3,243,856
Year 11	\$1,800,000	\$2,348,592				\$992,580	\$3,341,172
Year 12	\$1,800,000	\$2,419,049				\$1,022,358	\$3,441,407
Year 13	\$1,800,000	\$2,491,621				\$1,053,028	\$3,544,649
Year 14	\$1,800,000	\$2,566,370				\$1,084,619	\$3,650,989
Year 15	\$1,800,000	\$2,643,361				\$1,117,158	\$3,760,518
Year 16	\$1,800,000	\$2,722,662				\$1,150,673	\$3,873,334
Year 17	\$1,800,000	\$2,804,341				\$1,185,193	\$3,989,534
Year 18	\$1,800,000	\$2,888,472				\$1,220,748	\$4,109,220
Year 19	\$1,800,000	\$2,975,126				\$1,257,371	\$4,232,497
Year 20	\$1,800,000	\$3,064,380				\$1,295,092	\$4,359,472

\* New Warehouse Bldg. Rent =  $((\$ .70/\text{SQFT} \times 88,000 \text{ SQFT} = \$61,600) \times 1.06) = \$65,296$

\* Cost Per SQFT (\$.70) times Est. SQFT of New Warehouse (88,000), times Estimated December 2005 Construction CPI Index Escalation (1.06).

\* For example, if the December 2005 CPI is 208.0 and the April 2008 CPI is 224.7, then the CPI increase is  $224.7/208.0 = 1.08$ .

\* This example of a Month 29 New Warehouse Building Rent is for illustrative purposes only. If this event occurs, Exhibit G will need to be recalculated.

	Year Starting in FEB	Monthly Warehouse Rent	Monthly Electricity & Water/Sewer Charges	Total Monthly Warehouse Payment	Annual Warehouse Payment
Year 6	<b>2011</b>	<b>\$31,539.00</b>	\$1,500.00	\$33,039.00	\$396,468.00
Year 7	2012	\$32,485.17	\$1,500.00	\$33,985.17	\$407,822.04
Year 8	2013	\$33,459.73	\$1,500.00	\$34,959.73	\$419,516.70
Year 9	2014	\$34,463.52	\$1,500.00	\$35,963.52	\$431,562.20
Year 10	2015	\$35,497.42	\$1,500.00	\$36,997.42	\$443,969.07
Year 11	2016	\$36,562.35	\$1,500.00	\$38,062.35	\$456,748.14
<b>Year 12</b>	<b>2017</b>	<b>\$37,659.22</b>	<b>\$1,500.00</b>	<b>\$39,159.22</b>	<b>\$469,910.58</b>
Year 13	2018	\$38,788.99	\$1,500.00	\$40,288.99	\$483,467.90
Year 14	2019	\$39,952.66	\$1,500.00	\$41,452.66	\$497,431.94
Year 15	2020	\$41,151.24	\$1,500.00	\$42,651.24	\$511,814.90
Year 16	2021	\$42,385.78	\$1,500.00	\$43,885.78	\$526,629.34
Year 17	2022	\$43,657.35	\$1,500.00	\$45,157.35	\$541,888.22
Year 18	2023	\$44,967.07	\$1,500.00	\$46,467.07	\$557,604.87
Year 19	2024	\$46,316.08	\$1,500.00	\$47,816.08	\$573,793.02
Year 20	2025	\$47,705.57	\$1,500.00	\$49,205.57	\$590,466.81