

Project: Central Coast Hospitality LLC. The
Ellwood Restaurant Goleta Beach
Concession
APN: 071-200-017
Agent: J. Lindgren

FIRST AMENDMENT TO CONCESSION AGREEMENT

THIS FIRST AMENDMENT TO CONCESSION AGREEMENT (hereinafter
“Amendment”) is made by and between the

COUNTY OF SANTA BARBARA, a political subdivision of
the State of California, hereinafter referred to as "COUNTY";

and

Central Coast Hospitality, LLC. The Ellwood Restaurant,
hereinafter referred to as “CONCESSIONAIRE,”

With reference to the following:

WHEREAS, COUNTY is the owner of Goleta Beach County Park (hereinafter "Park"), located at 5905 Sandspit Drive, consisting of County Assessor Parcel Number 071-200-009 and 071-200-017, in the unincorporated area of Santa Barbara County (hereinafter "Property"), identified with the red pin in Exhibit "A", attached hereto and incorporated herein by reference; and

WHEREAS, COUNTY-owned improvements on the Property include a beachfront restaurant, snack bar, and patio area known as the Goleta Beach Restaurant (hereinafter "Premises"); and

WHEREAS, CONCESSIONAIRE bid for and was awarded the right to operate, manage, maintain, and improve the Premises; and

WHEREAS, COUNTY granted CONCESSIONAIRE the right to operate, manage, maintain, and improve the Premises identified as the cross-hatched area of Exhibit "B", attached hereto and incorporated herein by reference, subject to the terms and conditions contained herein; and

WHEREAS, CONCESSIONAIRE has been in possession of the Premises since October 19, 2021 and has completed the Initial Term, as defined in the Concession Agreement; and

WHEREAS, CONCESSIONAIRE originally submitted their bid as PRJKT SB, Inc. SeaLegs Restaurant, and has subsequently changed their corporate name to Central Coast Hospitality, LLC. For all purposes herein, CONCESSIONAIRE shall mean Central Coast Hospitality, LLC;

NOW, THEREFORE, in consideration of the provisions, covenants, and conditions contained herein, COUNTY and LESSEE agree to amend the original concession Agreement as follows:

1. Section 5, TERM: is hereby deleted in its entirety and replaced with the following:

“ 5. **TERM**: The Primary Term for the Restaurant and Snack Bar and Outdoor Patio Venue shall continue for a period of FIFTEEN (15) YEARS (hereinafter “Primary Term”), commencing on the execution of this Amendment. Notwithstanding the foregoing, nor extending the Primary Term, the Initial Term for the Snack Bar and Outdoor Patio Venue space shall commence upon execution of the First Amendment. During the Initial Term, CONCESSIONAIRE shall develop the Premises and complete the improvements to the Snack Bar and Outdoor Patio Venue. The Initial Term for the Snack Bar and Outdoor Patio Venue shall be one hundred fifty (150) days following the execution of this agreement, or the date on which the Snack Bar or Outdoor Patio venue is opened to the public, whichever is sooner, upon which time the Initial Term shall terminate and the Primary Term shall begin. The Snack Bar and Outdoor Patio Venue term shall be the same as the Primary Term with no extension granted as a result of the Initial Term.

Upon approval of the Director, or designee, based on CONCESSIONAIRE’S performance and progress in completing the improvements in the Capital Improvements Plan for the Snack Bar and Outdoor Patio Venue and adherence and compliance with all terms and conditions of this Agreement, CONCESSIONAIRE may request TWO (2) additional THIRTY (30) day extensions of the Initial Term, each subject to the additional following conditions:

- a) CONCESSIONAIRE shall give COUNTY written request to extend the Initial Term at least twenty (20) days prior to the expiration of the Initial Term; and
- b) Concurrently with the written request to extend the Initial Term, CONCESSIONAIRE shall submit a revised Business Plan and Capital Improvements Plan including CONCESSIONAIRE’S improvements to the Premises that need to be performed and a schedule for completion of the improvements; and
- c) CONCESSIONAIRE shall submit a written explanation for all delays with relevant receipts, invoices, permits, and other documentation necessary for the Director, or designee, to evaluate CONCESSIONAIRE’S request to extend the Initial Term.”

2. Section 6: OPTIONS TO EXTEND THE AGREEMENT: is hereby deleted in its entirety and replaced with the following:

“ 6. **OPTIONS TO EXTEND THE AGREEMENT**: Upon approval of the Director, or designee, based on CONCESSIONAIRE’S prior performance and adherence and compliance with all terms and conditions of this Agreement, CONCESSIONAIRE may request ONE (1) additional FIVE (5) year extension, followed by THREE (3) additional FIVE (5) year extensions; each subject to the following conditions:

- a) CONCESSIONER shall give COUNTY at least six (6) months written notice of its intention to exercise the option; and
- b) Concurrently with the notice of intent to exercise the option, CONCESSIONER shall submit a revised Business Plan and Capital Improvements Plan for the requested option period; and
- c) CONCESSIONER shall not be in monetary or material, non-monetary default, nor shall COUNTY have issued more than TWO (2) notices of default in the immediately preceding 12-month period, nor shall COUNTY have issued a notice of default which has gone uncured pursuant to Section 32; and
- d) The CONCESSIONER has not assigned or otherwise transferred this Agreement or any rights granted herein without the express written consent of the Director, as required in Section 7, ASSIGNMENT / SUBLEASE / SUBCONTRACT, hereof; and
- e) The Premises are in compliance with all Federal, State, and local ordinances, statutes, rules and regulations, including but not limited to all applicable health, safety, and, building codes and regulations.

3. Section 10, SPECIAL USE FEE: is hereby deleted in its entirety and replaced with the following:

“ 10. SPECIAL USE FEES: In consideration of the rights granted herein, CONCESSIONAIRE shall pay to COUNTY a monthly fee (hereinafter “Fee(s)”) based on a percentage of CONCESSIONAIRE’S monthly income from the rights granted herein, i.e., the Percentage Fee, or a monthly base fee, i.e., the Monthly Base Fee, whichever is greater, according to the formula set forth in this Section. Concurrently with the payment of Fees, CONCESSIONAIRE shall submit to COUNTY, a written monthly report, prepared by a Certified Public Accountant (CPA), of all gross income derived from CONCESSIONAIRE’S operations at the Premises. Fees shall begin to accrue on commencement of the Primary Term, and shall be due and payable for each month of the term. All Fees due to COUNTY shall be paid on a monthly basis, on or before the fifteenth (15th) day of the following month, and shall be delivered to COUNTY at the address stated herein in Section 29, Notices. There is no Fee for the Initial Term.

PERCENTAGE FEE: CONCESSIONAIRE shall pay to COUNTY a percentage of the gross income on all sales, income, and receipts arising from, related to, or in connection with CONCESSIONAIRE’S operations at the Premises. Gross income shall not include any amount collected for State or Federal taxes. CONCESSIONAIRE shall pay to COUNTY ELEVEN AND ONE-HALF percent (11.5%) of the gross income in each calendar month received from all of CONCESSIONAIRE’S operations on the Premises. CONCESSIONAIRE shall pay to COUNTY THIRTEEN percent (13%) of the gross income from Special Events at Goleta Beach Park in each calendar month received from all of CONCESSIONAIRE’S operations on the Premises or in Goleta Beach Park. CONCESSIONAIRE shall provide a monthly financial report that includes gross receipts and a calculation of the Percentage Fee.

For purposes of this Agreement, a “Special Event” shall mean any “Concessionaire sponsored” temporary occurrence, activity, or program conducted within or adjacent to the Premises, as defined in the lease per exhibit B, that deviates from the Concessionaire’s normal business operations and is reasonably expected to generate increased attendance, revenue, or operational impact to the park. Such events may include, but are not limited to, ticketed concerts, festivals, or weddings.”

MONTHLY BASE FEE: In the event CONCESSIONAIRE’S Percentage Fee for the Restaurant, as defined above, is less than EIGHT THOUSAND DOLLARS (\$8,000) for any given calendar month during the Term, CONCESSIONAIRE shall pay to COUNTY, in lieu of any Percentage Fee for that same month only, a Base Monthly Fee of EIGHT THOUSAND DOLLARS (\$8,000). In the event CONCESSIONAIRE’S Percentage Fee for the Snack Bar and Outdoor Patio Venue, as defined above, is less than FOUR THOUSAND DOLLARS (\$4,000) for any given calendar month during the Term, CONCESSIONAIRE shall pay to COUNTY, in lieu of any Percentage Fee for that same month only, a Base Monthly Fee of FOUR THOUSAND DOLLARS (\$4,000).

SPECIAL ACCOUNT: Within thirty (30) days of the Commencement Date, CONCESSIONAIRE shall establish a maintenance improvement account at a financial institution licensed to do business in Santa Barbara County (hereafter “MIA”). Within fifteen (15) days of the end of each month following the Commencement Date, CONCESSIONAIRE shall deposit one (1) percent of monthly gross sales into the MIA. The MIA shall be interest bearing with all interest accruing to the MIA. The MIA will generate monthly account statements to be provided to the COUNTY and will be structured so that any withdrawal from the MIA shall require approval in writing from the Director, or designee. Monies held within the MIA shall be used for maintenance of common public areas for the mutual benefit of the COUNTY and CONCESSIONAIRE for the mutual benefit of park visitors at Goleta Beach Park, as determined and approved in writing by the Director, or designee. COUNTY and the CONCESSIONAIRE shall meet at least annually to develop a plan for expenditures of these funds on maintenance projects. The monthly deposits and expenditures shall be reflected on the CONCESSIONAIRE’S monthly financial report.”

4. Section 29, **NOTICES:** is hereby deleted in its entirety and replaced with the following:

“ 29. **NOTICES:** Any notice to be given to the parties, by another, shall be in writing and shall be served, either personally or by mail to the following:

COUNTY:	Santa Barbara County Community Services Department, Parks 123 Anapamu Street, 2nd Floor Santa Barbara, CA 93101 (805) 568-2461
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CONCESSIONAIRE: Omar Khashen, Board Member
Central Coast Hospitality, LLC.
The Ellwood Restaurant
5905 Sandspit Road
Goleta, CA 93117

Jordan Zeeb, Board Member
Central Coast Hospitality, LLC.
PO Box 7362, Salem, Oregon 97303

Hunter Zeeb, Board Member
Central Coast Hospitality, LLC.
PO Box 7362, Salem, Oregon 97303

or to the parties at such other place as may be designated in writing. Such notices shall be served by depositing them addressed as set out above, postage prepaid, in the U.S. mail or by personal delivery. The date of mailing, or in the event of personal delivery, the date of delivery shall constitute the date of service.”

5. It is expressly understood that in all other respects, said terms and conditions of the original Concession Agreement, dated October 19, 2021, shall remain in full force and effect.
6. This First Amendment may be executed in any number of counterparts and each such counterpart shall for all purposes be deemed to be an original; and all such counterparts, or as many of them as the parties shall preserve undestroyed, shall together constitute one and the same.

Project: Central Coast Hospitality, LLC.,
The Ellwood Restaurant at Goleta
Beach Concession

APN: 071-200-017

Agent: J. Lindgren

IN WITNESS WHEREOF, COUNTY and CONCESSIONAIRE have signed this Concession Agreement by the respective authorized officers as set forth below.

“COUNTY”

COUNTY OF SANTA BARBARA

ATTEST:
MONA MIYASATO
CLERK OF THE BOARD

By: _____
LAURA CAPPS, CHAIR
Board of Supervisors

By: _____
Deputy Clerk

Date: _____

“CONCESSIONAIRE”

DocuSigned by:
By: Omar Khashen
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Omar Khashen
Central Coast Hospitality LLC, Managing Member

DocuSigned by:
By: Jordan Zeeb
5D21E5E7104C453...
Jordan Zeeb
Central Coast Hospitality LLC, Managing Member

Signed by:
By: Hunter Zeeb
D3D11E84D9B4450...
Hunter Zeeb
Central Coast Hospitality LLC, Managing Member

APPROVED:

DocuSigned by:
By: Jesús Armas
E33B804A6E03475...
Director of Community Services

[SIGNATURES CONTINUE ON NEXT PAGE]

APPROVED AS TO FORM:
RACHEL VAN MULLEM
COUNTY COUNSEL

Signed by:
By: Tyler Sprague
0AC56B8DE45F483...
Deputy County Counsel
Tyler Sprague

APPROVED AS TO ACCOUNTING FORM:
BETSY SHAFFER, C.P.A.
AUDITOR-CONTROLLER

Signed by:
By: Shawna Jorgensen
DF6DB6D7D6344E6...
Deputy Auditor-Controller
Advanced and Specialty Accounting
Shawna Jorgensen

APPROVED:

Signed by:
Greg Milligan
05F555F00269466...
GREG MILLIGAN
Risk Manager