

AMENDMENT NO. 2 TO LEASE NO. 17566
PARCEL NO. 130 MARINA DEL REY

THIS AMENDMENT TO LEASE is made and entered into this 31st Day of December, 1996.

BY AND BETWEEN

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

AND

TEASERS MDR,LLC, a
California limited liability company,
hereinafter referred to as "Lessee"

WITNESSETH:

WHEREAS, County is the owner of a parcel of land located in the Marina Del Rey Small Craft Harbor, County of Los Angeles, that is commonly referred to by the parties as parcel 130 (the "Premises"); and

WHEREAS, the premises are currently leased by the County to the Lessee under the terms of a lease dated December 8, 1970, executed with Lessee's predecessor in interest, Commodore Club, Inc., a California Corporation (the "Lease") and an amendment to the Lease dated January 4, 1989 executed with Lessee's predecessor in interest, Grace Restaurant Company, a California Corporation ("Amendment 1"); and

WHEREAS, under the terms of the Lease, Lessee was required to pay rent based upon the payment schedules set forth in Section 12 (Square Foot Rental) and Section 13 (Percentage Rentals), subject to the provisions relating to periodic adjustment of said rental payment amounts as set forth in Section 15 (General Rent Renegotiation and Arbitration); and

WHEREAS, under the terms of the Lease, Lessee was required to carry liability insurance in accordance with the limits set forth therein; and

WHEREAS, Amendment 1 modified the provisions relating to the amount of square foot and percentage rentals to be paid by Lessee and the amount of liability insurance to be maintained by Lessee for the ten year period commencing on August 1, 1988 (the "Decennial Period"); and

WHEREAS, Amendment 1 further provided for Lessee's payment of a Growth Participation Fee in accordance with provisions of Section 14 (Participation In The Real Economic Growth of the Gross Receipts in a Calendar Year); and

WHEREAS, the parties wish to provide for the continuation of the existing provisions of Amendment 1 relating to the amount of percentage rentals and the Growth Participation Fees payable by Lessee for an additional ten year period of the term commencing August 1, 1998 (the "Second Decennial Period"); and

WHEREAS, the parties wish to provide for a current revision to the amount of square foot rental payable by Lessee and the amount of liability insurance to be maintained by Lessee, which changes are to remain effective until the end of the Second Decennial Period.

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

1. As of the Effective Date, as set forth in paragraph 7 hereof, the amounts of Percentage Rent established by the terms of the Lease and Amendment 1 shall be extended through the end of the Second Decennial Period as defined herein.

2. As of the Effective Date, Section 14.A.3. of the Lease shall be deleted, and the following added in place thereof:

"3. Participation Calendar Year. A 'Participation Calendar Year' shall mean each of the calendar years from 1989 through 2007"

3. As of the Effective Date, the first sentence of Section 2.06 of Amendment 1 shall be deleted and the following added in place thereof:

"The parties agree that in the event the rent for the next succeeding Decennial period of the term of the Lease after the Second Decennial Period has not been readjusted in accordance with the process set forth in Section 15 (General Rent Renegotiation and Arbitration) of the Lease by August 1, 2008, then the rent set forth in the Lease as Amended by Amendment 1 and this Amendment 2, shall continue to be the amounts payable by Lessee under the terms of the Lease until such time as the determination of the readjusted amounts for the next period of the Lease is made."

4. As of the Effective Date, the first paragraph of Section 12 (SQUARE FOOT RENTAL) of the Lease shall be amended to read as follows:

"The annual square foot rental for the whole of the Premises herein demised shall be \$78,318. The annual square foot rent shall be readjusted on August 1, 1999 and on August 1 of every third year thereafter (the "Square Foot Adjustment Date"). On the Square Foot

Adjustment Date, the annual square foot rent shall be readjusted to equal seventy five percent (75%) of the annual average of all rents payable by Lessee for the immediately preceding three year period."

5. As of the Effective Date, Section 3.01 of Amendment 1 (Limits of Coverage), shall be deleted, and the following added in place thereof:

"3.01. Limits of Coverage. Lessee shall maintain in full force and effect during the term of the Lease, comprehensive general liability insurance with bodily injury and property damage liability limits of not less than \$1,000,000 per occurrence and not less than \$3,000,000 in general aggregate form. The County and the Board of Supervisors, its officers, agents and employees shall be named as additional insureds under such liability insurance policy or policies."

6. As of the Effective Date, Section 3.02. of Amendment 1 (Interim Liability Insurance Limits) shall be deleted, and the following added in place thereof:

"3.02. Interim Liability Insurance Limits. Next Succeeding Decennial Period. The parties agree that if the amount of liability insurance limits for the next succeeding decennial period after the Second Decennial Period of the term of the Lease has not been readjusted in accordance with the process set forth in Section 15 (General Rent Renegotiation and Arbitration) of the Lease by August 1, 2008, then the liability insurance limits set forth in the Lease as amended by this Amendment 2, shall continue to be the amounts of such limits under the terms of the Lease until such time as the determination of the readjustment amounts for the next period of the Lease is made."

7. The "Effective Date" of this Amendment 2 shall be the date of its approval by the Los Angeles County Board of Supervisors.

8. 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.

IN WITNESS WHEREOF, the parties hereto have entered into this Amendment 2 as of the day and year first above written.

"LESSEE"
Teasers MDR, LLC, a California
limited liability company

By: *[Signature]*
Managing Member

ATTEST:
JOANNE STURGES
Executive Officer
Clerk of the Board of Supervisors

"COUNTY"
COUNTY OF LOS ANGELES

By: *[Signature]*
Deputy



By: *[Signature]*
Chairman, Board of Supervisors

APPROVED AS TO FORM:
DEWITT W. CLINTON
County Counsel

By: *[Signature]*
Deputy

ADOPTED
BOARD OF SUPERVISORS
COUNTY OF LOS ANGELES

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[Signature]
JOANNE STURGES
EXECUTIVE OFFICER