



THE CITY OF

SAN DIEGO

CITY ADMINISTRATION BUILDING • 202 C STREET • SAN DIEGO, CALIF. 92101

OFFICE OF THE
CITY MANAGER
236-6363

April 19, 1988

File: Leases - S. D. Mission Bay
Boat & Ski Club

Ron George
San Diego Mission Bay Boat & Ski Club
2606 N. Mission Bay Drive
San Diego, CA 92109

Dear Mr. George:

Re: Holdover City Clerk Document 251907

This is to notify you that due to the impending construction and implementation of the Mission Bay South Shore Plan, permission is granted for a month-to-month holdover of the lease agreement, commencing April 30, 1988.

The holdover is in conformance with Section IV.23., Holding Over, of your lease agreement with the City of San Diego. All other terms and conditions of the lease will remain in full force and effect. If this is acceptable to you, please sign, date, and return the enclosed copy of this letter in the enveloped provided.

Very truly yours,

Maureen A. Stapleton
Deputy City Manager

JLS:CEBK:jw(66-3)

Enclosures

cc: Park & Rec., Coastal Div.
Susan Drake, Auditor's Office

ACCEPTED:

SAN DIEGO MISSION BAY BOAT & SKI CLUB

Date April 22, 1988

By Ron George
Ron George

COPY

DOCUMENT NO. RR-262985

FILED APR 22 1985

OFFICE OF THE CITY CLERK
SAN DIEGO, CALIFORNIA

AGREEMENT

It is hereby understood and agreed that Section II, TERM OF AGREEMENT, Article A, COMMENCEMENT AND TERMINATION, of the lease agreement between the City of San Diego as lessor and the San Diego Mission Bay Boat and Ski Club as lessee, City Clerk Document RR-251907, is hereby amended to provide that the lease term shall be extended from April 30, 1985 for a period of three (3) years or until the City Manager gives written notice that the City's South Shore Master Plan for Mission Bay Park is to be implemented in such a way as to provide for relocation of Lessee's facilities to the South Shore, whichever date or event first occurs. All other terms and conditions of the lease agreement will remain in effect, except rent which shall be adjusted in accordance with the schedule contained therein in April of 1986.

CITY OF SAN DIEGO

Dated: APR 22 1985,

By: [Signature]
ASSISTANT TO THE City Manager

SAN DIEGO MISSION BAY BOAT AND SKI CLUB

Dated: 4-8-85, 1985

By: [Signature]

APPROVED AS TO FORM AND LEGALITY:

John W. Witt, City Attorney.

Dated: May 8, 1985

By: [Signature]
Deputy

GRR:sn(2)D6
4/4/85

262985

Property 503
(R-85-1804)

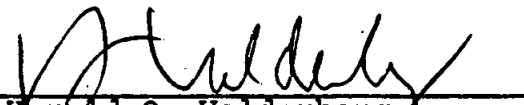
RESOLUTION NUMBER R- 262985

ADOPTED ON APR 22 1985

BE IT RESOLVED, by the Council of The City of San Diego, that the City Manager is hereby authorized and empowered to execute, for and on behalf of The City of San Diego, a lease extension with SAN DIEGO MISSION BAY BOAT AND SKI CLUB, a copy of which lease extension is on file in the office of the City Clerk as Document No. RR- 262985, extending the term of the lease for a three-year period, or until the South Shores Master Plan for Mission Bay is implemented, with all other terms and conditions to remain in effect, except rent which will be adjusted in April 1986 in accordance with Council Policy 700-9.

APPROVED: John W. Witt, City Attorney

By


Harold O. Valderhaug
Deputy City Attorney

HOV:ps
03/29/85
Or.Dept:Prop.
R-85-1804
Form=r.none

I N D E X

FLAT RATE LEASE

LESSEE: San Diego Mission Bay Boat and Ski Club, Inc.

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DOCUMENT NO. 44-251907

MAY 29 1980

FILED

OFFICE OF THE CITY CLERK
SAN DIEGO, CALIFORNIA

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FLAT RATE LEASE

Approved by Council Resolution

No. _____ dated _____

THIS LEASE AGREEMENT is executed by and between THE CITY OF SAN DIEGO, a municipal corporation, hereinafter called "CITY" and SAN DIEGO MISSION BAY BOAT AND SKI CLUB, INC., of SAN DIEGO, CALIFORNIA, a nonprofit California corporation, hereinafter called "LESSEE".

- I. DEMISED PREMISES. CITY hereby leases to LESSEE and LESSEE leases from CITY all of that certain real property situated in the City of San Diego, County of San Diego, State of California, described on Exhibit "A" and as delineated on Exhibit "B" attached hereto and by this reference made part of this agreement. Said real property is hereinafter called the "premises".
 - A. PERMITTED USE. Said premises are leased to LESSEE for the purpose of operation and maintenance of a boat and ski club for the primary purpose of providing education, skill and knowledge of power boating and water sports, and for the promotion of competitive events involving power boating and water sports within the club and with other similar organizations, and such other incidental uses which are first approved in writing by the City Manager of CITY and for no other purpose.
 - B. OBLIGATION TO DILIGENTLY USE. LESSEE covenants to use said premises for the above-specified purposes and to diligently pursue said purposes throughout the term hereof.
 - C. RELATED COUNCIL ACTIONS. By the granting of this lease, the City Council of The City of San Diego is not obligating itself with regard to any other discretionary action relating to development or operation of said premises. Such discretionary action includes, but is not limited to, rezonings, variances, environmental clearances or any other governmental agency approvals which are required.

II. TERM OF AGREEMENT.

- A. COMMENCEMENT AND TERMINATION. The term of this agreement shall be five (5) years commencing on

May 1, 1980, and terminating on April 30, 1985. Provided, however, this lease may be terminated by either party upon sixty (60) days advance written notice.

- B. SURRENDER OF PREMISES. At the expiration or earlier termination of this lease, LESSEE shall execute, acknowledge and deliver to CITY, within five days after written demand by CITY, a valid and recordable quit claim deed covering all of the leasehold premises free and clear of all liens and encumbrances.

III. CONSIDERATION

- A. RENT. Rent is payable to the Office of the City Treasurer in advance beginning on the effective date of this agreement and shall be ONE THOUSAND TWO HUNDRED NINETY SIX DOLLARS (\$1,296) per month due on or before the first day of each month. On May 1, 1983, three (3) years after commencement hereof, the rent shall be adjusted to one-half of the average commercial square foot rent paid for all leases in Mission Bay Park during the fiscal year immediately preceding.
- B. DELINQUENT RENT. In the event LESSEE fails to pay the applicable rents when due, then LESSEE shall pay CITY, in addition to the delinquent rent, a sum of money equal to FIVE PERCENT (5%) of said delinquent rent; provided, however, in the event said delinquent rent is still unpaid after fifteen days of becoming delinquent, then LESSEE shall pay CITY, instead of said FIVE PERCENT (5%), a sum of money equal to TEN PERCENT (10%) of said delinquent rent. It is the intent of this provision that CITY shall be compensated by such additional sums for loss resulting from rental delinquency including costs to CITY of servicing the delinquent account. The City Manager, at his option, may for good cause waive any such delinquency compensation required herein, upon written application of LESSEE.
- C. INSPECTION OF RECORDS. Whenever CITY desires to inspect the records and accounts of LESSEE in order to determine LESSEE'S compliance with the terms of this agreement, CITY shall have the right at all reasonable times to inspect any records pertinent to the subject under study. LESSEE agrees to cooperate in such inspection and to make the pertinent records available to CITY at LESSEE'S place of business in the City of San Diego.

IV. COVENANTS AND CONDITIONS.

A. CITY COVENANTS.

1. Quiet Possession . LESSEE, paying the said rent and performing the covenants and agreements herein, shall and may at all times during the said term peaceably and quietly have, hold and enjoy the said premises for the term hereof. If CITY for any reason whatsoever cannot deliver possession of the said premises to LESSEE at the commencement of said term as hereinbefore specified, or if LESSEE is dispossessed through action of a title superior to CITY'S, then and in either of such events, this lease shall not be void or voidable nor shall CITY be liable to LESSEE for any loss or damage resulting therefrom, but there shall be determined and stated in writing by the City Manager of CITY a proportionate reduction of the rent covering the period or periods during which LESSEE is prevented from having the quiet possession of all or a portion of the demised premises.

3. Right to Encumber. CITY does hereby consent and agree that LESSEE may encumber this lease, its leasehold estate and its improvements thereon by deed of trust, mortgage, chattel mortgage or other security type instrument to assure the payment of a promissory note or notes of the LESSEE. CITY further agrees that in the event said deed of trust or mortgage or other security type instrument should at any time be in default and be foreclosed, or transferred in lieu of foreclosure the CITY will accept the mortgagee or beneficiary thereof, if reputable, qualified and financially responsible, such as a State or Federal regulated financial institution, as its new tenant under this lease with all the rights, privileges and duties granted and imposed in this lease contract. In the event said mortgagee or beneficiary desires to assign this lease to its nominee, if nominee is a reputable, qualified and financially responsible person in the opinion of CITY, CITY hereby agrees that upon the filing of an application for consent to such assignment, CITY will give its consent thereto.

B. LESSEE COVENANTS.

4. Affirmative Action. LESSEE agrees to take affirmative action to improve employment opportunities of minorities and women. When applicable, LESSEE agrees to abide by the Affirmative Action Program for Lessees as it now exists or is hereafter amended. A copy of the program, effective as of the date of this agreement, is on file in the Office of the City Clerk as Document No. 746205 and by this reference is incorporated herein. Minorities are presently defined as Mexican-American, Black, Filipino, American Indian and Asian/Oriental. The goal of this program shall be the attainment of the employment of minorities and women in all areas of employment in a total percentage of employment approximately equal to the total level of minority and women employment as established by the CITY for its Affirmative Action Program each year.

5. Compliance with Law. LESSEE agrees, at its sole cost and expense, to comply and secure compliance with all the requirements now in force, or which may hereafter be in force, of all municipal, county, state and federal authorities, pertaining to the said premises, or the operations conducted thereon, and to faithfully observe and secure compliance with, in the use of the premises, all applicable county and municipal ordinances and state and federal statutes now in force or which may hereafter be in force, and to pay before delinquency all taxes, assessments, and fees assessed or levied upon the LESSEE or the leased premises including the land and any buildings, structures, machines, appliances or other improvements of any nature whatsoever, erected installed or maintained by LESSEE or by reason of the business or other activities of LESSEE upon or in connection with the leased premises. LESSEE recognizes and understands that this lease may create a possessory interest subject to property taxation and that the LESSEE may be subject to the payment of property taxes levied on such interest. LESSEE further agrees that such tax payment shall not reduce any rent due the CITY hereunder and that any such tax shall be paid by the LESSEE before becoming delinquent. The judgment of any court of competent jurisdiction, or the admission of LESSEE or any sublessee or permittee in any action or proceeding against them, or any of them, whether CITY be a party thereto or not, that LESSEE, sublessee or permittee has violated any such ordinance or statute in the use of the premises shall be conclusive of that fact as between CITY and LESSEE.
6. Construction/Alterations. LESSEE agrees not to construct or install any buildings or structures on said premises or otherwise improve or alter said premises in any manner except in accordance with plans and specifications previously submitted to the City Manager and approved by him in writing. LESSEE shall not make any major structural or architectural design alterations to approved buildings, structures or improvements installed on said premises except in accordance with plans and specifications previously approved in writing by the City Manager. This provision shall not limit or set aside any obligation of LESSEE under this lease to maintain said premises in a decent, safe, healthy and sanitary condition, including structural repair and restoration of damaged or worn improvements. CITY shall not be obligated by this lease to make any improvements or alterations to said premises or to assume any expense therefor.

7. Construction Bond. LESSEE agrees to file with CITY, prior to commencement of any construction performed upon the premises a faithful performance bond in the amount of 100% of the construction costs of the work to be performed. Said bond may be in cash or may be a corporate surety bond satisfactory to CITY or in a combination of both. Said bond shall insure that the construction commenced by LESSEE shall be completed in accordance with approved plans, or at option of the CITY, that the uncompleted construction be removed and the premises restored to a condition satisfactory to CITY. The surety bond will be filed with CITY and any cash used as a part of the bond may be deposited with CITY to be held in trust for the purpose specified above or may be placed in an escrow or other trust approved by CITY. Upon application by LESSEE, CITY may waive this requirement to file a bond. In the event that LESSEE fails to file any such required bond, this lease may be terminated by CITY.

8. Indemnity. LESSEE agrees that CITY, its agents, officers and employees, shall not be liable for any claims, liabilities, penalties, fines or for any damage to the goods, properties or effects of LESSEE, its sublessees or representatives, agents, employees, guests, licensees, invitees, patrons or clientele or of any other person whomsoever, nor for personal injuries to, or deaths of any persons, whether alleged to have been caused by or resulting from any acts or omission of LESSEE or its sublessees in or about the leased premises, or any act or omission of any person or from any defect in any part of the leased premises or from any other cause or reason whatsoever. LESSEE agrees to indemnify and save free and harmless CITY and its authorized agents, officers, and employees against any of the foregoing alleged liabilities and any costs and expenses incurred by CITY on account of any claim or claims therefor.

9. Insurance Coverage. During the entire term of this lease, LESSEE agrees to procure and maintain public liability insurance which names CITY as an additional insured with an insurance company satisfactory to CITY licensed to do business in California to protect against loss from liability imposed by law for damages on account of bodily injury, including death therefrom, suffered or alleged to be suffered by any person or persons whomsoever, resulting directly or indirectly from any act or activities of CITY or LESSEE, its sublessees or any person acting for CITY, or LESSEE or under its control or direction, and also to protect against loss from liability imposed by law for damages to any property of any person caused directly or indirectly by or from acts or activities of CITY, or LESSEE, or its sublessees, or any person acting for CITY or LESSEE, or under its control or direction. Such property damage and public liability insurance shall also provide for and protect CITY against incurring any legal cost in defending claims for alleged loss. Such public liability and property damage insurance shall be maintained in full force and effect during the entire term of this lease in the amount of not less than One Million Dollars (\$1,000,000) COMBINED SINGLE LIMIT LIABILITY.

LESSEE agrees to submit a policy of said insurance to the CITY on or before the effective date of this agreement indicating full coverage of the contractual liability imposed by this agreement and stipulating that the insurance company shall not terminate, cancel or limit said policy in any manner without at least thirty days prior written notice thereof to CITY. If the operation under this agreement results in an increased or decreased risk in the opinion of the City Manager, then LESSEE agrees that the minimum

Limits hereinabove designated shall be changed accordingly upon request by the City Manager. LESSEE agrees that provisions of this paragraph as to maintenance of insurance shall not be construed as limiting in any way the extent to which the LESSEE may be held responsible for the payment of damages to persons or property resulting from LESSEE'S activities, the activities of its sublessees or the activities of any person or persons for which LESSEE is otherwise responsible.

LESSEE also agrees to procure and maintain during the entire term of this lease, a policy of fire, extended coverage and vandalism insurance on all permanent property of an insurable nature located upon the leased premises. Said policy shall name the CITY as an additional insured and shall be written by an insurance company satisfactory to CITY licensed to transact business in the State of California and shall be in an amount sufficient to cover at least 100% of the replacement costs of said property. LESSEE agrees to submit a certificate of said policy to the CITY on or before the effective date of this lease. Said policy shall contain a condition that it is not to be terminated or cancelled without at least thirty (30) days prior written notice to CITY by the insurance company. LESSEE agrees to pay the premium for such insurance and shall require that any insurance proceeds resulting from a loss under said policy are payable jointly to CITY and LESSEE and said proceeds shall constitute a trust fund to be reinvested in rebuilding or repairing the damaged property or said proceeds may be disposed of as specified in Section IV, 15. Waste, Damage or Destruction, hereof; provided, however, that within the period during which there is in existence a mortgage or deed of trust upon the leasehold, then and for that period all policies of fire insurance, extended coverage and vandalism shall be made payable jointly to the mortgagee or beneficiary, the named insured, and CITY, and shall be disposed of jointly by the parties for the following purposes:

- a. As a trust fund to be retained by said mortgagee or beneficiary and applied in reduction of the debt secured by such mortgage or deed of trust with the excess remaining after full payment of said debt to be paid over to LESSEE and CITY to pay for reconstruction, repair, or replacement of the damaged or destroyed improvements in progress payments as the work is performed. The balance of said proceeds shall be paid to LESSEE.

Provided, further however, nothing herein shall prevent LESSEE, at its option and with the approval of said mortgagee or beneficiary, from filing a faithful performance bond in favor of said mortgagee or beneficiary and CITY in an amount equivalent to said insurance proceeds in lieu of surrendering said insurance proceeds to said mortgagee or beneficiary; and CITY.

- b. In the event that this lease is terminated by mutual agreement and said improvements are not reconstructed, repaired or replaced, the insurance proceeds shall be jointly retained by CITY and said mortgagee or beneficiary to the extent necessary to first discharge the debt secured by said mortgage or deed of trust and then to restore the premises in a neat and clean condition. Said mortgagee or beneficiary shall hold the balance of said proceeds for CITY and LESSEE as their interests may appear.

LESSEE agrees to increase the limits of liability, when in the opinion of CITY, the value of the improvements covered is increased, subject to the availability of such insurance at the increased limits. LESSEE agrees, at his sole expense, to comply and secure compliance with all insurance requirements necessary for the maintenance of reasonable fire and public liability insurance covering said premises, buildings and appurtenances.

10. Labor and Materialmen's Bond. LESSEE agrees to save CITY free and harmless, indemnify it against all claims for labor and materials in connection with improvements, repairs or alterations to the leased premises, and the cost of defending against such claims, including reasonable attorney's fees. In the event that improvements, repairs or alterations are constructed on the leased premises by other than

the CITY, and a lien is filed, LESSEE agrees to file with CITY within five days a bond sufficient to pay in full all claims of all persons seeking relief under the lien. The bond shall be acknowledged by LESSEE as principal and by a corporation satisfactory to CITY licensed by the Insurance Commissioner of the State of California to transact the business of a fidelity and surety insurance company as surety.

11. Legal Proceedings. LESSEE agrees that should it become necessary for CITY to commence legal proceedings to collect rent, recover possession, or enforce any other provision of this lease, the prevailing party will be entitled to legal costs in connection therewith, including reasonable attorney's fees as determined by the court. The parties agree that the law of the State of California shall be used in interpreting this lease agreement and will govern all disputes under this lease agreement and will determine all rights and obligations hereunder. Personal service either within or without the State of California shall be sufficient to give personal jurisdiction to any court in which an action is filed for litigation of rights under this lease agreement.
12. Maintenance. LESSEE agrees to assume full responsibility for the operation and maintenance of said premises throughout the term hereof without expense to CITY unless otherwise specified herein, and to perform all repairs and replacements necessary to maintain and preserve said premises in a decent, safe, healthy and sanitary condition in a manner satisfactory to CITY and in compliance with all applicable laws. LESSEE agrees that CITY shall not be required to perform any maintenance, repairs or services or to assume any expense not specifically assumed herein in connection with said premises and LESSEE hereby waives all rights to make repairs or to cause any work to be performed at the expense of CITY as provided for in Sections 1941 and 1942 of the California Civil Code.
13. Nondiscrimination. LESSEE agrees not to discriminate in any manner against any person or persons on account of race, marital status, sex, religious creed, color, ancestry, national origin, physical handicap or medical condition in LESSEE'S use of the premises, including, but not limited to, the providing of goods, services, facilities, privileges, advantages and accommodations, and the obtaining and holding of employment.

14. **DAMAGED EQUIPMENT.** LESSEE shall remove within 24 hours any property of LESSEE, real or personal, declared by the City Manager to be hazard to navigation or nuisance within Mission Bay Park and shall remove or cause to be removed any sunken, damaged or derelict vessel or property within or obstructing the leased premises. City Manager may require that any boats not kept in a clean and orderly condition be removed from the leased premises.

15. **Waste, Damage or Destruction.** LESSEE agrees to give notice to the CITY of any fire or other damage that may occur on the leased premises within ten days of such fire or damage. LESSEE agrees not to commit or suffer to be committed any waste or injury or any public or private nuisance, to keep the premises clean and clear of refuse and obstructions, and to dispose of all garbage, trash and rubbish in a manner satisfactory to the CITY. If the leased premises shall be damaged by any cause which puts the premises into a condition which is not decent, safe, healthy and sanitary, LESSEE agrees to make or cause to be made full repair of said damage and to restore the premises to the condition which existed prior to said damage, or LESSEE agrees to clear and remove from the leased premises all debris resulting from said damage and rebuild the premises in accordance with plans and specifications previously submitted to the CITY and approved in writing in order to replace in kind and scope the operation which existed prior to such damage.

LESSEE agrees that preliminary steps toward performing repairs, restoration or replacement of the premises shall be commenced by LESSEE within thirty days and the required repairs, restoration or replacement shall be completed within a reasonable time thereafter. CITY may determine an equitable deduction in the minimum annual rent requirement for such period or periods that said premises are untenable by reason of such damage.

16. **UTILITIES.** LESSEE shall order, obtain and pay for all utilities and service and installation charges in connection therewith. All water, sewer, power and communication lines installed within said premises by or for LESSEE shall be installed underground at LESSEE'S expense according to specifications of CITY. CITY shall have the right to connect to water, sewer, telephone, power, gas and other utility lines as are now or hereafter installed upon the leased premises, and shall have the right of access to make and maintain such connections without damage to the premises. CITY agrees to pay the costs of installation and maintenance of such CITY connections and to provide such separate metering devices as may be necessary in order that CITY may pay for the services it uses. LESSEE shall install and maintain fire hydrants on said premises as recommended and approved by CITY.

17. STANDARD OF EMPLOYEES. LESSEE and its employees shall at all times conduct themselves and the operations on the leased premises in a creditable and courteous manner. In the event any person is employed in the exercise and use of the rights, licenses, privileges and responsibilities herein contained who does not conduct himself in a creditable manner in the opinion of the City Manager, LESSEE shall dismiss said persons within ten (10) days of written notice thereof from the City Manager.

18. ORGANIZATION; MEMBERSHIP. LESSEE shall have submitted its Bylaws to the City Manager and obtain his written approval thereof prior to commencing any club activities on the premises. The general public shall not be wholly or permanently excluded from these premises or any portion thereof. Membership in LESSEE'S organization shall be open to anyone meeting the requirements of its Rules and Bylaws. The LESSEE may develop reasonable restrictions for the use of the premises, provided that they are consistent with the rights of the general public and are designed to enable the LESSEE to use the premises for the purpose herein granted. Thereafter, said approved Bylaws shall not be modified, amended, or replaced without the City Manager's prior written approval.

Throughout the term of this agreement, LESSEE must be incorporated as a nonprofit organization under the laws of the State of California and must qualify as such under the statutes of the State of California and the Federal Department of Internal Revenue.

C. RESTRICTIVE CONDITIONS

19. Administration and Notices. Control and administration of this lease is under the jurisdiction of the City Manager of CITY as to CITY'S interest herein and any communication relative to the terms or conditions or any changes thereto or any notice or notices provided for by this lease or by law to be given or served upon CITY may be given or served by registered letter deposited in the United States mails, postage prepaid, and addressed to the City Manager, Attention Property Director, City Administration Building, 202 "C" Street, San Diego, California 92101. Any notice or

notices provided for by this lease or by law to be given or served upon LESSEE, Mortgagee, Trustee or Beneficiary may be given or served by depositing in the United States mails, postage prepaid, a letter addressed to said LESSEE at the leased premises or at such other address designated in writing by LESSEE, Mortgagee, Trustee or Beneficiary or may be personally served upon them or any person hereafter authorized by them to receive such notice. Any notice or notices given or served as provided herein shall be effectual and binding for all purposes upon the principals of the parties so served upon personal service or forty-eight hours after mailing in the manner required herein.

20. City Approval and Consent. The approval or consent of the CITY, wherever required in this agreement, shall mean the approval or consent of the City Manager unless otherwise specified, without need for further resolution by the City Council.
21. Eminent Domain. In the event the leased premises or any part thereof shall be taken for public purposes by condemnation as a result of any action or proceeding in eminent domain, then the interests of CITY and LESSEE (or Beneficiary or Mortgagee if there is a Trust Deed or Mortgage then in effect), in the award and the effect of the taking upon this lease agreement shall be as follows:
 - a. In the event of such taking of only a part of the leased premises, leaving the remainder of said premises in such location and in such form, shape and size as to be used effectively and practicably in the opinion of CITY for the conduct thereon of the operations permitted hereunder, this lease shall terminate and end as to the portion of the leased premises so taken as of the date title to such portion vests in the condemning authority, but shall continue in full force and effect as to the portion of the leased premises not so taken and from and after such date the contract rent, or in the event there is a minimum rent specified herein, then the minimum rental required by this lease to be paid by LESSEE to CITY shall be reduced in the proportion to which the value of the leased premises so taken bears to the total value of the demised premises; provided, however, CITY shall have the right, with the consent of LESSEE, to substitute like adjacent property and maintain the rent schedule without diminution.

- b. In the event of the taking of only a part of the leased premises, leaving the remainder of said premises in such location, or in such form, shape or reduced size as to render the same not effectively and practicably usable, in the opinion of CITY, for the conduct thereon of the operations permitted hereunder, this lease and all right, title and interest thereunder shall cease on the date title to said premises or the portion thereof so taken vests in the condemning authority.
 - c. In the event the entire leased premises are so taken, this lease and all of the right, title and interest thereunder shall cease on the date title to said premises so taken vests in the condemning authority.
 - d. In the event of any taking under Subparagraphs a, b, or c, hereinabove, the only portion of any award of compensation which shall be paid to LESSEE shall be the fair market value of LESSEE'S interest in the improvements placed upon that portion of the leased premises which are taken by the condemning agency. It is the intention of this provision that LESSEE shall not in any condemnation receive any bonus or penalty by reason of LESSEE'S contractual rights in connection with the property condemned.
 - e. Notwithstanding the foregoing provisions of this section, CITY may, in its discretion and without affecting the validity and existence of this lease, transfer the CITY'S interests in said premises in lieu of condemnation to any authority entitled to exercise the power of eminent domain. In the event of such transfer by CITY, LESSEE shall retain whatever rights it may have to recover from the said authority the fair market value of LESSEE'S interest in the improvements taken by the authority and which LESSEE has placed upon the leased premises in accordance with the provisions of this lease.
22. Entry and Inspection. CITY reserves and shall always have the right to enter said premises for the purpose of viewing and ascertaining the condition of the same, or to protect its interests in the premises or to inspect the operations conducted thereon. In the event that such entry or inspection by CITY discloses that said premises are not in a decent, safe, healthy and sanitary condition, CITY shall have the right, after ten days written notice to LESSEE, to have any necessary maintenance work done for and at the expense of LESSEE and LESSEE hereby agrees to pay promptly any and all costs incurred by CITY in having such necessary maintenance work done in order to keep said premises in a decent, safe, healthy and sanitary condition. Further, if at any time the CITY determines that said premises are not in a de-

cent, safe, healthy and sanitary condition, CITY may at its sole option, without additional notice, require LESSEE to file with CITY a faithful performance bond to assure prompt correction of any condition which is not decent, safe, healthy and sanitary. Said bond shall be in an amount adequate in the opinion of the CITY to correct the said unsatisfactory condition. LESSEE shall pay the cost of said bond. The rights reserved in this section shall not create any obligations on CITY or increase obligations elsewhere in this lease imposed on CITY.

23. Holding Over. The occupancy of the demised premises after the expiration of the term of this agreement shall be construed to be a tenancy from month to month, and all other terms and conditions of this agreement shall continue in full force and effect.
24. Merger. The voluntary or other surrender of this lease by LESSEE, or a mutual cancellation thereof, shall not work a merger and shall, at the option of CITY, terminate all or any existing subleases or subtenancies or may, at the option of CITY, operate as an assignment to it of any or all such subleases or subtenancies.
25. Oral Representation. It is specifically understood and agreed hereby that this lease contains the complete expression of the whole agreement between the parties hereto, and that there are no promises, representations, agreements, warranties or inducements, either expressed orally or implied by the said parties, except as are fully set forth herein; and further, that this lease cannot be enlarged, modified or changed in any respect except by written agreement duly executed by and between the said parties.
26. Ownership of Improvements. All improvements, except such fixtures as are hereinafter described on the attached addendum, which have been installed by LESSEE in accordance with the provisions of this agreement, shall at the option of CITY become the property of CITY upon expiration or sooner termination of this agreement. LESSEE shall have the right to remove from the demised premises only those fixtures described on the attached addendum at any time prior to the expiration or earlier termination of the agreement, provided that such removal would not, in the opinion of CITY, restrict the operation of the demised premises to the extent that the rent paid to CITY is reduced as a direct result therefrom. LESSEE'S removal of any said fixtures shall be at LESSEE'S own expense and shall be conditioned upon LESSEE'S repairing any damage to the remaining improvements and upon LESSEE leaving the demised premises in good order and condition. In the event LESSEE does not so

remove said fixtures prior to the expiration of this agreement, CITY may remove, sell or destroy the same at the expense of LESSEE, and if the proceeds of the sale are not adequate, LESSEE shall promptly pay to CITY its reasonable cost of any such removal, sale or destruction together with the reasonable cost of repair of damages to CITY'S property resulting from such removal, sale or destruction. At the option of CITY, any such fixtures not removed by LESSEE may be deemed abandoned and may be removed and sold by CITY and all income received by CITY therefrom shall be the property of CITY exclusively. Said addendum may be changed from time to time upon approval of the City Manager, without further resolution by the City Council.

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27. PREVENTED PERFORMANCE. If either party hereto shall be delayed or prevented from the performance of any act required hereunder by reason of acts of nature, restrictive governmental laws or regulations, riots, strikes, lock-outs, or other cause without fault and beyond the control of the party obligated (financial inability excepted), performance of such act shall be excused for the period of the delay; and the period for the performance of any such act shall be extended for the duration of such delay; provided, however, this section shall not excuse LESSEE from the prompt payment of any rental or other charge required of LESSEE hereunder except as may be expressly provided elsewhere in this lease.

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28. PRIOR RIGHTS. This lease agreement is subject to any and all prior rights of the State of California and the United States of America, as may now or hereafter appear, to exercise dominion over said premises and the adjoining public waterways.

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29. SIGNS. The type, size and design of all exterior signs to be installed on the leased premises shall be subject to prior written approval of the City Manager of CITY.

30. Remedies of City.

a. Default by Lessee. In the event that:

- (1) LESSEE shall default in the performance or fulfillment of any covenant or condition herein required to be performed or fulfilled by LESSEE and shall fail to cure said default within thirty days following the service on LESSEE of a written notice from CITY specifying the default complained of; or
- (2) LESSEE shall voluntarily file or have involuntarily filed against him any petition under any bankruptcy or insolvency act or law; or
- (3) LESSEE shall be adjudicated a bankrupt; or
- (4) LESSEE shall make a general assignment for the benefit of creditors;

then CITY may, at its option, without further notice or demand upon LESSEE or upon any person claiming through LESSEE, immediately terminate this lease and all rights of LESSEE and of all persons claiming rights through LESSEE in or to the said premises or in or to further possession thereof and CITY may thereupon enter and take possession of said premises and expel LESSEE and all persons so claiming rights thereto. Provided, however, in the event that any default described in Part a, (1) of this section is not curable within thirty (30) days after the service of a written notice upon LESSEE, CITY shall not terminate this lease pursuant to said default if LESSEE immediately commences to cure said default and diligently pursues such cure to completion.

Provided, further, in the event that there is a deed of trust or mortgage on the leasehold interest, CITY shall not terminate this lease until it first shall have served upon the mortgagee or beneficiary written notice of the default or defaults complained of, and the mortgagee or beneficiary shall have thirty (30) days from service of such notice within which to commence such cure as may be necessary and this lease shall not terminate if said mortgagee or beneficiary shall prosecute said cure with reasonable diligence thereafter, and said thirty-day period shall be extended during the time required for said mortgagee or beneficiary to perfect, through litigation or through foreclosure, its rights to cure.

Provided however, that in the event rent paid to CITY is calculated on the basis of a percentage or percentages of LESSEE'S gross income, and during said period required for mortgagee or beneficiary to perfect a cure of any default or defaults which have been caused by LESSEE'S failure to pay said rent; then in those events if CITY is paid the minimum rent due under this agreement, CITY will not prosecute its right to terminate the mortgagee's or beneficiary's interest. Provided further, that when the mortgagee or beneficiary has secured control of said premises, and before an assignment to a new LESSEE, mortgagee or beneficiary shall cause to be paid to CITY, any amounts due CITY as a result of the gross income of the said premises exceeding that amount necessary for payment of the minimum rent. In computing the gross rent upon which the computation of the CITY rent is based, reasonable administrative expenses of a court appointed receiver may first be deducted.

- b. City Recourse. If the mortgagee or beneficiary shall be required to perfect its right to cure said default or defaults through litigation or through foreclosure, then CITY shall have the option of the following courses of action in order that such default or defaults may be expeditiously corrected:
- (1) CITY may correct or cause to be corrected said default or defaults and charge the costs therefor (including costs incurred by CITY in enforcing this provision) to the account of the LESSEE, which charge shall be due and payable on the date that the rent is next due after presentation by CITY of a statement of all or part of said costs.
 - (2) CITY may correct or cause to be corrected said default or defaults and may pay the costs thereof (including costs incurred by CITY in enforcing this provision) from the proceeds of any insurance fund held by CITY and LESSEE or by CITY and mortgagee or

beneficiary or CITY may use said funds of any faithful performance or cash bond on deposit with CITY or CITY may call on the bonding agent to correct said default or defaults or to pay the costs of such correction performed by or at the direction of CITY.

- (3) CITY may terminate this lease as to the rights of LESSEE herein by assuming liability for any trust deed or mortgage. LESSEE will assume and agrees to pay any and all penalties or bonuses required by the beneficiaries, trustees or mortgagees as a condition for early payoff of the related notes by CITY. CITY may, as an alternative, substitute for said terminated LESSEE a new LESSEE reasonably satisfactory to the mortgagee or beneficiary.

Should said default or defaults be noncurable by LESSEE, then any lender holding a beneficial interest in said leasehold whose qualifications have been approved by CITY for assignment of the leasehold interest shall have the absolute right to substitute itself to the estate of the LESSEE hereunder and to commence performance of this lease and this lease shall not terminate if such mortgagee or beneficiary shall give notice in writing of its election to so substitute itself and commence performance within said thirty-day period after service upon it of said written notice by CITY of the default. In the event of the election by the mortgagee or beneficiary to so substitute itself to LESSEE'S estate hereunder, the CITY expressly consents to said substitution and authorizes said mortgagee or beneficiary to perform under this lease with all the rights, privileges and obligations of the original LESSEE hereunder, subject to cure of the default if possible by mortgagee or beneficiary, and LESSEE expressly agrees to assign all its interest in and to its leasehold estate in that event.

- c. Abandonment by Lessee. Even though LESSEE has breached the lease and abandoned the property, this lease shall continue in effect for so long as CITY does not terminate LESSEE'S right to possession, and CITY may enforce all its rights and remedies under said lease, including, but not limited to, the right to recover the rent as it becomes due under the lease. For purposes of this section, the following do not constitute a termination of LESSEE'S right to possession:

- (1) Acts by CITY of maintenance, or preservation, or efforts to relet the property.
- (2) The appointment of a receiver upon initiative of CITY to protect the CITY'S interest under the lease.

- c. Damages. Damages which CITY may recover in the event of default under this lease include the worth, at the time of award, of the amount by which the unpaid rent for the balance of the term after the date of award, or for any shorter period of time specified in this lease, exceeds the amount of such rental loss for the same period that the LESSEE proves could be reasonably avoided. The remedies provided by this section are not exclusive and shall be cumulative to all other rights and remedies possessed by CITY, and nothing contained herein shall be construed so as to defeat any other rights or remedies to which CITY may be entitled.
31. Reservation of City Rights. CITY hereby reserves all rights, title and interest in any and all gas, oil, minerals and water beneath said lease premises. CITY shall have the right to enter said leased premises for the purpose of making repairs to or developing municipal services. CITY hereby reserves the right to grant and use such easements or establish and use such rights of way over, under, along and across said leased premises for utilities, thoroughfares, or access as it may deem advisable for the public good. Provided, however, CITY shall not unreasonably interfere with LESSEE'S use of the premises and will reimburse LESSEE for physical damages, if any, to the permanent improvements of LESSEE located on the leased premises resulting from CITY'S exercising the rights retained in this paragraph. Such reimbursement shall include a reduction in the annual rent proportionate to the amount of said physical damage as determined by the City Manager. CITY shall pay the costs of maintenance and repair of all CITY installations made pursuant to the rights reserved herein.
32. Time is of the Essence. Time is of the essence of each and all of the terms and provisions of this lease and this lease shall inure to the benefit of and be binding upon the parties hereto and any successor of LESSEE as fully and to the same extent as though specifically mentioned in each instance, and all covenants, stipulations and agreements in this lease shall extend to and bind any assigns or sublessees of LESSEE.
33. Waiver. The waiver by CITY of any breach of any term, covenant, or condition herein contained shall not be deemed to be a waiver of such term, covenant or condition, or any subsequent breach of the same or any other term, covenant or condition herein contained. The subsequent acceptance of rent hereunder by CITY shall not be deemed to be a waiver of any preceding breach by LESSEE

of any term, covenant or condition of this lease, regardless of CITY'S knowledge of such preceding breach at the time of acceptance of such rent. Failure on the part of CITY to require or exact full and complete compliance with any of the covenants, conditions or agreements of this lease shall not be construed as in any manner changing the terms hereof and shall not prevent CITY from enforcing any provision hereof.

IN WITNESS WHEREOF, this lease agreement is executed by CITY, acting by and through the City Manager, and by LESSEE, acting by and through its lawfully authorized officers.

THE CITY OF SAN DIEGO

Date 5-27-80

BY Elaine M. Balok
ASSISTANT TO THE City Manager

LESSEE: SAN DIEGO MISSION BAY BOAT AND
SKI CLUB, INC.

BY Robert H. Hedgcock

BY Annis R. [Signature]

APPROVED as to form and legality this 2 day of June, 1980

JOHN W. WITT, City Attorney

BY [Signature]
Deputy

K-251907

THIS ADDENDUM IS ATTACHED TO AND MADE A PART OF THAT CERTAIN
LEASE BY AND BETWEEN THE CITY OF SAN DIEGO, A MUNICIPAL
CORPORATION, AND SAN DIEGO MISSION BAY BOAT AND SKI CLUB,

INC.

Richard H. Herold

, LESSEE,

DATED 4-5-80.

SECTION IV PARAGRAPH C26 OWNERSHIP OF IMPROVEMENTS (continued)

The Lessee, in accordance with this section hereof has the right
to remove from the demised premises only trade fixtures installed
by the LESSEE during the term of the lease.

SMC
City Manager's Initials

RHH (see above)
LESSEE'S Initials

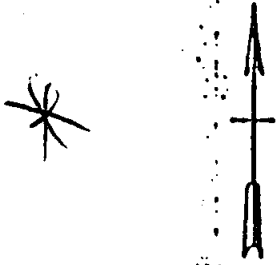
SAN DIEGO MISSION BAY BOAT AND SKI CLUB, INC.

LEGAL DESCRIPTION

That portion of the tidelands and submerged or filled lands of Mission Bay (formerly False Bay), and a portion of the Pueblo Lands of San Diego according to Map thereof made by James Pascoe in 1870, a copy of which said Map was filed in the Office of the County Recorder of San Diego County, November 14, 1921 and is known as Miscellaneous Map No. 36, all being in the City of San Diego, County of San Diego, State of California, and described as follows:

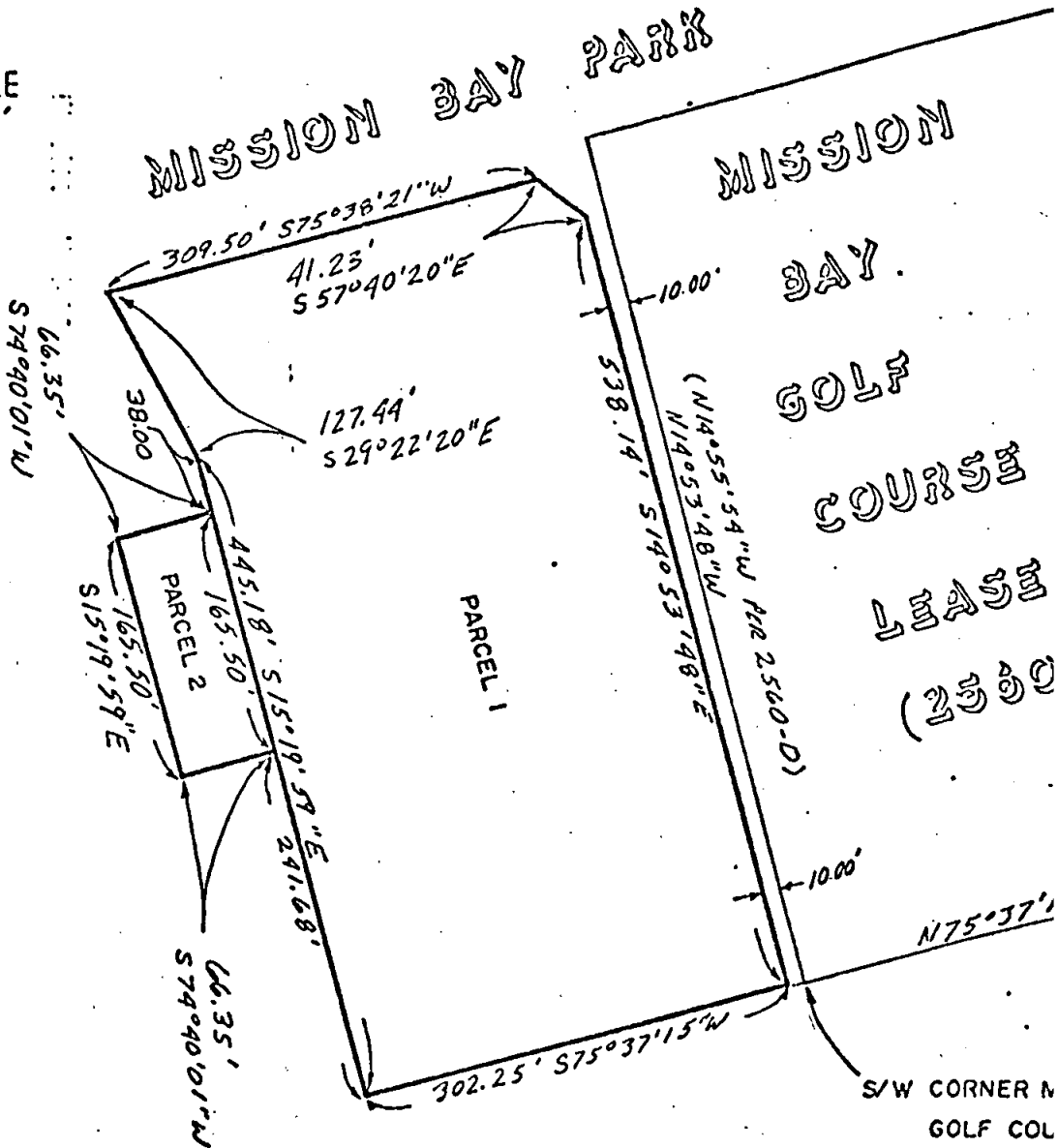
Commencing at the Southeast corner of Lot 24 in Block 10 of Resubdivision of Blocks 7, 8 and 10 and a portion of Block 9 and Lot "A", Inspiration Heights, according to Map thereof No. 1700, filed in the Office of the County Recorder of San Diego County, December 27, 1917; thence along the Southerly line of said Lot 24, South $89^{\circ}55'56''$ West, (Record South $89^{\circ}59'$ West) 25.00 feet to a point of tangent curve in the boundary of said Lot 24; thence South $00^{\circ}04'04''$ East, 2.00 feet to an intersection with a line which is parallel with and 2.00 feet Southerly at right angles to the Southerly line of said Block 10; thence along said parallel line North $89^{\circ}55'56''$ East, 249.70 feet; thence North $05^{\circ}30'02''$ West 104.06 feet to the United States Coast and Geodetic Survey Triangulation Station "Old Town": (The Lambert Grid Co-ordinates, California Zone 6, for said Station "Old Town" are $X = 1,712,415.17$ and $Y = 213,819.22$) and said Traingulation Station is located at Latitude $32^{\circ}45'02.45''$ North and Longitude $117^{\circ}11'07.200''$ West, being also the point of origin for the San Diego City Engineer's Mission Bay Park Co-ordinate System; thence North 17379.69 feet and West 10233.3 feet, being at Mission Bay Co-ordinates North 17379.69 feet and 10233.3 and also being the most Southwesterly corner of that certain lease between CITY and MISSION BAY GOLF CENTER, filed in the Office of the City Clerk as Document No. 493598; thence South $75^{\circ}37'15''$ West 10.00 feet to the TRUE POINT OF BEGINNING; thence North $14^{\circ}53'48''$ West 538.14 feet; thence North $57^{\circ}40'20''$ West 41.23 feet; thence South $75^{\circ}38'21''$ West 309.50 feet; thence South $29^{\circ}22'20''$ East 127.44 feet; thence South $15^{\circ}19'59''$ East 38.00 feet; thence South $74^{\circ}40'01''$ West 66.35 feet; thence South $15^{\circ}19'59''$ East 165.50 feet; thence North $74^{\circ}40'01''$ East 66.35 feet; thence South $15^{\circ}19'59''$ East 241.68 feet; thence North $75^{\circ}37'15''$ East 302.25 feet to the TRUE POINT OF BEGINNING.

MISSION BAY PARK TRACT RESURVEY MAP 1530



SCALE
1"=100'

J. E. T. R. I.
E. S. C. S.



PARCEL 1 (4.005 AC, 174,441.3 sq.ft.)
PARCEL 2 (0.252 AC, 10,980.9 sq.ft.)

NOTE: BASIS OF BEARING IS THE
S'LY LINE OF THE MISSION
BAY GOLF COURSE
LEASE PER C.C.D. 493598 (i.e. N75°37'15"E)

REFERENCES: 2560-D

SURVEY NOTES BY O'NEIL, W.O. 20016, 5-14-74, 230-1701

SAN DIEGO MISSION BAY BOAT & SKI CLUB LEASE AREA

DESCRIPTION	BY	APPROVED	DATE	FILED

CITY OF SAN DIEGO, CALIFORNIA

W.O. 2

RESOLUTION No. RC-251907

(R-80-2064)

Adopted on MAY 27 1980

BE IT RESOLVED, by the Council of The City of San Diego as follows:

That the City Manager is hereby authorized and empowered to execute, for and on behalf of The City of San Diego, a five (5) year Lease Agreement with SAN DIEGO MISSION BAY BOAT AND SKI CLUB, INC., a nonprofit California corporation, of 4-1/4 acres of Mission Bay Park, located at Rose Creek Channel, for the purpose of promoting education and competition in power boat and water sports, at an initial monthly rental of \$1,296.08, under the terms and conditions of that Lease Agreement on file in the office of the City Clerk as.

Document No. RC-251907.

APPROVED: JOHN W. WITT, City Attorney

By 
Harold O. Valderhaug, Deputy

HOV:ps:731
4/28/80
Or.Dept. Property
Job: 15870

Passed and adopted by the Council of The City of San Diego
on MAY 27 1980, by the following vote:

YEAS: Mitchell, Cleator, Lowery, Williams, Schnaubelt, Stirling, and
Killea.

NAYS: None.

NOT PRESENT: Gotch and Mayor Wilson.

AUTHENTICATED BY:

PETE WILSON
Mayor of The City of San Diego, California.

CHARLES G. ABDELNOUR
City Clerk of The City of San Diego, California.

(SEAL)

By RITA ANDREWS, Deputy.

I HEREBY CERTIFY that the above and foregoing is a full,
true and correct copy of RESOLUTION NO. R- 251907
passed and adopted by the Council of The City of San Diego,
California, on MAY 27 1980.

CHARLES G. ABDELNOUR
City Clerk of The City of San Diego, California.

(SEAL)

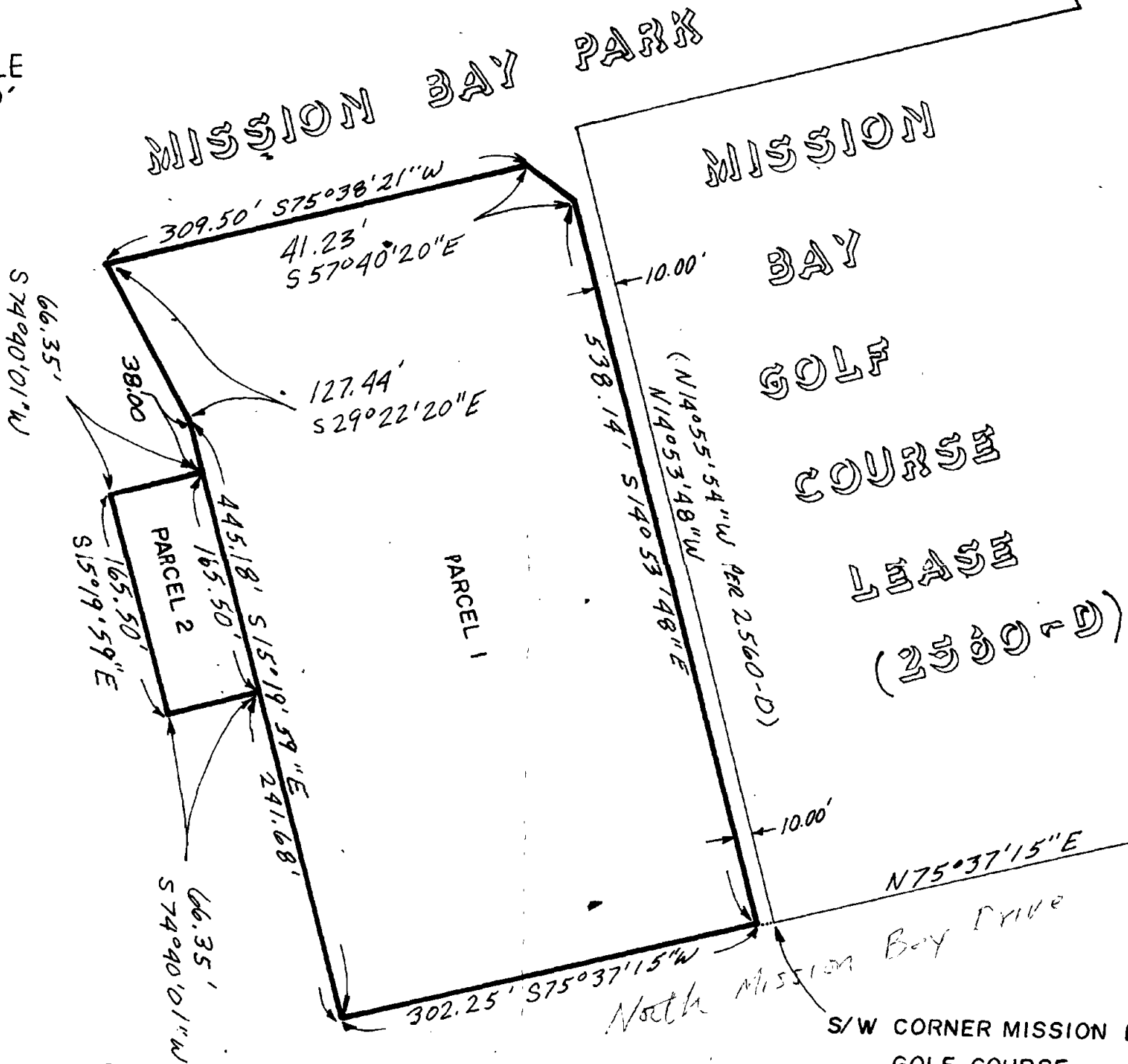
By Rita Andrews, Deputy.

MISSION BAY PARK TRACT RESUB MAP 1530



SCALE
1"=100'

LEFT EDGE



PARCEL 1 (4.005 AC, 174,441.3 sq.ft.)
PARCEL 2 (0.252 AC, 10,980.9 sq.ft.)

NOTE: BASIS OF BEARING IS THE
S'LY LINE OF THE MISSION
BAY GOLF COURSE
LEASE PER C.C.D. 493598 (i.e. N75°37'15"E)

REFERENCES: 2560-D

SURVEY NOTES BY O'NEIL, W.O. 20016, 5-14-74, 230-1701

SAN DIEGO MISSION BAY BOAT & SKI CLUB LEASE AREA

DESCRIPTION	BY	APPROVED	DATE	FILMED	CITY OF SAN DIEGO, CALIFORNIA		W.O. NO. 20016
ORIGINAL	R.P.				SHEET 1 OF 1 SHEETS		
					FOR CITY ENGINEER		CONTROL CERTIFICATION
					DATE		230-1701
					DIVISION HEAD	PLANNING DEPT	LAMBERT COORDINATES
					SECTION HEAD		13447-B