

AMENDMENT TO LEASE

THIS AMENDMENT TO LEASE made this 2nd day of April, 1962, by and between the County of Los Angeles hereinafter referred to as "County" and Vadim P. Kondratief, dba V.P.K. Investment & Development Company, Suite 220, 8929 Wilshire Boulevard, Beverly Hills, California

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hereinafter referred to as "Lessee" WITNESSETH:

WHEREAS, the parties hereto have heretofore, on the fourth day of October 1961, entered into a lease of premises, commonly referred to as Parcel No. eight, Marina del Rey, consisting of a total of 246,044 square feet and situated in the Marina del Rey Small Craft Harbor of the County of Los Angeles, State of California, more particularly described in Exhibit "A" attached hereto and incorporated herein, and;

WHEREAS, the Board of Supervisors on the 19th day of December, 1961 adopted a resolution authorizing certain amendments to the provisions of the said lease:

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

1. SECTION 4 (ACTIVE PUBLIC USE) IS AMENDED AS FOLLOWS:  
The last two subparagraphs shall be eliminated.
2. SECTION 6 (REQUIRED CONSTRUCTION SCHEDULE) IS AMENDED BY CHANGING THE LAST SUBPARAGRAPH TO READ AS FOLLOWS:  
Failure of Lessee to commence or diligently prosecute said work within said time shall, upon written notice thereof to Lessee by Board, ipso facto effect a forfeiture of this lease and all rights of Lessee thereunder.

APPROVED BY BOARD OF SUPERVISORS

DEC 19 1961

*Gordon T. Nesvig*  
Gordon T. Nesvig  
Clerk of the Board

3. SECTION 7 (LIQUIDATED DAMAGES) IS DELETED.
4. SECTION 11 (PERFORMANCE AND SURETY BONDS) IS AMENDED BY CHANGING SUBPARAGRAPHS (a) AND (b) AND BY ADDING SUBPARAGRAPH (d) TO READ AS FOLLOWS:

(a) Within ten (10) days prior to commencement of any construction hereunder, Lessee shall furnish a corporate surety performance bond, issued by a surety company licensed to transact business in the State of California, in an amount equal to fifty per cent (50%) of the contract price of any construction required of Lessee pursuant to Sections 5 and 6, said bond and said company to be in all respects, including amount thereof, satisfactory to County, naming Lessee as principal and said company as surety, and County as obligee, to assure full and satisfactory performance by Lessee of Lessee's obligation contained in Sections 5 and 6 to build, construct, and install improvements and landscaping upon the demised premises.

(b) Within ten (10) days prior to commencement of any construction hereunder, Lessee shall furnish a corporate surety bond, issued by a surety company licensed to transact business in the State of California, with Lessee as principal, and said company as surety, and County as obligee, in a sum equal to fifty per cent (50%) of the aforesaid contract price of any construction, guaranteeing payment for all materials, provisions, provender, supplies, and equipment, used in, upon, for, or about

the performance of said construction work or for labor done thereon of any kind whatsoever and protecting County from any and all liability, loss or damages arising from failure to make such payment.

In the event that Lessee employs a licensed contractor for the construction hereinbefore required and obtains from said contractor or contractors similar bond or bonds in like amount, in all respects satisfactory to County, County, upon application by Lessee and upon the naming of County as an additional obligee under such bond or bonds, will accept said contractor's bonds in lieu of the bonds otherwise required by this paragraph and paragraph (a) of this Section.

(d) The Lessee shall have the option to deposit with the County of Los Angeles cash or United States Government securities in all respects satisfactory to the County of Los Angeles in lieu of any corporate surety bonds required herein. Said cash or securities shall be deemed deposited with the County for all the purposes enumerated herein and shall be so deposited for the benefit of the County under the same terms and conditions as set forth herein with respect to corporate surety bonds.

5. SECTION 13 (SQUARE FOOT AND HOLDING RENTALS) IS AMENDED BY CHANGING THE FIRST SENTENCE OF THE LAST SUBPARAGRAPH TO READ:

If Lessee fails to commence or diligently prosecute construction of improvements at the time agreed upon in Section 6, .....

6. SECTION 14-1/2 IS ADDED TO READ AS FOLLOWS:

SECTION 14-1/2. RENT RENEGOTIATION TO MEET LEGAL REQUIREMENTS. Section 26362 of the Government Code requires that each lease provide that the square foot and percentage rentals be subject to increase if and when the Board of Supervisors is required to increase such rates to meet its obligations under the Act (Govt. Code, Tit. 3, Div. 2, Pt. 2, Ch. 14) and the Bond Resolution described in Section 46 of this lease.

In the event that the Board of Supervisors determines that it is required to increase the amount of rentals to meet such obligations, it may increase the square foot and percentage rentals without limit except that each parcel leased shall bear no more than its proportionate share of increases as reasonably determined by Director. Rental increases under this Section shall not be made during the first five (5) years of the term hereof, nor more often than every (10) years thereafter.

7. SECTION 15 IS AMENDED BY STRIKING THE TITLE AND FIRST TWO SUBPARAGRAPHS, AND SUBSTITUTING THE FOLLOWING:

15. GENERAL RENT RENEGOTIATION AND ARBITRATION.

Except as provided in Section 14-1/2, the square foot and percentage rentals hereinbefore provided for shall apply and be in effect for the first five (5) years of the term hereof. At the end of said period, and at the end of every ten (10) year period thereafter, the said rentals shall be readjusted as provided hereinafter.

Strike the words "ten year" from subparagraph 3.

*Supersedes by amendment*

8. SECTION 16 (CONTROLLED PRICES) IS AMENDED BY ADDING AT THE END:

The Lessee may appeal the determination of the Director to the Board of Supervisors, whose decision shall be final and conclusive. Pending such appeal, the prices fixed by the Director shall be the maximum charged by the Lessee.

9. SECTION 18 (DISPOSITION OF INSTALLATIONS OR IMPROVEMENTS) IS AMENDED BY CHANGING THE FIRST FOUR LINES OF THE SECOND SUBPARAGRAPH TO READ:

However, in the event of termination or expiration of this lease, the County may require the Lessee to remove, at the sole cost and expense of Lessee, and not later than the termination or expiration date, all works, structures, and improvements of any kind.

10. SECTION 22 (SUBLEASE, ASSIGNMENTS AND SUCCESSORS) IS AMENDED BY ADDING THE FOLLOWING TO THE FIRST SUBPARAGRAPH:

Lessee may, without prior approval of the Director, sublease portions of the demised premises (including but not limited to, single residential units, boat slips, and dry storage racks) for individual, non-business, non-commercial uses.

11. SECTION 36 (REPAIRS BY COUNTY) IS AMENDED BY CHANGING THE SECOND SUBPARAGRAPH TO READ:

If Lessee fails to make any such repairs or replacements as required, County may notify Lessee of said default in writing, and should Lessee fail to cure said default and make said repairs or replacements within a reasonable time as established by County, County may make such repairs or replacements and the cost thereof, including, but not limited to, the cost of labor, materials, and equipment, shall be charged against Lessee and shall

become a part of the rental for the period next following the period of default, or the same may be prorated over a period of time to be determined by the County.

12. SECTION 48 IS ADDED AS FOLLOWS:

48. MULTI-FAMILY PROJECT AND FEDERAL HOUSING ADMINISTRATION FINANCING REQUIREMENTS.

Notwithstanding any other provision of this lease, if and so long as all or part of this leasehold is used for a multi-family residential project:

(a) The annual ground rental provided in paragraphs 12 and 13 hereof for that part of the leasehold used for a multi-family residential project shall not exceed for the first five years of this lease term six per cent (6%) of an appraisal by County, of the value of the land with improvements placed thereon by County but without improvements placed thereon by Lessee, and thereafter shall not exceed six per cent (6%) of the renegotiated value of the land with improvements placed thereon by County but without improvements placed thereon by Lessee. The appraisal by County must be approved by the Federal Housing Administration where the leasehold is subject to a mortgage or trust deed insured, reinsured or held by the Federal Housing Commissioner or acquired by him because of default under said mortgage or trust deed.

The renegotiated value of the land shall be based upon the value of the land for use as a site for a multi-family residential project, and related uses, or during the period of FHA's interest in the leasehold as a site for such uses as permitted by the FHA, regardless of the

value of the land if used for other purposes and any renegotiated ground rental shall be based upon such value;

Nothing in this subdivision (a) shall prevent the County from increasing the total rentals payable under this lease in such amount that the property hereby demised shall produce at least its proportionate share of the revenue required by Sections 26360 and 26362 of the Government Code of the State of California and the revenue required to meet the obligations of the County under that certain bond resolution of the County Board of Supervisors referred to in Section 46.

(b) Upon any default under this lease, where the leasehold is subject to a mortgage or trust deed insured, reinsured or held by the Federal Housing Commissioner, County shall give mortgagee and the Federal Housing Commissioner notice in writing, and the mortgagee and the Federal Housing Commissioner, their successors and assigns, shall have the right at any time within six (6) months from the date of such notice to correct the default and reinstate the lease, or, if County declares the lease forfeited and secures possession of the leased premises, the mortgagee or the Federal Housing Commissioner within six (6) months of such forfeiture and securing of possession may elect to request and receive a new lease running to mortgagee or Federal Housing Commissioner, their successors and assigns, having the same provisions and conditions as this lease and having a term equal to the remaining term of this lease, except that the Federal Housing Commissioner's liability for ground

rental shall not extend beyond his occupancy thereunder, the County to deliver possession of the property immediately upon the execution of such new lease, and the mortgagee or Federal Housing Commissioner to pay to County the amount of ground rentals due under this lease less any net rentals or other income which County may have received during the time it may have been in possession of the property;

(c) County may accept in lieu of the performance and payment bonds required by this lease, the bond required by the Federal Housing Commissioner in connection with construction of a project financed with an FHA insured loan, if County finds such bonds to be satisfactory as to form and amount and County is made a co-obligee on such bond; and

(d) In lieu of the requirements for hazard insurance in this lease, County may accept hazard insurance as required by the Federal Housing Commissioner, if the terms of such insurance are satisfactory to County, and the County is included as an insured under the policy as its interests may appear.



13. All other terms and conditions and covenants of the said Lease are to remain unchanged.

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

DATED April 2, 1962.

Howard C. Alphson  
By \_\_\_\_\_

By \_\_\_\_\_  
By \_\_\_\_\_

(CORPORATE SEAL)

\_\_\_\_\_  
President

\_\_\_\_\_  
Secretary

GORDON T. NESVIG

Clerk of the Board of Supervisors

(SEAL)

By ELSIE ALFORD  
Deputy

THE COUNTY OF LOS ANGELES

By ERNEST E. DEBS  
Chairman of its Board of Supervisors  
APR 13 1962

APPROVED AS TO FORM:

HAROLD W. KENNEDY  
County Counsel

By H. W. Kennedy  
Deputy

TO 444 C (11)  
(Attorney in Fact)

STATE OF CALIFORNIA }  
COUNTY OF LOS ANGELES } ss.

On April 2, 1962 before me, the undersigned, a Notary Public in and for said County and State, personally appeared Howard C. Alphson

known to me to be the person whose name is \_\_\_\_\_ subscribed to the within instrument, as the Attorney in fact of Vadim P. Kondratief and acknowledged to me that he subscribed the name of Vadim P. Kondratief thereto as principal and his own name as Attorney in fact.

WITNESS my hand and official seal.

(Seal)  
Signature B. J. Harris  
Name (Typed or Printed)

Notary Public in and for said County and State

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

DATED April 2, 1962

William V. Kautz

By George C. Johnson  
Attorney In Fact

By \_\_\_\_\_

By \_\_\_\_\_

\_\_\_\_\_  
President

\_\_\_\_\_  
Secretary

(CORPORATE SEAL)

GORDON T. MESVIG  
Clerk of the Board  
of Supervisors

By Eric Clifford  
Deputy

THE COUNTY OF LOS ANGELES

By Frank R. [Signature]  
Chairman of its Board of  
Supervisors

APR 11 1962

APPROVED AS TO FORM:

HAROLD W. KENNEDY  
County Counsel

By D. [Signature]  
Deputy

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AMENDMENT #2