

STATE OF CALIFORNIA

DEPARTMENT OF TRANSPORTATION

AIRSPACE GROUND LEASE

THIS LEASE is made and entered into this 23rd day of February,
1983, by and between the STATE OF CALIFORNIA, acting by and through its Department
of Transportation, hereinafter called "Landlord," and Conrad Prebys, Trustee
UTA dated 12-17-82, hereinafter called "Tenant."

W I T N E S S E T H

For and in consideration of the rental and of the covenants and agreements
hereinafter set forth to be kept and performed by the Tenant, Landlord hereby leases
to Tenant and Tenant hereby leases from Landlord the Premises herein described for
the term, at the rental and subject to and upon all of the terms, covenants and
agreements hereinafter set forth.

ARTICLE 1. SUMMARY OF LEASE PROVISIONS.

Date: 2-23-83

Landlord: State of California Department of Transportation

Tenant: Conrad Prebys, Trustee U/T/A dated December 17, 1982

Premises: Located in the City of San Diego, County of San Diego, State of California,
commonly known as 11-SD-5-7B(FLA), more particularly described in Article 2.

Lease Term: fifty-five (55) years, commencing March 15, 1983

and expiring on March 14, 2038. (Article 3)

Rent, Annual: \$ 160,500 Monthly: \$ 13,375. (Article 4)

Adjustment to Rent: (Article 4)

Method: Consumer Price Index

Frequency: Each five (5) years

Reevaluation: Each ten (10) years (Article 4)

Use: Mini-Storage and Motel

_____. (Article 5)

Fire Insurance: 90% of full replacement value. (Article 9)

Liability Insurance: \$ 2,000,000. (Article 9)

Address for Notices: (Article 19.13)

To Landlord: California Department of Transportation

P. O. Box 85406

San Diego, California 92138-5406

To Tenant: Conrad T. Prebys

5847 El Cajon Boulevard

San Diego, California 92115

References in this Article 1 to the other Articles are for convenience and designate other Articles where references to the particular item contained in the Summary of Lease Provisions appears. Each reference in this Lease to the Summary of Lease Provisions contained in this Article 1 shall be construed to incorporate all of the terms provided under the Summary of Lease Provisions. In the event of any conflict between the Summary of Lease Provisions and the balance of the Lease, the latter shall control.

ARTICLE 2. PREMISES

Landlord hereby leases to Tenant, and Tenant hereby leases from Landlord, for the term, at the rent, and upon the covenants and conditions hereinafter set forth, those certain premises known as Airspace Lease Area No. 11-SD-5-7B(FLA), situated in the City of San Diego, County of San Diego, said land or interests therein being shown on the map or plat marked, "Exhibit A," attached hereto and by this reference made a part hereof, and more particularly described as follows:

That portion of Pueblo Lot 305 of the Pueblo Lands of San Diego according to Miscellaneous Map thereof No. 36, and those portions of Blocks 346, 347, 364 and 365 of Old San Diego together with those portions of the public ways vacated and closed; all said portions lying within the following descriptions:

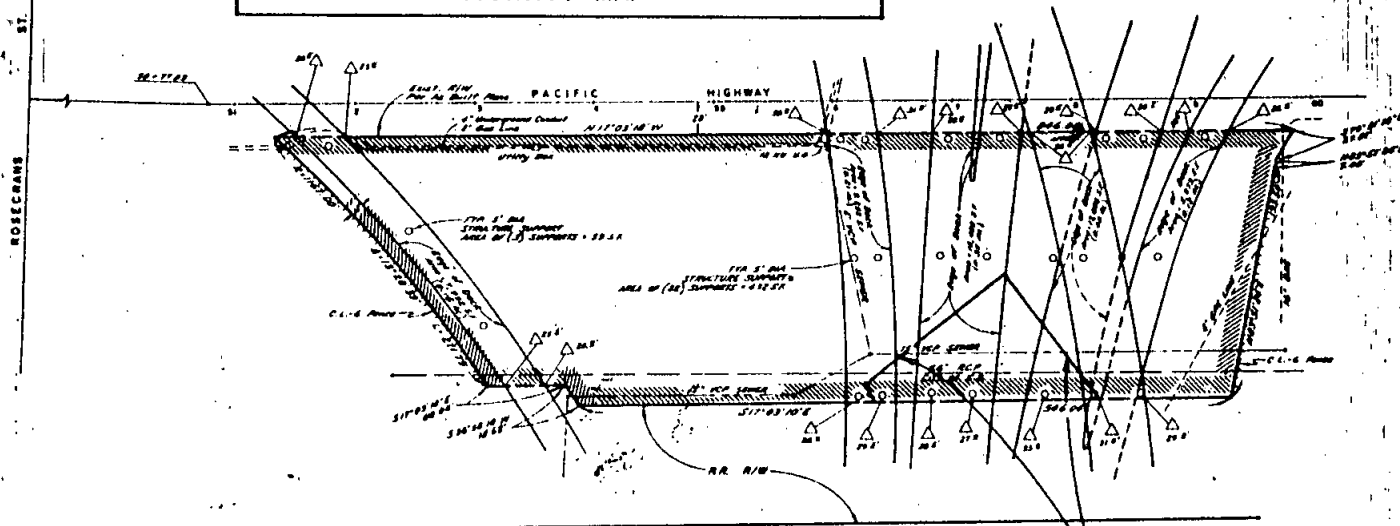
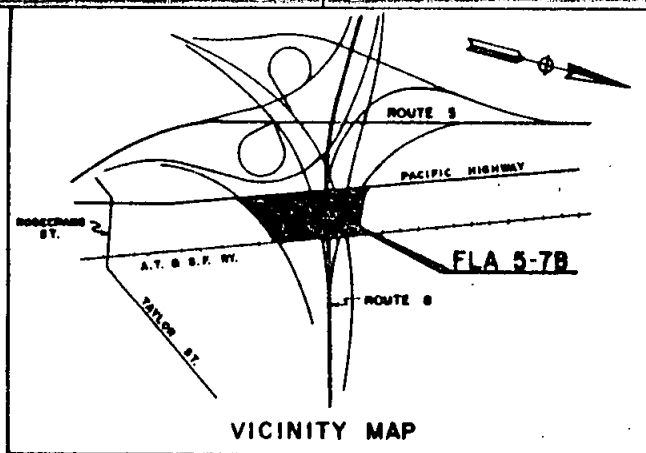
1 Commencing at the most Southerly corner of that land conveyed by quitclaim
2 deed to the State of California recorded February 3, 1966 as File/Page No. 19611 of
3 Official Records of San Diego County; said corner being a point on the Easterly line
4 of Pacific Highway as described in Parcel No. 5 of deed to the State of California
5 recorded September 16, 1941 in Book 1241, page 89 of Official Records of said County;
6 thence along said Easterly line from a tangent which bears N.16°06'02"W., (Record
7 N.16°38'19"W.), on a curve concave Southwesterly, having a radius of 5060.00 feet
8 through an angle of 0°57'16", a distance of 84.29 feet; thence tangent to said curve
9 N.17°03'18"W., (Record N.17°35'35"W.), 91.12 feet; thence leaving said Easterly line from
10 a tangent which bears S.28°16'39"W., along a curve concave Southeasterly, having a
11 radius of 1167.00 feet, through an angle of 02°15'12", a distance of 45.90 feet to the
12 TRUE POINT OF BEGINNING; thence along the following numbered courses: (1)
13 N.17°03'18"W., 846.06 feet; (2) S.79°51'18"E., 27.81 feet; (3) N.83°51'24"E., 7.40 feet; (4)
14 N.83°51'24"E., 193.50 feet to the Westerly line of the Atcheson, Topeka and Santa Fe
15 Railroad; (5) along said Westerly right of way line S.17°03'10"E., 546.04 feet; (6)
16 continuing along said right of way line S.36°38'18"W., 18.62 feet; (7) S.17°03'10"E., 63.04
17 feet; (8) leaving said right of way line from a tangent which bears S.39°22'06"W.,
18 along said 1167.00 foot radius curve concave Southeasterly, through an angle of 13°20'39",
19 a distance of 271.79 feet to the TRUE POINT OF BEGINNING.

20 EXCEPTING THEREFROM all those portions of the above-described property
21 occupied by the supports and foundations of the bridge viaduct.

22 ALSO EXCEPTING THEREFROM all that portion of said property above the
23 plane of the underside of the superstructure of the bridge viaduct, which plane extends
24 to a line 15 feet, measured horizontally, beyond the outermost protrusion of the
25 superstructure of said bridge viaduct, as shown on the diagram marked "Exhibit B,"
26 attached hereto and by this reference made a part hereof.

27 ARTICLE 3. TERM

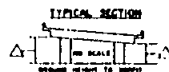
28 The term of this Lease shall be for fifty-five (55) years, commencing



FOR LOT 1, BLK. 347 ACQUIRED BY STATE AS EASEMENT FOR R/W IN 1943 (N. 411 J.L.). REMAINING LEASE AREA ACQUIRED IN FEE.

8 1/2 \$ per sq ft per month,
158,181 or 3.63 ac.

BRIDGE AREA	AREA OF SUPPORTS	STRUCTURE AREA
154,181 ac.	291.57	1.85 ac.



LEGEND
ACCESS DENIED

NOTE: UTILITIES SHOWN FOR INFORMATION ONLY. COMPLETE AND ACCURATE UTILITY DATA SHOULD BE VERIFIED BY THE LESSEE.

RECORD MAP REFERENCE
LO 35581
MAP DATE: 7-10-73

STATE OF CALIFORNIA BUSINESS AND TRANSPORTATION AGENCY DEPARTMENT OF TRANSPORTATION DISTRICT II		
FREEWAY LEASE AREA MAP		
MAP NO. 11-FLA-5-7B	COUNTY S	POST MILES 20.3
SCALE: 1"=100'		SHEET 1 OF 1

1 March 15, 1983, and expiring March 14, 2038.

2 **ARTICLE 4. RENT**

3 **4.1 Beginning Rent**

4 Tenant shall pay to Landlord as beginning monthly rent, without deduction,
5 set off, prior notice, or demand, the sum of \$8000.00 per month, in advance on
6 the first day of each month, commencing on the date the lease term commences and
7 continuing until May 1, 1984. Beginning monthly rent for the first month or portion
8 of it shall be paid on the day the term commences. Beginning monthly rent for any
9 partial month shall be prorated at the rate of 1/30th of the beginning monthly rent
10 per day.

11 **4.2 Minimum Monthly Rent**

12 Commencing on May 1, 1984 and continuing during the term of the lease,
13 Tenant shall pay to Landlord as minimum monthly rent, without deduction, setoff, prior
14 notice, or demand, the sum of \$13,375 in advance on the first day of each month.
15 Said sum is subject to adjustment as provided in paragraph 4.3 and reevaluation as
16 provided in paragraph 4.4. Minimum monthly rent for any partial month shall be
17 prorated at the rate of 1/30th of the minimum monthly rent per day.

18 All rent shall be paid to Landlord at the address to which notices to Landlord
19 are given.

20 **4.3 Adjustment**

21 The minimum monthly rent provided for in paragraph 4.2 shall be subject
22 to adjustment at the expiration of the fifth (5th) year of the term and every five (5)
23 years thereafter, except in those years in which a reevaluation occurs under paragraph
24 4.4, as follows:

25 The base for computing the adjustment is the Consumer Price Index for All
26 Urban Consumers in the San Diego area, published by the United States Department
27
28

1 of Labor, Bureau of Labor Statistics ("Index"), which is current as of the date of the
2 commencement of the term of this lease or the date of the commencement of the
3 immediately preceding 5-year rental period, whichever is more recent ("Beginning
4 Index"). If the Index published which is current as of the adjustment date ("Extension
5 Index") has increased over the Beginning Index, the adjusted monthly rent for the
6 following five (5) year period shall be set by multiplying the existing monthly rent by
7 a fraction, the numerator of which is the Extension Index and the denominator of
8 which is the Beginning Index. The maximum upward adjustment computed under this
9 paragraph shall not exceed seven and seven-tenths percent (7.7%) per annum compounded
10 annually which is 45% over the 5-year rental period then ending. In no case shall the
11 adjusted montly rent be less than the minimum monthly rent set forth in paragraph
12 4.2, unless said minimum monthly rent has been reduced pursuant to Article 13.

13 If the Index is changed so that the base year differs from that used as of
14 the period immediately preceding the date on which the term commences, the index
15 shall be converted in accordance with the conversion factor published by the United
16 States Department of Labor, Bureau of Labor Statistics. If the Index is discontinued
17 or revised during the term, such other government index or computation with which
18 it is replaced shall be used in order to obtain substantially the same result as would
19 be obtained if the Index had not been discontinued or revised. In the event Landlord
20 and Tenant fail to agree on the use of a price index, the selection of the same shall
21 be determined by the Presiding Judge of the Superior Court of the State of California
22 in San Diego County, and his decision shall be final and conclusive upon the parties.

23 4.4 Reevaluation of Minimum Monthly Rent

24 At the request of either Landlord or Tenant, during the 10th, 20th, 30th,
25 40th, and 50th years from the date of the commencement of the term, a fair market
26 lease rate shall be determined in the manner set forth below and shall be established
27 as the minimum monthly rent commencing on the following dates:

28 March (Month) 15 (Day) 1993 (year)

1 March (Month) 15 (Day) 2003 (Year)

2 March (Month) 15 (Day) 2013 (Year)

3 March (Month) 15 (Day) 2023 (Year)

4 March (Month) 15 (Day) 2033 (Year)

5 The minimum monthly rent established by this paragraph shall be subject
6 to the adjustment provided in paragraph 4.3.

7 The term "fair market lease rate" means the highest lease rate estimated
8 in terms of money which the leased premises, excluding improvements constructed by
9 Tenant thereon, would bring if exposed for lease in the open market, with a reasonable
10 time allowed to find a tenant, leasing with full knowledge of the purpose and use to
11 which the leased premises is being put and the restrictions on use contained in paragraph
12 5.1 of this lease.

13 Unless Landlord and Tenant have agreed upon the fair market lease rate
14 for the leased premises at least one-hundred eighty (180) days before the date of the
15 scheduled commencement of the new minimum monthly rent as set forth above, then
16 each party shall appoint an appraiser, who is a member of the American Institute of
17 Real Estate Appraisers (M.A.I.), and notify the other party of such appointment. Notice
18 of appointment shall be given at least one-hundred fifty (150) days before the said
19 commencement date.

20 Landlord shall set the time and place for a conference between the parties
21 hereto and said two appraisers, which conference shall be held within thirty (30) days
22 of the receipt of notice of appointment by both parties. At such conference, the
23 parties shall agree upon the general instructions to be given to said appraisers. The
24 appraisers shall be instructed that in determining the fair market lease rate they shall
25 consider the use to which the premises are being put and shall not consider the highest
26 and best use for the premises without regard to the restrictions on use of the premises
27 contained in paragraph 5.1 of this lease. The general instructions shall not place any
28 additional limitations upon the appraisal techniques to be employed by the appraisers

1 in the evaluation of the rent.

2 Within forty-five (45) days after receiving said instructions, each of the
3 appraisers shall deliver copies of a fully-documented signed-written report containing
4 an opinion of the fair market lease rate for the leased premises to Landlord and
5 Tenant. When in receipt of both appraisals, Landlord shall set a time and place for
6 a conference. Those to be in attendance at the conference shall include: (a)
7 representatives of Landlord, (b) representatives of Tenant, and (c) the two appraisers.
8 The parties shall endeavor to reach agreement on the adjusted rent.

9 If the parties cannot agree on the amount of the adjusted rent, the President
10 of the San Diego Chapter of the American Institute of Real Estate Appraisers will
11 upon request by Landlord select a third appraiser. Said third appraiser shall be allowed
12 access to the two reports, shall prepare a third appraisal, and shall submit one copy
13 of same to Landlord and Tenant within thirty (30) days of his selection as appraiser.

14 Landlord and Tenant shall each pay for their respective appraisals and, if
15 a third appraisal is necessary, each shall pay one-half (1/2) of the fees and expenses
16 for said third appraisal. The determination of the fair market lease rate for the
17 leased premises by the third appraiser, as documented in his signed written report
18 submitted to the parties, shall be binding on Landlord and Tenant. The signed report
19 shall be received at least thirty (30) days before the date of the scheduled commence-
20 ment of the new minimum monthly rent as set forth above or on such other date upon
21 which the parties shall have agreed.

22 If the fair market lease rate for the leased premises shall not have been
23 determined prior to the date of the scheduled commencement of the new minimum
24 monthly rent as set forth above, Tenant shall continue to pay the same rent as was
25 being paid in the preceding period until a final determination has been made. Within
26 thirty (30) days after such final determination has been made, Tenant shall pay to
27 Landlord, or Landlord shall pay to Tenant, as the case may be, the amount of difference
28 between the rent actually paid during the period between the scheduled date of

1 commencement of the new minimum monthly rent and the date the final determination
2 is made and the amount of rent which should have been paid had the determination
3 of the new minimum monthly rent been timely. Such payment shall include interest
4 thereon at a rate equal to the Federal Reserve Bank discount rate per annum from
5 the date of the scheduled commencement of the new minimum monthly rent until
6 payment is made. For the purposes of this paragraph, the applicable Federal Reserve
7 Board discount rate shall be that which exists on the date of the scheduled commence-
8 ment of the new minimum monthly rent.

9 ARTICLE 5. USE

10 5.1 Specified Use

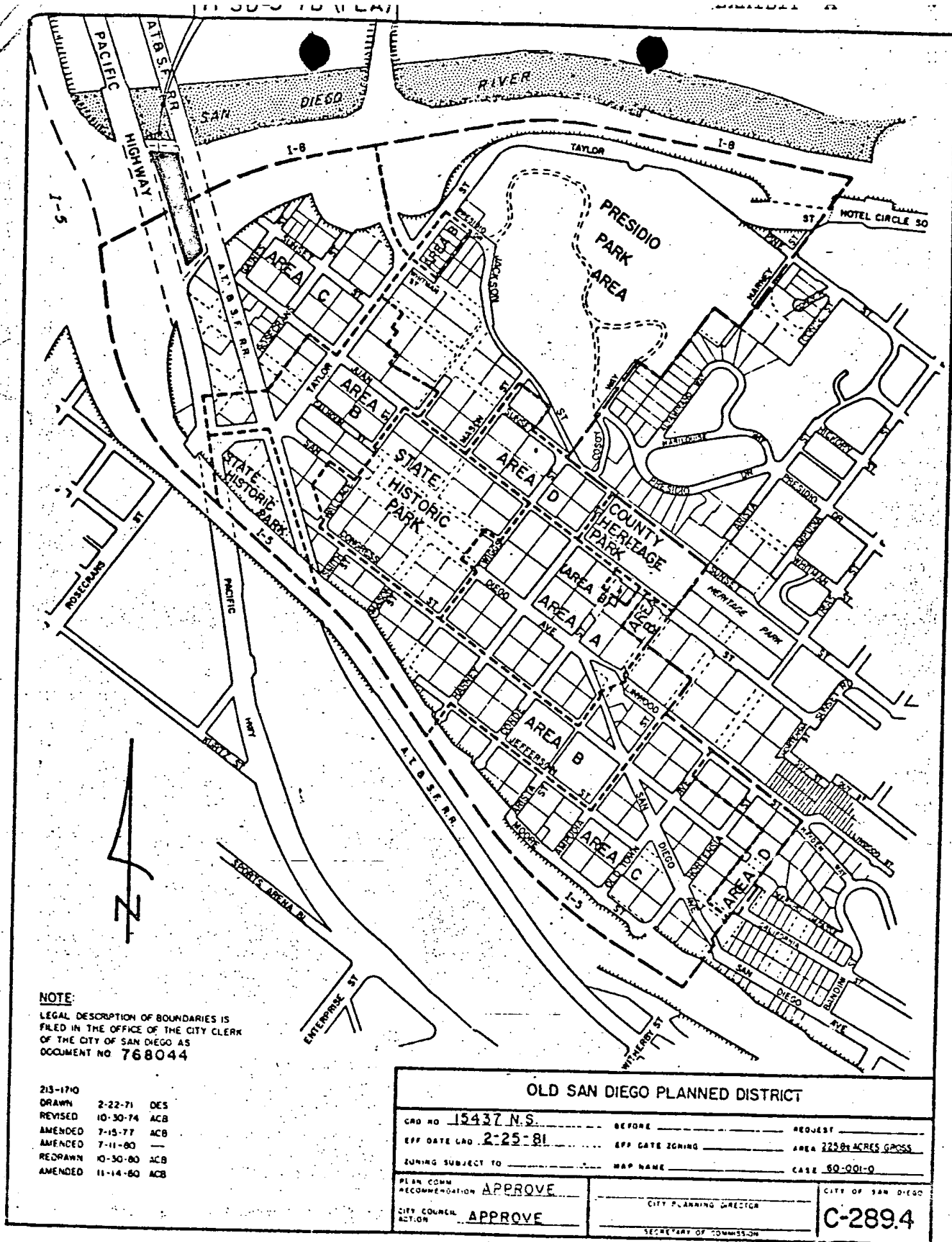
11 The Premises shall be used and occupied by Tenant only for the purpose of
12 mini-storage and motel as described in Tenant's Offer and Proposal approved by the
13 Department of Transportation on April 2, 1982 and for no other purpose whatsoever
14 without obtaining the prior written consent of Landlord and the concurrence of the
15 Federal Highway Administration.

16 5.2 Condition of Premises

17 Tenant hereby accepts the Premises in their condition existing as of the
18 date of the execution hereof, subject to all applicable zoning, municipal, county, state
19 and federal laws, ordinances and regulations governing and regulating the use of the
20 Premises, and accepts this Lease subject thereto and to all matters disclosed thereby
21 and by any exhibits attached hereto. Tenant acknowledges that neither Landlord nor
22 any agent of Landlord has made any representation or warranty with respect to the
23 condition of the Premises or the suitability thereof for the conduct of Tenant's business,
24 nor has Landlord agreed to undertake any modification, alteration or improvement to
25 the Premises except as provided in this Lease.

26 5.3 Compliance with Law

27 Tenant shall not use the Premises or permit anything to be done in or about
28 the Premises which will in any way conflict with any law, statute, zoning restriction,



EAST

Site 25D

PT. BEARING

DIST

N COORDINATES E

CITY LEASE PARCEL NUMBER TWO PACIFIC HWY AND ROUT. 8 WFB 30450.1 7/12/8

P73			217217.027	1707774.187	S.W. CORNER
	N 36/39/15 E	6.870			
P74			217222.538	1707778.288	4 PT
	N 73/14/39 E	406.430			
P75			217339.709	1708167.462	S.E. CORNER
	N 17/03/12 W	4.433			
P64			217343.948	1708166.162	N.E. CORNER
	S 81/43/14 W	70.439			
P59			217333.804	1708096.458	4 PT
	S 85/22/12 W	100.125			
P58			217325.722	1707996.659	4 PT
	S 80/47/21 W	100.045			
P57			217309.708	1707897.904	4 PT
	S 85/56/28 W	100.180			
P56			217302.617	1707797.976	4 PT
	S 88/13/05 W	49.594			
P63			217301.075	1707748.405	N.W. CORNER
	S 17/03/12 E	87.914			
P73			217217.027	1707774.187	S.W. CORNER

AREA = 16922.271 SQ FT 0.3885 ACRES

ENTER DATA

WEST Site 25 V

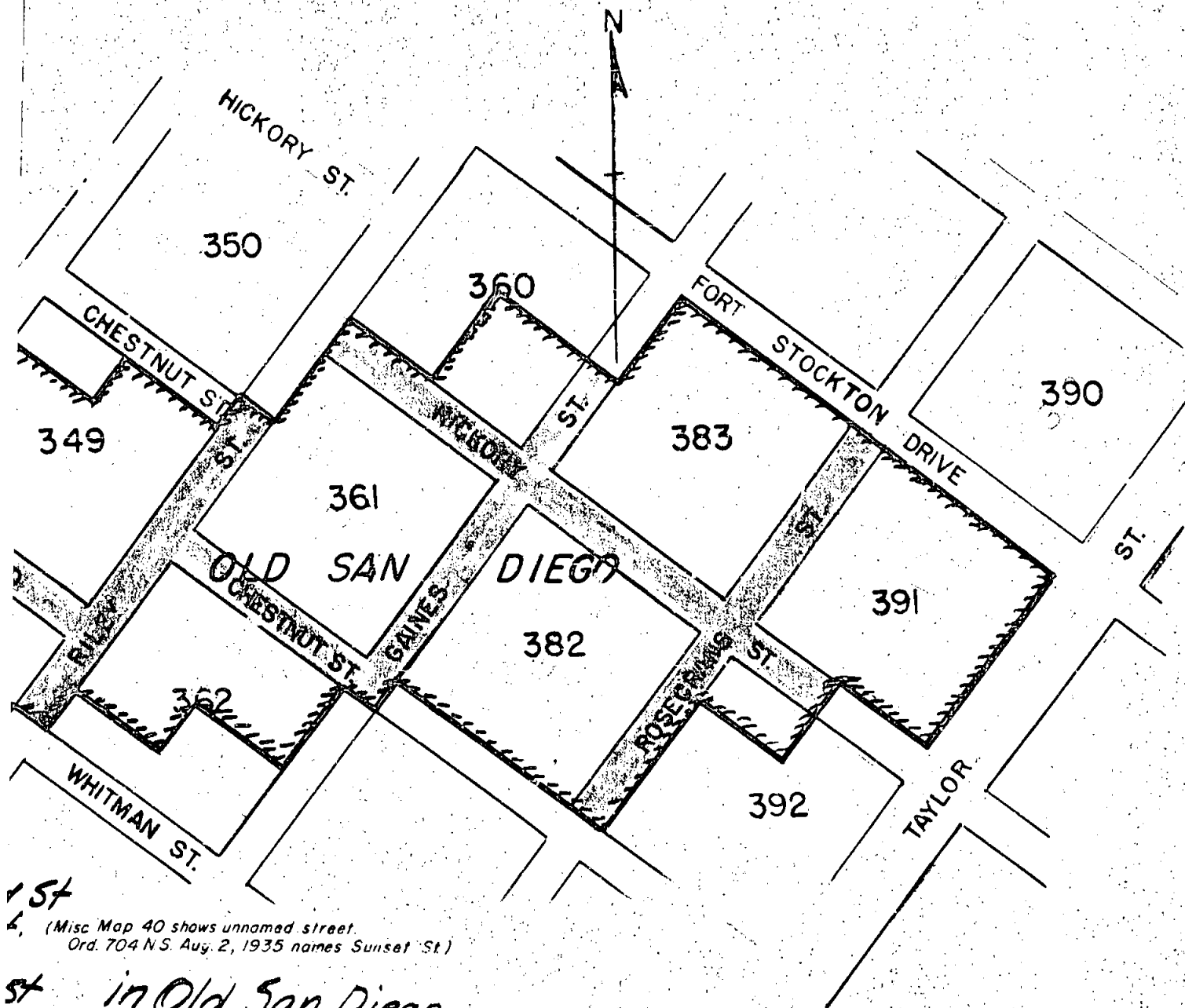
PT. BEARING DIST N COORDINATES E

CITY LEASE PARCEL NUMBER ONE PACIFIC HWY AND ROUTE 8 WFB 30450.1 7/12/82

P11			217213.129	1707670.785	S.E. COR
	S 83/51/39 W	193.491			
P4			217192.436	1707478.403	S.W. COR
	S 83/44/54 W	7.384			
P32			217191.632	1707471.064	2 PT S.W. COR
	N 17/03/26 W	68.358			
P61			217256.983	1707451.012	N.W. COR
	N 84/47/53 E	49.992			
P53			217261.516	1707500.798	2 PT CHANNEL
	N 84/47/53 E	100.080			
P54			217270.589	1707600.466	2 PT CHANNEL
	N 73/25/02 E	50.378			
P62			217284.967	1707648.749	N.E. CORNER
	S 17/03/12 E	75.142			
P11			217213.129	1707670.785	S.E. CORNER

AREA = 13405.035 SQ FT 0.3077 ACRES

ENTER DATA



st in Old San Diego

st
 1st

PACIFIC HIGHWAY

LEGEND

- Indicates found 1" iron pipe & Div. of Hwy. tag
- Indicates existing 15" V.C. Sewer & M.H.
- G— Indicates existing 16" H.P. Gas Main.
- FL— Indicates existing Navy Fuel Line
- x— Indicates existing R/W Fence
- Indicates existing posts and cable
- Indicates existing Power Pole.
- Indicates existing S.D.G. & E. utility box.

Parcel 1: Lease Parcel
Parcel 2: Option Parcel

-25-

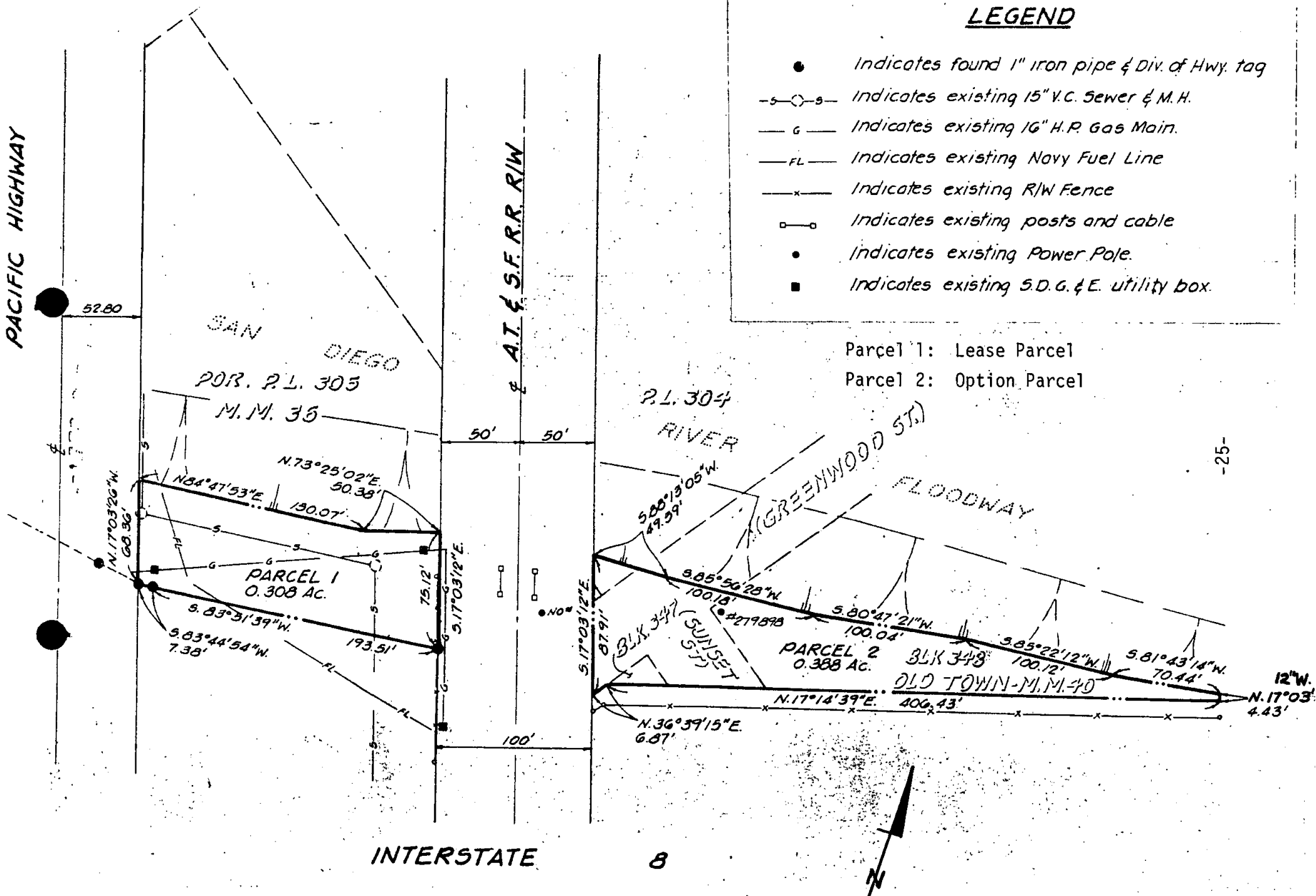
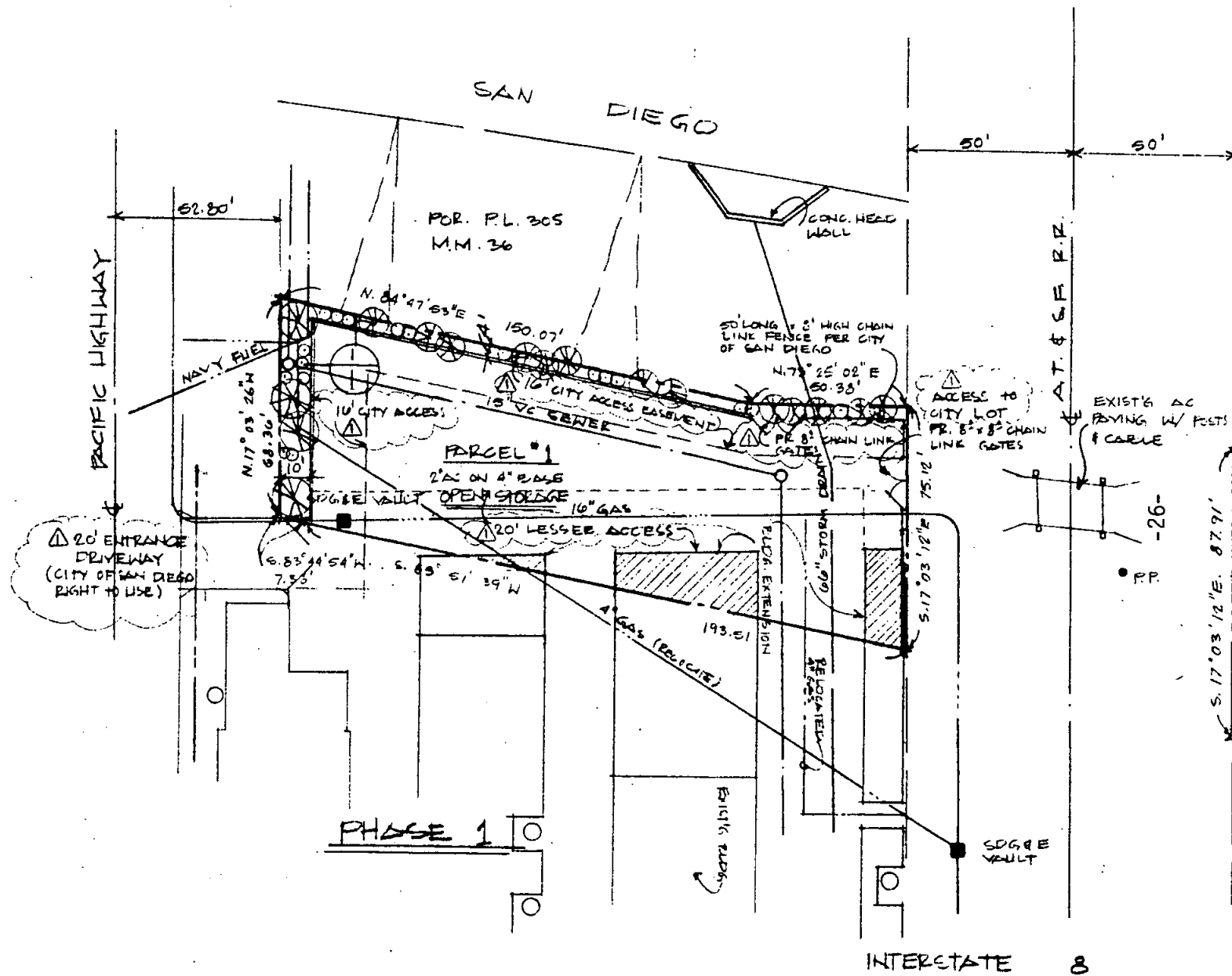
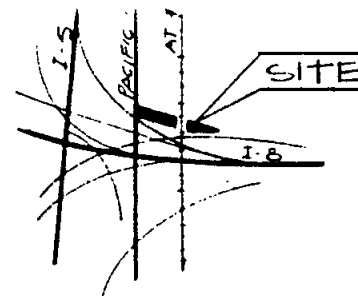
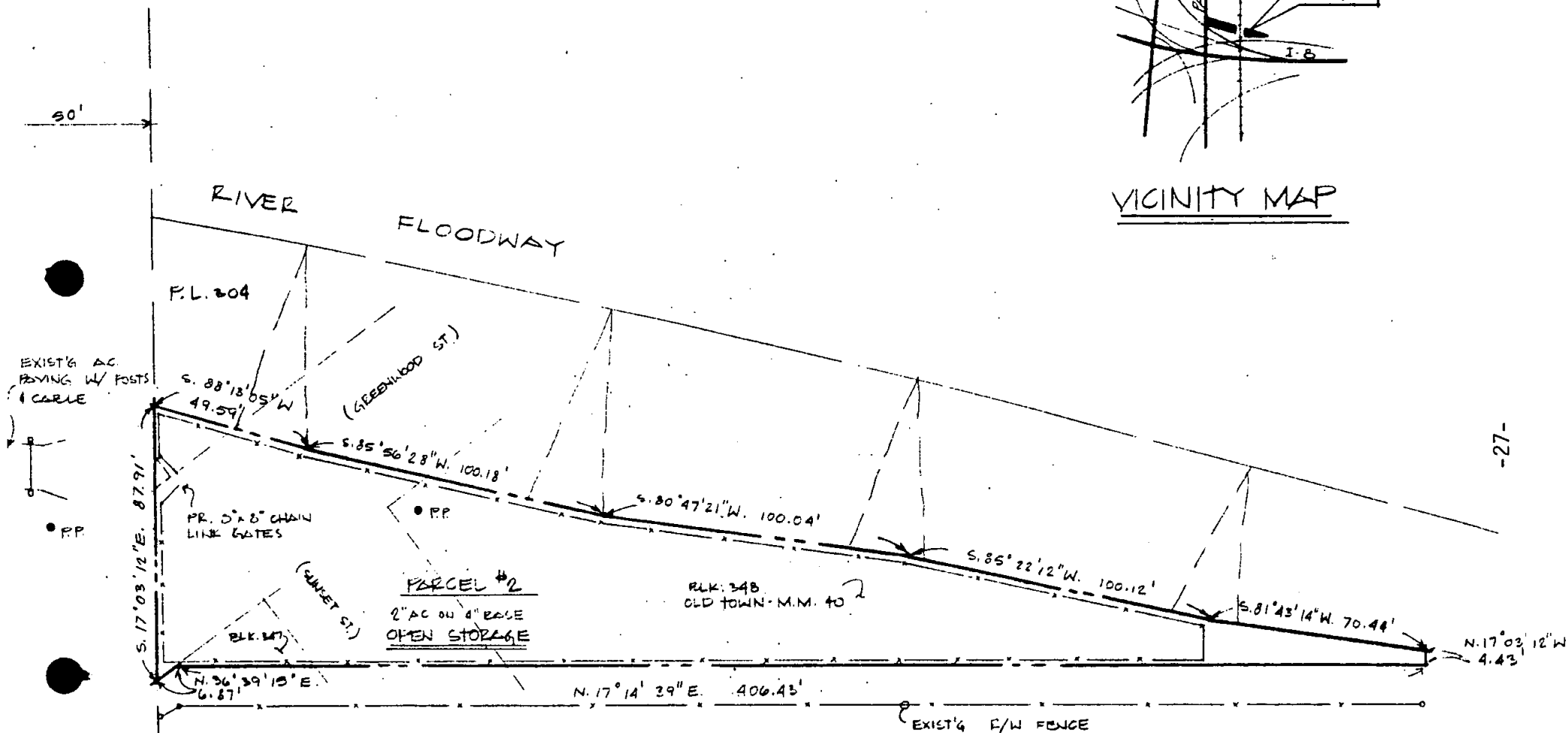


EXHIBIT A

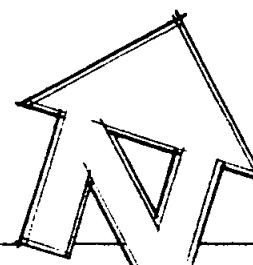




VICINITY MAP



PHASE 2

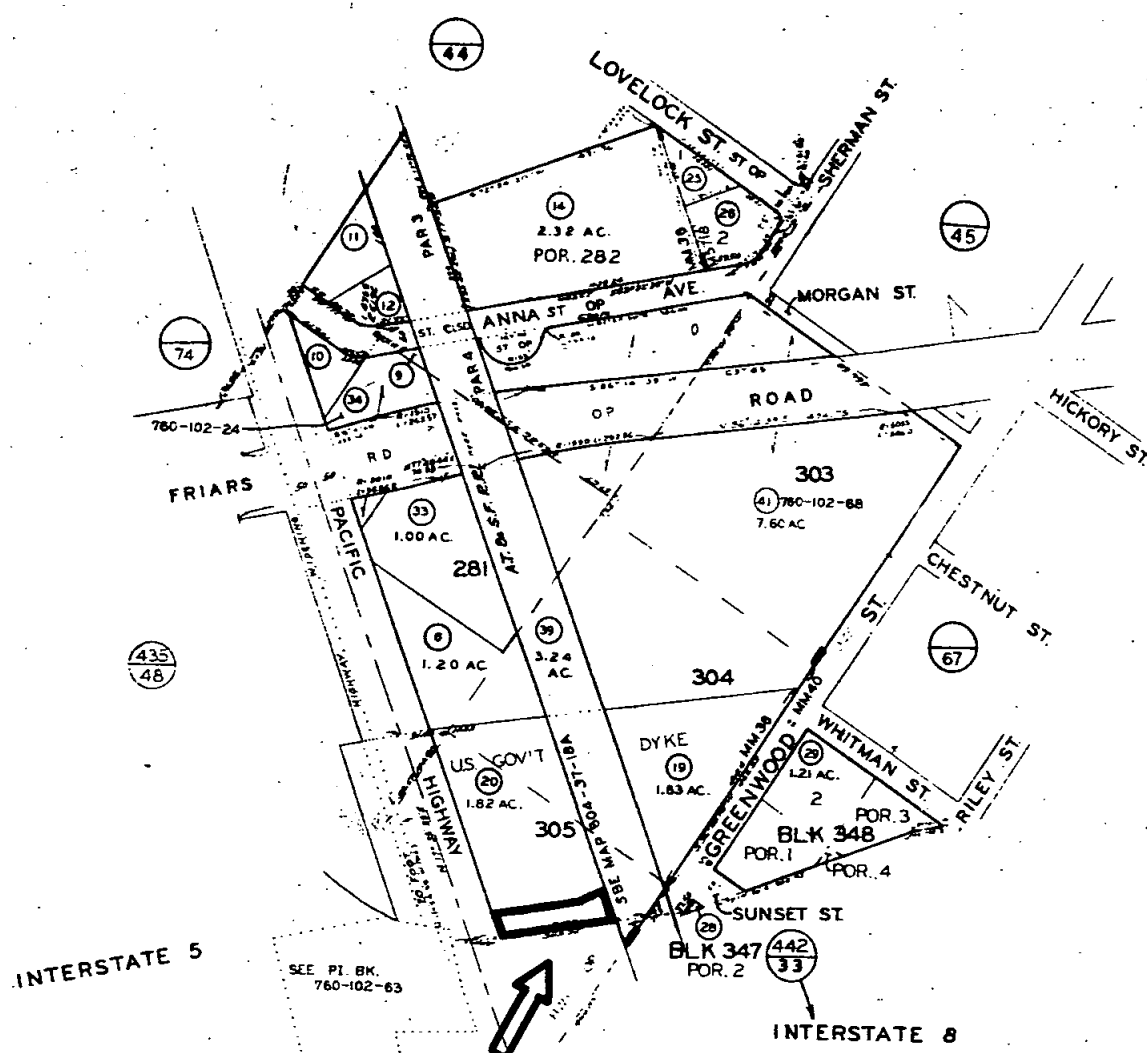


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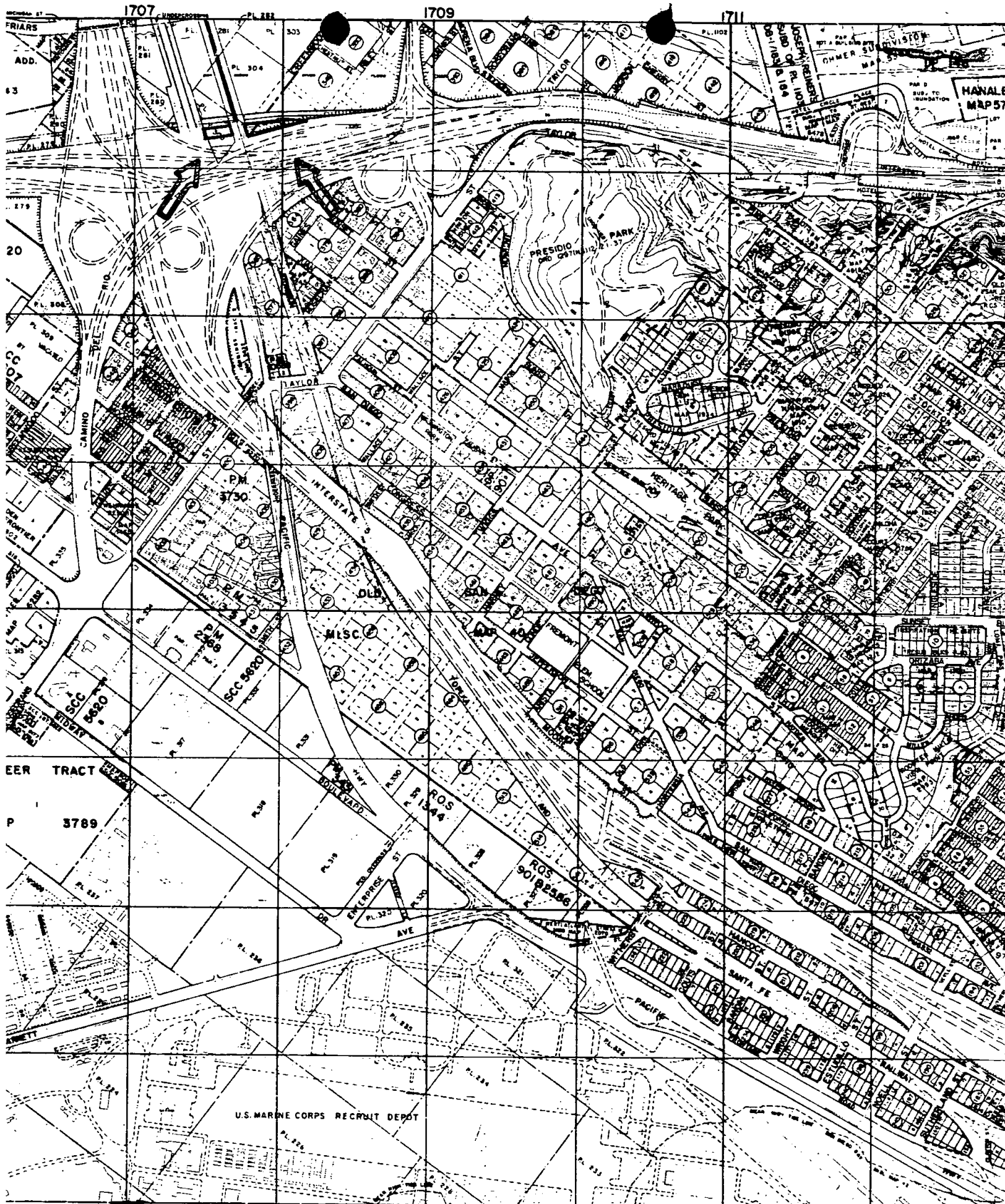
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1-200
IN

1-17-82 M.D.

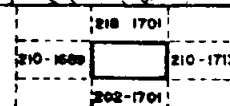
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MAP 5718 - FEWEL SUB
MM NO - OLD SAN DIEGO



CITY OF SAN DIEGO, CALIFORNIA

100 FEET
DATUM IS MEAN SEA LEVEL



210-1701

CHANGES

INTERSTATE 5

SEE PL. BK.
760-102-63

INTERSTATE 8

$$\frac{442}{26}$$

MAP 5718 - FEWEL SUB
MM 40 - OLD SAN DIEGO
MM 36 - PUEBLO LANDS