

5601-510

**AMENDMENT NO. 10 TO LEASE NO. 5601  
PARCEL NO. 41 - MARINA DEL REY SMALL CRAFT HARBOR  
RENEGOTIATION OF RENT**

THIS AMENDMENT TO LEASE is made and entered into this 17th day of Sept., 1996 (the "Effective Date"),

**BY AND BETWEEN**

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

**AND**

**WESCO SALES CORP.,  
a California corporation, hereinafter  
referred to as "Lessee,"**

WITNESSETH:

WHEREAS, County and Lessee's predecessor in interest entered into Lease No. 5601 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, commonly known as Parcel 41, which leasehold premises (the "Premises") are more particularly 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 June 1, 1992, and as of June 1 of every tenth (10th) year thereafter (the "Rental Adjustment Date"), the square foot rental, all categories of percentage rentals, and liability insurance requirements (the "Adjusted Rentals") shall be readjusted by Lessee and County in accordance with the standards established in said Section 15; and

WHEREAS, said Section 15 further provides that such adjustments shall be accomplished by agreement of the parties and in the event such agreement cannot be reached, the readjustments shall be settled by binding arbitration in the manner set forth at length in said Section 15; and

WHEREAS, the parties hereto have reached agreement with respect to the Adjusted

Rentals which are to apply as of June 1, 1992 (the "1992 Rental Adjustment Date"), and

WHEREAS, the parties hereto have reached agreement as to the amount of square foot rental that shall be paid by Lessee for the period from the 1992 Rental Adjustment Date through May 31, 1999 and have further agreed to a revised method of adjusting Lessee's square foot rental payment which shall apply on June 1, 1999 and thereafter; and

WHEREAS, the parties hereto have reached agreement with respect to the adjusted percentage rental rates and amounts of casualty insurance which are to apply for the ten (10) year period commencing on the 1992 Rental Adjustment Date; and

WHEREAS, the parties hereto desire to amend Section 15 to revise the manner in which percentage rent categories are to be readjusted for the 2002 Rental Adjustment Date and for each Rental Adjustment Date thereafter; and

WHEREAS, the parties hereto have reached agreement with respect to the amount of interest and the time over which Lessee shall make payments of the Retroactive Rent due to the County as a result of this Lease Amendment;

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.** Commencing as of the Effective Date, the first Paragraph of Section 12 (SQUARE FOOT RENTAL) of said Lease is deemed amended to read as follows:

"The annual square foot rental for the whole of the Premises herein demised shall be deemed to have been adjusted as of June 1, 1996 and shall be \$102,138. The annual square foot rental shall be readjusted on June 1, 1999 and on June 1 of every third year thereafter (the "Square Foot Adjustment Date"). On the Square Foot Adjustment Date, the annual square foot rental shall be readjusted to equal seventy-five percent (75%) of the annual average of all rents payable by Lessee for the immediately preceding three year period.

2. **Percentage Rental.** Commencing as of the 1992 Rental Adjustment Date, subsections (b), (s) and (t) of Section 13 (PERCENTAGE RENTALS) are deemed deleted and the following subsections (b), (s) and (t) are substituted therefor:

"(b) TWENTY-FIVE per cent (25%) of gross receipts from the rental or other fees charged for the use of dry storage facilities, landside gear lockers, landside storage space, boats, motors, tackle, recreational equipment, tools, equipment, launch and retrieving of small boats and from the sale of live bait."

"(s) FIVE percent (5%) of gross receipts from the sale of miscellaneous goods and services not specifically provided for elsewhere in this Section."

"(t) FOUR percent (4%) of gross receipts from ship chandlery sales."

3. **Past Due Rent.** Notwithstanding the provisions of Section 15(e) of the Lease, the amounts owed by Lessee to County representing the difference between (i) the percentage rents payable by Lessee prior to this Lease Amendment under Section 13 of the Lease from the 1992 Rental Adjustment Date to the Effective Date and (ii) the sum which is calculated to be due for percentage rent from the 1992 Rental Adjustment Date to the Effective Date based upon the adjustments set forth in Section 2 of this Lease Amendment (the "Retroactive Rent") shall bear interest compounded daily from the 1992 Rental Adjustment Date until all Retroactive Rent and interest is paid in full. Further, Lessee's payment of the Retroactive Rent and interest shall be made to County in fully amortized equal monthly installments, on the first day of the month over a five (5) year period commencing in the month immediately following the Effective Date.

4. **General Rent Adjustment and Arbitration.** Commencing as of the Effective Date, Section 15 (GENERAL RENT ADJUSTMENT AND ARBITRATION) of the Lease is amended as follows:

a. Subsection (a) is amended in its entirety to read as follows:

"(a) The rates for percentage rentals and the liability insurance limits shall apply and be in effect through May 31, 2002. As of June 1, 2002 and as of June 1 of every tenth (10th) year thereafter (each such date is hereafter referred to as a "Rental Adjustment Date"), the rates for all categories of percentage rent and liability insurance requirements shall be readjusted by Lessee and County in accordance with the following standards."

b. Subsection (a) (i) is amended in its entirety to read as follows:

"(a) (i) As of each Rental Adjustment Date, Lessee's percentage rent for each category of use shall be set at the higher of either (1) the rate in effect immediately preceding the 2002 Rental Adjustment Date for such category or (2) the average of the then-existing percentage rental rates for that category of use charged to all those Marina del Rey Small Craft Harbor leaseholds enumerated below. If, as of the Rental Adjustment Date, there are no two (2) leaseholds from which to currently obtain the average percentage rate for a particular rental category, then a review will be made to determine whether or not such average could be obtained during the twelve month period immediately preceding the Rental Adjustment Date, and, if so, such average shall be used. If no average percentage rate for a rental category can be obtained pursuant to the two immediately preceding sentences, then the percentage rate for that category shall be determined in accordance with the provisions contained in subsection (a) (ii) of this Section 15. The parties agree that for purposes of calculating an average of any percentage rate pursuant to this subsection, only the rates from leaseholds commonly known as Parcels 7, 8, 10, 12, 13, 15, 20, 21, 28, 30, 41, 42/43, 44, 47, 53, 54, 77, 111, 112 and 132 shall be included, and only such of them as have not been extended beyond their original lease terms."

c. Pre-existing subsection (a) (ii) is renumbered as (a) (iii).

d. A new subsection (a) (ii) is added to read as follows:

"(a) (ii) As of each Rental Adjustment Date, the rate for percentage rentals, to the extent such percentage rentals cannot otherwise be readjusted pursuant to subsection (a) (i) of this Section, shall be readjusted to Fair Market Rental as of that Rental Adjustment Date in accordance with the provisions of subsections (b) through (e) of this Section 15. "Fair Market Rental" shall be the fair rental value of the property subject to this Lease, taking into consideration the uses permitted thereunder and all of its terms, conditions, restrictions, franchise value, earning power, and all of the factors and data required or proper to be considered in determining fair market value under the laws of eminent domain in the State of California. However, notwithstanding anything to the contrary contained in this Section 15, in no event shall the percentage rents for any category ever be set below

the rate in effect for that category immediately preceding the 2002 Rental Adjustment Date."

e. Subsection (a) (iv) is added to read as follows:

"(a) (iv) The rates for percentage rentals and the liability insurance requirements shall be referred to as "Adjusted Rentals" for the purposes of this Section."

f. Subsection (b) is amended by deleting all references to the term "square foot rental" contained therein.

g. **The first sentence in subsection (d) (i) is amended to read as follows:**

**"IN THE EVENT THE PARTIES HERETO ARE UNABLE TO REACH AGREEMENT OR OTHERWISE DETERMINE THE AMOUNTS OF ADJUSTED RENTAL PURSUANT TO THE REQUIREMENTS OF THIS SECTION 15 ON THE RENTAL ADJUSTMENT DATE, THEN EITHER PARTY MAY ELECT AT ANY TIME THEREAFTER TO SUBMIT SUCH DISPUTE TO ARBITRATION (THE "ARBITRATION PROCESS")."**

h. Subsection (d) (ii) (E) (III) is amended by deleting the reference to "Section 12 (Square Foot Rental)" contained therein.

i. Subsection (e) is amended by deleting the language "square foot rental and" which appears in the third to last line in the first paragraph of said subsection.

**5. Indemnity Clause and Casualty Insurance.** Commencing as of the Effective Date, the second paragraph of Section 26 (INDEMNITY CLAUSE AND CASUALTY INSURANCE) of said Lease is deemed deleted and the following substituted therefor:

"Lessee shall maintain in full force and effect during the term of this Lease comprehensive general liability insurance in commercial form, with a combined single limit of \$1,000,000 per occurrence and \$2,000,000 in the aggregate, and excess liability coverage in the amounts of \$4,000,000 per occurrence and \$4,000,000 in the aggregate for bodily injury and property damage liability. The County and the Board of Supervisors, their officers, agents and employees shall be

named as additional insureds under such liability insurance policy or policies."

6. **Miscellaneous.** 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 its respective obligations under the Lease as amended hereby.

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

Dated: Aug 22, 1996

LESSEE:  
WESCO SALES CORP., a California corporation



Frank Ballester

ATTEST:

Joanne Sturges DEPUTY  
Executive Officer-Clerk of the Board of Supervisors

COUNTY OF LOS ANGELES:  
Mike Antonovich  
By: \_\_\_\_\_  
Chair, Board of Supervisors

APPROVED AS TO FORM:

DeWitt W. Clinton,  
County Counsel

By: Richard Weiss  
Deputy County Counsel

**ADOPTED**  
BOARD OF SUPERVISORS  
COUNTY OF LOS ANGELES

18 SEP 17 1996

Joanne Sturges  
JOANNE STURGES  
EXECUTIVE OFFICER