

FOURTH AMENDMENT TO LEASE

This Fourth Amendment to Lease ("Amendment") is made and entered, in duplicate, as of DECEMBER 18, 2009, pursuant to a minute order adopted by the City Council of the City of Long Beach at its meeting held on October 6, 2009, by and between the CITY OF LONG BEACH, a municipal corporation ("City" or "Lessor") and ALAMITOS BAY YACHT CLUB, a California corporation ("Lessee").

WHEREAS, City and Lessee previously entered into (i) a Lease dated August 16, 1962; (ii) an Amendment to Lease dated November 15, 1963; (iii) an Amendment to Lease dated January 1, 1970; and (iv) a Third Amendment to Lease dated February 15, 1973 (collectively, the "Lease"), covering certain premises more particularly described in the Lease (the "Premises"); 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. The term of the Lease shall be extended so that the Lease shall terminate at midnight October 31, 2047, unless sooner terminated in accordance with the terms thereof.

3. Commencing January 1, 2010, Lessee shall pay to Lessor as rental for the Premises the sum of Fifteen Thousand (\$15,000) per year, payable monthly in advance; provided, however, that said annual rental shall be subject to review and adjustment by the parties hereto on or before November 1, 2014, and on or before November 1 of each succeeding five (5) year period thereafter throughout the term of the Lease. In the event such review reveals that the Consumer Price Index for All Urban Consumers, All Items, Base Period 1982-1984 = 100, for the Los Angeles-Riverside-Orange County, CA Area, published by the United States Department of Labor, Bureau of Labor Statistics, for the month of July in the year of such review (hereinafter referred to

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1 as the "current index") is more than the index for the month of July in the year which is
2 five years prior to the year of such review (hereinafter referred to as the "beginning
3 index"), then the then-current annual rental payable by Lessee to Lessor thereafter
4 throughout the term of the Lease, unless and until adjusted as a result of further periodic
5 reviews, shall be increased by the same percentage that the current index increased over
6 the beginning index; provided, however, that in no event shall the annual rental payable
7 under the Lease decrease.

8 4. Lessee shall spend no less than Nine Hundred Forty Thousand and
9 No/100 Dollars (\$940,000.00) (the "Total Capital Improvement Amount") on capital
10 improvements to the clubhouse and related improvements (the "Clubhouse
11 Improvements") located upon the Premises throughout the term of the Lease as
12 extended by this Amendment; at least Four Hundred Ninety Thousand and No/100
13 Dollars (\$490,000.00) (the "Initial Capital Improvement Amount") of which shall be
14 expended on or before November 1, 2012. The remainder of the Total Capital
15 Improvement Amount shall be expended according to Column 'C' on the schedule
16 attached to this Amendment as Exhibit "A" and incorporated herein, unless otherwise
17 agreed by Lessor's City Manager. The Clubhouse Improvements are intended to extend
18 the useful life of the clubhouse and related facilities. The Initial Capital Improvement
19 Amount shall be expended on clubhouse improvements, including without limitation,
20 installation of an elevator compliant with the American with Disabilities Act (the "ADA"),
21 ADA compliance upgrades to the restroom facilities and electrical upgrades. The
22 remainder of the Total Capital Improvement Amount shall be expended on sewer repair,
23 boat hoist repair or replacement, and/or other capital improvements reasonably
24 acceptable to Lessor. Lessee shall obtain all necessary permits and approvals for
25 construction of the Clubhouse Improvements, and acknowledges and agrees that this
26 Lease shall not constitute approval of the Clubhouse Improvements on behalf of the
27 City's Planning & Building Department, or any other City agency with regulatory authority
28 over the Clubhouse Improvements. The Clubhouse Improvements shall be the property

1 of Lessor, and the use thereof shall be covered by the terms of the Lease. Lessee shall
2 keep detailed records of all such expenditures in accordance with generally accepted
3 accounting principles, and shall make such records, Lessee's financial statements,
4 Lessee's tax returns, and other related financial information as may be reasonably
5 requested, available to the City Auditor of the City of Long Beach for review and audit for
6 a period of at least three (3) years after completion of the Clubhouse Improvements. In
7 the event that Lessee fails to comply with any of the requirements of this paragraph,
8 Lessee shall have one (1) year within which to cure such failure after written notice of the
9 same from Lessor. Lessee shall not be deemed to be in default with regard to the
10 deadlines for completion of the various capital improvements if Lessee has diligently
11 sought (including complying with all City permit application requirements) applicable
12 permits and approvals and after issuance of such permits or approvals has diligently
13 commenced the projects to which such permits and approvals apply.

14 5. Lessee shall provide three (3) 'Orientation to Sailing' classes (the
15 "Beginning Classes") annually (spring, summer and fall) to local youth selected and
16 referred by the City of Long Beach Department of Parks, Recreation and Marine ("Parks
17 Department"), throughout the term of the Lease. The three annual Beginning Classes
18 shall (i) consist of a total of at least fifty (50) participants, (ii) each include a minimum of
19 five (5) hours of instruction, (iii) include a curriculum that has been reviewed and
20 approved in advance by the Director of the Parks Department, and (iv) be provided by
21 Lessee at no cost to Lessor or to any of the participants. Lessee shall thereafter provide
22 scholarships for three (3) seasonal junior program sailing classes (the "Junior Program")
23 to at least four (4) participants per seasonal Beginning Class (for a total of twelve (12)
24 scholarships annually); provided that each Junior Program scholarship recipient shall
25 have completed a Beginning Class. The three annual Junior Program classes shall (i)
26 include a minimum of sixty (60) hours of instruction and racing for the spring and fall
27 sessions, and a minimum of one hundred five (105) hours for the summer session, (ii)
28 include a curriculum that has been reviewed and approved in advance by the Director of

1 the Parks Department, and (iii) be provided to the scholarship recipients at no cost to
2 Lessor or to any of the recipients. The Lessee acknowledges that the value of the
3 Beginning Classes and the Junior Program scholarships to be provided by Lessee is an
4 important element of the consideration for Lessor's agreement to enter into this
5 Amendment. In the event Lessee does not provide the Classes or the Junior Program
6 scholarships in accordance with the terms of this Amendment for any reason other than
7 insufficient referrals from the Parks Department, then the pro rated monetary value of
8 those Beginning Classes and/or Junior Program scholarships, as applicable, shall be
9 immediately due and payable by Lessee to Lessor in the amounts shown in Column 'D'
10 and/or 'E', as applicable, on the schedule attached to this Amendment as Exhibit "A".

11 6. Section 16 of the Lease shall be amended so that the following
12 language is added to the end of such Section:

13 "Such insurance as required herein shall not be deemed to limit Lessee's
14 liability relating to performance under this Lease. Lessee understands and agrees
15 that, notwithstanding any insurance, Lessee's obligation to hold Lessor, its
16 officials, agents, and employees harmless hereunder is for the full and total
17 amount of any damage, injuries, loss, expense, costs, or liabilities caused by the
18 condition of the Premises or in any manner connected with or attributed to the acts
19 or omissions of Lessee, its officers, agents contractors, employees, sublessees,
20 licensees, vendors, patrons, or visitors, or the operations conducted by or on
21 behalf of Lessee, or the Lessee's use, misuse, or neglect of the Premises.

22 Not more frequently than every three (3) years, if in the opinion of Lessor
23 the amount of the foregoing insurance coverages is not adequate, Lessee shall
24 amend the insurance coverage as required by Lessor's Risk Manager or designee.

25 Any modification or waiver of the insurance requirements herein shall be
26 made only with the written approval of the Lessor's Risk Manager or designee."


27 7. All terms, covenants, and conditions of the Agreement and
28 amendments thereto, except as amended herein, shall remain unchanged and in full

1 force and effect.

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

4 "Lessor"


5 CITY OF LONG BEACH, a California municipal
6 corporation

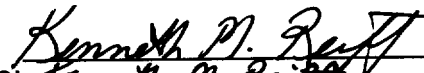
7 By:  Assistant City Manager
8 Patrick West EXECUTED PURSUANT
9 City Manager TO SECTION 301 OF
10 THE CITY CHARTER.

11 Date: 12-18-09

12 "Lessee"

13 ALAMITOS BAY YACHT CLUB,
14 a California corporation

15 By: 
16 Name: John F. Massey
17 Title: Commodore, President of Board of Directors

18 By: 
19 Name: Kenneth M. Reiff
20 Title: Secretary, Board of Directors

21 Date: 12-6-2009

22 Approved as to form this 8 day of December, 2009.

23 ROBERT E. SHANNON, City Attorney

24 By: 
25 Deputy

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ABYC Lease Extension - Exhibit A

Overall Assumptions

Inflation 3.00% 3.00% for program subsidies 3.00% for scholarships
 Land Area: 102,279 sf
 Yacht Club Area: 38,486 square feet 0.88 acres
 Dry Storage Area: 63,793 square feet 1.46 acres
 Annual Rental Value per Appraisal: \$102,300

Lease Year (f)	A Scheduled Rent Existing Lease	B Extension Rent	C Planned Capital Improvements	D New Community Sailing Programs	E Scholarships to Junior Program	F= A+B+C+D+E Total Contribution	G Target Rent	H= G - F Delta	Target Rent PV @ 8.00%	Proposed Rent PV @ 8.00%
1	2010	15,000	350,000	12,500	45,000	422,500	102,300	-320,200	102,300	422,500
2	2011	15,000	75,000	12,875	46,350	149,225	102,300	-46,925	94,722	138,171
3	2012	15,000	65,000	13,261	47,277	140,538	102,300	-38,238	87,706	120,489
4	2013	15,000		13,659	48,223	76,882	102,300	25,418	81,209	61,031
5	2014	15,000		14,069	49,187	78,256	118,594	40,338	87,170	57,520
6	2015	17,389		14,491	50,171	82,051	118,594	36,543	80,713	55,842
7	2016	17,389		14,926	51,174	83,489	118,594	35,105	74,734	52,612
8	2017	17,389		15,373	52,198	84,960	118,594	33,634	69,198	49,573
9	2018	17,389		15,835	53,242	86,465	118,594	32,128	64,073	46,715
10	2019	17,389		16,310	54,306	88,005	137,483	49,477	68,776	44,025
11	2020	20,159		16,799	55,393	92,350	137,483	45,132	63,681	42,776
12	2021	20,159		17,303	56,500	93,962	137,483	43,521	58,964	40,299
13	2022	20,159	125,000	17,822	57,630	220,611	137,483	-83,129	54,596	87,608
1	2023			18,357	58,783	97,298	137,483	40,184	50,552	35,776
2	2024	20,159		18,907	59,959	99,025	159,380	60,355	54,263	33,714
3	2025	23,370	125,000	19,475	61,158	229,002	159,380	-69,622	50,243	72,191
4	2026	23,370		20,059	62,381	105,809	159,380	53,571	46,522	30,885
5	2027	23,370		20,661	63,629	107,659	159,380	51,721	43,075	29,097
6	2028	23,370		21,280	64,901	109,551	159,380	49,829	39,885	27,415
7	2029	23,370		21,919	66,199	111,488	184,765	73,278	42,812	25,833
8	2030	27,092		22,576	67,523	117,191	184,765	67,574	39,641	25,143
9	2031	27,092		23,254	68,874	119,219	184,765	65,546	36,705	23,684
10	2032	27,092		23,951	70,251	121,294	184,765	63,471	33,986	22,311
11	2033	27,092		24,670	71,656	123,418	184,765	61,348	31,468	21,020
12	2034	27,092		25,410	73,089	125,591	214,193	88,603	33,778	19,806
13	2035	31,407	100,000	26,172	74,551	232,130	214,193	-17,936	31,276	33,895
14	2036	31,407		26,957	76,042	134,406	214,193	79,787	28,959	18,172
15	2037	31,407		27,766	77,563	136,736	214,193	77,458	26,814	17,118
16	2038	31,407		28,599	79,114	139,120	214,193	75,074	24,828	16,126
17	2039	31,407		29,457	80,696	141,560	248,309	106,749	26,650	15,193
18	2040	36,409		30,341	82,310	149,060	248,309	99,249	24,676	14,813
19	2041	36,409		31,251	83,957	151,617	248,309	96,692	22,848	13,951
20	2042	36,409		32,189	85,636	154,233	248,309	94,076	21,156	13,141
21	2043	36,409	100,000	33,154	87,348	256,912	248,309	-8,603	19,589	20,267
22	2044	36,409		34,149	89,095	159,653	287,858	128,205	21,027	11,662
23	2045	42,208		35,173	90,877	166,259	287,858	119,600	19,469	11,380
24	2046	42,208		36,228	92,695	171,131	287,858	116,727	18,027	10,717
25	2047	42,208		37,315	94,549	174,072	287,858	113,786	16,692	10,094
Totals									\$1,792,784	\$1,792,564
Present Value per SF of Land Area									\$17.53	\$17.53