AMENDMENT NO. 8 TO LEASE NO. 4709
PARCEL NO. 64 - MARINA DEL REY

THIS AMENDMENT TO LEASE made this 23rd day of October, 1968,

BY AND BETWEEN

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

AND

JACKBILT, INC., a corporation, hereinafter referred to as "Lessee,"

WITNESSETH:

WHEREAS, on July 21, 1961, the Lessee and County entered into
a lease of certain premises known as Parcel 64, Marina del Rey,
which premises consisted of a total of 281,155 square feet and are
more particularly described in Exhibit "A" attached thereto and
incorporated therein; and

WHEREAS, the aforesaid lease was amended on January 26, 1962
(Amendment No. 1), March 12, 1962 (Amendment No. 2), October 1,
1963 (Amendment No. 3), March 20, 1964 (Amendment No. 4),
November 1, 1965 (Amendment No. 5), August 12, 1966 (Amendment
No. 6), and November 28, 1967 (Amendment No. 7); and

WHEREAS, by Amendment No. 7 to the aforesaid lease, Lessee
agreed to construct additional improvements on the demised
premises, and

WHEREAS, in order to finance said improvements, Lessee is
in the process of securing the necessary financing; and

WHEREAS, because of the many previous amendments to the
aforesaid lease it is the desire of County and Lessee for clarifi-
cation purposes to rewrite the lease incorporating all of the
applicable portions of Amendments 1 through 7, and it is the
desire of County and Lessee to make certain modifications in the
existing lease as amended in order to make the lease more pro-
ective to County and Lessee and to any party financing additional
construction; and

WHEREAS, said modifications to Section 1, 21, 22 and 25 of
the existing lease as amended are shown enclosed by brackets in
this Amendment No. 8; and

WHEREAS, the legal description attached as Exhibit A to
the original lease and to certain amendments thereto erroneously
contained a reference to Parcel 899, and it is the desire of
County and Lessee to delete said reference; and

WHEREAS, Lessee hereby reaffirms its waiver, withdrawal,
release, and relinquishment (as most recently set forth in
Paragraph 5 of Amendment No. 7) of any and all claims, suits,
causes of action, or charges against County or its officers,
agents, or employees which Lessee now has or may have or assert
in the future and which result from any defects in the physical
condition of the demised premises and the soil thereon and there-
under, regardless whether or not said conditions were known at
the time of the execution of this amendment; or which result
from any alleged negligence, misfeasance, omission to act,
breach of contract, breach of warranty, or any other alleged
civil wrong committed, performed, or accomplished by County,
its officers, agents, or employees at any time up to and in-
cluding the date of the execution of this amendment;

NOW THEREFORE, the parties agree that as of the date of
this amendment the terms and provisions of the lease are as
follows:
LEASE

THIS LEASE executed on the 21st day of July, 1961 (with its term having previously commenced upon the 10th day of May, 1961), by the County of Los Angeles, hereinafter called "County," and JACKBILT, INC., a corporation, 3300 West Olive Avenue, Burbank, California, hereinafter called "Lessee," WITNESSETH:

That in consideration of the terms, conditions, and covenants herein contained, to be kept and performed by the parties hereto and the strict, prompt and punctual performance of each of the terms, conditions, and covenants by Lessee on his part agreed to be kept and performed, County by these presents does lease and demise unto Lessee, and Lessee by these presents does lease, hire, and take from County the following described parcel or parcels of land or water, consisting of a total of 281,155 square feet and situated in the Marina del Rey Small Craft Harbor of the County of Los Angeles, State of California, more particularly described as follows, to wit: Parcel Number sixty-four (64) and more particularly described in Exhibit "A" attached hereto and incorporated herein.

TO HAVE AND TO HOLD said leased premises for the term of this lease and upon terms and conditions as follows:

1. DEFINITION OF TERMS.

The following words have in this lease the significance attached to them in this paragraph, unless otherwise apparent from the context:

"BOARD" means the Board of Supervisors of the County of Los Angeles.

"COUNTY" means the County of Los Angeles.

"DEPARTMENT" means the Department of Small Craft Harbors
of the County of Los Angeles.

"DIRECTOR" means the Director of the Department of Small
Craft Harbors of the County of Los Angeles.

The words "SHALL" and "WILL" are mandatory and the word
"MAY" is permissive.

The word "SECTION" means a section of this lease.

The word "PROPERTY" includes both real and personal
property.

[The word "subslessee" includes licensee, permittee, and
concessionaire or or from Lessee with respect to any interest
in the property demised under this lease.]

Words and phrases contained herein shall be construed
according to the context and the approved usage of the English
language; but technical words and phrases, and such others as
have acquired a peculiar and appropriate meaning by law, or
are defined in the preceding paragraph of this section, are
to be construed according to such technical, peculiar, and
appropriate meaning or definition.

Words used in this lease in the present tense include
the future as well as the present; words used in the masculine
gender include the feminine and the neuter and the neuter
includes the masculine and feminine; the singular number in-
cludes the plural and the plural the singular; the word "person"
includes a corporation as well as a natural person.

2. TERM.

The term of this lease shall be sixty (60) years, commencing
upon the tenth (10th) day of May A.D. 1961.

3. PURPOSE OR USE OF PROPERTY.

The leased premises shall be used only and exclusively
for trailers with ramadas or cabanas or apartments and related
uses and for purposes incidental thereto; and for no other
purposes whatsoever without the written approval of County;
the uses and purposes above listed are set forth to define
the maximum contemplated scope of permissible uses and pur-
poses, and their enumeration is not intended to be authoriza-
tion for any specific use or purpose.

It is also expressly understood that the uses of the
said premises which are permitted hereinabove do not include
the following:

(a) Fuel sales;
(b) Boat or engine repairs other than minor
    servicing or owner maintenance;
(c) Live bait sales;
(d) Sports Fishing or Charter Boat Activity.

There shall be no actual construction upon said premises
except that required by Sections 5 and 6 hereof, and except
that additional construction allowed upon approval of Director
pursuant to Section 9 hereof.

The Lessee shall conform to and abide by all rules and
regulations relating to the operations herein authorized and
shall be subject at all times to the rules and regulations
adopted by the Los Angeles County Department of Forester and
Fire Warden or the Department, ordinances of the County of
Los Angeles, and all Statutes and administrative rules and
regulations of the Federal Government and the State of
California applicable thereto, and where permits are required
for such operations, the same must first be had and obtained
from the Los Angeles County Forester and Fire Warden or other
regulatory body having jurisdiction thereof before such
operations are undertaken.

4. ACTIVE PUBLIC USE.

The ultimate object of this lease is the complete and
continuous use of the premises herein demised by and for
the benefit of the public, without discrimination as to
race or religion, the immediate object being the develop-
ment and realization of the greatest possible revenue there-
from. It is agreed that said immediate and ultimate objects
are consistent and compatible. Accordingly, Lessee covenants
and agrees that he will operate said premises fully and con-
tinuously to the end that the public may enjoy maximum benefits
and County may obtain maximum revenue therefrom.

In the event of any dispute or controversy relating
hereto, this lease shall be construed with due regard to the
aforesaid objects.

5. PLANS AND SPECIFICATIONS FOR REQUIRED CONSTRUCTION.

Prior to commencing construction, Lessee shall file with
Department six (6) sets of schematic plans and outline specifi-
cations; after approval of said schematic plans and prior to
commencing construction, Lessee shall file with Department
six (6) sets of preliminary plans and outline specifications;
after approval of said preliminary plans and outline specifi-
cations and prior to commencing construction, Lessee shall
file with Department six (6) sets of final plans and specifi-
cations for the construction of trailers with ramadas or
cabanas or apartments, the cost of which land improvements
shall be estimated to be not less than an additional sum of
ONE MILLION DOLLARS ($1,000,000).

Such final plans and specifications shall conform to
the minimum standards of construction and architectural treat-
ment for Marina del Rey Small Craft Harbor as adopted by Board
on January 3, 1961, and shall be subject to approval by Director
and the County Engineer. No construction shall begin until
said Director and Engineer have approved said final plans and
specifications.

No modification of the approved plans and specifications
or of said improvements, including landscaping, shall be made
by Lessee without the prior approval of said Director and
Engineer.

Any and all of the plans and specifications and schematics
required to be submitted by the provisions of this paragraph
shall conform to the standards generally accepted in the
architectural and engineering profession for such documents.
Failure to conform to such standards shall constitute a default
under this Lease.

6. REQUIRED CONSTRUCTION SCHEDULE.

Lessee expressly convenants and agrees that after the
approval of the final plans and specifications as provided for
in Section 5, Lessee shall in good faith commence construction
of the improvements described therein, including required under-
ground laterals for power, light, telephone, television, sewer,
water (including fire lines), gas lines and landscaping; such
construction shall be performed in accordance with said approved
plans and specifications and shall be diligently prosecuted to
completion.

7. RENTAL PAYMENT SECURITY (Formerly Section 8).

County hereby acknowledges receipt from Lessee of the
sum of Fifteen Thousand Four Hundred Sixty-Three and 53/100
Dollars ($15,463.53) equal to six (6) full monthly installments
of square foot rental for the demised premises. This sum shall
be used and applied as follows:

One-half of said sum shall be applied toward the payment
of rent first accruing under this lease, and one-half of said
sum shall be retained by County as a guarantee to cover
delinquent rent, and shall be so applied. In the event all
or any part of said sum so deposited is applied against any
rent due and unpaid, the Lessee shall reimburse said deposit,
so that at all times during the life of this lease said deposit
shall be maintained. Failure to maintain the full amount of
said deposit shall subject this lease to forfeiture. Upon
forfeiture or termination of this lease any portion of said
deposit due the Lessee shall be returned.

At any time subsequent to the first five (5) years of
the term of this lease Lessee may substitute for said cash
deposit to cover delinquent rent a corporate surety bond,
issued by a surety company licensed to transact business
in the State of California, said bond and company to be in
all respects satisfactory to County, in an amount equal to
said deposit.

8. ADDITIONAL CONSTRUCTION (Formerly Section 9).

Lessee may, at its own expense, make or construct, or
cause to be made or constructed improvements other than
those required by Sections 5 and 6, additions, alterations,
repairs, or changes in the leased premises provided such
proposed improvements, additions, alterations, repairs or
changes are within the scope of permissible uses set forth
in Section 3, and further provided that each specific pro-
posed improvement, addition alteration, repair, or change
must first have the written approval of Director. Director
may refuse permission for the construction of any proposed
additional improvement, addition, alteration, repair, or
change, and his decision will be final.

If Director approves said proposed construction, Lessee
shall submit plans and specifications to Director and the
County Engineer and may commence construction upon receipt
of written approval thereof from Director and the County
Engineer and upon compliance with such terms and conditions
relating to the construction as Director may impose.

9. LANDSCAPING (Formerly Section 10).

Lessee shall, at its own cost and expense and to
the satisfaction of County, install and maintain landscaping
upon the demised premises. A general layout of proposed landscaping shall be submitted as part of the plans and specifications for all proposed improvements of the site. This will include the landscaping of all areas between any street and set-back lines and such other areas as are necessary to create a pleasing development of the project as a whole. All landscaping plans and layout must have the approval of Director.

10. PERFORMANCE AND SURETY BONDS (Formerly Section 11).

Lessee shall, at its own cost and expense, furnish County three (3) separate corporate surety bonds, in all respects satisfactory to the County, as follows:

(a) Within ten (10) days prior to commencement of any construction hereunder, Lessee shall furnish a corporate surety performance bond, issued by a surety company licensed to transact business in the State of California, in an amount equal to fifty percent (50%) of the contract price of any construction required of Lessee pursuant to Sections 5 and 6, said bond and said company to be in all respects, including amount thereof, satisfactory to County, naming Lessee as principal and said company as surety, and County as obligee, to assure full and satisfactory performance by Lessee of Lessee's obligation contained in Sections 5 and 6 to build, construct, and install improvements and landscaping upon the demised premises.

(b) Within ten (10) days prior to commencement of any construction hereunder, Lessee shall furnish a corporate surety bond, issued by a surety company licensed to transact business in the State of California, with Lessee as principal, and said company as surety, and County as obligee, in a sum equal to fifty per
cent (50%) of the aforesaid contract price of any
collection, guaranteeing payment for all materials,
provisions, provender, supplies, and equipment, used
in, upon, for, or about the performance of said con-
struction work or for labor done thereon of any kind
whatsoever and protecting County from any and all
liability, loss or damages arising from failure to
make such payment.

In the event that Lessee employs a licensed con-
tractor for the construction hereinbefore required
and obtains from said contractor or contractors
similar bond or bonds in like amount, in all respects
satisfactory to County, County, upon application by
Lessee and upon naming of County as an additional
obligee under such bond or bonds, will accept said
contractor's bonds in lieu of the bonds otherwise
required by this paragraph and paragraph (a) of this
Section.

(c) Lessee shall furnish a corporate surety bond
in the amount of Ten Thousand Dollars ($10,000.00),
guaranteeing the removal of all debris or submerged
craft emanating from the premises herein demised,
whether on said premises or elsewhere, which may
obstruct traffic or interfere in any way with the
proper use of the navigable waters of Marina del Rey
Small Craft Harbor, guaranteeing the removal, prior
to the expiration or other termination of this lease,
of all mooring, anchorage, and slip facilities, pilings
and floats in the water area, and all improvements on
the back-land owned, operated, or maintained by Lessee,
and guaranteeing the leaving of the ground in a level
and usable condition and the removal of all facilities
not designated by Director to be left in place;
Director shall give Lessee thirty (30) days written
notice for the performance of any of the guarantees
hereinbefore provided for.

(d) The Lessee shall have the option to deposit
with the County of Los Angeles cash or United States
Government securities in all respects satisfactory to
the County of Los Angeles in lieu of any corporate
surety bonds required herein. Said cash or securities
shall be deemed deposited with the County for all the
purposes enumerated herein and shall be so deposited
for the benefit of the County under the same terms and
conditions as set forth herein with respect to corporate
surety bonds.

11. GROSS RECEIPTS (Formerly Section 12).
The term 'gross receipts' as used in this lease is
defined to be all money, cash, receipts, assets, property
or other things of value, including but not limited to,
gross charges, sales, rentals, fees and commissions made
or earned, and all gross sums received or earned by Lessee
and all his assignees, sublessees, licensees, permittees
or concessionaires, whether collected or accrued, from any
business, use or occupation, or any combination thereof,
originating, transacted or performed, in whole or in part,
on the premises, including but not limited to, rental, the
rendition or supplying of services, and the sale of goods,
wares or merchandise; less sales and excise taxes applica-
table thereto, required to be collected by Lessee, his assignees,
sublessees, licensees and permittees in connection with
the rendering or supplying of services or goods, wares or
merchandise. Gross receipts shall not include fees, charges
or rentals paid to a Lessee by a sublessee where the gross
receipts of such sublessee are reported and subject to the
percentage rental schedule set forth in Section 13.

There shall be no deduction from gross receipts for any
overhead or cost or expense of operation, such as, but without
limitation to, salaries, wages, cost of goods, interest, debt
amortization, discount, collection, credit card and bad debt
charges, insurance, and taxes, except as specifically provided
for herein.

Gross receipts shall include the amount of any
manufacturer's or importer's excise tax included in the
prices of any property or material sold, even though the
manufacturer or importer is also the retailer thereof,
and it is immaterial whether the amount of such excise
tax is stated as a separate charge. Gross receipts, how-
ever, shall not include Federal, State, Municipal or other
taxes collected from the consumer (regardless of whether
the amount thereof is stated to the consumer as a separate
charge) and paid periodically by Lessee to a governmental
agency, accompanied by a tax return or statement, but
the amount of such taxes shall be shown on the books and
records elsewhere herein required to be maintained.

12. SQUARE FOOT AND HOLDING RENTALS (Formerly Section 13).

Lessee shall pay to County an annual square foot rental
in twelve (12) equal monthly installments. Regardless of
whether said construction is complete, under planning, or
in progress, such installments shall be due and payable in
advance of the first day of each calendar month commencing
January 1, 1969, providing, however, that prior to January 1,
1969, proportionate rent as described in the next subparagraph
of this Section shall be paid commencing with the calendar
month next succeeding the date of completion of any improve-
ments constructed or commencing with the calendar month next
succeeding the commencement of use by the public of any
improvements constructed on this parcel.

It is understood and agreed that Lessee may desire to
complete the aforesaid improvements in stages and to progres-
sively commence public use of the various portions of said
improvements and portions of the parcel herein demised as
the same may be completed. In the event of such a program
of progressive completion and opening to public use, satis-
factory to County, the annual square foot rental for the
portions completed and opened to use shall commence accord-
ingly and shall be equitably adjusted in the proportion that
the improvements and areas completed and opened to the public
use bear to the whole improvement and area. The decision
of Director as to said equitable adjustment shall be final.

The aforesaid annual square foot rental for the whole
of the premises herein demised shall be $0.11 per square
foot of land area or a total of THIRTY THOUSAND NINE HUNDRED
TWENTY-SEVEN AND 05/100 DOLLARS ($30,927.05).

Prior to the start of square foot rental payments as in
this Section above provided for, Lessee shall pay to County
each month in advance a "holding rental" consisting of one-third
of the contemplated total monthly installment of square foot
rental. In the event of the start of proportionate square
foot rentals under a program of progressive completion, as in
this Section above provided for, the "holding rental" shall
be abated for that portion of the completed improvements and
adjoining area thus made subject to square foot rental.

If Director finds that Lessee has completed his
improvement and construction but cannot utilize it due
to failure of the County to complete roadways, water
access, or utility lines, Director shall order the abate-
ment of all rental payments until water access, roadways
and utility lines are provided, which in the opinion of
the Director are available for the operation of the
Lessee's functions.

13. PERCENTAGE RENTALS (Formerly Section 14).

The square foot rental agreed upon in Section 12 is a
minimum rental, payable in lawful money of the United States.
The money received as square foot rental for any calendar
month shall be applied to the payment of the percentage
rental for said calendar month as provided for in this
Section 13.

Within fifteen (15) days after the close of each and
every calendar month of the term hereof, Lessee shall pay
to County a sum in like money, less the amount of the
monthly installment of annual square foot rental previously
paid for said calendar month under Section 12, equal to the
total of the following for said previous calendar month:

(a) TWENTY Per Cent (20%) of gross receipts
from the rental or other fees charged for the
use of boat slips, anchorages, moorings, dockside
gear lockers or storage space, and such other facilities
and services ancillary thereto as are provided in
common to all tenants;

(b) TEN Per Cent (10%) of gross receipts from
the dry storage, launching, or retrieving of small
boats, and from rental of landside gear lockers or
storage space;

(c) SEVEN AND ONE-HALF Per Cent (7-1/2%) of
gross receipts from fees, charges or rentals for
occupancy of structures including apartment units,
hotel or motel accommodations, house trailers, and
offices or similar space utilized for banking,
financial, or investment activities; internal
clerical or administrative activities of business enterprises; real estate and insurance brokerage; or the rendering of legal, medical, engineering, or similar professional services; but excepting stores, shops or other commercial establishments the gross receipts pertaining to which are subject to percentage rentals and specifically required or authorized to be reported under any other subparagraphs of this Section.

(d) ONE Per Cent (1%) of gross receipts from the sale of new or used boats, boat trailers, house trailers and trailer cabanas; said gross receipts shall include all credits given for used items taken in trade as part payment for new items, as reflected in the bills of sale, but the trade-in allowance for a used item taken in trade may be deducted from the subsequent sale price of said used item if said used item is sold within 120 days of the date of the bill of sale which established said trade-in allowance.

(e) FIVE Per Cent (5%) of gross receipts from boat brokerage and from marine insurance commissions where the sale of insurance is conducted in conjunction with boat sales and/or boat brokerage.

(f) TWENTY Per Cent (20%) of any commissions or fees collected from intinerant vendors or from service enterprises based outside the demised premises;

(g) TWENTY Per Cent (20%) of gross receipts from rentals or other fees charged for use of trailer-cabanas sites and such other facilities and services ancillary thereto as are provided in common to all tenants;

(h) TWENTY-FIVE Per Cent (25%) of any commis- sions or other compensation paid to Lessee for the right to install coin-operated vending or service
machines or devices, including pay telephones, or
FIVE Per Cent (5%) of the gross receipts of any
such coin-operated machines or devices owned, rented,
or leased by Lessee or his sublessee;

(i) TEN Per Cent (10%) of gross receipts from
the operation of a bar, tavern, cocktail lounge or
other such facility engaged primarily in the on-premises
sale of alcoholic beverages, except that gross receipts
from such facilities as are established and operated
in conjunction with a restaurant or similar food service
facility on the same premises may be reported under
subsection (j);

(j) THREE Per Cent (3%) of gross receipts from
the operation of food service facilities, including bar
or cocktail lounge in conjunction with restaurant or
similar facility when food service is the primary
purpose;

(k) ONE AND ONE-HALF Cents ($0.015) per each
gallon of gasoline, diesel fuel or mixed fuel sold
or SIX Per Cent (6%) of gross receipts of such sales,
whichever is the greater;

(l) FIVE Per Cent (5%) of gross receipts from
sales by a fuel sales facility of petroleum or fuel
products other than those covered by subsection (k)
above;

(m) FIFTEEN Per Cent (15%) of gross receipts
from club dues, initiation fees, and assessments, except
that separate assessments for capital improvements are
exempted;

(n) TWENTY Per Cent (20%) of gross receipts
from parking fees;

(o) TEN Per Cent (10%) of gross receipts from
the rental of boats, outboard motors, fishing tackle, and other recreation equipment and from the sale of live bait;

(p) THREE Per Cent (3%) of gross receipts from boat haulout, repair, painting, and similar activities;

(q) FIVE Per Cent (5%) of gross receipts from fees, charges or rentals from the leasing or charter of boats for a term of six (6) months or more;

(r) SIX Per Cent (6%) of gross receipts from the operation of sportfishing boats;

(s) ONE Per Cent (1%) of gross receipts from the sale of miscellaneous goods and services;

(t) FIVE Per Cent (5%) of gross receipts from any and all other activities approved by Director which are not provided for in the preceding subparagraphs.

If the total of the percentage rentals agreed to be paid by Lessee, when computed on an annual basis for any calendar year, is less than the sum of all rental payments actually made by Lessee for said calendar year, Lessee shall be allowed credit for any amount by which the payments actually made exceed the greater of (1) the sum of the square foot rentals for the calendar year, or (2) the sum of percentage rentals agreed to be paid, computed on an annual basis for the calendar year.

If any of the items, services, goods or facilities mentioned in subparagraphs (a) through (t) of this paragraph be provided by Lessee or its sublessees, assignees, licensees, concessionaires or permittees, without the usual charges therefor according to the price list of schedule provided for in Section 16, or if said usual charge be not collected in full, the proper amount thereof shall nevertheless be included in the gross receipts reported by
Lessee and its sublessees, assignees, licensees, concessionaires and permittees, and the applicable percentage thereof paid to County.

14. RENT RENEGOTIATION TO MEET LEGAL REQUIREMENTS
(Formerly Section 14-1/2).

Section 504 of the Bond Resolution described in Section 46 of this Lease requires that each Lease provide that the square foot rentals and percentage rentals be subject to increase if and when the Board of Supervisors shall find and determine that such increase is required to permit the County to meet its obligations under the terms of said Bond Resolution.

In the event that the Board of Supervisors determines that it is required to increase rentals to meet its obligations under the Bond Resolution, it may increase the square foot rentals and percentage rentals provided for in this Lease to the extent required to meet said obligations, except that the Lessee shall bear no more than his proportionate share of the total increase required to meet said obligations as reasonably determined by the Director, and, in any event, the amount of any such increase shall not exceed ten per cent (10%) of the previously existing square foot rentals and percentage rentals. Rental increases under this Section shall not be made during the first five (5) years of the term hereof nor more often than every ten (10) years thereafter.

15. GENERAL RENT RENEGOTIATION AND ARBITRATION.

Except as provided in Section 14, the square foot and percentage rentals hereinbefore provided for shall apply and be in effect for the first TWENTY-ONE years of the term hereof. At the end of said period, and at the end of every TEN year period thereafter, the said rentals
shall be readjusted as provided hereinafter.

Such rentals shall be readjusted by Lessee and County, in accordance with the standards of and for fair market value hereinafter set forth, at sometime not more than nine (9) months and not less than six (6) months before the beginning of each such period; in the event Lessee and County cannot agree upon the readjustment of rentals, the same shall be determined by a board of three (3) real estate appraisers, one of whom shall be appointed by County, one by Lessee, and the third by the two (2) appraisers so appointed.

If the rentals have not been readjusted by mutual agreement within the three-month period above prescribed, County shall give to Lessee a written notice demanding submission to said board of real estate appraisers and nominating the person to act as real estate appraiser on behalf of County. Within fifteen (15) days from the service of such notice Lessee shall appoint its real estate appraiser and notify County of such appointment. If either party shall not have notified the other in writing of the appointment of its real estate appraiser, the Presiding Judge of the Superior Court of the State of California, in and for the County of Los Angeles, shall, upon request of either party, appoint the real estate appraiser for the party so in default. If the two (2) real estate appraisers so chosen shall be unable to agree upon the third real estate appraiser within ten (10) days after the appointment of the second real estate appraiser, the third real estate appraiser shall be appointed by the Presiding Judge of said Superior Court upon request of either party. Any vacancy in the board of real estate appraisers shall be filled by the party who or which made the original appointment to
the vacant place. If not so filled within ten (10) days from commencement of said vacancy, the vacant position shall be filled by the said Presiding Judge upon request of either party.

The board of real estate appraisers shall, immediately upon the appointment of its members, enter upon the discharge of its duties and determine the amount of readjusted rentals and notify the parties thereof in writing within sixty (60) days after its appointment. A majority of the real estate appraisers who agree thereto may readjust such rentals, such readjustment to be based upon a determination of the fair market value of this lease, taking into consideration the uses permitted thereunder and all of its terms, conditions, and restrictions, franchise value, earning powers, and all of the factors and data relating to such value required or proper to be considered in determining the fair market value of leaseholds under the laws of eminent domain in the State of California; also provided that at all times during the term of this lease the total of such rentals shall be in such amount that the property hereby demised shall produce at least its proportionate share of the revenue required by Government Code, Section 26360 and the revenue required to meet the obligations of County under that certain Revenue Bond Resolution of the County Board of Supervisors referred to in Section 46; and, notwithstanding the renegotiation and arbitration provisions of this Section 15, the minimum rental under this lease shall never be lower than the product of EIGHT CENTS ($0.08) multiplied by the square feet of the leased land and water area. In the event said real estate appraisers fail to determine and give notice of the amounts of readjusted rentals within sixty (60) days, a new board of real estate appraisers shall be appointed in the manner
hereinbefore prescribed.

If for any reason said readjusted rentals shall not
be finally determined until after the beginning of any
period for which the same must be readjusted, Lessee shall
continue to pay rentals at the former rate as a credit
against the amount of the readjusted rentals when finally
determined, provided, however, that the amounts fixed as
the readjusted rentals shall accrue from the beginning of
said period and proper adjustment shall be made for payments
made by Lessee at the former rates during said interim.
The costs and expenses of each of the two (2) real estate
appraisers appointed by the parties shall be borne by the
party so appointing. Costs and expenses of the third real
estate appraiser shall be equally divided between the parties.

16. CONTROLLED PRICES.

Lessee shall at all times maintain a complete list
or schedule of the prices charged for all goods or services,
or combinations thereof, supplied to the public on or from
the premises hereby demised, whether the same are supplied
by Lessee or by its sublessees, assignees, concessionaires,
permittees, or licensees.

Said prices shall be fair and reasonable, based upon
the following two (2) considerations:

First, that the property herein demised is intended
to serve a public use and to provide needed facilities to
the public at fair and reasonable cost; second, that Lessee
is entitled to a fair and reasonable return upon his invest-
ment pursuant to this lease.

In the event that Director notifies Lessee that
any of said prices are not fair and reasonable, Lessee
shall have the right to confer with Director and to justify
said prices. If, after reasonable conference and consulta-
tion, Director shall determine that any of said prices are not fair and reasonable, the same shall be modified by Lessee or its sublessees, assignees, concessionaires, permittees, or licensees, as directed. The Lessee may appeal the determination of the Director to the Board of Supervisors, whose decision shall be final and conclusive. Pending such appeal, the prices fixed by the Director shall be the maximum charged by the Lessee.

17. MONTH TO MONTH TENANCY.

If Lessee holds over after the expiration of this lease for any cause, such holding over shall be deemed to be a tenancy from month to month only, at the same rental per month and upon the same terms, conditions, restrictions, and provisions as herein contained.

Such holding over shall include any time employed by Lessee to remove machines, appliances, and other equipment during the thirty day period hereinafter provided for such removal.

18. DISPOSITION OF INSTALLATIONS OR IMPROVEMENTS.

Title to all structures, buildings, or improvements constructed by Lessee upon the demised premises, and all alterations, additions, or betterments thereto, shall remain in Lessee until termination of this lease; and upon such termination, whether by expiration of the term hereof, cancellation for good cause, forfeiture, or otherwise, title to said structures, buildings, improvements and all alterations, additions, or betterments thereto, and all improvements made to or upon said premises, shall at the option of County, vest in County without compensation therefor to Lessee, and said structures, buildings, and improvements shall remain upon and be surrendered with the premises as part thereof. Nothing contained herein shall be construed to deny
or abrogate the right of Lessee to receive any and all proceeds which are attributable to the taking in eminent domain of business installations, improvements, structures and buildings belonging to Lessee immediately prior to the taking of possession by the condemning authority as said rights are set forth in Section 43 of said lease.

However, in the event of termination or expiration of this lease, the County may require the Lessee to remove, at the sole cost and expense of Lessee, and not later than the termination or expiration date, all works, structures, and improvements of any kind whatsoever placed or maintained on said premises, whether below, on, or above the ground by Lessee or others, including, but not limited to, wharves, piers, docks, slips, bulkheads, seawalls, piling, channels, concrete foundations, structures, and buildings; and Lessee shall, upon the expiration of the term of this lease or upon any sooner termination of this lease, immediately restore, and quit, and peaceably surrender possession of, said premises to County in at least as good and usable a condition, acceptable to the Director, as the same were in at the time of first occupation thereof by Lessee or others, ordinary wear and tear excepted, and shall, in any event, leave the surface of the ground in a level, graded condition, with no excavations, holes, hollows, hills, or humps. Should Lessee fail to so remove said structures, building, and improvements and restore said premises, County may sell, remove, or demolish the same, in event of which sale, removal, or demolition Lessee shall reimburse County for any cost or expense thereof in excess of any consideration received by County as a result of such sale, removal, or demolition.

Prior to such termination Lessee shall remove at its cost and expense such machinery, appliances, or fix-
tures as are not firmly affixed to said structures, build-
ings, and improvements; should Lessee fail to so remove
said appliances or fixtures prior to such termination,
Lessee shall lose all right, title and interest in and
thereto, and County may elect to keep the same upon the
premises or to sell, remove, or demolish the same, in
event of which sale, removal or demolition Lessee shall
reimburse County for any cost or expense thereof in excess
of any consideration received by County as a result of
said sale, removal or demolition.

Title to all utility lines, switchboards, trans-
former vaults, and all other service facilities constructed
or installed by Lessee upon the demised premises shall
vest in County upon construction or installation.

19. PLACE OF PAYMENT AND FILING.

All rentals shall be paid to and all statements and
reports herein required shall be filed with Department.
Checks, drafts, and money orders shall be made payable to
the County of Los Angeles.

20. SERVICE OF WRITTEN NOTICE OR PROCESS.

If Lessee is not a resident of the State of California,
or is an association or partnership without a member or
partner resident of said State, or is a foreign corpora-
tion, Lessee shall file with Department a designation of
a natural person residing in the County of Los Angeles,
State of California, giving his name, residence, and
business address, as the agent of Lessee for the service
of written notice or for service of process in any court
action between Lessee and County, arising out of or based
upon this lease, and the delivery to such agent of written
notice or a copy of any process in any such action shall
constitute valid service upon Lessee.
If for any reason service of such written notice or of such process upon such agent is not possible, then Lessee may be personally served with such written notice or process outside of the State of California and such service shall constitute valid service upon Lessee; and it is further expressly agreed that Lessee is amenable to such process and submits to the jurisdiction of the court so acquired, and waives any and all objection and protest thereto.

Written notice shall be deemed sufficient if said notice is deposited in the United States mail, postage prepaid, addressed to Lessee at the premises above described or to such other address that Lessee may in writing file with Director; provided, however, that nothing herein contained shall preclude or render inoperative service of such notice upon the Lessee in the manner prescribed by law.

21. DEFAULT.

This lease is made upon the condition that if the rents or other sums which Lessee herein agrees to pay, or any part thereof, shall be unpaid on the date on which the same shall become due, or if other default be made in any of the terms, agreements, conditions, or covenants herein contained on the part of Lessee, or should Lessee abandon or cease to use the premises for a period of thirty (30) days at any one time, except when prevented by fire, earthquake, strikes or other calamity beyond its control, then and in such event, at the option of County as evidenced by resolution of Board, this lease shall be forfeited, and County may exercise all rights of entry and re-entry

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upon the demised premises and may operate for its own and
sole benefit said premises and all improvements thereon.

Lessee shall not be considered in default as to any
provision 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.

In the event Lessee is in default hereunder in the
payment of rent or other sums provided to be paid by
Lessee, no default with respect thereto shall be declared
by the County until after the expiration of ten (10) days
written notice to Lessee to cure such default.

In the event Lessee shall default in keeping, observing
or performing any of the other covenants, conditions,
provisions or agreements herein required to be kept,
observed or performed by Lessee, County shall give
written notice of such default to Lessee and Lessee shall
have thirty (30) days after service of said notice in
which to cure, remedy and correct said default, or in
which to commence and diligently pursue the performance
of the thing or work required to be done to cure, correct
and remedy said default. Should Lessee fail to so cure,
remedy and correct said default, or commence and diligently
pursue such corrective or remedial action within and during
said thirty (30) day period, County shall have the right
to forfeit this lease as provided in the first paragraph
of this section.

Notwithstanding any of the foregoing, County shall not

exercise any remedy available to it for breach thereof by
Lessee and will not terminate this lease nor declare the
same to be forfeited because of any default or breach
hereunder [or under any other provision of this lease] on
the part of Lessee unless and until County shall have given
a written notice of such default or defaults to any
Beneficiary or Trustee under a deed of trust or to any
mortgagee under any mortgage affecting the demised premises
or any part thereof. Said notice shall be sent simultaneously
with the notice to the Lessee referred to in the preceding
paragraph. 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 power to cure the defaults specified
and if all of said defaults are cured, this lease shall
remain in full force and effect. Said defaults may be cured
in the following manner:

(a) If said default be in the payment of ren-
tal, taxes, insurance premiums, utility charges, or
any other sum of money, said 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 said breach 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 if

(i) within thirty-five (35) 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 35-day period shall be
extended by the time in which encumbrance holder
is prevented from commencing foreclosure by any
order, judgment or decree of any court or regulat-
ory body of competent jurisdiction, but such
extension shall not extend beyond a period of
100 days from the effective date of said order,
judgment or decree); and
(ii) said foreclosure action is pro-
secuted with reasonable diligence; and
(iii) within thirty-five (35) days after such
foreclosure sale the purchaser thereat (whether
or not such purchaser is the encumbrance holder)
cures, remedies and corrects said default, or
commences and diligently pursues the performance
of the thing or work required to be done to cure,
correct and remedy said default.

[Notwithstanding any of the foregoing and in the event
County declares the lease forfeited and secures possession
under the provisions of this Section or under any other pro-
vision of this lease, the encumbrance holder within sixty
(60) days of such forfeiture and securing of possession may
request and receive a lease covering the demised premises
(or that portion thereof subject to his encumbrance if such
encumbrance encumbers less than the entire demised premises)
running in favor of said encumbrance holder and his successors
and assigns. Said lease is to be subject only to such
applicable exceptions to Lessor's fee title to which said
holder's encumbrance was initially subject or to such other
applicable exceptions to title to which Lessee and encumbrance
holder consent in writing.] Said lease shall have 
the same provisions and conditions as this lease, except 
to the extent that any provisions of this lease are, through 
the passage of time or for other reasons, obviously inapplicable. 
Said lease 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 new lease. 
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 en-
cumbrance 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 en-
cumbrance. 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.

[22. SUBLEASES, ASSIGNMENTS, TRUST DEED BENEFICIARIES, 
MORTGAGERS 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 (30) 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 concessionnaire 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, non-commercial 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:

1. 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.

2. 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 assign-
ment in lieu of foreclosure and thereafter at such en-
cumbrance holder's option to convey, assign, or sublease
the interests 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 amend-
ments thereto.

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

(a) 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;

(b) 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 agree-
ment 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. An en-
cumbrance holder who is a purchaser at such foreclosure
sale or an assignee in lieu of foreclosure may make a
subsequent transfer of this lease, and upon such transfer
will be released by the County from any and all of its
obligations to the County, if such encumbrance holder
obtains the prior written consent of the County to such
transfer and release; the County shall not unreasonably
withhold such consent.

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
to the time when such transferee takes possession of the
property provided, however, that such obligations 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 transfer of the leasehold except for transfers
provided for in the provisions of the two (2) above para-
graphs 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 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 bank-
ruptcy 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. Lessee agrees not
to encumber the leasehold estate through any deed of trust
without the prior written consent of the holder of any prior
deed of trust affecting the leasehold estate or any part
thereof and the prior written consent of Lessor, and any
attempted encumbrance shall be absolutely void.

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.]

23. LIENS.

At least ten (10) days prior to commencement of construction, Lessee shall furnish County with written notice of intention to commence construction so that County may post upon premises hereby demised a notice of non-responsibility.

24. WAIVER OF CONDITIONS OR COVENANTS.

Any waiver by County of any breach of any one or more of the covenants, conditions, terms, and agreements of this lease shall not be construed to be a waiver of any subsequent or other breach of the same or of any other covenant, condition, term or agreement of this lease, nor shall failure on the part County to require or exact full and complete compliance with any of the covenants, conditions, terms, or agreements of this lease be construed as in any manner changing the terms hereof or estopping County from enforcing the full provisions hereof, nor shall the terms of this lease be changed or altered in any manner whatsoever other than by written agreement of County and Lessee. No delay, failure, or omission of County to re-enter the demised premises or to exercise any right,
power, privilege, or option, arising from any default, nor
any subsequent acceptance of rent then or thereafter accrued
shall impair any such right, power, privilege or option or
be construed as a waiver of or acquiescence in such default
or as a relinquishment of any right. No notice to Lessee
shall be required to restore or revive time as of the
essence after the waiver by County of any default. No option,
right, power, remedy, or privilege of County shall be con-
strued as being exhausted by the exercise thereof in one or
more instances.

The rights, powers, options, and remedies given County
by this agreement shall be cumulative.

25. PROPERTY INSURANCE.

Throughout the term of this lease and during Lessee's
occupancy of the demised premises, Lessee, at its own cost
and expense, shall insure against loss of or damage to all
buildings, structures, equipment and improvements thereon,
resulting from fire, lighting, vandalism, malicious mis-
chief, and those risks ordinarily defined in "extended
coverage."

Such insurance shall be in an amount equal to 90% of
the full replacement value of said buildings, structures
equipment, and improvements, and shall be placed and main-
tained with such insurance company or companies and in such
form as shall be satisfactory to County.

[All such insurance policies, along with their endorse-
ments, shall name the County as an insured, as its interests
may appear. In the event of loss of or damage to buildings,
structures, equipment and improvements thereon, resulting
from fire, lightning, vandalism, malicious mischief and
those risks ordinarily defined in extended coverage, Lessee
shall be obligated to rebuild or replace the destroyed or
damaged buildings, structures, equipment and improvements
to the full satisfaction of the County. Said obligation
to rebuild or replace is not dependent upon the existence
of insurance. The County or Encumbrance Holder, as the case
may be, shall reimburse Lessee for said rebuilding or
replacement out of and to the full extent of the proceeds of
said insurance that may be held by County or Encumbrance
Holder to the extent that payments are required for such
rebuilding or replacement. Any surplus proceeds remaining
after said rebuilding or replacement shall be distributed to
the named insured as their interests may appear. Whenever
any Encumbrance Holder is the Lessee (having succeeded to the
Lessee's interests by operation of law or pursuant to the
terms of this lease) and the demised premises or any improve-
ments thereon are damaged or destroyed as the result of
any hazard which is not covered by insurance pursuant to
this lease (or for which the proceeds from insurance are
less than 80% of the cost of restoration) and if such En-
cumbrance holder elects not to restore such damage, such
Encumbrance Holder shall have the option, exercisable only
within ninety (90) days after such damage or destruction,
to surrender its rights as Lessee upon payment to County of
TEN THOUSAND DOLLARS ($10,000.00) to be applied to the cost
of clearing the demised premises of destroyed improvements
or repairing any damage, and upon such surrender such Encumbrance
Holder shall not have any other liability or obligation to
the County of any kind by virtue of its failure to restore
and/or repair the demised premises and improvements thereon.

Duplicate policy or policies evidencing such insurance
coverage, in such form as shall be acceptable to County, shall
be filed with Director prior to the commencement of construc-
tion of such improvements, and such policy or policies shall
provide that such insurance coverage will not be cancelled or reduced without at least thirty (30) days prior written notice to Director. At least thirty (30) days prior to the expiration of any such policy, a certificate showing that such insurance coverage has been renewed shall be filed with Director.

26. INDEMNITY CLAUSE AND CASUALTY INSURANCE.

Lessee shall at all times relieve, indemnify, protect and save harmless County and its Boards, officers, agents and employees from any and all claims and liability, including expenses incurred in defending against the same, for the death of or injury to persons or damage to property, including property owned or controlled by or in the possession of County, or any of its officers, agents, or employees, that may in whole or in part arise from or be caused by (a) the operation, maintenance, use, or occupation of the herein demised premises by Lessee, (b) the acts, omissions, or negligence of Lessee, its agents, officers, employees, or permittees, or (c) the failure of Lessee to observe or abide by any of the terms and conditions of this lease or any applicable law, ordinance, rule, or regulation; the obligation of Lessee to so relieve, indemnify, protect and save harmless County, and each of its Boards, officers, and employees, shall continue during any periods of occupancy of or holding over by Lessee, its agents, officers, employees, or permittees, beyond the expiration or other termination of this lease.

Lessee shall maintain in full force and effect during the term of this lease, comprehensive general liability insurance with bodily injury and property damage liability limits of not less than One Hundred Thousand Dollars ($100,000.00) per person and Two Hundred Thousand Dollars ($200,000.00) per occurrence of death or bodily injury.
and Ten Thousand Dollars ($10,000.00) per occurrence of
property damage; and Lessee agrees that County, its Board
of Supervisors and members thereof, and County's and Board's
officers, agents, and employees, shall be named as additional
insureds under such liability insurance policy or policies.

A duplicate policy evidencing such insurance coverage
shall be filed with Director within ten (10) days of the
execution of this lease by County and prior to any entry
upon the premises herein demised, and said policy shall pro-
vide that such insurance coverage shall not be cancelled or
reduced without at least thirty (30) days prior written
notice to Director. At least thirty (30) days prior to
the expiration of any such policy, a policy showing that
such insurance coverage has been renewed or extended shall
be filed with Director.

The amounts of casualty insurance by this Section
required shall be subject to renegotiation at the same
time and in the same manner as the amounts of rent here-
under.

27. WORKMEN'S COMPENSATION INSURANCE.

Lessee shall maintain in force during the term of
this lease, in an amount and with coverage satisfactory
to Director, Workmen's Compensation Insurance. A certi-
ficate evidencing such insurance coverage shall be filed
with Director prior to entry upon the premises herein
demised.

28. FAILURE TO PROCRUE INSURANCE.

In case of failure on the part of Lessee to procure
or renew the herein required insurance, County may, at
its discretion, procure or renew such insurance and pay
any and all premiums in connection therewith and all monies
so paid by County shall be repaid, by Lessee, to County
upon demand.

29. TAXES AND ASSESSMENTS.

Lessee agrees to pay before delinquency all lawful taxes, assessments, fees, or charges which at any time may be levied by the State, County, City, or any tax or assessment levying body upon any interest in this lease or any possessory right which Lessee may have in or to the premises covered hereby or to the improvements thereon by reason of its use or occupancy thereof or otherwise, as well as all taxes, assessments, fees, and charges on goods, merchandise, fixtures, appliances, equipment, and property owned by it in, on, or about said premises.

30. ACCOUNTING AND RECORDS.

In order to determine the amount of and provide for the payment of the rental due hereunder, Lessee shall at all times during the term of this lease, and for twelve months thereafter, keep, or cause to be kept, locally, to the satisfaction of Director, true, accurate, and complete records and double-entry books of account, such records to show all transactions relative to the conduct of operations, and to be supported by documents of original entry such as, but without limit to, sales slips, cash register tapes, and purchase invoices.

All sales shall be recorded by means of cash registers which publicly display the amount of each sale and automatically issue a customer's receipt or certify the amount recorded on a sales slip. Said cash registers shall in all cases have locked-in sales totals and transaction counters which are constantly accumulating and which cannot, in either case, be reset, and in addition thereto, a tape located within the register on which transaction numbers and sales details are imprinted. Beginning and ending
cash register readings shall be made a matter of daily record.

No later than the 15th day of each calendar month, Lessee shall render to County a detailed statement showing gross receipts during the preceding calendar month, together with the amount payable to County as elsewhere herein provided, and shall accompany same with remittance of amount so shown to be due.

Books of account and records hereinabove required shall be kept or made available at the demised premises or at such other locations as is agreeable to County, and County shall have the right at any and all reasonable times to examine and audit said books and records without restriction for the purpose of determining the accuracy thereof and of the monthly statements of gross receipts derived from occupancy of the demised premises.

County may require the installation of any additional accounting methods or machines which in its sole discretion it deems necessary.

31. ACCOUNTING YEAR.

The term "accounting year" as used herein shall mean a period of twelve (12) consecutive calendar months, the first accounting year commencing concurrently with the beginning of the term of this lease and ending on the last day of the twelfth calendar month following the beginning of said term; thereafter the "accounting year" shall be each period of twelve (12) consecutive calendar months.

32. COST OF AUDIT.

In the event Lessee does not make available its original records and books of account at the leased premises or within the territorial limits of the County of Los Angeles,
Lessee agrees to pay all necessary expenses incurred by County in conducting any audit at the location where the said records and books of account are maintained.

33. ENTRY BY COUNTY.

County and its duly authorized representatives or agents may enter upon said demised premises at any and all reasonable times during the term of this lease for the purpose of determining whether or not Lessee is complying with the terms and conditions hereof, or for any other purpose incidental to the rights of County.

34. RIGHT OF ENTRY AS AGENT.

In any and all cases in which provision is made herein for termination of this lease, or for exercise by County of right of entry or re-entry upon the demised premises or in case of abandonment or vacation of the premises by Lessee, Lessee hereby irrevocably appoints County the agent of Lessee to enter upon the demised premises and remove any and all persons and property whatsoever situated upon the demised premises and place all or any portion of said property, except such property as may be forfeited to County, in storage for the account of and at the expense of Lessee.

In such case County may relet the premises upon such terms as County may deem fit, and if a sufficient sum shall not be thus realized, after paying the expenses of such reletting and collecting, to satisfy the rent and other sums herein reserved to be paid, Lessee agrees to pay any deficiency, and to pay the expenses of such reletting and collecting.

Lessee hereby exempts and agrees to save harmless County from any cost, loss, or damage arising out of or caused by any such entry or re-entry upon the demised premises and the removal of persons and property and
storage of such property by County and its agents.

35. MAINTENANCE OF PREMISES.

Lessee shall give prompt notice to County of any fire or damage that may occur from any cause whatsoever. Lessee shall to the satisfaction of Director keep and maintain the leased premises and all improvements of any kind which may be erected, installed, or made thereon by Lessee in good and substantial repair and condition, including painting, and shall make all necessary repairs and alteration thereto.

County shall not at any time be required to make any improvements or repairs whatsoever except that County may at its sole discretion do any necessary dredging, filling, grading, slope protecting, construction of sea walls, or repair of water system, sewer facilities, roads, or other County facilities in order to protect the leased premises or the adjoining premises.

Lessee expressly agrees to maintain the leasehold in a safe, clean, wholesome, and sanitary condition, to the complete satisfaction of Director and in compliance with all applicable law. Lessee further agrees to provide proper containers for trash and garbage and to keep the demised premises, both land and water areas thereof, free and clear of rubbish and litter. County shall have the right to enter upon and inspect the said premises at any time for cleanliness and safety.

36. REPAIRS BY COUNTY.

Lessee shall from time to time make any and all necessary repairs to or replacement of any equipment, structure, structures, or other physical improvements, upon the demised premises, in order to comply with any and all regulations, laws, or ordinances of the State of
California, County of Los Angeles, City of Los Angeles, or other governmental body, which may be applicable.

If Lessee fails to make any such repairs or replacements as required, County may notify Lessee of said default in writing, and should Lessee fail to cure said default and make said repairs or replacements within a reasonable time as established by County, County may make such repairs or replacements and the cost thereof, including, but not limited to, the cost of labor, materials, and equipment, shall be charged against Lessee and shall become a part of the rental for the period next following the period of default, or the same may be prorated over a period of time to be determined by the County.

37. SPECIAL SERVICES.

In addition to the rental charges as herein provided, Lessee shall pay all service charges for furnishing water, power, sewage disposal, light, telephone service, garbage and trash collection, and all other utilities, to said premises.

38. SIGNS, AWNINGS, UTILITY LINES, AERIALS, AND ANTENNAE.

No signs or awnings shall be erected or maintained upon the demised premises (other than inside any buildings constructed by Lessee or sublessee), except such signs as show the business or profession of Lessee or sublessee. All such signs must be approved by Director. All utility lines, and specifically the ones for the utilities mentioned in Section 6, shall be underground. Aerials and antennae shall conform to the minimum standards of construction and architectural treatment mentioned in Section 5.

39. HAZARDOUS SUBSTANCES.

No goods, merchandise, or material shall be kept, stored or sold in or on said demised premises which are in any way
explosive or hazardous; and no offensive or dangerous trade,
business, or occupation shall be carried on therein or thereon,
and nothing shall be done on said premises, which will cause
an increase in the rate of or cause a suspension or cancella-
tion of the insurance upon said or other premises and the
improvements thereon.

No machinery or apparatus shall be used or operated
on said leased premises which will in any way injure said
premises, or improvements thereon, or adjacent or other
premises, or improvements thereon; provided, however, that
nothing in this Section contained shall preclude Lessee
from bringing, keeping, or using on or about said premises
such materials, supplies, equipment, and machinery as are
appropriate or customary in carrying on its said business,
or from carrying on its business in all usual respects.

Open flame welding or burning, gasoline or other fuel
storage is expressly prohibited without a written consent
of Director first had and obtained.

40. NUISANCE.

Lessee shall not permit the property hereby demised
to be used for any unlawful purpose and shall not perform,
permit, or suffer any act of omission or commission upon
or about said property or any building or construction
thereon which would result in a nuisance or a violation
of the laws and ordinances of the United States, State of
California, or the City or County of Los Angeles, as the
same may be now or hereafter in force and effect.

41. RULES AND REGULATIONS.

Lessee shall abide by all applicable rules, regula-
tions, resolutions, ordinances, and statutes of the
County of Los Angeles, the City of Los Angeles, and the
State of California, or other governmental body, where
applicable, respecting the use, operation, maintenance, repair, or improvement of the leased premises and equipment, and shall pay for any and all licenses required in connection with the use, operation, maintenance, repair, or improvement of the leased premises.

42. RESERVATIONS.

Lessee expressly agrees that this lease and all rights hereunder shall be subject to all prior exceptions, reservations, leases, licenses, easements, and rights-of-way of record now existing in, to, over, or affecting the leased premises for any purpose whatsoever.

43. EMINENT DOMAIN.

If the whole or any substantial part of the premises hereby leased shall be taken by any paramount public authority under the power of eminent domain then the term of this lease shall cease as to the part so taken from the day the possession of that part shall be taken for any public purpose, and from that day Lessee shall have the right either to cancel this lease or to continue in the possession of the remainder of the premises under the terms herein provided, except that the square foot rental shall be reduced in proportion to the amount of the premises taken.

All damages awarded for such taking shall belong to and be the property of County; provided, however, that County shall not be entitled to any portion of the award made for loss of business installation or structures, buildings, or other improvements belonging to Lessee immediately prior to the taking of possession by the condemning authority.

44. FREE USE OF FACILITIES.

There shall be no free use of services or facilities
provided on or from said premises which would in any way violate Section 506 of the Bond Resolution incorporated by reference in this agreement.

45. QUIET ENJOYMENT.

Lessee, upon performing its obligations hereunder, shall have the quiet and undisturbed possession of the demised premises throughout the term of this lease.

46. BOND RESOLUTION.

Reference is hereby made to Chapter 14, Part 2, Division 2, Title 3, of the Government Code of the State of California, sometimes referred to as the Act, and to that certain resolution of the Board of Supervisors of the County of Los Angeles authorizing and providing for the issuance of $13,000,000 of Marina del Rey Revenue Bonds of 1959 of said County and providing the terms and conditions for the issuance of said bonds as adopted by said Board on September 8, 1959, including amendments ordered September 15, 1959, and November 10, 1959, which are hereby incorporated by reference in full as part of this agreement.

47. TIME.

Time is of the essence of this lease and applies to all times, restrictions, conditions, and limitations contained herein; this lease shall bind Lessee and its sublessees, assigns, successors, heirs, administrators, or legal representatives, as the case may be.

48. FEDERAL HOUSING ADMINISTRATION FINANCING REQUIREMENTS.

Upon any default under this lease, where the leasehold is subject to a mortgage or trust deed insured, reinsured or held by the Federal Housing Commissioner, County shall give mortgagee and the Federal Housing Commissioner notice in writing, and the mortgagee and the Federal Housing Com-
missioner, their successors and assigns, shall have the
right at any time within six (6) months from the date of
such notice to correct the default and reinstate the lease,
or, if County declares the lease forfeited and secures
possession of the leased premises, the mortgagee or the
Federal Housing Commissioner within six (6) months of such
forfeiture and securing of possession may elect to request
and receive a new lease running to mortgagee or Federal
Housing Commissioner, their successors and assigns, having
the same provisions and conditions as this lease and having
a term equal to the remaining term of this lease, except that
the Federal Housing Commissioner's liability for ground
rental shall not extend beyond his occupancy thereunder, the
County to deliver possession of the property immediately upon
the execution of such new lease, and the mortgagee or
Federal Housing Commissioner to pay to County the amount of
ground rentals due under this lease less any net rentals or
other income which County may have received during the time
it may have been in possession of the property.

County may accept in lieu of the performance and payment
bonds required by this lease, the bond required by the
Federal Housing Commissioner in connection with construction
of a project financed with an FHA insured loan, if County
finds such bonds to be satisfactory as to form and amount
and County is made a co-obligee on such bond.

In lieu of the requirements for hazard insurance in this
lease, County may accept hazard insurance as required by the
Federal Housing Commissioner, if the terms of such insurance
are satisfactory to County, and the County is included as an
insured under the policy as its interests may appear.

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 this 22 day of October, 1968.

(SEAL)

JACKBILT, INC., a corporation

ATTEST:

EXECUTIVE OFFICER

JAMES S. MIZE, Clerk
of the Board of
Supervisors

By

Secretary

By

APPROVED AS TO FORM:

COUNTY OF LOS ANGELES

JOHN D. MAHARG
County Counsel

By

Chairman, Board of Supervisors

By

APPROVED BY
BOARD OF SUPERVISORS

OCT 22 1968