

**AMENDMENT NO. 2 TO LEASE BETWEEN THE CITY OF HUNTINGTON BEACH,
RICHARD ALAN CLAPP, AND DWIGHT'S AND JACK'S, INC. FOR DWIGHT'S
BEACH CONCESSION AT 201 PACIFIC COAST HIGHWAY**

THIS AMENDMENT NO. 2 is made and entered into by and between the CITY OF HUNTINGTON BEACH, a California municipal corporation, hereinafter referred to as "City," and Dwight's and Jack's, Inc., a California corporation, and Richard Alan Clapp, hereinafter collectively referred to as "Lessee."

WHEREAS, City and Lessee are parties to that certain Lease, dated January 21, 2014, entitled "Lease Between the City of Huntington Beach and Dwight's and Jack's, Inc. for Dwight's Beach Concession at 201 Pacific Coast Highway," as previously amended by the Parties on November 17, 2023, which shall hereinafter be referred to as the "Lease;" and

City and Lessee wish to further amend the Lease to extend the term thereof and add additional provisions thereto,

NOW, THEREFORE, it is agreed by City and Lessee as follows:

1. EXTENSION

The term of the Lease is hereby extended for an additional ten (10) year period. The term of the Lease shall end at 11:59 p.m. on January 21, 2039.

2. ADDITION OF NEW POINT OF SALE SYSTEM

Lessee shall implement a new Point of Sale system with Z-report functionality for all food, beverage and retail operations. The Point of Sale system must allow City to access sales data at any time for purposes of compliance and rent verification.

3. RENT CREDIT

Lessee shall be entitled to rent credit from City of up to \$17,420.00 for roof repairs, which amount represents 50% of the estimated total roof repair cost \$34,840.00, as follows:

- a. Rent Credit must be fully exhausted by January 21, 2029. Credit to be applied toward base rent or percentage rent, whichever is greater.
- b. In the event the tenant receives an insurance payment for the roof repair, such funds shall be paid to the City to recover the value of the Rent Credit.
- c. Lessee shall submit its paid invoices for roof repairs, based on competitive quotes, to City for review and approval. Amount of final rent credit shall be based on City's approval of such paid invoices.

4. ADJUSTED RENT STRUCTURE

Percentage rent for each season shall be increased by 0.5%, with base rent continuing to adjust annually according to CPI. Rates shall be as follows:

<u>Season</u>	<u>Base Rent</u> (with CPI Adjustment)	<u>Percentage Rent</u>	
		Current %	New %
Off-season (Jan, Feb, Nov, Dec.)	\$250/month	4.0%	4.5%
Mid-season (Mar, Apr, Sept, Oct)	\$750/month	9.5%	10%
Peak-season (May, Jun, Jul, Aug)	\$1500/month	11.5%	12%

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5. **REAFFIRMATION**

Except as specifically modified herein, all other terms and conditions of the Lease shall remain in full force and effect.

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed by and through their authorized officers on _____, 2025.

LESSEE:

JACK'S AND DWIGHTS, INC.
A California corporation

CITY:

CITY OF HUNTINGTON BEACH, a
municipal corporation of the State of
California

By: Richard Alan Clapp

print name

Its: (circle one) Chairman/President/Vice President

Mayor

City Clerk

AND

By: Jack Clapp
JACK CLAPP

print name

Its: (circle one) Secretary/Chief Financial
Officer/Asst. Secretary - Treasurer

INITIATED AND APPROVED:

[Signature]
Director of Community & Library Services

APPROVED AS TO FORM:

[Signature]
Richard Alan Clapp

[Signature]
City Attorney *mv*

REVIEWED AND APPROVED:

City Manager