"To enrich lives through effective and caring service"

Los Angeles County Beaches & Harbors
Caring for Your Coast

Stan Wisniewski
Director

Kerry Silverstrom
Chief Deputy

ADOPTED
BOARD OF SUPERVISORS
COUNTY OF LOS ANGELES

11 MAY 09 2006

SACHI A. HAMAI
EXECUTIVE OFFICER

May 9, 2006

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

Dear Supervisors:

CONSENT TO ASSIGNMENT OF LEASEHOLD INTEREST AND AMENDMENT TO LEASE – PARCELS 42/43 – MARINA DEL REY HOTEL – LEASE NO. 5577
CONSENT TO ASSIGNMENT OF LEASEHOLD INTEREST AND AMENDMENT TO LEASE – PARCEL 145R – MARINA INTERNATIONAL HOTEL - LEASE NO. 14404
(4th DISTRICT)
(4 VOTES)

IT IS RECOMMENDED THAT YOUR BOARD:

1. Find that the proposed assignment of Lease No. 5577 affecting the leasehold interest in Parcel's 42/43 and the proposed Amendment No. 8 to Lease No. 5577 for Parcels 42/43 are categorically exempt under the California Environmental Quality Act pursuant to classes 1 (r) and 4 (j) of the County's Environmental Document Reporting Procedures and Guidelines.

2. Approve and authorize the Mayor to execute the attached Consent to Assignment of Lease for Parcels 42/43 from MGC Marina del Rey International, a California general partnership, to IWF MDR Hotel, L.P., a California limited partnership.

3. Approve Amendment No. 8 to Lease No. 5577 for Parcels 42/43, the final form of which is attached hereto, which defines changes in management and ownership of a limited liability company that will be considered an event of assignment under Section 22 of the Lease, and authorize the Mayor to execute

the Amendment upon its presentation by the Director of the Department of Beaches and Harbors to the Executive Officer of the Board.

4. Find that the proposed assignment of Lease No. 14404 affecting the leasehold interest in Parcel 145R and the proposed Amendment No. 8 to Lease No. 14404 for Parcel 145R are categorically exempt under the California Environmental Quality Act pursuant to classes 1 (r) and 4 (j) of the County's Environmental Document Reporting Procedures and Guidelines.

5. Approve and authorize the Mayor to execute the attached Consent to Assignment of Lease for Parcel 145R from MGC Marina del Rey International, a California general partnership, to IWF Marina View Hotel, L.P., a California limited partnership.

6. Approve Amendment No. 8 to Lease No. 14404 for Parcel 145R, the final form of which is attached hereto, which defines changes in management and ownership of a limited liability company that will be considered an event of assignment under Section 22 of the Lease, and authorize the Mayor to execute the Amendment upon its presentation by the Director of the Department of Beaches and Harbors to the Executive Officer of the Board.

PURPOSE/JUSTIFICATION OF RECOMMENDED ACTION

MGC Marina del Rey International is the lessee of Parcels 42/43, site of the Marina del Rey Hotel, as a result of a previous assignment approved by your Board on March 13, 2001. MGC Marina del Rey International wishes to assign its interest in Parcels 42/43 to IWF MDR Hotel, L.P. MGC Marina del Rey International is also the lessee of Parcel 145R, site of the Marina International Hotel, as a result of a previous assignment approved by your Board on March 13, 2001. MGC Marina del Rey International wishes to assign its interest in Parcel 145R to IWF Marina View Hotel, L.P. Marina del Rey leases provide that the County's consent is required on most assignments and that such consent may not be unreasonably withheld. Department policy provides that the County's approval or denial of any assignment shall be based on one or more of the following: a) the financial condition of the assignee; b) the price to be paid for the leasehold as it relates to improvements or potential development thereon; and c) the management of the leasehold by the assignee being in the best interest of the whole Marina.

Assignment and Amendment of Lease – Parcels 42/43

Our review has found that: a) the assignee, IWF MDR Hotel, L.P., is a single asset entity formed and adequately capitalized to own and operate the project; b) the sale

price of $22,350,000 is within market standards; c) the parent company of the assignee, Pacifica Hotel Investors, LLC, and its parent company, Invest West Financial Corporation, a California corporation, have the prerequisite experience in acquiring, developing, refurbishing and managing hotel properties similar to the subject leasehold, having owned or managed over 30 hotels and currently operating 20 hotels consisting of 1,680 rooms, including the Jamaica Bay Inn in Marina del Rey (Parcel 27).

The proposed Amendment expands the definition of an assignment of this lease to include limited liability companies. Section 22 of the lease currently provides that subject to certain exceptions, the lessee may not assign all or part of its interest in the lease without the prior written consent of the County, and the change in one or more general partners in a limited partnership and the sale or transfer of fifty percent or more, of the stock in a corporation that owns the leasehold constitutes an event of assignment. County Counsel has indicated that since the proposed new lessee's general partner is a limited liability company, it is appropriate to amend the lease to define that the change in one or more of the managing members or the sale, assignment, or transfer of fifty percent or more of the ownership interests of a limited liability company shall be considered an event of assignment subject to County's approval. IWF MDR Hotel has agreed to execute this proposed amendment, requested by the County, upon the close of escrow.

Assignment and Amendment of Lease – Parcel 145R

Our review has found that: a) the assignee, IWF Marina View Hotel, L.P., is a single asset entity formed and adequately capitalized to own and operate the project; b) the sale price of $10,150,000 is within market standards; and c) the parent company of the assignee, Pacifica Hotel Investors, LLC, and its parent company, Invest West Financial Corporation, a California corporation, have the prerequisite experience in acquiring, developing, refurbishing and managing hotel properties similar to the subject leasehold, having owned or managed over 30 hotels and currently operating 20 hotels consisting of 1,680 rooms, including the Jamaica Bay Inn in Marina del Rey (Parcel 27).

The proposed Amendment expands the definition of an assignment of this lease to include limited liability companies. Section 22 of the lease currently provides that subject to certain exceptions, the lessee may not assign all or part of its interest in the lease without the prior written consent of the County, and the change in one or more general partners in a limited partnership and the sale or transfer of fifty percent or more, of the stock in a corporation that owns the leasehold constitutes an event of assignment. County Counsel has indicated that since the proposed new lessee's general partner is a limited liability company, it is appropriate to amend the lease to define that the change in one or more of the managing members or the sale, assignment, or transfer of fifty percent or more of the ownership interests of a limited

liability company shall be considered an event of assignment subject to County's approval. IWF Marina View Hotel has agreed to execute this proposed amendment, requested by the County, upon the close of escrow.

Implementation of Strategic Plan Goals

The leasehold assignments and amendments are consistent with the County's goal of Service Excellence, in that while maintaining appropriate management of the leaseholds and appropriate protection of County interests, they allow the transfer of the leasehold interests to accommodate completion of a bona fide financial transaction.

FISCAL IMPACT/FINANCING

There is no financial impact to the County as a result of the proposed assignments and amendments.

FACTS AND PROVISIONS/LEGAL REQUIREMENTS

On March 1, 1962, the County entered into a 60-year lease for the premises known as Parcels 42/43, the Marina del Rey Hotel. On March 21, 2001, your Board approved an assignment of this leasehold interest to MGC Marina del Rey International, a California partnership. Parcels 42/43 encompass approximately 6.23 acres of land and approximately 8.90 acres of water and are improved with a 160-room hotel and a 349-slip marina.

On December 31, 1968, the County entered into a 60-year lease for the premises known as Parcel 145R, the Marina International Hotel. On March 21, 2001, your Board approved an assignment of this leasehold interest to MGC Marina del Rey International, a California partnership. Parcel 145R encompasses approximately 2.07 acres of land only and is improved with a 134-room hotel.

The most recent maintenance inspection of Parcels 42/43 was completed on March 8, 2006 and that of Parcel 145R was completed on March 13, 2006. These inspections identified certain items requiring repair and maintenance. The Department has reviewed with the proposed assignees the existing maintenance deficiencies of each leasehold, as well as repair requirements to bring them to Marina standards. The proposed assignees have specifically committed, as a condition of the Department's consent to the assignments, to assume the lease obligations to maintain the leaseholds in accordance with all maintenance, repair and improvement requirements. The proposed assignees have agreed to assume responsibility for each parcel's outstanding lease and rent obligations and other lease obligations that may have arisen from the date of the last audit.

The recently completed audit of each property resulted in a balance owed to the County of $200,312 for Parcel 42/43 and $158,537 for Parcel 145R. The existing lessee, MGC Marina del Rey International, has agreed to pay these outstanding audit amounts through an irrevocable requirement of the escrow, whereby payment of the audit amounts due the County will occur upon the closing of escrow.

At its meeting of April 12, 2006, the Small Craft Harbor Commission considered the Director's recommendations to approve the proposed assignments and amendments. The Commission endorsed the Director's recommendations. County Counsel has approved the documents as to form.

ENVIRONMENTAL DOCUMENTATION

The proposed assignments and amendments are categorically exempt under the California Environmental Quality Act pursuant to classes 1 (r) and 4 (j) of the County's Environmental Document Reporting Procedures and Guidelines.

CONTRACTING PROCESS

Not applicable.

IMPACT ON CURRENT SERVICES (OR PROJECTS)

There is no impact on other current services or projects.

CONCLUSION

Attached are three copies each of the Consent to Assignment of Lease for Parcels 42/43, and the Consent to Assignment of Lease for Parcel 145R. Please authorize the Mayor to execute three copies of each Consent and authorize the Executive Officer of the Board to acknowledge the Mayor's signature. Return two executed copies of each Consent to the Department. The Director will provide copies of Amendment 8 to Lease No. 5577 for Parcels 42/43 and Amendment 8 to Lease No. 14404 for Parcel 145R for execution by the Mayor after execution by IWF MDR Hotel and IWF Marina View Hotel, respectively. Once fully executed, please send two copies of each Amendment to the Department retaining a copy of each for your files.

Please return to the Department an approved copy of this letter.

Respectfully submitted,

Stan Wisniewski
Director

Attachments (4)

c: Chief Administrative Officer
County Counsel

SW:AK:GB

CONSENT TO ASSIGNMENT OF LEASE

The COUNTY OF LOS ANGELES ("**County**"), lessor under that certain Lease No. 5577, dated May 7, 1962, as amended ("**Lease**"), applicable to those certain premises commonly known as Parcels 42 and 43, Marina del Rey Small Craft Harbor, described in Exhibit A, attached hereto and incorporated herein by this reference, does hereby consent to the assignment of said Lease by the present lessee, MGC Marina del Rey International, a California general partnership ("**Assignor**"), to IWF MDR Hotel, L.P., a California limited partnership ("**Assignee**"), in accordance with that certain Assignment of Lease and that certain Acceptance of Assignment of Lease prepared in connection with the proposed assignment contemplated thereby (the "**Assignment**"). It is further understood and agreed that the County's consent to the Assignment is subject to the following express conditions:

A. This Consent to Assignment shall be voidable by the County, until and unless the Assignment is complete and irrevocable in all respects within sixty (60) days of the date of execution on behalf of the County of this Consent to Assignment of Lease.

B. This Consent to Assignment is contingent upon Assignee's assumption and agreement to perform the obligations and liabilities of the lessee under the Lease in accordance with the provisions of the Acceptance of Assignment of Lease being executed and delivered by Assignee concurrently herewith. Nothing herein shall limit the County's ability to pursue remedies against either Assignor or Assignee, at the County's option, for obligations of the lessee created prior to this Assignment, by the terms, covenants and conditions of said Lease.

C. The Assignment, having once become complete and irrevocable in all respects, shall thereafter be fully binding upon Assignee whether or not Assignor and Assignee have entered into a separate agreement or understanding to which the County is not a party and which provides for or otherwise purports to affect the Assignment, and whether or not in such event any party thereto alleges, claims or otherwise shows or proves that there has been a breach, default, violation, or termination of any such separate agreement.

D. Assignee shall not make any further assignment or sublease of the Lease, nor any portion thereof, without the written consent of County as lessor having first been obtained thereto in accordance with, and to the extent required by, the provisions of the Lease.

Dated this 9th day of May, 2006.

COUNTY OF LOS ANGELES

By: Mike Antonovich
Mayor, Board of Supervisors

ATTEST:

SACHI A. HAMAI

Executive Officer of
the Board of Supervisors

By: _____
Deputy

APPROVED AS TO FORM

RAYMOND G. FORTNER, JR.
County Counsel

By: _____
Deputy

ADOPTED
BOARD OF SUPERVISORS
COUNTY OF LOS ANGELES

11 MAY 09 2006

Sachi A. Hamai
SACHI A. HAMAI
EXECUTIVE OFFICER

EXHIBIT A

Legal Description

LEGAL DESCRIPTION

Marina Del Rey
Lease Parcel No. 42

Parcels 717 and 718, 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 3 1 1961
JOHN A. LAMBIE
County Engineer
BY ..... DEPUTY

LEGAL DESCRIPTION

Marina Del Rey
Lease Parcel No. 43

Parcels 719 and 720, 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.

DESCRIPTION APPROVED
AUG 3 1 1961
JOHN A. LAMBIE
County Engineer
BY .....DEPUTY

LEGAL DESCRIPTION

Marina Del Rey
Lease Parcel No. 145R

Those portions of Parcels 494 to 499 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, within the following described boundaries:

Beginning at the intersection of a curve concave to the north, having a radius of 20 feet, tangent to the straight line in the southwesterly boundary of said Parcel 496 and tangent to the straight line in the southeasterly boundary of said last mentioned parcel with a line parallel with and 4 feet northwesterly, measured at right angles, from the straight line in said southeasterly boundary; thence northeasterly along said parallel line 41.00 feet; thence southeasterly at right angles from said parallel line 4.00 feet to said last mentioned straight line; thence northeasterly along said last mentioned straight line and along the southeasterly lines of said Parcels 497 and 498 a distance of 211.00 feet to the easterly corner of said Parcel 498; thence northwesterly along the northeasterly lines of said Parcels 498 and 499 a distance of 350.00 feet to a line parallel with and 10 feet southeasterly, measured at right angles, from the northwesterly line of said Parcel 499; thence southwesterly along said last mentioned parallel line to the beginning of a curve concave to the east, having a radius of 50 feet, tangent to said last mentioned parallel line and tangent to the straight line in the southwesterly boundary of said Parcel 494; thence southerly along said last mentioned curve 78.54 feet to said last mentioned straight line; thence southeasterly along said last mentioned straight line, the southwesterly line of said Parcel 497 and along the straight line in the southwesterly boundary of said Parcel 496 a distance of 269.50 feet; thence northeasterly at right angles from

the straight line in said last mentioned southwesterly boundary 2.00 feet; thence southeasterly parallel with said last mentioned straight line 19.21 feet to said 20 foot radius curve; thence easterly along said 20 foot radius curve 9.53 feet to the point of beginning.

Together with a right of way for ingress and egress to be used in common with others over those portions of the southwesterly 12 feet of Parcels 500 and 501, as shown on said map, which extend from the southeasterly line of said Parcel 501, northwesterly to the southeasterly line of the northwesterly 10 feet of said Parcel 500.

Reserving and excepting unto the County of Los Angeles a right of way for ingress and egress to be used in common with others over those portions of the northeasterly 12 feet of said Parcels 498 and 499, which extend from the southeasterly line of said Parcel 498, northwesterly to a line parallel with and 10 feet southeasterly, measured at right angles, from the northwesterly line of said Parcel 499.

Also reserving and excepting unto the County of Los Angeles a right of way for walk purposes to be used in common with others over those portions of the southeasterly 3 feet of said Parcels 496, 497 and 498, which extend from the northeasterly line of said Parcel 498, southwesterly to the northeasterly line of that certain parcel of land described as Parcel D in resolution, for Admiralty Way, recorded as Document No. 3149, on March 22, 1967, in Book D3591, page 377, of Official Records, in the office of said Recorder.

Also reserving and excepting unto the County of Los Angeles a right of way for walk purposes to be used in common with others over those portions of said Parcels 494, 496 and 497, within the following described boundaries:

Beginning at the northeasterly terminus of said 50 foot radius curve in the northwesterly, westerly and southwesterly boundaries of above described parcel of land; thence southeasterly along a radial of said 50 foot radius curve 3.00 feet; thence southwesterly, southerly and southeasterly along a curve concentric with said 50 foot radius curve to a radial of said 50 foot radius curve at the southeasterly terminus thereof; thence southeasterly parallel with the southwesterly line of said Parcel 497 to the northerly boundary of that certain parcel of land described as Parcel E in above mentioned resolution,

for Palawan Way; thence westerly, northwesterly and southwesterly along the northerly, northeasterly and northwesterly boundaries of said last mentioned certain parcel of land to the straight line in the southwesterly boundary of said Parcel 496; thence northwesterly, northerly and northeasterly along the southwesterly, westerly and northwesterly boundaries of above described parcel of land to the point of beginning.

Also reserving and excepting unto the County of Los Angeles a right of way for access and harbor utility purposes over that portion thereof designated on said map as an easement to be reserved by said County for such purposes.

DESCRIPTION APPROVED
February 6, 1970
JOHN A. LAMBIE
County Engineer

By _____ Deputy

EXHIBIT "A"

Legal Description

AMENDMENT NO. 8 TO LEASE NO. 5577
PARCEL NOS. 42 AND 43 – MARINA DEL REY SMALL CRAFT HARBOR

THIS AMENDMENT TO LEASE is made and entered into this 4th day of April, 2006 ("**Effective Date**").

BY AND BETWEEN COUNTY OF LOS ANGELES,
hereinafter referred to as "**County**",

IWF MDR HOTEL, L.P.,
a California limited partnership,
hereinafter referred to as "**Lessee**"

WITNESSETH

WHEREAS, County and Lessee's predecessor in interest entered into Lease No. 5577 under the terms of which County leases to Lessee's predecessor in interest that certain real property located in the Marina del Rey Small Craft Harbor, County of Los Angeles, State of California, commonly known as Parcels 42 and 43, which leasehold premises (the "**Premises**") is more particularly described on Exhibit "A" attached hereto and incorporated herein (the lease and all amendments thereto are collectively referred to herein as the "**Lease**"); and

WHEREAS, Section 22(C) of the Lease provides that subject to enumerated exceptions, Lessee may not assign all or any part of its interest in the Lease without the prior written consent of the County, and that for purposes of said Section 22(C), the change in one or more general partners in a limited partnership and the sale, assignment or transfer of fifty percent (50%) or more of the stock in a corporation which owns, or is the general partner in a partnership which owns, the leasehold constitutes an event of assignment; and

WHEREAS, in consideration of the County's approval of the transfer of the Lease to Lessee, the parties desire to amend Section 22(C) of the Lease to define what changes in management and ownership of a limited liability company shall be considered an event of assignment under said Section.

NOW, THEREFORE, in consideration of the mutual agreements, covenants, and restrictions contained herein, the parties, and each of them, agree as follows:

1. **SUBLEASES, ASSIGNMENTS, AND SUCCESSORS**. Commencing as of the Effective Date, Section 22(C) of the Lease is amended by adding subsection (3) immediately after subsection (2) to read as follows:

"(3) The change in one or more of the managing members in a limited liability company which owns the leasehold, except by death of a managing member and his or her replacement by a vote of the remaining members, or the sale, assignment, or transfer of fifty

percent (50%) or more of the ownership interest in a limited liability company which owns, or is the general partner in a partnership which owns, the leasehold."

2. Except as herein specifically amended, all terms, conditions, and provisions of the Lease shall be and continue to remain in full force and effect and are unmodified, and each of the parties hereto reaffirms and re-acknowledges its respective obligations under the Lease as amended hereby.

IN WITNESS WHEREOF, County has, by order of its Board of Supervisors, caused this Amendment No. 8 to Lease No. 5577 to be subscribed by the Mayor of said Board and attested by its Executive Officer, and the Lessee has executed the same.

IWF MDR HOTEL, L.P., a California limited partnership

By: IWF MDR HOTEL, LLC,
a California limited liability company, its general partner

By: Invest West Financial, LLC,
a California limited
liability company, its sole member

By: _____
Matthew D. Marquis,
Vice President

COUNTY OF LOS ANGELES

By: _____
Mayor, Board of Supervisors

ATTEST:

SACHI A. HAMAI

Executive Officer of the Board of Supervisors

By: _____
Deputy

APPROVED AS TO FORM:

RAYMOND G. FORTNER, JR.,
County Counsel

By: _____
Deputy

CALIFORNIA ALL-PURPOSE ACKNOWLEDGMENT

State of California
County of Santa Barbara } ss.

On 4-4-06 (Date) before me, Daune Elaine Dowell Notary Public (Name and Title of Officer (e.g., "Jane Doe, Notary Public"))

personally appeared Matthew D. Morgulis (Name(s) of Signer(s))

☑ personally known to me
☐ 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.

WITNESS my hand and official seal.

Signature of Notary Public

DAUNE ELAINE DOWELL
Commission # 1360468
Notary Public - California
Santa Barbara County
My Comm. Expires Jun 10, 2008

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

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
Top of thumb here

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5577 Supplement No. 8

AMENDMENT NO. 8 TO LEASE NO. 5577
PARCEL NOS. 42 AND 43 – MARINA DEL REY SMALL CRAFT HARBOR

THIS AMENDMENT TO LEASE is made and entered into this 4th day of April, 2006 ("**Effective Date**").

BY AND BETWEEN COUNTY OF LOS ANGELES,
hereinafter referred to as "**County**",

IWF MDR HOTEL, L.P.,
a California limited partnership,
hereinafter referred to as "**Lessee**"

WITNESSETH

WHEREAS, County and Lessee's predecessor in interest entered into Lease No. 5577 under the terms of which County leases to Lessee's predecessor in interest that certain real property located in the Marina del Rey Small Craft Harbor, County of Los Angeles, State of California, commonly known as Parcels 42 and 43, which leasehold premises (the "**Premises**") is more particularly described on Exhibit "A" attached hereto and incorporated herein (the lease and all amendments thereto are collectively referred to herein as the "**Lease**"); and

WHEREAS, Section 22(C) of the Lease provides that subject to enumerated exceptions, Lessee may not assign all or any part of its interest in the Lease without the prior written consent of the County, and that for purposes of said Section 22(C), the change in one or more general partners in a limited partnership and the sale, assignment or transfer of fifty percent (50%) or more of the stock in a corporation which owns, or is the general partner in a partnership which owns, the leasehold constitutes an event of assignment; and

WHEREAS, in consideration of the County's approval of the transfer of the Lease to Lessee, the parties desire to amend Section 22(C) of the Lease to define what changes in management and ownership of a limited liability company shall be considered an event of assignment under said Section.

NOW, THEREFORE, in consideration of the mutual agreements, covenants, and restrictions contained herein, the parties, and each of them, agree as follows:

1. **SUBLEASES, ASSIGNMENTS, AND SUCCESSORS**. Commencing as of the Effective Date, Section 22(C) of the Lease is amended by adding subsection (3) immediately after subsection (2) to read as follows:

"(3) The change in one or more of the managing members in a limited liability company which owns the leasehold, except by death of a managing member and his or her replacement by a vote of the remaining members, or the sale, assignment, or transfer of fifty

percent (50%) or more of the ownership interest in a limited liability company which owns, or is the general partner in a partnership which owns, the leasehold."

2. Except as herein specifically amended, all terms, conditions, and provisions of the Lease shall be and continue to remain in full force and effect and are unmodified, and each of the parties hereto reaffirms and re-acknowledges its respective obligations under the Lease as amended hereby.

IN WITNESS WHEREOF, County has, by order of its Board of Supervisors, caused this Amendment No. 8 to Lease No. 5577 to be subscribed by the Mayor of said Board and attested by its Executive Officer, and the Lessee has executed the same.

IWF MDR HOTEL, L.P., a California limited partnership

By: IWF MDR HOTEL, LLC,
a California limited liability company, its general partner

By: Invest West Financial, LLC,
a California limited
liability company, its sole member

By: _____
Matthew D. Marquis,
Vice President

COUNTY OF LOS ANGELES

By: _____
Mayor, Board of Supervisors

ATTEST:

SACHI A. HAMAI
Executive Officer of the Board of Supervisors

By: _____
Deputy

APPROVED AS TO FORM:

RAYMOND G. FORTNER, JR.,
County Counsel

By: _____
Deputy

ADOPTED
BOARD OF SUPERVISORS
COUNTY OF LOS ANGELES

11 MAY 9 2006

SACHI A. HAMAI
EXECUTIVE OFFICER

14404 Supplement No. 8

AMENDMENT NO. 8 TO LEASE NO. 14404
PARCEL NO. 145R – MARINA DEL REY SMALL CRAFT HARBOR

THIS AMENDMENT TO LEASE is made and entered into this 4TH day of April, 2006 ("**Effective Date**").

BY AND BETWEEN COUNTY OF LOS ANGELES,
hereinafter referred to as "**County**",

IWF MARINA VIEW HOTEL, L.P.,
a California limited partnership,
hereinafter referred to as "**Lessee**"

WITNESSETH

WHEREAS, County and Lessee's predecessor in interest entered into Lease No. 14404 under the terms of which County leases to Lessee's predecessor in interest that certain real property located in the Marina del Rey Small Craft Harbor, County of Los Angeles, State of California, commonly known as Parcel 145R, which leasehold premises (the "**Premises**") is more particularly described on Exhibit "A" attached hereto and incorporated herein (the lease and all amendments thereto are collectively referred to herein as the "**Lease**"); and

WHEREAS, Section 22(C) of the Lease provides that subject to enumerated exceptions, Lessee may not assign all or any part of its interest in the Lease without the prior written consent of the County, and that for purposes of said Section 22(C), the change in one or more general partners in a limited partnership and the sale, assignment or transfer of fifty percent (50%) or more of the stock in a corporation which owns, or is the general partner in a partnership which owns, the leasehold constitutes an event of assignment; and

WHEREAS, in consideration of the County's approval of the transfer of the Lease to Lessee, the parties desire to amend Section 22(C) of the Lease to define what changes in management and ownership of a limited liability company shall be considered an event of assignment under said Section.

NOW, THEREFORE, in consideration of the mutual agreements, covenants, and restrictions contained herein, the parties, and each of them, agree as follows:

1. **SUBLEASES, ASSIGNMENTS, AND SUCCESSORS**. Commencing as of the Effective Date, Section 22(C) of the Lease is amended by adding subsection (3) immediately after subsection (2) to read as follows:

"(3) The change in one or more of the managing members in a limited liability company which owns the leasehold, except by death of a managing member and his or her replacement by a vote of the remaining members, or the sale, assignment, or transfer of fifty

percent (50%) or more of the ownership interest in a limited liability company which owns, or is the general partner in a partnership which owns, the leasehold."

2. Except as herein specifically amended, all terms, conditions, and provisions of the Lease shall be and continue to remain in full force and effect and are unmodified, and each of the parties hereto reaffirms and re-acknowledges its respective obligations under the Lease as amended hereby.

IN WITNESS WHEREOF, County has, by order of its Board of Supervisors, caused this Amendment No. 8 to Lease No. 14404 to be subscribed by the Mayor of said Board and attested by its Executive Officer, and the Lessee has executed the same.

IWF MARINA VIEW HOTEL, L.P., a California limited partnership

By: IWF MARINA VIEW HOTEL, LLC, a California limited liability company, its general partner

By: Invest West Financial, LLC, a California limited liability company, its sole member

By: _____
Matthew D. Marquis,
Vice President

COUNTY OF LOS ANGELES

By: _____
Mayor, Board of Supervisors

ATTEST:

SACHI A. HAMAI

Executive Officer of the Board of Supervisors

By: _____
Deputy

APPROVED AS TO FORM:

RAYMOND G. FORTNER, JR.,
County Counsel

By: _____
Deputy

ADOPTED
BOARD OF SUPERVISORS

11 MAY 9 2006

SACHI A. HAMAI
EXECUTIVE OFFICER