



**COUNTY OF LOS ANGELES
DEPARTMENT OF BEACHES AND HARBORS**

May 7, 2002



STAN WISNIEWSKI
DIRECTOR

KERRY GOTTLIEB
CHIEF DEPUTY

The Honorable Board of Supervisors
County of Los Angeles
383 Kenneth Hahn Hall of Administration
500 West Temple Street
Los Angeles, CA 90012

Dear Supervisors:

**ASSIGNMENT OF LEASEHOLD INTEREST
PARCEL 22R - FOGHORN INN - LEASE NO. 6001 - MARINA DEL REY
(FOURTH DISTRICT)
(3 VOTES)**

IT IS RECOMMENDED THAT YOUR BOARD:

1. Find that the proposed assignment of the leasehold interest in Parcel 22R is categorically exempt under the provisions of the California Environmental Quality Act pursuant to Class 1(r) of the County's Environmental Document Reporting Procedures and Guidelines.
2. Approve and authorize the Chairman of the Board to sign three copies of the Consent to Assignment of Lease by Marina Properties Company, a California general partnership, to Marina Properties, LLC, a California limited liability company.
3. Instruct the Executive Officer of the Board to acknowledge and return two (2) copies of the executed Consent to the Department of Beaches and Harbors.

PURPOSE/JUSTIFICATION OF RECOMMENDED ACTION

Marina Properties Company, a California general partnership, is requesting the County's consent to the transfer of its leasehold interest in Parcel 22 to Marina Properties, LLC, a California limited liability company. Section 22.C of the lease for this parcel requires that the lessee obtain the County's approval prior to the transfer of its leasehold interest. County's consent may not be unreasonably withheld.

This assignment is purely a change in the form of the business organization of the current lessee and will result in no change in beneficial ownership. The lessee desires to take advantage of provisions of state law contained in the Uniform Partnership Act of 1994 (the

"Act"), which allow a partnership to convert to a limited liability company if the existing partners' respective ownership interests are retained in the ownership structure and if the new entity adopts a plan of conversion and otherwise complies with the filing requirements of the Act. Following conversion, the limited liability company is for all purposes the same entity that existed before the conversion.

The Department of Beaches and Harbors' policy provides that the County's approval or denial of any assignment will be based upon the following criteria: a) financial condition of the assignee; b) price to be paid for the leasehold as it relates to the existing development or potential development thereon; and, c) management of the leasehold by the new lessee being in the best interest of the entire Marina.

Our review has found that: a) the proposed assignee, Marina Properties, LLC, is financially sound; b) price is immaterial as this assignment does not involve the sale of a leasehold; and, c) management of the leasehold will remain unchanged.

Implementation of Strategic Plan Goals

This recommendation is consistent with the County's Strategic Plan goal, Service Excellence, in that it allows the lessee to realign its ownership interest in the leasehold to accommodate its legal purposes, while still ensuring the County's interests are adequately protected.

FISCAL IMPACT/FINANCING

There is no impact to the County.

FACTS AND PROVISIONS/LEGAL REQUIREMENTS

On June 1, 1962, the County entered into a 60-year lease with lessee's predecessor for the premises known as Parcel 22R, Marina del Rey, which is commonly known as the Foghorn Inn. The parcel consists of 1.79 acres of land and the lessee has improved it with a hotel, a restaurant, and retail development. The parcel does not include any water area.

This proposed assignment will transfer the interest of the current lessee, Marina Properties Company, a California general partnership (MPC), to a new legal entity, Marina Properties, LLC, a California limited liability company (MPL). However, the ultimate beneficial ownership of the leasehold will remain unchanged. William D. Arnold and Charles E. McGuire, who are equal partners in MPC, will each own a 50% interest in MPL. MPL will assume and agree to perform all of the lessee's obligations, past, present and future, created by the lease.

The Honorable Board of Supervisors
May 7, 2002
Page 3

The Small Craft Harbor Commission voted to endorse the Director's recommendation that your Board consent to this proposed assignment.

The enclosed Consent to Assignment of Lease, together with the "Assignment of Lease" and "Acceptance of Assignment of Lease", fully executed by the beneficial owners, have been reviewed and approved by County Counsel as to form.

IMPACT ON CURRENT SERVICES (OR PROJECTS)

There is no impact to the County.

NEGATIVE DECLARATION/ENVIRONMENTAL IMPACT REPORTS

This proposed lease assignment is categorically exempt under the provisions of the California Environmental Quality Act pursuant to Class 1 (r) of the County's Environmental Document Reporting Procedures and Guidelines.

CONCLUSION

Please have the Chairman of the Board of Supervisors sign the Consent and have the Executive Officer of the Board acknowledge the Chair's signature, returning two copies of the executed Consent to the Department of Beaches and Harbors.

Respectfully submitted,



Stan Wisniewski
Director

SW:ws
Attachments (3)

c: Chief Administrative Officer
County Counsel
Executive Officer, Board of Supervisors
Auditor-Controller

CONSENT TO ASSIGNMENT OF LEASE

The County of Los Angeles ("County"), lessor under that certain Lease No. 6001, dated August 16, 1962, as amended ("Lease") by and between the County and Walter P. Simes, Richard J. Lang and Anita Z. Dolson as lessee, covering the leased premises situated in the Marina del Rey Small Craft Harbor of the County, described in Exhibit "A" attached hereto and incorporated herein by this reference, commonly known as Parcel 22R, hereby consents to the assignment of the Lease by the present lessee, Marina Properties Company, a California General Partnership ("Assignor"), to Marina Properties, LLC, a California Limited Liability Company ("Assignee"), in accordance with that certain Assignment of Lease dated June 1, 2001, and that certain Acceptance of Assignment of Lease dated June 1, 2001, prepared in connection with the proposed assignment contemplated thereby ("Assignment"). This Assignment is occurring in connection with Assignor's conversion to Assignee in accordance with the terms of Title 2, Chapter 5, Article 9 of the California Corporations Code, Section 16901, et seq. ("Conversion Law").

County further agrees that upon the effective date of the Assignment, Assignor shall be fully relieved of, and released from, any and all obligations to County under the Lease accruing on or after the effective date of the Assignment. The Consent is subject to the following express conditions.

- A. This Consent shall be null and void unless the conversion by Assignor to Assignee and the Assignment described herein is complete and irrevocable in all respects within sixty (60) days of the date of execution by the County of this Consent.
- B. This Consent is contingent upon Assignee's assumption and agreement to perform all obligations past, present, and future created by the terms, covenants and conditions of said Lease on the part of the lessee therein named to be performed as agreed to by Assignee and as contemplated by Section 16909 of the Conversion Law.

- C. Once it is complete and irrevocable, the Assignment shall be forever binding upon Assignee, despite any separate agreement or understanding between Assignor and Assignee that purports to affect the Assignment and despite any claim by Assignee or by Assignor that the other may have breached any agreement between them.
- D. Assignee shall not make any further assignment or sublease of the Lease, nor any portion thereof, without the prior written consent of County as Lessor in accordance with the provisions of Section 22 of the Lease.

Dated this _____ day of _____, 2002

County of Los Angeles

By: _____
Chairman, Board of Supervisors

ATTEST:

Violet Varona Lukens, Executive Officer of
the Board of Supervisors

By: _____
Deputy

APPROVED AS TO FORM:

Lloyd W. Pellman, County Counsel

By:  _____
Deputy

LEGAL DESCRIPTION

Marina Del Rey
Lease Parcel No. 22R

Parcels 378, 379 and 380, in the County of Los Angeles, State of California, as shown on Los Angeles County Assessor's Map No. 88, filed in Book 1, pages 53 to 70 inclusive, of Assessor's Maps, in the office of the Recorder of said County.

Excepting therefrom those portions thereof which lie westerly of the northeasterly and easterly boundaries of a strip of land 92 feet wide, lying 46 feet on each side of the following described center line:

Beginning at the intersection of a line parallel with and 40 feet northwesterly, measured at right angles, from the straight line in the northwesterly boundary of Parcel 406, as shown on said map, with a line parallel with and 35.5 feet southwesterly, measured at right angles, from the straight line in the southwesterly boundary of said last mentioned parcel; thence South $36^{\circ}00'53''$ East along said last mentioned parallel line 156.78 feet to the beginning of a tangent curve concave to the southwest and having a radius of 810 feet; thence southeasterly along said curve through a central angle of $23^{\circ}06'08''$ a distance of 326.60 feet; thence South $12^{\circ}54'45''$ East tangent to said curve 64.36 feet to the beginning of a curve concave to the west, having a radius of 1231.31 feet, tangent to said last mentioned course and tangent to a line parallel with and 40 feet westerly, measured at right angles, from the straight line in the westerly boundary of Parcel 298, as shown on said map; thence southerly along said last mentioned curve 277.49 feet to said last mentioned parallel line.

DESCRIPTION APPROVED

JUL 14 1971

HARVEY T. BRANDT
County Engineer

By James L. [Signature] Deputy

Exhibit A

ASSIGNMENT OF LEASE

Marina Properties Company, a California General Partnership ("MPC") hereby assigns to Marina Properties, LLC, a California Limited Liability Company ("MPL") all of its right, title and interest to that certain Lease No. 6001, Dated August 16, 1962, as amended ("Lease") by and between the County of Los Angeles ("County") as Lessor and Walter P. Simes, Richard J. Lang and Anita Z. Dolson as Lessees, covering the leased premises situated in the Marina del Rey Small Craft Harbor of the County, commonly known as Parcel 22R.

This Assignment is conditioned upon approval by the County and upon MPL filing Articles of Organization and a Plan of Conversion with the Secretary of State for the State of California.

Dated this 1st day of June, 2001

Marina Properties Company

By: William D. Arnold
William D. Arnold

By: Charles E. McGuire
Charles E. McGuire

ACCEPTANCE OF ASSIGNMENT OF LEASE

Marina Properties, LLC, a California Limited Liability Company ("MPL") hereby accepts from Marina Properties Company, a California General Partnership ("MPC") the assignment of all of its right, title and interest to that certain Lease No. 6001, Dated August 16, 1962, as amended ("Lease") by and between the County of Los Angeles ("County") as Lessor and Walter P. Simes, Richard J. Lang and Anita Z. Dolson as Lessees, covering the leased premises situated in the Marina del Rey Small Craft Harbor of the County, commonly known as Parcel 22R.

MPL hereby assumes and agrees to perform all of Lessee's obligations, past present and future created by the Lease.

This Acceptance is conditioned upon approval by the County and upon MPL filing Articles of Organization and a Plan of Conversion with the Secretary of State for the State of California.

Dated this 1ST day of June, 2001

Marina Properties, LLC

By: William D. Arnold
William D. Arnold

By: Charles E. McGuire
Charles E. McGuire

CONSENT TO ASSIGNMENT OF LEASE

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County further agrees that upon the effective date of the Assignment, Assignor shall be fully relieved of, and released from, any and all obligations to County under the Lease accruing on or after the effective date of the Assignment. The Consent is subject to the following express conditions.

- A. This Consent shall be null and void unless the conversion by Assignor to Assignee and the Assignment described herein is complete and irrevocable in all respects within sixty (60) days of the date of execution by the County of this Consent.
- B. This Consent is contingent upon Assignee's assumption and agreement to perform all obligations past, present, and future created by the terms, covenants and conditions of said Lease on the part of the lessee therein named to be performed as agreed to by Assignee and as contemplated by Section 16909 of the Conversion Law.

- C. Once it is complete and irrevocable, the Assignment shall be forever binding upon Assignee, despite any separate agreement or understanding between Assignor and Assignee that purports to affect the Assignment and despite any claim by Assignee or by Assignor that the other may have breached any agreement between them.
- D. Assignee shall not make any further assignment or sublease of the Lease, nor any portion thereof, without the prior written consent of County as Lessor in accordance with the provisions of Section 22 of the Lease.

Dated this _____ day of _____, 2002

County of Los Angeles

By: _____
Chairman, Board of Supervisors

ATTEST:

Violet Varona Lukens, Executive Officer of
the Board of Supervisors

By: _____
Deputy

APPROVED AS TO FORM:

Lloyd W. Pellman, County Counsel

By: 
Deputy

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DESCRIPTION APPROVED

JUL 14 1961

HARVEY T. BRANDT
County Engineer

By James Legitimus Deputy

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This Assignment is conditioned upon approval by the County and upon MPL filing Articles of Organization and a Plan of Conversion with the Secretary of State for the State of California.

Dated this 1st day of June, 2001

Marina Properties Company

By: William D. Arnold
William D. Arnold

By: Charles E. McGuire
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Deputy

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Deputy

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By *James Legibranda* Deputy

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