

Tom



COUNTY OF LOS ANGELES
DEPARTMENT OF BEACHES AND HARBORS



STAN WISNIEWSKI
DIRECTOR

KERRY GOTTLIEB
CHIEF DEPUTY

May 7, 2003

ADOPTED
BOARD OF SUPERVISORS
COUNTY OF LOS ANGELES

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

20

MAY 20 2003

Violet Varona-Lukens
VIOLET VARONA-LUKENS
EXECUTIVE OFFICER

Dear Supervisors:

**APPROVAL OF LEASE AMENDMENT NO. 1 TO LEASE NO. 73713
PARCEL 103T (OAKWOOD GARDEN APARTMENTS) - MARINA DEL REY
(4th DISTRICT)
(3 VOTES)**

IT IS RECOMMENDED THAT YOUR BOARD:

1. Find that the proposed Amendment No. 1 to Amended and Restated Lease No. 73713, Parcel 103T (the "Lease"), is categorically exempt under the California Environmental Quality Act pursuant to class 1(r) of the County's Environmental Document Reporting Procedures and Guidelines.
2. Approve and authorize the Chair of the Board to sign the attached Amendment No. 1 To Amended And Restated Lease No. 73713 Parcel 103T Marina del Rey, acknowledging substantial completion by Oakwood - Marina del Rey, LLC, a Delaware limited liability company (Lessee), of the Lease Redevelopment Work and requiring the escrowing of sufficient funds for the refurbishment of 20 remaining apartment units, with completion of that refurbishment to occur by December 31, 2013.

PURPOSE/JUSTIFICATION OF RECOMMENDED ACTION

On November 29, 2001, the Lessee, having fulfilled all required preconditions, exercised the option granted by your Board to amend and restate the Parcel 103T Lease, which, among other things, extended the lease term until March 31, 2042. The Lease requires that Lessee complete all lease required renovation work (Redevelopment Work), exclusive of

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the replacement of all concrete walkways, windows and sliding glass doors, prior to November 30, 2004 ("Required Redevelopment Completion Date") or the County retains the right to cause the newly extended lease term to revert to its original term (expiration date March 31, 2022). Lessee has completed substantially all of the required Redevelopment Work, including complete exterior facade, hardscape and landscape replacement, interior common area renovations and renovation of the meeting rooms/clubhouse building, as well as the extensive interior renovation of 577 units of the project's 597 total units. The remaining 20 units are occupied by long-term tenants who have concerns about relocating to allow renovations to these remaining 20 units to be accomplished. Lessee does not wish to displace these few remaining long-term tenants, but does desire to finalize its commitments under the Lease so as to remove the possibility of reversion of the term of the Lease to 2022. Lessee has therefore deposited into an escrow account, pursuant to an escrow agreement requiring that all disbursements must be approved by the County, a sum equal to 125% of the amounts required to complete renovations to the remaining 20 units, or \$135,000, with such funds to be released at the rate of \$5,400 per unit, upon County consent, as the final units are renovated. In any event, all such renovations to the remaining 20 units must be completed on or before December 31, 2013, the final completion date for replacement of all concrete walkways, windows and sliding glass doors in the project.

Implementation of Strategic Plan Goals

This recommendation is consistent with the County's Strategic Goal of Service Excellence, in that it marks Lessee's substantial completion of the required Redevelopment Work on or before the Required Renovation Completion Date, without requiring the displacement of long-term tenants.

FISCAL IMPACT/FINANCING

The acknowledgement that Lessee has met its obligation under the Lease to substantially complete the required Redevelopment Work on or before the Required Redevelopment Completion Date has no fiscal impact as Lessee has placed 125% of funds required to complete interior renovations of the remaining 20 units into an escrow account in order to assure full completion of all Redevelopment Work.

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Lessee and its lender have entered into an escrow agreement that has been approved and acknowledged by the Director of the Department of Beaches and Harbors ("Director"). The escrow holder will hold the aforementioned \$135,000, which is an amount equal to 125% of the amount needed to renovate 20 two-bedroom units, and as the remaining 20 units are refurbished, will release to Lessee on a quarterly basis the sum of \$5,400 per completed unit, subject to the approval of the Director. Upon completion of the remodeling of the remaining 20 units, any surplus funds remaining in the escrow account will be released to the Lessee.

FACTS AND PROVISIONS/LEGAL REQUIREMENTS

The original Parcel 103T lease commenced on December 18, 1968, with an original expiration date of March 31, 2022. The Lease was extended in November of 2001 for an additional twenty years to March 31, 2042. The Lease requires, as such terms and conditions are defined in the Lease, that the Lessee substantially complete the Redevelopment Work, in accordance with Final Redevelopment Work Plans and Specifications on or before the deadline defined in the Lease, and in the event that Lessee fails to complete the Redevelopment Work by the Required Renovation Completion Date, the Lease shall be automatically amended such that the Lease term reverts to the March 31, 2022 termination date applicable prior to the execution of the Amended and Restated Lease ("Reversion Amendment").

Lessee has deposited the sum of \$135,000, which is an amount equal to 125% of the amount required to renovate 20 two-bedroom units, in an escrow account with an escrow holder approved by the Director, in order to assure that there are sufficient funds to complete the interior renovation of the remaining units. These escrowed funds may be withdrawn by Lessee on a quarter-annual basis, subject to the approval of the Director, as renovation of the interiors of the remaining 20 apartment units occurs, at the rate of \$5,400 for each unit completed. The work must, in any event, be completed on or before December 31, 2013.

The Amendment provides that Lessee has substantially completed the required Redevelopment Work in accordance with the terms of the Lease, and thus the Reversion

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Amendment provision of the Lease becomes null and void.

At its meeting of April 9, 2003, the Small Craft Harbor Commission unanimously endorsed the Director's recommendation to execute the Agreement. The Agreement has been approved as to form by County Counsel.

ENVIRONMENTAL DECLARATION

The proposed Lease Amendment No.1 qualifies for a categorical exemption under the California Environmental Quality Act pursuant to class 1 (r) of the County's Environmental Document Reporting Procedures and Guidelines.

IMPACT ON CURRENT SERVICES (OR PROJECTS)

There is no impact on other current services or projects.

CONCLUSION

Authorize the Executive Officer/Clerk of the Board to send two copies of the executed Parcel 103T Amendment No. 1 to the Department of Beaches and Harbors.

Respectfully submitted,

Stan Wisniewski

Stan Wisniewski, Director

SW:rm
Attachments (1)

c: Chief Administrative Officer
Executive Officer, Board of Supervisors
County Counsel
Auditor-Controller

73713 5-1

**AMENDMENT NO. 1 TO AMENDED AND RESTATED LEASE NO. 73713
PARCEL 103T - MARINA DEL REY SMALL CRAFT HARBOR**

THIS AMENDMENT TO LEASE ("Amendment") is made and entered into as of MAY 20, 2003 ("Effective Date"),

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

AND OAKWOOD - MARINA DEL REY, LLC, a
Delaware limited liability company, hereinafter
referred to as "Lessee".

WITNESSETH

WHEREAS, the County and Lessee's predecessors-in-interest entered into Lease No. 14341 under the terms of which County leased to Lessee's predecessors-in-interest that certain real property located in the Marina del Rey Small Craft Harbor, County of Los Angeles, State of California, now commonly known as Parcel 103T, which leasehold was subsequently amended over time, and which was further amended and restated in that certain Amended and Restated Lease Agreement No. 73713, dated November 29, 2001, which leasehold premises (the "Premises") are more particularly and legally described in Exhibit "A" attached to and incorporated in the Amended and Restated Lease (the lease and all amendments, including the Amended and Restated Lease are collectively hereafter referred to as the "Lease"); and,

WHEREAS, the Lease requires that the Redevelopment Work, as defined in the Amended and Restated Lease, excepting for the replacement of concrete walkways, windows and sliding glass doors, specified in Section 5.1 of the Amended and Restated Lease be completed in accordance with the Final Redevelopment Work Plans and Specifications on or before the Required Renovation Completion Date set forth in such Section 5.1, and in the event that Lessee fails to complete the required portion of the Redevelopment Work by the Required Renovation Completion Date, the Lease shall be automatically amended such that the terms and provisions of the Lease revert back to the terms and provisions of the Lease existing prior to the execution of the Amended and Restated Lease as modified by the Non-Exercise Amendment ("Reversion Amendment"); and,

WHEREAS, Lessee has completed all of the Redevelopment Work required to be completed by the Required Renovation Completion Date, excepting interior renovations of 20 apartment units listed in Exhibit "A" inhabited by long-term residents (the "Remainder Units"), which work is otherwise not required to have been completed until November 30, 2004; and,

WHEREAS, the parties do not desire that Lessee displace the long-term tenants residing in the aforementioned Remainder Units in order to fully complete the Redevelopment Work that is otherwise required to be completed by the Required Renovation Completion Date, and Lessee has deposited the sum of one hundred thirty-five thousand dollars (\$135,000), which sum is agreed to be the equivalent of 125% of the funds required to complete the renovation of the Remainder Units, in an escrow account where all disbursements must be approved by the County, with an escrow holder approved by the Director of the Department of Beaches and

20 OF MAY 20 2003

Harbors ("Director"), in order that funds remain available to complete the interior renovations of the Remainder Units; and,

WHEREAS, the parties desire, subject to the establishment of the escrow account envisioned hereby, to amend the Lease to acknowledge that Lessee has substantially completed that portion of the Redevelopment Work required to be completed by the Required Renovation Completion Date, and the Reversion Amendment shall be of no further force or effect and shall be considered null and void and shall not be triggered; and,

WHEREAS, the parties intend that the required renovation of the Remainder Units be completed, in any event, no later than December 31, 2013.

NOW, THEREFORE, in consideration of the mutual agreements, covenants and conditions contained herein, and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties, and each of them, agree as follows:

1. The parties hereto agree that the Lessee is deemed in full performance of its obligations under the Lease to substantially complete the portion of the Redevelopment Work required to be completed by the Required Renovation Completion Date. 2. The parties hereto acknowledge that Lessee has deposited the sum of \$135,000 (the "Fund") into an escrow account where all disbursements must be approved by the County, with an escrow provider that has been approved by the County, to be withdrawn on a quarter-annual basis by Lessee, subject to the approval of the Director, as renovation of the interiors of the Remainder Units occurs, at the rate of \$5,400 for each unit completed. Upon completion of the interior renovations of all of the Remainder Units, the remaining balance of the Fund, if any, shall be released to Lessee. The parties hereto agree that the Lease shall no longer be subject to the potential implementation of the Reversion Amendment and the Reversion Amendment shall in no event be triggered.

3. The parties hereto agree that Lessee shall complete the required interior renovations of all of the Remainder Units as soon as the existing tenants of such units vacate them, but in no event later than December 31, 2013.

4. This Amendment No. 1 shall not relieve Lessee of its obligation to hereafter complete the Redevelopment Work on the Remainder Units, nor relieve Lessee of its obligation to hereafter complete the other remaining Redevelopment Work not required to be completed by the Required Renovation Completion Date.

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

[SIGNATURES ON FOLLOWING PAGE]

20 OF MAY 20 2003

IN WITNESS WHEREOF, the parties hereto have entered into this Amendment as of the date first set forth above.

OAKWOOD - MARINA DEL REY, LLC,
a Delaware limited liability company

By: Howard F. Ruby, Manager

Howard F. Ruby Manager

By: _____

Darby T. Keen, Attorney-in-Fact for
Howard F. Ruby

Howard F. Ruby Manager

By: _____

James M. Klein, Attorney-in-Fact for
Howard F. Ruby

By: Edward R. Broida, Manager

By: _____

Richard D. Holt, Attorney-in-Fact for
Edward R. Broida

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COUNTY OF LOS ANGELES

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MAY 20 2003

Violet Varona-Lukens
VIOLET VARONA-LUKENS
EXECUTIVE OFFICER

APPROVED AS TO FORM:

THE COUNTY OF LOS ANGELES

LLOYD W. PELLMAN
COUNTY COUNSEL

By: _____

Jeanne Brathwaite Burke
Chair, Board of Supervisors

By: see next Page
Deputy

ATTEST:

VIOLET VARONA-LUKENS,
Executive Officer of the Board
of Supervisors



I hereby certify that pursuant to
Section 25103 of the Government Code,
delivery of this document has been made.
VIOLET VARONA-LUKENS
Executive Officer
Clerk of the Board of Supervisors

By: *Jeanette M. Leuth*
Deputy

By: *Jeanette M. Leuth*

20 OF MAY 20 2003

IN WITNESS WHEREOF, the parties hereto have entered into this Amendment as of the date first set forth above.


OAKWOOD - MARINA DEL REY, LLC,
a Delaware limited liability company

By: Howard F. Ruby, Manager

By: _____
Darby T. Keen, Attorney-in-Fact for
Howard F. Ruby

By: _____
James M. Klein, Attorney-in-Fact for
Howard F. Ruby

By: Edward R. Broida, Manager

By: Edward R. Broida, mgr by 
Richard D. Holt, Attorney-in-Fact for
Edward R. Broida

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MAY 20 2003

Violet Varona-Lukens
VIOLET VARONA-LUKENS
EXECUTIVE OFFICER

APPROVED AS TO FORM:

THE COUNTY OF LOS ANGELES

LLOYD W. PELLMAN
COUNTY COUNSEL

By: Josune Brathwaite Burke
Chair, Board of Supervisors

By: Richard Pellman
Deputy



ATTEST:

VIOLET VARONA-LUKENS,
Executive Officer of the Board
of Supervisors

By: Jeanette M. Curtis

20 OF MAY 20 2003

ACKNOWLEDGMENT AND CONSENT:

The undersigned, present beneficiary under that certain Multifamily Deed of Trust, Assignment of Rents, Security Agreement and Fixture Filing dated as of November 30, 2001 (the "Deed of Trust"), executed by Lessee, as trustor, to Chicago Title Company, as trustee, for the benefit of Columbia National Real Estate Finance, LLC, a Delaware limited liability company, as beneficiary ("Original Lender"), and recorded on November 30, 2001 as Document No. 01-2274976 in the Official Records of Los Angeles County, California, (i) hereby consents to and approves for all purposes, including (without limitation) under the Lease and that certain Ground Lease Estoppel Certificate and Consent Agreement dated as of November 30, 2001, by and among, the County, Lessee and Original Lender, the foregoing Amendment, and (ii) agrees that the Deed of Trust is subordinate and subject to the foregoing Amendment in the same manner and to the same extent as the Lease:

FEDERAL HOME LOAN MORTGAGE CORPORATION, a shareholder-owned government-sponsored enterprise organized and existing under the laws of the United States

By: B.D.
Name: Assistant Secretary/Treasurer
Title: Bryan Dickson
Date: 4-28-03

[ATTACH NOTARY ACKNOWLEDGEMENT]

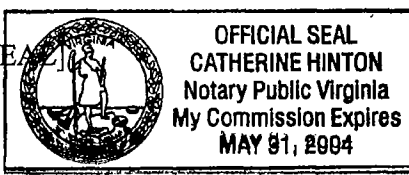
20 OF MAY 20 2003

STATE OF Virginia)
) ss.
COUNTY OF Fairfax)

On April 28, 2003, before me, the undersigned, a notary public in and for said State, personally appeared BRYAN DICKSON personally known to me (or proved to me on the basis of satisfactory evidence) to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

WITNESS MY HAND AND OFFICIAL SEAL.

Signature Catherine M. Hinton [SEAL]



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Exhibit A

Parcel 103T – Unfinished Apartment Interiors

<u>Unit #</u>	<u>Move In Date</u>
Studio Unfurnished (5)	
N208	Sep – 99
E205	Nov – 95
F105	Jul – 95
D307	Dec – 72
B309	Nov – 72
1 Bedroom Unfurnished (9)	
M206	May – 98
E310	Apr – 97
H307	Dec – 94
K308	Aug – 94
B308	Nov – 77
R323	Nov – 75
P205	Oct – 69
C301	Feb – 70
F302	May – 02
1 Bedroom Furnished (1)	
K214	Sep – 98
2 Bedroom Unfurnished (3)	
D202	Feb – 98
R201	Nov – 96
H212	Feb – 73
2 Bedroom Furnished (2)	
A301	Oct – 95
B213	Jun – 02