



"To enrich lives through effective and caring service"



Santos H. Kreimann
Director

Kerry Silverstrom
Chief Deputy

ADOPTED

BOARD OF SUPERVISORS
COUNTY OF LOS ANGELES

July 20, 2010

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

11

JULY 20, 2010

Sachi A. Hamai
SACHI A. HAMAI
EXECUTIVE OFFICER

Dear Supervisors:

**APPROVAL OF MITIGATED NEGATIVE DECLARATION AND OPTION FOR AMENDED AND
RESTATED LEASE TO FACILITATE REDEVELOPMENT –
TAHITI MARINA APARTMENTS AND MARINA
(Parcel 7 at 13900 Tahiti Way)
MARINA DEL REY
(4th DISTRICT-- 4 VOTES)**

SUBJECT

Request for adoption of the Mitigated Negative Declaration and approval of an option agreement for an amended and restated lease to extend the term of the existing Tahiti Marina Apartments and Marina lease (Parcel 7) to allow for the renovation of the existing 149 apartment units and dockside facilities and the complete replacement of the marina within 12 years of completion of construction of the landside improvements. Exercise of the option is contingent upon the lessee's receipt of entitlements and fulfillment of other conditions required therein.

IT IS RECOMMENDED THAT YOUR BOARD:

1. Consider the Mitigated Negative Declaration for the Tahiti Marina Apartments and Marina lease extension and renovation project together with any comments received during the public review period; find that the Mitigated Negative Declaration reflects the independent judgment and analysis of the Board and adopt the Mitigation Monitoring Program, finding that the Mitigation Monitoring Program is adequately designed to ensure compliance with the mitigation measures during project implementation; find on the basis of the whole record before the Board that there is no substantial evidence that the project, as revised and implemented in accordance with the Mitigated Negative Declaration and Mitigation Monitoring Program, will have a significant effect on the environment; and adopt the Mitigated Negative Declaration and Findings of Fact prepared in support of the Mitigated Negative Declaration.

2. Approve and authorize the Chair of the Board to sign the Option for Amended and Restated Lease Agreement, granting to the current lessee, Kamran Hakim, an individual and sole owner, upon fulfillment of stated conditions, the right to extend the term of his existing ground lease on Parcel 7 (Tahiti Marina) by 33 years.
3. Approve and authorize the Chair of the Board to sign the Agreement Regarding Acquisition of Lender Consent in case the option is not exercised and the current lessee is expected to execute the "Non-Exercise Amendment" to reflect certain provisions that would have been included in the Amended and Restated Lease.
4. Approve and authorize the Chair of the Board to sign the Amended and Restated Lease in substantially similar form to Exhibit A attached to the Option for Amended and Restated Lease Agreement, upon confirmation by the Director of the Department of Beaches and Harbors that the lessee has fulfilled the option conditions.

PURPOSE/JUSTIFICATION OF RECOMMENDED ACTION

Your Board approved assignment of the Tahiti Marina Apartments and Docks (Parcel 7) to its current lessee, Kamran Hakim ("Lessee"), as an individual and sole owner, on November 28, 1990. As a result of Lessee-initiated negotiations, the Chief Executive Office and the Department of Beaches and Harbors ("Department") have negotiated an Option for Amended and Restated Lease Agreement ("Option Agreement") to extend the Parcel 7 lease term by 33 years, from its current February 28, 2022 expiration date to February 28, 2055, to facilitate renovation of the leasehold improvements. Lessee will pay an option fee of \$100,000 upon grant of the option and has agreed to spend no less than \$22 million (2008 US Dollars) in (1) renovations of the landside improvements, which will include, among other things, renovation of all existing apartment buildings to include apartment unit interiors, building facades, interior and exterior common areas, landscaping, hardscape, parking areas, promenade, and dockside marina facilities, including the restrooms and other landside facilities serving the marina improvements, and (2) within twelve years from the completion of construction of the landside renovations, replacement of the existing waterside improvements. In addition, Lessee has agreed to pay the County percentage rent for apartment units at a rate of not less than 12.0% for the entire term of the extended lease. A summary of the proposed terms for the lease extension is set forth in Attachment A.

The Department of Regional Planning has prepared an Initial Study for the proposed project in compliance with the California Environmental Quality Act ("CEQA") and, along with the Department, recommends your Board's adoption of the Mitigated Negative Declaration and Mitigation Monitoring Program (Attachment B). If adopted, Lessee must thereafter obtain all regulatory approvals and exercise the option within 18 months following grant of the option, subject to discretion of the Department Director to grant up to two six-month extensions if Lessee is delayed in the receipt of approvals despite his diligent efforts.

Due to the current economic environment, the Department has included in the Option Agreement (Attachment C) an economic force majeure provision that allows Lessee to extend the time to exercise the Option on the condition that Lessee is pursuing project financing in good faith, but cannot obtain financing due to the economic downturn.

The Department has obtained an appraisal that confirms the returns to the County from the lease extension for Parcel 7 are equivalent to, or greater than, fair market value.

The Option Agreement provides that if Lessee does not exercise the option, then the term of the existing lease will not be extended, but the existing lease will be amended pursuant to a "Non-Exercise Amendment" to reflect certain provisions that would have been included in the Amended and Restated Lease, including, among other items, the adjustment of minimum and percentage rents to current market rate and the incorporation of other updated lease provisions pertaining to such matters as improvement removal obligations at lease termination, arbitration procedures, lease assignment, maintenance deficiencies, late charges, insurance requirements and other lease administration matters. The consent to the Non-Exercise Amendment by Lessee's existing lender will not have been obtained as of the execution of the Option Agreement. Therefore, we have also negotiated an Agreement Regarding Acquisition of Lender Consent (Attachment D) to be entered into concurrently with the Option Agreement that requires Lessee to seek such lender consent. Also concurrent with the execution of the Option Agreement, Lessee will execute a promissory note in favor of County in the amount of \$337,174 for the purpose of covering the potential loss to the County of not being able to enforce the Non-Exercise Amendment in connection with a future foreclosure if the option is not exercised and the Lessee does not obtain the lender's consent to the Non-Exercise Amendment. The promissory note is payable on the expiration of the term of the option unless the option is exercised or the lender's consent is obtained.

Implementation of Strategic Plan Goals

The recommended action will allow Lessee to continue its effort towards the proactive renovation of the parcel, which will result in fulfillment of Strategic Plan Goal No. 1, "Operational Effectiveness", Strategy No. 1, "Fiscal Sustainability", and Goal No. 3, "Community and Municipal Services", Strategy No. 1, "Cultural and Recreational Enrichment", respectively.

FISCAL IMPACT/FINANCING

The draft Amended and Restated Lease for the renovation of Parcel 7 reflects the County's current market rate percentage rents for all relevant categories. Additionally, the following fiscal benefits to the County will result: 1) an option fee; and 2) revenue increases due to renovation of the apartment buildings and replacement of the marina.

Option Fee

Lessee shall pay a non-refundable (except in the case of a default by County) fee of \$100,000 for the option, due upon your Board's approval of the Option Agreement.

Revenue Increase Due to Project Redevelopment

The total revenue derived from Parcel 7 during Fiscal Year 2008-09 was approximately \$986,600. After stabilization in 2015, the new project will increase annual County rent by \$400,000 to approximately \$1.4 million.

OPERATING BUDGET IMPACT

Upon your Board's approval of the Option Agreement, the Department's Marina operating budget will receive a one-time \$100,000 option fee as stated above. This revenue will be accounted for as Fiscal Year 2009-10 one-time over-realized revenues.

Costs of consultants involved in the negotiation and development of the Option Agreement and Amended and Restated Lease are being reimbursed by the Lessee.

FACTS AND PROVISIONS/LEGAL REQUIREMENTS

The existing 60-year lease for Parcel 7 expires on February 28, 2022. The current improvements on Parcel 7 consist of 149 apartments and 214 existing slips, plus 9 end ties. Parcel 7 has frontage on Tahiti Way, is located east of the Bay Club Apartments and Marina (Parcel 8), and overlooks the Main Channel.

Because the project is a renovation rather than a redevelopment, the Mello Act and the County's Marina del Rey affordable housing policy do not apply.

Approval of the Option Agreement is without prejudice to the County's full exercise of its regulatory authority in the consideration of the land use entitlements required for the possible exercise of the option.

Entering into leases of the County's Marina del Rey real property is authorized by Government Code sections 25907 and 25536. The lease term is in conformance with the maximum 99-year period authorized by California law.

At its meeting of June 9, 2010, the Small Craft Harbor Commission will consider the recommendations to approve the Option Agreement, the Agreement Regarding Acquisition of Lender Consent and the Amended and Restated Lease for Parcel 7 in the form attached, and its action will be communicated to your Board prior to your Board's consideration of the matter. County Counsel has approved the documents as to form.

ENVIRONMENTAL DOCUMENTATION

In compliance with CEQA, an Initial Study was prepared for the proposed project. The Initial Study identified potentially significant effects of the project on noise, water quality, air quality, biota, and utilities. Prior to release of the proposed Mitigated Negative Declaration ("MND") and Initial Study for public review, revisions in the project were made or agreed to which would avoid the significant effects or mitigate the effects to a point where clearly no significant effects would occur.

The Initial Study and project revisions showed that, in light of the whole record before the County, the project as revised will not have a significant effect on the environment. Based on the Initial Study and project revisions, an MND was prepared for this project (Attachment B). The proposed Mitigation Monitoring Program, included with the MND, was prepared to ensure compliance with the environmental mitigation measures included as part of the final MND relative to the impacted areas during project implementation. There have been no substantial changes to the proposed project since circulation of the environmental document.

The MND was circulated to the appropriate government agencies and Public Notice was then published in The Daily Breeze on March 15, 2010, pursuant to Public Resources Code section 21092, and posted, pursuant to section 21092.3. There were no written responses to the MND during the 30-day comment period.

Findings of Fact in support of the MND have been prepared for your consideration.

The location of the documents and other materials constituting the record of the proceedings upon

which your Board's decision will be based in this matter is the County of Los Angeles Department of Regional Planning, 320 West Temple Street, Los Angeles, California 90012. The custodian of such documents and materials is Michael Tripp, County of Los Angeles Department of Regional Planning.

The project is not exempt from payment of a fee to the California Department of Fish and Game ("DFG") pursuant to section 711.4 of the Fish and Game Code to defray the costs of fish and wildlife protection and management incurred by DFG. Upon your Board's adoption of the MND, the Department will file a Notice of Determination with the Registrar-Recorder/County Clerk in accordance with section 21152(a) of the California Public Resources Code, along with the Lessee's payment of the DFG-required filing and processing fees in the amount of \$2,085.25.

CONTRACTING PROCESS

The Amended and Restated Lease for Parcel 7 will be available to the Lessee upon the proper exercise of the option. Upon Lessee's demonstration that he has satisfied the conditions for exercise of the option and has received all planning, zoning, environmental and other entitlement approvals required to be obtained from governmental authorities for construction of the development project associated with that option, we will present to the Executive Officer the final confirmation that the conditions and approvals for exercise of the option contained in the Option Agreement have been satisfied and will request at that time execution of the Amended and Restated Lease for Parcel 7 in substantially similar form to Exhibit A attached to the Option Agreement.

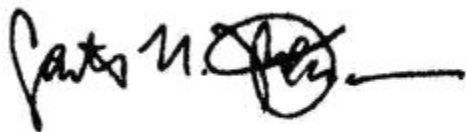
IMPACT ON CURRENT SERVICES (OR PROJECTS)

There is no impact on other current services or projects.

CONCLUSION

It is requested that the Executive Officer, Board of Supervisors send two copies of the executed Option Agreement and the executed Agreement Regarding Acquisition of Lender Consent and an adopted Board letter to the Department of Beaches and Harbors.

Respectfully submitted,

A handwritten signature in black ink, appearing to read "Santos H. Kreimann", followed by a horizontal line.

SANTOS H. KREIMANN
Director

SK:KS:GJ:dlg

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

Attachment A
Proposed Terms for Lease Extension
Parcel 7

BOARD POLICY ITEM	TERM
REDEVELOPMENT Development of new improvements	• Renovation of the existing 149 units, to include apartment interiors, building facades, interior and exterior common areas, landscaping, hardscape, promenade, parking areas with all required parking provided on-site (collectively "landside improvements"). Construction to be phased in a manner acceptable to Director and substantially completed within 48 months of Lessee's exercise of the option, exclusive of <i>Force Majeure</i>, but in all events no later than 5 years after Lessee's exercise of the Option. • Renovation of the dockside marina facilities including the restrooms and other facilities serving marina improvements ("dockside facilities") to commence within one year of Lessee's exercise of the Option and to be substantially completed within 2 years of its commencement. • Replacement of all existing docks with all new concrete docks to meet then-current marina standards, including ADA access, a pump-out station, and upon County notice a guest dock/water taxi dock. Construction shall commence no later than 10 years from completion of construction for the landside improvements and must complete construction within 2 years from commencement thereof. • Total development cost (hard costs only) of not less than \$22.0 million in 2008 dollars. • A Capital Improvement Fund to be funded monthly by Lessee in the amount of 1.5% of Lessee's total gross revenues derived from the leasehold will be maintained during the term of the lease (provided that the Capital Improvement Fund deposits for the anchorage shall be 3% of gross revenues from the anchorage until completion of the dock replacement and .5% of gross revenues from the anchorage for the first 10 years after the completion of the dock replacement). The Capital Improvement Fund shall be segregated into 2 separate funds: 1) one to be used for Permitted Capital Expenditures solely for the landside improvements and the dockside facilities, and (2) the other to be used solely for Permitted Capital Expenditures for the docks, including replacement of the docks. The Capital Improvement Fund must be fully expended for Permitted Capital Expenditures by 7 years prior to the expiration date of the lease. All Permitted Capital Expenditures are subject to prior approval by the Director, not to be unreasonably withheld. • Starting in the sixth year following Completion of Construction, a Renovation Fund to be funded annually by Lessee in the amount of 1.5% of Lessee's total gross revenues derived from the landside improvements and dockside facilities of the leasehold (but not from the docks), and will be maintained and funded until such repositioning has been fully completed. The Renovation Fund must be fully expended to physically reposition the project to then current market requirements between the beginning of year 20 and the end of year 22 following the completion of the original landside renovation. All Renovation Fund Expenditures are subject to prior approval by the Director, not to be unreasonably withheld.

<i>BOARD POLICY ITEM</i>	TERM
EXTENSION/LEASE TERM	- Option to extend lease on Parcel 7 by 33 years, from a termination date of 3/01/2022 to 2/28/2055. - Option fee of \$100,000, payable immediately prior to Board approval of the Option. The option fee payment is non-refundable.
EXTENSION FEE Fee equal to or commensurate with value of the extension	Option fee shall be credited against the Extension fee upon exercise of the Option.
MARKET RATE RENTS Ensure fair market rents	- Minimum annual rent to be reset upon exercise of the Option and every 3 years after exercise of the Option equal to 75% of the previous 3 years' average total rent, but in no event shall the minimum rent be reduced below that in effect prior to the date of adjustment. - Percentage rents: - Apartments: 12% of gross receipts. - Boat Slips: 25% of gross receipts. - Parking: 20% of gross receipts. - Cable/internet/satellite/telecommunications: 5% of gross receipts. - Dry Storage: 20% of gross receipts. - Office: 12.0% of gross receipts. - Laundry/dry cleaning: 5% commissions - Telephone/vending: 25% commissions - Misc.: 5.0% of gross receipts. - Adjustment of fair market percentage rental on each 10th anniversary date of exercise of the Option, provided that under no circumstances will percentage rent be reduced below those shown immediately above.. - During the first 3 years after the exercise of the option, Lessee has agreed that sublease rental rates on the slips in the marina shall not exceed the 2008 rates (adjusted by CPI for the period prior to the exercise of the option), increased by not more than 4% per year during such 3 year period.
PARTICIPATION IN SALE AND REFINANCE Secure County participation in sale and refinance of leasehold	- Sale Participation: Greater of 5% of the Gross Proceeds or (2) 20% of Net Proceeds upon assignment or other direct or indirect transfer of leasehold. - Refinance Participation: 20% of net loan proceeds not reinvested in leasehold (with the exception of the initial construction loan and the refinancing of the construction loan if a forward commitment is in place at the time of the construction loan).
COUNTY ADMIN. COSTS Ensure payment for County costs for lease extension	Lessee agrees to reimburse County for costs associated with extension negotiations, options and lease preparation, including all appraisal and consultant and legal costs.

<i>BOARD POLICY ITEM</i>	TERM
COUNTY INCOME CONTINUITY Ensure County revenue flow during development	Minimum rent and percentage rent in accordance with the Market Rate Rents section above to commence at the exercise of the Option.
RIGHT TO RECAPTURE	County has the right to purchase the leasehold interest if Lessee desires to either assign or sell the leasehold or a controlling interest in Lessee.
ARBITRATION	Arbitration will use rent-a-judge procedure. ☐Baseball☐ type arbitration provision.
LEASE ASSIGNMENT - DISCLOSURE ISSUES	Lease assignment and ownership disclosure requirements in accord with standard County policy; provided that Lessee has no right to assign the lease prior to the completion of the dock replacement without County's consent in its sole discretion.
DOCKMASTER	Lessee to maintain a full-time dockmaster to manage anchorage.
PROMENADE	Waterfront Promenade will be installed in accordance with County requirements wherever possible.
APPRAISAL	The Department has obtained an independent appraisal confirming the return to the County from the lease extension and new lease is equivalent to, or greater than, fair market value.
ENTITLEMENTS: SITE COVERAGE, HEIGHT ☐ LAND USES	- Lessee must obtain all regulatory approvals and financing within 18 months of grant of Option by Board of Supervisors. If Lessee is unable to obtain all of the necessary approvals or financing (due to an industry-wide financing market condition) within the 18-month requirement, the Director may grant two 6-month extensions if Lessee can demonstrate it has diligently pursued those approvals. The foregoing 18-month (or up to 30-month) period is subject to a litigation and appeal tolling provisions that shall in no event be later than 36 months after the date of the grant of the Option. - Density, site coverage, open space, view corridor, building height, entitlement and land uses are subject to Lessee obtaining all planning and entitlement approvals.

Additional Matters

OTHER TERMS	a) Seven years prior to Lease termination date, Lessee to provide to County a report by experts approved by County estimating the costs of removal of all improvements at the termination of the Lease. At County's option, Lessee shall establish a funding method to pay for such removal at the end of the term. County to advise Lessee of its election by no later than 5 years prior to expiration of lease term b) Maintenance standards for improvements to conform to Marina del Rey standards as set forth in the new lease document. c) Lease administrative items include: a) late fee of 6% plus interest at prime plus 3% for any late payments; b) security deposit equal to three months minimum rent; c) insurance levels set upon execution of the lease and renegotiated every five years thereafter; d) County approval rights over all construction plans and specifications. e) Enhanced audit and record-keeping standards. f) Liquidated damages of \$100 per day (adjusted for inflation) for each cited maintenance deficiency at each parcel that remains uncured after a specified cure period, to be assessed against the security deposit.

COUNTY OF LOS ANGELES
DEPARTMENT OF REGIONAL PLANNING
320 WEST TEMPLE STREET
LOS ANGELES, CALIFORNIA 90012

MITIGATED NEGATIVE DECLARATION

PROJECT NUMBER: R2009-00925 ☐ RENV200900056

1. DESCRIPTION:

Applicant proposes the rehabilitation of the existing 149-unit Tahiti Marina apartment complex, which will include substantial renovation of the apartment building interiors and exteriors, both private and public areas, waterfront promenade, parking facilities and landscaped areas of the existing apartment complex. The project also includes an Option to Amend Lease Agreement for the subject Parcel 7, to be approved by the County Board of Supervisors prior to initiation of the proposed rehab work at the site. None of these improvements will change the intensity of use or density of the existing apartment complex.

2. LOCATION:

13900 Tahiti Way, Marina Del Rey

3. PROPONENT:

13900 Tahiti Harbor Ltd.

4. FINDINGS OF NO SIGNIFICANT EFFECT:

BASED ON THE ATTACHED INITIAL STUDY, IT HAS BEEN DETERMINED THAT THE PROJECT WILL NOT HAVE A SIGNIFICANT EFFECT ON THE ENVIRONMENT WITH MODIFICATION AS IDENTIFIED ON THE PROJECT CHANGES/CONDITIONS FORM INCLUDED AS PART OF THE INITIAL STUDY.

5. LOCATION AND CUSTODIAN OF RECORD OF PROCEEDINGS:

**THE LOCATION AND CUSTODIAN OF THE RECORD OF PROCEEDINGS ON WHICH ADOPTION OF THIS MITAGATED NEGATIVE DECLARATION IS BASED IS:
DEPARTMENT OF REGIONAL PLANNING, 320 WEST TEMPLE STREET, LOS ANGELES, CA 90012**

PREPARED BY: *Michael Tripp*

DATE: *March 15, 2010*

Tahiti Marina Apartments Renovation Project (Marina del Rey Parcel 7)
County Project No. R2009-00925/ Environmental Review No. RENV200900056
Mitigation Monitoring Program

Impact Mitigation		Responsible Agency or Party	Action Required	Monitoring Agency or Party	Timing
Noise					
1.	All construction equipment, fixed or mobile, that is utilized on the site shall be in proper operating condition and fitted with standard factory silencing features. In areas where construction equipment (such as generators and air compressors) is left stationary and operating for more than one day within 100 feet of residential land uses, temporary portable noise structures shall be built. These barriers shall be located between the piece of equipment and sensitive land uses that preclude all sight-lines from the equipment to the residential land use(s). The County Building Official or a designee should spot check to ensure compliance.	Project Applicant	Properly maintain construction equipment and provide temporary portable noise structures, where applicable	Los Angeles County Department of Public Works	Throughout construction activities
2.	Construction activities shall be restricted to between the hours of 7:30 a.m. to 6:00 p.m., and shall be prohibited on Sundays and legal holidays, in order to minimize noise disturbance on surrounding residences.	Project Applicant	Restriction on construction hours	Los Angeles County Department of Regional Planning	Throughout construction activities
3.	Construction crews shall minimize engine idling in order to minimize noise disturbance on surrounding residences.	Construction contractor	Minimize idling of engine equipment	Los Angeles County Department of Regional Planning	Throughout construction activities
4.	At least 14 days prior to initiation of any project-related construction activity, the applicant shall provide written notice to residents in the subject Tahiti Apartments complex and residents of the adjoining Marina Harbor and Bay Club apartments complexes on Tahiti Way of the anticipated duration of construction and anticipated activities prior to the start of construction. The notice shall provide a phone number where neighbors can register questions and complaints. Applicant shall provide for the maintenance a log of questions and complaints and	Project Applicant	Minimum 14-day advanced written notification to residents on Tahiti Way regarding construction	Los Angeles County Department of Regional Planning	Prior to start of construction

Impact Mitigation	Responsible Agency or Party	Action Required	Monitoring Agency or Party	Timing
reasonable efforts shall be made to respond to questions and address complaints received.		activities; maintenance of construction activity complaint line and log		
5. The applicant shall post a notice at the construction site indicating the type of project, duration of construction activities and the phone number where questions and complaints can be registered.	Project Applicant	Posting of notice	Los Angeles County Department of Regional Planning	Throughout construction activities
6. Staging and delivery areas shall be located as far as feasible away from existing residences. Deliveries and hauling activities shall be scheduled between 9:00 a.m. and 4:00 p.m., to the extent feasible, to minimize disturbance of residents in the area.	Project Applicant	Location of staged equipment to be as far as possible from residences and deliveries and hauling to be restricted to the hours noted	Los Angeles County Department of Regional Planning	Throughout construction activities
7. All compressors, air conditioning units and other noise generating equipment shall be placed away from all residential receptors. All units shall have noise reduction casing or bases.	Project Applicant	Location of noise generating equipment	Los Angeles County Department of Regional Planning	Throughout the life of the project
Water Quality				
8. Applicant shall comply with all pertinent NPDES requirements of the Regional Water Quality Control Board and the County Department of Public Works	Project Applicant	NPDES compliance	Los Angeles County Department of Public Works	Throughout construction activities
9. Hammers and other hydraulic attachments shall be protected from run-on and run-off by placing them on plywood and covering them with plastic or a comparable material prior to the onset of rain.	Project Applicant	Provide plywood and appropriate	Los Angeles County Department of Regional Planning	Throughout construction activities

Impact Mitigation	Responsible Agency or Party	Action Required	Monitoring Agency or Party	Timing
		covers for equipment		
10. Sandbag barriers shall be placed around the staging areas to control sediment and prevent run-off.	Project Applicant	Install sandbags	Los Angeles County Department of Regional Planning	Throughout construction activities
11. All debris and trash shall be disposed of in appropriate trash containers on land by the end of each construction day.	Project Applicant	Make available appropriate trash containers. Ensure proper disposal of debris and trash	Los Angeles County Department of Regional Planning	Throughout construction activities
12. Discharge of hazardous materials into the study area shall be prohibited.	Project Applicant	Prohibit discharge	Los Angeles County Department of Regional Planning	Throughout construction activities
Air Quality				
13. To reduce emissions during construction, the applicant shall implement the following actions and BMP's: • Construction parking shall be configured to minimize traffic interference. • Construction activities that affect traffic flow on the arterial system shall be scheduled at off-peak hours as permitted. • Truck deliveries will be consolidated when possible. • Maintain equipment and vehicle engines in good condition and in proper tune according to manufacturers' specifications and per SCAQMD rules, to minimize exhaust emissions. • Suspend use of construction equipment during second stage smog alerts. • Use electricity from power poles rather than temporary diesel- or gasoline-powered generators.	Project Applicant	Monitoring construction activity to ensure emissions are minimized as indicated	Los Angeles County Department of Regional Planning	Throughout construction activities

Impact Mitigation	Responsible Agency or Party	Action Required	Monitoring Agency or Party	Timing
• Use methanol- or natural gas-powered mobile equipment and pile drivers instead of diesel if readily available at competitive prices. • Use propane- or butane-powered on-site mobile equipment instead of gasoline if readily available at competitive prices.				
Biota 13. Active bird nests are protected by the Migratory Bird Treaty Act (16 U.S.C. 704) and the California Fish and Game Code (Section 3503, 3503.5 and 3513). If activities associated with construction or grading are planned during the nesting/breeding season for native birds, generally January through March for early nesting birds (e.g., Coopers hawks or hummingbirds) and from mid-March through September for most bird species, the applicant shall have a qualified biologist conduct surveys for active bird nests. Pre-construction nesting bird surveys must be conducted weekly within 30 days prior to initiation of ground-disturbing activities to determine the presence/absence of active nests. The surveys shall continue on a weekly basis with the last survey being conducted no more than three days before the start of clearance/construction work. Surveys shall include examination of trees, shrubs, and the ground, within grasslands, for nesting birds, as several bird species known to the area are shrub or ground nesters, including mourning doves. Applicant shall submit all such surveys to Department of Regional Planning staff for review and inclusion in the case file. All bird nests that are found within the construction zone shall be protected by a buffer appropriate to the species observed, and demarcated by construction fencing or other means that will allow avoidance of the nests, until young birds have fledged and no continued use of the nest is observed. If ground-disturbing activities are delayed past the pre-construction survey, additional pre-construction surveys shall be conducted so that no more than three days will have elapsed between the survey and ground-disturbing activities.	Project Applicant	Conduct pre-construction bird survey and submit result to DRP; maintain buffer zones between project activities and active nests and demarcate any such buffer zones.	Los Angeles County Department of Regional Planning	Prior to any construction

Impact Mitigation	Responsible Agency or Party	Action Required	Monitoring Agency or Party	Timing
Utilities				
14. During construction, materials requiring disposal will be recycled to the extent feasible (untreated wood, concrete, asphalt, metals, glass, drywall, paper and rubble are potentially recyclable); other materials will be disposed of at local landfills as appropriate.	Project Applicant	Recycling of construction debris as feasible	Los Angeles County Department of Regional Planning	Throughout construction activities
15. During operation, a permanent full-service recycling program shall be implemented for residents and marina lessees that will include contracting for periodic onsite collection and physical improvements such as centralized receptacles to recycle paper, plastic, glass and metal waste products. The recycling program shall be fully maintained at all times by building management.	Project Applicant and Subsequent Owner(s)	On-site recycling services and facilities to be provided	Los Angeles County Department of Regional Planning	Throughout the life of the project
Geotechnical				
16. Proposed structures shall be designed in conformance with the requirements of the effective editions of the UBC and the County of Los Angeles Building Code. Prior to issuance of building permits for any new structures, applicant shall submit a geotechnical report for review and approval to the County Department of Public Works, to the satisfaction of said Department.	Project Applicant	Conformance with UBC and LA County Building Code and submittal of geotechnical report to LACDPW for new structures prior to building permit issuance, to the satisfaction of LACDPW	Los Angeles County Department of Public Works	Prior to issuance of building permit.
Flood Hazard				

Impact Mitigation	Responsible Agency or Party	Action Required	Monitoring Agency or Party	Timing
17. To properly engineer site drainage patterns in conformance with County Department of Public Works requirements, applicant shall submit a Drainage Concept to the Los Angeles County Department of Public Works for review and approval prior to issuance of grading or building permits.	Applicant	Submittal of Drainage Concept to LACDPW prior to issuance of grading or building permit	Los Angeles County Department of Public Works	Prior to issuance of building permit.
Traffic				
18. In order to reduce traffic circulation conflicts on Tahiti Way during project construction, applicant shall submit a construction traffic management plan to Los Angeles County Department of Public Works for review and approval prior to initiation of any construction-related work at the subject property.	Applicant	Submittal of construction traffic management plan to LACDPW prior to initiation of site work	Los Angeles County Department of Public Works	Prior to initiation of site work
Mitigation Compliance				
19. As a means of ensuring compliance of the above mitigation measures, the applicant and subsequent owner(s) are responsible for submitting an annual mitigation compliance report to the Los Angeles Department of Regional Planning for review, and for replenishing the mitigation monitoring account, if necessary, until such time as all mitigation measures have been implemented and completed.	Project Applicant and Subsequent Owner(s)	Submittal of annual mitigation compliance report; replenishing mitigation monitoring account	Los Angeles Department of Regional Planning	Annually until such time as all mitigation measures have been implemented and completed

*** * * * INITIAL STUDY * * * *****COUNTY OF LOS ANGELES
DEPARTMENT OF REGIONAL PLANNING****GENERAL INFORMATION**I.A. Map Date: May 2009 Staff Member: Michael TrippThomas Guide: 702-A1 USGS Quad: VeniceLocation: 13900 W. Tahiti Way, Marina del Rey, CA 90292

Description of Project: The proposed project (Tahiti Marina Apartments) is located on Parcel 7 at 13900 Tahiti Way in the unincorporated community of Marina del Rey. The subject parcel is approximately five acres in size and is leased from the County of Los Angeles. The proposed project requires a Coastal Development Permit to authorize the rehabilitation of the three-story 149-unit existing apartment complex located in one building over a 40- month time period, beginning on or about the first quarter of 2011. The proposed project includes substantial renovation of the apartment building interiors and exteriors, both private and public areas, waterfront promenade, parking facilities and landscaped areas of the existing apartment complex. The project also includes an Option to Amend Lease Agreement for the subject Parcel 7, to be approved by the County Board of Supervisors prior to initiation of the proposed rehab work at the site. The current renovation project does not entail any demolition or replacement of the existing Tahiti Marina boat slips; however, as part of the current renovation project, the existing anchorage lighting, electrical and water utility systems will be upgraded. The proposed project will not require grading or excavation activities. The proposed project will include the following renovation items for the complex:

Apartment Building Façade: The existing apartment building on the project site will be stripped of its current exterior façade. The exterior of the building will be upgraded using new materials and replacing windows and balconies for energy conservation.

The Apartment Building Individual Unit Interiors: All of the residential units located within the complex will be renovated. The renovation will include, new bathrooms and kitchens, washer and dryers, waste plumbing pipes, fixtures, electrical upgrades, technology infrastructure, and web-based amenities.

Apartment Building Interior Common Areas: The interior common areas of the existing apartment building on-site will include a new design for the entrance lobby with a concierge desk and new disabled-accessible bathrooms

for visitors to the complex. Additionally, this portion of the renovation will include new lights, new signs, and new materials and designs for all apartment unit entrances.

Exterior Common Areas: The pool area, club house, restroom facilities, landscaping, lighting, promenade, and bulkhead railing will all be renovated as part of the proposed project. The existing building on top of the garage will be removed. The vacant space will be developed into a patio garden. The existing pool and area around the pool will be renovated with new handrails and planters. Additionally, the proposed project will develop a new gym below an existing deck located on the east side of the building, in the existing parking garage. The new gym will occupy a larger space for a new and larger equipment area, lockers, showers, and restroom facilities.

Electrical Upgrade: The proposed project will include electrical upgrade to the entire complex. The proposed project will upgrade the existing transformer in the existing Southern California Edison (SCE) manhole located near the complex, and will upgrade nine existing multimeter apartments' boards, panels and feeds. Additionally, the proposed project will include the upgrading of new electrical feeder lines to the relocated boaters' restrooms and new gym.

Boaters' Restrooms: The proposed project will also renovate the existing boaters' restroom. Improvements will include the installation of new lockers, showers, and restroom facilities.

The proposed landside renovation project does not entail any demolition or replacement of the existing Tahiti Marina anchorage, which is a private recreational boat anchorage located on the waterside portion of the subject parcel; however, as part of the current renovation project, the existing anchorage utility stations will be replaced. Pursuant to terms of the Option to Amend Lease Agreement for the subject Parcel 7, to be approved by the County Board of Supervisors prior to initiation of the proposed rehab work at the site, the applicant will be contractually obligated to the County to demolish the existing waterside anchorage and to construct a new private boat anchorage on the waterside portion of the subject parcel no less than 10 years from the date of completion of the landside renovations described herein.

Environmental Setting: The project site is located in the unincorporated Los Angeles County community of Marina del Rey, in the western portion of the harbor. Specifically, the project site is located at the eastern terminus of Tahiti Way, on finger "2", surrounded by basin "B" to the north, the Main Channel to the east, and basin "A" to the south. There are residential apartments to the west and southwest, with boat docks in the water to the north, south and east. The site is currently developed with a 149 unit apartment complex located within a 237,500 square foot three-story building.

Gross Acres: 5 acres (landside)

Zoning: SP – Specific Plan: Tahiti Development Zone - Residential III (Medium-density multi-family residential)

Community/Areawide Plan: *Marina del Rey Land Use Plan*

Community Standards District: *N/A*

General Plan: *Marina del Rey Specific Plan*

Major projects in area:

PROJECT NUMBER

DESCRIPTION & STATUS

<u>Project R2006-03647</u>	<u>Parcel 10R – Replace existing 136-unit apartment complex with a 400-unit complex (Continued hearing scheduled before Regional Planning Commission on 02/03/10)</u>
<u>Project R2006-03652</u>	<u>Parcel FF – Replace existing public parking lot with a 126-unit apartment complex (Continued hearing scheduled before Regional Planning Commission on 02/03/10)</u>
<u>Project TR067861</u>	<u>Parcel 9U – Construct 19-story, 288-unit hotel with restaurant and other facilities (Continued hearing scheduled before Regional Planning Commission on 02/03/10)</u>
<u>Project R2006-03643</u>	<u>Parcel 9U – Construct public wetland park (Continued hearing scheduled before Regional Planning Commission on 02/03/10)</u>
<u>Project R2006-01510</u>	<u>Parcel OT- Replace existing public parking lot with a 114-unit Active Senior Accommodations Facility (Continued hearing scheduled for the Regional Planning Commission on 12/16/09)</u>
<u>Project R2005-00234</u>	<u>Parcels 100 and 101 – 544 apartment units located in 12 buildings (Approved by the Board of Supervisors on 01/27/09)</u>
<u>Project R2006-02726</u>	<u>Parcel 21 – Replace existing commercial center with a new center that contains 2,916 square feet of retail uses, 11,432 square feet of marine commercial uses, a 5,000 square foot yacht club, a 6,000 square foot health club, and a 447-space parking structure. (Continued hearing scheduled for the Regional Planning Commission on 12/16/09)</u>
<u>Project 98-134</u>	<u>Parcel 15 – Replace existing 288 unit apartment complex with a 585 unit complex. (Approved December 6, 2000)</u>

NOTE: For EIRs, above projects are not sufficient for cumulative analysis.

REVIEWING AGENCIES

☐ None	☒ Coastal Commission
☒ LA Regional Water Quality Control Board	☒ Army Corps of Engineers
☐ Lahontan Regional Water Quality Control Board	

Trustee Agencies

☐ None	☐ State Parks
☒ State Fish and Game (South Coast Region-5)	

Special Reviewing Agencies

☐ None	☒ City of Los Angeles
☐ National Parks	☐ Santa Monica Mountains Conservancy
☐ National Forest	☒ South Coast Air Quality Management District
☒ Department of Conservation Division of Oil, Gas and Geothermal Resources	

Regional Significance

☒ None	☐ Water Resources
☐ SCAG Criteria	☐ Santa Monica Mountains Area
☐ Air Quality	

County Reviewing Agencies

☒ Department of Public Works <u>Traffic & Lighting, Geotechnical & Materials Engineering, Environmental Programs, and Waterworks/Sewer Maintenance</u>	☒ Sheriff Department
☐ Department of Parks & Recreation	☒ Fire Department
☒ Beaches and Harbors	☒ Public Health – Environmental Health

IMPACT ANALYSIS MATRIX		ANALYSIS SUMMARY (See individual pages for details)				
		Pg	Less than Significant Impact/No Impact			
			Less than Significant Impact with Project Mitigation			Potential Concern
			Potentially Significant Impact			
CATEGORY	FACTOR	Pg				
HAZARDS	1. Geotechnical	6	☐	☒	☐	<i>Liquefaction</i>
	2. Flood	7	☐	☒	☐	<i>Tsunami inundation area</i>
	3. Fire	8	☒	☐	☐	
	4. Noise	9	☐	☒	☐	<i>Construction related noise</i>
RESOURCES	1. Water Quality	10	☐	☒	☐	<i>NPDES</i>
	2. Air Quality	11	☐	☒	☐	<i>Construction related</i>
	3. Biota	13	☐	☒	☐	<i>Nesting birds</i>
	4. Cultural Resources	15	☒	☐	☐	
	5. Mineral Resources	16	☒	☐	☐	
	6. Agriculture Resources	17	☒	☐	☐	
	7. Visual Qualities	18	☒	☐	☐	
SERVICES	1. Traffic/Access	19	☐	☒	☐	<i>Construction vehicle traffic</i>
	2. Sewage Disposal	21	☒	☐	☐	
	3. Education	22	☒	☐	☐	
	4. Fire/Sheriff	23	☒	☐	☐	
	5. Utilities	24	☐	☒	☐	<i>Construction related waste disposal</i>
OTHER	1. General	26	☒	☐	☐	
	2. Environmental Safety	27	☒	☐	☐	
	3. Land Use	29	☒	☐	☐	
	4. Pop/Hous./Emp./Rec.	30	☒	☐	☐	
	5. Mandatory Findings	31	☐	☒	☐	<i>Nesting birds</i>

ENVIRONMENTAL FINDING

FINAL DETERMINATION: On the basis of this Initial Study, the Department of Regional Planning finds that this project qualifies for the following environmental document:

- ☐ NEGATIVE DECLARATION, inasmuch as the proposed project will not have a significant effect on the environment.

An Initial Study was prepared on this project in compliance with the State CEQA Guidelines and the environmental reporting procedures of the County of Los Angeles. It was determined that this project will not exceed the established threshold criteria for any environmental/service factor and, as a result, will not have a significant effect on the physical environment.

- ☒ MITIGATED NEGATIVE DECLARATION, in as much as the changes required for the project will reduce impacts to insignificant levels (see attached discussion and/or conditions).

An Initial Study was prepared on this project in compliance with the State CEQA Guidelines and the environmental reporting procedures of the County of Los Angeles. It was originally determined that the proposed project may exceed established threshold criteria. The applicant has agreed to modification of the project so that it can now be determined that the project will not have a significant effect on the physical environment. The modification to mitigate this impact(s) is identified on the Project Changes/Conditions Form included as part of this Initial Study.

- ☐ ENVIRONMENTAL IMPACT REPORT*, inasmuch as there is substantial evidence that the project may have a significant impact due to factors listed above as "significant".

- ☐ At least one factor has been adequately analyzed in an earlier document pursuant to legal standards, and has been addressed by mitigation measures based on the earlier analysis as described on the attached sheets (see attached Form DRP/IA 101). The Addendum EIR is required to analyze only the factors changed or not previously addressed.

Reviewed by: Michael Tripp Date: 15 March 2010
Michael Tripp

Approved by: Samuel Dea Date: 15 March 2010
Samuel Dea

- ☐ This proposed project is exempt from Fish and Game CEQA filing fees. There is no substantial evidence that the proposed project will have potential for an adverse effect on wildlife or the habitat upon which the wildlife depends. (Fish & Game Code 753.5).

- ☐ Determination appealed – see attached sheet.

*NOTE: Findings for Environmental Impact Reports will be prepared as a separate document following the public hearing on the project.

HAZARDS - 1. Geotechnical

SETTING/IMPACTS

	Yes	No	Maybe	
a.	☐	☐	☒	Is the project located in an active or potentially active fault zone, Seismic Hazards Zone, or Alquist-Priolo Earthquake Fault Zone? <i>The project site is located in an area of potential liquefaction (State of California Seismic Hazards Zone Map – Venice Quad) and a region of known fault zones and seismic activity. However, prior to project construction, the applicant will prepare a geotechnical report to be approved by The Los Angeles County Department of Public Works (DPW) if required by said department.</i>
b.	☐	☒	☐	Is the project site located in an area containing a major landslide(s)? <i>According to the Los Angeles County Seismic Safety Element and the California Geological Survey, the project site is not within an area identified as having a potential for landslides. There are no known landslides near the project site, nor is the project site in the path of any known or potential landslides. No further analysis is required.</i>
c.	☐	☒	☐	Is the project site located in an area having high slope instability? <i>According to the Los Angeles County Seismic Safety Element and the California Geological Survey, the project site is not within an area identified as having a potential for slope instability. No further analysis is required.</i>
d.	☐	☐	☒	Is the project site subject to high subsidence, high groundwater level, liquefaction, or hydrocompaction? <i>The project site is located in an area of potential liquefaction (State of California Seismic Hazards Zone Map – Venice Quad) and a region of known fault zones and seismic activity. Prior to issuance of a building permit for any new structures, the applicant shall submit a geotechnical report to be reviewed and approved by DPW, to the satisfaction of said Department.</i>
e.	☐	☐	☒	Is the proposed project considered a sensitive use (school, hospital, public assembly site) located in close proximity to a significant geotechnical hazard? <i>The project contains residential uses, which is considered a sensitive use. The project site is located in an area of potential liquefaction (State of California Seismic Hazards Zone Map – Venice Quad) and a region of known fault zones and seismic activity. However, prior to project construction, the applicant will prepare a geotechnical report to be approved by DPW.</i>
f.	☐	☒	☐	Will the project entail substantial grading and/or alteration of topography including slopes of over 25%? <i>The project does not propose grading activities or alteration of the existing topography.</i>
g.	☐	☒	☐	Would the project be located on expansive soil, as defined in Table 18-1-B of Uniform Building Code (1994), creating substantial risks to life or property? <i>The project would not be located on expansive soil, as defined in Table 18-1-B of the Uniform Building Code (1994).</i>
h.	☐	☒	☐	Other factors?

STANDARD CODE REQUIREMENTS

☒ Building Code, Title 26 - Sections 110.2, 111 & 113
(Geotechnical Hazards, Engineering Geology and Soils Engineering Report, Earthquake Fault)

☒ **MITIGATION MEASURES**

☐ **OTHER CONSIDERATIONS**

☐ Lot Size

☐ Project Design

☒ Approval of Geotechnical Report by DPW

Applicant shall submit a geotechnical report to DPW for review and approval for new structures in advance of issuance of building permit, to the satisfaction of said Department.

CONCLUSION

Considering the above information, could the project have a significant impact (individually or cumulatively) on, or be impacted by, **geotechnical** factors?

☐ Potentially significant

☒ Less than significant with project mitigation

☐ Less than significant/No Impact

HAZARDS - 2. Flood

SETTING/IMPACTS

	Yes	No	Maybe	
a.	☐	☒	☐	Is the major drainage course, as identified on USGS quad sheets by a dashed line, located on the project site? <i>The USGS does not identify a major drainage course on the project site. (Source: USGS, Venice Quadrangle).</i>
b.	☐	☐	☒	Is the project site located within or does it contain a floodway, floodplain, or designated flood hazard zone? <i>The project site is located in a potential tsunami inundation area. The proposed project is the renovation of an existing apartment complex. No new units are proposed as part of the project.</i>
c.	☐	☒	☐	Is the project site located in or subject to high mudflow conditions? <i>The project site is located within an urbanized area and is surrounded by developed land to the west, and the basins and main channel of the Marina del Rey small craft harbor on all other sides. Due to the setting of the project site, high mudflow conditions are not known to occur.</i>
d.	☐	☒	☐	Could the project contribute or be subject to high erosion and debris deposition from run-off? <i>Project implementation would not substantially alter existing runoff and drainage conditions at the project site. As such, no change in site runoff is expected following project implementation. However, the project Applicant shall submit to the Los Angeles County Department of Public Works for review and approval a drainage concept prior to the issuance of a building permit.</i>
e.	☐	☒	☐	Would the project substantially alter the existing drainage pattern of the site or area? <i>Project implementation would not substantially alter existing runoff and drainage conditions at the project site. However, the project Applicant shall submit to the Los Angeles County Department of Public Works for review and approval a drainage concept prior to the issuance of a building permit.</i>
f.	☐	☒	☐	Other factors (e.g., dam failure)?

STANDARD CODE REQUIREMENTS

- ☐ Building Code, Title 26 – Section 110.1 (Flood Hazard)
☐ Health and Safety Code, Title 11 – Chapter 11.60 (Floodways)

☐ MITIGATION MEASURES

☐ Lot Size
 DPW

☒ OTHER CONSIDERATIONS

☐ Project Design ☒ Approval of Drainage Concept by

Applicant shall submit to the Los Angeles County Department of Public Works for review and approval a drainage concept prior to the issuance of grading or building permits to the satisfaction of said department.

CONCLUSION

Considering the above information, could the project have a significant impact (individually or cumulatively) on, or be impacted by **flood (hydrological)** factors?

☐ Potentially significant
 ☒ Less than significant with project mitigation
 ☐ Less than significant/No Impact

HAZARDS - 3. Fire

SETTING/IMPACTS

	Yes	No	Maybe	
a.	☐	☒	☐	Is the project site located in a Very High Fire Hazard Severity Zone (Fire Zone 4)? <i>The project site is not located in a Very High Fire Hazard Severity Zone (Fire Zone 4). No further analysis is necessary. (Source: LA County Safety Element – Wildland and Urban Fire Hazards Map)</i>
b.	☐	☒	☐	Is the project site in a high fire hazard area and served by inadequate access due to lengths, width, surface materials, turnarounds or grade? <i>The project site is not located in a high fire hazard area. The project site is located at the terminus of Tahiti Way and is currently developed with adequate access for fire fighting equipment. Final building plans will be submitted to the Los Angeles County Fire Department for review and approval to insure sufficient access.</i>
c.	☐	☒	☐	Does the project site have more than 75 dwelling units on a single access in a high fire hazard area? <i>The project site is not located in a high fire hazard area. However, the project site currently contains 149 dwelling units, and is located at the terminus of Tahiti Way, which provides only a single access. Final building plans will be submitted to the Los Angeles County Fire Department for review and approval.</i>
d.	☐	☒	☐	Is the project site located in an area having inadequate water and pressure to meet fire flow standards? <i>The project site is served by Los Angeles County's Marina del Rey Water System. The Los Angeles County Fire Department has confirmed that existing water flow pressure at the subject parcel is sufficient to meet the Department's firefighting needs; no upgrades to the existing water conveyance system are thus required for the project.</i>
e.	☐	☒	☐	Is the project located in close proximity to potential dangerous fire hazard conditions/uses (such as refineries, flammables, explosives manufacturing)? <i>The project site is located in the unincorporated Los Angeles County community of Marina del Rey, in the western portion of its small craft harbor. Surrounding land uses are mostly residential. The project site is not located in close proximity to potential dangerous fire hazard conditions. No additional analysis is required.</i>
f.	☐	☒	☐	Does the proposed use constitute a potentially dangerous fire hazard? <i>The project proposes residential uses that do not constitute a potentially dangerous fire hazard. No further analysis is required.</i>
g.	☐	☒	☐	Other factors?

STANDARD CODE REQUIREMENTS

- ☒ Utilities Code, Title 20 – Section 20.16.060 (Fire Flow & Fire Hydrants Requirements)
- ☒ California Fire Code, Title 24, Part 9 – Section 503 (Fire Apparatus Access Roads)
- ☐ Fire Code, Title 32 – Sections 317.2.1 (Fuel Modification Plan)

☐ MITIGATION MEASURES

☐ Project Design

☐ OTHER CONSIDERATIONS

☐ Compatible Use

CONCLUSION

Considering the above information, could the project have a significant impact (individually or cumulatively) on, or be impacted by **fire hazard** factors?

☐ Potentially significant

☐ Less than significant with project mitigation

☒ Less than significant/No Impact

HAZARDS - 4. Noise

SETTING/IMPACTS

	Yes	No	Maybe	
a.	☐	☒	☐	Is the project site located near a high noise source (airports, railroads, freeways, industry)? <i>Los Angeles International Airport is located approximately 1.75 miles southeast of the project site.</i>
b.	☐	☐	☒	Is the proposed use considered sensitive (school, hospital, senior citizen facility) or are there other sensitive uses in close proximity? <i>Project implementation would contain residential uses, which is considered a sensitive use. The closest offsite sensitive land use is the Bay Club Apartment complex located to the west of the project site. Residents in this complex are not expected to experience construction and operational noise louder than the standards set forth by the County of Los Angeles. Impacts are expected to be less than significant with project mitigation. (Source: Noise Study For Tahiti Marina Apartments Rehabilitation Project In Los Angeles County, California, prepared by Impact Sciences, Inc., July 2009). Even though the project Noise Study concludes that residents in the project vicinity are not expected to experience construction and operational noise louder than the standards set forth by the County of Los Angeles, noise attenuation measures have nonetheless been incorporated to reduce construction-related noise to apartment residents in the project vicinity.</i>
c.	☐	☒	☐	Could the project substantially increase ambient noise levels including those associated with special equipment (such as amplified sound systems) or parking areas associated with the project? <i>The project would not include an increase in intensity. Consequently, the project would not result in an increase in ambient noise level. Project buildout would not increase the existing amount of total project parking; however, 24 additional parking spaces would be provided at the exterior parking lot, to account for parking spaces lost in the parking garage due to construction of a gymnasium in a portion of the garage. The introduction of 24 outdoor parking spots is not considered substantial, and no further analysis is necessary.</i>
d.	☐	☒	☐	Would the project result in a substantial temporary or periodic increase in ambient noise levels in the project vicinity above levels without the project? <i>Construction of the proposed project is expected to begin on or about September 2010 and be completed, in approximately 40 months, on or about March 2014. The County Noise Control Ordinance (County Code Section 12.08.440) identifies specific restrictions regarding construction noise. The operation of equipment used in construction, drilling, repair, alteration or demolition work is prohibited between weekday hours of 7:00 PM to 7:00 AM and anytime on Sundays or legal holidays if such noise would create a noise disturbance across a residential or commercial real-property line. All mobile stationary internal-combustion-powered equipment and machinery is also required to be equipped with suitable exhaust and air-intake silencers in proper working order</i> <i>Project construction activities would not exceed the maximum noise levels listed in the County Code Section 12.08.440 (Source: Noise Study For Tahiti Marina Apartments Rehabilitation Project In Los Angeles County, California, prepared by Impact Sciences, Inc., July 2009). No further analysis is necessary.</i>
e.	☐	☒	☐	Other factors?

STANDARD CODE REQUIREMENTS

- ☒ Environmental Protection Code, Title 12 – Chapter 12.08 (Noise Control)
- ☐ Building Code, Title 26 – Sections 1208A (Interior Environment – Noise)

☒ MITIGATION MEASURES

☐ Lot Size

☒ OTHER CONSIDERATIONS

☒ Project Design

☒ Compatible Use

Noise Study For Tahiti Marina Apartments, prepared by Impact Sciences, Inc., July 2009 on file.

To reduce construction-related noise to apartment residents in the project vicinity, the following measures shall be implemented:

- All construction equipment, fixed or mobile, that is utilized on the site shall be in proper operating condition and fitted with standard factory silencing features. In areas where construction equipment (such as generators and air compressors) is left stationary and operating for more than one day within 100 feet of residential land uses, temporary portable noise structures shall be built. These barriers shall be located between the piece of equipment and sensitive land uses that preclude all sight-lines from the equipment to the residential land use(s).
- Project-related construction activities shall be restricted to between the hours of 7:30 a.m. to 6:00 p.m., and shall be prohibited on Sundays and legal holidays, in order to minimize noise disturbance on surrounding residences.
- Project construction crews shall minimize engine idling in order to minimize noise disturbance on surrounding residences.
- At least 14 days prior to initiation of any project-related construction activity, the applicant shall provide written notice to residents in the subject Tahiti Apartments complex and residents of the adjoining Marina Harbor and Bay Club apartments complexes on Tahiti Way of the anticipated duration of construction and anticipated activities prior to the start of construction. The notice shall provide a phone number where neighbors can register questions and complaints. Applicant shall provide for the maintenance a log of questions and complaints and reasonable efforts shall be made to respond to questions and address complaints received.
- The applicant shall post a notice at the construction site indicating the type of project, duration of construction activities and the phone number where questions and complaints can be registered.
- Staging and delivery areas shall be located as far as feasible away from existing residences. Deliveries and hauling activities shall be scheduled between 9:00 a.m. and 4:00 p.m., to the extent feasible, to minimize disturbance of residents in the area.
- All compressors, air conditioning units and other noise generating equipment shall be placed away from all residential receptors. All units shall have noise reduction casing or bases.

CONCLUSION

Considering the above information, could the project have a significant impact (individually or cumulatively) on, or be adversely impacted by noise?

☐ Potentially significant

☒ Less than significant with project mitigation

☐ Less than significant/No Impact

RESOURCES - 1. Water Quality

SETTING/IMPACTS

	Yes	No	Maybe	
a.	☐	☒	☐	Is the project site located in an area having known water quality problems and proposing the use of individual water wells? <i>Water service is provided to the project site by Los Angeles County's Marina del Rey Water System. No water quality problems are known to exist in the area. Additionally, the project does not propose the use of individual water wells.</i>
b.	☐	☒	☐	Will the proposed project require the use of a private sewage disposal system? <i>No. Wastewater generated at the project site is collected and conveyed by a sewer system owned and operated by the Los Angeles County Department of Public Works and treated by an agreement with the City of Los Angeles.</i>
	☐	☐	☐	If the answer is yes, is the project site located in an area having known septic tank limitations due to high groundwater or other geotechnical limitations or is the project proposing on-site systems located in close proximity to a drainage course?
c.	☐	☐	☒	Could the project's associated construction activities significantly impact the quality of groundwater and/or storm water runoff to the storm water conveyance system and/or receiving water bodies? <i>Construction activities could potentially result in impacts to storm water runoff. The project shall comply with the California Regional Water Quality Control Board and the County National Pollutant Discharge Elimination System (NPDES) permit discharge requirements. Compliance would reduce potentially significant impacts to less than significant levels.</i>
d.	☐	☒	☐	Could the project's post-development activities potentially degrade the quality of storm water runoff and/or could post-development non-storm water discharges contribute potential pollutants to the storm water conveyance system and/or receiving bodies? <i>Proposed project improvements would not increase the percentage of impervious surface area on the project site. Therefore, the project would likely not result in an increase in storm water runoff. As such, the existing drainage facilities have adequate capacity to accommodate Project flows. Nonetheless, the Project shall comply with the California Regional Water Quality Control Board and the County National Pollutant Discharge Elimination System (NPDES) permit discharge requirements.</i>
e.	☐	☐	☐	Other factors?

STANDARD CODE REQUIREMENTS

☐ Health & Safety Code, Title 11 – Chapter 11.38 (Water & Sewers)	
☒ Environmental Protection, Title 12 – Chapter 12.80 (Storm-water & Runoff Pollution Control)	
☒ Plumbing Code, Title 28 – Chapter 7 (Sanitary Drainage)	
☒ MITIGATION MEASURES	☐ OTHER CONSIDERATIONS
☐ Lot Size	☐ Project Design
☐ Industrial Waste Permit	☐ Compatible Use
	☐ Septic Feasibility Study
	☒ National Pollutant Discharge Elimination System (NPDES) Permit

Applicant shall comply with all pertinent NPDES requirements of the Regional Water Quality Control Board and the Los Angeles County Department of Public Works. The following additional water quality mitigation measures shall also be incorporated into the project:

- Hammers and other hydraulic attachments shall be protected from run-on and run-off by placing them on plywood and covering them with plastic or a comparable material prior to the onset of rain.
- Sandbag barriers shall be placed around the staging areas to control sediment and prevent run-off.
- All debris and trash shall be disposed of in appropriate trash containers on land by the end of each construction day.

- Discharge of hazardous materials into the study area shall be prohibited.

CONCLUSION

Considering the above information, could the project have a significant impact (individually or cumulatively) on, or be adversely impacted by, **water quality** problems?

☐ Potentially
significant

☒ Less than significant with project mitigation

☐ Less than significant/No
Impact

RESOURCES - 2. Air Quality

SETTING/IMPACTS

	Yes	No	Maybe	
a.	☐	☒	☐	Will the proposed project exceed the State's criteria for regional significance (generally (a) 500 dwelling units for residential users or (b) 40 gross acres, 650,000 square feet of floor area or 1,000 employees for non-residential uses)? <i>The proposed project will consist of the renovation of 149 existing apartments and the construction of a new gym and boater's facilities. This project will not exceed the State's criteria for regional significance.</i>
b.	☐	☒	☐	Is the proposal considered a sensitive use (schools, hospitals, parks) and located near a freeway or heavy industrial use? <i>The proposed project consists of residential uses but is not located near a freeway or heavy industrial use. The surrounding similar residential land uses are not expected to emit criteria pollutants that would have a significant impact on the proposed project.</i>
c.	☐	☒	☐	Will the project increase local emissions to a significant extent due to increased traffic congestion or use of a parking structure or exceed AQMD thresholds of potential significance? <i>The proposed project would not result in an increase in population and apartment units. Therefore, the proposed project would not result in an increase in existing operational emissions. The average daily trips associated with the project would remain the same as the existing average daily trips. The proposed project will not change the land use and population of the project site and will therefore not have a significant impact with respect to this criterion.</i>
d.	☐	☐	☒	Will the project generate or is the site in close proximity to sources that create obnoxious odors, dust, and/or hazardous emissions? <i>The residential land uses associated with the proposed project are not expected to be a source of persistent odors, dust, and/or hazardous emissions. Construction of the project is temporary and dust and odors associated with construction are not expected to have a significant impact on air quality. Refuse associated with operation of the project will be disposed of in accordance with all applicable regulations. Hazardous substances are regulated by the state under the California Accidental Release Prevention Program, and residential uses do not emit hazardous emissions that are significant. Impacts are expected to be less than significant with project mitigation.</i>
e.	☐	☒	☐	Would the project conflict with or obstruct implementation of the applicable air quality plan? <i>The project shall comply with the South Coast Air Quality Management District's (SCAQMD) CEQA Air Quality Handbook and other guidance provided by SCAQMD. Compliance would reduce potentially significant impacts to less than significant levels.</i>
f.	☐	☒	☐	Would the project violate any air quality standard or contribute substantially to an existing or projected air quality violation? <i>No. The proposed project will comply with SCAQMD's Air Quality Handbook and other guidance provided by SCAQMD and emissions from construction and operation will not exceed the emission thresholds for criteria pollutants. In addition, emissions will not exceed the localized ambient concentration thresholds established in the SCAQMD's LST Methodology. Therefore, the project is not expected to violate any air quality standards or contribute substantially to an existing or projected air quality violation.</i>
g.	☐	☒	☐	Would the project result in a cumulatively considerable net increase of any criteria pollutant for which the project region is non-attainment under applicable federal or state ambient air quality standard (including releasing emission which would exceed quantitative thresholds for ozone precursors)?

- h. ☐ ☒ ☐ Other factors – Global Climate Change?
- No. The proposed project will comply with SCAQMD's Air Quality Handbook and other guidance provided by SCAQMD and is not expected to have a cumulatively considerable net increase of any criteria pollutant for which the project region is non-attainment for.*
- The proposed project will use energy conserving appliances and will therefore reduce carbon dioxide emissions compared to existing emissions. Therefore, the project emissions are less than significant with respect to this criterion. (Source: Tahiti Marina Apartments Project Air Quality Assessment, Impact Sciences Inc., July 2009, page 7.).*

STANDARD CODE REQUIREMENTS

☐ State of California Health and Safety Code – Section 40506 (Air Quality Management District Permit)

☐ MITIGATION MEASURES

☐ Project Design

☒ OTHER CONSIDERATIONS

☒ Air Quality Report

Tahiti Marina Apartments Project Air Quality Assessment, prepared by Impact Sciences Inc., July 2009 on file.

To reduce air emissions during construction, the following actions included in the project and BMPs shall be implemented:

- Construction parking shall be configured to minimize traffic interference.
- Construction activities that affect traffic flow on the arterial system shall be scheduled at off-peak hours as permitted.
- Truck deliveries will be consolidated when possible.
- Maintain equipment and vehicle engines in good condition and in proper tune according to manufacturers' specifications and per SCAQMD rules, to minimize exhaust emissions.
- Suspend use of construction equipment during second stage smog alerts.
- Use electricity from power poles rather than temporary diesel- or gasoline powered generators.
- Use methanol- or natural gas-powered mobile equipment and pile drivers instead of diesel if readily available at competitive prices.
- Use propane- or butane-powered on-site mobile equipment instead of gasoline if readily available at competitive prices.

CONCLUSION

Considering the above information, could the project have a significant impact (individually or cumulatively) on, or be adversely impacted by, **air quality**?

☐ Potentially significant

☒ Less than significant with project mitigation

☐ Less than significant/No Impact

RESOURCES - 3. Biota

SETTING/IMPACTS

	Yes	No	Maybe	
a.	☐	☒	☐	Is the project site located within a Significant Ecological Area (SEA), SEA Buffer, or coastal Sensitive Environmental Resource (ESHA, etc.), or is the site relatively undisturbed and natural? <i>The project site is currently developed in an urbanized area. The project site is not located within a Significant Ecological Area (SEA), SEA Buffer, or coastal Sensitive Environmental Resource Area. SEA #29 (Ballona Creek) is located approximately 0.3 miles southeast of the project site. No additional analysis is required as the project will not encroach into the SEA.</i>
b.	☐	☒	☐	Will grading, fire clearance, or flood related improvements remove substantial natural habitat areas? <i>The project site is currently developed and does not contain substantial natural habitat areas. No further analysis is necessary.</i>
c.	☐	☐	☒	Is a drainage course located on the project site that is depicted on USGS quad sheets by a dashed blue line or that may contain a bed, channel, or bank of any perennial, intermittent or ephemeral river, stream, or lake? <i>No drainage courses that are depicted on USGS quad sheets are located on the project site. The project site abuts the Main Channel of the Marina del Rey small craft harbor to the east, basin "B" of the harbor to the north, and basin "A" of the harbor to the south. However, project implementation would not change site runoff at the project site over existing conditions. No further analysis is necessary.</i>
d.	☐	☒	☐	Does the project site contain a major riparian or other sensitive habitat (e.g. coastal sage scrub, oak woodland, sycamore riparian, woodland, wetland, etc.)? <i>The project site is currently developed and does not contain a major riparian or sensitive habitat. No further analysis is required.</i>
e.	☐	☒	☐	Does the project site contain oak or other unique native trees (specify kinds of trees)? <i>The project site contains mature trees. However, these trees are not oak or other unique native trees. No further analysis is necessary.</i>
f.	☐	☐	☒	Is the project site habitat for any known sensitive species (federal or state listed endangered, etc.)? <i>The Marina del Rey area at large is a known habitat of the Great Blue Heron, Black-crowned Night Heron and Great Egret. A nesting bird survey of the project site was conducted to determine whether onsite trees may hold active nests of breeding birds including in particular, but not exclusively, herons and egrets. Two nests were identified, one each in two trees located on the project site. The first tree contained one nest, likely by American Crows but with an outside possibility by Black-crowned Night Herons (of a previous season). The nest appeared to be inactive, and was not occupied by herons of any species. The nest in the second tree was determined to belong to either the Eastern Red Fox Squirrel or American Crow, and was determined to not belong to herons. (Source: Nesting Bird Survey for the Tahiti Apartments, performed by Jeffrey B. Froke, Ph.D., April 28, 2009). Nonetheless, as federal law protects the active nests of not only herons, but of all native birds, mitigation is provided below to ensure biota impacts would remain less than significant.</i>
g.	☐	☒	☐	Other factors (e.g., wildlife corridor, adjacent open space linkage)?

☒ MITIGATION MEASURES

☐ OTHER CONSIDERATIONS

- ☐ Lot Size
 ☐ Project Design
 ☐ Oak Tree Permit
☐ ERB/SEATAC Review (Biota Report required)
 ☐ Biological Constraints Analysis

Dr. Jeffrey Froke (Califauna) Breeding Bird Letter Report of April 28, 2009, on file.

Active bird nests are protected by the Migratory Bird Treaty Act (16 U.S.C. 704) and the California Fish and Game Code (Section 3503, 3503.5 and 3513). If activities associated with construction or grading are planned during the nesting/breeding season for native birds, generally January through March for early nesting birds (e.g., Coopers hawks or hummingbirds) and from mid-March through September for most bird species, the applicant shall have a qualified biologist conduct surveys for active bird nests. Pre-construction nesting bird surveys must be conducted weekly within 30 days prior to initiation of ground-disturbing activities to determine the presence/absence of active nests. The surveys shall continue on a weekly basis with the last survey being conducted no more than three days before the start of clearance/construction work. Surveys shall include examination of trees, shrubs, and the ground, within grasslands, for nesting birds, as several bird species known to the area are shrub or ground nesters, including mourning doves. All bird nests that are found within the construction zone shall be protected by a buffer appropriate to the species observed, and demarcated by construction fencing or other means that will allow avoidance of the nests, until young birds have fledged and no continued use of the nest is observed. If ground-disturbing activities are delayed past the pre-construction survey, additional pre-construction surveys will be conducted so that no more than three days will have elapsed between the survey and ground-disturbing activities.

CONCLUSION

Considering the above information, could the project have a significant impact (individually or cumulatively) on, **biotic** resources?

- ☐ Potentially significant
 ☒ Less than significant with project mitigation
 ☐ Less than significant/No Impact

RESOURCES - 4. Archaeological/Historical/Paleontological

SETTING/IMPACTS

	Yes	No	Maybe	
a.	☐	☒	☐	Is the project site in or near an area containing known archaeological resources or containing features (drainage course, spring, knoll, rock outcroppings, or oak trees) that indicate potential archaeological sensitivity? <i>The project site is currently developed and is not located in or near an area containing known archaeological resources or features. No additional analysis is necessary.</i>
b.	☐	☒	☐	Does the project site contain rock formations indicating potential paleontological resources? <i>The project site is currently developed does not contain any rock formations. No additional analysis is required.</i>
c.	☐	☒	☐	Does the project site contain known historic structures or sites? <i>The project site is currently developed with an existing apartment complex, originally constructed in 1967. This apartment complex is not listed or is eligible for listing on any federal, state, or local registers of historic resources. No additional analysis is necessary.</i>
d.	☐	☒	☐	Would the project cause a substantial adverse change in the significance of a historical or archaeological resource as defined in 15064.5? <i>As described above, the project site does not contain any historical or archaeological resources. As such, project implementation would not cause a substantial adverse change in the significance of a historical or archaeological resource as defined in 15064.5. No additional analysis is required.</i>
e.	☐	☒	☐	Would the project directly or indirectly destroy a unique paleontological resource or site or unique geologic feature? <i>The project site is developed with residential uses. No unique paleontological resources or unique geological features are known to exist on the project site. No further analysis is necessary.</i>
f.	☐	☒	☐	Other factors?

☐ MITIGATION MEASURES

- ☐ Lot Size
☐ Phase 1 Archaeology Report Search

☐ Project Design
☐ Phase 1 Archaeology Report Search

☐ OTHER CONSIDERATIONS

- ☐ Cultural Resources Records Search (Quick Check)
☐ Native American Heritage Commission Sacred Land Files

CONCLUSION

Considering the above information, could the project leave a significant impact (individually or cumulatively) on **archaeological, historical, or paleontological** resources?

- ☐ Potentially significant

☐ Less than significant with project mitigation

☒ Less than significant/No Impact

RESOURCES - 5. Mineral Resources

SETTING/IMPACTS

	Yes	No	Maybe	
a.	☐	☒	☐	Would the project result in the loss of availability of a known mineral resource that would be of value to the region and the residents of the state? <i>The project site is currently developed and is not located within a locally important mineral resource discovery site. No further analysis is necessary.</i>
b.	☐	☒	☐	Would the project result in the loss of availability of a locally important mineral resource discovery site delineated on a local general plan, specific plan or other land use plan? <i>The project site is currently developed and is not located within a locally important mineral resource discovery site. No further analysis is necessary.</i>
c.	☐	☒	☐	Other factors?

☐ MITIGATION MEASURES

☐ OTHER CONSIDERATIONS

☐ Lot Size

☐ Project Design

CONCLUSION

Considering the above information, could the project leave a significant impact (individually or cumulatively) on **mineral** resources?

☐ Potentially significant ☐ Less than significant with project mitigation ☒ Less than significant/No Impact

RESOURCES - 6. Agriculture Resources

SETTING/IMPACTS

	Yes	No	Maybe	
a.	☐	☒	☐	Would the project convert Prime Farmland, Unique Farmland, or Farmland of Statewide Importance (Farmland), as shown on the maps prepared pursuant to the Farmland Mapping and Monitoring Program of the California Resources Agency to non-agricultural use? <i>The project would not convert Prime Farmland, Unique Farmland, or Farmland of Statewide Importance. No further analysis is required. (Source: Los Angeles County Important Farmland 2002 Map)</i>
b.	☐	☒	☐	Would the project conflict with existing zoning for agricultural use, or a Williamson Act contract? <i>The project site is located within the Marina del Rey Specific Plan area and is subject to regulations of the Marina del Rey Land Use Plan. As defined in the Land Use Plan, the project site is designated as "Residential III", which permits medium-high density multi-family residential development, up to 45 units per net acre, and a height limit of 75 feet. The project site is currently developed with residential uses. No Williamson Act contract applies to the project site. Therefore, the project would not conflict with existing zoning for agricultural uses.</i>
c.	☐	☒	☐	Would the project involve other changes in the existing environment that due to their location or nature, could result in conversion of Farmland, to non-agricultural use? <i>The project site is located on the western side of the Marina del Rey small craft harbor, an urbanized area. Agricultural uses are not located in the immediate area. Therefore, the project would not result in the conversion of farmland to non-agricultural use.</i>
d.	☐	☒	☐	Other factors?

☐ MITIGATION MEASURES

☐ OTHER CONSIDERATIONS

☐ Lot Size

☐ Project Design

CONCLUSION

Considering the above information, could the project leave a significant impact (individually or cumulatively) on **agriculture** resources?

☐ Potentially significant
 ☐ Less than significant with project mitigation
 ☒ Less than significant/No Impact

RESOURCES - 7. Visual Qualities

SETTING/IMPACTS

	Yes	No	Maybe	
a.	☐	☒	☐	Is the project site substantially visible from or will it obstruct views along a scenic highway (as shown on the Scenic Highway Element), or is it located within a scenic corridor or will it otherwise impact the viewshed? <i>The project site is located at the terminus of Tahiti Way, which is not designated by the Scenic Highway Element as a scenic highway. However, the Marina del Rey Land Use Plan identifies land adjacent to the Main Channel as significant vantage points within the Marina. Thus, the project site is considered a significant vantage point and can be seen from significant vantage points throughout the Marina. Because the project would not add height or substantial building mass to existing development, the existing viewshed to and from the project site would not be altered.</i>
b.	☐	☒	☐	Is the project substantially visible from or will it obstruct views from a regional riding or hiking trail? <i>The project site is located in an established urbanized area and is not visible from any regional riding or hiking trail.</i>
c.	☐	☒	☐	Is the project site located in an undeveloped or undisturbed area that contains unique aesthetic features? <i>The project site is currently developed and is located within an urbanized community.</i>
d.	☐	☒	☐	Is the proposed use out-of-character in comparison to adjacent uses because of height, bulk, or other features? <i>The visual character of the project site and area is dominated by urban development within Marina del Rey. Residential uses immediately west of the project site are of similar height and building mass as the proposed project.</i>
e.	☐	☒	☐	Is the project likely to create substantial sun shadow, light or glare problems? <i>The project would neither significantly modify existing building heights nor add substantial building mass to the existing development. Existing shadows to off-site land uses would thus be generally consistent following project buildout.</i>
f.	☐	☒	☐	Other factors (e.g., grading or landform alteration)?

☐ MITIGATION MEASURES

☐ Lot Size ☒ Project Design

☐ OTHER CONSIDERATIONS

☐ Visual Report ☒ Compatible Use

CONCLUSION

Considering the above information, could the project leave a significant impact (individually or cumulatively) on **scenic** qualities?

☒ Potentially significant
 ☐ Less than significant with project mitigation
 ☒ Less than significant/No Impact

SERVICES - 1. Traffic/Access

SETTING/IMPACTS

	Yes	No	Maybe	
a.	☐	☒	☐	Does the project contain 25 dwelling units or more and is it located in an area with known congestion problems (roadway or intersections)? <i>The site currently contains 149 dwelling units. The project will not increase the number of dwelling units or increase the intensity but rather includes a renovation and upgrade of an existing permitted use. Consequently, the project would not result in an increase in congestion on the surrounding roadway network due to increased vehicle trips.</i>
b.	☐	☐	☒	Will the project result in any hazardous traffic conditions? <i>The project site is located at the terminus of the Tahiti Way mole road. All staging and construction activities are expected to be located on the project site and the applicant shall submit a construction traffic management plan for approval to Dept of Public Works prior to commencement of any demolition or construction activities. As such, no hazardous conditions are anticipated on Tahiti Way due to project construction. Additionally, the project would not include an increase in intensity that would generate vehicle trips but rather include a renovation and upgrade of an existing permitted use. Consequently, the project would not result in an increase in congestion on the surrounding roadway network due to increased vehicle trips.</i>
c.	☐	☒	☐	Will the project result in parking problems with a subsequent impact on traffic conditions? <i>The project site currently contains 465 parking spaces. Of these, 301 parking spaces are contained within a semi-subterranean parking garage underlying the apartment units, and 164 parking spaces are provided outdoors at a surface parking lot. Project buildout would not increase the total number of on-site parking spaces; however, 24 parking spaces will be moved from the parking garage to the surface parking lot. The current Los Angeles County Parking Code requires a total of 474 parking spaces for project uses as proposed. However, project parking requirements are exempt from the current parking code because no changes to the project footprint or number of residential units are proposed. As such, the 465 parking spaces provided by the project is considered adequate by the County of Los Angeles. Additionally, as described above, project implementation would not add vehicle trips to the surrounding roadway network. Parking impacts would be less than significant.</i>
d.	☐	☒	☐	Will inadequate access during an emergency (other than fire hazards) result in problems for emergency vehicles or residents/employees in the area? <i>Project implementation would not substantially alter existing on-site emergency access. Access to the site is gained via Tahiti Way, an improved street. The project will not impair or restrict access on Tahiti Way.</i>
e.	☐	☒	☐	Will the congestion management program (CMP) Transportation Impact Analysis thresholds of 50 peak hour vehicles added by project traffic to a CMP highway system intersection or 150 peak hour trips added by project traffic to a mainline freeway link be exceeded? <i>As described above, project implementation would not increase vehicle trips over existing conditions.</i>
f.	☐	☒	☐	Would the project conflict with adopted policies, plans, or program supporting alternative transportation (e.g., bus, turnouts, bicycle racks)?

Construction of the proposed project would not interfere with existing bus service. Therefore, implementation of the proposed project is not anticipated to conflict with adopted policies, plans or programs supporting alternative transportation.

g. ☐ ☒ ☐ Other factors?

☒ **MITIGATION MEASURES**

☐ **OTHER CONSIDERATIONS**

☐ Project Design

☐ Traffic Report

☒ Consultation with DPW Traffic & Lighting Division

Applicant shall submit a construction traffic management plan to Los Angeles County Department of Public Works for review and approval prior to commencement of any demolition or construction activities.

CONCLUSION

Considering the above information, could the project leave a significant impact (individually or cumulatively) on **traffic/access** factors?

☐ Potentially significant

☒ Less than significant with project mitigation

☐ Less than significant/No Impact

SERVICES - 2. Sewage Disposal

SETTING/IMPACTS

	Yes	No	Maybe	
a.	☐	☒	☐	If served by a community sewage system, could the project create capacity problems at the treatment plant? <i>Wastewater generated at the project site is collected and conveyed by a sewer system owned and operated by the Los Angeles County Department of Public Works and treated by agreement with the City of Los Angeles. Because the project would not intensify existing land uses at the project site, no net increase of wastewater generation is anticipated following project buildout. As such, project implementation would not increase existing flows to the treatment plant serving the project site.</i>
b.	☐	☒	☐	Could the project create capacity problems in the sewer lines serving the project site? <i>Because the project would not intensify existing land uses at the project site, no net increase of wastewater is anticipated following project buildout. As such, project implementation would not add additional flow to the sewer lines currently serving the project site.</i>
c.	☐		☐	Other factors?

STANDARD CODE REQUIREMENTS

- ☐ Utilities Code, Title 20 – Division 2 (Sanitary Sewers and Industrial Waste)
☐ Plumbing Code, Title 28 – Chapter 7 (Sanitary Drainage)
☒ California Health and Safety Code – Section 5474 (Sewer connection mitigation fee)

☐ MITIGATION MEASURES

☐ OTHER CONSIDERATIONS

CONCLUSION

Considering the above information, could the project have a significant impact (individually or cumulatively) on the physical environment due to **sewage disposal** facilities?

- ☐ Potentially significant ☐ Less than significant with project mitigation ☒ Less than significant/No Impact

SERVICES - 3. Education

SETTING/IMPACTS

	Yes	No	Maybe	
a.	☐	☒	☐	Could the project create capacity problems at the district level? <i>The project proposes the rehabilitation of the existing Tahiti Marina Apartments, a 149-unit apartment complex. The project does not propose the introduction of additional residential units. As such, project implementation would not generate net new students compared to current uses, and no additional students would attend the Los Angeles Unified School District.</i>
b.	☐	☒	☐	Could the project create capacity problems at individual schools that will serve the project site? <i>The project proposes the rehabilitation of the existing Tahiti Marina Apartments, a 149-unit apartment complex. The project does not propose the introduction of additional residential units. As such, project implementation would not generate net new students compared to current uses, and no additional students would attend local schools.</i>
c.	☐	☒	☐	Could the project create student transportation problems? <i>The project proposes the rehabilitation of the existing Tahiti Marina Apartments, a 149-unit apartment complex. The project does not propose the introduction of additional residential units. As such, project implementation would not generate net new students compared to current uses, and additional demand for student transportation would not occur.</i>
d.	☐	☒	☐	Could the project create substantial library impacts due to increased population and demand? <i>The project proposes the rehabilitation of the existing Tahiti Marina Apartments, a 149-unit apartment complex. The project does not propose the introduction of additional residential units. As such, project implementation would not generate net new residents compared to current uses, and additional demand for library services would not occur.</i>
e.	☐	☒	☐	Other factors?

STANDARD CODE REQUIREMENTS

- ☐ State of California Government Code – Section 53080 (School Facilities Fee)
☐ Planning & Zoning Code, Title 22 - Chapter 22.72 (Library Facilities Mitigation Fee)

☐ MITIGATION MEASURES

☐ Site Dedication

☐ OTHER CONSIDERATIONS

CONCLUSION

Considering the above information, could the project have a significant impact (individually or cumulatively) relative to **educational** facilities/services?

- ☐ Potentially significant ☐ Less than significant with project mitigation ☒ Less than significant/No Impact

SERVICES - 4. Fire/Sheriff Services

SETTING/IMPACTS

	Yes	No	Maybe	
a.	☐	☒	☐	Could the project create staffing or response time problems at the fire station or sheriff's substation serving the project site? <i>The project proposes the renovation of an existing 149-unit apartment building, including improvements to interiors, exteriors, waterfront promenade, parking facilities, and landscaped areas. The project does not include expansion of the number of residential units or building footprint and square footage. As such, land uses at the project site would remain similar to existing conditions, and no additional demand for fire or sheriff services would be generated following project buildout.</i>
b.	☐	☒	☐	Are there any special fire or law enforcement problems associated with the project or the general area? <i>Project implementation would not generate additional demand for local fire and sheriff services. Thus, no fire or law enforcement problems are anticipated as a result of project build-out.</i>
c.	☐	☒	☐	Other factors?

STANDARD CODE REQUIREMENTS

☐ Revenue & Finance Code, Title 4 – Chapter 4.92 (Fire Protection Facilities Fee)

☐ MITIGATION MEASURES

☒ OTHER CONSIDERATIONS

Nearest fire station (Los Angeles County Fire Station #110) is located across the harbor, less than a mile away, at 4433 Admiralty Way, Marina del Rey, CA 90292.

Nearest sheriff's station is located across the harbor, less than a mile away, at 13851 Fiji Way, Marina del Rey, CA 90292.

CONCLUSION

Considering the above information, could the project have a significant impact (individually or cumulatively) relative to **fire/sheriff** services?

☐ Potentially significant

☐ Less than significant with project mitigation

☒ Less than significant/No Impact

SERVICES - 5. Utilities/Other Services

SETTING/IMPACTS

	Yes	No	Maybe	
a.	☐	☒	☐	Is the project site in an area known to have an inadequate public water supply to meet domestic needs or to have an inadequate ground water supply and proposes water wells? <i>Water service is provided to the project site by Los Angeles County's Marina del Rey Water System. The project proposes the rehabilitation of an existing apartment building through the renovation of the building interiors and exteriors, waterfront promenade, and parking facilities. Existing landscaped plants and trees which require high water consumption would be replaced with native plants requiring low or much less water needs. No increase in dwelling units, building footprint, or square footage is proposed. Because the project would not intensify existing land uses at the project site, no significant increase of water demand is anticipated following project buildout. As such, project implementation would not place further demand on existing water service infrastructure serving the project site. Additionally, the project does not propose the use of individual water wells.</i>
b.	☐	☒	☐	Is the project site in an area known to have an inadequate water supply and/or pressure to meet fire fighting needs? <i>The proposed project would include the continued operation of existing residential uses and a private anchorage. The Los Angeles County Fire Department has confirmed that existing water flow pressure at the subject parcel is sufficient to meet the Department's firefighting needs; no upgrades to the existing water conveyance system are thus required for the project.</i>
c.	☐	☒	☐	Could the project create problems with providing utility services, such as electricity, gas, or propane? <i>Electricity and gas are supplied and distributed to the project site and Marina del Rey by Southern California Edison and the Southern California Gas Company, respectively. Because the project would not intensify existing land uses at the project site, no net increases of electric and gas demands are anticipated following project buildout. As such, project implementation would not place further demand on existing utility infrastructure serving the project site.</i>
d.	☐	☒	☐	Are there any other known service problem areas (e.g., solid waste)? <i>The project proposes the rehabilitation of an existing apartment building through the renovation of the building interiors and exteriors, waterfront promenade, and parking facilities. No increase in dwelling units, building footprint, or square footage is proposed. Because the project would not intensify existing land uses at the project site, no net increase of solid waste generation is anticipated following project buildout. Additionally, because project implementation only includes rehabilitation to existing development, construction of the project is not expected to result in substantial construction- related solid waste generation.</i>
e.	☐	☒	☐	Would the project result in substantial adverse physical impacts associated with the provision of new or physically altered governmental facilities, need for new or physically altered governmental facilities, the construction of which could cause significant environmental impacts, in order to maintain acceptable service ratios, response times or other performance objectives for any of the public services or facilities (e.g., fire protection, police protection, schools, parks, roads)? <i>As described above, project implementation would not increase dwelling units, building footprint, or square footage over existing conditions. Because the project would not intensify existing land uses at the project site, no net increase demand for government facilities is anticipated following project buildout. As such, project implementation would not place further demand on existing water service infrastructure serving the project site.</i>
f.	☐	☒	☐	Other factors?

STANDARD CODE REQUIREMENTS

- ☐ California Plumbing Code, Title 24, Part 5 – Chapters 3 & 6 (General Regulations & Water Supply)
☐ Utilities Code, Title 20 – Divisions 1, 4 & 4a (Water, Solid Waste & Garbage Disposal Districts)

☒ MITIGATION MEASURES

- ☐ Lot Size

☐ OTHER CONSIDERATIONS

- ☐ Project Design ☐ Water Purveyor Will-serve Letter

During construction, materials requiring disposal will be recycled to the extent feasible (untreated wood, concrete, asphalt, metals, glass, drywall, paper and rubble are potentially recyclable); other materials will be disposed of at local landfills as appropriate. A Recycling and Reuse Plan must be submitted to and approved by the Department of Public Works' Environmental Programs Division prior to any construction, demolition, or grading permits are issued.

During operation, a permanent full-service recycling program shall be implemented for residents and marina lessees that will include contracting for periodic onsite collection and physical improvements such as centralized receptacles to recycle paper, plastic, glass and metal waste products. The recycling program shall be fully maintained at all times by building management.

CONCLUSION

Considering the above information, could the project have a significant impact (individually or cumulatively) relative to utilities services?

☐ Potentially significant

☒ Less than significant with project mitigation

☐ Less than significant/No Impact

OTHER FACTORS - 1. General

SETTING/IMPACTS

	Yes	No	Maybe	
a.	☐	☒	☐	Will the project result in an inefficient use of energy resources? <i>Implementation of the project would not generate additional demand for energy resources over existing conditions. Additionally, the project would utilize energy conserving designs and materials which may reduce energy demands compared to existing uses.</i>
b.	☐	☒	☐	Will the project result in a major change in the patterns, scale, or character of the general area or community? <i>Project implementation would not increase existing square footage and residential units. No major change in the patterns, scale, or character of the general area or community would occur.</i>
c.	☐	☒	☐	Will the project result in a significant reduction in the amount of agricultural land? <i>The project site is located in an urbanized area of Los Angeles County. No reduction in the amount of agricultural land would occur.</i>
d.	☐	☒	☐	Other factors?

STANDARD CODE REQUIREMENTS

☐ California State Administrative Code, Title 24, Part 5, T-20 (Energy Conservation)

☐ MITIGATION MEASURES

☐ OTHER CONSIDERATIONS

☐ Lot Size

☐ Project Design

☐ Compatible Use

CONCLUSION

Considering the above information, could the project have a significant impact (individually or cumulatively) on the physical environment due to any of the above factors?

☐ Potentially significant ☐ Less than significant with project mitigation ☒ Less than significant/No Impact

OTHER FACTORS - 2. Environmental Safety

SETTING/IMPACTS

	Yes	No	Maybe	
a.	☐	☒	☐	Are any hazardous materials used, transported, produced, handled, or stored on-site? <i>Existing residential uses do not generate large quantities of hazardous and/or toxic materials. The occasional use of hazardous materials generally associated with residential units and maintenance of residential amenities include the use and disposal of hazardous materials such as unused paint, aerosol cans, cleaning agents (solvents), landscaping related chemicals, and automotive supplies (by products). These materials are generally disposed of at non-hazardous Class II and III landfills (along with traditional solid waste). Demolition activities may disturb materials that could contain asbestos and lead based paint. The applicant will identify any such materials and remove and/or abate them in accordance with applicable regulations.</i>
b.	☐	☒	☐	Are any pressurized tanks to be used or any hazardous wastes stored on-site? <i>The project does not propose the installation, use or storage of pressurized tanks or hazardous wastes on-site.</i>
c.	☐	☒	☐	Are any residential units, schools, or hospitals located within 500 feet and potentially adversely affected? <i>Residential uses are located within and immediately west of the project site. However, construction and operation of the proposed project improvements do not require the extensive or ongoing use of materials or pressurized tanks that would create a significant hazard to the public. The occasional use or disposal of hazardous materials generally associated with residential uses include unused paint, aerosol cans, cleaning agents, automotive fluids, landscaping-related chemicals, and other common household substances. These materials are generally disposed of at non-hazardous Class II and III landfills (along with traditional solid waste). As such, residential units within and adjacent to the project site would not be adversely affected following project construction and build-out.</i>
d.	☐	☒	☐	Have there been previous uses that indicate residual soil toxicity of the site or is the site located within two miles downstream of a known groundwater contamination source within the same watershed? <i>Only residential uses have been known to occur at the project site. As such, past uses are not expected to result in soil contamination.</i>
e.	☐	☒	☐	Would the project create a significant hazard to the public or the environment involving the accidental release of hazardous materials into the environment? <i>Construction and operation of the proposed project improvements do not require the extensive or ongoing use of materials or pressurized tanks that would create a significant hazard to the public. The occasional use or disposal of hazardous materials generally associated with residential uses include unused paint, aerosol cans, cleaning agents, automotive fluids, landscaping-related chemicals, and other common household substances. These materials are generally disposed of at non-hazardous Class II and III landfills (along with traditional solid waste). Therefore, the impact of the project on the environment through the routine transport, use, or disposal of hazardous materials is less than significant, given that appropriate procedures and guidelines are followed during project construction and throughout project operation.</i>
f.	☐	☒	☐	Would the project emit hazardous emissions or handle hazardous materials, substances, or waste within one-quarter mile of an existing or proposed school? <i>The project site is not located within one-quarter mile of an existing or proposed school.</i>
g.	☐	☒	☐	Would the project be located on a site that is included on a list of hazardous materials sites compiled pursuant to Government Code Section 65962.5 and, as a result, would create a significant hazard to the public or environment?

			<i>The project site is not included on a list of hazardous materials sites compiled pursuant to Government Code Section 65962.5.</i>
h.	☐	☒	☐ Would the project result in a safety hazard for people in a project area located within an airport land use plan, within two miles of a public or public use airport, or within the vicinity of a private airstrip? <i>The proposed project is the renovation of an existing apartment complex and is not expected to result in a safety hazard to the Los Angeles International Airport.</i>
i.	☐	☒	☐ Would the project impair implementation of or physically interfere with an adopted emergency response plan or emergency evacuation plan? <i>The applicant shall submit and have approved by the County of Los Angeles Fire Department prior to project approval, a Fire Safe Plan. The Fire Safe Plan shall include information internal and external fire access. The Fire Safe Plan shall be reviewed by and incorporate all recommendations of the County Fire Department prior to project construction.</i>
j.	☐	☐	☒ Other factors? <i>The project site contains or is adjacent to a recorded plugged oil well (Division of Oil, Gas and Geothermal Resources Online Mapping System: Lat 33.97N, Long 118.45 West - http://maps.conservation.ca.gov/doms/index.html)</i>

☐ MITIGATION MEASURES	☒ OTHER CONSIDERATIONS
☐ Phase 1 Environmental Assessment	☐ Toxic Clean-up Plan

The project shall comply with Building Code Section 110.4 Methane Gas Hazards

CONCLUSION

Considering the above information, could the project have a significant impact relative to **public safety**?

☐ Potentially significant	☐ Less than significant with project mitigation	☒ Less than significant/No Impact

OTHER FACTORS - 3. Land Use

SETTING/IMPACTS

	Yes	No	Maybe													
a.	☐	☒	☐	Can the project be found to be inconsistent with the plan designation(s) of the subject property? <i>The project site is located within the Marina del Rey Specific Plan area and is subject to regulations of the Marina del Rey Land Use Plan. As defined in the Land Use Plan, the project site is designated as "Residential III", which permits medium-high density multi-family residential development, up to 35 units per net acre, and a height limit of 75 feet. Based on the parcel size and land use designation, the parcel could have a maximum of 175 apartment units. The proposed project is consistent with this designation.</i>												
b.	☐	☒	☐	Can the project be found to be inconsistent with the zoning designation of the subject property? <i>The current zoning designation for the project site is SP (Specific Plan). The project proposes improvements to existing residential units. No changes to these existing land uses are proposed. These improvements would be consistent with the zoning designation for the project site</i>												
c.				Can the project be found to be inconsistent with the following applicable land use criteria: <table border="0" style="width: 100%;"> <tr> <td style="width: 10%; text-align: center;">☐</td> <td style="width: 10%; text-align: center;">☒</td> <td style="width: 10%; text-align: center;">☐</td> <td>Hillside Management Criteria? <i>No.</i></td> </tr> <tr> <td style="text-align: center;">☐</td> <td style="text-align: center;">☒</td> <td style="text-align: center;">☐</td> <td>SEA Conformance Criteria? <i>No.</i></td> </tr> <tr> <td style="text-align: center;">☐</td> <td style="text-align: center;">☐</td> <td style="text-align: center;">☐</td> <td>Other?</td> </tr> </table>	☐	☒	☐	Hillside Management Criteria? <i>No.</i>	☐	☒	☐	SEA Conformance Criteria? <i>No.</i>	☐	☐	☐	Other?
☐	☒	☐	Hillside Management Criteria? <i>No.</i>													
☐	☒	☐	SEA Conformance Criteria? <i>No.</i>													
☐	☐	☐	Other?													
d.	☐	☒	☐	Would the project physically divide an established community? <i>The project site is currently developed with a 149-unit apartment building. Project implementation would make renovations and upgrades to existing uses, and would not modify any off-site properties or roadways as to physically divide an established community. No additional analysis is required.</i>												
e.	☐	☒	☐	Other factors?												

☐ MITIGATION MEASURES

☐ OTHER CONSIDERATIONS

CONCLUSION

Considering the above information, could the project have a significant impact (individually or cumulatively) on the physical environment due to **land use** factors?

☐ Potentially significant	☐ Less than significant with project mitigation	☒ Less than significant/No Impact

OTHER FACTORS - 4. Population/Housing/Employment/Recreation

SETTING/IMPACTS

	Yes	No	Maybe	
a.	☐	☒	☐	Could the project cumulatively exceed official regional or local population projections? <i>Project implementation would not increase the number of on-site residential units compared to existing conditions. As such, population at the project site is already included in current population projections.</i>
b.	☐	☒	☐	Could the project induce substantial direct or indirect growth in an area (e.g., through projects in an undeveloped area or extension of major infrastructure)? <i>Project implementation would not increase the project site's land use intensity compared to existing conditions. As such, no extension of infrastructure is required.</i>
c.	☐	☒	☐	Could the project displace existing housing, especially affordable housing? <i>During the project construction period, only 70 percent of the current apartment units would be available to rent. Because the project consists of market-rate rental units, more of a transient population is expected and a higher turnover results. As such, project construction is not expected to result in the displacement of existing housing.</i>
d.	☐	☒	☐	Could the project result in substantial job/housing imbalance or substantial increase in Vehicle Miles Traveled (VMT)? <i>Project implementation would not increase the number of on-site residential units compared to existing conditions. As such, no change to current job/housing ratios are expected.</i>
e.	☐	☒	☐	Could the project require new or expanded recreational facilities for future residents? <i>Project implementation would not increase the number of on-site residential units compared to existing conditions. As such, no increase for recreation facilities is expected following project build-out.</i>
f.	☐	☒	☐	Would the project displace substantial numbers of people, necessitating the construction of replacement housing elsewhere? <i>The project is not expected to permanently displace existing housing or residents. As such, the project would not result in the displacement of residents such that new replacement housing would need to be constructed.</i>
g.	☐	☐	☐	Other factors?

☐ MITIGATION MEASURES

☐ OTHER CONSIDERATIONS

CONCLUSION

Considering the above information, could the project have a significant impact (individually or cumulatively) on the physical environment due to **population, housing, employment, or recreational** factors?

☐ Potentially significant

☐ Less than significant with project mitigation

☒ Less than significant/No Impact

MANDATORY FINDINGS OF SIGNIFICANCE

Based on this Initial Study, the following findings are made:

	Yes	No	Maybe	
a.	☐	☐	☒	Does the project have the potential to substantially degrade the quality of the environment, substantially reduce the habitat of a fish or wildlife species, cause a fish or wildlife population to drop below self-sustaining levels, threaten to eliminate a plant or animal community, reduce the number or restrict the range of a rare or endangered plant or animal, or eliminate important examples of the major periods of California history or prehistory? <i>The project area may host active nests of breeding birds. Mitigation is provided to ensure biota impacts would remain less than significant.</i>
b.	☐	☒	☐	Does the project have possible environmental effects that are individually limited but cumulatively considerable? "Cumulatively considerable" means that the incremental effects of an individual project are considerable when viewed in connection with the effects of past projects, the effects of other current projects, and the effects of probable future projects. <i>Project implementation would not increase current land use intensity. As such, no incremental impacts are expected to occur over existing conditions.</i>
c.	☐	☒	☐	Will the environmental effects of the project cause substantial adverse effects on human beings, either directly or indirectly? <i>As described throughout this Initial Study, no substantial adverse effects on human beings are anticipated to occur.</i>

CONCLUSION

Considering the above information, could the project have a significant impact (individually or cumulatively) on the environment?

☐ Potentially significant	☒ Less than significant with project mitigation	☐ Less than significant/No Impact



FORM 196
Rev. 04/03

**COUNTY OF LOS ANGELES FIRE DEPARTMENT
FIRE PREVENTION DIVISION**

Fire Prevention Engineering
5823 Rickenbacker Road
Commerce, CA 90040
Telephone (323) 890-4125 Fax (323) 890-4129

Information on Fire Flow Availability for Building Permit

For All Buildings Other Than Single Family Dwellings (R-3)

INSTRUCTIONS:

Complete parts I, II (A) when:

Verifying fire flow, fire hydrant location and fire hydrant size.

Complete parts I, II (A), & II (B) when:

For buildings equipped with fire sprinkler systems, and/or private on-site fire hydrants.

**PROJECT INFORMATION
(To Be Completed By Applicant)**

PART I

Building Address: 13900 W. Tahiti Way (aka, "Parcel 7")

City or Area: Marina del Rey, California 90292

Nearest Cross Street: Via Marina to west

Distance of Nearest Cross Street: approximately 1,670 feet to west

Applicant: 13900 Tahiti Harbor, Ltd. (Isaac Hakim) Telephone: (310) 823-4504

Address: same as building address above

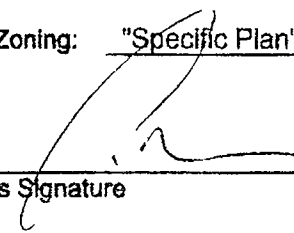
City: Marina del Rey

Occupancy (Use of Building): 149 apartments Sprinklered: Yes ☐ No ☒

Type of Construction: Type 5

Square Footage: approximately 237,500 Number of Stories: 3 over open gar.

Present Zoning: "Specific Plan" - parcel is designated "Residential III" in MDR Specific Plan


Applicant's Signature

October 5, 2009
Date

PART II-A

INFORMATION ON FIRE FLOW AVAILABILITY
(To be completed by Water Purveyor)

Location end of cul-de-sac on Tahiti
(in the median) Hydrant Number N/A

Distance from Nearest Property Line 50' Size of Hydrant 6x4x2 1/2 Size of Water main 10-inch

Static PSI 91 Residual PSI 50 Orifice size 4" + 2.5" Pitot 20 + 30 psi

Fire Flow at 20 PSI 4248 gpm Duration 3 hr Flow Test Date / Time 10/13/09 10am

Location 350-ft from end of cul-de-sac on Tahiti
(in the median) Hydrant Number N/A

Distance from Nearest Property Line 400' Size of Hydrant 6x4x2 1/2 Size of Water main 12-inch

Static PSI 91 Residual PSI 50 Orifice size 4" + 2.5" Pitot 20 + 30 psi

Fire Flow at 20 PSI 4248 gpm Duration 3 hr Flow Test Date / Time 10/13/09 10am

Location 550-ft from end of cul-de-sac on Tahiti
(in the median) Hydrant Number N/A

Distance from Nearest Property Line 600' Size of Hydrant 6x4x2 1/2 Size of Water main 12-inch

Static PSI 91 Residual PSI 50 Orifice size 4" + 2.5" Pitot 20 + 30 psi

Fire Flow at 20 PSI 4248 gpm Duration 3 hr Flow Test Date / Time 10/13/09 10am

PART II-B

SPRINKLERED BUILDINGS/PRIVATE FIRE HYDRANTS ONLY

Detector Location (check one) ☒ Above Grade ☐ Below Grade ☐ Either

Backflow Protection Required (Fire Sprinklers/Private Hydrant) (check one) ☒ Yes ☐ No

Minimum Type of Protection Required (check one) ☐ Single Check Detector Assembly

☒ Double Check Detector Assembly ☒ Reduced Pressure Principle Detector Assembly

LA County Waterworks District No. 29

Water Purveyor

10-14-2009

Date

Signature

Associate Civil Engineer

Title

This Information is Considered Valid for Twelve Months

Fire Department approval of building plans shall be required prior to the issuance of a Building Permit by the jurisdictional Building Department. Any deficiencies in water systems will need to be resolved by the Fire Prevention Division only prior to this department's approval of building plans.

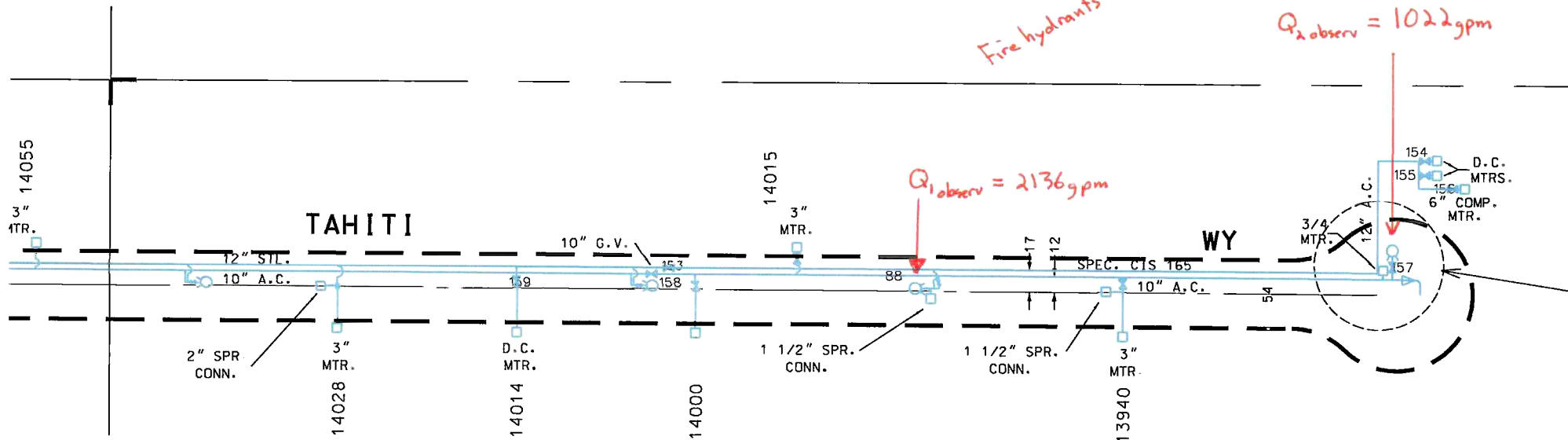
Note: Two (2) fire hydrants were flowed simultaneously

Test Date + Time 10-13-09 @ 10:00am

Test static pressure = 91 psi
resid. pressure = 50 psi

Fire hydrants were flowed simultaneously....

Q₂ observed

$$Q_{2 \text{ observ}} = 1022 \text{ gpm}$$


Hazen Williams

$$Q_{20} = Q_{obs} \frac{[static - 20]^{0.54}}{[static - residual]^{0.54}}$$

$$Q_{20} = 3158 \times \frac{9.99}{7.43}$$

$$Q_{20} = 4246 \text{ gpm @ } 20 \text{ psi residual}$$

prepared by Kirk
Allen
10-14-09

Tahiti Marina Apartments Project

Air Quality Assessment

Prepared for:

Isaac Hakim
Tahiti Marina Apartments & Docks
13900 Tahiti Way
Marina del Rey, CA 90272

Prepared by:

Impact Sciences, Inc.
234 E. Colorado Boulevard, Suite 205
Pasadena, CA 91101
Tel: (626) 564-1500
Fax: (626) 564-1501

July 2009

SUMMARY

The air quality assessment for the proposed Tahiti Marina Apartments Project (“project” or “proposed project”), located at 13900 Tahiti Way in Marina del Ray, unincorporated Los Angeles County, California, was prepared in accordance with the South Coast Air Quality Management District’s (SCAQMD) *California Environmental Quality Act (CEQA) Air Quality Handbook* and other guidance provided by the SCAQMD. The proposed project consists of renovation of the 149 Tahiti Marina Apartment units, as well as the development of a new gym and boaters’ facilities. Construction of the proposed project is anticipated to last 40 months.

The impacts associated with construction and operation of the proposed project were compared to the thresholds of significance established by the SCAQMD. Thresholds of significance during project construction are based on mass daily emission thresholds for volatile reactive organic compounds (VOCs), oxides of nitrogen (NO_x), carbon monoxide (CO), sulfur dioxide (SO₂), respirable particulate matter less than 10 microns in diameter (PM₁₀), and fine particulate matter less than 2.5 microns in diameter (PM_{2.5}). Thresholds of significance during project operation are based on mass daily emission thresholds for the air pollutants described above. In addition, the SCAQMD has promulgated localized significance thresholds (LSTs) that identify local ambient air impacts during project construction and operation for nitrogen dioxide (NO₂), CO, PM₁₀, and PM_{2.5}. In addition, the SCAQMD requires an evaluation of the project’s impact on local CO concentrations near impacted intersections and roadways. Since the project would not result in an increase capacity and would in increase project-related traffic, the operational emissions and CO concentrations will be analyzed qualitatively. Copies of the supporting technical data are found in the appendices to this report.

Based on the results of the air quality assessment, construction of the proposed project would not exceed the emissions thresholds for the pollutants analyzed above. Operation of the proposed project would not exceed the emissions thresholds for the pollutants analyzed above because the rehabilitated apartment complex will have essentially the same uses as before the rehabilitation. In addition, the proposed project would not exceed the localized ambient concentration thresholds established in the SCAQMD *Final Localized Significance Threshold Methodology*¹ (“LST Methodology”). The proposed project would also not lead to the formation of CO “hotspots” due to project-related vehicular traffic. Furthermore, the proposed project would not result in an odor nuisance and would not emit substantial and toxic air contaminants that would exceed health-based standards. Finally, the construction and operation of the proposed project would not result in a significant contribution to greenhouse gas emissions and global climate change. For these reasons, the proposed project will have less-than-significant air quality impacts with respect to the above significance thresholds.

¹ South Coast Air Quality Management District, *Final Localized Significance Threshold Methodology*, (2008).

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B	Greenhouse Gas Emissions

1.0 INTRODUCTION

This air quality assessment discusses and evaluates the potential air quality impacts associated with implementation of the proposed Tahiti Marina Apartments Project (“project” or “proposed project”), located at 13900 Tahiti Way in Marina del Rey, unincorporated Los Angeles County, California. The proposed project consists of renovation of 149 apartment units. Construction of the proposed project is anticipated to last 40 months. The Tahiti Marina Apartments and Docks are situated on Parcel 7 at the terminus of the Tahiti Way mole road, on the western, predominately residential side of Marina del Rey. Parcel 7 contains approximately 5 acres of land area and 6.1 acres of water area. The site is bordered by Marina Basin B to the north, Marina Basin A to the south, the main channel of the Marina to the east and the Bay Club Apartments (Parcel 8T) to the west. The existing apartments, originally constructed in 1967, consist of 149 apartment units within one three-story apartment building.

The project is located in the South Coast Air Basin (Basin), which is a geographical region that shares in the same air pollution issues. The Basin consists of Orange County and the urbanized portions of Los Angeles, Riverside, and San Bernardino Counties. The South Coast Air Quality Management District (SCAQMD) is the air pollution control agency for the Basin. This assessment has been prepared in accordance with the SCAQMD’s *California Environmental Quality Act (CEQA) Air Quality Handbook* and other guidance provided by the SCAQMD.

The impacts associated with construction and operation of the proposed project are compared to the thresholds of significance established by the SCAQMD. Thresholds of significance during project construction are based on mass daily emission thresholds for volatile reactive organic compounds (VOCs), oxides of nitrogen (NO_x), carbon monoxide (CO), sulfur dioxide (SO_2), respirable particulate matter less than 10 microns in diameter (PM_{10}), and fine particulate matter less than 2.5 microns in diameter ($\text{PM}_{2.5}$). Thresholds of significance during project operation are based on mass daily emission thresholds for the air pollutants described above. In addition, the SCAQMD has promulgated localized significance thresholds (LSTs) that identify local ambient air impacts during project construction and operation for nitrogen dioxide (NO_2), CO, PM_{10} , and $\text{PM}_{2.5}$. In addition, the SCAQMD requires an evaluation of the project’s impact on local CO concentrations near impacted intersections and roadways. Since the project would not result in an increase capacity and would in increase project-related traffic, the operational emissions and CO concentrations will be analyzed qualitatively. Copies of the supporting technical data are found in the appendices to this report.

The proposed project includes substantial renovation of the apartment building interiors and exteriors, both private and public areas, waterfront promenade, parking facilities and landscaped areas of the existing apartment complex. The current renovation project does not entail any demolition or

replacement of the existing Tahiti Marina boat slips (though the Tahiti Marina anchorage will be demolished and rebuilt in full no longer than 10 years after completion of the landside renovation described herein); however, as part of the current renovation project, the existing boat anchorage lighting, electrical and water utility systems will be upgraded. The existing apartment building on the project site will be stripped of its current outside façade. A new contemporary design for the façade of the building will be developed in order to improve the building both visually and functionally. The outside of the building will be upgraded via energy conservation use of new materials, windows and balconies. New and contemporary design for all units' interiors will be developed, including, new bathroom and kitchens, washer and dryers, new waste plumbing pipes, fixtures, electrical upgrade from the Edison power source currently supplying the apartments, technology infrastructure, and web-based amenities and concierge services to improve the tenants' quality of life in the best possible way.

2.0 METHODOLOGY

The air quality assessment of the proposed project utilized the following model and guidelines as tools to create the analytical basis for the analysis. The URBEMIS2007² Environmental Management Software was used to analyze the proposed project emissions during construction. URBEMIS2007 is a program that calculates air emissions from land use sources and incorporates the California Air Resources Board's (CARB) EMFAC2007 model for on-road vehicle emissions and the OFFROAD2007 model for off-road vehicle emissions. The model also incorporates factors specific to the Basin and the SCAQMD, such as VOC content in architectural coating and vehicle fleet mixes. During project construction, the model can analyze emissions that occur during different phases, such as building construction and architectural coating, concurrently or separately. Since the Tahiti Marina Apartments project will maintain the same number of units and population, while improving and upgrading the building, the operational emissions and CO concentrations will be analyzed qualitatively.

Site-specific or project-specific data were used in the URBEMIS2007 model where available. The Project Applicant provided the number and type of construction equipment that would be used during the different phases of construction as well as the construction schedule. The number of vendor trips (e.g., transport of building materials) and worker trips was based on default values provided in the URBEMIS2007 model. It was assumed that during construction, the project contractor would water a minimum of three times per day for dust suppression to comply with SCAQMD Rule 403 (Fugitive Dust). The emission reduction percentage association with dust suppression was based on data from the SCAQMD. It was assumed that architectural coating would commence concurrently during the last two months of each building construction (i.e., renovation) phase.

² Rimpco and Associates, "URBEMIS2007, version 9.2.4," <http://www.urbemis.com>.

The SCAQMD's *Localized Significance Threshold Methodology* ("LST Methodology") was used to assess conformity with the established LSTs. The LSTs are based on ambient air pollutant concentrations determined using dispersion modeling analyses. However, the LST document allows the use of lookup tables, which are applicable to projects with an overall site area of 5 acres or less, to determine if the construction of a project would likely exceed the LSTs. As the overall project area is approximately 5 acres, this report uses the lookup tables to assess the localized ambient air quality impacts.

3.0 THRESHOLDS OF SIGNIFICANCE

3.1 Regional Thresholds of Significance

The SCAQMD *CEQA Air Quality Handbook* provides significance thresholds for both construction and operation of projects within the SCAQMD jurisdictional boundaries. Exceedance of the SCAQMD thresholds could result in a potentially significant impact. Ultimately, the lead agency determines the thresholds of significance for impacts. If the project proposes development that would generate emissions in excess of the established thresholds, as illustrated in **Table 1, South Coast Air Quality Management District Regional Emission Thresholds**, a significant air quality impact may occur and additional analysis is warranted to fully assess the significance of impacts.

Table 1
South Coast Air Quality Management District Regional Emission Thresholds

Phase	Pollutant (pounds per day)					
	VOC	NO _x	CO	SO _x	PM ₁₀	PM _{2.5}
Construction	75	100	550	150	150	55
Operational	55	55	550	150	150	55

Source: South Coast Air Quality Management District, Air Quality Significance Thresholds, (2006).

3.2 Localized Significance Thresholds

In addition to the above-listed emission-based thresholds, the SCAQMD also recommends that the potential impacts on localized ambient air concentrations due to construction emissions be evaluated. This LST evaluation requires that anticipated ambient air concentrations, determined using a computer-based air quality dispersion model, be compared to localized significance thresholds for PM₁₀, PM_{2.5}, NO₂, and CO.³ The significance threshold for PM₁₀, which is 10.4 micrograms per cubic meter (µg/m³),

³ South Coast Air Quality Management District, *Final Localized Significance Threshold Methodology*, (2008).

represents compliance with Rule 403 (Fugitive Dust), while the thresholds for NO₂ and CO represent the allowable increase in concentrations above background levels in the vicinity of the project that would not cause or contribute to an exceedance of the relevant ambient air quality standards. The significance threshold for PM_{2.5}, which is also 10.4 µg/m³, is intended to constrain emissions to aid in progress toward attainment of the ambient air quality standards. The SCAQMD's LST Methodology includes lookup tables that can be used for projects less than 5 acres in size to determine the maximum allowable daily emissions that would satisfy the LSTs (i.e., not cause an exceedance of the applicable concentration limits). The allowable emission rates depend on (a) the Source Receptor Area (SRA) in which the project is located, (b) the size of the project site, and (c) the distance between the project site and the nearest sensitive receptor (e.g., residences, schools, hospitals). The project site is located in Marina del Rey, which is in SCAQMD SRA 2 (Northwest Los Angeles County Coastal). The project site is approximately 5.0 acres, and the distance to the nearest sensitive receptors is just over 25 meters to the west of the site. Based on these factors, the LST for each pollutant is shown in **Table 2, Localized Significance Thresholds for SRA 2**.

Table 2
Localized Significance Thresholds for SRA 2

Pollutant	Threshold (Pounds/day)
Respirable Particulate Matter (PM ₁₀) – Construction	13
Fine Particulate Matter (PM _{2.5}) – Construction	6
Respirable Particulate Matter (PM ₁₀) – Operation	3
Fine Particulate Matter (PM _{2.5}) – Operation	2
Nitrogen Dioxide (NO ₂) – Construction/Operation	246
Carbon Monoxide (CO) – Construction/Operation	1,509

Source: SCAQMD, Final Localized Significance Threshold Methodology, (2008).

Note: LST thresholds are based on the project size of 5 acres and the distance of 25 meters to the nearest sensitive receptor in SRA 2.

3.3 Operational CO “Hotpots” Thresholds of Significance

The significance of project impacts depends on whether existing ambient CO levels in the vicinity of the project are above or below state and federal CO standards. If the ambient CO levels are less than these standards and operation of the proposed project causes an exceedance of either the state 1-hour or 8-hour CO concentrations, the project would be considered to have a significant local impact. If ambient levels already exceed a state or federal standard, then project emissions would be considered significant if they

cause an increase in the 1-hour CO concentrations by 1.0 parts per million (ppm) or more or 8-hour CO concentrations by 0.45 ppm or more.

4.0 AIR QUALITY IMPACT ANALYSIS

4.1 Construction Impacts Analysis

Construction emissions are generated from projects as a result of operation of mobile equipment and motor vehicles, disturbance of soil, and application of architectural coatings and asphalt paving. As indicated in **Table 1**, the SCAQMD has established construction thresholds of significance for VOC, NO_x, CO, SO_x, PM₁₀, and PM_{2.5}. The proposed project would be developed over a period of approximately 40 months, beginning in September 2010 and ending in March 2014. The project would be developed over nine phases as described below:

Phase 1: Starts in September 2010 and ends 16 months later in January 2012. This phase includes the renovation of the entire building exterior, exterior signage, the roof, corner units ceiling extensions, the lobby, and the construction of a new boaters' facilities, a new gym, and promenade improvements.

Phase 2: Starts in January 2012 and ends 2 months later. This phase includes the demolition of the old boater facility and the old gym.

Phase 3A: Starts in May 2011 and ends 6 months later in October 2011. This phase includes the renovation of 24 corner unit interiors.

Phase 3B: Starts in September 2011 and ends 6 months later in March 2012. This phase includes the renovation of 23 south west unit interiors.

Phase 4: Starts in April 2012 and ends 6 months later in October 2012. This phase includes the renovation of 24 south east unit interiors.

Phase 5: Starts in October 2012 and ends 6 months later in March 2013. This phase includes the renovation of 33 west unit interiors.

Phase 6: Starts in March 2013 and ends 6 months later in September 2013. This phase includes the renovation of 30 center unit interiors.

Phase 7: Starts in September 2013 and ends 6 months later in March 2014. This phase includes the renovation of 27 east unit interiors.

Phase 8: Starts in June 2013 and ends 9 months later in March 2014. This phase includes landscaping and the installation of dock utilities and dock lighting.

The number and types of equipment assumed to be operating during the various construction phases are presented in **Table 3, Construction Equipment List**. The equipment list was provided by the Project Applicant and/or the Project Contractor. As a conservative measure, all equipment were assumed to operate continuously for 8 hours per day. In addition, because Phases 3 through 7 are similar, emissions were estimated using a single URBEMIS2007 model run assuming the renovation of 33 unit interiors in during 6 months in 2011. These assumptions would result in conservative emissions estimates.

Table 3
Construction Equipment List

Construction Phase	Construction Equipment	Quantity	Operating Hours per Day
Phase 1	Aerial Lift	1	8
	Forklift	1	8
	Tractor/Loader/Backhoe	1	8
	Welders	2	8
Phase 2	Dumpers/Tenders	2	8
	Tractor/Loader/Backhoe	1	8
Phases 3-7	Dumpers/Tenders	2	8
	Forklift	1	8
Phase 8	Grader	1	8
	Water Truck	1	8
	Paver	1	8
	Paving Equipment	1	8
	Plate Compactors	1	8
	Roller	1	8

Source: Project Applicant and/or Project Contractor; URBEMIS2007.

Based on the above information, **Table 4, Unmitigated Project Construction Emissions**, presents the estimated maximum daily emissions associated with the nine phases of the proposed project. Because the data relies largely on SCAQMD default values contained in the URBEMIS2007 model, the estimated emissions represent a reasonably conservative estimate of the construction impacts associated with the project.

Table 4
Unmitigated Project Construction Emissions

Construction Year	VOC	Maximum Emissions in Pounds per Day ¹				
		NO _x	CO	SO ₂	PM ₁₀	PM _{2.5}
2010	2.53	12.82	20.60	0.02	1.01	0.88
2011	15.96	14.41	23.94	0.03	1.10	0.95
2012	5.52	6.14	7.28	0.01	0.64	0.44
2013	7.91	22.60	17.19	0.01	4.56	2.04
2014	7.76	21.29	16.95	0.01	4.45	1.94
Maximum pounds per day:	15.96	22.60	23.94	0.03	4.56	2.04
SCAQMD Threshold:	75	100	550	150	150	55
Exceeds Threshold?	NO	NO	NO	NO	NO	NO

Source: Impact Sciences, Inc., (2009). Emissions calculations are provided in **Appendix A**.

Note: Totals in the table may not appear to add exactly due to rounding in the computer model calculations.

¹ PM₁₀ and PM_{2.5} emissions reflect SCAQMD Rule 403 (Fugitive Dust) compliance.

As shown in **Table 4**, air pollutant emissions generated during all phases of the proposed project construction are expected to be less than the SCAQMD established regional construction significance thresholds. As a result, construction emissions are considered less than significant. Detailed URBEMIS2007 model outputs for the construction emissions are provided in **Appendix A**.

4.2 Operational Impacts Analysis

Operational emissions would be generated by both stationary and mobile sources as a result of normal day-to-day activities on the project site after occupation. Stationary emissions would be generated by the consumption of natural gas for space and water heating devices (including residential and commercial use water heater and boilers). Mobile emissions would be generated by the motor vehicles traveling to, from, and within the project site.

The proposed project would not result in an increase in population and apartment units. Therefore, the proposed project would not result in an increase in existing operational emissions. The average daily trips associated with the project would remain the same as the existing average daily trips. In addition, the proposed project would upgrade the appliances to more energy efficient models, which would likely result in a reduction in operational emissions. Hence, the operational emissions associated with the complete buildout and operation of the proposed project would not exceed the established SCAQMD operational emissions thresholds. Therefore, operational emissions are considered less than significant.

4.3 Localized Significance Thresholds Analysis

As indicated in **Subsection 3.2** above, the SCAQMD recommends that the potential localized impacts be evaluated on the ambient air concentrations due to on-site construction emissions of NO_x, CO, PM₁₀, and PM_{2.5}. The SCAQMD LST Methodology includes lookup tables that can be used to determine the maximum allowable daily emissions that would satisfy the LSTs (i.e., not cause an exceedance of the applicable concentration limits). The allowable emission rates depend on (a) the Source Receptor Area (SRA) in which the project is located, (b) the size of the project site, and (c) the distance between the project site and the nearest sensitive receptor (e.g., residences, schools, hospitals).

The LSTs for the proposed project are shown in **Table 5, Localized Significance Thresholds Analysis for Construction**, and are compared with the maximum daily on-site construction emissions. The maximum on-site emissions for NO_x, PM₁₀, and PM_{2.5} were associated with Phase 8, and the maximum on-site emissions for CO were associated with Phase 1. As the construction site is approximately 5 acres, the LST daily construction emission thresholds shown below were interpolated for a 5-acre site by using the LST “lookup tables” for a 5-acre project site. The nearest sensitive receptors (multi-family residential uses) are located close to the project site. Therefore, the LST daily construction emission-based thresholds are based on a 25-meter distance as per the SCAQMD LST document.

As indicated in **Table 5**, construction on-site emissions of PM₁₀, PM_{2.5}, NO_x, and CO from development of the proposed project are not expected to exceed the SCAQMD LST thresholds for nearby receptors. As a result, localized impacts due to construction emissions are considered less than significant.

Table 5
Localized Significance Thresholds Analysis for Construction

Pollutant	Maximum On-Site Emissions (Pounds per day)	LST Thresholds ¹ (Pounds per day)	Exceeds LST?
Respirable Particulate Matter (PM ₁₀) – Construction	4.47	13	NO
Fine Particulate Matter (PM _{2.5}) – Construction	1.97	6	NO
Respirable Particulate Matter (PM ₁₀) – Operation ²	0.00	3	NO
Fine Particulate Matter (PM _{2.5}) – Operation ²	0.00	2	NO
Nitrogen Dioxide (NO ₂) – Construction/Operation ²	21.42 / 0.00	246	NO
Carbon Monoxide (CO) – Construction/Operation ²	12.20 / 0.00	1,509	NO

Source: Impact Sciences, Inc., (2009).

¹ South Coast Air Quality Management District, Final Localized Significance Threshold Methodology, (2008).

² Net zero operational emissions.

4.4 Operational CO “Hotspots” Analysis

The proposed Tahiti Marina Apartments project is not expected to cause an increase in the existing population, and would therefore not result in a change in project-related traffic near the vicinity of the project site. For this reason, the operation of the proposed project would not cause CO “hotspots” and would not have a significant impact on air quality.

4.5 Toxic Air Contaminants

The residential land uses associated with the proposed Project are not anticipated to emit toxic air contaminants (TACs) in appreciable quantities. The SCAQMD has established thresholds for TACs. Emissions of TACs would be significant if sensitive receptors would be exposed to a carcinogenic risk that exceeds 10 in 1 million or a noncancer Hazard Index greater than 1.0. Sources of TACs from residential land uses may include household solvents and cleaners and motor vehicle emissions. However, residential land uses do not typically generate TAC emissions in quantities that would exceed the SCAQMD thresholds. Accordingly, no significant impacts with respect to the criteria listed above are expected to occur.

4.6 Odor

The residential land uses associated with the proposed project are not expected to be a source of persistent odors. Construction of the project is temporary and is not expected to cause an odor nuisance. Refuse associated with operation of the proposed Project will be disposed of in accordance with all applicable regulations. Additionally, the adjacent land uses are such that the Project residents would not be subjected to substantial sources of objectionable odors from any surrounding land use. Consequently, no significant impacts from odors are anticipated.

5.0 GLOBAL CLIMATE CHANGE

Global climate change refers to any significant change in climate measurements, such as temperature, precipitation, or wind, lasting for an extended period (i.e., decades or longer).⁴ Climate change may result from:

- Natural factors, such as changes in the sun’s intensity or slow changes in the Earth’s orbit around the sun;

⁴ United States Environmental Protection Agency, “Glossary of Climate Change Terms,” http://www.epa.gov/climatechange/glossary.html#Climate_change. 2008.

- Natural processes within the climate system (e.g., changes in ocean circulation, reduction in sunlight from the addition of GHG and other gases to the atmosphere from volcanic eruptions); and
- Human activities that change the atmosphere's composition (e.g., through burning fossil fuels) and the land surface (e.g., deforestation, reforestation, urbanization, desertification).

The natural process through which heat is retained in the troposphere⁵ is called the "greenhouse effect." The greenhouse effect traps heat in the troposphere through a three-fold process as follows: (1) short-wave radiation in the form of visible light emitted by the Sun is absorbed by the Earth as heat; (2) long-wave radiation re-emitted by the Earth; and (3) GHGs in the upper atmosphere absorbing or trapping the long-wave radiation and re-emitting it back towards the Earth and into space. This third process is the focus of current climate change actions.

While water vapor and CO₂ are the most abundant GHGs, other trace GHGs have a greater ability to absorb and re-radiate long-wave radiation. To gauge the potency of GHGs, scientists have established a Global Warming Potential for each GHG based on its ability to absorb and re-emit long-wave radiation over a specific time period. The Global Warming Potential of a gas is determined using CO₂ as the reference gas with a Global Warming Potential of 1 over 100 years. For example, a gas with a Global Warming Potential of 10 is 10 times more potent than CO₂ over 100 years. The use of Global Warming Potential allows GHG emissions to be reported using CO₂ as a baseline. The sum of each GHG multiplied by its associated Global Warming Potential is referred to as carbon dioxide equivalents (CO₂e). This essentially means that 1 metric ton of a GHG with a Global Warming Potential of 10 has the same climate change impacts as 10 metric tons of CO₂.

The primary effect of global climate change has been a rise in the average global tropospheric temperature of 0.2° Celsius per decade, determined from meteorological measurements world-wide between 1990 and 2005.⁶ Climate change modeling using 2000 emission rates shows that further warming is likely to occur, which would induce further changes in the global climate system during the current century.⁷ Changes to the global climate system and ecosystems and to California could include:

- Declining sea ice and mountain snowpack levels, thereby increasing sea levels and sea surface evaporation rates with a corresponding increase in tropospheric water vapor due to the atmosphere's ability to hold more water vapor at higher temperatures;⁸

⁵ The troposphere is the bottom layer of the atmosphere, which varies in height from the Earth's surface to 10 to 12 kilometers).

⁶ Intergovernmental Panel on Climate Change, "Climate Change 2007: The Physical Science Basis, Summary for Policymakers," http://ipcc-wg1.ucar.edu/wg1/docs/WG1AR4_SPM_PlenaryApproved.pdf. 2007.

⁷ Ibid.

⁸ Ibid.

- Rising average global sea levels primarily due to thermal expansion and the melting of glaciers, ice caps, and the Greenland and Antarctic ice sheets;⁹
- Changing weather patterns, including changes to precipitation, ocean salinity, and wind patterns, and more energetic aspects of extreme weather including droughts, heavy precipitation, heat waves, extreme cold, and the intensity of tropical cyclones;¹⁰
- Declining Sierra snowpack levels, which account for approximately half of the surface water storage in California, by 70 percent to as much as 90 percent over the next 100 years;¹¹
- Increasing the number of days conducive to ozone formation by 25 to 85 percent (depending on the future temperature scenario) in high ozone areas located in the Southern California area and the San Joaquin Valley by the end of the 21st century;¹²
- Increasing the potential for erosion of California's coastlines and sea water intrusion into the Sacramento and San Joaquin Delta and associated levee systems due to the rise in sea level;¹³
- Increasing pest infestation making California more susceptible to forest fires;¹⁴ and
- Increasing the demand for electricity by 1 to 3 percent by 2020 due to rising temperatures resulting in hundreds of millions of dollars in extra expenditures.¹⁵

5.1 Greenhouse Gases

State law defines GHGs to include the following compounds:¹⁶

- *Carbon Dioxide (CO₂)*. CO₂ is primarily generated from fossil fuel combustion from stationary and mobile sources. CO₂ is the most widely emitted GHG and is the reference gas (Global Warming Potential of 1) for determining the Global Warming Potentials of other GHGs.
- *Methane (CH₄)*. Methane is emitted from biogenic sources (i.e., resulting from the activity of living organisms), incomplete combustion in forest fires, landfills, manure management, and leaks in natural gas pipelines. The Global Warming Potential of methane is 21.

⁹ Ibid.

¹⁰ Ibid.

¹¹ California Environmental Protection Agency, Climate Action Team, *Climate Action Team Report to Governor Schwarzenegger and the Legislature*, (2006).

¹² Ibid.

¹³ Ibid.

¹⁴ Ibid.

¹⁵ Ibid.

¹⁶ All Global Warming Potentials are given as 100-year values. Unless noted otherwise, all Global Warming Potentials were obtained from the Intergovernmental Panel on Climate Change. *Climate Change 1995: The Science of Climate Change – Contribution of Working Group I to the Second Assessment Report of the Intergovernmental Panel on Climate Change*. Cambridge (UK): Cambridge University Press, 1996.

- *Nitrous Oxide (N₂O)*. Is produced by human-related sources including agricultural soil management, animal manure management, sewage treatment, mobile and stationary combustion of fossil fuel, adipic acid production, and nitric acid production. The Global Warming Potential of nitrous oxide is 310.
- *Hydrofluorocarbons (HFCs)*. HFCs typically are used as refrigerants in both stationary refrigeration and mobile air conditioning. The use of HFCs for cooling and foam-blowing is growing particularly as the continued phase-out of chlorofluorocarbons (CFCs) and hydrochlorofluorocarbons (HCFCs) gains momentum. The Global Warming Potential of HFCs ranges from 140 for HFC-152a to 6,300 for HFC-236fa.
- *Perfluorocarbons (PFCs)*. Perfluorocarbons are compounds consisting of carbon and fluorine. They are primarily created as a byproduct of aluminum production and semiconductor manufacturing. Perfluorocarbons are potent GHGs with a Global Warming Potential several thousand times that of carbon dioxide, depending on the specific PFC. Another area of concern regarding PFCs is their long atmospheric lifetime (up to 50,000 years).¹⁷ The Global Warming Potentials of PFCs range from 5,700 to 11,900.
- *Sulfur Hexafluoride (SF₆)*. Sulfur hexafluoride is a colorless, odorless, nontoxic, nonflammable gas. It is most commonly used as an electrical insulator in high voltage equipment that transmits and distributes electricity. Sulfur hexafluoride is the most potent GHG that has been evaluated by the Intergovernmental Panel on Climate Change with a Global Warming Potential of 23,900. However, its global warming contribution is not as high as the Global Warming Potential would indicate due to its low mixing ratio, as compared to carbon dioxide (4 parts per trillion [ppt] in 1990 versus 365 parts per million [ppm] of CO₂).¹⁸

5.2 State of California Greenhouse Gas Inventory

Based upon the 2004 GHG inventory data (i.e., the latest year for which data are available) compiled by CARB for the California 1990 greenhouse gas emissions inventory, California emitted 484 MMTCO_{2e} *including* emissions resulting from imported electrical power in 2004.¹⁹ Based on the CARB inventory and GHG inventories for countries contributing to the worldwide GHG emissions inventory compiled by the World Resources Institute for 2005, California's total GHG emissions rank second in the United States (Texas is number one) with emissions of 423 MMTCO_{2e} *excluding* emissions related to imported power.²⁰

¹⁷ Energy Information Administration, "Other Gases: Hydrofluorocarbons, Perfluorocarbons, and Sulfur Hexafluoride," http://www.eia.doe.gov/oiaf/1605/gg00rpt/other_gases.html. n.d.

¹⁸ United States Environmental Protection Agency, "High GWP Gases and Climate Change," <http://www.epa.gov/highgwp/scientific.html#sf6>. n.d.

¹⁹ California Air Resources Board, *California 1990 Greenhouse Gas Emissions Level and 2020 Emissions Limit*, (2007).

²⁰ United Nations Framework Convention on Climate Change, "Annex I Parties – GHG total without LULUCF," http://unfccc.int/ghg_emissions_data/ghg_data_from_unfccc/time_series_annex_i/items/3841.php.

A California Energy Commission emissions inventory report placed CO₂ produced by fossil fuel combustion in California as the largest source of California's GHG emissions in 2004, accounting for 80 percent of the total GHG emissions.²¹ Emissions of CO₂ from other sources contributed 3.1 percent of the total GHG emissions; methane emissions 6.4 percent; nitrous oxide emissions 7.6 percent; and the remaining 3.2 percent was composed of emissions of high-Global Warming Potential gases.²² These high Global Warming Potential gases are largely composed of refrigerants, with small contributions of SF₆ used in connection with insulating materials for electricity transmission and distribution.

The primary contributors to GHG emissions in California are transportation, electric power production from both in-state and out-of-state sources, industry, agriculture and forestry, and other sources, which include commercial and residential activities. **Table 6, GHG Emissions in California**, provides a summary of GHG emissions reported in California in 1990 and 2004 separated by categories defined by the Intergovernmental Panel on Climate Change.

Table 6
GHG Emissions in California

Source Category	1990 (MMTCO ₂ e)	Percent of Total	2004 (MMTCO ₂ e)	Percent of Total
ENERGY	386.41	89.2%	420.91	86.9%
Energy Industries	157.33	36.3%	166.43	34.4%
Manufacturing Industries & Construction	24.24	5.6%	19.45	4.0%
Transport	150.02	34.6%	181.95	37.6%
Other (Residential/Commercial/Institutional)	48.19	11.1%	46.29	9.6%
Non-Specified	1.38	0.3%	2.16	0.4%
Fugitive Emissions from Oil & Natural Gas	2.94	0.7%	2.54	0.5%
Fugitive Emissions from Other Energy Production	2.31	0.5%	2.07	0.4%
INDUSTRIAL PROCESSES & PRODUCT USE	18.34	4.2%	30.78	6.4%
Mineral Industry	4.85	1.1%	5.90	1.2%
Chemical Industry	2.34	0.5%	1.32	0.3%
Non-Energy Products from Fuels & Solvent Use	2.29	0.5%	1.37	0.3%
Electronics Industry	0.59	0.1%	0.88	0.2%
Substitutes for Ozone Depleting Substances	0.04	0.0%	13.97	2.9%
Other Product Manufacture and Use	3.18	0.7%	1.60	0.3%
Other	5.05	1.2%	5.74	1.2%
AGRICULTURE, FORESTRY, & OTHER LAND USE	19.11	4.4%	23.28	4.8%
Livestock	11.67	2.7%	13.92	2.9%
Land	0.19	0.0%	0.19	0.0%

²¹ California Energy Commission, "Revisions to the 1990-2004 Greenhouse Gas Emissions Inventory Report, Published in December 2006," http://www.energy.ca.gov/2006publications/CEC-600-2006-013/2007-01-23_GHG_INVENTORY_REVISIONS.PDF. 2007.

²² Ibid.

Source Category	1990 (MMTCO ₂ e)	Percent of Total	2004 (MMTCO ₂ e)	Percent of Total
Aggregate Sources & Non-CO ₂ Sources on Land	7.26	1.7%	9.17	1.9%
WASTE	9.42	2.2%	9.44	1.9%
Solid Waste Disposal	6.26	1.4%	5.62	1.2%
Wastewater Treatment & Discharge	3.17	0.7%	3.82	0.8%
EMISSIONS SUMMARY				
Gross California Emissions	433.29		484.40	
Sinks from Forests and Rangelands	-6.69		-4.66	
Net California Emissions	426.60		479.74	

Source: California Air Resources Board, California Greenhouse Gas Inventory by IPCC Category, (2007).

Between 1990 and 2004, the population of California grew by approximately 6.5 million (from 29.8 to 36.3 million).^{23,24} This represents an increase of 22 percent from 1990 population levels. In addition the California economy, measured as gross state product, grew from \$788 billion in 1990 to \$1.1 trillion in 2000 representing an increase of approximately 40 percent—the largest gross state product growth in the United States during this period. Despite the population and economic growth, California's net GHG emissions only grew by 12.5 percent. The California Energy Commission attributes the slow rate of growth to the success of California's renewable energy programs and its commitment to clean air and clean energy.²⁵

5.3 AB 32: The Global Warming Solutions Act of 2006

In June 2005, Governor Schwarzenegger established California's GHG emissions reduction targets in Executive Order S-3-05. The Executive Order established the following goals: GHG emissions should be reduced to 2000 levels by 2010, 1990 levels by 2020, and 80 percent below 1990 levels by 2050. The Secretary of the California Environmental Protection Agency (CalEPA) is required to coordinate efforts of various agencies in order to collectively and efficiently reduce GHGs.

In furtherance of the goals established in Executive Order S-3-05, the Legislature enacted Assembly Bill 32 (AB 32, Nuñez and Pavley), the California Global Warming Solutions Act of 2006, which Governor Schwarzenegger signed on September 27, 2006. AB 32 represents the first enforceable statewide program to limit GHG emissions from all major industries with penalties for noncompliance.

²³ U.S. Census Bureau, "Data Finders," <http://www.census.gov/>. 2009.

²⁴ California Department of Finance, "E-5 City / County Population and Housing Estimates, 2008, Revised 2001-2007, with 2000 Benchmark," http://www.dof.ca.gov/research/demographic/reports/estimates/e-5_2001-06/. 2008.

²⁵ California Energy Commission, *Inventory of California Greenhouse Gas Emissions and Sinks 1990 to 2004*, (2006).

AB 32 requires CARB to adopt a scoping plan indicating how reductions in significant GHG sources will be achieved through regulations, market mechanisms, and other actions. CARB released the *Climate Change Proposed Scoping Plan* in October 2008, which contains an outline of the proposed State strategies to achieve the 2020 greenhouse gas emission limits. The CARB Governing Board approved the *Climate Change Scoping Plan* on December 11, 2008. Key elements of the Scoping Plan include the following recommendations:

- Expanding and strengthening existing energy efficiency programs as well as building and appliance standards;
- Achieving a statewide renewable energy mix of 33 percent;
- Developing a California cap-and-trade program that links with other Western Climate Initiative partner programs to create a regional market system;
- Establishing targets for transportation-related greenhouse gas emissions for regions throughout California and pursuing policies and incentives to achieve those targets;
- Adopting and implementing measures pursuant to existing State laws and policies, including California's clean car standards, goods movement measures, and the Low Carbon Fuel Standard; and
- Creating targeted fees, including a public goods charge on water use, fees on high global warming potential gases, and a fee to fund the administrative costs of the State's long-term commitment to AB 32 implementation.

Under the Scoping Plan, approximately 85 percent of the State's emissions are subject to a cap-and-trade program where covered sectors are placed under a declining emissions cap. The emissions cap incorporates a margin of safety whereby the 2020 emissions limit will still be achieved even in the event that uncapped sectors do not fully meet their anticipated emission reductions. Emissions reductions will be achieved through regulatory requirements and the option to reduce emissions further or purchase allowances to cover compliance obligations. It is expected that emission reduction from this cap-and-trade program will account for a large portion of the reductions required by AB 32.

5.4 CEQA Guidelines on Greenhouse Gas Emissions

In August 2007 the legislature enacted SB 97 (Dutton), which directs the Governor's Office of Planning and Research (OPR) to develop guidelines under CEQA for the mitigation of greenhouse gas emissions by July 1, 2009. The Resources Agency is directed to adopt the guidelines by January 1, 2010.

On June 19, 2008, OPR issued a technical advisory as interim guidance regarding the analysis of GHG emissions in CEQA documents.²⁶ The advisory indicated that a project's GHG emissions, including those

²⁶ Governor's Office of Planning and Research, *Technical Advisory – CEQA and Climate Change: Addressing Climate Change through California Environmental Quality Act (CEQA) Review*, (2008).

associated with vehicular traffic, energy consumption, water usage, and construction activities, should be identified and estimated. The advisory further recommended that the lead agency determine significance of the impacts and impose all mitigation measures that are necessary to reduce GHG emissions to a less than significant level. The advisory did not recommend a specific threshold of significance. Instead, OPR requested that CARB recommend a method for setting thresholds that lead agencies may adopt.²⁷

OPR issued its *Preliminary Draft CEQA Guideline Amendments for Greenhouse Gas Emissions* on January 8, 2009 (“Draft OPR Guidelines”). The Draft OPR Guidelines do not identify thresholds of significance nor do they prescribe assessment methodologies or specific mitigation measures. Rather, the Draft OPR Guidelines are consistent with the existing CEQA framework allowing lead agencies discretion in making determinations based on substantial evidence. OPR reiterated that it has requested that CARB recommend a statewide method for setting thresholds of significance.

On October 24, 2008, CARB staff released its *Recommended Approaches for Setting Interim Significance Thresholds for Greenhouse Gases under the California Environmental Quality Act*, which is a preliminary staff draft proposal for determining whether the emissions related to proposed new projects are significant impacts under CEQA. While the proposal is focused on helping lead agencies determine under which conditions a project may be found exempt from the preparation of an EIR, the proposal also provides a guide for establishing significance thresholds for projects for which EIRs would be prepared regardless of the project’s climate change impact. According to this proposal, the threshold for determining whether a project’s emissions are significant is a stringent performance-based threshold to meet the requirements of AB 32. If the project meets certain specific yet to be developed performance standards for several categories of emissions, including construction emissions, building energy use, water use, solid waste, and transportation and the project emits no more than a certain to be determined amount of metric tons of carbon equivalents per year, the project’s impact would not be significant. According to CARB, California Energy Commission Tier II building energy use standards are proposed to be used, which generally require a reduction in energy usage of 30 per cent beyond Title 24 building code requirements. CARB has also proposed a 7,000 metric ton carbon dioxide equivalent (MTCO_{2e}) threshold for industrial projects, but has not yet proposed thresholds for residential and commercial projects. The annual threshold does not include emissions associated with construction- and transportation- related activities.²⁸

²⁷ Ibid., 4.

²⁸ California Air Resources Board, *Preliminary Staff Draft Proposal: Recommended Approaches for Setting Interim Significance Thresholds for Greenhouse Gases under the California Environmental Quality Act*, (2008) 7.

In April 2008, the SCAQMD, in order to provide guidance to local lead agencies on determining the significance of GHG emissions identified in CEQA documents, convened a GHG CEQA Significance Threshold Working Group. The goal of the working group is to develop and reach consensus on an acceptable CEQA significance threshold for GHG emissions that may be utilized at the discretion of lead agencies. The SCAQMD will periodically review and revise the threshold in consideration of any adopted statewide guidance or other information. In October 2008, the Working Group released a draft guidance document, Interim CEQA Greenhouse Gas (GHG) Significance Threshold, which uses a tiered approach to determine a Project's significance. It is similar, but not identical, to CARB's proposal such that projects meeting as yet to be determined performance standards and screening levels result in a less than significant impact. For industrial projects, the SCAQMD has proposed a screening level of 10,000 MTCO_{2e} per year for industrial projects and 3,000 MTCO_{2e} per year for residential and commercial projects. The SCAQMD includes construction and transportation emissions in their numerical thresholds. In December 2008, the SCAQMD adopted the GHG significance threshold for industrial projects where the SCAQMD is the lead agency. The SCAQMD has not adopted a threshold for residential and commercial projects.

5.5 Greenhouse Gas Emissions

The estimated GHG emissions associated with construction of the proposed project are provided in **Table 7, Construction GHG Emissions**, below. The project is not expected to result in an increase in GHG emissions during project operation. As noted earlier, the project would not result in an increase in population and apartment units. The average daily trips associated with the project would remain the same as the existing average daily trips. In addition, the proposed project would upgrade the appliances to more energy efficient models, which would likely result in a reduction in operational GHG emissions. Hence, the operational GHG emissions associated with the complete buildout and operation of the proposed project would not likely result in a net zero increase or a slight reduction in GHG emissions.

Table 7
Construction GHG Emissions

Year	GHG Emissions (MTCO_{2e}/Year)
2010	117.29
2011	407.48
2012	88.39
2013	239.90
2014	87.69
Total	940.75

Year	GHG Emissions (MTCO ₂ e/Year)
Amortized Emissions	31.36

Source: Impact Sciences (2009). For Further detail, refer to Appendix XX.

The SCAQMD recommends that construction GHG emissions be amortized over the project lifetime in order to include construction GHG emissions as part of the operational strategy to reduce GHG emissions. The SCAQMD defines a project lifetime as 30 years. Compared to the 484 MMTCO₂e California emitted in 2004, the project's amortized construction emissions contribute approximately 0.000006 percent of the annual GHG emissions produced in California. Furthermore, the proposed project would upgrade the existing appliances with energy efficient models, which would reduce existing GHG emissions from the Tahiti Marina Apartments. Therefore, because the project would result in amortized emissions that are well below any proposed thresholds and because the project would incorporate measures that would reduce GHG emissions from existing conditions, the proposed Tahiti Marina Apartments project would not have a significant impact on global climate change.

6.0 CONCLUSION

The air quality assessment for the proposed Tahiti Marina Apartments Project, located at 13900 Tahiti Way in Marina del Rey, unincorporated Los Angeles County, California, was prepared in accordance with the SCAQMD's *CEQA Air Quality Handbook* and other data provided by the SCAQMD. Emissions from construction and operation of the proposed project will not exceed the emissions thresholds for the pollutants analyzed above. In addition, emissions from the proposed project will not exceed the localized ambient concentration thresholds established in the SCAQMD's LST Methodology. Additionally, the proposed project will not lead to the formation of CO hotspots due to project-related vehicular traffic. Furthermore, the proposed project would not produce odor nuisance and toxic air contaminants. Finally, the construction and operation of the proposed project would not contribute to global climate change. For these reasons, the proposed project will have less than significant air quality impacts with respect to the above significance thresholds.

APPENDIX A

URBEMIS2007 Construction Emissions

6/29/2009 03:03:14 PM

Urbemis 2007 Version 9.2.4

Combined Summer Emissions Reports (Pounds/Day)

File Name: Z:\Alan Sako\1030.01 Tahiti Marina Apartments\Construction Emissions\Tahiti Marina Apt - Phase 1.urb924

Project Name: Tahiti Marina Apartments - Phase 1

Project Location: South Coast AQMD

On-Road Vehicle Emissions Based on: Version : Emfac2007 V2.3 Nov 1 2006

Off-Road Vehicle Emissions Based on: OFFROAD2007

Summary Report:

CONSTRUCTION EMISSION ESTIMATES

	<u>ROG</u>	<u>NOx</u>	<u>CO</u>	<u>SO2</u>	<u>PM10 Dust</u>	<u>PM10 Exhaust</u>	<u>PM10</u>	<u>PM2.5 Dust</u>	<u>PM2.5 Exhaust</u>	<u>PM2.5</u>
2010 TOTALS (lbs/day unmitigated)	2.53	12.82	20.60	0.02	0.09	0.92	1.01	0.03	0.84	0.88
2011 TOTALS (lbs/day unmitigated)	11.01	11.95	19.84	0.02	0.09	0.86	0.95	0.03	0.79	0.82

Construction Unmitigated Detail Report:

CONSTRUCTION EMISSION ESTIMATES Summer Pounds Per Day, Unmitigated

[illegible]

Phase Assumptions

Phase: Building Construction 9/1/2010 - 12/31/2011 - Building Construction

Off-Road Equipment:

1 Aerial Lifts (60 hp) operating at a 0.46 load factor for 8 hours per day

1 Forklifts (145 hp) operating at a 0.3 load factor for 8 hours per day

1 Tractors/Loaders/Backhoes (108 hp) operating at a 0.55 load factor for 8 hours per day

2 Welders (45 hp) operating at a 0.45 load factor for 8 hours per day

Phase: Architectural Coating 7/15/2011 - 12/31/2011 - Architectural Coating

Rule: Residential Interior Coatings begins 1/1/2005 ends 6/30/2008 specifies a VOC of 100

Rule: Residential Interior Coatings begins 7/1/2008 ends 12/31/2040 specifies a VOC of 50

Rule: Residential Exterior Coatings begins 1/1/2005 ends 6/30/2008 specifies a VOC of 250

Rule: Residential Exterior Coatings begins 7/1/2008 ends 12/31/2040 specifies a VOC of 100

Rule: Nonresidential Interior Coatings begins 1/1/2005 ends 12/31/2040 specifies a VOC of 250

Rule: Nonresidential Exterior Coatings begins 1/1/2005 ends 12/31/2040 specifies a VOC of 250

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Urbemis 2007 Version 9.2.4

Combined Winter Emissions Reports (Pounds/Day)

File Name: Z:\Alan Sako\1030.01 Tahiti Marina Apartments\Construction Emissions\Tahiti Marina Apt - Phase 1.urb924

Project Name: Tahiti Marina Apartments - Phase 1

Project Location: South Coast AQMD

On-Road Vehicle Emissions Based on: Version : Emfac2007 V2.3 Nov 1 2006

Off-Road Vehicle Emissions Based on: OFFROAD2007

Summary Report:

CONSTRUCTION EMISSION ESTIMATES

	<u>ROG</u>	<u>NOx</u>	<u>CO</u>	<u>SO2</u>	<u>PM10 Dust</u>	<u>PM10 Exhaust</u>	<u>PM10</u>	<u>PM2.5 Dust</u>	<u>PM2.5 Exhaust</u>	<u>PM2.5</u>
2010 TOTALS (lbs/day unmitigated)	2.53	12.82	20.60	0.02	0.09	0.92	1.01	0.03	0.84	0.88
2011 TOTALS (lbs/day unmitigated)	11.01	11.95	19.84	0.02	0.09	0.86	0.95	0.03	0.79	0.82

Construction Unmitigated Detail Report:

CONSTRUCTION EMISSION ESTIMATES Winter Pounds Per Day, Unmitigated

[illegible]

Phase Assumptions

Phase: Building Construction 9/1/2010 - 12/31/2011 - Building Construction

Off-Road Equipment:

- 1 Aerial Lifts (60 hp) operating at a 0.46 load factor for 8 hours per day
- 1 Forklifts (145 hp) operating at a 0.3 load factor for 8 hours per day
- 1 Tractors/Loaders/Backhoes (108 hp) operating at a 0.55 load factor for 8 hours per day
- 2 Welders (45 hp) operating at a 0.45 load factor for 8 hours per day

Phase: Architectural Coating 7/15/2011 - 12/31/2011 - Architectural Coating

Rule: Residential Interior Coatings begins 1/1/2005 ends 6/30/2008 specifies a VOC of 100

Rule: Residential Interior Coatings begins 7/1/2008 ends 12/31/2040 specifies a VOC of 50

Rule: Residential Exterior Coatings begins 1/1/2005 ends 6/30/2008 specifies a VOC of 250

Rule: Residential Exterior Coatings begins 7/1/2008 ends 12/31/2040 specifies a VOC of 100

Rule: Nonresidential Interior Coatings begins 1/1/2005 ends 12/31/2040 specifies a VOC of 250

Rule: Nonresidential Exterior Coatings begins 1/1/2005 ends 12/31/2040 specifies a VOC of 250

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Urbemis 2007 Version 9.2.4

Combined Summer Emissions Reports (Pounds/Day)

File Name: Z:\Alan Sako\1030.01 Tahiti Marina Apartments\Construction Emissions\Tahiti Marina Apt - Phase 2.urb924

Project Name: Tahiti Marina Apartments - Phase 2

Project Location: South Coast AQMD

On-Road Vehicle Emissions Based on: Version : Emfac2007 V2.3 Nov 1 2006

Off-Road Vehicle Emissions Based on: OFFROAD2007

Summary Report:

CONSTRUCTION EMISSION ESTIMATES

	<u>ROG</u>	<u>NOx</u>	<u>CO</u>	<u>SO2</u>	<u>PM10 Dust</u>	<u>PM10 Exhaust</u>	<u>PM10</u>	<u>PM2.5 Dust</u>	<u>PM2.5 Exhaust</u>	<u>PM2.5</u>
2012 TOTALS (lbs/day unmitigated)	0.57	3.67	3.19	0.00	0.19	0.30	0.49	0.04	0.28	0.32

Construction Unmitigated Detail Report:

CONSTRUCTION EMISSION ESTIMATES Summer Pounds Per Day, Unmitigated

	<u>ROG</u>	<u>NOx</u>	<u>CO</u>	<u>SO2</u>	<u>PM10 Dust</u>	<u>PM10 Exhaust</u>	<u>PM10</u>	<u>PM2.5 Dust</u>	<u>PM2.5 Exhaust</u>	<u>PM2.5</u>
Time Slice 1/2/2012-2/29/2012 Active Days: 43	<u>0.57</u>	<u>3.67</u>	<u>3.19</u>	<u>0.00</u>	<u>0.19</u>	<u>0.30</u>	<u>0.49</u>	<u>0.04</u>	<u>0.28</u>	<u>0.32</u>
Demolition 01/01/2012-02/29/2012	0.57	3.67	3.19	0.00	0.19	0.30	0.49	0.04	0.28	0.32
Fugitive Dust	0.00	0.00	0.00	0.00	0.18	0.00	0.18	0.04	0.00	0.04
Demo Off Road Diesel	0.54	3.48	2.45	0.00	0.00	0.29	0.29	0.00	0.27	0.27
Demo On Road Diesel	0.01	0.15	0.06	0.00	0.00	0.01	0.01	0.00	0.01	0.01
Demo Worker Trips	0.02	0.04	0.68	0.00	0.00	0.00	0.01	0.00	0.00	0.00

Phase Assumptions

Phase: Demolition 1/1/2012 - 2/29/2012 - Demolition

Building Volume Total (cubic feet): 19200

Building Volume Daily (cubic feet): 432

On Road Truck Travel (VMT): 6

Off-Road Equipment:

2 Dumpers/Tenders (16 hp) operating at a 0.38 load factor for 8 hours per day

1 Tractors/Loaders/Backhoes (108 hp) operating at a 0.55 load factor for 8 hours per day

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Urbemis 2007 Version 9.2.4

Combined Winter Emissions Reports (Pounds/Day)

File Name: Z:\Alan Sako\1030.01 Tahiti Marina Apartments\Construction Emissions\Tahiti Marina Apt - Phase 2.urb924

Project Name: Tahiti Marina Apartments - Phase 2

Project Location: South Coast AQMD

On-Road Vehicle Emissions Based on: Version : Emfac2007 V2.3 Nov 1 2006

Off-Road Vehicle Emissions Based on: OFFROAD2007

Summary Report:

CONSTRUCTION EMISSION ESTIMATES

	<u>ROG</u>	<u>NOx</u>	<u>CO</u>	<u>SO2</u>	<u>PM10 Dust</u>	<u>PM10 Exhaust</u>	<u>PM10</u>	<u>PM2.5 Dust</u>	<u>PM2.5 Exhaust</u>	<u>PM2.5</u>
2012 TOTALS (lbs/day unmitigated)	0.57	3.67	3.19	0.00	0.19	0.30	0.49	0.04	0.28	0.32

Construction Unmitigated Detail Report:

CONSTRUCTION EMISSION ESTIMATES Winter Pounds Per Day, Unmitigated

	<u>ROG</u>	<u>NOx</u>	<u>CO</u>	<u>SO2</u>	<u>PM10 Dust</u>	<u>PM10 Exhaust</u>	<u>PM10</u>	<u>PM2.5 Dust</u>	<u>PM2.5 Exhaust</u>	<u>PM2.5</u>
Time Slice 1/2/2012-2/29/2012 Active Days: 43	0.57	3.67	3.19	0.00	0.19	0.30	0.49	0.04	0.28	0.32
Demolition 01/01/2012-02/29/2012	0.57	3.67	3.19	0.00	0.19	0.30	0.49	0.04	0.28	0.32
Fugitive Dust	0.00	0.00	0.00	0.00	0.18	0.00	0.18	0.04	0.00	0.04
Demo Off Road Diesel	0.54	3.48	2.45	0.00	0.00	0.29	0.29	0.00	0.27	0.27
Demo On Road Diesel	0.01	0.15	0.06	0.00	0.00	0.01	0.01	0.00	0.01	0.01
Demo Worker Trips	0.02	0.04	0.68	0.00	0.00	0.00	0.01	0.00	0.00	0.00

Phase Assumptions

Phase: Demolition 1/1/2012 - 2/29/2012 - Demolition

Building Volume Total (cubic feet): 19200

Building Volume Daily (cubic feet): 432

On Road Truck Travel (VMT): 6

Off-Road Equipment:

2 Dumpers/Tenders (16 hp) operating at a 0.38 load factor for 8 hours per day

1 Tractors/Loaders/Backhoes (108 hp) operating at a 0.55 load factor for 8 hours per day

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Urbemis 2007 Version 9.2.4

Combined Summer Emissions Reports (Pounds/Day)

File Name: Z:\Alan Sako\1030.01 Tahiti Marina Apartments\Construction Emissions\Tahiti Marina Apt - Phase 3-7.urb924

Project Name: Tahiti Marina Apartments - Phases 3-7

Project Location: South Coast AQMD

On-Road Vehicle Emissions Based on: Version : Emfac2007 V2.3 Nov 1 2006

Off-Road Vehicle Emissions Based on: OFFROAD2007

Summary Report:

CONSTRUCTION EMISSION ESTIMATES

	<u>ROG</u>	<u>NOx</u>	<u>CO</u>	<u>SO2</u>	<u>PM10 Dust</u>	<u>PM10 Exhaust</u>	<u>PM10</u>	<u>PM2.5 Dust</u>	<u>PM2.5 Exhaust</u>	<u>PM2.5</u>
2011 TOTALS (lbs/day unmitigated)	4.95	2.47	4.09	0.00	0.02	0.13	0.15	0.01	0.12	0.13

Construction Unmitigated Detail Report:

CONSTRUCTION EMISSION ESTIMATES Summer Pounds Per Day, Unmitigated

[illegible]

Phase Assumptions

Phase: Building Construction 4/1/2011 - 9/30/2011 - Building Construction

Off-Road Equipment:

2 Dumpers/Tenders (16 hp) operating at a 0.38 load factor for 8 hours per day

1 Forklifts (145 hp) operating at a 0.3 load factor for 8 hours per day

Phase: Architectural Coating 8/1/2011 - 9/30/2011 - Architectural Coating

Rule: Residential Interior Coatings begins 1/1/2005 ends 6/30/2008 specifies a VOC of 100

Rule: Residential Interior Coatings begins 7/1/2008 ends 12/31/2040 specifies a VOC of 50

Rule: Residential Exterior Coatings begins 1/1/2005 ends 6/30/2008 specifies a VOC of 250

Rule: Residential Exterior Coatings begins 7/1/2008 ends 12/31/2040 specifies a VOC of 100

Rule: Nonresidential Interior Coatings begins 1/1/2005 ends 12/31/2040 specifies a VOC of 250

Rule: Nonresidential Exterior Coatings begins 1/1/2005 ends 12/31/2040 specifies a VOC of 250

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Urbemis 2007 Version 9.2.4

Combined Winter Emissions Reports (Pounds/Day)

File Name: Z:\Alan Sako\1030.01 Tahiti Marina Apartments\Construction Emissions\Tahiti Marina Apt - Phase 3-7.urb924

Project Name: Tahiti Marina Apartments - Phases 3-7

Project Location: South Coast AQMD

On-Road Vehicle Emissions Based on: Version : Emfac2007 V2.3 Nov 1 2006

Off-Road Vehicle Emissions Based on: OFFROAD2007

Summary Report:

CONSTRUCTION EMISSION ESTIMATES

	<u>ROG</u>	<u>NOx</u>	<u>CO</u>	<u>SO2</u>	<u>PM10 Dust</u>	<u>PM10 Exhaust</u>	<u>PM10</u>	<u>PM2.5 Dust</u>	<u>PM2.5 Exhaust</u>	<u>PM2.5</u>
2011 TOTALS (lbs/day unmitigated)	4.95	2.47	4.09	0.00	0.02	0.13	0.15	0.01	0.12	0.13

Construction Unmitigated Detail Report:

CONSTRUCTION EMISSION ESTIMATES Winter Pounds Per Day, Unmitigated

[illegible]

Phase Assumptions

Phase: Building Construction 4/1/2011 - 9/30/2011 - Building Construction

Off-Road Equipment:

2 Dumpers/Tenders (16 hp) operating at a 0.38 load factor for 8 hours per day

1 Forklifts (145 hp) operating at a 0.3 load factor for 8 hours per day

Phase: Architectural Coating 8/1/2011 - 9/30/2011 - Architectural Coating

Rule: Residential Interior Coatings begins 1/1/2005 ends 6/30/2008 specifies a VOC of 100

Rule: Residential Interior Coatings begins 7/1/2008 ends 12/31/2040 specifies a VOC of 50

Rule: Residential Exterior Coatings begins 1/1/2005 ends 6/30/2008 specifies a VOC of 250

Rule: Residential Exterior Coatings begins 7/1/2008 ends 12/31/2040 specifies a VOC of 100

Rule: Nonresidential Interior Coatings begins 1/1/2005 ends 12/31/2040 specifies a VOC of 250

Rule: Nonresidential Exterior Coatings begins 1/1/2005 ends 12/31/2040 specifies a VOC of 250

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Urbemis 2007 Version 9.2.4

Combined Summer Emissions Reports (Pounds/Day)

File Name: Z:\Alan Sako\1030.01 Tahiti Marina Apartments\Construction Emissions\Tahiti Marina Apt - Phase 8.urb924

Project Name: Tahiti Marina Apartments - Phase 8

Project Location: South Coast AQMD

On-Road Vehicle Emissions Based on: Version : Emfac2007 V2.3 Nov 1 2006

Off-Road Vehicle Emissions Based on: OFFROAD2007

Summary Report:

CONSTRUCTION EMISSION ESTIMATES

	<u>ROG</u>	<u>NOx</u>	<u>CO</u>	<u>SO2</u>	<u>PM10 Dust</u>	<u>PM10 Exhaust</u>	<u>PM10</u>	<u>PM2.5 Dust</u>	<u>PM2.5 Exhaust</u>	<u>PM2.5</u>
2013 TOTALS (lbs/day unmitigated)	2.96	20.14	13.10	0.00	3.01	1.39	4.40	0.63	1.28	1.91
2013 TOTALS (lbs/day mitigated)	2.96	20.14	13.10	0.00	0.55	1.39	1.94	0.12	1.28	1.40
2014 TOTALS (lbs/day unmitigated)	2.81	18.83	12.86	0.00	3.01	1.29	4.30	0.63	1.18	1.81
2014 TOTALS (lbs/day mitigated)	2.81	18.83	12.86	0.00	0.55	1.29	1.83	0.12	1.18	1.30

Construction Unmitigated Detail Report:

CONSTRUCTION EMISSION ESTIMATES Summer Pounds Per Day, Unmitigated

	<u>ROG</u>	<u>NOx</u>	<u>CO</u>	<u>SO2</u>	<u>PM10 Dust</u>	<u>PM10 Exhaust</u>	<u>PM10</u>	<u>PM2.5 Dust</u>	<u>PM2.5 Exhaust</u>	<u>PM2.5</u>
Time Slice 6/3/2013-12/31/2013 Active Days: 152	2.96	20.14	13.10	0.00	3.01	1.39	4.40	0.63	1.28	1.91
Building 06/01/2013-03/31/2014	1.93	11.71	8.54	0.00	0.01	1.00	1.01	0.00	0.92	0.93
Building Off Road Diesel	1.87	11.46	7.09	0.00	0.00	0.99	0.99	0.00	0.91	0.91
Building Vendor Trips	0.02	0.18	0.17	0.00	0.00	0.01	0.01	0.00	0.01	0.01
Building Worker Trips	0.04	0.07	1.29	0.00	0.01	0.01	0.01	0.00	0.00	0.01
Mass Grading 06/01/2013-03/31/2014	1.04	8.43	4.56	0.00	3.00	0.39	3.39	0.63	0.36	0.98
Mass Grading Dust	0.00	0.00	0.00	0.00	3.00	0.00	3.00	0.63	0.00	0.63
Mass Grading Off Road Diesel	1.02	8.40	4.14	0.00	0.00	0.39	0.39	0.00	0.35	0.35
Mass Grading On Road Diesel	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Mass Grading Worker Trips	0.01	0.02	0.42	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Time Slice 1/1/2014-3/31/2014 Active Days: 64	2.81	18.83	12.86	0.00	3.01	1.29	4.30	0.63	1.18	1.81
Building 06/01/2013-03/31/2014	1.82	11.10	8.38	0.00	0.01	0.94	0.95	0.00	0.87	0.87
Building Off Road Diesel	1.77	10.87	7.03	0.00	0.00	0.93	0.93	0.00	0.86	0.86
Building Vendor Trips	0.02	0.16	0.15	0.00	0.00	0.01	0.01	0.00	0.01	0.01
Building Worker Trips	0.03	0.07	1.20	0.00	0.01	0.01	0.01	0.00	0.00	0.01
Mass Grading 06/01/2013-03/31/2014	0.99	7.73	4.48	0.00	3.00	0.34	3.35	0.63	0.32	0.94
Mass Grading Dust	0.00	0.00	0.00	0.00	3.00	0.00	3.00	0.63	0.00	0.63

Mass Grading Off Road Diesel	0.98	7.70	4.09	0.00	0.00	0.34	0.34	0.00	0.31	0.31
Mass Grading On Road Diesel	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Mass Grading Worker Trips	0.01	0.02	0.39	0.00	0.00	0.00	0.00	0.00	0.00	0.00

Phase Assumptions

Phase: Mass Grading 6/1/2013 - 3/31/2014 - Mass Site Grading/Excavation

Total Acres Disturbed: 0.15

Maximum Daily Acreage Disturbed: 0.15

Fugitive Dust Level of Detail: Default

20 lbs per acre-day

On Road Truck Travel (VMT): 0

Off-Road Equipment:

1 Graders (174 hp) operating at a 0.61 load factor for 6 hours per day

1 Water Trucks (189 hp) operating at a 0.5 load factor for 8 hours per day

Phase: Building Construction 6/1/2013 - 3/31/2014 - Building Construction

Off-Road Equipment:

1 Pavers (100 hp) operating at a 0.62 load factor for 8 hours per day

1 Paving Equipment (104 hp) operating at a 0.53 load factor for 8 hours per day

1 Plate Compactors (8 hp) operating at a 0.43 load factor for 8 hours per day

1 Rollers (95 hp) operating at a 0.56 load factor for 8 hours per day

Construction Mitigated Detail Report:

CONSTRUCTION EMISSION ESTIMATES Summer Pounds Per Day, Mitigated

[illegible]

Time Slice 1/1/2014-3/31/2014 Active Days: 64	<u>2.81</u>	<u>18.83</u>	<u>12.86</u>	<u>0.00</u>	<u>0.55</u>	<u>1.29</u>	<u>1.83</u>	<u>0.12</u>	<u>1.18</u>	<u>1.30</u>
Building 06/01/2013-03/31/2014	1.82	11.10	8.38	0.00	0.01	0.94	0.95	0.00	0.87	0.87
Building Off Road Diesel	1.77	10.87	7.03	0.00	0.00	0.93	0.93	0.00	0.86	0.86
Building Vendor Trips	0.02	0.16	0.15	0.00	0.00	0.01	0.01	0.00	0.01	0.01
Building Worker Trips	0.03	0.07	1.20	0.00	0.01	0.01	0.01	0.00	0.00	0.01
Mass Grading 06/01/2013-03/31/2014	0.99	7.73	4.48	0.00	0.54	0.34	0.88	0.11	0.32	0.43
Mass Grading Dust	0.00	0.00	0.00	0.00	0.53	0.00	0.53	0.11	0.00	0.11
Mass Grading Off Road Diesel	0.98	7.70	4.09	0.00	0.00	0.34	0.34	0.00	0.31	0.31
Mass Grading On Road Diesel	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Mass Grading Worker Trips	0.01	0.02	0.39	0.00	0.00	0.00	0.00	0.00	0.00	0.00

Construction Related Mitigation Measures

The following mitigation measures apply to Phase: Mass Grading 6/1/2013 - 3/31/2014 - Mass Site Grading/Excavation

For Soil Stabilizing Measures, the Water exposed surfaces 3x daily watering mitigation reduces emissions by:

PM10: 61□ PM25: 61□

For Soil Stabilizing Measures, the Equipment loading/unloading mitigation reduces emissions by:

PM10: 69□ PM25: 69□

For Unpaved Roads Measures, the Manage haul road dust 3x daily watering mitigation reduces emissions by:

PM10: 61□ PM25: 61□

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Urbemis 2007 Version 9.2.4

Combined Winter Emissions Reports (Pounds/Day)

File Name: Z:\Alan Sako\1030.01 Tahiti Marina Apartments\Construction Emissions\Tahiti Marina Apt - Phase 8.urb924

Project Name: Tahiti Marina Apartments - Phase 8

Project Location: South Coast AQMD

On-Road Vehicle Emissions Based on: Version : Emfac2007 V2.3 Nov 1 2006

Off-Road Vehicle Emissions Based on: OFFROAD2007

Summary Report:

CONSTRUCTION EMISSION ESTIMATES

	<u>ROG</u>	<u>NOx</u>	<u>CO</u>	<u>SO2</u>	<u>PM10 Dust</u>	<u>PM10 Exhaust</u>	<u>PM10</u>	<u>PM2.5 Dust</u>	<u>PM2.5 Exhaust</u>	<u>PM2.5</u>
2013 TOTALS (lbs/day unmitigated)	2.96	20.14	13.10	0.00	3.01	1.39	4.40	0.63	1.28	1.91
2013 TOTALS (lbs/day mitigated)	2.96	20.14	13.10	0.00	0.55	1.39	1.94	0.12	1.28	1.40
2014 TOTALS (lbs/day unmitigated)	2.81	18.83	12.86	0.00	3.01	1.29	4.30	0.63	1.18	1.81
2014 TOTALS (lbs/day mitigated)	2.81	18.83	12.86	0.00	0.55	1.29	1.83	0.12	1.18	1.30

Construction Unmitigated Detail Report:

CONSTRUCTION EMISSION ESTIMATES Winter Pounds Per Day, Unmitigated

	<u>ROG</u>	<u>NOx</u>	<u>CO</u>	<u>SO2</u>	<u>PM10 Dust</u>	<u>PM10 Exhaust</u>	<u>PM10</u>	<u>PM2.5 Dust</u>	<u>PM2.5 Exhaust</u>	<u>PM2.5</u>
Time Slice 6/3/2013-12/31/2013 Active Days: 152	2.96	20.14	13.10	0.00	3.01	1.39	4.40	0.63	1.28	1.91
Building 06/01/2013-03/31/2014	1.93	11.71	8.54	0.00	0.01	1.00	1.01	0.00	0.92	0.93
Building Off Road Diesel	1.87	11.46	7.09	0.00	0.00	0.99	0.99	0.00	0.91	0.91
Building Vendor Trips	0.02	0.18	0.17	0.00	0.00	0.01	0.01	0.00	0.01	0.01
Building Worker Trips	0.04	0.07	1.29	0.00	0.01	0.01	0.01	0.00	0.00	0.01
Mass Grading 06/01/2013-03/31/2014	1.04	8.43	4.56	0.00	3.00	0.39	3.39	0.63	0.36	0.98
Mass Grading Dust	0.00	0.00	0.00	0.00	3.00	0.00	3.00	0.63	0.00	0.63
Mass Grading Off Road Diesel	1.02	8.40	4.14	0.00	0.00	0.39	0.39	0.00	0.35	0.35
Mass Grading On Road Diesel	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Mass Grading Worker Trips	0.01	0.02	0.42	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Time Slice 1/1/2014-3/31/2014 Active Days: 64	2.81	18.83	12.86	0.00	3.01	1.29	4.30	0.63	1.18	1.81
Building 06/01/2013-03/31/2014	1.82	11.10	8.38	0.00	0.01	0.94	0.95	0.00	0.87	0.87
Building Off Road Diesel	1.77	10.87	7.03	0.00	0.00	0.93	0.93	0.00	0.86	0.86
Building Vendor Trips	0.02	0.16	0.15	0.00	0.00	0.01	0.01	0.00	0.01	0.01
Building Worker Trips	0.03	0.07	1.20	0.00	0.01	0.01	0.01	0.00	0.00	0.01
Mass Grading 06/01/2013-03/31/2014	0.99	7.73	4.48	0.00	3.00	0.34	3.35	0.63	0.32	0.94
Mass Grading Dust	0.00	0.00	0.00	0.00	3.00	0.00	3.00	0.63	0.00	0.63

Mass Grading Off Road Diesel	0.98	7.70	4.09	0.00	0.00	0.34	0.34	0.00	0.31	0.31
Mass Grading On Road Diesel	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Mass Grading Worker Trips	0.01	0.02	0.39	0.00	0.00	0.00	0.00	0.00	0.00	0.00

Phase Assumptions

Phase: Mass Grading 6/1/2013 - 3/31/2014 - Mass Site Grading/Excavation

Total Acres Disturbed: 0.15

Maximum Daily Acreage Disturbed: 0.15

Fugitive Dust Level of Detail: Default

20 lbs per acre-day

On Road Truck Travel (VMT): 0

Off-Road Equipment:

1 Graders (174 hp) operating at a 0.61 load factor for 6 hours per day

1 Water Trucks (189 hp) operating at a 0.5 load factor for 8 hours per day

Phase: Building Construction 6/1/2013 - 3/31/2014 - Building Construction

Off-Road Equipment:

1 Pavers (100 hp) operating at a 0.62 load factor for 8 hours per day

1 Paving Equipment (104 hp) operating at a 0.53 load factor for 8 hours per day

1 Plate Compactors (8 hp) operating at a 0.43 load factor for 8 hours per day

1 Rollers (95 hp) operating at a 0.56 load factor for 8 hours per day

Construction Mitigated Detail Report:

CONSTRUCTION EMISSION ESTIMATES Winter Pounds Per Day, Mitigated

[illegible]

Time Slice 1/1/2014-3/31/2014 Active Days: 64	<u>2.81</u>	<u>18.83</u>	<u>12.86</u>	<u>0.00</u>	<u>0.55</u>	<u>1.29</u>	<u>1.83</u>	<u>0.12</u>	<u>1.18</u>	<u>1.30</u>
Building 06/01/2013-03/31/2014	1.82	11.10	8.38	0.00	0.01	0.94	0.95	0.00	0.87	0.87
Building Off Road Diesel	1.77	10.87	7.03	0.00	0.00	0.93	0.93	0.00	0.86	0.86
Building Vendor Trips	0.02	0.16	0.15	0.00	0.00	0.01	0.01	0.00	0.01	0.01
Building Worker Trips	0.03	0.07	1.20	0.00	0.01	0.01	0.01	0.00	0.00	0.01
Mass Grading 06/01/2013-03/31/2014	0.99	7.73	4.48	0.00	0.54	0.34	0.88	0.11	0.32	0.43
Mass Grading Dust	0.00	0.00	0.00	0.00	0.53	0.00	0.53	0.11	0.00	0.11
Mass Grading Off Road Diesel	0.98	7.70	4.09	0.00	0.00	0.34	0.34	0.00	0.31	0.31
Mass Grading On Road Diesel	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Mass Grading Worker Trips	0.01	0.02	0.39	0.00	0.00	0.00	0.00	0.00	0.00	0.00

Construction Related Mitigation Measures

The following mitigation measures apply to Phase: Mass Grading 6/1/2013 - 3/31/2014 - Mass Site Grading/Excavation

For Soil Stabilizing Measures, the Water exposed surfaces 3x daily watering mitigation reduces emissions by:

PM10: 61□ PM25: 61□

For Soil Stabilizing Measures, the Equipment loading/unloading mitigation reduces emissions by:

PM10: 69□ PM25: 69□

For Unpaved Roads Measures, the Manage haul road dust 3x daily watering mitigation reduces emissions by:

PM10: 61□ PM25: 61□

APPENDIX B

Greenhouse Gas Emissions

Tahiti Marina Apartments
Evaluation of Global Climate Change Impacts

Table GHG-1
Construction GHG Emission Factors

Equipment Type	CO ₂ Emission Factor ¹ (kg/gal)	CH ₄ Emission Factor ^{2,3} (kg/gal)	N ₂ O Emission Factor ^{2,3} (kg/gal)	CO ₂ to CO ₂ E Ratio (GWP CH ₄ □ 21) (GWP N ₂ O □ 310)
Off-Road	10.15	0.00058	0.00026	0.991
On-Road	10.15	0.000031	0.000029	0.999
Vendor	10.15	0.000031	0.000029	0.999
Autos ⁴	n/a	n/a	n/a	0.950

Sources:

1. California Climate Action Registry, *General Reporting Protocol: Reporting Entity-Wide Greenhouse Gas Emissions Version 3.1*, (2009) 96.
2. California Climate Action Registry, *General Reporting Protocol: Reporting Entity-Wide Greenhouse Gas Emissions Version 3.1*, (2009) 98-100.
3. California Energy Commission, *Diesel Use in California, Remarks by Commissioner James D. Boyd*, (2002). It was assumed that heavy duty on-road trucks have a fuel economy of 6 miles per gallon based on this data source.
4. US Environmental Protection Agency, Office of Transportation and Air Quality, *Emission Facts - Greenhouse Gas Emissions from a Typical Passenger Vehicle (EPA420-F-05-004)*, (2005) 4. Passenger vehicle CO₂ emissions are assumed to be 95□ of GHG emissions on a CO₂ equivalent basis.

Tahiti Marina Apartments
Evaluation of Global Climate Change Impacts

Table GHG-2
Construction GHG Emissions

Construction Year	Equipment Type	Annual CO ₂ Emissions ¹ (Tons CO ₂ /yr)	Annual CO ₂ Emissions (MT CO ₂ /yr)	CO ₂ to CO ₂ e Ratio	Annual CO ₂ e Emissions (MT CO ₂ e/yr)
2010	Off-Road	33.80	30.66	0.991	30.94
2010	On-Road	-	-	0.999	-
2010	Vendor	31.32	28.41	0.999	28.44
2010	Worker/Autos	60.64	55.01	0.950	57.91
Total 2010		125.76	114.09		117.29
2011	Off-Road	117.26	106.38	0.991	107.35
2011	On-Road	-	-	0.999	-
2011	Vendor	107.78	97.78	0.999	97.87
2011	Worker/Autos	211.81	192.15	0.950	202.26
Total 2011		436.85	396.30		407.48
2012	Off-Road	31.24	28.34	0.991	28.60
2012	On-Road	0.55	0.50	0.999	0.50
2012	Vendor	21.22	19.25	0.999	19.27
2012	Worker/Autos	41.91	38.02	0.950	40.02
Total 2012		94.92	86.11		88.39
2013	Off-Road	176.58	160.19	0.991	161.65
2013	On-Road	-	-	0.999	-
2013	Vendor	24.03	21.80	0.999	21.82
2013	Worker/Autos	59.09	53.61	0.950	56.43
Total 2013		259.70	235.60		239.90
2014	Off-Road	70.38	63.85	0.991	64.43
2014	On-Road	-	-	0.999	-
2014	Vendor	6.64	6.02	0.999	6.03
2014	Worker/Autos	18.04	16.37	0.950	17.23
Total 2014		95.06	86.24		87.69
Total		1,012.29	918.33		940.75
Amortized over Project Lifetime					31.36

Sources:

1. Estimated CO₂ emissions from URBEMIS2007.

Where:

CH ₄	Methane
CO ₂	Carbon dioxide
CO ₂ e	Carbon dioxide equivalent
gal	Gallons
GWP	Global warming potential
kg	Kilograms
MT	Metric ton
N ₂ O	Nitrous oxide
yr	Year

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Urbemis 2007 Version 9.2.4

Combined Annual Emissions Reports (Tons/Year)

File Name: Z:\Alan Sako\1030.01 Tahiti Marina Apartments\Construction Emissions\Tahiti Marina Apt - Phase 1.urb924

Project Name: Tahiti Marina Apartments - Phase 1

Project Location: South Coast AQMD

On-Road Vehicle Emissions Based on: Version : Emfac2007 V2.3 Nov 1 2006

Off-Road Vehicle Emissions Based on: OFFROAD2007

Summary Report:

CONSTRUCTION EMISSION ESTIMATES

	<u>CO2</u>
2010 TOTALS (tons/year unmitigated)	125.76
2011 TOTALS (tons/year unmitigated)	374.28

Construction Unmitigated Detail Report:

CONSTRUCTION EMISSION ESTIMATES Annual Tons Per Year, Unmitigated

	<u>CO2</u>
2010	125.76
Building 09/01/2010-12/31/2011	125.76
Building Off Road Diesel	33.80
Building Vendor Trips	31.32
Building Worker Trips	60.64
2011	374.28
Building 09/01/2010-12/31/2011	371.54
Building Off Road Diesel	99.86
Building Vendor Trips	92.54
Building Worker Trips	179.14
Coating 07/15/2011-12/31/2011	2.74
Architectural Coating	0.00
Coating Worker Trips	2.74

Phase Assumptions

Phase: Building Construction 9/1/2010 - 12/31/2011 - Building Construction

Off-Road Equipment:

1 Aerial Lifts (60 hp) operating at a 0.46 load factor for 8 hours per day

1 Forklifts (145 hp) operating at a 0.3 load factor for 8 hours per day

1 Tractors/Loaders/Backhoes (108 hp) operating at a 0.55 load factor for 8 hours per day

2 Welders (45 hp) operating at a 0.45 load factor for 8 hours per day

Phase: Architectural Coating 7/15/2011 - 12/31/2011 - Architectural Coating

Rule: Residential Interior Coatings begins 1/1/2005 ends 6/30/2008 specifies a VOC of 100

Rule: Residential Interior Coatings begins 7/1/2008 ends 12/31/2040 specifies a VOC of 50

Rule: Residential Exterior Coatings begins 1/1/2005 ends 6/30/2008 specifies a VOC of 250

Rule: Residential Exterior Coatings begins 7/1/2008 ends 12/31/2040 specifies a VOC of 100

Rule: Nonresidential Interior Coatings begins 1/1/2005 ends 12/31/2040 specifies a VOC of 250

Rule: Nonresidential Exterior Coatings begins 1/1/2005 ends 12/31/2040 specifies a VOC of 250

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Urbemis 2007 Version 9.2.4

Combined Annual Emissions Reports (Tons/Year)

File Name: Z:\Alan Sako\1030.01 Tahiti Marina Apartments\Construction Emissions\Tahiti Marina Apt - Phase 2.urb924

Project Name: Tahiti Marina Apartments - Phase 2

Project Location: South Coast AQMD

On-Road Vehicle Emissions Based on: Version : Emfac2007 V2.3 Nov 1 2006

Off-Road Vehicle Emissions Based on: OFFROAD2007

Summary Report:

CONSTRUCTION EMISSION ESTIMATES

	<u>CO2</u>
2012 TOTALS (tons/year unmitigated)	10.59

Construction Unmitigated Detail Report:

CONSTRUCTION EMISSION ESTIMATES Annual Tons Per Year, Unmitigated

	<u>CO2</u>
2012	10.59
Demolition 01/01/2012-02/29/2012	10.59
Fugitive Dust	0.00
Demo Off Road Diesel	8.04
Demo On Road Diesel	0.55
Demo Worker Trips	2.01

Phase Assumptions

Phase: Demolition 1/1/2012 - 2/29/2012 - Demolition

Building Volume Total (cubic feet): 19200

Building Volume Daily (cubic feet): 432

On Road Truck Travel (VMT): 6

Off-Road Equipment:

2 Dumpers/Tenders (16 hp) operating at a 0.38 load factor for 8 hours per day

1 Tractors/Loaders/Backhoes (108 hp) operating at a 0.55 load factor for 8 hours per day

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Urbemis 2007 Version 9.2.4

Combined Annual Emissions Reports (Tons/Year)

File Name: Z:\Alan Sako\1030.01 Tahiti Marina Apartments\Construction Emissions\Tahiti Marina Apt - Phase 3-7.urb924

Project Name: Tahiti Marina Apartments - Phases 3-7

Project Location: South Coast AQMD

On-Road Vehicle Emissions Based on: Version : Emfac2007 V2.3 Nov 1 2006

Off-Road Vehicle Emissions Based on: OFFROAD2007

Summary Report:

CONSTRUCTION EMISSION ESTIMATES

	<u>CO2</u>
2011 TOTALS (tons/year unmitigated)	41.71

Construction Unmitigated Detail Report:

CONSTRUCTION EMISSION ESTIMATES Annual Tons Per Year, Unmitigated

	<u>CO2</u>
2011	41.71
Building 05/01/2011-10/31/2011	41.12
Building Off Road Diesel	11.60
Building Vendor Trips	10.16
Building Worker Trips	19.36
Coating 09/01/2011-10/31/2011	0.59
Architectural Coating	0.00
Coating Worker Trips	0.59

Phase Assumptions

Phase: Building Construction 5/1/2011 - 10/31/2011 - Building Construction

Off-Road Equipment:

2 Dumpers/Tenders (16 hp) operating at a 0.38 load factor for 8 hours per day

1 Forklifts (145 hp) operating at a 0.3 load factor for 8 hours per day

Phase: Architectural Coating 9/1/2011 - 10/31/2011 - Architectural Coating

Rule: Residential Interior Coatings begins 1/1/2005 ends 6/30/2008 specifies a VOC of 100

Rule: Residential Interior Coatings begins 7/1/2008 ends 12/31/2040 specifies a VOC of 50

Rule: Residential Exterior Coatings begins 1/1/2005 ends 6/30/2008 specifies a VOC of 250

Rule: Residential Exterior Coatings begins 7/1/2008 ends 12/31/2040 specifies a VOC of 100

Rule: Nonresidential Interior Coatings begins 1/1/2005 ends 12/31/2040 specifies a VOC of 250

Rule: Nonresidential Exterior Coatings begins 1/1/2005 ends 12/31/2040 specifies a VOC of 250

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Urbemis 2007 Version 9.2.4

Combined Annual Emissions Reports (Tons/Year)

File Name: Z:\Alan Sako\1030.01 Tahiti Marina Apartments\Construction Emissions\Tahiti Marina Apt - Phase 8.urb924

Project Name: Tahiti Marina Apartments - Phase 8

Project Location: South Coast AQMD

On-Road Vehicle Emissions Based on: Version : Emfac2007 V2.3 Nov 1 2006

Off-Road Vehicle Emissions Based on: OFFROAD2007

Summary Report:

CONSTRUCTION EMISSION ESTIMATES

	<u>CO2</u>
2013 TOTALS (tons/year unmitigated)	176.22
2013 TOTALS (tons/year mitigated)	176.22
Percent Reduction	0.00
2014 TOTALS (tons/year unmitigated)	74.20
2014 TOTALS (tons/year mitigated)	74.20
Percent Reduction	0.00

Construction Unmitigated Detail Report:

CONSTRUCTION EMISSION ESTIMATES Annual Tons Per Year, Unmitigated

	<u>CO2</u>
2013	176.22
Building 06/01/2013-03/31/2014	93.48
Building Off Road Diesel	75.36
Building Vendor Trips	3.71
Building Worker Trips	14.41
Mass Grading 06/01/2013-	82.75
Mass Grading Dust	0.00
Mass Grading Off Road Diesel	78.02
Mass Grading On Road Diesel	0.00
Mass Grading Worker Trips	4.72
2014	74.20
Building 06/01/2013-03/31/2014	39.36
Building Off Road Diesel	31.73
Building Vendor Trips	1.56
Building Worker Trips	6.07

Mass Grading 06/01/2013-	34.84
Mass Grading Dust	0.00
Mass Grading Off Road Diesel	32.85
Mass Grading On Road Diesel	0.00
Mass Grading Worker Trips	1.99

Phase Assumptions

Phase: Mass Grading 6/1/2013 - 3/31/2014 - Mass Site Grading/Excavation

Total Acres Disturbed: 0.15

Maximum Daily Acreage Disturbed: 0.15

Fugitive Dust Level of Detail: Default

20 lbs per acre-day

On Road Truck Travel (VMT): 0

Off-Road Equipment:

1 Graders (174 hp) operating at a 0.61 load factor for 6 hours per day

1 Water Trucks (189 hp) operating at a 0.5 load factor for 8 hours per day

Phase: Building Construction 6/1/2013 - 3/31/2014 - Building Construction

Off-Road Equipment:

1 Pavers (100 hp) operating at a 0.62 load factor for 8 hours per day

1 Paving Equipment (104 hp) operating at a 0.53 load factor for 8 hours per day

1 Plate Compactors (8 hp) operating at a 0.43 load factor for 8 hours per day

1 Rollers (95 hp) operating at a 0.56 load factor for 8 hours per day

Construction Mitigated Detail Report:

CONSTRUCTION EMISSION ESTIMATES Annual Tons Per Year, Mitigated

	<u>CO2</u>
2013	176.22
Building 06/01/2013-03/31/2014	93.48
Building Off Road Diesel	75.36
Building Vendor Trips	3.71
Building Worker Trips	14.41
Mass Grading 06/01/2013-	82.75
Mass Grading Dust	0.00
Mass Grading Off Road Diesel	78.02
Mass Grading On Road Diesel	0.00
Mass Grading Worker Trips	4.72

2014	74.20
Building 06/01/2013-03/31/2014	39.36
Building Off Road Diesel	31.73
Building Vendor Trips	1.56
Building Worker Trips	6.07
Mass Grading 06/01/2013-	34.84
Mass Grading Dust	0.00
Mass Grading Off Road Diesel	32.85
Mass Grading On Road Diesel	0.00
Mass Grading Worker Trips	1.99

Construction Related Mitigation Measures

The following mitigation measures apply to Phase: Mass Grading 6/1/2013 - 3/31/2014 - Mass Site Grading/Excavation

For Soil Stabilizing Measures, the Water exposed surfaces 3x daily watering mitigation reduces emissions by:

PM10: 61□ PM25: 61□

For Soil Stabilizing Measures, the Equipment loading/unloading mitigation reduces emissions by:

PM10: 69□ PM25: 69□

For Unpaved Roads Measures, the Manage haul road dust 3x daily watering mitigation reduces emissions by:

PM10: 61□ PM25: 61□

Noise Study
For Tahiti Marina Apartments Rehabilitation
Project
In Los Angeles County, California

Prepared for:

Isaac Hakim
Tahiti Marina Apartments & Docks
13900 Tahiti Way
Marina del Rey, California 90272

Prepared by:

Impact Sciences
803 Camarillo Springs Road, Suite A
Camarillo, California 93012

July 2009

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NOISE STUDY

INTRODUCTION

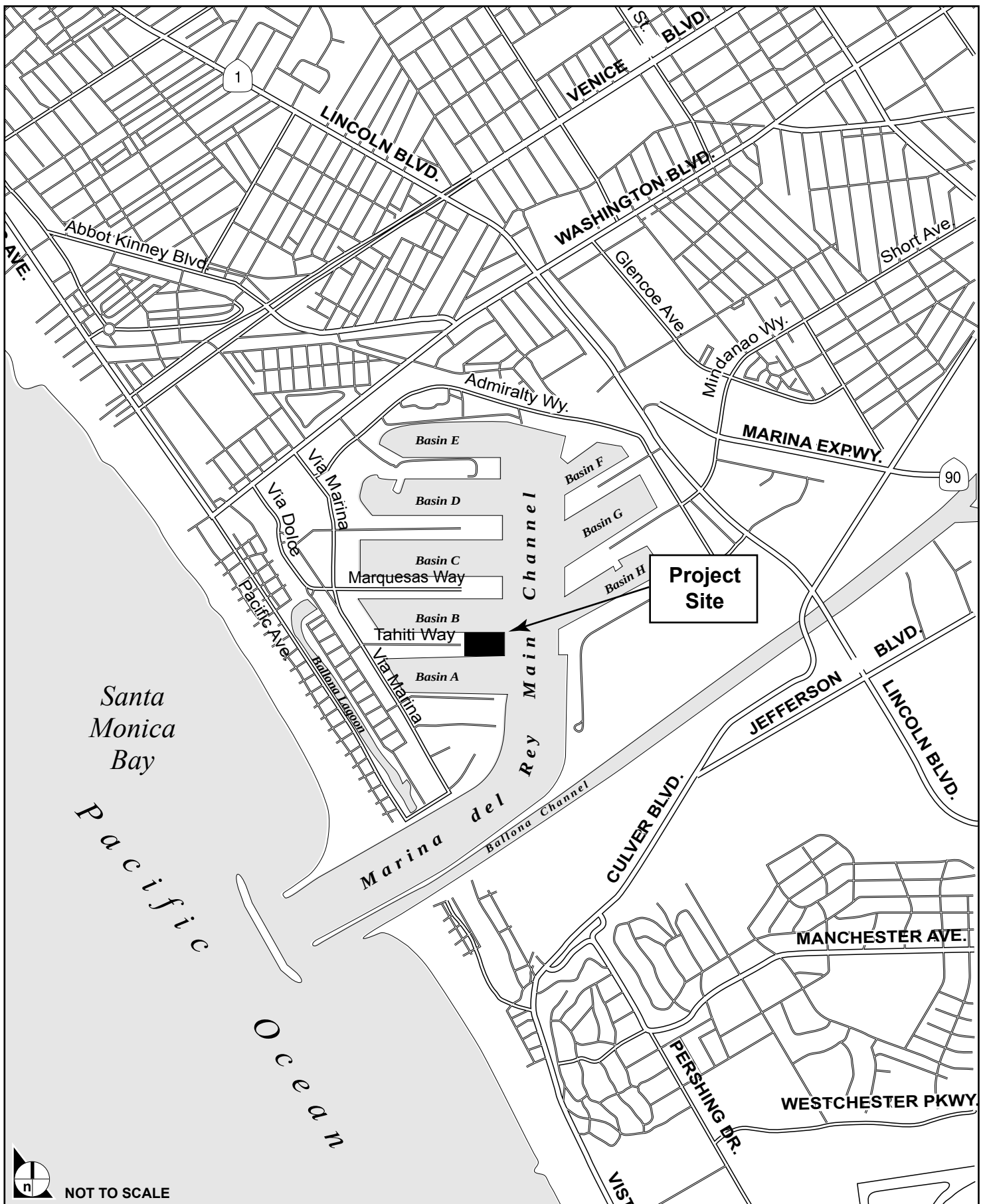
Impact Sciences, Inc., prepared this noise study to forecast future anticipated construction and renovation noise levels as the Tahiti Marina Apartment Complex (proposed project) is renovated, in the community of Marina del Rey, in the County of Los Angeles. These estimated noise levels are compared to the exterior and interior noise level standards for residential uses surrounding the project site as defined in the County of Los Angeles Noise Ordinance for Construction Noise. Additionally this noise study determines the estimated noise that surrounding sensitive land uses will experience from sporadically used haul trucks during the 40-month construction and renovation project.

PROJECT DESCRIPTION

The proposed project is located on Parcel 7 in the community of Marina del Rey, in the County of Los Angeles, at 13900 Tahiti Way, as shown in **Figure 1, Location of the Proposed Project Site**. The proposed project will consist of the demolition and rehabilitation of the existing apartment complex over a 40-month period, beginning on or about September 2010 and being completed by March 2014. The proposed project includes substantial renovation of the apartment building interiors and exteriors (both private and public areas), waterfront promenade, parking facilities, and landscaped areas of the existing apartment complex. The current renovation project does not entail any demolition or replacement of the existing Tahiti Marina boat slips (though the Tahiti Marina anchorage will be demolished and rebuilt in full no longer than 10 years after completion of the landside renovation described herein); however, as part of the current renovation project, the existing anchorage lighting, electrical and water utility systems will be upgraded.

The proposed project will include the following renovation items for each of the project's current amenities:

- **The Apartment Building Façade:** The existing apartment building on the project site will be stripped of its current outside façade. A new contemporary design for the façade of the building will be developed in order to improve the building both visually and functionally. The exterior of the building will be upgraded using new materials, windows, and balconies for energy conservation.
- **The Apartment Building Individual Unit Interiors:** All of the apartments located within the complex will be renovated. New and contemporary design for all units' interiors will be developed, including new bathroom and kitchens, washer and dryers, new waste plumbing pipes, fixtures, electrical upgrade from the Edison power source currently supplying the apartments, technology infrastructure, and web-based amenities and concierge services to improve the tenants' quality of life in the best possible way.



NOT TO SCALE

SOURCE: Impact Sciences, Inc. □ July 2007

FIGURE 1

Location of the Proposed Project Site

- **The Apartment Building Interior Common Areas:** The interior common areas of the existing apartment building on site will include a new design for the entrance lobby with a concierge desk and new disabled-accessible bathrooms for visitors to the complex. Additionally, this portion of the renovation will include new lights, new signs, and new materials and designs for all apartment unit entrances.
- **Exterior Common Areas:** The pool area, club house, restroom facilities, landscaping, lighting, promenade, and bulkhead railing will all be renovated as part of the proposed project. The pool area will be transformed once removal of the existing building, currently located on the top of the existing parking garage, occurs. The vacant space will be developed into a new “Zen-like” modern patio garden for the residents of the complex to relax and enjoy the view of the Marina. The existing pool and area around the pool will be renovated with new handrails and planters to enhance the quality of the open-space environment. The new pool and garden area will be developed with high-quality furnishings to improve the aesthetic value of the area for increased tenant usage. Additionally, the proposed project will develop a new gym below the deck located on the east side of the building, in the existing parking garage. The new gym will occupy a larger space for a new and larger equipment area, lockers, showers, and restroom facilities.
- **Electrical Upgrade:** The proposed project will include electrical upgrade to the entire complex. The proposed project will upgrade the existing transformer in the existing Southern California Edison (SCE) manhole located near the complex, and will upgrade nine existing multimeter boards for apartments, panels and feeds. Additionally, the proposed project will include new electrical feeder lines to the relocated boaters’ restrooms and new gym.
- **Boaters’ Restrooms:** The proposed project will also renovate the existing Boaters’ Restroom. Improvements will include spa-grade improvements including the installation of new lockers, showers, and restroom facilities.

As described above, renovation of the proposed project site is expected to begin on or about September 2010 and be completed, in approximately 40 months, on or about March 2014. The plan to achieve this timing objective will occur while maintaining approximately 70 percent of the apartments available for rent. The renovation plan includes two exterior phases and divides the interior renovation of the building into six phases of approximately 25 units each. Each phase would take approximately six months to complete. During each interior phase, the renovation place for the affected common areas will also be completed. The following is the expected phasing of the proposed project over the 40-month period.

- **Phase 1:** Phase 1 of the proposed project will begin on or about September 2010 and will end 16-months later, on or about January 2012. During this time the renovation of the entire building exterior, exterior signage, roof, ceiling extensions of corner units, lobby, new boaters’ facilities, new gym and promenade improvements will occur.

- **Phase 2:** Phase 2 of the proposed project will begin on or about January 2012 and end two months later, on or about March 2012. This phase will include the demolition of the existing boater's facilities and demolition of the existing gym.
- **Phase 3:** Phase 3 will be broken up into two sub-phases. Phase 3A of the proposed project will begin on or about May 2011 and will end six months later, on or about October 2011. This sub-phase will include the renovation of the interior of 24 corner apartment units in the complex. Phase 3B of the proposed project will begin on or about September 2011 and will end six months later, on or about March 2012. This sub-phase will include the renovation of the interior of 23 apartment units located on the southwest side of the complex.
- **Phase 4:** Phase 4 of the proposed project will begin on or about April 2012 and will end six months later, on or about October 2012. This phase will include the renovation of the interior of 24 apartment units located on the southeast side of the complex.
- **Phase 5:** Phase 5 of the proposed project will begin on or about October 2012 and will end six months later, on or about March 2013. This phase will include the renovation of the interior of 33 apartment units located on the west side of the complex.
- **Phase 6:** Phase 6 of the proposed project will begin on or about March 2013 and end six months later, on or about September 2013. This phase will include the renovation of the interior of 30 apartment units located in the center of the complex.
- **Phase 7:** Phase 7 of the proposed project will begin on or about September 2013, and end six months later, on or about March 2014. This phase will include the renovation of the interior of 27 apartment units located on the east side of the complex.
- **Phase 8:** Phase 8 of the proposed project will begin on or about June 2013 and end nine months later, on or about March 2014. This phase will include the renovation of the landscaping on the project site, and renovation of the dock's utilities and lighting.

Additionally, **Table 1, Construction Equipment Usage**, shows the type of construction equipment that will be used during each phase of the proposed project.

Table 1
Construction Equipment Usage

Phase	Equipment	Quantity of Equipment	Period Equipment will be Used	Hours per Day Equipment will be Used
1	Aerial Work Platform	2	September 2010 through January 2012	4
	Forklift	1	September 2010 through January 2012	3
	Welders	2	September 2010 through January 2012	8
	Backhoe	1	September 2010 through January 2012	6 ¹
2	Backhoe/Loader	1	January 2012 through March 2012	6
	Trash Container	2	January 2012 through March 2012	2
3	Forklift	1	May 2011 through October 2011 and September 2011 through October 2012	2
	Trash Container	2	May 2011 through October 2011 and September 2011 through October 2012	2
4	Forklift	1	April 2012 through October 2012	2
	Trash Container	2	April 2012 through October 2012	2
5	Forklift	1	October 2012 through March 2013	2
	Trash Container	2	October 2012 through March 2013	2
6	Forklift	1	March 2013 through September 2013	2
	Trash Container	2	March 2013 through September 2013	2
7	Forklift	1	September 2013 through March 2014	2
	Trash Container	2	September 2013 through March 2014	2
8	Water Truck	1	June 2013 through March 2014	3
	Grader	1	June 2013 through March 2014	5
	Rolling Compacter	1	June 2013 through March 2014	4
	Paving Machine	1	June 2013 through March 2014	6
	Hand Compactor	1	June 2013 through March 2014	3
	Asphalt Grinder	1	June 2013 through March 2014	8 ²

Source:

¹ May be used only four weeks during this phase.

² May be used in lieu of removing existing asphalt, total of four days.

As described above, many of the eight different phases associated with the construction and renovation of the proposed project will overlap as the proposed project is built out. Phase 1 and phase 3 of the proposed project will overlap for a period of nine months; phase 2 and phase 3 of the proposed project

will overlap for two months; phase 6 and phase 8 will overlap for a period of four months; and phase 7 and phase 8 will overlap for a period of six months. The proposed project will also require the transport of material and construction debris on and off the site, and is expected to use one haul truck per day completing one round trip to and from the project each day, through duration of the renovation project.

METHODOLOGY

Analysis of the existing noise conditions was completed through noise monitoring adjacent to the proposed project site on June 24 through June 25 2009, for a duration of 24 hours. Information was then gathered as to the construction and renovation schedule of the proposed project, along with the expected construction/renovation equipment that will be used during the 40-month duration of the proposed project. Noise modeling procedures involved the calculation of future noise levels emanating from the construction/renovation equipment over the eight phases that the proposed project is expected to be completed in, using the Federal Highway Administration (FHWA) Construction Equipment Noise Levels and Ranges from the Highway Construction Noise Handbook (please **Appendix A** for calculations). These modeled noise levels were then compared to the County of Los Angeles Noise Ordinance for Construction Noise (Chapter 12.08), standard of 80 A-weighted decibels (dB(A)) equivalent continuous noise level (L_{eq}) for multi-family residential units to be exposed to construction/renovation (mobile) noise. Additionally, the same modeling was used to determine the expected noise level of haul trucks that will be used during the construction and renovation of the proposed project over the 40-month period. Again, this expected noise level was compared to the County of Los Angeles Noise Ordinance for Construction Noise standard of 80 dB(A) L_{eq} to determine if the haul trucks would exceed the standard. It should be noted that In order to analyze a worst-case scenario, construction noise levels were estimated assuming that all the pieces of equipment identified below during each phase were operating simultaneously. This assumption is not likely since construction activities during each phase would vary.

FUNDAMENTALS OF NOISE

Introduction to Noise

Noise is ordinarily described as unwanted sound. Sound is generally undesirable when it interferes with normal activities, causes actual physical harm, or has an adverse effect on health. The definition of noise as unwanted sound implies that it has an adverse effect on, or causes a substantial annoyance to, people and their environment.

Sound pressure level alone is not a reliable indicator of loudness because the human ear does not respond uniformly to sounds at all frequencies. For example, the human ear is less sensitive to low and high frequencies than to the medium frequencies that more closely correspond to human speech. In response to the human ear's sensitivity, or lack thereof, to different frequencies, the A-weighted noise level,

referenced in units of dB(A), was developed to better correspond with people's subjective judgment of sound levels. In general, changes in a noise level of less than 3 dB(A) are not noticed by the human ear.¹

Changes from 3 to 5 dB(A) may be noticed by some individuals who are extremely sensitive to changes in noise. An increase of greater than 5 dB(A) is readily noticeable, while the human ear perceives a 10 dB(A) increase in sound level to be a doubling of sound volume. A doubling of sound energy results in a 3 dB(A) increase in sound, which means that a doubling of sound wave energy (e.g., doubling the volume of traffic on a roadway) would result in a barely perceptible change in sound level. Common noise levels associated with certain activities are shown on **Figure 2, Common Noise Levels**.

Noise sources occur in two forms: (1) point sources, such as stationary equipment or individual motor vehicles; and (2) line sources, such as a roadway with a large number of mobile point sources (motor vehicles). Sound generated by a stationary point source typically diminishes (attenuates) at a rate of 6 dB(A) for each doubling of distance from the source to the receptor at acoustically hard sites and at a rate of 7.5 dB(A) at acoustically soft sites.²

A hard, or reflective, site does not provide any excess ground-effect attenuation and is characteristic of asphalt, concrete, and very hard-packed soil. An acoustically soft or absorptive site is characteristic of normal earth and most ground with vegetation. As an example, a 60 dB(A) noise level measured at 50 feet from a point source at an acoustically hard site would be 54 dB(A) at 100 feet from the source and it would be 48 dB(A) at 200 feet from the source. Noise from the same point source at an acoustically soft site would be 52.5 dB(A) at 100 feet and 45 dB(A) at 200 feet from the source. Sound generated by a line source typically attenuates at a rate of 3 dB(A) and 4.5 dB(A) per doubling of distance from the source to the receptor for hard and soft sites, respectively. Sound levels can also be attenuated by manmade or natural barriers, as illustrated in **Figure 3, Noise Attenuation by Barriers**. Solid walls, berms, or elevation differences typically reduce noise levels by 5 to 10 dB(A).³

¹ US Department of Transportation, Federal Highway Administration, *Highway Noise Fundamentals*, (Springfield, Virginia: US Department of Transportation, Federal Highway Administration, September 1980), p. 81.

² US Department of Transportation, Federal Highway Administration, *Highway Noise Fundamentals*, (Springfield, Virginia: US Department of Transportation, Federal Highway Administration, September 1980), p. 97.

³ *Highway Noise Mitigation* (Springfield, Virginia: U.S. Department of Transportation, Federal Highway Administration, September 1980), p. 18.

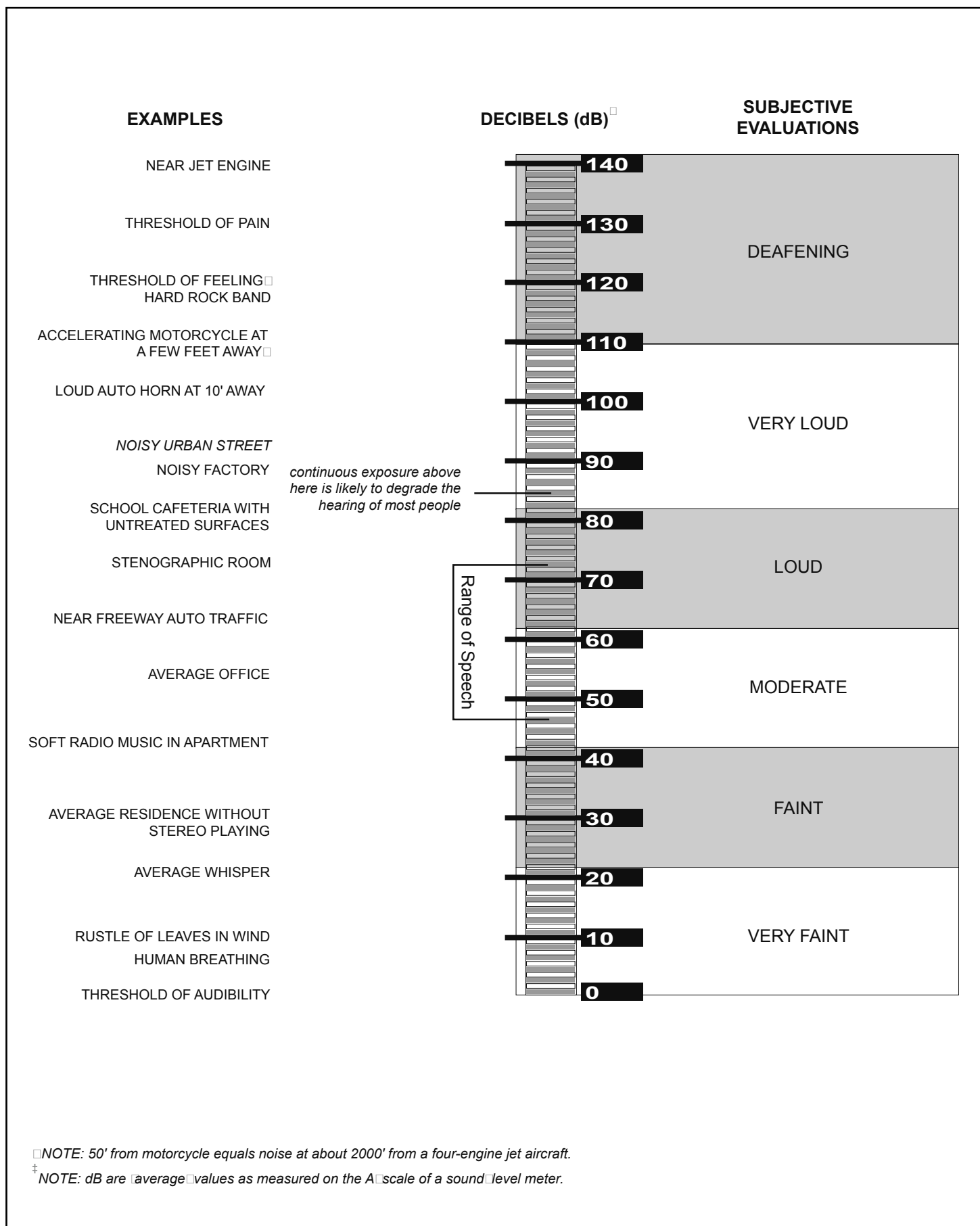
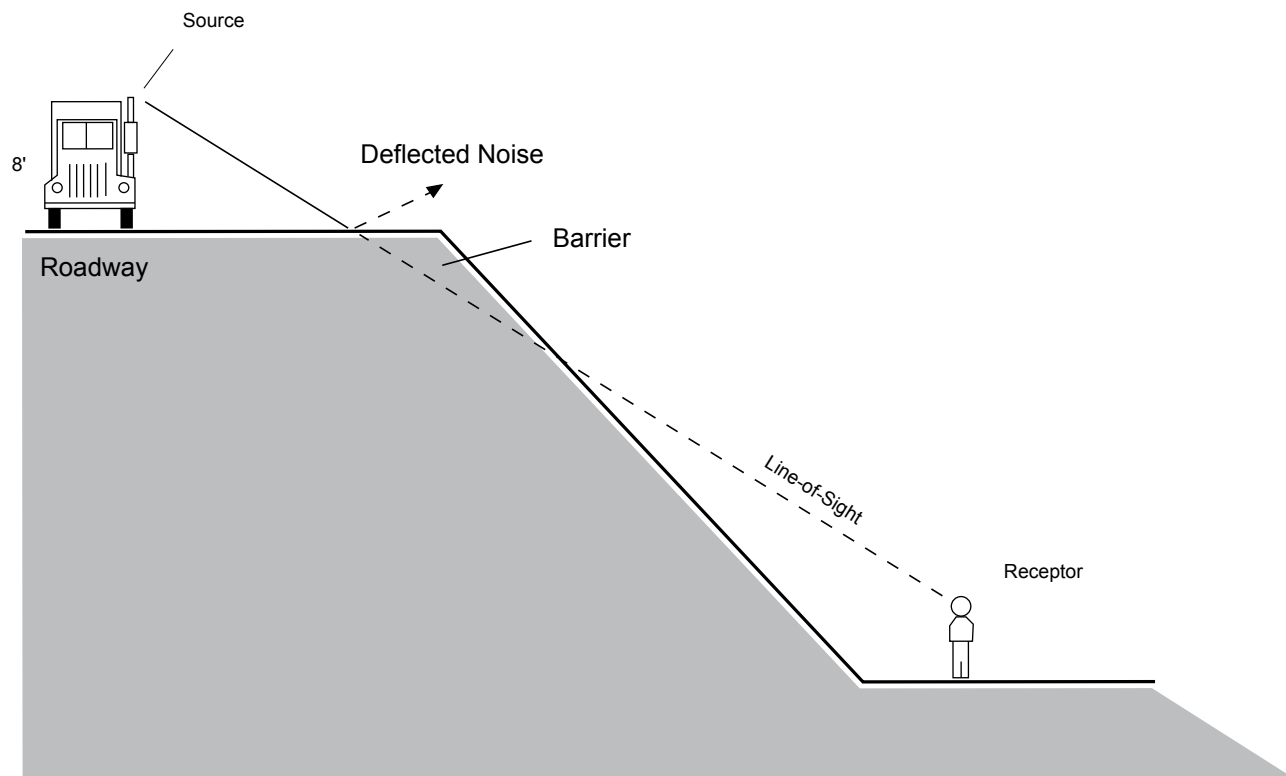
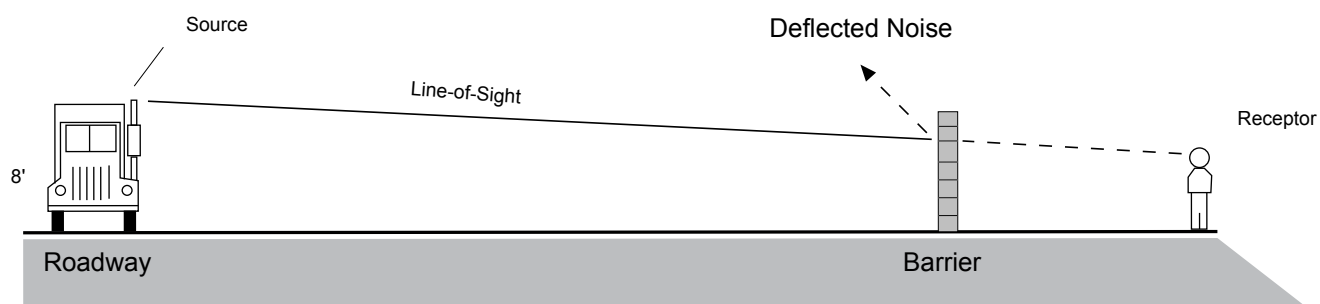


FIGURE 2



"Barrier Effect" Resulting from Differences in Elevation.



"Barrier Effect" Resulting from Typical Soundwall.

SOURCE: Impact Sciences, Inc. □ October 2004

FIGURE 3

Noise Attenuation by Barriers

The minimum attenuation of exterior to interior noise provided by typical structures in California is provided in **Table 2, Outside to Inside Noise Attenuation (dB(A))**.

Table 2
Outside to Inside Noise Attenuation (dB(A))

Building Type	Open Windows	Closed Windows¹
Residences	17	25
Schools	17	25
Places of Worship	20	30
Hospitals/Convalescent	17	25
Offices	17	25
Theaters	20	30
Hotels/Motels	17	25

Source: Transportation Research Board, National Research Council, Highway Noise: A Design Guide for Highway Engineers, National Cooperative Highway Research Program Report 117.

¹ *As shown, structures with closed windows can attenuate exterior noise by a minimum of 25 to 30 dB(A).*

When assessing community reaction to noise, there is an obvious need for a scale that averages sound pressure levels over time and quantifies the result in terms of a single numerical descriptor. Several scales have been developed that address community noise levels.

When assessing community reaction to noise, there is an obvious need for a scale that averages sound pressure levels over time and quantifies the result in terms of a single numerical descriptor. Several scales have been developed that address community noise levels. Those that are applicable to this analysis are the L_{eq} and community noise equivalent level (CNEL). L_{eq} is the average A-weighted sound level measured over a given interval. L_{eq} can be measured over any period, but is typically measured for 1-minute, 15-minute, 1-hour, or 24-hour periods. CNEL is another average A-weighted sound level measured over a 24-hour period. However, this noise scale is adjusted to account for some individuals' increased sensitivity to noise levels during the evening and nighttime hours. A CNEL noise measurement is obtained by adding 5 decibels to sound levels occurring during the evening from 7:00 PM to 10:00 PM, and 10 decibels to sound levels occurring during the nighttime from 10:00 PM to 7:00 AM. The 5 and 10 decibel penalties are applied to account for increased noise sensitivity during the evening and nighttime hours. The logarithmic effect of adding these penalties to the 1-hour L_{eq} measurements typically results in a CNEL measurement that is within approximately 3 dB(A) of the peak-hour L_{eq} .⁴

⁴ California Department of Transportation, *Technical Noise Supplement: A Technical Supplement to the Traffic Noise Analysis Protocol*, (Sacramento, California: October 1998), pp. N51–N54.

REGULATORY FRAMEWORK

Plans and policies that are applicable to this noise study include (1) the State of California Department of Health Services, Environmental Health Division Noise Exposure Guidelines, and (2) the Riverside County General Plan; both are discussed below.

State of California Noise Standards

The State of California, Office of Planning and Research has published, with regards to community noise exposure, recommended guidelines for land use compatibility. These guidelines rate land use compatibility in terms of being “normally acceptable,” “conditionally acceptable,” “normally unacceptable,” and “clearly unacceptable.” Each jurisdiction is required to consider these guidelines when developing its General Plan Noise Element and when determining acceptable noise levels within its community. These guidelines are representative of various land uses that include residential, commercial/mixed-use, industrial, and public facilities.

In addition, the California Commission of Housing and Community Development officially adopted interior noise standards in 1974. In 1988, the Building Standards Commission approved revisions to the standards (Title 24, Part 2, California Code of Regulations). As revised, Title 24 establishes an interior noise standard of 45 dB(A) CNEL for residential space.

County of Los Angeles General Plan Noise Element

The General Plan Noise Element outlines basic goals and policies for the County and its constituent municipalities to follow. It states as a general goal that noise mitigation costs should be assessed to the producers of the noise. Policy 16 of the Noise Element states that the county “should encourage cities to adopt definitive noise ordinances and policies that are consistent throughout the county.” The Noise Element does not prescribe any specific standard for acceptable noise or vibration levels. Because the Marina del Rey area is in unincorporated Los Angeles County, the specific and applicable noise standards are addressed in the County Noise Control Ordinance (County Code Section 12.08). The Noise Control Ordinance prescribes standards for point and stationary source noise and construction-related noise, as well as general standards for vibration.

County of Los Angeles Noise Control Ordinance (For Point and Stationary Source Noise)

The County Noise Control Ordinance (County code Section 12.08) provides standards for both interior and exterior noise standards and sets guidelines for a variety of activities. Section 12.08.390 identifies exterior noise standards for stationary and point noise sources, specific noise restrictions, exemptions and variances for exterior point or stationary noise sources. Several of these standards are applicable to the project and are discussed below.

The County Noise Control Ordinance states that exterior noise levels caused by stationary or point noise sources shall not exceed the levels identified below in **Table 3, County of Los Angeles Exterior Noise Standards for Stationary and Point Noise Sources**, or the ambient noise level,⁵ whichever is greater. The Noise Control Ordinance (Section 12.08.400 of the County Code) also states that interior noise levels (resulting from outside point or stationary sources) within multi-family residential units shall not exceed 45 dB(A) L_{eq} between 7:00 AM and 10:00 PM and 40 dB(A) L_{eq} between 10:00 PM and 7:00 AM. Conventional construction of building with the inclusion of fresh air supply systems or air conditioning will normally ensure that interior noise levels are acceptable. The table also includes the County's standards for acceptable exterior noise levels near receptor properties.

⁵ Ambient noise level is defined as the existing background noise level at the time of measurement or prediction.

Table 3
County of Los Angeles Exterior Noise Standards for Stationary and Point Noise sources

Noise Zone	Designated Noise Zone Land Use (Receptor Property)	Time Interval	Exterior Noise Level d(B(A) Leq ¹
I	Noise Sensitive Area ²	Anytime	45
II	Residential Properties	10:00 PM to 7:00 AM	45
		7:00 AM to 10:00 PM	50
III	Commercial Properties	10:00 PM to 7:00 AM	55
		7:00 AM to 10:00 PM	60
IV	Industrial Properties	Anytime	70

Source: County of Los Angeles Noise Control Ordinance, County Code Section 12.08.390.

¹ **Standard No. 1** shall be the exterior noise level which may not be exceeded for a cumulative period of more than 30 minutes in any hour. Standard No. 1 shall be the applicable noise level; or, if the ambient L₅₀ exceeds the forgoing level, then the ambient L₅₀ becomes the exterior noise level for Standard No. 1.

Standard No. 2 shall be the exterior noise level which may not be exceeded for a cumulative period of more than 15 minutes in any hour. Standard No. 2 shall be the applicable noise level from Standard No. 1 plus 5 dB(A); or, if the ambient L₂₅ exceeds the forgoing level, then the ambient L₂₅ becomes the exterior noise level for Standard No. 2.

Standard No. 3 shall be the exterior noise level which may not be exceeded for a cumulative period of more than five minutes in any hour. Standard No. 3 shall be the applicable noise level from Standard No. 1 plus 10 dB(A); or, if the ambient L_{8.3} exceeds the forgoing level, then the ambient L_{8.3} becomes the exterior noise level for Standard No. 3.

Standard No. 4 shall be the exterior noise level which may not be exceeded for a cumulative period of more than one minute in any hour. Standard No. 4 shall be the applicable noise level from Standard No. 1 plus 15 dB(A); or, if the ambient L_{1.7} exceeds the forgoing level, then the ambient L_{1.7} becomes the exterior noise level for Standard No. 4.

Standard No. 5 shall be the exterior noise level which may not be exceeded for any period of time. Standard No. 5 shall be the applicable noise level from Standard No. 1 plus 20 dB(A); or, if the ambient L₀ exceeds the forgoing level, then the ambient L₀ becomes the exterior noise level for Standard No. 5.

² Not defined in the County Noise Ordinance. To be designated by the County Health Officer.

County of Los Angeles Noise Ordinance (For Construction Noise)

The County Noise Control Ordinance (County Code Section 12.08.440) identifies specific restrictions regarding construction noise. The operation of equipment used in construction, drilling, repair, alteration or demolition work is prohibited between weekday hours of 7:00 PM to 7:00 AM and anytime on Sundays or legal holidays if such noise would create a noise disturbance across a residential or commercial real-property line.⁶ The Noise Control Ordinance further states that the contractor shall conduct construction activities in such a manner that the maximum noise levels at the affected buildings will not exceed those listed in **Table 4, County of Los Angeles Construction Equipment Noise**

⁶ Noise disturbance is not defined in the Noise Control Ordinance. The County Health Officer has the authority to define and determine the extent of a noise disturbance on a case-by-case basis.

Restrictions. All mobile stationary internal-combustion-powered equipment and machinery is also required to be equipped with suitable exhaust and air-intake silencers in proper working order.

Table 4
County of Los Angeles Construction Equipment Noise Restrictions

Residential Structures	Single-Family Residential	Multi-Family Residential	Commercial¹
Mobile Equipment: Maximum noise level for nonscheduled, intermittent, short-term operation (less than 10 days) of mobile equipment.			
Daily, except Sundays and legal holidays, 7:00 AM to 8:00 PM	75 dB(A) Leq	80 dB(A) Leq	85 dB(A) Leq
Daily, 8:00 PM to 7:00 AM and all day Sunday and legal holidays	60 dB(A) Leq	64 dB(A) Leq	70 dB(A) Leq
Stationary Equipment: Maximum noise level for repetitively scheduled and relatively long-term operation (periods of 10 days or more) of stationary equipment:			
Daily, except Sundays and legal holidays, 7:00 AM to 8:00 PM	60 dB(A) Leq	65 dB(A) Leq	70 dB(A) Leq
Daily, 8:00 PM to 7:00 AM and all day Sunday and legal holidays	50 dB(A) Leq	55 dB(A) Leq	60 dB(A) Leq
Business Structures			
Mobile Equipment: Maximum noise levels for nonscheduled, intermittent, short-term operation of mobile equipment:			
Daily, including Sunday and legal holidays, all hours		85 dB(A) Leq	

Source: County of Los Angeles Noise Control Ordinance, County Code Section 12.08.440.

¹ Refers to residential structures within a commercial area. This standard does not apply to commercial structures.

EXISTING CONDITIONS

Existing Project Site

The proposed project site is located on Parcel 7 at the terminus of the Tahiti Way mole road, on the western, predominantly residential side of Marina del Rey. Parcel 7 contains approximately 5 acres of land area and 6.1 acres of water area. The proposed project site is bordered by Marina Basin B to the north, Marina Basin A to the south, the main channel of Marina del Rey to the east and the Bay Club Apartments (Parcel 8T) to the west.

The existing project site (Tahiti Marina Apartments), originally constructed in 1967, and consists of 149 apartment units within 1 three-story apartment complex. The Tahiti Marina anchorage located on the northern, eastern and western side of the project site contains 214 boat slips and 9 end-tie spaces. The existing apartment unit mix is 8 three-bedroom units, 84 two-bedroom units and 57 one-bedroom units. Landside amenities serving the apartment tenants include a 7,200 square foot pool; a 1,600 square foot gym; a 5,000 square foot sun deck; and, a 6,400 square foot BBQ deck. The project site also currently contains 465 parking spaces.

Existing Surrounding Sensitive Uses

As described above, the proposed project site is located in a residential area of Marina del Rey. The closest sensitive receptor (an existing three-story apartment building complex-The Bay Club Apartments) to the project site is located approximately 123 feet to the west (on Parcel 8). The Bay Club Apartment complex is constructed so that balconies of existing units face toward the north, toward the Marina, and face to the south toward Tahiti Way. No balconies or outside living areas of the Bay Club Apartment complex face the proposed project site.

Monitored Noise Levels

Noise monitoring was completed on June 25, 2009. **Figure 4, Noise Monitoring Locations**, depicts the two noise monitoring locations. Monitoring was conducted between the hours of 7:00 AM on June 24, 2009 to 8:00 AM June 25, 2009, and was approximately 24-hour samples at each location. The first monitoring location was located at the terminus of Tahiti Way, on the round-about median, approximately 60 feet to the southwest of the project site, and approximately 60 feet to the north of the sensitive receptors (neighboring apartment building) located south of the proposed project site. The primary source of noise at this location is traffic using Tahiti Way to access the residential complexes along the street. The second monitoring location was also located on the median of Tahiti Way, approximately 231 feet west of the proposed project site, and approximately 33 feet to the north and south of the sensitive receptors (neighboring apartment building) located west and southwest of the proposed project site. The primary source of noise at this location is traffic traveling along Tahiti Way.

As shown in **Table 5, Monitored Noise Levels**, noise levels at monitoring locations 1 and 2, were measured at 57 and 60 dB(A) L_{eq} for 24-hours, respectively. Location 1 had noise levels that were measured at 59 dB(A) L_{eq} during morning peak hours; 56 dB(A) L_{eq} during evening peak hours; 49 dB(A) L_{eq} during nighttime hours; and, 59 dB(A) L_{eq} during daytime hours. Location 2 had noise levels that were measured at 57 dB(A) L_{eq} during morning peak hours; 60 dB(A) L_{eq} during evening peak hours; 53 dB(A) L_{eq} during the nighttime; and, 62 dB(A) L_{eq} during the daytime.

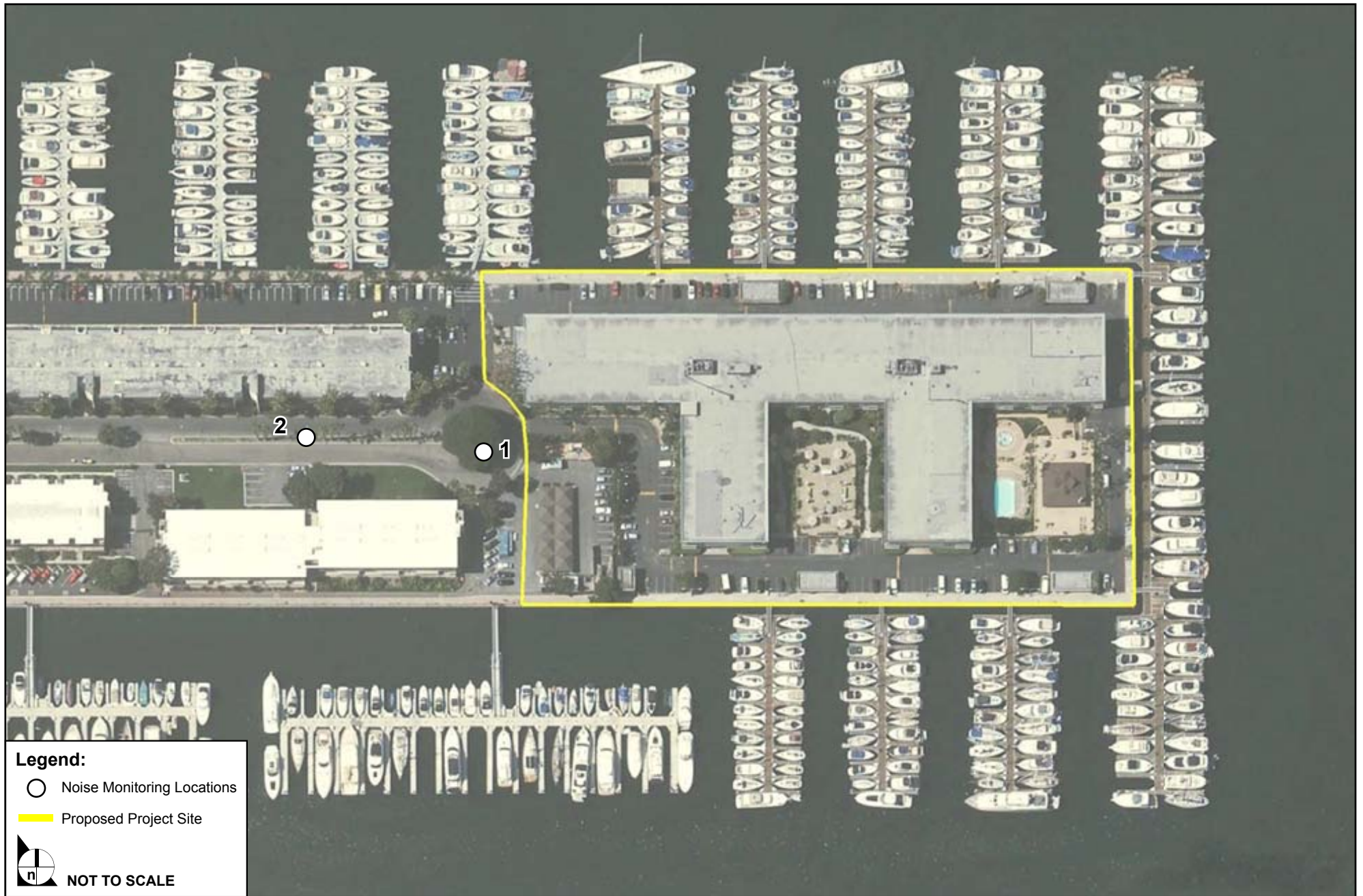


FIGURE 4

Noise Monitoring Locations

Table 5
Monitored Noise Levels

Monitoring Location	L_{eq} Morning Peak Hour (7:00 AM to 10:00 AM)	L_{eq} Evening Peak Hour (4:00 PM to 8:00 PM)	L_{eq} Nighttime (10:00 PM to 7:00 AM)	L_{eq} Daytime (7:00 AM to 10:00 PM)	L_{eq} 24-Hour
Location 1	59	56	49	59	57
Location 2	57	60	53	62	60

Source: Impact Sciences, Inc. June 25, 2009. Calculations are presented in Appendix A.

IMPACT ANALYSIS

Demolition, Construction and Renovation Noise

Phase 1 and Phase 3

The proposed project is to begin renovation starting in September 2010, beginning with phase 1. During this time, renovation of the entire building exterior, the exterior signage, the roof, renovation of the ceiling extensions of corner units, the new lobby, the new boaters' facility, new gym, and promenade improvements are scheduled to occur. Additionally, as phase 1 is occurring, phase 3 will begin in May of 2011 and will overlap with phase 1 over a period of nine months. Phase 3 will include the renovation of the interior of 24 corner units on the complex, along with the renovation of the interior of 23 units located on the southwest corner of the complex. The closest sensitive receptor is the apartment complex (multi-family residential units) located approximately 123 feet to the west of the proposed project site. During this period, it is expected that the construction equipment that will be used on the project site will include the use of a forklift, a backhoe, and a loader. As can be seen in **Table 6, Estimated Construction Equipment Noise for Phase 1 and Phase 3**, during the overlap in these construction phases, the loudest expected noise resulting from the use of the on-site construction equipment will be no louder than 79 dB(A) L_{eq} (Please see **Appendix A** for calculations).

Table 6
Estimated Construction Equipment Noise for Phase 1 and Phase 3

Phase	Equipment Used	Amount of Equipment Used	Hours per Day	Distance from Closest Sensitive Receptor	Noise Level (dB(A) L_{eq})
Phase 1 and 3	Forklift	1	3	123 feet	74
	Backhoe	1	6	123 feet	70
	Loader	1	6	123 feet	77
Total L_{eq} During Normal Operations					79

Source: Impact Sciences, Inc.

As described above, the County of Los Angeles Noise Construction Standard indicates that construction noise cannot exceed 80 dB(A) L_{eq} during the hours of 7:00 AM and 8:00 PM during the weekdays. Noise associated with the construction equipment that will be used during this period could be further reduced by the distance that the proposed project site is from the sensitive land use, the fact that the sensitive land use adjacent to the proposed project site does not have outside balconies that face the project site, and the fact that the majority of renovation and construction during this phasing will occur on interior areas of the project site. Since the construction equipment during these phases are not expected to exceed the standard of 80 dB(A) L_{eq} during phase 1 and phase 3 of the proposed project, impacts are expected to be less than significant.

Phase 2 and Phase 3

The proposed project is to begin phase 2 of the renovation process in January of 2012 and be completed by March of 2012. During this time demolition of the boater facility and gym will occur. Additionally, as phase 2 is occurring, phase 3 will begin in May of 2011 and be completed by March of 2012, thus overlapping with phase 2 over a period of two months. Phase 3 will include the renovation of the interior of 24 corner units on the complex, along with the renovation of the interior of 23 units located on the southwest corner of the complex. The closest sensitive receptor is the apartment complex (multi-family residential units) located approximately 123 feet to the west of the proposed project site. During this period it is expected that the construction equipment that will be used on the project site will include the use of a forklift and a backhoe. As can be seen in **Table 7, Estimated Construction Equipment Noise for Phase 2 and Phase 3**, during this overlapping in these construction phases, the loudest expected noise resulting from the use of the on-site construction equipment will be no louder than 76 dB(A) L_{eq} (Please see **Appendix A** for calculations).

Table 7
Estimated Construction Equipment Noise for Phase 2 and Phase 3

Phase	Equipment Used	Amount of Equipment Used	Hours per Day	Distance from Closest Sensitive Receptor	Noise Level (dB(A) L _{eq})
Phase 2 and 3	Forklift	1	3	123 feet	74
	Backhoe	1	6	123 feet	70
Total L_{eq} During Normal Operations					76

Source: Impact Sciences, Inc.

As described above, the County of Los Angeles Noise Construction Standard indicates that construction noise cannot exceed 80 dB(A) L_{eq} during the hours of 7:00 AM and 8:00 PM during the weekdays. Noise associated with the construction equipment that will be used during this period could be further reduced by the distance that the proposed project site is from the sensitive land use, the fact that the sensitive land use adjacent to the proposed project site does not have outside balconies that face the project site, and the fact that the majority of renovation and construction during this phasing will occur on interior areas of the project site and on the eastern end of the project site. Since the construction equipment during these phases are not expected to exceed the standard of 80 dB(A) L_{eq} during phase 2 and phase 3 of the proposed project, impacts are expected to be less than significant.

Phase 4

The proposed project is expected to begin phase 4 of the construction and renovation project in April of 2012 and end six months later, in October 2012. During this period, interior renovation of 24 apartment units located on the southeast corner of the project site will occur. No additional phases of construction and renovation are expected to overlap with phase 4. The closest sensitive receptor is the apartment complex (multi-family residential units) located approximately 520 feet to the west of the southeastern side of the proposed project site. During this period it is expected that the construction equipment that will be used on the project site will include the use of only one forklift. As can be seen in **Table 8, Estimated Construction Equipment Noise for Phase 4**, during phase 4 of the construction and renovation process of the proposed project, the loudest expected noise resulting from the use of the on-site construction equipment will be no louder than 62 dB(A) L_{eq}, at 520 feet from the sensitive receptor located to the west of the proposed project site (Please see **Appendix A** for calculations).

Table 8
Estimated Construction Equipment Noise for Phase 4

Phase	Equipment Used	Amount of Equipment Used	Hours per Day	Distance from Closest Sensitive Receptor	Noise Level (dB(A) L_{eq})
Phase 4	Forklift	1	2	520 feet	62
Total L_{eq} During Normal Operations					62

Source: Impact Sciences, Inc.

As described above, the County of Los Angeles Noise Construction Standard indicates that construction noise cannot exceed 80 dB(A) L_{eq} during the hours of 7:00 AM and 8:00 PM during the weekdays. Noise associated with the construction equipment that will be used during this period could be further reduced by the distance that the proposed project site is from the sensitive land use, the fact that the sensitive land use adjacent to the proposed project site does not have outside balconies that face the project site, and the fact that the majority of renovation and construction during this phasing will occur on interior areas of the project site and on the eastern end of the project site. Since the construction equipment used during phase 4 is not expect to exceed the standard of 80 dB(A) L_{eq} , impacts are expected to be less than significant.

Phase 5

The proposed project is expected to begin phase 5 of the construction and renovation process in October of 2012 and end six months later, in March of 2013. During this period, interior renovation of 33 apartment units located on the western side of the proposed project site will occur. No additional phases of construction and renovation are expected to overlap with phase 5. The closest sensitive receptor is the apartment complex (multi-family residential units) located approximately 123 feet to the west of the of the proposed project site. During this period it is expected that the construction equipment that will be used on the project site will include the use of only one forklift. As can be seen in **Table 9, Estimated Construction Equipment Noise for Phase 5**, during phase 5 of the construction and renovation process of the proposed project, the loudest expected noise resulting from the use of the on-site construction equipment will be no louder than 74 dB(A) L_{eq} , at 123 feet from the sensitive receptor located to the west of the proposed project site (Please see **Appendix A** for calculations).

Table 9
Estimated Construction Equipment Noise for Phase 5

Phase	Equipment Used	Amount of Equipment Used	Hours per Day	Distance from Closest Sensitive Receptor	Noise Level (dB(A) L _{eq})
Phase 5	Forklift	1	2	123 feet	74
Total L_{eq} During Normal Operations					74

Source: Impact Sciences, Inc.

As described above, the County of Los Angeles Noise Construction Standard indicates that construction noise cannot exceed 80 dB(A) L_{eq} during the hours of 7:00 AM and 8:00 PM during the weekdays. Noise associated with the construction equipment that will be used during this period could be further reduced by the distance that the proposed project site is from the sensitive land use, the fact that the sensitive land use adjacent to the proposed project site does not have outside balconies that face the project site, and the fact that the majority of renovation and construction during this phasing will occur on interior areas of the project site and on the eastern end of the project site. Since the construction equipment used during phase 5 is not expect to exceed the standard of 80 dB(A) L_{eq}, impacts are expected to be less than significant.

Phase 6 and Phase 8

The proposed project is expected to begin phase 6 of the construction and renovation process in March of 2013 and end six months later, in September of 2013. During this period, interior renovation of 30 apartment units located in the center of the proposed project site will occur. It is expected that during phase 6, one forklift will be used, approximately 430 feet to the east of the sensitive use located adjacent to the proposed project site. Additionally, phase 8 of the construction and renovation process will begin in June of 2013 and end nine months later, in March of 2014, thus overlapping with phase 6 for approximately four months. During this time, along with the forklift being used in phase 6, phase 8 will include the use of a compactor, grader, and paver, which is expected to be used approximately 123 feet from the sensitive receptor located adjacent to the proposed project site. As can be seen in **Table 10, Estimated Construction Equipment Noise for Phase 6 and Phase 8**, during phase 6 and phase 8 of the construction and renovation process of the proposed project, the loudest expected noise resulting from the use of the on-site construction equipment will be no louder than 79 dB(A) L_{eq} (Please see **Appendix A** for calculations).

Table 10
Estimated Construction Equipment Noise for Phase 6 and Phase 8

Phase	Equipment Used	Amount of Equipment Used	Hours per Day	Distance from Closest Sensitive Receptor	Noise Level (dB(A) L _{eq})
Phase 6 and 8	Compactor	1	4	123 feet	74
	Forklift	1	2	430 feet	63
	Grader	1	5	123 feet	77
	Paver	1	6	123 feet	69
Total L_{eq} During Normal Operations					79

Source: Impact Sciences, Inc.

As described above, the County of Los Angeles Noise Construction Standard indicates that construction noise cannot exceed 80 dB(A) L_{eq} during the hours of 7:00 AM and 8:00 PM during the weekdays. The distance that the proposed project site is from the sensitive land use, and the fact that the sensitive land use adjacent to the proposed project site does not have outside balconies that face the project site could further reduce the noise associated with the construction equipment that will be used during this period. Since the construction equipment used during phases 6 and 8 are not expect to exceed the standard of 80 dB(A) L_{eq}, impacts are expected to be less than significant.

Phase 7 and Phase 8

The proposed project is expected to begin phase 7 of the construction and renovation process in September of 2013 and end six months later, in March of 2014. During this period, interior renovation of 30 apartment units located on the eastern side of the proposed project site will occur. It is expected that during phase 7 one forklift will be used, approximately 600 feet to the east of the sensitive use located adjacent to the proposed project site. Additionally, phase 8 of the construction and renovation process will begin in June of 2013 and end nine months later, in March of 2014, thus overlapping with phase 7 for approximately eight months. During this time, along with the forklift being used in phase 7, phase 8 will include the use of a compactor, grader, and paver, which are expected to be used approximately 123 feet from the sensitive receptor located adjacent to the proposed project site. As can be seen in **Table 11, Estimated Construction Equipment Noise for Phase 7 and Phase 8**, during phase 7 and phase 8 of the construction and renovation process of the proposed project, the loudest expected noise resulting from the use of the on-site construction equipment will be no louder than 79 dB(A) L_{eq} (Please see **Appendix A** for calculations).

Table 11
Estimated Construction Equipment Noise for Phase 7 and Phase 8

Phase	Equipment Used	Amount of Equipment Used	Hours per Day	Distance from Closest Sensitive Receptor	Noise Level (dB(A) L _{eq})
Phase 7 and 8	Compactor	1	4	123 feet	74
	Forklift	1	2	600 feet	60
	Grader	1	5	123 feet	77
	Paver	1	6	123 feet	69
Total L_{eq} During Normal Operations					79

Source: Impact Sciences, Inc.

As described above, the County of Los Angeles Noise Construction Standard indicates that construction noise cannot exceed 80 dB(A) L_{eq} during the hours of 7:00 AM and 8:00 PM during the weekdays. The distance that the proposed project site is from the sensitive land use, and the fact that the sensitive land use adjacent to the proposed project site does not have outside balconies that face the project site could further reduce the noise associated with the construction equipment that will be used during this period. Since the construction equipment used during phases 7 and 8 are not expect to exceed the standard of 80 dB(A) L_{eq}, impacts are expected to be less than significant.

Haul Route Noise Impacts

Project construction and renovation will require the use of heavy trucks to haul equipment and materials to the site, as well as transport debris during demolition and renovations on the project site. To limit noise impacts associated with construction traffic on nearby land uses, a truck haul route will be established which route vehicles away from sensitive uses to the maximum extent feasible.

To minimize potential neighborhood disruption and conflicts along the haul route, a construction traffic control plan will be developed for use during the construction and renovation activities. The plan will identify all traffic control measures, signs and time limits to be implemented by the construction contractor during the duration of the construction and renovation activities. Measures likely to be used to reduce noise impacts include limitations on the hours and days in which construction activity may occur. All vehicles will be staged either within the property lines or at designated areas as established by a County approved haul route plan.

Trucks on average are expected to enter and leave the site on a daily basis over the construction and renovation period, but only during working hours. The trips associated with trucks traveling off site are based on the URBEMIS 2007 assumptions associated with proposed land uses proposed for the project. According to URBEMIS 2007 calculations prepared for the project, one haul truck per day is expected to make one round trip per day, on average, during the construction and renovation process of the proposed project over the 40-month period. The Los Angeles County Department of Public Works (LACDPW), Construction Division, limits construction activities to between the hours of 6:30 AM and 8:00 PM daily and prohibits work on Sundays and legal holidays. This reduces the impact on local residents by restricting most construction-based noise generation to hours when most residents are at work and not generally home. The number of truck trips traveling along the proposed haul route will vary daily, depending on the nature of the construction activity. Employment of standard noise attenuation practices would be implemented as required by the LACDPW. As previously discussed, noise sensitive land uses located near and adjacent to the project site are primarily residential in nature, specifically, along Tahiti Way. Uses within 50 feet of the haul route developed by the proposed project could experience temporary noise events of approximately 76 dB(A) from the truck as it passes by⁷, which does not exceed County standards as outlined above. Therefore, impacts are expected to be less than significant.

Operational Impacts

The project would not include an increase in intensity that would generate vehicle trips but rather include a renovation and upgrade of an existing use. Consequently, the project would not result in an increase in noise level on the surrounding roadway network due to increase vehicle trips.

SUGGESTED MITIGATION

No mitigation measures are required beyond compliance with the Los Angeles County Noise Ordinance (Section 12.08).

CONCLUSION

The proposed project (renovation of the existing Tahiti Marina Apartment Complex) will be conducted over a 40-month period in eight different phases. Analysis was conducted, as described above, for the eight different phases of construction and renovation to determine if the noise generated by the construction equipment would exceed the Los Angeles County Noise Ordinance Construction standard of 80 dB(A) L_{eq} . Even though some of the phases would overlap, the loudest noise that is expected to be generated during any of the construction and renovation phases determined to be 79 dB(A) L_{eq} . The

⁷ Please see Appendix B, Haul Truck Noise estimate calculation.

closest sensitive land use is the Bay Club Apartment complex located to the west of the proposed project site. Residents in this complex are not expected to experience construction and renovation noise louder than the standard 80 dB(A) L_{eq} as set forth by the County of Los Angeles. This is primarily due to the distance that the sensitive receptor is located from the proposed project site, the location of the construction and renovation occurring during the various eight phases over the 40-month period, and the fact that the Bay Club Apartment complex, adjacent to the proposed project site does not have balconies or outdoor living spaces that face the proposed project site. Therefore, it is expected that construction and renovation noise of the proposed project will result in a less than significant impact.

Additionally, it was determined that one haul truck will be used, on average, every day over the 40-month period, making one round trip per day to the project site and from the project site. Analysis concluded that sensitive structures located specifically along Tahiti Way would experience noise generated from this truck of no greater than 76 dB(A) L_{eq} , which is below the standard of 80 dB(A) L_{eq} as set forth by the County of Los Angeles. This is primarily due to the fact that the truck will be more than 50 feet from the sensitive uses (residential uses) as it travels along the haul route, and the fact that speed limits in the residential areas are 25 mph hour or less, thus reducing the sound generated by the haul truck. Therefore, the haul truck associated with the construction and renovation of the proposed project is expected to create a less than significant noise impact on surrounding sensitive land uses.

APPENDIX A

Noise Study Tahiti Marina Apartments Rehabilitation: Construction Equipment Noise Model

Tahiti Marina Renovation Phase 1 and Phase 3

Assumed Attenuation:

6 dBA per doubling of distance

NOISE SOURCE	NUMBER OF UNITS	ASSUMED USE FACTOR	TYPICAL PRESSURE LEVEL @ 50 FT (dBA)	DISTANCE (Feet)	NOISE LEVEL Leq (dBA)
Auger/Bore Drill Rig	0	1	81	50	#N/A
Backhoe	1	1	78	123	70
Ballast Equilzer	0	1	82	50	#N/A
Ballast Tamper	0	1	83	50	#N/A
Bore Drill/Rig	0	1	83	50	#N/A
Compactor	0	1	82	50	#N/A
Concrete Mixer	0	1	79	50	#N/A
Concrete Pump	0	1	82	50	#N/A
Concrete Vibrator	0	1	76	50	#N/A
Crane Derrick	0	1	88	50	#N/A
Crane Mobile	0	1	81	50	#N/A
Dozer	0	1	82	50	#N/A
Dump Truck	0	1	76	50	#N/A
Dump Truck	0	1	76	50	#N/A
Dump Truck	0	1	76	50	#N/A
Electric Drill	0	1	56	50	#N/A
Excavator CAT 963	0	1	77	50	#N/A
Excavator CAT 973	0	1	81	50	#N/A
Forklift, 40 HP	1	1	82	123	74
Generator	0	1	81	50	#N/A
Grader	0	1	85	50	#N/A
Impact Wrench	0	1	85	50	#N/A
Jack Hammer	0	1	89	50	#N/A
Loader	0	0	85	50	#N/A
Paver	0	1	77	50	#N/A
Pile Driver - Impact	0	1	101	50	#N/A
Pile Driver- Sonic	0	1	96	50	#N/A
Pneumatic Tools	0	1	85	50	#N/A
Pump	0	1	76	50	#N/A
Rail Saw	0	1	90	50	#N/A
Rock Drill	0	1	98	50	#N/A
Roller	0	1	74	50	#N/A
Saw	0	1	76	50	#N/A
Scarifier	0	1	83	50	#N/A
Scraper	0	1	84	50	#N/A
Shovel	0	1	82	50	#N/A
Spike Driver	0	1	77	50	#N/A
Tie Cutter	0	1	84	50	#N/A
Tie Handler	0	1	80	50	#N/A
Tie Insertter	0	1	85	50	#N/A
Off-highway Truck	0	1	88	50	#N/A

TOTAL Leq DURING NORMAL OPERATIONS:

76

Note: NA = Not Applicable

Sources: Federal Transit Administration (April 1995), *Transit Noise and Vibration Impact Assessment*, p. 12-3. and FWWA Construction Equipment Noise Levels and Ranges - Highway Construction Noise Handbook

Tahiti Marina Renovation Phase 2 and Phase 3

Assumed Attenuation:

6 dBA per doubling of distance

NOISE SOURCE	NUMBER OF UNITS	ASSUMED USE FACTOR	TYPICAL PRESSURE LEVEL @ 50 FT (dBA)	DISTANCE (Feet)	NOISE LEVEL Leq (dBA)
Auger/Bore Drill Rig	0	1	81	50	#N/A
Backhoe	1	1	78	123	70
Ballast Equilizer	0	1	82	50	#N/A
Ballast Tamper	0	1	83	50	#N/A
Bore Drill/Rig	0	1	83	50	#N/A
Compactor	0	1	82	50	#N/A
Concrete Mixer	0	1	79	50	#N/A
Concrete Pump	0	1	82	50	#N/A
Concrete Vibrator	0	1	76	50	#N/A
Crane Derrick	0	1	88	50	#N/A
Crane Mobile	0	1	81	50	#N/A
Dozer	0	1	82	50	#N/A
Dump Truck	0	1	76	50	#N/A
Dump Truck	0	1	76	50	#N/A
Dump Truck	0	1	76	50	#N/A
Electric Drill	0	1	56	50	#N/A
Excavator CAT 963	0	1	77	50	#N/A
Excavator CAT 973	0	1	81	50	#N/A
Forklift, 40 HP	1	1	82	123	74
Generator	0	1	81	50	#N/A
Grader	0	1	85	50	#N/A
Impact Wrench	0	1	85	50	#N/A
Jack Hammer	0	1	89	50	#N/A
Loader	0	1	85	50	#N/A
Paver	0	1	77	50	#N/A
Pile Driver - Impact	0	1	101	50	#N/A
Pile Driver- Sonic	0	1	96	50	#N/A
Pneumatic Tools	0	1	85	50	#N/A
Pump	0	1	76	50	#N/A
Rail Saw	0	1	90	50	#N/A
Rock Drill	0	1	98	50	#N/A
Roller	0	1	74	50	#N/A
Saw	0	1	76	50	#N/A
Scarifier	0	1	83	50	#N/A
Scraper	0	1	84	50	#N/A
Shovel	0	1	82	50	#N/A
Spike Driver	0	1	77	50	#N/A
Tie Cutter	0	1	84	50	#N/A
Tie Handler	0	1	80	50	#N/A
Tie Inserter	0	1	85	50	#N/A
Off-highway Truck	0	1	88	50	#N/A

TOTAL Leq DURING NORMAL OPERATIONS:

76

Note: NA = Not Applicable

Sources: Federal Transit Administration (April 1995), *Transit Noise and Vibration*

Impact Assessment, p. 12-3. and FWWA Construction Equipment Noise Levels and Ranges -
Highway Construction Noise Handbook

Tahiti Marina Renovation Phase 4

Assumed Attenuation:

6 dBA per doubling of distance

NOISE SOURCE	NUMBER OF UNITS	ASSUMED USE FACTOR	TYPICAL PRESSURE LEVEL @ 50 FT (dBA)	DISTANCE (Feet)	NOISE LEVEL Leq (dBA)
Auger/Bore Drill Rig	0	1	81	50	#N/A
Backhoe	0	1	78	50	#N/A
Ballast Equilzer	0	1	82	50	#N/A
Ballast Tamper	0	1	83	50	#N/A
Bore Drill/Rig	0	1	83	50	#N/A
Compactor	0	1	82	50	#N/A
Concrete Mixer	0	1	79	50	#N/A
Concrete Pump	0	1	82	50	#N/A
Concrete Vibrator	0	1	76	50	#N/A
Crane Derrick	0	1	88	50	#N/A
Crane Mobile	0	1	81	50	#N/A
Dozer	0	1	82	50	#N/A
Dump Truck	0	1	76	50	#N/A
Dump Truck	0	1	76	50	#N/A
Dump Truck	0	1	76	50	#N/A
Electric Drill	0	1	56	50	#N/A
Excavator CAT 963	0	1	77	50	#N/A
Excavator CAT 973	0	1	81	50	#N/A
Forklift, 40 HP	1	1	82	520	62
Generator	0	1	81	50	#N/A
Grader	0	1	85	50	#N/A
Impact Wrench	0	1	85	50	#N/A
Jack Hammer	0	1	89	50	#N/A
Loader	0	1	85	50	#N/A
Paver	0	1	77	50	#N/A
Pile Driver - Impact	0	1	101	50	#N/A
Pile Driver- Sonic	0	1	96	50	#N/A
Pneumatic Tools	0	1	85	50	#N/A
Pump	0	1	76	50	#N/A
Rail Saw	0	1	90	50	#N/A
Rock Drill	0	1	98	50	#N/A
Roller	0	1	74	50	#N/A
Saw	0	1	76	50	#N/A
Scarifier	0	1	83	50	#N/A
Scraper	0	1	84	50	#N/A
Shovel	0	1	82	50	#N/A
Spike Driver	0	1	77	50	#N/A
Tie Cutter	0	1	84	50	#N/A
Tie Handler	0	1	80	50	#N/A
Tie Inserter	0	1	85	50	#N/A
Off-highway Truck	0	1	88	50	#N/A

TOTAL Leq DURING NORMAL OPERATIONS:

62

Note: NA = Not Applicable

Sources: Federal Transit Administration (April 1995), *Transit Noise and Vibration*

Impact Assessment, p. 12-3. and FWWA Construction Equipment Noise Levels and Ranges -
Highway Construction Noise Handbook

Tahiti Marina Renovation Phase 5

Assumed Attenuation:

6 dBA per doubling of distance

NOISE SOURCE	NUMBER OF UNITS	ASSUMED USE FACTOR	TYPICAL PRESSURE LEVEL @ 50 FT (dBA)	DISTANCE (Feet)	NOISE LEVEL Leq (dBA)
Auger/Bore Drill Rig	0	1	81	50	#N/A
Backhoe	0	1	78	50	#N/A
Ballast Equilzer	0	1	82	50	#N/A
Ballast Tamper	0	1	83	50	#N/A
Bore Drill/Rig	0	1	83	50	#N/A
Compactor	0	1	82	50	#N/A
Concrete Mixer	0	1	79	50	#N/A
Concrete Pump	0	1	82	50	#N/A
Concrete Vibrator	0	1	76	50	#N/A
Crane Derrick	0	1	88	50	#N/A
Crane Mobile	0	1	81	50	#N/A
Dozer	0	1	82	50	#N/A
Dump Truck	0	1	76	50	#N/A
Dump Truck	0	1	76	50	#N/A
Dump Truck	0	1	76	50	#N/A
Electric Drill	0	1	56	50	#N/A
Excavator CAT 963	0	1	77	50	#N/A
Excavator CAT 973	0	1	81	50	#N/A
Forklift, 40 HP	1	1	82	123	74
Generator	0	1	81	50	#N/A
Grader	0	1	85	50	#N/A
Impact Wrench	0	1	85	50	#N/A
Jack Hammer	0	1	89	50	#N/A
Loader	0	1	85	50	#N/A
Paver	0	1	77	50	#N/A
Pile Driver - Impact	0	1	101	50	#N/A
Pile Driver- Sonic	0	1	96	50	#N/A
Pneumatic Tools	0	1	85	50	#N/A
Pump	0	1	76	50	#N/A
Rail Saw	0	1	90	50	#N/A
Rock Drill	0	1	98	50	#N/A
Roller	0	1	74	50	#N/A
Saw	0	1	76	50	#N/A
Scarifier	0	1	83	50	#N/A
Scraper	0	1	84	50	#N/A
Shovel	0	1	82	50	#N/A
Spike Driver	0	1	77	50	#N/A
Tie Cutter	0	1	84	50	#N/A
Tie Handler	0	1	80	50	#N/A
Tie Inserter	0	1	85	50	#N/A
Off-highway Truck	0	1	88	50	#N/A

TOTAL Leq DURING NORMAL OPERATIONS:

74

Note: NA = Not Applicable

Sources: Federal Transit Administration (April 1995), *Transit Noise and Vibration*

Impact Assessment, p. 12-3. and FWWA Construction Equipment Noise Levels and Ranges - Highway Construction Noise Handbook

Tahiti Marina Renovation Phase 6 and Phase 8

Assumed Attenuation:

6 dBA per doubling of distance

NOISE SOURCE	NUMBER OF UNITS	ASSUMED USE FACTOR	TYPICAL PRESSURE LEVEL @ 50 FT (dBA)	DISTANCE (Feet)	NOISE LEVEL Leq (dBA)
Auger/Bore Drill Rig	0	1	81	50	#N/A
Backhoe	0	1	78	50	#N/A
Ballast Equilzer	0	1	82	50	#N/A
Ballast Tamper	0	1	83	50	#N/A
Bore Drill/Rig	0	1	83	50	#N/A
Compactor	1	1	82	123	74
Concrete Mixer	0	1	79	50	#N/A
Concrete Pump	0	1	82	50	#N/A
Concrete Vibrator	0	1	76	50	#N/A
Crane Derrick	0	1	88	50	#N/A
Crane Mobile	0	1	81	50	#N/A
Dozer	0	1	82	50	#N/A
Dump Truck	0	1	76	50	#N/A
Dump Truck	0	1	76	50	#N/A
Dump Truck	0	1	76	50	#N/A
Electric Drill	0	1	56	50	#N/A
Excavator CAT 963	0	1	77	50	#N/A
Excavator CAT 973	0	1	81	50	#N/A
Forklift, 40 HP	1	1	82	430	63
Generator	0	1	81	50	#N/A
Grader	1	1	85	123	77
Impact Wrench	0	1	85	50	#N/A
Jack Hammer	0	1	89	50	#N/A
Loader	0	1	85	50	#N/A
Paver	1	1	77	123	69
Pile Driver - Impact	0	1	101	50	#N/A
Pile Driver- Sonic	0	1	96	50	#N/A
Pneumatic Tools	0	1	85	50	#N/A
Pump	0	1	76	50	#N/A
Rail Saw	0	1	90	50	#N/A
Rock Drill	0	1	98	50	#N/A
Roller	0	1	74	50	#N/A
Saw	0	1	76	50	#N/A
Scarifier	0	1	83	50	#N/A
Scraper	0	1	84	50	#N/A
Shovel	0	1	82	50	#N/A
Spike Driver	0	1	77	50	#N/A
Tie Cutter	0	1	84	50	#N/A
Tie Handler	0	1	80	50	#N/A
Tie Inserter	0	1	85	50	#N/A
Off-highway Truck	0	1	88	50	#N/A

TOTAL Leq DURING NORMAL OPERATIONS:

79

Note: NA = Not Applicable

Sources: Federal Transit Administration (April 1995), *Transit Noise and Vibration*

Impact Assessment, p. 12-3. and FWWA Construction Equipment Noise Levels and Ranges - Highway Construction Noise Handbook

Tahiti Marina Renovation Phase 7 and Phase 8

Assumed Attenuation:

6 dBA per doubling of distance

NOISE SOURCE	NUMBER OF UNITS	ASSUMED USE FACTOR	TYPICAL PRESSURE LEVEL @ 50 FT (dBA)	DISTANCE (Feet)	NOISE LEVEL Leq (dBA)
Auger/Bore Drill Rig	0	1	81	50	#N/A
Backhoe	0	1	78	50	#N/A
Ballast Equilzer	0	1	82	50	#N/A
Ballast Tamper	0	1	83	50	#N/A
Bore Drill/Rig	0	1	83	50	#N/A
Compactor	1	1	82	123	74
Concrete Mixer	0	1	79	50	#N/A
Concrete Pump	0	1	82	50	#N/A
Concrete Vibrator	0	1	76	50	#N/A
Crane Derrick	0	1	88	50	#N/A
Crane Mobile	0	1	81	50	#N/A
Dozer	0	1	82	50	#N/A
Dump Truck	0	1	76	50	#N/A
Dump Truck	0	1	76	50	#N/A
Dump Truck	0	1	76	50	#N/A
Electric Drill	0	1	56	50	#N/A
Excavator CAT 963	0	1	77	50	#N/A
Excavator CAT 973	0	1	81	50	#N/A
Forklift, 40 HP	1	1	82	600	60
Generator	0	1	81	50	#N/A
Grader	1	1	85	123	77
Impact Wrench	0	1	85	50	#N/A
Jack Hammer	0	1	89	50	#N/A
Loader	0	1	85	50	#N/A
Paver	1	1	77	123	69
Pile Driver - Impact	0	1	101	50	#N/A
Pile Driver- Sonic	0	1	96	50	#N/A
Pneumatic Tools	0	1	85	50	#N/A
Pump	0	1	76	50	#N/A
Rail Saw	0	1	90	50	#N/A
Rock Drill	0	1	98	50	#N/A
Roller	0	1	74	50	#N/A
Saw	0	1	76	50	#N/A
Scarifier	0	1	83	50	#N/A
Scraper	0	1	84	50	#N/A
Shovel	0	1	82	50	#N/A
Spike Driver	0	1	77	50	#N/A
Tie Cutter	0	1	84	50	#N/A
Tie Handler	0	1	80	50	#N/A
Tie Inserter	0	1	85	50	#N/A
Off-highway Truck	0	1	88	50	#N/A

TOTAL Leq DURING NORMAL OPERATIONS:

79

Note: NA = Not Applicable

Sources: Federal Transit Administration (April 1995), *Transit Noise and Vibration*

Impact Assessment, p. 12-3. and FWWA Construction Equipment Noise Levels and Ranges - Highway Construction Noise Handbook

APPENDIX B

Noise Study Tahiti Marina Apartments Rehabilitation: Haul Truck Noise Model

Tahiti Marina Renovation Haul Truck Noise Estimation

Assumed Attenuation:

6 dBA per doubling of distance

NOISE SOURCE	NUMBER OF UNITS	ASSUMED USE FACTOR	TYPICAL PRESSURE LEVEL @ 50 FT (dBA)	DISTANCE (Feet)	NOISE LEVEL Leq (dBA)
Auger/Bore Drill Rig	0	1	81	50	#N/A
Backhoe	0	1	78	50	#N/A
Ballast Equilzer	0	1	82	50	#N/A
Ballast Tamper	0	1	83	50	#N/A
Bore Drill/Rig	0	1	83	50	#N/A
Compactor	0	1	82	50	#N/A
Concrete Mixer	0	1	79	50	#N/A
Concrete Pump	0	1	82	50	#N/A
Concrete Vibrator	0	1	76	50	#N/A
Crane Derrick	0	1	88	50	#N/A
Crane Mobile	0	1	81	50	#N/A
Dozer	0	1	82	50	#N/A
Dump Truck	1	1	76	50	76
Dump Truck	0	1	76	50	#N/A
Dump Truck	0	1	76	50	#N/A
Electric Drill	0	1	56	50	#N/A
Excavator CAT 963	0	1	77	50	#N/A
Excavator CAT 973	0	1	81	50	#N/A
Forklift, 40 HP	0	1	82	50	#N/A
Generator	0	1	81	50	#N/A
Grader	0	1	85	50	#N/A
Impact Wrench	0	1	85	50	#N/A
Jack Hammer	0	1	89	50	#N/A
Loader	0	0	85	50	#N/A
Paver	0	1	77	50	#N/A
Pile Driver - Impact	0	1	101	50	#N/A
Pile Driver- Sonic	0	1	96	50	#N/A
Pneumatic Tools	0	1	85	50	#N/A
Pump	0	1	76	50	#N/A
Rail Saw	0	1	90	50	#N/A
Rock Drill	0	1	98	50	#N/A
Roller	0	1	74	50	#N/A
Saw	0	1	76	50	#N/A
Scarifier	0	1	83	50	#N/A
Scraper	0	1	84	50	#N/A
Shovel	0	1	82	50	#N/A
Spike Driver	0	1	77	50	#N/A
Tie Cutter	0	1	84	50	#N/A
Tie Handler	0	1	80	50	#N/A
Tie Inserter	0	1	85	50	#N/A
Off-highway Truck	0	1	88	50	#N/A

TOTAL Leq DURING NORMAL OPERATIONS:

76

Note: NA = Not Applicable

Sources: Federal Transit Administration (April 1995), *Transit Noise and Vibration*

Impact Assessment, p. 12-3. and FWWA Construction Equipment Noise Levels and Ranges - Highway Construction Noise Handbook



GAIL FARBER, Director

COUNTY OF LOS ANGELES

DEPARTMENT OF PUBLIC WORKS

"To Enrich Lives Through Effective and Caring Service"

900 SOUTH FREMONT AVENUE
ALHAMBRA, CALIFORNIA 91803-1331
Telephone: (626) 458-5100
<http://dpw.lacounty.gov>

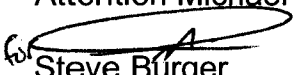
ADDRESS ALL CORRESPONDENCE TO:
P.O. BOX 1460
ALHAMBRA, CALIFORNIA 91802-1460

September 22, 2009

IN REPLY PLEASE
REFER TO FILE: LD-1

TO: Paul McCarthy
Department of Regional Planning

Attention Michael Tripp

FROM:  Steve Bürger
Land Development Division
Department of Public Works

INITIAL STUDY/MITIGATED NEGATIVE DECLARATION (IS/MND)
PROJECT NO. R2009-00925
13900 TAHITI WAY
MARINA DEL REY, CA 90292

We reviewed the IS/MND for the Marina del Rey project. The proposed project includes substantial renovation of the apartment building interiors and exteriors, both private and public areas, waterfront promenade, parking facilities, and landscaped areas of the existing apartment complex.

The following comments are for your consideration:

Environmental-Others

1. Storage Space for Recyclables: The California Solid Waste Reuse and Recycling Access Act of 1991, as amended, requires each development project to provide an adequate storage area for collection and removal of recyclable materials. The environmental document should include/discuss standards to provide adequate recyclable storage areas for collection/storage of recyclable and green waste materials for this project.
2. Construction and Demolition Recycling: Construction, demolition, and grading projects in the County's unincorporated areas are required to recycle or reuse a minimum of 50 percent of the construction and demolition debris generated by weight per the County's Construction and Demolition Debris Recycling and Reuse Ordinance. A Recycling and Reuse Plan must be submitted to and approved by Public Works' Environmental Programs Division before a construction, demolition, or grading permit may be issued.

Paul McCarthy
September 22, 2009
Page 2

If you have any questions regarding environmental comments, please contact Corey Mayne at (626) 458-3524.

Services–Utilities/Water

1. Page 10, second paragraph states, "Water service is provided to the project site by Los Angeles County Waterworks District No. 29." This statement is accurate. Water service is provided by Marina del Rey Water System.
2. Page 24, second paragraph states, "Water service is provided to the project site by Los Angeles County Waterworks District No. 29." This statement is accurate. Water service is provided by Marina del Rey Water System.
3. Page 24, fourth paragraph, project applicant shall submit fire flow requirements, as set by the Los Angeles County Fire Department, to the County of Los Angeles Waterworks Districts to verify adequacy of existing system.

If you have any questions regarding waterworks comments, please contact Greg Even at (626) 300-3331.

If you have any other questions or require additional information, please contact Toan Duong at (626) 458-4945.

MA:ca

P:\CEQA\CDM\DRP – Project No. R2009-00925_13900 Tahiti Way_ Marina Del Rey_MND-IS.doc

Tahiti Marina Apartments & Docks Rehabilitation Project Findings of Fact

On the basis of oral and written evidence contained in the administrative record of proceedings, the Board of Supervisors of the County of Los Angeles (the "Board") has adopted a Mitigated Negative Declaration and approved an option agreement to extend the term of the existing Tahiti Marina Apartments & Docks leasehold (the "Option"), located at 13900 Tahiti Way, Marina del Rey, CA 90292 (Lease Parcel No. 7S, Assessor Parcel Number 4224-002-900). Parcel 7S is located on an approximately 5-acre site in the western portion of the small craft harbor. Specifically, the project site is located at the terminus of Tahiti Way and is surrounded by Marina "Basin B" to the north, the main channel of the Marina del Rey small craft harbor to the east, and Marina "Basin A" to the south. There are residential apartments to the west and southwest, with boat docks in the water to the north, south and east. The landside portion of the site is currently developed with a 149-unit apartment complex located within a 237,500 square foot, three-story building. The waterside portion of the site is currently developed with a private boat anchorage containing 214 boat slips and 9 end-tie spaces.

The Option contemplates improvements to the existing apartment building on Parcel 7S in the form of rehabilitation improvements to the exteriors of the existing building, the interiors of the 149 apartment units, landscaping on the existing parcel, the existing onsite parking, and existing recreational facilities, all as more specifically defined in the Option (the "Project"). The Project does not entail any present demolition or replacement of the existing Tahiti Marina boat slips; however, as part of the Project, the existing anchorage lighting, electrical and water utility systems will be upgraded. The Option requires the lessee to redevelop the existing anchorage within ten (10) years of the completion date of the landside rehabilitation work. The Mitigated Negative Declaration evaluates the potential environmental effects of the landside rehabilitation work.

The adoption of the Mitigated Negative Declaration and the approval of the Option are based upon the following conclusions and findings:

1. Pursuant to the California Environmental Quality Act ("CEQA") (Public Res. Code, §§ 21000 *et seq.*), the State CEQA Guidelines (14 CCR §§ 15000 *et seq.*) and the County's Local CEQA Guidelines, the County of Los Angeles (the "County") is the lead agency for the Project, as the public agency with the principal responsibility for approving the Project.
2. Pursuant to CEQA and the environmental reporting procedures of the County, the County prepared an Initial Study to determine the appropriate environmental review process for the Project.

3. On the basis of the Initial Study, and consistent with the requirements of CEQA, the County prepared the Mitigated Negative Declaration (together with the Initial Study, the [IS/MND]). The IS/MND has been carefully reviewed and considered by the County, modified where appropriate, and reflects the County's independent judgment and analysis.
4. The IS/MND has determined that design features incorporated within the Project by the applicant and other revisions to the Project agreed to by the applicant would avoid any potential environmental effects or mitigate those potential effects to a point where clearly no significant effect on the environment would occur.
5. Pursuant to CEQA and the State CEQA Guidelines, the IS/MND was circulated for public review and comment from March 15, 2010 to April 14, 2010. In addition to mailing written notice of the public's availability to provide comments on the IS/MND to all property owners and occupants within a 500-foot-radius of the subject property, Planning staff also caused such written notice to be published in a local newspaper (*The Daily Breeze*) on March 15, 2010, and to be posted conspicuously at the vehicular entrance to the subject property during the entirety of the above-referenced 30-day public comment period.
6. The County did not receive any written comments from members of the public on the IS/MND during the public comment period.
7. The IS/MND is sufficiently detailed so that all of the potentially significant environmental effects of the Project have been adequately evaluated and Project design features and feasible mitigation measures have been included in the Project to avoid or substantially lessen the Project's potential environmental impacts.
8. There is no substantial evidence in light of the whole record that the Project, as revised, may have a significant effect on the environment. Additionally, there is no substantial evidence in the record to indicate that additional mitigation is required by CEQA.
9. The Project's approved Mitigation Monitoring and Reporting Program is adequately designed to ensure compliance with all mitigation measures during Project implementation.
10. As described in the April 28, 2009 memorandum report prepared by Califauna in the administrative file, a nesting bird survey of the Project site was conducted by a licensed ornithologist to determine whether onsite trees hold active nests of breeding birds, including, but not limited to, herons and egrets (herons and egrets are known to forage, roost and nest in portions of Marina del Rey). No active bird nests were observed during this site survey. Nonetheless, to ensure there is no potential for significant adverse impacts to avian species at the Project site during the rehabilitation work, the Project incorporates a mitigation measure to protect nesting birds during the rehabilitation, as provided for by law (see Mitigation Measure no. 13 of the adopted Mitigation Monitoring and Reporting Program).

11. The Project will not result in significant effects related to stormwater run-off, including run-off into marina waters. This finding is supported by, among other facts in the administrative record, the following:
- a. The structures that exist today will continue to exist at their same location after the completion of the proposed Project, with the exception of four small outbuildings containing boaters' restrooms and an exercise/fitness room, which will be removed (the uses presently located within these structures will be replaced with new like facilities within the existing apartment building). The amount of impervious surface will not change. The Project will be subject to a wide array of regulations related to run-off and water quality that were not in effect when the site was originally developed, and will include various features which will control stormwater run-off in a manner far superior to existing conditions. Currently, stormwater is directed to numerous area drains which, in turn, outlet through the sea wall, affording no treatment or dissipation. In the Project's new design, stormwater will be directed to a grass-crete swale, which will filter out the majority of trash and debris and will provide initial bio-treatment of the stormwater pollutants. The stormwater will then infiltrate through the planting media and subsurface gravel, receiving two additional forms of mechanical and biological filtration. The much dissipated stormwater will then outlet through the existing seawall drains.
 - b. Project design features and required compliance with Los Angeles County ordinances and regulations will preclude uncontrolled run-off into marina waters, both during and following the rehabilitation work. Fugitive run-off (and leaching) will be prevented through the application of professional design standards and landscape installation techniques, which will be employed onsite. Moreover, the Project improvements will not increase the percentage of impervious surface area on the Project site. Therefore, the Project will not increase the quantity of stormwater runoff from the site.
 - c. The Project will be required by State law to comply with the California Regional Water Quality Control Board (CRWQCB) by submitting a Notice of Intent (NOI) to the CRWQCB and the County National Pollutant Discharge Elimination System (NPDES) permit discharge requirements. Under the NPDES permit, the Project applicant is required to prepare and submit to the Los Angeles County Department of Public Works for review and approval a Storm Water Pollution Prevention Plan (SWPPP) and an Erosion Control Plan. The SWPPP and Erosion Control Plan will require approval prior to the issuance of the permit for the rehabilitation. The SWPPP and Erosion Control Plan will include BMPs that shall be installed prior to the start of the

rehabilitation and maintained throughout the rehabilitation period to control soil erosion and minimize surface water quality impacts.

- d. The Project will reduce, rather than increase, fertilizer run-off. The Project landscape will emphasize a greater amount of California native plant species. Sustainable and native design such as those to be included in the Project require less fertilizer than traditional landscapes and typically only require fertilization once per year in spring. Thus, the Project will reduce the amount of fertilizer (e.g., nitrogen and phosphate) and water applied onsite, and there will be no significant impacts related to nutrient leaching and loading of the surrounding environment.
12. The Project adequately addresses the possibility of asbestos containing materials and lead-based paint being discovered in the structures proposed for rehabilitation. The IS/MND notes that the proposed rehabilitation activities may disturb materials that could contain asbestos and lead based paint, but that the applicant will identify any such materials and remove and/or abate them in accordance with applicable regulations (IS/MND, "Other Factors" Environmental Safety section, item "a"). Therefore, any materials determined to contain asbestos or assumed to contain asbestos or lead-based paint will be appropriately handled in accordance with all applicable regulations, such as the National Emissions Standards for Hazardous Air Pollutants (NESHAPs), Occupational Safety & Health Administration (OSHA), and State regulations. Construction and operation of the Project will involve use of small quantities of chemicals in the form of paints and solvents and household cleaning products; however, the use and handling of these products in accordance with the manufacturers' recommendations and applicable laws will assure that there is no safety hazard associated therewith.
13. The Project will not result in any safety hazard or noise problem for persons using Los Angeles International airport or for persons residing in or working in the Project area. The IS/MND considers the Project's potential noise impacts on surrounding land uses and concludes that, although the noise levels from construction of the Project will be greater than the existing ambient conditions, such noise will be temporary and intermittent and will not significantly impact any noise-sensitive receptors. Further, traffic volumes due to the Project will not change so mobile noise levels on roadways in the Project area will not increase due to the Project. In addition, as set forth in the above finding, the Project will not result in a safety hazard due to the use or release of hazardous materials.
14. Although the Project will result in all residents moving from their current apartment at some point during the rehabilitation Project, not all residents will be relocated at the same time (the rehabilitation of the apartment unit interiors will be conducted by the applicant in phases), some of the tenants will be able to relocate within other vacant units located on-site

that are not then being rehabilitated, and adequate offsite replacement housing options are available. Because the same number of units will be present both before and after completion of the Project, there will be no permanent loss of housing which would require the construction of replacement housing elsewhere.

15. The State Mello Act (Government Code Section 65590) prohibits the demolition of existing residential dwelling units in the coastal zone that are occupied by persons and families of low or moderate income, as defined in Section 50093 of the Health and Safety Code, unless provision has been made for the replacement of those dwelling units with units for persons and families of low or moderate income. It also requires that new housing developments constructed within the coastal zone shall, where feasible, provide housing units for persons and families of low or moderate income. The County's Marina del Rey Affordable Housing Policy establishes procedures for determining, on a case-by-case basis, a project's replacement and inclusionary housing obligations under the Mello Act. The replacement obligations only apply if units occupied by persons and families of low or moderate income are proposed to be demolished. The inclusionary requirements only apply to new construction.
16. The Project is not subject to the Mello Act's replacement housing or inclusionary housing obligations. The Project consists solely of the rehabilitation of existing residential units and facilities appurtenant thereto; the Project neither includes the demolition of any such units nor the construction of net new dwelling units onsite. The County Division of Building & Safety ("DBS") has determined, based on its standard criteria, that no demolition permit is required for the proposed renovation work to the apartment unit interiors or exteriors. Furthermore, DBS has determined that the rehabilitation of the existing structures will be grandfathered under prior structural seismic safety requirements and not subject to current regulations, as new construction would be. In addition, the rehabilitation Project will not result in a reduction or increase in the total number of existing units.
17. The Project improvements will neither increase the internal floor area of existing buildings located on the subject property nor increase the height of any structure by more than 10 percent. As noted, none of the Project improvements will change the intensity of use or residential density of the apartment complex. Therefore, any impacts associated with the intensity of use, including traffic and parking, mobile noise, mobile air quality, public services and utilities, would be the same as those associated with the existing buildings and less than significant.
18. None of the proposed improvements, including the removal or placement of vegetation, will occur in an environmentally sensitive habitat area.

19. The Project is consistent with the applicable air quality management plan as the project will not contribute to population growth in the project area. Similarly, air quality impact resulting from Project-related traffic will not violate any established air quality standards, nor contribute to an existing or projected air quality violation. Short-term construction activity emissions were calculated for a variety of rehabilitation activity phases and emissions associated with the project will not exceed any regional emission or localized significance threshold with implementation of construction best management practices (BMPs). Therefore, the Project will result in less than significant impact air quality impacts.
20. The Project's amortized construction emissions are well below any proposed greenhouse gas (GHG) thresholds. In addition, the Project's incorporation of measures, including the replacement of energy-inefficient appliances with energy-conserving appliances, will reduce GHG emissions from existing conditions. Therefore, the Project will result in a less than significant impact on global climate change. These findings are supported by evidence in the *Tahiti Marina Apartments Project Air Quality Assessment*, Impact Sciences, Inc., July 2009.
21. Construction traffic has the potential to impair traffic flows on surrounding roadways and disrupt access to adjacent sites. As such, the Project incorporates a mitigation measure requiring the applicant to submit a construction traffic management plan to the Department of Public Works prior to commencement of any construction activity (see Mitigation Measure no. 18 of the adopted Mitigation Monitoring and Reporting Program). Compliance with the approved plan will reduce potential impacts to less than significant.
22. Construction activities will generate intermittent and temporary noise. The Project will comply with the County Noise Control Ordinance (County Code Section 12.08.440). In addition, the Project will comply with a mitigation measures to reduce construction noise impacts on sensitive receptors, including limiting construction hours to daytime hours and prohibiting construction on Sundays and legal holidays, equipping all mobile stationary equipment with standard factory mufflers, and erecting temporary noise barriers. As set forth in the *Noise Study for Tahiti Marina Apartment Rehabilitation Project*, prepared by Impact Sciences and dated July 2009, Project construction noise would not exceed maximum levels set forth in County Code Section 12.08.440. Therefore, the Project will not result in a significant impact due to construction noise.
23. The existing apartment complex was originally constructed in 1967. It is not eligible for listing in any federal, state, or local register of historic resources. Nor has any evidence been presented to show that the complex is of architectural, cultural, or historic significance. Therefore, the rehabilitation of the existing apartment complex will result in a less than significant impact with respect to historic or cultural resources.

24. The custodian of the documents or other material that constitute the record of proceedings upon which the Board's decision is based is the County Department of Beaches and Harbors, 13837 Fiji Way, Marina del Rey, CA 90292.

**OPTION TO AMEND LEASE AGREEMENT
(Parcel 7)**

THIS OPTION TO AMEND LEASE AGREEMENT ("**Agreement**") is made and entered into as of the 20th day of July, 2010, by and between the COUNTY OF LOS ANGELES ("**County**") and KAMRAN HAKIM, an individual ("**Lessee**").

R E C I T A L S

A. County, as lessor, and Garland O. Hatfield and Irvin Part (collectively, "**Original Lessee**"), as lessee, entered into Lease No. 5573, dated May 7, 1962, as amended (the "**Existing Lease**"), pursuant to which County leased to Original Lessee certain real property in the Marina del Rey Small Craft Harbor commonly known as Parcel No. 7, as more particularly described in the Existing Lease (the "**Premises**").

B. Lessee is the current successor-in-interest to the Original Lessee's right, title and interest as lessee under the Existing Lease.

C. The term of the Existing Lease is currently scheduled to expire on February 28, 2022 (the "**Existing Expiration Date**").

D. Lessee has requested County, and County is willing, to grant Lessee an option to amend and restate the Existing Lease in its entirety upon the terms and conditions more specifically set forth in this Agreement, including, without limitation, (i) an extension of the term of the Existing Lease through February 28, 2055, and (ii) the renovation of the Premises and the improvements located thereon in accordance with the terms and provisions hereof.

A G R E E M E N T

NOW, THEREFORE, for good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, County and Lessee agree as follows:

1. Grant of Option. County hereby grants to Lessee an option (the "**Option**") to amend and restate the Existing Lease in its entirety upon the terms and conditions more specifically provided in this Agreement, including, without limitation (i) an extension of the term of the Existing Lease through February 28, 2055, and (ii) the renovation of the Premises and the Improvements (as defined in the form of Restated Lease) located thereon. Such amended and restated lease shall be in the form of the Amended and Restated Lease Agreement for Parcel 7 attached to this Agreement as Exhibit A (the "**Restated Lease**").

2. Option Term. The term of the Option (the "**Option Term**") shall commence on the date of this Agreement and expire on that date (the "**Option Expiration Date**") that is the earlier of (i) sixty (60) days following the Conditions Satisfaction Date (as defined below), or (ii) the date that is eighteen (18) months following the date of this Agreement (the "**Outside Expiration Date**").

5573

Supplement No. 9

For purposes hereof, the **Conditions Satisfaction Date** shall mean the first date upon which both of the Option Conditions set forth in Section 3 below have been satisfied. If by the Outside Expiration Date set forth above in this Section 2 the Conditions Satisfaction Date has not occurred because Lessee has been unable to satisfy either or both of the Option Conditions and in the reasonable judgment of the Director of the Department of Beaches and Harbors of the County (the **Director**) Lessee has proceeded with best efforts to satisfy the Option Conditions but has been delayed in doing so as a result of (a) in the case of the non-satisfaction of the Entitlements Condition, delays beyond normal entitlement processing periods in the processing by the applicable governmental authorities of Lessee's applications for the Entitlements or the pendency of an appeal, proceeding or litigation described in clauses (a) and (b) of Section 3.1 below, or delays resulting from Unreasonable County Activity (as defined in Section 7.2 below) (collectively, an **Entitlements Condition Delay**), (b) in the case of the non-satisfaction of the Project Financing Condition, as a result of a Financing Force Majeure Event (as defined in Section 4 below), or (c) as a result of a General Force Majeure Event (as defined below), then upon Lessee's request Director shall extend the Outside Expiration Date by one or more extensions. Such extension or extensions shall be limited to the period of any Entitlements Condition Delay, Financing Force Majeure Event or General Force Majeure Event (as applicable, and without duplication in the case, and to the extent, that delays are concurrent), as determined in the reasonable judgment of Director, but in no event shall any one extension exceed six (6) months nor shall all extensions exceed twelve (12) months in the aggregate. Director shall have no obligation to extend the Outside Expiration Date in the case of a Lessee Default (as defined in Section 10.12 below) or if Lessee is in material breach or default of the Existing Lease after notice and the expiration of any applicable cure period applicable under the Existing Lease. For purposes of this Agreement, **General Force Majeure Event** means a fire or other casualty, earthquake, flood, tornado or other act of God that causes damage to the Premises or Improvements of a nature or scope that prevents or delays the satisfaction of the Option Conditions.

Notwithstanding the twelve (12) month limitation on extensions of the Outside Expiration Date set forth in the immediately preceding paragraph, in the case of the non-satisfaction of the Entitlements Condition, if Lessee's inability to satisfy the Entitlements Condition is caused by (i) a moratorium, temporary restraining order, injunction or other court order which prohibits the issuance of the Entitlements for the Renovation Work and all other similar projects in Marina del Rey on land leased from the County, or (ii) after the issuance of the Entitlements, the continued pendency of an appeal, proceeding or litigation (including all appeals of such litigation) brought by a third party unaffiliated with Lessee that contests the issuance of the Entitlements, then as long as there is not a Lessee Default under this Agreement and Lessee is not in material breach or default of the Existing Lease (after notice and the expiration of any applicable cure period under the Existing Lease), the Outside Expiration Date shall be extended until sixty (60) days following the cessation of such moratorium, temporary restraining order, injunction or other court order, or the denial, dismissal or other resolution in favor of the issuance of the Entitlements, of such appeal, proceeding or litigation that contested the issuance of the Entitlements, as applicable; provided, however, that the Outside Expiration Date shall in no event be extended beyond the third (3rd) anniversary of the date of this Agreement.

If Lessee desires to have the Outside Expiration Date extended pursuant to this Section 2, then Lessee must deliver written notice to Director of its request for such extension not later than thirty (30) days prior to the Outside Expiration Date, as such date may have been previously extended; provided, however, that if the basis for the extension does not arise until later than thirty (30) days prior to the Outside Expiration Date, then Lessee shall be required to deliver its written request for the extension promptly following its discovery of the basis for the requested extension.

If Director determines not to grant an extension of the Outside Expiration Date requested by Lessee pursuant to the terms and provisions of this Section 2, then Lessee shall have the right, within thirty (30) days following Director's denial of such extension, to submit a written request to the Board of Supervisors of County to reconsider such denial by the Director.

3. Option Conditions. In addition to any other requirements for exercise of the Option set forth in this Agreement, the exercise by Lessee of the Option shall be subject to the satisfaction of the following two conditions (the **Option Conditions**):

3.1 Lessee shall have received all discretionary planning and zoning land use entitlements and approvals required to be obtained from governmental authorities (including the County and the California Coastal Commission), and satisfied all requirements for the issuance of a building permit (other than the payment of the building permit fee), for the construction of the Renovation Work (as defined in Section 5.1 of the form of Restated Lease) on the Premises (collectively, the **Entitlements**), and both (a) the Entitlements shall not be subject to further appeal, and (b) there shall be no proceeding or litigation pending to appeal the issuance of the Entitlements, or to enjoin or restrain the performance of the Renovation Work (not including any proceeding or litigation brought by or on behalf of Lessee or any direct or indirect partner, shareholder or member of, or any other person or entity affiliated with, or otherwise directly or indirectly having an ownership interest in, Lessee), or if such a proceeding or litigation has been pending, then a dismissal, decision or judgment shall have been issued in favor of the validity of the Entitlements, which dismissal, decision or judgment shall not be subject to further appeal (collectively, the **Entitlements Condition**); and

3.2 Lessee shall have obtained Project Financing (as defined below) for the Renovation Work (the **Project Financing Condition**). For purposes of this Agreement, **Project Financing** means a construction loan from an institutional lender or lenders, at an interest rate or rates and on other terms that are commercially reasonable, in amounts that when combined with Lessee's equity is reasonably expected to provide sufficient funds to complete the Renovation Work, all as approved by Director in accordance with the terms and provisions of Section 12.1 of the form of Restated Lease. If Lessee desires to fund the cost of the Renovation Work entirely from Lessee equity, then upon demonstration by Lessee to the reasonable satisfaction of Director of the availability of adequate equity funds, Lessee shall be considered to have satisfied the condition of obtaining Project Financing set forth in this Section 3.2. Notwithstanding any contrary provision of this Agreement, in no event shall Lessee be entitled to claim a Financing Force Majeure Event based on Lessee's desire to fund the cost of the Renovation Work entirely or substantially from Lessee equity and Lessee being unable to raise the necessary equity funds to do so; provided, however, that if a Financing Force Majeure Event would exist irrespective of Lessee's desire to fund the cost of the Renovation Work

entirely or substantially from Lessee equity, then this sentence shall not affect the existence of such Financing Force Majeure Event.

4. Financing Force Majeure Event. Lessee shall use good faith, diligent efforts to satisfy the Project Financing Condition prior to the Outside Expiration Date. Upon request from the Department during the Option Term, Lessee shall inform Director of the status of Lessee's efforts to obtain the Project Financing. If Lessee is unable to obtain Project Financing by the Outside Expiration Date due to a Financing Force Majeure Event, then Lessee shall have the right to request Director to extend the Outside Expiration Date in accordance with Section 2 of this Agreement. For purposes of this Agreement, **"Financing Force Majeure Event"** means an inability of Lessee to satisfy the Project Financing Condition due to an industry-wide adverse condition in the real estate financing markets for projects similar to the Premises located in the Los Angeles metropolitan area in which financing for such projects generally is not available to developers on commercially reasonable terms. As a condition to establishing a Financing Force Majeure Event, Lessee shall be required to demonstrate to the reasonable satisfaction of Director the existence of the Financing Force Majeure Event. If Lessee contests any determination by Director as to whether a Financing Force Majeure Event exists or the duration of the extension which Lessee should receive as a result thereof, then Lessee shall be entitled to submit its request for an extension directly to the County Board of Supervisors for determination in accordance with the last paragraph of Section 2 of this Agreement.

5. Exercise of Option. The Option shall be exercisable by Lessee only by Lessee's strict satisfaction on or before the Option Expiration Date of the following terms and conditions (the **"Exercise Requirements"**): (a) Lessee shall notify County in writing of its exercise of the Option (**"Exercise Notice"**); (b) Lessee shall accompany the Exercise Notice with (i) Lessee's execution and delivery to County of the Restated Lease with any additional terms provided in this Agreement and any blank or bracketed terms set forth in Exhibit A hereto completed in accordance with the terms and provisions of this Agreement; and (ii) payment of the amount, if any, by which the Security Deposit required under Article 7 of the Restated Lease exceeds the amount of the security deposit then maintained by Lessee with County pursuant to Section 7 of the Existing Lease; (c) as of the date of Lessee's delivery of the Exercise Notice there shall not be a Lessee Default under this Agreement nor shall Lessee be in material breach or default under the Existing Lease after notice from County and the expiration of any applicable cure period set forth in the Existing Lease; (d) the Conditions Satisfaction Date shall have occurred and there shall be no change in circumstances after the Conditions Satisfaction Date that causes the Option Conditions to no longer continue to be satisfied; and (e) Director shall have approved all plans, specifications and other materials for the Renovation Work required to be submitted to Director pursuant to Section 7.3 of this Agreement. Upon Lessee's proper and timely exercise of the Option, County shall execute and deliver the Restated Lease as soon as reasonably possible thereafter, but, in any event not later than forty-five (45) days following the date of Lessee's exercise of the Option. The Effective Date of the Restated Lease (as defined in the form of Restated Lease) shall be the date the Restated Lease is executed and delivered by County, which date shall be inserted into page 1 of the Restated Lease concurrent with County's execution and delivery thereof. If Lessee's Project Financing is in a position to close within the above forty-five (45) day period County agrees to cooperate with Lessee to effectuate a concurrent closing of the Project Financing and County's delivery of the Restated Lease such

that the Effective Date of the Restated Lease is the same as the date of the close of Lessee's Project Financing; provided, however, in no event shall such agreement to cooperate be interpreted to require County to delay the execution and delivery of the Restated Lease beyond such forty-five (45) day period; and provided, further, that County shall not be required to execute and deliver the Restated Lease unless within such forty-five (45) day period Lessee continues to satisfy the Option Conditions and Lessee's Project Financing is in a position to close on or before the execution and delivery by County of the Restated Lease. Notwithstanding the foregoing, Director shall have the authority in the exercise of Director's good faith judgment, but not the obligation, to extend the forty-five (45) day period in which Lessee is required to close Lessee's Project Financing for up to an additional thirty (30) days.

The failure of Lessee's Project Financing to close or Lessee's continuing satisfaction of the conditions to County's required execution and delivery of the Lease during the above forty-five (45) day period (as such period may be extended by Director pursuant to the last sentence of the immediately preceding paragraph) shall not in and of itself cause a termination of the Option, and, as long as the Option Term has not expired, Lessee shall have the continuing right to subsequently re-exercise the Option during the remainder of the Option Term if Lessee once again satisfies all conditions to such exercise, subject to Lessee causing the closing of the Project Financing and the continued satisfaction of the conditions to County's execution and delivery of the Restated Lease during the forty-five (45) day period (as such period may be extended by Director pursuant to the last sentence of the immediately preceding paragraph) following such subsequent re-exercise of the Option, in accordance with the terms and provisions of this Section 5.

6. Option Fee/Extension Fee.

6.1 Option Fee. In consideration of County's grant of the Option to Lessee, Lessee shall pay to County concurrent with Lessee's execution of this Agreement the sum of One Hundred Thousand Dollars (\$100,000.00) (the "**Option Fee**"). The Option Fee shall be non-refundable, but shall be applied against the Extension Fee described below if Lessee exercises the Option.

6.2 Extension Fee. If Lessee exercises the Option, Lessee shall pay County an extension fee in the amount of One Hundred Thousand (\$100,000.00) (the "**Extension Fee**") to compensate County for the value of the lease extension set forth in the Restated Lease. The Option Fee shall be applied against the Extension Fee such that no additional amount shall be required to be paid for the Extension Fee as a condition to, or in connection with, Lessee's exercise of the Option.

7. Entitlements and Plan Preparation During Option Term.

7.1 Obtaining Entitlements. During the Option Term, Lessee shall use its best efforts to satisfy the Option Conditions as soon as possible. Such efforts shall include Lessee's expenditure of such funds, including, without limitation, application fees, travel costs, architectural fees and consulting and lobbying fees, as reasonably necessary to expedite the permit, license and other approval processes.

7.2 County Cooperation. In its proprietary capacity, the Department of Beaches and Harbors of the County of Los Angeles (the "**Department**") shall cooperate with and assist Lessee, to the extent reasonably requested by Lessee, in Lessee's efforts to obtain the Entitlements. Such cooperative efforts may include the Department's joinder in any application for the Entitlements, where joinder therein by the Department is required or helpful; provided, however, that Lessee shall reimburse County for the Actual Costs (as defined in the form of Restated Lease) incurred by the Department in connection with such joinder or cooperative efforts. Notwithstanding any contrary provision of this Agreement, Lessee and County acknowledge that the approvals given by County under this Agreement and/or the Restated Lease shall be approvals pursuant to its authority under Section 25536 or 25907 of the California Government Code and given in its proprietary capacity; that approvals given under this Agreement and/or the Restated Lease in no way release Lessee from obtaining, at Lessee's expense, all permits, licenses and other approvals required by law for the construction of the Renovation Work and operation and other use of the Premises and Improvements; and that the Department's duty to cooperate and County's approvals under this Agreement and/or the Restated Lease do not in any way modify or limit the exercise of County's governmental functions or decisions as distinct from its proprietary functions pursuant to this Agreement and/or the Restated Lease.

For the purposes of this Agreement, "**Unreasonable County Activity**" means any of the following actions (or inactions) that occur after the date of this Agreement and prior to the expiration of the Option Term: (i) the Department's failure to provide required County joinder, if any, as fee title owner of the Premises, in Lessee's submittal to the applicable governmental agency of the Final Plans and Specifications (as defined in Section 5.3 of the Restated Lease) for the Renovation Work that are approved by the Department; or (ii) the Department's failure to take such other actions, at no cost or expense to County, in its proprietary capacity, that are reasonably requested by Lessee and which are necessary for Lessee to proceed with the permitting and approval process, or the taking by the Department of actions in its proprietary capacity, without Lessee's consent, which are in conflict with Lessee's rights and obligations under this Agreement and actually delay the receipt of the Entitlements; or (iii) the Department's failure to comply with the time periods imposed upon the Department under Section 7.3 below, except in the case (if any) where a failure of the Department to notify Lessee of its approval or disapproval of a matter constitutes County's deemed approval of such matter, or constitutes County's deemed disapproval of such matter and County's disapproval of such matter is authorized under the circumstances. Nothing contained in this Section 7.2 or the other provisions of this Agreement shall be construed as obliging the Department or the County to support proposals, issue permits, or otherwise act in a manner inconsistent with County's actions under its regulatory powers. It shall not be Unreasonable County Activity if County fails to accelerate the County's customary regulatory permit or approval process. No action or inaction shall constitute Unreasonable County Activity unless and until all of the following procedures and requirements have been satisfied:

- (a) Within a reasonable time under the circumstances, Lessee must notify Director in writing of the specific conduct comprising the alleged Unreasonable County Activity, and the next opportunity, if any, for County to rectify such alleged conduct. If Lessee fails to notify Director in writing as specified in the immediately preceding sentence within five (5) days following Lessee's discovery of the alleged Unreasonable

County Activity, then notwithstanding any contrary provision of this Section 7.2, in no event shall Lessee be entitled to any extension of the Option Term for any period of the delay under this Section 7.2 that occurred prior to the date of Lessee's notice described in this paragraph (a).

(b) Within seven (7) days following receipt of the notice alleging Unreasonable County Activity, Director shall meet with Lessee or its authorized representative in order to determine whether Unreasonable County Activity has occurred and, if so, how such Unreasonable County Activity can be rectified and the duration of the delay caused by such Unreasonable County Activity. If Director determines that Unreasonable County Activity has occurred and that County can and will take rectifying action, then the amount of delay under this Section 7.2 for the Unreasonable County Activity shall equal the actual amount of delay in the receipt of the Entitlements directly caused by the Unreasonable County Activity. If Director determines that Unreasonable County Activity has occurred, but that County cannot take rectifying action (or if the proposed rectifying action will not produce the results desired by Lessee), then Lessee and Director shall establish the length of the delay in the receipt of the Entitlements likely to be caused by the Unreasonable County Activity.

(c) If, within fourteen (14) days following receipt of Lessee's notice alleging Unreasonable County Activity, Director and Lessee have not agreed in writing as to whether delay in the receipt of the Entitlements due to Unreasonable County Activity has occurred or the length of such delay, then the matter shall be referred to the Board of Supervisors of the County for such determination.

7.3 Plans and Specifications for Renovation Work. The Renovation Work shall be constructed by Lessee in accordance with and subject to the terms and provisions of Article 5 of the Restated Lease. The requirements of Article 5 of the Restated Lease include, without limitation, the obligation of Lessee to prepare and submit to the Director for the Director's approval certain plans, specifications, construction cost estimates and other materials pertaining to the Renovation Work, as set forth in more detail in Section 5.3 of the Restated Lease. The procedure for the preparation, submittal and approval of the plans, specifications, construction cost estimates and other materials shall generally proceed in accordance with the terms and provisions of the Restated Lease, except that during the period commencing on the date of this Agreement and expiring on the earlier of Lessee's exercise of the Option or the Option Expiration Date, Lessee shall prepare and submit to Director for Director's approval, any portions of the plans, specifications and other materials described in Section 5.3 of the form of Restated Lease that are required to be submitted to governmental authorities (including the County, the Design Control Board and the California Coastal Commission) in connection with Lessee's applications for or receipt of the Entitlements for the Renovation Work. Lessee shall accompany such plans, specifications and other materials with the construction cost estimates described in Section 5.3 of the form of Restated Lease, as applicable. The standards and time periods for Director's review and approval of the materials submitted by Lessee pursuant to this Section 7.3 shall be in accordance with the terms and provisions of Section 5.3 of the form of Restated Lease, which terms and provisions are hereby incorporated into this Agreement by reference. Such plans, specifications and other materials shall be prepared and submitted to Director by Lessee in accordance with a schedule which shall facilitate Lessee's satisfaction of

all conditions precedent to the exercise of the Option on or before the Option Expiration Date. In addition to the plans, specifications and materials required to be submitted by Lessee to Director pursuant to this Section 7.3, Lessee shall have the right, at its election, but not the obligation, to deliver to Director, for Director's approval, additional plans, specifications and materials pertaining to the Renovation Work. Director shall notify Lessee of its approval or disapproval of such additional plans, specifications and materials within the time frames and in accordance with the requirements of Section 5.3 of the form of Restated Lease. Notwithstanding the foregoing, County acknowledges that prior to the date of this Agreement Director has reviewed and approved the schematic plans and narrative description of the Renovation Work required under Subsection 5.3.1 of the Restated Lease. Such approved schematic plans and narrative description of the Renovation Work are set forth or referenced in the Renovation Plan attached as Exhibit B to the Restated Lease.

8. Non-Exercise Lease Amendment. If Lessee does not exercise the Option on or before the Option Expiration Date (or the Option is not exercisable by the Option Expiration Date), then (a) the Option shall automatically terminate, and (b) at County's election by written notice from Director to Lessee, the Existing Lease shall be considered to be (or to have been) automatically amended effective as of the Option Expiration Date (the **Effective Amendment Date**) as follows (the **Non-Exercise Amendment**):

(i) the first paragraph of Section 12 of the Existing Lease shall be amended to read as follows: "The annual square foot rental for the whole of the Premises herein demised shall be 75% of the average aggregate square foot and percentage rentals payable for each year during the three year period immediately preceding the Effective Amendment Date. Effective at the end of the first and each successive three year period after the Effective Amendment Date (until the next date on which the 10-year square foot and percentage rental adjustments are to be effective under Section 15 of the Existing Lease) and at the end of the first and each successive three year period after each of the dates on which the 10-year square foot and percentage rental adjustments are to be effective under Section 15 of the Existing Lease until the next such 10-year adjustment date, the annual square foot rental for the whole of the Premises herein demised shall be adjusted to equal 75% of the average aggregate square foot and percentage rentals payable for each year during the three year period immediately preceding each of such respective adjustment dates. Notwithstanding the foregoing, in no event shall the annual square foot rental payable under this Lease ever be reduced below the annual square foot rental payable under this Lease immediately prior to any adjustment set forth in this paragraph."

(ii) the percentage rental categories and gross receipt percentages set forth in Section 13 of the Existing Lease shall be amended in accordance with the Percentage Rent categories and Gross Receipt percentages set forth in categories (a) through (s1) of Subsection 4.2.2 of the form of Restated Lease;

(iii) add Article 16 of the form of Restated Lease to the Existing Lease, and amend Section 15 of the Existing Lease to provide for the determination and resolution of square foot and percentage rental adjustments under Section 15 of the Existing Lease in accordance with the terms, provisions and procedures set forth in

Subsections 4.4.2 through 4.4.5 and Article 16 of the form of Restated Lease (for purposes hereof, all references in such Subsections 4.4.2 through 4.4.5 to (I) ☐Renegotiation Date☐shall mean and refer to the one remaining effective date for the 10-year adjustment of square foot and percentage rental under Section 15 of the Existing Lease; (II) ☐Fair Market Rental Value☐shall mean and refer to the fair market value referenced in Section 15 of the Existing Lease; and (III) ☐Annual Minimum Rent☐and ☐Percentage Rent☐shall mean and refer to the square foot and percentage rentals referenced in the Existing Lease);

(iv) add Subsection 4.2.3 of the form of Restated Lease to the Existing Lease;

(v) amend and restate Section 18 of the Existing Lease in full in accordance with Sections 2.2 and 2.3 of the form of Restated Lease;

(vi) amend and restate Section 22 of the Existing Lease in full in accordance with Article 11 (excepting Subsections 11.2.4 and 11.2.5) and Article 12 (excepting Sections 12.3.6 and 12.12) of the form of Restated Lease, provided that all references in such Articles 11 and 12 to Net Proceeds Share, Net Refinancing Proceeds and Sections 4.6 through 4.8 shall be deleted;

(vii) add the last four (4) sentences of Section 4.5 of the form of Restated Lease to the Existing Lease;

(viii) amend and restate Section 7 of the Existing Lease in full in accordance with Article 7 of the form of Restated Lease;

(ix) amend Sections 26 and 27 of the Existing Lease to adjust the amount and scope of commercial general liability, automobile liability, garagekeeper's legal liability, workers compensation and employer's liability insurance coverage required to be carried by Lessee to equal the amounts and coverages set forth in Subsections 9.1.1, 9.1.2 and 9.1.3 of the form of Restated Lease, to add to Section 26 of the Existing Lease the provisions of Subsection 9.1.7 of the form of Restated Lease, and to add to Section 26 of the Existing Lease the provisions of Section 9.6 of the form of Restated Lease;

(x) amend and restate Sections 8 and 10 of the Existing Lease in accordance with Sections 5.3, 5.4, 5.7, 5.8, 5.9 and 5.10 of the Restated Lease, except that all references to the ☐Renovation Work☐shall be deleted and the terms and conditions of such Sections shall be applicable only to ☐Alterations;☐

(xi) amend and restate Sections 30, 31 and 32 of the Existing Lease in full in accordance with Article 14 of the form of Restated Lease, except that all references in Article 14 of the form of Restated Lease to ☐Net Proceeds Share,☐☐Net Refinancing Proceeds☐and ☐Permitted Capital Expenditures☐shall be deleted;

(xii) add the last sentence of Section 10.3 and all of Section 10.4 of the form of Restated Lease to the Existing Lease (for purposes hereof, the reference in Section 10.4 of the form of Restated Lease to "Sections 10.1 through 10.3 above" shall mean and refer to Section 35 of the Existing Lease, as amended); and

(xiii) incorporate into the Existing Lease the definitions of capitalized terms used in the form of Restated Lease to the extent such terms are used in this Non-Exercise Amendment pursuant to clauses (i) through (xii) above.

For purposes of the Non-Exercise Amendment, all references in the form of Restated Lease to the "Effective Date" shall mean and refer to the Effective Amendment Date set forth above. Within thirty (30) days after request by County, County and Lessee shall execute and deliver a written document confirming the modifications to the Existing Lease set forth in this Section 8, but Lessee's failure to execute such written document upon request by County shall not affect the effectiveness of the Non-Exercise Amendment, which, at County's election by written notice from Director to Lessee, shall become automatically effective as of (or retroactive to) the Option Expiration Date if Lessee does not exercise the Option on or before the Option Expiration Date (or the Option is not exercisable by the Option Expiration Date).

9. County Costs. Regardless of whether Lessee exercises the Option, Lessee shall promptly reimburse County for the Actual Costs (as defined in the form of Restated Lease) incurred by County in the review, negotiation, preparation, documentation and administration of this Agreement, the Restated Lease and the term sheets and memoranda that precede or preceded any of the foregoing. Lessee shall pay all of such Actual Costs that were incurred prior to or as of the date of this Agreement concurrent with Lessee's execution and delivery of this Agreement. Lessee shall pay any such Actual Costs incurred by County subsequent to the date of this Agreement within thirty (30) days following receipt by Lessee of an invoice from the County for such Actual Costs.

10. Miscellaneous.

10.1 Time is of the Essence. Time is of the essence of this Agreement, including, without limitation, with respect to all times, restrictions, conditions and limitations set forth herein.

10.2 Waivers. Except as stated in writing by the waiving party, any waiver by either party of any breach of any one or more of the covenants, conditions, terms or provisions of this Agreement shall not be construed to be a waiver of any subsequent or other breach of the same or of any other covenant, condition, term or provision of this Agreement, nor shall failure on the part of either party to require exact, full and complete compliance with any of the covenants, conditions, terms or provisions of this Agreement be construed to in any manner change the terms hereof or estop that party from enforcing the full provisions hereof.

10.3 Notices. All notices required or permitted to be given under this Agreement shall be given in accordance with the terms and provisions of Section 15.10 of the form of Restated Lease.

10.4 Captions. The captions contained in this Agreement are for informational purposes only, and are not to be used to interpret or explain the particular provisions of this Agreement.

10.5 Attorneys' Fees. In the event of any action, proceeding or arbitration arising out of or in connection with this Agreement, whether or not pursued to judgment, the prevailing party shall be entitled, in addition to all other relief, to recover its costs and reasonable attorneys' fees, including without limitation, attorneys' fees for County Counsel's services where County is represented by the County Counsel and is the prevailing party.

10.6 No Assignment. Lessee shall have no right to assign or transfer its rights or obligations under this Agreement to any other person or entity, without the express written consent of County, which consent may be withheld by County in its sole and absolute discretion; provided, however, Lessee shall have the right to assign its rights and obligations under this Agreement (including a collateral assignment) to the same entity to whom Lessee assigns (or collaterally assigns or has collaterally assigned, as applicable) its leasehold interest under the Existing Lease in an assignment (or collateral assignment) of the Existing Lease that is (or has been) approved by County; provided, further, that Lessee shall have the right to assign its rights and obligations under this Agreement to a limited liability company controlled by or under common control with Lessee if Lessee assigns its leasehold interest under the Existing Lease is also assigned to the same entity pursuant to an assignment that is either permitted or approved under the terms of the Existing Lease.

10.7 Entire Agreement. Except for any agreement between County and Lessee concerning Lessee obtaining lender consent to Section 8 of this Agreement, this Agreement sets forth the full and complete understanding of the parties relating to the subject matter hereof, and supersedes any and all agreements, understandings and representations made prior hereto with respect to such matters.

10.8 Joint Effort. Preparation of this Agreement has been a joint effort of the parties, and the resulting document shall not be construed more severely against one of the parties than against the other.

10.9 Applicable Law. This Agreement shall be governed by, and construed and enforced in accordance with, the laws of the State of California.

10.10 Counterparts. This Agreement may be signed in any number of counterparts. Each counterpart shall represent an original of this Agreement and all such counterparts shall collectively constitute one fully-executed document.

10.11 Successors and Assigns. Subject to Section 10.6 above, the rights and obligations of the parties under this Agreement shall be binding upon the parties' respective successors and assigns.

10.12 Lessee Default. For purposes of this Agreement, a **Lessee Breach** under this Agreement means a failure of Lessee to perform or comply with any material obligation or covenant of Lessee under this Agreement. For purposes of this Agreement, a

□Lessee Default□under this Agreement means Lessee's failure to cure a Lessee Breach under this Agreement within (a) ten (10) days after Lessee's receipt of written notice from County in the case of the payment of money, or (b) thirty (30) days after Lessee's receipt of written notice from County in the case of any other obligation or covenant of Lessee under this Agreement; provided, however, that if the nature of the Lessee Breach under this clause (b) is such that it cannot with reasonable diligence be cured within thirty (30) days, then the cure period set forth in this clause (b) shall be extended for such additional period as reasonably required for the cure of the Lessee Breach as long as Lessee commences cure of the Lessee Breach within thirty (30) days after Lessee's receipt of written notice from County and diligently prosecutes such cure to completion.

10.13 Exhibits. Exhibit A attached to this Agreement is hereby expressly incorporated herein by reference.

SIGNATURES ON FOLLOWING PAGE

IN WITNESS WHEREOF, County and Lessee have entered into this Agreement
as of the date first set forth above.



THE COUNTY OF LOS ANGELES

By:

Gloria Molina
Chair, Board of Supervisors

Kamran Hakim
KAMRAN HAKIM, an individual

ATTEST:

SACHI A. HAMAI, Executive Officer
of the Board of Supervisors

By:

Lachelle Smitherman
Deputy

I hereby certify that pursuant to
Section 25103 of the Government Code,
delivery of this document has been made,

SACHI A. HAMAI
Executive Officer
Clerk of the Board of Supervisors

Lachelle Smitherman
Deputy

APPROVED AS TO FORM:

ANDREA SHERIDAN ORDIN,
County Counsel

By:

Andrea Sheridan Ordin
Deputy

APPROVED AS TO FORM:

MUNGER, TOLLES & OLSON LLP

By:

MTOL



ADOPTED
BOARD OF SUPERVISORS
COUNTY OF LOS ANGELES

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JUL 20 2010

Sachi A. Hamai
SACHI A. HAMAI
EXECUTIVE OFFICER

EXHIBIT A

FORM OF RESTATED LEASE

NCS 481601(23)

FIRST AMERICAN TITLE INSURANCE COMPANY

Recording Requested by:

COUNTY OF LOS ANGELES

When Recorded Return to:

COUNTY OF LOS ANGELES

Office of County Counsel

648 Kenneth Hahn Hall of Administration

500 West Temple Street

Los Angeles, CA 90012

Attn: Thomas Faughnan, Esq.



FREE RECORDING

GOVERNMENT CODE SECTION 6103

SPACE ABOVE THIS LINE FOR RECORDING USE

**MEMORANDUM OF AMENDED AND RESTATED LEASE AGREEMENT
PARCEL 7 — MARINA DEL REY**

This Memorandum of Amended and Restated Lease Agreement Parcel 7 — Marina Del Rey ("Memorandum"), is made and entered into as of January 19, 2012 by and between the COUNTY OF LOS ANGELES ("County"), as lessor, and TAHITI MARINA APARTMENTS & DOCKS, LLC, a Delaware limited liability company (together with its permitted successors and assigns, "Lessee"), as lessee.

WITNESSETH

WHEREAS, County, as lessor, and Garland O. Hatfield and Irvin Part (collectively, "Original Lessee"), as lessee, entered into Lease No. 5573, dated May 7, 1962, and recorded in the Official Records of Los Angeles County, California on December 6, 1962 as Instrument No. 4729 (as amended prior hereto, the "Existing Lease"), pursuant to which County leased to Original Lessee certain real property in the Marina del Rey Small Craft Harbor commonly known as Parcel No. 7 and more specifically described on Exhibit A attached hereto and incorporated herein by this reference (the "Premises"), the term of which commenced on March 1, 1962 and was originally scheduled to expire on February 28, 2022 (the "Existing Expiration Date"); and

WHEREAS, County and Kamran Hakim ("Hakim"), as the then-current lessee under the Existing Lease, entered into that certain Option to Amend Lease Agreement (Parcel 7) dated as of July 20, 2010 (the "Option Agreement"), pursuant to which County granted Hakim an option (the "Option") to amend and restate the Existing Lease in its entirety, upon the terms and conditions more specifically provided in that certain Amended and Restated Lease Agreement Parcel 7 — Marina del Rey (the "Amended Lease") that has been executed concurrently with this Memorandum, including, without limitation, (i) the extension of the term of the Existing Lease through February 28, 2055, and (ii) the renovation of the improvements on the Premises in accordance with the terms and provisions set forth in the Amended Lease; and

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WHEREAS, the Option has been exercised in accordance with the terms and provisions of the Option Agreement; and

WHEREAS, pursuant to the Option Agreement and the exercise of the Option, County and Lessee, as the current successor-in-interest to the lessee's right, title and interest under the Existing Lease, have entered into the Amended Lease to fully amend and restate the Existing Lease in its entirety;

WHEREAS, capitalized terms used herein and not defined shall have the meaning ascribed to such terms in the Amended Lease.

NOW, THEREFORE, in reliance on the foregoing and in consideration of the mutual covenants, agreements and conditions set forth herein, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto and each of them do agree that the Existing Lease is amended and restated in accordance with the Amended Lease, as follows:

1. **Lease**. For and in consideration of the payment of rentals and the performance of all the covenants and conditions of the Amended Lease, County hereby leases to Lessee, and Lessee hereby leases and hires from County, an exclusive right to possess and use, as tenant, the Premises for the Term (as hereinafter defined) and upon the terms and conditions and subject to the requirements set forth in the Amended Lease.

2. **Term**. Unless terminated sooner in accordance with the provisions of the Amended Lease, the term of the Amended Lease shall be for the period commencing on March 1, 1962 and expiring at 11:59 p.m. on February 28, 2055 ("Term").

3. **Reservations**. Lessee expressly agrees that the Amended Lease and all rights thereunder shall be subject to all prior encumbrances, reservations, licenses, easements and rights of way existing as of the dates of the Existing Lease or otherwise referenced in the Amended Lease in, to, over or affecting the Premises for any purpose whatsoever, and also subject to any other encumbrances, reservations, licenses, easements and rights of way consented to by Lessee.

Without limiting the foregoing, Lessee expressly agrees that the Amended Lease and all rights thereunder shall be subject to all prior matters of record and the right of County or City of Los Angeles (the "City") existing as of the date of this Memorandum or otherwise disclosed to or known to Lessee, as their interests may appear, to install, construct, maintain, service and operate sanitary sewers, public roads and sidewalks, fire access roads, storm drains, drainage facilities, electric power lines, telephone lines and access and utility easements across, upon or under the Premises, together with the right of County or the City to convey such easements and transfer such rights to others. Notwithstanding the foregoing or anything herein to the contrary, County agrees to cooperate with Lessee, at Lessee's cost, in Lessee's efforts to address title matters, if any, which would prevent Lessee from proceeding with the redevelopment of the Premises in accordance with the Renovation Work, as long as such efforts do not materially adversely affect the County (e.g., cooperating with Lessee in the relocation at Lessee's cost of any easements which interfere with the Renovation Work, to the extent such relocation is reasonably acceptable to County).

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County and Lessee expressly acknowledge that the Premises is leased by County to Lessee subject to certain reservations by the County set forth in the legal description to the Premises attached to this Memorandum of Lease as Exhibit A.

4. **Tahiti Way Easement.** County hereby grants Lessee and its permitted sublessees, successors and assigns under the Amended Lease, a non-exclusive easement for access and roadway purposes in and over the private street now commonly known as Tahiti Way (formerly known as Panay Way) ("Tahiti Way") and depicted on Los Angeles County Assessor's Map No. 88, filed in Book 1, Pages 53-70 inclusive, of assessor's maps in the office of the recorder of said county (the "Tahiti Way Easement"). The Tahiti Way Easement shall be appurtenant to, and co-terminus with, the leasehold interest in the Premises under the Amended Lease. Lessee's rights of access on and over Tahiti Way shall be in common with the access rights of County and any other persons or entities to which County grants access rights from time to time. Lessee shall have no right to install, construct, alter or modify any improvement in Tahiti Way, nor to use the Tahiti Way Easement in any manner that interferes with the use of Tahiti Way by any other person or entity. County reserves all rights in and to Tahiti Way that do not unreasonably interfere with access to and from the Premises, including without limitation, the right to use Tahiti Way for utility and other purposes, the right to re-name Tahiti Way, the right to have Tahiti Way used for public street purposes, the right to grant easements and other rights with respect to Tahiti Way to other persons or entities, and the right to maintain, repair, replace, alter and modify Tahiti Way and the improvements located therein. Lessee acknowledges that from time to time there may be temporary inconveniences associated with any maintenance, repair, replacement or alteration work affecting Tahiti Way and Lessee agrees to cooperate with any such work. County shall perform any alteration or modification work affecting Tahiti Way in a manner that affords Lessee with alternative access to and from the Premises during such work.

5. **Waterfront Promenade.** County hereby reserves a public easement for access over and use of the Promenade for fire lane uses, pedestrian purposes and such other related uses (including, if approved by County bicycling, rollerblading and the like) as may be established by the County from time to time, all in accordance with such rules and regulations as are promulgated from time to time by the County regulating such public use. Such public easement shall also include the public use of any restrooms that are designated on the Renovation Plan or Final Plans and Specifications as public restrooms. Lessee shall be responsible for the maintenance and repair of the Promenade in accordance with commercially reasonable maintenance and repair standards for the Promenade established by the County from time to time on a nondiscriminatory basis. The exact legal description of the Premises encumbered by the public easement reserved herein shall be established based upon the final as-built drawings for the Promenade to be delivered by Lessee upon the completion thereof in accordance with the terms and provisions of Subsection 5.7.7 of the Amended Lease. At the request of either party such legal description shall be recorded in the Official Records of the County as a supplement to the Amended Lease.

6. **Successors.** Subject to the provisions in the Amended Lease governing assignment, the rights and obligations created in the Amended Lease shall bind and inure to the benefit of the respective heirs, personal representatives, successors, grantees, and assigns of County and Lessee.

7. **Incorporation and Conflicts.** The purpose of this Memorandum is to provide notice of the Amended Lease. All of the terms and conditions of the Amended Lease are incorporated herein by reference as though set forth fully herein. In the event of any conflict between the terms hereof and of the Amended Lease, the Amended Lease shall prevail. This Memorandum is prepared for the purpose of recordation only and it in no way modifies the provisions of the Amended Lease. A true copy of the Amended Lease is on file in the offices of the County at Department of Beaches & Harbors, 13837 Fiji Way, Marina del Rey, California 90292. This Memorandum may be executed in counterparts, each of which shall be an original and all of which together shall constitute one fully-executed document.

SIGNATURES ON FOLLOWING PAGE

IN WITNESS WHEREOF, County has, by order of its Board of Supervisors, caused this Memorandum of Lease to be subscribed by the ^{Chairman} Mayor of Los Angeles County and attested by the Clerk thereof, and Lessee has executed the same the day and year first hereinabove written.

THE COUNTY OF LOS ANGELES

By: *[Signature]*

Mayor, County of Los Angeles
CHAIRMAN, BOARD OF SUPERVISORS

TAHITI MARINA APARTMENTS & DOCKS,
LLC, a Delaware limited liability company

By: *[Signature]*

Kamran Hakim, Manager

ATTEST:

SACHI A. HAMAI,
Executive Officer of the
Board of Supervisors

By: *[Signature]*

Deputy

[Signature] **DEC 15 2011**



APPROVED AS TO FORM:

ANDREA SHERIDAN ORDIN,
COUNTY COUNSEL

By: *[Signature]*

Deputy

APPROVED AS TO FORM:

MUNGER, TOLLES & OLSON LLP

By: *[Signature]*

ADOPTED
BOARD OF SUPERVISORS
COUNTY OF LOS ANGELES

11

JUL 20 2010

[Signature]
SACHI A. HAMAI
EXECUTIVE OFFICER

STATE OF CALIFORNIA)
) ss.
 COUNTY OF LOS ANGELES)

On January 6, 1987, the Board of Supervisors for the County of Los Angeles and ex officio the governing body of all other special assessment and taxing, districts, agencies and authorities for which said Board so acts adopted a resolution pursuant to Section 25103 of the Government Code which authorized the use of facsimile signatures of the Chairperson of the Board on all papers, documents, or instruments requiring said signature.

The undersigned hereby certifies that on this 15th day of December, 2011, the facsimile signature of Zev Yaroslavsky, Chairman of the County of Los Angeles was affixed hereto as the official execution of this document, Board Order No. 11 of July 20, 2010, a Memorandum of Amended and Restated Lease Agreement Parcel 7 – Marina Del Rey, Agreement No. 77111. The undersigned further certifies that on this date, a copy of the document was delivered to the Chairman of the County of Los Angeles.

In witness whereof, I have also hereunto set my hand and affixed my official seal the day and year above written.



SACHI A. HAMAI, Executive Officer
 Board of Supervisors, County of Los Angeles

By _____

Deputy

CALIFORNIA ALL-PURPOSE ACKNOWLEDGMENT

State of California

County of LOS ANGELES

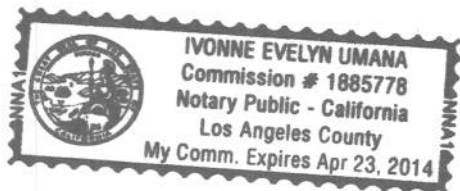
On DECEMBER 15, 2011 before me,

IVONNE EVELYN UMANA, Notary Public

Here Insert Name and Title of the Officer

personally appeared ADELA GUZMAN

Name(s) of Signer(s)



who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

Signature

Signature of Notary Public

Place Notary Seal Above

OPTIONAL

Though the information below is not required by law, it may prove valuable to persons relying on the document and could prevent fraudulent removal and reattachment of this form to another document.

Description of Attached Document

Title or Type of Document: _____

Document Date: _____

Number of Pages: _____

Signer(s) Other Than Named Above: _____

Capacity(ies) Claimed by Signer(s)

Signer's Name: _____

- ☐ Individual
- ☐ Corporate Officer — Title(s): _____
- ☐ Partner — ☐ Limited ☐ General
- ☐ Attorney in Fact
- ☐ Trustee
- ☐ Guardian or Conservator
- ☐ Other: _____

Signer Is Representing: _____

Signer's Name: _____

- ☐ Individual
- ☐ Corporate Officer — Title(s): _____
- ☐ Partner — ☐ Limited ☐ General
- ☐ Attorney in Fact
- ☐ Trustee
- ☐ Guardian or Conservator
- ☐ Other: _____

Signer Is Representing: _____

RIGHT THUMBPRINT
OF SIGNER
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OF SIGNER
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See attached New York Notary Block

STATE OF NEW YORK

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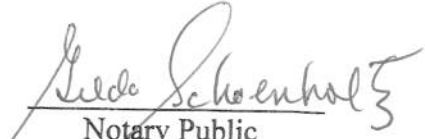
COUNTY OF NEW YORK

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On August 18, 2011 before me, the undersigned, a Notary Public in and for said State, personally appeared Kamran Hakim, who proved to me on the basis of satisfactory evidence to be the person whose name is subscribed to the within instrument and acknowledged to me that he executed the same in his authorized capacity, and that by his signature on the instrument the person, or the entity upon behalf of which the person acted, executed the instrument.

WITNESS my hand and official seal.


Notary Public

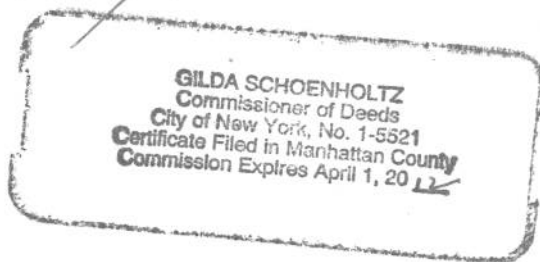


EXHIBIT A

LEGAL DESCRIPTION OF PREMISES

Parcels 61 and 62, in the County of Los Angeles, State of California, as shown on the Los Angeles County Assessor's Map No. 88, recorded in Book 1, pages 53 to 70 inclusive, of Assessor's Maps in the office of the Recorder of said county.

Reserving and excepting therefrom unto the County of Los Angeles easements for sanitary sewer, fire access, storm drain and harbor utility purposes over those portions thereof designated on said map to be reserved by said county for such purposes.

Also subject to the public easement reserved by County in Section 15.19 of this Lease.

**AMENDED AND RESTATED LEASE AGREEMENT
PARCEL 7 — MARINA DEL REY**

THIS AMENDED AND RESTATED LEASE AGREEMENT (**Lease**) is made and entered into as of the _____ day of _____, ____ (**Effective Date**), by and between the COUNTY OF LOS ANGELES (**County**), as lessor, and _____, a _____ (together with its permitted successors and assigns, **Lessee**), as lessee.

RECITALS

WHEREAS, County, as lessor, and Garland O. Hatfield and Irvin Part (collectively, **Original Lessee**), as lessee, entered into Lease No. 5573, dated May 7, 1962 (as amended prior hereto, the **Existing Lease**), pursuant to which County leased to Original Lessee certain real property in the Marina del Rey Small Craft Harbor commonly known as Parcel No. 7 and more specifically described on Exhibit A attached hereto and incorporated herein by this reference (the **Premises**);

WHEREAS, the term of the Existing Lease commenced on March 1, 1962 and was originally scheduled to expire on February 28, 2022 (the **Existing Expiration Date**);

WHEREAS, County and Kamran Hakim (**Hakim**), as the then-current lessee under the Existing Lease, entered into that certain Option to Amend Lease Agreement (Parcel 7) dated as of _____, ____ (the **Option Agreement**), pursuant to which County granted Hakim an option (the **Option**) to amend and restate the Existing Lease in its entirety, upon the terms and conditions more specifically provided herein, including, without limitation, (i) the extension of the term of the Existing Lease through February 28, 2055, and (ii) the renovation of the improvements on the Premises in accordance with the terms and provisions set forth in this Lease;

WHEREAS, the Option has been exercised in accordance with the terms and provisions of the Option Agreement; and

WHEREAS, pursuant to the Option Agreement and the exercise of the Option, County and Lessee, as the current successor-in-interest to the lessee's right, title and interest under the Existing Lease, desire to enter into this Lease to fully amend and restate the Existing Lease in its entirety.

NOW, THEREFORE, in reliance on the foregoing and in consideration of the mutual covenants, agreements and conditions set forth herein, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, County and Lessee agree that the Existing Lease is hereby amended and restated in its entirety, as follows:

1. **BACKGROUND AND GENERAL.**

1.1 **Definitions.** The defined terms in this Lease shall have the following meanings:

1.1.1 □ACCOUNTING YEAR□shall have the meaning set forth in Section 14.7.

1.1.2 □ACTUAL COST□shall mean (i) the reasonable out-of-pocket costs and expenses incurred by County with respect to a particular activity or procedure, including without limitation, expenditures to third party legal counsel, financial consultants and advisors (including the use of County's environmental consultant), (ii) costs incurred in connection with appraisals, (iii) the reasonable value of services actually provided by County's in-house counsel, and (iv) the reasonable value of services actually provided by County's lead lease negotiator/administrator and any other lease auditors and other County administrative staff below the level of deputy director (the administrative level which is two levels below County department head) required by the lead lease negotiator/administrator for technical expertise or assistance. In those instances in which Lessee is obligated to reimburse County for its Actual Costs incurred in performing obligations required to be performed by Lessee under this Lease which Lessee fails to perform within the applicable cure period, if any, provided under this Lease, Actual Costs shall also include a reasonable allocation of County overhead and administrative costs to compensate County for performing such obligations on behalf of Lessee.

1.1.3 □ADA□shall have the meaning set forth in Section 1.2.1.

1.1.4 □ADDITIONAL DISPUTES□shall have the meaning set forth in Section 16(a).

1.1.5 □ADJUSTED BASE SLIP RENTAL RATE□shall have the meaning set forth in Subsection 4.2.3.

1.1.6 □ADJUSTMENT DATES□shall have the meaning set forth in Section 4.3.

1.1.7 □ADMINISTRATIVE CHARGE□shall have the meaning set forth in Section 4.6.

1.1.8 □AGGREGATE TRANSFER□shall have the meaning set forth in Subsection 4.6.3.

1.1.9 □ALTERATIONS□shall have the meaning set forth in Section 5.2.

1.1.10 □ANCHORAGE IMPROVEMENTS□shall have the meaning set forth in Section 5.11.

1.1.11 □ANCHORAGE IMPROVEMENTS REPLACEMENT□shall have the meaning set forth in Section 5.11.

1.1.12 □ANCHORAGE IMPROVEMENTS REPORT□shall have the meaning set forth in Section 5.11.

1.1.13 □ANTENNAE□shall have the meaning set forth in Subsection 3.2.2.5.

1.1.14 □ANNUAL MINIMUM RENT□shall have the meaning set forth in Subsection 4.2.1.

1.1.15 □ANNUAL RENT□shall have the meaning set forth in Section 4.2.

1.1.16 □APPLICABLE LAWS□shall have the meaning set forth in Subsection 1.2.1.

1.1.17 □APPLICABLE RATE□shall mean an annually compounded rate of interest equal to the lesser of (a) ten percent (10%) per annum or (b) the Prime Rate, plus three percent (3%) per annum; provided, however, that the Applicable Rate shall in no event exceed the maximum rate of interest which may be charged pursuant to Applicable Laws.

1.1.18 □APPROVED APARTMENT/SLIP LEASE□shall have the meaning set forth in Subsection 11.1.2.

1.1.19 □APPROVED GOVERNMENTAL CHANGES□shall mean any changes to the Renovation Work (or other Alterations, as applicable) required by the California Coastal Commission or other applicable governmental agency as a condition to the issuance of required governmental permits and approvals for such Renovation Work (or other Alterations, as applicable), except for any change that is a Material Modification.

1.1.20 □ASSIGNMENT STANDARDS□shall have the meaning set forth in Section 11.2.

1.1.21 □AUDITOR-CONTROLLER□shall mean the Auditor-Controller of the County of Los Angeles, California.

1.1.22 □AWARD□shall have the meaning set forth in Subsection 6.1.3.

1.1.23 □BASE VALUE□shall have the meaning set forth in Subsection 4.8.1.1.

1.1.24 □BENEFICIAL INTEREST□shall have the meaning set forth in Subsection 4.6.4.

1.1.25 □BOARD□shall mean the Board of Supervisors for the County of Los Angeles.

1.1.26 □BUSINESS DAY□shall have the meaning set forth in Section 17.3.

1.1.27 □CALCULATION NOTICE□shall have the meaning set forth in Section 4.7.

1.1.28 □CAPITAL IMPROVEMENT FUND□shall have the meaning set forth in Section 5.14.

1.1.29 ☐CHANGE OF OWNERSHIP☐shall have the meaning set forth in Subsection 4.6.1.

1.1.30 ☐CHANGE OF CONTROL☐shall have the meaning set forth in Subsection 4.6.1.

1.1.31 ☐CITY☐shall mean the City of Los Angeles, California.

1.1.32 ☐CONDEMNATION☐shall have the meaning set forth in Subsection 6.1.1.

1.1.33 ☐CONDEMNOR☐shall have the meaning set forth in Subsection 6.1.4.

1.1.34 ☐CONSUMER PRICE INDEX☐shall mean the Consumer Price Index-- All Urban Consumers for Los Angeles-Riverside-Orange County, as published from time to time by the United States Department of Labor or, in the event such index is no longer published or otherwise available, such replacement index as may be reasonably agreed upon by County and Lessee.

1.1.35 ☐COST☐shall have the meaning set forth in Subsection 4.2.2.3(6).

1.1.36 ☐COUNTY☐shall have the meaning set forth in the first paragraph of this Lease.

1.1.37 ☐COUNTY OPTION☐shall have the meaning set forth in Subsection 11.2.4.

1.1.38 ☐COUNTY OPTION PRICE☐shall have the meaning set forth in Subsection 11.2.4.

1.1.39 ☐COUNTY POOL RATE☐shall have the meaning set forth in Subsection 4.4.5 of this Lease.

1.1.40 ☐COUNTY REMOVAL NOTICE☐shall have the meaning set forth in Subsection 2.3.2.

1.1.41 ☐DATE OF TAKING☐shall have the meaning set forth in Subsection 6.1.2.

1.1.42 ☐DEFAULT TERMINATION☐shall have the meaning set forth in Subsection 2.3.2.

1.1.43 ☐DEMOLITION AND REMOVAL REPORT☐shall have the meaning set forth in Subsection 2.3.2.

1.1.44 ☐DEMOLITION SECURITY☐shall have the meaning set forth in Subsection 2.3.2.

1.1.45 □DEPARTMENT□shall mean the Department of Beaches and Harbors of the County of Los Angeles.

1.1.46 □DIRECTOR□shall mean the Director of the Department of Beaches and Harbors of the County of Los Angeles or any successor County officer responsible for the administration of this Lease.

1.1.47 □DISQUALIFICATION JUDGMENT□shall have the meaning set forth in Subsection 16.14.1.

1.1.48 □DOCKSIDE IMPROVEMENTS□shall have the meaning set forth in Section 5.1.

1.1.49 □DOCUMENTED TRANSACTION COSTS□shall have the meaning set forth in Subsection 4.8.1.2.

1.1.50 □EFFECTIVE DATE□shall have the meaning set forth in the first paragraph of this Lease.

1.1.51 □ENCUMBRANCE□shall have the meaning set forth in Subsection 12.1.1.

1.1.52 □ENCUMBRANCE HOLDER□shall have the meaning set forth in Subsection 12.1.1.

1.1.53 □ENR INDEX□shall mean the Engineering News Record (ENR) Construction Cost Index for the Los Angeles Area, or such substitute index upon which the parties may reasonably agree if such index is no longer published or otherwise available.

1.1.54 □EQUITY ENCUMBRANCE HOLDER□shall have the meaning set forth in Subsection 12.1.1.

1.1.55 □EQUITY FORECLOSURE TRANSFEREE□shall have the meaning set forth in Subsection 12.2.1.

1.1.56 □ESTIMATED COSTS□shall have the meaning set forth in Subsection 2.3.2.

1.1.57 □EVENTS OF DEFAULT□shall have the meaning set forth in Section 13.1.

1.1.58 □EXCLUDED CONDITIONS□shall have the meaning set forth in Subsection 1.2.3.

1.1.59 □EXCLUDED DEFAULTS□shall have the meaning set forth in Subsection 12.3.3.

1.1.60 ☐ EXCLUDED TRANSFERS ☐ shall have the meaning set forth in Subsection 4.6.2.

1.1.61 ☐ EXISTING EXPIRATION DATE ☐ shall have the meaning set forth in the first paragraph of the Recitals to this Lease.

1.1.62 ☐ EXISTING LEASE ☐ shall have the meaning set forth in the first paragraph of the Recitals to this Lease.

1.1.63 ☐ EXCESS PERCENTAGE RENT PAYMENT ☐ shall have the meaning set forth in Subsection 4.2.2.4.

1.1.64 ☐ EXTENDED TIME ☐ shall have the meaning set forth in Section 15.15.

1.1.65 ☐ FAIR MARKET RENTAL VALUE ☐ shall have the meaning set forth in Subsection 4.4.1.

1.1.66 ☐ FINAL PLANS AND SPECIFICATIONS ☐ shall have the meaning set forth in Subsection 5.3.3.

1.1.67 ☐ FINANCING EVENT ☐ shall have the meaning set forth in Subsection 12.1.1.

1.1.68 ☐ FIRST ADJUSTMENT DATE ☐ shall have the meaning set forth in Subsection 4.2.1.

1.1.69 ☐ FORCE MAJEURE ☐ shall mean any inability of a party to perform any non-monetary obligation under this Lease due to fire or other casualty, earthquake, flood, tornado or other act of God, civil disturbance, war, organized labor dispute, freight embargo, governmental order or other unforeseeable event beyond the reasonable control of the party required to perform the subject obligation, including, in the case of a delay in the commencement or completion by Lessee of the Renovation Work, the Anchorage Improvements Replacement or the Subsequent Renovation, a delay in such construction caused by a hidden condition, including without limitation environmental contamination, relating to the foundation, substructure or subsurface of the Premises which was not known to Lessee as of the commencement of such construction activity, although Lessee shall, to the extent possible, commence and complete the portions, if any, of the work, not impacted by such delay within the timeframes set forth in this Lease. In addition, in the case of the construction of the Renovation Work, the Anchorage Improvements Replacement or the Subsequent Renovation, Force Majeure shall also include (a) Unreasonable County Activity, as defined in and subject to the terms and conditions of Section 5.6 of this Lease; and (b) an injunction or restraining order against the performance of the Renovation Work, the Anchorage Improvements Replacement or Subsequent Renovation issued pursuant to a court action commenced by a plaintiff other than County or the California Coastal Commission acting in their governmental capacity, Lessee, or any person or entity affiliated with Lessee; provided, however, regardless of whether Lessee is a named party in the action, as a condition to this clause (b) Lessee

shall diligently pursue the removal of any such restraining order or injunction and shall exhaust all commercially reasonable efforts to appeal such restraining order or injunction.

1.1.70 ☐FORECLOSURE TRANSFER☐shall have the meaning set forth in Subsection 12.2.1.

1.1.71 ☐FORECLOSURE TRANSFEREE☐shall have the meaning set forth in Subsection 12.2.1.

1.1.72 ☐GROSS ERROR☐shall have the meaning set forth in Subsection 16.15.4.

1.1.73 ☐GROSS RECEIPTS☐shall have the meaning set forth in Subsection 4.2.2.3.

1.1.74 ☐GROSS TRANSFER PROCEEDS☐shall have the meaning set forth in Section 4.8.

1.1.75 ☐HAZARDOUS SUBSTANCES☐shall mean the following:

(a) petroleum, any petroleum by-products, waste oil, crude oil or natural gas;

(b) any material, waste or substance that is or contains asbestos or polychlorinated biphenyls, or is radioactive, flammable or explosive; and

(c) any substance, product, waste or other material of any nature whatsoever which is or becomes defined, listed or regulated as a ☐hazardous substance☐, ☐hazardous material☐, ☐hazardous waste☐, ☐toxic substance☐, ☐solid waste☐or similarly defined substance pursuant to any Applicable Laws.

1.1.76 ☐IMPROVEMENTS☐means all buildings, structures, fixtures, fences, fountains, walls, paving, parking areas, driveways, walkways, plazas, landscaping, permanently affixed utility systems, docks, slips, end-ties and other anchorage improvements, and other improvements now or hereafter located on the Premises.

1.1.77 ☐IMPROVEMENT COSTS☐shall have the meaning set forth in Subsection 4.8.1.1.

1.1.78 ☐INCOME APPROACH☐shall have the meaning set forth in Section 6.5.

1.1.79 ☐INITIAL CURE PERIOD☐shall have the meaning set forth in Subsection 12.4.1(2)(a).

1.1.80 ☐INITIATING PARTY☐shall have the meaning set forth in Section 16 (a).

1.1.81 □INSTITUTIONAL LENDER□shall have the meaning set forth in Subsection 12.3.1.

1.1.82 □INSURANCE RENEGOTIATION DATE□shall have the meaning set forth in Section 9.6.

1.1.83 □LANDSIDE IMPROVEMENTS□shall have the meaning set forth in Section 5.1.

1.1.84 □LATE FEE□shall have the meaning set forth in Section 4.5.

1.1.85 □LEASE□shall have the meaning set forth in the first paragraph above.

1.1.86 □LEASE YEAR□shall have the meaning set forth in Section 2.1.

1.1.87 □LESSEE□shall have the meaning set forth in the first paragraph of this Lease.

1.1.88 □LESSEE SALE PRICE□shall have the meaning set forth in Subsection 11.2.4.

1.1.89 □MAJOR SUBLEASE□shall have the meaning set forth in Subsection 11.1.1.

1.1.90 □MAJOR SUBLESSEE□shall have the meaning set forth in Subsection 11.1.1.

1.1.91 □MATERIAL MODIFICATION□shall mean a modification to the Renovation Work (or other Alterations, as applicable) with respect to which any one of the following applies: (1) the total cost of the modifications exceeds one percent (1%) of the total estimated construction cost of the Renovation Work (or the other Alterations that are then proposed to be constructed by Lessee); (2) the proposed modification is structural in nature; (3) the modification materially affects or is visible from the exterior of the Improvements; (4) the modification is not in compliance with the Permitted Uses under this Lease; or (5) the modification (a) changes the total number of apartment units, (b) reduces the number of parking spaces, except for a corresponding reduction in the number of parking spaces required for the Improvements (based on parking ratios required under Applicable Law, without variance) resulting from a reduction in the square footage or number of units of the Improvements, (c) changes the number of anchorage slips or end-ties, or (d) pertains to the Promenade.

1.1.92 □MINIMUM STANDARDS□shall mean the requirements of Policy Statement No. 25 and the Specifications and Minimum Standards of Architectural Treatment and Construction for Marina del Rey approved in 1989, as modified by County or the Department from time to time in a manner consistent with commercially reasonable standards applicable to other comparable residential apartment project and marina facilities in Marina del Rey.

1.1.93 □MONTHLY MINIMUM RENT□shall have the meaning set forth in Subsection 4.2.1.

1.1.94 □NET AWARDS AND PAYMENTS□shall have the meaning set forth in Section 6.7.

1.1.95 □NET PROCEEDS SHARE□shall have the meaning set forth in Section 4.6.

1.1.96 □NET REFINANCING PROCEEDS□shall have the meaning set forth in Subsection 4.8.5.

1.1.97 □NET TRANSFER PROCEEDS□shall have the applicable meaning set forth in Subsection 4.8.1 or 4.8.2.

1.1.98 □NOTICE OF COMPLETION□shall have the meaning set forth in Subsection 5.7.7.

1.1.99 □OPTION□shall have the meaning set forth in the fourth paragraph of the Recitals to this Lease.

1.1.100 □OPTION AGREEMENT□shall have the meaning set forth in the fourth paragraph of the Recitals to this Lease.

1.1.101 □OPTION FEE□shall have the meaning set forth in Subsection 4.8.1.1.

1.1.102 □ORIGINAL LESSEE□shall have the meaning set forth in the first paragraph of the Recitals to this Lease.

1.1.103 □OWNERSHIP INTERESTS□shall have the meaning set forth in Subsection 12.1.1.

1.1.104 □PARTIAL TAKING□shall have the meaning set forth in Section 6.5.

1.1.105 □PAYMENT BOND□shall have the meaning set forth in Subsection 5.4.3.2.

1.1.106 □PERCENTAGE RENT□shall have the meaning set forth in Subsection 4.2.2.

1.1.107 □PERFORMANCE BOND□shall have the meaning set forth in Subsection 5.4.3.1.

1.1.108 □PERMITTED CAPITAL EXPENDITURES□shall have the meaning set forth in Section 5.14.

1.1.109 □PERMITTED USES□shall have the meaning set forth in Section 3.1.

1.1.110 □PORTION SUBJECT TO DEMOLITION□shall have the meaning set forth in Subsection 2.3.2.

1.1.111 □POST TERM REMOVAL PERIOD□shall have the meaning set forth in Subsection 2.3.2.

1.1.112 □PREMISES□shall have the meaning set forth in the first paragraph of the Recitals to this Lease.

1.1.113 □PREVIOUSLY ADJUSTED REQUIRED COST AMOUNT□shall have the meaning set forth in Section 5.1.

1.1.114 □PRIMARY COVERAGE□shall have the meaning set forth in Subsection 9.1.1.

1.1.115 □PRIME RATE□shall mean the prime or reference rate announced from time to time by Bank of America, N.A. or its successor, or if Bank of America, N.A. and its successor cease to exist then the prime or reference rate announced from time to time by the largest state chartered bank in California in term of deposits.

1.1.116 □PROMENADE□shall have the meaning set forth in Section 15.19 and in the Renovation Plan.

1.1.117 □PROPOSED TRANSFER□shall have the meaning set forth in Subsection 11.2.4.

1.1.118 □PUBLIC WORKS DIRECTOR□shall mean the Director of the Department of Public Works of the County of Los Angeles.

1.1.119 □PURCHASE MONEY NOTE□shall have the meaning set forth in Subsection 4.7.2.

1.1.120 □QUALIFIED HARD COSTS□shall have the meaning set forth in Section 5.1.

1.1.121 □RENEGOTIATION DATES□shall have the meaning set forth in Section 4.4.

1.1.122 □RENOVATION PLAN□shall have the meaning set forth in Section 5.1.

1.1.123 □RENOVATION WORK□shall have the meaning set forth in Section 5.1.

1.1.124 □REPLY□shall have the meaning set forth in Section 16.5.

1.1.125 □REQUEST FOR ARBITRATION□shall have the meaning set forth in Section 16(a).

1.1.126 REQUESTING PARTY shall have the meaning set forth in Section 16(a).

1.1.127 REQUIRED ANCHORAGE IMPROVEMENTS REPLACEMENT COMMENCEMENT DATE shall have the meaning set forth in Section 5.11.

1.1.128 REQUIRED ANCHORAGE IMPROVEMENTS REPLACEMENT COMPLETION DATE shall have the meaning set forth in Section 5.11.

1.1.129 REQUIRED COST ADJUSTMENT DATE shall have the meaning set forth in Section 5.1.

1.1.130 REQUIRED COST AMOUNT shall have the meaning set forth in Section 5.1.

1.1.131 REQUIRED DOCKSIDE CONSTRUCTION COMMENCEMENT DATE shall have the meaning set forth in Section 5.1.

1.1.132 REQUIRED DOCKSIDE CONSTRUCTION COMPLETION DATE shall have the meaning set forth in Section 5.1.

1.1.133 REQUIRED LANDSIDE CONSTRUCTION COMMENCEMENT DATE shall have the meaning set forth in Section 5.1.

1.1.134 REQUIRED LANDSIDE CONSTRUCTION COMPLETION DATE shall have the meaning set forth in Section 5.1.

1.1.135 REQUIRED COST AMOUNT shall have the meaning set forth in Section 5.1.

1.1.136 RESPONSE shall have the meaning set forth in Section 16(a).

1.1.137 RESPONDING PARTY shall have the meaning set forth in Section 16(a).

1.1.138 REVERSION shall have the meaning set forth in Section 12.12.

1.1.139 REVERSION AMENDMENT shall have the meaning set forth in Section 5.1.

1.1.140 REVERSION CONDITION shall have the meaning set forth in Section 12.12.

1.1.141 REVISED REQUIRED COST AMOUNT shall have the meaning set forth in Section 5.1.

1.1.142 SEAWALL shall have the meaning set forth in Section 10.7.

1.1.143 □SECURITY DEPOSIT□shall have the meaning set forth in Section 7.1.

1.1.144 □SEPARATE DISPUTE□shall have the meaning set forth in Subsection 16.10.1.

1.1.145 □STATE□shall mean the State of California.

1.1.146 □STATEMENT OF POSITION□shall have the meaning set forth in Subsection 16.5(2)(a).

1.1.147 □SUBLEASE□shall have the meaning set forth in Subsection 11.1.1.

1.1.148 □SUBLESSEE□shall have the meaning set forth in Subsection 11.1.1.

1.1.149 □SUBSEQUENT RENOVATION□shall have the meaning set forth in Section 5.12.

1.1.150 □SUBSEQUENT RENOVATION FUND□shall have the meaning set forth in Section 5.13.

1.1.151 □SUBSEQUENT RENOVATION PLAN□shall have the meaning set forth in Section 5.12.

1.1.152 □Substantial completion□means the completion of the Renovation Work, Anchorage Improvements Replacement, Subsequent Renovation or other work of Improvement (as applicable), including without limitation, the receipt of a certificate of occupancy (whether temporary or permanent) or other applicable governmental certificate or approval for legal use and occupancy of the subject Improvements (if applicable with respect to the particular work), subject only to minor punch-list items that do not interfere with the use and occupancy of the subject Improvements, provided that any such minor punch-list items are completed in a diligent manner as soon as reasonably possible thereafter.

1.1.153 □TERM□shall have the meaning set forth in Section 2.1.

1.1.154 □TIME OF THE ESSENCE□shall have the meaning set forth in Section 15.2.

1.1.155 □UMBRELLA COVERAGE□shall have the meaning set forth in Subsection 9.1.1.

1.1.156 □UNINSURED LOSS□shall have the meaning set forth in Section 10.5.

1.1.157 □WRITTEN APPRAISAL EVIDENCE□shall have the meaning set forth in Section 16.7.

1.2 Lease. For and in consideration of the payment of rentals and the performance of all the covenants and conditions of this Lease, County hereby leases to Lessee, and Lessee hereby leases and hires from County, an exclusive right to possess and use, as tenant, the Premises for the Term (as hereinafter defined) and upon the terms and conditions and subject to the requirements set forth herein. This Lease fully amends, restates, replaces and supersedes the Existing Lease.

1.2.1 As-Is. Lessee acknowledges that (1) it is currently in possession of the Premises, (2) Lessee or its predecessors-in-interest have continuously occupied and/or managed and operated the Premises since 1962, and (3) the Improvements now existing on the Premises were constructed by Lessee or its predecessors with contractors selected by them. Except as provided in Subsection 1.2.3, Lessee accepts the Premises in their present condition notwithstanding the fact that there may be certain defects in the Premises, whether or not known to either party as of the Effective Date, and Lessee hereby represents that it has performed all investigations that it deems necessary or appropriate with respect to the condition of the Premises or Improvements. Lessee hereby accepts the Premises on an ☐AS-IS, WITH ALL FAULTS☐basis and, except as expressly set forth in this Lease, Lessee is not relying on any representation or warranty of any kind whatsoever, express or implied, from County or any other governmental authority or public agency, or their respective agents or employees, as to any matters concerning the Premises or any Improvements located thereon, including without limitation: (i) the quality, nature, adequacy and physical condition and aspects of the Premises or any Improvements located thereon, including, but not limited to, the structural elements, foundation, roof, protections against ocean damage, erosion, appurtenances, access, landscaping, parking facilities and the electrical, mechanical, heating, ventilating and air conditioning, plumbing, sewage and utility systems, facilities and appliances, and the square footage of the land or Improvements, (ii) the quality, nature, adequacy and physical condition of soils, geology and any groundwater, (iii) the existence, quality, nature, adequacy and physical condition of utilities serving the Premises and the Improvements located thereon, (iv) the development potential of the Premises, and the use, habitability, merchantability or fitness, or the suitability, value or adequacy, of the Premises or any Improvements located thereon for any particular purpose, (v) the zoning, entitlements or other legal status of the Premises or Improvements, and any public or private restrictions affecting use or occupancy of the Premises or Improvements, (vi) the compliance of the Premises or Improvements with any applicable codes, rules, regulations, statutes, resolutions, ordinances, covenants, conditions and restrictions or laws of the County, State, United States of America, California Coastal Commission or any other local, state or federal governmental or quasi-governmental entity (☐**Applicable Laws**☐, including, without limitation, relevant provisions of the Americans with Disabilities Act (☐**ADA**☐, (vii) the presence of any underground storage tank or Hazardous Substances on, in, under or about the Premises, Improvements, the adjoining or neighboring property, or ground or other subsurface waters, (viii) the quality of any labor and materials used in any Improvements, (ix) the condition of title to the Premises or Improvements, and (x) the economics of the operation of the Premises or Improvements. Notwithstanding the foregoing, this Subsection 1.2.1 shall not alter the parties' rights and obligations under the Existing Lease with respect to any environmental conditions existing on the Premises as of the Effective Date.

1.2.2 Title. County represents that County owns fee title to the Premises and that County has authority to enter into this Lease. Lessee hereby acknowledges the title of County and/or any other public entity or agency having jurisdiction thereover, in and to the Premises, and covenants and agrees never to contest or challenge the extent of said title, except as is necessary to ensure that Lessee may occupy the Premises pursuant to the terms and conditions of this Lease.

1.2.3 Excluded Conditions. Notwithstanding anything to the contrary set forth herein, the terms and provisions of Subsection 1.2.1 shall not be applicable to any sewer, storm drain or other improvements which have been dedicated to (and such dedication has been accepted by) the Department of Public Works of the County (**Excluded Conditions**); provided, however, that this Lease (as opposed to any separate dedication acceptance or other contractual or legal obligation) shall not create any obligation or liability on the part of County with respect to such sewer, storm drain and other improvements.

2. TERM; OWNERSHIP OF IMPROVEMENTS.

2.1 Term. The term of the Lease (**Term**) commenced on March 1, 1962 and, unless terminated sooner in accordance with the provisions of this Lease, shall expire at 11:59 p.m. on February 28, 2055. For purposes of this Lease, **Lease Year** shall mean each calendar year (or partial calendar) during the Term of this Lease.

2.2 Ownership of Improvements During Term. Until the expiration of the Term or sooner termination of this Lease, and except as specifically provided herein, Lessee shall own all Improvements now existing and constructed by Lessee or its predecessors on the Premises, or hereafter constructed by Lessee upon the Premises, and all alterations, additions or modifications made thereto by Lessee.

2.3 Reversion of Improvements. Upon the expiration of the Term or sooner termination of this Lease, whether by cancellation, forfeiture or otherwise:

2.3.1 County's Election to Receive Improvements. Unless Lessee is expressly directed by County in writing in accordance with this Section 2.3 to demolish and remove Improvements upon the expiration or earlier termination of the Term, all Improvements located on, in, or under the Premises (including all fixtures or equipment affixed thereto) shall remain upon and be surrendered with the Premises as part thereof, and title to such Improvements shall vest in County without any compensation to Lessee. Nothing contained herein shall be construed to deny or abrogate the right of Lessee, prior to the expiration of the Term or termination of this Lease, to (a) receive any and all proceeds which are attributable to the Condemnation of Improvements belonging to Lessee immediately prior to the taking of possession by the Condemnor, to the extent provided in Article 6 of this Lease, or (b) remove any furniture or equipment that is neither permanently affixed to, or reasonably necessary for the operation of, the Premises, any signage identifying Lessee (as opposed to other signage used in the operation of the Premises and Improvements), or any personal property, upon the expiration of the Term or earlier termination of this Lease or at any time during the Term,

subject to Lessee's obligations under this Lease to use the Premises for the Permitted Uses.

2.3.2 Duty to Remove. No earlier than eight (8) years, and no later than seven (7) years prior to the expiration of the Term, Lessee shall deliver to County a report prepared by a construction and demolition expert reasonably approved by County that details and estimates the cost and required time period for the removal of all Improvements on the Premises at the expiration of the Term (the **Demolition and Removal Report**).

County may elect to require Lessee at the end of the Term or any earlier termination of this Lease to remove, at the sole cost and expense of Lessee, all or any portion of the Improvements located on, in or under the Premises, whether placed or maintained thereon by Lessee or others, including, but not limited to, concrete foundations, pilings, structures and buildings; provided, however, such portion (**Portion Subject to Demolition**) of the Improvements designated by County for demolition must be able to be demolished separately from other portions of the then-existing Improvements which County has designated to remain. Lessee shall complete the required demolition and removal and shall restore and surrender to County possession of the Premises in the following condition: (a) as to any portion of the Premises on which the Improvements are required to be demolished, such portion of the Premises shall be surrendered to County in good, usable and buildable condition, consisting of a level, graded buildable pad with no excavations, hollows, hills or humps; and (b) as to any portion of the Premises on which the Improvements are not required to be demolished, the Premises and such Improvements shall be surrendered to County in the condition in which the Premises and Improvements are required to be maintained and repaired under this Lease.

In the case of the termination of the Lease at the scheduled expiration date of the Term, any election by County to require Lessee to demolish and remove the Improvements or a Portion Subject to Demolition must be made by County in writing to Lessee (**County Removal Notice**) not later than five (5) years prior to the then-scheduled expiration date of the Term. If County elects to require Lessee to demolish and remove all of the Improvements or a Portion Subject to Demolition, Lessee shall complete such demolition and removal and otherwise comply with Lessee's surrender obligations under this Section 2.3 on or before the expiration of the Term of the Lease. In the case of the termination of the Lease at the scheduled expiration date of the Term, Lessee shall have the right, by written notice to County not later than thirty (30) days prior to the scheduled expiration date of the Term, to extend the date by which Lessee must complete the Improvement removal and Premises surrender obligations under this Subsection 2.3.2 and/or the Lessee's removal obligations under Subsection 2.3.4 below to a date not more than one hundred twenty (120) days after the expiration of the Term (the **Post Term Removal Period**); provided, however, that all of the Lessee's obligations and liabilities under the Lease (other than the obligation to affirmatively operate the Premises or to maintain and repair those Improvements required to be demolished) shall be applicable during the Post Term Removal Period, including without limitation, the Lessee's obligations with respect to insurance and indemnification, and Lessee's

obligation to pay County compensation for the Post Term Removal Period in an amount equal to the Monthly Minimum Rent rate in effect immediately prior to the expiration of the Term multiplied by the number of months in the Post Term Removal Period. Such Monthly Minimum Rent amount for the entire Post Term Removal Period shall be paid by Lessee in advance prior to the commencement of the Post Term Removal Period.

In the case of a termination of the Lease prior to the scheduled expiration date of the Term, any election by County to require Lessee to remove the Improvements or a Portion Subject to Termination must be made by County's delivery of the County Removal Notice not later than sixty (60) days after the effective date of such termination, and if County elects to require Lessee to demolish and remove all or a portion of the Improvements on a termination of the Lease prior to the scheduled expiration of the Term, Lessee shall complete such demolition and removal and otherwise comply with Lessee's surrender obligations under this Section 2.3 on or before the later of (a) ninety (90) days after the date on which this Lease terminated, or (b) if Lessee has submitted a Demolition and Removal Report to County, that period after the date on which this Lease terminated equal to the estimated demolition and removal period set forth in the Demolition and Removal Report.

Upon receipt of a County Removal Notice, Lessee shall within ninety (90) days after receipt of the County Removal Notice, provide County with a written plan which sets forth Lessee's proposed method of securing the discharge of Lessee's removal and restoration obligations pursuant to this subsection. Such security plan shall detail (i) the form of security proposed by Lessee, which security shall be either a deposit of funds, or a letter of credit, bond or other form of security in form and amount, and from an issuer, satisfactory to Director (**"Demolition Security"**), and (ii) a schedule satisfactory to Director for the delivery by Lessee of the security described in clause (i) above, which schedule shall in all events provide for a full funding of the security not later than two (2) years prior to the expiration of the Term. The amount of any Demolition Security shall be equal to the estimated costs to remove the Improvements as set forth in the Demolition and Removal Report (the **"Estimated Costs"**), adjusted to reflect the percentage change in the ENR Index from the date on which the Estimated Cost was determined until the date on which Lessee delivers the Demolition Security. Thereafter, Lessee shall increase the amount of the Demolition Security on an annual basis (on or before each successive anniversary of the required date for Lessee's original delivery to County of the Demolition Security) by the same percentage as the percentage increase (if any) in the ENR Index over the preceding year. Any uncured failure by Lessee to deliver the Demolition Security described in this Subsection 2.3.2 shall constitute an Event of Default. County shall have the right to revoke County's election to require the removal of all Improvements or a Portion Subject to Demolition at the end of the scheduled expiration of the Term of the Lease by written notice to Lessee of such revocation at any time not later than ninety (90) days prior to the scheduled expiration date of the Lease. If County revokes its prior County Removal Notice, then any Demolition Security previously delivered by Lessee to County pursuant to this paragraph shall be returned to Lessee within thirty (30) days following the date of such revocation. Upon completion of all of Lessee's obligations under this Section 2.3, the remaining balance of any

Demolition Security held by County (and not used by County pursuant to Subsection 2.3.3 or 2.3.4 below) shall be returned to Lessee.

If County fails to elect to require Lessee to remove all of the Improvements on the Premises in accordance with the terms of this Section 2.3 (or revokes such election as provided above), then upon the expiration of the Term, or earlier termination of the Lease, Lessee shall surrender possession to County of the Premises and those Improvements not required to be removed by Lessee, in the condition in which such Improvements are required to be repaired and maintained under this Lease.

2.3.3 County's Right to Remove Improvements. If County elects to have Lessee demolish and remove Improvements and Lessee fails to do so in accordance with this Lease, County may, at its election, retain, sell, remove or demolish such Improvements. In the event of any demolition or removal by County of Improvements required to have been demolished and removed by Lessee, Lessee shall reimburse County for any Actual Costs incurred by County in connection with such demolition and removal in excess of any funds used by County from the Demolition Security for such purpose and any consideration received by County as a result of any sale of the demolished Improvements; provided, however, that County shall be under no obligation to Lessee to effectuate any such sale or, in the case of a sale, to obtain any required level of compensation therefor.

2.3.4 Duty to Remove Personal Property. No later than the expiration of the Term or sooner termination of this Lease (subject to Lessee's rights with respect to the Post Term Removal Period described in Subsection 2.3.2 above), Lessee shall in all events remove, at its cost and expense, all furniture, equipment and other personal property that is not affixed to the Improvements or reasonably necessary for the orderly operation of the Premises or Improvements. Should Lessee fail to remove such furniture, equipment and other personal property within said period, and said failure continues for ten (10) days after written notice from County to Lessee, Lessee shall lose all right, title and interest therein, and County may elect to keep the same upon the Premises or to sell, remove, or demolish the same, in which event Lessee shall reimburse County for its Actual Costs incurred in connection with any such sale, removal or demolition in excess of any consideration received by County as a result thereof.

2.3.5 Title to Certain Improvements Passes to County; Lessee to Maintain. As between County and Lessee, title to all utility lines, transformer vaults and all other utility facilities constructed or installed by Lessee upon the Premises shall vest in County upon construction or installation to the extent that they are not owned by a utility company or other third party provider. Notwithstanding the foregoing sentence, such utility lines, transformer vaults and all other utility facilities (other than any sewer, storm drain or other utility systems which have been dedicated to and accepted by County pursuant to a dedication separate from this Lease), shall be maintained, repaired, and replaced, if and as needed, by Lessee during the Term.

3. USE OF PREMISES.

3.1 Specific Primary Use. The Premises and Improvements shall be used by Lessee for the operation and management of (i) a residential apartment project, (ii) boat anchorage facilities, and (iii) such other related and incidental uses as are specifically approved by County (collectively, the foregoing shall be referred to herein as the **Permitted Uses**). The Permitted Uses shall include the right of Lessee to provide concierge services to the occupants of the residential apartments. Except as specifically provided herein, the Premises and Improvements shall not be used for any purpose other than the Permitted Uses, without the prior written consent of County. County makes no representation or warranty regarding the continued legality of the Permitted Uses or any of them, and Lessee bears all risk of an adverse change in Applicable Laws. Lessee shall operate the Premises and Improvements in accordance with a minimum standard of operation that is at least consistent with the upgraded project amenities and services set forth in the Renovation Plan.

3.2 Prohibited Uses. Notwithstanding the foregoing:

3.2.1 Nuisance. Lessee shall not conduct or permit to be conducted any private or public nuisance on or about the Premises or the Improvements, nor commit any waste thereon. No rubbish, trash, waste, residue, brush, weeds or undergrowth or debris of any kind or character shall ever be placed or permitted to accumulate upon any portion of the Premises, except for trash collected in appropriate receptacles intended for such purposes, nor shall any portion of the Premises or Improvements be permitted to be operated or maintained in a manner that renders the Premises or Improvements a fire hazard.

3.2.2 Restrictions and Prohibited Uses. Without expanding upon or enlarging the Permitted Uses of the Premises and Improvements as set forth in this Lease, the following uses of the Premises and Improvements are expressly prohibited:

3.2.2.1 The Premises and Improvements shall not be used or developed in any way which violates any Applicable Law.

3.2.2.2 The Premises and Improvements shall not be used or developed in any way in a manner inconsistent with the Permitted Uses. Without limiting the foregoing, no part of the Premises shall be used by any person for any adult entertainment purposes, as such term refers to graphic, explicit and/or obscene depictions of sexual activity; provided, however, that this Subsection 3.2.2.2 shall not be interpreted to regulate in violation of Applicable Law the private activity of an individual that is confined to such individual's private residence;

3.2.2.3 All Improvements shall at all times be kept in good condition and repair consistent with the requirements of Section 10.1 of this Lease, except as such condition is affected by the performance of the Renovation Work or Alterations in accordance with the requirements of Article 5 of this Lease.

3.2.2.4 No condition shall be permitted to exist upon the Premises or Improvements which induces, breeds or harbors infectious plant diseases, rodents or noxious insects, and Lessee shall take such measures as are appropriate to prevent any

conditions from existing on the Premises or Improvements which create a danger to the health or safety of any persons occupying, using, working at, or patronizing the Premises or Improvements.

3.2.2.5 Without the prior written reasonable approval of Director, no antennae or other device for the transmission or reception of television signals or any other form of electromagnetic radiation (collectively, "antennae") shall be erected, used or maintained by Lessee outdoors above ground on any portion of the Premises, whether attached to an improvement or otherwise; provided that the foregoing requirement to obtain Director's approval as to any antennae shall be inapplicable to the extent that such requirement violates Applicable Law.

3.2.2.6 No tools, equipment, or other structure designed for use in boring for water, oil, gas or other subterranean minerals or other substances, or designed for use in any mining operation or exploration, shall hereafter be erected or placed upon or adjacent to the Premises, except (i) as is necessary to allow Lessee to perform its maintenance and repair obligations pursuant to this Lease, and (ii) for such boring or drilling as necessary to perform water testing or monitoring, or any dewatering program to relieve soil water pressure.

3.2.2.7 Except for the Excluded Conditions and the Seawall, no adverse environmental condition in violation of Applicable Laws shall be permitted to exist on or in any portion of the Premises or the Improvements, nor shall any Hazardous Substances be permitted to be generated, treated, stored, released, disposed of, or otherwise deposited in or on, or allowed to emanate from, the Premises, the Improvements or any portion thereof, including, without limitation, into subsurface waters; provided, however, that Hazardous Substances may be stored or used on the Premises or in the Improvements, so long as such storage and use is of a type and quantity, and conducted in a manner (a) in the ordinary course of business of an otherwise Permitted Use, (b) in accordance with standard industry practices for such Permitted Use, and (c) in compliance with all Applicable Laws. In addition, Lessee shall not be required to remove Hazardous Substances existing in the building materials of the existing Improvements as of the Effective Date if and to the extent that such Hazardous Substances in their condition in such Improvements as of the Effective Date do not require remediation or removal under Applicable Laws in effect as of the Effective Date; provided, however, that (i) such Hazardous Substances shall be removed or remediated if and to the extent required under any Applicable Laws hereafter applicable to the Premises and/or the Improvements located thereon, (ii) such Hazardous Substances shall be removed or remediated if and to the extent required under the Renovation Plan or the Final Plans and Specifications for the Renovation Work, or if required under Applicable Laws that apply to the performance of the Renovation Work, and (iii) any removal or remediation of such Hazardous Substances, including without limitation, any disposal thereof, shall be performed in compliance with all Applicable Laws.

This Subsection 3.2.2.7 shall not impose liability upon Lessee to County for any Hazardous Substances that might be present in seawater passing over, under,

through or around any portion of the Premises or any Improvement as long as (I) such Hazardous Substances did not originate at or from the Premises or Improvements, and (II) with respect to Hazardous Substances that did not originate at or from the Premises or Improvements, were not caused by the acts or omissions of Lessee or its Sublessees, or its or their respective contractors, employees, agents, representatives, consultants, customers, visitors, permittees or licensees.

3.2.2.8 The following uses shall not be permitted: (a) fuel sales; (b) boat or vehicle repair, other than minor servicing or owner maintenance; (c) live bait sales; (d) commercial sport fishing and tour boats; and (e) trailer boat launching or storage; provided, however, that facilities for handling and storing dinghies, small skiffs and similar craft may be permitted upon prior approval in writing from Director, which approval shall not be unreasonably withheld, conditioned or delayed.

3.3 Active Public Use. The parties acknowledge that County's objective in entering into this Lease is the complete and continuous use of the facilities and amenities located in Marina del Rey by and for the benefit of the public, without discrimination as to race, gender or religion, and for the generation and realization by County of revenue therefrom. Accordingly, Lessee agrees and covenants that it will operate the Premises and Improvements fully and continuously (except to the extent that Lessee is prevented from doing so due to Force Majeure or due to temporary interruption for maintenance and repair) in light of these objectives, consistent with the operation of comparable residential apartment and anchorage facilities, and that it will use commercially reasonable efforts so that County may obtain maximum revenue therefrom as contemplated by this Lease. In the event of any dispute or controversy relating hereto, this Lease shall be construed with due regard to the aforementioned objectives.

3.4 Days of Operation. The Promenade (as defined in Section 15.19) shall be open every day of the year, except for any closure approved by Director required to perform (a) any Alteration permitted under this Lease, or (b) maintenance, repair, replacement or restoration work permitted or required under this Lease. Lessee shall maintain a dockmaster on duty with respect to the Anchorage Improvements pursuant to the terms and provisions of Section 15.20 of this Lease, on a schedule approved by County, which approval shall not be unreasonably withheld, conditioned or delayed. Any changes in the days or hours of operation of the Promenade or the dockmaster shall be subject to the written approval of Director, which approval shall not be unreasonably withheld, conditioned or delayed.

3.5 Signs and Awnings. Any and all art, displays, identifications, monuments, awnings, advertising signs and banners which are placed on, or are visible from, the exterior of the Premises or Improvements shall be only of such size, design, wording of signs and color as shall have been specifically submitted to and approved by Director (and to the extent required under then Applicable Law, the Design Control Board), in writing, whether pursuant to Article 5 of this Lease or otherwise, prior to the erection or installation of said art, sign, display, identification, monument, awning or advertising sign. Director shall not unreasonably withhold its approval of the matters described in this Section 3.5. Any dispute as to whether Director has unreasonably withheld its approval of a matter described in this Section 3.5 shall be submitted to arbitration pursuant to Article 16 of this Lease.

3.6 Compliance with Regulations. Lessee shall comply with all Applicable Laws and shall pay for and maintain any and all required licenses and permits related to or affecting the use, operation, maintenance, repair or improvement of the Premises or Improvements. Without limitation of the foregoing, Lessee shall comply with (i) all conditions and requirements of Coastal Development Permit No(s). _____ **[PRIOR TO LEASE EXECUTION INSERT ANY COASTAL DEVELOPMENT PERMIT NO(S). ISSUED FOR RENOVATION WORK]**, which conditions and requirements are attached to this Lease as Exhibit D and incorporated herein by this reference, and (ii) all public access requirements of the Marina del Rey Local Coastal Program, as amended.

3.7 Rules and Regulations. Lessee agrees to comply with such other reasonable rules and regulations governing the use and occupancy of the Premises and Improvements as may be promulgated by County from time to time for general applicability on a non-discriminatory basis to other residential apartment and anchorage facilities in Marina del Rey, and delivered in writing to Lessee. Any dispute as to whether County has acted unreasonably in connection with the matters described in this Section 3.7 shall be submitted to arbitration pursuant to Article 16 of this Lease.

3.8 Reservations. Lessee and County expressly agree that this Lease and all of Lessee's rights hereunder shall be subject to all prior encumbrances, reservations, licenses, easements and rights of way existing as of the date of the Existing Lease or otherwise referenced in this Lease in, to, over or affecting the Premises for any purpose whatsoever, and also subject to any other encumbrances, reservations, licenses, easements and rights of way consented to by Lessee in writing.

Without limiting the foregoing, Lessee expressly agrees that this Lease and all rights hereunder shall be subject to all prior matters of record and the right of County or City existing as of the Effective Date or otherwise disclosed to or known to Lessee, as their interests may appear, to install, construct, maintain, service and operate sanitary sewers, public roads and sidewalks, fire access roads, storm drains, drainage facilities, electric power lines, telephone lines and access and utility easements across, upon or under the Premises, together with the right of County or the City to convey such easements and transfer such rights to others. Notwithstanding the foregoing or anything herein to the contrary, County agrees to cooperate with Lessee, at Lessee's cost, in Lessee's efforts to address title matters, if any, which would prevent Lessee from proceeding with the redevelopment of the Premises in accordance with the Renovation Work, as long as such efforts do not materially adversely affect the County (e.g., cooperating with Lessee in the relocation at Lessee's cost of any easements which interfere with the Renovation Work, to the extent such relocation is reasonably acceptable to County).

4. PAYMENTS TO COUNTY.

4.1 Net Lease. The parties acknowledge that the rent to be paid by Lessee under this Lease is intended to be absolutely net to County. The rent and other sums to be paid to County hereunder are not subject to any credit, demand, set-off or other withholding. Except as specifically set forth herein, Lessee shall be solely responsible for all capital costs (including, without limitation, all structural and roof repairs or replacements) and operating expenses

attributable to the operation and maintenance of the Premises and Improvements, including without limitation the parking areas included within the Premises.

4.1.1 Utilities. In addition to the rental charges as herein provided, Lessee shall pay or cause to be paid all utility and service charges for furnishing water, power, sewage disposal, light, telephone service, garbage and trash collection and all other utilities and services, to the Premises and Improvements.

4.1.2 Taxes and Assessments. Lessee agrees to pay before delinquency all lawful taxes, assessments, fees, or charges which at any time may be levied by the State, County, City or any tax or assessment levying body upon any interest in this Lease or any possessory right which Lessee may have in or to the Premises or the Improvements thereon for any reason, as well as all taxes, assessments, fees, and charges on goods, merchandise, fixtures, appliances, equipment, and property owned by it in, on or about the Premises. Lessee's obligation to pay taxes and assessments hereunder shall include but is not limited to the obligation to pay any taxes and/or assessments, or increases in taxes and/or assessments arising as a result of the grant to Lessee of the Option or Lessee's exercise thereof. Lessee shall have the right to contest the amount of any assessment imposed against the Premises or the possessory interest therein; provided, however, the entire expense of any such contest (including interest and penalties which may accrue in respect of such taxes) shall be the responsibility of Lessee.

The parties acknowledge that the Premises are and shall continue to be subject to possessory interest taxes, and that such taxes shall be paid by Lessee. This statement is intended to comply with Section 107.6 of the Revenue and Taxation Code. Lessee shall include a statement in all Subleases to the effect that the interests created therein are derived from the Lessee's interest under this Lease and that Lessee's interest requires the payment of a possessory interest tax.

4.2 Rental Payments. Throughout the Term, for the possession and use of the Premises granted herein, Lessee shall pay County (a) the Annual Minimum Rent described in subsection 4.2.1 below, and (b) the Percentage Rent described in subsection 4.2.2 below. For purposes of this Lease **Annual Rent** shall mean the aggregate of the Annual Minimum Rent and Percentage Rent.

4.2.1 Annual Minimum Rent and Monthly Minimum Rent. Lessee shall pay to County the minimum rent described in this Subsection 4.2.1 (subject to adjustment pursuant to Sections 4.3 and 4.4 below) during each Lease Year during the Term (the **Annual Minimum Rent**). Annual Minimum Rent shall be payable by Lessee to County on a monthly basis in equal installments of one-twelfth (1/12th) of the Annual Minimum Rent (the **Monthly Minimum Rent**); provided, however, if any period during which the Annual Minimum Rent is calculated is shorter or longer than a calendar year, then the Annual Minimum Rent for such period shall be calculated on a pro rata basis based on the number of days in the applicable period as compared to 365, and Monthly Minimum Rent shall be payable in equal monthly installments of such pro rata Annual Minimum Rent.

During the period from the Effective Date through the December 31 that is the closest in time to the third (3rd) anniversary of the Effective Date, the Annual Minimum Rent shall be equal to seventy-five percent (75%) of the average total rent that was payable by Lessee under the Existing Lease for each of the three (3) full Lease Years preceding the Effective Date, provided that in no event shall the Annual Minimum Rent for the period described in this paragraph be less than the annual square foot rental required to be paid under Section 12 of the Existing Lease as of the date immediately prior to the Effective Date.

As of the January 1 immediately following the period described in the immediately preceding paragraph (the **First Adjustment Date**) and thereafter during the remainder of the Term, the Annual Minimum Rent shall be adjusted in accordance with the terms and provisions of Sections 4.3 and 4.4 below.

4.2.2 Percentage Rent. For the purposes of this Lease, **Percentage Rent** for any given month or year shall be defined as the sum of the amounts set forth in this Subsection 4.2.2, less the Annual Minimum Rent for such month or year. Gross Receipts (as defined herein) from each transaction, sale or activity of Lessee (or any Sublessee) on, from or within the Premises or Improvements shall be reported under one or more of the percentage categories set forth below, as applicable. It is understood that Article 3 of this Lease provides for the Permitted Uses of the Premises and that the percentage categories listed below are not all applicable to this Lease and are in no way intended to expand or modify the Permitted Uses. Director, by Policy Statement and with the approval of Lessee, Auditor-Controller and County Counsel, has interpreted and may further interpret the percentage categories as set forth in this Subsection 4.2.2, with such determinations and interpretations to be a guideline in determining the appropriate categories. Within fifteen (15) days after the close of each and every calendar month of the Term, Lessee shall file a report of Gross Receipts and pay to County a sum equal to the total of the following percentages of Gross Receipts for such previous month, less the amount of the installment of Monthly Minimum Rent paid for such previous month.

(a) TWENTY FIVE PERCENT (25%) of Gross Receipts or other fees for the rental or use of boat slips, anchorages, moorings, dockside storage space, and other water-side facilities and services ancillary thereto as are generally provided in common to tenants thereof, including receipts obtained from persons who live on their boats;

(b) TWENTY PERCENT (20%) of Gross Receipts from the rental or other fees charged for the use of dry storage facilities, landside storage space, boats, motors, tackle, recreational equipment, tools, equipment, launch and retrieval of small boats and from the sale of live bait;

(c) TWELVE PERCENT (12%) of Gross Receipts or other fees charged for (1) the occupancy of apartments, (2) the rental or use of meeting rooms, or (3) the rental or use of land and/or water or facilities for activities not otherwise provided for in this section, such as but not limited to television, motion pictures or other media filming purposes;

(c1) TWELVE PERCENT (12%) of Gross Receipts or other fees charged for the rental, use or occupancy of (1) offices utilized for banking, financial or investment activities, internal clerical or administrative activities (other than Lessee's management office), business enterprises, real estate and insurance brokerage, legal, medical, engineering, travel agencies, yacht club purposes, or similar uses; or (2) restaurants, stores, shops, or other retail establishments; provided that, except as provided in Subsection 4.2.2.5, Gross Receipts or other fees charged for the occupancy of restaurants, stores, shops or other commercial establishments shall not be included in the calculation of Percentage Rent under this category (c1) if the Gross Receipts from the operation of such businesses (as opposed to the rentals paid for the rental, use or occupancy of the space) are required to be reported under another Percentage Rent category;

(d) Intentionally omitted;

(e) FIVE PERCENT (5%) of commissions or other fees earned from boat brokerage, car rental agencies, marine insurance commissions where the sale of insurance is conducted in conjunction with boat sales and/or boat brokerage, laundry and dry cleaning commissions and other similar activities where earnings are normally on a commission basis;

(f) With respect to service enterprises, including, without limitation, cable television, internet, satellite, telecommunication or other antennae fees, telephone and other utility services, and valet parking services, FIVE PERCENT (5%) of the Gross Receipts received by Lessee (or an affiliate of Lessee or a subtenant) from such enterprise if Lessee (or an affiliate of Lessee or such subtenant) is the operator of such enterprise, or TWENTY PERCENT (20%) of any commissions or fees collected by Lessee (or an affiliate of Lessee or a subtenant) from such enterprise if a third party provider is the operator of such enterprise;

(g) SIX PERCENT (6%) of the Gross Receipts received by Lessee (or a subtenant) if Lessee (or a subtenant) is the operator of the enterprise, or TWENTY PERCENT (20%) of any commissions or fees collected by Lessee (or an affiliate of Lessee or a subtenant) if a third party provider is the operator of the enterprise, from commercial boating activities including, but not limited to, charter boat, bareboat charters and sport fishing boats;

(h) With respect to the installation or operation of coin-operated vending or service machines, including pay telephones, FIVE PERCENT (5%) of the Gross Receipts received by Lessee (or an affiliate of Lessee or a subtenant) from such enterprise if Lessee (or an affiliate of Lessee or a subtenant) is the operator of such enterprise, or TWENTY-FIVE PERCENT (25%) of any commissions or fees collected by Lessee (or an affiliate of Lessee or a subtenant) from such enterprise if a third party provider is the operator of such enterprise;

(i) TEN PERCENT (10%) of Gross Receipts from the operation of a bar, tavern, cocktail lounge, discotheque, night club or other facilities engaged primarily in the on-premises sale of alcoholic beverages, except as provided for in category (j);

(j) THREE AND ONE-HALF PERCENT (3½%) of Gross Receipts from the operation of a restaurant, restaurant/cocktail lounge combination, coffee shop, beach or theater food facility, except that Gross Receipts from facilities established and operated as a take-out food operation shall be reported under category (s) below; a "take-out food operation" shall mean a restaurant or other food operation a majority of the Gross Receipts from which are derived from the sale of food or beverages to be consumed off-site;

(k) Intentionally omitted;

(l) Intentionally omitted;

(m) FIFTEEN PERCENT (15%) of Gross Receipts from club dues, initiation fees and assessments, except that separate assessments for capital improvements may be exempted; provided that to qualify for such an exemption Lessee must comply with the "Criteria for Eligibility for Exemption of Special Assessments from Gross Receipts" issued by Director;

(n) Intentionally omitted;

(o) Intentionally omitted;

(p) Intentionally omitted;

(q) FIVE PERCENT (5%) of Gross Receipts of cover charges or other fees charged for admission to facilities featuring entertainment, excluding movie theaters, whose Gross Receipts shall be reportable under category (s) below;

(r) TWENTY PERCENT (20%) of Gross Receipts from parking fees, except that (1) parking fees or charges, if any, which are collected in conjunction with an activity the Gross Receipts from which are required to be reported in a percentage category higher than twenty percent (20%) shall be included in Percentage Rent at such higher percentage; and (2) valet parking charges, fees and tips shall not be included in Percentage Rent under this category, but instead shall be included in Percentage Rent under category (f) above;

(s) FIVE PERCENT (5%) of Gross Receipts from the sale of miscellaneous goods and services consistent with the Permitted Uses, but not specifically provided for elsewhere in this Subsection 4.2.2; and

(s1) FIVE PERCENT (5%) of the Gross Receipts from the operation of all stores, shops or boutiques selling items at retail.

If with the prior approval of County or Director Lessee hereafter engages in a use that is not currently permitted under this Lease and as to which there is no specific percentage set forth above applicable to such additional or related use, then concurrent with the approval by County or Director of such specific additional use, Director and Lessee shall negotiate in good faith with Lessee to establish the specific percentage to be

applied to such use. Such percentage shall be the greater of (1) the average percentage received by County with respect to that category of activities within Marina del Rey, California at the time of approval of the additional or related use, and (2) the most recent agreement between County and a Marina del Rey lessee, whether by arbitration or otherwise, with respect to the appropriate percentage to be applied to that use. The Percentage Rent for the additional or related use as determined pursuant to this paragraph shall remain in effect until the next Renegotiation Date.

Lessee intends to offer concierge services as an amenity for the occupants of the residential apartments, such as, but not limited to, services to obtain entertainment, sporting event or amusement park tickets, transportation services, merchandise, food or other services for such residential apartment occupants. If payment is received from a concierge patron that represents merely reimbursement of the cost for the subject ticket, merchandise, food or service obtained for the concierge patron, then such payment shall not be included in Gross Receipts to the extent that such reimbursement is remitted to the ticket, merchandise, food or service provider. However, if (i) any business other than merely providing concierge services is operated on or from the Premises (for example, but not limited to, the sale or brokering of the sale of entertainment, sporting event or amusement park tickets, merchandise, food or other services), then all receipts from such business shall be included in Gross Receipts, and Percentage Rent shall be paid with respect to such Gross Receipts in accordance with the applicable Percentage Rent category set forth above in this Subsection 4.2.2; (ii) if only concierge services are provided, but any payment or other compensation is received from the concierge patron in excess of the amount required to reimburse the cost of the ticket, merchandise, food or service obtained for the concierge patron (for example, but not limited to, a mark-up, service fee or other compensation), then the amount of such excess payment or other compensation shall be included in Gross Receipts, and Percentage Rent shall be paid with respect to such Gross Receipts in accordance with Percentage Rent category (f) above; and (iii) if any payment or other compensation is received from a ticket, merchandise, food or service provider or other party in the nature of a commission or other compensation relating to the services described in this paragraph, then such payment or other compensation shall be included in Gross Receipts, and Percentage Rent shall be paid with respect to such Gross Receipts in accordance with Percentage Rent category (f) above.

4.2.2.1 Other Activities. If Director or Lessee reasonably determine that a percentage of Gross Receipts is not suitable or applicable for a particular activity not described above, although permitted hereunder, Director and Lessee shall mutually establish a minimum monthly payment to County as payment for the privilege of engaging therein, which shall remain effective until the next Renegotiation Date. Said minimum monthly amount shall be reasonable in accordance with the revenue generated by such activity and shall be included in Percentage Rent, as determined hereunder, in lieu of a percentage of Gross Receipts therefor.

4.2.2.2 Payment of Percentage Rent/Accounting Records and Procedures. Within fifteen (15) days after the close of each and every calendar month

of the Term hereof, Lessee shall file with County a report of Gross Receipts by category for such previous month, and the amount of Percentage Rent resulting therefrom. Lessee shall include with such report a payment to County of the amount by which the Percentage Rent for such previous month exceeds the Monthly Minimum Rent paid by Lessee for such previous month. Lessee agrees to and shall comply with, and shall cause all of Sublessees to agree to and comply with, the recordkeeping and accounting procedures, as well as the inspection and audit rights granted to County, set forth in Article 14 of this Lease.

4.2.2.3 Gross Receipts. Except as herein otherwise provided, the term ☐Gross Receipts☐ as used in this Lease means all money, cash receipts, or other things of value, including but not limited to gross charges, sales, rentals, common area maintenance payments, operating expense reimbursements, fees and commissions made or earned by Lessee and/or all Sublessees, from any business, use, occupation or any combination thereof, originating, transacted, or performed in whole or in part, on the Premises, including but not limited to rentals, the rendering or supplying of services and the sale of goods, wares or merchandise, calculated in accordance with the accounting method described in the last sentence of Section 14.1.

(1) Except as otherwise set forth herein, there shall be no deduction from Gross Receipts for any overhead or cost or expense of operation, such as, without limitation, salaries, wages, costs of goods, interest, debt amortization, rent credit (but the value of any free rent period shall not be imputed as Gross Receipts), collection costs, discounts from credit card operations, insurance and taxes.

(2) Gross Receipts shall not include direct taxes imposed upon the consumer and collected therefrom by Lessee such as, without limitation, retail sales taxes, excise taxes, or related direct taxes paid periodically by Lessee to a governmental agency accompanied by a tax return statement.

(3) Gross Receipts shall not include security deposits paid by a Sublessee to Lessee to be held by Lessee as security for Sublessee's obligations under its Sublease, license or permit, except to the extent Lessee allocates or applies any portion of such security deposit to unpaid rent or other amounts owed by such Sublessee to Lessee, in which event the sum so allocated or applied shall be included in Gross Receipts as of the date of such allocation or application.

(4) Gross Receipts must include the usual charges for any services, goods, rentals or facilities provided by Lessee or Sublessees. Bona fide bad debts actually accrued for amounts owed by Sublessees, concessionaires, customers or patrons may be deducted from Gross Receipts to the extent that such amounts have been previously reported as Gross Receipts; however, there shall be no deduction for bad debts based on past experience or transfer to a bad debt reserve. Subsequent collection of bad debts previously not reported as Gross Receipts shall be included in Gross Receipts at the time they are collected.

(5) In those instances where Gross Receipts are based on the sale of merchandise, food, beverages or services, Gross Receipts shall not include any of the following items:

a. goods returned to suppliers or which are delivered for resale (as opposed to delivery) to another retail location or to a warehouse or to any retailers without profit to Lessee, where such returns or deliveries are made solely for the convenient operation of the business of Lessee or Sublessee and not for the purpose of consummating a sale made in, about or from the Premises;

b. an amount equal to the cash refunded or credit allowed on merchandise returned by customers and accepted by Lessee, or the amount of cash refunded or credit allowed thereon in lieu of Lessee's acceptance thereof, but only to the extent that the sales relating to such merchandise were made in, about or from the Premises; provided that whenever Lessee accepts a credit slip as payment for goods or services, the amount of credit shall be included in Gross Receipts;

c. sales of fixtures, equipment or property which are not Lessee's stock in trade;

d. receipts from insurance claims other than rental interruption or business interruption insurance related to the replacement of Gross Receipts;

e. interest earned by Lessee on funds arising from the Premises or the use thereof, deposited or maintained by Lessee in banks or similar financial institutions;

f. tips and gratuities paid to employees;

g. goods or meals provided to employees of the business operation at cost or less, and complimentary meals offered for promotional purposes; provided, however, that the amounts excluded under this paragraph (g) in connection with a particular business operation shall not exceed two percent (2%) of the Gross Receipts from such business operation in any year;

h. receipts from vending machines used solely by employees of the business operation;

i. fees or charges paid to credit card companies in connection with customer purchases made by use of a credit card; provided, however, that the amounts excluded under this paragraph (i) in connection with a particular business operation shall not exceed one percent (1%) of the Gross Receipts from such business operation in any year;

j. interest or other charges paid by customers of Sublessees for the extension of credit;

k. the sale of promotional merchandise by Sublessees at cost;
and

l. amounts received for services rendered by a Sublessee of an individual apartment unit (or by a live-aboard) in connection with the operation by such Sublessee (or live-aboard) of an in-home business in such apartment unit (or the boat of such live-aboard), as long as the primary purpose of Sublessee's use of the apartment unit (or boat) is for residential occupancy and such in-home business is an incident to such residential use.

(6) Gross Receipts shall not include payments received by Lessee from a Sublessee for the Cost of such Sublessee's submetered electricity, provided (A) each Sublessee's obligation to reimburse Lessee for such Sublessee's electrical charges is separate and apart from such Sublessee's obligation to pay rent for its occupancy of the Premises; (B) the reimbursed sum is in an amount equal to the Cost of the Sublessee's electricity; and (C) the amount received is actually credited against the cost of the Sublessee's electricity. For the purpose of this paragraph (6), the "Cost" of a Sublessee's electricity shall mean the actual out-of-pocket costs incurred by Lessee, exclusive of overhead and general and administrative expenses, in paying the portion of the respective utility's electric bill that is allocable to the Sublessee based on such Sublessee's submetered consumption of electricity, and in paying the portion of any third party submeter reading and service charge to each submeter that is actually read and a direct allocation of the submeter service charge to each such submeter that is serviced. County shall have the right to approve all submeters and to challenge the legitimacy or amount of any Cost, and all disputes regarding such County approvals or challenges, if not resolved by the parties within thirty (30) days after notice to Lessee of such disapproval or challenge, shall be resolved by arbitration pursuant to Article 16 of this Lease. The terms and provisions of this paragraph 6 shall also be applicable to other submetered utility charges, such as water and gas, to the extent that it is customary for Sublessees to be responsible for such other utility charges.

4.2.2.4 Excess Payments Credit. If payments of Monthly Minimum Rent and Percentage Rent actually made by Lessee in a particular Lease Year exceed the total Annual Minimum Rent and Percentage Rent that would have been due for such Lease Year if computed on an annual basis at the end of such Lease Year, Lessee shall be permitted to credit that excess amount (**"Excess Percentage Rent Payment"**) against the succeeding monthly installments of Percentage Rent otherwise due under this Subsection 4.2.2 until such time as the entire Excess Percentage Rent Payment has been recouped. If Lessee makes an Excess Percentage Rent Payment in the final Lease Year of the Term, County shall refund such amount to Lessee within thirty (30) days after County's verification of such overpayment, which County agrees to use its reasonable efforts to diligently complete after receipt by County of all information required for County to calculate the Excess Percentage Rent Payment and to resolve any audits of Percentage Rent.

4.2.2.5 Effect of Sublessee Doing Business. Except as specifically provided to the contrary in this Lease, where a Sublessee is conducting a business or engaged in any use or occupation or any combination thereof on Lessee's leasehold except for a business conducted under Item (1) of category (c1) of Subsection 4.2.2, for purposes of determining Percentage Rent Lessee shall report whichever of the following results in the greater Percentage Rent: (i) the Gross Receipts received by each Sublessee under one or more of categories (a) through (s1) of Subsection 4.2.2; or (ii) the Gross Receipts received by Lessee from such Sublessee under category (c) or (c1) of Subsection 4.2.2.

4.2.2.6 Interest, Service Fees or Late Charges. Interest, service fees or late charges collected in conjunction with a transaction, sale or activity of Lessee or Sublessee shall be reported in the same percentage category as the transaction, sale or activity is reported.

4.2.2.7 Percentage Rent Does Not Affect Permitted Uses. It is understood and acknowledged by Lessee that Section 3.1 of this Lease sets forth the Permitted Uses of the Premises by Lessee; thus, the Percentage Rent categories listed in Subsection 4.2.2 are not all necessarily applicable to this Lease and are in no way intended to expand the Permitted Uses.

4.2.2.8 Policy Statements. Director, by Policy Statement and with the approval of Lessee, Auditor-Controller and County Counsel may further interpret the definition of Gross Receipts, with such interpretations to be a guideline in implementing the foregoing Subsections of this Lease.

4.2.3 Restriction on Boat Slip Rental Rates Charged to Sublessees. Lessee agrees that during the first three (3) years following the Effective Date, the rental rate charged to each Sublessee of a boat slip shall not exceed the Adjusted Base Boat Slip Rental Rate (as defined below) for the particular category of boat slip leased to such Sublessee, increased by four percent (4%) per annum from the Effective Date. For purposes hereof, the **Adjusted Base Boat Slip Rental Rate** means the base rental rate for each category of boat slip set forth in Exhibit I, as increased by the percentage increase in the Consumer Price Index from the month of January, 2008 until the month of the Effective Date of this Lease. During the three (3) year period following the Effective Date, operating expense or other reimbursements or charges (if any) payable by boat slip Sublessees shall be calculated and assessed in the same manner as calculated and assessed by Lessee prior to the Effective Date such that no modification in the manner of the calculation or assessment of operating expense or other reimbursements or charges (if any) payable by boat slip Sublessees is used to circumvent the intent of the restriction set forth in the first sentence of this Subsection 4.2.3.

4.3 Adjustments to Annual Minimum Rent. As of the First Adjustment Date and every three (3) years thereafter until the first Renegotiation Date, and thereafter each third (3rd), sixth (6th) and ninth (9th) anniversary of each Renegotiation Date (each an **Adjustment Date** and collectively the **Adjustment Dates**), the Annual Minimum Rent shall be adjusted as provided in this Section 4.3. The Annual Minimum Rent shall be adjusted as of each Adjustment Date to the

amount which equals seventy five percent (75%) of the average of the total Annual Rent payable by Lessee to County each year under Section 4.2 of this Lease during the three (3) year period immediately preceding the Adjustment Date; provided, however, that the Annual Minimum Rent shall be never be reduced to less than the Annual Minimum Rent in effect immediately prior to the then-applicable Adjustment Date.

4.4 Renegotiation of Annual Minimum and Percentage Rents. Effective as of the first January 1 following the tenth (10th) anniversary of the Effective Date, and the January 1 following each subsequent tenth (10th) anniversary of the Effective Date thereafter (each a **Renegotiation Date** and collectively, the **Renegotiation Dates**), the Annual Minimum Rent and Percentage Rent shall be readjusted to the Fair Market Rental Value (as defined below) of the Premises.

4.4.1 Fair Market Rental Value. As used herein, **Fair Market Rental Value** shall mean, as of each Renegotiation Date, the fair market rent, including an annual minimum rent and percentage rent, with the percentage rent expressed as the respective percentages of Gross Receipts in accordance with the categories enumerated in Subsection 4.2.2, which the Premises would bring, on an absolute net basis, taking into account the Permitted Uses, all relevant and applicable County policies and all of the other terms, conditions and covenants contained in the Lease, if the Premises were exposed for lease for a reasonable time on an open and competitive market to a lessee for the purpose of the Permitted Uses, where County and the respective tenant are dealing at arms length and neither is under abnormal pressure to consummate the transaction, together with all restrictions, franchise value, earning power and all other factors and data taken into account in accordance with California law applicable from time to time to eminent domain proceedings.

Notwithstanding any contrary provision of this Lease, in connection with the readjustment of Annual Minimum Rent and Percentage Rent pursuant to this Section 4.4, (a) in no event shall the Annual Minimum Rent ever be reduced to an amount less than the Annual Minimum Rent in effect immediately prior to the Renegotiation Date, and (b) in no event shall any individual Percentage Rent category (i.e., each of categories (a) through (s1) in Subsection 4.2.2 above) ever be reduced below the percentage for such Percentage Rent category set forth in Subsection 4.2.2 above, and the requirement set forth in this sentence that no individual Percentage Rent category percentage shall be reduced below that set forth in Subsection 4.2.2 shall have no effect on the determination of the Fair Market Rental Value for any other Percentage Rent category in which the Fair Market Rental Value percentage might be greater than that set forth in Subsection 4.2.2.

4.4.2 Renegotiation Period. Not more than one (1) year nor less than nine (9) months prior to the Renegotiation Date, Lessee shall deliver to County written notice setting forth Lessee's determination of the Fair Market Rental Value of the Premises for (a) the Annual Minimum Rent, and (b) a Gross Receipts percentage for each of the Percentage Rent categories set forth in Subsection 4.2.2. Lessee's notice shall include a list of comparable properties and/or complete copies of any appraisals which it has utilized in its determination, together with such other information regarding such comparable properties or the Premises as Lessee deems relevant or as may be reasonably

requested by County. Within one hundred twenty (120) days after receipt of Lessee's notice, if County disagrees with Lessee's determination, County shall deliver to Lessee written notice of such disagreement, together with County's determination of Fair Market Rental Value and a list of comparable properties and/or complete copies of any appraisals which it has utilized in its determination, together with such other information regarding such comparable properties or the Premises as County deems relevant or as may be reasonably requested by Lessee, to the extent available to County. If County fails to deliver to Lessee notice of its disagreement within the aforementioned period and such failure continues for fifteen (15) days after receipt of written notice from Lessee, then Lessee's determination of Fair Market Rental Value shall be binding on County as of the Renegotiation Date; provided, however, that Lessee's notice to County shall conspicuously state in bold faced type that such determination of Fair Market Rental Value shall be binding on County unless County delivers notice of its disagreement within such fifteen (15) day period.

If Lessee fails to deliver the notice described in the first sentence of this subsection, setting forth Lessee's determination of Fair Market Rental Value, and such failure continues for fifteen (15) days after receipt of written notice from County, then County shall submit its determination of Fair Market Rental Value to Lessee, and Lessee shall have fifteen (15) days after the submittal by County to Lessee of County's determination of Fair Market Rental Value to deliver to County written notice of Lessee's agreement or disagreement with County's determination. If Lessee fails to deliver notice of such disagreement within such fifteen (15) day period and County's notice to Lessee conspicuously stated in bold faced type that such determination of Fair Market Rental Value shall be binding on Lessee unless Lessee delivers notice of its disagreement within such fifteen (15) day period, then County's determination of Fair Market Rental Value shall be binding on Lessee as of the Renegotiation Date.

4.4.3 Negotiation of Fair Market Rental Value. If County (or Lessee, as the case may be) does so notify Lessee (or County, as the case may be) of its disagreement as provided in Subsection 4.4.2, County and Lessee shall have sixty (60) days from the end of the applicable response period in which to agree upon the Fair Market Rental Value for the Premises. County and Lessee shall negotiate in good faith during said sixty (60) day period. If the parties do so agree, they shall promptly execute an amendment to this Lease that documents the new Annual Minimum Rent and Percentage Rent so jointly determined, to be effective upon the Renegotiation Date. Director shall be authorized to execute any such amendment on behalf of County. During the period of negotiation, Lessee shall abide by all of the terms and conditions of this Lease, including but not limited to the obligation to continue to pay to County Annual Minimum Rent and Percentage Rent at the then-existing levels.

4.4.4 Arbitration. If County and Lessee fail to reach agreement during the sixty (60) day period set forth in Subsection 4.4.3, then, unless the parties agree otherwise, the Fair Market Rental Value of the Premises shall be determined by arbitration as set forth in Article 16 of this Lease and the parties shall execute an amendment to this Lease setting forth the Fair Market Rental Value as determined by arbitration. In order to determine the Fair Market Rental Value of the Premises, the

arbitrator shall take into consideration the terms and provisions applicable to the calculation of the Fair Market Rental Value set forth in Subsection 4.4.1. During the period of arbitration, County and Lessee shall abide by all of the terms and conditions of this Lease, including but not limited to Lessee's obligation to pay to County Annual Minimum Rent and Percentage Rent at then existing levels.

4.4.5 Retroactivity. In the event that, pursuant to Subsections 4.4.3 or 4.4.4 hereof, the parties execute an amendment to this Lease setting forth the new Annual Minimum Rent and Percentage Rent, such amendment, if executed prior to the Renegotiation Date, shall be effective as of the Renegotiation Date; if executed after the Renegotiation Date, such amendment shall be retroactive to the Renegotiation Date. In the event that such amendment is executed after the Renegotiation Date, then, within thirty (30) days after such execution, Lessee shall pay to County, or County shall pay or, at its election, credit to Lessee, the difference, if any, between (a) such Fair Market Rental Value for the Premises and (b) the actual Annual Minimum Rent and Percentage Rent paid by Lessee to County, for the period of time from the Renegotiation Date until the date of such payment. Lessee (with respect to overpayments) or County (with respect to underpayments) shall further be entitled to interest on each portion of such payment from each date on which the applicable rental payments were payable under this Lease to the date paid or credited, whichever is applicable, at the following rates:

(1) the interest rate applicable to the first six (6) months following the Renegotiation Date shall be equal to the average daily rate for the non-restricted funds held and invested by the Treasurer and Tax Collector of Los Angeles County during that period, computed by the Auditor-Controller (**County Pool Rate**); and,

(2) the interest rate applicable to any period of time in excess of six (6) months following the Renegotiation Date shall be the Prime Rate in effect as of the date that is six (6) months after the Renegotiation Date, and such interest shall accrue for the period from the date that is six (6) months after the Renegotiation Date until the date of payment.

No late fee shall be payable under Section 4.5 with respect to any underpayment of rent retroactively readjusted pursuant to this Subsection 4.4.5 as long as Lessee pays to County any such rent underpayment and accrued interest within the thirty (30) day period prescribed in this Subsection 4.4.5.

4.5 Payment and Late Fees. Monthly Minimum Rent shall be paid by Lessee in advance. Payments of Minimum Monthly Rent shall be received by County on or before the first day of each calendar month of the Term. Percentage Rent shall be paid by Lessee in arrears. Percentage Rent due, if any, for a given month of the Term shall be received by County on or before the fifteenth (15th) day of the calendar month following each month of the Term, calculated as follows: the Lessee shall calculate the total Percentage Rent owed to County for the relevant month of the Term; it shall deduct from said amount the total Monthly Minimum Rent paid to County for that same month; if the resulting amount is a positive number, Lessee shall pay that amount to County; if that amount is a negative number, no Percentage Rent shall be paid to County for that month but nevertheless the Monthly Minimum Rent shall be paid every month of

the Term hereof. Percentage Rent payments shall be reconciled annually at the end of each Lease Year, with any Excess Percentage Rent Payments credited as provided in Subsection 4.2.2.4. Payment may be made by check or draft issued and payable to The County of Los Angeles, and mailed or otherwise delivered to the Department of Beaches and Harbors, Los Angeles County, 13483 Fiji Way, Trailer No. 2, Marina del Rey, California 90292, or such other address as may be provided to Lessee by County.

Lessee acknowledges that County shall have no obligation to issue monthly rental statements, invoices or other demands for payment, and that the rental payments required herein shall be payable notwithstanding the fact that Lessee has received no such statement, invoice or demand. In the event any payment under this Lease is not received by County by the date due, Lessee acknowledges that County will experience additional management, administrative and other costs that are impracticable or extremely difficult to determine. Therefore, a fee (**□Late Fee□**) of six percent (6%) of the unpaid amount shall be added to any amount that remains unpaid five (5) days after such amount was due and payable; provided, however, that no Late Fee shall be assessed in the case of the first late payment by Lessee during any Lease Year as long as such late payment is cured within one (1) business day after Lessee receives written notice from County. In addition to any Late Fee, any unpaid rent due shall additionally bear interest at an annual rate equal to the Prime Rate plus three percent (3%), computed from the date when such amounts were due and payable, compounded monthly, until paid. Lessee acknowledges that such Late Fee and interest shall be applicable to all identified monetary deficiencies under this Lease, whether identified by audit or otherwise, and that interest on such amounts shall accrue from and after the date when such amounts were due and payable as provided herein (as opposed to the date when such deficiencies are identified by County); provided, however, with respect to any obligation of an Encumbrance Holder in connection with the exercise of its cure rights under Article 12 below, interest accrual on any particular obligation for periods prior to the Encumbrance Holder's acquisition of leasehold title to the Premises shall be limited to a maximum of three (3) years.

4.6 Changes of Ownership and Financing Events. Except as otherwise provided in this Section 4.6, each time Lessee proposes either (a) a Change of Ownership (that is not an Excluded Transfer) or (b) a Financing Event, County shall be paid (1) an Administrative Charge equal to the Actual Cost incurred by County in connection with its review and processing of said Change of Ownership or Financing Event (**□Administrative Charge□**) and (2) subject to the remaining provisions of this paragraph, a Net Proceeds Share, in the event County approves such proposed Change of Ownership or Financing Event and such transaction is consummated. **□Net Proceeds Share□** shall mean the applicable amount determined pursuant to Section 4.8 of this Lease. Changes of Ownership are subject to County approval as provided in Article 11 of this Lease. Financing Events are not Changes of Ownership, but are subject to County approval as provided in Article 12 of this Lease.

Notwithstanding any contrary provision of this Section 4.6, Lessee shall not be obligated to pay a Net Proceeds Share with respect to (i) the original construction loan obtained to finance the cost of the Renovation Work and (ii) the Financing Event to take out such original construction loan if such Financing Event is funded pursuant to a forward commitment received by Lessee and delivered to Department prior to the date of the closing of such original construction loan.

4.6.1 Change of Ownership. **Change of Ownership** shall mean (a) any transfer by Lessee of a five percent (5%) or greater direct ownership interest in this Lease, (b) the execution by Lessee of a Major Sublease or the transfer by the Major Sublessee under a Major Sublease of a five percent (5%) or greater direct ownership interest in such Major Sublease, (c) any transaction or series of related transactions not described in subsections 4.6.1(a) or (b) which constitute an Aggregate Transfer of fifty percent (50%) or more of the beneficial interests in Lessee or a Major Sublessee, or (d) a Change of Control (as defined below) of Lessee or a Major Sublessee. For the purposes of this Lease, **Change of Control** shall refer to a transaction whereby the transferee acquires a beneficial interest in Lessee or a Major Sublessee which brings its cumulative beneficial interest in Lessee or a Major Sublessee, as applicable, to greater than fifty percent (50%).

4.6.2 Excluded Transfers. Notwithstanding anything to the contrary contained in this Lease, Changes of Ownership resulting from the following transfers (**Excluded Transfers**) shall not be deemed to create an obligation to pay County a Net Proceeds Share or any Administrative Charge:

4.6.2.1 a transfer by any direct or indirect partner, shareholder or member of Lessee (or of a limited partnership, corporation or limited liability company that is a direct or indirect owner in Lessee's ownership structure) as of the Effective Date or the date on which a Change of Ownership occurred as to the interest transferred, to any other direct or indirect partner, shareholder or member of Lessee (or of a limited partnership, corporation or limited liability company that is a direct or indirect owner in Lessee's ownership structure) as of the Effective Date, including in each case to or from a trust for the benefit of the immediate family (as defined in Subsection 4.6.2.3 below) of any direct or indirect partner, shareholder or member of Lessee who is an individual;

4.6.2.2 a transfer to a spouse (or to a domestic partner if domestic partners are afforded property rights under then-existing Applicable Laws) in connection with a property settlement agreement or decree of dissolution of marriage or legal separation, as long as such transfer does not result in a Change of Control of Lessee or a change in the managing member or general partner of Lessee;

4.6.2.3 a transfer of ownership interests in Lessee or in constituent entities of Lessee (i) to a member of the immediate family of the transferor (which for purposes of this Lease shall be limited to the transferor's spouse, children, parents, siblings and grandchildren, and any direct descendants of any of the foregoing of Kamran Hakim), (ii) to a trust for the benefit of a member of the immediate family of the transferor, (iii) from such a trust or any trust that is an owner in a constituent entity of Lessee as of the Effective Date, to the settlor or beneficiaries of such trust or to one or more other trusts created by or for the benefit of any of the foregoing persons, whether any such transfer described in this Subsection 4.6.2.3 is the result of gift, devise, intestate succession or operation of law, or (iv) in connection with a pledge by any partners of a constituent entity of Lessee to an affiliate of such partner;

4.6.2.4 a transfer of a beneficial interest resulting from public trading in the stock or securities of an entity, where such entity is a corporation or other entity whose stock (or securities) is (are) traded publicly on a national stock exchange or traded in the over-the-counter market and whose price is regularly quoted in recognized national quotation services;

4.6.2.5 a mere change in the form, method or status of ownership, as long as there is no change in the actual beneficial ownership of this Lease, Lessee or a Major Sublease, and such transfer does not involve an intent to avoid Lessee's obligations under this Lease with respect to a Change of Ownership;

4.6.2.6 any transfer resulting from a Condemnation by County; or

4.6.2.7 any assignment of the Lease by Lessee to a parent, subsidiary or affiliate of Lessee in which there is no change to the direct and indirect beneficial ownership of the leasehold interest.

4.6.3 Aggregate Transfer. **Aggregate Transfer** shall refer to the total percentage of the shares of stock, partnership interests, membership interests or any other equity interests (which constitute beneficial interests in Lessee or a Major Sublessee, as applicable) transferred or assigned in one transaction or a series of related transactions (other than those enumerated in Subsection 4.6.2) occurring since the later of (a) the Effective Date, (b) the execution of a Major Sublease in the case of an Aggregate Transfer involving a Major Sublessee, or (c) the most recent Change of Ownership upon which an Administrative Charge was paid to County; provided, however, that there shall be no double counting of successive transfers of the same interest in the case of a transaction or series of related transactions involving successive transfers of the same interest. Isolated and unrelated transfers shall not be treated as a series of related transactions for purposes of the definition of Aggregate Transfer.

4.6.4 Beneficial Interest. As used in this Lease, **beneficial interest** shall refer to the ultimate direct or indirect ownership interests in Lessee (or a Major Sublessee, as applicable), regardless of the form of ownership and regardless of whether such interests are owned directly or through one or more layers of constituent partnerships, corporations, limited liability companies or trusts.

4.6.4.1 Interests Held By Entities. Except as otherwise provided herein, an interest in Lessee, this Lease or a Major Sublease held or owned by a partnership, limited liability company, corporation or other entity shall be treated as owned by the partners, members, shareholders or other equity holders of such entity in proportion to their respective equity interests, determined by reference to the relative values of the interests of all partners, members, shareholders or other equity holders in such entity. Where more than one layer of entities exists between Lessee or a Major Sublessee, as applicable, and the ultimate owners, then the foregoing sentence shall be applied successively to each such entity in order to determine the ownership of the beneficial interests in Lessee, this Lease or a Major Sublease, as appropriate, and any transfers thereof. Notwithstanding any contrary provision

hereof, no limited partner, member or shareholder having a direct or indirect ownership interest in Lessee or a Major Sublease shall have any liability to County under this Lease.

4.6.4.2 Ownership of Multiple Assets. For purposes of determining the Gross Transfer Proceeds and Net Transfer Proceeds from a transaction or event that involves both a Change of Ownership and also the transfer of other assets or interests unrelated to this Lease, a Major Sublease or beneficial interests in Lessee or a Major Sublessee (as applicable), the proceeds of such transaction or event shall be apportioned to this Lease, a Major Sublease and/or beneficial interests in Lessee or a Major Sublessee (as applicable), on the one hand, and to the other unrelated assets or interests, on the other hand, in proportion to the relative fair market values of the respective assets transferred.

4.6.5 Financing Events Regarding Multiple Assets. For purposes of determining the Net Proceeds Share and Net Refinancing Proceeds from a financing transaction that involves both a Financing Event under this Lease and a financing in which other assets or interests unrelated to this Lease, a Major Sublease or beneficial interests in Lessee or a Major Sublessee secure the financing, the principal amount of such financing transaction shall be apportioned to this Lease, a Major Sublease and/or beneficial interests in Lessee or a Major Sublessee (as applicable), on the one hand, and to the other unrelated assets or interests that also secure the financing, on the other hand, in proportion to the relative fair market values of the respective assets that secure the financing.

4.7 Calculation and Payment. A deposit of Fifteen Thousand Dollars (\$15,000) toward the Administrative Charge shall be due and payable upon Lessee's notification to County of the proposed Change of Ownership (other than an Excluded Transfer) or Financing Event and request for County's approval thereof. If the transaction is approved, the balance of the Administrative Charge, if any, and the Net Proceeds Share shall be due and payable concurrently with the consummation of the transaction constituting the Change of Ownership (other than an Excluded Transfer) or Financing Event giving rise to the obligation to pay such fee, regardless of whether or not money is transferred by the parties in connection with such consummation. If County disapproves the proposed transaction then, within thirty (30) days after notice of its disapproval, County shall deliver to Lessee a written notice setting forth the Administrative Charge (including documentation in support of the calculation of the Administrative Charge), together with a refund of the amount, if any, of the deposit in excess of the Administrative Charge otherwise allowable under Section 4.6. In the event that the Administrative Charge exceeds the deposit, then Lessee shall pay County the balance of the Administrative Charge otherwise allowable under Section 4.6 within thirty (30) days after receipt of the notice from County setting forth the Administrative Charge (including documentation in support of the calculation of the Administrative Charge) and any additional supporting documentation reasonably requested by Lessee within five (5) business days after its receipt of such notice. At the time of Lessee's request for County approval of the proposed transaction (or in the case of a transaction, if any, as to which a Net Proceeds Share is payable but County's approval is not required, then at the time of Lessee's notice to County of the transaction, but in no event later than the consummation of the transaction), Lessee shall present (or cause to be presented) to County its calculation of the Net Proceeds Share (if any) anticipated

to be derived therefrom, which shall include the adjustment to Improvement Costs, if any, which may result from the payment of such Net Proceeds Share (**"Calculation Notice"**). Each Calculation Notice shall contain such detail as may be reasonably requested by County to verify the calculation of the Net Proceeds Share. Within thirty (30) days after the receipt of the Calculation Notice and all information or data reasonably necessary for County to verify the calculations within the Calculation Notice, County shall notify the party giving the Calculation Notice as to County's agreement or disagreement with the amount of the Net Proceeds Share set forth therein or the related adjustment of Improvement Costs, if any. If County disagrees with the amounts set forth in the Calculation Notice, County shall provide Lessee with the reason or reasons for such disagreement. Failing mutual agreement within thirty (30) days after the expiration of County's thirty (30) day review period, the dispute shall be resolved by arbitration as set forth in Article 16 of this Lease in the manner prescribed herein for the resolution of disputes concerning Fair Market Rental Value. In the event County approves a Change of Ownership or Financing Event but a dispute exists as to the Net Proceeds Share in respect thereof or the related adjustment, if any, in Improvement Costs, then the transaction may be consummated after County has disapproved Lessee's Calculation Notice; provided, however, that (i) Lessee shall remit to County as otherwise required hereunder the undisputed portion of the Net Proceeds Share and (ii) Lessee shall deposit the disputed portion of the Net Proceeds Share into an interest bearing escrow account at the closing of the transaction (or deliver to County a letter of credit or other security reasonably acceptable to County in the amount of the disputed portion), which disputed portion shall be distributed in accordance with the arbitration of the dispute pursuant to Article 16 of this Lease, in the manner prescribed herein for the resolution of disputes concerning Fair Market Rental Value.

4.7.1 Transfer of Less Than Entire Interest. Where a Change of Ownership has occurred by reason of the transfer of less than all of an owner's beneficial interest in Lessee or a Major Sublessee, the Net Proceeds Share shall be due and payable with respect to those portions of such beneficial interest that have been acquired by the transferee since the latest of (a) the Effective Date, (b) the date of the most recent event creating Lessee's obligation to pay a Net Proceeds Share (including without limitation an approval by County of a transfer at a price which falls below the threshold for paying a Net Proceeds Share) with respect to this Lease, a Major Sublease or a Change of Ownership that included a transfer of the beneficial interest that is the subject of the current transfer, or (c) the date which is twelve (12) months prior to the transfer which constitutes the Change of Ownership.

4.7.2 Purchase Money Notes. If the transferor of an interest accepts a note made by the transferee of such interest in payment of all or a portion of the acquisition cost (a **"Purchase Money Note"**), such note shall be valued at its face amount; provided that if the interest rate on such Purchase Money Note is in excess of a market rate, then the value of such note shall be increased to reflect such above-market rate. Any disputes between County and Lessee as to whether the interest rate on a Purchase Money Note is in excess of a market rate or with respect to the valuation of a Purchase Money Note with an above-market rate of interest, shall be settled by arbitration pursuant to Article 16 below.

4.7.3 Obligation to Pay Net Proceeds Share and Administrative Charge. With respect to a Change of Ownership giving rise to the Administrative Charge and Net Proceeds Share, the obligation to pay the Administrative Charge and Net Proceeds Share shall be the obligation of Lessee, and in the case in which the identity of the Lessee changes with the transfer, shall be the joint and several obligation of both the Lessee entity prior to the transfer and the Lessee entity after the transfer. In the event that the Administrative Charge or Net Proceeds Share is not paid when due with respect to the beneficial interest in this Lease, then County shall have the remedies set forth in Section 13.3 hereof; provided, however, in the case of a transfer of an interest in Lessee (as opposed to a transfer by Lessee of an interest in the Lease or the Premises) in which the transferor and transferee fail to pay the Administrative Charge and/or Net Proceeds Share due hereunder, as long as Lessee uses its best efforts to cause the payment of the required Administrative Charge and Net Proceeds Share to be made, County shall, for a period of up to three (3) years following the Change of Ownership, forbear from exercising any right to terminate the Lease as a result thereof; provided further that at the end of such three (3) year period County shall no longer have any obligation to forbear from terminating the Lease if the Administrative Charge and Net Proceeds Share, plus interest as described below, has not been paid in full. An Administrative Charge and Net Proceeds Share not paid when due hereunder shall bear interest at the Prime Rate plus three percent (3%). For purposes of determining whether County is required to forbear from terminating the Lease as described above, Lessee's obligation to use its best efforts to cause the payment of the unpaid Administrative Charge and/or Net Proceeds Share shall include the obligation at Lessee's expense, to institute a legal action against the transferor and transferee within ninety (90) days following the date of the transfer and to diligently prosecute such legal action to completion.

4.8 Net Proceeds Share. In the event of a Change of Ownership, the **Net Proceeds Share** shall be the amount by which the greater of the following exceeds the Administrative Charge paid by Lessee to County in connection with such Change of Ownership: (a) the lesser of (i) the Net Transfer Proceeds from such Change of Ownership, or (ii) five percent (5%) of the Gross Transfer Proceeds from such Change of Ownership; or (b) twenty percent (20%) of the Net Transfer Proceeds from such Change of Ownership.

With respect to a Financing Event, the **Net Proceeds Share** shall be the amount (if any) by which (I) twenty percent (20%) of the Net Refinancing Proceeds from such Financing Event exceeds (II) the Administrative Charge paid by Lessee to County in connection with the transaction.

Gross Transfer Proceeds shall mean an amount equal to the gross sale or transfer proceeds and other consideration given for the interests transferred (but in the case of a transfer to a party affiliated with or otherwise related to the transferor which constitutes a Change of Ownership that is not an Excluded Transfer, such consideration shall in no event be deemed to be less than the fair value of the interests transferred; if Lessee and County are unable to agree upon such fair value, then the matter shall be determined pursuant to Article 16).

Notwithstanding any contrary provision of this Section 4.8, in the calculation of Net Transfer Proceeds and Net Refinancing Proceeds derived from a Change of Ownership or

Financing Event, as applicable, pursuant to the remaining provisions of Section 4.8 below, there shall be no duplication of any amounts to be subtracted from Gross Transfer Proceeds or the gross principal amount of any Financing Event (as applicable), even if a particular amount qualifies for subtraction under more than one category.

4.8.1 Transaction by Original Lessee Under This Amended and Restated Lease Agreement. In the case of a transfer by Lessee (but not a transfer by a successor or assignee of Lessee) constituting a Change of Ownership for which a Net Proceeds Share is payable, **Net Transfer Proceeds** shall mean the Gross Transfer Proceeds from the transfer, less the following costs with respect to Lessee (but not its successors or assignees):

4.8.1.1 The sum of (a) Twenty-Six Million Seven Hundred Thousand Dollars (\$26,700,000.00), plus (b) the amount of the **Option Fee** paid by Lessee under the Option Agreement, plus (c) the actual out-of-pocket costs incurred by Lessee for its third party consultants and attorneys in connection with the negotiation and consummation of the Option Agreement and this Lease, plus (d) the Actual Costs reimbursed by Lessee to County in connection with the negotiation and consummation of the Option Agreement and this Lease (the sum of the amounts in (a), (b), (c) and (d) are referred to as the **Base Value**), plus (e) the final actual out-of-pocket design, engineering, permitting, entitlement and construction (including construction of the Promenade) costs paid by Lessee in connection with the Renovation Work or other physical capital Improvements or Alterations to the Premises after the Effective Date constructed by Lessee in compliance with Article 5 of this Lease (the amounts described in this clause (e) are referred to as **Improvement Costs**). Without limitation of the definition of Improvement Costs above, Improvement Costs shall include all actual out-of-pocket hard and soft construction costs paid to unaffiliated third parties (except that Lessee shall be entitled to include, to the extent actually incurred, construction management and/or development fees paid to an affiliate as long as the total amount of all construction management, development and similar fees paid to unaffiliated and affiliated parties does not exceed an aggregate of four percent (4%) of the hard construction costs), and actual construction period interest on Lessee's construction loan from an unaffiliated third party lender.

With respect to Improvement Costs pertaining to the Renovation Work, the Anchorage Improvements Replacement or the Subsequent Renovation, Lessee shall submit the Improvement Costs to Director on a progress basis at the end of each ninety (90) day period during construction of each such project, along with a final accounting of total Improvement Costs for the applicable project within ninety (90) days after the completion of the work. With respect to Improvement Costs for Alterations which are not part of the Renovation Work, the Anchorage Improvements Replacement or the Subsequent Renovation, Lessee shall submit such Improvement Costs to Director on an annual basis within ninety (90) days following the end of each Lease Year. Lessee shall accompany the final accounting of the Improvement Costs for each project with a written certification from Lessee and Lessee's construction lender (to the extent that such construction lender exists and the construction lender

has funded such costs) that such costs are accurate. If by the date required for Lessee's submission of the Improvement Costs for a particular project the final amount of the Improvement Costs for such project is not established because of a dispute or disputes between Lessee and its contractor(s), then Lessee shall note such dispute(s) in its submission of the Improvement Costs for such project (including a description of the costs and the amounts under dispute). Lessee shall thereafter notify Director in writing within thirty (30) days after the resolution of any such dispute as to any final adjustment required to the amount of the Improvement Costs for such project to reflect the resolution of such dispute.

4.8.1.2 Commissions, title and escrow costs, documentary transfer taxes, sales and use taxes, reasonable attorneys' fees, prepayment fees, penalties or other similar charges (such as yield maintenance premiums or defeasance costs), and other bona fide closing costs actually paid to third parties and documented to the reasonable satisfaction of Director, which costs were directly attributable to the consummation of the particular transaction giving rise to the obligation to pay County a Net Proceeds Share (collectively, **Documented Transaction Costs**).

4.8.1.3 That portion of the principal amount of any Financing Event after the Effective Date that constituted Net Refinancing Proceeds on which Lessee paid County a Net Proceeds Share (or, in the case of a Financing Event on which Lessee would have paid a Net Proceeds Share but for the exceptions set forth in the second paragraph of Section 4.6).

4.8.2 Transfer by Lessee's Successor. In the case of a transfer by a Lessee other than the original entity executing this Amended and Restated Lease Agreement, **Net Transfer Proceeds** shall mean the Gross Transfer Proceeds received by that successor, minus the following costs with respect to such successor Lessee:

4.8.2.1 The greatest of (a) the sum of the Base Value, plus Improvement Costs incurred subsequent to the Effective Date but prior to the acquisition of the leasehold interest by such successor; (b) the purchase price such successor paid to Lessee or such successor's seller for the interest acquired (or to the extent that such successor acquired its interest herein pursuant to an exchange of property or other non-monetary interests, then the fair market value of the property or other interests transferred by such successor as the consideration for such successor's acquisition of the interest hereunder acquired by such successor); or (c) the original principal amount of any Financing Event or Financing Events (on a non-duplicative basis) after such successor Lessee's acquisition of the leasehold, and with respect to which County was paid a Net Proceeds Share (or, in the case of a Financing Event on which Lessee would have paid a Net Proceeds Share but for the exceptions set forth in the second paragraph of Section 4.6), plus the principal amount of any financing existing as of the date on which such seller acquired the leasehold or subsequently obtained by Lessee, if such financing has not been refinanced, but without duplication;

4.8.2.2 Improvement Costs actually paid by such successor Lessee after such successor Lessee's acquisition of its leasehold interest in the Premises (but not duplicative of the principal amount of any Financing Event described in clause 4.8.2.1(c) above, the proceeds of which were used to fund such Improvement Costs); provided that such costs have been submitted to County, with an appropriate lender and Lessee certification, as provided in Subsection 4.8.1.1; and

4.8.2.3 Documented Transaction Costs with respect to the transfer of the interest by the successor.

4.8.3 Transfers of Major Sublessee's Interest. With respect to any Change of Ownership described in Subsection 4.6.1(b), Subsections 4.8.1 and 4.8.2 shall apply (as applicable), except that any rents or other amounts received by Lessee from the Major Sublessee a percentage of which is passed through to County under any provision of this Lease (other than payment of Net Proceeds Share) shall be disregarded in the computation of Net Transfer Proceeds.

4.8.4 Other Transfers. With respect to any Change of Ownership that is not an Excluded Transfer and is not described in Subsections 4.8.1 through 4.8.3 (e.g., a transfer of a beneficial interest in Lessee or a Major Sublessee), Subsections 4.8.1, 4.8.2 and 4.8.3 shall apply to such Change of Ownership (as applicable), as adjusted pursuant to the immediately following sentence. For purposes of the application of Sections 4.8.1 and 4.8.2 to a Change of Ownership under this Section 4.8.4, in lieu of deducting the Base Value and Improvement Costs in determining Net Transfer Proceeds, the cost to the transferor of the interest being transferred or which was transferred in the past but constitutes a portion of an Aggregate Transfer (which cost shall in no event be deemed to be less than a pro rata share (i.e., the percentage of the entire beneficial interest in Lessee that is then being transferred) of the Base Value and Improvement Costs (or with respect to a transfer of a beneficial interest in a Lessee that is not the original Lessee Entity that executed this Amended and Restated Lease Agreement, such cost shall in no event be deemed to be less than the pro rata share (i.e., the percentage of the entire beneficial interest in Lessee that is then being transferred) of the sum of Subsections 4.8.2.1 and 4.8.2.2 as of the respective date of the transfer of each interest in the aggregation pool)) shall be deducted. Furthermore, in the event that any such Change of Ownership produces a Net Proceeds Share, the then-existing Improvement Costs shall be increased by an appropriate amount to reflect the basis on which the Net Proceeds Share was calculated, and the basis of the interest that was transferred and for which a Net Proceeds Share was paid shall also be increased for subsequent transfers of the same interest, as if realized by Lessee or a Major Sublessee upon a transfer of a comparable interest in this Lease or in a Major Sublease, as applicable.

4.8.5 Net Refinancing Proceeds. **Net Refinancing Proceeds** shall mean the gross principal amount of any Financing Event after the Effective Date (plus in the case of secondary financing the original principal balance of any existing financing that is not repaid as a part of such secondary financing), minus (a) the greatest of (i) the Base Value plus the Improvement Costs incurred prior to the date of the current Financing Event as to which the amount of Net Refinancing Proceeds is then being calculated, (ii)

the Prior Financing Event Principal Balance (as defined below), or (iii) in the case of a successor Lessee, the purchase price such successor paid to Lessee or such successor's seller for the interest acquired, (b) any portion of the proceeds of the Financing Event which shall be used for Improvement Costs to be incurred after the date of the Financing Event, (c) other Improvement Costs incurred by Lessee and not paid for or repaid with the proceeds of any Financing Event (but without duplication to the extent included in the amount determined under clause (a) above), and (d) Documented Transaction Costs with respect to such Financing Event. Notwithstanding the foregoing, there shall be no double counting of Improvement Costs in clauses (a), (b) and (c) above. In addition, notwithstanding any contrary provision of Section 4.6 above pursuant to which a Net Proceeds Share would be due upon a Financing Event, if the purpose of a Financing Event is to fund the acquisition cost (or a portion of the acquisition cost) of a Change of Ownership that is not an Excluded Transfer, then to the extent that the gross principal amount of the Financing does not exceed the gross sale or transfer price of such Change of Ownership, and if the Financing Event is consummated concurrently with the consummation of the Change of Ownership, there shall not be any separate Net Proceeds Share payable in connection with such Financing Event.

For purposes of this Subsection 4.8.5, **Prior Financing Event Principal Balance** shall mean an amount equal to the original principal amount of a Financing Event consummated after the Effective Date but prior to the then-subject Financing Event, plus if such previous Financing Event was secondary financing, the original principal balance of any then-existing financing that was not repaid as part of such secondary financing; provided, however, if there were more than one such previous Financing Event after the Effective Date, then the calculation shall be performed for each such previous Financing Event after the Effective Date, and the higher or highest amount so determined shall be the Prior Financing Event Principal Balance.

4.8.6 Transfers to which Sections 4.6 through 4.8 Apply. The provisions of Sections 4.6 through 4.8 hereof shall apply to all transfers of beneficial interests in this Lease or a Major Sublease which constitute a Change of Ownership, unless such transfers are otherwise excluded pursuant to this Lease. Furthermore, the provisions of Sections 4.6 through 4.8 of this Lease, and the principles set forth therein, shall apply to any transfer or series of transfers primarily structured for the purpose of avoiding the obligation to pay Net Proceeds Share set forth in Sections 4.6 through 4.8 of this Lease and which, viewed together, would otherwise constitute a Change of Ownership.

4.8.7 Payment. Net Proceeds Share shall be due and payable concurrently with the transfer giving rise to the obligation to pay such share and shall be the joint and several obligation of the transferee and transferor. Net Proceeds Share not paid when due shall be subject to a late fee of six percent (6%) of the amount due, together with interest on such Net Proceeds Share at the Applicable Rate from the date due until paid; provided, however, that in the case of a dispute as to the correct amount of the Net Proceeds Share there shall be no late fee payable as long as Lessee timely pays to County the undisputed portion of the Net Proceeds Share and deposits the disputed portion thereof in an interest bearing escrow account at the closing of the transaction (or delivers to County a letter of credit or other security reasonably acceptable to County in the amount of such disputed

portion) to secure payment thereof. In the event that the proceeds of the transaction giving rise to the obligation to pay Net Proceeds Share are comprised, in whole or in part, of assets other than cash, then the cash payment of the Net Proceeds Share shall reflect the fair market value of such non-cash assets as of the date of the Change of Ownership, which shall be set forth in the Calculation Notice. Notwithstanding the foregoing, in the case of a Change of Ownership described in Subsection 4.6.1(b), the Net Proceeds Share shall be payable to County as and when the Net Transfer Proceeds are received, with the Net Proceeds Share being equitably apportioned to the payments derived by Lessee from said Change of Ownership (other than any payments passed through to County under this Lease).

4.8.8 Shareholder, Partner, Member, Trustee and Beneficiary List. As part of the submission for approval of a Change of Ownership or Financing Event, and upon the request of County (which requests shall be no more frequent than once per year), Lessee shall provide County with an updated schedule listing the names and mailing addresses of (i) all shareholders, partners, members and other holders of equity or beneficial interests in Lessee, this Lease or the Major Sublessee under any Major Sublease, and (ii) all shareholders, partners, members and other holders of equity or beneficial interests in any of the constituent shareholders, partners, members or other holders of equity or beneficial interests in Lessee or any Major Sublessee under any Major Sublease, if such interest exceeds a five percent (5%) or greater beneficial interest in Lessee or the Major Sublessee under a Major Sublease. In the event that such shareholder, partner, member or other interest holder is a trust, Lessee shall include in such schedule the name and mailing address of each trustee of said trust, together with the names and mailing addresses of each beneficiary of said trust with greater than a five percent (5%) actuarial interest in distributions from, or the corpus of, said trust; provided, however, that to the extent that Lessee is prevented by Applicable Laws from obtaining such information regarding the beneficiaries of said trust(s), Lessee shall have complied with this provision if Lessee uses its best efforts to obtain such information voluntarily and provides County with the opportunity to review any such information so obtained. Lessee agrees to use its best efforts to provide County with any additional information reasonably requested by County in order to determine the identities of the holders of five percent (5%) or greater beneficial interests in Lessee or a Major Sublessee.

5. RENOVATION WORK; ALTERATIONS.

5.1 Renovation Work. Promptly following the Effective Date, Lessee shall (a) renovate all existing land-side Improvements located on the Premises, including without limitation all existing apartment buildings, the interiors of all existing apartment units, building facades, interior and exterior common areas, landscaping, hardscape, the Promenade, parking areas (with all required parking to be provided on-site at the Premises) and other portions of the land-side Improvements (**Landside Improvements**), and (b) the dockside marina facilities, including without limitation, the restrooms and other facilities serving the marina improvements (**Dockside Improvements**), all in accordance with the renovation plan attached to this Lease as Exhibit B (the **Renovation Plan**). The renovation work described in this Section 5.1 is referred to herein as the **Renovation Work**. The Renovation Work shall be performed in accordance with the Renovation Plan and the Final Plans and Specifications for the Renovation Work (as established

under the Option Agreement to the extent that the Final Plans and Specifications for the Renovation Work are approved by Director prior to the Effective Date, or as established under Subsection 5.3.3 of this Lease to the extent that the Final Plans and Specifications for the Renovation Work are not approved by Director until after the Effective Date). The design and quality of the Landside Improvements following completion of the Renovation Work shall reflect that of apartment projects recently constructed on the west side of Los Angeles, California.

Lessee shall be responsible for the acquisition and compliance with all required governmental (including, without limitation, County, Coastal Commission and Design Control Board) planning and entitlement approvals required to perform the Renovation Work.

Lessee shall be solely responsible for all costs and expenses incurred in connection with the performance of the Renovation Work (including all design, entitlement and construction activities). Lessee shall expend on the Renovation Work not less than the Required Cost Amount (as defined below) for out-of-pocket hard costs paid to third parties (excluding the value or cost of land or water area, the existing leasehold or the existing Improvements), for the construction of the Renovation Work (the **☐Qualified Hard Costs☐**). The immediately preceding sentence shall not be construed as a maximum amount that Lessee is required to expend for Qualified Hard Costs for the Renovation Work, but only as a minimum amount, and Lessee shall be required to perform the Renovation Work in accordance with the requirements and standards set forth in this Article 5 even if the Qualified Hard Costs necessary to do so exceed the Required Cost Amount. Without limitation of any other requirements for Qualified Hard Costs, Qualified Hard Costs shall not include the following (i) any costs incurred in connection with the preparation of the Renovation Plan prior to the Effective Date, (ii) any costs related to the furnishings in the corporate or other furnished apartments, or (iii) any soft costs relating to the Renovation Work. If in-house construction labor is used to perform the Renovation Work construction, then in addition to out-of-pocket hard costs paid to third parties, Qualified Hard Costs shall also include actual hard costs incurred by Lessee for utilization of in-house construction labor for actual services rendered at market rates for comparable services provided by third-party laborers (but not greater than the hourly rate actually paid by Lessee to such in-house laborers), as such costs are confirmed to and reasonably approved by Director. Qualified Hard Costs shall not include any costs incurred prior to the Effective Date, except for those costs that otherwise comply with the requirements for Qualified Hard Costs under this paragraph and that do not exceed the amounts set forth on Exhibit H attached to this Lease. Lessee hereby represents to County the following with respect to the cost amounts set forth on Exhibit H: (i) the costs set forth on Exhibit H are hard costs that satisfy the requirements for Qualified Hard Costs under this paragraph; (ii) the costs set forth on Exhibit H were incurred by Lessee during the period from July 16, 2009 through the Effective Date for the respective Renovation Work items listed on Exhibit H, and Exhibit H includes an accurate statement of the amount of such costs incurred during each of the periods from July 16, 2009 through December, 31, 2009 and each calendar year (or partial calendar year) thereafter up to the Effective Date; and (iii) the costs set forth on Exhibit H do not exceed the budgeted amount for each of the associated Renovation Work items set forth in the budget for the Renovation Work delivered to the Department on which the calculation of the Required Cost Amount was based.

The **☐Required Cost Amount☐** for the Renovation Work means \$19,500,000, as increased (but not decreased) in accordance with the terms and provisions of this paragraph. As

of January 1, 2010 (irrespective that the Effective Date is after January 1, 2010) and each January 1 thereafter until the Renovation Work is substantially completed (each, a **Required Cost Adjustment Date**), the Required Cost Amount shall be increased to an amount (the **Revised Required Cost Amount**) equal to the product of (I) the Previous Adjusted Required Cost Amount (as defined below) minus the total amount of Qualified Hard Costs incurred by Lessee prior to such Required Cost Adjustment Date, multiplied by (II) the percentage increase (if any) in the ENR Index during the period from the month of January of the year next preceding the year of such Required Cost Adjustment Date to the month of January of such Required Cost Adjustment Date. The **Previous Adjusted Required Cost Amount** for the Required Cost Adjustment Date of January 1, 2010 shall mean \$19,500,000. The **Previous Adjusted Required Cost Amount** for every other Required Cost Adjustment Date shall be the Revised Required Cost Amount as of the next preceding Required Cost Adjustment Date.

Lessee shall comply with all time deadlines and schedules set forth in this Article 5 relating to the completion of the design and construction of the Renovation Work (subject to any extension set forth in this Article 5 for Force Majeure delay). Lessee's failure to do so shall, if not cured within the applicable cure period set forth in Subsection 13.1.3, constitute an Event of Default. Except to the extent Lessee is prevented from so doing by Force Majeure delay as provided in Section 5.6, Lessee shall cause (1) the commencement of construction of the Renovation Work for the Landside Improvements to occur on or before that date (the **Required Landside Construction Commencement Date**) which is sixty (60) days following the Effective Date; (2) following commencement of construction of the Renovation Work for the Landside Improvements, diligently continue performance of the Renovation Work for the Landside Improvements on a phased basis in accordance with a phasing schedule submitted by Lessee to, and approved by, Director prior to the commencement of the Renovation Work for the Landside Improvements; (3) substantially complete the Renovation Work for the Landside Improvements not later than the fourth (4th) anniversary of the Effective Date (the **Required Landside Construction Completion Date**); (4) the commencement of construction of the Renovation Work for the Dockside Improvements to occur on or before that date (the **Required Dockside Construction Commencement Date**) which is the first anniversary of the Effective Date; (5) following commencement of construction of the Renovation Work for the Dockside Improvements, diligently continue performance of the Renovation Work for the Dockside Improvements on a phased basis in accordance with a phasing schedule submitted by Lessee to, and approved by, Director prior to the commencement of the Renovation Work for the Dockside Improvements; and (6) substantially complete the Renovation Work for the Dockside Improvements by the date (the **Required Dockside Construction Completion Date**) that is the earlier of two (2) years after the commencement of the construction of the Renovation Work for the Dockside Improvements or the third (3rd) anniversary of the Effective Date. Unless approved by Director prior to the Effective Date, Lessee shall submit to Director for Director's approval a phasing schedule for the construction of the Renovation Work pertaining to the Landside Improvements no later than thirty (30) days after the Effective Date and shall submit to Director for Director's approval a phasing schedule for the construction of the Renovation Work pertaining to the Dockside Improvements no later than nine (9) months following the Effective Date. Notwithstanding any contrary provision of this Article 5 in no event shall any of the Required Landside Construction Commencement Date, the Required Landside Construction Completion Date, the Required Dockside Construction Commencement Date or the Required

Dockside Construction Completion Date be extended for more than one (1) year for any Force Majeure delay.

Lessee acknowledges that the principal inducement to County to enter into this Lease, including the extension of the Term as provided herein, is the timely commencement, performance and completion by Lessee of the Renovation Work. In the event that Lessee fails to comply with its obligations under this Section 5.1 to commence and complete the Renovation Work for the Landside Improvements by the applicable dates set forth in this Section 5.1 (as extended by Section 5.6, if applicable), then in addition to any other rights or remedies which County may have in connection with such failure (but subject to Section 12.12), at County's election by written notice to Lessee, this Lease shall be automatically amended such that the terms and provisions of this Lease revert back to the terms and provisions of the Existing Lease (including, without limitation, the Existing Expiration Date), as modified by the "Non-Exercise Amendment" described in the Option Agreement (the "**Reversion Amendment**"). Notwithstanding the foregoing, if and as long as Lessee has commenced construction of the Renovation Work and is diligently prosecuting and continues to diligently prosecute such construction to completion, then the Lease shall not be amended by the Reversion Amendment unless and until such time as the delay in the completion of the Renovation Work for the Landside Improvements exceeds the Required Landside Construction Completion Date (as extended pursuant to Section 5.6, if applicable) by more than six (6) months.

During the period from the Required Landside Construction Completion Date (as extended pursuant to Section 5.6, if applicable) until the earlier of (a) the date of the substantial completion by Lessee of the Renovation Work for the Landside Improvements or (b) the date that the Reversion Amendment takes effect at County's election, County shall have the right to increase the Annual Minimum Rent payable by Lessee pursuant to Article 4 of this Lease to an amount equal to the total Annual Rent (i.e., Annual Minimum Rent and Percentage Rent) that would have been payable by Lessee during such period if Lessee had completed the Renovation Work for the Landside Improvements by the Required Landside Construction Completion Date (as extended pursuant to Section 5.6, if applicable). The increased Annual Minimum Rent payable by Lessee pursuant to the immediately preceding sentence shall be calculated by County based on the good faith projection by Director of the Gross Receipts that would have been generated at the Premises if the Renovation Work for the Landside Improvements had been completed as required under this Lease. Notwithstanding any contrary provision of this Lease, the remedy set forth in this paragraph shall not be deferred, delayed or otherwise affected by any tolling of obligations or tolling of dates under this Section 5.1 pursuant to Subsection 12.3.6 below, or by any cure periods or other rights, restrictions or other remedies of any Encumbrance Holder, including without limitation, the terms and provisions of Article 12 of this Lease, or by any notice or cure rights set forth in Section 13.1.3 of the Lease.

If Lessee fails to comply with its obligations under this Section 5.1 to commence and complete the Renovation Work for the Dockside Improvements by the applicable dates set forth in this Section 5.1 (as extended by Section 5.6, if applicable), then in addition to any other rights or remedies which County may have in connection with such failure (provided that, for purposes of clarification, the Reversion Amendment shall not be a remedy for Lessee's failure to timely commence or complete the Renovation Work for the Dockside Improvements), Lessee shall pay to County as additional rent payable under this Lease, the one-time sum of Fifty Thousand

Dollars (\$50,000.00) within thirty (30) days after Lessee fails to comply with the Required Dockside Construction Commencement Date or the Required Dockside Construction Completion Date, as applicable. Notwithstanding any contrary provision of this Lease, the remedy set forth in this paragraph shall not be deferred, delayed or otherwise affected by any cure periods or other rights, restrictions or other remedies of any Encumbrance Holder, including without limitation, the terms and provisions of Article 12 of this Lease.

5.2 Application of Article 5 to Renovation Work. The remaining sections of this Article 5 after this Section 5.2 pertain to the construction of the Renovation Work and to any other Alterations (as defined below) which Lessee may be required or desire to make to the Premises during the Term, including without limitation, the Anchorage Improvements Replacement described in Section 5.11 below and the Subsequent Renovation described in Section 5.12 below. For purposes of this Lease, **Alterations** shall mean the construction of any alterations or modifications to the Improvements located on the Premises or the construction of any new Improvements. The Renovation Work, Anchorage Improvements Replacement and Subsequent Renovation shall be considered to be Alterations. Accordingly, except as expressly provided in this Article 5, all of the terms and provisions of Article 5 of this Lease after this Section 5.2 that are applicable to Alterations shall also be applicable to the Renovation Work, Anchorage Improvements Replacement and Subsequent Renovation.

5.3 Plans and Specifications for Alterations. Lessee shall make no Alterations without the prior written approval of the Director, which approval shall not be unreasonably withheld, conditioned or delayed. Prior and as a condition precedent to the construction of any Alterations, Lessee shall submit to Director, for Director's approval, the plans, specifications and other materials described in this Section 5.3 pertaining to such Alterations (except to the extent such submittals and approvals have been previously completed with respect to the Renovation Work pursuant to the Option Agreement). All Alterations must be consistent with the Permitted Uses set forth in Article 3 of this Lease.

5.3.1 Schematics and Narrative. Lessee shall submit to Director six (6) sets of schematic plans together with a narrative description and construction cost estimate summary clearly delineating the nature, size, configuration and layout of the Alterations. Such plans shall, among other things, clearly delineate the architectural theme or motif of the Alterations and shall identify and illustrate all affected boundaries of the Premises and all affected rights-of-way or other areas reserved to County or third parties which are located thereon. After receipt of such plans, Director shall have sixty (60) days within which to approve or disapprove such submission in writing. Failure of Director to approve such submission in writing within said sixty (60) day period shall be deemed disapproval of said submission. Following any deemed disapproval of such submission by Director, Director shall, within thirty (30) days after receipt of a written request from Lessee, disclose to Lessee in writing Director's objections to the submission. After approval of schematic plans (or subsequent approval of preliminary plans or Final Plans and Specifications) by Director, if changes in such plans are required by conditions of approval of the Alterations imposed by the California Coastal Commission or other governmental agency with jurisdiction thereover, Lessee shall promptly advise Director in writing of such changes and Director shall not disapprove those changes that constitute Approved Governmental Changes.

5.3.2 Preliminary Plans and Specifications. As soon as reasonably practicable after Director's approval of the materials submitted pursuant to Subsection 5.3.1, Lessee shall submit to Director six (6) sets of preliminary plans, outline specifications and construction cost estimates for the Alterations. The preliminary plans, outline specifications and construction cost estimate shall conform to, expand upon and reflect a natural evolution from the descriptions and estimates set forth in the approved schematic plans and narrative. Any difference in the scope, size, configuration, arrangement or motif of the Improvements from those described in the approved schematics and narrative shall be separately identified and described. The preliminary plans shall be of a detail and scope that is typically associated with design development drawings. Director shall have twenty-one (21) days from receipt within which to approve or reasonably disapprove such submission, and Director may disapprove said preliminary plans only on the grounds that (i) they do not reflect a natural evolution from the approved schematic plans or that they materially differ from the approved schematic plans and narrative (exclusive of any Approved Governmental Changes), or (ii) that any new, different or additional specifications for the Improvements not expressly set forth in, and approved by Director as a part of, the schematic plans do not meet the requirements for the Improvements set forth in this Article 5. Failure of Director to disapprove said preliminary plans within twenty one (21) days after Director's receipt thereof shall be deemed Director's approval thereof; provided, however, that in the event that the preliminary plans, outline specifications and construction cost estimates contain substantial changes from the approved schematics and narrative (other than Approved Governmental Changes), then Director shall have sixty (60) days in which to approve said submission, which approval shall be deemed withheld if not granted in writing within such sixty (60) day period; and provided further, that together with the submission of the preliminary plans, outline specifications and construction cost estimates, Lessee must deliver to Director a transmittal letter containing the following text prominently displayed in bold faced type:

**□PURSUANT TO SUBSECTION 5.3.2 OF THE AMENDED AND
RESTATED LEASE AGREEMENT, IF THESE MATERIALS
CONTAIN NO SUBSTANTIAL CHANGES FROM THE MATERIALS
PREVIOUSLY SUBMITTED TO YOU (OTHER THAN APPROVED
GOVERNMENTAL CHANGES), YOU HAVE TWENTY ONE (21)
DAYS AFTER RECEIPT OF THESE MATERIALS IN WHICH TO
APPROVE OR DISAPPROVE THEM. FAILURE TO DISAPPROVE
THESE MATERIALS IN WRITING WITHIN TWENTY-ONE (21)
DAYS OF YOUR RECEIPT OF THESE MATERIALS SHALL
CONSTITUTE YOUR APPROVAL OF THEM.□**

Following any deemed disapproval of such submission by Director, Director shall, within thirty (30) days after receipt of a written request from Lessee, disclose to Lessee in writing Director's objections to the submission.

5.3.3 Final Plans and Specifications. As soon as reasonably practicable after Director's approval of the preliminary plans, outline specifications and construction cost estimates, Lessee shall submit for approval by Director six (6) complete sets of final

plans, detailed specifications and a construction cost estimate for the Alterations, together with one (1) set of appropriate structural computations, identical to those requested or required by the County Director of Public Works incident to the issuance of building permits under the relevant provisions of the Los Angeles County Building Code. Lessee shall file duplicate copies of the final plans, detailed specifications and construction cost statement required by this Section with the County Director of Public Works, together with the necessary and appropriate applications for building permits. Any difference in the scope, size, configuration, arrangement or motif of the Alterations from those described in the approved preliminary plans and specifications shall be separately identified and described. Director shall have twenty one (21) days after receipt within which to approve or disapprove such submission, and Director may disapprove such submission only on the grounds that (i) they do not reflect a natural evolution from or that they materially differ from the approved preliminary plans, outline specifications and construction cost estimates (exclusive of any Approved Governmental Changes), or (ii) that any new, different or additional specifications for the Improvements not expressly set forth in, and approved by Director as a part of, the preliminary plans do not meet the requirements for the Improvements set forth in this Article 5. Failure of Director to disapprove said final plans and related materials within twenty one (21) days after Director's receipt shall be deemed Director's approval thereof; provided, however, that in the event that the final plans, detailed specifications and construction cost estimate contain substantial changes from the approved preliminary plans and specifications (other than Approved Governmental Changes), then Director shall have sixty (60) days in which to approve said submission, which approval shall be deemed withheld if not granted in writing within such sixty (60) day period; and provided further, that together with the submission of the final plans, detailed specifications and construction cost estimate, Lessee must deliver to Director a transmittal letter containing the following text prominently displayed in bold faced type:

**□PURSUANT TO SUBSECTION 5.3.3 OF THE AMENDED AND
RESTATED LEASE AGREEMENT, IF THESE MATERIALS
CONTAIN NO SUBSTANTIAL CHANGES FROM THE MATERIALS
PREVIOUSLY SUBMITTED TO YOU (OTHER THAN APPROVED
GOVERNMENTAL CHANGES), YOU HAVE TWENTY-ONE (21)
DAYS AFTER RECEIPT OF THESE MATERIALS IN WHICH TO
APPROVE OR DISAPPROVE THEM. FAILURE TO DISAPPROVE
THESE MATERIALS IN WRITING WITHIN TWENTY ONE (21)
DAYS OF YOUR RECEIPT OF THESE MATERIALS SHALL
CONSTITUTE YOUR APPROVAL OF THEM.□**

Following any deemed disapproval of such submission by Director, Director shall, within thirty (30) days after receipt of a written request from Lessee, disclose to Lessee in writing Director's objections to the submission. Director's approval shall not be unreasonably withheld, conditioned or delayed; provided, however, that it shall be deemed reasonable to disapprove any submission not in substantial conformity with the approved preliminary plans and specifications (exclusive of any Approved Governmental Changes), or which contains new, different or additional specifications for the Improvements which were not

expressly set forth in, and approved by Director as a part of, the preliminary plans and which do not meet the requirements for the Improvements set forth in this Article 5. No material modification shall be made to the Alterations described in the approved final plans, specifications and costs (the **Final Plans and Specifications**) without the prior written approval of Director, which shall not be unreasonably withheld, conditioned or delayed.

5.4 Conditions Precedent to the Commencement of Construction. No Renovation Work, Anchorage Improvements Replacement, Subsequent Renovation or other Alterations shall be commenced until each and all of the following conditions have been satisfied:

5.4.1 Permits and Other Approvals. Lessee shall have received and furnished the Department with copies of all permits, licenses and other governmental approvals necessary for commencement of the Alterations; provided, however, that in the case of subsequent phases of the Renovation Work, the permits, licenses and other governmental approvals necessary for each such subsequent stage of the Renovation Work shall be furnished to the County prior to commencement of such stage.

5.4.2 Copies of Construction Contracts. Lessee shall have furnished County with copies of any contract(s) entered into between Lessee and any general contractor(s) employed for the purpose of constructing the Alterations.

5.4.3 Performance and Payment Bonds. Lessee shall, at its own cost and expense, have furnished County with the following separate corporate surety bonds (or with the substitute security set forth below) not less than ten (10) days prior to the commencement of construction, which bonds (or other security) must be in form and content reasonably satisfactory to County:

5.4.3.1 A corporate surety performance bond (**Performance Bond**) issued by a surety company licensed to transact business as such in the State of California, in an amount not less than one hundred percent (100%) of the amount of all hard construction costs approved by County in conjunction with the approved Alteration. The Performance Bond and its issuer shall be in all material respects reasonably satisfactory to County. It shall name Lessee as principal and said issuer as surety, and County as obligee (and which may include an Encumbrance Holder as an additional obligee), assuring full and satisfactory performance by Lessee of Lessee's obligations herein to build, construct and otherwise complete the Improvements described in the approved final plans and specifications.

5.4.3.2 A corporate surety payment bond, issued by a surety company licensed to transact business as such in the State of California, with Lessee as principal, said company as surety and County as obligee (and which may include an Encumbrance Holder as an additional obligee), in a sum equal to one hundred percent (100%) of the total construction cost anticipated to be incurred in connection with the approved work, guaranteeing payment for all materials, provisions, supplies and equipment used in, upon, for or about the performance of said construction work or for labor done thereon of any kind whatsoever and protecting County from any and

all liability, loss or damages arising out of or in connection with any failure to make such payment (the **Payment Bond**). The Payment Bond shall be in form and content reasonably satisfactory to County.

In the event that construction is performed by a licensed general contractor on behalf of Lessee, provided that such contractor provides County with a bond or bonds compliant with this Subsection, and in all material respects reasonably satisfactory to County and otherwise complying with this Subsection, County will accept such contractor's bonds in lieu of the Performance Bond and/or Payment Bond by Lessee required by this Subsection 5.4.3.

5.4.4 Alternative Security. In lieu of providing the Payment and Performance Bonds, Lessee may provide any of the following alternative security: (i) a completion guaranty, in form and substance reasonably acceptable to Director, made by an individual or entity with a sufficient net worth and liquidity, in the sole discretion of Director, to comply with the terms of such guaranty in view of the potential financial responsibility involved, (ii) a certificate of deposit, cash or United States governmental security, (iii) a letter of credit, or (iv) a set aside letter from Lessee's construction lender. The security described in clause (ii), (iii) and (iv) above shall be in an amount equal to one hundred percent (100%) of the construction contract price for hard costs, and shall permit County to draw thereon to complete the construction of the Improvements if same have not been completed by Lessee or if a material Event of Default has occurred under this Lease. In addition, Director also shall have the authority to accept in lieu of the Payment and Performance Bonds, so-called "Subguard" insurance in such amount, on such terms and issued by such carrier as approved by Director, in combination with such other security, such as a completion guaranty, as acceptable to Director. Any alternative security provided by Lessee pursuant to this subsection may name County and Lessee's construction lender as co-beneficiaries. A condition precedent to Lessee's right to provide the alternate security described in this Subsection 5.4.4 shall be delivery by Lessee to County of an opinion of counsel from a law firm and in a form acceptable to County to the effect that the construction work does not constitute a public work of improvement requiring the delivery of the bonds described in Subsection 5.4.3 above. Director shall have the authority, in his reasonable discretion, to modify, waive or reduce the amount of any bonds or alternate security required hereunder.

5.4.5 Evidence of Financing. Lessee shall have provided evidence reasonably satisfactory to County of its having sufficient financial resources, as reasonably determined by Director, to complete the Renovation Work or other Alterations, as applicable. Lessee shall furnish Director with copies of all final notes, guarantees, partnership, shareholder or limited liability company agreements, construction loan and/or permanent loan commitments, as applicable, evidence of equity, documents creating and/or perfecting security interests, and all documents and exhibits referred to in any of the foregoing, together with any and all recorded documents affecting an interest in the Premises.

5.4.6 Work Schedule. With respect to the Renovation Work, Lessee shall have provided County with a construction schedule which will result in the commencement

and completion of the Renovation Work with respect to the Landside Improvements and the Dockside Improvements on or before the respective required dates for such commencement and completion set forth in Section 5.1 above.

5.5 County Cooperation. In its proprietary capacity, the Department shall cooperate with and assist Lessee, to the extent reasonably requested by Lessee, in Lessee's efforts to obtain the appropriate governmental approvals, consents, permits or variances which may be required in connection with the performance by Lessee of the Renovation Work, the Anchorage Improvements Replacement and the Subsequent Renovation, as applicable. Such cooperative efforts may include the Department's joinder in any application for such approval, consent, permit or variance, where joinder therein by the Department is required or helpful; provided, however, that Lessee shall reimburse County for the Actual Cost incurred by the Department in connection with such joinder or cooperative efforts. Notwithstanding the foregoing, Lessee and County acknowledge that the approvals given by County under this Lease are approvals pursuant to its authority under Sections 25536 and 25907 of the California Government Code; that approvals given under this Lease in no way release Lessee from obtaining, at Lessee's expense, all permits, licenses and other approvals required by law for the construction of Improvements on the Premises and operation and other use of such Improvements on the Premises; and that the Department's duty to cooperate and County's approvals under this Lease do not in any way modify or limit the exercise of County's governmental functions or decisions as distinct from its proprietary functions pursuant to this Lease.

5.6 Delays in Commencement and Completion of Renovation Work. Upon commencement of construction of the Renovation Work for the Landside Improvements or the Dockside Improvements (as applicable), Lessee shall thereafter diligently pursue the completion of such construction by the Required Landside Construction Completion Date or the Required Dockside Construction Completion Date, respectively (subject to Force Majeure as set forth below). If Lessee is delayed in the commencement of construction or completion of the Renovation Work for the Landside Improvements due to Force Majeure, then the Required Landside Construction Commencement Date and the Required Landside Construction Completion Date, if and to the extent that the event actually causes a delay in the commencement and completion of construction (as applicable) shall be extended by the period of the delay caused by such Force Majeure. If Lessee is delayed in the commencement of construction or completion of the Renovation Work for the Dockside Improvements due to Force Majeure, then the Required Dockside Construction Commencement Date and the Required Dockside Construction Completion Date, if and to the extent that the event actually causes a delay in the commencement and completion of construction (as applicable) shall be extended by the period of the delay caused by such Force Majeure. Notwithstanding the foregoing, (a) any extension due to Force Majeure shall be limited to the period of the delay caused by the Force Majeure event and no such delay shall be considered to have commenced unless Lessee notifies Director in writing of the commencement of such delay within ten (10) business days after Lessee's discovery of the delay; (b) in no event shall the Required Landside Construction Commencement Date be extended for more than an aggregate of one year due to Force Majeure; (c) in no event shall the Required Landside Construction Completion Date be extended beyond the fifth (5th) anniversary of the Effective Date; (c) in no event shall the Required Dockside Construction Commencement Date be extended for more than an aggregate of one year due to Force Majeure; and (d) in no event shall the Required Dockside Construction Completion Date be extended for more than an aggregate of

one year due to Force Majeure. Lessee and Director shall discuss and attempt to agree on the length of time of any entitled delay due to Force Majeure pursuant to this Section 5.6. If they are unable to agree within thirty (30) days after written notice from Lessee of the event or occurrence giving rise to Lessee's claim to an entitlement to a delay under this Section 5.6, the matter shall be arbitrated as set forth in Article 16.

In the case of the Renovation Work, the Anchorage Improvements Replacement and the Subsequent Renovation, the definition of Force Majeure shall also include delays in the commencement and completion of the Renovation Work, the Anchorage Improvements Replacement, or the Subsequent Renovation (as applicable) due to Unreasonable County Activity. For the purposes of this Lease, **Unreasonable County Activity** means any of the following that occurs after the Effective Date: (i) the Department's failure to provide required County joinder, if any, as fee title owner of the Premises, in Lessee's submittal to the applicable governmental agency of the Final Plans and Specifications for the Renovation Work, the Anchorage Improvements Replacement or the Subsequent Renovation (as applicable) that are approved by the Department; or (ii) the Department's failure to take such other actions, at no cost or expense to County, in its proprietary capacity, that are reasonably requested by Lessee and which are necessary for Lessee to proceed with the permitting and approval process for the Renovation Work, the Anchorage Improvements Replacement or the Subsequent Renovation (as applicable), or the taking by the Department of actions in its proprietary capacity, without Lessee's consent, which are in conflict with Lessee's rights and obligations under this Lease and actually delay the receipt of any remaining permits or approvals for the Renovation Work, the Anchorage Improvements Replacement or the Subsequent Renovation (as applicable); or (iii) the Department's failure to comply with the time periods imposed upon the Department under Section 5.3 above, except in the case (if any) where a failure of the Department to notify Lessee of its approval or disapproval of a matter constitutes County's deemed approval of such matter, or constitutes County's deemed disapproval of such matter and County's disapproval of such matter is authorized under the circumstances. Nothing contained in Section 5.5 above, this Section 5.6 or any other provisions of this Lease shall be construed as obliging the Department or the County to support proposals, issue permits, or otherwise act in a manner inconsistent with County's actions under its regulatory powers. It shall not be Unreasonable County Activity if County fails to accelerate the County's customary regulatory permit or approval process. No action or inaction shall constitute Unreasonable County Activity unless and until all of the following procedures and requirements have been satisfied:

5.6.1 Within a reasonable time under the circumstances, Lessee must notify Director in writing of the specific conduct comprising the alleged Unreasonable County Activity, and the next opportunity, if any, for County to rectify such alleged conduct. If Lessee fails to notify Director in writing as specified in the immediately preceding sentence within five (5) days following Lessee's discovery of the alleged Unreasonable County Activity, then notwithstanding any contrary provision of this Section 5.6, in no event shall Lessee be entitled to any extension for any period of the delay under this Section 5.6 that occurred prior to the date of Lessee's notice described in this Subsection 5.6.1.

5.6.2 Within seven (7) days following receipt of the notice alleging Unreasonable County Activity, Director shall meet with Lessee or its authorized

representative in order to determine whether Unreasonable County Activity has occurred and, if so, how such Unreasonable County Activity can be rectified and the duration of the delay caused by such Unreasonable County Activity. If Director determines that Unreasonable County Activity has occurred and that County can and will take rectifying action, then the amount of delay under this Section 5.6 for the Unreasonable County Activity shall equal the actual amount of delay directly caused by the Unreasonable County Activity. If Director determines that Unreasonable County Activity has occurred, but that County cannot take rectifying action (or if the proposed rectifying action will not produce the results desired by Lessee), then Lessee and Director shall establish the length of the delay likely to be caused by the Unreasonable County Activity.

5.6.3 If, within fourteen (14) days following receipt of Lessee's notice alleging Unreasonable County Activity, Director and Lessee have not agreed in writing as to whether delay due to Unreasonable County Activity has occurred or the length of such delay, then the matter shall be referred to the Board of Supervisors of the County for such determination.

5.7 Manner of Construction.

5.7.1 General Construction Standards. All construction, alteration, modification or repairs permitted herein shall be accomplished by Lessee with due diligence. Lessee shall take all commercially reasonable steps to minimize any damage, disruption or inconvenience caused by such work and make adequate provisions for the safety and convenience of all persons affected thereby. Lessee shall repair, at its own cost and expense, any and all damage caused by such work, and shall restore the area upon which such work is performed to a condition which is at least equal to or better than the condition which existed before such work was commenced. Additionally, Lessee shall pay or cause to be paid all costs and expenses associated therewith and shall indemnify, defend and hold County harmless from and against all damages, costs, expenses, losses or claims arising out of or in connection with the performance of such work, except to the extent that such damages, costs, expenses, losses or claims are caused by County, its employees, contractors or agents. Dust, noise and other effects of such work shall be controlled using accepted measures customarily utilized in order to control materially adverse effects associated with construction projects in well populated and developed areas of Southern California.

5.7.2 Utility Work. Any work performed by or on behalf of Lessee or any occupant of the Premises to connect to, repair, relocate, maintain or install any storm drain, sanitary sewer, water line, gas line, telephone conduit, or any other utility service shall be performed in a manner that minimizes material interference with the provision of such services to the Premises and other persons.

5.7.3 Construction Safeguards. Lessee shall erect and properly maintain at all times, as required by the conditions and the progress of work performed by or on behalf of Lessee, all necessary safeguards for the protection of workers and the public.

5.7.4 Compliance with Construction Documents and Laws; Issuance of Permits. All Improvements on the Premises shall be completed in substantial compliance with any construction documents approved by County and also in compliance with all Applicable Laws. Lessee shall have the sole responsibility for obtaining all necessary permits and shall make application for such permits directly to the person or governmental agency having jurisdiction thereover.

5.7.5 Notice to Director; Damage to County Improvements. Lessee further agrees to keep Director apprised of the progress of the work to the end that Director may timely inspect the Premises to assure proper safeguarding of any County-owned improvements existing on or around the Premises, including but not limited to seawalls, underground conduits and utility lines. If any such County-owned improvement is damaged in connection with said construction activity, Lessee agrees to repair such damage immediately at no cost or expense to County or, in the event that Lessee fails to effectuate such repair within five (5) business days after written notice from County (or such longer period as may be reasonably required to complete such repair so long as Lessee commences such repair within five (5) business days and thereafter diligently prosecutes same to completion), County may enter upon the Premises to make such repairs, the Actual Cost of which shall be paid by Lessee within two (2) business days after demand by County. In the case of damage to a County-owned improvement that does not involve risk of personal injury, risk of damage to other improvements, risk of curtailment or diminishment of service or access, or any other emergency situation, the references to "five (5) business days" in this Subsection 5.7.5 shall be changed to "thirty (30) days."

5.7.6 Rights of Access. Representatives of the Department shall, upon reasonable notice and at reasonable times during normal business hours, have the right of reasonable access to the Premises and the Improvements thereon without charges or fees, but at no cost or expense to Lessee, for the purpose of ascertaining compliance with the terms and conditions of this Lease, including but not limited to the inspection of the construction work being performed. Such access shall be reasonably calculated to minimize interference with Lessee's construction and/or operations, and County shall comply with industry safety standards in connection with any such access. Lessee shall have the right to have a representative present to accompany the representatives of the Department in connection with such access. In the event of any emergency which is life-threatening or which involves the threat of potential substantial damage, County shall have the right to enter the Premises immediately and without notice to or accompaniment by Lessee.

5.7.7 Notice of Completion; As-Built Drawings. Upon completion of the Renovation Work or any other Alterations, Lessee shall file or cause to be filed in the Official Records of the County of Los Angeles a Notice of Completion (the "**Notice of Completion**") with respect to the Improvements and Lessee shall deliver to County, at no cost to County, two (2) sets of Conoflex or Mylar final as-built plans and specifications of the Improvements (or such portions thereof as affected by the work and as to which plans would customarily be prepared (e.g., excluding those components of interior renovations as to which plans are not applicable)).

5.7.8 Final Completion Certificate. Promptly after completion of the Renovation Work for the Landside Improvements, the Renovation Work for the Dockside Improvements, the Anchorage Improvements Replacement or the Subsequent Renovation, upon Lessee's request, County shall execute and deliver to Lessee a final completion certificate (the "**Final Completion Certificate**") as to the work which is the subject thereof, which shall conclusively evidence the completion of such work by Lessee in accordance with the terms of this Lease.

5.8 Use of Plans. Contracts between Lessee and any architect, design professional or licensed contractor in connection with Alterations shall provide, in form and content reasonably satisfactory to County, for the assignment thereof to County (and Lessee's Encumbrance Holder(s) if required by Lessee's Encumbrance Holder(s)) as security to County for Lessee's performance hereunder, and County shall be furnished with a copy of any such contract, together with the further agreement of the parties thereto, that if this Lease is terminated by County due to Lessee's default, County (or if County enters into a new lease with Lessee's Encumbrance Holder pursuant to Article 12, then Lessee's Encumbrance Holder) may, at its election, use any plans and specifications created by such architect, design professional or contractor in connection with the contract for such Alterations, upon the payment of any sums due to any party thereto. County's right to elect to use plans and specifications as described above shall not include the unauthorized right to use any trade marks, trade names or logos of Lessee or any such architect, design professional or contractor. The assignment to County and Lessee's Encumbrance Holder(s) described in this Section 5.8 shall be effective until the Final Completion Certificate for the subject work is issued, and shall be subordinate to the security interest, if any, of Lessee's construction lender in the assigned contract, which subordination shall be in a form reasonably acceptable to Lessee's construction lender.

5.9 Where Director Approval Not Required. Notwithstanding the foregoing, and notwithstanding anything to the contrary in this Article 5, Lessee shall not be required to seek or obtain the approvals of Director described in this Article 5 (including those set forth in Section 5.3) for Alterations where all of the following conditions are satisfied: (i) the total cost of the project is less than One Hundred Thousand Dollars (\$100,000), adjusted annually to reflect the increase or decrease in the ENR Index from and after the Effective Date (provided, however, that in no event shall such adjustment result in a reduction of the threshold for Director approval to less than One Hundred Thousand Dollars (\$100,000)); (ii) none of the proposed construction activity is structural in nature; and (iii) none of the proposed construction, additions, modifications or changes materially affect or are visible from the exterior of the Premises; provided, however, that whenever Lessee makes or constructs or permits any improvements in or to the Premises, Lessee shall (a) give written notice thereof (including a description of the work to be done and the permits obtained for such work), and (b) furnish a copy of "as-built" plans upon completion of such work to County.

5.10 Protection of County. Nothing in this Lease shall be construed as constituting the consent of County, express or implied, to the performance of any labor or the furnishing of any materials or any specific Improvements, alterations or repairs to the Premises of any part thereof by any contractor, subcontractor, laborer or materialman, nor as giving Lessee or any other person any right, power or authority to act as agent of or to contract for, or permit the rendering of, any

services, or the furnishing of any materials, in any such manner as would give rise to the filing of mechanics' liens or other claims against the Premises or County.

5.10.1 Posting Notices. County shall have the right at all reasonable times and places to post and, as appropriate, keep posted, on the Premises any notices which County may deem necessary for the protection of County, the Premises and the Improvements thereon from mechanics' liens or other claims. Lessee shall give County at least ten (10) business days prior written notice of the commencement of any work to be done on the Premises, in order to enable County timely to post such notices.

5.10.2 Prompt Payment. Lessee shall make, or cause to be made, prompt payment (subject to reasonable dispute) of all monies due and owing to all persons doing any work or furnishing any materials or supplies to Lessee or any of its contractors or subcontractors in connection with the Premises and the Improvements thereon. Lessee shall have the right to contest any such amount; provided, however, the entire expense of any such contest (including interest and penalties which may accrue) shall be the responsibility of Lessee.

5.10.3 Liens; Indemnity. Subject to Lessee's rights to contest the same prior to payment, Lessee shall keep the Premises and any Improvements thereon free and clear of all mechanics' liens and other liens arising out of or in connection with work done for Lessee and/or any parties claiming through Lessee. Lessee agrees to and shall indemnify, defend and hold County harmless from and against any claim, liability, loss, damages, costs, expenses, attorneys' fees incurred in defending and all other expenses on account of claims of lien(s) of laborers or materialmen or others for work performed or materials or supplies furnished to Lessee or persons claiming under it.

In the event any lien is recorded, Lessee shall, within twenty (20) days after demand, furnish any one of the following, as determined by Lessee: (i) the bond described in California Civil Code Section 3143, or successor statute, which results in the removal of such lien from the Premises, (ii) a Set Aside Letter from Lessee's construction lender, in form and substance reasonably satisfactory to County, setting aside sufficient funds from Lessee's construction loan for the satisfaction of such lien, or (iii) a title insurance policy or endorsement insuring County against any loss or liability arising out of such lien, together with any other evidence requested by County to evidence that such claim will be paid, removed or discharged as a claim against the Premises and/or County.

5.11 Anchorage Improvements Replacement. For purposes of this Lease, the **Anchorage Improvements Replacement** means the demolition and removal of all docks, gangways, anchorage slips, end-ties and related anchorage Improvements (collectively, **Anchorage Improvements**) located on the Premises, and the replacement thereof with new Anchorage Improvements, including without limitation, new concrete docks, including ADA access, a pump-out station, and upon request by County, a guest dock/water taxi dock. The Anchorage Improvements Replacement shall be of a first-class, then-current state of the art quality and design, that is at least commensurate in quality and design to the then-current state of the art Bellingham-type or equivalent quality facilities constructed on or about 2010, as such Bellingham-type quality and design may evolve during the period prior to the submission by

Lessee to Director of the preliminary plans and specifications for the construction of the Anchorage Improvements Replacement pursuant to Section 5.3 of this Lease. For avoidance of doubt, the phrase "then-current" used in the immediately preceding sentence shall mean current as of the time of the submission by Lessee to Director of the preliminary plans and specifications for the construction of the Anchorage Improvements Replacement pursuant to Section 5.3 of this Lease. On or before each anniversary of the Effective Date, Lessee shall deliver to Director on an annual basis an evaluation, prepared by an independent marine engineer engaged by Lessee and approved by Director, of the physical condition and estimated date of expiration of the remaining useful life (if any) of the existing Anchorage Improvements (each, an **"Anchorage Improvements Report"**). Lessee shall commence the construction of the Anchorage Improvements Replacement on or before the date (the **"Required Anchorage Improvements Replacement Commencement Date"**) that is the earliest of (a) one (1) year following the date of any then-current Anchorage Improvements Report reasonably approved by Director in writing that discloses that the remaining useful life of the Anchorage Improvements has expired or is expected to expire within one year following the date of the Anchorage Improvements Report, (b) the earliest estimated date of expiration of the remaining useful life of the existing Anchorage Improvements set forth in any previous Anchorage Improvements Report reasonably approved by Director in writing, or (c) the fourteenth (14th) anniversary of the Effective Date; provided, however, that Lessee shall not commence the construction of the Anchorage Improvements Replacement (and the Required Anchorage Improvements Replacement Commencement Date shall not occur) prior to the tenth (10th) anniversary of the Effective Date unless otherwise directed in writing by Director. Lessee shall substantially complete the construction of the Anchorage Improvements Replacement on or before the date (the **"Required Anchorage Improvements Replacement Completion Date"**) that is the earlier of two (2) years following the earlier of the date of the commencement of the Anchorage Improvements Replacement or the Required Anchorage Improvements Replacement Commencement Date. The Required Anchorage Improvements Replacement Commencement Date and Required Anchorage Improvements Replacement Completion Date shall be subject to extension for delays in the commencement or substantial completion (as applicable) of the Anchorage Improvements Replacement due to Force Majeure. For purposes of this Section 5.11, in addition to the other matters included in the definition of **"Force Majeure"** under this Lease, **"Force Majeure"** shall include delays in the receipt of required governmental approvals for the Anchorage Improvements Replacement that are unreasonable and unforeseeable, provided that Lessee filed all applications for any required governmental permits for the Anchorage Improvements Replacement on a timely basis not later than the date(s) normally required for receipt of such governmental permits by the Required Anchorage Improvements Replacement Commencement Date and diligently processed such applications until receipt of the required governmental permits. Notwithstanding any contrary provision of this Section 5.11, (A) any extension due to Force Majeure shall be limited to the period of the delay caused by the Force Majeure event and no such delay shall be considered to have commenced unless Lessee notifies Director in writing of the commencement of such delay within ten (10) business days after Lessee's discovery of the delay; and (B) in no event shall either the Required Anchorage Improvements Replacement Commencement Date or the Required Anchorage Improvements Replacement Completion Date be extended for more than an aggregate of one year (for each such date).

If the Anchorage Improvements Replacement is not substantially completed by the Required Anchorage Improvements Replacement Completion Date (as such date may be

extended for Force Majeure as set forth above in this Section 5.11), then upon Lessee's request the Required Anchorage Improvements Replacement Completion Date shall be extended for up to two 3-month extension periods on the conditions that: (I) Lessee must provide Director with written notice of Lessee's request for such an extension not later than the then-current Required Anchorage Improvements Replacement Completion Date (as previously extended under this Section 5.11), and (II) the then-current Percentage Rent rate under category (a) of Subsection 4.2.2 (e.g., 25% as of the Effective Date) shall be increased by one percent (1%) for each 3-month extension (or partial 3-month extension) in the Required Anchorage Improvements Replacement Completion Date under this paragraph. If Lessee fails to substantially complete the Anchorage Improvements Replacement within the two 3-month extension periods set forth above in this paragraph, then County shall have the right, in addition to any other rights or remedies that County may have in connection with Lessee's failure to substantially complete the Anchorage Improvements Replacement as required under this Section 5.11, and in the County's sole and absolute discretion (regardless of whether Lessee requests, does not request, or rejects, any further extension of the Required Anchorage Improvements Replacement Completion Date, to further extend the Required Anchorage Improvements Replacement Completion Date for additional 3-month extension periods to not later than the date of Lessee's substantial completion of the Anchorage Improvements Replacement, in which case the then-current Percentage Rent rate under category (a) of Subsection 4.2.2 (as previously increased under this paragraph) shall be further increased by one percent (1%) for each 3-month extension (or partial 3-month extension) required for Lessee's substantial completion of the Anchorage Improvements Replacement. Upon any increase in the Percentage Rent rate under category (a) of Subsection 4.2.2 pursuant to this paragraph, such adjusted Percentage Rent rate shall not thereafter be reduced during the remaining Term of the Lease.

The Anchorage Improvements Replacement shall be performed at Lessee's sole cost and expense. Without in any manner limiting the amount of costs and expenses that Lessee might incur in connection with the performance of the Anchorage Improvements Replacement (including all design, entitlement and construction activities), Lessee shall be required to expend on the Anchorage Improvements Replacement not less than the AIR Required Cost Amount (as defined below) for out-of-pocket hard costs paid to third parties (excluding the value or cost of land or water area, the existing leasehold or the existing Improvements) for the construction of the Anchorage Improvements Replacement (the **AIR Qualified Hard Costs**). Without limitation of any other requirements for AIR Qualified Hard Costs, AIR Qualified Hard Costs shall not include any soft costs relating to the Anchorage Improvements Replacement. If in-house construction labor is used to perform the Anchorage Improvements Replacement construction work, then in addition to out-of-pocket hard costs paid to third parties, AIR Qualified Hard Costs shall also include actual hard costs incurred by Lessee for utilization of in-house construction labor for actual services rendered at market rates for comparable services provided by third-party laborers (but not greater than the hourly rate actually paid by Lessee to such in-house laborers), as such costs are confirmed to and reasonably approved by Director. The **AIR Required Cost Amount** means \$2,500,000, as increased (but not decreased) by the same percentage increase (if any) in the ENR Index during the period from (I) January, 2009 until (II) the month of the substantial completion of the Anchorage Improvements Replacement. Lessee expressly acknowledges that given the significant period of time between the date of this Lease and the performance of the Anchorage Improvements Replacement and given the required quality and design standard of the Anchorage Improvements Replacement set forth in the first

paragraph of this Section 5.11, the cost of the Anchorage Improvements Replacement might be significantly greater than the AIR Required Cost Amount, and the AIR Required Cost Amount shall not be interpreted in any manner as a maximum cost amount that Lessee might be required to incur to perform the Anchorage Improvements Replacement.

5.12 Subsequent Renovation. In addition to the Renovation Work and Anchorage Improvements Replacement to be performed by Lessee pursuant to Sections 5.1 and 5.11, Lessee shall be required to complete an additional renovation of the Landside Improvements and Dockside Improvements during the remaining Term of the Lease in accordance with the terms and provisions of this Section 5.12 (the "**Subsequent Renovation**"). The construction of the Subsequent Renovation shall be commenced by Lessee by such date as will reasonably permit the completion of the Subsequent Renovation by not later than the twenty-second (22nd) anniversary of the Effective Date; provided, however, that Lessee shall not commence the Subsequent Renovation prior to the nineteenth (19th) anniversary of the Effective Date. Lessee shall substantially complete the Subsequent Renovation by not later than the twenty-second (22nd) anniversary of the Effective Date. The Subsequent Renovation shall consist of such renovation and construction work as necessary to revitalize and upgrade the exterior, the common areas (both exterior and interior) and the landscaping of the Landside Improvements and Dockside Improvements to a condition and appearance at least equal to that of other first class residential apartment projects then recently constructed or being constructed in Marina del Rey. Prior to the commencement of construction of the Subsequent Renovation, Lessee shall submit to Director a renovation plan for the Subsequent Renovation (the "**Subsequent Renovation Plan**"), which renovation plan shall (a) describe the proposed renovation work in such detail as reasonably requested by Director, (b) include a design, governmental approval and construction schedule for the work described therein, (c) include a budget for all work costs, and (d) address such other matters as Director reasonably requests. The Subsequent Renovation Plan shall be submitted by Lessee to County not later than such date as, taking into consideration the approval periods described in this Section 5.12 and Section 5.3 above, and the estimated time required to obtain all necessary governmental approvals and permits, will reasonably be expected to permit the completion by Lessee of the Subsequent Renovation by the date required under this Section 5.12. Director shall have sixty (60) days after receipt of the Subsequent Renovation Plan within which to reasonably approve or disapprove the Subsequent Renovation Plan, or to approve the Subsequent Renovation Plan subject to conditions imposed by Director in Director's reasonable judgment. Failure of Director to notify Lessee in writing of Director's approval or disapproval of the Subsequent Renovation Plan shall be deemed Director's disapproval of the Subsequent Renovation Plan. Upon Director's approval of the Subsequent Renovation Plan, Lessee shall proceed to satisfy all conditions in this Article 5 to the commencement of the Subsequent Renovation and to commence and complete the Subsequent Renovation in accordance with the Subsequent Renovation Plan and the terms and conditions of this Article 5. Director's approval of the actual plans and specifications for the Subsequent Renovation shall proceed in accordance with the protocol for plan submission and approval set forth in Section 5.3 of this Lease, except that the schematic plan submittal requirements set forth in Subsection 5.3.1 shall not be applicable to the extent that the Subsequent Renovation Plan approved by Director satisfies the requirements of such Subsection 5.3.1. Lessee's failure to comply with the schedule approved by Director as part of Subsequent Renovation Plan and/or to meet the construction commencement and completion deadlines pertaining to the Subsequent Renovation set forth in this Section 5.12

(except to the extent due to Force Majeure delay as set forth in Section 5.6) shall, if not cured within the cure period set forth in Subsection 13.1.3, constitute an Event of Default. Any dispute as to whether Director has failed to exercise reasonable judgment in the approval or disapproval of the Subsequent Renovation Plan shall be submitted to arbitration pursuant to Article 16 of this Lease. If the arbitrator determines that Director failed to exercise reasonable judgment in the approval or disapproval of the Subsequent Renovation Plan and as a result thereof Lessee is delayed in the completion of the Subsequent Renovation by the required completion date set forth in the first paragraph of this Section 5.12, then the required dates for the commencement and completion of such Subsequent Renovation shall be extended by the duration of the delay caused by Director's failure to reasonably approve the Subsequent Renovation Plan, provided that the required dates for the commencement and completion of the Subsequent Renovation shall not be extended beyond the dates reasonably required for the commencement and completion by Lessee of the Subsequent Renovation.

5.13 Subsequent Renovation Fund. Commencing with the month following the month during which the fifth (5th) anniversary of the earlier of the date of the substantial completion of the Renovation Work for the Landside Improvements or the Required Landside Construction Completion Date occurs, and continuing until the completion of the Subsequent Renovation, Lessee shall establish and maintain a reserve fund (the "**Subsequent Renovation Fund**") in accordance with the provisions of this Section 5.13 for the purpose of funding the cost of the Subsequent Renovation; provided, however, that Lessee's obligation to perform the Subsequent Renovation shall not be limited to the funds available in the Subsequent Renovation Fund. The Subsequent Renovation Fund shall be held in an account established with a reputable financial institution reasonably acceptable to Director (which shall include Lessee's Encumbrance Holder) into which deposits shall be made by Lessee pursuant to this Section 5.13. On or before the fifteenth (15th) day of each month during the period during which the Subsequent Renovation Fund is required to be maintained by Lessee hereunder, Lessee shall make a monthly deposit to the Subsequent Renovation Fund in an amount equal to one and one-half percent (1.5%) of total Gross Receipts from the Landside Improvements and Dockside Improvements for the previous month. All interest and earnings on the Subsequent Renovation Fund shall be added to the Subsequent Renovation Fund, but shall not be treated as a credit against the Subsequent Renovation Fund deposits required to be made by Lessee pursuant to this Section 5.13. In lieu of monthly deposits to the Subsequent Renovation Fund, Lessee and Director may mutually agree upon substitute arrangements satisfactory to Director for the establishment of an adequate security source for the performance of the Subsequent Renovation, such as a bonding mechanism or a letter of credit.

Disbursements shall be made from the Subsequent Renovation Fund only for costs for the design, permitting, entitlements and construction of the Subsequent Renovation which have been reasonably approved by Director; provided, however, if funds remain in the Subsequent Renovation Fund after the Subsequent Renovation has been completed and all costs for the Subsequent Renovation paid in full, then any such excess funds shall be released promptly to Lessee. Prior to the disbursement of any amounts from the Subsequent Renovation Fund, Lessee shall furnish to Director applicable invoices, evidence of payment and other back-up materials reasonably acceptable to Director concerning the use of amounts from the Subsequent Renovation Fund. Director shall have no obligation to approve the disbursement of amounts from the Subsequent Renovation Fund unless and until Director has approved Lessee's Subsequent

Renovation Plan for such Subsequent Renovation and Lessee has furnished to Director evidence reasonably satisfactory to Director that Lessee has sufficient financial resources (taking into consideration the Subsequent Renovation Fund) to pay for all costs of such Subsequent Renovation.

5.14 Capital Improvement Fund. Commencing with the month following the month during which the Renovation Work for the Landside Improvements is substantially completed and continuing during the remaining Term of the Lease, Lessee shall establish and maintain a reserve fund (the **Capital Improvement Fund**) in accordance with the provisions of this Section 5.14 for the cost of Permitted Capital Expenditures (as defined below) for the Premises. Deposits to the Capital Improvement Fund shall be segregated into the following two sub-funds: (1) a sub-fund for the Landside Improvements and Dockside Improvements, and (2) a sub-fund for the Anchorage Improvements. All Capital Improvement Fund deposits attributable to Gross Receipts derived from the Landside Improvements and Dockside Improvements shall be deposited into the Landside Improvements and Dockside Improvements sub-fund, and amounts shall be dispersed from such sub-fund only for Permitted Capital Expenditures (as defined below) for the Landside Improvements and Dockside Improvements. All Capital Improvement Fund deposits attributable to Gross Receipts derived from the Anchorage Improvements shall be deposited into the Anchorage Improvements sub-fund, and amounts shall be dispersed from such sub-fund only for Permitted Capital Expenditures for the Anchorage Improvements. All interest and earnings on each sub-fund of the Capital Improvement Fund shall be added to such sub-fund, but shall not be treated as a credit against the Capital Improvement Fund deposits required to be made by Lessee pursuant to this Section 5.14. On or before the fifteenth (15th) day of each month during the period described in the first sentence of this paragraph, Lessee shall make a monthly deposit to each sub-fund of the Capital Improvement Fund in the following percentages of Gross Receipts for the previous month:

<u>Sub-Fund for Landside Improvements and Dockside Improvements</u>
1.5% of Gross Receipts derived from the Landside Improvements and Dockside Improvements
<u>Sub-Fund for Anchorage Improvements</u>
Until the substantial completion of the Anchorage Improvements Replacement, 3% of Gross Receipts derived from the Anchorage Improvements
During the 10-year period after the substantial completion of the Anchorage Improvements Replacement, .5% of Gross Receipts derived from the Anchorage Improvements
During the remainder of the Term of the Lease (following the foregoing 10-year period), 1.5% of Gross Receipts derived from the Anchorage Improvements

Lessee and County agree and acknowledge that the purpose of the Capital Improvement Fund shall be to provide funds for the costs of additions, replacements, renovations or significant upgrades of or to the Improvements on the Premises, including building exteriors and major building systems (such as HVAC, mechanical, electrical, plumbing, vertical transportation,

security, communications, structural or roof) that significantly increase the capacity, efficiency, useful life or economy of operation of the Improvements or their major systems, after the completion of the Renovation Work (**Permitted Capital Expenditures**). Without limitation of the permitted uses set forth in the immediately preceding sentence, Capital Improvement Fund amounts deposited in the Anchorage Improvements sub-fund prior to the completion of the Anchorage Improvements Replacement may be used for approved costs incurred for the Anchorage Improvements Replacement described in Section 5.11 above; provided, however, that Capital Improvement Fund amounts required to be deposited into the Anchorage Improvements sub-fund after the earlier of the date of the substantial completion of the Anchorage Improvements Replacement or the Required Anchorage Improvements Replacement Completion Date shall not be used for costs of the Anchorage Improvements Replacement. Notwithstanding any contrary provision of this Lease, the Capital Improvement Fund shall not be used to fund any portion of the cost of the Renovation Work or the Subsequent Renovation. In addition, the Capital Improvement Fund shall not be used for building additions, new project amenities (e.g., barbeques or fitness equipment) or new common area furniture. Permitted Capital Expenditures shall not include the cost of periodic, recurring or ordinary expenditures, repairs or replacements that keep the Improvements or their major systems in a good, operating condition, but that do not significantly add to their value or appreciably prolong their useful life. Permitted Capital Expenditures must constitute capital replacements, improvements or equipment under generally accepted accounting principles consistently applied. Furthermore, Permitted Capital Expenditures shall not include costs for any necessary repairs to remedy any broken or damaged Improvements, all of which costs shall be separately funded by Lessee. By way of example, set forth on Exhibit E attached to this Lease are examples of categories of Permitted Capital Expenditures that qualify as proper costs to be funded from the Capital Improvement Fund. All specific purposes and costs for which Lessee desires to utilize amounts from the Capital Improvement Fund shall be subject to Director's approval, which approval shall not be unreasonably withheld, conditioned or delayed.

The Capital Improvement Fund shall be held in an account established with a reputable financial institution (including Lessee's Encumbrance Holder) reasonably acceptable to Director into which deposits shall be made by Lessee (and/or into which Lessee's Encumbrance Holder shall provide funds) pursuant to this Section 5.14. The amounts to be added to the Capital Improvement Fund shall be inclusive of amounts required to be deposited with and held by an Encumbrance Holder, provided that the Encumbrance Holder acknowledges that such amounts are subject to, and administered in accordance with, the requirements of this Section 5.14, including allocation of deposits and disbursements between the two sub-funds as described herein.

Except for disbursements from the Anchorage Improvements sub-fund for the Anchorage Improvements Replacement, no disbursements shall be made from the Capital Improvement Fund until after the tenth (10th) anniversary of the date of the substantial completion of the Renovation Work for the Landside Improvements. In addition, subject to use of the Anchorage Improvements sub-fund for the Anchorage Improvements Replacement, no disbursements shall be made from the Capital Improvement Fund after the tenth (10th) anniversary of the date of the substantial completion of the Renovation Work to cure deficiencies arising from the failure of Lessee to maintain and repair the Improvements in accordance with the requirements of this Lease during such ten (10) year period. Disbursements shall be made from the Capital

Improvement Fund for costs reasonably approved by Director which have been incurred after the tenth (10th) anniversary of the date of the substantial completion of the Renovation Work for the Landside Improvements (or for such costs pertaining to the Anchorage Improvements Replacement) and that satisfy the requirements of this Section 5.14. Capital Improvement Funds shall be used only after all other sources such as warranty proceeds and product insurance funds are exhausted (or determined to be unavailable). For the purpose of obtaining Director's prior approval of any Capital Improvement Fund disbursements, Lessee shall submit to Director on an annual calendar year basis a capital expenditure plan for the upcoming year that details the amount and purpose of anticipated Capital Improvement Fund expenditures for which Lessee requests Director's approval, which approval shall not be unreasonably withheld, conditioned or delayed. Any anticipated expenditure set forth in such capital expenditure plan which is approved by Director as an acceptable Capital Improvement Fund disbursement shall be considered pre-approved by Director (but only up to the amount of such expenditure set forth in the annual capital expenditure plan) for the duration of the upcoming year. Lessee shall have the right during the course of each year to submit to Director for Director's approval revisions to the then-current capital expenditure plan in effect for such year, or individual expenditures not noted on the previously submitted capital expenditure plan. Prior to the disbursement of any amounts from the Capital Improvement Fund, Lessee shall furnish to Director applicable invoices, evidence of payment and other back-up materials reasonably acceptable to Director concerning the use of amounts from the Capital Improvement Fund.

All amounts then existing in the Capital Improvement Fund shall be expended for Permitted Capital Expenditures not later than seven (7) years prior to the expiration of the Term of the Lease. Capital Improvement Fund deposits made after such date shall continue to be used for Permitted Capital Expenditure purposes under this Section 5.14; provided, however, if County elects to require Lessee to remove the Improvements at the end of the Term and requires Lessee to provide security to secure its obligation to perform such removal obligations in accordance with Subsection 2.3.2 of this Lease, then Lessee shall have the right to contribute the deposits thereafter required to be made by Lessee under this Section 5.14 towards Lessee's obligations to fund the security requirements in Subsection 2.3.2, but only if and to the extent that there are sufficient funds made available in the Capital Improvement Fund for any needed Permitted Capital Expenditures, as determined by Director in Director's reasonable discretion.

6. CONDEMNATION.

6.1 Definitions.

6.1.1 Condemnation. **Condemnation** means (1) the exercise by any governmental entity of the power of eminent domain, whether by legal proceedings or otherwise, and (2) a voluntary sale or transfer to any Condemnor (as hereafter defined), either under threat of Condemnation or while legal proceedings for Condemnation are pending.

6.1.2 Date of Taking. **Date of Taking** means the earliest of (a) the date that the Condemnor has the right of occupancy pursuant to an order for possession issued by a court asserting jurisdiction over the Premises; (b) the date that the final order of Condemnation is issued in the event of a transfer by power of eminent domain; or (c) title

is transferred to any Condemnor through voluntary sale or transfer, either under threat of Condemnation or while legal proceedings for Condemnation are pending.

6.1.3 Award. **Award** means all compensation, sums or anything of value awarded, paid or received from a total or partial Condemnation.

6.1.4 Condemnor. **Condemnor** means any public or quasi-public authority, or private corporation or individual, having the power of eminent domain.

6.2 Parties' Rights and Obligations to be Governed by Lease. If, during the Term of this Lease, there is any Condemnation of all or any part of the Premises, any Improvements on the Premises or any interest in this Lease by Condemnation, the rights and obligations of the parties shall be determined pursuant to the provisions of this Article 6.

6.3 Total Taking. If the Premises are totally taken by Condemnation, this Lease shall terminate on the Date of Taking.

6.4 Effect of Partial Taking. If a portion of the Premises or the Improvements thereon are taken by Condemnation, this Lease shall remain in effect, except that Lessee may elect to terminate this Lease if the remaining portion of the Premises are rendered unsuitable (as defined herein) for Lessee's continued use for the purposes contemplated by this Lease. The remaining portion of the Premises shall be deemed unsuitable for Lessee's continued use if, following a reasonable amount of reconstruction, Lessee's business on the Premises could not be operated at a commercially reasonable economic level taking into consideration the amount of funds, if any, in excess of the Award, necessary to continue such operation. Lessee must exercise its right to terminate by giving County written notice of its election within ninety (90) days after the Date of Taking. Such notice shall also specify the date of termination, which shall not be prior to the Date of Taking. Failure to properly exercise the election provided for in this Section 6.4 will result in this Lease's continuing in full force and effect, except that Annual Minimum Rent shall be abated pursuant to Section 6.5, below.

In the event that Lessee does not elect to terminate this Lease as provided above, then Lessee, whether or not the Awards or payments, if any, on account of such Condemnation shall be sufficient for the purpose, shall, at its sole cost and expense, within a reasonable period of time, commence and complete restoration of the remainder of the Premises as nearly as possible to its value, condition and character immediately prior to such Condemnation, taking into account, however, any necessary reduction in size or other change resulting from the Condemnation; provided, however, that in case of a Condemnation for temporary use, Lessee shall not be required to effect restoration until such Condemnation is terminated.

6.5 Effect of Partial Taking on Rent. If any portion of the Premises is taken by Condemnation and this Lease remains in full force and effect as to the portion of the Premises not so taken (a **Partial Taking**), the Annual Minimum Rent shall be reduced as of the date of the Partial Taking to an amount equal to the Annual Minimum Rent multiplied by the ratio of the fair market value of the portion of the Premises not so taken to the fair market value of the entire Premises immediately prior to the Partial Taking, but without regard to any diminution in value

resulting from the imminent taking. Upon the next Adjustment Date, as described in Subsection 4.3 above, if any, for the purposes of adjusting the Annual Minimum Rent, all Annual Rent paid by Lessee to County prior to the Date of Taking shall be adjusted, for the purposes of this calculation only, to the proportion that the fair market value of the portion of the Premises which remains after the Partial Taking bears to the fair market value of the entire Premises immediately prior to the Partial Taking. If the parties cannot agree upon the appropriate Annual Minimum Rent, the matter shall be settled through arbitration in the manner set forth in Article 16 hereof. Any determinations of fair market value made pursuant to this Section 6.5 in connection with any arbitration proceeding shall be predicated upon the "income approach" or "income capitalization approach" to property valuation, as defined in The Dictionary of Real Estate Appraisal and/or The Appraisal of Real Estate, published by the Appraisal Institute or any successor organization (the "**Income Approach**"). All other obligations of Lessee under this Lease, including but not limited to the obligation to pay Percentage Rent, shall remain in full force and effect.

6.6 Waiver of Code of Civil Procedure Section 1265.130. Each party waives the provisions of Code of Civil Procedure Section 1265.130 allowing either party to petition the Superior Court to terminate this Lease in the event of a Partial Taking of the Premises.

6.7 Payment of Award. Awards and other payments on account of a Condemnation, less costs, fees and expenses incurred in the collection thereof ("**Net Awards and Payments**"), shall be applied as follows:

6.7.1 Partial Taking Without Termination. Net Awards and Payments received on account of a Condemnation, other than a total Condemnation or a Partial Taking which results in termination hereof or a taking for temporary use, shall be held by County and shall be paid out to Lessee or Lessee's designee(s), in monthly installments equal to the sum set forth in Lessee's written request for payment submitted to County together with supporting invoices and documentation demonstrating that the requested sums are for payments to contractors, consultants, architects, engineers, counsel, or materialmen engaged in the restoration of the Premises and any Improvements. Such requested sums shall be paid by County to Lessee or its designee(s) within thirty (30) days after County has received such request in writing reasonably supported by accompanying invoices and documentation. In the event that County disputes any sum requested by Lessee pursuant to the preceding sentence, County shall promptly pay the undisputed portion and provide Lessee with a written notice detailing the reasons for County's dispute. Thereafter, Director and Lessee shall promptly meet and negotiate in good faith to resolve any dispute; provided, however, that any dispute not resolved within thirty (30) days after Lessee has received notice from County of its dispute shall be submitted to arbitration pursuant to Article 16. The balance, if any, shall be divided between County and Lessee pro rata, as nearly as practicable, based upon (1) the then value of County's interest in the Premises (including its interest hereunder) and (2) the then value of Lessee's interest in the remainder of the Term of this Lease including bonus value (for such purposes, the Term of this Lease shall not be deemed to have terminated even if Lessee so elects under Section 6.4). Any determinations of fair market value made pursuant to this Section 6.7 shall be predicated upon the Income Approach. Notwithstanding the foregoing, if County is the condemning authority and the

Condemnation pertains only to Lessee's interest, then Lessee shall be entitled to the entire amount of the Net Awards and Payments.

In case of a Condemnation described in this Subsection 6.7.1, Lessee shall furnish to County evidence satisfactory to County of the total cost of the restoration required by Section 6.4.

6.7.2 Taking For Temporary Use. Net Awards and Payments received on account of a taking for temporary use shall be paid to Lessee; provided, however, that if any portion of any such award or payment is paid by the Condemnor by reason of any damage to or destruction of the Improvements, such portion shall be held and applied as provided in the first sentence of Section 6.7.1, above.

6.7.3 Total Condemnation and Partial Taking with Termination. Net Awards and Payments received on account of a total Condemnation or a Partial Taking which results in the termination of this Lease shall be allocated in the following order:

First: There shall be paid to County an amount equal to the greater of (a) the sum of (1) the present value of all Annual Rent and other sums which would become due through the expiration of the Term if it were not for the taking less, in the event of a Partial Taking, an amount equal to the present value of the fair rental value of the portion of the Premises (with the Improvements thereon) not subject to the Partial Taking, from the date of the Partial Taking through the expiration of the Term and (2) the present value of the portion of the Premises (with the Improvements thereon) subject to the taking from and after the expiration of the Term or (b) in the event of a Partial Taking, the present value of the fair market rental value of the portion of the Premises (with the Improvements thereon) subject to the Partial Taking, from and after the expiration of the Term.

Second: There shall be paid to any Encumbrance Holder an amount equal to the sum of any unpaid principal amount of any Encumbrance secured by the Premises plus costs, expenses, and other sums due pursuant the loan documents, if any, and any interest accrued thereon, all as of the date on which such payment is made; and then

Third: There shall be paid to Lessee an amount equal to the value of Lessee's interest in the remainder of the Term of this Lease, including the value of the ownership interest in and use of the Improvements constructed on the Premises, determined as of the date of such taking, less payments made under paragraph Second above. For such purposes, the Term of this Lease shall not be deemed to have terminated even if Lessee so elects under Section 6.4.

Fourth: The balance shall be paid to County.

If County is the condemning authority in connection with a total Condemnation or a Partial Taking that results in the termination of the Lease, and such total Condemnation or Partial Taking pertains to only Lessee's interest, then Lessee shall be entitled to the entire amount of any Net Awards and Payments.

In the event of a total Condemnation or a Partial Taking that results in the termination of this Lease, County shall promptly pay or authorize the payment of, as applicable, to Lessee all sums held by County or third parties as the Capital Improvement Fund, the Subsequent Renovation Fund, the Security Deposit, and, upon completion by Lessee of its obligations under Section 2.3 of this Lease with respect to any portion of the Premises not taken in the Condemnation, the remaining Demolition Security.

6.7.4 Disputes. Any dispute under Article 6 concerning the fair market value of the Premises or any portion thereof, computation of present value or the determination of the amount of Annual Minimum Rent or Percentage Rent or other sums which would have become due over the Term of this Lease which are not resolved by the parties, shall be submitted to arbitration pursuant to Article 16 of this Lease. Such valuations, computations and determinations of value shall be made utilizing the Income Approach.

7. SECURITY DEPOSIT.

7.1 Amount and Use. Lessee shall deliver to and maintain with County a security deposit (the "Security Deposit") in an amount equal to the sum of three (3) times the Monthly Minimum Rent in effect from time to time during the Term (i.e., adjusted to reflect any change in the Monthly Minimum Rent during the Term of this Lease). The Security Deposit shall secure Lessee's obligations pursuant to this Lease, and may be drawn on by County, in whole or in part, to cover (a) delinquent rent not paid by Lessee within any applicable notice and cure period, and (b) any other Events of Default of Lessee under this Lease. The Security Deposit shall be applied at the discretion of County. Lessee shall have the right to maintain the Security Deposit in form of cash or in the form of a certificate of deposit, letter of credit or other approved investment instrument acceptable to County with respect to form, content and issuer. As long as no Event of Default by Lessee exists under the Lease, Lessee shall be entitled to any interest or other earnings which are actually earned on any unapplied portions of the Security Deposit delivered to County in the form of a certificate of deposit or other approved investment instrument (as opposed to cash, on which Lessee shall not be entitled to interest). Provided that no Event of Default then exists under the Lease, at the end of each Lease Year Lessee shall be entitled to a credit for all unexpended interest accruing to Lessee's benefit with respect to the Security Deposit during such Lease Year pursuant to the immediately preceding sentence. Notwithstanding any contrary provision hereof, County shall have the right at any time to apply any accrued but uncredited interest (which accrued during non-Event of Default periods) against delinquent rents and other amounts owed by Lessee under the Lease.

7.2 Replacement. In the event that some or all of the Security Deposit is drawn against by County and applied against any delinquent rent not paid by Lessee within any applicable notice or cure period, or against other Events of Default of Lessee hereunder, Lessee shall, within ten (10) days after receipt of written notice of the amount so applied and the reasons for such application, deposit sufficient additional funds with County, or cause the issuer of any letter of credit to reinstate the letter of credit to its full face amount, so that at all times that this Lease is in effect (other than between the date of the application of funds by County and the expiration of said ten (10) day period), the full amount of the Security Deposit shall be available to County. Failure to maintain and replenish the Security Deposit, if not cured within the time period set forth in Subsection 13.1.2, shall constitute an Event of Default hereunder.

7.3 Renewal. Any letter of credit procured by Lessee and delivered to County shall provide for notice to County by the issuer thereof no less than sixty (60) days prior to the expiration of the term of such letter of credit in the event that the issuer thereof is not irrevocably committed to renew the term of such letter of credit. In the event that, thirty (30) days prior to the expiration of such letter of credit, Lessee has not provided County with satisfactory evidence of its renewal or replacement, or has not provided County with adequate replacement security, County may draw down upon the letter of credit and hold the funds as security for Lessee's obligations as set forth in this Lease and may apply the funds to cover delinquent rent not paid by Lessee within any applicable notice and cure period and/or any other Event of Default of Lessee under this Lease.

8. INDEMNITY.

Except to the extent caused by the gross negligence or willful misconduct of any such indemnitee, Lessee shall at all times relieve, defend, indemnify, protect, and save harmless County and its respective Boards, officers, agents, consultants, counsel, employees and volunteers from any and all claims, costs, losses, expenses or liability, including expenses and reasonable attorneys' fees incurred in defending against the same by an attorney selected by Lessee and reasonably satisfactory to County, for the death of or injury to persons or damage to property, including property owned or controlled by or in the possession of County or any of its Board, officers, agents, employees or volunteers, to the extent that such arises from or is caused by (a) the operation, maintenance, use, or occupation of the Premises (other than the Promenade and the Seawall) by Lessee or its agents, officers, employees, licensees, concessionaires, permittees or Sublessees, (b) the acts, omissions, or negligence of Lessee, its agents, officers, employees, licensees, concessionaires, permittees or Sublessees, or (c) the failure of Lessee, its agents, officers, employees, licensees, concessionaires, permittees or Sublessees to observe and abide by any of the terms or conditions of this Lease or any applicable law, ordinance, rule, or regulation. The obligation of Lessee to so relieve, indemnify, protect, and save harmless County and each of its respective Boards, officers, agents, consultants, counsel, employees and volunteers, shall continue during any periods of occupancy or of holding over by Lessee, its agents, officers, employees, licensees, concessionaires, permittees or Sublessees, beyond the expiration of the Term or other termination of this Lease. Notwithstanding anything in this Lease to the contrary, Lessee and County acknowledge that their respective liability, if any, arising out of the operation, maintenance, use and/or occupation of the Promenade shall be governed by Applicable Law.

9. INSURANCE.

9.1 Lessee's Insurance. Without limiting Lessee's indemnification of County, during the Term of this Lease Lessee shall provide and maintain the following insurance issued by companies authorized to transact business in the State of California by the Insurance Commissioner and having a "general policyholders rating" of at least A-VII (or such higher rating as may be required by an Encumbrance Holder) as set forth in the most current issue of "A.M. Best's Key Rating Guide" or an equivalent rating from another industry-accepted rating agency.

9.1.1 General Liability insurance (written on ISO policy form CG 00 01 or its equivalent) and endorsed to name County as an additional insured, with limits of not less than the following:

General Aggregate:	\$20,000,000
Products/Completed Operations Aggregate:	\$20,000,000
Personal and Advertising Injury:	\$10,000,000
Each Occurrence:	\$10,000,000

Lessee may satisfy the above coverage limits with a combination of primary coverage (**Primary Coverage**) and excess liability coverage (**Umbrella Coverage**) (as long as (a) Lessee's Primary Coverage is at least Two Million Dollars (\$2,000,000) per occurrence, Two Million Dollars (\$2,000,000) annual aggregate, and (b) the combination of such Primary Coverage and Umbrella Coverage provides County with the same protection as if Lessee had carried primary coverage for the entire limits and coverages required under this Subsection 9.1.1.

9.1.2 Automobile Liability insurance (written on ISO form CA 00 01 or its equivalent) with a limit of liability of not less than One Million Dollars (\$1,000,000) of Primary Coverage and One Million Dollars (\$1,000,000) of Umbrella Coverage, for each accident and providing coverage for all ☐owned☐ ☐hired☐and ☐non-owned☐vehicles, or coverage for ☐any auto.☐ During any period of operation of valet parking facilities, Lessee also shall provide Garagekeeper's Legal Liability coverage, (written on ISO form CA 99 37 or its equivalent) with limits of not less than Three Million Dollars (\$3,000,000) for this location.

9.1.3 Workers Compensation and Employers' Liability insurance providing workers compensation benefits, as required by the Labor Code of the State of California and for which Lessee is responsible, and including Employers' Liability coverage with limits of not less than the following:

Each Accident:	\$1,000,000
Disease - policy limit:	\$1,000,000
Disease - each employee:	\$1,000,000

9.1.4 Commercial Property insurance covering damage to the Premises, including improvements and betterments, from perils covered by the Causes-of-Loss Special Form (ISO form CP 10 30), excluding earthquake, and including Ordinance or Law Coverage, written for the full replacement value of the Improvements, with a deductible no greater than \$250,000 or 5% of the property value, which ever is less, and also including business interruption, including loss of rent equal to eighteen (18) months

of rent, with proceeds payable to Lessee and County as their interests may appear and utilized for repair and restoration of the Premises and Improvements. Notwithstanding the foregoing, during any period during which no Improvements exist on the Premises or all of the existing Improvements are being demolished in connection with the construction of Renovation Work, the obligation to provide insurance under this Subsection 9.1.4 shall not be applicable so long as the insurance coverage described in Subsection 9.1.5 below is carried.

9.1.5 For construction projects on the Premises, including the Renovation Work, any other Alterations or restoration of the Improvements, Lessee or Lessee's contractor or subcontractors will provide the following insurance (County reserves the right to determine the coverage and coverage limit required on a project by project basis.):

9.1.5.1 Builder's Risk Course of Construction to insure against damage from perils covered by the Causes-of-Loss Special Form (ISO form CP 10 30) or equivalent. This insurance shall be endorsed to include ordinance or law coverage, coverage for temporary offsite storage, debris removal, pollutant cleanup and removal, testing, preservation of property, excavation costs, landscaping, shrubs and plants and full collapse coverage during construction (without restricting collapse coverage to specified perils. This insurance shall be written on a completed-value basis and cover the entire value of the construction project, against loss or damage until completion and acceptance by Lessee.

9.1.5.2 General Liability. Such insurance shall be written on ISO policy form CG 00 01 or its equivalent with limits as reasonably required by the County for the Renovation Work or other Alterations. The products/completed operations coverage shall continue to be maintained for the following periods: (a) in the case of the Renovation Work, three (3) years after the date the Renovation Work is completed and accepted by the Lessee, or (b) in the case of Alterations after the completion of the Renovation Work, such period after the date such Alterations are completed and accepted by Lessee as reasonably determined by County, but not to exceed three (3) years after such completion and acceptance.

9.1.5.3 Automobile Liability. Such coverage shall be written on ISO policy form CA 00 01 or its equivalent with a limit of liability as reasonably required by the County for the Renovation Work or other Alterations. Such insurance shall include coverage for all "owned," "hired" and "non-owned" automobiles, or coverage for "any auto."

9.1.5.4 Professional Liability. Such insurance shall cover liability arising from any error, omission, negligent or wrongful act of the contractor and/or licensed professional (i.e. architects, engineers, surveyors, etc.). This coverage shall also provide an extended two-year reporting period commencing upon termination or cancellation of the construction project. The limits of the coverage required under this Subsection 9.1.5.4 shall be (a) Three Million Dollars (\$3,000,000) with respect to the prime architect for the Renovation Work (or such lesser amount as required by Director for the prime architect in connection with

any subsequent Alterations), and (b) One Million Dollars (\$1,000,000) with respect to each other contractor, subcontractor, architect, engineer, surveyor or other licensed professional rendering services in connection with the design or construction of the Renovation Work or subsequent Alterations, provided that Director shall have the discretion to reduce the coverage limits under this clause (b) if appropriate in the judgment of Director based on the nature and scope of the services being provided.

9.1.5.5 Asbestos Liability or Contractors Pollution Liability insurance, if construction requires remediation of asbestos or pollutants, and if such insurance is available. Such insurance shall cover liability for personal injury and property damage arising from the release, discharge, escape, dispersal or emission of asbestos or pollutants, whether gradual or sudden, and include coverage for the costs and expenses associated with voluntary clean-up, testing, monitoring and treatment of asbestos in compliance with governmental mandate or order. If the asbestos or pollutant will be removed from the construction site, asbestos or pollution liability is also required under the contractor's or subcontractor's Automobile Liability Insurance. Contractor shall maintain limits as reasonably required by the County for the Renovation Work or other Alterations.

9.1.6 If the use of the Premises or Improvements involves any manufacture, distribution or service of alcoholic beverages, Liquor Liability insurance (written on ISO policy form CG 00 33 or 34 or their equivalent) with a liability limit of not less than Five Million Dollars (\$5,000,000) per occurrence and an annual aggregate of Ten Million Dollars (\$10,000,000), which limits may be covered by a combination of Primary Coverage and Umbrella Coverage. If written on a claims made form, the coverage shall also provide an extended two-year reporting period commencing upon the termination or cancellation of the Lease.

9.1.7 If use of the Premises or Improvements involves a marina operation, berthing, docking, and/or launching of boats and/or pleasure crafts, and/or use of floating docks, piers and/or ramps, Lessee shall carry Marina Operator's Liability insurance with limits of not less than Five Million Dollars (\$5,000,000) per occurrence, and Ten Million Dollars (\$10,000,000) aggregate. If written on a "claims made" form, the coverage shall also provide an extended two (2) year reporting period commencing upon the expiration or earlier termination of the Lease, or replacement coverage shall be maintained until such time.

9.2 Provisions Pertaining to Property Insurance. The insurance coverage required in Subsections 9.1.4 and 9.1.5.1 shall name County as an additional insured and any Encumbrance Holder as loss payee. Subject to Section 12.6, upon the occurrence of any loss, the proceeds of property and builder's risk insurance shall be held by County in trust for the named insureds as their interests appear, and shall be disbursed by County on a monthly basis to pay for work completed in accordance with then-prevailing industry custom and practice; provided, however, that if the insurance proceeds received with respect to a loss are less than \$500,000 (as adjusted to reflect any increase in the ENR Index during the period from the Effective Date through the date of the loss), the Encumbrance Holder shall have the right to hold and disburse such proceeds

to pay the renovation and repair of Improvements in accordance with the terms of the loan agreement or deed of trust with Lessee's Encumbrance Holder. In the event of a loss, except as expressly provided to the contrary in this Lease, Lessee shall be obligated to use the insurance proceeds received by Lessee to rebuild or replace the destroyed or damaged buildings, structures, equipment, and Improvements, in accordance with the procedures set forth hereinabove for the initial construction, except as otherwise provided in Article 10 hereof. Subject to Section 12.6, any surplus or proceeds after said rebuilding or replacement shall be distributed to Lessee.

9.3 General Insurance Requirements. Subject to the immediately following grammatical paragraph, a duplicate policy or policies (or certificates of insurance) evidencing the insurance coverage required under this Article 9, in such form as shall be reasonably acceptable to County, shall be filed with Director no later than the Effective Date, provided that the evidence of the insurance coverage required under Subsection 9.1.5 shall be required to be delivered by Lessee prior to the commencement of any Renovation Work or other Alterations. All certificates of insurance shall (a) specifically identify the Lease; (b) clearly evidence all coverages required under the Lease; (c) identify any deductibles or self-insured retentions exceeding \$25,000 or such other commercially reasonable amount as approved by the Director; and (d) evidence all other requirements under this Article 9. The policy or policies of insurance shall provide that such insurance coverage will not be canceled or reduced without at least thirty (30) days prior written notice to Director or ten (10) business days in case of cancellation for failure to pay the premium. At least ten (10) business days prior to the expiration of such policy, a certificate showing that such insurance coverage has been renewed shall be obtained by Lessee and filed with Director.

In lieu of submitting a copy of the policy or policies evidencing the above insurance, Lessee may submit in a form reasonably acceptable to County a certificate of insurance.

Any insurance coverage may be issued in the form of a blanket policy insuring other properties, in form, amount and content reasonably satisfactory to County such that such coverage provides the same protection as required under this Article 9 as if the insurance had been procured on an individual property basis.

9.4 Additional Required Provisions. Lessee's insurance policies required by this Article 9 shall be for a term of not less than one year and shall additionally provide:

(a) that County and its respective Board of Supervisors and members thereof, and County's officers, agents, employees and volunteers, shall be named as additional insureds under any liability insurance policy or policies;

(b) that the full amount of any losses to the extent property insurance proceeds are available shall be payable to additional insureds notwithstanding any act, omission or negligence of Lessee which might otherwise result in forfeiture of such insurance;

(c) in any property insurance policy, a waiver of all right of subrogation against County and its respective Board of Supervisors and members thereof, and County's officers, agents, employees and volunteers with respect to losses payable under such policies;

(d) in any property insurance policy, that such policies shall not be invalidated should the insured waive, prior to a loss, any or all right of recovery against any party for losses covered by such policies;

(e) to the extent of the indemnification obligations of Lessee in favor of any additional insureds, the property and commercial general liability insurance policies shall provide coverage on a primary and non-contributory basis with respect to such additional insureds, regardless of any other insurance or self-insurance that such additional insureds may elect to purchase or maintain;

(f) that losses, if any, shall be adjusted with and payable to Lessee, County and Encumbrance Holders, if any, pursuant to a standard mortgage clause;

(g) that such policies shall not be suspended, voided, canceled, reduced in coverage or in limits or materially changed without at least thirty (30) days prior written notice to County and all Encumbrance Holders or ten (10) business days in case of cancellation for failure to pay the premium;

(h) that the commercial general liability insurance shall apply separately to each insured against whom a claim is made, except with respect to the overall limits of said insurer's liability; and,

(i) that the property and commercial general liability insurance policies shall contain no special limitations on the scope of protection afforded to the additional insureds, and no failure to comply with the reporting provisions of such policies shall affect the coverage afforded to such additional insureds.

9.5 Failure to Procure Insurance. If Lessee fails to procure or renew the herein required insurance and does not cure such failure within five (5) business days after written notice from County, in addition to the other rights and remedies provided hereunder, County may, at its discretion, procure or renew such insurance and pay any and all premiums in connection therewith. All monies so paid by County shall be repaid by Lessee, with interest thereon at the Applicable Rate, to County within five (5) business days after Lessee's receipt of written demand therefor.

9.6 Adjustment to Amount of Liability Coverage. The amounts of liability insurance required under Subsections 9.1.1, 9.1.2, 9.1.3 and 9.1.7 shall be subject to adjustment as of each fifth (5th) anniversary of the Effective Date (each, an **Insurance Renegotiation Date**), consistent with the amounts of such liability insurance then being required by County under similar ground leases for comparable developments and uses in the Marina del Rey Small Craft Harbor, including any adjustments then being approved by County (if any), based on differences in size, scope, uses or risks between the Premises and such other developments. If County and Lessee cannot agree upon the amount of insurance by the sixtieth (60th) day preceding an Insurance Renegotiation Date, the matter shall be resolved by binding arbitration in accordance with Article 16. In no event shall the amounts of liability insurance be decreased as a result of such renegotiation or arbitration. Following such renegotiation or arbitration, the parties shall

execute an amendment to this Lease setting forth the renegotiated insurance provisions or the arbitration judgment, as appropriate.

9.7 Notification of Incidents, Claims or Suits. Lessee shall notify County of any accident or incident on or about the Premises which involves injury or property damage over Fifty Thousand Dollars (\$50,000.00) in the aggregate and pursuant to which a claim against Lessee and/or County is made or threatened. Such notification shall be made in writing within 72 hours after Lessee first becomes aware of the claim or threatened claim.

10. MAINTENANCE AND REPAIR; DAMAGE AND DESTRUCTION.

10.1 Lessee's Maintenance and Repair Obligations. Lessee shall maintain the Premises, including paved or unpaved ground surfaces and Improvements thereon (including the Promenade, but excluding the Excluded Conditions and excluding the Seawall), in conformance with such reasonable rules and regulations regarding the use and occupancy of residential and anchorage projects in Marina del Rey (such as the Premises) as may be promulgated by County from time to time for general applicability on a non-discriminatory basis, as revised from time to time. Without limiting the foregoing, at Lessee's sole cost and expense, but subject to the terms and conditions of this Lease, Lessee shall keep and maintain the Premises (including the Promenade) and all equipment, Improvements or physical structures of any kind which may exist or be erected, installed or made on the Premises in good and substantial repair and condition, including without limitation capital improvements and structural and roof repairs and replacement, and shall make all necessary repairs and alterations and replacements thereto, except as otherwise provided in this Article 10 (except that during periods of construction of the Renovation Work or other Alterations or reconstruction of damaged or destroyed Improvements, Lessee's obligations as to the areas of the Premises under construction shall be controlled by Article 5 of this Lease). Lessee shall undertake such repairs, alterations or replacements in compliance with Applicable Laws, or as reasonably required in writing by Director to Lessee incident to the provisions of this Article 10. Lessee shall maintain all Improvements on the Premises (other than the Excluded Conditions and the Seawall) in a safe, clean, wholesome and sanitary condition, to the reasonable satisfaction of Director and in compliance with all Applicable Laws. Lessee shall, at its own cost and expense, install, maintain and replace landscaping between the streets abutting the Premises and the building footprints on the Premises as reasonably satisfactory to Director. Lessee specifically agrees to provide proper containers for trash and garbage which are screened from public view, to keep the Premises free and clear of rubbish and litter. County in its proprietary capacity shall have the right with reasonable notice to enter upon and inspect the Premises at any reasonable time for cleanliness, safety and compliance with this Section 10.1, as long as such entrance is not done in a manner which would unreasonably interfere with the operation of the Premises. The exclusion of the Excluded Conditions and the Seawall from Lessee's maintenance obligations under this Section 10.1 shall not relieve Lessee from the obligation to repair and restore any damage to the Excluded Conditions and/or the Seawall caused by Lessee, its agents, employees, Sublessees or contractors, or by Improvements constructed by or on behalf of Lessee, and Lessee hereby agrees to perform such repair or restoration work at Lessee's sole cost and expense.

10.2 Maintenance of Anchorage Improvements. Lessee shall at all times during the Term keep all Anchorage Improvements in good repair and condition in accordance with the

requirements of the Minimum Standards (except that during periods of construction or Alterations of the Anchorage Improvements or reconstruction of damaged or destroyed Anchorage Improvements, Lessee's obligations as to the areas of the Premises under construction shall be controlled by Article 5 of this Lease). During the Term Lessee shall also complete float repair and replacement on an as-needed basis. Any requirement for repair of the Anchorage Improvements due to a deficiency notice issued by the Department shall be accomplished with new materials and parts rather than patching or other like method. Such required replacement of deficiency-cited items with wholly new parts and materials shall, however, be limited to the specific item in disrepair and shall not connote a requirement, for maintenance purposes, that areas or items surrounding the deficient item be replaced with new materials and/or parts.

10.3 Water Quality Management Program and Tree Trimming. During the remaining Term of the Lease, Lessee shall comply with all water quality management requirements imposed by the Coastal Commission in connection with the issuance of any Coastal Development Permit for the Anchorage Improvements Replacement and the Subsequent Renovation; provided, however, that Lessee shall in all events comply at least with the water quality management requirements set forth in Exhibit F attached to this Lease. In addition, during the remaining Term of the Lease, Lessee shall remove floating debris from the water surrounding the Anchorage Improvements in accordance with a program and regular schedule reasonably acceptable to Director.

During the remaining Term of the Lease, Lessee shall cause all trees located on the Premises to be trimmed and other maintained in compliance with the Marina Del Rey tree trimming policy attached to this Lease as Exhibit G, as such policy is updated from time to time by County.

10.4 Maintenance Deficiencies. If County provides written notice to Lessee of a deficiency or other breach in the performance by Lessee of the maintenance and repair obligations of Lessee under Sections 10.1 through 10.3 above, then Lessee shall promptly commence the cure thereof and shall complete such cure within the time period for such cure set forth in the County's deficiency notice, which cure period shall not be less than thirty (30) days except if the deficiency pertains to a condition that is a threat to health or safety or otherwise constitutes an emergency situation, in which case County shall have the right to immediately require Lessee to take all appropriate steps to avoid damage or injury. If Lessee fails to cure any such deficiency within the cure period set forth in County's written deficiency notice (which cure period shall comply with the requirements of the immediately preceding sentence of this Section 10.4), then in addition to, and not in lieu of, any rights or remedies that County may have under Article 13 of this Lease for defaults not cured within the applicable notice and cure periods set forth therein, Lessee shall pay to County an amount equal to One Hundred Dollars (\$100) per day per item of deficiency for each day after such cure period that the deficiency item remains uncured. Notwithstanding the foregoing, if the nature of the deficiency is such that it is not capable of cure within the cure period specified in County's notice (for example, as a result of permitting requirements or construction material procurement delays beyond the control of Lessee), then as long as during the specified cure period Lessee commences the cure of the deficiency and thereafter continues the prosecution of the completion of such cure in a manner and with such diligence that will effectuate the cure in as short a period as reasonably possible, then the cure period specified in

County's deficiency notice shall be extended for such additional time as necessary to complete the cure in as short a period as reasonably possible.

For purposes of determining the number of items of deficiency set forth in a deficiency notice received from County, County shall reasonably identify the separate deficiencies so as not to unfairly increase the daily amount payable under this Section 10.4 by separating the work into unreasonably particularized items (e.g., the requirement to paint the exterior of a building shall not be split into individual deficiency items for the painting of each individual door, window or other component of such building). If in the reasonable and good faith business judgment of Lessee the deficiency notice was erroneously issued by County, then Lessee shall have the right to contest such deficiency notice by written notice to Director within five (5) business days after the date the deficiency notice is received by Lessee. If Lessee files any such contest with Director, then Director shall exercise Director's reasonable discretion in considering Lessee's contest. If Lessee's contest is made on a reasonable and good faith basis, then, in cases that do not include health, safety or any emergency condition, the cure period for the deficiency notice shall be tolled during the period between the date Director receives written notice of such contest and continuing until Director notifies Lessee in writing that Director accepts or denies Lessee's contest. If Director denies Lessee's contest, Lessee may request arbitration pursuant to Article 16. The One Hundred Dollars (\$100) per diem amount set forth in this Section 10.4 shall be adjusted every three (3) years during the remaining Lease Term on each third (3rd) anniversary of the Effective Date to reflect any change in the Consumer Price Index over the three (3) year period immediately preceding each such adjustment. If Lessee fails to pay any amounts payable by Lessee under this Section 10.4 within fifteen (15) days after written notice from County, then County shall have the right to draw on the Security Deposit to cover such unpaid amounts.

10.5 Option to Terminate for Uninsured Casualty. In the event of any damage to or destruction of the Premises or any Improvements located thereon (other than the Excluded Conditions and the Seawall, except to the extent damage thereto is caused by the Lessee, its agents, employees, Sublessees or contractors, or by Improvements constructed by or on behalf of Lessee), Lessee shall, except as otherwise expressly provided in this Section 10.5, promptly (taking into consideration the necessity of obtaining approvals and permits for such reconstruction) repair and/or restore such Improvements to their condition existing prior to the damage or destruction. Except as otherwise expressly provided in this Section 10.5, such obligation to repair and restore is absolute, and is in no way dependent upon the existence or availability of insurance proceeds. Repair and restoration of any damage or destruction shall take place in accordance with the provisions of Article 5. Notwithstanding the foregoing, Lessee shall have the option to terminate this Lease and be relieved of the obligation to restore the Improvements on the Premises where all or substantially all of the Improvements on the Premises (other than the Excluded Conditions and the Seawall) are substantially damaged or destroyed and such damage or destruction resulted from a cause not required to be insured against by this Lease (an **Uninsured Loss**), and where all of the following occur:

10.5.1 No more than one hundred (100) days following the Uninsured Loss, Lessee shall notify County of its election to terminate this Lease; to be effective, this notice must include both a copy of Lessee's notification to the Encumbrance Holder, if any, of Lessee's intention to exercise this option to terminate and Lessee's certification under penalty of perjury that Lessee has delivered or mailed such notification to the

Encumbrance Holder in accordance with this Subsection 10.5.1. County shall be entitled to rely upon the foregoing notice and certification as conclusive evidence that Lessee has notified the Encumbrance Holder regarding Lessee's desire to terminate this Lease.

10.5.2 No more than sixty (60) days following the giving of the notice required by Subsection 10.5.1 or such longer time as may be reasonable under the circumstances, Lessee shall, at Lessee's expense: remove all debris and other rubble from the Premises; secure the Premises against trespassers; and, at County's election, remove all remaining Improvements on the Premises.

10.5.3 No more than sixty (60) days following the giving of the notice required under Subsection 10.5.1, Lessee delivers to County a quitclaim deed to the Premises in recordable form, in form and content satisfactory to County and/or with such other documentation as may be reasonably requested by County or any title company on behalf of County, terminating Lessee's interest in the Premises and reconveying such interest to County free and clear of any and all Encumbrances and Subleases.

10.5.4 Within fifteen (15) days following County's receipt of the notice referred to in Subsection 10.5.1, County has not received both (a) written notice from any Encumbrance Holder objecting to such termination and (b) an agreement containing an effective assignment of Lessee's interest in this Lease to such Encumbrance Holder whereby such Encumbrance Holder expressly assumes and agrees to be bound by and perform all of Lessee's obligations under this Lease.

10.6 No Option to Terminate for Insured Casualty. Lessee shall have no option to terminate this Lease or otherwise be relieved of its obligation to restore the Improvements on the Premises where the damage or destruction results from a cause required to be insured against by this Lease.

10.7 No County Obligation to Make Repairs. County shall have no obligation whatsoever to make any repairs or perform any maintenance on the Premises; provided, however, that Director shall in its good faith discretion consider the application of funds toward the maintenance, repair and replacement of the existing seawall protecting the Premises (the "Seawall") if and to the extent such funds are made available to Director for such uses by County and its Board of Supervisors. Director shall undertake such maintenance, repair and replacement, if any, with due diligence consistent with the funding provided. In the event the Seawall is in imminent danger of collapse or has collapsed, Director shall promptly seek funding from the Board of Supervisors for repair or replacement as may be necessary to avoid or repair such collapse. If County is obligated to maintain or repair the Seawall under the terms of a lease between the County and any other lessee in Marina del Rey, or if County in fact maintains or repairs the Seawall for the benefit of any other lessee in Marina del Rey, County shall have the same obligation(s) with respect to the Seawall protecting the Premises. Except as expressly provided in this Section 10.7, County shall have no obligation to maintain or repair the Seawall.

10.8 Repairs Not Performed by Lessee. If Lessee fails to make any repairs or replacements as required, Director may notify Lessee of said failure in writing, and should Lessee fail to cure said failure and make repairs or replacements within a reasonable time as established

by Director, County may make such repairs or replacements and the cost thereof, including, but not limited to, the cost of labor, overhead, materials and equipment, shall be charged against Lessee as provided in Section 13.5.

10.9 Other Repairs. Although having no obligation to do so, County may, at its own cost and at its sole discretion, perform or permit others to perform any necessary dredging, filling, grading or repair of water systems, sewer facilities, roads, or other County facilities on or about the Premises. Any entry by County onto the Premises pursuant to this Section 10.9 and any entry onto the Premises to perform work on the Seawall pursuant to Section 10.7 above, shall be made in accordance with the following requirements: (i) prior to entry onto the Premises County shall cause each of its contractors to provide to Lessee evidence that such contractor has procured commercial general liability insurance coverage pertaining to such contractor's activities on the Premises, which insurance coverage shall be consistent with County's insurance requirements generally applicable to County contractors, and shall name Lessee as an additional insured; (ii) County's contractors shall comply with industry standard safety requirements; (iii) County shall repair, or cause its contractors to repair, any damage to the Premises caused by the activities of County and/or its contractors on the Premises pursuant to this Section 10.9 or Section 10.7 above; and (iv) any entry onto the Premises by County or its contractors for the purpose of performing work pertaining to the Seawall shall be confined to the Promenade and the fire access lane over the Premises, except in extraordinary circumstances to the extent that due to the scope or nature of the work and/or due to safety concerns, the work cannot reasonably be confined to such area. In any such extraordinary situation County and Lessee agree to cooperate to define a work and/or access area that is reasonably acceptable to both parties.

10.10 Notice of Damage. Lessee shall give prompt notice to County of any fire or damage affecting the Premises or the Improvements from any cause whatsoever.

10.11 Waiver of Civil Code Sections. The parties' rights shall be governed by this Lease in the event of damage or destruction. The parties hereby waive the provisions of California Civil Code Section 1932 and any other provisions of law which provide for contrary or additional rights.

11. ASSIGNMENT AND SUBLEASE.

11.1 Subleases.

11.1.1 Definition. The term "**Sublease**" shall mean any lease, license, permit, concession or other interest in the Premises or the Improvements, or a right to use the Premises or a portion thereof, which is conveyed or granted by Lessee to a third party, and which constitutes less than the unrestricted conveyance of the entire Lessee's interest under this Lease. "**Sublessee**" shall be the person or entity to whom such right to use is conveyed by a Sublease. A Sublease which grants or conveys to the Sublessee the right to possess or use all or substantially all of the Premises is sometimes referred to in this Lease as a "**Major Sublease**" and the Sublessee under such agreement is sometimes referred to in this Lease as a "**Major Sublessee**".

11.1.2 Approval Required. At least thirty (30) days prior to the proposed effective date of any Sublease that is not a Major Sublease or an Approved Apartment/Slip Lease (as defined below), or of any assignment or material amendment of such Sublease, Lessee shall submit a copy of such Sublease (or assignment or amendment thereof), to Director for approval, which approval shall not be unreasonably withheld or conditioned. To the extent practical, Director shall approve or disapprove said proposed Sublease, amendment or assignment within thirty (30) days after receipt thereof. In no event, however, shall any such Sublease, amendment or assignment be made or become effective without the prior approval of Director. Each such Sublease shall specifically provide that the Sublessee shall comply with all of the terms, covenants, and conditions of this Lease applicable to the portion of the Premises subject to the Sublease. If Director disapproves a Sublease, Director shall notify Lessee in writing of the reason or reasons for such disapproval.

Notwithstanding any contrary provision of this Article 11, Lessee shall not be required to obtain County's approval of any Sublease of an individual apartment or boat slip unit in the ordinary course (but not the master lease of multiple units) to a person or persons who will physically occupy the subleased unit, as long as such Sublease is in the form of the standard residential apartment lease or boat slip lease, as the case may be, hereafter submitted to and approved by County and the term of such Sublease does not exceed twelve (12) months (each, an **Approved Apartment/Slip Lease**). The terms and provisions of Sections 11.2 and 11.3 of this Lease shall not be applicable to Approved Apartment/Slip Leases. Upon request by County, Lessee shall furnish County with a current rent roll respecting the Approved Apartment/Slip Leases and a copy of all of such Approved Apartment/Slip Leases.

11.1.3 Major Sublease. Lessee shall enter into a Major Sublease only with a reputable owner or manager of comparable residential and anchorage facilities such as exist on the Premises. In light of the inherent detailed nature of a Major Sublease, Lessee shall deliver to County a copy of any proposed Major Sublease, or any sub-sublease or any other document pursuant to which an interest is proposed to be transferred in all or substantially all of the Premises, not less than forty-five (45) days prior to the proposed effective date of such proposed Major Sublease or other document, for County's review and approval pursuant to the procedures and requirements specified in Section 11.2.

11.2 Approval of Assignments and Major Subleases. Except as specifically provided in this Article 11, Lessee shall not, without the prior written consent of County, which shall be based upon factors described in Exhibit C hereto, which is incorporated herein by this reference (**Assignment Standards**), and which shall be applied in a commercially reasonable manner, either directly or indirectly give, assign, hypothecate, encumber, transfer, or grant control of this Lease or any interest, right, or privilege therein (excluding an Approved Apartment/Slip Lease, but including without limitation the right to manage or otherwise operate the Improvements located from time to time on the Premises), or enter into a Major Sublease affecting the Premises, or license the use of all or substantially all of the Premises. Notwithstanding the foregoing, Lessee shall have the right, without the prior approval of County, to retain an affiliate of Lessee as the property manager for the Premises. Any Change of Ownership that is not an Excluded Transfer shall constitute an assignment of Lessee's interest under this Lease. In addition, for

purposes of this provision, the following (except for Excluded Transfers) shall require the prior written consent of County to be effective: (1) the addition, removal or replacement of one or more general partners or managing members in a Lessee which is a limited partnership or limited liability entity, except (a) by death, insolvency, incapacity, resignation (except for a sole general partner, if any) or removal of a general partner or managing member and his replacement by a vote of the limited partners, the remaining general partners or remaining members, or (b) if any general partner or managing member owning more than fifty percent (50%) of the interests of the partnership or limited liability entity acquires the interest of another general partner or managing member owning fifteen percent (15%) or less of the interests in the partnership or limited liability entity; or (2) the sale, assignment, or transfer of fifty-percent (50%) or more of the stock, partnership interests or limited liability company interests in an entity which owns, or is a general partner or managing member of an entity which owns, an interest in this Lease. Lessee shall provide County with any information reasonably requested by County in order to determine whether or not to grant approval of the matters provided herein requiring County's consent. These same limitations and approval requirements as to Lessee's interest under the Lease shall also apply with respect to the Sublessee's interest under a Major Sublease.

11.2.1 County's Use of Discretion and Limitation on Permissible Assignees.

In exercising its discretion to approve assignments as provided in this Section 11.2, County shall take into account the Assignment Standards and, if County determines that such Assignment Standards are satisfied, County shall not unreasonably withhold, condition or delay its consent to any proposed assignment. If County withholds its consent to an assignment, County shall notify Lessee in writing of the reason or reasons for such disapproval.

11.2.2 Involuntary Transfers Prohibited. Except as otherwise specifically provided in this Lease, neither this Lease nor any interest therein shall be assignable or transferable in proceedings in attachment, garnishment, or execution against Lessee, or in voluntary or involuntary proceedings in bankruptcy or insolvency or receivership taken by or against Lessee, or by any process of law including proceedings under the Bankruptcy Act.

11.2.3 Procedure. Requests for approval of any proposed assignment shall be processed in accordance with the following procedures:

11.2.3.1 Prior to entering into any agreement requiring the approval of County pursuant to this Sections 11.1 or 11.2, Lessee (or the entity seeking approval of such assignment) shall notify County and deliver to County all information reasonably relevant to the proposed assignment, including without limitation any term sheets, letters of intent, draft Major Subleases, any other documents which set forth any proposed agreement regarding the Premises and the information set forth in Subsection 11.2.3.5. County will evaluate the information provided to it and County may request additional information as may be reasonably necessary to act on the request. Under no circumstances will County discuss an assignment with any proposed assignee without providing Lessee the right to be present at any such discussion.

11.2.3.2 In completing its review of the proposal and granting or withholding its consent thereto, County will not be bound by any deadline contained in any proposed assignments, Major Subleases, escrow instructions or other agreements to which County is not a party.

11.2.3.3 Lessee acknowledges that the time needed for County to review a proposed assignment depends on many factors, including without limitation the complexity of the proposed transaction, the financial and other information submitted for review, and the workload of County's personnel. Notwithstanding the foregoing, County shall act as promptly as governmental processes permit in processing and acting upon a requested approval of an assignment of Lessee's interest under this Article 11.

11.2.3.4 Lessee shall be required to reimburse County for its Actual Costs incurred in connection with the proposed assignment, whether or not County ultimately grants its approval to the proposed assignment. (without any duplication with any Administrative Charge payable under Section 4.6).

11.2.3.5 Lessee or the proposed assignee shall provide County with sufficient information for County to determine if the public interest will be served by approving the proposed transaction. The information that must be provided includes, but shall not be limited to, the following:

(a) Nature of the Assignee. Full disclosure is required in accordance with this Lease and County's applicant disclosure policy then in effect. Additionally, a flowchart identifying the chain of ownership of the assignee and its decision-making authority shall be provided to County. County shall be advised if the proposed assignee, or any other person or entity for whom disclosure is required pursuant to County's disclosure policy, has had any leasehold or concessionaire's interest canceled or terminated by the landlord due to the tenant or Lessee's breach or default thereunder.

(b) Financial Condition of Assignee. County shall be provided with current, certified financial statements, including balance sheets and profit and loss statements, demonstrating the proposed assignee's financial condition for the preceding five (5) years, or such shorter period that assignee has been in existence. This requirement shall also apply to any related person or entity which will be responsible for or guarantee the obligations of the proposed assignee or provide any funds or credit to such proposed assignee.

(c) Financial Analysis. County shall be provided with the proposed assignee's financing plan for the operation of the Premises (unless the assignment is pursuant to a Change of Ownership that is an Excluded Transfer or is pursuant to a Change of Ownership that involves the transfer of only beneficial interests in the constituent owners of Lessee, and following such transfer there is no intended change in the financing plan for the operation and improvement of the Premises) and for any contemplated improvement thereof, demonstrating such proposed assignee's financial capability to so operate the Premises and construct such improvements. Such financing

plan shall include, but not be limited to, information detailing (1) equity capital; (2) sources and uses of funds; (3) terms of financing; (4) debt service coverage and ratio; and (5) loan to value ratio. The proposed assignee shall also provide County with documentation demonstrating such proposed assignee's financial viability, such as letters of commitment from financial institutions which demonstrate the availability of sufficient funds to complete any proposed construction or improvements on the Premises. Further, such proposed assignee shall authorize the release of financial information to County from financial institutions relating to the proposed assignee or other information supplied in support of the proposed assignment.

(d) Business Plan. County shall be provided with the proposed assignee's business plan for the Premises (unless the assignment is pursuant to a Change of Ownership that constitutes an Excluded Transfer or is pursuant to a Change of Ownership that involves the transfer of only beneficial ownership interests in the constituent owners of Lessee, and following such transfer there is no intended change in the business plan for the Premises), including pro forma financial projections for the Premises for the five (5) year period beginning upon the commencement of the proposed assignment. Such pro forma projections will include capital costs, income and expenses, as well as debt service and all other payments to providers of debt and equity, and will be accompanied by a statement of basic assumptions and an identification of the sources of the data used in the production of such projections.

(e) Assignor's Financial Statements. County shall be provided with certified financial statements, including balance sheets and profits and loss statements concerning the assignor Lessee and its operations for the three (3) most recent years prior to the proposed transaction.

(f) Cure of Defaults. County shall be provided with the proposed assignee's specific plans to cure any and all delinquencies under this Lease which may be identified by County, whether identified before or after the date of the proposed assignment.

(g) Prospectus Materials. County shall be provided with any materials distributed to third parties relating to the business of the proposed assignee to be conducted on, from or relating to the Premises.

(h) Other Information. County shall be provided with a clear description of the terms and conditions of the proposed assignment, including a description of the proposed use of the Premises and any proposed alterations or improvements to the Premises. Additionally, County shall be provided with any and all other non-confidential information which it reasonably requests of Lessee in connection with its review of the proposed transaction, including without limitation materials pertinent to the issues noted in this Subsection to the extent that they exist, such as escrow instructions, security agreements, personal property schedules, appraisals, market reports, lien releases, UCC Statements, preliminary title reports, management agreements affecting the Premises, contracts in excess of \$25,000 affecting the Premises, schedules of pending or threatened litigation, and attorneys' closing opinions relating to Lessee, the proposed assignee or the

Premises. County shall endeavor to keep the foregoing materials confidential, subject to the Public Records Act and other Applicable Laws.

11.2.3.6 Nondisturbance. At the request of Lessee, County shall agree to execute a subordination, nondisturbance and attornment agreement and a ground lessor's estoppel certificate on commercially reasonable terms in favor of any Major Sublessee.

11.2.3.7 Final Documents. Prior to granting its approval over any proposed assignment, County shall be provided with an executed Assignment and Acceptance of Assignment in form and content as reasonably approved or supplied by County. Ten (10) copies of each must be submitted to County, of which five (5) shall be signed originals and properly acknowledged.

11.2.4 County Right to Recapture. If Lessee proposes to assign its interest in this Lease, proposes to enter into any Major Sublease affecting the Premises or proposes to transfer a Controlling Interest in Lessee, in each case excluding any Excluded Transfer (with any such proposed transaction herein referred to as a **"Proposed Transfer"**), it shall provide County with written notice of such desire, which notice shall include the sale price (**"Lessee Sale Price"**) at which it is willing to consummate the Proposed Transfer. For purposes hereof, a **"Controlling Interest"** in Lessee shall mean fifty percent (50%) or more of the direct or indirect beneficial interest in Lessee. Within thirty (30) days thereafter, County shall provide Lessee with written notification as to whether it has elected to acquire an option to purchase the interest subject to the Proposed Transfer. During said thirty (30) day period, Lessee may market the interest subject to the Proposed Transfer, provided that such interest is offered subject to County's rights as provided in this Subsection 11.2.4. In the event that, prior to the expiration of said thirty (30) day period, County has given notice to Lessee that it has elected to acquire said option, Lessee shall deliver to County an assignable option to purchase the interest subject to the Proposed Transfer (**"County Option"**) at the Lessee Sale Price. Such County Option shall have a term of five (5) calendar months. During the term of the County Option, Lessee shall make the Premises and its books and records reasonably available for inspection by County and third parties as reasonably requested by County. At Lessee's request, any third party granted access to the Premises or Lessee's books and records pursuant to this Subsection 11.2.4 shall be required to execute a right-of-entry and confidentiality agreement on commercially reasonable terms. In the event that County causes Lessee to issue the County Option and subsequently declines to purchase the interest subject to the Proposed Transfer at the Lessee Sale Price, County shall pay to Lessee at the expiration of the County Option period (or, at County's election, credit to Lessee against the next applicable installment(s) of Annual Minimum Rent and Percentage Rent), a sum (the **"County Option Price"**) which represents (i) three percent (3%) of the Lessee Sale Price, plus (ii) seven percent (7%) interest per annum on said three percent (3%) of the Lessee Sale Price, from the date Lessee received notice of County's election to receive the County Option through the date on which the County Option Price, together with interest thereon, is paid or credited in full. If County either (a) fails to elect to cause Lessee to issue the County Option within said thirty (30) day period, or (b) gives notice that it has elected not to acquire the interest subject to the

Proposed Transfer, then during the nine (9) month period following the later of (a) or (b), Lessee shall be entitled to enter into an agreement to consummate the Proposed Transfer with a third party (subject to County's approval rights as otherwise set forth in this Lease) so long as (1) the actual price for the Proposed Transfer is equal to or greater than the Lessee Sale Price last offered to County and upon no more favorable material terms to the assignee and (2) the transfer is consummated not later than twelve (12) months after the later of (a) or (b) (which twelve (12) month period shall be extended to the extent the closing is delayed due to a delay by County in approving the transaction within sixty (60) days after County has received a notice from Lessee requesting County's approval of such transaction and all information required by County under this Lease to permit County to evaluate the transaction). In the event of a proposed Major Sublease, County's election shall pertain to such portion of the Premises subject to the proposed Major Sublease or assignment and, in the event that County elects to acquire such portion of Lessee's interest in the Premises, Lessee's Annual Minimum Rent shall be proportionally reduced and Lessee's obligation to pay Percentage Rent shall pertain only to the amounts derived from the portion of the Premises retained by Lessee. In the event that County elects to recapture all or any portion of the Premises as provided herein, Lessee agrees to execute promptly a termination agreement and such other documentation as may be reasonably necessary to evidence the termination of this Lease, to set a termination date and to prorate rent and other charges with respect to the termination. County's rights pursuant to this subsection 11.2.4 shall not apply to (I) Financing Events, or (II) those events identified in subsection 4.6.2 of this Lease.

11.2.5 County Credits Toward Purchase Price. In the event that County or its assignee elects to exercise the County Option, it shall receive the following credits toward the Lessee Sale Price: (1) the Net Proceeds Share which would be payable to County in the event that a third party were to purchase the interest offered at the Lessee Sale Price and (2) an amount which represents unpaid Annual Minimum Rent, Percentage Rent, and all other amounts payable under the Lease, if any (including a provisional credit in an amount reasonably acceptable to County for any amounts that may arise from an audit by County, but that have not yet been determined as of that date), with late fees and interest as provided herein, from the end of the period most recently subject to County audit through the date of the purchase of the interest by County. In the case of any unpaid rental amounts that may be found to be owing to County in connection with any uncompleted audit by County, in lieu of a provisional credit for such amounts, Lessee may provide County with a letter of credit or other security satisfactory to County to secure the payment of such unpaid amounts when finally determined by County. During the term of the County Option, Lessee shall cause to be available to County all books and records reasonably necessary in order to determine the amount of such unpaid Annual Minimum Rent, Percentage Rent, and other amounts payable under the Lease. In the event that County or its assignee exercises the County Option, but the transaction fails to close due to a failure of the parties to agree upon an appropriate allowance for such unpaid Annual Minimum Rent, Percentage Rent, and other amounts or appropriate security for the payment thereof, then County shall have no obligation to pay or credit to Lessee the County Option Price.

11.3 Terms Binding Upon Successors, Assigns and Sublessees. Except as otherwise specifically provided for herein, each and all of the provisions, agreements, terms, covenants, and conditions herein contained to be performed, fulfilled, observed, and kept by Lessee hereunder shall be binding upon the heirs, executors, administrators, successors, and assigns of Lessee, and all rights, privileges and benefits arising under this Lease in favor of Lessee shall be available in favor of its heirs, executors, administrators, successors, and assigns. Notwithstanding the foregoing, no assignment or subletting by or through Lessee in violation of the provisions of this Lease shall vest any rights in any such assignee or Sublessee. Any approved assignment of this Lease shall release the assignor of all liability arising due to actions or omissions on or after the effective date of such assignment, provided the assignee assumes all of such liability, including without limitation the obligation of assignee to cure any defaults and delinquencies under this Lease and to pay County Percentage Rent and any other amounts attributable to the period prior to the assignment, but not discovered by County or the assignee until after the assignment; provided, further, the assignor shall not be relieved of any liability for the payment of the Administrative Charge or the required portion of any Net Proceeds Share or Net Refinancing Proceeds which arise upon such assignment as provided herein.

11.4 Property Management. Notwithstanding any contrary provision of this Article 11, Lessee shall be permitted to hire one or more management companies of its choosing for property management of the Premises and/or may conduct such property management activities using its own staff. County hereby approves the continued engagement by Lessee of the Lessee-affiliated company that performed the property management services for the Premises immediately prior to the Effective Date or any other future company that is owned or controlled by the owner(s) of such Lessee-affiliated company. Any other management company hired by Lessee to perform property management of the Premises shall at the time of such engagement (a) have at least five (5) years' of experience in the operation and management of at least 2,000 rental apartments, without material violations of law or discrimination, and (b) have a valid license to manage residential dwelling units issued by the California Department of Real Estate (or its successor). Following an assignment of the Lease, the execution of a Major Sublease or a Change of Ownership of the Lessee executing this Lease, to the extent Lessee uses Lessee's own staff for property management of the Premises, Lessee's own staff at the time of such engagement shall have at least (i) five (5) years' of experience in the operation and management of at least 2,000 rental apartments, without material violations of law or discrimination, and (ii) have a valid license to manage residential dwelling units issued by the California Department of Real Estate (or its successor).

11.5 No Transfer Prior to Completion of Anchorage Improvements Replacement. Lessee acknowledges that the identity of the entity executing this Lease as of the Effective Date is of material importance to County with respect to the performance of the Anchorage Improvements Replacement and the terms and provisions of this Lease that have been negotiated by County and Lessee pertaining to the Anchorage Improvements Replacement. Notwithstanding any contrary provision of this Lease, prior to the substantial completion of the Anchorage Improvements Replacement, there shall be no assignment of this Lease by Lessee, no Change of Ownership (that is not an Excluded Transfer), and no Sublease of the Anchorage Improvements or any portion thereof (other than an Approved Apartment/Slip Lease), without the prior written consent of County, which consent may be withheld by County in its sole and absolute discretion.

12. ENCUMBRANCES.

12.1 Financing Events.

12.1.1 Definitions. For the purposes of this Lease, including without limitation the provisions of Sections 4.6 through 4.8 hereof: (i) a "**Financing Event**" shall mean any financing or refinancing consummated by Lessee or by the holders of partnership interests or other direct or indirect ownership interests in Lessee (collectively, "**Ownership Interests**"), whether with private or institutional investors or lenders, where such financing or refinancing is an Encumbrance (as defined below); for purposes of Section 12.1.2 below and Sections 4.6 through 4.8 above, a "**Financing Event**" shall also include all of the foregoing actions involving the granting of a mortgage, deed of trust or other security interest in a Major Sublease; and (ii) an "**Encumbrance**" shall mean any direct or indirect grant, pledge, assignment, transfer, mortgage, hypothecation, grant of control, grant of security interest, or other encumbrance, of or in all or any portion of (A) Lessee's interest under this Lease and the estate so created (including without limitation a direct or indirect assignment of Lessee's right to receive rents from subtenants) or (B) Ownership Interests if an absolute assignment from the holder of such Ownership Interests to the holder of the Encumbrance would have required County's consent under this Lease, to a lender (upon County approval of the Encumbrance and consummation thereof, the "**Encumbrance Holder**") as security for a loan. The term "**Encumbrance Holder**" shall also be deemed to include any and all affiliates of such Encumbrance Holder which have succeeded by assignment or otherwise to any rights, interests or liabilities of the Encumbrance Holder with respect to the Encumbrance, or which have been designated by the Encumbrance Holder to exercise any rights or remedies under the Encumbrance or to take title to the leasehold estate under this Lease or to Ownership Interests, and such affiliates shall enjoy all of the rights and protections given to Encumbrance Holders under this Lease. The term "**Equity Encumbrance Holder**" shall mean an Encumbrance Holder holding an Encumbrance with respect to Ownership Interests.

12.1.2 County Approval Required. Lessee may, with the prior written consent of Director, which shall not be unreasonably withheld, and subject to any specific conditions which may be reasonably imposed by Director, consummate one or more Financing Event(s). Lessee shall submit to Director a preliminary loan package and thereafter a complete set of all proposed transaction documents in connection with each proposed Financing Event. The preliminary loan package shall include the loan commitment (or the so-called "loan application" if the loan commitment is styled as a loan application) and any other documents, materials or other information reasonably requested by Director. Lessee shall have the right, but not the obligation, to include draft loan documents in the preliminary loan package. Director shall have sixty (60) days (thirty (30) days for the initial construction loan for the Renovation Work) to grant or withhold approval of the preliminary loan package. Director shall have sixty (60) days (thirty (30) days for the initial construction loan for the Renovation Work) after receipt of substantially complete loan documents conforming to the approved preliminary loan package in which to grant or withhold final approval of the Financing Event; provided, however, that if the preliminary loan package included draft loan documents then the

foregoing sixty (60) day period shall be reduced to thirty (30) days. If not approved by Director in writing within the foregoing periods, the proposed Financing Event shall be deemed disapproved by Director (and, if so requested in writing by Lessee), Director shall within thirty (30) days of such request deliver to Lessee a written description of Director's objections to said proposed Financing Event). Lessee shall reimburse County for County's Actual Cost incurred in connection with its review of the proposed Financing Event. One (1) copy of any and all security devices or instruments as finally executed or recorded by the parties in connection with any approved Encumbrance shall be filed with Director not later than seven (7) days after the effective date thereof. The same rights and obligations set forth above in this Subsection 12.1.2 shall inure to the benefit of and shall be binding upon any holder of Ownership Interests with respect to any proposed Financing Event involving Ownership Interests.

12.2 Consent Requirements In The Event of a Foreclosure Transfer.

12.2.1 Definitions. As used herein, a "**Foreclosure Transfer**" shall mean any transfer of the entire leasehold estate under this Lease or of all of the Ownership Interests in Lessee pursuant to any judicial or nonjudicial foreclosure or other enforcement of remedies under or with respect to an Encumbrance, or by voluntary deed or other transfer in lieu thereof. A "**Foreclosure Transferee**" shall mean any transferee (including without limitation an Encumbrance Holder) which acquires title to the entire leasehold estate under this Lease or to all of the Ownership Interests in Lessee pursuant to a Foreclosure Transfer. An "**Equity Foreclosure Transferee**" shall mean a Foreclosure Transferee whose acquired interest consists of all of the Ownership Interests in Lessee.

12.2.2 Foreclosure Transfer. The consent of County shall not be required with respect to any Foreclosure Transfer.

12.2.3 Subsequent Transfer By Encumbrance Holder. For each Foreclosure Transfer in which the Foreclosure Transferee is an Encumbrance Holder, with respect to a single subsequent transfer of this Lease or the Ownership Interests (as applicable) by such Encumbrance Holder to any third party, (i) County's consent to such transfer shall be required, but shall not be unreasonably withheld or delayed, and the scope of such consent (notwithstanding anything in this Lease to the contrary) shall be limited to County's confirmation (which must be reasonable) that the Lessee following such transfer has sufficient financial capability to perform its remaining obligations under this Lease as they come due, along with any obligation of Lessee for which the Foreclosure Transferee from whom it receives such transfer is released under subsection 12.3.1 below, and (ii) such transferee (other than a transferee of Ownership Interests) shall expressly agree in writing to assume and to perform all of the obligations under this Lease, other than Excluded Defaults (as defined below). For clarification purposes, the right to a single transfer under this Section shall apply to each Foreclosure Transfer in which the Foreclosure Transferee is an Encumbrance Holder, so that there may be more than one "single transfer" under this Section.

12.3 Effect of Foreclosure. In the event of a Foreclosure Transfer, the Encumbrance Holder shall forthwith give notice to County in writing of such transfer setting forth the name

and address of the Foreclosure Transferee and the effective date of such transfer, together with a copy of the document by which such transfer was made.

12.3.1 Any Encumbrance Holder which is a commercial bank, savings bank, savings and loan institution, insurance company, pension fund, investment bank, opportunity fund, mortgage conduit, real estate investment trust, commercial finance lender or other similar financial institution which ordinarily engages in the business of making, holding or servicing commercial real estate loans, including any affiliate thereof (an "**Institutional Lender**"), shall, upon becoming a Foreclosure Transferee (other than an Equity Foreclosure Transferee), become liable to perform the full obligations of Lessee under this Lease (other than Excluded Defaults as defined below) accruing during its period of ownership of the leasehold. Upon a subsequent transfer of the leasehold in accordance with Subsection 12.2.3 above, such Institutional Lender shall be automatically released of any further liability with respect to this Lease, other than for (i) rent payments, property tax payments, reserve account payments and other monetary obligations under specific terms of the Lease that accrue solely during such Institutional Lender's period of ownership of the leasehold, and (ii) Lessee's indemnification obligations under this Lease with respect to matters pertaining to or arising during such Institutional Lender's period of ownership of leasehold title.

12.3.2 Any other Foreclosure Transferee (i.e., other than an Institutional Lender as provided in Subsection 12.3.1 above) shall, upon becoming a Foreclosure Transferee (other than an Equity Foreclosure Transferee), become liable to perform the full obligations of Lessee under this Lease (other than Excluded Defaults), subject to possible release of liability upon a subsequent transfer pursuant to Section 11.3 above.

12.3.3 Following any Foreclosure Transfer which is a transfer of the leasehold interest under the Lease, County shall recognize the Foreclosure Transferee as the Lessee under the Lease and shall not disturb its use and enjoyment of the Premises, and the Foreclosure Transferee shall succeed to all rights of Lessee under this Lease as a direct lease between County and such Foreclosure Transferee, provided that the Foreclosure Transferee cures any pre-existing Event of Default other than any such pre-existing Event of Default that (i) is an incurable non-monetary default, (ii) is a non-monetary default that can only be cured by a prior lessee, (iii) is a non-monetary default that is not reasonably susceptible of being cured by such transferee, or (iv) relates to any obligation of a prior lessee to pay any Net Proceeds Share (collectively, "**Excluded Defaults**"), and thereafter performs the full obligations of Lessee under this Lease. Pursuant to Subsection 12.3.7 below, following any Foreclosure Transfer which is a transfer of Ownership Interests, the foregoing rights under this Subsection 12.3.3 shall also inure to the benefit of the Lessee.

12.3.4 No Encumbrance Holder shall become liable for any of Lessee's obligations under this Lease unless and until such Encumbrance Holder becomes a Foreclosure Transferee with respect to Lessee's leasehold interest under the Lease.

12.3.5 No Foreclosure Transfer, and no single subsequent transfer by an Encumbrance Holder following a Foreclosure Transfer pursuant to subsection 12.2.3, shall trigger (i) any obligation to pay an Administrative Charge nor any Net Proceeds

Share, (ii) any acceleration of any financial obligation of Lessee under this Lease, (iii) any recapture right on the part of County, or (iv) any termination right under this Lease. Any Foreclosure Transfer, and any single subsequent transfer by an Encumbrance Holder following a Foreclosure Transfer pursuant to Subsection 12.2.3, shall be deemed to be excluded from the definition of "Change of Ownership" for all purposes of this Lease. For clarification purposes, the "single subsequent transfer" referred to above applies to each Foreclosure Transfer in which the Foreclosure Transferee is an Encumbrance Holder (as more fully explained in Subsection 12.2.3), so that there may be more than one "single subsequent transfer" benefited by this Section.

12.3.6 In the event that an Institutional Lender becomes a Foreclosure Transferee, all obligations with respect to the construction and renovation work described in Sections 5.1, 5.11 or 5.12 above (other than any obligations to make deposits into the Subsequent Renovation Fund) shall be tolled for a period of time, not to exceed twelve months, until such Institutional Lender completes a subsequent transfer of its foreclosed interest in the Lease or Ownership Interests, provided that such Institutional Lender is making commercially reasonable and diligent efforts to market and sell its foreclosed interest. Nothing in this Subsection 12.3.6 shall be construed as a limit or outside date on any cure periods provided to Encumbrance Holders under this Lease.

12.3.7 Following a Foreclosure Transfer with respect to all of the Ownership Interests in Lessee, (i) any and all rights, privileges and/or liability limitations afforded to Foreclosure Transferees in this Article 12 or any other provision of this Lease shall also be afforded to Lessee from and after such Foreclosure Transfer, to the same extent as if the Foreclosure Transferee had acquired the leasehold interest of Lessee directly and became the Lessee under this Lease, and (ii) if the Foreclosure Transferee was also an Equity Encumbrance Holder, then any and all rights, privileges and/or liability limitations afforded to Foreclosure Transferees who are Encumbrance Holders in this Article 12 or any other provision of this Lease shall also be afforded to Lessee from and after such Foreclosure Transfer, to the same extent as if the Foreclosure Transferee had acquired the leasehold interest of Lessee directly and became the Lessee under this Lease.

12.4 No Subordination. County's rights in the Premises and this Lease, including without limitation County's right to receive Annual Minimum Rent and Percentage Rent, shall not be subordinated to the rights of any Encumbrance Holder. Notwithstanding the foregoing, an Encumbrance Holder shall have all of the rights set forth in the security instrument creating the Encumbrance, as approved by County in accordance with Subsection 12.1.2, to the extent that such rights are not inconsistent with the terms of this Lease, including the right to commence an action against Lessee for the appointment of a receiver and to obtain possession of the Premises under and in accordance with the terms of said Encumbrance, provided that all obligations of Lessee hereunder shall be kept current, including but not limited to the payment of rent and curing of all defaults or Events of Default hereunder (other than Excluded Defaults or as otherwise provided herein).

12.5 Modification or Termination of Lease. This Lease shall not be modified or amended without the prior written consent in its sole discretion of each then existing Encumbrance Holder with respect to Lessee's entire leasehold interest in this Lease or all of the

Ownership Interests in Lessee. Further, this Lease may not be surrendered or terminated (other than in accordance with the provisions of this Article 12) without the prior written consent of each such Encumbrance Holder in its sole discretion. No such modification, amendment, surrender or termination without the prior written consent of each such then existing Encumbrance Holder shall be binding on any such Encumbrance Holder or any other person who acquires title to its foreclosed interest pursuant to a Foreclosure Transfer.

12.6 Notice and Cure Rights of Encumbrance Holders and Major Sublessees.

12.6.1 Right to Cure. Each Encumbrance Holder and Major Sublessee shall have the right, at any time during the term of its Encumbrance or Major Sublease, as applicable, and in accordance with the provisions of this Article 12, to do any act or thing required of Lessee in order to prevent termination of Lessee's rights hereunder, and all such acts or things so done hereunder shall be treated by County the same as if performed by Lessee.

12.6.2 Notice of Default. County shall not exercise any remedy available to it upon the occurrence of an Event of Default (other than exercising County's self-help remedies pursuant to Section 13.5 or imposing the daily payment set forth in Section 10.4), and no such exercise shall be effective, unless it first shall have given written notice of such default to each and every then existing Major Sublessee and Encumbrance Holder which has notified Director in writing of its interest in the Premises or this Lease and the addresses to which such notice should be delivered. Such notice shall be sent simultaneously with the notice or notices to Lessee. An Encumbrance Holder or Major Sublessee shall have the right and the power to cure the Event of Default specified in such notice in the manner prescribed herein. If such Event or Events of Default are so cured, this Lease shall remain in full force and effect. Notwithstanding any contrary provision hereof, the Lender's cure rights set forth in this Section 12.6 shall not delay or toll the County's right to impose the daily payment for Lessee breaches set forth in Section 10.4.

12.6.3 Manner of Curing Default. Events of Default may be cured by an Encumbrance Holder or Major Sublessee in the following manner:

(a) If the Event of Default is in the payment of rental, taxes, insurance premiums, utility charges or any other sum of money, an Encumbrance Holder or the Major Sublessee may pay the same, together with any Late Fee or interest payable thereon, to County or other payee within thirty five (35) days after its receipt of the aforesaid notice of default. If, after such payment to County, Lessee pays the same or any part thereof to County, County shall refund said payment (or portion thereof) to such Encumbrance Holder or Major Sublessee.

(b) If the Event of Default cannot be cured by the payment of money, but is otherwise curable, the default may be cured by an Encumbrance Holder or Major Sublessee as follows:

(1) The Encumbrance Holder or Major Sublessee may cure the default within sixty (60) days after the end of Lessee's cure period as provided in Section 13.1 hereof (or, if the default involves health, safety or sanitation issues, County may by written notice reduce such sixty (60) day period to thirty (30) days, such 60 or 30 day period, as applicable, being referred to herein as the "initial cure period"), provided, however, if the curing of such default reasonably requires activity over a longer period of time, the initial cure period shall be extended for such additional time as may be reasonably necessary to cure such default, so long as the Encumbrance Holder or Major Sublessee commences a cure within the initial cure period and thereafter continues to use due diligence to perform whatever acts may be required to cure the particular default. In the event Lessee commences to cure the default within Lessee's applicable cure period and thereafter fails or ceases to pursue the cure with due diligence, the Encumbrance Holder's and Major Sublessee's initial cure period shall commence upon the later of the end of Lessee's cure period or the date upon which County notifies the Encumbrance Holder and/or Major Sublessee that Lessee has failed or ceased to cure the default with due diligence.

(2) With respect to an Encumbrance Holder, but not a Major Sublessee, if before the expiration of the initial cure period, said Encumbrance Holder notifies County of its intent to commence foreclosure of its interest, and within sixty (60) days after the mailing of said notice, said Encumbrance Holder (i) actually commences foreclosure proceedings and prosecutes the same thereafter with due diligence, the initial cure period shall be extended by the time necessary to complete such foreclosure proceedings, or (ii) if said Encumbrance Holder is prevented from commencing or continuing foreclosure proceedings by any bankruptcy stay, or any order, judgment or decree of any court or regulatory body of competent jurisdiction, and said Encumbrance Holder diligently seeks release from or reversal of such stay, order, judgment or decree, the initial cure period shall be extended by the time necessary to obtain such release or reversal and thereafter to complete such foreclosure proceedings. Within thirty (30) days after a Foreclosure Transfer is completed, the Foreclosure Transferee shall (if such default has not been cured) commence to cure, remedy or correct the default and thereafter diligently pursue such cure until completed in the same manner as provided in subsection (a) above. The Encumbrance Holder shall have the right to terminate its foreclosure proceeding, and the extension of any relevant cure period shall lapse, in the event of a cure by Lessee.

12.7 New Lease.

12.7.1 Obligation to Enter Into New Lease. In the event that this Lease is terminated by reasons of bankruptcy, assignment for the benefit of creditors, insolvency or any similar proceedings, operation of law, an Excluded Default or other event beyond the reasonable ability of an Encumbrance Holder to cure or remedy, or if the Lease otherwise terminates for any reason, County shall, upon the written request of any Encumbrance Holder with respect to Lessee's entire leasehold estate under this Lease or all of the Ownership Interests in Lessee (according to the priority described below if there are multiple Encumbrance Holders), enter into a new lease (which shall be effective as of the date of termination of this Lease) with the Encumbrance Holder or an affiliate thereof

for the then remaining Term of this Lease on the same terms and conditions as shall then be contained in this Lease, provided that the Encumbrance Holder cures all then existing monetary defaults under this Lease, and agrees to commence a cure of all then existing non-monetary Events of Default within sixty (60) days after the new lease is entered into, and thereafter diligently pursues such cure until completion. In no event, however, shall the Encumbrance Holder be obligated to cure any Excluded Defaults. County shall notify the most junior Encumbrance Holder of a termination described in this Section 12.7 within thirty (30) days after the occurrence of such termination, which notice shall state (i) that the Lease has terminated in accordance with Section 12.7 of this Lease, and (ii) that such Encumbrance Holder has sixty (60) days following receipt of such notice within which to exercise its right to a new lease under this Section 12.7, or else it will lose such right. An Encumbrance Holder's election shall be made by giving County written notice of such election within sixty (60) days after such Encumbrance Holder has received the above-described written notice from the County. Within a reasonable period after request therefor, County shall execute and return to the Encumbrance Holder any and all documents reasonably necessary to secure or evidence the Encumbrance Holder's interest in the new lease or the Premises. From and after the effective date of the new lease, the Encumbrance Holder (or its affiliate) shall have the same rights to a single transfer that are provided in Subsection 12.2.3 above, and shall enjoy all of the other rights and protections that are provided to a Foreclosure Transferee in this Article 12. Any other subsequent transfer or assignment of such new lease shall be subject to all of the requirements of Article 11 of this Lease. If there are multiple Encumbrance Holders, this right shall inure to the most junior Encumbrance Holder in order of priority; provided, however, if such junior Encumbrance Holder shall accept the new lease, the priority of each of the more senior Encumbrance Holders shall be restored in accordance with all terms and conditions of such Encumbrances(s). If a junior Encumbrance Holder does not elect to accept the new lease within thirty (30) days of receipt of notice from County, the right to enter into a new lease shall be provided to the next most junior Encumbrance Holder, under the terms and conditions described herein, until an Encumbrance Holder either elects to accept a new lease, or no Encumbrance Holder so elects.

12.7.2 Priority of New Lease. The new lease made pursuant to this Section 12.7 shall be prior to any mortgage or other lien, charge or encumbrance on County's fee interest in the Premises, and any future fee mortgagee or other future holder of any lien on the fee interest in the Premises is hereby given notice of the provisions hereof.

12.8 Holding of Funds. Any Encumbrance Holder with respect to Lessee's entire leasehold interest in this Lease or all of the Ownership Interests in Lessee that is an Institutional Lender shall have the right to hold and control the disbursement of (i) any insurance or condemnation proceeds to which Lessee is entitled under this Lease and that are required by the terms of this Lease to be applied to restoration of the Improvements on the Premises (provided that such funds shall be used for such restoration in accordance with the requirements of the Lease), and (ii) any funds required to be held in the Subsequent Renovation Fund and the Capital Improvement Fund (provided that such funds shall be used for the purposes required by this Lease). If more than one such Encumbrance Holder desires to exercise the foregoing right, the most senior Encumbrance Holder shall have priority in the exercise of such right.

12.9 Participation in Certain Proceedings and Decisions. Any Encumbrance Holder shall have the right to intervene and become a party in any arbitration, litigation, condemnation or other proceeding affecting this Lease. Lessee's right to make any election or decision under this Lease with respect to any condemnation settlement, insurance settlement or restoration of the Premises following a casualty or condemnation shall be subject to the prior written approval of each then existing Encumbrance Holder.

12.10 Fee Mortgages and Encumbrances. Any mortgage, deed of trust or other similar encumbrance granted by County upon its fee interest in the Premises shall be subject and subordinate to all of the provisions of this Lease and to all Encumbrances. County shall require each such fee encumbrance holder to confirm the same in writing (in a form reasonably approved by each Encumbrance Holder or its title insurer) as a condition to granting such encumbrance, although the foregoing subordination shall be automatic and self-executing whether or not such written confirmation is obtained.

12.11 No Merger. Without the written consent of each Encumbrance Holder, the leasehold interest created by this Lease shall not merge with the fee interest in all or any portion of the Premises, notwithstanding that the fee and leasehold interests are held at any time by the same person or entity.

12.12 Rights of Encumbrance Holders With Respect to Reversion. As used in this Section 12.12, the "**Reversion**" refers to the amendment of this Lease described in Section 5.1 whereby the terms and conditions of this Lease are automatically amended in accordance with the Reversion Amendment described in such Section 5.1, and the "**Reversion Condition**" refers to the condition that causes the Reversion, namely the failure of Lessee to comply with its obligations under Section 5.1 to commence and complete the Renovation Work for the Landside Improvements by the applicable dates set forth in Section 5.1 (as extended by Section 5.6, if applicable). Notwithstanding anything in Section 5.1 of this Lease to the contrary, so long as an Encumbrance Holder exists with respect to Lessee's entire leasehold interest in this Lease or all of the Ownership Interests in Lessee, the Reversion shall not occur unless and until (i) the County has given written notice of the occurrence of the Reversion Condition to each such Encumbrance Holder in accordance with Subsection 12.6.2 (which notice shall describe the Reversion Condition that has occurred, and shall include the following statement in all capital and bold letters: "**YOUR FAILURE TO COMMENCE A CURE OF THE DEFAULT DESCRIBE IN THIS NOTICE WITHIN 60 DAYS OF YOUR RECEIPT OF THIS NOTICE, AND TO THEREAFTER PURSUE SUCH CURE TO COMPLETION IN ACCORDANCE WITH THE PROVISIONS OF SUBSECTION 12.6.3(b) OF THE LEASE APPLICABLE TO NONMONETARY DEFAULTS, WILL RESULT IN AN AUTOMATIC AMENDMENT AND REVERSION OF THE TERMS OF THE LEASE IN ACCORDANCE WITH THE REVERSION AMENDMENT DESCRIBED IN SECTION 5.1 OF THE LEASE**"), and (ii) no such Encumbrance Holder commences a cure of the default within 60 days of its receipt of such notice and thereafter pursues such cure to completion in accordance with the provisions of Subsection 12.6.3(b) of the Lease applicable to nonmonetary defaults. Further, in the event that a Reversion occurs, such Reversion shall be subject to the "new lease" provisions of Section 12.7 of the Lease (and in such event the Reversion shall be deemed a "termination" of this Lease solely for purposes of Section 12.7 and the "new lease" to

be entered into pursuant to Section 12.7 shall mean a new lease on the same terms as this Lease, not the Existing Lease).

13. DEFAULT.

13.1 Events of Default. The following are deemed to be **Events of Default** hereunder:

13.1.1 Monetary Defaults. The failure of Lessee to pay the rentals due, or make any other monetary payments required under this Lease (including, without limitation, deposits to the Subsequent Renovation Fund and/or Capital Improvement Fund), within ten (10) days after written notice that said payments are overdue. Lessee may cure such nonpayment by paying the amount overdue, with interest thereon and the applicable Late Fee, within such ten (10) day period.

13.1.2 Maintenance of Security Deposit. The failure of Lessee to maintain and/or replenish the Security Deposit required pursuant to Article 7 of this Lease if not cured within ten (10) days after written notice of such failure.

13.1.3 Failure to Perform Other Obligations. The failure of Lessee to keep, perform, and observe any and all other promises, covenants, conditions and agreements set forth in this Lease, including without limitation the obligation to maintain adequate accounting and financial records, within thirty five (35) days after written notice of Lessee's failure to perform from Director; provided, however, that where Lessee's performance of such covenant, condition or agreement is not reasonably susceptible of completion within such thirty five (35) day period and Lessee has in good faith commenced and is continuing to perform the acts necessary to perform such covenant, condition or agreement within such thirty five (35) day period, County will not exercise any remedy available to it hereunder for so long as Lessee uses reasonable due diligence in continuing to pursue to completion the performance such covenant, condition or agreement and so completes performance within a reasonable time. Notwithstanding any contrary provision of this Section 13.1.3, the proviso set forth in the immediately preceding sentence providing for an extension of the cure period beyond thirty five (35) days shall not be applicable to any failure of Lessee to comply with the Required Landside Construction Commencement Date, Required Landside Construction Completion Date, Required Dockside Construction Commencement Date, Required Dockside Construction Completion Date, Required Anchorage Improvements Replacement Commencement Date or Required Anchorage Improvements Replacement Completion Date set forth in Sections 5.1 or 5.11 above (as such dates may extended pursuant to Sections 5.1, 5.6 or 5.11, and subject to Section 12.12).

13.1.4 Non-Use of Premises. The abandonment, vacation, or discontinuance of use of the Premises, or any substantial portion thereof, for a period of thirty five (35) days after written notice by County, except when prevented by Force Majeure or when closed for renovations or repairs required or permitted to be made under this Lease.

Any notice required to be given by County pursuant to Subsections 13.1.1 through and including 13.1.3 shall be in addition to, and not in lieu of, any notice required under Section 1161 of the California Code of Civil Procedure.

13.2 Limitation on Events of Default. Except with respect to breaches or defaults with respect to the payment of money, Lessee shall not be considered in default as to any provision of this Lease (and no late fees or interest will be incurred) to the extent such default is the result of or pursuant to, any process, order, or decree of any court or regulatory body with jurisdiction, or any other circumstances which are physically or legally impossible to cure provided Lessee uses due diligence in pursuing whatever is required to obtain release from or reversal of such process, order, or decree or is attempting to remedy such other circumstances preventing its performance.

13.3 Remedies. Upon the occurrence of an Event of Default, and subject to the rights of any Encumbrance Holder or Major Sublessee to cure such Event of Default as provided in Section 12.6 hereof, County shall have, in addition to any other remedies in law or equity, the following remedies which are cumulative:

13.3.1 Terminate Lease. County may terminate this Lease by giving Lessee written notice of termination. On the giving of the notice, all of Lessee's rights in the Premises and in all Improvements shall terminate. Promptly after notice of termination, Lessee shall surrender and vacate the Premises and all Improvements in broom-clean condition, and County may re-enter and take possession of the Premises and all remaining Improvements and, except as otherwise specifically provided in this Lease, eject all parties in possession or eject some and not others, or eject none. Termination under this Subsection shall not relieve Lessee from the payment of any sum then due to County or from any claim for damages against Lessee as set forth in Subsection 13.4.3, or from Lessee's obligation to remove Improvements at County's election in accordance with Article 2. County agrees to use reasonable efforts to mitigate damages, and shall permit such access to the Premises as is reasonably necessary to permit Lessee to comply with its removal obligations.

13.3.2 Keep Lease in Effect. Without terminating this Lease, so long as County does not deprive Lessee of legal possession of the Premises and allows Lessee to assign or sublet subject only to County's rights set forth herein, County may continue this Lease in effect and bring suit from time to time for rent and other sums due, and for Lessee's breach of other covenants and agreements herein. No act by or on behalf of County under this provision shall constitute a termination of this Lease unless County gives Lessee written notice of termination. It is the intention of the parties to incorporate the provisions of California Civil Code Section 1951.4 by means of this provision.

13.3.3 Termination Following Continuance. Even though it may have kept this Lease in effect pursuant to Subsection 13.3.2, thereafter County may elect to terminate this Lease and all of Lessee's rights in or to the Premises unless prior to such termination Lessee shall have cured the Event of Default or shall have satisfied the provisions of Section 13.2, hereof. County agrees to use reasonable efforts to mitigate damages.

13.4 Damages. Should County elect to terminate this Lease under the provisions of the foregoing Section, County shall be entitled to recover from Lessee as damages:

13.4.1 Unpaid Rent. The worth, at the time of the award, of the unpaid rent that had been earned at the time of termination of this Lease;

13.4.2 Post-Termination Rent. The worth, at the time of the award, of the unpaid rent that would have been earned under this Lease after the date of termination of this Lease until the date Lessee surrenders possession of the Premises to County; and

13.4.3 Other Amounts. The amounts necessary to compensate County for the sums and other obligations which under the terms of this Lease become due prior to, upon or as a result of the expiration of the Term or sooner termination of this Lease, including without limitation, those amounts of unpaid taxes, insurance premiums and utilities for the time preceding surrender of possession, the cost of removal of rubble, debris and other above-ground Improvements, attorney's fees, court costs, and unpaid Administrative Charges, Net Proceeds Shares and Net Refinancing Proceeds.

13.5 Others' Right to Cure Lessee's Default. County (and any Encumbrance Holder or Major Sublessee, as provided in the last sentence of this section), at any time after Lessee's failure to perform any covenant, condition or agreement contained herein beyond any applicable notice and cure period, may cure such failure at Lessee's cost and expense. If, after delivering to Lessee two (2) or more written notices with respect to any such default, County at any time, by reason of Lessee's continuing failure, pays or expends any sum, Lessee shall immediately pay to County the lesser of the following amounts: (1) twice the amount expended by County to cure such default and (2) the amount expended by County to cure such default, plus one thousand dollars (\$1,000). To the extent practicable, County shall give any Encumbrance Holders or Major Sublessees the reasonable opportunity to cure Lessee's default prior to County's expenditure of any amounts thereon.

13.6 Default by County. County shall be in default in the performance of any obligation required to be performed by County under this Lease if County has failed to perform such obligation within thirty (30) days after the receipt of notice from Lessee specifying in detail County's failure to perform; provided, however, that if the nature of County's obligation is such that more than thirty (30) days are required for its performance, County shall not be deemed in default if it shall commence such performance within thirty (30) days and thereafter diligently pursues the same to completion. Lessee shall have no rights as a result of any default by County until Lessee gives thirty (30) days notice to any person having a recorded interest pertaining to County's interest in this Lease or the Premises. Such person shall then have the right to cure such default, and County shall not be deemed in default if such person cures such default within thirty (30) days after receipt of notice of the default, or such longer time as may be reasonably necessary to cure the default. Notwithstanding anything to the contrary in this Lease, County's liability to Lessee for damages arising out of or in connection with County's breach of any provision or provisions of this Lease shall not exceed the value of County's equity interest in the Premises and its right to insurance proceeds in connection with the policies required under Article 9 hereof.

14. ACCOUNTING.

14.1 Maintenance of Records and Accounting Method. In order to determine the amount of and provide for the payment of the Annual Minimum Rent, Percentage Rent, Administrative Charge, Net Proceeds Share, Net Refinancing Proceeds and other sums due under this Lease, Lessee and all Sublessees shall at all times during the Term of this Lease, and for thirty six (36) months thereafter, keep, or cause to be kept, locally, to the reasonable satisfaction of Director, true, accurate, and complete records and double-entry books of account for the current and five (5) prior Accounting Years, such records to show all transactions relative to the conduct of operations, and to be supported by data of original entry. Such records shall detail transactions conducted on or from the Premises separate and apart from those in connection with Lessee's (or a Sublessee's, as applicable) other business operations, if any. With respect to the calculation of Gross Receipts and the preparation of the reports and maintenance of records required herein, Lessee shall utilize either: (i) the accrual method of accounting, or (ii) a modified accrual method of accounting, modified in that (A) delinquent rents due from residential or anchorage tenants that are individual persons (but not corporate tenants) is not accrued, (B) expenses are accrued on an approximate basis each month during the fiscal year with full accrual treatment for the full fiscal year financial statements, and (C) depreciation is calculated on a tax basis rather than a GAAP basis.

14.2 Cash Registers. To the extent retail sales are conducted on the Premises, or other cash or credit sales of goods or services are conducted, all such sales shall be recorded by means of cash registers or computers which automatically issue a customer's receipt or certify the amount recorded in a sales slip. Said cash registers shall in all cases have locked-in sales totals and transaction counters which are constantly accumulating and which cannot, in either case, be reset, and in addition thereto, a tape (or other equivalent security mechanism) located within the register on which transaction numbers and sales details are imprinted. Beginning and ending cash register readings shall be made a matter of daily record.

Lessee shall cause to be implemented point of sale systems which can accurately verify all sales for audit purposes and customer review purposes, which system shall be submitted to Director in advance of installation for his approval, which approval shall not be unreasonably withheld, conditioned or delayed.

Lessee's obligations set forth in this Section 14.2 include Lessee's obligation to insure that Lessee's Sublessees (including licensees, permittees, concessionaires and any other occupants of any portion of the Premises) keep records sufficient to permit County and County's auditors to determine the proper levels of Percentage Rent and other sums due under this Lease.

14.3 Statement; Payment. No later than the fifteenth (15th) day of each calendar month, Lessee shall render to County a detailed statement showing Gross Receipts during the preceding calendar month, together with its calculation of the amount payable to County under Sections 4.2 through 4.8 inclusive, and shall accompany same with remittance of amount so shown to be due.

14.4 Availability of Records for Inspector's Audit. Books of account and records for the then current and five (5) prior Accounting Years as hereinabove required shall be kept or made available at the Premises or at another location within Los Angeles County, and County and other governmental authorities shall have the right at any reasonable times and on reasonable prior notice to examine and audit said books and records, without restriction, for the purpose of

determining the accuracy thereof and of the monthly statements of Gross Receipts derived from occupancy of the Premises and the compliance of Lessee with the terms of this Lease and other governmental requirements. This Section 14.4 shall survive the expiration of the Term or other termination of this Lease for thirty six (36) months after such expiration or termination.

14.4.1 Entry by County. Upon at least one (1) business day advance notice, County and its duly authorized representatives or agents may enter upon the Premises at any and all reasonable times during the Term of this Lease for the purpose of determining whether or not Lessee is complying with the terms and conditions hereof, or for any other purpose incidental to the rights of County.

14.5 Cost of Audit. In the event that, for any reason, Lessee does not make available its (or its Sublessee's) original records and books of account at the Premises or at a location within Los Angeles County, Lessee agrees to pay all expenses incurred by County in conducting any audit at the location where said records and books of account are maintained. In the event that any audit discloses a discrepancy in County's favor of greater than two percent (2%) of the revenue due County for the period audited, then Lessee shall pay County audit contract costs, together with the amount of any identified deficiency, with interest thereon and Late Fee provided by Section 4.5.

14.6 Additional Accounting Methods. Upon written notice from County, County may require the installation of any additional accounting methods or machines which are typically used by major residential and/or boat anchorage management companies and which County reasonably deems necessary if the system then being used by Lessee does not adequately verify sales for audit or customer receipt purposes.

14.7 Accounting Year. The term "Accounting Year" as used herein shall mean each calendar year during the Term.

14.8 Annual Financial Statements. Within six (6) months after the end of each Accounting Year, Lessee shall deliver to County the following financial statements: (i) a balance sheet of Lessee as of the end of such Accounting Year, certified by Lessee's chief financial officer as accurately reflecting Lessee's assets and liabilities, which balance sheet shall not be required to be audited, provided that at County's request not more often than every two years, such balance sheet shall be audited by a Certified Public Accountant who is a member of the American Institute of Certified Public Accountants and is satisfactory to County (a "Qualified CPA"); (ii) a profit and loss statement of Lessee for such Accounting Year, audited and certified by a Qualified CPA; and (iii) a Gross Receipts and Percentage Rent statement for such Accounting Year, audited and certified by a Qualified CPA, which statement shall include a certification and unqualified opinion of such Qualified CPA (1) concerning Gross Receipts (including a breakdown by category), and (2) that the correct amount of Percentage Rent has been paid to the County in connection with such Gross Receipts. All financial statements prepared by or on behalf of Lessee shall be prepared in a manner that permits County to determine the financial results of operations in connection with Lessee's activities at, from or relating to the Premises, notwithstanding that Lessee may have income and expenses from other activities unrelated to its activities on the Premises.

14.9 Accounting Obligations of Sublessees. Lessee shall cause all Sublessees and others conducting business operations on or from the Premises to comply with all terms of this Article 14 with respect to the maintenance, form, availability and methodology of accounting records and the delivery to County of audited certified financial statements and unqualified opinions as to Gross Receipts. County shall provide written notice to Lessee of the failure of any Sublessee or other person or entity to comply with this Section after County's discovery of such failure, and provide Lessee with the right to cure any failure to so comply by payment to County of amounts which may be owing to County, as shown on an audit conducted by County, or on an audit supplied by Lessee or such Sublessee or other person or entity, and accepted by County, or as otherwise determined pursuant to Section 14.10. In such event County shall permit Lessee to subrogate to any right of County to enforce this provision against such Sublessee or other person or entity, to the extent Lessee does not have a direct right of enforcement against such Sublessee or other person or entity.

14.10 Inadequacy of Records. In the event that Lessee or its Sublessees (including licensees or concessionaires) fail to keep the records required by this Article 14 such that a Certified Public Accountant is unable to issue an unqualified opinion as to Gross Receipts, such failure shall be deemed a breach of this Lease by Lessee. In addition to the other remedies available to County at law or equity as a result of such breach, County may prepare a calculation of the Percentage Rent payable by Lessee during the period in which the accounting records were inadequately maintained. Such calculation may be based on the past Gross Receipts levels on or from the Premises, the past or present level of Gross Receipts experienced by tenants of comparable leaseholds in Marina del Rey with comparable business operations, or any other method as reasonably determined by Director and shall utilize such methodology as Director deems reasonable. Within five (5) days after receipt of County's determination of Percentage Rent due, if any, Lessee shall pay such Percentage Rent, together with a late fee of six percent (6%) and interest to the date of payment at the Applicable Rate from the date upon which each unpaid installment of Percentage Rent was due, together with County's Actual Cost in connection with the attempted audit of the inadequate records and the reconstruction and estimation of Gross Receipts and the calculation of Percentage Rent due.

15. MISCELLANEOUS.

15.1 Quiet Enjoyment. Lessee, upon performing its obligations hereunder, shall have the quiet and undisturbed possession of the Premises throughout the Term of this Lease, subject, however, to the terms and conditions of this Lease.

15.2 Time is of the Essence. Except as specifically otherwise provided for in this Lease, time is of the essence of this Lease and applies to all times, restrictions, conditions, and limitations contained herein.

15.3 County Costs. Lessee shall promptly reimburse County for the Actual Costs incurred by County in the review, negotiation, preparation and documentation of this Lease and the term sheets and memoranda that preceded it.

15.4 County Disclosure and Lessee's Waiver.

15.4.1 Disclosures and Waiver.

15.4.1.1 ☐AS IS ☐ Lessee acknowledges that it is currently in possession of the Premises and that Lessee or its predecessor-in-interest has continuously occupied and/or managed and operated the Premises since 1961. Lessee accepts the Premises in their present condition notwithstanding the fact that there may be certain defects in the Premises, whether or not known to either party to this Lease, at the time of the execution of this Lease by Lessee and Lessee hereby represents that it has performed all investigations necessary, including without limitation soils and engineering inspections, in connection with its acceptance of the Premises ☐AS IS ☐

15.4.1.2 Lessee acknowledges that it may incur additional engineering and construction costs above and beyond those contemplated by either party to this Lease at the time of the execution hereof and Lessee agrees that, it will make no demands upon County for any construction, alterations, or any kind of labor that may be necessitated in connection therewith.

15.4.1.3 Lessee hereby waives, withdraws, releases, and relinquishes any and all claims, suits, causes of action (other than a right to terminate as otherwise provided in this Lease), rights of rescission, or charges against County, its officers, agents, employees or volunteers which Lessee now has or may have or asserts in the future which are based upon any defects in the physical condition of the Premises and the soil thereon and thereunder, regardless of whether or not said conditions were known at the time of the execution of this instrument. The waiver and release set forth in this Subsection 15.4.1.3 (i) shall not apply to the Excluded Conditions, and (ii) shall not alter the parties' rights and obligations under the Existing Lease with respect to any abandoned wells or other environmental conditions existing on the Premises as of the Effective Date.

15.4.1.4 California Civil Code Section 1542 provides as follows:

A GENERAL RELEASE DOES NOT EXTEND TO CLAIMS
WHICH THE CREDITOR DOES NOT KNOW OR
SUSPECT TO EXIST IN HIS FAVOR AT THE TIME OF
EXECUTING THE RELEASE, WHICH IF KNOWN BY HIM
MUST HAVE MATERIALLY AFFECTED HIS
SETTLEMENT WITH THE DEBTOR.

By initialing this paragraph, Lessee acknowledges that it has read, is familiar with, and waives the provisions of California Civil Code ☐1542 set forth above, and agrees to all of the provisions of Subsection 15.4.1.3 above.

Lessee's Initials

15.4.2 Right of Offset. Lessee acknowledges that the rent provided for in this Lease has been agreed upon in light of Lessee's construction, maintenance and repair obligations set forth herein, and, notwithstanding anything to the contrary provided in this Lease or by applicable law, Lessee hereby waives any and all rights, if any, to make repairs at the expense of County and to deduct or offset the cost thereof from the Annual Minimum Rent, Monthly Minimum Rent, Percentage Rent or any other sums due County hereunder.

15.5 Holding Over. If Lessee holds over after the expiration of the Term for any cause, with or without the express or implied consent of County, such holding over shall be deemed to be a tenancy from month-to-month only, and shall not constitute a renewal or extension of the Term. During any such holdover period, the Minimum Monthly Rent and Percentage Rent rates in effect at the end of the Term shall be increased to one hundred twenty-five percent (125%) of such previously effective amounts. Such holdover shall otherwise be subject to the same terms, conditions, restrictions and provisions as herein contained. Such holding over shall include any time employed by Lessee to remove machines, appliances and other equipment during the time periods herein provided for such removal, except as expressly provided in Subsection 2.3.2 with respect to any Post Term Removal Period.

Nothing contained herein shall be construed as consent by County to any holding over by Lessee, and County expressly reserves the right to require Lessee to surrender possession of the Premises to County as provided in this Lease upon the expiration or other termination of this Lease. The provisions of this Section 15.5 shall not be deemed to limit or constitute a waiver of any other rights or remedies of County provided at law or in equity. If Lessee fails to surrender the Premises upon the termination or expiration of this Lease, in addition to any other liabilities to County accruing therefrom, Lessee shall protect, defend, indemnify and hold County harmless from all losses, costs (including reasonable attorneys' fees), damages, claims and liabilities resulting from such failure, including, without limitation, any claims made by any succeeding tenant ground lessee (or subtenant) arising from such failure to surrender, and any lost profits to County resulting therefrom, provided that County notifies Lessee that Lessee's failure to timely surrender the Premises will cause County to incur such lost profits.

15.6 Waiver of Conditions or Covenants. Except as stated in writing by the waiving party, any waiver by either party of any breach of any one or more of the covenants, conditions, terms, and agreements of this Lease shall not be construed to be a waiver of any subsequent or other breach of the same or of any other covenant, condition, term, or agreement of this Lease, nor shall failure on the part of either party to require exact full and complete compliance with any of the covenants, conditions, terms, or agreements of this Lease be construed as in any manner changing the terms hereof or estopping that party from enforcing the full provisions hereof, nor shall the terms of this Lease be changed or altered in any manner whatsoever other than by written agreement of County and Lessee. No delay, failure, or omission of County to re-enter the Premises or of either party to exercise any right, power, privilege, or option, arising from any default, nor any subsequent acceptance of rent then or thereafter accrued shall impair any such right, power, privilege, or option or be construed as a waiver of or acquiescence in such default or as a relinquishment of any right. No notice to Lessee shall be required to restore or revive "time of the essence" after the waiver by County of any default. Except as specifically provided in this

Lease, no option, right, power, remedy, or privilege of either party shall be construed as being exhausted by the exercise thereof in one or more instances.

15.7 Remedies Cumulative. The rights, powers, options, and remedies given County by this agreement shall be cumulative except as otherwise specifically provided for in this Lease.

15.8 Authorized Right of Entry. In any and all cases in which provision is made herein for termination of this Lease, or for exercise by County of right of entry or re-entry upon the Premises in the case of an Event of Default, or in case of abandonment or vacation of the Premises by Lessee, Lessee hereby irrevocably authorizes County to enter upon the Premises and remove any and all persons and property whatsoever situated upon the Premises and place all or any portion of said property, except such property as may be forfeited to County, in storage for the account of and at the expense of Lessee.

Except to the extent arising out of or caused by the gross negligence or willful misconduct of County, Lessee agrees to indemnify, defend and save harmless County from any cost, expense, loss or damage arising out of or caused by any such entry or re-entry upon the Premises in the case of an Event of Default, including the removal of persons and property and storage of such property by County and its agents.

15.9 Place of Payment and Filing. All rentals shall be paid to and all statements and reports herein required and other items deliverable to County hereunder shall be filed with or delivered to the Department. Checks, drafts, letters of credit and money orders shall be made payable to the County of Los Angeles.

15.10 Service of Written Notice or Process. Any notice required to be sent under this Lease shall be in compliance with and subject to this Section 15.10. If Lessee is not a resident of the State of California, or is an association or partnership without a member or partner resident of said State, or is a foreign corporation, Lessee shall file with Director a designation of a natural person residing in the County of Los Angeles, State of California, or a service company, such as CT Corporation, which is authorized to accept service, giving his or its name, residence, and business address, as the agent of Lessee for the service of process in any court action between Lessee and County, arising out of or based upon this Lease, and the delivery to such agent of written notice or a copy of any process in such action shall constitute a valid service upon Lessee.

If for any reason service of such process upon such agent is not possible, then any officer of Lessee may be personally served with such process outside of the State of California and such service shall constitute valid service upon Lessee; and it is further expressly agreed that Lessee is amenable to such process and submits to the jurisdiction of the court so acquired and waives any and all objection and protest thereto.

Written notice addressed to Lessee at the addresses below-described, or to such other address that Lessee may in writing file with Director, shall be deemed sufficient if said notice is delivered personally, by telecopy or facsimile transmission or, provided in all cases there is a return receipt requested (or other similar evidence of delivery by overnight delivery service) and postage or other delivery charges prepaid, by registered or certified mail posted in the County of Los Angeles, California, Federal Express or DHL, or such other services as Lessee

and County may mutually agree upon from time to time. Each notice shall be deemed received and the time period for which a response to any such notice must be given or any action taken with respect thereto (including cure of any prospective Event of Default) shall commence to run from the date of actual receipt of the notice by the addressee thereof in the case of personal delivery, telecopy or facsimile transmission if before 5:00 p.m. on regular business days, or upon the date of delivery or attempted delivery in the case of registered or certified mail, as evidenced by the mail receipt (but in any case not later than the date of actual receipt).

Copies of any written notice to Lessee shall also be simultaneously mailed to any Encumbrance Holder, Major Sublessee or encumbrancer of such Major Sublessee of which County has been given written notice and an address for service. Notice given to Lessee as provided for herein shall be effective as to Lessee notwithstanding the failure to send a copy to such Encumbrance Holder, Major Sublessee or encumbrancer.

As of the date of execution hereof, the persons authorized to receive notice on behalf of County and Lessee are as follows:

COUNTY: Director
 Department of Beaches and Harbors
 Los Angeles County
 13837 Fiji Way
 Marina del Rey, California 90292
 Phone: 310/305-9522
 Fax: 310/821-6345

With a Copy to: Office of County Counsel
 Los Angeles County
 500 West Temple Street
 Los Angeles, California 90012
 Attn: County Counsel
 Phone: 213/974-1801
 Fax: 213/617-7182

LESSEE: _____

 Attn: _____
 Phone: _____
 Fax: _____

With a Copy to: Cox, Castle & Nicholson LLP
 2049 Century Park East
 28th Floor
 Los Angeles, California 90067
 Attention: Ira J. Waldman, Esq.
 Phone: 310/277-4222

Either party shall have the right to change its notice address by written notice to the other party of such change in accordance with the provisions of this Section 15.10.

15.11 Interest. In any situation where County has advanced sums on behalf of Lessee pursuant to this Lease, such sums shall be due and payable within five (5) days after Lessee's receipt of written demand, together with interest at the Applicable Rate (unless another rate is specifically provided herein) from the date such sums were first advanced, until the time payment is received. In the event that Lessee repays sums advanced by County on Lessee's behalf with interest in excess of the maximum rate permitted by Applicable Laws, County shall either refund such excess payment or credit it against subsequent installments of Annual Minimum Rent and Percentage Rent.

15.12 Captions. The captions contained in this Lease are for informational purposes only, and are not to be used to interpret or explain the particular provisions of this Lease.

15.13 Attorneys' Fees. In the event of any action, proceeding or arbitration arising out of or in connection with this Lease, whether or not pursued to judgment, the prevailing party shall be entitled, in addition to all other relief, to recover its costs and reasonable attorneys' fees, including without limitation reasonable attorneys' fees for County Counsel's services where County is represented by the County Counsel and is the prevailing party, and also including all fees, costs and expenses incurred in executing, perfecting, enforcing and collecting any judgment.

15.14 Amendments. This Lease may only be amended in writing executed by duly authorized officials of Lessee and County. Notwithstanding the foregoing, Director shall have the power to execute such amendments to this Lease as are necessary to implement any arbitration judgment issued pursuant to this Lease. Subject to Section 16.13, no amendment shall be binding upon an Encumbrance Holder as to which County has been notified in writing, unless the consent of such Encumbrance Holder is obtained with respect to such amendment.

15.15 Time For Director Approvals. Except where a different time period is specifically provided for in this Lease, whenever in this Lease the approval of Director is required, approval shall be deemed not given unless within thirty (30) days after the date of the receipt of the written request for approval from Lessee, Director either (a) approves such request in writing, or (b) notifies Lessee that it is not reasonably possible to complete such review within the thirty (30)-day period, provides a final date for approval or disapproval by Director (the "**Extended Time**") and approves such request in writing prior to such Extended Time. If Director does not approve such request in writing within such Extended Time, the request shall be deemed to be disapproved. If Director disapproves a matter that requires its approval under this Lease, then Director shall notify Lessee in writing of the reason or reasons for such disapproval.

15.16 Time For County Action. Notwithstanding anything to the contrary contained in this Lease, wherever Director determines that a County action required hereunder necessitates approval from or a vote of one or more of County's boards or commissions or County's Board of Supervisors, the time period for County performance of such action shall be extended as is reasonably necessary in order to secure such approval or vote, and County shall not be deemed to

be in default hereunder in the event that it fails to perform such action within the time periods otherwise set forth herein.

15.17 Estoppel Certificates. Each party agrees to execute, within ten (10) business days after the receipt of a written request therefor from the other party, a certificate stating: (i) that this Lease is in full force and effect and is unmodified (or stating otherwise, if true); (ii) that, to the best knowledge of such party, the other party is not then in default under the terms of this Lease (or stating the grounds for default if such be the case); and (iii) if requested, the amount of the Security Deposit, Annual Minimum Rent, Percentage Rent and other material economic terms and conditions of this Lease. Prospective purchasers, Major Sublessees and Encumbrance Holders may rely on such statements.

15.18 Indemnity Obligations. Whenever in this Lease there is an obligation to indemnify, hold harmless and/or defend, irrespective of whether or not the obligation so specifies, it shall include the obligation to defend and pay reasonable attorney's fees, reasonable expert fees and court costs.

15.19 Waterfront Promenade. The Renovation Work includes the development (or as applicable, renovation) by Lessee of a continuous pedestrian walkway with landscaping, lighting, seating, fencing and other improvements (the "**Promenade**") as described in the Renovation Plan and in accordance with the Final Plans and Specifications for such work described in Article 5. County hereby reserves a public easement for access over and use of the Promenade for fire lane uses, pedestrian purposes and such other related uses (including, if approved by County, bicycling, rollerblading and similar activities) as may be established by County from time to time, all in accordance with such rules and regulations as are promulgated from time to time by County regulating such public use. Such public easement shall also include the public use of any restrooms that are designated on the Renovation Plan or Final Plans and Specifications as public restrooms. Lessee shall be responsible for the maintenance and repair of the Promenade in accordance with commercially reasonable maintenance and repair standards for the Promenade established by County from time to time on a nondiscriminatory basis. The exact legal description of the Premises encumbered by the public easement reserved herein shall be established based upon the final as-built drawings for the Promenade to be delivered by Lessee upon the completion thereof in accordance with the terms and provisions of Subsection 5.7.7 of this Lease. At the request of either party, such legal description shall be recorded in the Official Records of Los Angeles County as a supplement to this Lease.

15.20 Management of Anchorage Improvements/Dockmaster. During the Term of the Lease, Lessee shall maintain a dockmaster program, and engage an experienced, professional marina management firm, reasonably acceptable to Director for the day to day full-time management and operation of the Anchorage Improvements. After Director's approval of such management firm, Lessee shall not have the right to change the management firm without first obtaining the prior approval of Director, which approval shall not be unreasonably withheld, conditioned or delayed. If during the Term in the reasonable judgment of Director the then current management firm is performing in an unsatisfactory manner, then at the request of Director Lessee shall replace such management firm with a new management firm reasonably acceptable to Director. If during the Term the then current management firm terminates its contract, then Lessee shall have the right to replace such management firm with another

management firm approved by Director, which approval shall not be unreasonably withheld, conditioned or delayed.

15.21 Seaworthy Vessels. On or before January 1, April 1, July 1 and October 1 of each year during the Term, Lessee shall deliver to Director a report which contains the following information with respect to every vessel (including floating homes as defined in Title 19 of the Los Angeles County Code) moored within the Premises: (a) the name, address and telephone number of the registered owner (and slip tenant, if other than the registered owner) for each vessel; (b) the state registration or federal document number, and name (if any), of the vessel; (c) whether the vessel is a power vessel, sailing vessel or floating home; and (d) the slip number and length of the vessel, and whether the vessel is presently authorized by Lessee for liveaboard tenancy. In addition, Lessee shall require, and shall certify annually to Director, that as a condition of slip rental and continued slip tenancy, all new slip tenanted vessels from and after the immediately preceding certification (or in the case of the initial certification, from and after the Effective Date) have been required to pass seaworthiness inspection by the Harbor Patrol within sixty (60) days after such slip rental. Thereafter, all of Lessee's slip leases shall provide that any newly tenanted vessel which is unable to pass such inspection within the required period, or such reasonable extension thereof as may be granted in Director's sole discretion, shall be ineligible for continued slip tenancy on the Premises and shall be removed therefrom. The requirements of the two preceding sentences shall not be applicable to any vessel which is specifically exempted from seaworthiness requirements by Title 19 of the Los Angeles County Code.

15.22 Controlled Prices. Lessee shall at all times maintain a complete list or schedule of the prices charged for all goods or services, or combinations thereof, supplied to the public on or from the Premises, whether the same are supplied by Lessee or by its Sublessees, assignees, concessionaires, permittees or licensees. Said prices shall be fair and reasonable, based upon the following two (2) considerations: first, that the property herein demised is intended to serve a public use and to provide needed facilities to the public at fair and reasonable cost; and second, that Lessee is entitled to a fair and reasonable return upon his investment pursuant to this Lease. In the event that Director notifies Lessee that any of said prices are not fair and reasonable, Lessee shall have the right to confer with Director and to justify said prices. If, after reasonable conference and consultation, Director shall determine that any of said prices are not fair and reasonable, the same shall be modified by Lessee or its Sublessees, assignees, concessionaires, permittees or licensees, as directed. Lessee may appeal the determination of Director to the Board, whose decision shall be final and conclusive. Pending such appeal, the prices fixed by Director shall be the maximum charged by Lessee.

15.23 Pump-Out Station. If pump-out facilities are currently located on the Premises as of the Effective Date, and in any case on and after the completion of the Anchorage Improvements Replacement, Lessee shall operate in-dock pump-out facilities on the Premises for use of boat pump-out services at a nominal fee.

16. ARBITRATION.

Except as otherwise provided by this Article 16, disputed matters which may be arbitrated pursuant to this Lease shall be settled by binding arbitration in accordance with the then existing provisions of the California Arbitration Act, which as of the date hereof is

contained in Title 9 of Part III of the California Code of Civil Procedure, commencing with Section 1280.

(a) Either party (the **Initiating Party**) may initiate the arbitration process by sending written notice (**Request for Arbitration**) to the other party (the **Responding Party**) requesting initiation of the arbitration process and setting forth a brief description of the dispute or disputes to be resolved and the contention(s) of the Initiating Party. Within ten (10) days after service of the Request for Arbitration, the Responding Party shall file a **Response** setting forth the Responding Party's description of the dispute and the contention(s) of Responding Party. If Responding Party has any **Additional Disputes** he shall follow the format described for the Initiating Party. The Initiating Party will respond within ten (10) days after service of the Additional Disputes setting forth Initiating Party's description of the Additional Disputes and contentions regarding the Additional Disputes.

(b) Notwithstanding anything to the contrary which may now or hereafter be contained in the California Arbitration Act, the parties agree that the following provisions shall apply to any and all arbitration proceedings conducted pursuant to this Lease:

16.1 Selection of Arbitrator. The parties shall attempt to agree upon an arbitrator who shall decide the matter. If, for any reason, the parties are unable to agree upon the arbitrator within ten (10) days of the date the Initiating Party serves a request for arbitration on the Responding Party, then at any time on or after such date either party may petition for the appointment of the arbitrator as provided in California Code of Civil Procedure Section 1281.6.

16.2 Arbitrator. The arbitrator shall be a retired judge of the California Superior Court, Court of Appeal or Supreme Court, or any United States District Court or Court of Appeals located within the State, who has agreed to resolve civil disputes.

16.3 Scope of Arbitration. County and Lessee affirm that the mutual objective of such arbitration is to resolve the dispute as expeditiously as possible. The arbitration process shall not apply or be used to determine issues other than (i) those presented to the arbitrator by the Initiating Party provided those disputes are arbitrable disputes pursuant to this Lease, (ii) Additional Disputes presented to the arbitrator by the Responding Party, provided that any such Additional Disputes constitute arbitrable disputes pursuant to this Lease and (iii) such related preliminary or procedural issues as are necessary to resolve (i) and/or (ii) above. The arbitrator shall render an award. Either party may, at its sole cost and expense, request a statement of decision explaining the arbitrator's reasoning which shall be in such detail as the arbitrator may determine. Unless otherwise expressly agreed by the parties in writing, the award shall be made by the arbitrator no later than the sooner of six (6) months after the date on which the arbitrator is selected by mutual agreement or court order, whichever is applicable, or five (5) months after the date of a denial of a petition to disqualify a potential arbitrator for cause. County and Lessee hereby instruct the arbitrator to take any and all actions deemed reasonably necessary, appropriate or prudent to ensure the issuance of an award within such period. Notwithstanding the foregoing, failure to complete the arbitration process within such period shall not render such arbitration or any determination made therein void or voidable; however, at any time after the expiration of the foregoing five (5) or six (6) month periods, as applicable, either party may deliver written notice

to the arbitrator and the other party either terminating the arbitration or declaring such party's intent to terminate the arbitration if the award is not issued within a specified number of days after delivery of such notice. If the arbitrator's award is not issued prior to the expiration of said specified period, the arbitration shall be terminated and the parties shall recommence arbitration proceedings pursuant to this Article 16.

16.4 Immunity. The parties hereto agree that the arbitrator shall have the immunity of a judicial officer from civil liability when acting in the capacity of arbitrator pursuant to this Lease.

16.5 Section 1282.2. The provisions of Code of Civil Procedure §1282.2 shall apply to the arbitration proceedings except to the extent they are inconsistent with the following:

(1) Unless the parties otherwise agree, the arbitrator shall appoint a time and place for the hearing and shall cause notice thereof to be served as provided in said §1282.2 not less than ninety (90) days before the hearing, regardless of the aggregate amount in controversy.

(2) No later than sixty (60) days prior to the date set for the hearing (unless, upon a showing of good cause by either party, the arbitrator establishes a different period), in lieu of the exchange and inspection authorized by Code of Civil Procedure §1282.2(a)(2)(A), (B) and (C), the parties shall simultaneously exchange the following documents by personal delivery to each other and to the arbitrator:

(a) a written Statement of Position, as further defined below, setting forth in detail that party's final position regarding the matter in dispute and specific numerical proposal for resolution of monetary disputes;

(b) a list of witnesses each party intends to call at the hearing, designating which witnesses will be called as expert witnesses and a summary of each witness's testimony;

(c) a list of the documents each intends to introduce at the hearing, together with complete and correct copies of all of such documents; and,

(d) if the issue involves Fair Market Rental Value or a valuation matter, a list of all Written Appraisal Evidence (as defined below) each intends to introduce at the hearing, together with complete and correct copies of all of such Written Appraisal Evidence.

(3) No later than twenty (20) days prior to the date set for the hearing, each party may file a reply to the other party's Statement of Position (**Reply**). The Reply shall contain the following information:

(a) a written statement, to be limited to that party's rebuttal to the matters set forth in the other party's Statement of Position;

(b) a list of witnesses each party intends to call at the hearing to rebut the evidence to be presented by the other party, designating which witnesses will be called as expert witnesses;

(c) a list of the documents each intends to introduce at the hearing to rebut the evidence to be presented by the other party, together with complete and correct copies of all of such documents (unless, upon a showing of good cause by either party, the arbitrator establishes a different deadline for delivering true and correct copies of such documents);

(d) if the issue involves Fair Market Rental Value or a valuation matter, a list of all Written Appraisal Evidence, or written critiques of the other party's Written Appraisal Evidence if any, each intends to introduce at the hearing to rebut the evidence presented by the other party, together with complete and correct copies of all of such Written Appraisal Evidence (unless, upon a showing of good cause by either party, the arbitrator establishes a different deadline for delivering true and correct copies of such Written Appraisal Evidence); and

(e) Witnesses or documents to be used solely for impeachment of a witness need not be identified or produced.

(4) The arbitrator is not bound by the rules of evidence, but may not consider any evidence not presented at the hearing. The arbitrator may exclude evidence for any reason a court may exclude evidence or as provided in this Lease.

16.6 Statements of Position. The Statement of Position to be delivered by Section 16.5 shall comply with the following requirements:

(1) Where the dispute involves rent to be charged, market values, insurance levels or other monetary amounts, the Statements of Position shall numerically set forth the existing minimum rent, percentage rent, market value, insurance level and/or other monetary amounts in dispute, the party's proposed new minimum rent, percentage rent, market value, insurance level and/or other monetary amounts, and shall additionally set forth the facts supporting such party's position.

(2) If the dispute relates to Improvement Costs, the Statements of Position shall set forth the facts supporting such party's position and the amount of each cost which the party believes should be allowed or disallowed.

16.7 Written Appraisal Evidence. Neither party may, at any time during the proceedings, introduce any written report which expresses an opinion regarding Fair Market Rental Value or the fair market value of the Premises, or any portion thereof (**Written Appraisal Evidence**), unless such Written Appraisal Evidence substantially complies with the following standards: it shall describe the Premises; identify the uses permitted thereon; describe or take into consideration the terms, conditions and restrictions of this Lease; correlate the appraisal method(s) applied; discuss the relevant factors and data considered; review rentals paid by lessees in Marina del Rey and other marina locations within Southern California who are authorized to conduct

similar activities on comparable leaseholds; and, describe the technique of analysis, limiting conditions and computations that were used in the formulation of the valuation opinion expressed. With respect to disputes regarding Fair Market Rental Value, such Written Appraisal Evidence shall express an opinion regarding the fair market rental value of the Premises as prescribed by Section 4.4.1. Written Appraisal Evidence in connection with disputes arising out of Article 6 of this Lease shall predicate any valuation conclusions contained therein on the Income Approach. Written Appraisal Evidence shall in all other respects be in material conformity and subject to the requirements of the Code of Professional Ethics and the Standards of Professional Practice of The Appraisal Institute or any successor entity.

16.8 Evidence. The provisions of Code of Civil Procedure §1282.2(a)(2)(E) shall not apply to the arbitration proceeding. The arbitrator shall have no discretion to allow a party to introduce witnesses, documents or Written Appraisal Evidence (other than impeachment testimony) unless such information was previously delivered to the other party in accordance with Section 16.5 and, in the case of Written Appraisal Evidence, substantially complies with the requirements of Section 16.7, or such evidence consists of a transcript of a deposition of an expert witness conducted pursuant to Section 16.9. Notwithstanding the foregoing, the arbitrator may allow a party to introduce evidence which, in the exercise of reasonable diligence, could not have been delivered to the other party in accordance with Section 16.5, provided such evidence is otherwise permissible hereunder.

16.9 Discovery. The provisions of Code of Civil Procedure §1283.05 shall not apply to the arbitration proceedings except to the extent incorporated by other sections of the California Arbitration Act which apply to the arbitration proceedings. There shall be no pre-arbitration discovery except as provided in Section 16.5; provided, however, each party shall have the right, no later than seven (7) days prior to the date first set for the hearing, to conduct a deposition, not to exceed three (3) hours in duration unless the arbitrator otherwise determines that good cause exists to justify a longer period, of any person identified by the other party as an expert witness pursuant to Sections 16.5 (2)(b) or 16.5 (3)(b).

16.10 Awards of Arbitrators.

16.10.1 Monetary Issues. With respect to monetary disputes (including without limitation disputes regarding Percentage Rent, Fair Market Rental Value and the amount of coverage under the policies of insurance required pursuant to Article 9 of this Lease), the arbitrator shall have no right to propose a middle ground or any proposed modification of either Statement of Position. The arbitrator shall instead select whichever of the two Statements of Position is the closest to the monetary or numerical amount that the arbitrator determines to be the appropriate determination of the rent, expense, claim, cost, delay, coverage or other matter in dispute and shall render an award consistent with such Statement of Position. For purposes of this Section 16.10, each dispute regarding Annual Minimum Rent, each category of Percentage Rent and the amount of required insurance coverage shall be considered separate disputes (a **Separate Dispute**). While the arbitrator shall have no right to propose a middle ground or any proposed modification of either Statement of Position concerning a Separate Dispute, the arbitrator shall have the right, if the arbitrator so chooses, to choose one party's Statement of Position on one or more of the Separate Disputes, while

selecting the other party's Statement of Position on the remaining Separate Disputes. For example, if the parties are unable to agree on the Annual Minimum Rent and three Percentage Rent categories to be renegotiated pursuant to Section 4.4 and the amount of liability insurance coverage to be renegotiated pursuant to Section 9.6, then there shall be five Separate Disputes and the arbitrator shall be permitted to select the County's Statement of Position with respect to none, some or all of such five Separate Disputes and select the Lessee's Statement of Position, on the balance, if any, of such five Separate Disputes. Upon the arbitrator's selection of a Statement of Position, pursuant to this Article 16, the Statement of Position so chosen and the award rendered by the arbitrator thereon shall be final and binding upon the parties, absent Gross Error on the part of the arbitrator.

16.10.2 Nonmonetary Issues. With respect to nonmonetary issues and disputes, the arbitrator shall determine the most appropriate resolution of the issue or dispute, taking into account the Statements of Position submitted by the parties, and shall render an award accordingly. Such award shall be final and binding upon the parties, absent Gross Error on the part of the arbitrator.

16.11 Powers of Arbitrator. In rendering the award, the arbitrator shall have the power to consult or examine experts or authorities not disclosed by a party pursuant to Section 16.5(2) hereof, provided that each party is afforded the right to cross-examine such expert or rebut such authority.

16.12 Costs of Arbitration. Lessee and County shall equally share the expenses and fees of the arbitrator, together with other expenses of arbitration incurred or approved by the arbitrator. Failure of either party to pay its share of expenses and fees constitutes a material breach of such party's obligations hereunder.

16.13 Amendment to Implement Judgment. Within ten (10) days after the issuance of any award by the arbitrator becomes final, if the award involves the adjustment of the rent, insurance levels or other matters under the Lease, County will draft a proposed amendment to the Lease setting forth the relevant terms of such award and transmit such proposed amendment to Lessee and any Encumbrance Holder(s) as to which County has been provided written notice, for their review. Within ten (10) days after delivery of the proposed amendment to Lessee and such Encumbrance Holder(s) for their review, Lessee or any such Encumbrance Holder(s) shall have the right to notify County in writing of any deficiencies or errors in the proposed amendment. If County does not receive notice of a deficiency or error within such ten (10) day period, then Lessee shall execute the amendment within seven (7) days after the end of such ten (10) day period and such amendment shall be binding on Lessee and all Encumbrance Holders. If the parties (including an Encumbrance Holder) shall, in good faith, disagree upon the form of any such amendment, such disagreement shall be submitted to the arbitrator for resolution. Upon execution by Lessee, any amendment described in this Section 16.13 shall thereafter be executed by County as soon as reasonably practicable.

16.14 Impact of Gross Error Allegations. Where either party has charged the arbitrator with Gross Error:

16.14.1 The award shall not be implemented if the party alleging Gross Error obtains a judgment of a court of competent jurisdiction stating that the arbitrator was guilty of Gross Error and vacating the arbitration award (**Disqualification Judgment**). In the event of a Disqualification Judgment, the arbitration process shall begin over immediately in accordance with this Section 16.14, which arbitration shall be conducted (with a different arbitrator) as expeditiously as reasonably possible.

16.14.2 The party alleging Gross Error shall have the burden of proof.

16.14.3 For the purposes of this Section 16.14, the term **Gross Error** shall mean that the arbitration award is subject to vacation pursuant to California Code of Civil Procedure §1286.2 or any successor provision.

16.15 Notice.

NOTICE: BY INITIALING IN THE SPACE BELOW YOU ARE AGREEING TO HAVE ANY DISPUTE ARISING OUT OF THE MATTERS INCLUDED IN THE **ARBITRATION OF DISPUTES** PROVISION DECIDED BY NEUTRAL ARBITRATION AS PROVIDED BY CALIFORNIA LAW AND YOU ARE GIVING UP ANY RIGHTS YOU MIGHT POSSESS TO HAVE THE DISPUTE LITIGATED IN A COURT OR JURY TRIAL. BY INITIALING IN THE SPACE BELOW YOU ARE GIVING UP YOUR JUDICIAL RIGHTS TO DISCOVERY AND APPEAL, UNLESS THOSE RIGHTS ARE SPECIFICALLY INCLUDED IN THE **ARBITRATION OF DISPUTES** PROVISION. IF YOU REFUSE TO SUBMIT TO ARBITRATION AFTER AGREEING TO THIS PROVISION, YOU MAY BE COMPELLED TO ARBITRATE UNDER THE AUTHORITY OF THE CALIFORNIA CODE OF CIVIL PROCEDURE. YOUR AGREEMENT TO THIS ARBITRATION PROVISION IS VOLUNTARY.

WE HAVE READ AND UNDERSTAND THE FOREGOING AND AGREE TO SUBMIT DISPUTES ARISING OUT OF THE MATTERS INCLUDED IN THE ARBITRATION OF DISPUTES PROVISION TO NEUTRAL ARBITRATION.

Initials of Lessee

Initials of County

17. DEFINITION OF TERMS; INTERPRETATION.

17.1 Meanings of Words Not Specifically Defined. Words and phrases contained herein shall be construed according to the context and the approved usage of the English language, but technical words and phrases, and such others as have acquired a peculiar and appropriate meaning by law, or are defined in Section 1.1, are to be construed according to such technical, peculiar, and appropriate meaning or definition.

17.2 Tense; Gender; Number; Person. Words used in this Lease in the present tense include the future as well as the present; words used in the masculine gender include the feminine and neuter and the neuter includes the masculine and feminine; the singular number includes the plural and the plural the singular; the word "person" includes a corporation, partnership, limited liability company or similar entity, as well as a natural person.

17.3 Business Days. For the purposes of this Lease, **business day** shall mean a business day as set forth in Section 9 of the California Civil Code, and shall include **Optional Bank Holidays** as defined in Section 7.1 of the California Civil Code.

17.4 Parties Represented by Consultants, Counsel. Both County and Lessee have entered this Lease following advice from independent financial consultants and legal counsel of their own choosing. This document is the result of combined efforts of both parties and their consultants and attorneys. Thus, any rule of law or construction which provides that ambiguity in a term or provision shall be construed against the draftsman shall not apply to this Lease.

17.5 Governing Law. This Lease shall be governed by and interpreted in accordance with the laws of the State of California.

17.6 Reasonableness Standard. Except where a different standard or an express response period is specifically provided herein, whenever the consent of County or Lessee is required under this Lease, such consent shall not be unreasonably withheld, conditioned or delayed, and whenever this Lease grants County or Lessee the right to take action, exercise discretion, establish rules and regulations or make allocations or other determinations, County and Lessee shall act reasonably and in good faith. These provisions shall only apply to County acting in its proprietary capacity.

17.7 Compliance with Code. County and Lessee agree and acknowledge that this Lease satisfies the requirements of Sections 25536 and 25907 of the California Government Code as a result of various provisions contained herein.

17.8 Memorandum of Lease. The parties hereto shall execute and acknowledge a memorandum of lease extension, in recordable form and otherwise satisfactory to the parties hereto, for recording as soon as is practicable on or following the Effective Date.

17.9 Counterparts. This Lease may be executed in counterparts, each of which shall constitute an original and all of which shall collectively constitute one fully-executed document.

17.10 Guest/Water Taxi Docking Slip. This Section 17.10 shall be applicable only if in connection with the Anchorage Improvements Replacement under Section 5.11 of this Lease County request Lessee to construct a guest and/or water taxi docking slip, and in such case only after the completion by Lessee of the Anchorage Improvements Replacement. Lessee shall make available one (1) docking slip to be reserved for transient boat purposes (the **Transient Slip**). Until such time as otherwise designated by the County, the Transient Slip shall be rented on an hourly or daily basis for guest boat docking purposes. During any period that a water taxi program is in operation in the Marina, County shall have the right to require that the Transient Slip be made available for water taxi docking purposes. The Transient Slip shall be located at an end-tie or side-tie location reasonably acceptable to County. Lessee shall be responsible for ensuring that the Transient Slip (but not the water taxi operator) is in compliance with all Applicable Laws for the uses described in this Section 17.10. The operation of the Transient Slip shall be subject to such security procedures and insurance requirements as are reasonably acceptable to Lessee and County and consistent with those applicable to the operation of the Anchorage Improvements from time to time.

SIGNATURES ON FOLLOWING PAGE

IN WITNESS WHEREOF, County and Lessee have entered into this Lease as of the Effective Date.

THE COUNTY OF LOS ANGELES

By: _____
Chair, Board of Supervisors

_____, a

By: _____
Name: _____
Title: _____

ATTEST:

SACHI A. HAMAI,
Executive Officer of the
Board of Supervisors

By: _____
Deputy

APPROVED AS TO FORM:

ANDREA SHERIDAN ORDIN,
COUNTY COUNSEL

By: _____
Deputy

APPROVED AS TO FORM:

MUNGER, TOLLES ☐ OLSON LLP

By: _____

EXHIBIT A

LEGAL DESCRIPTION OF PREMISES

[To be added]

Subject to the public easement reserved by County in Section 15.19 of this Lease.

EXHIBIT B
RENOVATION PLAN

[To be added]

EXHIBIT B

PARCEL 07 LEASE EXTENSION OPTION

TAHITI MARINA

RENOVATION PLAN

(Attached)

Site Information

The Tahiti Marina Apartments □ Docks are situated on Parcel 7 at the terminus of the Tahiti Way mole road, on the western, predominately residential side of Marina del Rey. Parcel 7 contains approximately 5 acres of land area and 6.1 acres of water area. The site is bordered by Marina Basin B to the north, Marina Basin A to the south, the main channel of the Marina to the east and the Bay Club Apartments (Parcel 8T) to the west.

Existing Improvements

The existing Tahiti Marina Apartments, originally constructed in 1967, consist of 149 apartment units within one (1) three-story apartment building. The Tahiti Marina anchorage contains 214 boat slips and 9 end-ties. The existing apartment unit mix is eight (8) three-bedroom units, eighty-four (84) two-bedroom units and fifty-seven (57) one-bedroom units. The units are contained in three stories constructed over an open-air parking garage.

Landside amenities serving the apartment tenants include (all numbers are approximations): 7,200 sq. ft. pool, 1,600 sq. ft. gym, 5,000 sq. ft. sun deck, 6,400 sq. ft. BBQ deck, (See A-3, Demolition Plan). The site contains: (465) parking spaces. Of these, (301) spaces are contained within the semi-subterranean parking garage underlying the apartment units and (164) spaces are provided outdoors in the surface parking lot. (See A-6, Existing Parking Plan) □ (See A-7, Proposed Parking Plan)

RENOVATION COMPARISON WORKSHEET – PARCEL 07

Apartment Renovation Template Item	<i>Parcel 07 Lessee Proposal</i>
1) EXTERIOR	
a) Building Exterior - All building exteriors should receive a facelift that give the building a more contemporary look and should include the following:	Renovation of the existing late-1960's building faades with a new innovative and exciting design to transform the aging structure into a contemporary building with high-quality improvements appropriate for the Marina del Rey of today and years to come. (See A-13, Proposed North □ South Elevation Close-up) The architecture of the new faade shall exert a new character while engaging the existing building to celebrate this unique site on the water. The new design of the building is inspired by the most important elements of the site: boating and the water. A curving horizontal laminated glass like surface wraps around the entire building creating new balcony enclosures while changing the dynamic of the static building into a more fluid and organic vessel. The new elements of the faade create a variety of textures and forms, which make the building, seem lighter. (See A-12a, A-12b, and A-12c, Elevations, Existing □ Proposed) □ (See A-14a, A-14c, A-14d, and A-14e, Perspective Views) To maintain the integrity of the design concept the design team is researching and studying the materials for the construction of the faade elements based on quality and durability. (See A-13, Proposed North □ South Elevation Close-up)
Exterior surface – Revitalization of the surface (stucco, plaster, wood)	The entire building's existing cement plaster surfaces shall be refinished and repainted. The existing cement plaster surfaces shall be prepared for the application of the final smooth coat before the installation of the new faade elements. (See A-13, Proposed North □ South Elevation close up)
Patio/Balcony – Replace wooden railing and surfaces	The existing balcony rails shall be removed in the entire building and new metal and glass like rails shall be installed. All the balcony floors shall be rebuilt, water proofed and refinished. The new metal and glass like ribbon shall be installed to replace the existing railing and transform the way the building is perceived. (See A-14a and A-14c, Perspective Views)

Apartment Renovation Template Item	<i>Parcel 07 Lessee Proposal</i>
Parapet Walls - All exterior walls should be modified insure a more modern look	The new metal and glass like ribbon surface shall continue at the roof line to create a holistic image for the entire building replacing the existing wood parapet wall and contributing to an interesting skyline. (See A-14c, A-14d, A14f, Perspective Views)
b) Common Areas	Exterior common areas: The pool area, club house, toilet facilities, landscaping, lighting, promenade, and bulkhead railing will all be renovated as part of this project. The pool area shall be transformed once we remove the existing building (gym) currently located on the top of the existing parking garage. The vacant space shall become a new modern-patio garden for relaxation and contemplation with a view of the Marina. The existing pool area shall be renovated with new glass /metal pool area enclosure, new spa, paving enhancement, water feature, and wood decks with updated landscaping to enhance the quality of the space. The new pool and garden area shall be appointed with high-quality furnishing to improve the quality of the experience. (See Exhibit L-4, Courtyard - B Landscape Plan) Construction of new gym below the deck located on the east side of the building, in existing parking garage. (See A-3, Demolition Plan) The new gym shall occupy a larger space for new equipment area, lockers, showers, and toilet facilities. (See A-8c, Proposed Gym Plan □ Existing Gym Photo)

- **Main entrance areas will be designed to provide clear identification of this project from Tahiti Way cul-de-sac.**

A gateway type signage will be designed at main entrance drive area that provides clear identification for Tahiti Marina Apartments □ Docks. A visually striking water feature will be integrated with the gateway sign to welcome residents and guests to the property for a sense of arrival. The entry drive leading to the Apartment building's main entrance area will be lined with unique bollard lights and landscaped to set the setting for an exclusive luxurious residential community. The main entrance area will be designed with a new handicap ramp, but it will be effectively disguised with a visually stunning fountain and landscaping. The sequential experience of entering this community will be pleasant and uplifting. (See L-2.1, Entrance Area)

- **Promenade**

Design and material: The existing driveway asphalt paving will be replaced. The existing concrete curb edge between driveway and waterfront walk will be removed to visually treat the entire perimeter of the building as the Marina Promenade. In lieu of the concrete curb and drains, a portion of the parking stalls will be paved with drivable grass with bio-swale treatment, which will satisfy the project's storm-water-management requirements and create a park-like promenade. A seamless edge of vehicular parking and waterfront walk is delineated with a line of concrete ball bumper stop and punctuated with flowering trees and benches. Ultimately, the Tahiti Marina Promenade will be an inviting destination for an evening stroll or a quiet place to sit and enjoy the marina. (See L-2.2, Promenade).

Guardrail, lighting and bench: The existing dilapidated and non-code-compliant railing will be retrofitted with stainless steel cable wire at 4' spacing. The existing railing system will be painted in black paint finish and retrofitted with cable wire horizontal railing for code compliance. The railing system will be punctuated with new light pole at approximately 90' ± 0' spacing. The curving pole design of the pole lights picks up on the wave banding. The curving lines are also picked up on the stay aluminum benches for a seamless look.

- New stainless steel cable wire guardrail. (See L-8.1, Site Furnishing and Elements-Promenade)
- Promenade pole light by Schreder, model Thylia, one light fixture only or equal. (See L-7, Exterior Lighting Specification)
- Aluminum benches by Landscape Forms model □35-Collection □Stay series or equal. (See L-8, Site Furnishing and Elements- Promenade)

- **The two courtyards will be completely renovated for a fresh new look in concert with the building renovation.**
- **Existing pool to remain with surrounding area renovated; gym building to be demolished and rebuilt in portion of the existing garage; new pool and spa area to be added.**

The traditional elements in the central courtyard will be replaced with a fresh contemporary look. Composite wood decking will be installed over the existing concrete podium and new planters will be designed to provide adequate seating areas with concrete benches that are integrally designed with mounded landscape planters. A nautilus shape inspired water feature will be the focal feature in the central courtyard. (See L-3, Courtyard-A Landscape Plan), Most of the existing mature trees in the landscape area that can be saved will be saved; however, the groundcover planting will be completely renovated with drought tolerant planting for a fresh new look. (See L-6.1 Preliminary Planting Plan) Lighting will be designed to enhance visual experience at night time (See L-7, Exterior Lighting Specification). The pool and gym recreational courtyard will require major renovation. The existing gym building will be removed from above the podium deck and the existing underlying garage area will be converted to a new gym clubhouse with adjoining boater restroom facilities. (See A-8c, Proposed Gym Plan □ Existing Gym Photo and A 8 Existing Boaters□Facilities Photos and A-8a □ 8b Proposed Boaters□ Facilities). The existing pool will remain but everything else will be renovated. The new pool and spa recreational courtyard will be resort club quality with cabanas, rain-curtain water feature, and garden area for restful relaxation and contemplation. The pool enclosure fence will be replaced with glass panels and metal frame system with undulating layout. (See L-4, Courtyard - B Landscape Plan)

The modern design of the podium deck will be covered with composite wood decking, and articulated with planters for expansive deck, seating areas with fire pit bowls, and interesting seating nooks with concrete benches that are integrally designed with mounded landscape planters. The ambiance created by wood decking will be an ocean liner recreational deck moored in the marina. Centrally located □walk on glass□will provide skylight to the gym clubhouse below. The wide expansive views of marina from this corner recreational area will be preserved and effectively designed to maximize the spirit of the place. (See L-4, Courtyard - B Landscape Plan).

c) Signage - Replace all existing building monument, building ID, and amenity signage.	The main entrance to the apartment complex, due to its position next to a parking structure on a neighboring parcel, currently has very poor identification and lacks a distinct “sense of arrival.” To correct this problem, the renovation shall include installation of an “entrance gateway” into the parcel at the terminus of Tahiti Way. The renovation will also include installation of a contemporary signage package for the apartment complex, with improved way finding and building identification signage to be tastefully be installed throughout the property for better identification and access for residents, emergency personnel, and visitors.
d) Lighting - Replace all existing exterior lighting lens/fixtures	Landscape and area lighting on the property will be designed and replaced to improve the building’s image and functionality. Exterior lighting will be designed to provide adequate illumination of the driveway and promenade and all pedestrian pathways. Accent landscape lighting will be incorporated at entry areas, courtyards, and pool recreation areas to highlight the visual impact at night time. (See L-7, and L-7.1 Exterior Lighting Specification)

e) Anchorage Improvements	The current renovation project does not entail any demolition or replacement of the existing Tahiti Marina boat slips; however, as part of the current renovation project, the existing anchorage lighting and electrical and water utility stands will be upgraded.
• Retention of existing slip count	The current renovation project does not entail any modifications to the existing slip count or slip configuration at the Tahiti Marina anchorage, (though the anchorage construction shall commence no later than the end of the remaining useful life but in no event later than 10 years after completion of the landside renovations described herein and will be completed within 2 years from commencement thereof.)
• Dock construction plan, including physical layout of docks and slips	The anchorage construction shall commence no later than the end of the remaining useful life but in no event later than 10 years after completion of the landside renovations described herein and will be completed within 2 years from commencement thereof. The anchorage construction shall be of a first-class, then-current state of the art quality and design, that is at least commensurate in quality and design to the then-current state of the art Bellingham-type or equivalent quality facilities constructed on or about 2010, as such Bellingham-type quality and design may evolve during the period prior to the submission by Lessee to Director of the preliminary plans and specifications for such construction.□

2) INTERIOR	
a) Common Areas	The two laundry rooms on each floor shall be remodeled with new ceramic tiles, new plumbing fixtures, and granite countertops, in order to reflect a high quality of surface finishes and functionality. All six laundry rooms shall be refinished and repainted with three coats of water based Dunn Edwards paint or equal. To achieve a clean environment the floor shall be ☐☐ thick 12"x24" ceramic tiles by MARAZZI USA. All lighting fixtures will be replaced with new fixtures by HALO with SKR 315 FL 75 watt incandescent equivalent 15, R 30 warm white compact florescent medium bulb, or equal.
Entry Door – replace with raised panel doors with new hardware (show finish and brand)	All the entry doors shall be replaced with new 1 5/8" solid core Formica laminated or equal doors 3'-0" wide and 8'-0" high. Hinges, lever locksets shall be by OMNIA industries inc, design Item #12560 with Satin finished brushed stainless steel, finish # US320 or equal.
Hallways-should include new paint/wall coving, door moldings, chair rail molding, carpet and padding, light fixtures and door tags.	Interior hallways shall be redesigned to achieve a high-quality of surface finishes, warmth, elegance, and comfort. We shall install environmentally friendly MOHAWK Everstrand carpet with MOHAWK cushion padding or equal. All light fixtures shall be replaced with HALO light with SKR 315 FL 75 watt incandescent equivalent 15, R 30 warm white compact florescent medium bare bulb, or equal. Door tags shall be installed on all doors. All wall surfaces to be patched sanded and prepared to be painted with three coats of Dunn Edwards paint. In order to break the long and monotonous hallways, the wall and ceiling area surrounding the apartment entry doors will be covered with contemporary Formica laminated or equal wall paneling.

Trash Room - Should include new paint, flooring and lighting	All trash rooms shall be repainted with new lighting and stone tiled flooring. Trash rooms shall be refinished and repainted with three coats of water based Dunn Edwards paint or equal. All lighting fixtures will be replaced with new fixtures by HALO with SKR 315 FL 75 watt incandescent equivalent 15, R 30 warm white compact florescent medium bare bulb, or equal. The floor shall be covered with □□thick 12□x24□ceramic tiles by MARAZZI USA.
Elevators - Should include new panels flooring and lighting	Two existing elevator cabs interior paneling and lighting shall be replaced to match the quality of the rest of the renovation. The wall paneling shall be high pressure laminated (HPL) by Formica or equal. Based on the energy saving approach, we proposed new LED light in the elevators. Recently, both elevator cabs have been upgraded with new call panels and the west side unit with new mechanical controller. The east side unit will be upgraded with new mechanical controller.
b) Apartment Interiors: Kitchens	All new Cabinet, Counter top, door, knob/pull, Faucet, Air Gap on counter top, Sink Strainer, Sink Drainer stopper, Garbage Disposal, Soap Dispenser, Stainless Sink, Refrigerator, Dishwasher, Microwave □ hood fan, Range, Under Cabinet Lighting, New Recessed Florescent Down Lighting, New GFI Light Switch and outlets
Cabinets: (i) Replace or refinish existing cabinets and (ii) Install new routed panel cabinet doors and drawer fronts	New contemporary and quality South Coast Cabinets kitchen or equal shall be installed in all 149 units. stainless steel hardware, Hidden hinges or equal. (See I-1, Kitchen Specifications)
Counters - Replace Formica counter tops.	All counter tops in all 149 units shall be new Caesar stone counter top, or equal.(See I-1, Kitchen Specifications)
Faucets-Install new faucets (name brand)	New contemporary and quality faucets by KOHLER, K-10441 faucet, or equal shall be installed in all kitchens.(See I-1, Kitchen Specifications)

● Sinks/ Replace resurface existing sinks	New sinks stainless steel double bowl under mounts PS3320, or equal by PROVENCE SINKS shall be installed in all kitchens. (See I-1, Kitchen Specifications)
● Appliances- New stoves, dishwashers, microwaves and refrigerators where appropriate name brand and model	New stainless appliances shall be installed in all kitchens: Appliances: Refrigerators □ Bosch - 22.1 Cu. Ft. Side by Side Refrigerator, Thru-the-Door Ice and Water Stainless-Model B22CS30SNS, or equal. (See I-2, Kitchen Appliances Specification) Stove/Oven □ Bosch 30 □ Gas Range, model HGS3053UC or equal (See I-2, Kitchen Appliances Specification) Dishwasher □ Bosch - 24" Tall Tub Built-In Dishwasher - Stainless Model: SHE5AL05UC, or equal (See I-2, Kitchen Appliances Specification) Microwave □ Sharp - 2.0 Cu. Ft. Stainless-Steel Model: R-426LS, or equal. (See I-2, Kitchen Appliances Specification) Washer/Dryer- Bosch Washer Model: WFL2090UC □ Dryer Model: WTV76100 US (gas). (See I-2, Kitchen Appliances Specification) No changes to HVAC other than upgrading base board heating units. No new A/C will be provided.

c) Apartment Interiors: Bathrooms	Floor and Wall Tile, Vanity Faucet, Vanity Shower and Bathtub Faucet, Medicine Cabinet, Toilets, Sinks, Toilet Paper Holder, Towel Holder, Bathtub, Recessed Down Light-General, Fan lighting combo, Mirrors, Glass Shower Door
Cabinets will be replaced	New South Coast Cabinets. High-quality bathroom cabinets shall be installed in all the bathrooms with Caesar stone counter tops or equal.
Vanity mirrors - Install new mirrors as needed (show finish)	New contemporary medicine cabinet with mirror door shall be installed in every apartments□bathrooms - KOHLER modern medicine cabinet K-CE-CLC 1526 FS, or equal.
Faucets-Install new faucets (name brand)	New contemporary and quality faucets shall be installed in all bathrooms of every unit. - KOHLER K-942-4 double handle stillness series, or equal. (See I-3, Restroom Specifications)
Sinks/ Replace resurface existing sinks	New sinks shall be installed in all bathrooms. TOTO under counter lavatory LT 546G, or equal. (See I-3, Restroom Specifications)
Fixtures -Replace towel bars, toilet paper holder, medicine cabinets	New towel bars, toilet paper holders, and medicine cabinets shall be installed in all bathrooms. To continue our design concept of contemporary comfort we shall use simple and elegant fixtures by TOTO and KOHLER: Towel bar - TOTO Soiree series YB 960, or equal. Paper holder - TOTO paper holder YP 960, or equal. Medicine cabinet - Kohler modern medicine cabinet K-CE-CLC 1526 FS or equal.

• **Shower/Bathtub:**

(i) Replace existing tubs and enclosure

(ii) Replace shower doors (show finish)

(iii) Replace tub faucet, showerhead, drain hardware

New shower/bathtub units shall be installed in all units with all new fixtures, shower doors, and tiling.

We shall install contemporary and quality bath tub by TOTO Lloyd Air Bath ABA 930L, or equal. (See I-3, Restroom Specifications)

The shower floor and wall shall be covered up to the ceiling with 12"x12" ceramic tiles by MARAZZI USA, or equal.

For the new shower we shall use contemporary and high quality fixtures like KOHLER K-T949-4 stillness series faucets, or equal (See I-3, Restroom Specifications)

Shower doors are 3/8" tempered clear glass with stainless steel hardware by EUROVIEW or equal.

3) GENERAL	
a) Walls - Prepped and painted	Each unit shall be completely repainted with three coats of Dunn Edwards paint. All the walls shall be patched, sanded, and prepared for paint.
b) Windows	
Remove existing metal framed windows and doors and replace with double paned vinyl windows	All sliding glass doors and windows will be replaced with new dual-glass low E anodized aluminum Milgard Window Company windows or equal.
Replace all window coverings	All windows and sliding glass doors will receive new window covering. We shall use elegant and simple roller shades by ABBEY window coverings or equal.
c) Doors	
Replace all interior wood doors with new hardware	All interior doors shall be replaced with 1 3/8" glass panel doors by MASONITE French doors series or equal. The wood frame shall be painted with Dunn Edwards paint and inlayed translucent glass. We shall use contemporary hardware by OMNIA industries inc. or equal. Lachsets □ Locksets are by design Item □43 with Satin finished brushed stainless steel, finish □US320 or equal.
Replace closet doors	All closets will be retrofitted with 24"x96" □ wood Bi-Folding doors using JOHNSON HARDWARE or equal. The doors shall be painted with Satin finish Dunn Edwards paint and some of the doors shall be entirely covered with mirrors based on the final design of the room's interior design.
d) Ceilings - Remove or cover existing "cottage cheese", prepare and paint to have a smooth, painted ceiling	The existing □cottage cheese□ on the ceilings of all units shall be removed and the ceiling shall be patched, sanded, and prepared for three coats of Dunn Edwards paint to produce a smooth, painted ceilings throughout. All Asbestos containing materials (ACM) will be removed by certified contractor according to latest standard.

e) Flooring	
● Replace carpeting and padding ● Replace vinyl and linoleum flooring	Existing carpeting and padding in the entire unit shall be replaced with new engineered pre- finished bamboo wood floor by ARMSTRONG, or equal. Existing vinyl flooring in the kitchen and bathrooms shall be removed from all units. In the Kitchens, it shall be replaced with new engineered pre-finished bamboo wood floor by ARMSTRONG, or equal. The continuous wood flooring in the living, dinning, corridors, and kitchen area of the apartments creates openness and the sense of a larger space. Moreover, in the bathrooms we shall use elegant and simple □□ceramic tile floors by MARAZZI USA, or equal.

4) LIGHTING	
a) Lighting fixtures - Replace all lighting fixtures lens covers	Existing lighting fixtures shall be removed from all the units and replaced with new recessed 4" fixtures by HALO with SKR 315 FL 75 watt incandescent equivalent 15, R 30 warm white compact florescent medium bulb, or equal.
b) Covers – Replace all switch, phone jack and electrical outlet covers	Existing switches, phone jacks, electrical outlet, and their covers shall be removed and replaced with LEVITON products or equal. Wire for HDTV and Broadband with coaxial cable and Cat5e or better wiring will be replaced.
Timing for the start of the work	Construction is anticipated to start on approximately the first half 2011 and be completed, in approximately 44 months. The plan is to achieve these objectives while maintaining approximately 50-70% of the apartments available, for rent. The plan is to divide the interior renovation of the building into 6 phases of approximately 25 units each. Each phase would take approximately 6 months to complete. During each interior phase, the renovation plan for the affected common areas is completed. (See PH-1, Construction Phase Diagram) Phase 1: Construction process will take 12 months; During this phase, the roof, the lobby, new boaters facilities, dock utilities, dock lighting, and the new gym improvements will be completed. Phase 2: Approximately 2 months, which includes the demolition of the old boater facility and the old Gym. <u>Phases 3 thru 7 are inclusive of interior and exterior areas</u> Phase 3: Approximately 6 months first wing 30 units Phase 4: Approximately 6 months second wing 30 units Phase 5: Approximately 6 months third wing 30 units Phase 6: Approximately 6 months fourth wing 30 units Phase 7: Approximately 6 months fifth wing 28 units Phase 8: 9 months (Landscaping, hardscape, and promenade)

PLANS & DRAWINGS	
Preliminary plans for all work to be done	
a) Site Plan/Floor plans	
Reduced color site plans (8.5x11 or 11x17), showing work described above, including all structures, hardscape, promenade, landscaping and slips	EXHIBIT A-0.1a Perspective View Existing ☐ Proposed, (dated May, 2010) EXHIBIT A-0.1b Perspective View Existing ☐ Proposed, (dated May, 2010) EXHIBIT A-0.1c Perspective View Existing ☐ Proposed, (dated May, 2010) EXHIBIT A-0.2a Inspiration, WAVE, (dated May, 2010) EXHIBIT A-0.2b Inspiration, Material, (dated May, 2010) EXHIBIT A-0.2c Inspiration, Formation, (dated May, 2010) EXHIBIT A-1, Vicinity Map, (dated May, 2010) EXHIBIT A-2, Existing Site Plan, (dated May, 2010) EXHIBIT A-3, Demolition Plan, (dated May, 2010) EXHIBIT A-4, Proposed Site Plan, (dated May, 2010) EXHIBIT A-5, Existing Building Photos, (dated May, 2010) EXHIBIT A-6, Existing Parking Plan, (dated May, 2010) EXHIBIT A-7, Proposed Parking Plan, (dated May, 2010) EXHIBIT A-8, Existing Boater^s Facilities Photos, (dated May, 2010) EXHIBIT A-8a, Proposed Boater^s Facilities A ☐ B, (dated May, 2010) EXHIBIT A-8b, Proposed Boater^s Facilities C ☐ D, (dated May, 2010) EXHIBIT A-8c, Proposed Gym Plan ☐ Existing Gym Photo, (dated May, 2010) EXHIBIT A-9a, Existing 1st Floor Plan, (dated May, 2010) EXHIBIT A-9b, Existing 2nd Floor Plan, (dated May, 2010) EXHIBIT A-9c, Existing 3rd Floor Plan, (dated May, 2010) EXHIBIT A-9d, Existing Roof Plan, (dated May, 2010) EXHIBIT A-10a, Proposed 1st Floor Plan, (dated May, 2010) EXHIBIT A-10b, Proposed 2nd Floor Plan, (dated May, 2010) EXHIBIT A-10c, Proposed 3rd Floor Plan, (dated May, 2010) EXHIBIT A-10d, Proposed Roof Plan, (dated May, 2010) EXHIBIT A-11a, Typical Unit Plan, 1 Bedroom, Existing ☐ Proposed, (dated May, 2010) EXHIBIT A-11b, Typical Unit Plan, 2 Bedroom, Existing ☐ Proposed, (dated May, 2010) EXHIBIT A-11c, Typical Unit Plan, 3 Bedroom, Existing ☐ Proposed, (dated May, 2010)

b) Building Elevation	
• A reduced color elevation (8.5x11 or 11x17) drawing that shows all new and/or renovated building elevations	EXHIBIT A-12a, South Elevation, Existing ☐ Proposed, (dated May, 2010) EXHIBIT A-12b, North Elevation, Existing ☐ Proposed , (dated May, 2010) EXHIBIT A-12c, East ☐ West Elevation, Existing ☐ Proposed, (dated May, 2010) EXHIBIT A-13, Proposed North and South Elevation Close-up, (dated May, 2010) EXHIBIT A-14a, Perspective View, (dated May, 2010) EXHIBIT A-14b, Perspective View, (dated May, 2010) EXHIBIT A-14c, Perspective View, (dated May, 2010) EXHIBIT A-14d, Perspective View, (dated May, 2010) EXHIBIT A-14e, Perspective View, (dated May, 2010) EXHIBIT A-14f, Perspective View, (dated May, 2010)

c) Landscaping Plan	
If not already included in the above materials	Exhibit L-1, Existing Landscape Plan, (dated May, 2010) Exhibit L-2, Preliminary Hardscape Plan, (dated May, 2010) Exhibit L-2.1, Entrance Area, (dated May, 2010) Exhibit L-2.2, Promenade, (dated May, 2010) Exhibit L-3, Courtyard - A Landscape Plan, (dated May, 2010) Exhibit L-3.1, Courtyard - A Landscape Sketch, (dated May, 2010) Exhibit L-3.2, Courtyard - A Landscape Sketch, (dated May, 2010) Exhibit L-4, Courtyard □B Landscape Plan, (dated May, 2010) Exhibit L-4.1, Courtyard - B Landscape Sketch, (dated May, 2010) Exhibit L-4.2, Courtyard - B Landscape Sketch, (dated May, 2010) Exhibit L-4.3, Courtyard - B Landscape Sketch, (dated May, 2010) Exhibit L-6.1, Preliminary Planting Plan, (dated May, 2010) Exhibit L-6.2, Planting Palette: Entrance Area, (dated May, 2010) Exhibit L-6.3, Planting Palette: Promenade, (dated May, 2010) Exhibit L-6.4, Planting Palette: Courtyard □On Grade, (dated May, 2010) Exhibit L-6.5, Planting Palette: Courtyard □Over Deck, (dated May, 2010) Exhibit L-7, Exterior Lighting Specifications, (dated May, 2010) Exhibit L-7.1, Exterior Lighting Specifications, (dated May, 2010) Exhibit L-8, Site Furnishing and Elements-Promenade, (dated May, 2010) Exhibit L-8.1, Site Furnishing and Elements-Promenade, (dated May, 2010) Exhibit L-9, Site Furnishing and Elements-Courtyard, (dated May, 2010)
d) Specifications	

• If not already included in the above materials	Exhibit I-1, Kitchen Specifications, (dated May, 2010) Exhibit I-2, Kitchen Appliances Specifications, (dated May, 2010) Exhibit I-3, Restroom Specifications, (dated May, 2010)
e) Construction Phase Diagram	See Exhibit PH-1, Construction Phase Diagram, (dated May, 2010)

a) Budget worksheet																	
Estimated cost for all of the work agreed upon	Project Data: <table> <tr> <td>Number of apartments</td><td>149</td></tr> <tr> <td>Exterior Building</td><td>\$ 5,200,000</td></tr> <tr> <td>Exterior Common Area</td><td>\$ 1,200,000</td></tr> <tr> <td>Interior Apartments</td><td>\$10,200,000</td></tr> <tr> <td>Interior Common Area</td><td>\$ 1,000,000</td></tr> <tr> <td>Landscape ☐ Hardscape</td><td>\$ 1,600,000</td></tr> <tr> <td><u>Dockside Utility Stands</u></td><td><u>\$ 300,000</u></td></tr> <tr> <td><u>Total Hard Cost Landslide</u></td><td><u>\$19,500,000</u></td></tr> </table>	Number of apartments	149	Exterior Building	\$ 5,200,000	Exterior Common Area	\$ 1,200,000	Interior Apartments	\$10,200,000	Interior Common Area	\$ 1,000,000	Landscape ☐ Hardscape	\$ 1,600,000	<u>Dockside Utility Stands</u>	<u>\$ 300,000</u>	<u>Total Hard Cost Landslide</u>	<u>\$19,500,000</u>
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	<table> <tr> <td>Number of Slips</td><td>214 slips ☐ 9 end ties</td></tr> <tr> <td>Total hard Cost Marina (2008 dollars)</td><td></td></tr> <tr> <td><u>Slip replacement</u></td><td><u>\$ 2,500,000</u></td></tr> </table>	Number of Slips	214 slips ☐ 9 end ties	Total hard Cost Marina (2008 dollars)		<u>Slip replacement</u>	<u>\$ 2,500,000</u>										
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Total hard Cost Marina (2008 dollars)																	
<u>Slip replacement</u>	<u>\$ 2,500,000</u>																

0.



PARCEL 07

TAHITI MARINA

13808 Tahiti Way, Marina Del Rey, CA

Submit B Term Sheet: May, 2010

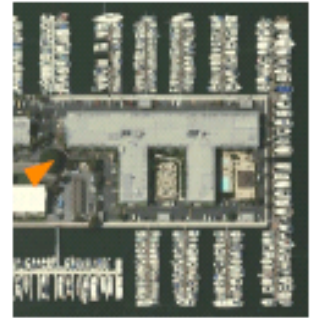
Landscape Architect: ECLA

Architect: Grace Partnership Inc.

A-0.1a
Perspective View, Existing & Proposed

Applicant/Owner: 13808 Tahiti Marina Ltd.

Developer: Building Inc.



PARCEL 07

TAHITI MARINA

13908 Tahiti Way, Marina Del Rey, CA

Exhibit B: Renovation Plan, May 2010

Landscape Architect: SCLA

Architect: Grace Partnership Inc.

A-0.1b
Perspective View, Existing & Proposed

Applicant/Leaseholder: 13908 Tahiti Harbor Ltd.

Designer: Bolding Inc.



PARCEL 07

TAHITI MARINA

13808 Tahiti Way, Malibu, CA 90265

Exhibit B: Preliminary Plan, May 2010

Architect: AECOM

Architect: Grace Partnership, Inc.

A-0.1c
Perspective View, Existing & Proposed

Applicant/Owner: 13808 Tahiti Harbor Ltd.

Design: K&B Group, Inc.



PARCEL 07

TAHITI MARINA

13008 Tahiti Way, Marina Del Rey, CA

Station 8 Presentation Plan, May 2010

Landscape Architect: SCLA

Architect: Grace Partnership Inc.

Applicant/Owner/Client: 13008 Tahiti Harbor Ltd.

Designer: Kalding Inc.

A-02a
Inspiration, WAVE



PARCEL 07

TAHITI MARINA

13008 Tahiti Way, Marina Del Rey, CA

Landscape & Recreation Plan, May 2010

Landscape Architect: SCLA

Architect: Grace Partnership Inc.

Applicant/Owner: 13008 Tahiti Harbor Ltd.

Designer: K&L Design Inc.

A-0.2b
Inspiration, Material



PARCEL 07

TAHITI MARINA

13308 Tahiti Way, Marina Del Rey, CA

Exhibit B: Alternative Plan, May 2010

Landscape Architect: SCLA

Architect: Grace Partnership Inc.

Applicant/Owner: 13308 Tahiti Harbor Ltd.

Design: Building Inc.

A-0.2c
Inspiration, Formation



PARCEL 07

A-1
Vicinity Map

TAHITI MARINA

1000 Tahiti Way, Marina Del Rey, CA

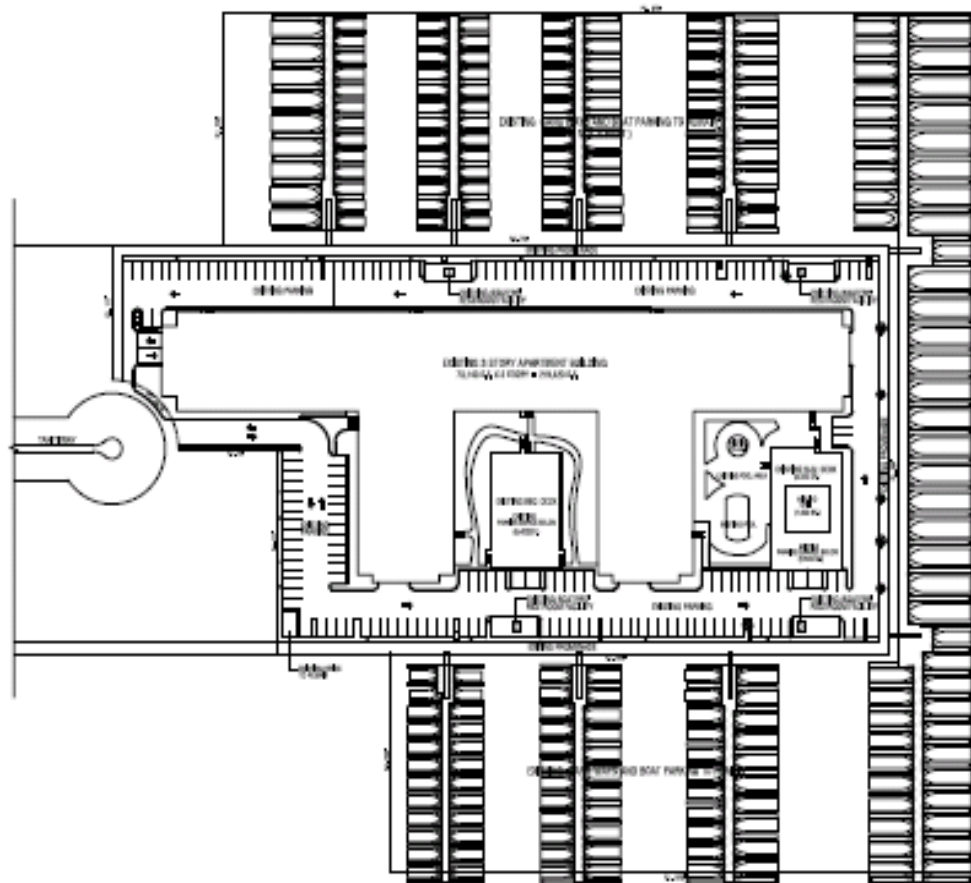
Exhibit B: Sanborn Map, May 2010

Landmark Architect: TBLA

Architect: Grace Partnership Inc.

Applicant/owner: 1000 Tahiti Marina Ltd.

Developer: Building Inc.



PARCEL 07

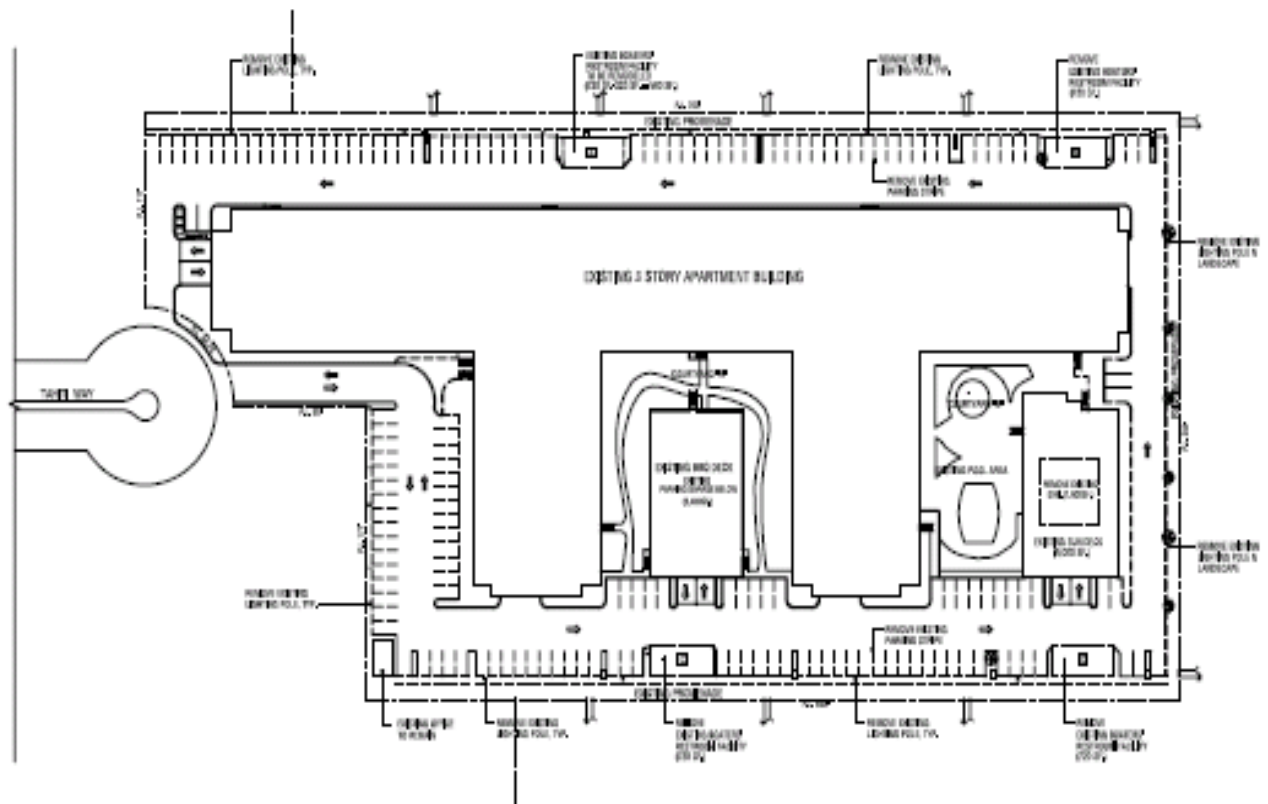
A-2
Existing Site Plan

TAHITI MARINA
13908 Tahiti Way, Marina Del Rey, CA

Exhibit B: Renovation Plan May 2010

Landscape Architect: SCL/A
Architect: Grace Partnership Inc.

Applicant/Leaseholder: 13908 Tahiti Harbor Ltd.
Designer: Building Inc.



PARCEL 07

TAHITI MARINA

13908 Tahiti Way, Marina Del Rey, CA

Exhibit B: Renovation Plan May 2010

Landscape Architect: SCLA

Architect: Grace Partnership Inc.

Applicant/Leaseholder: 13908 Tahiti Harbor Ltd.

Designer: Building Inc.

A-3
Demolition Plan



PARCEL 07

TAHITI MARINA

13008 Tahiti Way, Marina Del Rey, CA

Exhibit B: Preliminary Plan: May 2010

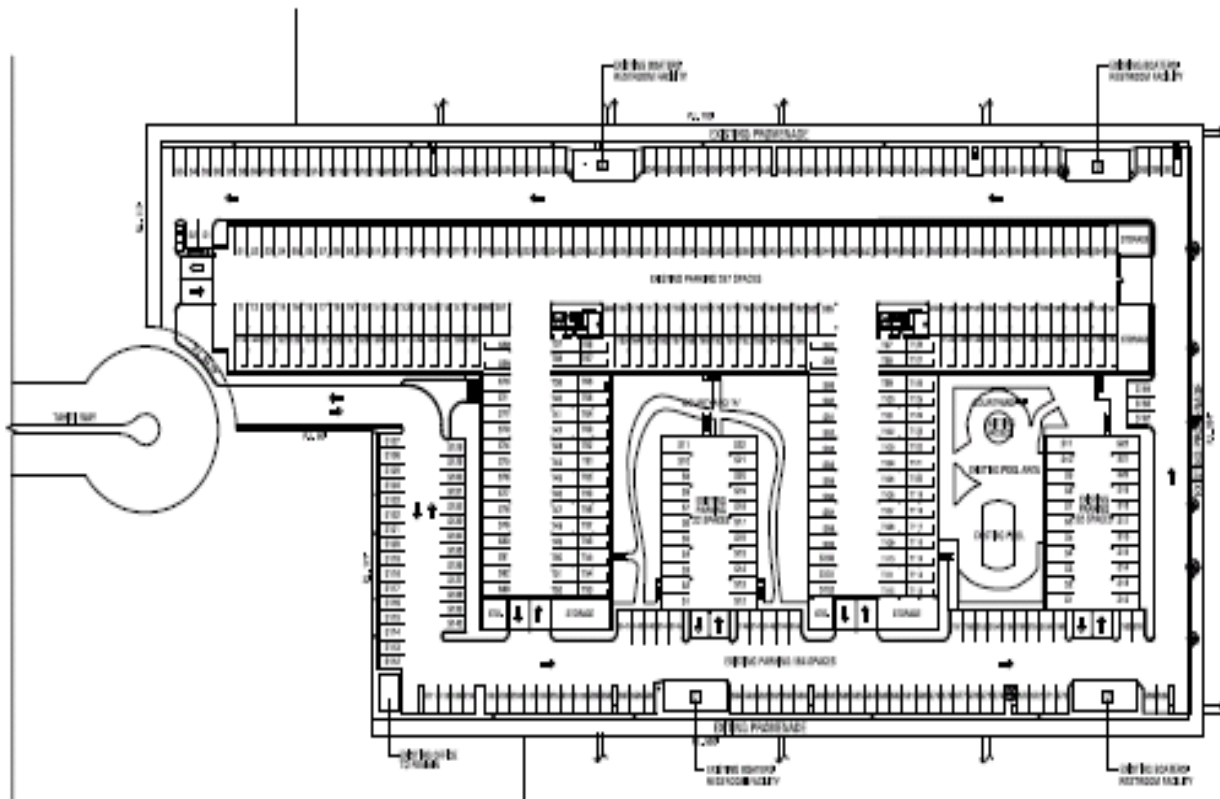
Landscape Architect: SCLA

Architect: Grace Partnerships, Inc.

A-5
Existing Building Photos

Applicant's Contributor: 13008 Tahiti Harbor Ltd.

Designer: Biddings, Inc.



EXISTING PARKING TABULATIONS	
SEMISUBTERRANEAN	351
EXTERIOR	164
TOTAL	465

PARCEL 07

A-6
Existing Parking Plan

TAHITI MARINA

13908 Tahiti Way, Marina Del Rey, CA

Exhibit B: Renovation Plan, May 2010

Landscape Architect: SCLA

Architect: Grace Partnership Inc.

Applicant/Owner/Holder: 13908 Tahiti Harbor Ltd.

Designer: Building Inc.



PARCEL 07

TAHITI MARINA

13808 Tahiti Way, Malibu Del Rey, CA

Schedule of Improvements Plan: May 2010

Landscape Architect: JCLA

Architect: Grace Partnership Inc.

Applicant/Owner: 13808 Tahiti Harbor Unit

Developer: Building Inc.

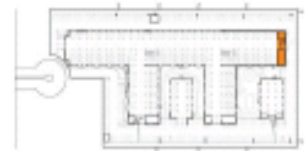
A-8
Existing Boater's Facilities Photos

Boater's Facility A



- WOMEN's 1 Restroom
MEN's 2 Restroom

Boater's Facility B



- WOMEN's 1 Lockers
2 Showers
3 Restroom
4 Laundry
MEN's 5 Lockers
6 Showers
7 Restroom
8 Landscape

PARCEL 07

TAHITI MARINA

13908 Tahiti Way, Marina Del Rey, CA

Schedule: Renovation Plan May 2010

Landscape Architect: SOLA

Architect: Grace Partnership Inc.

A-Ba Proposed Boater's Facilities A & B

Applicant/Owner: 13908 Tahiti Harbor Ltd.

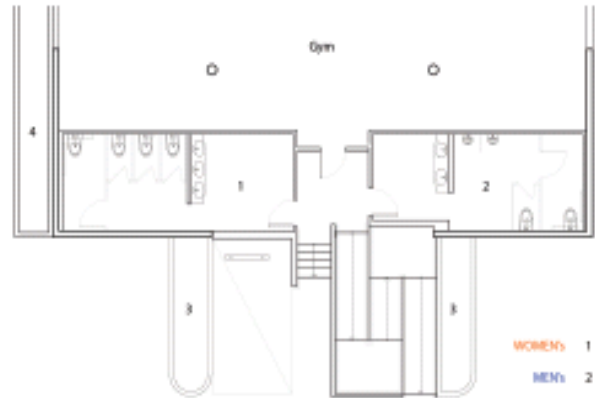
Designer: Building Inc.

Boater's Facility C



- MEN's** 1 Showers
- 2 Restroom
- 3 Laundry
- WOMEN's** 4 Lockers
- 5 Showers
- 6 Restroom
- 7 Landscape

Boater's Facility D



- WOMEN's** 1 Restroom
- MEN's** 2 Restroom
- 3 Landscape
- 4 Water Fountain

PARCEL 07

TAHITI MARINA

13208 Tahiti Way, Marina Del Rey, CA

Exhibit B: Renovation Plan, May 2010

Landscape Architect: SOLA

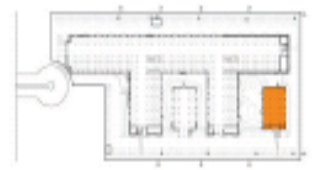
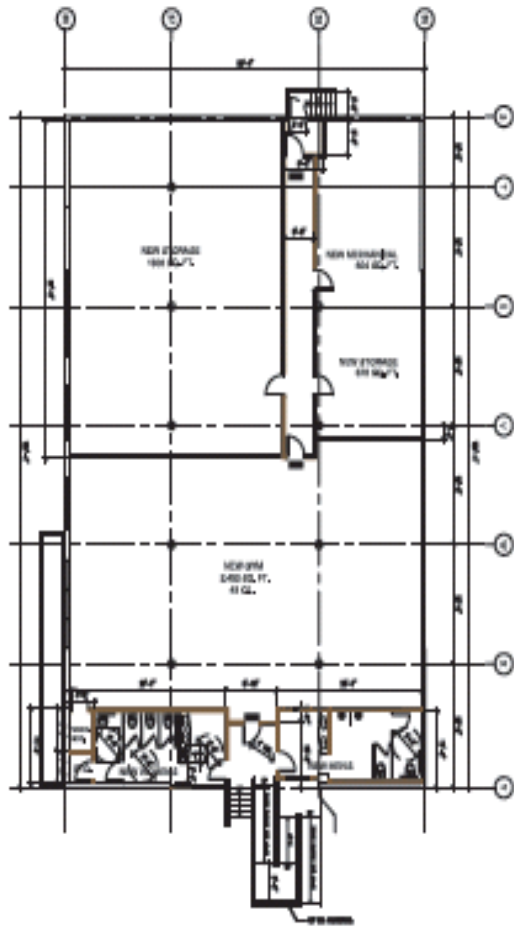
Architect: Grace Partnership Inc.

A-8b Proposed Boater's Facilities C & D

Applicant/Owner: 13208 Tahiti Harbor Ltd.

Designer: Building Inc.

Gym



PARCEL 07

TAHITI MARINA

13908 Tahiti Way, Marina Del Rey, CA

Exhibit B: Renovation Plan, May 2010

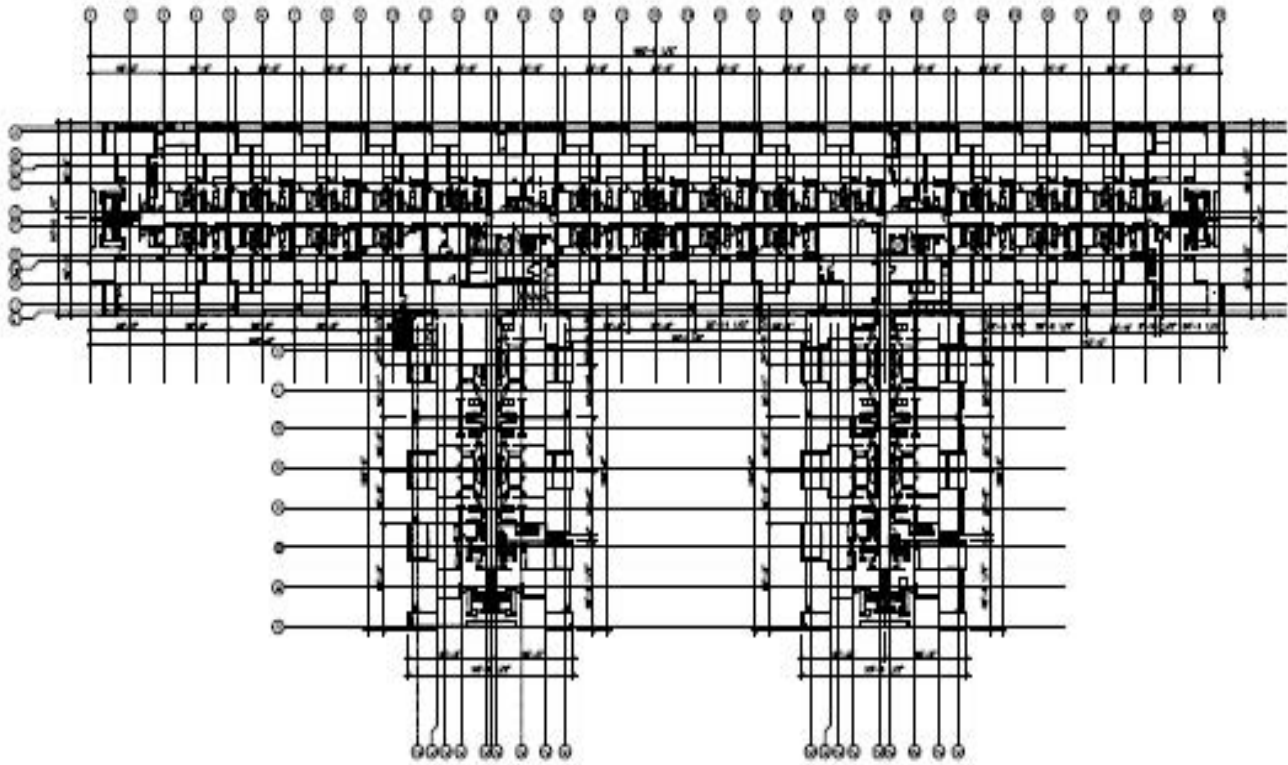
Landscape Architect: SOLA

Architect: Grace Partnership Inc.

A-8c
Proposed Gym Plan & Existing Gym Photo

Applicant/Owner: 13908 Tahiti Harbor Ltd.

Designer: Bldg Inc.



PARCEL 07

A-9a
Existing 1st Floor Plan

TAHITI MARINA

13802 Tahiti Way, Marina Del Rey, CA

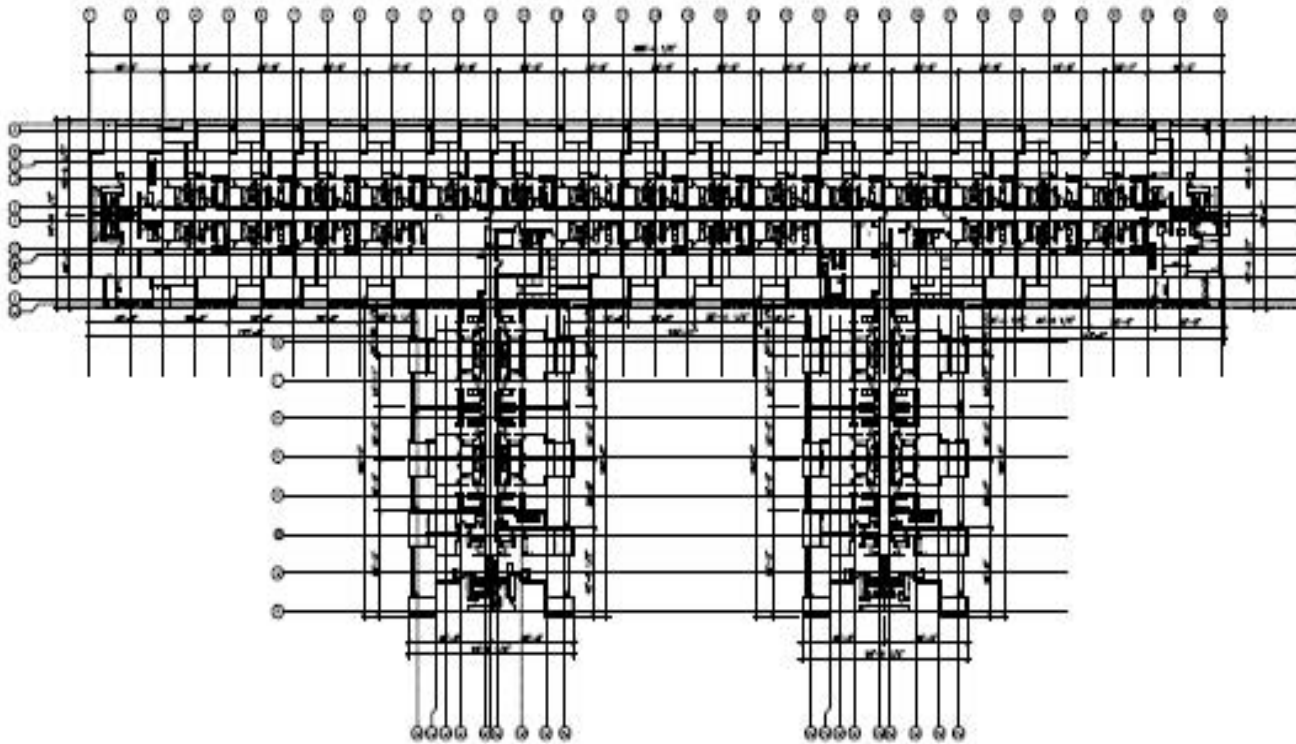
Submittal & Revision Plan May 2010

Landmark Architects, LLC

Architect/Owner Partnership Inc.

Approved/Owner: 13802 Tahiti Marina Ltd.

Owner/Building Inc.



PARCEL 07

TAHITI MARINA

13008 Tahiti Way, Marina Del Rey, CA

Tahiti II Renovation Plan May 2010

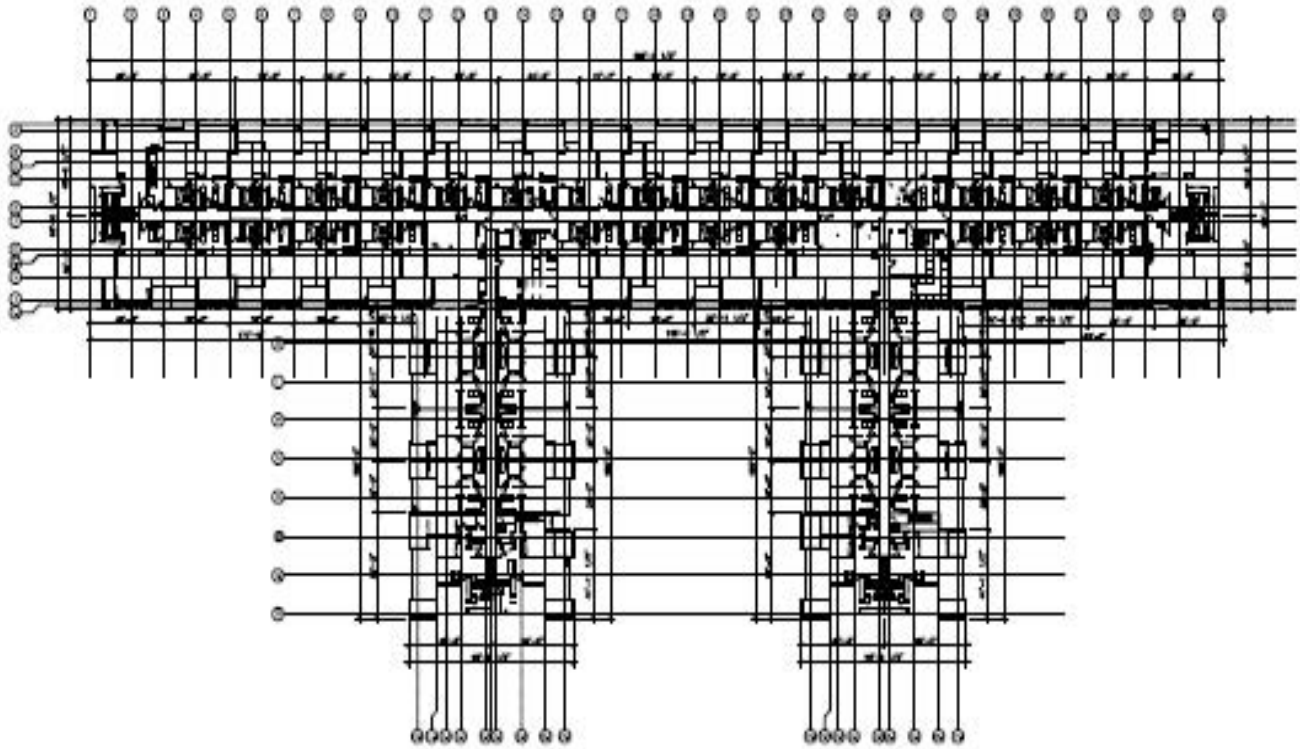
Landscape Architect: SCLA

Architect: Grace Partnership Inc.

A-9b
Existing 2nd Floor Plan

Applicant/Owner: 13008 Tahiti Harbor Ltd.

Design: Building Inc.



PARCEL 07

TAHITI MARINA

13008 Tahiti Way, Marina Del Rey, CA

Exhibit B: Renovation Plan, May 2010

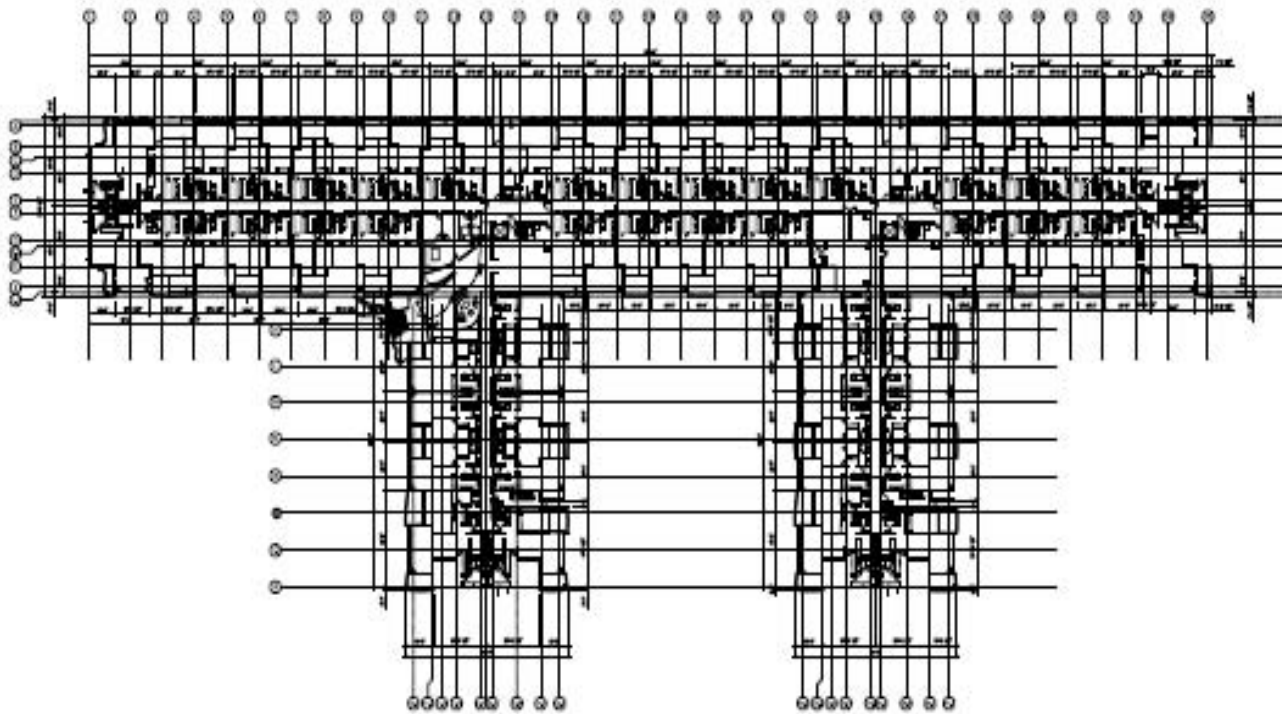
Landscape Architect: SCLA

Architect: Grace Partnerships Inc.

A-9c
Existing 3rd Floor Plan

Applicant/Owner: 13008 Tahiti Harbor Ltd.

Designer: Belding Inc.



PARCEL 07

A-10a
Proposed 1st Floor Plan

TAHITI MARINA

12008 Tahiti Way, Malibu Del Rey, CA

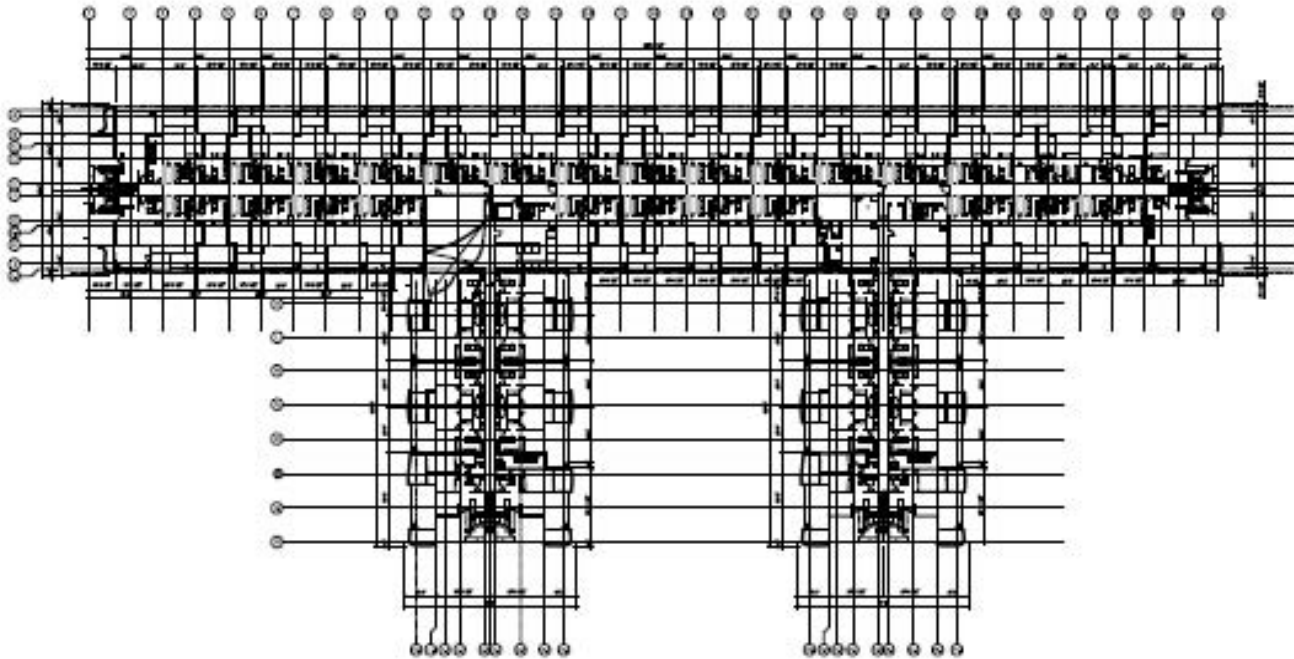
Exhibit B Floorplan Plan May 2010

Landscape Architect: SCLA

Architect: G&P Partnership Inc.

Applicant/Owner: 12008 Tahiti Harbor Ltd.

Designer: B&B Inc.



PARCEL 07

A-10b
Proposed 2nd Floor Plan

TAHITI MARINA

13000 Sunset Way, Marina Del Rey, CA

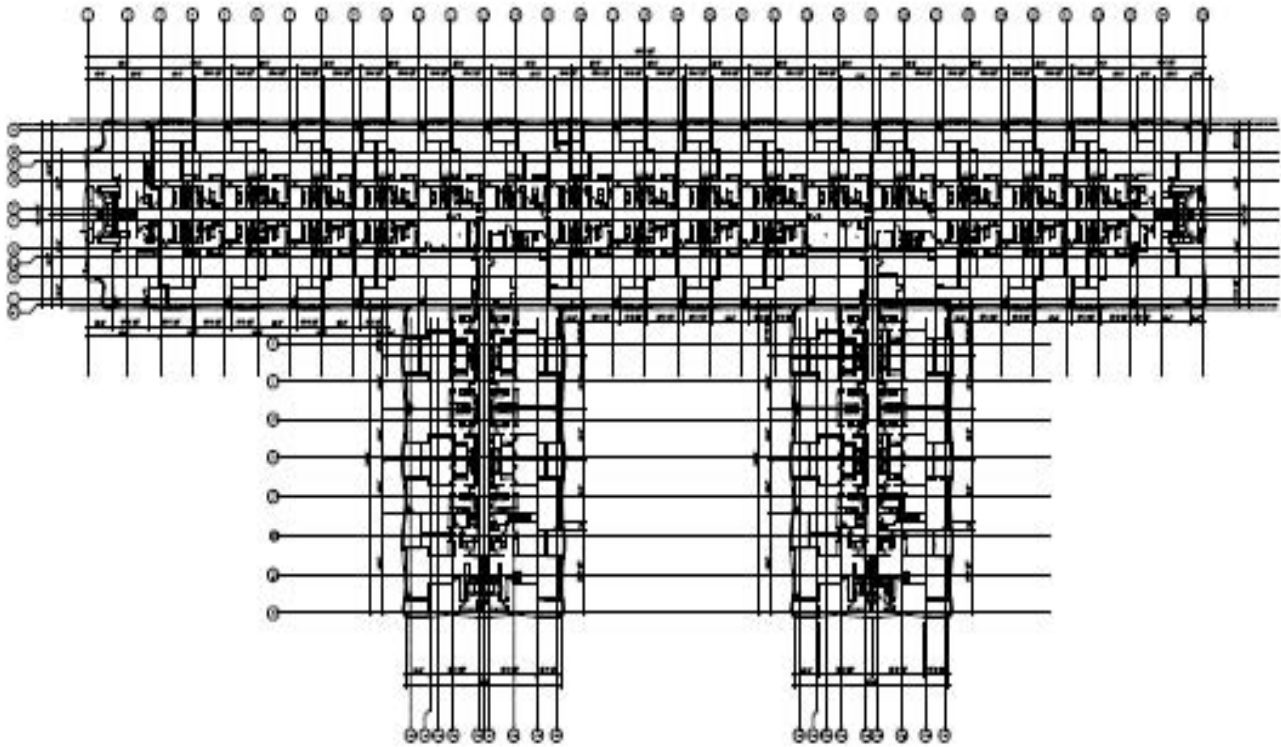
Submit to: Permit Application, May 2010

Landscape Architect: SCLA

Architect: Grace Partnership Inc.

Applicant/Developer: 13000 Tahiti Harbor Ltd.

Designer: Building Inc.



PARCEL 07

TAHITI MARINA

13008 Tahiti Way, Malibu Del Rey, CA

Exhibit B: Architectural Plan May 2010

Landscape Architect: SDA

Architect: Green Partnership Inc.

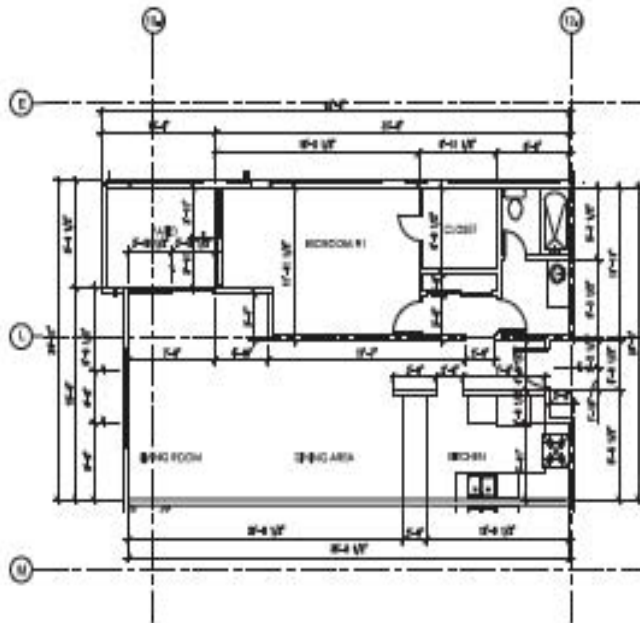
Applicant's address: 13008 Tahiti Harbor Unit

Design: Building Inc.

A-10c

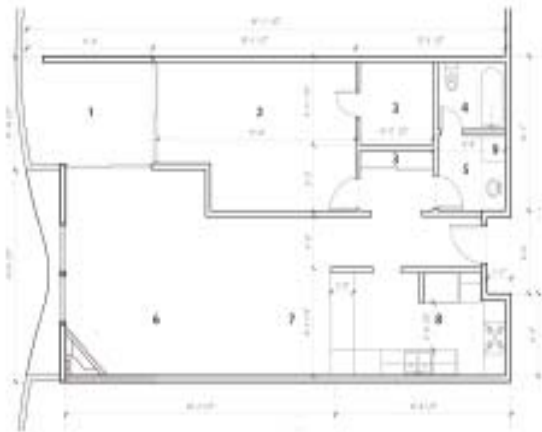
Proposed 3rd Floor Plan

Existing Plan



Proposed Plan

- 1 Porch
- 2 Bedroom
- 3 Closet
- 4 Bathroom
- 5 Dressing Room
- 6 Living Room
- 7 Dining Area
- 8 Kitchen
- 9 Washer/Dryer



A-11a

Typical Unit Plan - 1 Bedroom, Existing & Proposed

PARCEL 07

TAHITI MARINA

13908 Tahiti Way, Marina Del Rey, CA

Salvador E. Terrell & Co. Plan May 2010

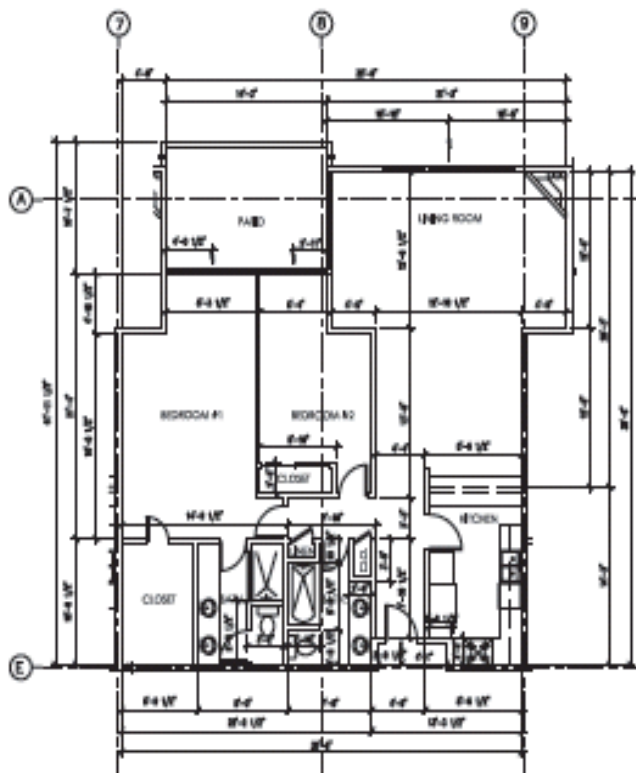
Landscape Architect: C&A

Architect: Grace Partnership Inc.

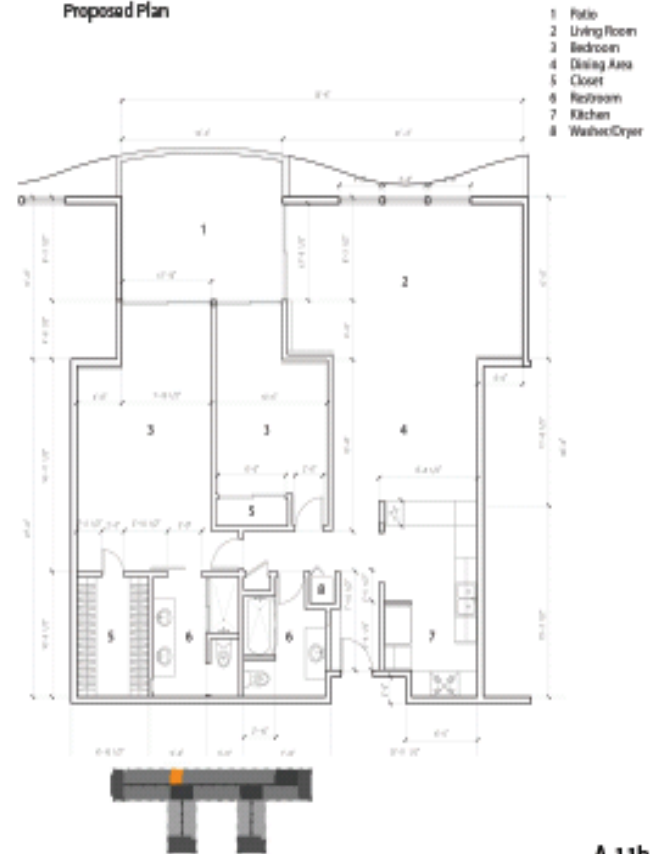
Approved by the 13908 Tahiti Marina Ltd.

Engineer: Building Inc.

Existing Plan



Proposed Plan



PARCEL 07

TAHITI MARINA

13908 Tahiti Way, Marina Del Rey, CA

Exhibit B: Renovation Plan May 2010

Landscape Architect: SCLA

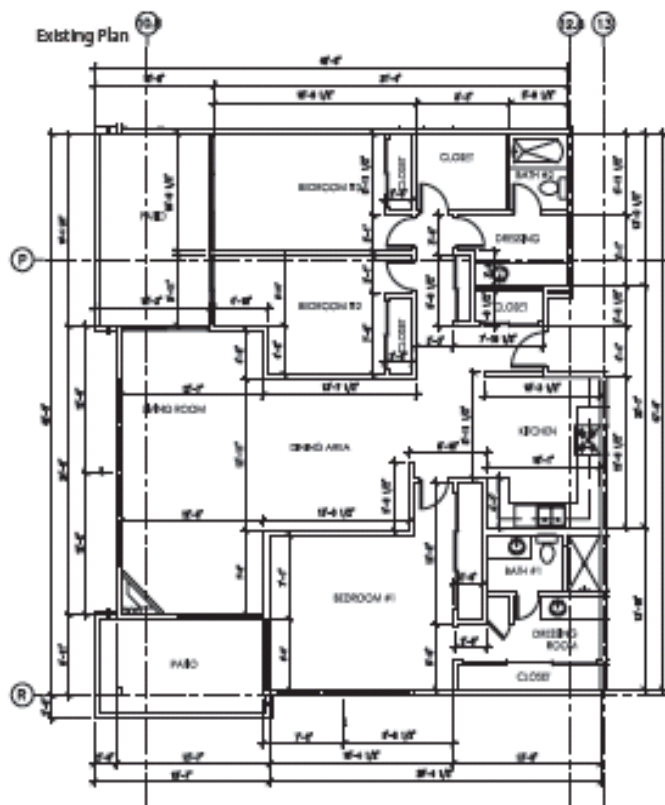
Architect: Grace Partnership Inc.

Applicant/Leaseholder: 13908 Tahiti Harbor Ltd.

Designer: Building Inc.

A-11b

Typical Unit Plan - 2 Bedroom, Existing & Proposed



PARCEL 07

TAHITI MARINA

13208 Tahiti Way, Marina Del Rey, CA

Exhibit B: Renovation Plan, May 2010

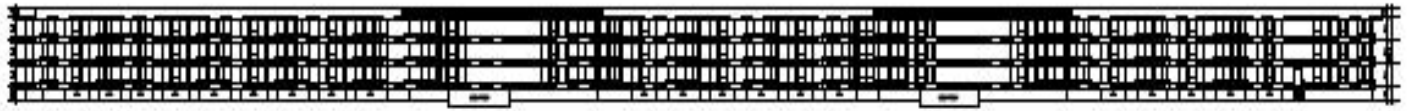
Landscape Architect: SCLA

Architect: Grace Partnership Inc.

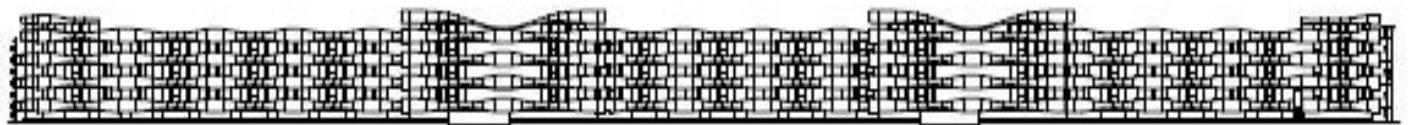
Applicant/Leaseholder: 13208 Tahiti Harbor Ltd.

Designer: Building Inc.

A-11c
Typical Unit Plan - 3 Bedroom, Existing & Proposed



Existing South Elevation



Proposed South Elevation

PARCEL 07

TAHITI MARINA

13308 Tahiti Way, Marina Del Rey, CA

Submittal & Revision from May 2010

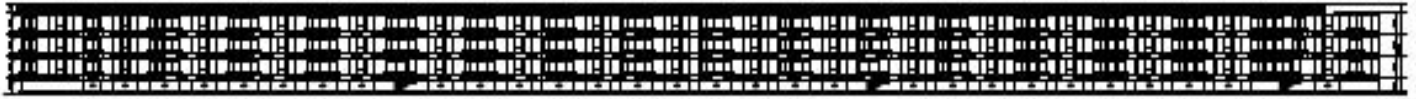
Landscape Architect: J2&A

Architect: Grace Partnership Inc.

A-12a
South Elevation, Existing & Proposed

Applicant/Architect: 13308 Tahiti Harbor Ltd.

Design Building Inc.



Existing North Elevation



Proposed North Elevation

PARCEL 07

TAHITI MARINA

13902 Talbot Way, Marina Del Rey, CA

Estados Unidos: Washington, D.C., May 1810

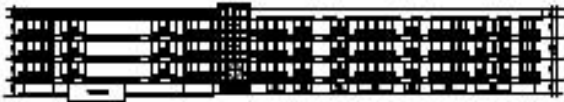
Landscape Architecture: D.B.A.

Auto Sales Inc. Grace Partnership Inc.

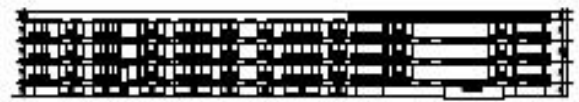
A-12b
North Elevation, Existing & Proposed

Applicazioni: www.tjwos.com

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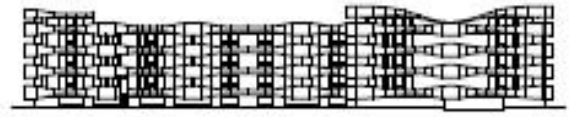
Existing East Elevation



Existing West Elevation



Proposed East Elevation



Proposed West Elevation

PARCEL 07

TAHITI MARINA

13908 Santa Way, Marina Del Rey, CA

Initial B Termination Date: May 2010

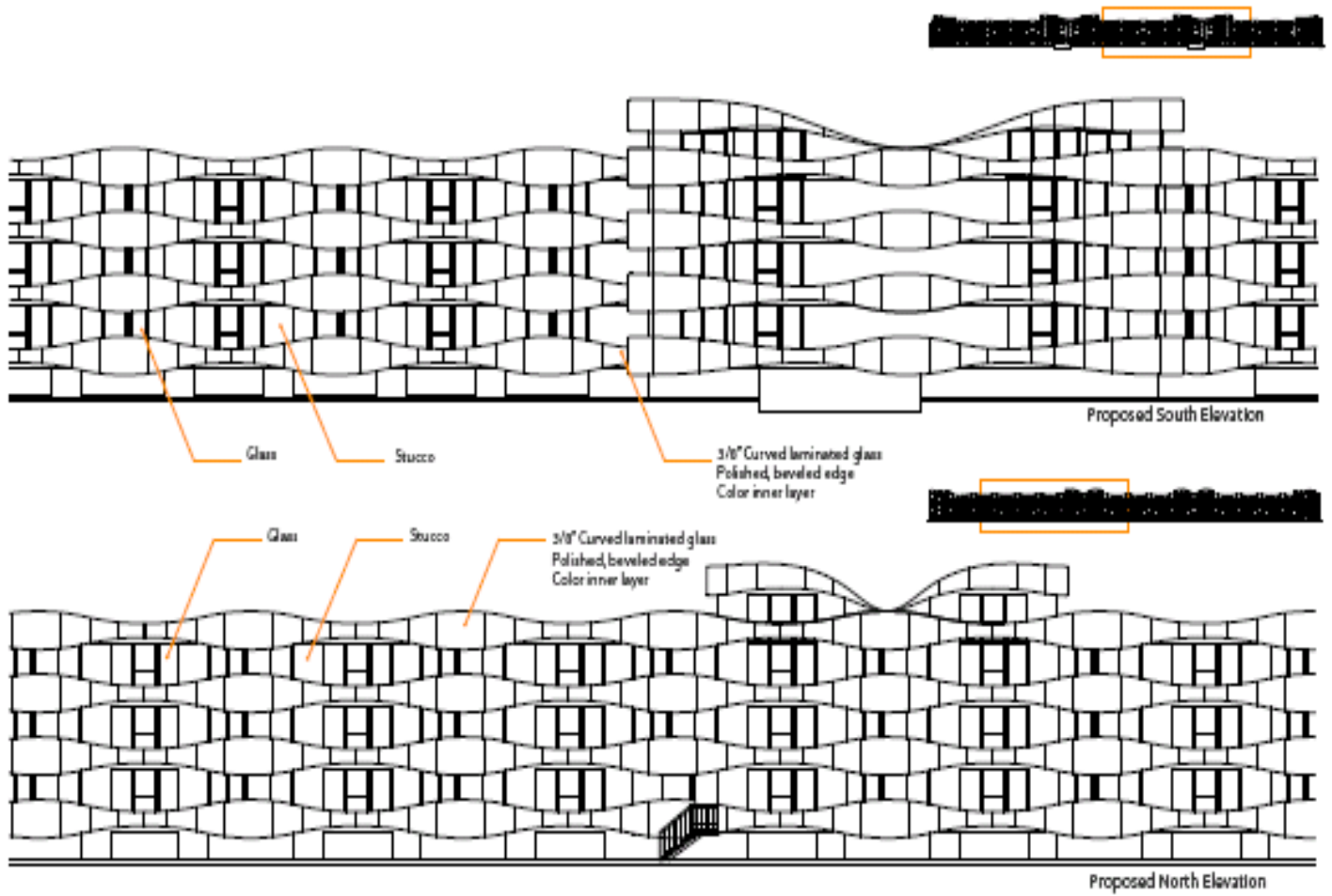
Landscape Architect: SCLA

Architect: Grace Partnership Inc.

A-12c
East & West Elevation, Existing & Proposed

Applicant/owner: 13908 Tahiti Marina Ltd.

Developer: Bldg Inc.



PARCEL 07

TAHITI MARINA

13908 Tahiti Way, Marina Del Rey, CA

Exhibit B Renovation Plan, May 2010

Landscape Architect: SCLA

Architect: Grace Partnership Inc.

A-13
Proposed North & South Elevation Close-Up

Applicant/Leaseholder: 13908 Tahiti Harbor Ltd.

Designer: Bolding Inc.



PARCEL 07

A-14a
Perspective View

TAHITI MARINA

13000 Tahiti Way, Marina del Rey, CA

Exhibit B: Revision 11 Plan, May 2010

Landscape Architect: CCA

Architect: Grace Partnership Inc.

Applicant/Owner: 13000 Tahiti Harbor Ltd.

Developer: K&L Group Inc.



PARCEL 07

A-14b
Perspective View

TAHITI MARINA
13808 Tahiti Way, Marina Del Rey, CA

Exhibit B: Remediation Plan, May 2010

Landscape Architect: CCA
Architect: Grace Partnership Inc.

Applicant/Owner: 13808 Tahiti Marine Ltd.
Developer: Building Inc.



PARCEL 07

A-14c
Perspective View

TAHITI MARINA
13008 Tahiti Way, Malibu Del Rey, CA

Schedule 'K' Perspective Plan: May 2010

Landscape Architect: JCLA
Architect: Grace Partnership Inc.

Applicant/Owner: 13008 Tahiti Harbor Ltd.
Developer: Building Inc.



PARCEL 07

TAHITI MARINA

13908 Tahiti Way, Marina Del Rey, CA

Exhibit B: Term Sheet (May 2010)

Landscape Architect: TCLA

Architect: Glick Partnership Inc.

Approved Developer: 13908 Tahiti Marina Ltd.

Developer: B&B Group Inc.

A-14d
Perspective View



PARCEL 07

A-14e
Perspective View

TAHITI MARINA

13800 Tahiti Way, Marina Del Rey, CA

Submit to: Sanitation Plan, May 2010

Landscape Architect: TOLA

Architect: Grace Partnership Inc.

Applicant: 13800 Tahiti Marina Ltd

Designer: Belling Inc.



PARCEL 07

A-14f
Perspective View

TAHITI MARINA

13008 Tahiti Way, Marina Del Rey, CA

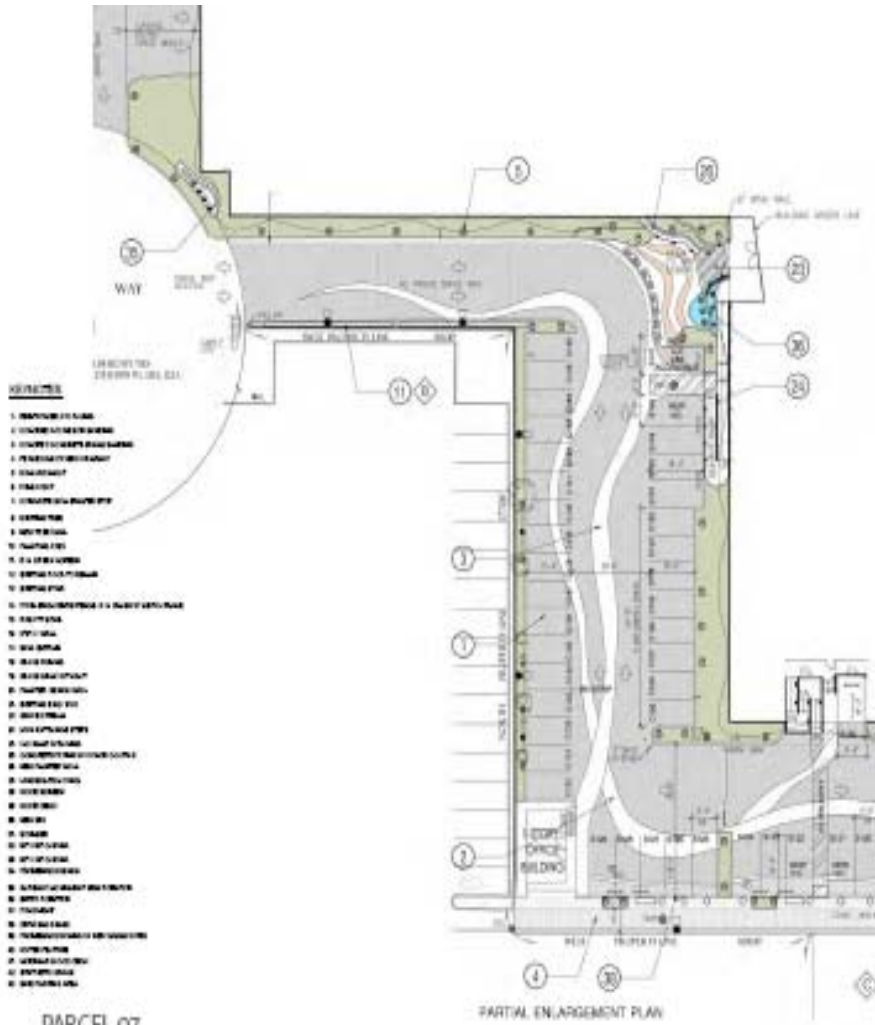
Exhibit B: Preliminary Plan May 2010

Landscape Architect: ISLA

Architect: Grace Partnership Inc.

Applicant/Owner: 13008 Tahiti Harbor Ltd.

Design: Halding Inc.



ENTRANCE DRIVE



ENTRANCE AREA

L-2.1

Entrance Area

PARCEL 07

TAHITI MARINA

13008 Tahiti Way, Malibu Del Rey, CA

Tahiti II Interim Plan May 2010

Landscape Architect: SCLA

Architect: Grace Partnership, Inc.

Approved/Classified by: 13008 Tahiti Marina Ltd.

Design/Building Inc.



ENTRY DRIVE, PROMENADE ENTRANCE AREA AND PROMENADE



BEFORE



AFTER

L-2.2
Promenade

PARCEL 07

TAHITI MARINA

13908 Tahiti Way, Marina Del Rey, CA

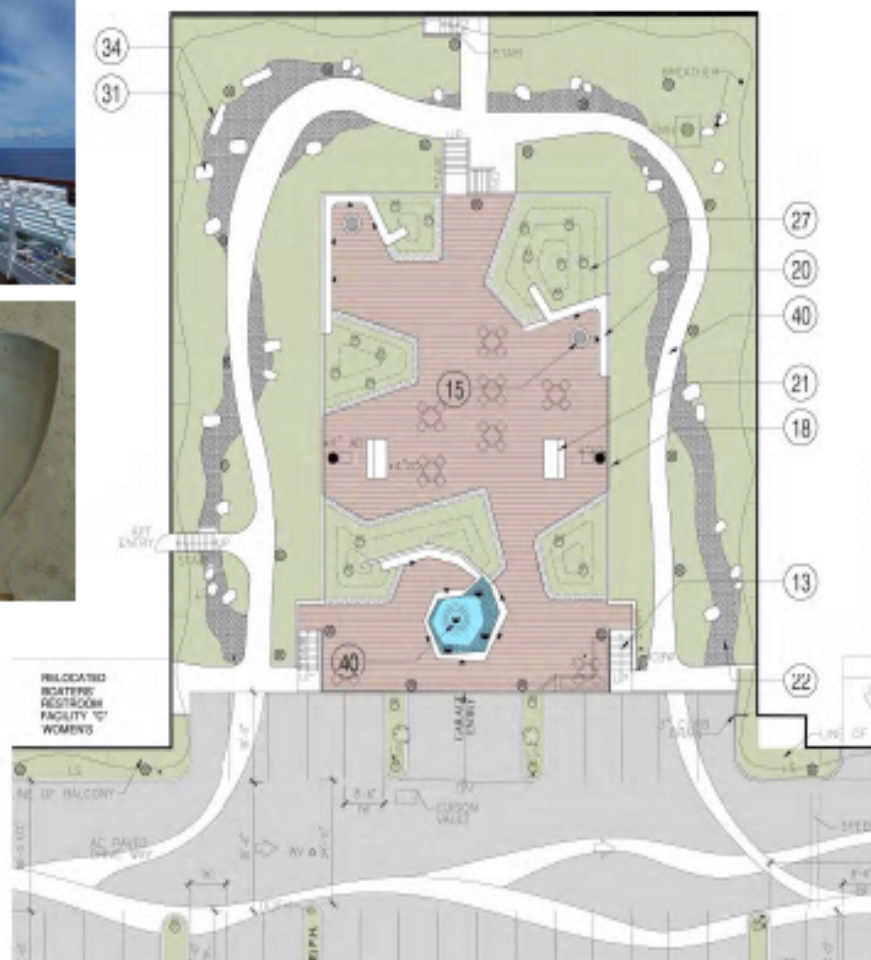
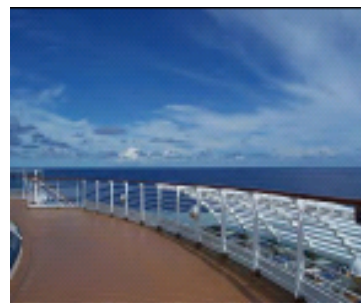
Subsite E: Promenade Plan, May 2010

Landscape Architect: CCA

Architect: Giza Partnership Inc.

Applicant/Owner: 13908 Tahiti Harbor Ltd.

Designer: Building Inc.



KEYNOTES

1. RESURFACED A/C PAVING
2. COLORED A/C RIBBON MARKING
3. COLORED-CONCRETE SHALE MARKING
4. FORMABLE PAVING/PAVEMENT
5. BOLLARD LIGHT
6. POLE LIGHT
7. CONCRETE BALL BARRIER STOP
8. EXISTING TREE
9. NEW TREE PILL
10. PLANTING AREA
11. 6' H. GREEN SCREEN
12. EXISTING POOL COVER/RAIN
13. EXISTING STAIR
14. POOL ENCLOSURE FENCE, 5' H. GLASS W/ METAL FRAME
15. FIVE FT. BOWL
16. 2' H. H. WALL
17. FAN CLUSTER
18. GLASS/PAVING
19. GLASS/PAVING BOLLARD
20. PLANTER BENCH WALL
21. EXISTING BENCH/SEAT
22. GRAVE STRENGTH
23. MAIN ENTRANCE STOPS
24. HIC PUMP W/PAVING
25. CONCRETE PAVING W/ COLOR COATING
26. NEW PLASTER WALL
27. LANDSCAPE MOUND
28. WOOD SCREEN
29. WOOD/DECK
30. NEW SIGN
31. BOLLARD
32. 8' X 8' CHAIR
33. 8' X 4' CHAIR
34. PROMENADE BENCH
35. GUTTER/STORMWATER SIGN FOUNTAIN
36. ENTRY FOUNTAIN
37. POLE LIGHT
38. ORNATE GRASS
39. PROMENADE PAVING WITH CHAIR/SEAT
40. WATER FEATURE
41. WOOD/DECK
42. SYNTHETIC GRASS
43. BOLT PAVING AREA

PARCEL 07

TAHITI MARINA

13908 Tahiti Way, Marina Del Rey, CA

Exhibit B: Renovation Plan May 2010

Landscape Architect: SCLA

Architect: Grace Partnership Inc.

Applicant/Leaseholder: 13908 Tahiti Harbor Ltd.

Designer: Building Inc.

L-3
Courtyard - A Landscape Plan



PARCEL 07

TAHITI MARINA

13008 Tahiti Way, Marina Del Rey, CA

Exhibit B: Renovation Plan, May 2010

Landscape Architect: SCLA

Architect: Grace Partnerships Inc.

Applicant/Owner: 13008 Tahiti Harbor Ltd.

Designer: Building Inc.

L-3.1
Courtyard - A Landscape Sketch



PARCEL 07

TAHITI MARINA

13008 Tahiti Way, Marina Del Rey, CA

Exhibit B: Renovation Plan May 2010

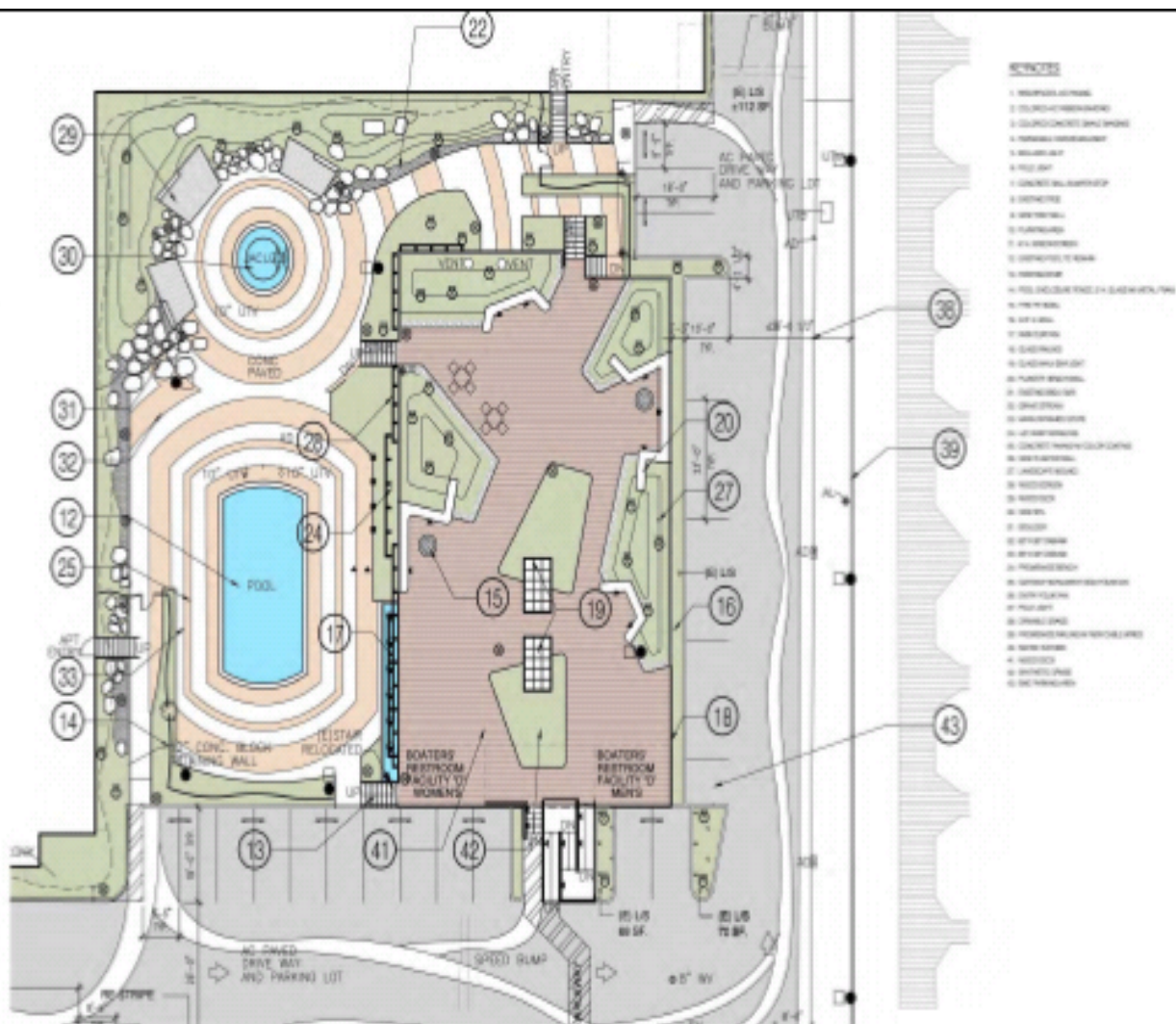
Landscape Architect: JCLA

Architect: Grace Partnerships Inc.

Applicant/Owner: 13008 Tahiti Harbor Ltd.

Developer: Building Inc.

L-3.2
Courtyard - A Landscape Sketch



PARCEL 07

L-4
Courtyard - B Landscape Plan

TAHITI MARINA

13908 Tahiti Way, Marina Del Rey, CA

Exhibit B Renovation Plan May 2010

Landscape Architect: SCLA

Architect: Grace Partnership Inc.

Applicant/Owner: 13908 Tahiti Harbor Ltd.

Designer: Building Inc.



PARCEL 07

TAHITI MARINA

13208 Tahiti Way, Malibu Del Rey, CA

Exhibit B: Development Plan, May 2010

Landscape Architect: SCLA

Arcadia Group Partnership Inc.

L-4.1
Courtyard - B Landscape Sketch

Approved Leaseholder: 13208 Tahiti Harbor Ltd.

Developer: Baiding Inc.



PARCEL 07

TAHITI MARINA

13000 Tahiti Way, Marina Del Rey, CA

Zachry & Partners Inc. May 2010

Landscape Architect: ISLA

Arlene Grace Partnerships Inc.

Applicant/Owner: 13000 Tahiti Harbor Ltd.

Design/Build Inc.

L-4.2
Courtyard - B Landscape Sketch



PARCEL 07

TAHITI MARINA

13008 Tahiti Way, Marina Del Rey, CA

Landscape Architecture Plan, May 2010

Landscape Architect: SCLA

Architect: Grace Partnership Inc.

Applicant/Owner: 13008 Tahiti Harbor Ltd.

Designer: Building Inc.

L-4.3
Courtyard - B Landscape Sketch



DRACENA MARGINATA
NON



AGAVE



CORAL ALOE

KLEINIA MANDRAUSCAE



SOLANUM JASMYNOIDES
POTATO VINE



GLEDITSIA PAPIRIFERA
AUSTRALIAN WILLOW



LIBERTIA PERSEPINAN
LIBERTIA



PHORMIUM TENAX "YELLOW WAVE"
NEW ZEALAND FLAX

PARCEL 07

TAHITI MARINA

13908 Tahiti Way, Marina Del Rey, CA

Schedule 5: Renovation Plan May 2010

Landscape Architect: SCLA

Architect: Grace Partnership Inc.

Applicant/Owner/holder: 13908 Tahiti Harbor Ltd.

Designer: Building Inc.

Planting Palette: Entrance Area

L-6.2



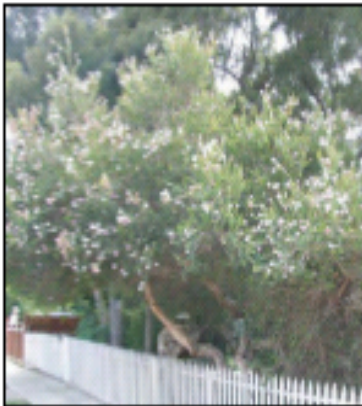
TABERUAIPA
PINK TRUMPET TREE



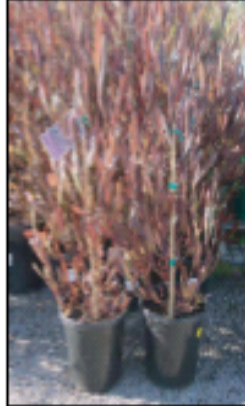
SENECIO MANDARIN (SCAI)
KULI (N/A MANDARIN (SCAI))



CASSIA ARTEFACTICOLIS
FEATHERY CASSIA



MELALEUCA NESOPHYLLA
PINK MELALEUCA



DODONAEA VISCOSA PURPUREA
PURPLE HOPBUSH



HESPERALOE PARVIFLORA
RED YUCCA



LEPTOSPERMUM SCOPARIUM
NANUM TILI
NEW ZEALAND TEA TREE



PARCEL 07

TAHITI MARINA

13908 Tahiti Way, Marina Del Rey, CA

Exhibit B Renovation Plan, May 2010

Landscape Architect: SOLA

Architect: Grace Partnership Inc.

Planting Palette: Promenade

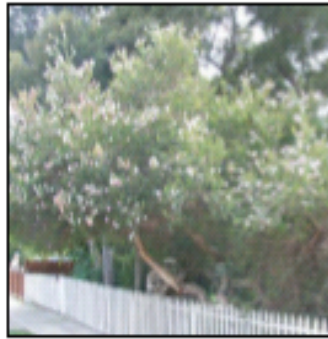
Applicant's use only: 13908 Tahiti Harbor Ltd.

Designer: Building Inc.

L-6.3



CERCIS OCCIDENTALIS
WESTERN REDBUD



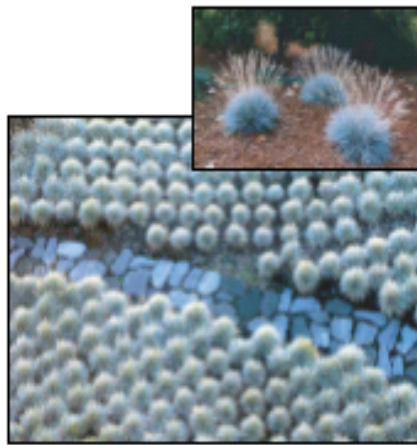
MELALEUCA NESOPHYLLA
PINK MELALEUCA



PHORMIUM TENAX 'SUNDOWNER'
NEW ZEALAND FLAX



DASYLIRION WHEELERI
DESERT SPOON



FESTUCA OVINA 'GLAUCA'
BLUE FESCUE



MYOPORIUM PARVIFOLIUM
PROSTRATE MYOPORIUM



PARCEL 07

TAHITI MARINA

13908 Tahiti Way, Marina Del Rey, CA

Exhibit B: Renovation Plan, May 2010

Landscape Architect: SOLA

Architect: Grace Partnership Inc.

Planting Palette: Courtyard - On Grade **L-6.4**

Applicant/Owner/Holder: 13908 Tahiti Harbor Ltd.

Designer: Building Inc.



LIVEROOF SYSTEM

PARCEL 07

TAHITI MARINA

13000 Tahiti Way, Marina Del Rey, CA

Sahara II Remediation Plan May 2010

Landscape Architect: C&A

Architect: Grace Partnership Inc.

Applicant/Owner: 13000 Tahiti Marina Ltd.

General Building Inc.

L-6.5 Planting Palette: Courtyard - Over Deck





New site furnishing promenade pole light by Schreder.
Model : Thylla series with one light fixture only or equal.



New bollard path light by Lightology
Model : Tret series 32" H.

PARCEL 07

TAHITI MARINA

13000 Shukun Way, Marina Del Rey, CA

Initial & Revision Plan May 2010

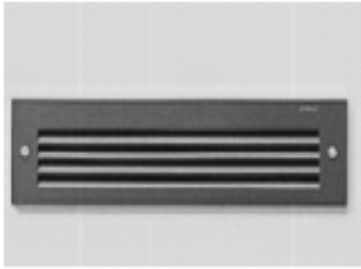
Landscape Architect: SC&A

Architect: Grace Partnership Inc.

L-7 Exterior Lighting Specifications

Applicant/owner: 13000 Tahiti Marina Ltd.

Designer: B&B Group Inc.



RECESSED STEPWALL LIGHT
BEGA 2288P, 1 9W PL



DECK EDGE PATH UPLIGHT
LUMIERE BOCA 613
50 W MR16/PL



TREE UPLIGHT
LUMIERE
CAMBRIA 268
50W MR16, PL



UNDERWATER LIGHT
ARCEE LIGHTING
(LJ275A), COPPER ALLOY NRI 6 50W



CONC. BOLLARD LIGHT
B&K LIGHTING
DRIVE STAR DIMMABLE SUP-1



TRELLIS ATTACHED DOWN LIGHT
LUMIERE CAMBRIA 268 50 MR16/PL
WITH TIES (TREE MOUNT)
AND F81 (WALL MOUNT)

PARCEL 07

TAHITI MARINA

13308 Tahiti Way, Marina Del Rey, CA

Exhibit B: Renovation Plan, May 2010

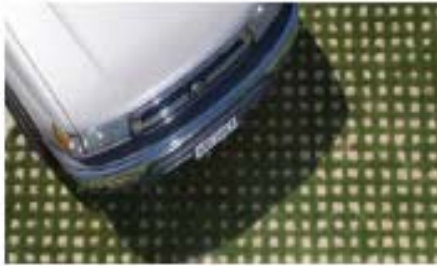
Landscape Architect: SOLA

Architect: Grace Partnership Inc.

Applicant/Owner: 13308 Tahiti Harbor Ltd.

Designer: Building Inc.

L-7.1 Exterior Lighting Specifications



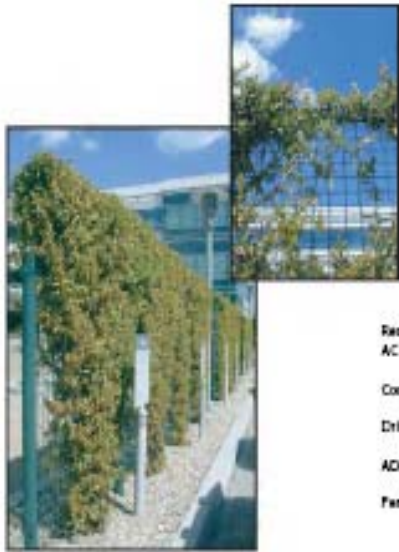
Drivable grass



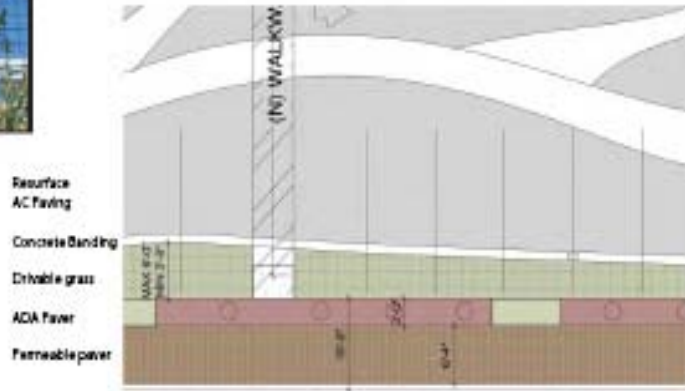
Permeable pavers



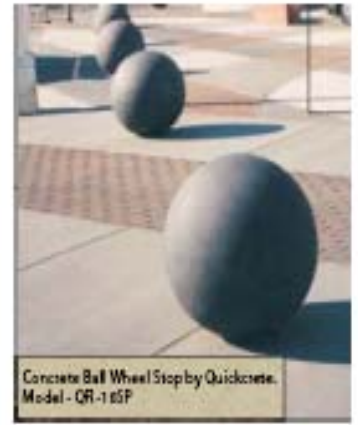
Aluminum Benches by Landscape Forms.
Model- #35 Collection Stayseries or equal.



Green Screen, Model - Free Standing Trellis or equal.



Enlargement Plan - Promenade



Concrete Ball Wheel Stop by Quickcrete.
Model - CR-1 6SP

PARCEL 07

TAHITI MARINA

13908 Tahiti Way, Marina Del Rey, CA

Submit to: Inspection Plan May 2010

Landscape Architect: JDA

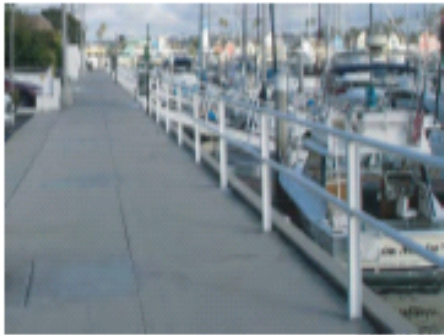
Architect: Grace Partnership Inc.

Approved by: 13908 Tahiti Marina Ltd.

Geogist: Bolding Inc.

Site Furnishing and Elements - Promenade

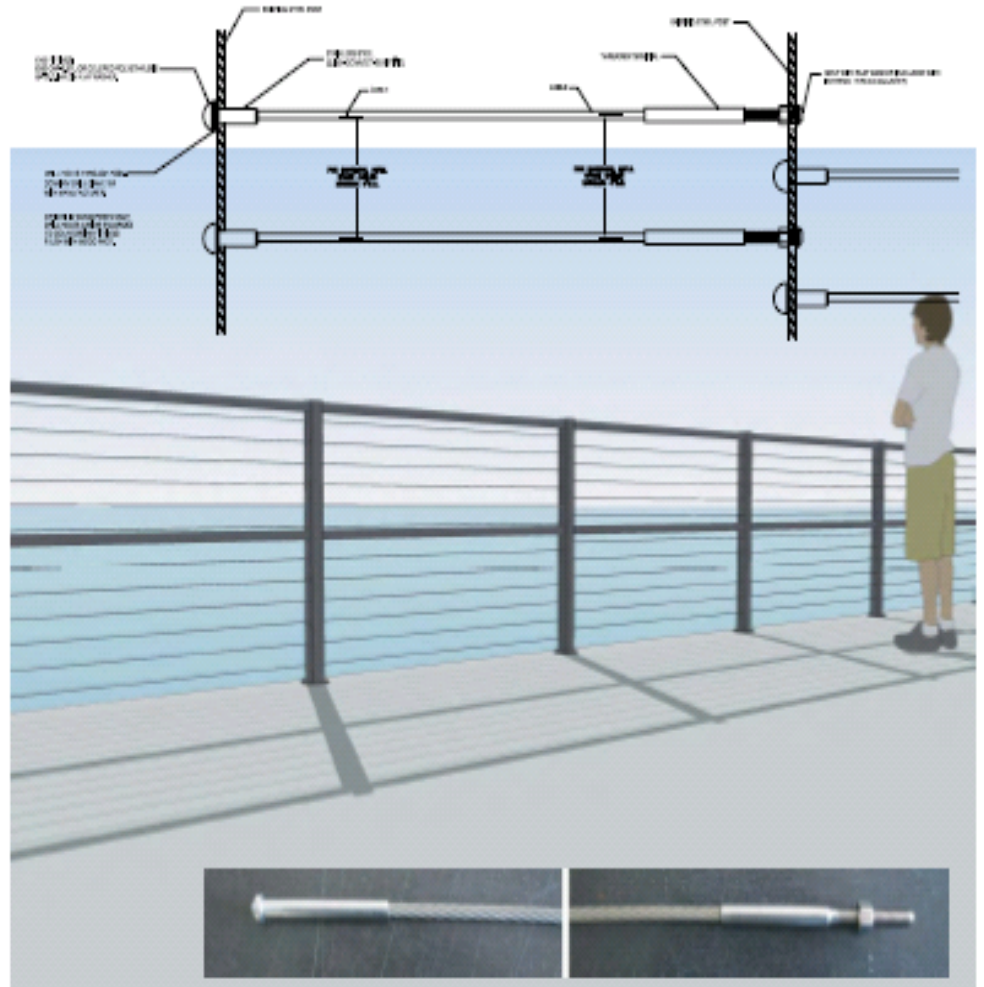
L-8



EXISTING RAIL



Cable Rail Details



L-8.1

Site Furnishing and Elements - Promenade

TAHITI MARINA

13908 Tahiti Way, Marina Del Rey, CA

Exhibit B: Renovation Plan May 2010

Landscape Architect: SCLA

Architect: Grace Partnership Inc.

Applicant/Owner: 13908 Tahiti Harbor Ltd.

Designer: Building Inc.



Glass Walk



Timbertech Deck



Fire Bowl



Planting area



Glass Panel w/ metal frame



Mound w/ Pebbles



Colored concrete paving

PARCEL 07

TAHITI MARINA

13008 Tahiti Way, Marina Del Rey, CA

Exhibit B Development Plan, May 2010

Landscape Architect: SCA

Architect: Grace Partnership Inc.

Approved by the City of Marina Del Rey

Developer: Building Inc.

L-9
Site Furnishing and Elements - Courtyard



Contemporary Medium Quality Kitchen Cabinets by Silestone Formica
laminated doors with stainless steel hardware,
hidden hinges and Caesarstone countertop or equal



Contemporary Quality Kitchen Faucets
by Kohler, K-18441 or equal



Contemporary Quality Kitchen Sink by Province Sinks
stainless steel double bowl undermounts P51220
with garbage disposal or equal

PARCEL 07

TAHITI MARINA

13808 Tahiti Way, Malibu Del Rey, CA

Schedule & Revision Plan May 2010

Landscape Architect: SCLA

Architect: Grace Partnership Inc.

Applicant/Owner: 13808 Tahiti Harbor Ltd.

Designer: Building Inc.

I-1
Kitchen Specifications



Washer/Dryer by Bosch, Washer Model: WFL3060UC & Dryer Model: WTV70100US (gas) or equal



Microwave by Sharp, 2.0 Cu. Ft. Stainless-Steel Model: R-42BL5 or equal



Refrigerator by Bosch, 22.1 Cu.Ft. Side by Side Refrigerator, Thru-The-Door Ice and Water Stainless Model: B22CS28SNG or equal



Dishwasher by Bosch, 24" Tall Tub Built-In Dishwasher, Stainless Model: SH65AL06UC or equal



Stove/Oven by Bosch, 30" Gas Range, Model: HG50513UC or equal

PARCEL 07

TAHITI MARINA

13308 Tahiti Way, Marina Del Rey, CA

Exhibit B: Renovation Plan: May 2010

Landscape Architect: SCLA

Architect: Good Partnership Inc.

Kitchen Appliances Specifications

Appliances Issued under 12008 Tahiti Marina Ltd.

Designer: Belling Inc.

I-2



Toilet by Toto, Aquia Toilet CST414M with double cycle flushing feature and maple softclose seat SS303 or equal



Contemporary Quality Bath Tub by Toto, Lloyd Air Bath ABA F10L or equal



Lavatory by Toto, under counter lavatory LT140G or equal



Contemporary Quality Tub Faucets by Kohler, K-T940-4 1H TRM T&S or equal



Contemporary Quality Shower Faucets by Kohler, K-T940-4 1H TRM SHOWER or equal



Contemporary Quality Lavatory Faucets by Kohler, K-640-4 3H WIDESPREAD or equal

PARCEL 07

TAHITI MARINA

13808 Tahiti Way, Marina Del Rey, CA

Exhibit B Restroom Plan, May 2010

Landscaping Architect: DCA

Architect: Grace Partnership Inc.

I-3 Restroom Specifications

Approved by architect: 13808 Tahiti Harbor Ltd.

Design: Building Inc.

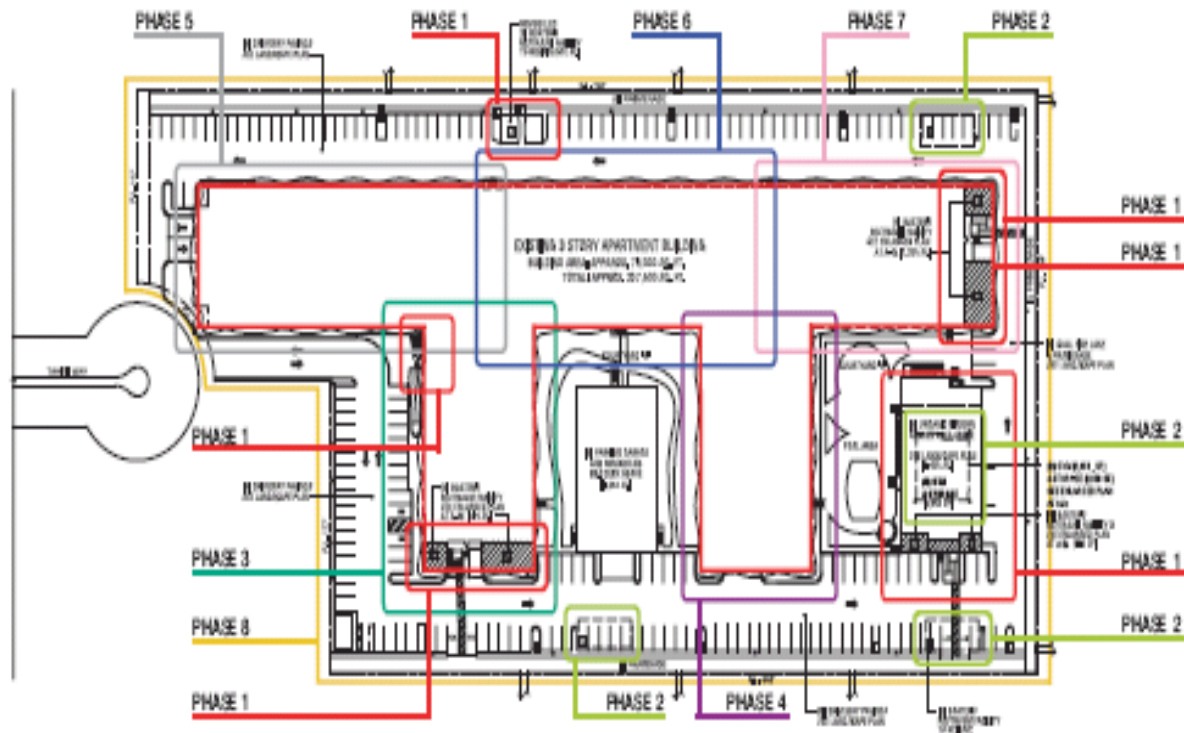
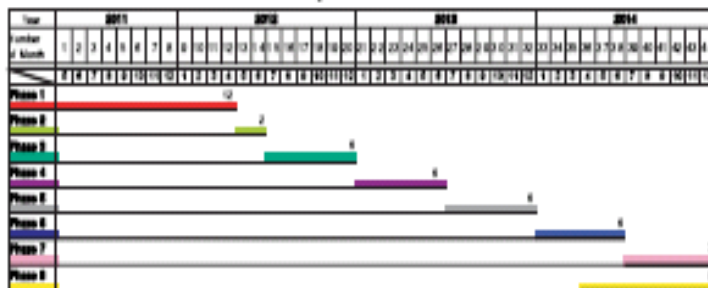


Table 1. Marine Apartment Rehab Project Preliminary Construction Schedule	
Activity	Duration (Weeks)
1. Mobilization	2
2. Demolition	4
3. Foundation	6
4. Framing	8
5. Roofing	4
6. Mechanical	6
7. Electrical	4
8. Plumbing	4
9. Interior Finishes	6
10. Exterior Finishes	4
11. Commissioning	2
12. Occupancy	2



Phase	Work Description
Phase 1	Construction process will take 12 months. During this phase, the roof, heating, ventilation, lighting, ducting, and electrical systems will be completed.
Phase 2	Approximately 2 months, which includes the demolition of the old heater in place and the old gas.
Phase 3	Approximately 6 months. 0.5 units' interior and exterior.
Phase 4	Approximately 6 months. 0.5 units' interior and exterior.
Phase 5	Approximately 6 months. 0.5 units' interior and exterior.
Phase 6	Approximately 6 months. 0.5 units' interior and exterior.
Phase 7	Approximately 6 months. 0.5 units' interior and exterior.
Phase 8	6 months. Heating, ventilation, lighting, and electrical.

PARCEL 07

PH-1
Construction Phase Diagram

TAHITI MARINA

13208 Tahiti Way, Marina Del Rey, CA

Exhibit 9: Renovation Plan May 2010

Landscape Architect: SOLA

Architect: Grace Partnership Inc.

Applicant/Leaseholder: 12908 Tahiti Harbor Unit.

Designer: Building Inc.

EXHIBIT C

ASSIGNMENT STANDARDS

These standards are to apply to proposed transactions requiring County's consent pursuant to Section 11.2 of the Lease. These standards and conditions are not to apply to (a) an assignment for the purpose of securing leasehold financing from an Encumbrance Holder approved by County, (b) the transfer of the leasehold in connection with a foreclosure or transfer in lieu of foreclosure by an approved Encumbrance Holder, or (c) the first transfer by that Encumbrance Holder if it has acquired the leasehold through a foreclosure or a transfer in lieu of foreclosure.

1. The proposed transferee must have a net worth determined to be sufficient in relation to the financial obligations of the lessee under the Lease (equal to at least six (6) times the total Annual Minimum Rent and Percentage Rent due to County for the most recent fiscal year). A letter of credit, cash deposit, guarantee from a parent entity or participating individual(s) having sufficient net worth (as set forth in the preceding sentence) or similar security satisfactory to County may be substituted for the net worth requirement. If the proposed transferee's net worth is materially less than the transferor's, County may disapprove the assignment or require additional security such as that described in the previous sentence.
2. The proposed assignee must have significant experience in the construction (if contemplated), operation and management of the type(s) of Improvements existing on or to be constructed on the Premises, or provide evidence of contractual arrangements for these services with providers of such services satisfactory to County. Changes in the providers of such services and changes to the contractual arrangements must be approved by the County. All such approvals of County will not be unreasonably withheld, conditioned or delayed.
3. The individual or individuals who will acquire Lessee's interest in this Lease or the Premises, or who own the entity which will so acquire Lessee's interest, irrespective of the tier at which such individual ownership is held, must be of good character and reputation and, in any event, shall have neither a history of, nor a reputation for: (1) discriminatory employment practices which violate any federal, state or local law; or (2) non-compliance with environmental laws, or any other legal requirements or formally adopted ordinances or policies of County.
4. The price to be paid for the acquired interest shall not result in a financing obligation of the proposed transferee which jeopardizes the Lessee's ability to meet its rental obligations to County. Market debt service coverage ratios and leasehold financial performance, at the time of the Proposed Transfer, will be used by County in making this analysis.
5. If the proposed transferee is an entity, rather than an individual, the structure of the proposed transferee must be such that (or the transferee must agree that) County will have reasonable approval rights regarding any future direct or indirect transfers of interests in the entity or the Lease as required under the

Lease; provided however, that a transfer of ownership of a publicly held parent corporation of Lessee that is not done primarily as a transfer of this leasehold will not be subject to County approval.

6. The terms of the proposed assignment will not detrimentally affect the efficient operation or management of the leasehold, the Premises or any Improvements thereon.
7. The proposed transferee does not have interests which, when aggregated with all other interests granted by County to such transferee, would violate any policy formally adopted by County restricting the economic concentration of interests granted in the Marina del Rey area, which is uniformly applicable to all Marina del Rey lessees.
8. The transfer otherwise complies with the terms of all ordinances, policies and/or other statements of objectives which are formally adopted by County and/or the County Department of Beaches and Harbors and which are uniformly applicable to persons or entities with rights of occupancy in any portion of Marina del Rey.

EXHIBIT D

CONDITIONS TO COASTAL DEVELOPMENT PERMIT

[To be attached]

EXHIBIT E

EXAMPLES OF PERMITTED CAPITAL EXPENDITURES

Subject to the terms and provisions of Section 5.14 of the Lease, set forth below is a list of examples of elements, systems or categories of Improvements for which Permitted Capital Expenditures may be made. The Capital Improvement Fund shall not be used for the repair or replacement of an individual or a selected group of individual items, unless such repair or replacement is part of a larger plan (which may be a phased plan) of repair or replacement of all, or substantially all, similar items.

Painting of the building exterior*

Walkways and driveway replacement* (if asphalt, a minimum of resurfacing, not slurry seal)

Windows replacement*

Roof replacement* (may be on a building by building basis)

Elevators (replacement or addition)

HVAC replacement

Light fixtures replacement* (interior and exterior)

Irrigation system* (replacement or major addition)

* To qualify, these expenditures need to incorporate replacement or renovating of at least seventy percent (70%) of the items or facilities in question.

EXHIBIT F

WATER QUALITY MANAGEMENT PROGRAM

[To be attached]

EXHIBIT G
TREE TRIMMING POLICY

[To be attached]

EXHIBIT H

QUALIFIED HARD COSTS INCURRED PRIOR TO EFFECTIVE DATE

[Prior to the execution of the Lease the parties shall attach a schedule of those Qualified Hard Costs incurred by Lessee during the period from July 16, 2009 through the Effective Date, as reasonably approved by Director. The schedule shall state the portion of the costs incurred during each of the periods from July 16, 2009 through December 31, 2009 and each calendar year (or partial calendar year) thereafter up to the Effective Date, to permit the calculation of the Required Cost Amount under Section 5.1 of the Lease.]

EXHIBIT I

BASE BOAT SLIP RENTAL RATES

[Attach 2008 boat slip rental rates.]

AMENDED AND RESTATED LEASE AGREEMENT

by and between

COUNTY OF LOS ANGELES

and

(Parcel 7 -- Lease No. _____)

Dated as of _____, _____

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AGREEMENT REGARDING ACQUISITION OF LENDER CONSENT
(PARCEL 7)

THIS AGREEMENT REGARDING ACQUISITION OF LENDER CONSENT ("Agreement") is made and entered into as of the 20th day of July, 2010, by and between the COUNTY OF LOS ANGELES ("County") and KAMRAN HAKIM, an individual ("Lessee").

RECITALS

A. Concurrent herewith, County and Lessee have entered into that certain Option to Amend Lease Agreement dated of even date herewith (the "**Option Agreement**"), pursuant to which County has granted to Lessee an option (the "**Option**") to amend and restate that certain Lease No. 5573, dated May 7, 1962, as amended (the "**Existing Lease**"), pertaining to certain real property in the Marina del Rey Small Craft Harbor commonly known as Parcel No. 7 (the "**Premises**") in accordance with the terms and provisions of the Option Agreement.

B. Lessee has informed County that Lessee's interest in the Existing Lease is encumbered by that certain Leasehold Deed of Trust and Assignment of Rents dated as of August 14, 1987, in which the current beneficiary as of the date of this Agreement is The Bank of New York Mellon (f/k/a The Bank of New York) ("**Existing Lender**"), recorded in the official records of Los Angeles County, California on August 19, 1987 as Instrument No. 871314900, as amended (the "**Existing Security Instrument**").

C. County and Lessee desire to enter into this Agreement to document certain matters pertaining to the acquisition of Existing Lender's consent to the Option Agreement.

NOW, THEREFORE, for good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, County and Lessee agree as follows:

1. **Representation Regarding Existing Encumbrances.** Lessee represents and warrants to County that as of the date of this Agreement there are no deeds of trust, mortgages or other consensual security interests that encumber Lessee's interest in the Existing Lease, the Premises or the improvements located on the Premises, other than the Existing Security Instrument. The grant of the Option set forth in the Option Agreement is contingent upon the truth and correctness of the foregoing representation and warranty, and if such representation and warranty is not true and correct, then County shall have the right to terminate the Option Agreement upon written notice to Lessee. In addition, as long as the Option Agreement remains in effect, no future deed of trust, mortgage or other security interest (collectively, a "**Future Security Interest**") shall be granted that encumbers Lessee's interest in the Existing Lease, the Premises or the improvements located on the Premises, unless concurrent with the execution and delivery of such Future Security Interest, either (a) the secured party executes and delivers to County a Lender Consent and Subordination (as defined in Section 2 below) with respect to such Future Security Interest; or (b) County receives a legal opinion (or other evidence) acceptable to Director and the Office of the Los Angeles County Counsel ("**County Counsel**") in their sole and absolute discretion that such Future Security Interest is subordinate to any "Non-Exercise Amendment" that occurs pursuant to Section 8 of the Option Agreement. In the event of the

breach of the immediately preceding sentence, County shall have the right to terminate the Option Agreement by written notice from Director (as defined in the Option Agreement) to Lessee.

2. Request for Existing Lender's Consent. Lessee agrees to request Existing Lender to confirm in writing (a) its consent to Section 8 of the Option Agreement, and (b) the subordination of the Existing Security Instrument to any "Non-Exercise Amendment" that occurs pursuant to Section 8 of the Option Agreement (collectively, the "**Lender Consent and Subordination**"). The Lender Consent and Subordination shall be in substantially the form attached to this Agreement as Schedule 1. Concurrent with the execution of this Agreement, Lessee has executed a Promissory Note in favor of County on the terms set forth therein (the "**Promissory Note**"). The Promissory Note shall be subject to termination in accordance with the terms and provisions of Section 2 of such Promissory Note.

3. County Costs. Regardless of whether Lessee exercises the Option, Lessee shall promptly reimburse County for the Actual Costs (as defined in the form of Restated Lease attached to the Option Agreement as Exhibit A) incurred by County in the review, negotiation, preparation, documentation and administration of this Agreement, the Promissory Note and any Lender Consent and Subordination, within thirty (30) days following receipt by Lessee of an invoice from the County for such Actual Costs.

4. Miscellaneous.

4.1 Time is of the Essence. Time is of the essence of this Agreement, including, without limitation, with respect to all times, restrictions, conditions and limitations set forth herein.

4.2 Waivers. Except as stated in writing by the waiving party, any waiver by either party of any breach of any one or more of the covenants, conditions, terms or provisions of this Agreement shall not be construed to be a waiver of any subsequent or other breach of the same or of any other covenant, condition, term or provision of this Agreement, nor shall failure on the part of either party to require exact, full and complete compliance with any of the covenants, conditions, terms or provisions of this Agreement be construed to in any manner change the terms hereof or estop that party from enforcing the full provisions hereof.

4.3 Notices. All notices required or permitted to be given under this Agreement shall be given in accordance with the terms and provisions of Section 15.10 of the form of Restated Lease attached to the Option Agreement as Exhibit A.

4.4 Captions. The captions contained in this Agreement are for informational purposes only, and are not to be used to interpret or explain the particular provisions of this Agreement.

4.5 Attorneys' Fees. In the event of any action, proceeding or arbitration arising out of or in connection with this Agreement, whether or not pursued to judgment, the prevailing party shall be entitled, in addition to all other relief, to recover its costs and reasonable attorneys' fees, including without limitation, attorneys' fees for the services of the County Counsel if County is represented by County Counsel and is the prevailing party.

4.6 No Assignment. Lessee shall have no right to assign or transfer its rights or obligations under this Agreement to any other person or entity, without the express written consent of County, which consent may be withheld by County in its sole and absolute discretion; provided, however, Lessee shall have the right to assign its rights and obligations under this Agreement to any entity to whom Lessee assigns its rights under the Option Agreement in an assignment of the Option Agreement that either is approved by County or is otherwise permitted under the terms of the Option Agreement.

4.7 Entire Agreement. Except for the Option Agreement and the Promissory Note, this Agreement sets forth the full and complete understanding of the parties relating to the subject matter hereof, and supersedes any and all agreements, understandings and representations made prior hereto with respect to such matters. In the event of any conflict between the terms and provisions of this Agreement and the terms and provisions of the Option Agreement, the terms and provisions of this Agreement shall prevail.

4.8 Joint Effort. Preparation of this Agreement has been a joint effort of the parties, and the resulting document shall not be construed more severely against one of the parties than against the other.

4.9 Applicable Law. This Agreement shall be governed by, and construed and enforced in accordance with, the laws of the State of California.

4.10 Counterparts. This Agreement may be signed in any number of counterparts. Each counterpart shall represent an original of this Agreement and all such counterparts shall collectively constitute one fully-executed document.

4.11 Successors and Assigns. Subject to Section 4.6 above, the rights and obligations of the parties under this Agreement shall be binding upon the parties and their respective successors and assigns.

4.12 Schedules. Schedules 1 attached to this Agreement is hereby expressly incorporated into this Agreement by reference.

SIGNATURES ON FOLLOWING PAGE

IN WITNESS WHEREOF, County and Lessee have entered into this Agreement
as of the date first set forth above.

THE COUNTY OF LOS ANGELES



By: [Signature]
Chair, Board of Supervisors

[Signature]
KAMRAN HAKIM, an individual

ATTEST:

SACHI A. HAMAI, Executive Officer
of the Board of Supervisors

By: [Signature]
Deputy

APPROVED AS TO FORM:

ANDREA SHERIDAN ORDIN,
County Counsel

By: _____
Deputy

APPROVED AS TO FORM:

MUNGER, TOLLES & OLSON LLP

By: _____

I hereby certify that pursuant to
Section 25103 of the Government Code,
delivery of this document has been made.

SACHI A. HAMAI
Executive Officer
Clerk of the Board of Supervisors

By: [Signature]
Deputy



ADOPTED
BOARD OF SUPERVISORS
COUNTY OF LOS ANGELES

11

JUL 20 2010

[Signature]
SACHI A. HAMAI
EXECUTIVE OFFICER

SCHEDULE 1

FORM OF LENDER CONSENT

The undersigned represents that it is the current beneficiary under that certain Leasehold Deed of Trust and Assignment of Rents dated as of August 14, 1987, recorded in the official records of Los Angeles County, California on August 19, 1987 as Instrument No. 871314900, as amended (the **"Deed of Trust"**). As such beneficiary the undersigned hereby consents to Section 8 of the foregoing Option to Amend Lease Agreement and agrees that the Deed of Trust shall be subject and subordinate to any Non-Exercise Amendment that occurs pursuant to Section 8 of such Option to Amend Lease Agreement.

The Bank of New York Mellon, a

By: _____

Name: _____

Its: _____