

3823-S13

AMENDMENT NO. 13 TO LEASE NO. 3823
Parcel No. 102S - Marina del Rey

RENEGOTIATION OF RENT

THIS AMENDMENT TO LEASE is made and entered into this 14th day of May, 1996 (the "Effective Date"),

BY AND BETWEEN

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

AND

KINGSWOOD VILLAGE MARINA, a
California limited partnership,
hereinafter referred to as "Lessee."

WITNESSETH:

WHEREAS, Lessee and County entered into Lease No. 3823 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 102S, 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 April 1, 1983, and as of April 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 readjustments 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 for the ten (10) year period commencing April 1, 1993 (the "1993 Rental Adjustment Date").

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 1993 Rental Adjustment Date, the first paragraph of Section 12 (SQUARE FOOT RENTALS) 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 \$561,429 for the first five years of the ten year period commencing on the 1993 Rental Adjustment Date. For the second five years of said ten year period, said annual square foot rental shall be readjusted to the amount which equals 75% of the average of all rent payable by Lessee for the three year period ending on March 31, 1998."

2. Percentage Rentals. Commencing as of the 1993 Rental Adjustment Date, the following subsections are deemed substituted for the corresponding subsection in Section 13 (PERCENTAGE RENTALS) of the Lease:

"(c) (i) (A) TEN AND ONE-HALF percent (10.5%) of the gross receipts or other fees charged for the occupancy of those apartment rental units located within the buildings whose addresses are commonly known as 4121, 4127, 4133, 4145, 4151, 4163, and 4169 Via Marina, Marina del Rey, California (the "Low Rise Apartment Rentals").

"(c) (i) (B) EIGHT AND ONE-QUARTER percent (8.25%) of the gross receipts or other fees charged for the occupancy of those apartment rental units located within the building whose addresses are commonly known as 4139 and 4143 Via Marina, Marina del Rey, California (the "High Rise Apartment Rentals")."

3. Rental Credit.

(a) County shall credit the Lessee the difference between (i) the sums actually paid by Lessee to the County as percentage rentals pursuant to Section 13 of the Lease for Apartment Rentals, as that term had heretofore been defined in the Lease, for the period from the 1993 Rental Adjustment Date through the Effective Date; and (ii) the sum calculated to have been due as rent for the Low Rise Apartment Rentals and the High Rise Apartment Rentals in accordance with the revisions to Section 13 of the Lease described in paragraph 2, above, for the period of time from the 1993 Rental Adjustment Date through the Effective Date (the "Rental Credit").

(b) The Rental Credit shall be credited to the Lessee as of the Effective Date and shall be applied against the total monthly rental payable by the Lessee to the County following the Effective Date.

(c) The Rental Credit shall be applied against the total monthly rental payable by Lessee to the County as follows: Beginning with the rental payment for the month first following the Effective Date, sums otherwise due the County as square foot and percentage rentals shall be offset by any available Rental Credit which the Lessee is entitled to receive pursuant to subsection (a) above, until said Rental Credit is fully exhausted.

(d) In addition to the Rental Credit, Lessee shall further be entitled to interest on each portion of the Rental Credit from each date that such portion accrued until the Rental Credit is exhausted, as provided for in subsection (c) above. Said interest shall be paid at the rate of 4%, compounded annually.

(e) Within 30 days following the date at which the Rental Credit is fully exhausted pursuant to subsection (c) above, County shall pay to Lessee the total amount of interest due the Lessee pursuant to subsection (d) above, in a single lump sum payment.

(4) Indemnity Clause and Casualty Insurance. Commencing as of the 1993 Rental Adjustment Date, the second paragraph of Section 26 (INDEMNITY CLAUSE AND

CASUALTY INSURANCE) of said Lease is deem deleted and the following substituted therefor:

"Lessee shall maintain in full force and effect during the term of this Lease general liability insurance in comprehensive or commercial form, with a combined single limit of \$15,000,000 per occurrence 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."

5. 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 their respective obligations under the Lease as amended hereby.

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: May 14, 1996

LESSEE:

Kingswood Village Marina, a
California limited partnership

By: Thomas S. Brown
Its General Partner

By: Steph M. Marmen
Its General Partner

COUNTY OF LOS ANGELES:

ATTEST: JOANNE STURGES
EXECUTIVE OFFICER
CLERK OF THE BOARD OF SUPERVISORS

By: Sybil J. L. Lohman, Deputy

By: Mike Antonovich
Chair, Board of Supervisors



APPROVED AS TO FORM:

DeWitt W. Clinton,
County Counsel

By: DeWitt W. Clinton
Deputy County Counsel

ADOPTED
BOARD OF SUPERVISORS
COUNTY OF LOS ANGELES

11

MAY 14 1996

Joanne Sturges
JOANNE STURGES
EXECUTIVE OFFICER



To enrich lives through effective and caring service



February 19, 2004

ADOPTED
BOARD OF SUPERVISORS
COUNTY OF LOS ANGELES

The Honorable Board of Supervisors
County of Los Angeles
383 Kenneth Hahn Hall of Administration
500 West Temple Street
Los Angeles, California 90012

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MAR 03 2004

Violet Varona-Lukens
VIOLET VARONA-LUKENS
EXECUTIVE OFFICER

Dear Supervisors:

**CONSENT TO ASSIGNMENT OF LEASEHOLD INTEREST AND OPTION FOR
AMENDED AND RESTATED LEASE TO FACILITATE REDEVELOPMENT –
PARCEL 102S (KINGSWOOD VILLAGE APARTMENTS) - MARINA DEL REY
(4th DISTRICT)
(4 VOTES)**

IT IS RECOMMENDED THAT YOUR BOARD:

1. Find that the proposed assignment of the leasehold interest in Parcel 102S, Lease No. 3823 (formerly 5576) is categorically exempt under the California Environmental Quality Act pursuant to Class 1(r) and 4(j) of the County's Environmental Document Reporting Procedures and Guidelines.
2. Approve and authorize the Chairman of the Board to sign three copies each of the Consent of County of Los Angeles to Assignment of Lease (Consent), attached as Exhibit A, for Parcel 102S from Kingswood Village-Marina, a California limited partnership (Kingswood), to Archstone-Smith Operating Trust, a Maryland real estate investment trust (Archstone).
3. Find that approval of the proposed Option to Amend Lease Agreement (Option), attached as Exhibit B, is categorically exempt under the California Environmental Quality Act pursuant to Class 1 (r) and 4(j) of the County's Environmental Document Reporting Procedures and Guidelines.

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4. Approve and authorize the Chairman of the Board to sign the attached Option granting to the recommended lessee, upon fulfillment of stated conditions, the right to extend the term of its existing ground lease on Parcel 102S by 20 years.

PURPOSE/JUSTIFICATION OF RECOMMENDED ACTION

Assignment of Leasehold

Kingswood is the lessee of Parcel 102S by virtue of a previous assignment, approved by your Board on March 11, 1975. Kingswood is now requesting the County's consent to the assignment of its leasehold interest in Parcel 102S, commonly known as the Kingswood Village Apartments, to Archstone.

Marina del Rey leases provide that the County's consent is required on most lease assignments and that such consent may not be unreasonably withheld. Department of Beaches and Harbors policy provides that the County's approval or denial of any assignment will be based on the following criteria: (a) the financial condition of the assignee; (b) the price to be paid for the leasehold as it relates to the existing development thereon; and (c) management of the leasehold by the new lessee being in the best interests of the Marina as a whole.

Our review has found: a) Archstone is a Maryland based Real Estate Investment Trust (REIT) with assets of approximately \$9.3 billion that owns, acquires, develops and manages high-quality apartment developments throughout the United States, currently totaling over 80,000 apartment units, and has appropriate financial resources to own and operate the leasehold and perform the anticipated renovations and improvements to the leasehold; b) the sale price appears reasonable for the leasehold and improvements thereon; and c) the assignee has the requisite experience in acquiring, developing and managing apartment developments similar to Kingswood Village Apartments.

Option and Amended and Restated Lease

The proposed Option for Parcel 102S is the result of negotiations with proposed assignee Archstone, with the consent of Kingswood. The attached Option is designed to allow Archstone to exercise its option and receive the benefits of the Amended and Restated

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Lease (Restated Lease) attached as Exhibit C, upon demonstration that it has satisfied all of the conditions for exercise contained in the Option and has received all planning, zoning, environmental and other entitlement approvals required to be obtained from governmental authorities for the construction of the development project. If Archstone does not exercise the Option, the new percentage rents and a number of improved lease terms will nonetheless be incorporated by amendment into the current lease.

The Restated Lease provides for a 20-year lease extension; payment of a \$2,210,000 lease extension fee; complete renovation of the existing 624 apartment units over a 3-year period, including all common areas, apartment interiors, exterior building facades, and windows in both the low-rise and tower units; establishment of a capital reserve sinking fund by lessee in an amount equal to 3% of gross annual leasehold revenue for each year during the term of the lease, to be utilized for Director-approved capital expenditures, with all such funds required to be fully utilized for such approved capital expenditures not later than 10 years prior to the expiration of the lease; establishment of new minimum and percentage rents; County participation in leasehold sale and/or refinance; revised arbitration procedures; County right to recapture the leasehold if the lessee pursues its sale; establishment of a sinking fund to remove leasehold improvements at lease termination; liquidated damages of \$100 per day (adjusted for inflation) for each cited maintenance deficiency that remains uncured after the specified cure period; and other miscellaneous improvements to the lease (e.g., payment of late fees and interest on overdue County payments and enhanced audit and record-keeping standards). Once the lessee has obtained all necessary project entitlements and has fulfilled the other requirements entitling it to exercise the Option, we will return to your Board for authority to execute the Restated Lease in substantially the same form as attached.

The Department has obtained an appraisal that confirms the return to the County from the lease extension is equivalent to, or greater than, fair market value.

Implementation of Strategic Plan Goals

These recommendations are consistent with the County's Strategic Plan Goal of "Service Excellence," in that appropriate management of the leasehold and protection of County interests are maintained in the transfer of the ownership interests, and the County Goal of "Fiscal Responsibility," in that the recommended Option and Restated Lease will allow the

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Department to implement that portion of its Strategic Plan that enhances strategic partnerships with existing and prospective lessees through proactive implementation of the Marina del Rey Asset Management Strategy, toward both revenue maximization and property redevelopment.

The following chart details the proposed deal terms of the Restated Lease providing for the 20-year lease extension as they relate to your Board's existing Lease Extension Policy:

BOARD POLICY ITEM	PROPOSED DEAL TERMS – PARCEL 102S
1) REDEVELOPMENT Redevelopment of existing improvements	<ul style="list-style-type: none">• Renovation of existing 624 apartment units, including common areas, interiors of all units, exterior building facades and windows in both low-rise and tower units, as shown in Development Plan attached to the lease, on a phased basis over a 3-year period, exclusive of Force Majeure, which in no event shall exceed 2 years.• Total development cost to be not less than \$24.6 million.• A capital reserve sinking fund to be funded annually by lessee in the amount of 3% of gross revenue will be maintained during the term of the extended lease. This fund must be fully expended for permitted capital expenditures by 10 years prior to the expiration date of the extended lease. All permitted capital expenditures are subject to prior approval by the Director, such approval not to be unreasonably withheld.

<p>2) EXTENSION TERM</p>	<ul style="list-style-type: none"> • Option to extend lease by 20 years from 4/1/22 through 3/31/42 is exercisable by lessee within 1 year of grant of option by Board of Supervisors on condition lessee obtains all required planning, zoning and entitlement approvals, issuance of necessary building permits, payment of an option fee of \$100,000, and has provided to County satisfactory evidence of project financing. If required by lender, mortgagee to be permitted an additional 5-year extension in the event of foreclosure. If lessee is unable to obtain all of the necessary entitlement and financing approvals within the one-year period, the Director may grant one 6-month extension if lessee can demonstrate it has diligently pursued required approvals and other conditions of option exercise. If lessee obtains its approvals within the 12-month (or 18-month) period, but such approvals are subject to litigation or appeal brought by a third party, then the option exercise date will be tolled pending the resolution of such litigation or appeal; provided, however, that the option exercise date shall in no event be later than 4 years after the date of the grant of option. • If option is not exercised, the following shall be incorporated into the existing lease by amendment: (a) payment of County administrative costs; (b) revised lease assignment and disclosure rules; (c) a required sinking fund for removal of leasehold improvements at expiration of lease term; (d) modernized arbitration procedures; (e) liquidated damages for maintenance deficiencies; (f) late fees and penalties for late payments; (g) security deposit equal to 3-months' minimum rent; (h) provision of a 5-year cycle for renegotiation of insurance requirements; and, (i) enhanced audit and record-keeping requirements.
<p>3) EXTENSION FEE Fee equal to or commensurate with value of the extension</p>	<ul style="list-style-type: none"> • An extension fee in the amount of \$2,210,000, payable as set forth below. <ol style="list-style-type: none"> 1. Lessee shall pay a nonrefundable \$100,000 option fee concurrent with the execution of the option. Such payment shall be credited against the extension fee if the option is exercised, but shall not be refundable in the event the option is not exercised. 2. The remaining \$2,110,000 shall be payable at the time of exercise of the option or in 10 equal annual principal installments of \$211,000, plus interest accrued on the unpaid balance of the extension fee at the prime rate. The first payment shall be due on the date of lessee's exercise of the option with the remaining 9 payments due on each of the succeeding 9 anniversaries of that date.

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<p>4) MARKET RATE RENTS Ensure fair market rents</p>	<ul style="list-style-type: none"> • Minimum annual rent to be reset upon exercise of option and every 3 years thereafter to 85% of the previous 3 years' average total rent, except that the first 3-year adjustment will be the greater of a) \$1,300,000, b) 85% of the previous year's annual rent, or c) 85% of the previous 3 years' average annual rent. • Percentage rent to be set at 10.5% for apartments (including high-rise units currently at 8.5%). • Percentage rents fixed for a 20-year period from effective date of the Restated Lease and subject to renegotiation to fair market rental as of the 1st day of the 21st year and every 10 years thereafter.
<p>5) PARTICIPATION IN SALE AND REFINANCE Secure County participation in sale and refinance of leasehold</p>	<ul style="list-style-type: none"> • Sale Participation: Greater of 5% of Gross Proceeds or 20% of Net Profit upon assignment of leasehold. • Refinance Participation: 20% of Net Proceeds not reinvested in leasehold improvements.
<p>6) COUNTY ADMINISTRATIVE COSTS Ensure payment for County costs for lease extension and administration</p>	<ul style="list-style-type: none"> • Reimbursement of County costs for extension negotiations/lease documentation.
<p>7) COUNTY INCOME CONTINUITY Ensure County revenue flow during redevelopment</p>	<ul style="list-style-type: none"> • Minimum annual rent, as specified in Item 4 above, continues during renovation, and lessee also required to pay percentage rent in accord with the newly set rates effective upon exercise of option.
<p>8) RIGHT TO RECAPTURE</p>	<ul style="list-style-type: none"> • County has right to recapture the leasehold if lessee desires to either assign or sell a controlling interest in lessee entity.
<p>9) LEASE ASSIGNMENT-DISCLOSURE ISSUES</p>	<ul style="list-style-type: none"> • Lessee has agreed to County disclosure requirements relating to identity, operating experience and character/reputation of proposed assignees, as well as to disclosure of financial information in conformity with County policies.
<p>10) APPRAISAL</p>	<ul style="list-style-type: none"> • County has received an appraisal that confirms return to the County from the lease extension is equivalent to, or greater than, fair market value.

Additional Matters

11) OTHER TERMS	<ol style="list-style-type: none">1. 10 years prior to expiration of lease, lessee to structure funding for removal of improvements (at County's election).2. Rental renegotiation and insurance disputes subject to rent-a-judge procedure pursuant to "baseball" type arbitration.3. Maintenance standards for improvements to conform to Marina del Rey standards as revised from time to time.4. Lease administrative items include a) late fee of 6% plus interest at prime plus 3% for any late payments, b) security deposit equal to 3 months' minimum rent, c) insurance levels reset/renegotiated upon execution of the Restated Lease and every 5 years thereafter, d) County maintains approval rights over all construction plans and specifications, e) enhanced audit and record-keeping standards.5. Liquidated damages of \$100 per day (adjusted for inflation) for each cited maintenance deficiency that remains uncured after a specified cure period, to be assessed against the security deposit.
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If the lessee does not or is unable to exercise the Option on or before its stated expiration date (including any extensions), it is required to execute an amendment to the current lease, which will add the following requirements to its currently-existing lease: a) the obligation to reimburse the County's actual costs incurred for outside consultants, County Counsel and the Department's lead negotiator in the review, negotiation, preparation and documentation of the Restated Lease; b) a sinking fund for the removal of lease improvements upon lease termination; c) disclosure provisions in the event of lease assignment; d) assessment of a late fee and interest for late payments due the County; e) security deposit equal to three (3) months' minimum rent; f) insurance levels newly set and renegotiated every five (5) years; g) provision for enhanced audit and record-keeping standards; h) liquidated damages of \$100 per day, per deficiency for all cited lease deficiency items remaining uncured beyond allowed cure periods; and, (i) modernized arbitration provisions.

FISCAL IMPACT/FINANCING

The Restated Lease reflects the County's current market rate percentage rents for all relevant categories. It will produce two categories of fiscal benefit to the County: 1) an extension fee; and 2) rent increases due to increasing County percentage rent from 8.5% to 10.5% on high-rise units and to increasing gross apartment rent income through the

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renovation, upgrading and modernization of the apartment complex. Each component is discussed in detail below.

Extension Fee

Lessee will pay an extension fee of \$2,210,000 due on exercise of the Option, payable as a non-refundable option fee of \$100,000 concurrent with the execution of the Option with the remaining balance of \$2,110,000 payable in ten equal annual installments of \$211,000 in principal, plus interest accrued on the unpaid balance at the prime rate, adjusted quarterly, with the first payment due on the date of lessee's exercise of the option with the remaining nine (9) payments due on each of the succeeding anniversary dates.

Rent Increase Due to Renovation

The total rent derived from Parcel 102S during calendar year 2002 was approximately \$927,952. After renovation, lease-up and stabilization of the renovated apartment units, and effecting the increase in percentage rent on high-rise units from 8.5% to 10.5%, our economic consultant has estimated that the total County rent will rise to approximately \$1,734,346 annually, an annual increase of approximately \$800,000.

Costs of consultants and primary County staff involved in the negotiation and development of the Option and Restated Lease are being reimbursed by the lessee on an ongoing basis.

FACTS AND PROVISIONS/LEGAL REQUIREMENTS

On May 4, 1962, the County entered into a 60-year lease for the premises currently known as Parcel 102S, Kingswood Village Apartments. Through a series of assignments approved by your Board, Kingswood succeeded to the status of lessee.

The parcel is currently improved with 624 apartment units located in seven low-rise buildings and one high-rise building on 9.2 acres of land area. In exchange for a lease extension to the date of March 31, 2042 that will be available upon satisfaction of the Option's enumerated conditions and your Board's approval of the Restated Lease, lessee has agreed to remodel all of the existing improvements.

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The assignee has specifically committed, as a condition of the Department's consent to the assignment, to assume the lease obligation to maintain the leasehold in accordance with all maintenance, repair and improvement requirements. A rental audit was completed on June 24, 2003 and the proposed assignee is aware of and has agreed to assume the responsibility for any additional rent or outstanding lease payment obligations or other payments that may be identified in future audits from and after the last audit date.

Archstone has made application to the Regional Planning Department for its discretionary land use entitlements under the applicable standards of the Local Coastal Program (LCP), including those related to building height and traffic requirements. Approval of the Option is without prejudice to the County's full exercise of its regulatory authority in the consideration of the land use entitlements required for the possible exercise of the Option.

Amendment and extension of the existing lease is authorized by Government Code Sections 25907 and 25536. The extended lease term is in conformance with the maximum 99-year period authorized by California law.

At its meeting of February 10, 2004, the Small Craft Harbor Commission approved, by a vote of 3 - 0 with one abstention, the Director's recommendation that your Board approve the assignment of lease and execute the Option for Amended and Restated Lease in the form attached. County Counsel has approved the documents as to form.

ENVIRONMENTAL DOCUMENTATION

Approval of the assignment of leasehold interests and the Option are categorically exempt under the California Environmental Quality Act pursuant to Class 1(r) and 4(j) of the County's Environmental Document Reporting and Procedures Guidelines. Approval of the Option does not authorize construction or re-construction of any improvements on the parcel. The discretionary land use entitlements and the corresponding environmental documentation necessary to implement the proposed redevelopment/replacement contemplated by the Amended and Restated Lease are under review by the Department of Regional Planning.

Recording Requested by:

COUNTY OF LOS ANGELES

When Recorded Return to:

COUNTY OF LOS ANGELES
Office of County Counsel
648 Kenneth Hahn Hall of Administration
500 West Temple Street
Los Angeles, CA 90012
Attn: Thomas Faughnan, Esq.

FREE RECORDING
GOVERNMENT CODE SECTION 6103

SPACE ABOVE THIS LINE FOR RECORDING USE

**MEMORANDUM OF LEASE
PARCEL 102S — MARINA DEL REY**

This Memorandum of Lease ("Memorandum") dated as of March 4, 2005, is entered by and between the COUNTY OF LOS ANGELES ("County"), as lessor, and ARCHSTONE-SMITH OPERATING TRUST, a Maryland real estate investment trust ("Lessee"), as lessee.

WITNESSETH

WHEREAS, County and Morris Appleman, Norman Beck and Jerry B. Epstein (collectively, the "Original Lessee"), entered into Lease No. 5576 (now referred to as Lease No. 3823) (as amended to date, the "Existing Lease") regarding the lease from County of that certain real property in the Marina del Rey Small Craft Harbor commonly known as Parcel No. 102S and which is more specifically described on Exhibit A attached hereto and incorporated herein by this reference (the "Premises");

WHEREAS, through a series of assignments Lessee has succeeded to the Original Lessee's right, title and interest as lessee under the Existing Lease;

WHEREAS, County and Lessee have entered into that certain Amended and Restated Lease Agreement dated as of even date herewith (the "Restated Lease"), amending and restating the Existing Lease in its entirety.

NOW, THEREFORE, in reliance on the foregoing and in consideration of the mutual covenants, agreements and conditions set forth herein, and of other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto and each of them do agree that the Existing Lease is hereby amended and restated in its entirety in accordance with the Restated Lease, as follows:

1. **Lease.** For and in consideration of the payment of rentals and the performance of all the covenants and conditions of the Restated Lease, County hereby leases to Lessee, and Lessee hereby leases and hires from County, an exclusive right to possess and use, as lessee, the Premises for the Term (as hereinafter defined) and upon the terms and conditions, and subject to the requirements, set forth in the Restated Lease.

2. **Term.** Unless terminated sooner in accordance with the provisions of the Restated Lease, the term of the Restated Lease (the "Term") shall continue until and expire on 11:59 p.m. on March 31, 2042.

3. **Reservations.** Lessee expressly agrees that the Restated Lease and all rights thereunder shall be subject to all prior encumbrances, reservations, licenses, easements and rights of way in, to, over or affecting the Premises, for any purpose whatsoever, existing of record as of the date hereof, or otherwise disclosed or known to Lessee as of the date hereof, or otherwise referenced in the Restated Lease.

Without limiting the foregoing, Lessee expressly agrees that the Restated Lease and all rights thereunder shall be subject to all prior matters of record and the rights of County or the City of Los Angeles existing as of the Effective Date of the Restated Lease or otherwise disclosed to or known to Lessee, as their interests may appear, to install, construct, maintain, service and operate sanitary sewers, public roads and sidewalks, fire access roads, storm drains, drainage facilities, electric power lines, telephone lines and access and utility easements across, upon or under the Premises, together with the right of County or the City of Los Angeles to convey such easements and transfer such rights to others.

4. **Successors.** Subject to the provisions in the Restated Lease governing assignment, the rights and obligations created in the Restated Lease shall bind and inure to the benefit of the respective heirs, personal representatives, successors, grantees, and assigns of County and Lessee.

5. **Incorporation and Conflicts.** The purpose of this Memorandum is to provide notice of the Restated Lease. All of the terms and conditions of the Restated Lease are incorporated herein by reference as though set forth fully herein. In the event of any conflict between the terms hereof and of the Restated Lease, the Restated Lease shall prevail. This Memorandum is prepared for the purpose of recordation only and it in no way modifies the provisions of the Restated Lease. A true copy of the Restated Lease is on file in the offices of the County at Department of Beaches & Harbors, 13837 Fiji Way, Marina del Rey, California 90292. This Memorandum may be executed in counterparts, each of which shall be an original and all of which together shall constitute one fully-executed document.

SIGNATURES ON FOLLOWING PAGE

IN WITNESS WHEREOF, County and Lessee have entered into this Memorandum of Lease as of the date first set forth above.

THE COUNTY OF LOS ANGELES

ARCHSTONE-SMITH OPERATING TRUST,
a Maryland real estate investment trust

By: *Gloria Maldonado*
Chair, Board of Supervisors

By: *John W. Luedtke*
John W. Luedtke, Senior Vice President

ATTEST:

VIOLET VARONA-LUKENS,
Executive Officer of the
Board of Supervisors

By: *Sylvia J. Lillalobos*
Deputy



APPROVED AS TO FORM:

RAYMOND G. FORTNER, JR.
County Counsel

By: *Raymond G. Fortner, Jr.*
Deputy

ADOPTED
BOARD OF SUPERVISORS
COUNTY OF LOS ANGELES

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MAR 03 2004

Violet Varona-Lukens
VIOLET VARONA-LUKENS
EXECUTIVE OFFICER

APPROVED AS TO FORM:

MUNGER, TOLLES & OLSON LLP

By: *[Signature]*

EXHIBIT A

LEGAL DESCRIPTION

Marina del Rey
Lease Parcel No. 102T

All of Parcels 321, 322, 324, 325, 333 to 338 inclusive, 340, 341, 342 and portions of Parcels 308, 309, 319, 320, 323, 332, 339, 343 to 347 inclusive and 349 to 353 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 County Recorder of said County, described as a whole as follows:

Commencing at the intersection of the southeasterly line of Parcel 370, as shown on said map, with a line parallel with and 10 feet northeasterly, measured at right angles, from the southwesterly line of said last mentioned parcel; thence South 36° 00' 30" East along said parallel line 441.80 feet to the beginning of a tangent curve concave to the southwest and having a radius of 520 feet; thence southeasterly along said curve through a central angle of 16° 54' 54", a distance of 153.52 feet to the true point of beginning; thence North 53° 59' 07" East 609.84 feet; thence South 36° 00' 53" East 24.33 feet; thence North 53° 59' 07" East 246.04 feet to a curve concentric with and 47 feet southwesterly, measured radially, from a curve concave to the southwest, having a central angle of 23° 06' 08" and having a radius of 810 feet, said last mentioned curve being tangent at the northwesterly terminus thereof to a line parallel with and 35.5 feet southwesterly, measured at right angles, from the straight line in the southwesterly boundary of Parcel 406, as shown on said map, said northwesterly terminus being distant South 36° 00' 53" East along said last mentioned parallel line 156.78 feet from a line parallel with and 40 feet northwesterly, measured at right angles, from the straight line in the northwesterly boundary of said last mentioned parcel; thence southeasterly along said concentric curve 226.71 feet to a radial of said 810 foot radius curve at the southeasterly terminus thereof; thence South 12° 54' 45" East tangent to said concentric curve 64.36 feet to the beginning of a curve concave to the west, having a radius of 1184.31 feet, tangent to said last mentioned course and tangent to the westerly line of the easterly 3.5 feet of said Parcel 308; thence southerly along said last mentioned curve through a central angle of 11° 29' 49", a distance of 237.64 feet; thence South 1° 24' 56" East along a straight line, which passes through the intersection of a line parallel with and 8.41 feet southerly, measured at right angles, from the straight line in the northerly boundary of Parcel 202, as shown on said map, with said westerly line, a distance of 120.90 feet to a line parallel with and 27 feet northerly, measured at right angles, from said straight line in said northerly boundary; thence West along said last mentioned parallel line 195.63 feet to a point, distant West thereon 200.00 feet from the easterly line of said last mentioned parcel, said last mentioned point being the beginning of a tangent curve concave to the south and having a radius of 100 feet; thence westerly along said last mentioned curve through a central angle of 35° 03' 05", a distance of 61.18 feet; thence South 54° 56' 55" West tangent to said last mentioned curve 440.96 feet to the southwesterly line of said Parcel 323; thence northwesterly along the southwesterly lines of said Parcels 323, 324,

325 and 332 to the southerly continuation of above described 520 foot radius curve; thence northerly along said southerly continuation 137.20 feet to said true point of beginning.

Except therefrom that portion of said land conveyed to the County of Los Angeles by Quitclaim Deed recorded July 21, 1998 as instrument no. 98-1242203.

Together with a right-of-way for ingress and egress, to be used in common with others, over those portions of Parcels 300, 315, 316, 317, 323 and 326, as shown on said map, within the following described boundaries:

Beginning at the intersection of the southwesterly boundary of said Parcel 326 with the westerly prolongation of the straight line in the southerly boundary of said Parcel 300; thence East along said westerly prolongation and said last mentioned straight line, 54.85 feet; thence North $35^{\circ} 03' 05''$ West to the southeasterly boundary of above described parcel of land; thence South $54^{\circ} 56' 55''$ West along said southeasterly boundary to the northeasterly boundary of said Parcel 326; thence northwesterly, westerly and southeasterly along the northeasterly, northerly and southwesterly boundaries of said last mentioned parcel to the point of beginning.

Also together with a right of way for ingress and egress, to be used in common with others, over those portions of Parcels 332, 353, 354 and 369, as shown on said map, within the following described boundaries:

Beginning at the intersection of the westerly boundary of above described parcel of land with a line parallel with and 30 feet northeasterly, measured at right angles, from the southwesterly line of said Parcel 332; thence North $34^{\circ} 06' 16''$ West along said last mentioned parallel line to a line parallel with and 30 feet northeasterly, measured at right angles, from that certain course of North $36^{\circ} 00' 30''$ West 380.10 feet in the southwesterly boundary of said Parcel 369; thence North $36^{\circ} 00' 30''$ West along said last mentioned parallel line 371.20 feet; thence North $14^{\circ} 23' 56''$ West 54.29 feet to the northwesterly boundary of said last mentioned parcel; thence South $52^{\circ} 40' 22''$ West along said northwesterly boundary to the most westerly corner of said last mentioned parcel; thence southeasterly along the southwesterly lines of said Parcels 369, 354, 353 and 332 to said westerly boundary; thence northerly along said westerly boundary to the point of beginning.

Also reserving and excepting unto the County of Los Angeles a right of way for sanitary sewer purposes in and across above described parcel of land, within the following described boundaries:

Beginning at the southeasterly corner of above described parcel of land; thence northerly along the easterly boundary of said parcel of land to a line parallel with and 13 feet northerly, measured at right angles, from above described course of West 195.63 feet in the southerly boundary of said parcel of land; thence West along said last mentioned parallel line 228.04 feet to a line parallel with and 13 feet northwesterly, measured at right angles, from above described course of South $54^{\circ} 56' 55''$ West 440.96 feet in the

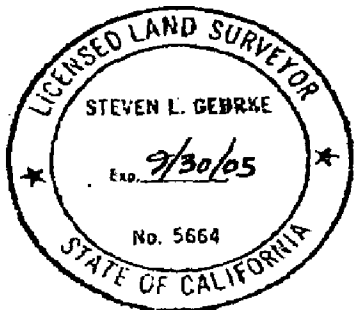
southeasterly boundary of said parcel of land; thence South 54°56'55" West along said last mentioned parallel line 447.61 feet to the northeasterly boundary of that certain easement in said Parcel 323 shown and designated on said map as "30' Access, Fire Access and Harbor Utilities Easement to be reserved by the County of Los Angeles"; thence southeasterly along said northeasterly boundary to said southeasterly boundary; thence northeasterly and easterly along said southeasterly and southerly boundaries to the point of beginning.

Also reserving and excepting unto the County of Los Angeles a right of way for ingress and egress over that portion of above described parcel of land, within the following described boundaries:

Beginning at the southeasterly corner of above described parcel of land; thence northerly along the easterly boundary of said parcel of land to a line parallel with and 20 feet northerly, measured at right angles, from above described course of West 195.63 feet in the southerly boundary of said parcel of land; thence West along said last mentioned parallel line to a line parallel with and 26 feet northwesterly, measured at right angles, from above described course of South 54°56'55" West 440.96 feet in the southeasterly boundary of said parcel of land; thence South 54°56'55" West along said last mentioned parallel line to the northeasterly boundary of above mentioned certain 30 foot easement; thence northwesterly along said last mentioned northeasterly boundary to the westerly boundary of said parcel of land; thence southerly along said last mentioned westerly boundary to the southwesterly boundary of said parcel of land; thence southeasterly along said last mentioned southwesterly boundary to the most southerly corner of said parcel of land; thence northeasterly and easterly along the southeasterly and southerly boundaries of said parcel of land to the point of beginning.

Also reserving and excepting unto the County of Los Angeles rights of way for storm drain, access, fire access and harbor utilities purposes in and across those portions thereof designated on said map as easements to be reserved by said County for such purposes.

EXHIBIT A



APPROVED AS TO DESCRIPTION
3/1 20 04
COUNTY OF LOS ANGELES
BY [Signature]
LAND SURVEYOR
Mapping & Property Management Division

CALIFORNIA ALL-PURPOSE ACKNOWLEDGMENT

State of California }
County of Orange } ss.
On 2/28/05 before me, K. Schremp
Date Name and Title of Officer (e.g., "Jane Doe, Notary Public")
personally appeared John W. Luedtke
Name(s) of Signer(s)

- personally known to me
- proved to me on the basis of satisfactory evidence



to be the person(s) whose name(s) is are subscribed to the within instrument and acknowledged to me that he she/they executed the same in his her/their authorized capacity(ies), and that by his her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

WITNESS my hand and official seal.
K. Schremp
Signature of Notary Public

OPTIONAL

Though the information below is not required by law, it may prove valuable to persons relying on the document and could prevent fraudulent removal and reattachment of this form to another document.

Description of Attached Document

Title or Type of Document: _____

Document Date: _____ Number of Pages: _____

Signer(s) Other Than Named Above: _____

Capacity(ies) Claimed by Signer

Signer's Name: _____

- Individual
- Corporate Officer — Title(s): _____
- Partner — Limited General
- Attorney-in-Fact
- Trustee
- Guardian or Conservator
- Other: _____

Signer Is Representing: _____

