

FIRST AMENDMENT TO AGREEMENT NO. 30691

30691

THIS FIRST AMENDMENT TO AGREEMENT NO. 30691 ("Amendment") is made and entered, in duplicate, as of April 23, 2014 ("Effective Date"), pursuant to a minute order adopted by the City Council of the City of Long Beach on April 22, 2014, by and between the CITY OF LONG BEACH, a municipal corporation ("City"), and the GRAND PRIX ASSOCIATION OF LONG BEACH ("Association").

WHEREAS, City and Association previously entered into Amended and Restated Agreement No. 30691 dated April 16, 2008 (the "Agreement"), pursuant to which City granted to Association permission to conduct championship Grand Prix automobile races in the City of Long Beach, subject to the terms and condition contained in the Agreement; and

WHEREAS, City and Association desire to amend certain provisions of the Agreement, including without limitation extending the term of the Agreement;

NOW, THEREFORE, City and Association mutually agree as follows:

1. Capitalized terms in this Amendment which are not otherwise defined shall have the meanings given them in the Agreement.

2. Exhibit "A" attached to this Amendment is hereby attached to the Agreement as Exhibit "A", and replaces in its entirety Exhibit "A" previously attached to the Agreement.

3. City and Association hereby mutually exercise a modified extension option provided under Section 2 of the Agreement so that the Term of the Agreement shall end on June 30, 2018. The Term may be extended at the sole discretion of City for two additional 1-year periods, provided that in each instance City gives Association at least two years advance written notice of the exercise of an option.

4. The second sentence of Section 3.1 of the Agreement is hereby restated in its entirety to read "The Race shall be held on an annual basis during the spring and shall involve the Indy Racing League or Formula 1." The last sentence of

1 Section 3.1 of the Agreement is hereby restated in its entirety to read "City shall not
2 permit or otherwise grant authority to any entity other than Association to conduct a motor
3 vehicle race within the City during the Term, without the prior written consent of
4 Association".

5 5. The second sentence in Section 3.3 of the Agreement is hereby
6 amended and restated in its entirety to read "The period during which the Race and other
7 race car events may be conducted shall not exceed a three-day period beginning on
8 Friday at 7:00am and ending on the subsequent Sunday at 6:00pm ("Race Period").".

9 6. Section 4.2 of the Agreement is hereby amended and restated in its
10 entirety to read as follows:

11 "4.2 Concurrently with the submission of Association's
12 Construction and Decoration Schedule (as defined in paragraph 5.4), Association
13 shall apply for and obtain permits in accordance with the provisions of Chapter
14 5.60.030E of the Long Beach Municipal Code ("special event permits") for each
15 Race related event to be held during the Pre-Race Period or the Race Period.
16 City shall not issue any permit, including without limitation special event permits
17 and sign permits, to any other person, firm or entity for an activity or event to be
18 conducted during the Race Period which (i) activity or event, in the City Manager's
19 opinion, does not meet the criteria set forth in Long Beach Municipal Code Section
20 5.60.030C; and (ii) is to be conducted in the Circuit Vicinity. Unless Association
21 gives its prior written consent, City shall not issue any permit, including without
22 limitation special event permits and sign permits, to any other person, firm or entity
23 for an activity or event to be conducted during the Pre-Race Period which (i)
24 activity or event, in the City Manager's opinion, does not meet the criteria set forth
25 in Long Beach Municipal Code Section 5.60.030C; (ii) is to be conducted in the
26 Circuit Vicinity; and (iii) is sponsored. It is the intent of the parties that the City not
27 issue any permits to third-parties whose activities or events would impinge upon
28 Association's right to sell exclusive advertising and sponsorship rights in

1 connection with the Race. The City shall not be prohibited from conducting any
2 City-organized and non-sponsored activities or events within the Circuit Vicinity
3 during the Pre-Race or Race Period. The term "Circuit Vicinity" shall include the
4 Circuit and shall otherwise include that area more specifically depicted on Exhibit
5 "D" attached hereto and by this reference made a part hereof. Association
6 acknowledges that this covenant that the City refrain from issuing permits to others
7 shall not apply to City's parks (except as otherwise stated above), golf courses,
8 other facilities under the jurisdiction of the Recreation Commission of the City of
9 Long Beach, or activities that are protected under the First Amendment to the
10 United States Constitution or other applicable law."

11 7. Exhibit "D" attached hereto (the Grand Prix Circuit Vicinity) is hereby
12 added to the Agreement as Exhibit "D".

13 8. The following is added as Section 5.16 of the Agreement:

14 "5.16 Conduct an annual Motor Sports Walk of Fame event which
15 shall be open to the public and held during the Pre-Race Period at a location south
16 of Seaside Way and otherwise in approximately the same manner as such event
17 was conducted in 2013. City, at its cost, shall acquire and place honorary plaques
18 in the public right-of-way."

19 9. At least one-hundred twenty (120) days prior to the Race Period,
20 Association shall provide City with a Letter of Credit, naming City as the beneficiary, in
21 the amount of \$1,000,000 and otherwise in form and substance reasonably acceptable to
22 City ("Letter of Credit"). The Letter of Credit shall not expire until the day which is two (2)
23 business days after the last day of the Race Period, and may be drawn upon by City in
24 the event that Association fails to conduct a Race or proposes to conduct a Race which is
25 not consistent with Section 3.1 of the Agreement. If Association defaults in its obligations
26 under the Agreement so that City has a right to terminate under Section 13.1 of the
27 Agreement, then Association agrees that City shall have the right to receive an amount
28 equal to One Million Dollars (\$1,000,000) as liquidated damages as City's sole and

1 exclusive remedy, except this Section shall not limit City's claims for attorneys' fees.
2 Payment of liquidated damages is not intended as a forfeiture or penalty within the
3 meaning of the California Civil Code, but is intended to constitute liquidated damages to
4 City pursuant to the California Civil Code. Association and City agree that (i) the amount
5 of liquidated damages is reasonable considering all of the circumstances existing as of
6 the date of this Amendment, including that ascertaining the amount of City's actual
7 damages would be costly and inconvenient, and (ii) the amount of the liquidated
8 damages constitutes a reasonable estimate of the damages to City should Association
9 fail to conduct a Race or otherwise default in its obligations under the Agreement. The
10 liquidated damage amount shall be reduced dollar-for-dollar by amounts actually received
11 by City pursuant to a draw upon the Letter of Credit.

12 10. All terms, covenants, and conditions of the Agreement, except as
13 amended herein, shall remain unchanged and in full force and effect.

14 IN WITNESS WHEREOF, the parties have caused this document to be duly
15 executed with all formalities required by law as of the date first stated above.

16
17 "City"

18 CITY OF LONG BEACH, a California municipal
corporation

19 By:  Assistant City Manager.

20 Name: Patrick H. West
21 Title: City Manager EXECUTED PURSUANT
TO SECTION 301 OF
THE CITY CHARTER.

22 "Association"

23 GRAND PRIX ASSOCIATION OF LONG BEACH, LLC,
a Delaware limited liability company

24 By: Aquarium Holdings, LLC, a Delaware limited
25 liability company, its sole member

26 By: 
27 Pierre Wildman
28 Manager

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

1 This First Amendment to Agreement No. 30691 is approved as to form on
2 5.12, 2014.

3 CHARLES PARKIN, City Attorney

4
5 By 

Deputy

EXHIBIT D



GRAND PRIX CIRCUIT VICINITY Long Beach, California

