

FIRST AMENDMENT TO LEASE
BETWEEN THE CITY OF REDONDO BEACH
AND 211 CRYSTAL COVE APTS LLC

THIS FIRST AMENDMENT TO LEASE ("Amendment") is made as of November 19, 2019 (the "Effective Date") by and between the City of Redondo Beach, a municipal corporation ("Lessor") and 211 Crystal Cove Apts LLC, a Delaware limited liability company ("Lessee").

RECITALS:

- A. On or about September 1, 2007, Lessor and RG/Bascom Harbor Cove Apartments, LLC (predecessor-in-interest to Lessee) entered into that certain Lease (the "Lease") covering certain real property (the "Premises") located in the City of Redondo Beach, State of California, more particularly described on **Exhibit A** attached to the Lease.
- B. On or about October 10, 2008, the Lease was assigned from RG/Bascom Harbor Cove Apartments, LLC to The Kobe Group, Inc., a California corporation. As part of the 2008 assignment, Lessor executed a Ground Lease Estoppel, dated October 7, 2008 (the "Estoppel"), in favor of Centerline Mortgage Capital Inc., a Delaware corporation (the "Lender"). The Estoppel requires Lender's consent to any modification of the Lease.
- C. On or about May 29, 2015, the Lease was assigned from The Kobe Group, Inc. to Lessee and approved by Lessor pursuant to a Consent to Assignment of Leasehold Interest to 211 Crystal Cove Apts LLC, dated October 2, 2018. As part of the 2018 consent, a Guaranty was executed by Allen H. Ginsburg, Trustee of the Persephones Trust, dated December 4, 1989, as amended (the "Guaranty").
- D. The parties hereto desire to amend the Lease as set forth hereinbelow.

NOW, THEREFORE, for good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, Lessor and Lessee agree as follows:

- 1. Recitals and Defined Terms. The Recitals are hereby incorporated and made a part of this Amendment. There are no modifications, amendments or supplements to the Lease except as otherwise set forth herein. Initially capitalized terms used herein and not otherwise defined shall have the meaning set forth in the Lease.
- 2. Permitted Uses and Applicable Percentage Exhibit. **Exhibit B** of the Lease (Permitted Uses and Applicable Percentage) is hereby amended, restated, and replaced with the attached **Exhibit B**, effective as of May 30, 2019 (the "Adjustment Date"), with any retroactive cash adjustments to be made in accordance with section 5.9 of the Lease as of the Adjustment Date.



3. No Default. To each party's actual knowledge and without any duty to investigate, there is no default by any party to the Lease as of the date of this Amendment.
4. Ratification. Except as expressly modified herein, the terms and provisions of the Lease as amended remain in full force and effect and the Lease is hereby approved and confirmed. If there is any conflict or inconsistencies between the terms and provisions of the Lease and the terms and provisions of this Amendment, this Amendment shall control.
5. Execution. The parties acknowledge and agree that this Amendment may be executed by electronic signature, which shall be considered as an original signature for all purposes and shall have the same force and effect as an original signature. Without limitation, "electronic signature" shall include faxed versions of an original signature or electronically scanned and transmitted versions (e.g., via pdf) of an original signature.
6. Miscellaneous. This Amendment shall be binding upon and shall inure to the benefit of the parties hereto, and their respective successors, assigns, heirs, executors, administrators and personal representatives. This Amendment may be executed in two or more counterparts each of which shall be deemed an original, and all of which, when taken together constitute one and the same document. In the event legal action is instituted in connection with this Amendment or the rights and duties of any party in relation thereto, the prevailing party shall be entitled, in addition to such other relief as may be granted, to a reasonable sum as and for its attorneys' fees, either in such action or in a separate action brought for that purpose. If any provision of this Amendment is determined to be invalid or unenforceable, the remaining provisions shall remain enforceable to the maximum extent allowed by law. This Amendment contains the entire agreement of the parties with regard to the subject matter hereof, and supersedes all prior written and oral statements, representations, or agreements. This Amendment may not be amended without the written consent of all parties hereto. Each person executing this Amendment represents that he/she has full power and authority to execute this Amendment on behalf of the party he/she represents and to bind it to the provisions hereof.

[SIGNATURES ON THE FOLLOWING PAGE]



IN WITNESS WHEREOF, the parties have entered into this Amendment as of the Effective Date.

"LESSOR"
CITY OF REDONDO BEACH

ATTEST:

William C. Brand, Mayor

Eleanor Manzano, City Clerk

APPROVED AS TO FORM:

Michael W. Webb, City Attorney

"LESSEE"
211 CRYSTAL COVE APTS LLC, LLC,
a Delaware limited liability company

By: _____
Allen H. Ginsburg, President

GUARANTOR:

By: _____
Allen H. Ginsburg, Trustee

Acknowledged and Agreed To:

LENDER:

CENTERLINE MORTGAGE CAPITAL INC.,
a Delaware corporation

By: _____
Its: _____



EXHIBIT B
Permitted Uses and Applicable Percentage
(See Section 1)

Permitted Uses	Applicable Percentage (expressed as a percentage of Gross Receipts, as defined in the Lease)
1. Residential Rentals	10.5%
2. Restaurant and Bar	5.0%
3. Parking:	
Non-residents (if charge is made)	30.0%
Valet parking for restaurant	5.0%
4. Office Rentals	12.0%
5. Rentals to the public of beach products, including, without limitation, umbrellas, towels, beach chairs, boogie boards, rafts and floats	15.0%
6. Rental of beach or other property for events (outside of subleased Chart House premises)	10.0%
7. Wireless telecommunication equipment/facility	15.0%

Chart House revenues generated within the Chart House building will be treated as Restaurant and Bar use, at the 5% rate; any function on the beach will be at the 10% rate under category 6.

