



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

Caring for Our Coast

♦ ♦ ♦
Gary Jones
Director

Amy M. Caves
Chief Deputy Director

LaTayvius R. Alberty
Deputy Director

June 10, 2025

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:

**APPROVAL OF AMENDMENT NO. 12 FOR LEASE NO. 11525 FOR PARCEL 75Y (4560
ADMIRALTY WAY) AND
AMENDMENT NO. 5 FOR LEASE NO. 12157 FOR PARCEL 94R
(4558, 4562, 4564 ADMIRALTY WAY
MARINA DEL REY
(SECOND DISTRICT) (4 VOTES)**

SUBJECT

Request for approval of the following ground lease amendments, including lease term extensions, for two adjacent properties located in Marina del Rey: (1) Amendment No. 12 to Lease Agreement No. 11525 for Parcel 75Y; and (2) Amendment No. 5 to Lease Agreement No. 12157 for Parcel 94R.

IT IS RECOMMENDED THAT THE BOARD:

1. Find that the two proposed lease amendments are not a project under the California Environmental Quality Act ("CEQA"), or, in the alternative, that the lease amendments are exempt from CEQA for the reason stated in this Board Letter.
2. Approve Amendment No. 12 to Lease Agreement No. 11525 for Parcel 75Y and Amendment No. 5 to Lease Agreement No. 12157 for Parcel 94R (collectively referred to as the "Amendments"), both located in Marina del Rey.
3. Approve and authorize the Director of Department of Beaches and Harbors ("DBH") to execute proposed lease Amendment No. 12 for Lease Agreement No. 11525 for Parcel 75Y located at 4560 Admiralty Way, Marina del Rey ("P75Y"), a copy of which is attached hereto, with Admiralty Capital Partnership LLC, PCH Admiralty LLC, and A&M Partnership LLC (collectively referred to as

"Lessee"), including an extension of the lease term for an additional seven years and nine months.

4. Approve and authorize the Director of DBH to execute proposed lease Amendment No. 5 for Lease Agreement No. 12157 for Parcel 94R located at 4458,4562,4564 Admiralty Way, Marina del Rey ("P94R:), a copy of which is attached hereto, with Lessee, including an extension of the lease term for an additional seven years.

5. Approve and authorize the Director of DBH to execute any other ancillary documentation, approved by County Counsel or County's outside counsel, necessary to effectuate the terms of the two proposed Amendments.

PURPOSE/JUSTIFICATION OF RECOMMENDED ACTION

The lease for P75Y was executed in 1966 and subsequently amended, and the lease for P94R was executed in 1967 and subsequently amended. The properties are adjacent and both leases are with Lessee. The proposed lease amendments will extend the lease terms for both Amendments and ensure that the facilities are accessible, compliant with current building standards, and remain fully functional while extending the operational and useful life of the building.

P75Y is improved with a three-story professional building built in 1979 and which is comprised of 27 medical offices totaling approximately 39,163 square feet of medical office space and 29 onsite parking spaces on a 52,083 square foot parcel.

P94R is a paved parking lot with approximately 144 parking spaces on a 46,865 square foot parcel. The parking lot provides supplemental parking spaces to the adjacent office building located at P75Y for use by its clients and visitors.

Approval of the recommended actions will find that the actions contemplated in this letter are exempt from CEQA.

Implementation of Strategic Plan Goals

The recommended actions support the Los Angeles County Strategic Plan:

- North Star 2 – Foster Vibrant and Resilient Communities by ensuring continued investment in County properties and enhancing community facilities.
- North Star 3 – Realize Tomorrow's Government Today by promoting responsible fiscal management and ensuring compliance with modern operational standards.

FISCAL IMPACT/FINANCING

Approval of the proposed lease Amendments ensures continuation of the rents paid for P75Y and P94R to the County.

FACTS AND PROVISIONS/LEGAL REQUIREMENTS

In addition to the terms previously stated, the proposed lease Amendments also contain the following

provisions:

- The proposed extended term for Parcel 75Y is for a period of seven (7) years and 9 months. The proposed extended term for Parcel 94R is for a period of seven (7) years. Both leases will coterminously expire on May 31, 2034, unless terminated sooner pursuant to the terms of the Lease.
- The rent subject to readjustment effective the first year of the extended terms of the Amendments and every three years thereafter. The readjustments are calculated at 75 percent of the monthly average rent of all rents payable by Lessee. This is a reaffirmation of the existing terms of the lease.
- Lessee shall pay County a one-time non-refundable Extension Fee of \$250,000 for both Amendments.
- Lessee shall perform predetermined refurbishment work to both parcels at a combined cost of \$1,438,000, which includes without limitation American with Disabilities Act safety improvements, restrooms refurbishment, parking lot repairs, slurry seal and restripe, roof repairs/replacement, exterior paint, landscaping, and Heating, Ventilation, and Air Conditioning, elevator, and lighting upgrades.
- Lessee shall deliver and maintain a security deposit equal to three times the annual rental rate and adjusted accordingly with future rate adjustments during the extended terms.
- Holdover at expiration of Amendments is on a month-to-month basis at 150 percent of the then current square foot rent in effect.
- Lessee has two one-year options to extend the term of the leases subject to approval by the Director of DBH.
- The proposed lease amendments will be effective upon Board approval and the extended terms will commence upon expiration of the current leases

The County's authority to lease County-owned property in Marina del Rey is governed by California Government Code Sections 25536 and 25907.

County Counsel has reviewed the proposed lease Amendments and approved them as to form. At its meeting on May 14, 2025, the County's Small Craft Harbor Commission voted to endorse DBH's recommendations as set forth herein.

ENVIRONMENTAL DOCUMENTATION

The proposed Amendments are not subject to CEQA because they are activities that are excluded from the definition of a project under Section 21065 of the Public Resources Code and Section 15378(b) of the State CEQA Guidelines. Approval of the proposed Amendments are administrative activities of government which will not result in direct or indirect physical changes to the environment. In the alternative, approval of the proposed Amendments are exempt pursuant to Sections 15061(b) (3) and 15301 of the State CEQA Guidelines because it can be seen with certainty that the actions

will not have a significant adverse impact on the environment and the Amendments do not authorize new construction or expansion of existing use and will not result in significant environmental effects. There are no cumulative impacts, unusual circumstances, or other factors that would negate the applicability of this exemption.

Upon your Board's approval of the recommended actions, DBH 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 is no impact on current services or projects.

CONCLUSION

It is requested that your Board approve proposed Amendment No. 12 to Lease Agreement No. 11525 for Parcel 75Y and Amendment No. 5 to Lease Agreement No. 12157 for Parcel 94R.

Upon approval, please instruct the Executive Officer of the Board of Supervisors to send a stamped copy of the adopted Board letter to the Department of Beaches and Harbors. Should you have any questions please contact Miguel Covarrubias at (424) 526-7737 or mcovarrubias@bh.lacounty.gov.

Respectfully submitted,

A handwritten signature in black ink, appearing to read 'Gary Jones', with a stylized, cursive script.

GARY JONES

Director

GJ:AC:MAC:at

Enclosures

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

**AMENDMENT NO. 12 TO LEASE AGREEMENT NO. 11525
PARCEL NO. 75Y – MARINA DEL REY**

THIS AMENDMENT NO. 12 ("Amendment" or "Amendment No. 12") to Lease No. 11525 is made and entered into this _____ day of _____, 2025 (the "Effective Date"),

BY AND BETWEEN

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

AND

**DEL REY PROFESSIONAL ASSOCIATION
a general partnership, hereinafter referred to
as "Lessee."**

RECITALS:

WHEREAS, County and Lessee's predecessor in interest entered into Lease Agreement No. 11525, dated October 27, 1966, as amended, under the terms of which County leases to Lessee that certain real property on Parcel 75Y (APN: 4224-007-901), commonly known as the Del Rey Professional Building, located at 4560 Admiralty Way, Marina del Rey, CA 90292, which leasehold premises (the "Premises"), are more particularly described in Exhibit "A" attached to and incorporated herein, as amended (the lease and all amendments are collectively referred to as the "Lease"); and

WHEREAS, County and Lessee agreed to amend the Lease to extend the Term of the Lease and provide for certain other amendments to the Lease; and

WHEREAS, County and Lessee agree that this Amendment will be executed simultaneously with Amendment No. 5 for Lease No. 12157 for Parcel 94R ("P94R"), which pertains to the neighboring property.

NOW, THEREFORE, in consideration of the foregoing recitals, which are hereby deemed a contractual part hereof, and other good and valuable consideration, the receipt of sufficiency of which are hereby acknowledged, and the rents, covenants and agreements herein contained, County and Lessee hereby covenant and agree as follows:

1. **DEFINED TERMS.** Capitalized terms used and not otherwise defined herein shall have the same meanings ascribed to them in the Lease.

2. **EXTENSION OF TERM.** Pursuant to Paragraph 2 of the Lease, the Term of the Lease commenced on September 1, 1966, for an initial period of sixty (60) years and is now set to expire on August 31, 2026. County and Lessee hereby agree to extend the Term of the Lease for a period of seven (7) years and 9 months (the "Extended Term"), so that the Term will now expire on May 31, 2034 (the "Revised Termination Date"), coterminous with Lease No. 12157 (Parcel 94R), unless terminated sooner pursuant to the terms of the Lease. All references to "Term" in the Lease and this Amendment shall be deemed references to the Term as extended by this Amendment and all references to "Termination Date" shall be deemed references to the Revised Termination Date.

The parties acknowledge and agree that the Effective Date as set forth in the preamble of this Amendment shall be the date that both parties have executed and delivered this Amendment, which execution and delivery shall require the prior approval of the Los Angeles County Board of Supervisors as evidenced by the signature for such body in the signature pages of this Amendment.

3. **SQUARE FOOT RENTAL.** Commencing as of the 2026 Rental Adjustment Date, Section 12 (Square Foot Rental) of the Lease is amended to include the following:

"Effective September 1, 2026, and every three years thereafter, the annual square foot rental for the whole Premises shall be readjusted to equal seventy-five percent (75%) of the annual average of all rents payable by the Lessee under Section 13 of the Lease for the immediately preceding three-year period, provided that no adjustment shall result in a decrease of the square foot rental."

4. **Extension Fee.** Lessee agrees to pay the County a combined one-time, non-refundable extension fee of two hundred fifty thousand dollars (\$250,000) ("Extension Fee") for this Amendment for Parcels 75Y and Amendment No. 5 for Lease No. 12157 for Parcel 94R, due and payable upon approval by the Board of Supervisors and full execution of this Amendment and Amendment No. 5 for Parcel 94R.

5. **PLANS AND SPECIFICATIONS FOR REQUIRED CONSTRUCTION.**

Section 5 (Plans and Specifications for Required Construction) of the Lease is amended to include the following provisions:

LESSEE'S REFURBISH WORK. As consideration for the extension of the Term pursuant to this Lease, Lessee shall perform and complete certain capital improvements and deferred maintenance work on the Premises (collectively, the "Refurbish Work" or "Work") within eighteen (18) months of the Effective Date

Refurbish Work shall be performed in accordance with the Refurbish Work plan for the capital improvements and deferred maintenance work attached to this Amendment as Exhibit B (the "Refurbish Work Plan") to the extent that the

Final Plans and Specifications for the Work are approved by Director the Department of Beaches and Harbors (the "Department") prior to commencing Work. Lessee shall be responsible for obtaining all required governmental approvals and permits, required to perform Work including, without limitation, from County Building and Safety Division, the Coastal Commission, the Design Control Board, and County Regional Planning in accordance with the requirements of Section 8 (Additional Construction), Section 10 (Performance and Surety Bonds, and Section 18 (Disposition of Installations or Improvements) of the Lease.

Lessee shall apply for all required permits and approvals within 6 months of the Effective Date, and notwithstanding the foregoing to the contrary, any Refurbish Work requiring governmental approval and/or permit shall be performed and completed within nine (9) months from the issuance of all required governmental approvals and permits

REFURBISH WORK. The Refurbish Work for Parcels 75Y and 94R includes without limitation, the following:

- (a) Exterior stucco and tile repairs.
- (b) Exterior painting.
- (c) American with Disabilities Act (ADA) compliant parking improvements.
- (d) slurry coat and restripe parking lot.
- (e) Upgrade elevators.
- (f) Remodel restrooms with new fixtures.
- (g) Install new roofing.
- (h) Provide Tenant improvements for vacant space and upon renewal of subleased spaces.
- (i) Upgrade exterior and interior lighting.
- (j) Upgrade buildings Heating Ventilation and Air Conditioning (HVAC) system.

MINIMUM REQUIRED COST AMOUNT. Lessee shall complete Refurbish Work outlined in Exhibit B, with a minimum combined expenditure of \$1,438,000 for Parcels 75Y and 94R. This amount shall not be reduced under any circumstances but may exceed the minimum due to increases in material costs or other unforeseen expenses. Lessee remains responsible for funding and completing all improvements in compliance with applicable laws and lease terms.

6. RENTAL PAYMENT SECURITY.

Section 7 (Rental Payment Security) of the Lease is deleted in its entirety and replaced with the following:

No additional amounts shall be due upon commencement of Extended Term. Notwithstanding the foregoing, Lessee shall deliver to and maintain with County a security deposit (the "Security Deposit") in an amount equal to the

sum of three (3) times the monthly rent in effect at the time of the Extended Term (i.e., adjusted to reflect any change in the annual rate during the Term of this Lease). This sum shall be retained by County as a security deposit to cover delinquent rent and any other financial obligations of Lessee under this Lease and shall be so applied at the discretion of the County.

7. MONTH TO MONTH TENANCY.

Section 17 (Month to Month Tenancy) of the Lease is deleted in its entirety and replaced with the following:

If Lessee is still in possession of Premises upon expiration of the Lease, such holding over shall be a month-to-month tenancy and subject to a rental payment increase of 150% of the then-current square foot rent in effect and upon the same terms, conditions, restrictions and provisions as herein contained. Such holding over shall include any time anyone employed by Lessee to remove machines, appliances and other equipment during the thirty-day period hereinafter provided for such removal.

8. SUBLEASE, ASSIGNMENTS AND SUCCESSORS.

Section 22 (Sublease, Assignments and Successors) of the Lease is amended to include the following provision:

Administrative Charge. A deposit of Ten Thousand Dollars (\$10,000) (the, "Administrative Charge") toward the Administrative Charge shall be due and payable upon Lessee's notification to County of the proposed lease extension and request for County's approval thereof. In the event that the Administrative Charge exceeds the deposit, then Lessee shall pay County the balance of the Administrative Charge within thirty (3) days after receipt of the notice from County setting for the Administrative Charge (including documentation in support of the calculation of the Administrative Charge) and any additional supporting documentation reasonably requested by Lessee within five (5) businesses days after its receipt of such notice.

9. OPTIONS TO RENEW. Subject to the terms of this Amendment, Lessee shall have two (2) options to extend the Extended Term for one (1) year each (each, a "Option Extension Period"). Provided Lessee is not then in breach or default of the Lease, each such option may be exercised no earlier than six (6) months prior to the then-existing Extended Term. The options are subject to approval by the Director of the Department of Beaches and Harbors.

10. CONTINGENCY; SIMULTANEOUS EXECUTION. This Amendment is expressly contingent upon the execution of that certain Lease Amendment No. 5 for Lease No. 12157 for Parcel 94R also between the County and the Lessee for the neighboring premises located at the same address, 4560 Admiralty Way, Marina del Rey, CA 90292 (APN: 4224-007-901). The parties agree that neither this Amendment nor the above-mentioned Amendment No. 5 to Lease No. 12157 shall be effective unless

and until both are fully executed by all parties.

11. COUNTERPARTS. This Amendment may be signed in counterparts. Each counterpart represents an original of this Amendment and all such counterparts shall collectively constitute one fully executed document.

12. MISCELLANEOUS. Except as herein specifically amended, all terms, conditions and provisions of the Lease shall be and remain in full force and effect and are unmodified, and each of the parties hereto reaffirms and re-acknowledges its respective obligations under the Lease as amended hereby. In the event of a conflict between the terms of this Amendment and the terms of the Lease, the terms of this Amendment shall control.

13. 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.

(SIGNATURE NEXT PAGE)

IN WITNESS WHEREOF, the parties have executed this Amendment No. 12 as of the date first above written.

LESSEE (S)

ADMIRALTY CAPITAL PARTNERS, LLC

By:

David Taban, Manager

Admiralty Capital Partners, LLC

By:_____
David Taban, Manager

PCH Admiralty, LLC

By:_____
Michael Pashaie, Manager

A&M
Partnership,
LLC

By:_____
Avi Arshadnia, Manager

THE COUNTY OF LOS ANGELES
a body corporate and politic

By: _____
Gary Jones, Director

ATTEST:

DEAN C. LOGAN,
Register Recorder/County Clerk
of the County of Los Angeles

By: _____
Deputy

APPROVED AS TO FORM:

DAWYN R. HARRISON,
County Counsel

By: _____
Deputy County Counsel

EXHIBIT A

Legal Description

MARINA DEL REY
LEASE PARCEL NO. 75Y

Those portions of Parcels 688, 689 and 690, 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 Registrar-Recorder of said County, within the following described boundaries: -

Commencing at the northwesterly terminus of that certain 8050.17 foot radius curve in the northeasterly boundary of said Parcel 688; thence southeasterly along said certain curve 9.56 feet to a point, a radial of said certain curve to said point bears South 57°19'49" West, said point also being the true point of beginning; thence South 48°13'04" West 183.51 feet to a curve concentric with and 1.5 feet northeasterly, measured radially, from that certain 540 foot radius curve in the southwesterly boundary of said last mentioned parcel; thence southeasterly along said concentric curve 67.32 feet to a point, a radial of said concentric curve to said last mentioned point bears North 44°06'16" East, said last mentioned point also being the beginning of a curve concave to the southwest and having a radius of 20 feet, a radial of said 20 foot radius curve to said last mentioned point bears North 32°59'27" East; thence southeasterly along said 20 foot radius curve 8.05 feet to said concentric curve; thence southeasterly along said concentric curve 142.23 feet to the northeasterly line of the southwesterly 1.5 feet of said Parcel 690; thence South 30°00'00" East along said northeasterly line 115.46 feet to the northwesterly line of that certain parcel of land described as Parcel F, for Admiralty Way, in a resolution of the Board of Supervisors of the County of Los Angeles, a certified copy of which was recorded as Document No. 3149, on March 22, 1967, in Book D3591, page 377, of Official Records, in the office of said Registrar-Recorder; thence North 60°00'00" East along said northwesterly line to the northeasterly line of the southwesterly 4 feet of said Parcel 690; thence South 30°00'00" East along said last mentioned northeasterly line 6.00 feet to the beginning of a curve concave to the north, having a radius of 22 feet, tangent to said last mentioned northeasterly line and tangent to a line parallel with and 21 feet northwesterly, measured at right angles, from the northeasterly prolongation of the straight line in the southeasterly boundary of Parcel 703, as shown on said map; thence easterly along said last mentioned curve 34.56 feet to said parallel line; thence North 60°00'00" East along said parallel line 7.00 feet; thence South 30°00'00" East 3.00 feet; thence North 60°00'00" East 100.31 feet to the beginning of a curve concave to the west, having a radius of 30 feet, tangent to said last mentioned course and tangent to the northeasterly boundary of said Parcel 690; thence northerly along said last mentioned curve 49.88 feet to said last mentioned northeasterly boundary; thence northwesterly along the north-easterly boundaries of said Parcels 690, 689 and 688 a distance of 363.82 feet to said true point of beginning.

EXHIBIT B

**AMENDMENT NO. 5 TO LEASE AGREEMENT NO. 12157
PARCEL NO. 94R – MARINA DEL REY**

THIS AMENDMENT NO. 5 ("Amendment" or "Amendment No. 5") to Lease No. 12157 is made and entered into this day of , 2025 (the "Effective Date"),

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

AND DEL REY PROFESSIONAL ASSOCIATION, a general partnership, hereinafter referred to as "Lessee."

RECITALS:

WHEREAS, County and Lessee entered into Lease Agreement No. 12157, dated June 6, 1967, as amended, under the terms of which County leases to Lessee that certain real property on Parcel 94R (APN: 4224-007-901), commonly known as the parking lot for the Del Rey Professional Building, located at 4558, 4562, 4564 Admiralty Way, Marina del Rey, CA 90292, which leasehold premises (the "Premises"), are more particularly described in Exhibit "A" attached to and incorporated herein, as amended (the lease and all amendments are collectively referred to as the "Lease"); and

WHEREAS, County and Lessee agreed to amend the Lease to extend the Term of Lease and provide for certain other amendments to the Lease; and

WHEREAS, County and Lessee agree that this Amendment will be executed simultaneously with Amendment No. 12 for Lease No. 11525 for Parcel 75Y ("P75Y"), which pertains to the neighboring property.

NOW, THEREFORE, in consideration of the foregoing recitals, which are hereby deemed a contractual part hereof, and other good and valuable consideration, the receipt of sufficiency of which are hereby acknowledged and the rents, covenants and agreements herein contained, County and Lessee hereby covenant and agree as follows:

1. **DEFINED TERMS.** Capitalized terms used and not otherwise defined herein shall have the same meanings ascribed to them in the Lease.
2. **EXTENSION OF TERM.** Pursuant to Paragraph 2 of the Lease, the Term of the Lease commenced on June 1, 1967, for an initial period of sixty (60) years and is now set to expire on May 31, 2027. The County and Lessee hereby agree to extend the

Term of the Lease for a period of seven (7) years (the "Extended Term"), so that the Term will now expire on May 31, 2034 (the "Revised Termination Date"), coterminous with Lease No. 11525 (Parcel 75Y), unless terminated sooner pursuant to the terms of the Lease. All references to "Term" in the Lease and this Amendment shall be deemed references to the Term as extended by this Amendment and all references to "Termination Date" shall be deemed references to the Revised Termination Date.

The parties acknowledge and agree that the Effective Date as set forth in the preamble of this Amendment shall be the date that both parties have executed and delivered this Amendment, which execution and delivery shall require the prior approval of the Los Angeles County Board of Supervisors as evidenced by the signature for such body in the signature pages of this Amendment.

3. **SQUARE FOOT RENTAL.** Commencing as of the 2027 Rental Adjustment Date, the Section 12 (Square Foot Rental) of the Lease is amended to include the following:

"Effective June 1, 2027, and every three years thereafter, the annual square foot rental for the whole Premises shall be readjusted to equal seventy-five percent (75%) of the annual average of all rents payable by the Lessee under Section 13 of the Lease for the immediately preceding three-year period, provided that no adjustment shall result in a decrease of the square foot rental."

4. **Extension Fee.** Lessee agrees to pay the County a combined one-time, non-refundable extension fee of two hundred fifty thousand dollars (\$250,000) ("Extension Fee") for this Amendment for Parcel 94R and Amendment No. 12 for Lease No. 11525 for Parcel 75Y, due and payable upon approval by the Board of Supervisors and full execution of this Amendment and Amendment No. 12 for Parcel 75Y.

5. **PLANS AND SPECIFICATIONS FOR REQUIRED CONSTRUCTION.**

Section 5 (Plans and Specifications for Required Construction) of the Lease is amended to include the following provisions:

LESSEE'S REFURBISH WORK. As consideration for the extension of the Term pursuant to this Lease, Lessee shall perform and complete certain capital improvements and deferred maintenance work on the Premises (collectively, the "Refurbish Work" or "Work") within eighteen (18) months of the Effective Date.

Refurbish Work shall be performed in accordance with the Refurbish Work plan attached to this Amendment as Exhibit B (the "Refurbish Work Plan") to the extent that the Final Plans and the Specifications for Work are approved by the Director of the Department of Beaches and Harbors (the "Department") prior to commencing Work. Lessee shall be responsible for obtaining all required governmental approvals and permits, required to perform Work including, without limitation, from County Building and Safety Division, the Coastal Commission, the Design Control Board, and County Regional Planning in accordance with the requirements of Lease Section 8

(Additional Construction), Section 10 (Performance and Surety Bonds, and Section 18 (Disposition of Installations or Improvements) of the Lease.

Lessee shall apply for all required permits and approvals within 6 months of the Effective Date, and notwithstanding the foregoing to the contrary, any Refurbish Work requiring governmental approval and/or permit shall be performed and completed within nine (9) months of the issuance of all required governmental approvals and permits

REFURBISH WORK. The Refurbish Work for Parcels 75Y and 94R includes without limitation, the following:

- (a) Exterior stucco and tile repairs.
- (b) Exterior painting..
- (c) American with Disabilities Act (ADA) compliant parking improvements.
- (d) Repair the parking lot as may be needed, slurry coat, and restripe the parking lot .
- (e) Upgrade elevators.
- (f) Remodel restrooms with new fixtures
- (g) Install new roofing
- (h) Provide Tenant Improvements for vacant space and upon renewal of subleased spaces.
- (i) Upgrade exterior and interior lighting.
- (j) Upgrade the building's Heating Ventilation and Air Conditioning (HVAC) system.

MINIMUM REQUIRED COST AMOUNT. Lessee shall complete Refurbish Work outlined in Exhibit B, with a minimum combined expenditure of \$1,438,000 for Parcels 75Y and 94R. This amount shall not be reduced under any circumstances but may exceed the minimum due to increases in material costs or other unforeseen expenses. Lessee remains responsible for funding and completing all improvements in compliance with applicable laws and lease terms.

6. RENTAL PAYMENT SECURITY.

Section 7 (Rental Payment Security) of the Lease is deleted in its entirety and replaced with the following:

No additional amounts shall be due upon commencement of Extended Term. Notwithstanding the foregoing, Lessee shall deliver to and maintain with County a security deposit (the "Security Deposit") in an amount equal to the sum of three (3) times the monthly rent in effect at the time of the Extended Term (i.e., adjusted to reflect any change in the annual rate during the Term of this Lease). This sum shall be retained by County as a security deposit to cover delinquent rent and any other financial obligations of Lessee under this Lease and shall be so applied at the discretion of the County.

7. **MONTH TO MONTH TENANCY.** Section 17 (Month to Month Tenancy) of the Lease is deleted in its entirety and replaced with the following:

If Lessee is still in possession of Premises upon expiration of the Lease, such holding over shall be deemed to be a month-to-month tenancy and subject to a rental payment increase of 150% of the then-current square foot rent in effect and upon the same terms, conditions, restrictions and provisions as herein contained. Such holding over shall include any time anyone is employed by Lessee to remove machines, appliances and other equipment during the thirty-day period hereinafter provided for such removal.

8. **SUBLEASE, ASSIGNMENTS AND SUCESSORS.** Section 22 (Sublease, Assignments, Trust Deed Beneficiaries, Mortgages and Successors) of the Lease is amended to include the following provision:

Administrative Charge. A deposit of Ten Thousand Dollars (\$10,000) (the, "Administrative Charge") toward the Administrative Charge is due and payable to County upon Lessee's notification to County of the proposed lease extension and request for County's approval thereof. In the event that the Administrative Charge exceeds the deposit, then Lessee shall pay County the balance of the Administrative Charge within thirty (3) days after receipt of the notice from County setting for the Administrative Charge (including documentation in support of the calculation of the Administrative Charge) and any additional supporting documentation reasonably requested by Lessee within five (5) businesses days after its receipt of such notice.

9. **OPTIONS TO RENEW.** Subject to the terms of this Amendment, Lessee shall have two (2) options to extend the Extended Term for one (1) year each (each, a "Option Extension Period"). Provided Lessee is not then in breach or default of the Lease, each such option may be exercised no earlier than six (6) months prior to the then-existing Extended Term. The options are subject to approval by the Director of the Department of Beaches and Harbors

10. **CONTINGENCY; SIMULTANEOUS EXECUTION.** This Amendment is expressly contingent upon the execution of that certain Lease Amendment No. 12 for Lease No. 11525 for Parcel 75Y also between the County and the Lessee for the neighboring premises located at the same address, 4560 Admiralty Way, Marina del Rey, CA 90292 (APN: 4224-007-901). The parties agree that neither this Amendment nor the above-mentioned Amendment No. 12 to Lease No. 11525 shall be effective unless and until both are fully executed by all parties.

11. **COUNTERPARTS.** This Amendment may be signed in counterparts. Each counterpart represents an original of this Amendment and all such counterparts shall collectively constitute one fully executed document.

12. **MISCELLANEOUS.** Except as herein specifically amended, all terms, conditions and provisions of the Lease shall be and remain in full force and effect and are unmodified, and each of the parties hereto reaffirms and re-acknowledges its respective

obligations under the Lease as amended hereby. In the event of a conflict between the terms of this Amendment and the terms of the Lease, the terms of this Amendment shall control.

13. 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.

(SIGNATURE NEXT PAGE)

IN WITNESS WHEREOF, the parties have executed this Amendment No. 5 as of the date first above written.

LESSEE

DEL REY PROFESSIONAL ASSOCIATION, a
general partnership

By:

Michael Pashaie, Managing Partner

THE COUNTY OF LOS ANGELES,
a body corporate and politic

By:

Gary Jones, Director

ATTEST:

DEAN C. LOGAN,
Register Recorder/County Clerk
Of the County of Los Angeles

By:

Deputy

APPROVED AS TO FORM:

DAWYN R. HARRISON,
County Counsel

By:

Deputy County Counsel

EXHIBIT A

Legal Description

MARINA DEL REY
LEASE PARCEL NO. 94R

EXHIBIT A

Those portions of Parcels 654, 686, 687 and 688, 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 Registrar-Recorder of said County, within the following described boundaries:

Beginning at the northwesterly terminus of the northeasterly boundary of said Parcel 688; thence South $32^{\circ}36'06''$ East along said northeasterly boundary 20.46 feet to the northwesterly terminus of that certain 8050.17 foot radius curve in said northeasterly boundary; thence southeasterly along said certain curve 9.56 feet to a point, a radial of said certain curve to said point bears South $57^{\circ}19'49''$ West; thence South $48^{\circ}13'04''$ West 183.51 feet to a curve concentric with and 1.5 feet northeasterly, measured radially, from that certain 540 foot radius curve in the southwesterly boundary of said Parcel 688; thence northwesterly and westerly along said concentric curve 227.87 feet to a line parallel with and 1.5 feet northerly, measured at right angles, from the straight line in the southerly boundary of said Parcel 686; thence North $77^{\circ}04'44''$ West along said parallel line 50.00 feet to the westerly line of the easterly 15.31 feet of said Parcel 654; thence North $12^{\circ}52'16''$ East along said westerly line 123.50 feet to the northerly line of said last mentioned parcel; thence South $77^{\circ}07'44''$ East along the northerly lines of said Parcels 654, 686, 687 and 688 a distance of 355.95 feet to the point of beginning.

Reserving and excepting unto the County of Los Angeles 10 foot rights of way for access, power line and harbor utility purposes over those portions thereof designated on said map as easements to be reserved by said County for such purposes.

DESCRIPTION APPROVED
July 11, 1979
STEPHEN J. KOONCE
County Engineer

By Agnes J. Arman Deputy

EXHIBIT B
(PROVIDED BY LESSEE)