

**SENT VIA EMAIL**

August 7, 2018

City of Long Beach
Pat West, City Manager
333 W. Ocean Blvd.
Long Beach, CA 90802

34432


Re: Consent to Transfer

Dear Mr. West,

We are requesting that the City of Long Beach affirm its consent, as of the date of this letter, given pursuant to the letter from Urban Commons to the City of Long Beach dated June 6, 2018 and attached hereto as Exhibit A, that ownership of Urban Commons Queensway, LLC, ("Queensway"), the leaseholder for the Queen Mary pursuant to the Amended and Restated Lease (the "Lease") dated November 1, 2016, has been transferred such that the sole member of Queensway is now USHIL Holdco, LLC ("USHIL").

I am available to discuss this further if necessary. Thank you for your assistance.


Sincerely,
Urban Commons, LLC



Dan Zaharoni
Chief Development Officer

cc: Tom Modica

The City of Long Beach acknowledges and consents to the transfer of ownership of Urban Commons Queensway, LLC, to USHIL.

By: 
Name: Patrick West
Title: City Manager

Dated: 8/10/18

APPROVED AS TO FORM



8-7-2018
CHARLES PARKIN, City Attorney

By 
RICHARD ANTHONY
DEPUTY CITY ATTORNEY

EXHIBIT A

URBAN COMMONS, LLC



SENT VIA EMAIL ONLY

June 6, 2018

City of Long Beach
Pat West, City Manager
333 W. Ocean Blvd.
Long Beach, CA 90802

Re: Consent to Transfer

Dear Mr. West,

As you are aware, Urban Commons Queensway, LLC, ("Queensway") is the leaseholder for the Queen Mary pursuant to the Amended and Restated Lease (Lease No. 34432, or the "Lease") dated November 1, 2016. Per the attached Operating Agreement dated April 14, 2016, UCQ Holdings, LLC, ("Holdings") was the sole member of Queensway. (See Attachment #1). Holdings had more than 50 members (See Attachment #2); however, note that the largest member, at 50% was Urban Commons, LLC ("UC"). UC is owned 50/50 by Howard Wu and Taylor Woods. (See Attachment #3).

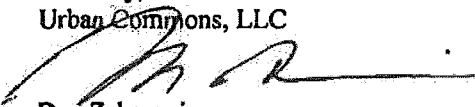
In summary, Queensway is wholly owned by Holdings which is 50% owned by UC. Thus, as currently structured, Messrs. Wu and Woods own 50% of the leasehold interest. This was the structure which existed at the time that the Lease was executed and which the City has already approved.


You may also be aware that recently UC successfully completed a \$375M refinance which required a significant restructuring of most of their assets. The primary vehicle for this restructuring is a new LLC called USHIL Holdco, LLC, ("USHIL") (See Attachment #4). USHIL is wholly owned by USHIL Holdco Member, LLC ("Holdco Member"), which, like Urban Commons, is owned 50/50 by Messrs. Wu and Woods. (See Attachment #5). As part of this restructuring, Messrs. Wu and Woods are proposing that Holdings transfer its entire interest in Queensway to USHIL. (See Attachment #6). This would have the effect of taking entities controlled by Messrs. Wu and Woods from 50% ownership of the leaseholder to 100% of the leaseholder.

Pursuant to Section 9.2 et seq of the Lease, any transfer of ownership and control of the Tenant must be approved by the City. In this instance, Messrs. Wu and Woods – with whom the City has always had its relationship – are increasing their ownership stake from 50% to 100%. We would appreciate if the City could review the attached documents and provide its written consent to this transfer at your earliest convenience.

I am available to discuss this further if necessary. Thank you for your assistance. APPROVED AS TO FORM

Sincerely,
Urban Commons, LLC


Dan Zaharoni
Chief Development Officer

6/11/2018
CHARLES PARKIN, City Attorney
By 
LINDA T. VU
DEPUTY CITY ATTORNEY

Transfer approved by the City of Long Beach pursuant to Section 9.2 et seq of the Lease.


Name:
Title:

Tom Modica
Assistant City Manager

Date 6/11/18

777 S. Figueroa St., Suite 2050 Los Angeles, CA 90017

www.urban-commons.com