

SECOND AMENDMENT TO LEASE 7013

This Second Amendment to Lease ("Amendment") is made and entered, in duplicate, pursuant to a minute order adopted by the City Council of the City of Long Beach at its meeting held on March 20, 2007, by and between the CITY OF LONG BEACH, a municipal corporation ("City" or "Lessor") and THE LONG BEACH YACHT CLUB, a California corporation ("Lessee").

WHEREAS, City and Lessee previously entered into (i) a Lease dated January 20, 1960, and (ii) an Amendment to Lease dated January 1, 1970 (collectively, the "Lease"); and

WHEREAS, City and Lessee now desire to further amend certain provisions of the Lease;

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

1. This Amendment shall be effective as of the date on which this Amendment is executed by both parties (the "Effective Date").

2. Section 1 of the Lease is amended and restated in its entirety to read as follows:

"The term of this Lease shall commence on January 20, 1960 and shall terminate at midnight January 19, 2050, unless sooner terminated in accordance with the terms hereof."

3. Lessee shall pay to Lessor, in immediately available funds, a lump sum extension fee in the amount of One Hundred Thousand and No/100 Dollars (\$100,000.00) on or before the date which is ten (10) days after the Effective Date.

4. Lessee shall pay to Lessor, in immediately available funds, a lump sum extension fee in the amount of One Hundred Fifty Thousand and No/100 Dollars (\$150,000.00) on or before January 20, 2020.

5. Lessee shall pay to Lessor, in immediately available funds, a fee for improvements to the long dock located on the leased premises ("Long Dock Improvement Fee") in the amount of One Million and No/100 Dollars (\$1,000,000.00). The Long Dock

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1 Improvement Fee shall be payable in three installments as follows: (i) Two Hundred Fifty
2 Thousand and No/100 Dollars (\$250,000.00) on or before the date which is ten (10) days
3 after the Effective Date, (ii) Two Hundred Fifty Thousand and No/100 Dollars
4 (\$250,000.00) on or before December 31, 2008, and (iii) Five Hundred Thousand and
5 No/100 Dollars (\$500,000.00) on or before December 31, 2011.

6 6. Lessee shall spend, in aggregate, no less than Four Hundred Thirty
7 Thousand and No/100 Dollars (\$430,000.00) on capital improvements to the clubhouse
8 and related improvements (the "Clubhouse Improvements") located upon the leased
9 premises (as defined in the Lease) on or before December 31, 2007. The Clubhouse
10 Improvements are intended to extend the useful life of the clubhouse and shall include,
11 without limitation, ADA compliance upgrades to the restroom facilities and electrical and
12 plumbing upgrades to the kitchen facilities. Lessee shall obtain all necessary permits and
13 approvals for construction of the Clubhouse Improvements, and acknowledges and
14 agrees that this Lease shall not constitute approval of the Clubhouse Improvements on
15 behalf of the City's Planning & Building Department, or any other City agency with
16 regulatory authority over the Clubhouse Improvements. Lessee shall keep detailed
17 records of all such expenditures in accordance with generally accepted accounting
18 principles, and shall make such records, Lessee's financial statements, Lessee's tax
19 returns, and other related financial information as may be reasonably requested,
20 available to the City Auditor of the City of Long Beach for review and audit for a period of
21 at least three (3) years after completion of the Clubhouse Improvements.

22 7. This Amendment shall immediately be void and of no further force
23 and effect if Lessee shall fail to make any of the payments required hereunder.

24 8. All terms, covenants, and conditions of the Agreement and
25 amendments thereto, except as amended herein, shall remain unchanged and in full
26 force and effect.

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IN WITNESS WHEREOF, the parties hereto have executed this
Amendment.

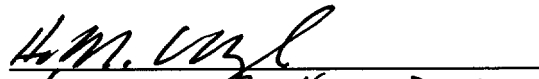
"Lessor"

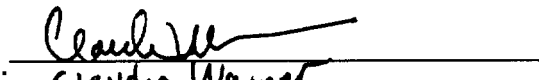
CITY OF LONG BEACH, a California municipal
corporation

By: 
Patrick West
City Manager

"Lessee"

THE LONG BEACH YACHT CLUB,
a California corporation

By: 
Name: Harold M. Van Dyke
Title: Commodore 2007

By: 
Name: Claudia Warner
Title: Secretary

Approved as to form this 16th day of October, 2007.

ROBERT E. SHANNON, City Attorney

By: 
Deputy