

City of Brisbane

Agenda Report

TO: Honorable Mayor and City Council

FROM: Randy Breault, Director of Public Works/City Engineer via City Manager

SUBJECT: First Amendment to Sierra Point Yacht Club (SPYC) Ground Lease

DATE: January 4, 2018

City Council Goals:

To develop recreational facilities and promote recreation, educational and cultural programs and passive uses related to parks. (#6)

Purpose:

To ratify a First Amendment to an existing Ground Lease; this action is consistent with the community's desire to have space and facilities available for community interaction.

Recommendation:

Approve the First Amendment to the Ground Lease with the Sierra Point Yacht Club and authorize the Mayor to sign the document on the city's behalf.

Background:

The City entered into a thirty (30) year ground lease with SPYC in 1998, which allowed them to build a yacht club in the area generally known as the Brisbane Marina, adjacent to the Harbormaster's Office. SPYC is considering making a significant capital investment in the club, and prior to doing so wishes to extend the term of the lease from 2028 to 2048.

In addition to extending the term of the lease, City and SPYC have both agreed to formalize the nature of their mutually supporting relationship. SPYC will now assist Marina personnel with staffing the yacht club for 3-4 events per year.

Discussion:

The City Attorney drafted the First Amendment. The SPYC Commodore/President has reviewed and advised that he has authority to sign this document if approved by Council.

The Sierra Point Yacht Club is an important fixture at the Marina, with membership open to both Marina clients and non-boat owners. The presence of this facility is clearly a benefit and attraction to the Marina, and a closer linkage between City and yacht club activities should support both Marina occupancy rates and yacht club membership.

Fiscal Impact:

There is no direct cost to the city as a result of this action.

Measure of Success

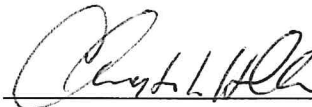
An upgraded yacht club that supports the city's adjacent recreational facilities.

Attachments:

- First Amendment to Ground Lease
- August 24, 1998 Ground Lease (note: Exhibit C was not found)



Director of Public Works/City Engineer



City Manager

A copy of supporting materials provided to the City Manager and Council Persons in connection with this agenda item is available for public inspection and copying at 50 Park Place, City of Brisbane Department of Public Works, Brisbane, CA, 94005. Telephone: (415) 508-2130.

FIRST AMENDMENT TO GROUND LEASE

THIS FIRST AMENDMENT TO GROUND LEASE is made _____, 2018 between the City of Brisbane, a municipal corporation ("Landlord") and Sierra Point Yacht Club, a California mutual benefit corporation ("Tenant") and amends the Ground Lease entered into by the Landlord and the Tenant on August 24, 1998 "(the Ground Lease").

RECITALS

- A. The Ground Lease expires on August 31, 2028.
- B. Tenant has requested to extend the term of the Ground Lease to August 31, 2048.
- C. Tenant proposes to demolish and re-build the bar in the Yacht Club in the amount of approximately \$25,000.
- D. Landlord has requested Tenant work cooperatively with the City to promote the Brisbane Marina to the general public, Tenant has requested Landlord work cooperatively with Tenant to promote the Sierra Point Yacht Club to the general public, and both parties are willing to do so.
- E. Landlord is willing to extend the Ground Lease on the terms and conditions herein.

NOW, THEREFORE, in consideration of the mutual promises, the parties agree as follows:

1. Section 2.01 of the Ground Lease is amended as follows:

"2.01 The term of this Lease shall be for a period of 50 years, commencing September 1, 1998 and ending of August 31, 2048, unless sooner terminated as provided herein."

2. Section 7.01 of the Ground Lease is amended as follows, by adding the language in bold below to the existing language:

"7.01 Tenant shall have the right to construct and maintain a yacht club facility upon the Leased Premises, in accordance with the conceptual plan attached hereto as Exhibit C and made a part hereof. **In addition, Tenant shall demolish and re-build the bar in the yacht club facility. The new bar will occupy the same space as the existing bar. The work will include demolition, repair of the bar area floor, new cabinet work, new surfaces and finishes, relocation of the existing beverage coolers, rough and finish plumbing and electrical work, the total cost of which is estimated to be \$25,000. The conceptual plan attached as Exhibit C and the work described in the second and third sentences of this section shall collectively be referred to as the "Improvements" . The Improvements are subject to compliance with each of the following requirements:**

(Paragraphs (a) through (f), no change.)"

3. Article 23 (Miscellaneous) of the Ground Lease is amended as follows:

A new section 23.07 is added to read: "Tenant shall work cooperatively with Landlord, the Landlord's Harbor Master and the Director of Marina Services to promote the Brisbane Marina and the Sierra Point Yacht Club to the general public. At a minimum, Tenant shall cooperate and assist with three to four events per year, including staffing of the Tenant's premises, on dates and for events mutually agreeable to Tenant and Landlord, that serve the purpose of promoting the

Brisbane Marina and the Sierra Point Yacht Club, examples of which are the Holiday Boat Lighting Festival, the Kite Festival and the Boat/Gear Swap Meet (“Events”).

4. In all other respects, the terms and conditions of the Ground Lease are to remain in full force and effect.

IN WITNESS WHEREOF, the parties have executed this First Amendment to Ground Lease the day and year first written above.

City of Brisbane

Sierra Point Yacht Club

Mayor

President

Attest:

City Clerk

Approved as to form:



City Attorney

GROUND LEASE

THIS GROUND LEASE, dated as of August 24, 1998, by and between THE CITY OF BRISBANE, a municipal corporation ("Landlord"), and SIERRA POINT YACHT CLUB, a California mutual benefit corporation ("Tenant"), is made with reference to the following facts:

A. Landlord is the owner of certain real property in the City of Brisbane, County of San Mateo, State of California, generally known as the Brisbane Marina and more particularly described in Exhibit "A" attached hereto and made a part hereof ("the Marina").

B. Tenant desires to rent from Landlord a portion of the lot on which the Marina is located for the purpose of constructing and operating a yacht club thereon, and Landlord has agreed to lease such property to Tenant, on the terms and conditions hereinafter set forth.

NOW, THEREFORE, the parties agree as follows:

ARTICLE 1 LEASED PREMISES

1.01 Landlord, for and in consideration of the rents, covenants and agreements on the part of the Tenant to be paid, kept and performed, does hereby lease to Tenant and Tenant does hereby rent from Landlord that portion of the Marina consisting of approximately 4,000 square feet and more particularly shown and described in Exhibit "B," attached hereto and incorporated herein by reference (the "Leased Premises").

1.02 Tenant shall have the non-exclusive right to use the public parking areas of the Marina for all of Tenant's off-street parking requirements, subject to any rules and regulations concerning such use as may be adopted by Landlord from time to time, and Tenant shall not be required to provide any parking facilities on the Leased Premises. The execution of this Lease by Landlord shall constitute a waiver of any and all off-street parking requirements that might otherwise be applicable to Tenant's use and occupancy of the Leased Premises.

ARTICLE 2 TERM

2.01 The term of this Lease shall be a period of thirty (30) years, commencing on September 1, 1998, and ending on August 31, 2028, unless sooner terminated as provided herein.

**ARTICLE 3
RENT**

3.01 Tenant covenants and agrees to pay to Landlord as rent the sum of One Dollar (\$1.00) per year, payable in advance on September 1st of each year during the lease term. Tenant shall also pay such other sums identified in this Lease as constituting additional rent.

3.02 In order that the rent due hereunder shall be absolutely net to Landlord, Tenant shall pay and save Landlord harmless from and against all Impositions (as defined in Section 4.1), insurance premiums, carrying charges, costs, expenses, and obligations of every kind and nature whatsoever relating to the Leased Premises or the Improvements to be constructed by Tenant thereon (as described in Section 7.1), which may arise, accrue, or become due during the term of this Lease.

**ARTICLE 4
PAYMENT OF TAXES AND ASSESSMENTS**

4.01 Tenant acknowledges that the creation of a long term leasehold estate pursuant to this Lease may result in the Leased Premises being subject to real estate tax assessments, notwithstanding the fact that such property is now exempt from taxation by reason of Landlord being a public agency. As part of the consideration of this Lease and as additional rent hereunder, Tenant covenants and agrees to pay and discharge or cause to be paid and discharged promptly as the same become due and before delinquency, all taxes, assessments, liens, and levies, whether general or special, ordinary or extraordinary, imposed directly as a result of Tenant's possessory interest in the Leased Premises or as result of any buildings or improvements constructed by Tenant thereon, which may be levied, assessed, charged or imposed, or may be or become a lien or charge upon the Leased Premises, or any part thereof, or upon the leasehold estate hereby created, or upon Landlord by reason of its ownership of the fee title underlying this Lease (hereinafter termed an "Imposition").

4.02 Tenant, upon Landlord's request, shall deliver to Landlord copies or duplicate receipts showing payment of all additional rents to be paid by Tenant hereunder and shall, on or before May 1st of each year during the term of this Lease, without request, deliver to Landlord copies of receipts for all real property taxes and assessments paid by Tenant that became due for the current tax year.

4.03 Tenant shall have the right to contest or review by appropriate legal or administrative proceedings, or in such other manner as Tenant may desire, any tax, lien, assessment, Imposition or other charge or levy which Tenant is required to pay as additional rental pursuant to the provisions of this Article 4. Any such contest or other proceedings shall be conducted solely at Tenant's expense and free of expense to Landlord. Tenant shall protect and indemnify Landlord against any and all loss, cost, expense or damage resulting from such contest or other proceeding and shall furnish Landlord with copies of such bonds as are provided for the protection of Landlord's interest under the

laws of the State of California in an amount satisfactory to Landlord, assuring that Tenant shall satisfy and discharge the amount contested with all penalties, interest and costs in connection therewith and shall protect and indemnify Landlord as herein required. Within ten (10) days after the final determination of the amount due from Tenant for such tax, assessment, charge or other levy, Tenant shall pay the amount so determined to be due, together with all costs, expenses and interest. In the event Tenant shall desire to contest or otherwise review by appropriate proceedings any tax, assessment, charge or other levy which Tenant is required to pay as additional rental hereunder, Tenant shall, at least ten (10) days prior to the delinquency of such tax, assessment, charge or levy, give written notice of Tenant's intention to contest; and after such notice and the delivery to Landlord of bonds in form, substance and amount satisfactory to Landlord, Tenant shall not be in default hereunder and Landlord shall not satisfy and discharge such tax, assessment, charge or other levy until Tenant's failure to satisfy same after ten (10) days from the final determination of such contest.

ARTICLE 5 POSSESSION AND USE

5.01 The Leased Premises shall be used and occupied by Tenant solely for the purpose of operating a yacht club for the members and guests of Tenant, and for no other or additional purpose without the prior written approval of Landlord.

5.02 Tenant shall not use the Leased Premises or permit anything to be done in or about the Leased Premises which is prohibited by or will in any way conflict with any law, statute, ordinance or governmental rule or regulation now in force or which may hereafter be in force, or which is prohibited by the standard form of fire insurance policy, or will in any way increase the existing rate of any fire or other insurance covering the Marina, or cause any change or cancellation of such insurance. The judgment of any court of competent jurisdiction or the admission of Tenant in any action against Tenant, whether Landlord be a party thereto or not, that Tenant has violated any law, statute, ordinance or governmental rule, regulation or requirement, shall be conclusive of that fact as between Landlord and Tenant. Tenant shall not do or permit anything to be done in or about the Leased Premises which will in any way obstruct or interfere with the rights of other persons using the Marina or its parking facilities, or use or allow the Leased Premises to be used for any improper, immoral, unlawful or objectionable purpose, nor shall Tenant cause, maintain or permit any nuisance in, on or about the Leased Premises or commit or suffer to be committed any waste in, on or about the Leased Premises.

ARTICLE 6 CONDITION OF LEASED PREMISES

6.01 Tenant acknowledges and agrees that the Leased Premises are being rented to Tenant in "AS IS" condition and Landlord shall have no obligation to make any alterations or improvements to the Leased Premises for the benefit of Tenant. Tenant further acknowledges that neither Landlord nor anyone acting on Landlord's behalf has made any representation or warranty as to the suitability or fitness of the Leased Premises

for the intended use thereof by Tenant and it is the sole responsibility of Tenant to satisfy itself with respect to all such matters.

ARTICLE 7 BUILDINGS AND IMPROVEMENTS

7.01 Tenant shall have the right to construct a yacht club facility upon the Leased Premises, in accordance with the conceptual site plan attached hereto as Exhibit "C" and made a part hereof ("the Improvements"), subject to compliance with each of the following requirements:

- (a) The Improvements shall be subject to design review approval by the Brisbane Planning Commission, in accordance with the normal application and processing requirements for such approval as prescribed by the Brisbane Zoning Ordinance.
- (b) In addition to design review approval, Tenant shall obtain all building, grading and other permits or approvals required for construction of the Improvements, including, but not limited to, any permits or approvals necessitated by the fact that the Leased Premises constitutes a part of a former land fill which currently is under the regulatory jurisdiction of the Regional Water Quality Control Board, the California Department of Toxic Substances Control, the Army Corps of Engineers, BCDC, and the San Mateo County Department of Health.
- (c) The Improvements shall be constructed strictly in accordance with plans and specifications approved in writing by Landlord.
- (d) Tenant or its contractor shall provide Landlord with performance and payment bonds, in form and substance satisfactory to Landlord, naming Landlord as the obligee or co-obligee thereunder, each in an amount not less than 100% of the estimated cost of constructing all of the Improvements, as determined by the Brisbane City Engineer.
- (e) Prior to commencement of any work, Tenant shall have demonstrated to the satisfaction of Landlord that Tenant has sufficient financing to pay all costs and expenses related to construction of the Improvements, as and when the same become due and payable.
- (f) Tenant shall have complied with all of the insurance requirements set forth in Article 12 of this Lease.

7.02 All fees and costs for construction of the Improvements, including application and permit fees charged by the City of Brisbane and any other governmental agency, design and construction costs, and the cost of any financing obtained by Tenant for the Improvements, shall be the sole responsibility and obligation of Tenant.

7.03 The failure by Tenant to complete construction of all Improvements and obtain a certificate of occupancy for the yacht club facility within eighteen (18) months after the date on which a building permit is issued by the City of Brisbane to Tenant for construction of the Improvements, shall constitute a material default under this Lease.

7.04 Following completion of the Improvements, Tenant shall not make any further alterations, additions or improvements in, on or about the Leased Premises without the prior written consent of Landlord. As a condition to giving such consent, Landlord may require Tenant to provide Landlord a surety bond or other security satisfactory to Landlord to insure Landlord against mechanic's and materialmen's liens and to insure completion of the work.

7.05 All buildings, structures, improvements, foundations and fixtures (except removable trade fixtures) constructed upon the Leased Premises by Tenant at any time during the term of this Lease shall, upon the expiration or earlier termination of this Lease, become the property of Landlord without notice or execution of further instruments and shall remain upon and be surrendered with the Leased Premises, without cost, expense or obligation of any kind or nature to Landlord.

ARTICLE 8 REPAIRS AND MAINTENANCE

8.01 Tenant shall, during the term of this Lease, at its own cost and expense, keep and maintain all buildings and improvements which may be erected on the Leased Premises, and all appurtenances thereto, in good and neat order and repair and shall allow no nuisance to exist or be maintained therein. Landlord shall not be obligated to make any repairs, replacements or renewals of any kind, nature or description whatsoever to the Leased Premises, or any buildings or improvements thereon. Tenant hereby expressly waives all right to make repairs at Landlord's expense under the provisions of Sections 1941 and 1942 of the Civil Code of the State of California.

ARTICLE 9 UTILITIES

9.01 Tenant shall pay, as additional rent, the cost of all utility and other services furnished to the Leased Premises, including, but not limited to, electricity, gas, water, sewer, telephone, and garbage collection service. Whenever possible, Tenant shall establish a separate account with the utility or service provided so that all charges for service are billed directly to Tenant. However, in the event any of such charges are billed to Landlord, Landlord shall submit a statement showing the amount thereof payable by Tenant and Tenant shall pay such amount to Landlord, as additional rent, within ten (10) days after receipt of the statement.

**ARTICLE 10
MECHANICS AND OTHER LIENS**

10.01 Tenant shall keep the Leased Premises free and clear of all mechanics' liens resulting from any construction work done by or for Tenant. Tenant shall have the right to contest the correctness or validity of any such lien if, immediately on demand by Landlord, Tenant: (i) procures and records a lien release bond issued by a corporation authorized to issue surety bonds in California in an amount equal to one and one-half (1-1/2) times the amount of the claim of lien, or (ii) provides other security in form and amount satisfactory to Landlord. If used, the bond shall meet the requirements of Section 3143 of the California Civil Code and shall provide for the payment of any sum that the claimant may recover on the claim, together with costs of suit. Should Tenant fail to discharge any such lien or cause the same to be released within sixty (60) days from the date the lien is filed, Landlord may, without inquiring into the validity thereof, cause the same to be discharged and all amounts so expended by Landlord, together with reasonable attorney's fees and expenses, shall be paid by Tenant to Landlord as additional rent hereunder, together with interest thereon at the rate of ten percent (10%) per annum. Tenant shall give ten (10) days prior written notice to Landlord of the date on which any construction work will be commenced so as to afford Landlord the opportunity to post a notice of nonresponsibility.

**ARTICLE 11
INDEMNITY**

11.01 Tenant hereby waives any and all claims against Landlord for damage to any property or injury to or death of any person in, upon or about the Leased Premises, arising at any time and from any cause other than solely by reason of the negligence or willful misconduct of Landlord. Tenant expressly agrees to indemnify, defend, and hold Landlord, and its officers, officials, boards, commissions, employees, and agents, harmless from and against any and all claims, demands, causes of action, liabilities, costs or expenses, including attorney's fees, occasioned by or in any way connected with the condition, use or misuse of the Leased Premises, or occasioned by any act or omission of Tenant and Tenant's agents, servants, employees, invitees or other persons who may come upon the Leased Premises, except for damage to any property or injury to or death of any person caused solely by the negligence or willful misconduct of Landlord. The indemnity obligations of Tenant set forth herein shall survive and continue beyond the term of this Lease.

**ARTICLE 12
INSURANCE**

12.01 Tenant shall, at no cost to Landlord, obtain and keep or cause to be kept in force during the term hereof, fire and extended coverage insurance on all buildings and improvements on the Leased Premises that are destructible by fire or such perils as insured by a Standard Form fire and extended coverage policy of insurance and in amounts

not less than 100% of the insurable value of such buildings and improvements. Landlord shall be named in the loss payable clause of such policy, as its interest may appear. All policies placed by Tenant upon the Leased Premises shall contain waivers of any right of subrogation said insurer might otherwise have against Landlord.

12.02 During the term of this Lease, Tenant shall procure and maintain in full force and effect at Tenant's expense: (i) comprehensive general liability insurance with an aggregate limit of not less than One Million Dollars (\$1,000,000.00) per occurrence, insuring against all liability of Tenant and Landlord for bodily injury and property damage arising out of or in connection with Tenant's maintenance, use, or occupancy of the Leased Premises and also insuring performance by Tenant of the indemnity provisions set forth in Section 11.01 of this Lease. The amount of such insurance shall be at least \$1,000,000.00, combined single limit. However, the amount of such general liability insurance shall not limit Tenant's liability nor relieve Tenant of any obligations under this Lease. The general liability insurance policy shall name Landlord, and its officers, officials, boards, commissions, employees, and agents, as an insured parties thereunder, and shall be endorsed to provide that: (i) the insurance coverage thereunder shall be primary with respect to Landlord; and (ii) no cancellation or reduction in coverage will be made without twenty (20) days prior written notice to Landlord by the carrier.

12.03 Tenant shall provide Landlord with a copy of each insurance policy required to be maintained hereunder, and each such policy shall be subject to approval as to form, content and amount by Landlord or its authorized representatives.

ARTICLE 13 DAMAGE OR DESTRUCTION

13.01 In case of any damage to or destruction of the Improvements situated upon the Leased Premises, or any part thereof, and such damage is covered by insurance, Tenant shall have the election to: (i) utilize the insurance proceeds for the restoration, replacement or rebuilding of the Improvements with such alterations and additions as may be approved by Landlord; or (ii) not restore Improvements so damaged or destroyed and apply the insurance proceeds to the clean-up and removal of the damaged or destroyed Improvements so as to restore the Leased Premises to vacant land. Any balance of insurance proceeds shall be paid to Tenant.

13.02 In the case of any damage to or destruction of the Improvements which is not covered by the insurance required to be maintained under Section 12.01 hereof, and such damage exceeds fifty percent (50%) of the replacement cost of such Improvements, Tenant may, at its option, terminate this Lease by giving written notice of termination to Landlord. Otherwise, Tenant shall restore the Improvements to their original configuration or in such other manner as shall be approved in writing by Landlord.

ARTICLE 14
ASSIGNMENT AND SUBLETTING

14.01 Tenant shall not voluntarily or by operation of law assign, transfer, mortgage, sublet, pledge, hypothecate or encumber all or any part of Tenant's interest in this Lease or in the Leased Premises or any part thereof, without Landlord's prior written consent and any attempt to do so without such consent being first had and obtained shall be wholly void and shall constitute a breach of this Lease. Landlord may withhold its consent in Landlord's absolute and sole discretion.

14.02 No consent by Landlord to any assignment or subletting by Tenant shall relieve Tenant of any obligation to be performed by Tenant under this Lease, whether occurring before or after such consent, assignment or subletting. The consent by Landlord to any assignment or subletting shall not relieve Tenant from the obligation to obtain Landlord's express written consent to any other assignment or subletting. The acceptance of rent by Landlord from any other person shall not be deemed to be a waiver by Landlord of any provisions of this Lease or to be a consent to any assignment, subletting or other transfer. Consent to one assignment, subletting or other transfer shall not be deemed to constitute consent to any subsequent assignment, subletting or other transfer.

ARTICLE 15
PERFORMANCE BY LANDLORD ON TENANT'S DEFAULT

15.01 In the event that Tenant shall fail or neglect to do or perform any act or thing herein provided for it to be done or performed and such failure shall continue for a period of thirty (30) days after written notice from Landlord specifying the nature of the act or thing to be done or performed, or shall continue beyond the time reasonably required for the performance of any act if the same could not reasonably be performed within said thirty (30) day period, then Landlord may, but shall not be required to, perform or cause to be performed such act or thing (including the entering upon the Leased Premises for such purpose, if Landlord elects so to do), and Landlord shall not be liable or in any way responsible for any loss, inconvenience, annoyance or damage resulting to Tenant on account thereof; and Tenant shall repay to Landlord, upon demand as additional rent, the entire reasonable cost and expense thereof, including compensation to the employees, agents and contractors of Landlord. Any act or thing done by Landlord, pursuant to the provisions of this Article 15 shall not be, or be construed as, a waiver of any covenant, term or condition herein contained or of the performance thereof.

ARTICLE 16
BREACH OF LEASE

16.01 Should Tenant fail to perform or cause to be performed any act required hereunder, including, but not limited to, the following, such failure shall constitute an event of default on the part of Tenant.

- (a) The failure for a period of more than thirty (30) days after written notice from Landlord to do, observe, keep and perform any of the terms, covenants, conditions, agreements and provisions of this Lease which Tenant hereunder is required to do, observe, keep or perform.
- (b) The permanent abandonment of the Leased Premises by Tenant without making adequate provision for the protection thereof; the adjudication of Tenant as a bankrupt; the making by Tenant of a general assignment for the benefit of creditors; the taking by Tenant of the benefit of any insolvency act or law; the appointment of a permanent receiver or trustee in bankruptcy for Tenant's property; or the appointment of a temporary receiver which is not vacated or set aside within one hundred and twenty (120) days from the date of such appointment.

16.02 Any notice given under this Article shall specify the event of default and the applicable lease provisions, and shall demand that Tenant perform the provisions of this Lease within the applicable period of time. No such notice shall be deemed a forfeiture or a termination of this Lease provided Tenant cures the default within the applicable period of time.

16.03 In the event of a breach of this Lease and upon the failure of Tenant to cure same after notice as provided in this Article, Landlord, in addition to all other rights and remedies provided by law or equity, shall have the right to declare this Lease terminated by written notice to tenant, as of a date specified in the notice which shall not be less than thirty (30) days after the date of serving such notice, and in such event Landlord shall be entitled to re-enter and repossess the Leased Premises, together with all additions, alterations and improvements thereto.

ARTICLE 17 WAIVER

17.01 No covenant, term or condition or the breach thereof shall be deemed waived, except by written consent of the party against whom the waiver is claimed, and any waiver of any covenant, term or condition shall not be deemed to be a waiver of any preceding or succeeding breach of the same or any other covenant, term or condition. Acceptance by Landlord of any performance by Tenant after the time the same shall have become due shall not constitute a waiver by Landlord of the breach or default of any covenant, term or condition unless otherwise expressly agreed to by Landlord in writing.

ARTICLE 18 INSPECTION OF PREMISES

18.01 Landlord shall be entitled, at all reasonable times, to go upon and into the Leased Premises for the purpose of: (i) inspecting the same; (ii) inspecting the performance by Tenant of the terms and conditions of this Lease; and (iii) posting and keeping posted

thereon notices of non-responsibility for any construction, alteration or repair thereof as required or permitted by any law or ordinance. The aforesaid rights of Landlord shall be exercised so as not to unreasonably interfere with Tenant's use of the Leased Premises.

ARTICLE 19 COSTS OF SUIT

19.01 In the event legal action between Landlord and Tenant shall become necessary in order to enforce or interpret this Lease, or any provision contained herein, the prevailing party shall be entitled to recover all costs and expenses as may be incurred in connection therewith, including reasonable attorney's fees.

19.02 Should Landlord, without fault on Landlord's part, be made a party to any litigation instituted by Tenant or by any third party against Tenant, or by or against any person holding under or using the Leased Premises by license of Tenant, or for the foreclosure of any lien for labor or materials furnished to or for Tenant or any such other person or otherwise arising out of or resulting from any act or transaction of Tenant or of any such other person, Tenant covenants to save, defend, and hold Landlord harmless from any judgment rendered against Landlord or the Leased Premises or any part thereof, and all costs and expenses, including reasonable attorney's fees, incurred by Landlord in connection with such litigation.

ARTICLE 20 NOTICES

20.01 Any notices required or permitted to be given under this Lease shall be in writing and shall be either personally delivered or sent by certified mail, return receipt requested, or by a delivery service such as Federal Express which provides a receipt or other written evidence of delivery, addressed to the other party at such address as may be furnished from time to time as the place for delivery of notices hereunder. Any notice sent by mail shall be deemed received on the third business day after deposit of the notice in the U.S. Mail with full postage prepaid thereon.

ARTICLE 21 AUTHORITY OF TENANT TO EXECUTE LEASE

21.01 Tenant represents and warrants to Landlord that: (i) this Lease is duly executed and delivered by and is binding upon and enforceable against Tenant; and (ii) Tenant has the capacity to enter into this Lease and consummate the transactions herein provided and nothing prohibits or restricts the right or ability of Tenant to carry out the terms hereof.

**ARTICLE 22
SURRENDER**

22.01 Upon the expiration or earlier termination of this Lease, Tenant shall surrender the Leased Premises and remove all of Tenant's personal property and trade fixtures. Any personal property or trade fixtures not removed at the expiration or earlier termination of this Lease shall be deemed abandoned by Tenant. If Landlord so elects, Tenant shall also remove any alterations or improvements installed by or for Tenant which would otherwise remain as part of the Leased Premises and Tenant shall restore the Leased Premises to their condition prior to such installation.

22.02 Should Tenant fail to remove any personal property or trade fixtures, or fail to remove any alterations or improvements as requested by Landlord, Tenant shall be liable to Landlord for any and all removal costs, transportation and storage expenses, and the cost of restoring the Leased Premises as required herein. Tenant shall indemnify Landlord against any loss, damage or liability resulting from delay by Tenant in so surrendering the Leased Premises.

**ARTICLE 23
MISCELLANEOUS**

23.01 Captions. The captions used in this Lease are for convenience only and shall not be deemed to be relevant in resolving any question of interpretation or construction of any provision contained herein.

23.02 Entire Agreement. This Agreement constitutes the entire agreement between the parties and supersedes and cancels any prior agreements or understandings, whether written or oral. This Agreement can only be modified by a written amendment hereto executed by both parties.

23.03 Severability. If any term or provision of this Lease shall, to any extent, be determined by a court of competent jurisdiction to be invalid or unenforceable, the remainder of this Lease shall not be affected thereby, and each term and provision of this Lease shall be valid and enforceable to the fullest extent permitted by law.

23.04 Calendar Days. All references herein to any acts or obligations to be performed within a certain number of days shall mean calendar days.

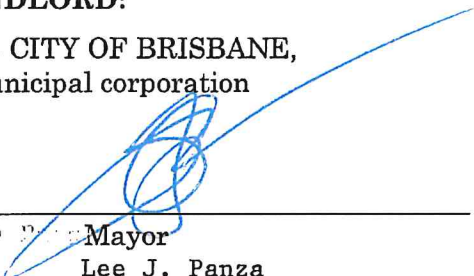
23.05 Choice of Law. This Lease shall be governed by and interpreted in accordance with the laws of the State of California.

23.06 Successors and Assigns. Subject to the restrictions against assignment and subletting by Tenant, this Lease shall be binding upon and inure to the benefit of the respective heirs, executors, administrators, personal representatives, successors and assigns of the parties hereto.

IN WITNESS WHEREOF, the parties have executed this Ground Lease the day and year first above written.

LANDLORD:

THE CITY OF BRISBANE,
a municipal corporation

By: 

Mayor
Lee J. Panza

Attest: 

City Clerk
Sheri Marie Schroeder

TENANT:

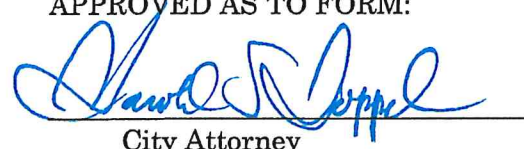
SIERRA POINT YACHT CLUB,
a California mutual benefit corporation

By: 

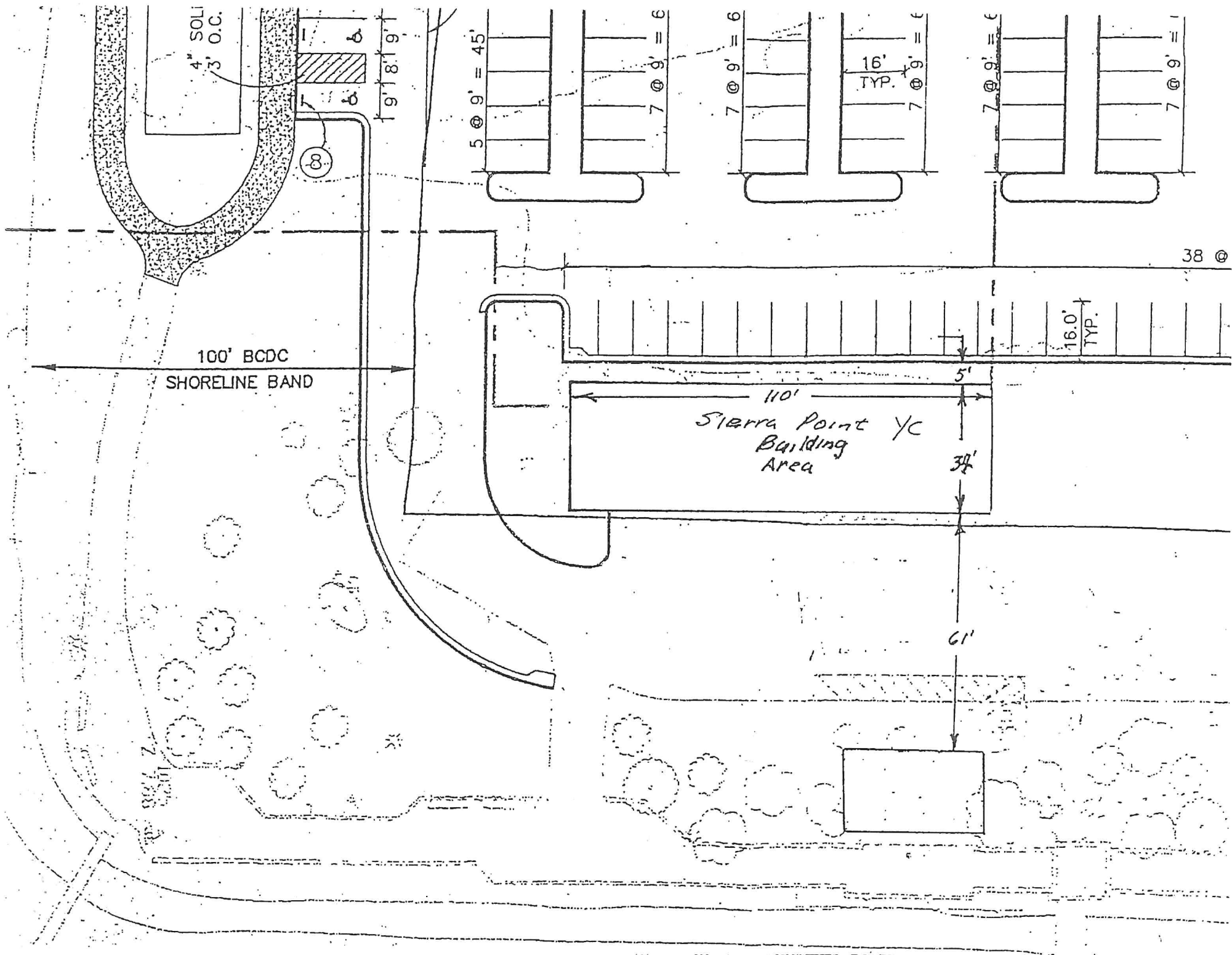
Michael Davis

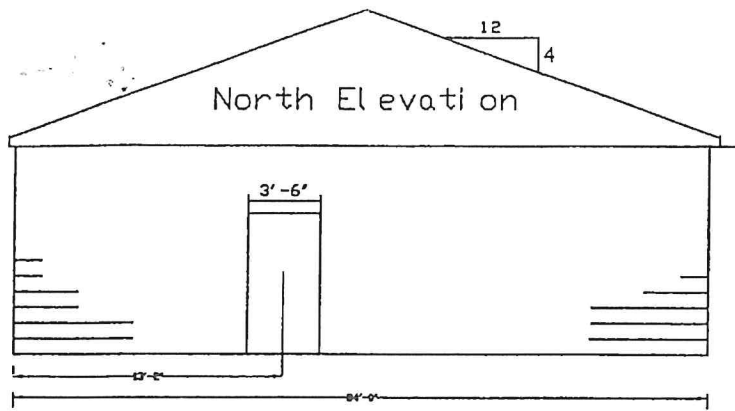
By: President

APPROVED AS TO FORM:

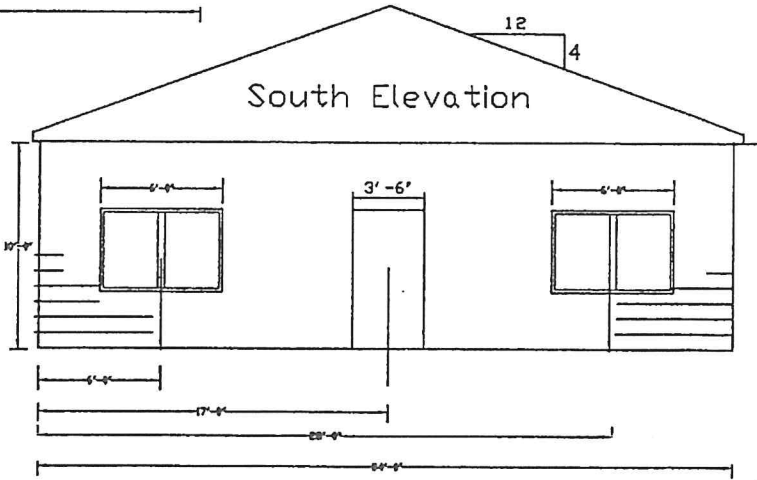


City Attorney
Harold S. Toppel

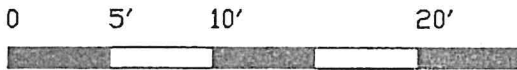




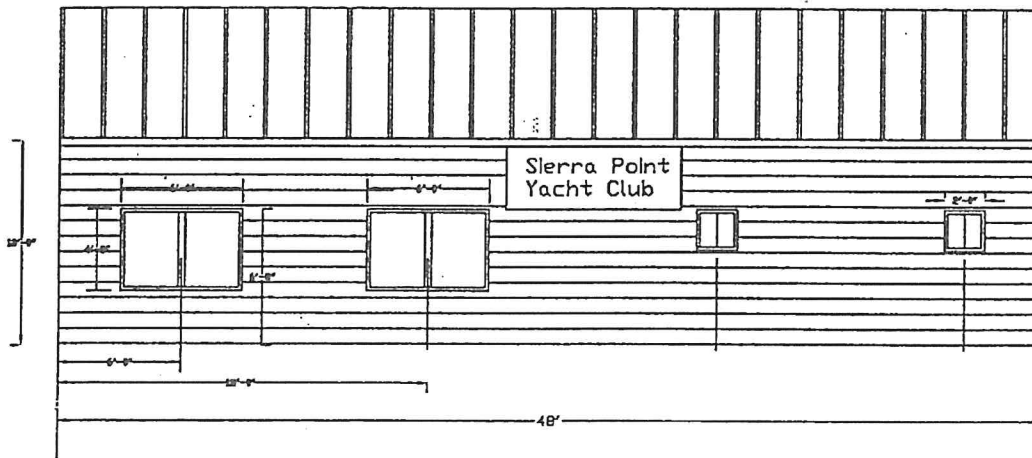
Sierra Point
Yacht Club



South Elevation



East Elevation



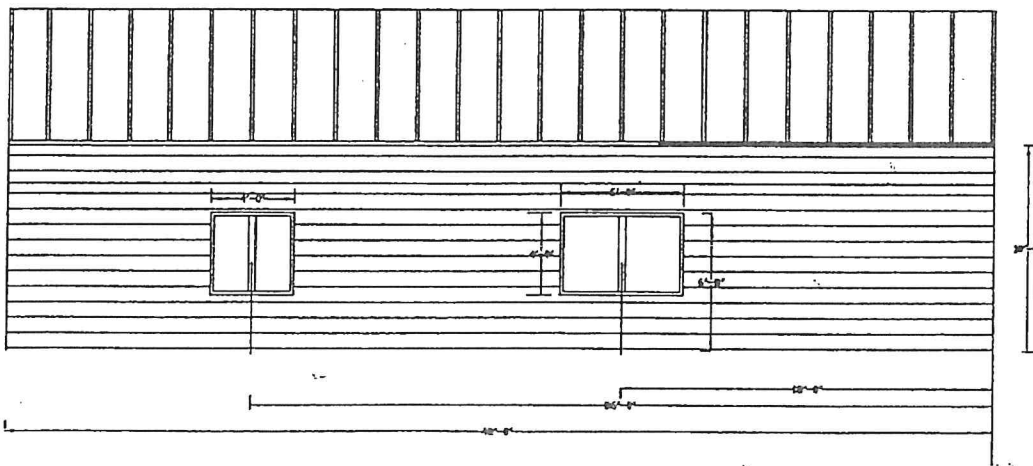
Blue Metal
Roof - batten
seam

Grey Lap Siding

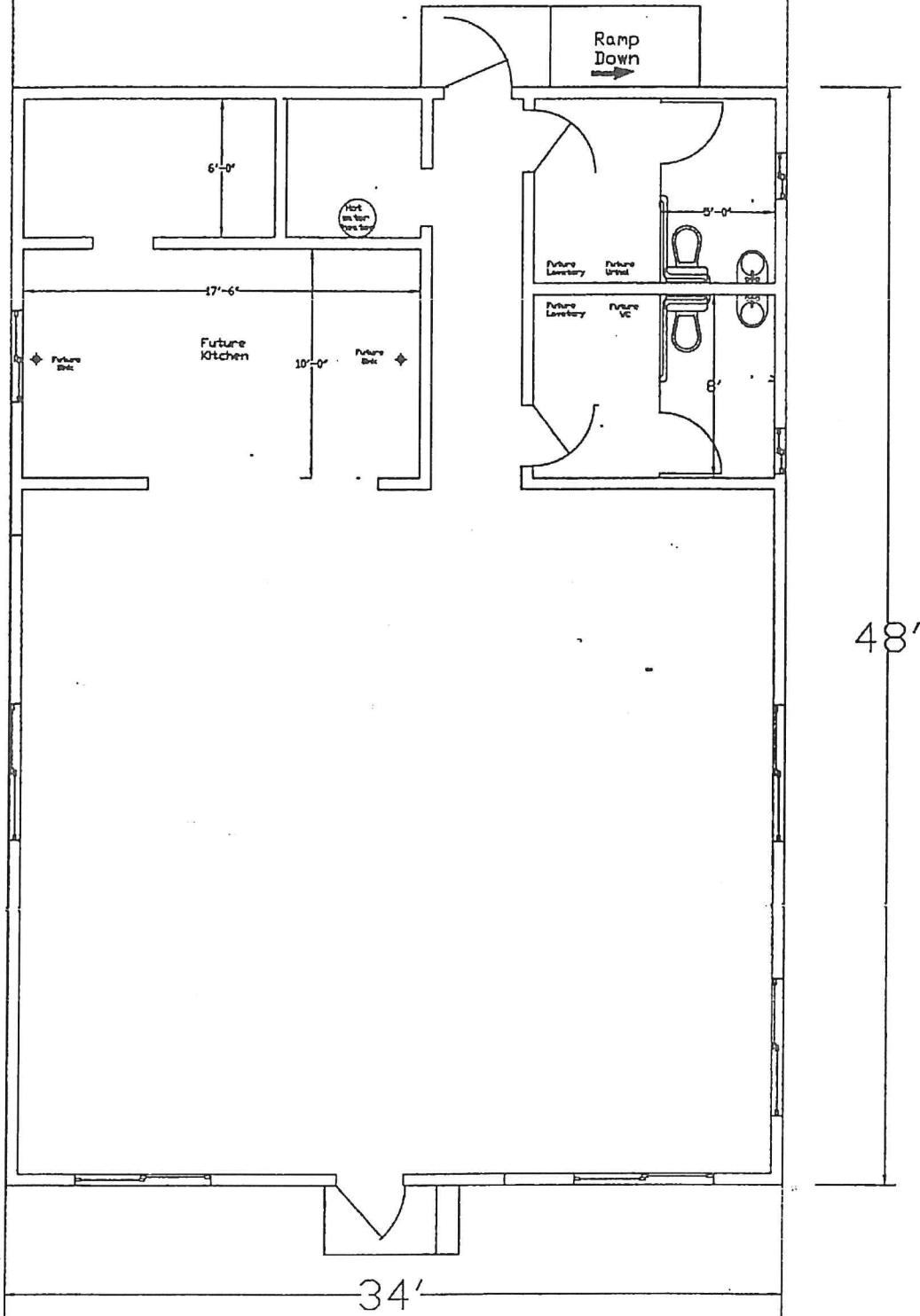
Windows -
Bronze Finish

Colors to match
Harbormasters
Office

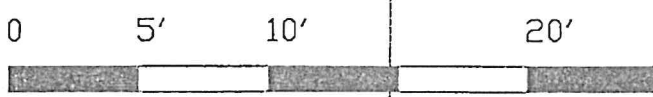
West Elevation



North



Sierra Point 0
Yacht Club



Tim _____
ADDRESS FILE _____

Sierra Point Yacht Club
500 Sierra Point Parkway
Brisbane, CA 94005

RECEIVED

BRISBANE PUBLIC WORKS DEPT.

16 March, 1999

City of Brisbane
50 Park Lane
Brisbane, CA 94005

Attn.: James E Thompson *J*

Subject: Revised Exhibit B to the 8/24/1998 Ground Lease between the City of Brisbane and the Sierra Point Yacht Club, submittal of

Attached: Exhibit B

Sir,

The attached Exhibit B to the 8/24/1998 Ground Lease between the City of Brisbane and the Sierra Point Yacht Club, is hereby submitted per your request of 3/2/1999.



Mike Davis
Commodore



Jerry McDaniel
Project Manager

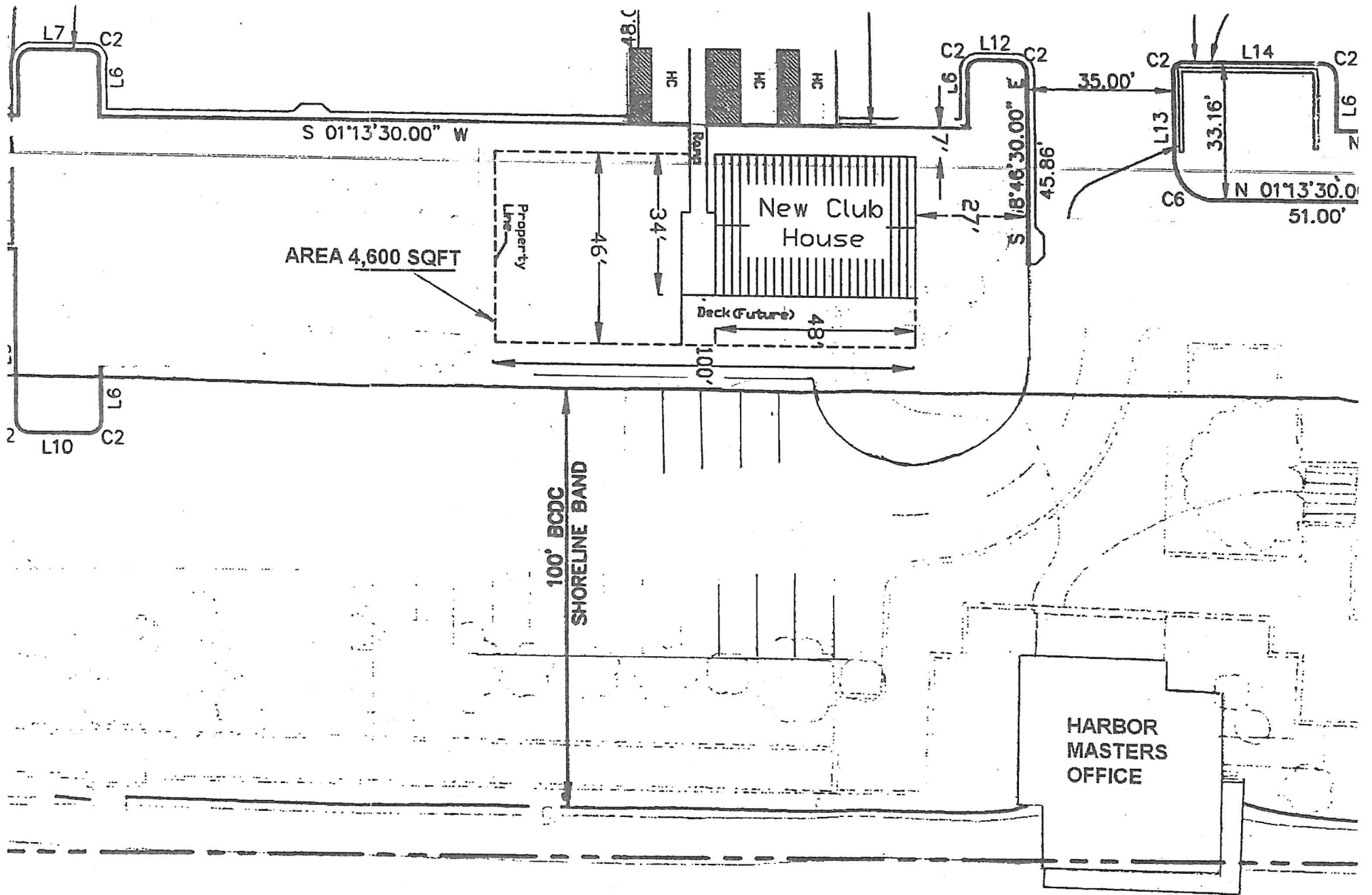


EXHIBIT B