

RECORDING REQUESTED BY
AND WHEN RECORDED MAIL TO:

JWR Property Management, LLC
17602 17th Street, Suite 102, #211
Tustin, CA 92780

Recorded in Official Records, Orange County
Tom Daly, Clerk-Recorder



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APN: 933-92-050

SPACE ABOVE THIS LINE FOR RECORDER'S USE

RESIDENTIAL CONDOMINIUM LEASE AMENDMENT

This Residential Condominium Lease Amendment ("Amendment") is made and entered into effective as of May 1, 2012, between JWR PROPERTY MANAGEMENT, LLC, a California limited liability company ("Lessor") and JAMES L. WASMUND and PATRICIA L. WASMUND, Trustees of the James L. and Patricia L. Wasmund Family Trust dated 2-18-03 ("Lessee").

RECITALS

A. Lessor and Lessee are parties to that certain Residential Condominium Lease ("Lease") dated October 18, 1974, entered into by the predecessors-in-interest to the parties, with respect to that certain condominium in the residential project known as Shady Hollow, located in the City of Santa Ana, County of Orange, State of California, commonly known as 2604 North Tustin Avenue, #C, Unit 50, Santa Ana, California, the legal description of which is attached hereto as Exhibit A ("Property") and which Lease was recorded October 21, 1974 in Book 11269, Page 762 of Official Records. By certain mesne conveyances the parties hereto have acquired the respective rights and obligations of the Lessor and Lessee under the Lease.

B. Pursuant to the terms of the Lease, the annual rental amount payable thereunder is subject to periodic adjustment pursuant to the procedure established by the Lease, with the first such adjustment to be effective as of April 18, 2005.

C. An arbitration ("Arbitration") was conducted which determined adjusted annual rental amounts for all Residential Condominium Leases in Shady Hollow and a final arbitration award was issued December 13, 2011, as described below.

D. Lessee agrees that the Arbitration has been conducted in accordance with the terms of the Lease, and Lessee accepts the rental adjustment determination of the

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AS AN ACCOMMODATION ONLY. IT HAS NOT
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AS TO ITS EFFECT UPON THE TITLE

Arbitration for Lessee's Lease of the Property, but Lessee has requested that Lessor accept a reduction in such rental adjustment and Lessor has agreed, subject to the terms hereof.

AGREEMENT

NOW, THEREFORE, in view of the foregoing and in consideration of the promises set forth below and the benefits to be derived therefrom, the parties hereto agree to amend the Lease as follows:

1. Incorporation of Recitals. The foregoing recitals are incorporated herein and made a part of this Agreement.
2. Adjusted Rental. The adjusted annual rental under the Lease, effective as of April 18, 2005 ("Adjustment Date") was determined by the Final Amended Award of Arbitration, dated December 13, 2011, in Case No. 05CC00047 of the Superior Court of California, Orange County, Private Dispute Resolution No. 11-00946, administered by Judicate West as its file No. A 171297-27 ("Award"). The parties acknowledge that there has been a dispute regarding the appraisal methodology to be used to determine the Rental Adjustment, and the parties wish to avoid such a dispute in the future. Accordingly, the parties agree that the appraisal methodology utilized by William R. Hansen, MAI, in his Appraisal Report dated August 8, 2011, including the rent calculation exhibit submitted for the Arbitration under cover letter dated August 11, 2011 (together referred to as the "Hansen Appraisal Report") is the correct methodology to be used for the Rental Adjustment and all future rental adjustments under Article 22 of the Lease. In accordance with the Award, monthly rental owing under the Lease, commencing April 18, 2005, is \$1,152. Lessee has paid such adjusted rental amount for the period commencing January 1, 2012 through March 31, 2012. Commencing April 1, 2012, Lessor agrees that the monthly rental amount shall be reduced by seventeen and one-half percent (17.5%) to \$950 per month. Commencing on May 1, 2013, and on each anniversary of that date until April 18, 2025, the monthly rental amount then in effect shall increase by two percent (2%), compounded annually. The foregoing reduced rental amount effective April 1, 2012, together with the annual two percent (2%) increase beginning May 1, 2013, shall be the base rental ("Base Rental") amount hereafter, and, notwithstanding any provision of the Lease to the contrary, future rental adjustments shall not reduce the monthly rental payable under the Lease to an amount less than the Base Rental amount.
3. Rental Adjustment Date. Pursuant to the terms of Article 22 of the Lease, rental is to be further adjusted on April 18, 2015, and each ten (10) years thereafter. Notwithstanding the foregoing, other than the two percent (2%) annual rental increase, Lessor and Lessee agree that rental shall not be further adjusted until April 18, 2025. At that date, and on each ten (10) year anniversary of that date, the provisions of Article 22 of the Lease shall apply and rental shall be adjusted in accordance with Article 22 utilizing the methodology of the Hansen Appraisal Report. After April 18, 2025, the annual 2%

rental adjustment provisions of this Amendment shall not apply, and rental adjustments shall occur on the dates specified in accordance with Article 22.

4. Accrued Adjusted Rental. By a separate written agreement Lessor and Lessee have provided a procedure for payment and satisfaction of accrued adjusted rental for the period from the Adjustment Date through December 31, 2011.

5. Continuing Effect. Except as amended herein, the Lease remains in full force and effect.

6. Successors and Assigns. The terms and provisions of this Agreement shall inure to the benefit of and be binding upon the respective successors, affiliates and assigns of the parties hereto.

7. Authority. Each individual, by his or her execution of this Agreement, warrants that he or she has the right and authority to enter into this Agreement on behalf of the party for which the individual is signing.

8. Governing Law. This Agreement and any other documents referred to herein shall be governed by, construed and enforced in accordance with the laws of the State of California.

9. Interpretation. Each party has reviewed this Agreement, and the standard rule of construction to the effect that any ambiguities in this Agreement are to be resolved against the drafting party shall not be employed in interpreting this Agreement.

10. Counterparts. This Agreement may be executed in more than one original, all of which read together constitute the entire Agreement. Signatures on facsimiles or email attachments shall be deemed to be original.

11. Independent Advice. Lessee has been advised by Lessor that Lessee may elect to retain independent counsel to advise Lessee with regard to this Agreement and the release contained in this Agreement. Lessee acknowledges that Lessee has been allowed adequate time to determine whether or not to obtain independent counsel. Lessee warrants and represents that Lessee is executing this Agreement voluntarily and knowingly with full knowledge and understanding of all terms and conditions set forth herein, and that no coercion, pressure or undue influence of any kind has contributed in any way to Lessee's execution of this Agreement, nor is Lessee relying on any statement or information from Lessor in signing this Agreement (except the promises set forth in this Agreement).

IN WITNESS WHEREOF, the undersigned have executed this Amendment as of the date first set forth above.

LESSEE:

THE JAMES L. AND PATRICIA L. WASMUND
FAMILY TRUST DATED 2-18-03

By James L. Wasmund
JAMES L. WASMUND, Trustee

By Patricia L. Wasmund
PATRICIA L. WASMUND, Trustee

LESSOR:

JWR PROPERTY MANAGEMENT, LLC, a
California limited liability company

By: David C. Brown
DAVID C. BROWN, Manager

EXHIBIT A

LEGAL DESCRIPTION

PARCEL 1:

THAT PORTION OF LOT 1 OF TRACT 8415, IN THE CITY OF SANTA ANA, COUNTY OF ORANGE, STATE OF CALIFORNIA, SHOWN AS PARCEL NO. 1 ON A MAP FILED IN BOOK 59, PAGE 30 OF PARCEL MAPS, RECORDS OF SAID ORANGE COUNTY, SHOWN AND DEFINED AS UNIT 50 ON A CONDOMINIUM PLAN RECORDED IN BOOK 11176, PAGE 1207, OFFICIAL RECORDS OF SAID ORANGE COUNTY AND AS AMENDED BY AN INSTRUMENT RECORDED IN BOOK 11243, PAGE 28, OFFICIAL RECORDS OF SAID ORANGE COUNTY.

PARCEL 2:

AN UNDIVIDED 1/83rd INTEREST IN AND TO THAT PORTION OF LOT 1 OF TRACT 8415, IN THE CITY OF SANTA ANA, COUNTY OF ORANGE, STATE OF CALIFORNIA, SHOWN AS PARCEL NO. 1 ON A MAP FILED IN BOOK 59, PAGE 30 OF PARCEL MAPS, RECORDS OF SAID ORANGE COUNTY SHOWN AND DEFINED AS "COMMON AREA" ON A CONDOMINIUM PLAN RECORDED IN BOOK 11176, PAGE 1207, OFFICIAL RECORDS OF SAID ORANGE COUNTY AND AS AMENDED BY AN INSTRUMENT RECORDED IN BOOK 11243, PAGE 28, OFFICIAL RECORDS OF SAID ORANGE COUNTY.