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Caring for Our Coast

Gary Jones
Director

Kerry Silverstrom
Chief Deputy

Amy M. Caves
Deputy Director

December 07, 2021

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

Dear Supervisors:

**APPROVAL OF AMENDMENT NO. 6 TO LEASE AGREEMENT NO. 17567
LESSEE (PARCEL 131S) – MARINA DEL REY
(FOURTH DISTRICT) (4 VOTES)**

SUBJECT

This Board letter requests approval of proposed Amendment No. 6 to Marina del Rey Lease Agreement No. 17567 for Parcel 131S to extend the Lease term for five years.

IT IS RECOMMENDED THAT THE BOARD:

1. Find that the proposed Lease Amendment No. 6 to Lease No. 17567 is categorically exempt from the California Environmental Quality Act pursuant to class 1(r) of the Environmental Documenting Reporting Procedures and Guidelines adopted by your Board per Section 15301 of the State of California Environmental Quality Act Guidelines (Existing Facilities).
2. Approve and authorize the Chair of the Board to sign the attached Amendment No.6 to Lease No. 17567 pertaining to the extension of the term of Lease Agreement No. 17567 an additional five years, ending July 31, 2027.

PURPOSE/JUSTIFICATION OF RECOMMENDED ACTION

On August 1, 2017, your Board consented to the option to assign and the future assignment of Parcel 131S, Lease Agreement No. 17567, from The Commodore Club, Inc., a California corporation (Lessee or Assignor) to CAH Acquisition Co., LLC, a California limited liability company (Assignee) and its permitted successors, and authorized the Director of Beaches and Harbors to execute and

deliver documentation to evidence the future assignment of the leasehold to the Assignee (if consummated), and other ancillary documentation (including, without limitation, an estoppel certificate and consent to lease assignment) as required to facilitate the assignment of Parcel 131S.

Assignee exercised its option and the leasehold assignment is scheduled to be complete by December 31, 2021. As part of the assignment, County will be paid Lessee's deferred rent balance, inclusive of eligible economic relief rent waivers, in the amount of \$84,528.00. Lessee had accrued the deferred rent balance due to the COVID-19 Pandemic, which caused its restaurant operator to cease operations and vacate the premises. Lessee has been unable to generate revenue nor attract a new restaurant operator.

The current Lease term is set to expire on July 31, 2022. The proposed Amendment No. 6 would extend the term by five years to July 31, 2027, and is conditioned upon the consummation of the assignment of the Lease. This will allow the proposed Assignee time to explore options for a long-term proposal and development for the property. The proposed Amendment No. 6 would also revise the rent structure in consideration of the current operating challenges and allow the proposed Assignee to revitalize the vacant parcel with creative eateries and secure a longer term, first class restaurant operator in the interim. The Assignee and its property management company, CARUSO MANAGEMENT COMPANY, Ltd., a California limited partnership, is well-positioned to attract high quality tenants with its requisite experience from managing and operating well-known Los Angeles area upscale properties, such as The Americana at Brand, The Grove, and Waterside in Marina del Rey.

Implementation of Strategic Plan Goals

The recommended action will ensure the County maximizes use of County assets, guides strategic investments, and supports economic development, in ways that are fiscally responsible and align with the County's highest priority needs, all of which promote Strategic Plan Goal No. III.3.2 (Manage and Maximize County Assets).

FISCAL IMPACT/FINANCING

The proposed action will have no direct fiscal impact on the County, as the proposed Lease term extension does not trigger any contractual obligation for the Lessee to pay a fee to County. Additionally, the Department anticipates there will be no impact to its operating budget from the revised rent structure herein and as further detailed in the attached Amendment No. 6.

FACTS AND PROVISIONS/LEGAL REQUIREMENTS

Commonly known as restaurant Café del Rey, Parcel 131S is improved with a 191-seat restaurant on approximately 0.88 acres of land in Marina del Rey. The 55-year ground lease between the County and Lessee was executed in 1967 and is set to expire on July 31, 2022. The proposed Amendment No. 6 would extend the term by five years to July 31, 2027.

Leasing of County-owned property in Marina del Rey is authorized by Government Codes 25536 and 25907. A labor peace agreement requirement has not been included in the proposed Amendment No. 6 as the proposed Assignee will use the short term lease extension to conduct due diligence and explore options for a long-term proposal. There is no current restaurant operator on Parcel 131S and the minimum rent in the proposed Amendment No. 6 is below the threshold amount, allowing the short term extension to be exempt from this Board's Labor Peace Policy. The Director will seek to implement this Board's Labor Peace Policy before approval of any subleases which are not exempt

during the short term extension and for any long-term proposed lease extension.

At its meeting on November 10, 2021, the Small Craft Harbor Commission unanimously endorsed the Director's recommendation that your Board approve and execute the proposed lease amendment. Amendment No. 6 to Lease No. 17567 has been approved as to form by County Counsel.

ENVIRONMENTAL DOCUMENTATION

The proposed Amendment No. 6 to Lease No. 17567 is categorically exempt under the provisions of the California Environmental Quality Act (CEQA) pursuant to class 1(r) of the County's Environmental Document Reporting Procedures and Guidelines and Section 15301 of the State CEQA Guidelines (Existing Facilities), as the proposed action involve negligible or no expansion of existing or former use and will not have a significant effect on the environment.

IMPACT ON CURRENT SERVICES (OR PROJECTS)

There will be no impact on current services or projects from your Board's approval of Amendment No. 6 to Lease Agreement No. 17567.

CONCLUSION

Please instruct the Chair of the Board to sign all three originals of the Amendment No. 6 to Lease Agreement No. 17567 and have the Executive Officer of the Board send two executed copies, as well as a copy of the adopted Board letter, to the Department of Beaches and Harbors. Should you have any questions please contact Kristal Ghil at (424) 526-7735 or kghil@bh.lacounty.gov .

Respectfully submitted,



GARY JONES

Director

GJ:AC:SP:BY:kg

Enclosures

c: Chief Executive Officer
County Counsel
Executive Officer, Board of Supervisors

**AMENDMENT NO. 6 TO LEASE AGREEMENT
PARCEL 131S – MARINA DEL REY
(LEASE NO. 17567)**

THIS AMENDMENT TO LEASE ("**Amendment No. 6**" or "**Amendment**") is made and entered into this _____ day of _____, 2021.

BY AND BETWEEN

**COUNTY OF LOS ANGELES,
herein referred to as "County,"**

AND

**CAH MARINA I, LLC, a California limited
liability company, hereinafter referred to as
"Lessee."**

RECITALS:

WHEREAS, County and Lessee's predecessor-in-interest, Commodore Club, Inc., a California corporation ("**Commodore Club**") entered into Lease No. 17567, dated December 8, 1970, as amended, under the terms of which County leased to Commodore Club that certain real property located in the Marina del Rey Small Craft Harbor, County of Los Angeles, State of California, now commonly known as Parcel 131S, which leasehold premises (the "**Premises**") are more particularly described in Exhibit "A" attached to and incorporated in said lease, as amended (the lease and all amendments are collectively referred to as the "**Lease**").

WHEREAS, County and Lessee desire to enter into this Amendment No. 6 to further amend the Lease, as set forth herein below, pursuant to the terms and conditions hereof.

NOW, THEREFORE, with reference to the foregoing Recitals and the covenants contained herein, and for other good and valuable consideration, the receipt and adequacy of which are hereby acknowledged, County and Lessee hereby agree as follows:

1. **Definitions.** All initially-capitalized terms used but not defined in this Amendment have the meanings given to such terms in the Lease.

2. **Amendment Conditions.** This Amendment shall be conditioned upon the consummation of the assignment by Commodore Club of its leasehold interest to Lessee (the "**Assignment**") and upon the County's written consent to the Assignment, in the form of Exhibit "B" attached hereto (the "**Consent**") and incorporated herein by this reference. This Amendment shall be effective on the date (the "**Effective Date**") on which said Consent is executed and released to Lessee by the County.

3. **Extension of Term.** Pursuant to Section 2 of the Lease, the Term is set to expire on July 31, 2022 (the period from the Effective Date until July 31, 2022, the "**Remaining Initial Term**"). County and Lessee hereby agree to extend the Term by an additional five (5) years (the "**Interim Extension**"), so that the Term will now expire on July 31, 2027. For the avoidance of doubt, said extension will not result in an extension of the Term beyond the ninety-nine (99) year limit imposed by California Government Code Section 37396(a). County and Lessee further agree that should the parties subsequently agree to an additional extension of the Lease, to begin after July 31, 2027 ("**Long-term Extension**"), County may assess an extension fee based upon the granting of the Interim Extension and any Long-term Extension. Notwithstanding the foregoing, nothing in this Section 3 and/or this Amendment shall be construed to obligate the County to further extend the Lease.

4. **Long Term Proposal.** During the term of the Remaining Initial Term and the Interim Extension, Lessee shall explore options for a long term proposal for the Premises. Accordingly, Lessee agrees to use commercially reasonable efforts to conduct an outreach process to engage and collect input from the community, boating community, civic leaders, and other stakeholders to assist Lessee in the formulation of, and determination of feasibility for, a long term proposal for the Premises. Lessee hereby also agrees to use commercially reasonable efforts to develop a proposal that comprehensively outlines improvement of and investment in the Premises, which efforts shall include without limitation, demonstration that a good faith effort has been made to pursue a long term proposal that is mutually acceptable to Lessee and County. Lessee will provide to County quarterly status updates describing the status of such efforts, commencing on April 1, 2022. Upon receipt of each of Lessee's quarterly status updates, Lessee agrees to meet and confer with the County so that the County will have an opportunity to provide input and recommendations. Furthermore, as reasonably necessary to evaluate the feasibility of Lessee's proposal, County shall also have the right to retain its own consultants. Lessee agrees to reimburse County for its reasonable out-of-pocket costs incurred by County for such consultants in accordance with a budget reasonably pre-approved by Lessee and County. Notwithstanding the provisions of this Section 4, by no later than the earlier of (i) the fourth (4th) anniversary of the Effective Date, or (ii) the last date to submit a proposal pursuant to an RFP issued by the County for the development of Parcel 131S. Lessee agrees to submit to County a proposed development concept, including all uses, preliminary drawings, names of retained consultants, and proforma construction budget, etc.

5. **Audit.** Lessee's liability under any County reconciliation or audit for the period covering January 1, 2018 through December 31, 2020 shall not exceed Ten Thousand Dollars (\$10,000.00).

6. **Past Due Rent.** The County hereby waives (i) Fifteen Thousand Dollars (\$15,000.00) of past due rent for the period from April 2020 through March 2021, and (ii) Sixteen Thousand Five Hundred Eighty Eight (\$16,588.00) of past due rent for the period including April and May 2021 pursuant to the County's approved Covid relief measures, however it is understood and acknowledged that although the County Board of Supervisors has authorized such relief, said amount and approval thereof is subject to the Commodore Club's compliance with County Policies and documentation requirements. The County shall look solely to Lessee's predecessor in interest, Commodore Club, for any rent owed prior to the Effective Date, provided however, County's execution and release to Lessee of the Consent shall be subject to the receipt by the County of the past due rent owed by the Commodore Club, and upon such receipt, Lessee and the Commodore Club shall be deemed to have satisfied all past due rent obligations as of such date other than with respect to potential audit reconciliation amounts which may become due and owing in accordance with the terms of the Lease, as amended herein.

7. **Square Foot Rental.** The following section is substituted for Section 12 (SQUARE FOOT RENTAL) of the Lease:

"The annual rental for the Premises shall be Sixty Thousand Dollars (\$60,000), provided that (i) no annual rental shall be due during the Remaining Initial Term, and (ii) during the Interim Extension, Lessee's rental and percentage rental payments to the County shall be calculated according to the following schedule:

August 1, 2022 – July 31, 2023	Total rental and percentage rental owed to the County shall be the greater of (a) \$750 per month or (b) the total percentage rentals otherwise due.
August 1, 2023 – July 31, 2024	Total rental and percentage rental owed to the County shall be the greater of (a) \$1,250 per month or (b) the total percentage rentals due.
August 1, 2024 – July 31, 2025	Total rental and percentage rental owed to the County shall be the greater of (a) \$1,650 per month or (b) the total percentage rentals due.
August 1, 2025 – July 31, 2026	Total rental and percentage rental owed to the County shall be the greater of (a) \$3,300 per month or (b) the total percentage rentals due.
August 1, 2026 – July 31, 2027	Total rental and percentage rental owed to the County shall be the greater of (a) \$5,000 per month or (b) the total percentage rentals due.

All rental payments shall be paid within fifteen (15) days after the close of each calendar month. The rent payment schedule set forth in this Section 12 will toll (on a day for day basis, and no rental amounts shall be due for such periods) in the event of any mandatory governmental shutdowns, capacity restrictions or other prohibitive measures arising from the COVID-19 or other pandemic;" Notwithstanding the foregoing, in the event that the governmental restriction permits the Restaurants to partially operate and be open, the Restaurants shall operate and pay the designated percentage rent as described above.

8. **Percentage Rental.** The following subsection is substituted for the corresponding subsection in Section 13 (PERCENTAGE RENTALS) of the Lease:

"(j) THREE AND ONE-HALF percent (3.5%) of gross receipts from the operation of restaurants, restaurant/cocktail lounge combination, coffee shops, beach and theater food facilities (collectively, "Restaurants"), except that (i) gross receipts from facilities established as a take-out food operation shall be reported under Subsection (s), and (ii) if Lessee enters into a sublease with a term of three (3) or more years after the Effective Date of Amendment No. 6, then the applicable percentage rental for Restaurants shall be FIVE percent (5%) of gross receipts from the operation of Restaurants during the term of such sublease."

9. **General Rent Adjustment and Arbitration.** The following section is substituted for Section 15 (GENERAL RENT ADJUSTMENT AND ARBITRATION) of the Lease:

"15. The rates for square foot rental and all categories of percentage rentals, and liability insurance requirements (hereafter collectively referred to as the Adjusted Rentals") shall not be readjusted by Lessee or the County during the Remaining Initial Term or the Interim Extension."

10. **No Other Claims.** The Lease is in full force and effect. To Lessee's knowledge, County has met and fulfilled all of its obligations under the Lease and is not in default under the Lease. To Lessee's knowledge, there is no current defense, offset, claim or counterclaim by or in favor of Lessee against the County under the Lease. Furthermore, Lessee has no right to any concession (rental or otherwise) or similar compensation in connection with the Lease and Lessee's renting of the Premises, except as expressly provided in the Lease or this Amendment. There has not been filed by or against Lessee a petition in bankruptcy, voluntary or otherwise, any assignment for the benefit of creditors, any petition seeking reorganization or arrangement under the bankruptcy laws of the United States or any state thereof, or any other action brought pursuant to such bankruptcy laws with respect to Lessee.

11. **Miscellaneous.**

11.1 **No Modification.** Except as referenced herein, the Lease has not been modified, amended or supplemented, and the Lease is and remains in full force and effect.

11.2 Time of the Essence. Time is of the essence with respect to this Amendment.

11.3 Governing Law. This Amendment shall be governed by and construed in accordance with the laws of the State of California without giving effect to the conflict of law principles of said state.

11.4 No Waiver. Except as expressly provided herein, County shall not be deemed by reason of its execution of this Amendment to have waived any terms or provisions of the Lease, including, without limitation, any default or Event of Default or any rights and remedies that County may have under the Lease, at law or in equity.

11.5 Controlling Provisions. In the event of any inconsistencies between the provisions of this Amendment and the provisions of the Lease, the provisions of this Amendment shall govern and prevail.

11.6 Integration and Merger. This Amendment, the Exhibits attached hereto, and all documents referenced in the Amendment to be executed by Parent or Principal in connection herewith, contain the entire agreement of County and Lessee regarding the modification of the Lease and supersede all prior agreements, term sheets and understandings between County and Lessee, whether written or oral, with respect to the modification of the Lease.

11.7 Survival. All representations and warranties contained in this Amendment shall be deemed to be material and shall survive the effectiveness of the modifications to the Lease contemplated by this Amendment.

11.8 Further Assurances. At either party's request, the other party shall promptly execute any other document or instrument and/or seek any consent or agreement from any third party that is reasonably necessary to evidence or carryout the intent of the parties, as set forth in this Amendment.

11.9 Captions; Use of Certain Terms. The Section titles and captions in this Amendment are for convenience only and shall not be deemed to be part of this Amendment. All pronouns and any variation or pronouns shall be deemed to refer to the masculine, feminine or neuter, as the identity of the parties may require. Whenever the terms referred to herein are singular, the same shall be deemed to mean the plural, as the context indicates, and vice versa.

11.10 Incorporation of Exhibits. All of the Exhibits referred to in and attached to this Amendment are incorporated herein by this reference.

11.11 Counterparts; Electronic Signatures. This Lease and any other document necessary for the consummation of the transaction contemplated by this Lease may be executed in counterparts, including both counterparts that are executed on paper and counterparts that are in the form of electronic records and are executed electronically. An electronic signature means any electronic sound,

symbol or process attached to or logically associated with a record and executed and adopted by a party with the intent to sign such record, including facsimile or e-mail electronic signatures. All executed counterparts shall constitute one agreement, and each counterpart shall be deemed an original. The parties hereby acknowledge and agree that electronic records and electronic signatures, as well as facsimile signatures, may be used in connection with the execution of this Lease and electronic signatures, facsimile signatures or signatures transmitted by electronic mail in so-called pdf format shall be legal and binding and shall have the same full force and effect as if a paper original of this Lease had been delivered had been signed using a handwritten signature. County and Lessee (i) agree that an electronic signature, whether digital or encrypted, of a party to this Lease is intended to authenticate this writing and to have the same force and effect as a manual signature, (ii) intended to be bound by the signatures (whether original, faxed or electronic) on any document sent or delivered by facsimile or, electronic mail, or other electronic means, (iii) are aware that the other party will rely on such signatures, and (iv) hereby waive any defenses to the enforcement of the terms of this Lease based on the foregoing forms of signature. If this Lease has been executed by electronic signature, all parties executing this document are expressly consenting under the United States Federal Electronic Signatures in Global and National Commerce Act of 2000 ("E-SIGN") and California Uniform Electronic Transactions Act ("UETA")(Cal. Civ. Code § 1633.1, et seq.), that a signature by fax, email or other electronic means shall constitute an Electronic Signature to an Electronic Record under both E-SIGN and UETA with respect to this specific transaction.

[SIGNATURES ON FOLLOWING PAGE]

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IN WITNESS WHEREOF, County and Lessee have entered into this Amendment No. 6 as of the date first set forth above.

CAH MARINA I, LLC, A CALIFORNIA LIMITED
LIABILITY COMPANY

By:



Name:

Rick Camuso

Title:

President

THE COUNTY OF LOS ANGELES

By:

HILDA L. SOLIS,
Chair, Board of Supervisors

ATTEST:

CELIA ZAVALA,
Executive Officer-Clerk of the
Board of Supervisors

By: _____
Deputy

APPROVED AS TO FORM:

RODRIGO CASTRO-SILVA
County Counsel

By: _____
Deputy

IN WITNESS WHEREOF, County and Lessee have entered into this Amendment No. 6 as of the date first set forth above.

CAH MARINA I, LLC, A CALIFORNIA LIMITED LIABILITY COMPANY

By: 

Name: Rick Camso

Title: President

THE COUNTY OF LOS ANGELES

By: _____
HILDA L. SOLIS,
Chair, Board of Supervisors

ATTEST:

CELIA ZAVALA,
Executive Officer-Clerk of the
Board of Supervisors

By: _____
Deputy

APPROVED AS TO FORM:

RODRIGO CASTRO-SILVA
County Counsel

By:  _____
Deputy

**EXHIBIT A
LEASEHOLD PREMISES**

The land referred to herein is situated in the State of California, County of Los Angeles Unincorporated and described as follows:

(Lease Parcel No. 131S)

Those portions of Parcels 663 to 666 inclusive, 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 Assessors Maps, in the office of the Recorder of said County, within the following described boundaries:

Beginning at the intersection of the Westerly line of the Easterly 55.13 feet of said Parcel 663 with the Northerly line of said last mentioned parcel; thence Westerly along the Northerly lines of said Parcels 663 to 666 inclusive 302.57 feet to the Easterly line of the Westerly 42.3 feet of said Parcel 666; thence Southerly along said Easterly line 136.00 feet to a line parallel with and 59 feet Northerly, measured at right angles, from the Southerly line of said last mentioned parcel; thence Easterly along said parallel line 154.57 feet; thence Northerly at right angles from said parallel line 18.00 feet to a line parallel with and 77 feet Northerly, measured at right angles, from the Southerly line of said Parcel 664; thence Easterly along said last mentioned parallel line 148.00 feet to said Westerly line; thence Northerly along said Westerly line 118.00 feet to the point of beginning.

APN: 4224-007-903

EXHIBIT B
FORM OF CONSENT

[SEE ATTACHED]

CONSENT TO ASSIGNMENT AND ESTOPPEL CERTIFICATE

PARCEL 131

December __, 2021

PROPERTY NAME: Cafe Del Rey (Parcel 131)

PROPERTY ADDRESS: 4451 Admiralty Way, Marina Del Rey area of incorporated Los Angeles County, California, more particularly described on Exhibit A attached hereto and incorporated herein (the “**Property**”)

LEASE DATE: December 8, 1970

GROUND LESSOR: County of Los Angeles,
State of California

GROUND LESSEE: The Commodore Club, Inc., a California corporation

This Consent to Assignment and Estoppel Certificate (“**Consent and Estoppel**”) is made as of December __, 2021 (the “**Effective Date**”) by the County of Los Angeles (“**County**” or “**Lessor**”), as the lessor under that certain Lease dated December 8, 1970, as amended (the “**Lease**”). The Lessor does hereby affirm:

1. Lessor is the owner of the fee simple estate in the Property and is Lessor under the Lease.
2. The County acknowledges that the County has previously consented to the assignment of the Lease to CAH Acquisition Co., LLC, a California limited liability company (“**CAH Acquisition Co.**”) pursuant to that certain Consent to: Assignment of Lease No. 12450 The Warehouse Restaurant (Parcel 133S at 4499 Admiralty Way); Assignment of Lease No. 25740 – Commodore Club (Parcel 134R at 4519 Admiralty Way); Option to Assign and Future Assignment of Lease No. 17567 – Café Del Rey (Parcel 131S at 4451 Admiralty Way) Marina Del Rey (Fourth District) (4 Votes), dated as of August 1, 2017 and adopted by the Board of Supervisors County of Los Angeles as of August 1, 2017. Lessor does hereby consent to the assignment of Lessee’s interest in said Lease to CAH Acquisition Co.’s affiliate and designee, CAH Marina I, LLC, a California limited liability company (the “**Assignee**”).
3. The term of the Lease commenced on the date set forth in the Lease and expires on July 31, 2022, subject to extension pursuant to Amendment No. 6 to Lease Agreement to be entered into by the County on or about the date hereof (the “**Sixth Amendment**”).

4. A true and complete list of the documents comprising the Lease, including all amendments, supplements and other modifications thereto is attached hereto as Exhibit B. The documents listed on Exhibit B hereto represent the entire agreement between Lessor and Lessee as to the Lease and the premises leased thereunder and the Lease has not otherwise been modified, supplemented or amended in any way.
5. Rents and other charges have been fully paid under the Lease through December 31, 2017, as verified by a formal audit (the "**Prior Audit**") for the period ending such date (the "**Effective Audit Date**"), and the total delinquent amount of \$9,334 revealed by the September 29, 2020 Final Audit Letter sent to Lessee has been paid to Lessor as of the date hereof. Subject to County audit rights for periods after the Effective Audit Date that might affect the calculation of the annual square foot rental amounts required to be paid under the Lease, the current monthly minimum rental payable under the Lease as of the date hereof is \$8,294.00. Subject to the foregoing: (a) annual minimum rental as required by the Lease has been timely and fully made since the Effective Audit Date for all months up through and including the Effective Date, and (b) monthly percentage rent payments have been made through the month of February 2020 (for gross receipts reported for the month of February). From the period of April 2020 through November 31, 2021, the accrued amount of previously unpaid minimum rent was \$157,586.00; provided, however, the County agreed to waive Fifteen Thousand Dollars (\$15,000) of unpaid rent in accordance with the Sixth Amendment and an additional Sixteen Thousand Five Hundred Eighty Eight Dollars (\$16,588) of past due rent pursuant to the County's approved Covid relief measures. All such payments (in both clauses (a) and (b)) are subject to audit for periods from and after the Effective Audit Date; provided, however, the County has acknowledged and agreed pursuant to the Sixth Amendment that, notwithstanding anything to the contrary set forth herein or in the Lease, Lessee's liability under any County reconciliation or audit for the period from and after the Effective Audit Date up through and including December 31, 2020 shall not exceed Ten Thousand Dollars (\$10,000). In the event any such audit reveals a rental deficiency, Lessee and Assignee shall be liable jointly and severally for payment of all unpaid deficiencies accruing on and after the Effective Audit Date subject to the foregoing limitation. Annual square foot rental and percentage rental rates under the Lease are subject to adjustment in accordance with the terms and provisions of the Lease. The amount of the security deposit required under the Lease is \$8,294.00. The amount of \$10,403.52 has been paid to Lessor. No portion of such security deposit has been applied by Lessor. No representation is made herein by Lessor as to the current status of Lessee's payments of possessory interest taxes or any other taxes, assessments or similar service charges which may be due by the lessee to the County or other governmental or regulatory body in connection with the Property.
6. The County agrees that pursuant to the Sixth Amendment, the annual minimum rent shall not be further adjusted during the "Remaining Initial Term" (as such term is defined in the Sixth Amendment), and during the "Interim Extension" (as such term

is defined in the Sixth Amendment) the annual minimum rent shall be adjusted solely to the extent set forth in the Sixth Amendment.

7. Lessor acknowledges that Caruso Management Company, Ltd., a California limited partnership has been approved as the property management company for the Property and all improvements located thereon upon the consummation of the assignments to Assignee.
8. The Lease is in full force and effect.
9. Subject to any matters that may be disclosed by the audit described in Section 5 above, to the current actual knowledge of Lessor, there is no existing uncured default under the Lease with respect to any monetary or non-monetary provision of the Lease, and to the current actual knowledge of Lessor, no event has occurred which, with the passage of time or giving of notice, or both, would constitute a default with respect to any non-monetary provision of the Lease. Notwithstanding any contrary provision of this Section 9, County does not waive Lessee's obligations under the Lease to cure any Property defects that are Lessee's obligation to cure under the Lease, whether occurring prior to or during the extension period, that pose a health and safety risk, in accordance with the terms of the Lease. County has made no inspection of the Premises or investigation or inquiry as to Lessee's performance of any non-monetary obligation under the Lease, except for a sewer lateral inspection that occurred in 2019 and revealed defects present, requiring a cleanout of the sewer laterals, and there may be additional maintenance issues not set forth in said report.
10. Lessor has not assigned, conveyed, transferred, sold, encumbered or mortgaged its interest in the Lease or the Property and there are no mortgages, deeds of trust or other security interests encumbering Lessor's fee interest in the Property.
11. The undersigned individual is duly authorized to execute this certificate on behalf of Lessor.
12. The legal description for the Property that is set forth in the Lease describes both the boundaries of the leasehold estate and easements that have been reserved by the Lessor in the leasehold. Until the expiration of the Term or sooner termination of the Lease, Lessee is the owner of the Improvements, except for certain Improvements owned by the Lessor, including without limitation, utility lines, transformer vaults and all other utility facilities to the extent that they are not owned by a utility. Lessee shall have the use of all Improvements on the Premises whether owned by Lessor or Lessee.
13. This Consent to Assignment and Estoppel Certificate may be executed in counterparts, and when all counterpart documents are executed, counterparts shall constitute a single integrated document.

The truth and accuracy of the certifications contained herein may be relied upon by Lessee and Assignee and their respective successors, assigns and transferees, and lenders and said certifications shall be binding upon Lessor and its successors and assigns, and inure to the benefit of Lessee and Assignee and their respective successors, assigns and transferees and lenders. This Consent to Assignment and Estoppel Certificate shall not be deemed to alter or modify any of the terms and conditions of the Lease.

For the avoidance of doubt, in no event shall the certifications contained in this estoppel certificate modify the Lease, with the sole effect of said certifications being to estop Lessor from taking a position against any recipient which is inconsistent with the certifications contained in this estoppel certificate, to the extent such recipient (a) did not have actual knowledge of facts contrary to those contained herein, and (b) reasonably relied to its detriment upon the certifications contained herein.

This Consent to Assignment and Estoppel Certificate may be executed in counterparts, including both counterparts that are executed on paper and counterparts that are in the form of electronic records and are executed electronically. An electronic signature means any electronic sound, symbol or process attached to or logically associated with a record and executed and adopted by a party with the intent to sign such record, including facsimile or e-mail electronic signatures. All executed counterparts shall constitute one agreement, and each counterpart shall be deemed an original. The parties hereby acknowledge and agree that electronic records and electronic signatures, as well as facsimile signatures, may be used in connection with the execution of this Consent to Assignment and Estoppel Certificate and electronic signatures, facsimile signatures or signatures transmitted by electronic mail in so-called pdf format shall be legal and binding and shall have the same full force and effect as if a paper original of this Consent to Assignment and Estoppel Certificate had been delivered had been signed using a handwritten signature. County (i) agrees that an electronic signature, whether digital or encrypted, of County is intended to authenticate this writing and to have the same force and effect as a manual signature, (ii) intends to be bound by the signatures (whether original, faxed or electronic) on any document sent or delivered by facsimile or, electronic mail, or other electronic means, (iii) is aware that the the parties authorized to rely on this Consent to Assignment and Estoppel Certificate will rely on such signatures, and (iv) hereby waives any defenses to the enforcement of the terms of this Consent to Assignment and Estoppel Certificate based on the foregoing forms of signature. If this Consent to Assignment and Estoppel Certificate has been executed by electronic signature, all parties executing this document are expressly consenting under the United States Federal Electronic Signatures in Global and National Commerce Act of 2000 ("E-SIGN") and California Uniform Electronic Transactions Act ("UETA")(Cal. Civ. Code § 1633.1, et seq.), that a signature by fax, email or other electronic means shall constitute an Electronic Signature to an Electronic Record under both E-SIGN and UETA with respect to this specific transaction.

[SIGNATURES ON FOLLOWING PAGE]

LESSOR:

COUNTY OF LOS ANGELES

By: _____
Gary Jones, Director of Department of
Beaches and Harbors


APPROVED AS TO FORM:

RODRIGO CASTRO-SILVA
County Counsel

By: _____
Deputy

APPROVED AS TO FORM:

GLASER WEIL FINK HOWARD AVCHEN & SHAPIRO LLP

By: 
Name: Robert W. Haines
Title: PARTNER

LESSOR:

COUNTY OF LOS ANGELES

By: _____

Gary Jones, Director of Department of
Beaches and Harbors

APPROVED AS TO FORM:

RODRIGO CASTRO-SILVA
County Counsel

By: 
Deputy

APPROVED AS TO FORM:

GLASER WEIL FINK HOWARD AVCHEN & SHAPIRO LLP


By: 
Name: ROGER H. HOWARD
Title: PARTNER

EXHIBIT A
LEGAL DESCRIPTION

The land referred to herein is situated in the State of California, County of Los Angeles Unincorporated and described as follows:

(Lease Parcel No. 131S)

Those portions of Parcels 663 to 666 inclusive, 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 Assessors Maps, in the office of the Recorder of said County, within the following described boundaries:

Beginning at the intersection of the Westerly line of the Easterly 55.13 feet of said Parcel 663 with the Northerly line of said last mentioned parcel; thence Westerly along the Northerly lines of said Parcels 663 to 666 inclusive 302.57 feet to the Easterly line of the Westerly 42.3 feet of said Parcel 666; thence Southerly along said Easterly line 136.00 feet to a line parallel with and 59 feet Northerly, measured at right angles, from the Southerly line of said last mentioned parcel; thence Easterly along said parallel line 154.57 feet; thence Northerly at right angles from said parallel line 18.00 feet to a line parallel with and 77 feet Northerly, measured at right angles, from the Southerly line of said Parcel 664; thence Easterly along said last mentioned parallel line 148.00 feet to said Westerly line; thence Northerly along said Westerly line 118.00 feet to the point of beginning.

APN: 4224-007-903

EXHIBIT B

GROUND LEASE AND ALL AMENDMENTS

1. Lease Agreement, Parcel No. 131S, entered into December 8, 1970
2. Amendment No. 1 to Lease for Parcel(s) 131S, entered into November 22, 1974
3. Amendment No. 2 to Lease for No. 17567 Parcel No. 131S, entered into November 22, 1974
4. Amendment No. 3 to Lease No. 17567 Parcel No. 131S, entered into August 8, 1989
5. Amendment No. 4 to Lease No. 17567 Parcel No. 131S, entered into July 20, 1999
6. Amendment No. 5 to Lease No. 17567 Parcel No. 131S, entered into June 15, 2010