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AMENDMENT NO. 3 TO LEASES FOR
PARCELS 8 and 9 MARINA DEL REY

THIS AMENDMENT TO LEASES made as of the 1st day of September, 1965, by and between the COUNTY OF LOS ANGELES, hereinafter referred to as "County", and CHESTER I. LAPPEN and CITY NATIONAL BANK OF BEVERLY HILLS, as Trustees, hereinafter referred to as "Lessee", as assignee of Virginia Dwan Kondratief, who in turn was assignee of Vadim P. Kondratief.

W I T N E S S E T H:

WHEREAS, on October 4, 1961, County and the predecessor in interest of Lessee entered into two leases under the terms of which County leased to Lessee's predecessor in interest, real property commonly known as Parcels 8 and 9, Marina del Rey Small Craft Harbor of the County of Los Angeles, State of California; and

WHEREAS, the predecessor in interest of Lessee has filed a certain action entitled Vadim P. Kondratief vs. County of Los Angeles, et al., No. 821961 in the Superior Court of the State of California for the County of Los Angeles; and

WHEREAS, the parties hereto have arrived at a settlement of said litigation; and

WHEREAS, the parties desire to implement said settlement by amending certain terms and conditions contained in said leases, and

WHEREAS, the amendment shall constitute a complete release by each party of any and all claims which either party may have or ever have against the other arising out of said litigation and the occurrences forming the basis of said litigation;

NOW, THEREFORE, in consideration of the mutual covenants, considerations, and promises contained herein, it is mutually agreed by and between the parties hereto as follows:

1. SECTION 3 (PURPOSE OR USE OF PROPERTY) IS HEREBY AMENDED BY ADDING THE FOLLOWING SENTENCE AT THE END OF THE FIRST PARAGRAPH:

Notwithstanding the foregoing, however, Lessee is hereby granted the right to construct, operate and rent apartments in lieu of boatels or cabanas on Parcels 93 to 101, inclusive, and on the westerly 28.77 feet of Parcel 92 as shown on the plat attached hereto as Exhibit "A" and by this reference made a part hereof. The 35-foot and 3 story height restriction established by the "Specifications and Minimum Standards for Architectural Treatment," as amended, is waived within this area. In addition, the following activities are the minimum "related uses" authorized on the demised premises:

Authorized Related Uses.

Yacht brokerage
Coffee shop
Storage lockers
Maintenance and hobby shop

Commercial complex:

Marine hardware
Beer and wine store
Snack shop
Vending machines

Apartments

→ Restaurant and bar
Clothing, drug and
similar stores

Club and lounge facilities

Boat rentals
Ship Chandlery

Restrictions and Conditions.

None
None
None
None

None

High-rise on pre-established
portion of Parcel 9 only

None

None

Approval conditioned upon said
facilities being available
without restriction for public
use by tenants of the primary
use development

None
None

Such "related uses" shall be laid out, constructed and operated in a manner which is commensurate with and suitable for the size and scope of operations being conducted under the primary use. The construction of such facilities is subject to all the controls and limitations set forth in the original lease and any applicable amendments thereto.

The specification of "related uses" in the foregoing provision shall not be deemed to exclude other activities permitted or allowed as "related uses".

- ✓ 2. SECTION 5 (PLANS AND SPECIFICATIONS FOR REQUIRED CONSTRUCTION) IS HEREBY AMENDED BY DELETING ALL REFERENCE TO THE FOLLOWING:

Boatels or cabanas.

3. SECTION 6 AND ALL AMENDMENTS THERETO (REQUIRED CONSTRUCTION SCHEDULE) ARE HEREBY DELETED AND THE FOLLOWING SUBSTITUTED THEREFOR:

It is understood and agreed that as of the effective date of this amendment the construction required under the provisions of Section 5, as amended, has been completed except for the reconstruction and repair of existing improvements to standards warranting issuance of a "certificate of occupancy" by the County Engineer.

It is further understood and agreed that within forty-five (45) days after the effective date of this amendment Lessee shall in good faith commence said reconstruction and repair of existing land and water improvements and shall in good faith diligently prosecute said reconstruction and repair to completion. Failure of Lessee to commence said work within said time or failure of Lessee to diligently prosecute said work to completion after it is commenced shall constitute a default and basis for forfeiture action as provided for in Section 21 [unless Lessee has acted in good faith in attempting to commence said work or have such work completed.

yes
[initials]

4. SECTION 10 (LANDSCAPING) IS HEREBY AMENDED BY
ADDING THE FOLLOWING AT THE END OF THE SECTION:

Until such time as Lessee commences construction on that area known as Parcel 9, Lessee agrees to fence or to plant suitable shrubbery on the perimeter of such parcel, to seed it for grass, and to provide suitable irrigation. Lessee's failure to do the foregoing within a reasonable time after the adoption of this amendment shall constitute a default and a basis for forfeiture action as provided in Section 21.

Until construction on said Parcel 9 is so commenced, the foregoing shall be the sole landscaping requirements relating to Parcel 9. Accordingly, all other provisions of Section 10 shall be inapplicable to Parcel 9 for all periods prior to such commencement of construction.

5. SECTION 13 AND ALL AMENDMENTS THERETO (SQUARE FOOT AND HOLDING RENTALS) ARE HEREBY FURTHER AMENDED BY
ADDING THE FOLLOWING:

Notwithstanding any other provisions of this Lease:

(1) Lessee shall pay holding rental only as to both Parcels 8 and 9 from September 1, 1962, through August 31, 1966, and holding rental only as to Parcel 9 from September 1, 1966, through August 31, 1970. Lessee shall receive credit for any rent paid in excess of holding rental for the above period. Said credit shall be applied against the first rents becoming due on and after the effective date of this amendment.

(2) Commencing on September 1, 1966,

Lessee shall pay proportionate square foot rentals as to Parcel 8 and Parcel 9 only under a program of progressive completion as provided in this Section of the Lease and amendments thereto.

(3) Commencing September 1, 1970, Lessee shall pay the full annual square foot rental in twelve (12) equal monthly installments as provided for in Section 13 of the original lease. Full rental shall be due as of the said date regardless of whether any improvements have been completed or put into operation.

The term "holding rental" as used in this amendment carries the following respective meanings and definitions: As it relates to Parcel 8 for periods subsequent to the date of this amendment, the same meaning and definition as in Section 13 of the original Lease; and as it relates to Parcel 8 for periods prior to the date of this amendment and as it relates to Parcel 9 for all periods prior to September 1, 1970, an amount equal to one-third (1/3) of square foot rental for said respective parcels.

6. SECTION 14 (PERCENTAGE RENTAL) IS HEREBY DELETED AND THE FOLLOWING SUBSTITUTED THEREFOR:

See Amendment
~~The square foot rental agreed upon in Section 13 is~~ a minimum rental, payable in lawful money of the United States. The money received as square foot rental for any calendar month shall be applied to the payment of the percentage rental for said calendar month as provided for in this Section. Within fifteen (15) days after the close of each and every calendar month of the term hereof, Lessee shall pay to County a sum in like money, less the amount of the monthly installment of annual square foot rental previously paid for said calendar month under Section 13, equal to the total of the following for said previous calendar months:

(a) TWENTY Per Cent (20%) of gross receipts from the rental of boat slips, anchorages, moorings, gear lockers, or storage space;

(b) TEN Per Cent (10%) of gross receipts from the launching and retrieving of small boats;

(c) TEN Per Cent (10%) of gross receipts from the dry storage of boats;

See para 144
(d) SIX Per Cent (6%) of gross receipts from sales of ship chandlery supplies, fishing tackle, paints, varnishes, and similar commodities;

(e) ONE AND ONE-QUARTER Per Cent (1-1/4%) of gross receipts from sale of new and used boats, house trailers, trailer cabanas or cabanas.

This percentage does not apply to the sale of used boats when taken in as part payment of new boats where such used boats are disposed of within one hundred twenty (120) days after the sale of the new boat;

(f) THREE Per Cent (3%) of gross receipts from boat haulout, repair, painting and similar activities;

(g) TEN Per Cent (10%) of gross receipts from insurance sales commissions or from brokerage commissions;

(h) ONE AND ONE-HALF Cents (\$0.015) per each gallon of gasoline, diesel fuel or mixed fuel sold or SIX Per Cent (6%) of gross receipts of such sales, whichever is the greater;

(i) FIVE Per Cent (5%) of gross receipts from sales of petroleum or fuel products other than

~~those covered by subparagraph (h) above;~~

(j) THREE Per Cent (3%) of gross receipts from the sale of food or food products and alcoholic or other beverages served on the demised premises or prepared on the premises and served off the premises when such sale is the primary purpose;

(k) SIX Per Cent (6%) of gross receipts from the sale of packaged liquor;

(l) TEN Per Cent (10%) of gross receipts from the sale of alcoholic or other beverages prepared and served on the demised premises or prepared on the premises and served off the premises when such sale is the primary purpose;

(m) FIFTEEN Per Cent (15%) of gross receipts from club initiation fees and club dues;

(n) SEVEN AND ONE-HALF Per Cent (7-1/2%) of gross receipts from the rental of all dwelling units except trailer-cabana sites, and from guest rooms, meeting rooms or other similar space;

(o) TWENTY Per Cent (20%) of gross receipts from rentals or other fees charged for use of trailer-cabana sites;

(p) TWENTY Per Cent (20%) of gross receipts from parking fees;

(q) SIX Per Cent (6%) of gross receipts from the operation of sportfishing boats;

(r) SIX Per Cent (6%) of gross receipts from miscellaneous activities such as sportswear shops, beauty shops, specialty food shops and gift shops;

(s) FIVE Per Cent (5%) of gross receipts from coin vending machines;

(t) TWENTY-FIVE Per Cent (25%) of gross receipts received by Lessee from the telephone company as compensation for pay telephones located on the leasehold;

(u) FIVE Per Cent (5%) of gross receipts from any and all service charges or labor charges;

(v) TWENTY Per Cent (20%) of gross receipts from the rental of boats;

(w) FIVE Per Cent (5%) of gross receipts from all other activities carried on on said premises.

If the total of the percentages of gross receipts agreed to be paid by Lessee for any calendar year exceeds the sum of the Square Foot Rental, but is less than the total of monthly payments actually made by the Lessee for said calendar year, Lessee shall be allowed credit at the end of said calendar year for the difference between the said total of percentages agreed to be paid and said total of payments actually made. Said credit shall be applied against the rents first due after the amount of credit is established. Said credit shall be established within thirty (30) days of the end of the calendar year.

If any of the items, services, goods or facilities mentioned in subparagraphs (a) through (w) of this paragraph be provided by Lessee or its sublessees, assignees, licensees, concessionaires or permittees, without the usual charges therefor according to the price list or schedule provided for in Section 16, or if said usual charge be not collected in full, the proper amount thereof shall nevertheless be included in the gross receipts reported by Lessee and its sublessees, assignees, licensees, concessionaires and permittees, and the applicable percentage thereof paid to County.

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In the event that the percentage rentals relating to any one or more categories of items will hereafter be reduced for a majority of lessees of Marina del Rey to a percentage lower than that set forth in this amendment or in the event that, pursuant to a general policy of the County of Los Angeles or any agency thereof there shall hereafter be a reduction in percentage rentals relating to any one or more categories or items for lessees of Marina del Rey to a percentage lower than that set forth in this amendment, the percentage rentals of such category or categories as so reduced shall upon such reduction for other lessees or announcement of such general policy, as the case may be, become effective under this lease as hereby amended. Such reduction of percentage rentals under this lease as amended shall be confirmed by written amendment hereto.

Notwithstanding any other provisions of this Section, Lessee shall not be required to pay percentage rentals prior to those applicable to gross receipts for the month of September, 1975.

7. SECTION 14-1/2 (RENT RENEGOTIATION TO MEET LEGAL REQUIREMENTS) IS HEREBY DELETED IN ITS ENTIRETY AND THE FOLLOWING SUBSTITUTED:

Section 504 of the Bond Resolution described in Section 46 of this Lease requires that each Lease provide that the square foot rentals and percentage rentals be subject to increase if and when the Board of Supervisors shall find and determine that such increase is required to permit the County to meet its obligations under the terms of said Bond Resolution.

In the event that the Board of Supervisors determines that it is required to increase rentals to meet its obligations under the Bond Resolution, it may increase the square foot rentals and percentage rentals provided for in this lease as hereby amended to the extent required to meet said obligations, except that the _____

Lessee shall bear no more than his proportionate share of the total increase required to meet said obligations as reasonably determined by the Director, and, in any event, the amount of any such increase shall not exceed ten per cent (10%) of the square foot rentals and percentage rentals established by this amendment. Rental increases under this section shall not be made during the first five (5) years of the term of the original lease nor more often than once every ten (10) years thereafter; and no such increase in percentage rentals shall in any event be effective prior to September 1, 1975.

8. SECTION 15 AS AMENDED (RENT RENEGOTIATION AND ARBITRATION) IS FURTHER AMENDED BY CHANGING THE FIRST SENTENCE OF THE AGREEMENT TO READ AS FOLLOWS:

The square foot and percentage rentals hereinbefore provided for shall apply to and be in effect for all periods prior to September 1, 1975.

9. SECTION 18 AS AMENDED (DISPOSITION OF INSTALLATIONS OR IMPROVEMENTS) IS HEREBY AMENDED BY ADDING THE FOLLOWING SENTENCE AFTER THE WORD "THEREOF" AT THE END OF THE FIRST PARAGRAPH OF SAID SECTION:

Nothing contained herein shall be construed to deny or abrogate the right of Lessee to receive any and all proceeds which are attributable to the taking in eminent domain of business installations, improvements, structures and buildings belonging to Lessee immediately prior to the taking of possession by the condemning authority as said rights are set forth in Section 43 of said Lease.

10. SECTION 21 (DEFAULT) IS HEREBY DELETED AND THE FOLLOWING SUBSTITUTED THEREFOR:

~~---|--- This lease is made upon the condition that if the ---~~

*Enforced by
by [unclear]
see 1972.8.10*

rents or other sums which Lessee herein agrees to pay, or any part thereof, shall be unpaid on the date on which the same shall become due, or if other default be made in any of the terms, agreements, conditions, or covenants herein contained on the part of Lessee, or should Lessee abandon or cease to use the premises for a period of thirty (30) days at any one time subsequent to the date of this amendment, except when prevented by fire, earthquake, strikes or other calamity beyond its control, then and in such event, at the option of County as evidenced by resolution of Board, this lease shall be forfeited, and County may exercise all rights of entry and re-entry upon the demised premises and may operate for its own and sole benefit said premises and all improvements thereon.

2 Lessee shall not be considered in default as to any provision of this lease when such default is the result of, or pursuant to, any process, order or decree of any court or regulatory body of competent jurisdiction.

3 In the event Lessee is in default hereunder in the payment of rent or other sums provided to be paid by Lessee, no default with respect thereto shall be declared by the County until after the expiration of ten (10) days' written notice to Lessee to cure such default.

4 In the event Lessee shall default in keeping, observing or performing any of the other covenants, conditions, provisions, or agreements herein required to be kept, observed or performed by Lessee, County shall give written notice of such default to Lessee and Lessee shall have thirty (30) days after service of said notice in which to cure, remedy and correct said default, or in which to commence

and diligently pursue the performance of the thing or work required to be done to cure, correct and remedy said default. In the event Lessee does not cure, remedy or correct said default or commence and diligently pursue such corrective or remedial action within and during said thirty (30) day period, County shall have the right to forfeit this lease as provided in the first paragraph of this section.

Notwithstanding any of the foregoing, County shall not exercise any remedy available to it for breach thereof by Lessee and will not terminate this lease nor declare the same to be forfeited because of any default or breach hereunder on the part of Lessee unless and until county shall have given a written notice of such default or defaults to any beneficiary or trustee under a deed of trust or to any mortgagee under any mortgage affecting the demised premises or any part thereof. Said notice shall be sent simultaneously with the notice to the Lessee referred to in the preceding paragraph. It shall be sent by registered mail, postage prepaid, addressed as the trustee, beneficiary or mortgagee or each of them shall from time to time instruct County or, in the absence of such instructions, addressed as shown on the deed of trust or mortgage. After receipt of said notice, said trustee, beneficiary or mortgagee (hereinafter referred to collectively as "encumbrance holder"), or each of them, shall have the right and power to cure the defaults specified and if all of said defaults are cured, this lease shall remain in full force and effect. Said defaults may be cured in the following manner:

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- (a) If said default be in the payment of rental, taxes, insurance premiums, utility charges,

or any other sum of money, said encumbrance holder may pay the same to County or other proper payee within thirty-five (35) days after mailing of the aforesaid notice of default to said encumbrance holder. If, after any payment to County by the encumbrance holder as aforesaid, the Lessee pays the same or any part thereof to County, County shall promptly refund said payment to encumbrance holder.

(b) If said default be other than as specified in subparagraph (a) above and cannot be cured by the payment of money as aforesaid, the default shall be cured, if (i) within thirty-five (35) days after the mailing of the aforesaid notice to encumbrance holder by County, said encumbrance holder commences foreclosure by judicial action or trust deed sale of its encumbrance, provided, however, that said thirty-five (35) day period shall be extended by the time in which the encumbrance holder is prevented from commencing foreclosure by any order, judgment or decree of any court or regulatory body of competent jurisdiction; and, (ii) said foreclosure is prosecuted with reasonable diligence; and (iii) within thirty-five days after such foreclosure sale the purchaser thereof (whether or not such purchaser is the encumbrance holder) cures, remedies and corrects said default, or commences and diligently pursues the performance of the thing or work required to be done to cure, correct and remedy said default.

6
Notwithstanding any of the foregoing, and in the event County declares the lease forfeited and secures possession under the provisions of this paragraph, the encumbrance holder, within thirty (30) days of such forfeiture and securing of possession, may request and receive a new lease running to said encumbrance holder and his successors and assigns and covering that portion of the demised premises covered by the encumbrance. Said lease shall have the same provisions and conditions as this lease except to the extent that any provisions of this lease are, through the passage of time or for other reasons, obviously inapplicable. Said lease shall have a term that shall commence upon the date of the County's securing possession of the premises demised herein and said lease shall terminate on the termination date of this lease. The County shall deliver possession of the property immediately upon the execution of said new lease. The encumbrance holder shall, however, pay County the entire amount of ground or holding rentals due under this lease on and after the date County has secured possession less any net rentals or other income which County may have received on account of said property during the time it may have been in possession thereof. However, said encumbrance holder shall be liable only for that proportionate amount of rent attributable to that portion of the demised premises covered by his encumbrance.

11. SECTION 22 AND AMENDMENTS THERETO (SUBLEASE, ASSIGNMENTS, AND SUCCESSORS) ARE HEREBY DELETED AND THE FOLLOWING SUBSTITUTED THEREFOR:

At lease thirty (30) days written notice of intention to sublet portions of the demised premises to others shall be given to Director. During said thirty (30) day period,

Notwithstanding any of the foregoing, and in the event County declares the lease forfeited and secures possession under the provisions of this paragraph, the encumbrance holder, within thirty (30) days of such forfeiture and securing of possession, may request and receive a new lease running to said encumbrance holder and his successors and assigns. Said lease shall have the same provisions and conditions as this lease except to the extent that any provisions of this lease are, through the passage of time or for other reasons, obviously inapplicable. Said lease shall have a term that shall commence upon the date of the County's securing possession of the premises demised herein and said lease shall terminate on the termination date of this lease. The County shall deliver possession of the property immediately upon the execution of said new lease. The encumbrance holder shall, however, pay County the entire amount of ground or holding rentals due under this lease on and after the date County has secured possession less any net rentals or other income which County may have received on account of said property during the time it may have been in possession thereof. However, said encumbrance holder shall be liable only for that proportionate amount of rent attributable to that portion of the demised premises covered by his encumbrance.

11. SECTION 22 AND AMENDMENTS THERETO (SUBLEASE, ASSIGNMENTS, AND SUCCESSORS) ARE HEREBY DELETED AND THE FOLLOWING SUBSTITUTED THEREFOR:

At least thirty (30) days written notice of intention to sublet portions of the demised premises to others shall be given to Director. During said thirty (30) day period,

Director shall approve or disapprove said proposed sublease. In the event of disapproval, said proposed sublease shall not be made. The gross receipts of any sublessee under any such sublease shall be included within the definition of "Gross Receipts" as set forth in Section 11. Any and all sublessees shall be subject to and bound by each and all of the terms and conditions of this lease and in particular those pertaining to control of prices pursuant to Section 16. The term "sublease" as used in this paragraph shall include any license, permit, concession, assignment or transfer of any interest in or to said property by Lessee, and the term "sublessee" shall include any licensee, permittee, concessionaire, assignee or transferee of or from Lessee. Lessee may, without prior approval of Director, sublease portions of the demised premises (including, but not limited to, single residential units, boat slips, and dry storage racks) for a period not to exceed one year, for individual, nonbusiness, non commercial uses. Lessee may at any time request approval by the Director of a plan to sublease specific residential units for stated periods in excess of one year. No condominium or cooperative dwelling plan of any kind shall be employed without the approval of Director.

Lessee may, with the consent of County, give, assign, transfer, mortgage, hypothecate, grant control of, or encumber Lessee's interest under this lease and the leasehold estate so created, to a bona fide lender on the security of the leasehold estate, and Lessee may execute any and all instruments in connection therewith necessary

- and proper to complete such loan and perfect the security therefor to be given to such lender. Any such bona fide lender shall have the right at any time during the term of the loan and while this lease is in full force and effect:

(a) To do any act or thing required of Lessee in order to prevent a forfeiture of Lessee's rights hereunder and all such acts or things so done shall prevent a forfeiture of Lessee's rights hereunder as if done by Lessee.

(b) To realize on the security of the leasehold estate and to acquire and succeed to the interest of Lessee hereunder by foreclosure or by a deed or assignment in lieu of foreclosure and thereafter at such lender's option to convey, assign, or sublease the interest or title to said leasehold estate to any other person provided, however, that said person shall agree to perform and be bound by any and all terms, conditions and covenants contained in this lease. Two (2) copies of any and all security devices or instruments shall be filed with Director prior to the effective date thereof, and Lessee shall give Director prior written notice of any changes or amendments thereto.

Except as in this Section 22 specifically herein-
before provided, Lessee shall not, either directly or indirectly

3
give, assign, hypothecate, encumber, transfer, or grant control of this lease or any interest, right or privilege therein, or sublet the whole or any portion of the demised premises or license the use of the same in whole or in part. Neither this lease nor any interest therein shall be assignable, or transferable in proceedings in attachment, garnishment, or execution against Lessee, or in voluntary or involuntary proceedings in bankruptcy or insolvency or receivership taken by or against Lessee or by any process of law, and possession of the whole or any part of the demised premises shall not be diverted from Lessee in such proceedings or by any process of law, without written consent of County. Any violation of the provisions of this paragraph shall give County the right to terminate this lease immediately and without any of the notices required in Section 21 above.

The holder of a trust deed, or any other bona fide lender, shall not be required to cure any default or breach if said holder or lender is unable to secure possession of the property and if it is necessary for him to have possession in order to cure the default or breach. In the event that a period of time is necessary in order for the holder of a trust deed or any other bona fide lender to completely cure a default or breach, then he shall not be in default so long as he exercises diligence in the curing of such default or breach.

The holder of a deed of trust or any other bona fide lender shall have all of the rights with respect to the demised premises as set forth in the deed of trust or mortgage or other lending document approved by the County

as herein set forth, including the right to commence an action against the Lessee for the appointment of a receiver and to obtain possession of the demised premises under and in accordance with the terms of said deed of trust, mortgage or other lending instrument.

Each and all of the provisions, agreements, terms, covenants and conditions herein contained to be performed, fulfilled, observed and kept shall be binding upon the heirs, executors, administrators, successors and assigns of the respective parties hereto, and all rights, privileges and benefits arising under this lease and in favor of either party shall be available in favor of the heirs, executors, administrators, successors and assigns thereof respectively; provided, that no assignment or subletting by or through Lessee in violation of the provisions of this lease shall ~~vest any rights in any purported assignee or sublessee.~~

12. SECTION 25 (PROPERTY INSURANCE) IS HEREBY AMENDED BY ADDING THE FOLLOWING PARAGRAPH:

Claim has been made on behalf of Lessee and its predecessors in interest against the insurance carrier (Harbor Insurance Co.) based in part on the same occurrences as form the basis for the litigation referred to in paragraph 15 below of this Amendment. Any and all proceeds received as a result of such claim (whether by way of trial or settlement) up to a sum equal to \$115,000.00 plus the amount of all costs and attorneys' fees incurred in connection with the prosecution of such claim shall be retained by the Lessee, free and clear of any claim of County, but one-half of any such net proceeds or net recovery received by Lessee in excess of such sum equal to \$115,000.00 plus costs and attorneys' fees shall be paid to County

and the other one-half of such excess shall be retained by Lessee, free and clear of any claim of County.

13. SECTION 43 (EMINENT DOMAIN) IS HEREBY AMENDED BY INSERTING AFTER THE WORD "OR" IN THE FOURTH LINE OF THE SECOND PARAGRAPH OF SAID SECTION THE FOLLOWING WORDS AND DELETING ALL WORDS PRESENTLY FOLLOWING "OR":

Structures, buildings, or other improvements belonging to Lessee immediately prior to the taking of possession by the condemning authority.

14. SECTION 48 (MULTI-FAMILY PROJECT AND FEDERAL HOUSING ADMINISTRATION FINANCING REQUIREMENTS) IS HEREBY DELETED IN ITS ENTIRETY AND THE FOLLOWING SUBSTITUTED THEREFOR:

48. FEDERAL HOUSING ADMINISTRATION FINANCING REQUIREMENTS.

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 Commission, 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

or unknown, suspected or unsuspected, which either may have or ever have had against the other arising out of the said litigation and the occurrences forming the basis of the said litigation, and each does expressly hereby waive the provisions of Section 1542 of the Civil Code of the State of California. Further, Lessee does hereby agree to save and hold County harmless and indemnify County against any and all claims, demands and causes of action which may be made against County by the insurance carrier referred to in paragraph 12 of this Amendment as a consequence of the payment to Lessee of any proceeds or recovery for the Lessee's claims referred to in said paragraph 12, except to the extent that County shares in Lessee's proceeds or recovery under the provisions of said paragraph 12.

16. The foregoing amendments shall constitute amendments to each of said leases. All other terms and conditions and covenants of the said leases are to remain unchanged.

IN WITNESS WHEREOF, County has, by order of its Board of Supervisors, caused this amendment to lease to be subscribed to 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: October 4, 1965.

*CITY NATIONAL BANK, Trustee

By: [Signature] Vice President

By: [Signature] Trust Officer

[Signature]
Chester I. Lappen, Trustee

- Execution hereof by City National Bank and Chester I. Lappen are in their capacities of trustees only, and not individually, with liability limited to the trust estate.

NOV 26 1968

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GORDON T. NESVIG

Clerk of the Board of Supervisors

By: *Handwritten Signature*
Deputy

THE COUNTY OF LOS ANGELES

By: *Handwritten Signature*
Chairman of its Board of
Supervisors

APPROVED AS TO FORM:

HAROLD W. KENNEDY, County
Counsel

By: *Handwritten Signature*
Deputy

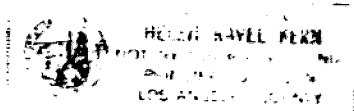
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STATE OF CALIFORNIA }
COUNTY OF LOS ANGELES } SS

On September 15, 1965, before me, the undersigned, a Notary Public in and for said County and State, personally appeared Sumner Slater known to me to be the Vice President, and John J. Bryan known to me to be the Trust Officer of the corporation that executed the within Instrument, known to me to be the persons who executed the within Instrument on behalf of the corporation therein named, and acknowledged to me that such corporation executed the within instrument pursuant to its by-laws or a resolution of its board of directors.

WITNESS my hand and official seal.



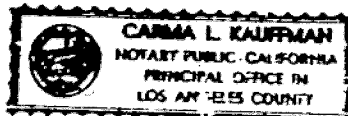
Helen Ravel Kern
Notary Public in and for said
County and State

HELEN RAVEL KERN
My Commission Expires June 21, 1966

STATE OF CALIFORNIA }
COUNTY OF LOS ANGELES } SS

On September 15, 1965, before me, the undersigned, a Notary Public in and for said County and State, personally appeared CHESTER I. LAPPEN, known to me to be the person whose name is subscribed to the within instrument and acknowledged that he executed the same.

WITNESS my hand and official seal.



Carma L. Kauffman
Notary Public in and for said
County and State

CARMA L. KAUFFMAN
My Commission Expires May 27, 1966

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STATE OF CALIFORNIA }
COUNTY OF LOS ANGELES } SS

On this 28th day of September, 1965, before me,
GORDON T. NESVIG, Clerk of the Board of Supervisors, of
the County of Los Angeles, State of California, residing
therein, duly commissioned and sworn, personally
appeared BURTON W. CHACE, known to me to be the
Chairman of the Board of Supervisors of the County of Los
Angeles and the person who executed the within instrument
on behalf of the County therein named, and acknowledged to
me that such County executed the same.

IN WITNESS WHEREOF, I have hereunto set my hand and
affixed my official seal the day and year of this certificate
first above written.

GORDON T. NESVIG, Clerk of the Board
of Supervisors.

By: [Signature]
Deputy

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