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FIRST AMENDMENT
TO GOLDEN GATE YACHT CLUB LEASE

THIS FIRST AMENDMENT TO GOLDEN GATE YACHT CLUB LEASE (this "First Amendment") dated as of February 1, 1999, is between the CITY AND COUNTY OF SAN FRANCISCO, a municipal corporation, acting by and through its Recreation and Park Commission ("City") and GOLDEN GATE YACHT CLUB, a California corporation ("Tenant").

THIS FIRST AMENDMENT is made with reference to the following facts and circumstances:

A. City and Tenant entered into a lease dated July 25, 1991 (the "Lease"), under which the City leased to Tenant, and Tenant leased from the City, certain land and water area in the Marina Yacht Harbor, as more particularly described as the "Demised Premises" in Section 1 of the Lease, for the purposes of operating and maintaining a first rate and complete non-profit recreational boating and racing oriented yacht club. The Board of Supervisors of the City approved the Lease under Ordinance No. 125-92, adopted April 27, 1992. Unless otherwise referred to in this First Amendment, capitalized terms shall have the meanings ascribed to them in the Lease.

B. On or about the date of the Lease, Tenant mortgaged its leasehold interest under the Lease to the Small Business Administration ("SBA") as security for the repayment of a construction loan from the SBA, the proceeds of which Tenant used to finance improvements to the Demised Premises.

C. On April 10, 1997, the City gave a notice of default to Tenant regarding certain alleged breaches by the Tenant of its obligation to pay percentage rent, install and maintain bookkeeping and accounting methods, maintain adequate books and records and provide auditors reports to the City pursuant to the Lease. Tenant disputed such allegations.

D. The parties now wish to resolve their dispute and enter into this Agreement to amend the Lease for the purpose of (i) providing for the payment of past due rent, (ii) reducing the percentage rate applicable to percentage rent, (iii) providing for an appraisal mechanism to adjust percentage rent in the future, and (iv) reducing the term of the Lease, all on the terms and conditions more particularly set forth below.

ACCORDINGLY, in consideration of the matters described in the foregoing Recitals, and for other good and valuable consideration, the receipt and sufficiency of which are mutually acknowledged, the City and Tenant agree as follows:

1. Payment of Past Due Percentage Rent.

1.1 Reduction in Percentage Rental Rate Through 10th Anniversary of the Lease Term. For the period beginning on March 1, 1993 and ending on January 15, 1999 the percentage rent specified in Section 6(I) of the Lease shall be reduced from ten percent (10%) to seven and one-half percent (7.5%) of all Gross Receipts. From and after January 15, 1999, until the termination of the Lease, the percentage rent specified in Section 6(I) of the Lease shall be ten percent (10%).

1.2 Payment of Past Due Rent. As of January 15, 1999, the date on which the first installment of past due rent is due, past due rent is One Hundred Twenty-Two Thousand Three Hundred Eighty-Eight Dollars (\$122,388) (the "Past Due Rent"). Past Due Rent shall be payable as follows: on or before the 15th day of each month, Tenant shall pay to the City sum of Two Thousand Four Hundred Twenty-Three Dollars (\$2,423) beginning on January 15, 1999, and continuing until December 15, 2003. Time is of the essence with respect to the provisions of this Section.

1.3 Penalties and Interest. The City agrees to waive any penalties and interest provided under Section 7 of the Lease for the Past Due Rent through the date of this First Amendment; provided, however, should Tenant fail to pay any monthly installment of Past Due Rent on or before the 15th day of each month as specified in Section 1.2 above, then all penalties and interest provided for under Section 7 of the Lease shall apply on the unpaid portion of such installment from date such installment was due through the date of payment in full.

1.4 Default. Any failure to pay any installment of Past Due Rent on or before the 15th day of each month as specified in Section 1.2 of this First Amendment shall be deemed a material default on the part of Tenant under the Lease without the need of the City to give Tenant any notice under the Lease (including any notice required under Section 40(a)), and shall afford the City all of the rights and remedies the City would otherwise have under the Lease, at law or in equity with respect to a failure to pay rent.

1.5 Exclusion from Gross Receipts. In the event Tenant elects to impose an additional dues charge on its members to pay the Past Due Rent to the City, then the revenues received by Tenant from such additional charge shall be excluded from Gross Receipts for the purpose of determining percentage rent, to the extent Tenant actually uses such revenues to pay the Past Due Rent in accordance with the provisions of this First Amendment. Otherwise, member dues shall continue to be included in Gross Receipts, consistent with the Lease.

1.6 Payment of Percentage Rent; Representations, Covenants and Warranties.

(a) All percentage rent payable from and after the effective date of this First Amendment shall be in strict compliance with the procedures and requirements in Section 7, 8, 9 and 10 of the Lease. Without limiting the foregoing, Tenant shall report all Gross Receipts by completely filling out the concessionaire payment statements to include Gross Receipts

information with its monthly rent payments to the City, and Tenant shall maintain adequate documentation to support its reports of Gross Receipts, including a general ledger, monthly income statements, daily sales summaries and cash register tapes which shall have non-resettable features as further provided in the Lease.

(b) Tenant represents, warrants and covenants to the City as follows:

(i) As of the date of this First Amendment, Tenant has installed a computerized cash register system with nonresettable features and shall continue to use such registers as required by the Lease, and Tenant has installed a system of itemizing gross receipts.

(ii) As of the date of this First Amendment, Tenant has delivered to the City complete and accurate signed copies of all of the SBA loan documents, including any amendments or modifications thereto. As of the date of this First Amendment, the outstanding principal amount of the SBA loan is \$355,370.83, the maturity date of the loan is August 1, 2022, the monthly payment under the loan is \$1,944, and the loan is fully amortizing over its term. Such monthly payment under the SBA loan shall be the amount deducted from Gross Receipts pursuant to Section 8 of the Lease (number 2 of the exclusions) for purposes of determining percentage rent owing to the City. The reference in Section 2 of the Lease to \$369,000 as the amount of the SBA loan shall be amended by substituting the sum of \$406,300 in its place.

(iii) As of the date of this First Amendment, Tenant has delivered to the City a certified copy of the annual audit required under Section 10 of the Lease for each prior season occurring during the term of the Lease, and Tenant shall provide such audits for the current and any future seasons to the City in a timely manner in strict accordance with the Lease.

(iv) As of the date of this First Amendment, Tenant has delivered to the City the full Five Thousand Dollar (\$5,000) security deposit required under Section 11 of the Lease.

(v) As of the date of this First Amendment, Tenant has removed all signs from the Demised Premises stating that the Demised Premises is a private club, and Tenant has posted notices, as required by Recreation and Park Commission Resolution number 11189 at all entrances of the Demised Premises advising members of the public that the Demised Premises is a public park facility operated on behalf of the Recreation and Park Commission by Tenant, that the property is open to the general public on the same terms and conditions as it is available to members of Tenant, of the hours during which the Demised Premises is open or otherwise available, of the procedures and fees for use, and that membership in Tenant is open and available to all interested parties.

(vi) In cooperation with the Recreation and Park Department of the City, Tenant will use its best efforts to provide a Junior Sailing Program.

(vii) By March 1, 1999, Tenant will submit to the Recreation and Park Department of the City a business plan proposing strategies to enhance Tenant's revenues.

(viii) Tenant will cooperate with the San Francisco Budget Analyst's management audit of Tenant's financial records for the purpose of investigating whether Tenant is operating as efficiently, effectively, and as economically as possible. Tenant will allow the Budget Analyst's audit to proceed before any other audits of Tenants financial records. Tenant will use good faith efforts to implement any recommendations resulting from the audit.

2. Prospective Annual Minimum Rent Guarantee. In no event shall the total percentage rent paid be less than the Annual Minimum Rent Guarantee. For each year beginning January 1, 2000, the percentage Annual Minimum Rent Guarantee for the previous year shall be \$54,000.

3. Reduction in Lease Term. Section 5 of the Lease is amended to reduce the term of the Lease from forty (40) years to twenty five (25) years from the Commencement Date. Accordingly, the term of the Lease shall end at 11:59 p.m. on May 31, 2017 (the "Expiration Date"), unless the Lease is earlier terminated in accordance with its terms. The parties acknowledge that the condition contained in the second paragraph of Section 5 of the Lease has been satisfied and no longer.

4. Lease Extension.

4.1 Option to Extend Term. City grants to Tenant a one-time option to extend the Term of this Lease as to the entire Demised Premises only (the "Extension Option") for an additional five (5) years (the "Extension Term") commencing upon the Expiration Date upon the following terms and conditions. Tenant may exercise the Extension Option at any time during the Term of the Lease, but if it determines to do so it must give written notice to the City thereof not less than one hundred fifty (150) days prior to the Expiration Date. Any such notice by Tenant shall be irrevocable by Tenant. Time is of the essence with respect to the date of delivery of Tenants notice of exercise of the Extension Option to the City. If any event of default by Tenant is outstanding hereunder either at the time of Tenant's exercise of the Extension Option or at any time prior to the first day of the Extension Term (or if any event shall have occurred which with the giving of notice or the passage of time or both would constitute such a default), then city may elect by notice to Tenant to reject Tenant's exercise of the Extension Option, whereupon the Extension Option shall be null and void. City shall also have the right to void Tenant's Extension Option if Tenant has assigned its interest hereunder or sublet more than fifty percent (50%) of the Demised Premises. If Tenant exercises the Extension Option, all references to the Term of this Lease shall include the Extension Term.

4.2 Rent For Extension Term. If Tenant elects to exercise the Extension Option, then the Lease for the Extension Term shall cover the entire Premises and shall be upon all of the terms, covenants, and conditions of this Lease and Lease Amendment, except that the Percentage Rent shall be adjusted in accordance with the prevailing market rate as follows:

(a) Fair Market Percentage Rent. -

(i) As used in this Section, "Fair Market Percentage Rent" means the annual Fair Market Percentage Rental value of the Demised Premises, which shall be expressed as a percentage (to the nearest half of a percentage point) of Gross Receipts and shall be determined as of the commencement of the Extension Term ("date of value"). Such determination of Fair Market Percentage Rent shall be the percentage rent that the City could obtain from a third party willing to lease the Demised Premises for the remainder of the Extension Term, considering the club improvements (in the condition they are required to be maintained pursuant to the Lease), the unique location of the Demised Premises, the amenities associated with the Demised Premises, and all other factors that would be relevant to a third party seeking to lease the Demised Premises for the applicable period, subject to the following considerations. The Fair Market Percentage Rent shall be based on a reasonably achievable development scenario for the Demised Premises consistent with the land use regulations (as defined below) in effect on the date of value. The Parties shall not assume that such land use regulations will be amended or modified after the date of value, other than as permitted under then-existing procedures for exceptions, variances or conditional use authorizations. As used in this Section, the term "land use regulations" means all federal, state and local laws, regulations, rulings, ordinances, codes, resolutions and plans governing the uses of land and the improvements thereon which may be applicable to the Demised Premises, including, without limitation, those relating to urban design, density, height and bulk of structures, parking, compatibility with surrounding land uses, requirements to mitigate or avoid environmental impacts, mitigation fees, and applicable legal limitations under the public trust for commerce, navigation and fisheries, and under Section 4.113 of the City's Charter with respect to property under the jurisdiction of the City's Recreation and Park Commission, as all of the same would reasonably and probably be applied to any particular development proposal at the location of the Demised Premises. The determination of Fair Market Percentage Rent shall exclude consideration of any of the particular terms of the Lease and shall be arrived at as if the Demised Premises were unencumbered by the Lease, except only that such determination shall assume that the base rent is the Annual Minimum Rent Guarantee specified in the Lease. In addition, such determination of Fair Market Percentage Rent shall exclude: consideration of any subleases or other use or occupancy agreements related to the Demised Premises, or any portion thereof, under the Lease; any leasehold mortgage or similar financing, any mechanics or material person's liens, or any other liens or encumbrances that are attributable to any default by Tenant under the Lease.

(ii) City and Tenant shall attempt in good faith to agree upon the Fair Market Percentage Rent for the Demised Premises in accordance with the provisions hereof. No later than ninety (90) days following Tenant's notice to the City exercising the Extension Option, City shall notify Tenant in writing of City's determination made in good faith of the Fair Market Percentage Rent for the Demised Premises to be used to calculate the percentage rent for purposes of the Lease (as amended hereby).

(iii) Within thirty (30) days after receipt of City's determination of the

Fair Market Percentage Rent, Tenant shall notify City in writing either of (i) Tenant's acceptance of such determination, in which case such determination shall constitute the new percentage rent as of the commencement of the Extension Term, or (ii) Tenant's own good faith determination of the Fair Market Percentage Rent, including written justification for its determination.

(iv) If Tenant provides City with its determination of the Fair Market Percentage Rent pursuant to clause (iii) above, then within thirty (30) days following Tenant's notice to City, the parties shall attempt in good faith to meet no less than two (2) times, at a mutually agreeable time and place, to attempt to resolve in good faith any such disagreement as to the Fair Market Percentage Rent. The parties may mutually agree in writing to extend such 30-day consultation period for a reasonable period to resolve their disagreement if the parties are negotiating in good faith and would be unable to resolve their differences within such 30-day period.

(b) Appraisal. If the Parties have not agreed in writing on the Fair Market Percentage Rent within the consultation period described in subsection (a)(iv) above, then the Fair Market Percentage Rent for the Demised Premises shall be determined by appraisal in accordance with the following procedure.

(i) Appointment of Appraisers; Appraisal Instructions. Each party shall appoint one (1) appraiser within thirty (30) days after the final date for agreement on the Fair Market Percentage Rent in accordance with subsection (a) above. Upon selecting its appraiser, each party shall promptly notify the other party in writing of the name of the appraiser selected. Each such appraiser shall be competent, licensed, qualified by training and experience in the City, and shall be a member in good standing of the Appraisal Institute (MAI), or, if the Appraisal Institute no longer exists, shall hold the senior professional designation awarded by the most prominent organization of appraisal professionals then awarding professional designations. Each such appraiser may have a prior working relationship with either or both of the parties, provided that such working relationship shall be disclosed to both parties. Without limiting the foregoing, each appraiser shall have at least ten (10) years' experience valuing commercial real estate in the City and County of San Francisco and, more specifically, shall also have significant experience valuing commercial recreational facilities on the City's waterfront. If either party fails to appoint its appraiser within such 30-day period, the appraiser appointed by the other party shall individually determine the Fair Market Percentage Rent in accordance with the provisions hereof.

Each appraiser will make an independent determination of the Fair Market Percentage Rent. The appraisers may share and have access to objective information in preparing their appraisals, but they will independently determine the appropriate assumptions to make based on the provisions of this Section and each appraiser's own assessment of the market. Neither of the appraisers shall have access to the appraisal of the other (except for the sharing of objective information contained in such appraisals) until both of the appraisals are submitted in accordance with the provisions of this Section. Neither party shall communicate with the appraiser appointed by the other Party regarding the instructions contained in this Section before

the appraisers complete their appraisals. If either appraiser has questions regarding the instructions in this Section or the interpretation of the Lease, such appraiser shall use his or her own professional judgment and shall make clear all assumptions upon which his or her professional conclusions are based, including any supplemental instructions or interpretative guidance received from the party appointing such appraiser. There shall not be any arbitration or adjudication of the instructions to the appraisers contained in this Section. Each appraiser shall complete, sign and submit its written appraisal setting forth the Fair Market Percentage Rent (to the nearest half percentage point) to the parties within sixty (60) days after the appointment of the last of such appraisers. If the higher appraised Fair Market Percentage Rent is not more than one hundred ten percent (110%) of the lower appraised Fair Market Percentage Rent, then the Fair Market Percentage Rent shall be the average of such two (2) Fair Market Percentage Rent figures (to the nearest half percentage point).

(ii) “Baseball” Appraisal. If the higher appraised Fair Market Percentage Rent is more than one hundred ten percent (110%) of the lower appraised Fair Market Percentage Rent, then the first two appraisers shall agree upon and appoint an independent third appraiser within thirty (30) days after both of the first two (2) appraisals have been submitted to the parties, in accordance with the following procedure. The third appraiser shall have the minimum qualifications as required of an appraiser pursuant to paragraph (i) above, and shall also have experience acting as an third appraiser of disputes involving commercial recreational real estate or real estate development opportunities, including ground leases and rental valuation. The two appraisers shall inform the parties of their appointment at or before the end of the 30-day appointment period. Each party shall have the opportunity to question the proposed third appraiser, in writing only, as to his or her qualifications, experience, past working relationships with the parties, and any other matters relevant to the appraisal set forth in this Lease. Either party may, by written notice to the other party and the two appraisers, raise a good faith objection to the selection of the third appraiser based on his or her failure to meet the requirements of this Section. In such event, if the two appraisers determine that the objection was made in good faith, the two appraisers shall promptly select another third appraiser, subject again to the same process for the raising of objections. If neither party raises a good faith objection to the appointment of the third appraiser within ten (10) days after notice of his or her appointment is given, each such party shall be deemed to have waived any issues or questions relating to the qualifications or independence of the third appraiser or any other matter relating to the selection of the third appraiser under this Lease. If for any reason the two appraisers do not appoint such third appraiser within such 30-day period (or within a reasonable period thereafter not to exceed twenty (20) days in the event a good faith objection is made as provided above), then either party may apply to the Writs and Receivers Department of the Superior Court of the State of California in and for the County of San Francisco for appointment of an third appraiser meeting the foregoing qualifications. If the court denies or otherwise refuses to act upon such application within sixty (60) days from the date on which the party first applies to the Court for appointment of the third appraiser, either party may apply to the American Arbitration Association, or any similar provider of professional commercial arbitration services, for appointment in accordance with the rules and procedures of such organization of an independent third appraiser meeting the foregoing qualifications.

Such third appraiser shall consider the appraisals submitted by the first two appraisers as well as any other relevant written evidence which the third appraiser may request of either or both of the first two appraisers. If either of the first two appraisers shall submit any such evidence to such third appraiser, it shall do so only at the request of the third appraiser and shall deliver a complete and accurate copy to the other party and the appraiser such party selected, at the same time it submits the same to the third appraiser. Neither party, and neither of the appraisers they appoint, shall conduct any ex parte communications with the third appraiser regarding the subject matter of the appraisal. Within thirty (30) days after his or her appointment, the third appraiser shall select the appraised Fair Market Percentage Rent determined by one or the other of the first two (2) appraisers that is the closer, in the opinion of the third appraiser, to the actual Fair Market Percentage Rent. The determination of the third appraiser shall be limited solely to the issue of deciding which of the appraisals of the two appraisers is closest to the actual Fair Market Percentage Rent. The third appraiser shall have no right to propose a middle ground or to modify either of the two appraisals, or any provision of the Lease.

(iii) Conclusive Determination. Except as provided in California Code of Civil Procedure Section 1286.2 (as the same may be amended from time to time), the determination of the Fair Market Percentage Rent by appraisal shall be conclusive, final and binding on the parties. Neither the appraisers nor the third appraiser shall have any power to modify any of the provisions of the Lease (as amended hereby) and must base their decision on the definitions, standards, assumptions, instructions and other provisions contained in this Lease. Subject to the provisions of this Section, the parties will cooperate to provide all appropriate information to the appraisers and the third appraiser. The appraisers (but not the third appraiser) can utilize the services of special experts, including experts to determine property condition, market rates, leasing commissions, renovation costs and similar matters. The appraisers and the third appraiser will each produce their determination in writing, supported by the reasons for the determination.

(iv) Fees and Costs; Waiver. Each party shall bear the fees, costs and expenses of the appraiser it selects under subsection (b)(i) and of any experts and consultants used by the appraiser. The fees, costs and expenses of the third appraiser under subsection (b)(ii) shall be shared equally by City and Tenant. Each party waives any claims against the appraiser appointed by the other party, and against the third appraiser, for negligence, malpractice or similar claims in the performance of the appraisals or arbitration contemplated by this Section.

(c) Delay in Determination of Fair Market Percentage Rent. The Fair Market Percentage Rent determined in connection with the First Adjustment shall be effective beginning at the commencement of the Extension Term and continuing through the end of the term of the Lease. If, either by agreement of the parties or by the appraisal procedure provided above, the Fair Market Percentage Rent is not finally determined by the commencement of the Extension Term, then Tenant shall pay the Fair Market Percentage Rent determined by City until such time as the Fair Market Percentage Rent is finally determined by agreement of the parties or by the

appraisal procedure set forth in this Section, at which time City shall refund any excess amount to Tenant or Tenant shall pay any shortage to City, as the case may be, plus interest on such over or underpayment at the rate of seven percent (7%) per year, compounded monthly, from the date of original payment to the date of payment (or refund) in full of such under-payment or over-payment. No such delay in the determination of Fair Market Percentage Rent shall be deemed to constitute a waiver by either party of the adjustment of Fair Market Percentage Rent as provided in this First Amendment.

5. Effect of Amendment.

5.1 No Waiver of Other Rights. This First Amendment shall not be construed as a waiver of any rights or remedies with respect to the Lease, other than as expressly set forth in Sections 1.1, 1.2 and 1.3 above.

5.2 No Third Party Beneficiaries. This First Amendment shall not be deemed to confer any rights or benefits on any party other than the parties to this agreement.

5.3 Effect on Lease. Except as modified by this First Amendment, the Lease remains unmodified and in full force and effect.

6. General Provisions

6.1 Non-Discrimination. From and after the effective date of this First Amendment, the following provisions shall govern Section 49 of the Lease:

(a) Covenant Not to Discriminate. In the performance of the Lease, Tenant covenants and agrees not to discriminate on the basis of the fact or perception of a person's race, color, creed, religion, national origin, ancestry, age, sex, sexual orientation, gender identity, domestic partner status, marital status, disability or Acquired Immune Deficiency Syndrome or HIV status (AIDS/HIV status) against any employee of, any City employee working with, or applicant for employment with Tenant, in any of Tenant's operations within the United States, or against any person seeking accommodations, advantages, facilities, privileges, services, or membership in all business, social, or other establishments or organizations operated by Tenant.

(b) Subleases and Other Subcontracts. Tenant shall include in all subleases and other subcontracts relating to the Demised Premises and entered into on or after the effective date of this First Amendment a non-discrimination clause applicable to such subtenant or other subcontractor in substantially the form of subsection (a) above. In addition, Tenant shall incorporate by reference in all subleases and other subcontracts the provisions of Sections 12B.2(a), 12B.2(c)-(k), and 12C.3 of the San Francisco Administrative Code and shall require all subtenants and other subcontractors to comply with such provisions. Tenant's failure to comply with the obligations in this subsection shall constitute a material breach of the Lease.

(c) Non-Discrimination in Benefits. Tenant does not as of the date of this First Amendment and will not during the remaining term of the Lease, in any of its operations in San Francisco or elsewhere within the United States, discriminate in the provision of bereavement leave, family medical leave, health benefits, membership or membership discounts, moving expenses, pension and retirement benefits or travel benefits, as well as any benefits other than the benefits specified above, between employees with domestic partners and employees with spouses, and/or between the domestic partners and spouses of such employees, where the domestic partnership has been registered with a governmental entity pursuant to state or local law authorizing such registration, subject to the conditions set forth in Section 12B.2(b) of the San Francisco Administrative Code.

(d) Condition to Lease. Tenant shall execute the "Chapter 12B Declaration: Nondiscrimination in Contracts and Benefits" (Form HRC-12B-101) with supporting documentation and secure the approval of the form by the San Francisco Human Rights Commission.

(e) Incorporation of Administrative Code Provisions by Reference. The provisions of Chapters 12B and 12C of the San Francisco Administrative Code relating to non-discrimination by parties contracting for the lease of City property are incorporated in this Section by reference and made a part of this Lease as though fully set forth herein. Tenant shall comply fully with and be bound by all of the provisions that apply to this Lease under such Chapters of the Administrative Code, including but not limited to the remedies provided in such Chapters. Without limiting the foregoing, Tenant understands that pursuant to Section 12B.2(h) of the San Francisco Administrative Code, a penalty of \$50 for each person for each calendar day during which such person was discriminated against in violation of the provisions of this Lease may be assessed against Tenant and/or deducted from any payments due Tenant.

6.2 Tropical Hardwood and Virgin Redwood Ban. The Lease is amended by adding the following provision: ~~The City and County of San Francisco~~ urges companies not to import, purchase, obtain or use for any purpose, any tropical hardwood, tropical hardwood wood product, virgin redwood or virgin redwood wood product. Except as permitted by the application of Sections 12I.3.b and 12I.4.b of the San Francisco Administrative Code, Tenant shall not use any tropical hardwoods, tropical hardwood wood products, virgin redwoods and virgin redwood wood products in the construction of the any improvements by or on behalf of Tenant on the Demised Premises.

6.3 MacBride Principles - Northern Ireland. The Lease is amended by adding the following provision:

The City and County of San Francisco urges companies doing business in Northern Ireland to move toward resolving employment inequities and encourages them to abide by the MacBride Principles as expressed in San Francisco Administrative Code Section 12F.1, et seq. The City and County of San Francisco also urges San Francisco companies to do business with corporations that abide by the MacBride Principles. Tenant acknowledges that it has read and

understands the above statement of the City and County of San Francisco concerning doing business in Northern Ireland.

6.4 Tobacco Product Advertising Prohibition. The Lease is amended by adding the following provision:

Tenant acknowledges and agrees that no advertising of cigarettes or tobacco products shall be allowed on the Demised Premises. The foregoing prohibition shall include the placement of the name of a company producing, selling or distributing cigarettes or tobacco products or the name of any cigarette or tobacco product in any promotion of any event or product or on any sign. The foregoing prohibition shall not apply to any advertisement sponsored by a state, local or nonprofit entity designed to communicate the health hazards of cigarettes and tobacco products or to encourage people not to smoke or to stop smoking.

6.5 Burma (Myanmar) Business Prohibition. The Lease is amended by adding the following provision:

Tenant is not the government of Burma (Myanmar), a person or business entity organized under the laws of Burma (Myanmar) or a "prohibited person or entity" as defined in Section 12J.2(g) of the San Francisco Administrative Code. The City reserves the right to terminate the Lease for default if Tenant violates the terms of this clause. Chapter 12J of the San Francisco Administrative Code is hereby incorporated by reference as though fully set forth herein, and the failure of Tenant comply with any applicable requirements thereof shall be deemed a material breach of the Lease. In the event Tenant fails to comply in good faith with any of the applicable provisions of Chapter 12J of the San Francisco Administrative Code, Tenant shall be liable for liquidated damages for each violation in an amount equal to Tenant's net profit under this Lease, or 10% of the total amount of the Lease, or \$1,000, whichever is greatest. Tenant acknowledges and agrees the liquidated damages assessed shall be payable to the City upon demand and may be set off against any moneys due to Tenant from the City under the Lease.

6.6 Restaurant Uses. Tenant hereby represents and warrants to the City that Tenant does and will not operate a Hotel or Restaurant Project for which the San Francisco Employee Signature Authorization Ordinance (San Francisco Administrative Code Section Chapter 23) is applicable because there are fewer than the equivalent of 50 full or part-time employees in restaurant use on the Demised Premises, and Tenant further covenants that if at any point during the term of the Lease (as amended hereby) Tenant employs more than 50 full or part-time employees in restaurant use on the Demised Premises, Tenant shall comply with the San Francisco Employee Signature Authorization Ordinance to the extent that it is then otherwise applicable.

6.7 Representations and Warranties. Tenant hereby represents, warrants and covenants to the City that this First Amendment has been duly authorized, executed and delivered on the part of Tenant.

6.8 Counterparts. This First Amendment may be executed in counterparts, all of which taken together shall constitute one instrument.

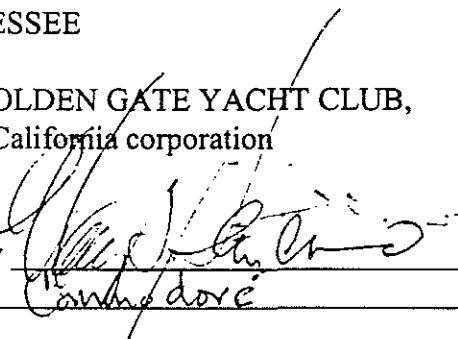
6.9 Effective Date. This First Amendment shall become effective on August 1, 1998.

NOTWITHSTANDING ANYTHING TO THE CONTRARY CONTAINED IN THIS FIRST AMENDMENT, TENANT ACKNOWLEDGES AND AGREES THAT NO OFFICER OR EMPLOYEE OF CITY HAS AUTHORITY TO COMMIT CITY TO THIS LEASE UNLESS AND UNTIL A RESOLUTION OF CITY'S BOARD OF SUPERVISORS SHALL HAVE BEEN DULY ENACTED APPROVING THIS LEASE AND AUTHORIZING THE TRANSACTION CONTEMPLATED HEREBY. THEREFORE, ANY OBLIGATIONS OR LIABILITIES OF CITY HEREUNDER ARE CONTINGENT UPON ENACTMENT OF SUCH A RESOLUTION, AND THIS FIRST AMENDMENT SHALL BE NULL AND VOID IF CITY'S MAYOR AND THE BOARD OF SUPERVISORS DO NOT APPROVE THIS FIRST AMENDMENT, IN THEIR RESPECTIVE SOLE DISCRETION. APPROVAL OF THIS FIRST AMENDMENT BY ANY DEPARTMENT, COMMISSION OR AGENCY OF CITY SHALL NOT BE DEEMED TO IMPLY THAT SUCH ORDINANCE WILL BE ENACTED, NOR WILL ANY SUCH APPROVAL CREATE ANY BINDING OBLIGATIONS ON CITY.

IN WITNESS WHEREOF, the City and Tenant, being duly authorized, have each executed and delivered this First Amendment as of the date first written above.

LESSEE


GOLDEN GATE YACHT CLUB,
a California corporation

By  _____
Its _____

By _____
Its _____

CITY:

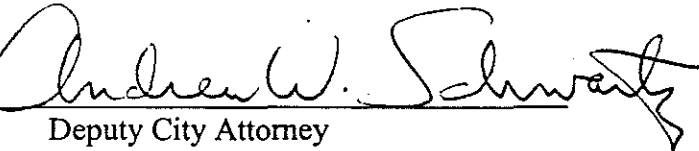
CITY AND COUNTY OF SAN FRANCISCO,
a municipal corporation,
acting by and through its Recreation and Park Commission

By 
Joel Robinson
General Manager, Recreation and Park Department

Pursuant to Recreation and Park Commission Resolution No. 9901-020

APPROVED AS TO FORM:

LOUISE H. RENNE
City Attorney

By 
Deputy City Attorney



April 28, 1999

Ms. Mary Sancimino, Commodore
Golden Gate Yacht Club
c/o Hunter & Bavarneck
345 Grove Street
San Francisco, CA 94102

Dear Ms. Sancimono:

Enclosed is a signed copy of the Golden Gate Yacht Club lease amendment for your files. The Recreation and Park Commission and the Board of Supervisors have approved this amendment.

Sincerely,

A handwritten signature in black ink, appearing to read "Joel B. Robinson".

Joel B. Robinson
Acting General-Manager

JRB/vr

Enclosure

c: Andrew Schwartz, Deputy City Attorney w/enclosure
Margaret McArthur, Commission Secretary w/enclosure
Jaci Fong, Property Management w/enclosure



FILE NO. 981923

ORDINANCE NO. 16-99

Tails
Ordinance

File Number: 981923

Date Passed:

Ordinance approving the first amendment to the lease between the City and the Golden Gate Yacht Club to reduce the rental rate from 10% to 7.5% of the Club's monthly gross revenue for the period March 1993 through January 1999 and reducing the lease term from 40 to 25 years

1 [Golden Gate Yacht Club]
2 APPROVING THE FIRST AMENDMENT TO THE LEASE BETWEEN THE CITY AND THE
3 GOLDEN GATE YACHT CLUB TO REDUCE THE RENTAL RATE FROM 10% TO 7.5% OF
4 THE CLUB'S MONTHLY GROSS REVENUE FOR THE PERIOD MARCH 1993 THROUGH
5 JANUARY 1999 AND REDUCING THE LEASE TERM FROM 40 TO 25 YEARS.

6 Note: This entire section is new.

7 Be it ordained by the People of the City and County of San Francisco:

8 Section 1. The Board of Supervisors approves the First Amendment to the Lease
9 between the City and County of San Francisco, a municipal corporation, acting by and
10 through its Recreation and Park Commission, and the Golden Gate Yacht Club dated
11 February 1, 1999, a copy of which is contained in the Board's file in this matter.

January 25, 1999 Board of Supervisors -- PASSED ON FIRST READING

Ayes: 11 - Becerril, Bierman, Brown, Katz, Kaufman, Leno, Newsom, Teng, Yaki,
Yee, Ammiano

February 1, 1999 Board of Supervisors -- FINALLY PASSED

Ayes: 10 - Leno, Newsom, Teng, Yaki, Yee, Ammiano, Bierman, Becerril, Brown,
Katz
Absent: 1 - Kaufman

14 APPROVED AS TO FORM:

15 LOUISE H. RENNE, City Attorney

RECOMMENDED:

Recreation & Park Department

17 By: Andrew W. Schwartz
18 Andrew W. Schwartz
19 Deputy City Attorney

See file for signature
Joel Robinson
General Manager

RECEIVED

MAR 11 1999

San Francisco Recreation & Park

FINANCE COMMITTEE
BOARD OF SUPERVISORS

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