OFFICE OF THE CITY ATTORNEY CHARLES PARKIN City Attorney 333 West Ocean Boulevard, 11th Floor Long Beach, CA 90802-4664

SECOND AMENDMENT TO GROUND LEASE NO. 24967

THIS SECOND AMENDMENT TO GROUND LEASE NO. 24967 (this "Amendment") is made and entered into in duplicate as of June 10, 2014, pursuant to a minute order adopted by the City Council of the City of Long Beach at its meeting of June 10, 2014, by and between the CITY OF LONG BEACH, a municipal corporation ("Lessor"), and BANCAP SEA PORT VILLAGE, INC., a California corporation ("Lessee").

- A. Lessor and Lessee entered into that certain Ground Lease (Contract No. 24967) dated as of October 31, 1996, and amended the same pursuant to a First Amendment to Ground Lease dated June 17, 1998 (as amended, the "Lease"), pursuant to which Lessee leases certain real property more particularly described in the Lease (the "Premises").
- B. Naples Restaurant Group, LLC, a California limited liability company (including its valid successors and assigns, "NRG") currently subleases a certain portion of the Premises commonly known as 190 Marina Drive (the "NRG Premises") and more particularly described in the sublease between Lessee and NRG (the "NRG Sublease").
- C. City has issued, or will shortly issue, a Public Walkways Occupancy Permit to NRG (the "NRG Occupancy Permit") for the occupation by NRG of certain public-right-of-way immediately adjacent to the NRG Premises (the "NRG Permit Area"), as more particularly described in the NRG Occupancy Permit attached hereto as Exhibit "A". The NRG Permit Area is not a part of the Premises, but NRG shall conduct its operations seamlessly on both the NRG Premises and the NRG Permit Area. The California Coastal Commission has approved of the NRG Permit Area and the issuance of the NRG Occupancy Permit pursuant to Coastal Development Permit Amendment No. 5-01-275-A1.
- D. Lessor and Lessee desire to further amend the Lease by treating the NRG Permit Area as though it constituted part of the Premises under the Lease, for the limited purposes described below.

NOW, THEREFORE, the Lessor and Lessee agree as follows:

1. NRG Permit Area. Lessor and Lessee agree that, notwithstanding the fact that the NRG Permit Area is not within the Premises or the NRG Premises, any and all revenues generated by NRG attributable to the NRG Permit Area shall be treated as though such revenues were generated on the NRG Premises, and such revenues and operating expenses associated therewith shall be included in the calculation of the Participation Rent required to be paid by Lessee to Lessor under the Lease. Lessee shall ensure that the NRG Sublease is amended so that such revenues are included in any obligation on the part of NRG to pay percentage or participation rent to Lessee. Lessee's failure to amend the NRG Sublease accordingly shall not obviate Lessee's obligation to include such revenues in the calculation of Participation Rent under the Lease. This provision shall only be effective for so long as the NRG Occupancy Permit (or its replacements or restatements) remains effective.

- 2. <u>Binding Effect, Estoppel</u>. Except as amended by this Amendment, the Lease remains unchanged and in full force and effect. As of the date hereof, neither party is aware of any breach by the other party of the Lease nor is either party aware of any facts or circumstances which with the passage of time or the giving of notice, or both, would constitute a default under the Lease.
- 3. <u>Entire Agreement, Counterparts.</u> This Amendment constitutes the entire agreement between the parties with respect to the subject matter hereof, and may not be modified except in writing signed by both parties. This Amendment may be executed in counterparts, each of which when taken together shall constitute the entire agreement.
- 4. <u>Effective Date</u>. This Amendment shall be effective as of the date executed by Lessor.

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OFFICE OF THE CITY ATTORNEY CHARLES PARKIN City Attorney 333 West Ocean Boulevard, 11th Floor Long Beach, CA 90802-4664

EXHIBIT "A"

OCCUPANCY PERMIT

OFFICE OF THE CITY ATTORNEY CHARLES PARKIN City Attorney 333 West Ocean Boulevard, 11th Floor Long Beach, CA 90802-4664

OFFICE OF THE CITY ATTORNEY CHARLES PARKIN, City Attorney 333 West Ocean Boulevard, 11th Floor Long Beach, CA 90802-4664

PUBLIC WALKWAYS OCCUPANCY PERMIT

This Public Walkways Occupancy Permit ("Permit") is granted this 2nd day of October, 2014, pursuant to minute order adopted by the City Council of the City of Long Beach at its meeting held on June 10, 2014, to NAPLES RESTAURANT GROUP, LLC, a California limited liability company ("Permittee"), whose address is 110 W. Ocean Blvd., Suite 810, Long Beach, CA 90802, as the operator of Boathouse on the Bay and lessee of premises at 190 Marina Drive, Long Beach, California.

Permission is granted to Permittee to occupy the public right-of-way with the following obstructions: low barrier, natural gas fire pit, concrete pad, chairs and tables at 190 Marina Drive, Long Beach, California. Dimensions and location of the area to be occupied are as shown on Exhibit "A", incorporated by reference and made a part of this Permit; provided that all obstructions are placed only within the permit area shown on Exhibit "A".

This Permit is granted with reference to the following facts:

- 1. Permittee proposes to occupy the public right-of-way as shown on Exhibit "A"; and
- 2. The proposed occupancy will not now or at any time interfere with continued public use of the public street right-of-way; and
- 3. That there is no present or foreseeable conflicting public need for the proposed use of the public street right-of-way area and its temporary withdrawal from public use will not be injurious or detrimental to the public; and
- 4. That this use of a portion of the public street right-of-way is consistent with proper and lawful street uses and the use is approved; and
- 5. The City Engineer has determined that this use is in compliance with Chapter 14.14 of the Long Beach Municipal Code, all related to temporary use of the public rights-of-way.

The use of the public street right-of-way is granted upon and subject to the following terms and conditions:

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1. The minimum width of the public walkway shall be ten (10) feet, or as otherwise approved by the City Council pursuant to Chapter 14.14 of the Long Beach Municipal Code, and any obstruction must permit at least five (5) feet of unobstructed area of public walkway.

- 2. The obstruction shall abut the property and not be located in a manner which interferes with the flow of pedestrian or other traffic.
- 3. The maximum height of any such obstruction shall be six (6) feet and all such obstructions shall be entirely portable, except as specifically authorized by the City Engineer.
- 4. This Permit may be immediately suspended for a designated time period at any time in the event that, in the discretion of the City Council or City Manager. such obstruction would interfere with street improvement activities, construction activities, cleaning efforts or other similar activities. This Permit may be immediately suspended indefinitely in the event that the California Coastal Commission directs the City to suspend this Permit or otherwise adopts rules and/or regulations which would prohibit Permittee's continued use of the public right-of-way.
- 5. The obstruction shall be kept in a good state of repair and in a safe, sanitary, and attractive condition.
- 6. Such obstruction may not be located within twenty (20) feet from an intersection (measured to the prolongation of the near curb of the intersecting street) or within ten (10) feet from a driveway or alley (measured to the near end of the fully depressed portion of an apron-type driveway or to the prolongation of the near curb of the driveway) unless otherwise approved by the City Council pursuant to the considerations specified in Chapter 14.14 of the Long Beach Municipal Code.
- 7. The public street right-of-way shall be used by Permittee only for the obstruction described above and in the area shown on Exhibit "A".
- 8. The area in front of the entrance to the business shall not be obstructed by barricades, chairs, tables or other furniture.

9. The Permittee shall place all obstructions, and any accessories or equipment located within a dining or entertainment area, in strict accordance with Fire Department and Health and Human Services Department standards and contained within Chapter 14.14 of the City of Long Beach Municipal Code.

- 10. No surface improvements, included but not limited to special paving surfaces, may be removed or altered by the Permittee unless approved in advance in writing by the City Engineer.
- 11. The Permittee shall not allow cleaning chemicals, or other foreign matter to flow into the parkway tree well, and shall otherwise protect the health of adjacent street trees, and shall likewise prevent the discharge of litter, cleaning chemicals and all other foreign matter to the storm drain system.
- 12. The Permittee shall protect any parkway trees in the immediate vicinity of the permit area from damage due to the Permittee's cleaning or other activities on the public walkway. The Permittee shall not interfere with City's access to parkway trees for maintenance purposes. Any special maintenance of the parkway trees is the responsibility of the Permittee and must be performed by a qualified landscape contractor acting under a permit from City's Street Landscaping Division. City shall not be held financially responsible for damage to Permittee's sidewalk furniture or awnings occurring in the course of regular street tree maintenance.
- otherwise, Permittee shall remove the obstructions authorized by this Permit at the sole discretion of the City Engineer and shall otherwise restore the public street right-of-way to a condition substantially the same as existed immediately prior to the occupancy provided for by this Permit. Should Permittee fail or refuse to remove the obstructions, City may do so and, in such event, the security deposit paid by Permittee shall be applied to City's costs. Permittee shall reimburse City for any costs in excess of the security deposit. In the event of removal by City of all or any portion of the obstructions, City shall not be liable for any damage to or loss of any property of Permittee.

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14. The following additional conditions shall apply to public walkway occupancy permits for dining or entertainment areas:

Any dining or entertainment area shall be defined by placement of sturdy fencing or other suitable barriers, not to exceed seventy-eight (78) inches in height, as approved by the City Engineer. Such barriers may only be affixed to public property with the prior approval of the City Engineer.

- B. All accessories to dining or entertainment uses such as plants or planter boxes, umbrellas, podiums, menu boards, musical equipment and heaters may not exceed those enumerated on Exhibit "A", and must be located inside the barrier, as shown on Exhibit "A".
- C. All dining and entertainment which takes place on the public right-of-way shall conform to the requirements of Chapter 8.80 of the Long Beach Municipal Code regarding noise. Complaints regarding noise shall be logged by city staff and may be the basis for suspension, cancellation, or non-renewal of a permit.
- D. The Permittee shall be responsible for cleaning the public walkway occupied by a dining or entertainment area.
- 15. Upon expiration, a new permit must be obtained on the basis of a new application and payment of a new fee and any security deposit amount due. Renewal of the permit is not automatic and there is no right or entitlement to any use of the public right-of-way. Security deposits may be adjusted from year to year based on permit compliance and enforcement cost history. This Permit shall never be construed as the grant by City of any right to permanently use or occupy all or any portion of the public right-of-way; nor shall it ever be construed as a waiver on the part of City, or as an estoppel against it, which would in any manner whatsoever bar or limit, or otherwise prejudice, its right to at any time whatsoever require a discontinuance of the use or occupancy of all or any part of the public street right-of-way, the removal therefrom of all or any obstructions erected or maintained under this Permit and the restoration of such public street right-of-way to a clean condition, all at the sole cost and expense of

Permittee.

16. Notices of violation of any of the terms and conditions of this permit may be issued by the City of Long Beach. The enforcement process is set forth on Exhibit "B", attached hereto, and made a part of this permit. Notwithstanding the above, City may revoke this Permit at any time by giving thirty (30) days written notice to Permittee or cancel the permit for noncompliance with its terms. Such notice shall be signed by the City Manager, postage pre-paid, and addressed to Permittee at its address provided above.

- agrees to maintain the same in a safe, clean, and orderly condition. Any and all uses made of the public right-of-way shall be at the sole risk, cost, and expense of Permittee. Permittee, by its acceptance of this Permit, agrees to indemnify, defend, save and keep City, its officers, agents, and employees free and harmless from and against any and all liability as well as from and against any and all loss, claims, demands, damages, expenses and costs of whatsoever nature arising out of or in any manner resulting, directly or indirectly, from Permittee's operations on or the condition, use or misuse of the public street right-of-way, including liability, claims or damages to or as a result of any structures or fixtures on the public street right-of-way or appurtenances to it.
- 18. In partial performance of this obligation, Permittee shall obtain and keep in full force and effect such public liability insurance and property damage insurance as required by the Long Beach Municipal Code.
- 19. Nothing in this Permit shall be construed to excuse compliance by Permittee with any and all of the laws and ordinances of City and State; neither shall this Permit be deemed to obviate the necessity of Permittee's obtaining such other permits or licenses as are required to conduct specific activities within the area, including but not limited to entertainment or the sale, service or consumption of alcoholic beverages.
- 20. The terms of this permit shall be enforced by the procedure set forth on Exhibit "B", attached and made a part of this permit.

21. In case suit shall be brought for the recovery of possession of all or any portion of the public right-of-way or because of the breach of any covenant contained in this Permit to be kept and performed on the part of Permittee, Permittee shall pay to City reasonable attorneys' fees which shall be fixed by the court.

22. Permittee shall not assign this Permit, or any interest in it, nor shall this Permit, or any interest in it, be subject to transfer or assignment by order of any court. Any such transfer or assignment shall not create any right whatsoever in the transferee or assignees and shall entitle the City Manager, at his discretion, to terminate this Permit.

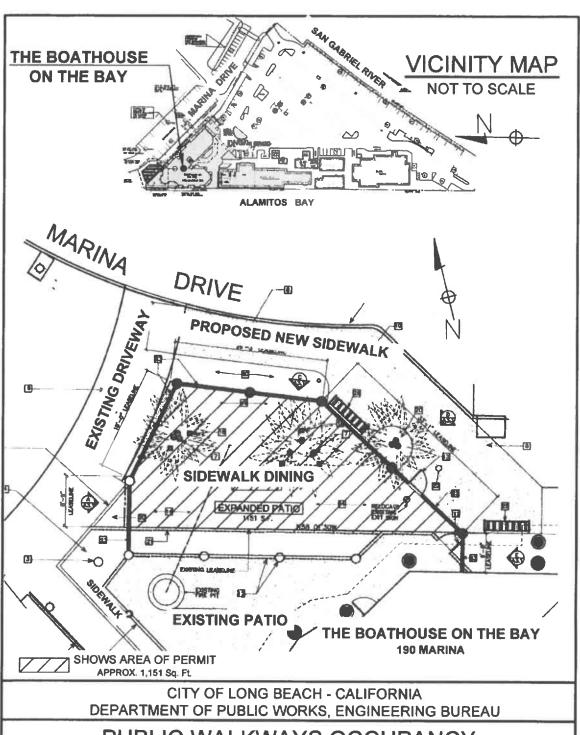
The acceptance of this Permit by Permittee shall be endorsed on this Permit and shall be an acceptance by Permittee of all of the terms and conditions of this Permit and an agreement to abide and comply with it. Permittee further acknowledges that Permittee is aware of the requirements of Long Beach Municipal Code Chapter 14.14, and that Permittee shall conduct all activities hereunder in compliance with such

chapter.	
	NAPLES RESTAURANT GROUP, LLC, a California limited liability company
, 2014	Name Dans Copy Title Magging Horse
, 2014	Name EMC JOHNSON Title MAGING MANSON
	"PERMITTEE"
October 2, 2014	CITY OF LONG BEACH, a municipal corporation Assistant City Manager By Manager TO SECTION 301 OF THE CITY CHARTER.

"CITY"

OFFICE OF THE CITY ATTORNEY CHARLES PARKIN, City Attorney 333 West Ocean Boulevard, 11th Floor Long Beach, CA 90802-4864

Approved as to form this	day of <u>September</u> , 2014.
	CHARLES PARKIN, City Attorney
	By D
	Deputy City Attorney



PUBLIC WALKWAYS OCCUPANCY

PERMIT

McKenna's

THE BOATHOUSE ON THE BAY 190 MARINA DRIVE

EXHIBIT APAGE 1 OF 2

List of Approved Furnishings and Accessories (Attachment to Public Walkways Occupancy Permit for Sidewalk Dining Purposes)

	wrant: The Bonthouse on the Bermitee: Naples lestruse + Groop, LLC
Addre	190 N. Maring 17. Telephone: \$22-4193-1100
X	Tables 20 number: 20
X	Chairs 78
	Umbrella(s) height & number:
	Heater(%) height & number:
	Menu board note: maximum height of 5 ft 6 in, maximum width of 2 ft & none permitted in the coastal zone
	Waiter station size:
	Planters for trees or other greenscaping describe:
	Other:
W)	
	We intend to make occasional use of the permit area for five or recorded entertainment (Note: A separate entertainment permit is required).
The fo	ellowing are prohibited: canopies (ground supported) television monitors
Permi	tee signature: Date: 5-30-14
Print r	ame here: ERIC Johnson

This list of furnishings and accessories is effective only when attached to a completed Public Walkways Occupancy Permit.

OFFICE OF THE CITY ATTORNEY CHARLES PARKIN, City Attorney 333 West Ocean Boulevard, 11th Floor Long Beach, CA 90802-4664

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EXHIBIT "B"

PUBLIC WALKWAYS OCCUPANCY PERMITS ENFORCEMENT PROCESS

- 1. Letter of information sent to Permittee regarding Long Beach Municipal Code requirements and requested to correct an observed violation of permit conditions.
 - If not remedied in ten (10) working days, send official Notice of Violation.
- 2. Notice of Violation
 - Indicates that Permittee can be found in default for failure to comply with permit conditions per Long Beach Municipal Code Section 14.14.090.
 - Notes that uncorrected violations will be reported to the City Council at the next permit application.
 - Alerts Permittee that the Alcoholic Beverage Control (ABC) will be notified of all permits declared in default.
 - If violation of permit conditions is not corrected within ten (10) working days, send Second Notice of Violation by certified mail.
 - Copies of Notice of Violation to be sent to the City Manager.
- 3. Second Notice of Violation
 - Inform Permittee that "On (date 10 working days hence) you will receive a Notice of Default if permit violations not corrected."
 - If permit violations not corrected within ten (10) working days, send Notice of Default by certified mail.
 - Copies of Second Notice of Violation to be sent to the City Manager.
- 4. Notice of Default by Department of Public Work
 - Provides Permittee ten (10) working days to remedy violation.
 - "If Permittee fails or refuses to remedy the default within the time specified, the right of the Permittee to use the public walkway shall cease and City shall have the right to remove the public walkway obstruction at Permittee's expense" (LBMC 14.14.090).
 - If a Notice of Default is issued, the security deposit that was paid with the permit application will be forfeited.
 - Second ABC notice of permit status upon actual default.
 - City Manager informed when final default occurs.
- 5. City pick-up of obstructions at Permittee's expense and/or possible legal action to restrain use of sidewalk by the City Prosecutor.
- 6. Prior to New Permit Issuance
 - Payment of new permit processing fee and security deposit.
 - Payment of any fees, damages, or City costs assessed for prior code enforcement actions.