AMENDMENT NO. 14 TO LEASE NO. 4710
PARCEL NO. 15. MARINA DEL REY

This LEASE AMENDMENT (the "Amendment") is made by and between the County of Los Angeles (the "County") and the Union Oil Company of California dba Unocal, a California corporation (the "Lessee"), who agree as follows:

ARTICLE 1. BACKGROUND AND GENERAL.

1.01. Property. The County is the owner of a parcel of land and water located in the Marina del Rey Small Craft Harbor, County of Los Angeles, State of California, that is commonly known as Marina Fuel Service, 13800 Bora Bora Way, Marina del Rey (the "Premises").

1.02. Lease. The Premises are currently being leased by the County to the Lessee under the terms of a lease dated July 21, 1961, as modified by various written amendments, related use approvals and gross receipts and percentage rental policy statements on which mutual agreement has been reached (collectively, the " Lease").

1.03. Duration. Under the terms of the Lease the Premises have been leased to the Lessee for a period that commenced on May 10, 1961, and that will end on May 9, 1991.

1.04. Continuation. The Lessee has requested permission to remain in possession of the Premises for a longer period of time.

1.05. Purpose. The purpose of the Amendment is to set forth the parties' mutual agreement on this request on terms providing for the following changes in their benefits and burdens under the Lease.

1.05.01. Possession. An extension of the Lessee's term for possession of the Premises from a period of thirty years to a period of thirty-five years.

1.05.02. Further Extensions. Two further extensions beyond the initial term for possession of not more than five years each at the option of the Lessee.

1.05.03. Extension Fee. A payment of $272,222 by the Lessee to the County within seven calendar days after the Effective Date, as subsequently defined in this Amendment, for the extended term for possession of the Premises.

1.05.04. Rent. An increase in the percentage rental paid by the Lessee on the gross receipts from the rental of boat slips and other similar facilities from 25% to 30%.
1.05.05. **Construction.** A renovation of the improvements on the Premises by the Lessee.

1.05.06. **Rent Readjustment.** An arbitration of any future disputes between the parties over rent readjustments by a new process that submits the dispute to a retired judge, and an interest charge on any readjustments determined after the Rental Adjustment Date, as subsequently defined in this Amendment.

1.05.07. **Restoration.** An express recognition that restoration of the Premises by the Lessee upon Lease termination or expiration also requires removal from the Premises of any Hazardous Substances, as subsequently defined in this Amendment.

1.05.08. **Indemnification.** A protection of the County from liability for Environmental Losses, as subsequently defined in this Amendment, by an indemnification of the County from such liability by the Lessee.

**ARTICLE 2. POSSESSION.**

2.01. **Extension.** The following section is substituted for Section 2 (Term) of the Lease.

"2. TERM"

"The term of this Lease shall be for a period of thirty-five years, commencing on May 10, 1961. This term may be extended at the option of Lessee for two consecutive periods not exceeding five years each, provided written notice of each election to extend, together with the declared period of each extension, is served upon County by Lessee no later than sixty days before the expiration date of the Lease, and Lessee is in compliance with the terms and conditions of the Lease at the time each option is exercised. Any such extension of the Lease shall be on the same terms and conditions as exist at the time the option is exercised. Notice of the exercise of each option shall be deemed given and effective upon delivery, if delivered by hand, or seventy-two hours after deposit in the United States mail, postage prepaid, and addressed, to the Director at the Arthur G. Will Administration Building, 13837 Fiji Way, Marina del Rey, California 90292, or such other address as may be designated by the Director. A transfer of either option must have the express written consent of the Director, and a failure to obtain this consent shall render any such transfer void ab initio and an event of default for which the Lease may be cancelled. The Director’s consent to a requested transfer of either option shall be subject to Lessee having cured any and all events of default under the Lease; Lessee having furnished the Director with all such information as may be required in order for the Director to become fully informed on the business structure of the proposed transforee, the experience of the
proposed transferee in operating properties similar to the leasehold premises, the financial capability of the proposed transferee to operate the leasehold premises, the identity of the individuals who are the owners of the beneficial interest in the proposed transferee, irrespective of the tier at which the ownership is held, the economic interest of the proposed transferee and its beneficial owners in other leaseholds in the Marina del Rey Small Craft Harbor, and the public image and reputation of the proposed transferee and its beneficial owners; and the Director having approved the proposed transferee based on the information provided, such approval not to be unreasonably withheld.

ARTICLE 3. EXTENSION FEE.

3.01. **Amount.** The sum of $272,222 shall be paid to the County by the Lessee for the extended term for possession of the Premises granted to the Lessee by the County in Article 2 of this Amendment.

3.02. **Payment.** The amount shall be paid to the County by the Lessee at the same place as its rental payments are made pursuant to Section 19 of the Lease within seven calendar days after the Effective Date.

3.03. **Non-Refundable.** Once paid, the amount shall not be subject to either a full or partial refund in the event of a termination of the Lease before the extended expiration date of May 9, 2006, as it is acknowledged and agreed by the Lessee that the payment shall be deemed earned by the County solely for having entered the Amendment.

3.04. **Failure to Pay.** A failure to make the payment on or before the date it is due and payable shall constitute an "event of default" under the Lease, as that term is defined in Section 21.A.(1) of the Lease, and for which the Lease may be canceled pursuant to the further provisions of Section 21.C of the Lease relating to forfeiture and cancellation of the Lease.

ARTICLE 4. RENT.

4.01. **Percentage Rental.** The percentage rental rate as set by the paragraph in subsection 13(a) of the Lease for the rental or other fees charged for the use of boat slips and the other types of facilities and services described in this paragraph is increased from a rate of 25% to 30%.

ARTICLE 5. CONSTRUCTION.

5.01. **Renovation of Improvements.** The Lessee shall undertake and complete in accordance with paragraphs 5.02 through 5.07 of this article the replacement and removal of the underground storage tanks for the marine fuel dock, and a
renovation of the other improvements on the Premises at a cost, inclusive of the underground storage tank work, of not less than $250,000 (collectively, the "Fuel Dock Renovations").

5.02. Plans, Specifications and Cost Estimates. The construction shall be performed in accordance with the Lessee's final plans, specifications and construction cost estimates for the Fuel Dock Renovations that are approved for the construction by the Director. Following such approval, no modification shall be made without the further approval by the Director.

5.02.01. The final plans and specifications shall conform to the standards generally accepted in the architectural and engineering professions for such documents; the provisions of the amended and restated Specifications and Minimum Standards of Architectural Treatment and Construction for the Marina del Rey; and the requirements of the Marina del Rey Local Coastal Plan for public access to the shoreline, including without limitation promenades, seating areas and access corridors.

5.03. Regulatory Standards. The construction shall also be performed in accordance with all applicable regulatory standards that have been established pursuant to law for the type of improvements to be made, including without limitation the various standards that have been established for underground storage tanks under the regulations promulgated by the federal Environmental Protection Agency, the California State Water Resources Control Board and the County pertaining to the detection, prevention, reporting and clean-up of releases from existing underground storage tanks, the removal of old tanks, and the performance, construction, monitoring, testing and inspection of new tanks.

5.04. Other Standards. The construction shall also be performed with reasonable due diligence, and in a manner that shall minimize any damage, disruption or inconvenience caused by the work to be performed; make adequate provision for the safety and protection of the workers and the public; control dust, noise, fumes and other deleterious affects; and protect adjoining public and private property from damage.

5.04.01. The Lessee shall repair at its own cost and expense, any and all damage caused by the construction of the Fuel Dock Renovations; pay all costs and expenses associated with such damage; and indemnify and hold the County harmless from all claims and suit by the parties seeking to hold the County liable for injury, damage and loss arising from such work.
5.05. **Conditions Precedent to Commencement of Construction.** No construction shall begin, until each and every one of the following conditions precedent has been either satisfied by the Lessee or waived by the County.

5.05.01. Final plans, specifications and cost estimates have been approved by the Director.

5.05.02. All permits and other governmental approvals necessary for the commencement of construction have been received. However, once commenced, construction shall not proceed beyond the work permitted by the permit or approval secured, until the next permit or approval necessary for the continuation of the work performed has been received.

5.05.03. Copies of any construction contracts shall have been furnished to the Director.

5.05.04. In the event the construction is to be financed, all documents relating to the financing to be provided have been furnished to the Director, and only to the extent such documents create a security interest in the Premises, approved by the Director.

5.05.05. Ten days prior written notice of the actual date of commencement of construction shall have been given to the Director.

5.06. **Substantial Commencement of Construction.** It is a condition of the Lease that the Lessee cause the substantial commencement of construction of the Fuel Dock Renovations to have occurred in accordance with the approved plans and specifications no later than six months following the Effective Date, and it is agreed that this condition shall not have been satisfied, until the existing underground storage tanks shall have been removed from the Premises and the replacement tanks have been installed on the Premises. The foregoing provisions of this paragraph notwithstanding, it is agreed that the period for reaching substantial commencement of construction shall be extended for the time periods specified for the reasons stated in the following paragraphs, and for these reasons only, provided the Lessee has been pursuing the construction with reasonable due diligence, and the approved plans for the Fuel Dock Renovations are in substantial compliance with the land use law and regulations and coastal plan.

5.06.01. **Limited Extension for Governmental Approvals.** The period for reaching substantial commencement of construction shall be extended for an additional period of one year, if the Lessee’s inability to substantially commence construction by the earlier date is due to the absence of a permit or other approval necessary to the commencement or
continuation of construction from a regulatory body or agency other than the County.

5.06.02. **Limited Extension for Removal of Hazardous Substances.** The period for reaching substantial commencement of construction shall be extended for an additional period of thirty-six months, if the Lessee's inability to substantially commence construction by the earlier date is due to the necessity for the Lessee to clean-up releases of Hazardous Substances from the existing underground storage tanks into the ground.

5.07. **Completion of Construction.** Once construction of the Fuel Dock Renovations has been substantially commenced, the Lessee shall thereafter use reasonable due diligence to prosecute and complete such construction in substantial compliance with the approved final plans and specifications. During this period, delays in construction due to fire, earthquake, war, labor dispute, or other event reasonably beyond the control of the Lessee shall extend the time in which the construction must be completed by the length of time of such delay. The Lessee and the Director shall discuss and attempt to agree on the length of time of such delay. If they are unable to so agree within thirty days of the event or occurrence giving rise to the Lessee's claim to an entitlement to a delay under this paragraph, the matter shall be arbitrated in the same manner as disputes over the readjusted rent are to be arbitrated pursuant to Section 15 of the Lease. The provisions of this paragraph notwithstanding, the date on which construction of the Fuel Dock Renovations must be completed, including any extensions for delay, shall not be later than the fifth annual anniversary date of the Effective Date.

5.08. **Failure to Reach Substantial Commencement of Construction or to Complete Construction.** The Lessee acknowledges that the Fuel Dock Renovations constitute a material inducement for the County extending the Lease beyond its initial expiration date, and therefore, it is agreed that the time periods for substantial commencement and completion of construction of these improvements shall be strictly enforced, and that in the event of a failure of the Lessee to meet each one of them, the County shall have the right without notice to the Lessee and further opportunity of the Lessee to cure as is provided in Section 21 of the Lease, to cancel the Lease and reenter the Premises. Upon a termination of the Lease pursuant to this paragraph of the Amendment, the Lessee shall vacate the Premises and remove its machinery, appliances and trade fixtures therefrom, except to the extent its continued possession of the Premises is required in order to restore the Premises to as good and usable condition as they were in at the time of its first occupation of the Premises upon a demand being made by the County under Section 18 of the Lease for such work to be performed.
5.09. Use of Plans. The contracts with any architect, other design professional or any general contractor shall provide, in form and substance reasonably satisfactory to the Director, for their assignment to the County as security to the County for the Lessee’s construction of the Fuel Dock Renovations. The County shall be furnished with any such contract, together with the further agreement of the parties thereto, that if this Lease is terminated due to the Lessee’s default, the County may, at its election, use any plans and specifications to which the Lessee is then entitled pursuant to any such contract upon the payment of any sums due to any party thereto. The County’s right to elect to use plans and specifications as described above shall be subordinate to and shall not defeat the rights of any construction lender.

5.10. Rights of Access. Representatives of the County shall have the right of reasonable access to the Premises during normal construction hours over the period of construction for the purpose of determining compliance with the terms of the Lease.

5.11. Completion Documents. Upon completion of construction, the Lessee shall file or cause to be filed in the Official Records of the County of Los Angeles a Notice of Completion of Construction, and deliver to the Director a set of final as-built plans and specifications of the Fuel Dock Renovations.

5.12. Protection of County. Nothing in this Lease shall be construed as constituting the consent of the 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 or any part thereof by any contractor, subcontractor, laborer or materialman, or as giving the Lessee or any other person any right, power or authority to act as an agent or to contract, or permit the rendering of any services or the furnishing of any materials in such manner as would give rise to the filing of mechanics’ liens or other claims against the fee of the Premises.

5.12.01. Posting Notices. The County shall have the right at all reasonable times to post, and keep posted, on the Premises any notices which the County may deem necessary for the protection of the County and of the Premises and the improvements thereon from mechanics’ liens or other claims.

5.12.02. Prompt Payment. In addition, the Lessee shall make, or cause to be made, prompt payment of all monies due and legally owing to all persons doing any work or furnishing any materials or supplies to the Lessee or any of its
contractors or subcontractors in connection with the construction of the Fuel Dock Renovations.

5.12.03. Liens; Indemnity. Subject to the Lessee's rights to contest the same prior to payment, the Lessee shall keep the Premises and the improvements free and clear of all mechanics' liens on account of work done for the Lessee or persons claiming under it. The Lessee agrees to and shall indemnify and save the County harmless against liability, loss, damages, costs, attorneys' fees incurred in defending and all other expenses on account of claims of lien of laborers or materialmen or others for work performed or materials or supplies furnished to the Lessee or persons claiming under it. In the event any lien is recorded, the Lessee shall, upon demand, furnish the bond described in California Civil Code Section 3143, or successor statute, which results in the removal of such lien from the Premises, or other evidence satisfactory to the County that such lien will be paid, removed or discharged as a claim against the Premises.

ARTICLE 6. RENT READJUSTMENT.

6.01. Arbitration and Interest. The following section is substituted for Section 15 (General Rent Renegotiation and Arbitration) of the Lease.

"15. GENERAL RENT ADJUSTMENT AND ARBITRATION"

"(a) The rates for square foot rental and percentage rentals, and the liability insurance limits, shall apply and be in effect through May 9, 1996. As of May 10, 1996, (the "Rental Adjustment Date"), the rates for square foot rental and all categories of percentage rentals, and liability insurance requirements (hereafter collectively referred to as the "Adjusted Rentals") shall be readjusted by the Lessee and the County in accordance with the following standards:

"(i) The rates of square foot rental and percentage rentals shall be readjusted to Fair Market Rental as of the Rental Adjustment Date. "Fair Market Rental" shall be the fair rental value of the property subject to this Lease, taking into consideration the uses permitted thereunder and all of its terms, conditions, and restrictions, franchise value, earning power, and all of the factors and data required or proper to be considered in determining fair market value under the laws of eminent domain in the State of California.

"(ii) The liability insurance limits shall be readjusted on the Rental Adjustment Date to equal the amount of liability insurance which would customarily be carried by owners of similar property or
required by institutional holders of liens against similar properties, exercising in each case reasonable and prudent business judgment.

"(b) If for any reason the Adjusted Rentals shall not be finally determined until after the Rental Adjustment Date, the Lessee shall continue to pay square foot and percentage rentals and maintain insurance at the rates and in the amounts in effect immediately prior to the Rental Adjustment Date until determination of the adjusted rental and insurance amounts, and such rental shall be credited against the amount of the adjusted square foot and percentage rentals when finally determined; provided, however, that the amount fixed as the new square foot and percentage rentals shall accrue from the Rental Adjustment Date, together with interest at the rate provided in subsection (e) below on the unpaid amounts from the date such rentals otherwise would have been due until the date actually paid, and proper adjustment shall be made for payments made by the Lessee at the former rates during said period and interest accrued as provided in subsection (e) below.

"(c) Adjusted Rentals may be determined by the Lessee and the County by mutual agreement at any time.

ARBITRATION OF DISPUTES

"(d) (i) IN THE EVENT THE PARTIES HERETO ARE UNABLE TO REACH AGREEMENT ON AMOUNTS OF ADJUSTED RENTALS ON OR PRIOR TO THE DATE WHICH IS TEN (10) MONTHS PRIOR TO THE RENTAL ADJUSTMENT DATE, EITHER PARTY MAY ELECT AT ANY TIME ON OR AFTER SUCH DATE TO SUBMIT SUCH DISPUTE TO ARBITRATION (THE "ARBITRATION PROCESS"). THE ARBITRATION SHALL OCCUR IN THE COUNTY OF LOS ANGELES BEFORE A SINGLE ARBITRATOR WHO SHALL BE SELECTED AS SET FORTH HEREBIN. EITHER PARTY MAY INITIATE (THE "INITIATING PARTY") THE ARBITRATION PROCESS BY sending written notice to the other party (THE "RESPONDING PARTY"), requesting initiation of the arbitration process.

(ii) 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 IS AS OF THE EFFECTIVE DATE CONTAINED IN TITLE 9 OF PART III OF THE CALIFORNIA CODE OF CIVIL PROCEDURE, COMMENCING WITH SECTION 1280 (THE "CALIFORNIA ARBITRATION ACT"), EXCEPT AS OTHERWISE PROVIDED HEREBIN. HOWEVER, 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:
"(A) THE ARBITRATOR SHALL BE A RETIRED JUDGE OF THE CALIFORNIA SUPERIOR COURT, COURT OF APPEAL OR SUPREME COURT, OR ANY FEDERAL DISTRICT COURT OR COURT OF APPEALS.


"(C) COUNTY AND LESSEE HEREBY AFFIRM THAT A MUTUAL OBJECTIVE OF SUCH ARBITRATION IS TO CAUSE THE ADJUSTED RENTALS TO BE DETERMINED AS EXPEDITIOUSLY AS POSSIBLE. THE ARBITRATION PROCESS SHALL NOT APPLY TO OR BE USED TO DETERMINE ISSUES OTHER THAN THE ADJUSTED RENTALS, AND THE ISSUE OF DELAY UNDER PARAGRAPH 5.07 OF THE AMENDMENT. THE ARBITRATOR SHALL RENDER AN AWARD. EITHER PARTY MAY, AT ITS SOLE COST AND EXPENSE, REQUEST FINDINGS OF FACT AND CONCLUSIONS OF LAW ("FINDINGS"). HOWEVER, THE FINDINGS SHALL BE SOLELY TO REQUIRE THE ARBITRATOR TO EXPLAIN HIS OR HER REASONING AND SHALL BE IN SUCH DETAIL AS THE ARBITRATOR MAY DETERMINE IN HIS OR HER SOLE DISCRETION. FINDINGS SHALL NOT BE USED FOR ANY PURPOSE WHATSOEVER, INCLUDING WITHOUT LIMITATION AS GROUNDS FOR A PETITION TO CONFIRM, VACATE OR MODIFY AN AWARD OR ANY APPEAL THAT MAY BE TAKEN PURSUANT TO THIS SECTION 15. THE AWARD DETERMINING ADJUSTED RENTALS SHOULD BE MADE BY THE APPOINTED ARBITRATOR NO LATER THAN SIX (6) MONTHS AFTER THE DATE ON WHICH THE ARBITRATOR IS SELECTED BY MUTUAL AGREEMENT OF THE PARTIES, OR SIX (6) MONTHS AFTER THE DATE ON WHICH THE COURT SIGNS THE ORDER APPOINTING THE ARBITRATOR, WHICHEVER APPLIES. 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 DETERMINING ADJUSTED RENTALS NO LATER THAN THE END OF SUCH SIX (6) MONTH PERIOD. NOTWITHSTANDING THE FOREGOING, FAILURE TO COMPLETE THE ARBITRATION WITHIN SUCH SIX (6) MONTH PERIOD SHALL NOT RENDER SUCH ARBITRATION OR ANY DETERMINATION MADE THEREIN VOID OR VOIDABLE.

"(D) THE FIRST SENTENCE OF CODE OF CIVIL PROCEDURE §1280.1 AS EXISTING ON THE EFFECTIVE DATE SHALL APPLY TO THE ARBITRATION PROCEEDINGS THROUGHOUT THE TERM OF THE LEASE, WITHOUT REGARD TO THE SECOND SENTENCE OF SAID SECTION.
"(E) THE PROVISIONS OF CODE OF CIVIL PROCEDURE §1282.2 SHALL APPLY TO THE ARBITRATION PROCEEDINGS EXCEPT AS FOLLOWS:

"(I) THE ARBITRATOR SHALL APPOINT A TIME AND PLACE FOR THE HEARING AND SHALL CAUSE NOTICE THEREOF TO BE SERVED AS PROVIDED IN SAID SECTION 1282.2 NOT LESS THAN 120 DAYS BEFORE THE HEARING, REGARDLESS OF THE AGGREGATE AMOUNT IN CONTROVERSY.

"(II) TWENTY-FIVE (25) DAYS PRIOR TO THE DATE FIRST SET FOR THE HEARING, 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:

"(x) A LIST OF WITNESSES EACH INTENDS TO CALL AT THE HEARING, DESIGNATING WHICH WITNESSES WILL BE CALLED AS EXPERT WITNESSES;

"(y) A LIST OF THE DOCUMENTS EACH INTENDS TO INTRODUCE AT THE HEARING, TOGETHER WITH COMPLETE AND CORRECT COPIES OF ALL SUCH DOCUMENTS; AND

"(z) 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.

"(III) NEITHER PARTY MAY, AT ANY TIME DURING THE PROCEEDINGS, INTRODUCE ANY WRITTEN REPORT OF AN EXPERT WITNESS WHICH EXPRESSES AN OPINION REGARDING FAIR MARKET RENTALS ("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 THE LEASE; CORRELATE THE APPRAISAL METHOD(S) APPLIED; DISCUSS THE RELEVANT FACTORS AND DATA CONSIDERED; REVIEW RENTALS PAID BY LESSEES WITHIN SOUTHERN CALIFORNIA WHO ARE AUTHORIZED TO CONDUCT SIMILAR ACTIVITIES ON COMPARABLE LEASEHOLDS, IF ANY; DESCRIBE THE TECHNIQUE OF ANALYSIS, LIMITING CONDITIONS AND COMPUTATIONS THAT WERE USED IN THE FORMULATION OF
THE VALUATION OPINION EXPRESSED; AND EXPRESS AN
OPINION REGARDING THE FAIR MARKET RENTAL VALUE OF
THE PREMISES AS PRESCRIBED BY SECTION 12 (SQUARE
FOOT RENTAL) AND SECTION 13 (PERCENTAGE RENTALS)
THAT SHOULD BE PAID BY THE LESSEE FOR THE PERIOD
OF TEN (10) YEARS. SUCH WRITTEN APPRAISAL
EVIDENCE SHALL IN ALL OTHER RESPECTS BE IN
MATERIAL CONFORMITY WITH AND SUBJECT TO THE
REQUIREMENTS OF THE CODE OF PROFESSIONAL ETHICS
AND THE STANDARDS OF PROFESSIONAL PRACTICE OF THE
AMERICAN INSTITUTE OF REAL ESTATE APPRAISERS.

"(IV) THE PROVISIONS OF CODE
OF CIVIL PROCEDURE §1282.2(a)(2)(E) SHALL APPLY
EXCEPT WITH RESPECT TO WRITTEN APPRAISAL EVIDENCE.
THE ARBITRATOR SHALL HAVE NO DISCRETION TO ALLOW A
PARTY TO INTRODUCE WRITTEN APPRAISAL EVIDENCE
UNLESS SUCH EVIDENCE SUBSTANTIALLY COMPLIES WITH
THE REQUIREMENTS OF SUBSECTION (III) AND WAS
PREVIOUSLY DELIVERED TO THE OTHER PARTY IN
ACCORDANCE WITH SUBSECTION (II).

"(F) 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 SUBSECTION (E) ABOVE.

"(G) EITHER PARTY MAY APPEAL FROM
AN ORDER DISMISSING OR DENYING A PETITION TO COMPEL
ARBITRATION, AN ORDER DISMISSING A PETITION TO CONFIRM
AN AWARD, OR AN ORDER VACATING AN AWARD UNLESS A
REHEARING IN ARBITRATION IS ORDERED. THE PARTIES WAIVE
ANY RIGHT TO APPEAL FROM A JUDGMENT CONFIRMING AN
ARBITRATION AWARD, FROM AN ORDER DISMISSING A PETITION
tO CORRECT OR VACATE AN AWARD, FROM AN ORDER VACATING
AN AWARD IN WHICH A REHEARING IN ARBITRATION IS
ORDERED, OR FROM A SPECIAL ORDER AFTER FINAL JUDGMENT.
THE PROVISIONS OF CODE OF CIVIL PROCEDURE §1294 (d) AND
(e) SHALL NOT APPLY.

"(H) LESSEE AND COUNTY SHALL
EQUALLY SHARE THE EXPENSES AND FEES OF THE ARBITRATOR,
TOGETHER WITH OTHER EXPENSES OF THE ARBITRATOR INCURRED
OR APPROVED BY THE ARBITRATOR, EXCLUDING COUNSEL FEES
OR WITNESS FEES OR OTHER FEES INCURRED BY A PARTY FOR
ITS OWN BENEFIT. IF EITHER PARTY FAILS TO PAY ITS
SHARE OF SUCH EXPENSES AND FEES AS AND WHEN DUE, THE
OTHER PARTY MAY PAY SUCH EXPENSES AND FEES ON BEHALF OF
THE DEFAULTING PARTY. THE PARTY PAYING SUCH EXPENSES
AND FEES ON BEHALF OF SUCH DEFAULTING PARTY SHALL BE ENTITLED TO RECOVER THE ACTUAL AMOUNTS PAID, TOGETHER WITH INTEREST AT THE MAXIMUM RATE THEN ALLOWED BY LAW, ON DEMAND FROM THE DEFAULTING PARTY. IF LESSEE IS THE DEFAULTING PARTY, ALL SUMS ADVANCED BY COUNTY TO PAY SUCH EXPENSES AND FEES, WITH INTEREST AT SUCH MAXIMUM RATE, SHALL BE DUE TO COUNTY AS ADDITIONAL RENT. IF COUNTY IS THE DEFAULTING PARTY, ALL SUMS ADVANCED BY LESSEE TO PAY SUCH EXPENSES AND FEES, WITH INTEREST AT SUCH MAXIMUM RATE, MAY BE DEDUCTED FROM THE NEXT INSTALLMENTS OF SQUARE FOOT AND PERCENTAGE RENTALS DUE TO COUNTY PURSUANT TO THE LEASE.

"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 SUCH 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."

County's Initials

Lessee's Initials

"(e) If the Adjusted Rentals are determined after the applicable Rental Adjustment Date, then on the Settlement Date (as defined below), for the period between the applicable Rental Adjustment Date and the actual date of payment (the "Retroactive Period"), Lessee shall pay to County, or County shall credit to Lessee, the difference between the actual rents paid by Lessee and the rents that should have been paid in accordance with the new rental rates as so determined (the "Retroactive Payment"). If the amount of rent paid by Lessee to County during the Retroactive Period is more or less than the amount which is determined to be due, then Lessee (with respect to overpayments) or County (with respect to underpayments) shall further be entitled to interest on each portion of the Retroactive Payment from each date on which the applicable square
foot rental and percentage rentals were payable under the Lease to the date paid or credited, whichever is applicable, at the following rates:

"(i) If the Settlement Date occurs no later than six months after the applicable Rental Adjustment Date, the interest rate shall be equal to the average daily rate computed by the Auditor-Controller of the County for the funds held and invested by the Treasurer and Tax Collector (the "County Pool Rate") during the period between the Rental Adjustment Date and the Settlement Date.

"(ii) If the Settlement Date occurs later than six months after the Rental Adjustment Date, the interest rate shall be the average County Pool Rate for the six month period after the Rental Adjustment Date, and the average prime rate published in the Wall Street Journal plus three percent (3%) for the period between that date which is six months after the Rental Adjustment Date and the actual date of payment.

"(iii) In no event shall the rate of interest payable pursuant to this Lease exceed the maximum rate permitted by law.

"If the Adjusted Rentals are determined by mutual agreement, the Settlement Date shall be three (3) working days after the date on which the Adjusted Rentals are determined. If the Adjusted Rentals are determined by arbitration, then the Settlement Date shall be five (5) working days after the award is made by the arbitrator, regardless of whether a party intends to file or actually does file a petition to confirm, correct or vacate such award. Notwithstanding the foregoing, if the Adjusted Rentals are determined to be less than the rentals paid prior to the applicable Rental Adjustment Date, County shall have the option to credit the amount of the Retroactive Payment plus interest thereon as provided above against the next installments of square foot and percentage rentals due following the Settlement Date."

ARTICLE 7. RESTORATION.

7.01. Interpretation. It is agreed that the following provisions of the Lease relating to the County’s election to have the Premises restored upon Lease termination or expiration as set forth in Section 18 of the Lease shall have the following meaning.

7.01.01. The rights of the County to require the Lessee to restore the Premises upon the termination or expiration of the Lease shall mean the right to notify the representative of the Lessee with whom the County communicates
regrading matters relating to this Lease by oral or written communication delivered to such individual on or before the date of termination or expiration of the Lease that the County elects to have the Premises restored.

7.01.02. The obligation of the Lessee to restore the Premises not later than the termination or expiration date upon such an election being made by the County shall mean the date on which the Lessee's possession under the Lease is to end, as set by Section 21.C. in the event of termination and by Section 3 in the event of expiration, or such later date as the parties may set by further agreement based on the time that will be required for the Lessee to diligently and in good faith cease all operations, remove all machinery, appliances and fixtures, and restore the Premises to the condition required by the Lease.

7.01.03. The restoration of the Premises to as good and usable condition as the same were in at the time of first occupation by the Lessee shall mean the condition of the Premises on May 10, 1961, subject only to the exception for ordinary wear and tear.

7.01.04. The condition of the Premises on May 10, 1961, shall mean, in addition to the absence of all the works, structures and improvements that have been placed or maintained on the Premises by the Lessee, the absence of any Hazardous Substances in excess of minimal permissible levels, as established by applicable governmental regulations, that may have been used, installed, generated, treated, transported, handled, stored, released, discharged or placed on, under or about the Premises by the Lessee or its tenants between May 10, 1961, and the Lessee's surrender of possession of the Premises to the County.

7.02. Hazardous Substances. The term "Hazardous Substances," as used in this Amendment, means by way of example and not limitation, each of the following substances, materials and wastes.


7.02.02. Those substances defined as "hazardous wastes" in Section 25117 and/or Section 25501(1) of the California Health and Safety Code, or as "hazardous substances" in Section 25281(d), Section 25316 and/or Section 25501(k) of the
California Health and Safety Code, or those substances defined as "hazardous materials" in Section 25501(j) of the California Health and Safety Code, and in the regulations promulgated pursuant to said laws.

7.02.03. Those chemicals known to cause cancer or reproductive toxicity, as published pursuant to the Safe Drinking Water and Toxic Enforcement Act of 1986, Sections 25249.5 et seq. of the California Health and Safety Code.

7.02.04. Those substances listed in the United States Department of Transportation Table (49 CFR 172.101 and amendments thereto) or by the Environmental Protection Agency (or any successor agency) as hazardous substances (40 CFR Part 302 and amendments thereto).

7.02.05. Such other substances, materials and wastes which are or become regulated under applicable local, state or federal law, or which are classified as hazardous or toxic under federal, state or local law or regulations.

7.02.06. Any material, waste or substance which is petroleum, asbestos, polychlorinated biphenyls, designated as a "hazardous substance" pursuant to Section 311 of the Clean Water Act, 33 U.S.C. Sections 1251 et seq. (33 U.S.C. Sections 1321) or listed pursuant to Section 307 of the Clean Water Act (33 U.S.C. Section 1317), flammable explosives, or radioactive materials.

ARTICLE 8. INDEMNITY.

8.01. Environmental Losses. It is agreed that the Lessee, at the Lessee's sole cost and expense, shall indemnify and hold harmless the County from and against the full amount of any and all Environmental Losses. The term "Environmental Losses" shall mean any and all loss, liability, expense or damage (including, without limitation, all attorneys' fees and costs and all other professional or consultants' fees and costs), incurred by the County as a result of any of the following matters arising out of the activities conducted on the Premises by the Lessee or its tenants between May 10, 1961, and the Lessee's surrender of possession of the Premises to the County.

8.01.01. The use of the Premises for any activity involving the use, installation, generation, treatment, transportation, handling, storage, release, discharge or disposal of Hazardous Substances.

8.01.02. Any investigation or inquiry by any governmental authority or remedial obligations under any applicable laws, rules or regulations pertaining to health or the environment.
8.01.03. The failure of the Lessee or its tenants to have obtained all permits, licenses, and approvals required by any federal, state, county, regional or local or other authority relating to environmental protection and/or matters pertaining to the regulation and/or disclosure of the use, presence, disposition and/or storage of Hazardous Substances.

8.01.04. The failure of the Lessee or its tenants to have removed Hazardous Substances determined to be present on the Premises and/or to otherwise comply with all regulations and orders of all federal, state, county, regional, local and other authorities relating thereto or to pay all costs in connection therewith.

8.01.05. Any action taken by the County to eliminate any Hazardous Substances from the Premises and/or to otherwise comply with all applicable regulations and orders of all federal, state, county, regional, local and other authorities relating thereto.

8.01.06. The failure of the Lessee or its tenants or their employees, agents, contractors or subcontractors, to have complied fully and in a timely manner with all applicable federal, state and local laws, regulations, guidelines, codes and ordinances applicable to the use, installation, generation, treatment, transportation, handling, storage, release, discharge or disposal of Hazardous Substances on the Premises.

8.02. Limitations: Exception. While the provisions of the foregoing paragraph and subparagraphs shall not be deemed to apply to any condition first occurring before May 10, 1961, or after the Lessee’s surrender of possession of the Premises to the County, they shall be fully applicable to any condition first arising after May 10, 1961, and existing both before and after the Lessee’s surrender of possession to the County.

8.03. Payments. Payments in respect of all Environmental Losses shall be due and payable as such Environmental Losses are incurred.

8.04. Survival. The liability of the Lessee under this agreement of indemnity shall survive the termination or expiration of the Lease.

8.05. Limitation on Actions. All applicable statutes of limitations are waived, as it is agreed there shall be no time limitation to the enforcement of this agreement of indemnity.
8.06. **Notice.** Any notice that the County or the Lessee may be required or entitled to give to the other party shall be in writing and shall be delivered by personal service or mailed by registered or certified mail, return receipt, postage prepaid to the following addresses.

8.06.01. Notices to the County shall be sent to the Director of Beaches and Harbors, County of Los Angeles, 13837 Fiji Way, Marina del Rey, California 90292, or such other address as the County may give notice.

8.06.02. Notices to the Lessee shall be sent to the Manager Real Estate, Southern Division, Unocal Refining and Marketing Division, 17700 Castleton Street, Suite 500, City of Industry, California 91748, or such other address as the Lessee may give notice.

8.07. **Successors and Assigns.** This agreement of indemnity shall be binding upon, and inure to the benefit of the County and the Lessee and their respective successors and assigns.

8.08. **Failure and Indulgence Not Waiver.** No failure or delay on the part of the County in the exercise of any right shall operate as a waiver thereof, nor shall any single or partial exercise of any right preclude any other or further exercise of such right.

8.09. **Governing Law.** This agreement of indemnity shall be governed and construed in accordance with the laws of the State of California.

**ARTICLE 9. OTHER MATTERS OF AGREEMENT.**

9.01. **Department: Director.** All references to the "Department" and "Director" in the Lease shall mean the Department of Beaches and Harbors and the Director of the Department of Beaches and Harbors.

9.02. **Ratification.** All other terms of the Lease shall remain in full force and effect and are reaffirmed.

9.03. **Effective Date.** The effective date of this Amendment (the "Effective Date") shall be the date of its approval by the Los Angeles County Board of Supervisors (the "Board of Supervisors").

IN WITNESS WHEREOF, the parties have executed the Amendment, and the County has, by order of its Board of Supervisors caused the Amendment to be subscribed by the Chairman of the Board of Supervisors and attested by the Clerk of the Board.
CORPORATE ACKNOWLEDGMENT

State of California
County of Los Angeles

On this the 14 day of March 1991, before me, Bette J. Stewart, the undersigned Notary Public, personally appeared R. P. Van Zandt, personally known to me and proved to me on the basis of satisfactory evidence to be the person(s) who executed the within instrument as Assistant Secretary or on behalf of the corporation therein named, and acknowledged to me that the corporation executed it. WITNESS my hand and official seal.

Notary's Signature
of Supervisors, on the day, month and year of the approval of the Amendment by the Board of Supervisors.

UNION OIL COMPANY OF CALIFORNIA
dba UNOCAL, a California corporation

By

STATE OF CALIFORNIA )
COUNTY OF LOS ANGELES ) ss.

On this ___ day of __________, in the year ____ before
_________________________ personally appeared ________________
and ______________________, personally known to me (or
proved to me on the basis of satisfactory evidence) to be the
person who executed the within instrument as ______________________
_________________________ named and acknowledged to me
that such corporation executed the within instrument pursuant to
its by-laws or a resolution of its board of directors.

WITNESS my hand and official seal. (SEAL)

NOTARY PUBLIC IN AND FOR SAN
COUNTY AND STATE

ATTEST:

LARRY J. MONTEILH
Executive Officer-Clerk of
the Board of Supervisors

By Deputy

APPROVED AS TO FORM:

DE WITT W. CLINTON
County Counsel

By Deputy

APPROVED AS TO BUSINESS TERMS:

Riordan & McKinzie, a
professional corporation

By

Richard J. Riordan,
Principal

Skadden, Arps, Meagher & Flom

By

Richard Volpert

3/AMEND.14/91
STATE OF CALIFORNIA  )
COUNTY OF LOS ANGELES  ) SS.

On this 18th day of March, 1991, before me, Vickie A. Norwood, the undersigned Notary Public, personally appeared C. C. ROW, personally known to me to be the person who executed the within instrument as MANAGER, MARKETING REAL ESTATE or on behalf of the corporation therein named, and acknowledged to me that the corporation executed it.

WITNESS my hand and official seal.

[Signature]

VICKIE A. NORWOOD
NOTARY PUBLIC CALIFORNIA
PRINCIPAL OFFICE IN LOS ANGELES COUNTY
My Commission Expires March 4, 1994