

AMENDMENT NO. 12 TO LEASE NO. 7580
PARCEL 18R-MARINA DEL REY SMALL CRAFT HARBOR

THIS AMENDMENT TO LEASE is made and entered into this 29th day of June, 1999
(the "12th Amendment Effective Date"),

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

AND DOLPHIN MARINA, LTD.,
a California limited partnership,
hereinafter referred to as "Lessee".

WITNESSETH

WHEREAS, County and predecessors-in-interest of Lessee entered into Lease No. 7580 under the terms of which County leased to Lessee that certain real property located in the Marina del Rey Small Craft Harbor, County of Los Angeles, State of California, now commonly known as Parcel 18R, 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, in Amendment No. 10 to the Lease (the "10th Amendment") the parties provided, among other things, that Lessee would have the option to extend the term of Lease, in consideration of the payments to be made to County as provided therein and Lessee's agreement to renovate the quality of the existing improvements on the Premises, as well as to cause new improvements to be constructed on the Premises; and

WHEREAS, in Amendment No. 11 to the Lease (the "11th Amendment") the parties provided, among other things, for Lessee's construction of "Proposed Senior Units" in lieu of the previously contemplated "Proposed Care Units" and further provided for a revision in the required number of such units and the schedule for completion of such units; and

WHEREAS, the parties further desire to amend the lease to provide for Imputed Senior Rent and Additional Imputed Senior Rent payments under certain circumstances in connection with the completion of the Proposed Senior Units.

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

1. Any capitalized terms used but not defined herein shall have the meaning assigned to such term in the Lease.

2. As of the 12th Amendment Effective Date, Subsection 4.12, as set forth in the 10th Amendment, is amended to read as follows:

"4.12 County Inducement. Lessee acknowledges that the principal inducement to County for entering into the 10th Amendment is the improvement of the Premises with the Improvements constituting the Redevelopment, and that the County would not have entered into the 10th Amendment without Lessee's agreement to construct such Improvements as set forth above. Lessee further agrees that the breach of its obligations to construct such Improvements in accordance with the terms hereof will result in damage to County due to the deprivation of business opportunities that would have been available to County but for the County's execution of the 10th Amendment. Therefore, except for a breach of its obligation to construct the Proposed Senior Units in accordance with the terms hereof, which shall be governed by Sections 4.8.C and 4.15, Lessee expressly agrees that (i) Lessee shall be in breach of its obligations hereunder (and that an event of default as defined in Section 21 of the Lease shall be deemed to have occurred), (ii) except as may be expressly set forth in the 10th Amendment, Lessee shall not have any right to notice nor any cure period otherwise applicable to events of defaults pursuant to Section 21 of the Lease, and (iii) County shall have all of the remedies available to County in the event of Lessee's default, if the Completion of Construction of each Phase of the Redevelopment shall not have occurred in accordance with the terms and conditions of subsection 4.8.C hereof. Notwithstanding the foregoing, Lessee shall not be in breach of its obligations hereunder merely by virtue of failing to construct any of the Proposed Apartments for which Lessee did not receive Entitlements."

3. As of the 12th Amendment Effective Date, Subsection 4.15 is added to the Lease to read as follows:

"4.15 Imputed Senior Rent. If Completion of Construction of all of the Proposed Senior Units shall not have occurred on or before April 21, 2002, then commencing as of that date, in addition to any other sum which Lessee is obligated to pay to County pursuant to the terms of the Lease, as amended, together with each payment of Base Rent, Lessee shall pay County "Imputed Senior Rent." Imputed Senior Rent shall be defined as County rent payments computed as though all of the Proposed Senior Units were completed and 100% leased at the then "Market Rate" for comparable apartments. Market Rate for comparable apartments, as that term is used herein, shall mean the greater of a) the total number of Proposed Senior Units multiplied by 110% of the weighted average per unit received by Lessee from one (1) bedroom units in the Existing Apartments and the Proposed Apartments on the Premises; or b) the total rentable square feet to be contained in the Proposed Senior Units multiplied by 110% of the weighted

average rent per square foot of apartment space in the Existing Apartments and Proposed Apartments on the Premises. The data to be used in computing the weighted average per unit and per square foot rent rolls shall be the actual rent roll for the Existing Apartments and Proposed Apartments during the month of March, 2002, to be supplied by Lessee to County in a timely manner to permit such computation. The rent roll at the Existing Apartments and Proposed Apartments shall include the actual monthly rent for each occupied unit and the asking rent for each unoccupied unit, plus the rentable square feet for each unit. The amount of each Imputed Senior Rent payment shall be computed by multiplying the Market Rate, determined as set forth hereinabove, by the then current County Percentage Rate applicable to apartments under the Lease.

Additionally, if Completion of Construction of all of the Proposed Senior Units shall not have occurred on or before April 21, 2004, then commencing as of that date, in addition to any other sum which Lessee is obligated to pay to County pursuant to the terms of the Lease, as amended, together with each payment of Base Rent, Lessee shall pay County "Additional Imputed Senior Rent". Additional Imputed Senior Rent shall be defined as an amount equal to 50% of the then-current Imputed Senior Rent amount, and shall be in addition to the payment of such then-current Imputed Senior Rent amount. If Completion of Construction of all of the Proposed Senior Units shall not have occurred on or before April 21, 2008, then Additional Imputed Senior Rent payments to be made by Lessee shall increase to 100% of the then-current Imputed Senior Rent. Such Imputed Senior Rent payments and Additional Imputed Rent payments, if applicable shall continue to be paid until Completion of Construction has been achieved for all of the Proposed Senior Units.

Such Imputed Senior Rent and Additional Imputed Senior Rent payments are intended to compensate County for the losses which County is likely to incur in the event that the Completion of Construction of the Proposed Senior Units shall not have occurred by the applicable dates set forth above, and are in lieu of any rights or remedies the County might otherwise have for Lessee's failure to timely construct the Proposed Senior Units and are not intended to be, nor shall they under any circumstances whatsoever be construed as, a penalty."

4. For purposes of clarification as used herein, the term "Effective Date" (as opposed to the term "12th Amendment Effective Date") shall continue to refer to the same date as defined in the 10th Amendment, which date is April 21, 1992.

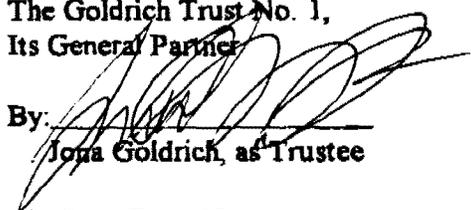
5. Except as herein specifically amended, all terms, conditions and provisions of the Lease shall be and continue to remain in full force and effect and are unmodified, and each of the parties hereto reaffirms and reacknowledges their respective obligations under the Lease as amended hereby.

IN WITNESS WHEREOF, the parties hereto have entered into this Agreement as of the day and year first above written.

"LESSEE"

Dolphin Marina, Ltd, a California Limited partnership

By: The Goldrich Trust No. 1,
Its General Partner

By: 
Jona Goldrich, as Trustee

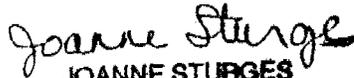
By: The Kest Trust No. 1,
Its General Partner

By: 
Sol Kest, as Trustee

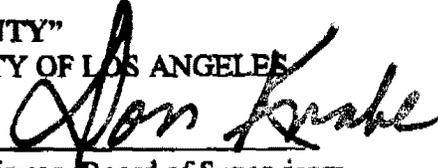
ADOPTED
BOARD OF SUPERVISORS
COUNTY OF LOS ANGELES

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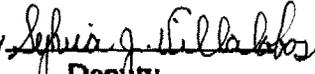

JOANNE STURGES
EXECUTIVE OFFICER

"COUNTY"
COUNTY OF LOS ANGELES

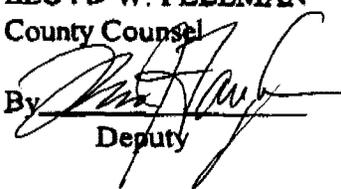
By: 
Chairman, Board of Supervisors

Attest: Joanne Sturges
Executive Officer-Clerk of
the Board of Supervisors



By: 
Deputy

APPROVED AS TO FORM:
LLOYD W. PELLMAN
County Counsel

By: 
Deputy

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