

AMENDMENT NO. 9 TO LEASE NO. 5574
PARCEL NO. 10R – MARINA DEL REY

THIS AMENDMENT TO LEASE ("Amendment") made and entered into this 22 day of June, 2004 (the "Effective Date").

BY AND BETWEEN

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

AND

LEGACY PARTNERS NEPTUNE
MARINA L.P., a Delaware limited
partnership, hereinafter referred to
as "Lessee"

WITNESSETH

WHEREAS, County and Lessee's predecessor in interest entered into Lease No. 5574 under the terms of which County leased to Lessee's predecessor in interest 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 10R, which leasehold premises (the "Premises") are more particularly and legally described in Exhibit "A" attached to and incorporated in said lease, as amended (the lease and all amendments are collectively hereafter referred to as the "Lease"); and

WHEREAS, Section 15 of said Lease provides that as of May 4, 1993, and as of May 4 of every tenth (10th) year thereafter (each a "Rental Adjustment Date"), the square foot rental, percentage rentals and liability insurance requirements (collectively, the "Adjusted Rentals") shall be readjusted by Lessee and County in accordance with the standards established in said Section 15; and

WHEREAS, an arbitration was conducted to determine rental rates with respect to the Adjusted Rentals which are to apply for the ten (10) year period commencing on May 4, 1993 (the "1993 Rental Adjustment Date"), however, the parties have agreed, notwithstanding the arbitration, on rates for boat slips and liveaboard; and

WHEREAS, the parties have also reached agreement with respect to the Adjusted Rentals which are to apply for the ten (10) year period commencing May 4, 2003 (the "2003 Rental Adjustment Date"), whereby the Adjusted Rentals set forth in this Amendment No. 9 shall also apply for the ten (10) year period commencing on the 2003 Rental Adjustment Date, and that the readjustment of rents set forth herein constitutes the readjustment of rents required under the Lease; and

WHEREAS, Section 22 of the Lease provides that subject to enumerated exceptions, Lessee may not assign all or any part of its interest in the Lease without the prior written consent of the County; and

WHEREAS, in consideration of the County's approval of the transfer of the Lease to Lessee, the parties desire to amend Section 22 of the Lease to define what changes shall be considered an event of assignment under said Section, including changes in management and ownership of a limited liability company; and

WHEREAS, Section 26 of the Lease provides for the periodic adjustment of the amounts of liability insurance that Lessee is required to maintain under the Lease and the parties hereto have reached agreement as to the amount of liability insurance to be maintained by Lessee as of the Effective Date hereof;

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

1. Square Foot Rental. The parties agree that there shall be no adjustment to the square foot rental as provided under Section 12 of the Lease, which shall be applicable as well for the ten (10) year period commencing on the 2003 Rental Adjustment Date.

2. Percentage Rental. Commencing as of the 1993 Rental Adjustment Date and continuing through the ten (10) year period commencing on the 2003 Rental Adjustment Date, subsection (a) of Section 13 (PERCENTAGE RENTALS) of the Lease is deemed deleted and the following subsection is substituted therefor:

“(a) Twenty-Five Percent (25%) of gross receipts from the rental or other fees charged for the use of boat slips (including live-aboard charges), anchorages, moorings, dockside gear lockers, dockside storage space, and such other facilities and services ancillary thereto as are provided in common to all tenants.”

Effective as of the 1993 Rental Adjustment Date and continuing through the ten (10) year period commencing on the 2003 Rental Adjustment Date, Subsection 13(c)(8) of the Lease shall be deleted. All other categories of percentage rental or fees shall remain at their present levels.

3. Assignment and Sublease. Commencing as of the Effective Date, Section 22 (SUBLEASES, ASSIGNMENTS, AND SUCCESSORS) is amended by adding the following at the end of such Section 22:

“For purposes of this Section 22, the following shall constitute an assignment of this Lease by Lessee and shall require the prior written consent of County (collectively, “Changes of Ownership”):

(1) any transfer by Lessee of a five percent (5%) or greater direct ownership interest in the Lease, (2) the execution by Lessee of a sublease pertaining to all or substantially all of the Premises ("Major Sublease"), or the transfer by the sublessee under a Major Sublease of a five percent (5%) or greater direct ownership interest in such Major Sublease, (3) any transaction or series of related transactions not described in (1) or (2) above that constitute an Aggregate Transfer (as defined below) of fifty percent (50%) or more of the beneficial residual interests in Lessee or a Major Sublessee, or (4) a Change of Control (as defined below) of Lessee or a Major Sublessee. Notwithstanding the foregoing, with respect to any Aggregate Transfer of beneficial residual interests in Lessee by AIG Global Real Estate Investment Corp., or any person or entity that directly or indirectly controls, is controlled by, or is under common control with AIG Global Real Estate Investment Corp. (collectively, an "AIG Entity"), the phrase "fifty percent (50%) or more" in clause (3) above shall be changed to "more than fifty percent (50%)."

"For purposes hereof, "Aggregate Transfer" shall refer to the total percentage of the shares of stock, partnership interests, membership interests or any other equity interests (which constitute beneficial residual interests in Lessee or a Major Sublessee, as appropriate) transferred or assigned in one transaction or a series of related transactions occurring since the most recent assignment or Change of Ownership requiring County's consent (but without double counting successive transfers of the same interest in the case of a transaction or series of related transactions involving successive transfers of the same interest). Isolated and unrelated transfers shall not be treated as a series of related transactions for purposes of the definition of Aggregate Transfer.

"For purposes hereof, "Change of Control" shall refer to a transaction whereby the transferee acquires a beneficial residual interest in Lessee or a Major Sublessee which brings its cumulative beneficial residual interest in Lessee or a Major Sublessee, as appropriate, to over fifty percent (50%).

"Notwithstanding anything to the contrary contained herein, Changes of Ownership resulting from the following transfers shall not require the County's consent ("Excluded Transfers"):

"(a) a transfer by any direct or indirect partner, shareholder or member of Lessee (or of a limited partnership, corporation or limited liability company that is a direct or indirect owner in Lessee's ownership structure) as of the Effective Date, to any other direct or indirect partner, shareholder or member of Lessee (or of a limited partnership, corporation or limited liability company that is a direct or indirect owner in Lessee's ownership structure) as of the

Effective Date, including in each case to or from a trust for the benefit of the immediate family (as defined in subsection (c) below) of any direct or indirect partner or member of Lessee who is an individual;

“(b) a transfer to a spouse in connection with a property settlement agreement or decree of dissolution of marriage or legal separation, as long as such transfer does not result in a change in the management of Lessee;

“(c) a transfer of ownership interests in Lessee or in constituent entities of Lessee (i) to a member of the immediate family of the transferor (which for purposes of this Lease shall be limited to the transferor’s spouse, children, parents, siblings and grandchildren), (ii) to a trust for the benefit of a member of the immediate family of the transferor, (iii) from such a trust or any trust that is an owner in a constituent entity of Lessee as of the Effective Date, to the settlor or beneficiaries of such trust or to one or more other trusts created by or for the benefit of any of the foregoing persons, whether any such transfer described in this subsection (c) is the result of gift, devise, intestate succession or operation of law, or (iv) in connection with a pledge by any partners of a constituent entity of Lessee to an affiliate of such partner;

“(d) a transfer of a beneficial residual interest resulting from public trading in the stock or securities of an entity, where such entity is a corporation or other entity whose stock or securities are traded publicly on a national stock exchange or is traded in the over-the-counter market and whose price is regularly quoted in recognized national quotation services;

“(e) a mere change in the form, method or status of ownership (including, without limitation, the creation of single purpose entities) so long as the ultimate beneficial ownership remains the same as of the Effective Date, or as otherwise excluded in accordance with sections (a) through (d) above;

“(f) any transfer consummated pursuant to Section 12.02(a) of the Limited Partnership Agreement of Lessee in the form of such partnership agreement existing as of the Effective Date and delivered to County on or prior to the Effective Date;

“(g) any transfer resulting from a condemnation by County; or

“(h) any assignment of the Lease by Lessee to a parent, subsidiary or affiliate of Lessee in which there is no change to the direct and indirect beneficial ownership of the leasehold interest.

“In addition, except for Excluded Transfers, the following shall also require the prior written consent of County: (A) the addition, removal or replacement of one or more general partners or managing members in a Lessee which is a limited partnership or limited liability company, except (y) by death, insolvency, incapacity, resignation (except for a sole general partner, if any), or removal of a general partner or managing member and his replacement by a vote of the limited partners, the remaining general partners or remaining members, or (z) if any general partner or managing member owning more than fifty percent (50%) of the interests of the partnership or limited liability entity acquires the interest of another general partner or managing member owning fifteen percent (15%) or less of the interests in the partnership or limited liability entity; or (B) the sale, assignment, or transfer of fifty percent (50%) or more of the stock, partnership interests or limited liability company interests in an entity which owns, or is a general partner or managing member of an entity which owns, an interest in this Lease; provided, however, that with respect to any sale, assignment or transfer of an AIG Entity or ownership interests therein, the phrase “fifty percent (50%) or more” in clause (B) above shall be changed to “more than fifty percent (50%).” Lessee shall provide County with any information reasonably requested by County in order to determine whether to grant approval of the matters requiring County’s consent under this paragraph. The limitations and approval requirements set forth in this paragraph as to Lessee’s interest under the Lease shall also apply with respect to any sublessee’s interest under a Major Sublease.

“For purposes hereof, “beneficial residual interest” shall refer to the ultimate direct or indirect ownership interests in Lessee (or a Major Sublessee, as applicable), regardless of the form of ownership and regardless of whether such interests are owned directly or through one or more layers of constituent partnerships, corporations, limited liability companies or trusts.”

4. Insurance. Commencing as of the Effective Date and continuing through the 10-year period commencing on the 2003 Rental Adjustment Date, the second paragraph of Section 26 of the Lease is deleted and the following substituted therefor:

“Lessee shall maintain in full force and effect during the Term of this Lease, commercial general liability insurance coverage, together with premises operations, products, completed operations, advertising, independent contractor and contractual liability coverages, including liquor liability, with a combined single limit of not less than Ten Million

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

COUNTY OF LOS ANGELES

By: *Don Krabe*
Chairman, Board of Supervisors

LEGACY PARTNERS NEPTUNE
MARINA L.P., a Delaware limited
partnership

Legacy Partners 2598 L.P., a California
limited partnership, its general partner
By: *Dennis Cavallari*
Dennis Cavallari, general partner



Attest:

Violet Varona-Lukens
Executive Officer of the
Board of Supervisors

By: *Sybil G. Villalobos*
Deputy

APPROVED AS TO FORM:
OFFICE OF COUNTY COUNSEL

By: *[Signature]*
Deputy

ADOPTED
BOARD OF SUPERVISORS
COUNTY OF LOS ANGELES

24

JUN 22 2004

Violet Varona-Lukens
VIOLET VARONA-LUKENS
EXECUTIVE OFFICER

EXHIBIT A
Legal description of Parcel 10R

LEGAL DESCRIPTION

Marina Del Rey
Lease Parcel No. 10R

Parcels 102 to 132 inclusive, 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.

Excepting therefrom that portion thereof within the following described boundaries:

Commencing at the northerly terminus of that certain 1000 foot radius curve having a length of 561.21 feet in the center line of Via Marina, as shown on said map; thence southerly along said certain curve 297.08 feet; thence easterly along a radial of said certain curve to a point in that certain 960 foot radius curve in the easterly boundary of said Via Marina, said point being the true point of beginning, said point also being the beginning of a compound curve concave to the east and having a radius of 880.11 feet more or less, said compound curve being tangent at its northerly terminus to a line parallel with and 3.5 feet easterly, measured at right angles, from the straight line in the westerly boundary of Parcel 188, as shown on said map; at a point distant southerly along said parallel line 90.66 feet from the northerly line of said last mentioned parcel; thence northerly along said compound curve 120.49 feet to the beginning of a compound curve concave to the southeast, tangent to a line parallel with and 5 feet southerly, measured at right angles, from the straight line in the northerly boundary of said Parcel 108 and having a radius of 19 feet; thence northeasterly along said last mentioned compound curve 32.89 feet to said last mentioned parallel line; thence East along said last mentioned parallel line 2.52 feet; thence North 5.00 feet to said northerly boundary; thence westerly, southwesterly and southerly along the northerly, northwesterly and westerly boundaries of said last mentioned parcel to said true point of beginning.

Also reserving and excepting unto the County of Los Angeles, rights of way for sanitary sewer, fire access 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.

DESCRIPTION APPROVED

JUL 14 1964

HARVEY T. BRANDT
County Engineer

By *James Legabrown* Deputy