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CITY OF REDONDO BEACH
415 Diamond Street Redondo
Beach, CA 90277 Attn: City
Clerk

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SECOND AMENDMENT TO LEASE AGREEMENT

This Second Amendment to Lease Agreement ("**Second Amendment**") is entered into as of April 6, 2021 ("**Effective Date**") by the City of Redondo Beach, a chartered municipal corporation ("**Landlord**" or "**City**") and RDR Properties, LLC, a California limited liability corporation ("**Tenant**"), with reference to that certain Lease Agreement dated July 1, 2008, as amended by First Amendment to Lease Agreement, dated November 20, 2012 (the "**Lease**") between the City and Tenant's predecessor in interest, the RDR Living Trust of 1996, for the leasehold commonly known as the Redondo Pier Approach, located at 100 Fisherman 's Wharf Redondo Beach California 90277 and more particularly described as the "**Premises**" in Paragraph 1.1 of the Lease. Landlord and Tenant agree as follows:

1. **Purpose and Effect of Second Amendment.** This Second Amendment is intended to modify the amount and method of calculation of Percentage Rent payable to the City under the Lease only for uses and operations in the Basement (defined below) of the Premises, for a period of thirty (30) years from the Effective Date of this Second Amendment. This Second Amendment shall modify and amend the Lease as set forth herein, and except as expressly modified by this Second Amendment, all provisions of the Lease shall remain unchanged and in full force and effect.

2. **Modification of Exhibit "E" to the Lease.** Exhibit "E" to the Lease is hereby modified and amended, as follows:

a. **Definitions.** The following definitions are added to Paragraph A of Exhibit "E" to the Lease:

(i) "**Basement**" means the basement areas in the lowest level of the Premises, and also commonly referred to, as of the Effective Date of this Second Amendment, as units "I" and "J" of the Premises.

(ii) **“Basement Subtenant”** means any Subtenant which is conducting business operations in the Basement under an applicable Sublease.

(iii) **“Basement Subtenant Rent”** means all base rent (i.e., fixed or minimum rent) and percentage rent (i.e., rent calculated as a percentage of Gross Sales, including reimbursements to Tenant for Tenant’s Percentage Rent payable to Landlord under the Lease) received by Tenant from a Basement Subtenant pursuant to a Basement Sublease.

b. **Payment of Percentage Rent.** The second sentence of Paragraph B.1 of Exhibit “E” to the Lease shall be amended and restated, in its entirety, to read as follows:

"The Percentage Rent shall be calculated by multiplying the Gross Sales (or Gross Income received by Tenant from Office Subtenants, or Basement Subtenant Rent received by Tenant from a Basement Subtenant) derived from the Premises by the Applicable Percentage for the use generating such Gross Sales (or Gross Income for Office Subleases or Basement Subtenant Rent, as applicable)."

c. **Applicable Percentages.** In Paragraph B.2 of Exhibit “E” to the Lease, the entries which read “Disco in Basement 3%” and “Cocktail Lounge in Basement 3%” are hereby deleted in their entirety and replaced by the following:

“Basement Uses and Operations. Notwithstanding any other use or Applicable Percentage listed in this Paragraph B.2, the Applicable Percentage for any and all uses and business operations of any type conducted in the Basement, including, but not limited to, Nightclub and Restaurant & Bar uses, shall be equal to twelve percent (12%) of all Basement Subtenant Rent Tenant receives from a Basement Subtenant. However, this Applicable Percentage for Basement Uses and Operations shall not apply to any use or operations conducted on any level of the Premises other than the Basement.

d. **Renegotiation of Percentage Rent for Basement Uses and Operations.** The last sentence of Paragraph B.3 of Exhibit “E” to the Lease is hereby deleted in its entirety and replaced by the following:

“Notwithstanding the foregoing, the Applicable Percentage and/or the manner of calculation of Percentage Rent with respect to any Basement Uses and Operations (as stated in the preceding Subparagraph B.2 of this Exhibit “E”), shall not be subject to adjustment by Landlord for a period of thirty (30) years after the Effective Date of the Second Amendment to Lease between Landlord and Tenant, at which time this protection shall cease and the Applicable Percentage for the Basement Uses and Operations shall be subject to adjustment at the next Renegotiation Date thereafter.

e. Statements and Reports. The first sentence of Paragraph D.2 of Exhibit “E” to the Lease is hereby deleted in its entirety and replaced by the following:

“Tenant shall furnish to Landlord: (i) interim monthly statements of Gross Sales (and Gross Income received by Tenant from any Office Subtenants and any Basement Subtenant Rent received by Tenant) on a tenant by tenant basis as promptly as they are available but no later than thirty (30) calendar days following the end of such month (the “**Monthly Statement**”); and (ii) an annual written statement of Gross Sales (and Gross Income received by Tenant from any Office Subtenants and any Basement Subtenant Rent received by Tenant) on a tenant by tenant basis within one hundred twenty (120) calendar days after the close of each calendar year (the “**Annual Statement**”).”

3. Miscellaneous. The Lease and this Second Amendment constitute the entire agreement between the parties, and supersede any previous oral or written agreements, with respect to the subject matter hereof. All capitalized terms in this Second Amendment shall have the same meaning as the same capitalized terms are defined in the Lease, unless otherwise defined in this Second Amendment. In the event of any inconsistency between this Second Amendment and the Lease, this Second Amendment shall prevail. This Second Amendment may be modified or amended only by a subsequent writing executed by all of the parties hereto.

IN WITNESS WHEREOF, the parties hereto have executed this Second Amendment to Lease as of the Effective Date.

"LANDLORD"

CITY OF REDONDO BEACH

By: _____
William C. Brand, Mayor

ATTEST:

By: _____
Eleanor Manzano, City Clerk

APPROVED AS TO FORM:

By: _____
Michael W. Webb, City Attorney

"TENANT"

RDR Properties, LLC

By: _____
Robert D. Resnick, Manager

State of California

ss.

County of Los Angeles

On _____, 20____, before me, _____
a Notary Public, personally appeared, _____,
who proved to me on the basis of satisfactory evidence to be the person(s) whose
name(s) is/are subscribed to the within instrument and acknowledged to me that
he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their
signature(s) on the instrument the person(s), or the entity upon behalf of
which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that
the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

Signature _____

(seal)