

AMENDMENT NO. 2 TO LEASE FOR PARCEL(S) 95S

MARINA DEL REY

THIS AMENDMENT TO LEASE made this 20th day of November, 1974,

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

AND INTERSTATE MARINA DEVELOPMENT CO.,
a limited partnership
hereinafter referred to as "Lessee,"

WITNESSETH:

WHEREAS, the parties hereto or their predecessors in interest have, on the fifth day of June, 1968, entered into a lease under which Lessee leased from County that certain real property in the Marina del Rey Small Craft Harbor known as Parcel No. 95S; and

WHEREAS, the lease contains various sections which the Lessee and Lessor agree should be clarified;

NOW, THEREFORE, in consideration of the mutual promises and covenants of the parties hereto, it is hereby agreed as follows:

1. Section 7 (SECURITY DEPOSIT) is deleted in its entirety and the following substituted therefor:

County hereby acknowledges receipt from Lessee of the sum of FOUR THOUSAND FOUR HUNDRED TEN AND 12/100----- DOLLARS (\$4,410.12-----). This sum, which is an amount equal to approximately three (3) months' minimum bid rental, shall

ADOPTED
BOARD OF SUPERVISORS
COUNTY OF LOS ANGELES

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JAMES S. MITE
EXECUTIVE OFFICER

be retained by 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.

In the event all or any part of said sum so deposited is applied against any rent or other financial obligations of Lessee due and unpaid, the Lessee shall immediately reimburse the County an amount equal to that portion of the security deposit applied by County so that at all times during the life of this lease said full security deposit shall be maintained with County. Failure to maintain the full amount of security deposit shall constitute an event of default as provided for in Section 21. 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 three (3) years of the term of this lease, Lessee may, with approval of Director, substitute for said cash security deposit a corporate surety bond issued by a surety company licensed to transact business in the State of California, or such other bond or written undertaking satisfactory to Director, in an amount equal to said deposit.

2. Section 10 (PERFORMANCE AND SURETY BONDS) of said lease is amended by deleting Subsection (c).

3. Section 11 (GROSS RECEIPTS) of said lease is deleted in its entirety and the following substituted therefor:

Except as herein provided, 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 by Lessee and/or 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 or elsewhere, including but not limited to rentals,

the rendering or supplying of services and the sale of goods, wares or merchandise.

Except as specifically provided herein or by policy statement issued by Director, 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, costs of goods, interest, debt amortization, credit, collection costs, discount from credit card operations, insurance and taxes.

Gross receipts shall not include direct taxes imposed upon the consumer and collected therefrom by the Lessee such as, but not limited to, retail sales taxes, excise taxes, or related direct taxes, which are direct taxes paid periodically by Lessee to a governmental agency accompanied by a tax return statement.

Except as specifically provided below by policy statement, gross receipts reported by Lessee and its sublessees, assignees, licensees, concessionaires and permittees, must include the full usual charges for any services, goods, rentals or facilities provided by Lessee or its sublessees, assignees, licensees, concessionaires or permittees. Bona fide bad debts actually incurred by Lessee, or its sublessees, assignees, licensees, concessionaires and permittees may be deducted from gross receipts. There shall, however, be no deduction for bad debts based on past experience or transfers to a bad debt reserve. Subsequent collection of bad debts previously not reported as gross receipts shall be included in gross receipts at the time they are collected.

The Director, by policy statement, consistent with recognized and accepted business and accounting practices, and with the approval of the Auditor-Controller and County Counsel, may further interpret the term "gross receipts" as used in this lease.

4. Section 12 (SQUARE FOOT RENTAL) of said lease is deleted in its entirety and the following substituted therefor:

The annual square foot rental for the whole of the demised premises shall be \$0.24027 per square foot of land as to 73,919 square feet. The total annual rental for the entire leasehold shall be SEVENTEEN THOUSAND SEVEN HUNDRED SIXTY AND 52/100-----DOLLARS (\$ 17,160.52-----).

Lessee shall pay to County said rental in twelve (12) equal monthly installments. Said installments shall be due and payable in advance on the first day of each calendar month.

5. Section 13 (PERCENTAGE RENTALS) of said lease is deleted in its entirety and the following substituted therefor;

Gross receipts from each transaction, sale or activity of Lessee and/or sublessee, shall be reported under one or more of the following percentage categories, as applicable. It is understood that Section 3 of this lease provides for all the purposes or uses of the demised premises and that the percentage categories listed hereafter are not all applicable to this lease and are in no way intended to expand the purposes and uses provided for by Section 3. The Director, by policy statement and with the approval of the Auditor-Controller and County Counsel, may further interpret the percentage categories as set forth in this Section 13, with such determination and interpretation to be a guideline in determining the appropriate categories.

Within fifteen (15) days after the close of each and every calendar month of the term hereof, Lessee shall file a report of gross receipts and pay to County a sum equal to the total of the following percentages for said previous month, less the amount of monthly installment of minimum rent paid for said previous month as provided for in Section 12:

(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, dockside 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 rental or other fees charged for the use of dry storage facilities, landside gear lockers, landside storage space, boats, motors, tackle, recreational equipment, tools, equipment, launch and retrieving of small boats and from the sale of live bait;

(c) SEVEN AND ONE-HALF Per Cent (7-1/2%) of gross receipts or other fees charged for the occupancy of structures and other facilities including but not limited to (1) apartments, (2) hotel and/or motel accommodations, (3) house trailers, (4) meeting rooms, (5) rental of land and/or water or facilities for activities not otherwise provided for in this section such as but not limited to television and/or motion pictures, (6) parking fees or charges except where such parking fees or charges are collected in conjunction with an activity, the gross receipts from which are required to be reported in a percentage category greater than SEVEN AND ONE-HALF Per Cent (7-1/2%), and (7) offices utilized for banking, financial or investment activities, internal clerical or administrative activities or business enterprises, real estate and insurance brokerage, legal, medical, engineering, travel agencies, or similar professional services but not to include, however, stores, shops or other commercial establishments, the gross receipts pertaining to which are subject to percentage rentals and specifically required to be reported under other subsections 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 including credits for used items taken in trade as part payment for new items, as reflected in the bill of sale. However, the trade-in allowance for such used item taken in trade

may be deducted from the sale price of said used item, provided said used item is sold within one hundred twenty (120) days of the date of the bill of sale which established said trade-in allowance;

(e) FIVE Per Cent (5%) of commissions or other fees earned from boat brokerage, car rental agencies, marine insurance commissions where the sale of insurance is conducted in conjunction with boat sales and/or boat brokerage, telephone service charges, laundry and dry cleaning commissions and other similar activities where earnings are normally on a commission basis when said activity is approved in advance by Director;

(f) FIVE Per Cent (5%) of gross receipts received by Lessee or sublessee or TWENTY Per Cent (20%) of any commissions or fees collected by Lessee from service enterprises and as further defined in Policy Statement No. 21 issued by Director;

(g) SIX Per Cent (6%) of gross receipts received by Lessee or sublessee or TWENTY Per Cent (20%) of any commissions or fees collected from commercial boating activities including, but not limited to, charter boat, bareboat charters and sport-fishing boats as further defined in Policy Statement No. 21 issued by Director;

(h) FIVE Per Cent (5%) of gross receipts received by Lessee or sublessee or TWENTY-FIVE Per Cent (25%) of any commissions or other fees collected for the installation and/or operation of coin-operated vending or service machines including pay telephones;

(i) TEN Per Cent (10%) of gross receipts from the operation of a bar, tavern, cocktail lounge, discotheque, night club or other facilities engaged primarily in the on-premises sale of alcoholic beverages except as provided for in Subsection (j);

(j) THREE Per Cent (3%) of gross receipts from the operation of restaurants, restaurant/cocktail lounge combination, coffee shops, beach and theater food facilities, except

that gross receipts from facilities established and operated as a take-out food operation shall be reported under Subsection (s);

(k) ONE AND ONE-HALF Cents (\$0.015) per 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; provided that to qualify for such an exemption Lessee must comply with the "Criteria for Eligibility for Exemption of Special Assessments from Gross Receipts" issued by the Director;

(n) FIVE Per Cent (5%) of gross receipts or other fees charged from the operation of sightseeing boats, tour boats or water taxis;

(o) TWO Per Cent (2%) of gross receipts from the operation of a cable television facility under a franchise granted by the County of Los Angeles;

(p) THREE Per Cent (3%) of gross receipts or other fees charged by authorized boat repair yards, including repair, painting, tugboat, salvage and boat pump-out services and similar activities, except that where parts and materials are separately invoiced, they may be reported under Subsection (s) of this Section;

(q) FIVE Per Cent (5%) of gross receipts of cover charges or other fees charged for admission to facilities featuring entertainment, excluding movie theaters whose gross receipts shall be reportable under Subsection (s);

(r) TWENTY Per Cent (20%) of gross receipts from parking fees except as provided for in Subsection (c);

(s) ONE Per Cent (1%) of gross receipts from the sale of miscellaneous goods and services not specifically provided for

elsewhere in this Section and as further defined in Policy Statement No. 21 issued by Director.

If rent payments actually made by a Lessee exceed the total percentage rentals when computed on an annual basis for any calendar year, Lessee shall be allowed credit for the amount by which the rental payments exceed the sum of the percentage rentals when computed on an annual basis for the calendar year, provided, however, that the total rental paid shall be no less than the annual rental provided for in Section 12.

Where a sublessee, licensee, or permittee is conducting a business or engaged in any use or occupation or any combination thereof on Lessee's leasehold except for those uses or occupations delineated under Item (7) of Subsection (c) of this Section, Lessee shall report whichever of the following results in the greater percentage rental: (1) The gross receipts of each sublessee under one or more of the appropriate subsections of this Section; or (2) Lessee's receipts from each sublessee under Subsection (c) of this Section.

Interest, service, or late charges collected in conjunction with a transaction, sale, or activity of Lessee or sublessee shall be reported in the same percentage category as the transaction, sale or activity is reported.

Furthermore, where the Director and the Lessee and/or sublessee find that a percentage of gross receipts is not suitable or applicable for a particular activity, the Director may establish a minimum monthly rental or fee for that activity. Said rental or fee shall be set by the Director and be reasonable in accordance with the revenue generated by the Lessee and/or sublessee.

6. Section 18 (DISPOSITION OF INSTALLATIONS OR IMPROVEMENTS) of said lease is deleted in its entirety and the following substituted therefor:

Title to all structures, buildings, docks 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, docks, 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, docks 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, docks 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, upon written notice, require the Lessee to remove, at the sole cost and expense of Lessee, and not later than ninety (90) days after the termination or expiration of this lease, all structures, buildings, docks 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, piling, concrete foundations, structures and buildings; and Lessee shall, upon the expiration or termination of this lease, immediately restore, and quit, and peacefully surrender possession of, said premises to County in at least as good and usable 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,

buildings, docks 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.

Within thirty (30) days after expiration or termination of this lease, Lessee shall remove at its cost and expense such machinery, appliances or fixtures as are not firmly affixed to said structures, buildings, docks and improvements; should Lessee fail to so remove said appliances or fixtures within said period, 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, transformer vaults and all other service facilities constructed or installed by Lessee upon the demised premises shall vest in County upon construction or installation. Notwithstanding the foregoing sentence, such utility lines, switchboards, transformer vaults and all other service facilities, shall be maintained, repaired, and replaced, if necessary, by Lessee.

7. Section 21 (DEFAULT, FORECLOSURE, FORFEITURE AND CANCELLATION) of said lease is deleted in its entirety and the following substituted therefor:

A. Events of Default

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

- (1) The failure of Lessee to pay the rentals due, or make any other payments required under this lease, within ten (10) days after written

notice from Director that said payments are due and owing.

(2) The failure of Lessee to keep, perform, and observe any and all promises, covenants, conditions, and agreements set forth in this lease within thirty-five (35) days after written notice of default thereof from Director; provided, however, that where fulfillment of any such promises, covenants, conditions, or agreements requires activity over a period of time, and Lessee has commenced to perform whatever may be required to cure the particular default, County will not exercise any remedy available to it hereunder so long as Lessee diligently continues to pursue the performance of whatever may be required to cure the default in a manner satisfactory to Director. Director's determination shall not be arbitrary.

(3) The abandonment, vacation, or discontinuance of the demised premises, or any substantial portion thereof, for a period of thirty-five (35) days at any one time after written notice from Director calling attention to such abandonment, except when prevented by fire, earthquake, strikes, or other similar conditions beyond Lessee's control.

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

diligently pursues whatever is required to obtain release from or reversal of such process, order or decree.

B. Rights of Encumbrance Holders

Any trustee, beneficiary, mortgagee, or lender under a deed of trust, mortgage, or similar security instrument (hereinafter referred to individually and collectively as an "encumbrance holder") to which County has given its consent pursuant to Section 22 shall have the right at any time during the term of its encumbrance, and while this lease is in full force and effect, 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.

An encumbrance holder shall have all the rights with respect to the demised premises as set forth in the deed of trust, mortgage, or other lending instrument consented to by the County as provided in Section 22, 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.

County shall not exercise any remedy available upon the occurrence of an "event of default" unless it shall first have given written notice of such default to each and every encumbrance holder as provided herein. Such notice shall be sent by registered mail simultaneously with the notice or notices to Lessee referred to in Subsection A above, to each such encumbrance holder addressed as shown on the deed of trust, mortgage, or security instrument, or as Director shall otherwise be instructed by such encumbrance holder. An encumbrance

holder shall have the right and the power to cure the event of default specified in such notice in the manner described below. If such event or events of default are so cured, this lease shall remain in full force and effect.

Said event or events of default may be cured by an encumbrance holder in the following manner:

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

(2) If the event of default cannot be cured by the payment of money as aforesaid, the default shall be cured:

(a) If an encumbrance holder cures, remedies and corrects the default in a manner satisfactory to Director within thirty-five (35) days after mailing of the aforesaid notice of default; provided, however, if curing of such default requires activity over a period of time, such default may be cured if within said thirty-five (35) days an encumbrance holder commences and thereafter diligently continues to perform whatever may be required to cure the particular default in a manner satisfactory to Director; or

(b) If during said thirty-five (35) days the encumbrance holder notifies Director of its intent to commence foreclosure, and within sixty (60) days after the mailing of said notice of default, said encumbrance holder, (1) actually commences foreclosure proceedings and prosecutes the same thereafter with reasonable diligence, said sixty (60) day period shall be extended by the time necessary to complete such foreclosure proceedings; or (2) if said encumbrance holder is prevented from commencing foreclosure by any order, judgment, or decree of any court or regulatory body of competent jurisdiction, and said encumbrance holder diligently seeks release from or reversal of said order, judgment or decree said sixty (60) day period shall be extended by the time necessary to obtain the release from or reversal of said order, judgment or decree and thereafter to complete such foreclosure proceedings. Within thirty-five (35) days after such foreclosure sale and the vesting of title free of redemption in the purchaser thereat (whether or not such purchaser is the encumbrance holder), said purchaser shall, as a condition to the completion of such transfer, cure, remedy, or correct the default, or commence and thereafter diligently

pursue the performance of the thing
or work required to be done to cure,
correct, and remedy said default, in
a manner satisfactory to Director.

If said event of default is then
impossible to cure, said transferee
shall not be obligated to cure such
event of default.

C. Forfeiture and Cancellation

If an event or events of default have occurred and have not been cured by Lessee or an encumbrance holder under the provisions and within the time limits set forth above, then the County, at its option, may send a notice of forfeiture by registered mail to Lessee and to each and every such encumbrance holder. Such notice of forfeiture shall specify the date upon which this lease shall be deemed forfeited. Upon such date this lease shall be forfeited and cancelled in its entirety without any further action of the County. Upon such termination, all rights of Lessee or of any encumbrance holder to possession of the premises shall terminate, and Lessee or any encumbrance holder shall surrender possession thereof immediately. Upon exercise of such right by County, Lessee hereby grants County license to enter upon the demised premises, and take possession thereof, including all improvements, equipment and inventory.

8. Section 22 (SUBLEASES, ASSIGNMENTS, TRUST DEED BENEFICIARIES, MORTGAGEES AND SUCCESSORS) of said lease is deleted in its entirety and the following substituted therefor:

A. Subleases

The term "sublease" as used in this Section shall include any lease, license, permit, concession or other interest in the demised premises which is conveyed by Lessee to a third party.

(1) Commercial Subleases

Commercial sublease as used in this subsection shall mean any activity conducted on the leasehold by the sublessee which generates gross receipts as defined in Section 11 hereof.

At least thirty (30) days prior to the effective date of any commercial sublease of the demised premises or of any amendment or assignment of an existing commercial sublease, Lessee shall submit a copy of the sublease, amendment or assignment to Director for approval. To the extent practical, Director shall approve or disapprove said proposed sublease, amendment or assignment within thirty (30) days of receipt thereof.

In no event, however, shall any such sublease, amendment or assignment be made or become effective without the prior approval of Director. Each such sublease shall specifically provide that the sublessee shall comply with all the terms, covenants and conditions of this lease.

(2) Non-Commercial Subleases

Lessee may, without prior approval of Director, sublease portions of the demised premises for a period not to exceed one year for personal, non-commercial uses, including but not limited to single residential units, boat slips, and dry storage racks. 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. Any sublease for a term in excess of one (1) year, shall, however, specifically provide that it shall be subject to the absolute power of the County at its sole election to cancel such sublease at any time. No condominium or cooperative dwelling plan shall be permitted.

B. Encumbrances

Lessee may, with the prior written consent of the County and subject to any specific conditions imposed by County, give, assign, transfer, mortgage, hypothecate, grant control of, or encumber all or a specific portion of Lessee's interest under this

lease and the leasehold estate so created to a lender on the security of the leasehold estate, or on the security of a specific portion of the leasehold estate. One (1) copy of any and all security devices or instruments as finally executed and recorded by the parties shall be filed with Director not later than seven (7) days after the effective date thereof.

Notwithstanding the provisions of the foregoing paragraph, the written consent of County shall not be required in the case of:

(1) A transfer of this lease at a foreclosure sale of trust deed or at a judicial foreclosure;

(2) A subsequent transfer of the lease by an encumbrance holder who was a purchaser at such foreclosure sale, provided the transferee expressly agrees in writing to assume and to perform all of the obligations under this lease.

In the event of such a transfer, the encumbrance holder shall forthwith give notice to County in writing of any such transfer setting forth the name and address of the transferee and the effective date of such transfer, together with a copy of the document by which such transfer was made. Any transferee under the provisions of subparagraph (1) of this paragraph shall be liable to perform the full obligations of the Lessee under this lease until a subsequent transfer of the lease but not thereafter. Any subsequent transferee under the provisions of subparagraph (2) of this paragraph shall be liable to perform the full obligations of the Lessee under this lease and as a condition to the completion of such transfer must cure, remedy, or correct any event of default existing at the time of such transfer in a manner satisfactory to County.

C. Assignments

Except as specifically hereinbefore provided, Lessee shall not, without the prior 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. In addition, for purposes of this provision, the following acts of Lessee shall be considered assignments and shall require the prior written consent of County to be effective:

(1) The change in one or more general partners in a limited partnership, except by the death of a general partner and his replacement by a vote of the limited partners or by the remaining general partners;

(2) The sale, assignment, or transfer of fifty per cent (50%) or more of the stock in a corporation which owns or is the general partner in a partnership which owns the leasehold.

Neither this lease nor any interest therein shall be assignable or transferable in proceedings in attachment, garnishment or execution against Lessee, or in voluntary or involuntary proceedings in bankruptcy or insolvency or receivership taken by or against Lessee, or by any process of law including proceedings under Chapters X and XI of the Bankruptcy Act.

D. Successors

Each and all of the provisions, agreements, terms, covenants and conditions herein contained to be performed, fulfilled, observed and kept by the Lessee hereunder shall be binding upon the heirs, executors, administrators, successors and assigns of the Lessee, and all rights, privileges and benefits arising under this lease in favor of the Lessee shall be available in favor to its heirs, executors, administrators, successors and assigns, 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.

9. Section 25 (PROPERTY INSURANCE) of said lease is amended by adding the following paragraph at the end of said Section:

In lieu of submitting a copy of the policy or policies evidencing the above insurance, Lessee may submit in a form acceptable to County a certificate of insurance.

10. Section 26 (INDEMNITY CLAUSE AND CASUALTY INSURANCE) of said lease is amended by adding the following paragraph at the end of said Section:

In lieu of submitting a copy of the policy or policies evidencing the above insurance, Lessee may submit in a form acceptable to County a certificate of insurance.

11. Section 27 (WORKMEN'S COMPENSATION) of said lease is amended by deleting the last sentence of said Section.

12. Section 30 (ACCOUNTING RECORDS) of said lease is amended by adding the phrase "and all sublessees, if any," after the word "Lessee" in the second line of the first paragraph; and adding the following sentence at the end of the second paragraph of said Section:

Requirements of this paragraph may be waived in advance by the Director upon submission of an acceptable substitute plan for recording sales and other income.

13. Section 36 (REPAIRS BY COUNTY) of said lease is deleted in its entirety and the following substituted therefor:

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 or other

governmental body, which may be applicable, or as required in writing by Director to Lessee incident to the provisions of Section 35 of this lease.

If Lessee fails to make any such repairs or replacements as required, Director 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 Director, 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 Director.

14. The effective date of this amendment shall be the first day of the month following execution by the Chairman of the Board of Supervisors.

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

IN WITNESS WHEREOF, County has, by order of its Board of Supervisors, caused this amendment to lease to be subscribed by the Chairman of said Board and attested by the Executive Officer-Clerk thereof, and the Lessee has executed the same the day, month and year first hereinabove written.

ATTEST:

JAMES S. MIZE, Executive-
Officer-Clerk of the

By

R. M. Lewis Pres.

By

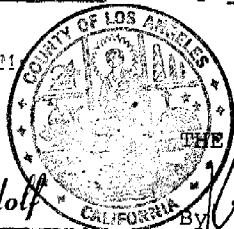
Catherine Querna

By

Richard E. ...

APPROVED AS TO FORM

JOHN H. LARSON
County Counsel



THE COUNTY OF LOS ANGELES

By

Robert W. Rodolf

Deputy

By

[Signature]

Chairman, Board of Supervisors