

AMENDMENT NO. 10

TO LEASE NO. 8106

PARCEL NO. 50T-MARINA DEL REY

This LEASE AMENDMENT (the "Amendment") is made by and between the County of Los Angeles (the "County") and Benequity Properties, a California limited partnership (the "Lessee"), who agree as follows:

ARTICLE 1. BACKGROUND AND GENERAL.

1.01. Property: Parcel 50T. The County is the owner of a parcel of land located in the Marina del Rey Small Craft Harbor, County of Los Angeles, State of California, that is commonly referred to by the parties as parcel 50T (the "Premises").

1.02. Lease. The Premises are currently being leased by the County to the Lessee under the terms of a lease dated May 8, 1964, as modified by various written amendments on which mutual agreement has been reached (collectively the "Lease").

1.03. Rent. Under the terms of the Lease the Lessee is required to pay the rent based upon the payment schedules set forth in Section 12 (Square Foot Rental) and Section 13 (Percentage Rentals), as the amounts set forth in those schedules may periodically change over the term of the Lease in accordance with the process set forth in Section 15 (General Rent Renegotiation).

1.04. Insurance. Under the terms of the Lease the Lessee must also carry liability insurance with insurance limits at least equal to amounts set forth in Section 26 (Indemnity

Clause and Casualty Insurance) as those amounts may periodically change over the term of the Lease in accordance with the process set forth in Section 15 (General Rent Renegotiation).

1.05. Purpose: Modification of the Rent and Liability Insurance Limits. The purpose of the amendment is to modify the Lessee's obligations under the Lease for the rent and the liability insurance limits over the ten year period of the term of the Lease commencing on February 1, 1985, (the "Decennial Period") pursuant to terms on which mutual agreement by the parties has been reached and that provide for the following changes to be made in the Lessee's obligations for the rent and liability insurance limits over the Decennial Period.

1.05.01. Annual Minimum Rental: Calendar Year 1985. An increase in the annual minimum rental for the calendar year 1985, from the amount for calendar year 1984 to ONE-HUNDRED FOURTEEN THOUSAND SEVEN-HUNDRED FIFTY SEVEN AND 9/100 DOLLARS (\$114,757.09).

1.05.02. Annual Minimum Rental: Calendar Years 1986 and 1987. An increase in the annual minimum rental for the calendar years 1986 and 1987 from the amount for calendar year 1985 to ONE-HUNDRED EIGHTEEN THOUSAND FOUR-HUNDRED TEN AND 66/100 DOLLARS (\$118,410.66).

1.05.03. Annual Minimum Rental: Calendar Years 1988 through 1994. A readjustment of the annual minimum rental for the calendar years 1988 through 1994 to amounts that shall be equal to SEVENTY-FIVE percent (75%) of the arithmetic mean of the rent paid over the three consecutive calendar years preceding

calendar year 1988 for the calendar years 1988 through 1990, the three consecutive calendar years preceding calendar year 1991 for the calendar years 1991 through 1993, and the three consecutive calendar years preceding calendar year 1994 for the calendar year 1994.

1.05.04. Annual Minimum Rental: Calendar Year 1995. A readjustment of the monthly installment of the annual minimum rental for the month of January 1995 to an amount that shall be equal to one-twelfth of the annual minimum rental for the calendar year 1994.

1.05.05. Percentage Rentals. An increase in the percentage rentals of subparagraphs I, II and III of Section 13 (Percentage Rentals) from the rates for the period of the term of the Lease prior to February 1, 1985, to TWELVE percent (12%) for subparagraph I, TWELVE percent (12%) for subparagraph II and THREE AND ONE-HALF percent (3½%) for subparagraph III.

1.05.06. Growth Participation Fee: Calendar Years 1986 through 1994. An annual percentage participation fee of TEN percent (10%) of the Real Economic Growth of the gross rental income and gross receipts in each calendar year for the calendar years 1986 through 1994.

1.05.07. Additional Rent: Time for Payment. A sixty (60) day period from the effective date of the Amendment for payment of the balance of the additional accrued rent owed for the Decennial Period due to the changes made in the rent for the Decennial Period (the "Additional Rent").

1.05.08 Binding Arbitration: Rental Disputes. A submission to binding arbitration of all disputes that may arise over the Decennial Period with respect to the Growth Participation Fee and the Index used in calculating the Growth Participation Fee.

1.05.09. Security Deposit. A readjustment of the security deposit to an amount that is always equal to TWENTY-FIVE percent (25%) of the annual minimum rental.

1.05.10. Liability Insurance Limits. An increase in the limits of the liability insurance required by Section 26 (Casualty Insurance) from the amounts for the period of the term of the Lease prior to February 1, 1985, to ONE MILLION AND 00/100 DOLLARS (1,000,000.00) per occurrence for bodily injury and property damage liability. *

1.05.11. Interim Rent and Liability Insurance Limits: Next Succeeding Decennial Period. A recognition that in the event the rent and liability insurance limits for the next succeeding decennial period of the term of the Lease have not been readjusted in accordance with the process set forth in Section 15 (General Rent Renegotiation) of the Lease by February 1, 1995, then the rent and liability insurance limits set forth in the Lease, as amended by the Amendment, shall be the amounts, until such time as the determination of the readjusted amounts for this next period of the Lease is made.

ARTICLE 2. RENT.

2.01. Annual Minimum Rental. The first paragraph of Section 12 (Square Foot Rental) of the Lease is deleted, and the following paragraphs are substituted in its place.

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"12. SQUARE FOOT RENTAL

"The annual square foot rental for the whole of the demised premises for the calendar year 1985 shall be 27.08573 ¢ per square foot of land as to 423,681 square feet. The total annual rental for the entire leasehold for the calendar year 1985 shall be ONE-HUNDRED FOURTEEN THOUSAND SEVEN-HUNDRED FIFTY SEVEN AND 9/100 DOLLARS (\$114,757.09).

"The annual square foot rental for the whole of the demised premises for the calendar years 1986 and 1987 shall be 27.94807 ¢ per square foot of land as to 423,681 square feet. The total annual rental for the entire leasehold for the calendar years 1986 and 1987 shall be ONE-HUNDRED EIGHTEEN THOUSAND FOUR-HUNDRED TEN AND 66/100 DOLLARS (\$118,410.66).

"The total annual rental for the entire leasehold for the calendar years 1988 through 1994 shall be amounts that are equal to SEVENTY-FIVE percent (75%) of the arithmetic mean of the rent paid over the three consecutive calendar years preceding calendar year 1988 for the calendar years 1988 through 1990, the three consecutive calendar years preceding calendar year 1991 for the calendar years 1991 through 1993, and the three consecutive calendar years preceding calendar year 1994 for the calendar year 1994. The foregoing notwithstanding, the total annual rental for the calendar years 1988 through 1990, 1991 through 1993, and 1994 (collectively, the 'Adjustment Periods') shall never be readjusted to an amount that is lower than the total annual rental for the calendar year preceding each of the Adjustment Periods. The rent paid for the three consecutive calendar years

preceding each of the Adjustment Periods shall mean the rent paid by the Lessee to the County under the provisions of Section 12 (Square Foot Rental), Section 13 (Percentage Rentals) and Section 14 (Participation in the Real Economic Growth of the Gross Rental Income and Gross Receipts in a Calendar Year) of the Lease. Since the percentage rentals and the Growth Participation Fee for the last calendar year of each of the three consecutive calendar years preceding each of the Adjustment Periods are not paid until after the commencement date for each of the Adjustment Periods, total annual rental in each of the Adjustment Periods shall be paid in the amount of the total annual rental for the calendar year preceding each of the Adjustment Periods, until payment of the percentage rentals and the Growth Participation Fee is made. However, once the payments of percentage rentals and Growth Participation Fee have been made, payment of the total annual rental thereafter shall be made in the correct amount, and past payments shall be reconciled based on the amounts paid and owed with any accrued balance being paid within thirty (30) days after the date of the last payment of the percentage rentals and the Growth Participation Fee for the Calendar year preceding each of the Adjustment Periods.

"The total annual rental for the entire leasehold for the calendar year 1995 shall be in the amount of the sum of one monthly installment for the month of January that is equal to one-twelfth of the total annual rental for the calendar year 1994, plus eleven monthly installments for the remaining months of the calendar year 1995 that are each equal to one-twelfth of the

amount that is determined pursuant to Section 15 (General Rent Renegotiation) for the premises for the decennial period of the term of the lease commencing on February 1, 1995, for the annual square foot rental for calendar year 1995."

2.02. Percentage Rentals. Subparagraphs I, II, and III, of Section 13 (Percentage Rentals) are deleted, and the following subparagraphs are substituted in their place.

"I TWELVE percent (12%) of the gross rental income derived by Lessee from the occupancy of retail stores not including gross receipts described in subsection III herein but including specialty and service shops;

"II TWELVE percent (12%) of the gross rental income derived by Lessee from the occupancy of all office space, guest rooms, meeting rooms and other similar non-retail areas;

"III THREE AND ONE-HALF percent (3½%) of gross receipts from the sale of food or food products and alcoholic or other beverages served on the demised premises or prepared on the premises and served off the premises when food sale is the primary purpose;"

2.02.01. Effective Date: Percentage Rentals:

Subparagraphs I, II, and III. The effective date of the percentage rentals set forth in paragraph 2.02 of the Amendment for Subparagraphs I, II and III of Section 13 (Percentage Rentals) shall be retroactive to February 1, 1985. Accordingly,

except for calendar years 1985 and 1995, the installments of the percentage rental that are due and payable on March 17 of each calendar year of the Decennial Period on the gross rental income and gross receipts of the previous calendar year shall be calculated on the basis of the rates that are set forth in the Lease, as amended by paragraph 2.01 of the Amendment. In the case of the installment that is due and payable on March 17, 1986, for the calendar year 1985, the percentage rental that is due and payable on the gross rental income and gross receipts of the calendar year 1985 shall be calculated on the basis of the rates that are set forth in the Lease for the gross rental income and gross receipts for the month of January and on the basis of the rates that are set forth in the Lease, as amended by the Amendment, for the months of February through December. In the case of the installment that is due and payable on March 17, 1996, for the calendar year 1995, the percentage rental that is due and payable on the gross rental income and gross receipts of the calendar year 1995 shall be calculated on the basis of the rates that are set forth in the Lease, as amended by the Amendment, for the gross rental income and gross receipts for the month of January and on the basis of the rates that are determined pursuant to Section 15 (General Rent Renegotiation) for the Premises for the decennial period of the term of the Lease commencing on February 1, 1995, for the percentage rentals for the months of February through December for the calendar year 1995.

2.03. Percentage Participation: Real Economic Growth of the Gross Rental Income and Gross Receipts in a Calendar Year.

Section 14 (Rent Renegotiation to Meet Legal Requirements) of the Lease is deleted, and the following new section is substituted in its place.

"14. PARTICIPATION IN THE REAL ECONOMIC GROWTH OF THE GROSS RENTAL INCOME AND GROSS RECEIPTS IN A CALENDAR YEAR.

"A. Growth Participation Fee.

"In addition to the payments that are required under Section 12 (Square Foot Rental) and Section 13 (Percentage Rentals) of the lease, the Lessee shall pay the County an annual amount that shall be equal to TEN percent (10%) of the Real Economic Growth of the Participation Gross Rental Income and Gross Receipts in the Participation Calendar Year for which the payment is made (the 'Growth Participation Fee').

"(1). Real Economic Growth.

"The 'Real Economic Growth' of the Participation Gross Rental Income and Gross Receipts in a Participation Calendar Year shall mean the difference in the subtraction of the Adjusted Base Gross Rental Income and Gross Receipts from the Participation Gross Rental Income and Gross Receipts for the Participation Calendar Year.

"(2). Participation Gross Rental Income and Gross Receipts.

"The 'Participation Gross Rental Income and Gross Receipts' shall mean the Lessee's Gross Rental Income and Gross Receipts of the Participation Calendar Year.

"(3). Participation Calendar Year.

"A 'Participation Calendar Year' shall mean each of the Calendar Years from 1986 through 1994.

"(4). Calendar Year.

"A 'Calendar Year' shall mean an annual period of twelve consecutive calendar months commencing with the first day of January.

"(5). Adjusted Base Gross Rental Income and Gross Receipts.

"The 'Adjusted Base Gross Rental Income and Gross Receipts' shall mean the product of the multiplication of the Base Gross Rental Income and Gross Receipts by the Cumulative Change in the index.

"(6). Base Gross Rental Income and Gross Receipts.

"The 'Base Gross Rental Income and Gross Receipts' shall mean the Lessee's Gross Rental Income and Gross Receipts of the Base Calendar Year.

"(7). The Base Calendar Year.

"The 'Base Calendar Year' shall mean the Calendar Year that commences on the first day of January, 1985.

"(8). The Index.

"The 'Index' shall mean the Consumer Price Index, All Urban consumers, Los Angeles - Anaheim - Riverside, all Items (1982-1984), published by the United States Department of Labor, Bureau of Labor Statistics, or the index with which it is replaced.

"(a). Replacement of Index.

"If the Index is discontinued or revised during the term of the lease, such other governmental index or computation with which it is replaced, shall be used in order to obtain substantially the same result as would be obtained if the Index had not been discontinued or revised. In the event the parties are unable to agree on the use of a replacement index within thirty (30) days after such discontinuance or revision, the selection of the replacement index shall be determined by arbitration that shall be conducted in accordance with the provisions of subsection 14.D.(1)., except that the date for delivery of the Statement of Position shall be seventy-five (75) days after the date of discontinuance or revision of the Index, and the subject for arbitration, and therefore the Statements of Position, the decision by the arbitrator, and the confirming lease addendum, shall be the replacement index for the Index used in the determination of the Growth Participation Fee.

"(9). Cumulative Change in the Index.

"The 'Cumulative Change in the Index' shall mean the quotient of the division described in subsection 14.B.(1).

"(10). Lessee's Gross Rental Income.

"The Lessee's 'Gross Rental Income' shall mean the gross rental income that is described in subparagraphs I and II of Section 13 (Percentage Rentals).

"(11). Lessee's Gross Receipts.

"The Lessee's 'Gross Receipts' shall mean the gross receipts, as defined in Section 11 (Gross Receipts) of the Lease and modified by the provisions of subsections 14.A.(11)(a) and 14.A.(11)(b) that follow.

"(a). Effect of Sublessee's Doing Business.

If gross receipts are generated by an Affiliated Sublessee doing business on the Premises, Participation Gross Rental Income and Gross Receipts shall include the Affiliated Sublessee's gross receipts. If gross receipts are generated by a sublessee other than an Affiliated Sublessee, Participation Gross Rental Income and Gross Receipts shall not include the sublessee's gross receipts but shall instead include the sums paid by the sublessee to the Lessee.

"(b). Affiliated Sublessee. A sublessee shall be an 'Affiliated Sublessee' if the sublessee is: a person directly or indirectly controlling, controlled by or under common control with Lessee, or an officer or shareholder of Lessee; a person owning or controlling TEN percent (10%) or more of the outstanding securities or other beneficial ownership of Lessee; an officer, director, shareholder, partner or member of the immediate family of such officer, director, shareholder or partner of Lessee; a member of the immediate family of Lessee; or

an entity for which Lessee is an officer, director or partner.

'Person' includes any natural person, partnership, corporation or other legal entity. 'Immediate family' includes any natural person, partnership, corporation or other legal entity.

'Immediate family' includes spouse, ancestors, lineal descendants and siblings. The term 'control' (including the terms 'controlled by' and 'under common control with') means the possession, direct or indirect, of the power to direct or cause the direction of the management and policies of a person, whether through the ownership of voting securities, by contract or otherwise.

"B. Determination of the Growth Participation Fee.

"The Growth Participation Fee shall be calculated by determining the Cumulative Change in the Index; multiplying the Cumulative Change in the Index by the Base Gross Rental Income and Gross Receipts to determine the Adjusted Base Gross Rental Income and Gross Receipts; subtracting the Adjusted Base Gross Rental Income and Gross Receipts from the Participation Gross Rental Income and Gross Receipts to determine the Real Economic Growth of the Participation Gross Rental Income and Gross Receipts in the Participation Calendar Year; and multiplying the Real Economic Growth of the Participation Gross Rental Income and Gross Receipts in the Participation Calendar Year by TEN percent (10%).

"(1). The Cumulative Change in the Index.

"In order to determine the Cumulative Change in the Index, the figure shown on the Index published for December, 1985 (the 'Beginning Index'), shall be divided into the

figure shown on the Index published for December of the Participation Calendar Year (the 'Adjustment Index'). While the Beginning Index shall never change, except in the event of a change in the base year of the Index or a replacement of the Index, the Adjustment Index shall change annually to show the figure on the Index published for a date on or most recently before the closing date for each succeeding Participation Calendar Year.

"(2). Example.

"By way of example as to how the calculation of Growth Participation Fee is to be made, assume a Beginning Index of 335.9 and Base Gross Rental Income and Gross Receipts of \$2,000,000, and the following Adjustment Indexes and Participation Gross Rental Income and Gross Receipts for each of the four succeeding Participation Calendar Years.

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<u>Participation Calendar Year</u>	<u>Index</u>	<u>Participation Gross Rental Income and Gross Receipts (000)</u>
1986	348.7	\$2,100
1987	360.1	\$2,188
1988	379.9	\$2,344
1989	387.0	\$2,450

Based on these assumptions the following Growth Participation Fee would be due and payable for each of the four succeeding Participation Calendar Years based on the Real Economic Growth of the Participation Gross Rental Income and Gross Receipts in the Participation Calendar Year in view of the Adjusted Base Gross Rental Income and Gross Receipts that are to be used in each of these years as determined by the Cumulative Change in the index.

<u>Participation Calendar Year</u>	<u>Index</u>	<u>Cumulative Change</u>	<u>Adjusted Base Gross Rental Income and Gross Receipts (000)</u>	<u>Participation Gross Rental Income and Gross Receipts (000)</u>	<u>Real Economic Growth (000)</u>	<u>Fee (000)</u>
1986	348.7	1.038	$\frac{3127}{3759}$ \$2,076	\$2,100	\$24	\$2.4
1987	360.1	1.072	\$2,144	\$2,188	\$44	\$4.4
1988	379.9	1.131	\$2,262	\$2,344	\$82	\$8.2
1989	387.0	1.152	\$2,304	\$2,450	\$146	\$14.0

"C. Payment of the Growth Participation Fee.

"The Growth Participation Fee shall be paid within forty-five (45) days after the close of the calendar month next succeeding the end of each Participation Calendar Year. As is

the case with other payments required by the lease, Lessee's payment of the Growth Participation Fee shall be based initially upon the statements furnished the County in accordance with Section 30 (Accounting Records) of the lease showing the Lessee's Gross Rental Income and Gross Receipts for the preceding Calendar Year, and as such, they shall be subject to audit and other provisions of the lease.

"(1). Set-Off and Credit.

"The Growth Participation Fee shall be paid without credit or set-off of the amounts paid in satisfaction of the Lessee's obligations under Section 12 (Square Foot Rental) and Section 13 (Percentage Rentals) of the lease during the Participation Calendar Year.

"(2). No Real Economic Growth of the Participation Gross Rental Income and Gross Receipts in the Participation Calendar Year.

"Payment of the Growth Participation Fee shall not be required for any Participation Calendar Year in which there was no Real Economic Growth of the Participation Gross Rental Income and Gross Receipts in the Participation Calendar Year.

"D. Resolution of Disputes Over the Amount of the Growth Participation Fee.

"If the parties are unable to agree on the amount of the Growth Participation Fee that is due and payable for a Participation Calendar Year because of a dispute over the amount of the Base Gross Rental Income and Gross Receipts for the Base Calendar Year or the Participation Gross Rental Income and Gross

Receipts for a Participation Calendar Year, their dispute over the amount shall be submitted for determination by arbitration that shall be conducted in accordance with the provision of subsection 14.D.(1). that follow.

"(1). Determination of the Growth Participation Fee By Arbitration.

"A dispute over the amount of the Growth Participation Fee for a Participation Calendar Year shall be resolved by binding arbitration that shall be governed by the then existing provisions of the California Arbitration Act as contained in Title 9 of Part III of the California Code of Civil Procedure commencing with Section 1280, and its successor provisions, as modified by this subsection 14.D.(1).

"(a). Statements of Position.

"If the County and the Lessee have not agreed as to the amount of the Growth Participation Fee for a Participation Calendar Year within sixty (60) days after the date on which a final audit report prepared by or for the County on the rent for the premises for the Participation Calendar Year is mailed to the Lessee, then each party shall deliver to the other within seventy-five (75) days after the date the audit report is mailed a written notice setting forth the party's position as to the Growth Participation Fee for the Participation Calendar Year in dispute (the "Statement of Position"), and the Growth Participation Fee for the Participation Calendar Year in dispute shall be determined thereafter by arbitration. If either party fails to so deliver its Statement of Position, then the other

party's Statement of Position shall be binding as the Growth Participation Fee for the Participation Calendar Year in dispute.

"(b). Arbitrator.

"The parties shall attempt to agree upon a single arbitrator who shall decide the matter. The arbitrator shall be selected from a list of retired judges who have agreed to resolve civil disputes, or attorneys or other professionals having real estate experience. If the parties cannot agree upon the arbitrator, the arbitrator shall be appointed upon petition of either party to the Superior Court of the State of California for the County of Los Angeles.

"(c). Decision Must Conform to Statement of Position.

"The arbitrator shall have no right to propose a middle ground or any proposed modification of either Statement of Position. The arbitrator shall instead choose whichever of the two (2) Statements of Position the arbitrator believes most closely reflects the appropriate resolution of the Growth Participation Fee for the Participation Calendar Year in dispute. The Statement of Position so chosen shall be final and binding upon the parties, absent fraud or gross error on the part of the arbitrator.

"(d). Powers of Arbitrator.

"The arbitrator shall have the right to consult with experts and competent authorities for factual information or evidence pertaining to a determination of the dispute, but any such consultation shall be made in the presence

of both parties and their representatives, with full right in each party to cross-examine. Each party shall have the right to subpoena documents and employees or experts of the other party and shall have the opportunity to present evidence as to the merits of its Statement of Position at the same hearing and shall have the right to cross-examine evidence presented by the other party.

"(e). No Discovery.

"The provisions of Code of Civil Procedure Section 1283.05 relating to discovery, and its successor provisions, shall not apply to the arbitration proceedings.

"(f). Costs of Arbitration.

"The costs of the arbitration, including, but not limited to, experts' fees, witnesses' fees and attorneys' fees, shall be borne by the party whose Statement of Position was not chosen by the arbitrator.

"(g). Impact of Allegations of Fraud, and Gross Error.

"Where either party has charged the arbitrator with fraud or gross error, the arbitration process shall nonetheless continue through completion and the decision shall be implemented, except as otherwise provided in this subsection. However, the decision shall not be implemented if, prior to the rendering of the decision, the charging party has obtained a final judgment of a court of competent jurisdiction stating that the arbitrator was guilty of fraud or gross error (a

"Disqualification Judgment"). In the event of a Disqualification Judgment, the arbitration process shall begin over immediately in accordance with subsection 14.D.(1). The party alleging fraud or gross error shall have the burden of proof, and shall reimburse the arbitrator for all costs, attorneys' fees and other expenses incurred in defending himself, until and except where the charging party obtains a Disqualification Judgment.

"(h). Completion of Arbitration.

"The arbitration shall be conducted as expeditiously as reasonably possible, and upon completion shall be confirmed by an addendum to the lease setting forth the arbitrator's decision on the Growth Participation Fee for the Participation Calendar Year in dispute.

"(2). Interim Growth Participation Fee Pending Determination of the Amount.

"Pending final resolution of the parties' dispute over the amount of the Growth Participation Fee, the Lessee shall pay the fee on the basis of a calculation of the amount that uses the gross receipts statements that have been furnished to the County pursuant to Section 30 (Accounting Records) of the lease showing the Lessee's Gross Rental Income and Gross Receipts for the preceding Calendar Year. Once the amount of the Growth Participation Fee is determined by arbitration, the difference between the correct and paid amount shall be paid or refunded within thirty (30) days after the final determination on the account of the Growth Participation Fee. A refund may be made by

crediting the amount overpaid against the Lessee's obligations for the rent in accordance with the Lessee's written instructions for application of the credit, and in the absence of such instruction, by crediting the overpayment to accrued rent owed in order of its date of accrual beginning with the earliest date for which an amount is owed.

2.04 Additional Rent: Time For Payment. The Additional Rent shall be paid within sixty (60) days after the effective date of the Amendment.

2.05 Security Deposit. The first paragraph of Section 7 (Security Deposit) of the Lease is deleted, and the following paragraphs are substituted in its place.

"The Lessee shall pay to the County the sum of TWENTY-NINE THOUSAND SIX-HUNDRED TWO AND 66/100 DOLLARS (\$29,602.66). This sum, which is in an amount equal to approximately three (3) monthly installments of the total annual rental for the entire leasehold for the calendar year 1987, shall be retained by the County as a security deposit to cover delinquent rent and any other financial obligations of the Lessee under this lease, and shall be so applied at the discretion of County."

"The deposit shall be adjusted over the remaining term of the lease so that it is maintained in an amount that shall be equal to TWENTY-FIVE percent (25%) of the current total annual rental for the entire leasehold." *

2.06. Interim Rent: Next Succeeding Decennial Period. The parties agree that in the event the rent for the next succeeding decennial period of the term of the Lease has not been readjusted in accordance with the process set forth in Section 15

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(General Rent Renegotiations) of the Lease by February 1, 1995, then the rent set forth in the Lease, as amended by the Amendment, shall be the amounts, until such time as the determination of the readjusted amounts for this next period of the Lease is made. In the case of the annual minimum rental the rent shall be the amount of the annual minimum rental for the calendar year 1994. In the case of the additional annual percentage rental of TEN percent (10%) that is required by Section 14 (Participation in the Real Economic Growth of the Gross Rental Income and Gross Receipts) the rent shall be the amount computed in accordance with the provisions of subsection 14.B. on the difference in the subtraction of the Adjusted Gross Rental Income and Gross Receipts from the gross rental income and gross receipts for the Calendar Year preceding the next anniversary date of the last payment of the Growth Participation Fee. However, once the rent for the next succeeding decennial period of the term of the Lease is readjusted in accordance with the process set forth in Section 15 (General Rent Renegotiation) of the Lease, the readjusted amounts shall supersede the interim amounts as of February 1, 1995. Payment of the interim amounts pending a determination of the readjusted amounts shall be deemed to constitute satisfactory performance of the rental obligation for this next period of the term of the Lease, until the determination of the readjusted amounts and the expiration of the time period, if any, set by mutual agreement of the parties for a reconciliation of the payments made with the payments due and payment or refund of the difference between these two amounts. A

refund of the difference, including a refund of any interim payment of the additional rental required by Section 14 (Participation in the Real Economic Growth of the Gross Rental Income and Gross Receipts), due to a deletion of this section from the Lease, shall be made by crediting the amount overpaid against the Lessee's obligations for the rent in accordance with the Lessee's written instructions for application of the credit, and in the absence of such instruction, by crediting the overpayment to accrued rent owed in order of its date of accrual beginning with the earliest date for which an amount is owed.

ARTICLE 3. LIABILITY INSURANCE LIMITS.

3.01. Limits of Coverage. Section 26 (Indemnity Clause and Casualty Insurance is amended by deleting paragraph two and substituting the following paragraph.

"Lessee shall maintain in full force and effect during their term of the lease, comprehensive general liability insurance with a combined single limit of \$1,000,000 per occurrence for bodily injury and property damage liability. The County and Board of Supervisors, its officers, agents and employees shall be named as additional insureds under such liability insurance policy or policies."

3.02. Interim Liability Insurance Limits: Next Succeeding Decennial Period. The parties agree that in the event the liability insurance limits for the next succeeding decennial period of the term of the Lease have not been readjusted in accordance with the process set forth in Section 15 (General Rent Renegotiation) of the Lease by February 1, 1995, then the

liability insurance limits set forth in the Lease, as amended by the Amendment, shall be the amounts, until such time as the determination of the readjusted amounts for this next period of the Lease is made.

ARTICLE 4. MISCELLANEOUS.

4.01. Ratification. All terms of the Lease that are not changed by the Amendment shall remain in full force and effect and are reaffirmed.

4.02. Operative Date. The effective date of the Amendment shall be the date of its approval by the Los Angeles County Board of Supervisors (the "Board of Supervisors").

ADDENDUM

The following sentences are added to paragraph 2.04.

"The Additional Rent shall be paid with interest. The amount of interest that shall be paid on the Additional Rent for the period February 1, 1985 through June 30, 1988, is the sum of \$13,294.12. The amount of interest that shall be paid on the Additional Rent for the period July 1, 1988, to the date of payment shall be the sum of the Daily Interest Charge for each day of this period of time. The "Daily Interest Charge" shall mean the daily rate for the third quarter of the calendar year 1988, and each subsequent calendar year quarter, that is calculated by the County's auditor-controller for the County's Treasury Pool. The "Treasury Pool" shall mean the funds that are held and invested by the County treasurer-tax collector"

Benequity Properties, a
California Limited Partnership

By: Renouf Asset Management, Inc.,
a Delaware corporation, its
Managing General Partner

By: Mark E. Alverson

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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, on the day, month and year of the approval of the Amendment by the Board of Supervisors.

Benequity Properties, a
California Limited Partnership

By: Renouf Asset Management, Inc., a
Delaware corporation, its
Managing General Partner

By: *Nicholas E. O'Neill*
Nicholas E. O'Neill
Managing Director

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

On this the June 8, 1988, before me, the undersigned, a Notary Public in and for said State, personally appeared Nicholas E. O'Neill, personally known to me or proved to me on the basis of satisfactory evidence to be the person who executed the within instrument as the Managing Director of Renouf Asset Management, Inc., a Delaware corporation, the Managing General Partner of Benequity Properties, a California Limited Partnership, the partnership that executed the within instrument, and acknowledged to me that such corporation executed the same as such partner and that such partnership executed the same.

WITNESS my hand and official seal.

Patricia Galante
NOTARY PUBLIC IN AND FOR SAID
COUNTY AND STATE



ATTEST:

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



COUNTY OF LOS ANGELES

By *Lorna C. Walton*

Larry J. Monteilh
CHAIRMAN, BOARD OF SUPERVISORS

APPROVED AS TO FORM

ADOPTED

DE WITT W. CLINTON
County Counsel

By *Robert W. Rodol*
Deputy

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AUG 02 1988

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