



(424) 526-7777 • 13837 Fiji Way, Marina del Rey, CA 90292 • beaches.lacounty.gov

Caring for Our Coast

♦ ♦ ♦
Gary Jones
Director

Kerry Silverstrom
Chief Deputy

Amy M. Caves
Deputy Director

Carol Baker
Deputy Director

July 12, 2022

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

Dear Supervisors:

**CONSENT TO ASSIGNMENT AND
APPROVAL OF AMENDMENT NO. 3 TO LEASE AGREEMENT NO. 17566
TEASERS MDR, LLC (PARCEL 130) – MARINA DEL REY
(SECOND DISTRICT) (4 VOTES)**

SUBJECT

This Board letter requests the Board's consent to the proposed assignment of Lease Agreement No. 17566 (Lease) for Parcel 130 with the current lessee, TEASERS MDR LLC, a California limited liability company (DBA Tony P's Dockside Grill) to CAH Marina I, LLC, a California limited liability company, and additionally to amend the Lease to extend the lease term by three (3) years with two (2) one-year options to extend at the County's discretion

IT IS RECOMMENDED THAT THE BOARD:

1. Find that the proposed actions are exempt from the California Environmental Quality Act (CEQA) for the reasons stated in this Board Letter.
2. Consent to the proposed assignment of the Parcel 130 Lease to CAH Marina I, LLC, a California limited liability company.
3. Authorize the Director of Beaches and Harbors to execute any consents, estoppels, and related documentation, approved as to form by County Counsel, necessary to effectuate the assignment of the Parcel 130 Lease.
4. Approve and authorize the Chair of the Board to sign the attached Amendment No. 3 to Lease No. 17566 pertaining to the extension of the lease term.

PURPOSE/JUSTIFICATION OF RECOMMENDED ACTION

TEASERS MDR, LLC, a California limited liability company (Lessee) is requesting the County's consent to assign its leasehold interest in Parcel 130 to CAH Marina I, LLC, a California limited liability company (Assignee). Pursuant to the terms of the Lease, the Lessee must obtain the County's consent to the proposed assignment of the Lease.

Pursuant to the Department of Beaches and Harbors Policy Statement No. 23 – Assignments of Lease dated January 16, 1974, the County's decision whether to approve the proposed assignment shall be based on the following: a) the financial condition of the proposed assignee; b) the price to be paid for the leasehold as it relates to improvements or potential development thereon; and c) the management of the leasehold by the proposed Assignee being in the best interest of the whole Marina.

The Department of Beaches and Harbors has reviewed the proposed assignment and has found that; a) the Assignee is affiliated with a portfolio of companies holding over 2.5 million square feet of commercial space with a multi-billion dollar value, and that Rick Caruso, its principal owner, has a published net worth of \$4.3 billion; b) the proposed sales price of \$1,418,000 for Parcel 130 appears to be justified based on an existing remaining term of less than one month and the valuation of the business, c) the proposed assignee's property management company, CARUSO MANAGEMENT COMPANY, Ltd., a California limited partnership, has requisite experience in managing and operating well-known Los Angeles area upscale properties, such as The Americana at Brand, The Grove at Los Angeles, and Waterside, Café Del Rey, Catalina Yacht Anchorage, The Warehouse Restaurant, and First Bank in Marina del Rey.

The current Lease term is set to expire on July 31, 2022. The proposed Amendment No. 3 to Lease No. 17566 would extend the term by three years to July 31, 2025, with two one-year options to extend at the reasonable discretion of the Director, and allow for the restaurant's continued operations.

Implementation of Strategic Plan Goals

The recommended action will ensure the County maximizes use of County assets, guides strategic investments, and supports economic development, in ways that are fiscally responsible and align with the County's highest priority needs, all of which promote Strategic Plan Goal No. III.3.2 (Manage and Maximize County Assets).

FISCAL IMPACT/FINANCING

The proposed actions will have no direct fiscal impact on the County, as the proposed Lease assignment and Lease term extension do not trigger any contractual obligation for the Lessee to pay a fee to the County. Additionally, the Department anticipates there will be no impact to its operating budget.

FACTS AND PROVISIONS/LEGAL REQUIREMENTS

Commonly known as the restaurant Tony P's Dockside Grill, Parcel 130 is improved with a 231-seat

restaurant on approximately 1.65 acres of land in Marina del Rey. The 60-year ground lease between the County and Lessee was executed in 1962 and is set to expire on July 31, 2022.

No participation fee is due to the County under the term of the Lease.

Leasing of County-owned property in Marina del Rey is authorized by Government Codes 25536 and 25907. The Labor Peace Agreement requirement is included in the proposed Amendment No. 3 to Lease No. 17566, and by no later than August 1, 2022, Lessee shall require any Hospitality Operator with employees operating the restaurant at the premises to enter into a Labor Peace Agreement with the relevant labor unions, subject to County's approval.

At its meeting on June 29, 2022, the Small Craft Harbor Commission endorsed the Director's recommendation that your Board consent to the proposed assignment of the Lease and approve and execute the proposed Amendment No. 3 to Lease No. 17566

ENVIRONMENTAL DOCUMENTATION

The proposed actions are exempt from the California Environmental Quality Act ("CEQA"). The actions, to consent to assignment and extension of the Lease, is within a class of projects that have been determined not to have a significant effect on the environment and which meets the criteria set forth in section 15301 of the State CEQA Guidelines ("Guidelines") and Class 1 of the County's Environmental Document Reporting Procedures and Guidelines, Appendix G. In addition, based on the proposed project records, it will comply with all applicable regulations, and there are no cumulative impacts, unusual circumstances, damage to scenic highways, listing on hazardous waste site lists compiled pursuant to Government Code section 65962.5, or indications that it may cause a substantial adverse change in the significance of a historical resource that would make the exemption inapplicable.

Upon your Board's approval of the recommended actions, the department will file a Notice of Exemption with the County Clerk in accordance with section 21152 of the California Public Resources Code.

IMPACT ON CURRENT SERVICES (OR PROJECTS)

There will be no impact on current services or projects from your Board's consent to the proposed assignment of Parcel 130 and approval of Amendment No. 3 to Lease Agreement No. 17566.

CONCLUSION

It is recommended that your Board consent to the proposed assignment of Parcel 130 and to please instruct the Chair of the Board to sign all three originals of the Amendment No. 3 to Lease Agreement No. 17566 and have the Executive Officer of the Board send two executed copies, as well as a copy of the adopted Board letter, to the Department of Beaches and Harbors. Should you have any questions please contact Kristal Ghil at (424) 526-7735 or kghil@bh.lacounty.gov.

The Honorable Board of Supervisors

7/12/2022

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Respectfully submitted,

A handwritten signature in black ink, appearing to read "G. Jones", with a stylized flourish at the end.

GARY JONES

Director

GJ:AC:SP:BY:kg

Enclosures

c: Chief Executive Officer
County Counsel
Executive Officer, Board of Supervisors

WHEN RECORDED RETURN TO:

CAH Marina I, LLC
101 The Grove Drive
Los Angeles, CA 90036
Attn: Legal Department

NO DOCUMENTARY TRANSFER TAX IS DUE –
THE TERM OF THE LEASE IS LESS THAN 35 YEARS

(Space Above for Recorder's Use)

ASSIGNMENT AND ASSUMPTION OF LEASE

This Assignment and Assumption of Lease (this “**Assignment**”) dated as of July __, 2022 (“**Effective Assignment Date**”) is entered into by and between TEASERS MDR INC., a California corporation (“**Assignor**”) and CAH MARINA I, LLC, a California limited liability company (“**Assignee**”). For good and valuable consideration, the receipt and adequacy of which are hereby acknowledged, the parties agree as follows as of the Effective Assignment Date:

1. Assignor hereby assigns, transfers, grants, conveys and sets over to Assignee all of Assignor’s right, title and interest in and to that certain Lease Agreement dated as of December 8, 1970 by and between the County of Los Angeles and Assignor as amended by those amendments listed on Exhibit B attached hereto (collectively, the “**Lease**”), with respect to certain real property located in Marina Del Rey, California and more particularly described on Exhibit A attached hereto (the “**Leased Property**”), to have and to hold the same for and during the rest, residue and remainder of the term of the Lease. Assignor represents that it is the current lessee under the Lease immediately prior to the execution and delivery of this Assignment.

2. Assignor hereby conveys and transfers to Assignee all of Assignor’s right, title and interest in and to all improvements located on the Leased Property, which improvements are and shall remain real property.

3. Assignee hereby accepts the foregoing assignment and assumes and agrees to perform, observe and be liable for all of the covenants, obligations, liabilities and provisions of the Lease to be performed or observed by the lessee thereunder, or for which the lessee thereunder is liable, which arise or accrue from and after the Effective Assignment Date.

4. Assignor and Assignee hereby acknowledge and agree that, in accordance with that certain Consent to Assignment and Estoppel Certificate consenting to this Assignment (the “**Consent**”), executed by the County on July __, 2022, Assignor and Assignee shall be jointly and severally liable to the County for payment of any and all deficiencies in payments owing to the County under the Lease for the period preceding the Effective Assignment Date and first revealed by an audit after the Effective Assignment Date.

5. Assignor agrees to indemnify, defend and hold Assignee harmless from and against any and all claims, demands, liabilities, suits, actions, judgments, costs and expenses (including reasonable attorneys' fees and court costs) arising and accruing from or out of Assignor's obligations under the Lease prior to the Effective Assignment Date.

6. Assignee agrees to indemnify, defend and hold Assignor harmless from and against any and all claims, demands, liabilities, suits, actions, judgments, costs and expenses (including reasonable attorneys' fees and court costs) arising and accruing from or out of Assignee's obligations under the Lease on or after the Effective Assignment Date.

7. This Assignment shall be binding upon and inure to the benefit of the parties hereto and their respective successors and assigns.

8. This Assignment shall be governed by and construed in accordance with the laws of the state in which the Leased Property is located.

9. Assignor hereby agrees to and shall execute and deliver to Assignee any and all documents, agreements and instruments necessary to consummate the transactions contemplated by this Assignment.

10. This Assignment is made subject to all matters of record.

11. Each of Assignor and Assignee represent and warrant that they have all requisite authority to execute this Assignment and this Assignment constitutes a legal, valid and binding obligation of each of Assignor and Assignee, enforceable against each of Assignor and Assignee.

12. This Assignment may not be changed orally, but only by an agreement in writing, signed by the party against whom enforcement of any waiver, change, or modification or discharge is sought.

13. Any notices intended for Lessee (as defined in the Lease) shall hereafter be directed to Assignee at:

CAH MARINA I, LLC
101 The Grove Drive
Los Angeles, CA 90036
Attention: Legal Department

14. This Assignment may be executed in any number of identical counterparts, all or any of which may contain the signatures of fewer than all of the parties, and all of which shall be construed together as a single instrument.

IN WITNESS WHEREOF, Assignor and Assignee have executed this Assignment as of the Effective Assignment Date.

ASSIGNOR:

TEASERS MDR INC.,
a California corporation

DocuSigned by:
By: Tony Palermo
Name: Tony Palermo
Title: owner

DocuSigned by:
By: Danny Ringwood
Name: Danny Ringwood
Title: owner

ASSIGNEE:

CAH MARINA I, LLC,
a California limited liability company

DocuSigned by:
By: Jackie Levy
Name: Jackie Levy
Title: Chief Financial Officer

ACKNOWLEDGMENT

A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

State of _____
County of _____

On _____ before me, _____,
(here insert name and title of the notary)
personally appeared _____ who 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.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

Signature _____ (Seal)

EXHIBIT A

LEGAL DESCRIPTION

Marina Del Rey
Lease Parcel No. 130

Parcels 667, 668 and 669, in the County of Los Angeles, State of California, as shown on Los Angeles County Assessor's Map No. 88, filed in Book 1, pages 53 to 70 inclusive, of Assessor's Maps, in the office of the Recorder of said County, and the westerly 42.3 feet of Parcel 666, in said County, as shown on said map.

Reserving and excepting unto the County of Los Angeles rights of way for storm drain, sanitary sewer and harbor utility purposes in and across those portions thereof designated on said map as easements to be reserved by said County for such purposes.

EXHIBIT B

GROUND LEASE

1. Lease Agreement dated as of December 8, 1970 by and between the County and Commodore Club, Inc., a California corporation
2. Amendment No. 1 to Lease No. 17566 Parcel No. 130 Marina Del Rey adopted as of January 24, 1989 by and between the County and Grace Restaurant Company, a California corporation
3. Amendment No. 2 to Lease No. 17566 Parcel No. 130 Marina Del Rey dated as of December 31, 1996 by and between the County and Lessee

CONSENT TO ASSIGNMENT AND ESTOPPEL CERTIFICATE

PARCEL 130

July __, 2022

PROPERTY NAME: TEASERS MDR INC dba Tony P's Dockside Grill (Parcel 130)

PROPERTY ADDRESS: 4445 Admiralty Way, Marina Del Rey area of incorporated Los Angeles County, California, more particularly described on Exhibit A attached hereto and incorporated herein (the "**Property**")

LEASE DATE: December 8, 1970

GROUND LESSOR: County of Los Angeles,
State of California

GROUND LESSEE: Teasers MDR Inc., ultimate successor-in-interest to Commodore Club, Inc.

This Consent to Assignment and Estoppel Certificate ("**Consent and Estoppel**") is made as of July __, 2022 by the County of Los Angeles ("**County**" or "**Lessor**"), as the lessor under that certain Lease dated December 8, 1970, as amended (the "**Lease**"). The Lessor does hereby affirm:

1. Lessor is the owner of the fee simple estate in the Property and is Lessor under the Lease.
2. Lessor does hereby consent to the assignment of Lessee's interest in said Lease to CAH Marina I, LLC, a California limited liability company (the "**Assignee**").
3. The term of the Lease commenced on the date set forth in the Lease and expires on July 31, 2022.
4. A true and complete list of the documents comprising the Lease, including all amendments, supplements and other modifications thereto is attached hereto as Exhibit B. The documents listed on Exhibit B hereto represent the entire agreement between Lessor and Lessee as to the Lease and the premises leased thereunder and the Lease has not otherwise been modified, supplemented or amended in any way.
5. Rents and other charges have been fully paid under the Lease through March 31, 2018, as verified by a formal audit for the period ending such date (the "**Effective Audit Date**"), and all delinquencies revealed by such audit have been paid to Lessor. Subject to County audit rights for periods after the Effective Audit Date that might affect the calculation of the annual square foot rental amounts required

to be paid under the Lease, the current monthly minimum rental payable under the Lease as of the date hereof is Twelve Thousand Eight Hundred Fifty Two Thousand Dollars (\$12,852). Subject to the foregoing: (a) annual minimum rental as required by the Lease has been timely and fully made since the Effective Audit Date for all months up through and including June 2022, and (b) monthly percentage rent payments have been made through the month of June, 2022 (for gross receipts reported for the month of May, 2022, but all such payments (in both clauses (a) and (b)) are subject to audit for periods from and after the Effective Audit Date. In the event any such audit reveals a rental deficiency, Lessee and Assignee shall be liable jointly and severally for payment of all unpaid deficiencies accruing on and after the Effective Audit Date. Annual square foot rental and percentage rental rates under the Lease are subject to adjustment in accordance with the terms and provisions of the Lease. The amount of the security deposit required under the Lease is \$18,752.84. The amount of \$18,752.84 has been paid to Lessor. No portion of such security deposit has been applied by Lessor. No representation is made herein by Lessor as to the current status of Lessee's payments of possessory interest taxes or any other taxes, assessments or similar service charges which may be due by the lessee to the County or other governmental or regulatory body in connection with the Property.

6. The next Adjustment Date for the annual minimum rent under the Lease is August 1, 2023.
7. Lessor acknowledges that Caruso Management Company, Ltd., a California limited partnership has been approved as the property management company for the Property and all improvements located thereon upon the consummation of the assignments to Assignee.
8. The Lease is in full force and effect.
9. Subject to any matters that may be disclosed by the audit described in Section 5 above, to the current actual knowledge of Lessor, there is no existing uncured default under the Lease with respect to any monetary or non-monetary provision of the Lease, and to the current actual knowledge of Lessor, no event has occurred which, with the passage of time or giving of notice, or both, would constitute a default with respect to any non-monetary provision of the Lease. Notwithstanding any contrary provision of this Section 9, County does not waive Lessee's obligations under the Lease to cure any Property defects that are Lessee's obligation to cure under the Lease, whether occurring prior to or during the extension period, that pose a health and safety risk, in accordance with the terms of the Lease. County has made no inspection of the Premises or investigation or inquiry as to Lessee's performance of any non-monetary obligation under the Lease, except for [NONE].
10. Lessor has not assigned, conveyed, transferred, sold, encumbered or mortgaged its interest in the Lease or the Property and there are no mortgages, deeds of trust or other security interests encumbering Lessor's fee interest in the Property.

11. The undersigned individual is duly authorized to execute this certificate on behalf of Lessor.
12. The legal description for the Property that is set forth in the Lease describes both the boundaries of the leasehold estate and easements that have been reserved by the Lessor in the leasehold. Until the expiration of the Term or sooner termination of the Lease, Lessee is the owner of the Improvements, except for certain Improvements owned by the Lessor, including without limitation, utility lines, transformer vaults and all other utility facilities to the extent that they are not owned by a utility. Lessee shall have the use of all Improvements on the Premises whether owned by Lessor or Lessee.
13. This Consent to Assignment and Estoppel Certificate may be executed in counterparts, and when all counterpart documents are executed, counterparts shall constitute a single integrated document.
14. The obligation to pay the Growth Participation Fee (as defined in the Lease) terminated following the 2007 calendar year, and as a result, the County will not require the payment of the Growth Participation Fee for the remainder of the Lease term (as the same may be extended).

The truth and accuracy of the certifications contained herein may be relied upon by Lessee and Assignee and their respective successors, assigns and transferees, and lenders and said certifications shall be binding upon Lessor and its successors and assigns, and inure to the benefit of Lessee and Assignee and their respective successors, assigns and transferees and lenders. This Consent to Assignment and Estoppel Certificate shall not be deemed to alter or modify any of the terms and conditions of the Lease.

For the avoidance of doubt, in no event shall the certifications contained in this estoppel certificate modify the Lease, with the sole effect of said certifications being to estop Lessor from taking a position against any recipient which is inconsistent with the certifications contained in this estoppel certificate, to the extent such recipient (a) did not have actual knowledge of facts contrary to those contained herein, and (b) reasonably relied to its detriment upon the certifications contained herein.

[SIGNATURES ON FOLLOWING PAGE]


LESSOR:

COUNTY OF LOS ANGELES

By: _____
Gary Jones, Director of Department of
Beaches and Harbors

APPROVED AS TO FORM:

DAWYN HARRISON
Acting County Counsel

By:  _____
Deputy

APPROVED AS TO FORM:

GLASER WEIL FINK HOWARD AVCHEN & SHAPIRO LLP

By: _____
Name: _____
Title: _____

LESSOR:

COUNTY OF LOS ANGELES

By: _____
Gary Jones, Director of Department of
Beaches and Harbors

APPROVED AS TO FORM:

DAWYN HARRISON
Acting County Counsel

By: _____
Deputy

APPROVED AS TO FORM:

GLASER WEIL FINK HOWARD AVCHEN & SHAPIRO LLP


By:  _____
Name: Roger H. Howard
Title: Authorized signatory

EXHIBIT A

LEGAL DESCRIPTION

Marina Del Rey
Lease Parcel No. 130

Parcels 667, 668 and 669, in the County of Los Angeles, State of California, as shown on Los Angeles County Assessor's Map No. 88, filed in Book 1, pages 53 to 70 inclusive, of Assessor's Maps, in the office of the Recorder of said County, and the westerly 42.3 feet of Parcel 666, in said County, as shown on said map.

Reserving and excepting unto the County of Los Angeles rights of way for storm drain, sanitary sewer and harbor utility purposes in and across those portions thereof designated on said map as easements to be reserved by said County for such purposes.

EXHIBIT B

GROUND LEASE AND ALL AMENDMENTS

1. Lease Agreement dated as of December 8, 1970 by and between the County and Commodore Club, Inc., a California corporation
2. Amendment No. 1 to Lease No. 17566 Parcel No. 130 Marina Del Rey adopted as of January 24, 1989 by and between the County and Grace Restaurant Company, a California corporation
3. Amendment No. 2 to Lease No. 17566 Parcel No. 130 Marina Del Rey dated as of December 31, 1996 by and between the County and Lessee

**AMENDMENT NO. 3 TO LEASE NO. 17566
PARCEL NO. 130 – MARINA DEL REY
(LEASE NO. 17566)**

THIS AMENDMENT TO LEASE (“**Amendment No. 3**” or “**Amendment**”) is made and entered into this _____ day of _____, 2022.

BY AND BETWEEN

**COUNTY OF LOS ANGELES,
herein referred to as “County,”**

AND

CAH MARINA I, LLC, a California limited liability company, hereinafter referred to as “Lessee.”

RECITALS:

WHEREAS, County and Lessee’s predecessor-in-interest entered into Lease No. 17566, dated December 8, 1970, as amended, under the terms of which County leased to Lessee 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 130, which leasehold premises (the “**Premises**”) are more particularly described in **Exhibit “A”** attached to and incorporated in said lease, as amended (the lease and all amendments are collectively referred to as the “**Lease**”).

WHEREAS, County and Lessee desire to enter into this Amendment No. 3 to further amend the Lease, as set forth herein below, pursuant to the terms and conditions hereof.

WHEREAS, County and Lessee desire to extend the Term of the Lease and to work collaboratively to advance the County’s equity and inclusion goals during the Lease Term.

NOW, THEREFORE, with reference to the foregoing Recitals and the covenants contained herein, and for other good and valuable consideration, the receipt and adequacy of which are hereby acknowledged, County and Lessee hereby agree as follows:

1. **Definitions.** All initially-capitalized terms used but not defined in this Amendment have the meanings given to such terms in the Lease.

2. **Amendment Conditions.** This Amendment shall be conditioned upon the consummation of the assignment by the current lessee under the Lease, TEASERS MDR, LLC, a California limited liability company, of its leasehold interest, to Lessee (the “**Assignment**”), and upon the County’s written consent to the Assignment, in the form attached as **Exhibit “B”** hereto (the “**Consent**”) and incorporated herein by this reference. This Amendment shall be effective on the date (the “**Effective Date**”) on which said Consent is executed by the Board of Supervisors of Los Angeles County.

3. **Extension of Term.** Pursuant to Section 2 of the Lease, the Term is set to expire on July 31, 2022. County and Lessee hereby agree to extend the Term by an additional three (3) years (the “**Extension**”), so that the Term shall hereby be extended to July 31, 2025. For the avoidance of doubt, said extension will not result in an extension of the Term beyond the ninety-nine (99) year limit imposed by California Government Code Section 37396(a). Notwithstanding the foregoing, nothing in this Section 2 or in this Amendment shall be construed to obligate the County to further extend the Lease.

4. **Additional Extensions.** The Director of the Department of Beaches and Harbors (the “Department”) of the County (“Director”) may, in Director’s reasonable discretion, extend the Term for up to two (2) additional one (1) year periods upon receipt of written notice from Lessee at least ninety (90) days prior to the expiration of the then Term.

5. **Additional Lease Terms.** Section 1 of the Lease is hereby amended by adding after the definition of the term “Engineer” the following:

“The words “Hospitality Operators” include hotels, restaurants, or hospitality/food service concessionaires operating on County-owned or managed property.

“Labor Peace Agreement” means a written agreement between a hospitality operator and a labor organization that contains a provision prohibiting a labor organization and its members from engaging in any picketing, work stoppage, boycott, or other economic interference with the hospitality operations in which the County has a proprietary interest.”

6. **Labor Peace Agreements.** By no later than August 1, 2022, Lessee shall require any Hospitality Operator with employees operating the restaurant at the Premises (as applicable, the “**Restaurant Operator**”) to enter into a Labor Peace Agreement with the relevant labor unions, subject to County’s approval, as described in this Section 3. In compliance with the County’s Labor Peace Agreements Policy (“**POLICY**”), Lessee represents and warrants that it shall (a) ensure that there is an executed Labor Peace Agreement with any labor organization(s) representing or seeking to represent the employees of any Hospitality Operator(s) (any “Hospitality Operator(s),” as defined under the County’s Policy, operating on County owned or County managed real property, and whether the Hospitality Operator(s) contracts directly with the County or the County’s lessee, licensee, or concessionaire) at the premises covered by this Agreement; (b) the Lessee or Hospitality Operator(s) shall have submitted to the County of Los Angeles a copy of evidence of such Labor Peace Agreement, executed by all parties; and (c) such Labor Peace Agreement shall prohibit labor organizations and their members from engaging in picketing, work stoppages, boycotts or other economic interference with the business of Hospitality Operator(s) at County-owned, operated, or managed sites for the duration of this Agreement. Lessee acknowledges that it is a material term of this Agreement that the Restaurant Operator enter into or maintain a Labor Peace Agreement pursuant to the Policy throughout the duration of the term of this Agreement, and that it would be impracticable and extremely difficult to fix the actual damages for a breach of

this provision. It is therefore agreed that if, for any reason whatsoever, the Restaurant Operator fails to enter into or maintain a Labor Peace Agreement pursuant to the Policy throughout the duration of the term of this Agreement, then County may terminate this Agreement for default by giving written notice of such termination to Lessee, which notice shall be effective thirty (30) days thereafter.

7. **Policy of Equity.** Lessee hereby agrees to cooperate with the County to advance the County's adopted equity and inclusion programs and policies.

8. **No Other Claims.** The Lease is in full force and effect. To Lessee's knowledge, County has met and fulfilled all of its obligations under the Lease and is not in default under the Lease. To Lessee's knowledge, there is no current defense, offset, claim or counterclaim by or in favor of Lessee against the County under the Lease. Furthermore, Lessee has no right to any concession (rental or otherwise) or similar compensation in connection with the Lease and Lessee's renting of the Premises, except as expressly provided in the Lease. There has not been filed by or against Lessee a petition in bankruptcy, voluntary or otherwise, any assignment for the benefit of creditors, any petition seeking reorganization or arrangement under the bankruptcy laws of the United States or any state thereof, or any other action brought pursuant to such bankruptcy laws with respect to Lessee.

9. **Miscellaneous.**

9.1 **No Modification.** Except as referenced herein, the Lease has not been modified, amended or supplemented, and the Lease is and remains in full force and effect.

9.2 **Time of the Essence.** Time is of the essence with respect to this Amendment.

9.3 **Governing Law.** This Amendment shall be governed by and construed in accordance with the laws of the State of California without giving effect to the conflict of law principles of said state.

9.4 **No Waiver.** Except as expressly provided herein, neither Party shall be deemed by reason of its execution of this Amendment to have waived any terms or provisions of the Lease, including, without limitation, any default or Event of Default or any rights and remedies that County may have under the Lease, at law or in equity.

9.5 **Controlling Provisions.** In the event of any inconsistencies between the provisions of this Amendment and the provisions of the Lease, the provisions of this Amendment shall govern and prevail.

9.6 **Integration and Merger.** This Amendment, the Exhibits attached hereto, and all documents referenced in the Amendment to be executed by Parent or Principal in connection herewith, contain the entire agreement of County and Lessee regarding the modification of the Lease and supersede all prior

agreements, term sheets and understandings between County and Lessee, whether written or oral, with respect to the modification of the Lease.

9.7 Survival. All representations and warranties contained in this Amendment shall be deemed to be material and shall survive the effectiveness of the modifications to the Lease contemplated by this Amendment.

9.8 Further Assurances. At either party's request, the other party shall promptly execute any other document or instrument and/or seek any consent or agreement from any third party that is reasonably necessary to evidence or carryout the intent of the parties, as set forth in this Amendment.

9.9 Captions; Use of Certain Terms. The Section titles and captions in this Amendment are for convenience only and shall not be deemed to be part of this Amendment. All pronouns and any variation or pronouns shall be deemed to refer to the masculine, feminine or neuter, as the identity of the parties may require. Whenever the terms referred to herein are singular, the same shall be deemed to mean the plural, as the context indicates, and vice versa.

9.10 Incorporation of Exhibits. All of the Exhibits referred to in and attached to this Amendment are incorporated herein by this reference.

9.11 Counterparts; Electronic Signatures. This Amendment and any other document necessary for the consummation of the transaction contemplated by this Amendment may be executed in counterparts, including both counterparts that are executed on paper and counterparts that are in the form of electronic records and are executed electronically. An electronic signature means any electronic sound, symbol or process attached to or logically associated with a record and executed and adopted by a party with the intent to sign such record, including facsimile or e-mail electronic signatures. All executed counterparts shall constitute one agreement, and each counterpart shall be deemed an original. The parties hereby acknowledge and agree that electronic records and electronic signatures, as well as facsimile signatures, may be used in connection with the execution of this Amendment and electronic signatures, facsimile signatures or signatures transmitted by electronic mail in so-called pdf format shall be legal and binding and shall have the same full force and effect as if a paper original of this Amendment had been delivered had been signed using a handwritten signature. County and Lessee (i) agree that an electronic signature, whether digital or encrypted, of a party to this Amendment is intended to authenticate this writing and to have the same force and effect as a manual signature, (ii) intended to be bound by the signatures (whether original, faxed or electronic) on any document sent or delivered by facsimile or, electronic mail, or other electronic means, (iii) are aware that the other party will rely on such signatures, and (iv) hereby waive any defenses to the enforcement of the terms of this Amendment based on the foregoing forms of signature. If this Amendment has been executed by electronic signature, all parties executing this document are expressly consenting under the United States Federal Electronic Signatures in Global and

National Commerce Act of 2000 ("E-SIGN") and California Uniform Electronic Transactions Act ("UETA")(Cal. Civ. Code § 1633.1, et seq.), that a signature by fax, email or other electronic means shall constitute an Electronic Signature to an Electronic Record under both E-SIGN and UETA with respect to this specific transaction.

[SIGNATURES ON FOLLOWING PAGE]

IN WITNESS WHEREOF, County and Lessee have entered into this Amendment No. 13 as of the date first set forth above.

CAH MARINA I, LLC,
a California limited liability company

By: ^{DocuSigned by:} Jackie Levy
Jackie Levy, Its Chief Financial & Revenue Officer

THE COUNTY OF LOS ANGELES

By: _____
HOLLY J. MITCHELL,
Chair, Board of Supervisors

ACKNOWLEDGED:


TEASERS MDR, INC.
(formerly registered as Teasers MDR, LLC)

By: ^{DocuSigned by:} Tony Palermo
Tony Palermo, its Owner

By: ^{DocuSigned by:} Danny Ringwood
Danny Ringwood, its owner

APPROVED AS TO FORM:

DAWYN HARRISON
Acting County Counsel

By:  _____
Deputy

ATTEST:

CELIA ZAVALA,
Executive Officer-Clerk of the
Board of Supervisors

By: _____
Deputy

APPROVED AS TO FORM:

DAWYN HARRISON
Acting County Counsel

By: _____
Deputy