

#3

AMENDMENT NO. 3 TO LEASE NO. 7580
PARCELS 18 AND 19
MARINA DEL REY

THIS AMENDMENT TO LEASE made this 30th day of October, 1967.

BY AND BETWEEN
APPROVED BY
BOARD OF SUPERVISORS

COUNTY OF LOS ANGELES, hereinafter referred to as "County,"

DOLPHIN MARINA, LTD., a limited partnership, hereinafter referred to as "Lessee," acting herein by Goldrich and Kest, Inc. a corporation as General Partner

OCT 30 1967

James S. Mize
James S. Mize,
Clerk of the Board

WITNESSETH:

WHEREAS, on October 25, 1963, County as Lessor, leased to Stanley Diller, an individual and Joyral Corporation, a corporation, joint venturers, certain premises known as Parcels No. 18 and 19, Marina del Rey, which premises consisted of a total of 538,696 square feet and are more particularly described as follows:

Marina del Rey, Lease Parcel No. 18. Parcels 241 and 242, in the County of Los Angeles, State of California, as shown on 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.

Marina del Rey, Lease Parcel No. 19. Parcels 243 and 244, in the County of Los Angeles, State of California, as shown on 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 and harbor utility purposes

over those portions thereof designated on said map to be reserved by said County for such purposes. Which lease was recorded September 22, 1965 in Book M1984, Pages 58 etc. of the Official Records of Los Angeles County, California, and to which lease reference is hereby made; and

WHEREAS, said lease was amended by an Amendment to lease dated March 26, 1964 signed by County and said joint venturers and recorded on November 17, 1966 in said Official Records in Book M2391 Pages 597 etc., and

WHEREAS, said lease was amended by Amendment No. 2 to lease for Parcels 18 and 19, Marina del Rey, dated January 26, 1966, signed by County and Stanley Diller, as Lessee, and recorded on September 23, 1966 in said Official Records in Book M2348, Pages 466 etc; and

WHEREAS, said Amendment No. 2 referred to said lease as dated September 3, 1963 but should have referred to it as dated October 25, 1963; and

WHEREAS, Dolphin Marina, Ltd., a limited partnership is now the owner of the Lessee's interest in said lease, and

WHEREAS, the parties wish to amend said lease, as amended above, in order to clarify and alter said lease for the purpose of making said lease more protective to County and Lessee.

NOW, THEREFORE, in consideration of the mutual covenants, considerations and promises contained herein, it is mutually agreed by and between the parties hereto as follows:

1. The above Amendment No. 2 shall be and is corrected to refer to a lease dated October 25, 1963.

2. The fourth sentence in Section 7, "RENTAL PAYMENT SECURITY," which reads as follows: "Failure to maintain the full amount of said deposit shall subject this lease to forfeiture" shall be and is hereby deleted.

3. The words "repairs" and "repair" shall be deleted from Section 8, "ADDITIONAL CONSTRUCTION," wherever such words appear. The following sentence shall be and is added to the end of Section 8, to wit:

"General maintenance repairs may be made by the Lessee without the approval of the Director provided no changes in the approved

structure and design are made. In such event, such changes shall be approved by Director."

4. Wherever written notice is provided for in Section 20, "SERVICE OF WRITTEN NOTICE OR PROCESS" or in any other Section of the lease, such notice shall be by registered mail.

5. Section 21, "DEFAULT," as amended by said Amendment No. 2, is hereby deleted and the following substituted therefor:

21. DEFAULT AND CANCELLATION.

A. The following events are deemed to be "events of default":

(a) The failure of Lessee to pay the rentals due or make any other payments required hereunder within ten (10) days after written notice from County that said payments are delinquent.

(b) The failure of Lessee to keep, perform and observe any and all promises, covenants, conditions and agreements set forth in this lease on its part to be so kept, performed or observed within thirty (30) days after written notice of breach thereof from County, provided, however, that where fulfillment of any such promises, covenants, conditions or agreement requires activity over a period of time and Lessee shall have commenced to perform whatever may be required to cure the particular breach within thirty (30) days after receipt of the aforesaid thirty (30) days' notice and continues such performance diligently, an "event of default" shall not occur so long as Lessee diligently pursues the performance of whatever may be required to cure the breach.

(c) The abandonment, vacation or discontinuance of its use of the demised premises for a period of thirty (30) days at any one time after written notice from County calling attention to such abandonment, except when prevented by fire, earthquakes, strikes or other calamity beyond its control.

B. Lessee shall not be considered in default as to any provisions of this lease when such default is the result of, or pursuant to, any process, order or decree of any court or regulatory body of competent jurisdiction.

C. Notwithstanding any of the foregoing, County shall not exercise any remedy available to it for an "event of default" and will not forfeit the lease unless County shall have given written notice of such default or defaults to any trustee, beneficiary or mortgagee under a deed of trust or mortgage affecting the demised premises or any part thereof. Such notice shall be sent simultaneously with the notice to Lessee referred to above. It shall be sent by registered mail, postage prepaid, addressed as the trustee, beneficiary or mortgagee or each of them shall from time to time instruct County, or in the absence of such instructions, addressed as shown on the deed of trust or mortgage. After receipt of said notice, said trustee, beneficiary or mortgagee (hereinafter referred to collectively as "encumbrance holder") or each of them shall have the right and the power to cure the events of default specified in the manner described below, and if all of said events of default are cured, this lease shall remain in full force and effect. Said events of default may be cured in the following manner:

(a) If the event of default be in the payment of rental, taxes, insurance premiums, utility charges, or any other sum of money, the encumbrance holder may pay the same to County or other proper payee within thirty-five (35) days after mailing of the aforesaid notice of default to said encumbrance holder. If, after any payment to County by the encumbrance holder as aforesaid, the Lessee pays the same or any part thereof to County, County shall promptly refund said payment to encumbrance holder.

(b) If the event of default be other than as specified in subparagraph (a) above and cannot be cured by the payment of money as aforesaid, the default shall be cured.

(i) If the encumbrance holder cures, remedies and corrects the default or commences and diligently pursues the performance of the thing or work required to be done to cure, correct and remedy the default;

OR

(i) If within sixty (60) days after the mailing of the said notice to encumbrance holder by County said encumbrance holder commences foreclosure by judicial action or trust deed sale of its encumbrance, (said

sixty-day period shall be extended by the time during which encumbrance holder is prevented from commencing foreclosure by any order, judgment or decree of any court or regulatory body of competent jurisdiction); and

(ii) Said foreclosure is prosecuted with reasonable diligence;

and

(iii) If within thirty-five (35) days after such foreclosure sale and the vesting of title free of redemption in the purchaser thereat (whether or not such purchaser is the encumbrance holder) said purchaser cures, remedies and corrects the default, or commences and diligently pursues the performance of the thing or work required to be done to cure, correct and remedy said default. If said event of default or any of the events of default at this time are not money defaults and are impossible to cure, said purchaser shall not be obligated to cure such event of default.

D. If an event of default has occurred and has not been cured by Lessee, or an encumbrance holder under the provisions hereinbefore set forth, then and in such event, at the option of County, a ten (10) days' notice shall be sent by County by registered mail to Lessee and any encumbrance holder and ten (10) days after mailing such notice; unless said event of default is cured, this lease shall be forfeited. Upon such termination, Lessee's right to possession of the premises shall terminate and Lessee shall surrender possession thereof immediately. Upon exercise of such right by County, Lessee hereby grants County license to enter upon the demised premises and take possession thereof, including all improvements, equipment and inventory.

E. Notwithstanding any of the foregoing, and in the event County declares the lease forfeited and secures possession under the provisions of this paragraph, the encumbrance holder, within sixty (60) days of such forfeiture and securing of possession, may request and receive a reinstatement of the lease covering the premises subject to his encumbrance and running to said encumbrance holder and his successors and assigns. Said lease shall have the same provisions and conditions as this lease as amended, except to the extent that

any provisions of this lease are, through the passage of time or for other reasons, obviously inapplicable. Said reinstatement shall have a term that shall commence upon the date of the County's securing possession of the premises demised herein and said lease shall terminate on the termination date of this lease. The County shall deliver possession of the property immediately upon the execution of said reinstatement. The encumbrance holder shall, however, pay County the amount of ground or holding rentals due under this lease on and after the date County has secured possession less any net rentals or other income which County may have received on account of said property during the time County may have been in possession of the premises. In addition, the encumbrance holder shall pay any and all rentals unpaid by Lessee under the original lease at the time of forfeiture thereof. However, said encumbrance holder shall be liable only for that proportionate amount of rent attributable to that portion of the demised premises covered by his encumbrance. In addition, said encumbrance holder shall also pay any and all taxes, current or delinquent, that have been levied or assessed against that portion of the demised premises covered by its encumbrance.

6. Section 22, "SUBLEASES, ASSIGNMENTS, TRUST DEED BENEFICIARIES, MORTGAGEES AND SUCCESSORS," as amended by said Amendment No. 2, is hereby deleted in its entirety and the following substituted therefor:

22. SUBLEASES, ASSIGNMENTS, TRUST DEED BENEFICIARIES, MORTGAGEES AND SUCCESSORS.

A. Subleases.

At least thirty (30) days' written notice of intention to sublet portions of the demised premises to others shall be given to Director. During said thirty-day period, Director shall approve or disapprove said proposed sublease. In the event of disapproval, said proposed sublease shall not be made. The gross receipts of any sublessee under any such sublease shall be included within the definition of "Gross Receipts" as set forth in Section 11. Any and all sublessees shall be subject to and bound by each and all of the terms and conditions of this lease and in particular those pertaining to control of prices pursuant to Section 16. The term "sublease" as used in this paragraph shall include any license, permit, or concession by Lessee, and the term

"sublessee" shall include any licensee, permittee or concessionaire of Lessee. Lessee may, without prior approval of Director, sublease portions of the demised premises (including, but not limited to, single residential units, boat slips, and dry storage racks) for a period not to exceed one year, for individual, nonbusiness, noncommercial uses. Lessee may at any time request approval by the Director of a plan to sublease specific residential units for stated periods in excess of one year. No condominium or cooperative dwelling plan of any kind shall be employed without the approval of Director.

B. Trust Deed Beneficiaries and Mortgagees.

Lessee may, with the consent of the County, give, assign, transfer, mortgage, hypothecate, grant control of, or encumber Lessee's interest under this lease and the leasehold estate so created, to a bona fide lender on the security of the leasehold estate, and Lessee may execute any and all instruments in connection therewith necessary and proper to complete such loan and perfect the security therefor to be given to such lender. Any such encumbrance holder shall have the right at any time during the term of the loan and while this lease is in full force and effect:

- (a) To do any act or thing required of Lessee in order to prevent a forfeiture of Lessee's rights hereunder and all such acts or things so done shall prevent a forfeiture of Lessee's rights hereunder as if done by Lessee.
- (b) To realize on the security of the leasehold estate and to acquire and succeed to the interest of Lessee hereunder by foreclosure or by a deed or assignment in lieu of foreclosure and thereafter at such encumbrance holder's option to convey, assign, or sublease the interest or title to said leasehold estate to any other person provided, however, that said person shall agree to perform and be bound by any and all terms, conditions and covenants contained in this lease. One (1) copy of any and all security devices or instruments shall be filed with Director not later than seven (7) days after the effective date thereof, and Lessee shall give Director written notice of any changes or amendments thereto.

The written consent of Lessor shall not be required in the case of:

(i) A transfer of this lease at foreclosure sale of trust deed or at a judicial foreclosure or an assignment to the encumbrance holder in lieu of foreclosure;

(ii) A subsequent transfer by an encumbrance holder who is a purchaser at such foreclosure sale or an assignee in lieu of foreclosure if the transferee is an established bank, savings and loan association or insurance company;

provided that in either such event the encumbrance holder forthwith gives notice to County in writing of any such transfer setting forth the name and address of the transferee, the effective date of such transfer and the express agreement of the transferee assuming and agreeing to perform all of the obligations under this lease, together with a copy of the document by which such transfer was made.

Any transferee under the provisions of the above paragraph shall be liable to perform the obligations of the Lessee under this lease only so long as such transferee holds title to the leasehold. Such transferee shall be liable to pay County any unpaid rentals and other charges that may be due County for any period of time prior to the time when such transferee takes possession of the property provided, however, that such obligation shall not be effective unless County shall have transmitted to encumbrance holder notice of the original lessee's default within sixty (60) days after such default occurs.

Any subsequent transfer of the leasehold shall not be made without the prior written consent of the County and shall be subject to the conditions relating thereto as set forth in Paragraph C of this Section.

Any encumbrance holder shall not be obligated to cure any default or breach if said encumbrance holder is unable to secure possession of the property and if it is necessary for him to have possession in order for him to cure the default or breach. In the event that a period of time is necessary in order for the encumbrance holder to completely cure a default or breach, then he shall not be in default so long as he exercises diligence in the curing of such default or breach. The encumbrance holder shall have all of the rights

with respect to the demised premises as set forth in the deed of trust or mortgage or other lending document approved by the County as herein set forth, including the right to commence an action against the Lessee for the appointment of a receiver and to obtain possession of the demised premises under and in accordance with the terms of said deed of trust, mortgage or other lending instrument.

C. Assignments.

Except as in this Section 22 specifically hereinbefore provided, Lessee shall not, without the written consent of County, either directly or indirectly give, assign, hypothecate, encumber, transfer, or grant control of this lease or any interest, right or privilege therein, or sublet the whole or any portion of the demised premises or license the use of the same in whole or in part. 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 Chapters X and XI of the Bankruptcy Act.

D. Successors.

Each and all of the provisions, agreements, terms, covenants and conditions herein contained to be performed, fulfilled, observed and kept shall be binding upon the heirs, executors, administrators, successors and assigns of the respective parties hereto, and all rights, privileges and benefits arising under this lease and in favor of either party shall be available in favor of the heirs, executors, administrators, successors and assigns thereof respectively provided, that 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.

7. Any and all other terms and conditions contained in the lease shall remain in full force and effect and are hereby reaffirmed.

IN WITNESS WHEREOF, the COUNTY OF LOS ANGELES, by order of its Board of Supervisors, has caused this amendment to lease to be executed on its behalf by the Chairman of said Board and attested by the Clerk thereof, and the

Lessee has executed this amendment to lease, or caused it to be duly executed, the day, month and year first above written.

Dated OCT 20 1967, 19 .

CORPORATE SEAL

DOLPHIN MARINA, LTD., a limited partnership

By Goldrich and Kest, Inc.

By [Signature] President

General Partners

Approved and agreed:

Goldrich and Kest, Inc.

By [Signature] Jona Goldrich

By [Signature] Sol Kest

THE COUNTY OF LOS ANGELES

ATTEST:

JAMES S. MIZE, Clerk of the Board of Supervisors

By [Signature] Deputy

APPROVED AS TO FORM:

HAROLD W. KENNEDY, County Counsel

By [Signature] Deputy Chairman, Board of Supervisors



STATE OF CALIFORNIA)
COUNTY OF LOS ANGELES) ss.

On this _____ day of _____ in the year 1967, before me _____, a Notary Public of said State, duly commissioned and sworn, personally appeared _____ known to me to be the Chairman of the Board of Supervisors of the County of Los Angeles, State of California and the person who executed the within instrument on behalf of the County therein named and acknowledged to me that such County executed

STATE OF CALIFORNIA }
County of Los Angeles } ss.

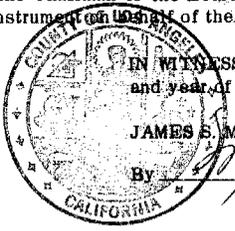
On this 26th day of October, A. D., 1967, before me JAMES S. MIZE, Clerk of the Board of Supervisors of the County of Los Angeles, State of California, residing therein, duly commissioned and sworn, personally appeared

FRANK G. BONELLI

known to me to be the Chairman of the Board of Supervisors of the County of Los Angeles and the person who executed the within instrument on behalf of the County therein named, and acknowledged to me that such County executed the same.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my official seal the day and year of this certificate first above written.

JAMES S. MIZE, Clerk of the Board of Supervisors



By Maria Maruyama

Deputy

the same and that such execution was duly authorized.

In Witness Whereof, I have hereunto set my hand and affixed my official seal the day and year in this certificate first above written.

SEAL

Notary Public in and for said State

My commission expires:

STATE OF CALIFORNIA)
COUNTY OF LOS ANGELES) ss.

On this 17 day of October in the year 1967, before me a Notary Public of said State, duly commissioned and sworn, personally appeared *Jana Goldrich* known to me (or proved to me on the oath of) to be the *President* of Goldrich and Kest, Inc., the general partners of the partnership that executed the within instrument, and acknowledged to me that such partnership executed the same.

In Witness Whereof, I have hereunto set my hand and affixed my official seal the day and year in this certificate first above written.

SEAL

Lawrence A. ...
Notary Public in and for said State

My commission expires:

STATE OF CALIFORNIA }
COUNTY OF LOS ANGELES) ss.

On this *17* day of *October*, 1967, before me, the undersigned, a Notary Public in and for said County and State, personally appeared *Jona Goldrich*, known to me to be the *President*, and *Sal Kest*, known to me to be the *Vice President* of GOLDRICH & KEST, INC., the corporation that executed the within instrument, and known to me to be the persons who executed the within instrument on behalf of the corporation therein named, and acknowledged to me that such corporation executed the same, pursuant to its by-laws or a resolution of its board of directors.

In Witness Whereof, I have hereunto set my hand and affixed my official seal the day and year in this certificate first above written.

SEAL

Lorence Blatkin
Notary Public in and for said State

My commission expires:

Exhibit "1"

LEGAL DESCRIPTION

Marina Del Rey
Lease Parcel No. 17

Parcels 226 to 240 inclusive, in the County of Los Angeles, State of California, as shown on 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.

DESCRIPTION APPROVED

AUG 31 1961

JOHN A. LAMBIE

County Engineer

BY *[Signature]* DEPUTY

OK
CS
10-3-62