

AMENDMENT NO. 4 TO THE SECOND AMENDED AND RESTATED
LEASE (IMPROVED PARCEL) NO. 55624,
PARCEL NO. 125R – MARINA DEL REY SMALL CRAFT HARBOR

THIS AMENDMENT NO. 4 TO THE SECOND AMENDED AND RESTATED
LEASE (IMPROVED PARCEL) NO. 55624, PARCEL NO. 125R – MARINA DEL REY
SMALL CRAFT HARBOR (this "Amendment") is made and entered into this ____ day of
_____, 2004,

BY AND BETWEEN

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

AND

ESSEX MARINA CITY CLUB, L.P.,
a California limited partnership, as successor in
interest to Marina City Club, L.P., a California limited
partnership (f/k/a J.H. Snyder Company), hereinafter
referred to as "Lessee".

WITNESSETH:

WHEREAS, County and Marina City Club, L.P., a California limited partnership ("Original Lessee"), entered into that certain Second Amended and Restated Lease [Improved Parcel] dated October 27, 1987 and identified as Lease No. 55624 (the "Original Lease"), as amended by (i) that certain First Amendment to the Second Amended and Restated Lease (Improved Parcel) No. 55624 Parcel 125R Marina del Rey dated November 4, 1988, (ii) that certain Second Amendment to the Second Amended and Restated Lease (Improved Parcel) No. 55624 Parcel 125R - Marina del Rey dated August 1, 1992, and (iii) that certain Amendment No. 3 to the Second Amended and Restated Lease (Improved Parcel) No. 55624 Parcel 125R – Marina del Rey Small Craft Harbor dated December 3, 2002 (the Original Lease, as so amended, is hereinafter referred to as the "Lease");

WHEREAS, pursuant to that certain Assignment of Lease dated as of December 11, 2003 and that certain Acceptance of Assignment of Lease dated as of December 18, 2003, Lessee acquired all of Original Lessee's right, title and interest in and to, and assumed Original Lessee's obligations under, the Lease effective as of January 21, 2004;

WHEREAS, the Premises under the Lease are improved with, among other things, three high-rise towers that include 600 residential condominium units commonly known as the Marina City Club Condominiums, with subleasehold interests in said condominium units having been sold to Prepaid Sublessees, each of whom owns its subleasehold interest in the condominium unit subject to the terms of the Lease (each of the Prepaid Sublessees is a "Condominium Sublessee" for purposes of and as defined in the Master Condominium Sublease; however, such persons have not prepaid all amounts payable with respect to their subleasehold interests as each Prepaid Sublessee is obligated to pay, among other things, monthly "Ground Rent", as defined in the Master Condominium Sublease);

WHEREAS, the Lease requires Lessee to pay to County, among other payments, Percentage Rents for Prepaid Subleases (which are determined, in part, by the Shadow Rent) on a monthly basis and an Administrative Transfer Fee upon each Change of Ownership of a Prepaid Sublessee's interest, all as more particularly provided therein;

WHEREAS, each Prepaid Sublease requires the applicable Prepaid Sublessee to make corresponding payments to Lessee. Specifically, each Prepaid Sublessee is required to pay Lessee (i) monthly "Ground Rent", which is determined, in part, by the "Shadow Rent", and (ii) a "Change in Ownership Fee" upon certain transfers of the Prepaid Sublessee's interest, as defined and as more particularly provided in the Prepaid Sublease for such Prepaid Sublessee's condominium unit (i.e., the Master Condominium Sublease and the Assignment and Assumption of Condominium Sublease for the Marina City Club Tower Apartments between Snyder/Marina, the initial lessee under the Master Condominium Sublease, and the initial condominium sublessee for such unit);

WHEREAS, concurrently herewith, Lessee is affording each of the Prepaid Sublessees the one-time option to modify certain provisions of its Prepaid Sublease, including those regarding the calculation of the monthly "Ground Rent" and the "Change in Ownership Fee" to be paid by such Prepaid Sublessee to Lessee, all as more particularly provided in the form of Condominium Sublease Amendment (as defined in Exhibit B hereto);

WHEREAS, unless each of the Prepaid Sublessees timely elects to modify its Prepaid Sublease as provided in the form of Condominium Sublease Amendment (the "Modified Terms"), as of the date on which such modifications become effective (if that occurs), certain of the Prepaid Subleases will be modified to reflect the Modified Terms and others will remain unmodified; accordingly, for purposes of describing the Prepaid Subleases in the Lease, if sufficient Prepaid Sublessees and their lenders elect to be bound by the Modified Terms (and the other Amendment Conditions (as defined below) are timely satisfied) so that the Modified Terms become effective, County and Lessee desire to establish two categories of Prepaid Subleases, as follows:

- (i) those Prepaid Subleases as to which the applicable Prepaid Sublessee makes a timely, affirmative election to be bound by the Modified Terms ("Category A Units"); and
- (ii) all other Prepaid Subleases ("Category B Units");

WHEREAS, Lessee and County desire to amend the Lease to, among other things,

- (i) freeze the Shadow Rent attributable to Category A Units at its 2003 level through December 31, 2006,
- (ii) provide that, commencing January 1, 2007 and continuing each January 1, thereafter until at least January 1, 2018, the Shadow Rent attributable to Category A Units shall be increased by an amount equal to 3.75% of the prior year's Shadow Rent,
- (iii) for the Category A Units only, delay implementing the increase in the applicable percentage component of the formula that determines the Percentage Rents for

Prepaid Subleases from 2016 until 2019,

(iv) provide that, effective as of January 1, 2019 and continuing each January 1 thereafter during the term of the Lease, the Shadow Rent attributable to Category A Units may (but shall not necessarily) be increased by a fixed percentage greater than 3.75%, and

(v) increase the Administrative Transfer Fee to be collected by Lessee for the benefit of County (in addition to any similar fee otherwise payable to Lessee for its own account) upon a Change in Ownership of a Prepaid Sublessee's interest with respect to a Category A Unit to an amount equal to 2.5% of the sales price or other consideration given for such Change in Ownership,

all as more particularly provided in, and subject to the conditions precedent contained in, this Amendment. This Amendment is not intended, and shall not be deemed, to modify any of the provisions in the Lease relating to the Percentage Rents for those Prepaid Subleases that are Category B Units or the Administrative Transfer Fee to be collected by Lessee upon a Change in Ownership of a Prepaid Sublessee's interest with respect to a Category B Unit.

NOW, THEREFORE, with reference to the foregoing recitals, and for other good and valuable consideration, the receipt and adequacy of which are hereby acknowledged, County and Lessee hereby agree as follows:

1. Definitions. All initially-capitalized terms used but not defined in this Amendment have the meanings given such terms in the Lease.

2. Amendment Conditions. This Amendment shall be effective on the date on which a memorandum hereof in the form attached as Exhibit A hereto (the "Memorandum") is recorded in the Official Records of Los Angeles County, California (the "Official Records"). Neither County nor Lessee shall be obligated to execute and deliver the Memorandum unless each of the conditions precedent set forth in Exhibit B hereto (the "Amendment Conditions") has been satisfied or waived by each of County and Lessee on or before June 30, 2004 or such later date as may be agreed to by Lessee, but in no event later than September 30, 2004 (as applicable, the "Outside Date"). If the Amendment Conditions are satisfied or waived on or before the Outside Date, then promptly after the satisfaction or waiver of the last Amendment Condition, County and Lessee shall execute and deliver the Memorandum and cause the same to be recorded in the Official Records.

3. Representations and Warranties. To induce County to enter into this Amendment, Lessee hereby represents and warrants to County as follows:

3.1 Lessee has not assigned its interests as lessee under the Lease or as sublessor under any Condominium Sublease; and

3.2 Lessee has not encumbered its interests in the Lease or in any Condominium Sublease with any deed of trust, mortgage or similar security instrument, nor has Lessee expressly assumed any loan secured by a deed of trust, mortgage or similar security

instrument encumbering the lessee's interest in the Lease or the Sublessor's interest in any Condominium Sublease.

4. Amendments. Effective on the date on which the Memorandum is recorded in the Official Records (the "Effective Date"), the Lease shall be amended as follows:

4.1 Categories of Prepaid Subleases. Subsection 5.02.A of the Lease shall be amended and restated as follows:

"5.02.A Prepaid Subleases. The first category consists of those residential apartments which are subleased for the entire remainder of the term of the Lease, where Gross Prepaid Subrent is paid to Lessee at the beginning of the term of the Sublease. This category is herein called the 'Prepaid Subleases' and the apartments subject to Prepaid Subleases are hereinafter called 'Prepaid Subleased Apartments'. Prepaid Subleases may result either from the use of the Approved Prepaid Sublease Form, as hereinafter defined, pursuant to subsection 10.01.B, or from the sale of a subleasehold estate condominium unit pursuant to subsection 10.01.C. Additionally, for certain purposes of this Lease, including subsection 5.08.B and Section 5.12, the Prepaid Subleases and the Prepaid Subleased Apartments are divided into two sub-categories, as follows: those listed on Exhibit U-1 attached hereto and made a part hereof (the 'Category A Units') and those listed on Exhibit U-2 attached hereto and made a part hereof (the 'Category B Units')."

4.2 Shadow Rent for Prepaid Subleases. Subsection 5.08.B of the Lease shall be amended and restated as follows:

"5.08.B Prepaid Subleases. Percentage Rents for Prepaid Subleases shall be calculated by reference to a Shadow Rent roll, as provided in this subsection 5.08.B. 'Shadow Rent' means an amount designed to approximate the subrent that would otherwise have been paid by Prepaid Sublessees to Lessee had the Prepaid Subleased Apartment continued to have been rented on a short-term basis. For each Prepaid Subleased Apartment, the Percentage Rent payable by Lessee shall equal the product of (i) the applicable percentage under subsection 5.08.B(1) below, and (ii) the applicable Shadow Rent under subsection 5.08.B(2) below.

"(1) Lessee shall pay the following percentages of the Shadow Rent for each Prepaid Subleased Apartment:

"(a) From the commencement of the term through November 6, 1987, seven and one-half percent (7.5%) per year;

“(b) Commencing upon November 7, 1987, and extending through December 31, 1995, ten and one-half percent (10.5%) per year;

“(c) Commencing upon January 1, 1996, and extending through December 31, 2015 for each Category B Unit and December 31, 2018 for each Category A Unit, twelve and one-half percent (12.5%) per year; and

“(d) Commencing on January 1, 2016 for each Category B Unit and on January 1, 2019 for each Category A Unit, and in each case extending through the end of the term, the percentage rate which is the apartment percentages component of the Fair Rental Value of the land and water comprising the Premises, determined in accordance with Section 5.10. In no event, however, shall the percentage actually determined be less than twelve and one-half percent (12.5%) per year, nor greater than fifteen percent (15%) per year.

“(2) The Shadow Rent for each Prepaid Subleased Apartment as of any particular date is as follows:

“(a) As of January 1, 1987, the Shadow Rent for each Apartment Approved for Prepaid Subleases is set forth on Exhibit R attached hereto and made a part hereof (the ‘Initial Shadow Rent’);

“(b) Commencing on January 1, 1988 and continuing on each January 1 thereafter, except as provided in subsections 5.08.B(2)(c), 5.08.B(2)(d) and 5.08.B(3) below with respect to Category A Units only, the Shadow Rent for each Apartment Approved for Prepaid Subleases shall be adjusted based upon the average percentage change in two (2) indices, as more particularly provided in Exhibit V attached hereto and made a part hereof;

“(c) From January 1, 2004 through December 31, 2006, the Shadow Rent for each Category A Unit shall be the same amount as the Shadow Rent for 2003 (i.e., the Shadow Rent shall not be adjusted during such period); and

“(d) Commencing on January 1, 2007 and, subject to subsection 5.08.B(3) below, continuing on each January 1 thereafter throughout the remainder of term, the Shadow Rent for each Category A Unit shall be increased by three and seventy-five-hundredths percent (3.75%).

"(3) Not later than February 1, 2019, County shall perform the 'Rent Adjustment Analysis' described in Section II of Exhibit V hereto. If the Rent Adjustment Analysis reveals a 'Rent Deficiency' (as defined in Exhibit V) and/or if the 'Shadow Rent Annual Percentage Increase' (as defined in Exhibit V) is to be increased pursuant to Section III of Exhibit V, then, effective as of January 1, 2019 and continuing on each January 1 thereafter throughout the remainder of the term, the Shadow Rent attributable to each Category A Unit shall be increased by the fixed percentage (which will be greater than 3.75%) determined pursuant to the procedures specified in and the terms of Exhibit V. If the Rent Adjustment Analysis does not reveal a Rent Deficiency and if no increase in the Shadow Rent Annual Percentage Increase is required under Section III of Exhibit V, then the Shadow Rent shall continue to be increased on each January 1 throughout the remainder of the term at the rate provided in subsection 5.08.B(2)(d) (i.e., 3.75%).

"(4) With respect to the payments required under subsection 5.08.A for the Category A Units for the months of January, February and March of 2019, Lessee shall make such payments on the dates required as though (i) the Shadow Rent was increased by three and seventy-five-hundredths percent (3.75%) on January 1, 2019, and (ii) the applicable percentage under subsection 5.08.B(1) was the same as during 2018. If (x) the Rent Adjustment Analysis and/or the terms of Section III of Exhibit V result in the Shadow Rent being increased by a greater percentage effective as of January 1, 2019, and/or (y) the applicable percentage under subsection 5.08(b)(1) is increased effective as of January 1, 2019 pursuant to Section 5.10, then, in April 2019, Lessee shall pay County, in addition to the monthly payment for that month, the amount necessary to cure the underpayment for the three prior months resulting from the additional increase in Shadow Rent effective as of January 1, 2019 and/or the increase in the applicable percentage under Section 5.08(b)(1) effective as of January 1, 2019.

"(5) Lessee's obligation to pay a percentage of Shadow Rent for an apartment shall not begin until a Prepaid Sublease is executed for such apartment. After such execution, Lessee's obligation to pay rent attributable to Prepaid Subleases shall equal the applicable percentage provided in subsection 5.08.B(1) above times the Shadow Rent determined for such apartment. Lessee shall not be obligated to pay a percentage of Shadow Rent for the portion of the Lease Year, if any, occurring prior to the time a Prepaid Sublease was executed with respect to such apartment."

4.3 Rent Renegotiation. Section 5.10 of the Lease shall be amended and restated as follows:

“5.10. Renegotiation of Minimum Annual Rent and Percentage Rents. The Minimum Annual Rent and Percentage Rents shall be adjusted, except as provided below, to the Fair Rental Value of the land and water comprising the Premises as of the Renegotiation Date, in accordance with this Section 5.10. Notwithstanding anything to the contrary in the remainder of this Section 5.10, however: (i) the only adjustment under this Section 5.10 to the Minimum Annual Rent or the Percentage Rents with respect to any Prepaid Subleases shall be to the ‘applicable percentage’ component of the percentage rent formula, as provided in and subject to subsection 5.10.C; (ii) with respect to the Category A Units only, such adjustment, if any, shall be implemented with any increase resulting from the Rent Adjustment Analysis and be effective as of January 1, 2019; and (iii) with respect to the Category A Units only, subsections 5.10.F and 5.10.G shall not apply thereto.”

4.4 Increase in Administrative Transfer Fee for Prepaid Subleases. The introductory paragraph of Section 5.12 of the Lease (i.e., excluding subsections 5.12.A through 5.12.E) shall be amended and restated as follows:

“5.12 Administrative Transfer Fee – Prepaid Subleases. Each time there is a Change in Ownership, as defined in subsection 5.12.A below, of a Prepaid Sublessee’s interest, Lessee shall collect directly from the Prepaid Sublessee and forward to County an administrative fee equal to the following applicable percentage of the fair market value of the Prepaid Sublease being transferred (‘Administrative Transfer Fee’): (i) for Category A Units, two and one-half percent (2.5%); and (ii) for Category B Units, one percent (1%). The fair market value shall be deemed to be the sales price or other consideration given for the Prepaid Sublease interest being transferred.”

4.5 County Disbursements for Condominium Project Repairs. Article 14 of the Lease shall be amended by adding the following as a new Section 14.05 thereto:

“14.05 Condominium Project Repairs Account.

“14.05.A. Funding and Disbursements. County shall deposit funds into an account (the ‘Condominium Project Repairs Account’) by the dates and in the amounts provided in Exhibit W attached hereto and incorporated herein by this reference. County shall disburse funds from the Condominium Project Repairs Account from time to time for the purpose of

reimbursing Lessee for a portion of the costs of certain repairs and refurbishments to the improvements located on the Premises, including, without limitation, repairs to those improvements leased to Snyder/Marina under the Master Condominium Sublease (the 'Condominium Project'), in each case to the extent allocable to the Category A Units, as more particularly provided and in accordance with the procedures set forth in Exhibit W; provided, however, that funds shall not be disbursed from the Condominium Project Repairs Account for costs applicable to those areas of the Premises actually leased or available for lease by Lessee to third parties under an agreement other than the Master Condominium Sublease, including but not limited to the 101 apartments described in Section 1.04, the 338 boat slips described in Section 1.04, and any retail or commercial space on the Premises. Neither Lessee nor the Owners Association shall have any interest in the Condominium Project Repairs Account, and all funds on deposit therein from time to time shall be and remain the sole property of County until such time as such funds are disbursed from the Condominium Project Repairs Account as provided in Exhibit W. Lessee shall make each of the Covered Repairs (as defined in Exhibit W) that is listed in Part 1 of Schedule 1 to Exhibit W (the 'Priority Repairs') by the applicable dates specified therein; provided, however, that (i) subject to the limitations on extension set forth below, said applicable dates for completing the Priority Repairs shall be extended, and Lessee shall not be in default, on account of delays due to a Force Majeure Condition, and (ii) Lessee shall not be obligated to make the Priority Repairs to the extent that the cost thereof exceeds the quotient of (a) the cumulative amount deposited by County into the Condominium Project Repairs Account plus the interest deemed to have accrued thereon as provided in Exhibit W, divided by (b) the Applicable Percentage (as defined in Exhibit W), in decimal form. If Lessee gives County written notice of the Force Majeure Condition within thirty (30) days after the occurrence thereof, then the applicable dates for completing any affected Priority Repairs shall be extended by the number of days between the commencement of such Force Majeure Condition and the cessation thereof. If such written notice is not given by Lessee within such thirty (30) day period, the applicable dates for completing any affected Priority Repairs shall be extended for the number of days between the date of delivery of the written notice to County of such Force Majeure Condition and the cessation of such Force Majeure Condition. Nothing in this Section 14.05 is intended to modify or limit Lessee's obligations under any other Sections of this Lease with respect to the maintenance and repair of the Premises and the equipment, structures and other improvements thereon, including,

without limitation, Section 14.01, and, except for Lessee's obligation to make the Priority Repairs upon and subject to the terms set forth herein, nothing herein is intended to create, define or expand Lessee's obligations under the Lease with respect to such matters, including, without limitation, to make any repairs in addition to Priority Repairs.

"14.05.B. Lessee's Obligation to Repay Disbursements. On February 28, 2023 (or earlier at Lessee's election), Lessee shall pay County an amount equal to the Disbursed Repair Funds Balance (as defined in Exhibit W), unless the same has previously been reduced to zero pursuant to Exhibit W or separately paid directly to County by the Owners Association."

4.6 Definitions. Section 17.01 of the Lease shall be amended as follows:

4.6.1 In subsection 17.01.D (which contains the definition of "Adjustment Index"), the words "subsection 5.08.B(2)(b)" shall be deleted and replaced with "Exhibit V".

4.6.2 In subsection 17.01.R (which contains the definition of "Beginning Index"), the words "subsection 5.08.B(2)(b)" shall be deleted and replaced with "Exhibit V".

4.6.3 The following shall be added thereto as new subsections 17.01.U-1 and 17.01.U-2, respectively, immediately after subsection 17.01.U (which contains the definition of "Casualty Termination Notice"):

"17.01.U-1. 'CATEGORY A UNIT' shall have the meaning set forth in subsection 5.02.A.

"17.01.U-2. 'CATEGORY B UNIT' shall have the meaning set forth in subsection 5.02.A."

4.6.4 The following shall be added thereto as new subsections 17.01.DD-1 and 17.01.DD-2, respectively, immediately after subsection 17.01.DD (which contains the definition of "Condemnor"):

"17.01.DD-1. 'CONDOMINIUM PROJECT' shall have the meaning set forth in subsection 14.05.A.

"17.01.DD-2. 'CONDOMINIUM PROJECT REPAIRS ACCOUNT' shall have the meaning set forth in subsection 14.05.A."

4.6.5 In subsection 17.01.II (which contains the definition of "CPI Rental Index"), the words "subsection 5.08.B(2)(a)" shall be deleted and replaced with "Exhibit V".

4.6.6 The following shall be added thereto as new subsection 17.01.KKK-1, immediately after subsection 17.01.KKK (which contains the definition of "Five Authorized Mortgagees"):

"17.01.KKK-1 'FORCE MAJEURE CONDITION'
shall mean any event, act, matter or thing beyond the reasonable control of the party to be excused, including, without limitation, war, terrorist acts, insurrection, riots, floods, earthquakes, fires, casualties, acts of God, litigation and administrative proceedings, governmental restrictions, shortages of labor or material, strikes, lockouts, epidemics, quarantine restrictions, freight embargos, lack of transportation, unusually severe weather, acts of a third party, enactment of conflicting state or federal laws or regulations, judicial decisions or similar bases for excused performance which are not within the reasonable control of the party to be excused. Financial inability of a party whose performance is required (other than due to litigation) shall not be a Force Majeure Condition unless (and then only to the extent) such financial inability has resulted from the failure of a Prepaid Sublessee of a Category B Unit to pay any monthly maintenance and/or supplemental maintenance fees payable under its Prepaid Sublease; provided, however, in such event any extension resulting from such Force Majeure Condition shall not exceed one year."

4.6.7 In subsection 17.01.WWW (which contains the definition of "Initial Shadow Rent"), the words "subsection 5.08.B(1)" shall be deleted and replaced with "subsection 5.08.B(2)(a)".

4.6.8 The following shall be added thereto as a new subsection 17.01.SSSS-1, immediately after subsection 17.01.SSSS (which contains the definition of "Primary Uses"):

"17.01.SSSS-1 'PRIORITY REPAIRS' shall have the meaning set forth subsection 14.05.A"

4.6.9 In subsection 17.01.DDDDD (which contains the definition of "Research-Council Index"), the words "subsection 5.08.B(2)(a)" shall be deleted and replaced with "Exhibit V".

4.7 Exhibits. Exhibits U-1, U-2, V and W to this Amendment shall be added to the Lease as Exhibits U-1, U-2, V and W thereto.

5. Miscellaneous.

5.1 Lease. The Lease has not been modified, amended or supplemented except as set forth in this Amendment and, as amended by this Amendment, the Lease is and remains in full force and effect.

5.2 Counterparts. This Amendment may be executed in several counterparts, each of which shall be deemed an original, and such counterparts shall constitute but one and the same instrument.

5.3 Governing Law. This Amendment shall be governed by and construed in accordance with the laws of the State of California without giving effect to the conflict of law principles of said state.

5.4 Controlling Provisions. In the event of any inconsistencies between the provisions of this Amendment and the provisions of the Lease, the provisions of this Amendment shall govern and prevail.

5.5 Exhibits. Exhibits U-1 and U-2 to this Amendment shall be completed prior to the Effective Date (if that occurs); Exhibit U-1 shall list those Prepaid Subleases as to which the applicable Prepaid Sublessee makes a timely, affirmative election to be bound by the Modified Terms and Exhibit U-2 shall list all other Prepaid Subleases. All Exhibits attached hereto are incorporated herein as though set forth herein in full.

5.6 Integration and Merger. This Amendment and the Exhibits attached hereto contain the entire agreement of County and Lessee regarding the modification of the Lease and supersede all prior agreements, term sheets and understandings between County and Lessee, whether written or oral, with respect to the modification of the Lease.

[SIGNATURES ON NEXT PAGE]

IN WITNESS WHEREOF, the parties have executed this Amendment as of the date first above written.

COUNTY:

COUNTY OF LOS ANGELES

By:

Alan Krueger
Chairman, Board of Supervisors

ATTEST:

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



By: *Sylvia G. Hillalobos*
Deputy

APPROVED AS TO FORM
BY COUNTY COUNSEL:

OFFICE OF THE COUNTY COUNSEL

By:

[Signature]
Deputy

ADOPTED
BOARD OF SUPERVISORS
COUNTY OF LOS ANGELES

APPROVED AS TO FORM:

MUNGER, TOLLES & OLSON LLP

82

JUN 22 2004

By:

Edward C. Hager

Violet Varona-Lukens
VIOLET VARONA-LUKENS
EXECUTIVE OFFICER

[SIGNATURES CONTINUED ON NEXT PAGE]

LESSEE:

ESSEX MARINA CITY CLUB, L.P.,
a California limited partnership

By: Essex MCC, LLC,
a Delaware limited liability company,
its general partner

By: Essex Portfolio, L.P.,
a California limited partnership,
its sole member

By: Essex Property Trust, Inc.,
a Maryland corporation,
its general partner

By: 
Gerald E. Kelly,
Vice President

JOINDER

The undersigned (the "Owners Association") acknowledges and agrees as follows to and for the benefit of County and Lessee:

1. The Condominium Project Repairs Account and the County's obligation to make disbursements therefrom are subject to the terms and conditions contained in Exhibit W to the Amendment.

2. The Owners Association has no interest in the Condominium Project Repairs Account.

3. The Owners Association hereby approves and authorizes the performance of the Covered Repairs, and shall exercise good faith efforts and cooperate with Lessee to cause the Covered Repairs to be made. Without limitation of the foregoing, the Owners Association, at its own cost and expense, shall cooperate with Lessee and use commercially reasonable efforts, as consistent with the Declaration of Covenants, Conditions and Restrictions for the Marina City Club Owners Association and applicable law, to cause the Condominium Sublessees of the Category B Units to fund their share, based upon their "Operating Expense Percentage" (as such term is defined in the Master Condominium Sublease), of the Covered Repairs made to the Condominium Project.

4. The Owners Association is not a party to or a third-party beneficiary of the Lease or the Amendment, and is executing this Joinder solely for the purposes of evidencing the undersigned's acknowledgement of and agreement to the matters set forth above and with the understanding that Lessee and County are relying upon the covenants of the Owners Association set forth herein in entering into this Amendment.

MARINA CITY CLUB CONDOMINIUM OWNERS ASSOCIATION,
a California nonprofit mutual benefit corporation

Dated: _____

By: _____
Name: _____
Its: _____

Dated: _____

By: _____
Name: _____
Its: _____

EXHIBIT A

Form of Memorandum

RECORDING REQUESTED BY:

AND WHEN RECORDED MAIL TO:

Space Above This Line For Recorder's Use

MEMORANDUM OF AMENDMENT NO. 4
TO THE SECOND AMENDED AND RESTATED LEASE
(IMPROVED PARCEL) NO. 55624,
PARCEL NO. 125R - MARINA DEL REY SMALL CRAFT HARBOR

THIS MEMORANDUM OF AMENDMENT NO. 4 TO THE SECOND AMENDED AND RESTATED LEASE (IMPROVED PARCEL) NO. 55624, PARCEL NO. 125R - MARINA DEL REY SMALL CRAFT HARBOR (this "Memorandum") is made and entered into as of _____, 2004 by and between COUNTY OF LOS ANGELES ("County") and ESSEX MARINA CITY CLUB, L.P., a California limited partnership, as successor in interest to Marina City Club, L.P., a California limited partnership (f/k/a J.H. Snyder Company) ("Lessee"), with reference to the following facts:

RECITALS

A. County and Marina City Club, L.P., a California limited partnership ("Original Lessee"), entered into that certain Second Amended and Restated Lease [Improved Parcel] dated October 27, 1987 and identified as Lease No. 55624 (the "Original Lease"), as amended by (i) that certain First Amendment to the Second Amended and Restated Lease (Improved Parcel) No. 55624 Parcel 125R Marina del Rey dated November 4, 1988, (ii) that certain Second Amendment to the Second Amended and Restated Lease (Improved Parcel) No. 55624 Parcel 125R - Marina del Rey dated August 1, 1992, and (iii) that certain Amendment No. 3 to the Second Amended and Restated Lease (Improved Parcel) No. 55624 Parcel 125R - Marina del Rey Small Craft Harbor dated December 3, 2002 (the Original Lease, as so amended, is hereinafter referred to as the "Lease"). A memorandum of the Original Lease was recorded in the Official Records of Los Angeles County, California (the "Official Records") on January 26, 1988 as Instrument No. 88-11960.

B. Lessee acquired all of Original Lessee's right, title and interest in and to, and assumed Original Lessee's obligations under, the Lease effective as of January 21, 2004, pursuant to that certain Assignment of Lease dated as of December 11, 2003 and that certain Acceptance of Assignment of Lease dated as of December 18, 2003, a memorandum of which was recorded in the Official Records on January 22, 2004 as Instrument No. 04-0144363.

C. County and Lessee have amended the Lease as provided in that certain Amendment No. 4 to the Second Amended and Restated Lease (Improved Parcel) No. 55624, Parcel No. 125R - Marina del Rey Small Craft Harbor dated as of _____, 2004 and effective of even date herewith (the "Lease Amendment"), and desire to provide notice to third parties of the Lease Amendment.

NOW, THEREFORE, with reference to the foregoing recitals, and for other good and valuable consideration, the receipt and adequacy of which are hereby acknowledged, County and Lessee hereby agree as follows:

1. The purpose of this Memorandum is to give notice to third parties of the existence of the Lease Amendment. The exact terms and conditions of the Lease Amendment are contained therein and are incorporated herein by this reference. However, the terms of the Lease Amendment include, among others, amending the Lease to add four new exhibits thereto, which exhibits are labeled as "Exhibit U-1", "Exhibit U-2", "Exhibit V" and "Exhibit W", respectively, and are attached to this Memorandum.

2. If any of the terms or provisions of this Memorandum conflict or are inconsistent with the terms and provisions of the Lease Amendment, the terms and provisions of the Lease Amendment shall prevail.

3. The Lease has not been modified, amended or supplemented except as set forth in the Lease Amendment and, as amended by the Lease Amendment, the Lease is and remains in full force and effect.

4. This Memorandum may be executed in several counterparts, each of which shall be deemed an original, and such counterparts shall constitute but one and the same instrument.

[SIGNATURES ON NEXT PAGE]

IN WITNESS WHEREOF, the parties have executed this Amendment as of the date first above written.

COUNTY:

COUNTY OF LOS ANGELES

By:

Chairman, Board of Supervisors

ATTEST:

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

By:

Deputy

APPROVED AS TO FORM
BY COUNTY COUNSEL:

OFFICE OF THE COUNTY COUNSEL

By:

Deputy

LESSEE:

ESSEX MARINA CITY CLUB, L.P.,
a California limited partnership

By:

Essex MCC, LLC,
a Delaware limited liability company,
its general partner

By:

Essex Portfolio, L.P.,
a California limited partnership,
its sole member

By:

Essex Property Trust, Inc.,
a Maryland corporation,
its general partner

By:

Name: _____
Its: _____

EXHIBIT B

Amendment Conditions

1. The execution of this Amendment and each of the other documents contemplated hereby shall have been approved by County's Board of Supervisors.
2. The Owners Association shall have executed the Joinder attached to this Amendment.
3. The execution of this Amendment shall have been approved by each Approved Encumbrance Holder, if any.
4. The number of Category A Units must be at least four hundred eighty (480).
5. An Amendment to Condominium Sublease and Condominium Subleasehold Deed of Trust and Assignment of Rents in the form attached to this Amendment as Exhibit C (each a "Condominium Sublease Amendment") shall have been duly executed and delivered with respect to each of the Category A Units (i.e., by the Prepaid Sublessee of each such unit and by each beneficiary under a deed of trust, mortgagee under a mortgage or other like lienholder holding an encumbrance on each such unit, including, without limitation, any Authorized Mortgagees (as defined in the Master Condominium Sublease) holding a lien on such unit).
6. Lessee shall have received an endorsement to its existing title policies or other form of title assurance from Chicago Title Insurance Company, at no cost to County or Lessee and in form and substance acceptable to Lessee, insuring Lessee, among other things, of the continued priority of each Subleasehold Deed of Trust (as defined in the Master Condominium Sublease) (i) on the Category A Units following execution of this Amendment and the Condominium Sublease Amendments for those units, and (ii) on the Category B Units following execution of this Amendment. Such title insurance must also insure that the amendments described in the previous sentence do not impair Lessee's rights as lessee under the Lease or as sublessor under the Master Condominium Sublease with respect to the Category B Units.
7. Counsel to the Owners Association shall have delivered to County a legal opinion, in form and substance satisfactory to County, that provides that the Prepaid Subleases for the Category B Units permit Lessee to collect monthly maintenance fees and/or supplemental maintenance fees with respect to those (and only those) Prepaid Subleases that are Category B Units and that the payment obligation of each such Category B Unit Prepaid Sublessee is secured by the Subleasehold Deed of Trust against its unit. County shall waive the condition in this paragraph 7 if the number of Category A Units is at least five hundred seventy (570).
8. Lessee shall have consented in writing either to a permanent and exclusive easement reserved by County, pursuant to a Declaration of Easement in form and substance satisfactory to County and Lessee, or a modification of the legal description of the Lease which, in either case, permits County to widen the waterfront promenade.
9. If this Amendment becomes effective after June 30, 2004, then, for each Change in Ownership of a Prepaid Sublessee's interest as to a Category A Unit that occurs after such

date, Lessee shall have paid County the sum of (i) 1.5% of the sales price or other consideration given for such Change in Ownership (in addition to the 1% Administrative Transfer Fee collected by Lessee for County's benefit at the time of such Change in Ownership), plus (ii) interest on the amount described in clause (i) from and after the date of such Change in Ownership until the date of payment at the rate equal to the investment yield earned on the County's Treasury Pool during such period, as contained in County's Report of Investments covering such period. As stated above, the additional 1.5% Change in Ownership payment shall not be applicable to any Change in Ownership of a Prepaid Sublessee's interest as to a Category B Unit or any Change in Ownership of any Prepaid Sublease that occurs prior to July 1, 2004.

10. All conditions to the effectiveness of the Condominium Sublease Amendment contained therein (other than effectiveness of the modifications to the Lease contained in this Amendment) shall have been satisfied with respect to at least four hundred eighty (480) of the Category A Units.

11. On the date on which each of the other Amendment Conditions has been satisfied or waived, Lessee's representations and warranties in Paragraph 3 of the Amendment shall be and remain true and correct.

12. County, Lessee and the Owner's Association shall have agreed on an updated list of the Covered Repairs, including project description, preliminary scope of work and preliminary specifications for each of the Covered Repairs. When completed, the updated list of Covered Repairs shall be substituted into Exhibit W to this Amendment as a new Schedule 1 thereto in place of Schedule 1 currently attached thereto.

13. On or before May 14, 2004, Lessee and the Owners Association shall have notified County in writing that they have entered into an agreement concerning the implementation of the terms of this Amendment.

EXHIBIT C

Form of Condominium Sublease Amendment

RECORDING REQUESTED BY:

AND WHEN RECORDED MAIL TO:

Space Above This Line For Recorder's Use

AMENDMENT TO CONDOMINIUM SUBLEASE
AND CONDOMINIUM SUBLEASEHOLD DEED OF
TRUST AND ASSIGNMENT OF RENTS AND
CONSENT AND AGREEMENT OF JUNIOR LENDER
FOR UNIT NO. _____
OF THE MARINA CITY CLUB CONDOMINIUMS

THIS AMENDMENT TO CONDOMINIUM SUBLEASE AND CONDOMINIUM
SUBLEASEHOLD DEED OF TRUST AND ASSIGNMENT OF RENTS AND CONSENT
AND AGREEMENT OF JUNIOR LENDER (this "Amendment") is made and entered into as of
the ___ day of ___, 2004, by and between ESSEX MARINA CITY CLUB, L.P., a California
limited partnership, as successor in interest to Marina City Club, L.P., a California limited
partnership (f/k/a J.H. Snyder Company) ("Sublessor"), and

("Condominium Sublessee"), with reference to the
following facts:

RECITALS

A. This Amendment affects unit no. _____ (the "Unit") in the residential
condominium project located in Marina del Rey, California commonly known as the Marina City
Club Condominiums, as shown in that certain Condominium Plan recorded in the Official
Records of Los Angeles County, California (the "Official Records") on January 11, 1988 as
Instrument No. 88-33404 (the "Condominium Plan"). Except as otherwise provided herein,
including Recital I below, all initially-capitalized terms used but not defined in this Amendment
have the meanings given such terms in the Subject Condominium Sublease (as defined in Recital
E below).

B. Sublessor, as successor in interest to Marina City Club, L.P., a California limited
partnership ("Original Sublessor"), is the lessee of certain real property located in the Marina del
Rey Small Craft Harbor of the County of Los Angeles, California (the "Improved Parcel") under
that certain Second Amended and Restated Lease [Improved Parcel] dated October 27, 1987
between the County of Los Angeles ("County"), as lessor, and Original Sublessor, as lessee, and

identified as Lease No. 55624 (the "Original Master Lease"), as amended by the following agreements, each between County and Original Sublessor: (i) that certain First Amendment to the Second Amended and Restated Lease (Improved Parcel) No. 55624 Parcel 125R Marina del Rey dated November 4, 1988; (ii) that certain Second Amendment to the Second Amended and Restated Lease (Improved Parcel) No. 55624 Parcel 125R - Marina Del Rey dated August 1, 1992; and (iii) that certain Amendment No. 3 to the Second Amended and Restated Lease (Improved Parcel) No. 55624 Parcel 125R - Marina del Rey Small Craft Harbor dated December 3, 2002 (the Original Master Lease, as so amended, is hereinafter referred to as the "Existing Master Lease"). Lessee acquired all of Original Lessee's right, title and interest in and to, and assumed Original Lessee's obligations under, the Existing Master Lease effective as of January 21, 2004, pursuant to that certain Assignment of Lease dated as of December 11, 2003 and that certain Acceptance of Assignment of Lease dated as of December 18, 2003, a memorandum of which was recorded in the Official Records on January 22, 2004 as Instrument No. 04-0144363.

C. Pursuant to that certain Master Condominium Sublease dated as of January 5, 1988 between Original Sublessor, as sublessor, and Marina City Condominiums, a California limited partnership ("Master Sublessee"), as sublessee (the "Original Master Condominium Sublease"), a memorandum of which was recorded in the Official Records on February 9, 1988 as Instrument No. 88-176672 (the "Memorandum"), Sublessor subleased to Master Sublessee, and Master Sublessee subleased from Sublessor, certain portions of the Improved Parcel consisting of certain common areas, appurtenant rights and interior space within three high-rise towers then commonly known as the Marina City Club Tower Apartments and as depicted in the Condominium Plan. Master Sublessee thereafter established a subleasehold condominium regime with respect to the premises subleased by it under the Original Master Condominium Sublease by, among other things, and in addition to recording the Condominium Plan, (i) causing the formation of the Marina City Club Condominium Owners Association (the "Association") and the adoption of bylaws for the Association, and (ii) executing, and subjecting the Premises to, that certain First Amended and Restated Declaration of Covenants, Conditions and Restrictions Establishing a Plan of Subleasehold Condominium Ownership for the Marina City Club Condominiums dated as of January 5, 1988 and recorded in the Official Records on January 11, 1988 as Instrument No. 88-037715.

D. Original Sublessor and Master Sublessee thereafter amended the Original Master Condominium Sublease as provided in that certain Amendment to Memorandum of Master Condominium Sublease and First Amendment to Master Condominium Sublease dated as of April 25, 1988 and recorded in the Official Records on May 26, 1988 as Instrument No. 88-843738 (the Original Master Condominium Sublease, as so amended, is hereinafter referred to as the "Master Condominium Sublease").

E. As permitted under the Master Condominium Sublease, after the establishment of the subleasehold condominium regime, Master Sublessee assigned all of its subleasehold interest under the Master Condominium Sublease on a condominium-by-condominium basis to individual condominium sublessees and, accordingly, Master Sublessee no longer has any interest in the Master Condominium Sublease. Each initial individual condominium sublessee was assigned, as to a particular condominium unit, the subleasehold estate in such unit together with the undivided subleasehold interest in the Common Area and the Appurtenant Rights applicable to such unit, as more particularly described in the Assignment and Assumption of

Condominium Sublease for the Marina City Club Tower Apartments between Master Sublessee and such initial condominium sublessee and recorded in the Official Records (each an "Original Assignment"); as to each condominium unit, the Master Condominium Sublease and the applicable Original Assignment together constitute the "Condominium Sublease". Concurrently with the execution of the Original Assignment for the Unit and as security for the payment of certain obligations under the Condominium Sublease for the Unit (the "Subject Condominium Sublease"), the initial condominium sublessee executed that certain Condominium Subleasehold Deed of Trust and Assignment of Rents in favor of Original Sublessor, as beneficiary, and recorded in the Official Records on _____, 19__ as Instrument No. _____ (the "Subject Subleasehold Deed of Trust").

F. Condominium Sublessee is the current holder of the sublessee's interest in the Subject Condominium Sublease, and Sublessor is the current holder of the sublessor's interest in the Subject Condominium Sublease and the beneficial interest in the Subject Subleasehold Deed of Trust.

G. Under the terms of the Subject Condominium Sublease, Condominium Sublessee's interest in the "Subject Condominium" described therein (which consists of the subleasehold estate in the Unit and an undivided subleasehold interest in the Common Area and the related Appurtenant Rights, all as more particularly described therein) is subject to, and Condominium Sublessee is obligated to perform all applicable obligations or duties imposed by, among other things, the Existing Master Lease and the Master Condominium Sublease.

H. The Subject Condominium Sublease requires Condominium Sublessee to pay, among other things, (i) monthly Ground Rent to Sublessor, which Ground Rent is based on the Shadow Rent and the Applicable Percentage and is subject to annual adjustment as provided in the Master Condominium Sublease, and (ii) a Change in Ownership Fee upon a Change in Ownership.

I. The initially-capitalized terms that appear in quotation marks in this Recital I but are not defined herein have the meanings given such terms in the Master Lease (as defined below). Concurrently herewith, County and Sublessor are amending the Existing Master Lease to, among other things,

(i) freeze the "Shadow Rent" thereunder attributable to the Unit (which affects the amount of the rent to be paid by Sublessor to County) at its 2003 level through December 31, 2006,

(ii) provide that, commencing January 1, 2007 and continuing each year thereafter until at least January 1, 2018, such "Shadow Rent" attributable to the Unit shall be increased by an amount equal to 3.75% of the prior year's "Shadow Rent",

(iii) delay implementing the increase in the applicable percentage component of the formula that determines the "Percentage Rent" attributable to the Unit from 2016 until 2019,

(iv) provide that, effective as of January 1, 2019 and continuing each year thereafter during the remainder of the term, the "Shadow Rent" attributable to the

Unit may (but shall not necessarily) be increased by a fixed percentage greater than 3.75%,

(v) increase the "Administrative Transfer Fee" payable to County upon a "Change in Ownership" of the "Prepaid Sublessee's interest" with respect to the Unit to an amount equal to 2.5% of the gross sales price or other consideration for the applicable transaction (in addition to any similar fee otherwise payable to Sublessor for its own account), and

(vi) provide that, on February 28, 2023, Sublessor shall be required to pay County an amount equal to the outstanding "Disbursed Repair Funds Balance" thereunder (the "2023 Special Payment"), if any,

all as more particularly provided in that certain Amendment No. 4 to the Second Amended and Restated Lease (Improved Parcel) No. 55624, Parcel No. 125R-Marina del Rey Small Craft Harbor (the "Master Lease Amendment"; the Existing Master Lease, as amended by the Master Lease Amendment, is hereinafter referred to as the "Master Lease"), a memorandum of which has been or will be recorded in the Official Records concurrently with the recordation of this Amendment.

J. Sublessor and Condominium Sublessee desire to amend (i) the Subject Condominium Sublease to reflect the terms of the Master Lease Amendment, and (ii) the Subleasehold Deed of Trust to reflect the amendments to the Subject Condominium Sublease contained in this Amendment, all as more particularly provided in this Amendment.

NOW, THEREFORE, with reference to the foregoing Recitals and for other good and valuable consideration, the receipt and adequacy of which are hereby acknowledged, Sublessor and Condominium Sublessee hereby agree as follows:

1. Representations and Warranties by Condominium Sublessee. Condominium Sublessee hereby represents and warrants to Sublessor as follows:

(i) Condominium Sublessee is the current owner of the Subject Condominium Sublease and each of the Subject Condominium Sublease and the Subject Subleasehold Deed of Trust is in full force and effect; [and]

(ii) the Subject Condominium Sublease is not currently encumbered by or subject to any deed of trust, mortgage or similar security instrument (each a "Mortgage") granted, assumed or taken subject to by Condominium Sublessee, except for (a) the Subject Subleasehold Deed of Trust and (b) the Mortgage or Mortgages in favor of the lender or lenders identified on any Consent of Lender attached hereto; [and]

(iii) *[Note: this clause (iii) will be included if this Amendment will not be effective until after June 30, 2004]* there has been no Change in Ownership of the Condominium Sublease since June 30, 2004, except for the Change(s) of Ownership, if any, described in Exhibit L hereto. For each Change in Ownership of the Condominium Sublease occurring after June 30, 2004, Condominium Sublessee has paid Sublessor a Change in Ownership Fee equal to

three percent (3%) of the total purchase price or other consideration given for such Change in Ownership.

2. Effect of Other Agreements. Condominium Sublessee hereby agrees that the Subject Condominium Sublease and Condominium Sublessee's interest in the Unit and its other rights thereunder are subject to, and Condominium Sublessee shall perform all applicable duties or obligations imposed by, the Master Lease (as amended as recited in Recital I of this Amendment) and each of the other agreements or instruments described in Section 1.3 of the Original Assignment recorded with respect to the Unit.

3. Conditions to Effectiveness of Amendments to Subject Condominium Sublease. The amendments to the Subject Condominium Sublease and to the Subject Subleasehold Deed of Trust set forth in this Amendment shall not be effective unless and until each of the following shall have occurred: (i) the modifications to the Existing Master Lease contained in the Master Lease Amendment shall have become effective not later than the "Outside Date" specified therein, with said effectiveness to be evidenced by the recordation of a memorandum of the Master Lease Amendment in the Official Records; (ii) each Consent of Lender attached hereto shall have been executed by the applicable lender and Sublessor shall have received a satisfactory endorsement to its lender's policy of title insurance that assures Sublessor, among other things, that the Subject Subleasehold Deed of Trust continues to constitute a first-priority lien against the Subject Condominium Sublease, without any additional exceptions thereto; (iii) the conditions in Section 7 of this Amendment shall have been satisfied; and (iv) this Amendment shall have been recorded in the Official Records. When such amendments become effective (if that occurs), the Unit shall be a "Category A Unit" for purposes of the Master Lease.

4. Amendments to Master Condominium Sublease. The Master Condominium Sublease, as it relates to the Unit, is hereby amended as follows:

4.1 Applicable Percentages for Ground Rent. Section 4.4.2 of the Master Condominium Sublease is hereby amended and restated as follows:

"4.4.2 Applicable Percentages. The Applicable Percentage of Shadow Rent to be paid by each Condominium Sublessee shall be equal to the following: (a) from the commencement of the term of its Condominium Sublease through December 31, 1995, ten and one-half percent (10.5%); (b) commencing upon January 1, 1996, and extending through December 31, 2018, twelve and one-half percent (12.5%); and (c) commencing on January 1, 2019, and extending through the end of the term of the Condominium Sublease, the percentage rate determined in accordance with Section 5.08.B(1)(d) of the Master Lease; provided, however, that such percentage shall not be less than twelve and one-half percent (12.5%) nor more than fifteen percent (15%)."

4.2 Determination of Shadow Rent Through 2003. The introductory paragraph of Section 4.4.3 of the Master Condominium Sublease (i.e., excluding subsections (a) through (h) thereof) is hereby amended and restated as follows:

“4.4.3. Determination of Shadow Rent Through 2003. The Shadow Rent applicable to each Condominium for its Base Year shall be the amount therefor set forth on the applicable Assignment and Assumption of Condominium Sublease. Prior to 2004, the Shadow Rent for each Condominium shall be adjusted as of January 1 of each year during the term of the Condominium Sublease for that Condominium based upon the average percentage change in two (2) indices as follows:”

4.3 Shadow Rent for 2004 through 2006. The following is hereby added to the Master Condominium Sublease as a new Section 4.4.4 thereto:

“4.4.4 Shadow Rent for 2004 Through 2006. From January 1, 2004 through December 31, 2006, the Shadow Rent for each Condominium shall be the same amount as the Shadow Rent for such Condominium for 2003, as shown on Exhibit K attached hereto (i.e., the Shadow Rent shall not be adjusted during such period).”

4.4 Shadow Rent From and After 2007. The following is hereby added to the Master Condominium Sublease as a new Section 4.4.5 thereto:

“4.4.5 Shadow Rent for 2007 Through At Least 2018. Commencing on January 1, 2007 and, subject to Section 4.4.6, continuing on each January 1 thereafter during the term of the Condominium Sublease for each Condominium, the Shadow Rent for each Condominium shall be increased three and seventy-five-hundredths percent (3.75%).”

4.5 Possible Adjustment to Shadow Rent in 2019. The following is hereby added to the Master Condominium Sublease as a new Section 4.4.6 thereto:

“4.4.6 Possible Adjustment to Shadow Rent in 2019. The Master Lease provides that, in 2019, (i) the County (as lessor thereunder) will perform a ‘Rent Adjustment Analysis’, (ii) if the Rent Adjustment Analysis reveals a ‘Rent Deficiency’, then, effective as of January 1, 2019 and continuing on each January 1 thereafter during the remainder of the term of the Master Lease, the ‘Shadow Rent’ under the Master Lease (the ‘Master Lease Shadow Rent’) shall be increased by the fixed rate (which will be greater than 3.75%) determined as part of the Rent Adjustment Analysis, and (iii) the Master Lease Shadow Rent also shall be increased (in addition to any increase resulting from the Rent Adjustment

Analysis) effective as of January 1, 2019 and continuing on each January 1 thereafter during the remainder of the term of the Master Lease by the amount, if any, necessary to enable the County to recover certain 'lost rent' under the Master Lease for the years 2016, 2017 and 2018 as a result of the County's agreement to delay a potential rent increase from 2016 until 2019. The procedures for determining the new fixed percentage for the annual increase in the Master Lease Shadow Rent (the 'Adjusted Fixed Percentage') to be effective as of January 1, 2019, based on the Rent Adjustment Analysis and the County's rent loss, if any, for the years 2016, 2017 and 2018, are set forth in Exhibit V of the Master Lease; the terms of said Exhibit V are attached to a memorandum of an amendment to the Master Lease recorded in the Official Records of Los Angeles County, California.

"If the percentage for determining the annual increase in the Master Lease Shadow Rent is increased (i.e., from 3.75% to the Adjusted Fixed Percentage) as of January 1, 2019 as provided above, then, effective as of January 1, 2019 and continuing on each January 1 thereafter during the term of the Condominium Sublease for each Condominium, the Shadow Rent for each Condominium shall be increased by the Adjusted Fixed Percentage.

"With respect to the Ground Rent payments required under Section 4.4.1 for the months of January, February and March of 2019, each Condominium Sublessee shall make such payments on the dates required as though (i) the Shadow Rent was increased by three and seventy-five-hundredths percent (3.75%) on January 1, 2019, and (ii) the Applicable Percentage was the same as during 2018. If (x) the Shadow Rent is increased by the Adjusted Fixed Percentage effective as of January 1, 2019 as provided in Exhibit V of the Master Lease, and/or (y) the Applicable Percentage is increased effective as of January 1, 2019 as provided in Section 5.08.B(1)(d) of the Master Lease, then, in April 2019, each Condominium Sublessee shall pay Sublessor or the Management Company, as applicable, in addition to the Ground Rent and any other payments for that month, the amount necessary to cure the underpayment of Ground Rent for the prior three months."

4.6 Increase in Change in Ownership Fee. Section 4.5 of the Master Condominium Sublease is hereby amended and restated as follows:

"4.5 Change in Ownership Fee. As additional consideration for this Sublease, if there is a Change in Ownership of any Condominium Sublease following the creation thereof which is not otherwise exempted by Section 14.2 below, the Condominium Sublessee whose interest is the subject of the

Change of Ownership, or such Condominium Sublessee's transferee, shall pay an amount (the 'Change in Ownership Fee') to Sublessor equal to three percent (3%) of the total sales price or other consideration given for the Condominium Sublease interest being transferred, without reduction for any cost or charge incurred by such Condominium Sublessee or its transferees (and Sublessor shall pay five-sixths (5/6) of such fee to the County, pursuant to Section 5.12 of the Master Lease), on or before the closing or effective date of such Change in Ownership. The payment of this fee shall be the joint and several obligation of both the transferor and transferee of the Condominium Sublessee's Condominium Sublease, and all agreements with such transferees shall provide for such joint and several liability."

4.7 Potential Additional Payment Obligation in 2023. Section 4.6 of the Master Condominium Sublease (captioned "Exemption from Payments; All Payments Directly to Master Sublessor") is hereby renumbered as Section 4.7, and the following is hereby added as a new Section 4.6:

"4.6 Potential Additional Payment Obligation in 2023.

"The Master Lease provides that (i) the County will disburse certain funds to reimburse Sublessor for a portion of the costs of certain repairs and refurbishments to certain portions of the Property, (ii) all amounts so disbursed will bear interest, and (iii) on February 28, 2023, Sublessor must pay the County an amount equal to the sum of all amounts so disbursed and all accrued interest thereon (the 'Disbursed Repair Funds Balance') to the extent that the Disbursed Repair Funds Balance has not previously been reduced to zero, all as more particularly provided in Exhibit W to the Master Lease; the terms of said Exhibit W are attached to a memorandum of an amendment to the Master Lease recorded in the Official Records of Los Angeles County, California.

"If the Disbursed Repair Funds Balance has not been reduced to zero as provided in the Master Lease as of December 31, 2022, then, on such date, unless the Association has separately paid County an amount equal to the Disbursed Repair Funds Balance, each Condominium Sublessee shall pay Sublessor an amount equal to the product of (i) the Disbursed Repair Funds Balance, and (ii) the Operating Expense Percentage applicable to its Condominium. Each Condominium Sublessee's obligation to make any such payment (the "2023 Special Payment") is one of the Accrued Monetary Obligations (see Section 16.3 hereof) of such Condominium Sublessee, and the failure by any Condominium Sublessee to make any such 2023 Special Payment

as required shall constitute an Event of Default under Section 16.1.2 hereof.”

4.8 Events of Default. Section 16.1.2 of the Master Condominium Sublease is hereby amended and restated as follows:

“16.1.2 A Condominium Sublessee fails to pay any installment of the Monthly Maintenance Fee, Supplemental Maintenance Fee, Change in Ownership Fee, taxes and assessments, Ground Rent, the 2023 Special Payment, or any other sum payable by such Condominium Sublessee to Sublessor hereunder when due;”

4.9 Security for Monetary Obligations. The first sentence of Section 16.3 of the Master Condominium Sublease is hereby amended and restated as follows:

“16.3 Monetary Obligations to be Secured by Deed of Trust or Security Agreement.

All obligations of a Condominium Sublessee under this Sublease or any amendment hereto which may be fully satisfied, performed or discharged solely by the payment of money, including without limitation the payment of Monthly Maintenance Fees, Supplemental Maintenance Fees, Ground Rent, Change in Ownership Fees, the 2023 Special Payment (if applicable), the Indemnity Obligations (as defined in the Amendment to Condominium Sublease and Condominium Subleasehold Deed of Trust and Assignment of Rents dated as of or about _____, 2004 (the ‘First Amendment’)), the Shared Obligations (as defined in the First Amendment), property taxes, possessory interest taxes or their equivalent, assessments, monetary indemnification obligations, and reimbursements to Sublessor for the payment of utility charges, repair costs or other amounts advanced by Sublessor on behalf of a Sublessee as provided in this Sublease, as such obligations shall accrue and be payable from time to time, and a Sublessee’s obligations under Section 3.3 of the Subleasehold Deed of Trust (hereinafter referred to collectively as ‘Accrued Monetary Obligations’), shall be secured by a Deed of Trust in the form attached hereto as Exhibit J (the ‘Subleasehold Deed of Trust’) encumbering such Sublessee’s Condominium.”

4.10 Exhibits. Exhibit K [and Exhibit L, if applicable] to this Amendment is hereby added to the Master Condominium Sublease as Exhibit K [and Exhibit L, if applicable] thereto.

5. Amendment to Original Assignment. Section 12 of the Original Assignment for the Unit is hereby amended and restated as follows:

"12. Further Transfer. Condominium Sublessee shall not transfer or assign its interest hereunder except as provided in, and subject to the terms, covenants, conditions and restrictions set forth in, Article 14 of the Master Condominium Sublease.

Condominium Sublessee acknowledges that, upon a transfer or assignment of its interest in the Subject Condominium constituting a 'Change of Ownership' as defined in Section 14.2 of the Master Condominium Sublease, the Condominium Sublessee and its transferee shall be jointly and severally liable for payment to Sublessor of a Change in Ownership Fee equal to three percent (3%) of the total sales price or other consideration given for the Condominium Sublease interest being transferred in accordance with and as more particularly set forth in Section 4.5 of the Master Condominium Sublease."

6. Amendment to Subleasehold Deed of Trust. Condominium Sublessee hereby confirms and agrees, and to the extent necessary the Subject Subleasehold Deed of Trust is hereby amended to provide, that the Subleasehold Deed of Trust does and shall secure the payment by Condominium Sublessee of all Accrued Monetary Obligations (as defined in Section 16.3 of the Subject Condominium Sublease, as amended by this Amendment) arising from time to time under the Subject Condominium Sublease, including, without limitation, Condominium Sublessee's obligation to pay the 2023 Special Payment, the increased Change in Ownership Fee described in this Amendment, any Indemnity Obligations (as defined below) and any Shared Obligations (as defined below).

7. Additional Conditions to Effectiveness. Notwithstanding anything in this Amendment to the contrary and notwithstanding the execution hereof, it shall be a condition to the effectiveness of this Amendment that (i) the Prepaid Sublease (as such term is defined in the Master Lease) of the Condominium Sublessee who is a party to this Amendment shall have been originally created as, or subsequently converted to, a Condominium Sublease (i.e., that the Condominium Sublessee's interest does not constitute a Prepaid Sublease created pursuant to the Approved Prepaid Sublease Form which has not yet been converted to a Condominium Sublease in accordance with the form of documentation approved by the County and Original Sublessor), and (ii) the Condominium Sublessee shall have paid to Sublessor all Change in Ownership Fees required by the terms of the Condominium Sublease [if this Amendment is executed after June 30, 2004; including, without limitation, all Change in Ownership Fees necessary to render the representation and warranties of Condominium Sublessee set forth in Section 1(iii) above true and accurate]. If either of the foregoing conditions has not been met, this Amendment shall be of no force or effect, any attempted election by the Condominium Sublessee to be treated as a Category A Unit shall be void and without effect, and Condominium Sublessee's Condominium Sublease shall remain a Category B Unit subject to all terms applicable to those units.

8. Waiver of Subordination Rights. Until the Disbursed Repair Funds Balance has been reduced to zero, Condominium Sublessee hereby waives, relinquishes and surrenders any right it may now or hereafter have to require subordination of the Subleasehold Deed of Trust encumbering its Unit to any other Mortgage or other financing encumbering the Subject Condominium Sublease on any terms or for any purpose, including, without limitation, its right,

if any, to request or require such subordination pursuant to the terms of that certain Agreement Regarding Settlement of Pending Litigation between the Association and Original Sublessor *et al*, dated as of June 30, 1994 (the "1994 Settlement Agreement").

9. Indemnity. Condominium Sublessee acknowledges that the Master Lease Amendment and this Amendment were requested by the Condominium Sublessees of the Category A Units in order to achieve the benefits to them resulting from the modifications contained therein and herein. Condominium Sublessee, together with the other Condominium Sublessees of the Category A Units, hereby agrees to indemnify, defend and hold Sublessor harmless, to the extent set forth in the subsequent sentence, from and against any and all costs and expenses (including costs of suit, reasonable attorneys' fees and judgments) relating to any claims, demands, causes of action, liabilities or losses arising from or in connection with any challenge based upon (a) any expenditure from the Towers Reserve Account (as defined below) prior to the date of the Master Lease Amendment or (b) any funds hereafter paid by Sublessor to the Association from the Disbursed Repair Funds (as defined in the Master Lease) (collectively, the "Indemnity Obligations"). All Indemnity Obligations shall be charged to the Condominium Sublessees of the Category A Units in accordance with their respective Operating Expense Percentages and shall constitute Accrued Monetary Obligations under Section 16.3 of the Condominium Sublease, the payment of which is secured by the Subleasehold Deed of Trust encumbering Condominium Sublessee's Unit. Except as otherwise provided above with respect to the Indemnity Obligations, if the Master Lease Amendment, this Amendment and/or any other related documents are challenged in any manner by any party, and if Sublessor elects or is required to participate in any such legal proceeding, then all (costs of suit, attorneys' fees and expert or consultant costs incurred by Sublessor, on the one hand, and the Association and the Condominium Sublessees of the Category A Units acting collectively, on the other hand, relating to the defense or prosecution of such challenge shall be borne equally by the Condominium Sublessees of the Category A Units, on the one hand, and Sublessor, on the other hand (collectively, the "Shared Obligations"); provided, however, that (i) in the event the foregoing provision is applicable, shared attorneys' fees shall consist of not more than one (1) firm representing Sublessor and not more than one (1) firm representing the Association and the Condominium Sublessees of the Category A Units acting collectively, and (ii) the foregoing shall not be enforceable against the County if it succeeds to Sublessor's interest as sublessor under the Condominium Subleases. If the preceding sentence is applicable, the Association, the Condominium Sublessees of the Category A Units and Sublessor shall reasonably cooperate to minimize the costs and expenses of such legal proceedings. The portion of all Shared Obligations allocable to the Category A Units shall be charged to the Condominium Sublessees of the Category A Units in accordance with their respective Operating Expense Percentages and shall constitute Accrued Monetary Obligations under Section 16.3 of the Condominium Sublease, the payment of which is secured by the Subleasehold Deed of Trust encumbering Condominium Sublessee's Unit. The Indemnity Obligations and the Shared Obligations are not intended, and shall not be deemed, to apply to the Condominium Sublessees of the Category B Units. As used herein, the "Towers Reserve Account" shall have the same meaning given such term in the 1994 Settlement Agreement.

10. Acknowledgements Regarding Covered Repairs. Condominium Sublessee acknowledges and agrees that, unless and until Sublessor has received all funds, including, without limitation, all reimbursements for the benefit of "Category A Units" and the funds from

the "Category B Units" (as such terms are defined in the Master Lease) which are necessary to fund further "Covered Repairs" (as defined in the Master Lease), Sublessor will have no obligation to Condominium Sublessee to proceed with such Covered Repairs. Condominium Sublessee also acknowledges and agrees that the timing of the funding and/or completion of the Covered Repairs and/or the ultimate expenditure of less than all of the Condominium Project Repairs Account (as such term is defined in the Master Lease) on the Covered Repairs shall not constitute a condition to the effectiveness of the balance of this Amendment or any provision hereof, and the timing, amount or scope of any expenditures from the Condominium Project Repairs Account (or the absence thereof) shall not affect the enforceability or effectiveness of the balance of this Amendment, which shall be applicable in accordance with its terms.

Condominium Sublessee further acknowledges and agrees that, the existence, funding or use of the Condominium Project Repairs Account is not in replacement, limitation or waiver of Condominium Sublessee's obligation to fund its share of Operating Expenses under the Master Condominium Sublease, and, except as funds disbursed from the Condominium Project Repairs Account are credited to the Monthly Maintenance Fees or Supplemental Maintenance Fees otherwise payable by Condominium Sublessee, Condominium Sublessee shall remain responsible for payment of its share (based on its Operating Expense Percentage) of such Monthly Maintenance Fees and Supplemental Maintenance Fees in accordance with the terms of the Subject Condominium Sublease, whether relating to matters shown on the list of Covered Repairs or other repair, renovation or replacement work at the Property.

11. Miscellaneous.

11.1 Counterparts. This Amendment may be executed in several counterparts, each of which shall be deemed an original, and such counterparts shall constitute but one and the same instrument.

11.2 Governing Law. This Amendment shall be governed by and construed in accordance with the laws of the State of California without giving effect to the conflict of law principles of said state.

11.3 Controlling Provisions. In the event of any inconsistencies between the provisions of this Amendment, on the one hand, and the provisions of the Subject Condominium Sublease or the Subject Subleasehold Deed of Trust, on the other, the provisions of this Amendment shall govern and prevail.

11.4 Integration and Merger. This Amendment and the Exhibit attached hereto contain the entire agreement of Sublessor and Condominium Sublessee regarding the modification of the Subject Condominium Sublease and the Subject Subleasehold Deed of Trust and supersedes all prior agreements, term sheets and understandings between Sublessor and Condominium Sublessee, whether written or oral, with respect to the modification of the Subject Condominium Sublease and the Subject Subleasehold Deed of Trust.

11.5 Continued Effectiveness. Neither the Subject Condominium Sublease nor the Subject Subleasehold Deed of Trust has been modified, amended or supplemented except as set forth in this Amendment and, as amended by this Amendment, each of the Subject

Condominium Sublease and the Subject Subleasehold Deed of Trust is and remains in full force and effect.

11.6 No Third Party Beneficiary Status. Notwithstanding anything which is or appears to be to the contrary, Condominium Sublessee acknowledges that it is not a third party beneficiary of the Master Lease Amendment and shall not have any rights with respect thereto.

IN WITNESS WHEREOF, Sublessor and Condominium Sublessee have executed this Amendment as of the date first above written.

SUBLESSOR:

ESSEX MARINA CITY CLUB, L.P.,
a California limited partnership

By: Essex MCC, LLC,
a Delaware limited liability company,
its general partner

By: Essex Portfolio, L.P.,
a California limited partnership,
its sole member

By: Essex Property Trust, Inc.,
a Maryland corporation,
its general partner

By: _____
Name: _____
Its: _____

CONDOMINIUM SUBLESSEE:

Name

Name

[NOTARY BLOCKS TO BE ADDED TO EXECUTION COPY]

CONSENT AND AGREEMENT OF JUNIOR LENDER

The undersigned, which is the current holder of the beneficiary's interest under the deed of trust that encumbers the Subject Condominium Sublease and was recorded in the Official Records on _____ as Instrument No. _____ (the "Mortgage"), hereby declares as follows:

1. The undersigned consents to the Amendment to Condominium Sublease and Condominium Subleasehold Deed of Trust and Assignment of Rents (the "Amendment") to which this Consent and Agreement of Lender is attached. Without limiting the foregoing, the undersigned agrees that the Mortgage is subject to the terms of the Amendment.

2. The undersigned agrees that the Condominium Subleasehold Deed of Trust and Assignment of Rents that encumbers the Subject Condominium Sublease and was recorded in the Official Records on _____ as Instrument No. _____ (the "Original Sublessor Deed of Trust"), as amended by the Amendment (as amended, the "Sublessor Deed of Trust"), shall unconditionally be and remain at all times a lien or charge on the Subject Condominium Sublease prior and superior to the lien or charge of the Mortgage, and that such Sublessor Deed of Trust secures all Accrued Monetary Obligations thereunder, including, without limitation, the increased Change in Ownership Fee and the 2023 Special Payment (each as set forth in the Amendment). Without limiting the foregoing, the undersigned hereby subordinates the lien or charge of the Mortgage to the lien or charge of the Sublessor Deed of Trust.

3. The undersigned acknowledges that Sublessor would not enter into the Amendment and that County would not enter into the Master Lease Amendment without the undersigned's execution of this Consent and Agreement of Lender.

Date: _____, 2004

[NAME OF MORTGAGEE]

By: _____
Name: _____
Its: _____

By: _____
Name: _____
Its: _____

[NOTARY BLOCKS TO BE ADDED TO EXECUTION COPY]

Exhibit K to Exhibit C

Schedule of 2003 Shadow Rent

[To be attached]

Exhibit L to Exhibit C

Changes in Ownership After June 30, 2004

[To Be Attached Immediately Prior to the Effective Date]

EXHIBIT U-1

Category A Units

[To Be Attached Immediately Prior to the Effective Date]

EXHIBIT U-2

Category B Units

[To Be Attached Immediately Prior to the Effective Date]

EXHIBIT V

Provisions Regarding Shadow Rent

I. Indices to Determine Increases in Shadow Rent: 1988 - 2003

As provided in subsection 5.08.B(2)(b) of the Lease, the Shadow Rent for each Apartment Approved for Prepaid Subleases shall be adjusted during the period set forth therein (for Category A Units, each January 1 beginning in 1988 and ending in 2003; for Category B Units, each January 1 beginning in 1988 and continuing for the remainder of the term) based upon the average percentage change in two indices, as follows:

(a) The first index is the Residential Rental Component of the Consumer Price Index for All Urban Consumers (base year 1967) for the Los Angeles-Long Beach Area, published by the United States Department of Labor, Bureau of Labor Statistics (the "CPI Rental Index"). The second index is the Index of average housing value of the Real Estate Research Council of Southern California for the Westside-Santa Monica reporting area (the "Research Council Index").

(b) In order to determine the percentage change in an Index, the figure shown on the Index published for a date on or most recently before January 1, 1987 ("Beginning Index") shall be subtracted from the figure shown on the Index published for a date on or most recently before the date rent is to be adjusted ("Adjustment Index"), assuming the indices are published not more than twelve (12) months apart. The difference shall be divided by the figure shown on the Beginning Index, and that result shall be the percentage change in the particular Index for the preceding year. In order that the percentage change may be measured annually, the Adjustment Index in one (1) year shall become the Beginning Index for the following year.

(c) The percentage change for each Index, as calculated above, shall be added together, and the sum divided by two (2). The result shall constitute the average percentage change in the two (2) indices.

(d) Subject to the limitations in clause (e) below, the average percentage change calculated in the preceding subsection shall be multiplied by the Shadow Rent in effect immediately preceding the Adjustment Date, and the resultant figure shall be added to or subtracted from such Shadow Rent, with the total being the Shadow Rent for the following year. In no event, however, shall the Shadow Rent for an particular Prepaid Subleased apartment in any year either be less than the Initial Shadow Rent for that apartment nor shall it exceed an amount equal to the Initial Shadow Rent for that apartment, increased at eight percent (8%) per year, on a compounded basis. The maximum Shadow Rent payable with respect to a Prepaid Subleased Apartment expressed in terms of a percentage of the Initial Shadow Rent (shown on Exhibit R to the Lease) is set forth in Exhibit F to the Lease and incorporated herein. The maximum rent payable, with respect to such an Apartment, would be the Initial Shadow Rent, first multiplied by the percentage shown on Exhibit F, and then multiplied by the appropriate percentage under subsection 5.08.B(1) of the Lease.

(e) The Shadow Rent for any particular apartment in any one (1) year, however, shall not increase by more than the lesser of the following: an amount equal to eight percent (8%) of the Shadow Rent in effect immediately preceding the Adjustment Date; or, an amount equal to the maximum percentage increase permitted by any applicable rent control ordinance or law.

(f) In the event that the limitation in clause (e) above becomes effective, such that County did not receive the full increase otherwise allowable under clause (d) above, County shall be entitled to carry forward the dollar amount of increase it was otherwise entitled to, appropriately compounded, to years where such limitation does not otherwise come into effect. This entitlement shall exist until such time as the Shadow Rent for the particular apartment reaches the annual dollar amount it would have attained in the absence of clause (e) above. Increases attributable to the carry forward itself, however, shall also be subject to the limits of clause (e) above. This carry forward provision shall operate as shown in the following example:

EXAMPLE: Assume Initial Shadow Rent of \$1,000 per month, and average percentage index changes in Years 1, 2 and 3 of 7%, 10% and 4%, respectively.

- The increase in Year 1 would be \$70 [$\$1,000 + (\$1,000 \times 7\%)$], thereby increasing the rent for Year 2 to \$1,070.
- The increase in Year 2 would be \$85.60, thereby increasing the rent for Year 3 to \$1,155.60 [$\$1,070 + (8\% \times \$1,070)$].
- The increase in Year 3 would be \$68.40, thereby increasing the rent for Year 4 to \$1,224. [$\$1,177$ (the rent which would have been in effect but for the maximum increase limits) + $(4\% \times \$1,177)$].

NOTE: $\$1,177 + \$47 = \$1,224$
 $\$1,224 - \$1,155.60 = \$68.40$
 $\$68.40$ is less than 8% of \$1,155.60 (\$92.40)

(g) If either Index is changed so that its base year differs from that used as of January 1, 1987, the Index shall be converted in accordance with the conversion factor published by the publisher of the Index. If the Research Council Index is discontinued, then adjustments occurring after the discontinuance of the Research Council Index shall be based solely upon the percentage change in the CPI Rental Index. If the CPI Rental Index is discontinued or revised during the term, such other government index or computation with which it is replaced shall be used in order to obtain substantially the same result as would be obtained if the CPI Rental Index had not been discontinued or revised. In the event County and Lessee fail to agree on the use of a replacement index within sixty (60) days of such discontinuance or revision, the selection of the same shall be determined by arbitration in accordance with Section 16.16 of the Lease.

* In the absence of the maximum increase limitations, the rent would have increased to \$1,177. But clauses (d) and (e) above limit the increase to 8% of the preceding year's Shadow Rent.

II. Rent Adjustment Analysis in 2019

This Section II contains the terms and components of the "Rent Adjustment Analysis" described in subsection 5.08.B(3) of the Lease.

A. Background and Underlying Assumptions

This Exhibit V is being added to the Lease pursuant to that certain Amendment No. 4 to the Second Amended and Restated Lease (Improved Parcel) 55624, Parcel No. 125R – Marina del Rey Small Craft Harbor (the "Amendment"). The terms of the Amendment include amending the Lease to, among other things:

- (i) freeze the Shadow Rent attributable to Category A Units at the amount for 2003 through December 31, 2006;
- (ii) provide that commencing on January 1, 2007, the Shadow Rent attributable to Category A Units shall be increased annually at a fixed rate (3.75%) rather than by the change in the two indices described in Section I above (prior to this Amendment, the Lease provided that the Shadow Rent would be adjusted annually throughout the term based on the change in such indices);
- (iii) provide that a portion of the Percentage Rents for Prepaid Subleases received by County from 1999 through 2006 will be disbursed to Lessee to reimburse it for a portion of the costs of certain repairs to portions of the Premises, including the portion improved with the Condominium Project;
- (iv) postpone the adjustment to the "applicable percentage" component of the formula for determining the Percentage Rents for Prepaid Subleases with respect to Category A Units from January 1, 2016 to January 1, 2019; and
- (v) increase the Administrative Transfer Fee payable to County upon a Change in Ownership of a Prepaid Sublessee's interest with respect to a Category A Unit (from 1% of the gross sales price or other consideration to 2.5% of such amount).

County will suffer two types of rent losses with respect to the Percentage Rents for those Prepaid Subleases that are Category A Units on account of the amendments described in clauses (i) and (ii) of the previous paragraph, as illustrated in the spreadsheet attached hereto as Schedule 1A (the "Financial Model"):

- (a) a reduction in such Percentage Rents during the years 2004, 2005 and 2006 on account of the Shadow Rent freeze described in clause (i); and
- (b) a reduction in such Percentage Rents over the remainder of the term as a result of the "lower base amount" or "starting point" for the annual Shadow Rent increase described in clause (ii) (i.e., as a result of the Shadow Rent freeze described in clause (i), the base amount for the annual

Shadow Rent increase that is to commence in 2007 will be the Shadow Rent amount for 2003 and each year County will lose the benefit of the assumed Shadow Rent increases, as shown in Column 1 of the Financial Model, for the years 2004, 2005 and 2006.

The present value of the rent losses described in clauses (a) and (b) above through December 31, 2052 (in 2003 dollars, using a discount rate of 8%), as shown in Column 5 of the Financial Model, is referred to herein as the "Percentage Rent Shortfall". The Financial Model (Schedules 1A and 1B) projects that the Percentage Rent Shortfall will equal the amount shown in the box immediately below Column 5 thereof.

The terms described in clauses (i) through (iii) of the previous paragraph are being agreed to on the basis, and with the understanding, that the sum of (x) the present value (in 2003 dollars, using a discount rate of 8%) of the amount received by County for the period commencing on the earlier of June 30, 2004 or the effective date of the Amendment and ending on December 31, 2052 on account of the increase in the Administrative Transfer Fee for Category A Units (i.e., 60% of the Administrative Transfer Fees received for such period with respect to Category A Units; the portion of the total Administrative Transfer Fees attributable to such increase is hereinafter referred to as the "Increased Administrative Transfer Fees") after repayment of the Disbursed Repair Funds Balance (see Exhibit W) (the "Net Administrative Transfer Fee Increase"), and (y) the agreed upon value of the easement described in paragraph 8 of Exhibit B to the Amendment, which County and Lessee hereby stipulate and agree is \$350,000 (the "Easement Value"), will not be less than the Percentage Rent Shortfall for the same period by more than \$500,000. The parties have projected, as provided and based on the assumptions reflected in the Financial Model (and set forth in Schedule 1B), that the sum of the Net Administrative Transfer Fee Increase (i.e., the total of the values shown in Column 15 of the Financial Model) and the Easement Value (\$350,000) will exceed the Percentage Rent Shortfall (i.e., the total of the values shown in Column 5 of the Financial Model).

B. Purpose and Intent

The purpose and intent of the Rent Adjustment Analysis is to determine whether in 2019, based on certain actual occurrences from 2004 through 2018 (i.e., the number, frequency of and sales prices or other consideration paid for Changes in Ownership), it is still anticipated that the Net Administrative Transfer Fee Increase plus the Easement Value will not be less than the Percentage Rent Shortfall by more than \$500,000. If the Rent Adjustment Analysis reveals that the Percentage Rent Shortfall exceeds the sum of the Net Administrative Transfer Fee Increase and the Easement Value by more than \$500,000, then the fixed annual rate of increase in Shadow Rent (the "Shadow Rent Annual Percentage Increase") shall be increased to the amount that, based on the formulas set forth in the Financial Model but substituting certain observed values (i.e., those in Columns 9, 10 and 11 of the Financial Model) from 2004 through 2018 for the corresponding assumptions originally made therein, will result in the Net Administrative Transfer Fee Increase plus the Easement Value being less than the Percentage Rent Shortfall by no more than \$500,000.

C. Calculations

The Rent Adjustment Analysis shall consist of the following calculations and steps.

1. *Step 1: Determination of Whether There is a Rent Deficiency*

Not later than February 1, 2019, using the approach set forth in the Financial Model, County shall determine whether a Rent Deficiency exists by the following method:

(a) substitute the actual volume and prices of Category A Unit sales, for the period from July 1, 2004 through December 31, 2018 for the projected values now included in Columns 9 and 10 of the Financial Model;

(b) project the Increased Administrative Transfer Fees (Column 13) for the Category A Units for the period from January 1, 2019 through December 31, 2052, using the sales trend established for the period from July 1, 2004 through December 31, 2018, as determined through the application of appropriate statistical techniques; and

(c) using the new projection of Increased Administrative Transfer Fees (Column 13) for the Category A Units but leaving all other variables alone, recalculate the Net Administrative Transfer Fee Increase.

If the sum of the Net Administrative Transfer Fee Increase and the Easement Value is more than \$500,000 lower than the Percentage Rent Shortfall, then a "Rent Deficiency" shall exist and the Shadow Rent Annual Percentage Increase shall be increased as provided in Step 2 below (as discussed in Section III.C.3 below, examples of a hypothetical Rent Deficiency and the resulting Shadow Rent Annual Percentage Increase are attached as Schedules 2A and 3A hereto); if there is no Rent Deficiency, then the Shadow Rent Annual Percentage Increase shall remain unchanged for the remainder of the term, except for any increase to be implemented pursuant to Section III of this Exhibit V.

2. *Step 2: Recalibration of the Ground Rent Index*

If there is a Rent Deficiency, then the Financial Model shall be revised with a higher rate for the Shadow Rent Annual Percentage Increase from 2019 through 2052 until the total of (i) the Net Administrative Transfer Fee Increase, (ii) the Percentage Rent Shortfall (i.e., the ending value in Column 16 of the Financial Model) plus (iii) the Easement Value yields a shortfall of \$500,000, plus or minus \$10,000. The percentage rate so derived shall then become the Shadow Rent Annual Percentage Increase effective as of January 1, 2019 and remain so for the remainder of the lease term, except for any additional increase to be implemented pursuant to Section III of this Exhibit V.

3. *Example of Calculations in 2019*

As provided above, the Financial Model (Schedule 1A) reflects certain assumptions (as set forth in Schedule 1B) made by the parties with respect to the volume and

prices of sales of the Category A Units (and the resulting Administrative Transfer Fees and Increased Administrative Transfer Fees) for the period from July 1, 2004 through December 31, 2018. Schedule 2A hereto contains an alternate version of the Financial Model that utilizes different amounts for certain columns (i.e., different than the corresponding amounts in Schedule 1A) based on certain hypothetical sales of the Category A Units during such period (as set forth in the assumptions contained in Schedule 2B), resulting in a projected Rent Deficiency of \$2,040,970 (the sum of (i) the ending value in Column 16 of Schedule 2A and (ii) the Easement Value (\$350,000)). If the hypothetical sales reflected in Schedules 2A and 2B actually occur, then, in April 2019, the Shadow Rent Annual Percentage Increase will be increased from 3.75% to 4.21% so that, as reflected in Schedule 3A, there will be no projected Rent Deficiency in 2052 (because the sum of (i) the ending value in Column 16 of Schedule 3A and (ii) the Easement Value (\$350,000) will not result in a shortfall greater than \$500,000).

III. Additional Potential Rent Adjustment in 2019

Regardless of whether the Shadow Rent Annual Percentage Increase is to be increased as a result of the Rent Adjustment Analysis, if it is determined, pursuant to and at the time provided in Section 5.10 of the Lease, that the applicable percentage component of the formula for determining the Percentage Rent for those Prepaid Subleases that are Category A Units should be increased, then the following changes shall be made to the formula for determining the Percentage Rent for those Prepaid Subleases that are Category A Units effective as of January 1, 2019 (with the first payment of increased Percentage Rent attributable to such changes due in April 2019, as provided in subsection 5.08(b)(4) of the Lease):¹ (i) the applicable percentage shall be increased to the percentage previously determined pursuant to Section 5.10; and (ii) the Shadow Rent Annual Percentage Increase shall be increased (in addition to any increase to be made as a result of the Rent Adjustment Analysis) by the amount that will enable County to recover, over the remainder of the term, the amount of the increase in Percentage Rents for Category A Units that County otherwise would have received from 2016 through March 2019, resulting from the increase in the applicable percentage component of the Percentage Rent formula, together with interest thereon at a rate equal to the County Pool Rate (as defined in Exhibit W) (collectively, the "Deferred Percentage Rent Amount").

Schedules 4A and 4B illustrate the impact of the additional rent owed as a result of the delay in the increase (from 2016 until April 2019) in the applicable percentage component of the formula for determining the Percentage Rent for those Prepaid Subleases that are Category A Units. In the example shown on Schedule 4B, the Deferred Percentage Rent Amount is \$2,844,354; this amount must be considered together with any Rent Deficiency for purposes of determining the Shadow Rent Annual Percentage Increase to be implemented in April 2019 so

¹ The (original) Lease provides that the adjustment to the Percentage Rent for Prepaid Subleases under Section 5.10 is to occur as of January 1, 2016. The determination of whether an adjustment should be made pursuant to that Section will be made at the time provided therein for all Prepaid Subleases, and any applicable adjustment shall continue to be effective as of January 1, 2016 with respect to those Prepaid Subleases that are Category B Units; however, any applicable adjustment with respect to those Prepaid Subleases that are Category A Units shall be delayed until 2019 so that the various rental adjustments for the Category A Units may be combined as part of a single rental increase (in terms of any changes to the formula for determining the Percentage Rent).

that the total of (i) the Net Administrative Transfer Fee Increase, the Percentage Rent Shortfall plus the Easement Value, minus (ii) the Deferred Percentage Rent Amount is projected to yield a shortfall of \$500,000, plus or minus \$10,000. In the example shown on Schedule 4B, the new Shadow Rent Annual Percentage Increase would be 4.96%.

IV. Schedules

Schedules 1A, 1B, 2A, 2B, 3A, 3B, 4A and 4B to this Exhibit V are hereby incorporated into and form a part of this Exhibit V as if set forth herein in full.

Schedule 1A to Exhibit V

Spreadsheet Depicting Formula for Rent Adjustment Analysis

See the attached

[The attached Spreadsheet assumes that there are 480 Category A Units; as provided in Exhibit B, if there are fewer than 480 Category A Units, then the Amendment to which this Exhibit V is attached will not be effective. Prior to the Effective Date (if that occurs), the attached Spreadsheet will be replaced with a revised Spreadsheet that reflects the actual number of Category A Units.]

Schedule 1A

Marina City Club: Base Case

Year	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)	(14)	(15)
1985	1,841,270	1,841,270	1,841,270	0	1,841,270	155,432	155,432	1,685,838	0	1,685,838	300,000	0	160,160	3,222,885	0
1986	2,098,732	2,098,732	2,098,732	0	1,841,270	475,247	475,247	1,366,523	0	1,366,523	28,458,440	0	341,962	3,222,885	0
1987	2,263,186	2,263,186	2,263,186	0	1,642,270	523,815	523,815	1,118,455	0	1,118,455	20,612,788	0	404,930	3,222,885	0
1988	2,391,800	2,391,800	2,391,800	0	1,442,270	633,242	633,242	809,028	0	809,028	17,748,243	0	452,985	3,222,885	0
1989	2,579,802	2,579,802	2,579,802	0	1,242,270	728,715	728,715	521,553	0	521,553	14,947,866	0	497,227	3,222,885	0
1990	2,778,825	2,778,825	2,778,825	0	1,042,270	803,164	803,164	238,389	0	238,389	12,190,302	0	532,267	3,222,885	0
1991	2,991,878	2,991,878	2,991,878	0	842,270	857,154	857,154	163,935	0	163,935	9,505,032	0	557,244	3,222,885	0
1992	3,221,951	3,221,951	3,221,951	0	642,270	889,823	889,823	95,107	0	95,107	6,861,502	0	572,448	3,222,885	0
1993	3,469,046	3,469,046	3,469,046	0	442,270	908,187	908,187	48,621	0	48,621	4,180,266	0	588,581	3,222,885	0
1994	3,734,173	3,734,173	3,734,173	0	242,270	912,228	912,228	23,925	0	23,925	1,467,832	0	602,660	3,222,885	0
1995	4,017,322	4,017,322	4,017,322	0	42,270	898,811	898,811	10,000	0	10,000	825,832	0	616,812	3,222,885	0
1996	4,319,595	4,319,595	4,319,595	0	12,270	852,732	852,732	5,248	0	5,248	463,043	0	629,834	3,222,885	0
1997	4,642,078	4,642,078	4,642,078	0	18,270	782,464	782,464	2,622	0	2,622	250,228	0	641,682	3,222,885	0
1998	5,086,861	5,086,861	5,086,861	0	22,270	696,196	696,196	1,320	0	1,320	133,773	0	652,222	3,222,885	0
1999	5,655,954	5,655,954	5,655,954	0	24,270	596,928	596,928	664	0	664	65,222	0	661,196	3,222,885	0
2000	6,352,457	6,352,457	6,352,457	0	25,270	489,660	489,660	322	0	322	32,222	0	668,418	3,222,885	0
2001	7,184,470	7,184,470	7,184,470	0	26,270	370,392	370,392	161	0	161	16,111	0	673,222	3,222,885	0
2002	8,162,003	8,162,003	8,162,003	0	27,270	246,124	246,124	80	0	80	8,056	0	676,166	3,222,885	0
2003	9,297,056	9,297,056	9,297,056	0	28,270	113,856	113,856	40	0	40	4,028	0	677,138	3,222,885	0
2004	10,604,729	10,604,729	10,604,729	0	29,270	0	0	0	0	0	0	0	677,138	3,222,885	0
2005	12,101,102	12,101,102	12,101,102	0	30,270	0	0	0	0	0	0	0	677,138	3,222,885	0
2006	13,827,275	13,827,275	13,827,275	0	31,270	0	0	0	0	0	0	0	677,138	3,222,885	0
2007	15,814,448	15,814,448	15,814,448	0	32,270	0	0	0	0	0	0	0	677,138	3,222,885	0
2008	18,102,621	18,102,621	18,102,621	0	33,270	0	0	0	0	0	0	0	677,138	3,222,885	0
2009	20,841,794	20,841,794	20,841,794	0	34,270	0	0	0	0	0	0	0	677,138	3,222,885	0
2010	24,102,967	24,102,967	24,102,967	0	35,270	0	0	0	0	0	0	0	677,138	3,222,885	0
2011	28,054,140	28,054,140	28,054,140	0	36,270	0	0	0	0	0	0	0	677,138	3,222,885	0
2012	32,885,313	32,885,313	32,885,313	0	37,270	0	0	0	0	0	0	0	677,138	3,222,885	0
2013	38,716,486	38,716,486	38,716,486	0	38,270	0	0	0	0	0	0	0	677,138	3,222,885	0
2014	45,747,659	45,747,659	45,747,659	0	39,270	0	0	0	0	0	0	0	677,138	3,222,885	0
2015	54,178,832	54,178,832	54,178,832	0	40,270	0	0	0	0	0	0	0	677,138	3,222,885	0
2016	64,310,005	64,310,005	64,310,005	0	41,270	0	0	0	0	0	0	0	677,138	3,222,885	0
2017	76,341,178	76,341,178	76,341,178	0	42,270	0	0	0	0	0	0	0	677,138	3,222,885	0
2018	90,572,351	90,572,351	90,572,351	0	43,270	0	0	0	0	0	0	0	677,138	3,222,885	0
2019	107,303,524	107,303,524	107,303,524	0	44,270	0	0	0	0	0	0	0	677,138	3,222,885	0
2020	126,834,697	126,834,697	126,834,697	0	45,270	0	0	0	0	0	0	0	677,138	3,222,885	0
2021	149,665,870	149,665,870	149,665,870	0	46,270	0	0	0	0	0	0	0	677,138	3,222,885	0
2022	176,497,043	176,497,043	176,497,043	0	47,270	0	0	0	0	0	0	0	677,138	3,222,885	0
2023	207,328,216	207,328,216	207,328,216	0	48,270	0	0	0	0	0	0	0	677,138	3,222,885	0
2024	242,159,389	242,159,389	242,159,389	0	49,270	0	0	0	0	0	0	0	677,138	3,222,885	0
2025	291,990,562	291,990,562	291,990,562	0	50,270	0	0	0	0	0	0	0	677,138	3,222,885	0
2026	356,821,735	356,821,735	356,821,735	0	51,270	0	0	0	0	0	0	0	677,138	3,222,885	0
2027	440,652,908	440,652,908	440,652,908	0	52,270	0	0	0	0	0	0	0	677,138	3,222,885	0
2028	548,484,081	548,484,081	548,484,081	0	53,270	0	0	0	0	0	0	0	677,138	3,222,885	0
2029	686,315,254	686,315,254	686,315,254	0	54,270	0	0	0	0	0	0	0	677,138	3,222,885	0
2030	860,146,427	860,146,427	860,146,427	0	55,270	0	0	0	0	0	0	0	677,138	3,222,885	0
2031	1,078,977,600	1,078,977,600	1,078,977,600	0	56,270	0	0	0	0	0	0	0	677,138	3,222,885	0
2032	1,351,808,773	1,351,808,773	1,351,808,773	0	57,270	0	0	0	0	0	0	0	677,138	3,222,885	0
2033	1,699,639,946	1,699,639,946	1,699,639,946	0	58,270	0	0	0	0	0	0	0	677,138	3,222,885	0
2034	2,147,471,119	2,147,471,119	2,147,471,119	0	59,270	0	0	0	0	0	0	0	677,138	3,222,885	0
2035	2,715,302,292	2,715,302,292	2,715,302,292	0	60,270	0	0	0	0	0	0	0	677,138	3,222,885	0
2036	3,423,133,465	3,423,133,465	3,423,133,465	0	61,270	0	0	0	0	0	0	0	677,138	3,222,885	0
2037	4,301,964,638	4,301,964,638	4,301,964,638	0	62,270	0	0	0	0	0	0	0	677,138	3,222,885	0
2038	5,400,795,811	5,400,795,811	5,400,795,811	0	63,270	0	0	0	0	0	0	0	677,138	3,222,885	0
2039	6,789,626,984	6,789,626,984	6,789,626,984	0	64,270	0	0	0	0	0	0	0	677,138	3,222,885	0
2040	8,528,458,157	8,528,458,157	8,528,458,157	0	65,270	0	0	0	0	0	0	0	677,138	3,222,885	0
2041	10,687,289,330	10,687,289,330	10,687,289,330	0	66,270	0	0	0	0	0	0	0	677,138	3,222,885	0
2042	13,326,120,503	13,326,120,503	13,326,120,503	0	67,270	0	0	0	0	0	0	0	677,138	3,222,885	0
2043	16,515,951,676	16,515,951,676	16,515,951,676	0	68,270	0	0	0	0	0	0	0	677,138	3,222,885	0
2044	20,425,782,849	20,425,782,849	20,425,782,849	0	69,270	0	0	0	0	0	0	0	677,138	3,222,885	0
2045	25,145,614,022	25,145,614,022	25,145,614,022	0	70,270	0	0	0	0	0	0	0	677,138	3,222,885	0
2046	30,785,445,195	30,785,445,195	30,785,445,195	0	71,270	0	0	0	0	0	0	0	677,138	3,222,885	0
2047	37,465,276,368	37,465,276,368	37,465,276,368	0	72,270	0	0	0	0	0	0	0	677,138	3,222,885	0
2048	45,305,107,541	45,305,107,541	45,305,107,541	0	73,270	0	0	0	0	0	0	0	677,138	3,222,885	0
2049	54,444,938,714	54,444,938,714	54,444,938,714	0	74,270	0	0	0	0	0	0	0	677,138	3,222,885	0
2050	65,024,769,887	65,024,769,887	65,024,769,887	0	75,270	0	0	0	0	0	0	0	677,138	3,222,885	0

Year-Over-Year Assumptions

Assumption	2019	2019-2020
Percentage of Total Project Revenue	3.2%	0.0%
Percentage of Total Project Revenue	1.0%	0.0%
Percentage of		

Schedule 1B to Exhibit V

Assumptions for Schedule 1A

See the attached

Schedule 1B
Marina City Club: Base Case Assumptions

PARTICIPATION FEE ASSUMPTIONS

1/1/2004	Assumed Date of Start of Deal
6/1/2004	Date at Which Interest Begins to Accrue (Assuming April 1 Deal)
8.00%	Base County Target Earnings Rate
0.00%	Differential for County Target Earnings Rate
8.00%	County Target Earnings Rate - Ground Rent
8.00%	County Target Earnings Rate - Participation
4.00%	Interest Rate on Loan
67.2	Assumed Number of Units Sold Per Year
\$325,000	Assumed Average Selling Price - 2003 Dollars
10.00%	Assumed One-Time Increase in 2004
6.00%	Increase in Selling Prices - 2005 through 2037
4.00%	Increase in Selling Prices - 2038 through 2052
21,840,000	Assumed Unit Sale Proceeds in 2002
1.00%	Current Participation Fee Paid to County
2.50%	Participation Fee to be Paid to County Starting in 2003, through 2019
2.50%	Participation Fee to be Paid to County Starting in 2020 on
\$350,000	Assumed Protenade Value
0.00%	Increase in Participation Fee in 2026
1	Sale decay trigger - 1 indicates decay of 2 per year after 2040
1	Sales for 1st half of 2004 - 1 indicates NO sales for first half of 2004

PERCENTAGE INDEX ASSUMPTIONS

7.72%	2002 Increase in MCC Ground Rent (Actual)
7.76%	2003 assumed ground rent increase
3.75%	2004 assumed ground rent increase
3.75%	2005 assumed ground rent increase
	2019 Rent Deficiency Analysis Year
3.75%	Shadow Rent Annual Percentage Increase from 2003 to March 2019
3.75%	Adjusted Shadow Rent Annual Percentage Increase starting in April 2019

Schedule 2A to Exhibit V

Spreadsheet Depicting Hypothetical Results

See the attached

The calculations and values reflected in the attached spreadsheet are based on the assumptions set forth in Schedule 2B.

Marina City Club Rent Adjustment Example: Before Rent Adjustment

Schedule 2A

Year	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)	(14)	(15)	(16)
2003	1,643,270	1,643,270	1,643,270	185,442	485,442	1,157,828	2,200,000	1,157,828	2,200,000	1,157,828	2,200,000	1,157,828	2,200,000	1,157,828	2,200,000	1,157,828
2004	1,843,270	1,843,270	1,843,270	198,442	498,442	1,280,828	2,400,000	1,280,828	2,400,000	1,280,828	2,400,000	1,280,828	2,400,000	1,280,828	2,400,000	1,280,828
2005	2,043,270	2,043,270	2,043,270	211,442	511,442	1,462,828	2,600,000	1,462,828	2,600,000	1,462,828	2,600,000	1,462,828	2,600,000	1,462,828	2,600,000	1,462,828
2006	2,243,270	2,243,270	2,243,270	224,442	524,442	1,648,828	2,800,000	1,648,828	2,800,000	1,648,828	2,800,000	1,648,828	2,800,000	1,648,828	2,800,000	1,648,828
2007	2,443,270	2,443,270	2,443,270	237,442	537,442	1,834,828	3,000,000	1,834,828	3,000,000	1,834,828	3,000,000	1,834,828	3,000,000	1,834,828	3,000,000	1,834,828
2008	2,643,270	2,643,270	2,643,270	250,442	550,442	2,020,828	3,200,000	2,020,828	3,200,000	2,020,828	3,200,000	2,020,828	3,200,000	2,020,828	3,200,000	2,020,828
2009	2,843,270	2,843,270	2,843,270	263,442	563,442	2,206,828	3,400,000	2,206,828	3,400,000	2,206,828	3,400,000	2,206,828	3,400,000	2,206,828	3,400,000	2,206,828
2010	3,043,270	3,043,270	3,043,270	276,442	576,442	2,392,828	3,600,000	2,392,828	3,600,000	2,392,828	3,600,000	2,392,828	3,600,000	2,392,828	3,600,000	2,392,828
2011	3,243,270	3,243,270	3,243,270	289,442	589,442	2,578,828	3,800,000	2,578,828	3,800,000	2,578,828	3,800,000	2,578,828	3,800,000	2,578,828	3,800,000	2,578,828
2012	3,443,270	3,443,270	3,443,270	302,442	602,442	2,764,828	4,000,000	2,764,828	4,000,000	2,764,828	4,000,000	2,764,828	4,000,000	2,764,828	4,000,000	2,764,828
2013	3,643,270	3,643,270	3,643,270	315,442	615,442	2,950,828	4,200,000	2,950,828	4,200,000	2,950,828	4,200,000	2,950,828	4,200,000	2,950,828	4,200,000	2,950,828
2014	3,843,270	3,843,270	3,843,270	328,442	628,442	3,136,828	4,400,000	3,136,828	4,400,000	3,136,828	4,400,000	3,136,828	4,400,000	3,136,828	4,400,000	3,136,828
2015	4,043,270	4,043,270	4,043,270	341,442	641,442	3,322,828	4,600,000	3,322,828	4,600,000	3,322,828	4,600,000	3,322,828	4,600,000	3,322,828	4,600,000	3,322,828
2016	4,243,270	4,243,270	4,243,270	354,442	654,442	3,508,828	4,800,000	3,508,828	4,800,000	3,508,828	4,800,000	3,508,828	4,800,000	3,508,828	4,800,000	3,508,828
2017	4,443,270	4,443,270	4,443,270	367,442	667,442	3,694,828	5,000,000	3,694,828	5,000,000	3,694,828	5,000,000	3,694,828	5,000,000	3,694,828	5,000,000	3,694,828
2018	4,643,270	4,643,270	4,643,270	380,442	680,442	3,880,828	5,200,000	3,880,828	5,200,000	3,880,828	5,200,000	3,880,828	5,200,000	3,880,828	5,200,000	3,880,828
2019	4,843,270	4,843,270	4,843,270	393,442	693,442	4,066,828	5,400,000	4,066,828	5,400,000	4,066,828	5,400,000	4,066,828	5,400,000	4,066,828	5,400,000	4,066,828
2020	5,043,270	5,043,270	5,043,270	406,442	706,442	4,252,828	5,600,000	4,252,828	5,600,000	4,252,828	5,600,000	4,252,828	5,600,000	4,252,828	5,600,000	4,252,828
2021	5,243,270	5,243,270	5,243,270	419,442	719,442	4,438,828	5,800,000	4,438,828	5,800,000	4,438,828	5,800,000	4,438,828	5,800,000	4,438,828	5,800,000	4,438,828
2022	5,443,270	5,443,270	5,443,270	432,442	732,442	4,624,828	6,000,000	4,624,828	6,000,000	4,624,828	6,000,000	4,624,828	6,000,000	4,624,828	6,000,000	4,624,828
2023	5,643,270	5,643,270	5,643,270	445,442	745,442	4,810,828	6,200,000	4,810,828	6,200,000	4,810,828	6,200,000	4,810,828	6,200,000	4,810,828	6,200,000	4,810,828
2024	5,843,270	5,843,270	5,843,270	458,442	758,442	5,000,000	6,400,000	5,000,000	6,400,000	5,000,000	6,400,000	5,000,000	6,400,000	5,000,000	6,400,000	5,000,000
2025	6,043,270	6,043,270	6,043,270	471,442	771,442	5,186,828	6,600,000	5,186,828	6,600,000	5,186,828	6,600,000	5,186,828	6,600,000	5,186,828	6,600,000	5,186,828
2026	6,243,270	6,243,270	6,243,270	484,442	784,442	5,372,828	6,800,000	5,372,828	6,800,000	5,372,828	6,800,000	5,372,828	6,800,000	5,372,828	6,800,000	5,372,828
2027	6,443,270	6,443,270	6,443,270	497,442	797,442	5,558,828	7,000,000	5,558,828	7,000,000	5,558,828	7,000,000	5,558,828	7,000,000	5,558,828	7,000,000	5,558,828
2028	6,643,270	6,643,270	6,643,270	510,442	810,442	5,744,828	7,200,000	5,744,828	7,200,000	5,744,828	7,200,000	5,744,828	7,200,000	5,744,828	7,200,000	5,744,828
2029	6,843,270	6,843,270	6,843,270	523,442	823,442	5,930,828	7,400,000	5,930,828	7,400,000	5,930,828	7,400,000	5,930,828	7,400,000	5,930,828	7,400,000	5,930,828
2030	7,043,270	7,043,270	7,043,270	536,442	836,442	6,116,828	7,600,000	6,116,828	7,600,000	6,116,828	7,600,000	6,116,828	7,600,000	6,116,828	7,600,000	6,116,828
2031	7,243,270	7,243,270	7,243,270	549,442	849,442	6,302,828	7,800,000	6,302,828	7,800,000	6,302,828	7,800,000	6,302,828	7,800,000	6,302,828	7,800,000	6,302,828
2032	7,443,270	7,443,270	7,443,270	562,442	862,442	6,488,828	8,000,000	6,488,828	8,000,000	6,488,828	8,000,000	6,488,828	8,000,000	6,488,828	8,000,000	6,488,828
2033	7,643,270	7,643,270	7,643,270	575,442	875,442	6,674,828	8,200,000	6,674,828	8,200,000	6,674,828	8,200,000	6,674,828	8,200,000	6,674,828	8,200,000	6,674,828
2034	7,843,270	7,843,270	7,843,270	588,442	888,442	6,860,828	8,400,000	6,860,828	8,400,000	6,860,828	8,400,000	6,860,828	8,400,000	6,860,828	8,400,000	6,860,828
2035	8,043,270	8,043,270	8,043,270	601,442	901,442	7,046,828	8,600,000	7,046,828	8,600,000	7,046,828	8,600,000	7,046,828	8,600,000	7,046,828	8,600,000	7,046,828
2036	8,243,270	8,243,270	8,243,270	614,442	914,442	7,232,828	8,800,000	7,232,828	8,800,000	7,232,828	8,800,000	7,232,828	8,800,000	7,232,828	8,800,000	7,232,828
2037	8,443,270	8,443,270	8,443,270	627,442	927,442	7,418,828	9,000,000	7,418,828	9,000,000	7,418,828	9,000,000	7,418,828	9,000,000	7,418,828	9,000,000	7,418,828
2038	8,643,270	8,643,270	8,643,270	640,442	940,442	7,604,828	9,200,000	7,604,828	9,200,000	7,604,828	9,200,000	7,604,828	9,200,000	7,604,828	9,200,000	7,604,828
2039	8,843,270	8,843,270	8,843,270	653,442	953,442	7,790,828	9,400,000	7,790,828	9,400,000	7,790,828	9,400,000	7,790,828	9,400,000	7,790,828	9,400,000	7,790,828
2040	9,043,270	9,043,270	9,043,270	666,442	966,442	7,976,828	9,600,000	7,976,828	9,600,000	7,976,828	9,600,000	7,976,828	9,600,000	7,976,828	9,600,000	7,976,828
2041	9,243,270	9,243,270	9,243,270	679,442	979,442	8,162,828	9,800,000	8,162,828	9,800,000	8,162,828	9,800,000	8,162,828	9,800,000	8,162,828	9,800,000	8,162,828
2042	9,443,270	9,443,270	9,443,270	692,442	992,442	8,348,828	10,000,000	8,348,828	10,000,000	8,348,828	10,000,000	8,348,828	10,000,000	8,348,828	10,000,000	8,348,828
2043	9,643,270	9,643,270	9,643,270	705,442	1,005,442	8,534,828	10,200,000	8,534,828	10,200,000	8,534,828	10,200,000	8,534,828	10,200,000	8,534,828	10,200,000	8,534,828
2044	9,843,270	9,843,270	9,843,270	718,442	1,018,442	8,720,828	10,400,000	8,720,828	10,400,000	8,720,828	10,400,000	8,720,828	10,400,000	8,720,828	10,400,000	8,720,828
2045	10,043,270	10,043,270	10,043,270	731,442	1,031,442	8,906,828	10,600,000	8,906,828	10,600,000	8,906,828	10,600,000	8,906,828	10,600,000	8,906,828	10,600,000	8,906,828
2046	10,243,270	10,243,270	10,243,270	744,442	1,044,442	9,092,828	10,800,000	9,092,828	10,800,000	9,092,828	10,800,000	9,092,828	10,800,000	9,092,828	10,800,000	9,092,828
2047	10,443,270	10,443,270	10,443,270	757,442	1,057,442	9,278,828	11,000,000	9,278,828	11,000,000	9,278,828	11,000,000	9,278,828	11,000,000	9,278,828	11,000,000	9,278,828
2048	10,643,270	10,643,270	10,643,270	770,442	1,070,442	9,464,828	11,200,000	9,464,828	11,200,000	9,464,828	11,200,000	9,464,828	11,200,000	9,464,828	11,200,000	9,464,828
2049	10,843,270	10,843,270	10,843,270	783,442	1,083,442	9,650,828	11,400,000	9,650,828	11,400,000	9,650,828	11,400,000	9,650,828	11,400,000	9,650,828	11,400,000	9,650,828
2050	11,043,270	11,043,270	11,043,270	7												

Schedule 2B to Exhibit V

Assumptions for Schedule 2A

See the attached

Schedule 2B

Marina City Club Rent Adjustment Example:
Assumptions for Before Rent Adjustment

PARTICIPATION FEE ASSUMPTIONS

- 1/1/2004 Assumed Date of Start of Deal
- 6/1/2004 Date at Which Interest Begins to Accrue (Assuming April 1 Deal)
- 8.00% Base County Target Earnings Rate
- 0.00% Differential for County Target Earnings Rate
- 8.00% County Target Earnings Rate - Ground Rent
- 8.00% County Target Earnings Rate - Participation
- 4.00% Interest Rate on Loan
- 67.2 Assumed Number of Units Sold Per Year
- \$325,000 Assumed Average Selling Price - 2003 Dollars
- 8.00% Assumed One-Time Increase in 2004
- 4.00% Increase in Selling Prices - 2005 through 2037
- 2.67% Increase in Selling Prices - 2038 through 2052
- 21,840,000 Assumed Unit Sale Proceeds in 2002
- 1.00% Current Participation Fee Paid to County
- 2.50% Participation Fee to be Paid to County Starting in 2003, through 2019
- 2.50% Participation Fee to be Paid to County Starting in 2020 on
- \$350,000 Assumed Promenade Value
- 0.00% Increase in Participation Fee in 2026
- 1 Sale decay trigger - 1 indicates decay of 2 per year after 2040
- 1 Sales for 1st half of 2004 - 1 indicates NO sales for first half of 2004

PERCENTAGE INDEX ASSUMPTIONS

- 7.72% 2002 Increase in MCC Ground Rent (Actual)
- 7.76% 2003 assumed ground rent increase
- 3.75% 2004 assumed ground rent increase
- 3.75% 2005 assumed ground rent increase
- 2019 Rent Deficiency Analysis Year
- 3.75% Shadow Rent Annual Percentage Increase from 2003 to March 2019
- 3.75% Adjusted Shadow Rent Annual Percentage Increase starting in April 2019

Schedule 3A to Exhibit V

Spreadsheet Depicting Recalibration of Ground Rent Index

See the attached

The calculations and values reflected in the attached spreadsheet are based on the assumptions set forth in Schedule 3B.

Schedule 3A

Marina City Club Rent Adjustment Example: After Rent Adjustment

Year	Percentage				Present Value				Revised Value				Annual				Total				Revised				Net Change																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																		
	Present Value	Present Value	Present Value	Present Value	Present Value	Present Value	Present Value	Present Value	Present Value	Present Value	Present Value	Present Value	Present Value	Present Value	Present Value	Present Value	Present Value	Present Value	Present Value	Present Value	Present Value	Present Value	Present Value	Present Value	Present Value	Present Value	Present Value	Present Value																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																															
2008	1,943,270	2,098,732	2,268,198	2,441,664	2,617,130	2,794,596	2,972,062	3,149,528	3,326,994	3,504,460	3,681,926	3,859,392	4,036,858	4,214,324	4,391,790	4,569,256	4,746,722	4,924,188	5,101,654	5,279,120	5,456,586	5,634,052	5,811,518	5,988,984	6,166,450	6,343,916	6,521,382	6,698,848	6,876,314	7,053,780	7,231,246	7,408,712	7,586,178	7,763,644	7,941,110	8,118,576	8,296,042	8,473,508	8,650,974	8,828,440	9,005,906	9,183,372	9,360,838	9,538,304	9,715,770	9,893,236	10,070,702	10,248,168	10,425,634	10,603,100	10,780,566	10,958,032	11,135,498	11,312,964	11,490,430	11,667,896	11,845,362	12,022,828	12,200,294	12,377,760	12,555,226	12,732,692	12,910,158	13,087,624	13,265,090	13,442,556	13,620,022	13,797,488	13,974,954	14,152,420	14,329,886	14,507,352	14,684,818	14,862,284	15,039,750	15,217,216	15,394,682	15,572,148	15,749,614	15,927,080	16,104,546	16,282,012	16,459,478	16,636,944	16,814,410	16,991,876	17,169,342	17,346,808	17,524,274	17,701,740	17,879,206	18,056,672	18,234,138	18,411,604	18,589,070	18,766,536	18,944,002	19,121,468	19,298,934	19,476,400	19,653,866	19,831,332	20,008,798	20,186,264	20,363,730	20,541,196	20,718,662	20,896,128	21,073,594	21,251,060	21,428,526	21,606,000	21,783,476	21,960,952	22,138,428	22,315,904	22,493,380	22,670,856	22,848,332	23,025,808	23,203,284	23,380,760	23,558,236	23,735,712	23,913,188	24,090,664	24,268,140	24,445,616	24,623,092	24,800,568	24,978,044	25,155,520	25,333,000	25,510,476	25,687,952	25,865,428	26,042,904	26,220,380	26,397,856	26,575,332	26,752,808	26,930,284	27,107,760	27,285,236	27,462,712	27,640,188	27,817,664	28,000,140	28,182,616	28,365,092	28,547,568	28,730,044	28,912,520	29,095,000	29,277,476	29,460,000	29,642,524	29,825,048	30,007,572	30,190,096	30,372,620	30,555,144	30,737,668	30,920,192	31,102,716	31,285,240	31,467,764	31,650,288	31,832,812	32,015,336	32,197,860	32,380,384	32,562,908	32,745,432	32,927,956	33,110,480	33,292,960	33,475,484	33,657,960	33,840,484	34,023,000	34,205,524	34,388,048	34,570,572	34,753,096	34,935,620	35,118,144	35,300,668	35,483,192	35,665,716	35,848,240	36,030,764	36,213,288	36,395,812	36,578,336	36,760,860	36,943,384	37,125,908	37,308,432	37,490,956	37,673,480	37,855,964	38,038,488	38,221,012	38,403,536	38,586,060	38,768,584	38,951,108	39,133,632	39,316,156	39,498,680	39,681,204	39,863,728	40,046,252	40,228,776	40,411,300	40,593,824	40,776,348	40,958,872	41,141,396	41,323,920	41,506,444	41,688,968	41,871,492	42,053,960	42,236,484	42,419,008	42,601,532	42,784,056	42,966,580	43,149,104	43,331,628	43,514,152	43,696,676	43,879,200	44,061,724	44,244,248	44,426,772	44,609,296	44,791,820	44,974,344	45,156,868	45,339,392	45,521,916	45,704,440	45,886,964	46,069,488	46,251,960	46,434,484	46,616,960	46,799,484	46,982,008	47,164,532	47,347,056	47,529,580	47,712,104	47,894,628	48,077,152	48,259,676	48,442,200	48,624,724	48,807,248	48,989,772	49,172,296	49,354,820	49,537,344	49,719,868	49,902,392	50,084,916	50,267,440	50,449,964	50,632,488	50,815,012	50,997,536	51,180,060	51,362,584	51,545,108	51,727,632	51,910,156	52,092,680	52,275,204	52,457,728	52,640,252	52,822,776	53,005,300	53,187,824	53,370,348	53,552,872	53,735,396	53,917,920	54,100,444	54,282,968	54,465,492	54,648,016	54,830,540	55,013,064	55,195,588	55,378,112	55,560,636	55,743,160	55,925,684	56,108,208	56,290,732	56,473,256	56,655,780	56,838,304	57,020,828	57,203,352	57,385,876	57,568,400	57,750,924	57,933,448	58,115,972	58,298,496	58,481,020	58,663,544	58,846,068	59,028,592	59,211,116	59,393,640	59,576,164	59,758,688	59,941,212	60,123,736	60,306,260	60,488,784	60,671,308	60,853,832	61,036,356	61,218,880	61,401,404	61,583,928	61,766,452	61,948,976	62,131,500	62,314,024	62,496,548	62,679,072	62,861,596	63,044,120	63,226,644	63,409,168	63,591,692	63,774,216	63,956,740	64,139,264	64,321,788	64,504,312	64,686,836	64,869,360	65,051,884	65,234,408	65,416,932	65,599,456	65,781,980	65,964,504	66,147,028	66,329,552	66,512,076	66,694,600	66,877,124	67,059,648	67,242,172	67,424,696	67,607,220	67,789,744	67,972,268	68,154,792	68,337,316	68,519,840	68,702,364	68,884,888	69,067,412	69,249,936	69,432,460	69,614,984	69,797,508	69,980,032	70,162,556	70,345,080	70,527,604	70,710,128	70,892,652	71,075,176	71,257,700	71,440,224	71,622,748	71,805,272	71,987,796	72,170,320	72,352,844	72,535,368	72,717,892	72,900,416	73,082,940	73,265,464	73,447,988	73,630,512	73,813,036	73,995,560	74,178,084	74,360,608	74,543,132	74,725,656	74,908,180	75,090,704	75,273,228	75,455,752	75,638,276	75,820,800	76,003,324	76,185,848	76,368,372	76,550,896	76,733,420	76,915,944	77,098,468	77,280,992	77,463,516	77,646,040	77,828,564	78,011,088	78,193,612	78,376,136	78,558,660	78,741,184	78,923,708	79,106,232	79,288,756	79,471,280	79,653,804	79,836,328	80,018,852	80,201,376	80,383,900	80,566,424	80,748,948	80,931,472	81,113,996	81,296,520	81,479,044	81,661,568	81,844,092	82,026,616	82,209,140	82,391,664	82,574,188	82,756,712	82,939,236	83,121,760	83,304,284	83,486,808	83,669,332	83,851,856	84,034,380	84,216,904	84,399,428	84,581,952	84,764,476	84,946,960	85,129,484	85,312,008	85,494,532	85,677,056	85,859,580	86,042,104	86,224,628	86,407,152	86,589,676	86,772,200	86,954,724	87,137,248	87,319,772	87,502,296	87,684,820	87,867,344	88,049,868	88,232,392	88,414,916	88,597,440	88,779,964	88,962,488	89,145,012	89,327,536	89,510,060	89,692,584	89,875,108	90,057,632	90,240,156	90,422,680	90,605,204	90,787,728	90,970,252	91,152,776	91,335,300	91,517,824	91,700,348	91,882,872	92,065,396	92,247,920	92,430,444	92,612,968	92,795,492	92,978,016	93,160,540	93,343,064	93,525,588	93,708,112	93,890,636	94,073,160	94,255,684	94,438,208	94,620,732	94,803,256	94,985,780	95,168,304	95,350,828	95,533,352	95,715,876	95,898,400	96,080,924	96,263,448	96,445,972	96,628,496	96,811,020	96,993,544	97,176,068	97,358,592	97,541,116	97,723,640	97,906,164	98,088,688	98,271,212	98,453,736	98,636,260	98,818,784	99,001,308	99,183,832	99,366,356	99,548,880	99,731,404	99,913,928	100,096,452	100,278,976	100,461,500	100,644,024	100,826,548	101,009,072	101,191,596	101,374,120	101,556,644	101,739,168	101,921,692	102,104,216	102,286,740	102,469,264	102,651,788	102,834,312	103,016,836	103,199,360	103,381,884	103,564,408	103,746,932	103,929,456	104,111,980	104,294,504	104,477,028	104,659,552	104,842,076	105,024,600	105,207,124	105,389,648	105,572,172	105,754,696	105,937,220	106,119,744	106,302,268	106,484,792	106,667,316	106,849,840	107,032,364	107,214,888	107,397,412	107,579,936	107,762,460	107,944,984	108,127,508	108,310,032	108,492,556	108,675,080	108,857,604	109,040,128	109,222,652	109,405,176	109,587,700	109,770,224	109,952,748	110,135,272	110,317,796	110,500,320	110,682,844	110,865,368	111,047,892	111,230,416	111,412,940	111,595,464	111,777,988	111,960,512	112,143,036	112,325,560	112,508,084	112,690,608	112,873,132	113,055,656	113,238,180	113,420,704	113,603,228	113,785,752	113,968,276	114,150,800	114,333,324	114,515,848	114,698,372	114,880,896	115,063,420	115,245,944	115,428,468	115,610,992	115,793,516	115,976,040	116,158,564	116,341,088	116,523,612	116,706,136	116,888,660	117,071,184	117,253,708	117,436,232	117,618,756	117,801,280	117,983,804	118,166,328	118,348,852	118,531,376	118,713,900	118,896,424	119,078,948	119,261,472	119,443,996	119,626,520	119,809,044	119,991,568	120,174,092	120,356,616	120,539,140	120,721,664	120,904,188	121,086,712	121,269,236	121,451,760	121,634,284	121,816,808	122,000,332	122,182,856	122,365,380	122,547,904	122,730,428	122,912,952	123,095,476	123,277,960	123,460,484	123,643,008	123,825,532	124,008,056	124,190,580	124,373,104	124,555,628	124,738,152	124,920,676	125,103,200	125,285,724	125,468,248	125,650,772	125,833,296	126,015,820	126,198,344	126,380,868	126,563,392	126,745,916	126,928,440	127,110,964	127,293,488	127,476,012	127,658,536	127,841,060	128,023,584	128,206,108	128,388,632	128,571,156	128,753,680	128,936,204	129,118,728	129,301,252	129,483,776	129,666,300	129,848,824	130,031,348	130,213,872	130,396,396	130,578,920	130,761,444	130,943,968	131,126,492	131,309,016	131,491,540	131,674,064	131,856,588	132,039,112	132,221,636	132,404,160	132,586,684	132,769,208	132,951,732	133,134,256	133,316,780	133,499,304	133,681,828	133,864,352	134,046,876	134,229,400	134,411,924	134,594,448	134,776,972	134,959,496	135,142,020	135,324,544	135,507,068	135,689,592	135,872,116	136,054,640	136,237,164	136,419,688	136,602,212	136,784,736	136,967,260	137,149,784	137,332,308	137,514,832	137,697,356	137,879,880	138,062,404	138,244,928	138,427,452	138,609,976	138,792,500	138,975,024	139,157,548	139,340,072	139,522,596	139,705,120	139,887,644	140,070,168	140,252,692	140,435,216	140,617,740	140,800,264	140,982,788	141,165,312	141,347,836	141,530,360	141,712,884	141,895,408	142,077,932	142,260,456	142,442,980	142,625,504	142,808,028	142,990,552	14

Schedule 3B to Exhibit V

Assumptions for Schedule 3A

See the attached

Schedule 3B
Marina City Club Rent Adjustment Example:
Assumptions for After Rent Adjustment

PARTICIPATION FEE ASSUMPTIONS

- 1/1/2004 Assumed Date of Start of Deal
- 6/1/2004 Date at Which Interest Begins to Accrue (Assuming April 1 Deal)
- 8.00% Base County Target Earnings Rate
- 0.00% Differential for County Target Earnings Rate
- 8.00% County Target Earnings Rate - Ground Rent
- 8.00% County Target Earnings Rate - Participation
- 4.00% Interest Rate on Loan
- 67.2 Assumed Number of Units Sold Per Year.
- \$325,000 Assumed Average Selling Price - 2003 Dollars
- 8.00% Assumed One-Time Increase in 2004
- 4.00% Increase in Selling Prices - 2005 through 2037
- 2.67% Increase in Selling Prices - 2038 through 2052
- 21,840,000 Assumed Unit Sale Proceeds in 2002
- 1.00% Current Participation Fee Paid to County
- 2.50% Participation Fee to be Paid to County Starting in 2003, through 2019
- 2.50% Participation Fee to be Paid to County Starting in 2020 on
- \$350,000 Assumed Promenade Value
- 0.00% Increase in Participation Fee in 2026
- 1 Sale decay trigger - 1 Indicates decay of 2 per year after 2040
- 1 Sales for 1st half of 2004 - 1 Indicates NO sales for first half of 2004

PERCENTAGE INDEX ASSUMPTIONS

- 7.72% 2002 Increase in MCC Ground Rent (Actual)
- 7.76% 2003 assumed ground rent increase
- 3.75% 2004 assumed ground rent increase
- 3.75% 2005 assumed ground rent increase
- 2019 Rent Deficiency Analysis: Year
- 3.75% Shadow Rent Annual Percentage Increase from 2003 to March 2019
- 4.21% Adjusted Shadow Rent Annual Percentage Increase starting in April 2019

To determine Ground Rental Increase from Rent Adjustment Analysis, set the call in BOLD to a new rate such that the Overall Shortfall including Promenade Value at the bottom of column (16) of the calculation equals no more than (\$500,000).

Schedule 4A to Exhibit V

Spreadsheet Depicting Additional Potential Recalibration of Ground Rent Index

See the attached

The calculations and values reflected in the attached spreadsheet are based on the assumptions set forth in Schedule 4B.

Schedule 4B to Exhibit V

Assumptions for Schedule 4A

See the attached

Schedule 4B
Marina City Club: Additional Potential Rent Example Assumptions

PARTICIPATION FEE ASSUMPTIONS

- 1/1/2004 Assumed Date of Start of Deal
- 8/1/2004 Date at Which Interest Begins to Accrue (Assuming April 1 Deal)
- 8.00% Base County Target Earnings Rate
- 0.00% Differential for County Target Earnings Rate
- 8.00% County Target Earnings Rate - Ground Rent
- 8.00% County Target Earnings Rate - Participation
- 4.00% Interest Rate on Loan
- 67.2 Assumed Number of Units Sold Per Year
- \$325,000 Assumed Average Selling Price - 2003 Dollars
- 8.00% Assumed One-Time Increase in 2004
- 4.00% Increase in Selling Prices - 2005 through 2037
- 2.67% Increase in Selling Prices - 2038 through 2052
- 21,840,000 Assumed Unit Sale Proceeds in 2002
- 1.00% Current Participation Fee Paid to County
- 2.50% Participation Fee to be Paid to County Starting in 2003, through 2019
- 2.50% Participation Fee to be Paid to County Starting in 2020 on
- \$350,000 Assumed Promissory Value
- 0.00% Increase in Participation Fee in 2026
- 1 Sale decay trigger - 1 indicates decay of 2 per year after 2040
- 1 Sales for 1st half of 2004 - 1 indicates NO sales for first half of 2004

PERCENTAGE INDEX ASSUMPTIONS

- 7.72% 2002 Increase in MCG Ground Rent (Actual)
- 7.76% 2003 assumed ground rent increase
- 3.75% 2004 assumed ground rent increase
- 3.75% 2005 assumed ground rent increase
- 2019 Rent Deficiency Analysis Year
- 3.75% Shadow Rent Annual Percentage Increase from 2003 to March 2019
- 4.96% Adjusted Shadow Rent Annual Percentage Increase starting in April 2019

ILLUSTRATIVE CALCULATION OF ADDITIONAL POTENTIAL RENT DUE

Illustrative Percentage Rent Due at 12.5% Rate	Percentage Rent Due Assuming a 15% Rate starting 2016	Past Due Percentage Rent Owed to County	Assumed County Pool Rate	Cumulative Past Due Percentage Rent with Interest
2016 4,000,000	4,800,000	800,000	N/A	900,000
2017 4,150,000	4,980,000	830,000	4.5%	1,068,000
2018 4,305,625	5,166,750	861,125	4.0%	2,583,785
2019 (1 qtr only) 4,487,088	5,380,503	893,417	4.2%	2,844,354
Target Overall Shortfall Net of Escrowment Value, Including Cumulative Past Due Percentage Rent				\$2,344,354

To determine Ground Rental Increases from Rent Adjustment Analysis, set the cell in BOLD to a new rate such that the Overall Shortfall Net of Escrowment Value at the bottom of column (16) of the calculation equals no more than (\$500,000) PLUS the Cumulative Past Due Percentage Rent with Interest, as illustrated above.

EXHIBIT W

Provisions Regarding Condominium Project Maintenance Account

I. Definitions

As used in this Exhibit W:

"Accrued Administrative Transfer Fee Payment" means the amount, if any, paid to County by Lessee pursuant to clause (i) of paragraph 9 of Exhibit B to the amendment to the Lease captioned "Amendment No. 4 to the Second Amended and Restated Lease (Improved Parcel), No. 55624, Parcel No. 125R – Marina Del Rey Small Craft Harbor".

"Applicable Percentage" means the aggregate "Operating Expense Percentage" for the Category A Units, as provided and as defined in the Master Condominium Sublease.

"Base Year Amount" means the product of (i) Two Million Four Hundred Twenty-Nine Thousand Eighty-Eight Dollars (\$2,429,088), and (ii) the Applicable Percentage.

"Condominium Project Repairs Account" has the meaning given such term in subsection 14.05.A of the Lease.

"Contributed Repair Funds" means, as of any date, all amounts deposited by County into the Condominium Project Repairs Account.

"County Pool Rate" means, for any applicable period, a floating rate equal to the investment yield earned on the County's Treasury Pool during such period, as contained in County's Report of Investments covering such period.

"Covered Repairs" means those repairs, refurbishments and improvements described on Schedule 1 attached hereto.

"Disbursed Repair Funds" means all amounts disbursed from the Condominium Project Repairs Account from time to time in accordance with Section III.E below.

"Disbursed Repair Funds Balance" means, as of any date, the amount equal to (i) the total Disbursed Repair Funds, plus (ii) the interest accrued thereon as provided in Section III.C below, minus (iii) the sum of the Accrued Administrative Transfer Fee Payment, if any, and all Increased Administrative Transfer Fees credited thereto pursuant to Section III.D below.

"Disbursement Request" means a written request by Lessee for a disbursement from the Condominium Project Repairs Account, in the form described in Section III.E below.

"Increased Administrative Transfer Fee" means an amount equal to sixty percent (60%) of each Administrative Transfer Fee paid to County by Lessee with respect to a Category A Unit pursuant to Section 5.12 of the Lease. No portion of any Administrative Transfer Fee relating to a Category B Unit shall be considered part of the "Increased Administrative Transfer

Fees" for purposes of this Exhibit W or any other provision of the Lease.

"Initial Deposit Date" means the date on which the Memorandum (as defined in Section 2 of the amendment to the Lease captioned "Amendment No. 4 to the Second Amended and Restated Lease (Improved Parcel) No. 55624, Parcel No. 125R-Marina del Rey Small Craft Harbor") is recorded in the Official Records of Los Angeles County, California.

"Lien Waiver" means a Conditional Waiver and Release Upon Final Payment or an Unconditional Waiver and Release Upon Final Payment, in each case as described in and meeting the requirements of California Civil Code Section 3262, as it may be amended or replaced by successor statutes from time to time.

"Notice of Completion" means a notice of completion as described in and meeting the requirements of California Civil Code Section 3093, as it may be amended or replaced by successor statutes from time to time.

"Payment Credit Period" means the period commencing on the Initial Deposit Date and ending on the earlier of (i) December 31, 2022, or (ii) the date on which the Disbursed Repair Funds Balance has been reduced to zero pursuant to Section III.D below.

II. County Contributions to Condominium Project Repairs Account

County shall make the following deposits into the Condominium Project Repairs Account:

(a) Not later than fifteen (15) days after the Initial Deposit Date, the product of (i) the amount of Two Million Nine Hundred Eighty-Eight Thousand Thirty-Nine Dollars (\$2,988,039), and (ii) the Applicable Percentage.

(b) Not later than January 10 of each of the years commencing with 2005 and ending with 2007, the amount by which the Percentage Rent for the Category A Units received by County for the immediately preceding year (i.e., 2004, 2005 and 2006, respectively) exceeds the Base Year Amount.

III. Disbursements from Condominium Project Repairs Account

A. Amounts Available for Disbursement

All funds in the Condominium Project Repairs Account shall be deemed to bear interest at the County Pool Rate, compounded annually, until disbursed pursuant to Section III.E below (i.e., the funds available for disbursement shall equal the Contributed Repair Funds plus the deemed interest thereon).

B. Authorized Disbursements

The funds in the Condominium Project Repairs Account are to be disbursed to reimburse Lessee for the Applicable Percentage of the costs of the completed Covered Repairs, and for no other purpose. Such funds are not intended to be, and shall not be, disbursed to

reimburse the cost of the Covered Repairs allocable to the Category B Units. Lessee may request a disbursement from the Condominium Project Repairs Account in an amount equal to the Applicable Percentage of the cost of a particular Covered Repair when the same has been completed, as more particularly provided in and subject to the other disbursements conditions contained in Section III.E below. The costs of a Covered Repair that qualify for reimbursement shall include all hard and soft costs of designing, contracting for, supervising, and installing such Covered Repair, including, without limitation, all consultant, engineering, project design, architecture, bid supervision, construction management, permitting, plan check, life safety review, ADA compliance, and other similar costs relating to such Covered Repair.

C. Interest on Disbursed Repair Funds

Interest shall accrue on the Disbursed Repair Funds Balance then outstanding at the rate equal to the County Pool Rate, compounded annually, from the date disbursed until such time as the Disbursed Repair Funds Balance has been reduced to zero pursuant to Section III.D or otherwise paid in full pursuant to subsection 14.05.B of the Lease. Said interest shall be calculated on the basis of a 365-day year and the actual number of days elapsed.

D. Reduction and Payment of Disbursed Repair Funds Balance

The Accrued Administrative Transfer Fee Payment and each Increased Administrative Transfer Fee received by County during the Payment Credit Period shall be deemed to have been applied by County to the Disbursed Repair Funds Balance on the date received. As provided in subsection 14.05.B of the Lease, on February 28, 2023, Lessee shall pay County an amount equal to the remaining Disbursed Repair Funds Balance if the same has not been reduced to zero pursuant to the previous sentence or otherwise.

E. Disbursement Procedures

County shall disburse the funds in the Condominium Project Repairs Account to Lessee as it may request from time to time pursuant to a Disbursement Request in the form attached as Schedule 2 hereto, subject to and in accordance with the following conditions and procedures:

1. Lessee may not request a disbursement for a particular Covered Repair until it has been completed and all costs thereof have been paid in full.
2. A Disbursement Request may cover more than one Covered Repair.
3. Lessee may not deliver a Disbursement Request prior to the date that is thirty (30) days after the previous Disbursement Request, except as provided in paragraph 5 below:
4. Each Disbursement Request shall be accompanied by the following items for each Covered Repair that is the subject of such Disbursement Request:
 - (a) a copy of the recorded Notice of Completion relating to the applicable Covered Repair or, if no Notice of Completion is being recorded and a

prudent owner would not require the recordation of a Notice of Completion for the Covered Repair given its scope, cost and nature, a certificate from the general contractor stating that the applicable Covered Repair has been completed;

(b) copies of invoices from each contractor or vendor that supplied labor or materials for the applicable Covered Repair (said invoices must describe the project or job site location and the work or materials supplied in such a manner that it can reasonably be determined that the amounts paid to the contractor or vendor were for the applicable Covered Repair) that equal, in the aggregate, not less than the portion of the total cost of the Covered Repair set forth in the Disbursement Request for which reimbursement is requested;

(c) except as provided in subparagraph (d) below, a copy of a Lien Waiver from each contractor or vendor that supplied labor or materials for the applicable Covered Repair and, for each such Lien Waiver that is conditional, a copy of the check described in such Lien Waiver;

(d) for any person who provided labor, materials or services for the Covered Repair but from whom a Lien Waiver was not obtained, reasonably satisfactory evidence that such person has been paid in full or that Lessee has posted a bond therefor, in compliance with California Civil Code Section 3143 (if applicable) and Section 4.06.C of the Lease;

(e) reasonably satisfactory evidence that all permits required for the applicable Covered Repair were obtained and that the Covered Repair complies with all applicable laws, codes and regulations as completed (such compliance may be demonstrated by, among other things, proper notations on the permit card by the appropriate governmental official following his or her final inspection of the completed work); and

(f) such additional items as County may reasonably request to verify that the applicable Covered Repair has been completed and all costs thereof have been paid in full and that Lessee is in compliance with Section 4.06.C of the Lease.

5. Not later than fifteen (15) days after its receipt of a Disbursement Request and the related items described in paragraph 4 above, County shall either (i) disburse to Lessee an amount equal to the Applicable Percentage of the cost of the applicable Covered Repair, as demonstrated by the Disbursement Request and the related items, or (ii) notify Lessee in writing that County is disapproving the Disbursement Request on the grounds that it covers costs that are not attributable to a particular Covered Repair or that the Disbursement Request (or any of the related required items) is incomplete. If County disapproves a Disbursement Request because County determines that it is incomplete, then County's notice shall specify the incomplete or missing items; Lessee may then submit a revised Disbursement Request when it believes that the same is complete, and the County shall review the same and act in accordance with the first sentence of this paragraph 5 with respect thereto.

IV. Schedules

Schedules 1 and 2 to this Exhibit W are hereby incorporated into and form a part of this Exhibit W as if set forth herein in full.

Schedule 1 to Exhibit W
COVERED REPAIRS

Item Number	Description of Task	Completion Date
<u>PART I - Priority Repairs</u>		
1	Replace 5 Trash Chutes	30 Months from effective date of Amendment # 4
2	Roof West Tower (N & S)	30 Months from effective date of Amendment # 4
3	Refile Showers, replace leaking valves	36 Months from effective date of Amendment # 4
4	Install parking garage lighting in 24hr Lot	12 Months from effective date of Amendment # 4
5	Replace Roof Exhaust Fans	30 Months from effective date of Amendment # 4
6	Replace bilge pumps - basement	24 Months from effective date of Amendment #4
7	Replace Plaza level & Main backflow valves	24 Months from effective date of Amendment #4
8	Replace 4 boilers Center & East Twrs	20 Months from effective date of Amendment #4
9	Overhaul Center Tower Chiller	30 Months from effective date of Amendment #4
10	Replace Fire Pump Controllers	24 Months from effective date of Amendment #4
11	Rebuild 9 hydraulic Elevators	36 Months from effective date of Amendment #4
12	Exterior Stucco Repairs ETN, WTN & CTN	30 Months from effective date of Amendment #4
13	Repair Staircase Stucco Walls	30 Months from effective date of Amendment #4
14	Repave & rebuild Marina City Drive	36 Months from effective date of Amendment #4
15	Replace Chilled Water lines	36 Months from effective date of Amendment #4
16	Install Otis elevator sensors	24 Months from effective date of Amendment #4
17	Replace Exterior Glass & Frames	63 Months from effective date of Amendment #4
18	Paint / replace window aluminum mullions	36 Months from effective date of Amendment #4
19	Retile 3 pools & jacuzzi	36 Months from effective date of Amendment #4
20	Remove Planters & Install Pots @ 3 PK Str.	30 Months from effective date of Amendment #4
21	Structural concrete repair 3 Plaza's & Tower Pk	18 Months from effective date of Amendment #4
22	Center Tower roof - North	36 Months from effective date of Amendment #4
23	Center Tower roof - South	36 Months from effective date of Amendment #4
24	Replace West Tower cooling tower	36 Months from effective date of Amendment #4
25	Replace garage lighting	12 Months from effective date of Amendment #4
26	Rebuild Center Tower Circulating Pump	12 Months from effective date of Amendment #4
27	Parking - Structural Repairs - Center	30 Months from effective date of Amendment #4
28	Parking - Structural Repairs - East	36 Months from effective date of Amendment #4
29	Parking - Structural Repairs - West	42 Months from effective date of Amendment #4
30	Replace Trash Chute - West Tower North	12 Months from effective date of Amendment #4
31	Replace 2 boilers - West Tower	12 Months from effective date of Amendment #4

PART II - Other Repairs

- 1 Replace Heat Pump - West Tower
- 2 Replace and waterproof center tower kitchen floor
- 3 Repair structural elements of shared area decks
- 4 Paint East Tower exterior
- 5 Paint Center Tower exterior
- 6 Paint West Tower exterior
- 7 Install individual heat pumps in Center Tower
- 8 Install individual heat pumps in East Tower
- 9 Replaced 10 heat pumps - West Tower
- 10 Replace galv. plumbing in CT-units & related Shared Area
- 11 Replace galv. plumbing in ET units & related Shared Area
- 12 Replace galv. plumbing in WT-units & related Shared Area
- 13 Replace HVAC system, floors 1-3 Center Tower
- 14 Recaulk & repair of CT & related SA Windows & Mullions
- 15 Recaulk & repair of ET & related SA Windows & Mullions
- 16 Recaulk & repair of WT & related SA Windows & Mullions
- 17 Rebuild Fancoil units in shared area

Schedule 2 to Exhibit W

Form of Disbursement Request

DISBURSEMENT REQUEST
(Marina City Club Condominiums)

This Disbursement Request is made by Essex Marina City Club, L.P., a California limited partnership ("Lessee") for the purpose of requesting a disbursement from the "Condominium Project Repairs Account" described in Exhibit W to that certain Amendment No. 4 to the Second Amended and Restated Lease (Improved Parcel), No. 55624, Parcel No. 125R, Marina Del Rey Small Craft Harbor dated as of _____, 2004 between County of Los Angeles and Lessee. All initially-capitalized terms used but not defined in this Disbursement Request have the meanings given such terms in said Exhibit W.

1. Covered Repair(s). The Covered Repair(s) that is/are the subject of this Disbursement Request consists of *[describe work, utilizing the same description as set forth in Schedule 1]*.

2. Cost of Covered Repair(s); Requested Disbursement Amount. Lessee and/or the Owners Association has paid a total of \$ _____ for the Covered Repair(s) that is/are the subject of this Disbursement Request. The Applicable Percentage (i.e., the portion of the cost of the Covered Repair attributable to the Category A Units to be reimbursed by County to the extent of the funds available in the Condominium Project Repairs Account) is ____%. Accordingly, Lessee hereby requests a disbursement from the Condominium Project Repairs Account in the amount of \$ _____.

3. Certifications. To induce County to make the disbursement from the Condominium Project Repairs Account requested in this Disbursement Request, Lessee hereby certifies, to the best of its knowledge, as follows:

3.1 the Covered Repair(s) that is/are the subject of this Disbursement Request have been completed and accepted by Lessee (subject to any latent or other defects of which Lessee is unaware);

3.2 the costs of the Covered Repair(s) that is/are the subject of this Disbursement Request have been paid in full, and the amount set forth in the first sentence of paragraph 2 of this Disbursement Request is net and exclusive of any rebates, refunds, credits and other discounts provided to Lessee or the Owners Association with respect to such Covered Repair(s);

3.3 except as otherwise stated in Attachment 4, a Lien Waiver was obtained from each person or entity that supplied labor or materials for, or otherwise rendered services relating to, the Covered Repair(s) that is/are the subject of this Disbursement Request;

¹ The amount to be disbursed is the product of the cost of the Covered Repair and the Applicable Percentage.

3.4 the aggregate amount of the Disbursed Repair Funds (excluding amounts to be disbursed pursuant to this Disbursement Request) equals \$ _____;

3.5 true and correct copies of the following items for each Covered Repair that is the subject of this Disbursement Request are attached hereto:

- (1) as Attachment 1, a copy of the [recorded Notice of Completion or certificate from the general contractor stating that the Covered Repair has been completed];
- (2) as Attachment 2, copies of all invoices for the portion of the Covered Repair for which reimbursement is requested;
- (3) as Attachment 3, copies of all Lien Waivers relating to the Covered Repair;
- (4) as Attachment 4, (i) a list of all persons and entities who provided labor, materials or services for the Covered Repair from whom or which a Lien Waiver was not obtained, and (ii) documents evidencing that such persons and entities have been paid in full or that Lessee has posted a bond therefor, in compliance with California Civil Code Section 3143 (if applicable) and Section 4.06.C of the Lease;
- (5) as Attachment 5, documents evidencing that all permits required for the applicable Covered Repair were obtained and that the Covered Repair complies with all applicable laws, codes and regulations as completed;
- (6) as Attachment 6, a certificate signed by two officers of the Owners Association that states that the Owners Association has accepted the applicable Covered Repair (subject to any latent or other defects of which the Owners Association is unaware); [and
- (7) as Attachment 7, *describe other documents required by County.*]

3.6 each of the undersigned individuals is an officer of Lessee and holds the title listed beneath his or her printed name.

[REMAINDER OF PAGE INTENTIONALLY LEFT BLANK]

Each of the individuals executing this Disbursement Request on behalf of Lessee represents, warrants and certifies to County that, to the best of his or her information and belief, each of the statements made in this Disbursement Request is true and accurate in all respects.

LESSEE:

ESSEX MARINA CITY CLUB, L.P.,
a California limited partnership

By: Essex MCC, LLC,
a Delaware limited liability company,
its general partner

By: Essex Portfolio, L.P.,
a California limited partnership,
its sole member

By: Essex Property Trust, Inc.,
a Maryland corporation,
its general partner

By: _____
Name: _____
Its: _____

AMENDMENT NO. 4A TO THE SECOND AMENDED AND RESTATED
LEASE (IMPROVED PARCEL) NO. 55624,
PARCEL NO. 125R - MARINA DEL REY SMALL CRAFT HARBOR

THIS AMENDMENT NO. 4A TO THE SECOND AMENDED AND RESTATED
LEASE (IMPROVED PARCEL) NO. 55624, PARCEL NO. 125R - MARINA DEL REY
SMALL CRAFT HARBOR (this "Amendment") is made and entered into this 28th day of
September, 2004,

BY AND BETWEEN

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

AND

ESSEX MARINA CITY CLUB, L.P.,
a California limited partnership, as successor in
interest to Marina City Club, L.P., a California limited
partnership (f/k/a J.H. Snyder Company), hereinafter
referred to as "Lessee".

WITNESSETH:

WHEREAS, County and Marina City Club, L.P., a California limited partnership
("Original Lessee"), entered into that certain Second Amended and Restated Lease [Improved
Parcel] dated October 27, 1987 and identified as Lease No. 55624 (the "Original Lease"), as
amended by (i) that certain First Amendment to the Second Amended and Restated Lease
(Improved Parcel) No. 55624 Parcel 125R Marina del Rey dated November 4, 1988, (ii) that
certain Second Amendment to the Second Amended and Restated Lease (Improved Parcel) No.
55624 Parcel 125R - Marina del Rey dated August 1, 1992, and (iii) that certain Amendment No.
3 to the Second Amended and Restated Lease (Improved Parcel) No. 55624 Parcel 125R -
Marina del Rey Small Craft Harbor dated December 3, 2002 (the Original Lease, as so amended,
is hereinafter referred to as the "Lease");

WHEREAS, pursuant to that certain Assignment of Lease dated as of December 11, 2003
and that certain Acceptance of Assignment of Lease dated as of December 18, 2003, Lessee
acquired all of Original Lessee's right, title and interest in and to, and assumed Original Lessee's
obligations under, the Lease effective as of January 21, 2004;

WHEREAS, the Premises under the Lease are improved with, among other things, three
high-rise towers that include 600 residential condominium units commonly known as the Marina
City Club Condominiums, with subleasehold interests in said condominium units having been
sold to Prepaid Sublessees, each of whom owns its subleasehold interest in the condominium
unit subject to the terms of the Lease (each of the Prepaid Sublessees is a "Condominium
Sublessee" for purposes of and as defined in the Master Condominium Sublease; however, such
persons have not prepaid all amounts payable with respect to their subleasehold interests as each
Prepaid Sublessee is obligated to pay, among other things, monthly "Ground Rent", as defined in
the Master Condominium Sublease);

WHEREAS, the Lease requires Lessee to pay to County, among other payments, Percentage Rents for Prepaid Subleases (which are determined, in part, by the Shadow Rent) on a monthly basis and an Administrative Transfer Fee upon each Change of Ownership of a Prepaid Sublessee's interest, all as more particularly provided therein;

WHEREAS, each Prepaid Sublease requires the applicable Prepaid Sublessee to make corresponding payments to Lessee. Specifically, each Prepaid Sublessee is required to pay Lessee (i) monthly "Ground Rent", which is determined, in part, by the "Shadow Rent", and (ii) a "Change in Ownership Fee" upon certain transfers of the Prepaid Sublessee's interest, as defined and as more particularly provided in the Prepaid Sublease for such Prepaid Sublessee's condominium unit (i.e., the Master Condominium Sublease and the Assignment and Assumption of Condominium Sublease for the Marina City Club Tower Apartments between Snyder/Marina, the initial lessee under the Master Condominium Sublease, and the initial condominium sublessee for such unit);

WHEREAS, Lessee is affording each of the Prepaid Sublessees the one-time option to modify certain provisions of its Prepaid Sublease, all as more particularly provided in the form of Amendment to Condominium Sublease and Condominium Subleasehold Deed of Trust and Assignment of Rents and Agreement of Junior Lender (the "Condominium Sublease Amendment") attached to that certain Amendment No. 4 to the Second Amended and Restated Lease (Improved Parcel) No. 55624 Parcel 125R - Marina del Rey Small Craft Harbor dated June 22, 2004 (the "Fourth Amendment"), which Fourth Amendment has been executed by County and Lessee but is not yet effective;

WHEREAS, the Fourth Amendment provides for, among other things, the establishment of two categories of Prepaid Subleases for purposes of the Lease, as follows:

(i) the "Category A Units", which are to consist of those Prepaid Subleases as to which the applicable Prepaid Sublessees affirmatively elect, not later than the "Outside Date" under the Fourth Amendment (i.e., September 30, 2004), to be bound by the modifications provided in the Condominium Sublease Amendment (the "Modified Terms"); and

(ii) the "Category B Units", which are to consist of all other Prepaid Subleases;

WHEREAS, Lessee and County anticipate that the Fourth Amendment will become effective on the Outside Date but that, as of such date, certain Prepaid Sublessees who desire to be bound by the Modified Terms will not have delivered a fully-executed Condominium Sublease Amendment;

WHEREAS, Lessee and County desire to extend the date by which a Prepaid Lessee must elect to be bound by the Modified Terms so that its Prepaid Sublessee is a Category A Unit and make certain other modifications to the Lease and the Fourth Amendment, all as more particularly provided in this Amendment.

NOW, THEREFORE, with reference to the foregoing recitals, and for other good and valuable consideration, the receipt and adequacy of which are hereby acknowledged, County and Lessee hereby agree as follows:

1. Definitions. All initially-capitalized terms used but not defined in this Amendment have the meanings given such terms in the Lease.

2. Representations and Warranties. To induce County to enter into this Amendment, Lessee hereby represents and warrants to County as follows:

2.1 Lessee has not assigned its interests as lessee under the Lease or as sublessor under any Condominium Sublease; and

2.2 Lessee has not encumbered its interests in the Lease or in any Condominium Sublease with any deed of trust, mortgage or similar security instrument, nor has Lessee expressly assumed any loan secured by a deed of trust, mortgage or similar security instrument encumbering the lessee's interest in the Lease or the Sublessor's interest in any Condominium Sublease.

3. Amendments. Subject to Paragraph 4.1 below, the Fourth Amendment, the Lease and/or the Forbearance Agreement (as defined in Paragraph 3.3 below), as applicable, are hereby amended as provided below:

3.1 Time for Determining Category A and Category B Units. The Fourth Amendment provides that the Category A Units are those Prepaid Subleases as to which the applicable Prepaid Sublessees have affirmatively elected to be bound by the Modified Terms as of the Effective Date (as defined in the Fourth Amendment); a Prepaid Sublessee is to evidence said election by the delivering a fully executed Condominium Sublease Amendment (which must be signed by, in addition to the Prepaid Sublessee, each person who holds a lien against the unit, as more particularly provided in paragraph 5 of Exhibit B to the Fourth Amendment). If all of the Amendment Conditions (as defined in the Fourth Amendment) are satisfied as of the Outside Date, then County and Lessee shall instruct Chicago Title Insurance Company to record the Memorandum (as defined in the Fourth Amendment) in the Official Records of Los Angeles County (the "Official Records"); Exhibits U-1 and U-2 thereto (which also will become Exhibits U-1 and U-2 to the Lease as of the Effective Date) and Schedule 1A to Exhibit V thereto (which also will become Schedule 1A to Exhibit V to the Lease as of the Effective Date) shall reflect the Category A Units and the Category B Units as of such date. Notwithstanding that the Fourth Amendment provides that each Prepaid Sublease is to be permanently classified as either a Category A Unit or a Category B Unit as of the Effective Date, County and Lessee hereby agree that, if the Effective Date occurs, the Prepaid Sublessee of each Qualified Category B Unit (as defined below) may elect to have its unit converted to a Category A Unit by delivering a fully executed Condominium Sublease Amendment in recordable form to Chicago Title Insurance Company (at 700 South Flower Street, Suite 800, Los Angeles, California 90017, Attn: Chuck Hoffman) not later than 5 p.m. (Pacific time) on October 20, 2004 (the "New Election Deadline") and provided that at the New Election Deadline all other conditions in the Condominium Sublease Amendment to the effectiveness thereof have been satisfied, time being of the essence. If at least one Prepaid Sublessee of a Qualified Category B Unit timely elects to

have its unit converted to a Category A Unit as provided in the previous sentence, then (i) Exhibits U-1 and U-2 and Schedule 1A to Exhibit V to the Lease shall be amended and restated to reflect those Category B Units that have become Category A Units, and (ii) not later than October 29, 2004, County and Lessee shall cause a memorandum of this Amendment in the form attached hereto as Exhibit A to be recorded in the Official Records, upon which Exhibits U-1 and U-2 and Schedule 1A to Exhibit V to the Lease shall be deemed to have been amended, restated and replaced by Exhibits U-1 and U-2 and Schedule 1A to Exhibit V to such memorandum. As used in this Amendment, "Qualified Category B Unit" means a unit as to which the Prepaid/ Sublessee executed and delivered a Condominium Sublease Amendment prior to the Effective Date that either was missing a lender consent or otherwise was not in recordable form.

3.2 Opinion Requirement. One of the Amendment Conditions is that counsel to the Owners Association shall have delivered a satisfactory legal opinion to County unless the number of Category A Units is at least five hundred seventy (570), as more particularly provided in paragraph 7 of Exhibit B to the Fourth Amendment (the "Opinion Condition"). The Opinion Condition shall continue to be an Amendment Condition. However, if the number of Category A Units is less than five hundred seventy (570) as of the Effective Date but is at least five hundred seventy (570) as of the New Election Deadline, then promptly after the New Election Deadline the County shall deliver a letter to the counsel that rendered the legal opinion as of the Effective Date that provides that such opinion letter is being returned and is of no further force and effect.

3.3 No Retroactive Payment of 2004 Increase. County and Lessee are parties to that certain Limited Forbearance Agreement (Re: Second Amended and Restated Lease [Improved Parcel] No. 55624, Parcel 125R – Marina del Rey Small Craft Harbor), dated December 16, 2003, as amended (the "Forbearance Agreement"), which provides, among other things, that Lessee must make a payment to County on account of the underpaid "Master Lease Shadow Rent" attributable to the Category B Units, as more particularly provided therein. County and Lessee hereby agree, however, that for (and only for) purposes of Paragraph 2.1 of the Forbearance Agreement, the Category B Units shall not include those Qualified Category B Units that are timely converted to Category A Units as provided in Paragraph 3.1 above. Additionally, Lessee shall not seek to collect any amounts from those Qualified Category B Units that are timely converted to Category A Units on account of Lessee's payment obligation under Paragraph 2.1 of the Forbearance Agreement.

4. Miscellaneous.

4.1 Condition. If the Effective Date does not occur (i.e., if the amendments to the Lease contained in the Fourth Amendment do not become effective), then this Amendment shall be of no force or effect and the Lease shall remain unmodified.

4.2 Counterparts. This Amendment may be executed in several counterparts, each of which shall be deemed an original, and such counterparts shall constitute but one and the same instrument.

4.3 Governing Law. This Amendment shall be governed by and construed in accordance with the laws of the State of California without giving effect to the conflict of law principles of said state.

4.4 Controlling Provisions. In the event of any inconsistencies between the provisions of this Amendment and the provisions of the Lease or the Fourth Amendment, the provisions of this Amendment shall govern and prevail.

4.5 Exhibit. Exhibit A attached hereto is incorporated herein as though set forth herein in full.

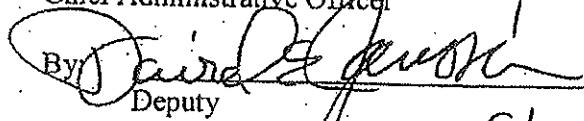
4.6 Integration and Merger. The Fourth Amendment, this Amendment and the Exhibits attached hereto contain the entire agreement of County and Lessee regarding the modification of the Lease and supersede all prior agreements, term sheets and understandings between County and Lessee, whether written or oral, with respect to the modification of the Lease.

[SIGNATURES ON NEXT PAGE]

IN WITNESS WHEREOF, Lessee has executed this Amendment, and the County of Los Angeles, by order of its Board of Supervisors, has caused this Amendment to be executed by its Chief Administrative Officer as of the date first above written.

COUNTY: COUNTY OF LOS ANGELES

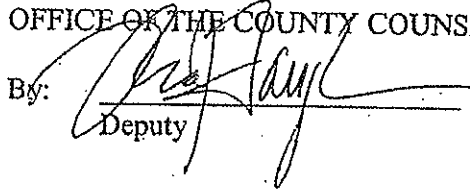
DAVID E. JANSSEN
Chief Administrative Officer

By: 
Deputy

9/29/04

APPROVED AS TO FORM
BY COUNTY COUNSEL:

OFFICE OF THE COUNTY COUNSEL

By: 
Deputy

LESSEE: ESSEX MARINA CITY CLUB, L.P.,
a California limited partnership

By: Essex MCC, LLC,
a Delaware limited liability company,
its general partner

By: Essex Portfolio, L.P.,
a California limited partnership,
its sole member

By: Essex Property Trust, Inc.,
a Maryland corporation,
its general partner

By: _____
Gerald E. Kelly,
Vice President

IN WITNESS WHEREOF, Lessee has executed this Amendment, and the County of Los Angeles, by order of its Board of Supervisors, has caused this Amendment to be executed by its Chief Administrative Officer as of the date first above written.

COUNTY:

COUNTY OF LOS ANGELES

DAVID E. JANSSEN
Chief Administrative Officer

By: _____
Deputy

APPROVED AS TO FORM
BY COUNTY COUNSEL:

OFFICE OF THE COUNTY COUNSEL

By: _____
Deputy

LESSEE:

ESSEX MARINA CITY CLUB, L.P.,
a California limited partnership

By: Essex MCC, LLC,
a Delaware limited liability company,
its general partner

By: Essex Portfolio, L.P.,
a California limited partnership,
its sole member

By: Essex Property Trust, Inc.,
a Maryland corporation,
its general partner

By: 
Gerald E. Kelly
Vice President

EXHIBIT A

Form of Memorandum

RECORDING REQUESTED BY:

AND WHEN RECORDED MAIL TO:

Space Above This Line For Recorder's Use

THIS DOCUMENT IS EXEMPT FROM RECORDING FEES
PURSUANT TO GOVERNMENT CODE § 27383.

THIS DOCUMENT IS EXEMPT FROM DOCUMENTARY
TRANSFER TAX PURSUANT TO REVENUE & TAXATION CODE § 11922.

MEMORANDUM OF AMENDMENT NO. 4A
TO THE SECOND AMENDED AND RESTATED LEASE
(IMPROVED PARCEL) NO. 55624,
PARCEL NO. 125R - MARINA DEL REY SMALL CRAFT HARBOR

THIS MEMORANDUM OF AMENDMENT NO. 4A TO THE SECOND AMENDED
AND RESTATED LEASE (IMPROVED PARCEL) NO. 55624, PARCEL NO. 125R -
MARINA DEL REY SMALL CRAFT HARBOR (this "Memorandum") is made and entered
into as of _____, 2004 by and between COUNTY OF LOS ANGELES ("County")
and ESSEX MARINA CITY CLUB, L.P., a California limited partnership, as successor in
interest to Marina City Club, L.P., a California limited partnership (f/k/a J.H. Snyder Company)
("Lessee"), with reference to the following facts:

RECITALS

A. County and Lessee (as successor in interest to Marina City Club, L.P., a
California limited partnership ("Original Lessee")) are parties to that certain Second Amended
and Restated Lease [Improved Parcel] dated October 27, 1987 between County and Original
Lessee and identified as Lease No. 55624 (the "Original Lease"), as amended by (i) that certain
First Amendment to the Second Amended and Restated Lease (Improved Parcel) No. 55624
Parcel 125R Marina del Rey dated November 4, 1988 between County and Original Lessee, (ii)
that certain Second Amendment to the Second Amended and Restated Lease (Improved Parcel)
No. 55624 Parcel 125R - Marina del Rey dated August 1, 1992 between County and Original
Lessee, (iii) that certain Amendment No. 3 to the Second Amended and Restated Lease

(Improved Parcel) No. 55624 Parcel 125R – Marina del Rey Small Craft Harbor dated December 3, 2002 between County and Original Lessee, and (iv) that certain Amendment No. 4 to the Second Amended and Restated Lease (Improved Parcel) No. 55624, Parcel No. 125R – Marina del Rey Small Craft Harbor dated as of June 22, 2004 between County and Lessee (the “Fourth Amendment”; the Original Lease, as so amended, is hereinafter referred to as the “Lease”). A memorandum of the Original Lease was recorded in the Official Records of Los Angeles County, California (the “Official Records”) on January 26, 1988 as Instrument No. 88-11960 and a memorandum of the Fourth Amendment was recorded in the Official Records on _____, 2004 as Instrument No. 04-_____.

B. County and Lessee have amended the Lease as provided in that certain Amendment No. 4A to the Second Amended and Restated Lease (Improved Parcel) No. 55624, Parcel No. 125R – Marina del Rey Small Craft Harbor dated as of September 28, 2004 (the “Lease Amendment”), and desire to provide notice to third parties of the Lease Amendment.

NOW, THEREFORE, with reference to the foregoing recitals, and for other good and valuable consideration, the receipt and adequacy of which are hereby acknowledged, County and Lessee hereby agree as follows:

1. The purpose of this Memorandum is to give notice to third parties of the existence of the Lease Amendment. The exact terms and conditions of the Lease Amendment are contained therein and are incorporated herein by this reference. However, the terms of the Lease Amendment include, among others, amending, restating and replacing Exhibits U-1 and U-2 and Schedule 1A to Exhibit V to the Lease with Exhibits U-1 and U-2 and Schedule 1A to Exhibit V to this Memorandum.
2. If any of the terms or provisions of this Memorandum conflict or are inconsistent with the terms and provisions of the Lease Amendment, the terms and provisions of the Lease Amendment shall prevail.
3. The Lease has not been modified, amended or supplemented except as set forth in the Lease Amendment and, as amended by the Lease Amendment, the Lease is and remains in full force and effect.
4. This Memorandum may be executed in several counterparts, each of which shall be deemed an original, and such counterparts shall constitute but one and the same instrument.

[SIGNATURES ON NEXT PAGE]

IN WITNESS WHEREOF, the parties have executed this Amendment as of the date first above written.

COUNTY:

COUNTY OF LOS ANGELES

DAVID E. JANSSEN
Chief Administrative Officer

By: _____
Deputy

APPROVED AS TO FORM
BY COUNTY COUNSEL:

OFFICE OF THE COUNTY COUNSEL

By: _____
Deputy

LESSEE:

ESSEX MARINA CITY CLUB, L.P.,
a California limited partnership

By: Essex MCC, LLC,
a Delaware limited liability company,
its general partner

By: Essex Portfolio, L.P.,
a California limited partnership,
its sole member

By: Essex Property Trust, Inc.,
a Maryland corporation,
its general partner

By: _____
Name: _____
Its: _____