



THE CITY OF

SAN DIEGO

AIRPORTS DIVISION

• MONTGOMERY AND BROWN FIELDS

Main Office

• Montgomery Field Administration Building

3750 John J. Montgomery Drive

• San Diego, California 92123-1769

• Phone (619) 573-1425

Fax (619) 279-0536

REAL ESTATE ASSETS
DEPARTMENT

November 20, 1996

Wendi Ghiloni
Realty Specialist
Real Estate & Utilities Team, AWP-54B
Federal Aviation Administration
P.O. Box 92007
Worldway Postal Center
Los Angeles, CA 90009

RE: Proposed Lease Renewal - Your Lease No. DTFA08-96-L-15638, CWE, Brown Field, San Diego, CA

Dear Ms. Ghiloni:

As we discussed by phone today, enclosed is a copy of the letter I sent to Joan Sunshine-McCann on August 23. We did receive the letter addressed to Marty Mumert which enclosed the proposed lease for the above-referenced renewal. The lease agreement must go before the City Council for approval before it can be signed and sent back to you. It will take Mr. Mumert approximately 60-90 days from now to complete this process.

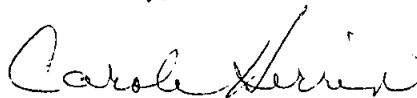
As you know, the current agreement expired September 30, 1996. It is the City's desire to holdover the lease on a month to month basis until the new agreement can be consummated. If this is satisfactory to you, please sign the enclosed copy of this letter and return it to Martin Mumert, Brown Field Asset Manager, City of San Diego, Airports Division, Brown Field Airport, 1590 Continental Street, Suite A, San Diego, CA 92173.



DIVERSITY
BRINGS US ALL TOGETHER

If you have any questions, please feel free to give me a call at 619-573-1435 or Mr. Mumert at 619-424-0486.

Sincerely,



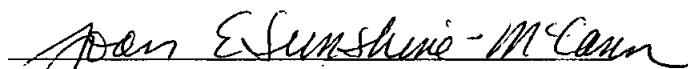
Carole Herrin, SR/WA
Airports Real Estate Manager

CAH

cc: Acting Deputy Director/Airports
Acting Operations Manager, SDM
Martin Mumert, Asset Manager, SDM

THE ABOVE IS ACKNOWLEDGED AND AGREED TO THIS 26th DAY OF November
1996.

THE UNITED STATES OF AMERICA
DEPARTMENT OF TRANSPORTATION
FEDERAL AVIATION ADMINISTRATION



Contracting Officer, Real Estate
& Utilities Team, AWP-54B

COPY

**DUPLICATE
ORIGINAL**

**DEPARTMENT OF TRANSPORTATION
FEDERAL AVIATION ADMINISTRATION
REAL ESTATE AND UTILITIES BRANCH, AWP-56
P. O. BOX 92007, WORLDWAY POSTAL CENTER
LOS ANGELES, CALIFORNIA 90009-2007**

**LEASE NO: DTFAO8-91-L-13242
BROWN FIELD MUNICIPAL AIRPORT
AIR TRAFFIC CONTROL TOWER
OTAY MESA ROAD
SAN DIEGO, CALIFORNIA 92173**

LEASE

DOCUMENT NO. RR-284325

FILED JUL 25 1994

between

**OFFICE OF THE CITY CLERK
SAN DIEGO, CALIFORNIA**

CITY OF SAN DIEGO

and

THE UNITED STATES OF AMERICA

This lease, made and entered into this 25th day of July
in the year one-thousand nine hundred and ninety-three by and between **CITY OF
SAN DIEGO**, whose address is: four

**ATTN: DEPUTY DIRECTOR/AIRPORTS
3750 JOHN J. MONTGOMERY DRIVE
SAN DIEGO, CALIFORNIA 92123**

for itself and its successors and assigns, hereinafter called the Lessor and the **UNITED STATES OF AMERICA**, hereinafter called the **GOVERNMENT**:

WITNESSETH: The parties hereto for the consideration hereinafter mentioned covenant and agree as follows:

1. For the term beginning October 1, 1993 and ending September 30, 1994 the Lessor, hereby leases to the Government the following described real property, hereinafter called the premises, viz:

See Page 2 for legal description and Exhibit "A" for delineation of the leased premises and improvements.

Page 2 of 8

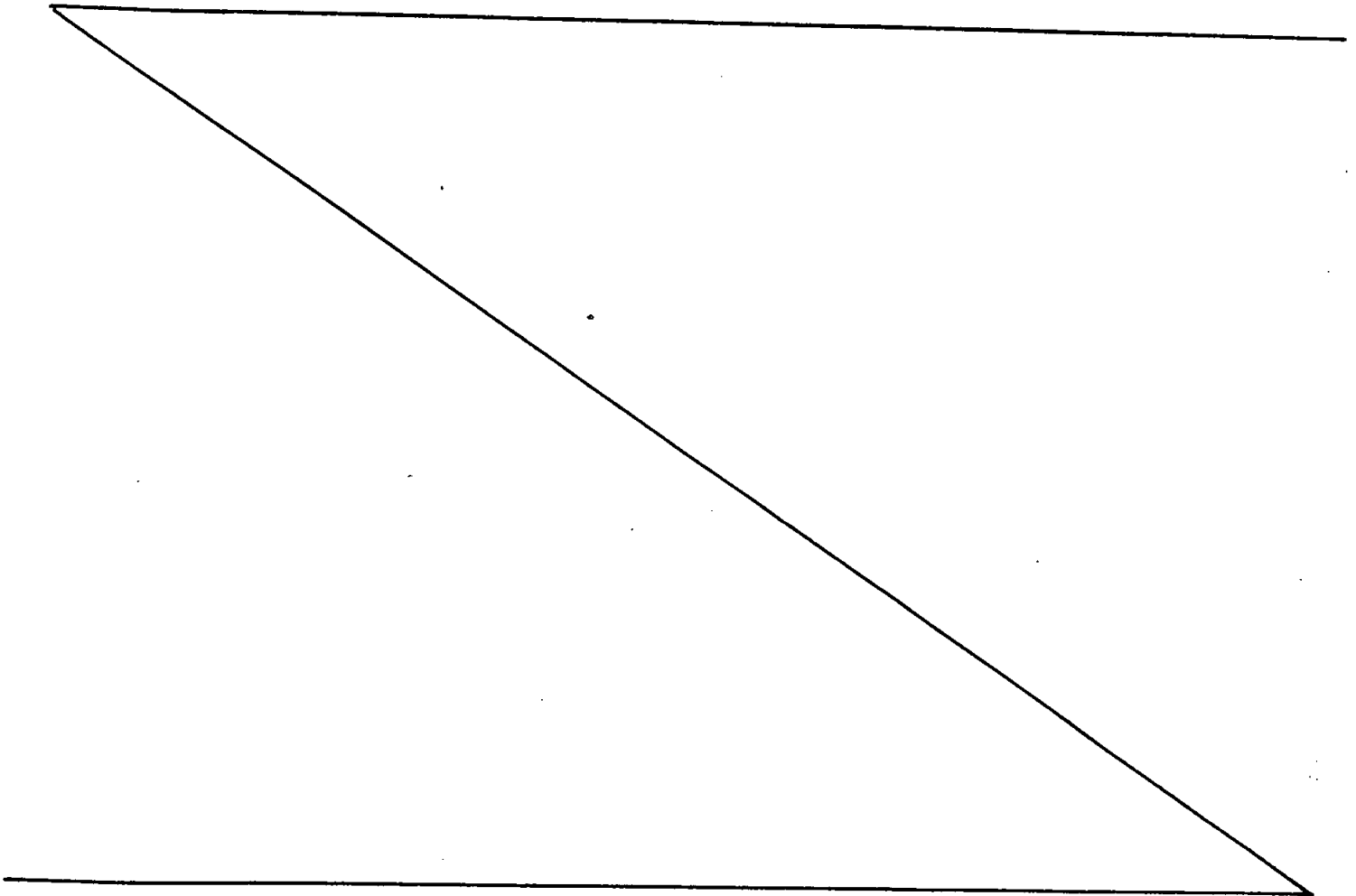
Lease No: DTFA08-91-L-13242

BROWN FIELD AIR TRAFFIC CONTROL TOWER

LEASE DESCRIPTION
BROWN FIELD AIR TRAFFIC CONTROL TOWER
OTAY MESA ROAD
SAN DIEGO, CALIFORNIA

That portion of Sections 27 and 28, Township 18 South, Range 1 West, San Bernardino Base and Meridian, in the City of San Diego, County of San Diego, State of California, described as follows:

Beginning at the southwest corner of said Section 27; thence N 00° 45' 19" E along the west line of said Section 27, 159.88 feet; thence N 60° 00' 16" E 378.59 feet to the true point of beginning; thence N 83° 59' 44" W 72.50 feet; thence N 60° 00' 16" E 145.00 feet; thence S 83° 59' 44" E 145.00 feet, thence S 60° 00' 16" E 145.00 feet; thence N 83° 59' 44" W 72.50 feet to the true point of beginning.



Page 3 of 8

Lease No: DTFAO8-91-L-13242

BROWN FIELD AIR TRAFFIC CONTROL TOWER

OTAY MESA ROAD

SAN DIEGO, CALIFORNIA 92173

a. Together with a right-of-way for ingress to and egress from the premises; a right-of-way or rights-of-way for establishing and maintaining a pole line or pole lines for extending electric power, and telecommunications facilities to the premises; and right-of-way for subsurface power, communication and water lines to the premises; all rights-of-way to be over the said lands and adjoining lands of the lessor, and unless herein described by metes and bounds, to be by routes reasonably determined to be the most convenient to the Government.

b. And the right of grading, conditioning, and installing drainage facilities, and seeding the soil of the premises, and the removal of all obstructions from the premises which may constitute a hindrance to the establishment and maintenance of air navigation and telecommunications facilities. Any alterations or improvement by the Government must have prior written approval by the Deputy Director of Airports.

c. And the right to make alterations, attach fixtures, and erect additions, structures, or signs, in or upon the premises hereby leased, which alterations, fixtures, additions, structures or signs so placed in or upon, or attached to the said premises shall be and remain the property of the Government, and may be removed upon the date of expiration or termination of this lease, or within ninety (90) days thereafter, by or on behalf of the Government, or its grantees, or purchasers of said alterations, fixtures, additions, structures, or signs.

2. This lease may, at the option of the Government, be renewed from year to year, not to exceed 10 (ten) years and otherwise upon the terms and conditions herein specified. The Government's option shall be deemed exercised and the lease renewed each year for one (1) year unless either party serves the other party prior 180 day written notice; and that the Government will not exercise its option before this lease or any renewal thereof expires: PROVIDED, that no renewal thereof shall extend the period of occupancy of the premises beyond the 30th day of September 2003.

3. The Government shall pay the Lessor no monetary consideration in the form of rental, it being mutually agreed that the rights extended to the Government herein are in consideration of the obligations assumed by the Government in its establishment, operation and maintenance of facilities upon the premises hereby leased for the term set forth in Article 1 above, and monetary consideration for each annual renewal exercised by the Government hereafter.

Page 4 of 8

Lease No: DTFAO8-91-L-13242

BROWN FIELD AIR TRAFFIC CONTROL TOWER

OTAY MESA ROAD

SAN DIEGO, CALIFORNIA 92173

4. Either party may terminate this lease, in whole or in part, at any time by giving at least 180 days notice in writing to the other party, and no rental shall accrue after the effective date of the termination. Said notice shall be sent by certified or registered mail.

5. The Government shall surrender possession of the premises upon the date of expiration or termination of this lease. If the Lessor by written notice at least 30 days before the date of expiration or termination requests restoration of the premises, the Government at its option shall within ninety (90) days after such expiration or termination, or within such additional time as may be mutually agreed upon, either (1) restore the premises to as good condition as that existing at the time of the Government's initial entry upon the premises under this lease or any preceding lease (changes to the premises in accordance with paragraph 1.(a), 1.(b) and 1.(c) above, ordinary wear and tear, damage by nature elements and by circumstances over which the Government has no control, excepted) or (2) make an equitable adjustment in the lease amount for the cost of such restoration of the premises or the diminution of the value of the premises if unrestored, whichever is less. Should a mutually acceptable settlement be made hereunder, the parties shall enter into a supplemental agreement hereto effecting such agreement. Failure to agree to any such equitable adjustment shall be a dispute concerning a question of fact within the meaning of Clause 6 of this lease.

6. (a) This lease is subject to the Contract Disputes Act of 1978 (Public Law 95-563).

(b) Except as provided in the Act, all disputes arising under or relating to this lease shall be resolved in accordance with this clause.

(c) (i) As used herein, "claim" means a written demand or assertion by one of the parties seeking, as a legal right, the payment of money, adjustment or interpretation of lease terms, or other relief, arising under or relating to this lease.

(ii) A voucher, invoice, or request for payment that is not in dispute when submitted is not a claim for the purpose of the Act. However, where such submission is subsequently not acted upon in a reasonable time, or disputed either as to liability or amount, it may be converted to a claim pursuant to the Act.

Page 5 of 8

Lease No.: DTFAO8-91-L-13242

BROWN FIELD AIR TRAFFIC CONTROL TOWER

OTAY MESA ROAD

SAN DIEGO, CALIFORNIA 92173

(iii) A claim by the Lessor shall be made in writing and submitted to the Contracting Officer for decision. A claim by the Government against the Lessor shall be subject to a decision by the Contracting Officer.

(d) For Lessor claims of more than \$50,000, the Lessor shall submit with the claim a certification that the claim is made in good faith; the supporting data are accurate and complete to the best of the Lessor's knowledge and belief; and the amount requested accurately reflects the lease adjustment for which the Lessor believes the Government is liable. The certification shall be executed by the Lessor if an individual. When the Lessor is not an individual, the certification shall be executed by a senior company official in charge at the Lessor plant or location involved, or by an officer or general partner of the Lessor having overall responsibility for the conduct of the Lessor's affairs.

(e) For Lessors claim of \$50,000 or less, the Contracting Officer must render a decision within 60 days. For Lessor claims in excess of \$50,000, the Contracting Officer must decide the claim within 60 days or notify the Lessor of the date when the decision will be made.

(f) The Contracting Officer's decision shall be final unless the Lessor appeals or files a suit as provided in the Act.

(g) The authority of the Contracting Officer under the Act does not extend to claims or disputes which by statute or regulation other agencies of the Executive Branch of the Federal Government are expressly authorized to decide.

(h) Interest on the amount found due on a Lessor claim shall be paid from the date of the claim is received by the Contracting Officer until the date of payment. Interest on the amount found due on a Government claim shall be paid from the date the claim is received by the Lessor until the date of payment. Interest shall be computed at ten percent (10%) per annum on the basis of a 365 or 366 day year, whichever applies.

(i) Except as the parties may otherwise agree, pending final resolution of a claim by the Lessor arising under the lease, the Lessor shall proceed diligently with the performance of the lease and its terms in accordance with the Contracting Officer's decision.

Page 6 of 8

Lease No.: DTFAO8-91-L-13242

BROWN FIELD AIR TRAFFIC CONTROL TOWER

OTAY MESA ROAD

SAN DIEGO, CALIFORNIA 92173

7. No member of Congress or Resident Commissioner shall be admitted to any share or part of this lease, or to any benefit to arise therefrom.

8. The Lessor warrants that no person or selling agency has been employed or retained to solicit or secure this lease upon an agreement or understanding for a commission, brokerage, percentage or contingent fee, except bona fide employees or bona fide established commercial or selling agencies maintained by the Lessor for the purpose of securing business. For breach or violation of this warranty, the Government shall have the right to annul this lease without liability, or in its discretion to deduct from amounts otherwise due under this lease or other consideration, the full amount of such commission, brokerage, percentage, or contingent fee.

9. All notices sent to the parties under the lease shall be addressed as follows:

To the Lessor:

CITY MANAGER
ATTN: DEPUTY DIRECTOR AIRPORTS
3750 JOHN J. MONTGOMERY DRIVE
SAN DIEGO, CALIFORNIA 92123

To the Government:

DEPARTMENT OF TRANSPORTATION
FEDERAL AVIATION ADMINISTRATION
REAL ESTATE AND UTILITIES BRANCH, AWP-56B
P.O. BOX 92007, WORLDWAY POSTAL CENTER
LOS ANGELES, CALIFORNIA 90009-2007

10. This lease is subject to the additional provisions set forth below, or attached hereto and incorporated herein. These additional provisions are identified as follows in paragraphs:

Page 7 of 8

Lease No.: DTFAO8-91-L-13242

BROWN FIELD AIR TRAFFIC CONTROL TOWER

OTAY MESA ROAD

SAN DIEGO, CALIFORNIA 92173

a. The airport owner agrees that any relocation, replacement, or modification of the **BROWN FIELD AIR TRAFFIC CONTROL TOWER** or components thereof covered by this lease during its term or any renewal thereof made necessary by airport improvements or changes which impair or interrupt the technical and/or operational characteristics of the facilities, will be at the expense of the airport owner; except, when such improvements or changes are made at the specific request of the Government.

In the event such relocations or modifications are necessitated due to causes not attributable to either the airport owner or the Government, funding responsibility shall be determined by the Government.

b. The Government shall make all arrangements for and pay all utilities used by it on the premises.

c. The Government agrees to remediate, at its sole cost, all hazardous substance contamination on the leased premises that is found to have occurred as a direct result of the installation, operation, and/or maintenance of the Brown Field Air Traffic Control Tower facility. The Lessor agrees to remediate, at its sole cost, any and all other hazardous substance contamination found on the leased premises. The Lessor also agrees to save and hold the Government harmless for any and all costs, liabilities and/or claim by third parties that arise out of hazardous contamination found on the leased premises not directly attributable to the installation, operation and/or maintenance of the Brown Field Air Traffic Control Tower.

d. The Operation Agreement for Airport Air Traffic Control Tower is attached to the lease and made a part hereof.

Page 8 of 8

Lease No: DTFAO8-91-L-13242

BROWN FIELD AIR TRAFFIC CONTROL TOWER

OTAY MESA ROAD

SAN DIEGO, CALIFORNIA 92173

IN WITNESS WHEREOF, the parties hereto have hereunto subscribed their names as of the date first above written.

CITY OF SAN DIEGO

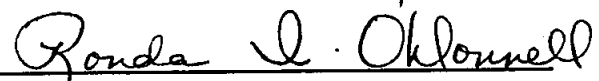
By: 

PETER SODERQUIST

Title: DEPUTY DIRECTOR/AIRPORTS

Date: August 10, 1994

**THE UNITED STATES OF AMERICA
DEPARTMENT OF TRANSPORTATION
FEDERAL AVIATION ADMINISTRATION**

By: 

Title: Contracting Officer

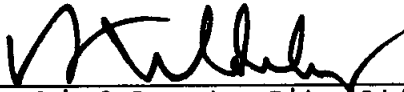
Date: 8/30/94

R- 284325

Page 8A

APPROVED AS TO FORM AND LEGALITY THIS 15 DAY OF August 1994

JOHN W. WITT, City Attorney

By 
Chief Deputy City Attorney

DEVELOPMENT AND ENVIRONMENTAL PLANNING
ENVIRONMENTAL CLEARANCE

 SR PLANNER/EAS
Name/Date 6/23/94

72N

SEE MAP

72N

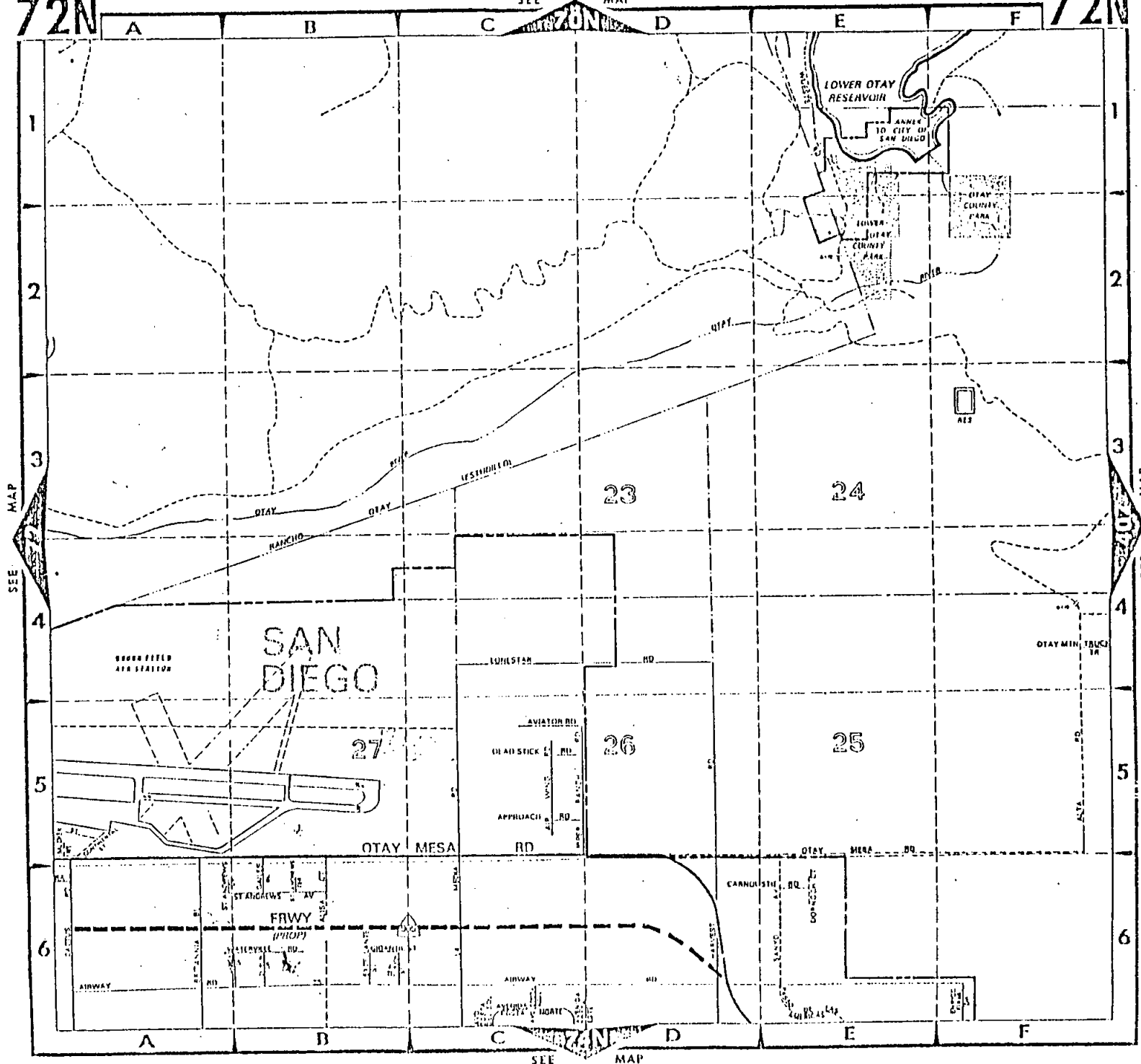


Exhibit A

~~046-05~~
~~646-06~~
~~760-108~~
 3-13-81
 NPS
 ⊕

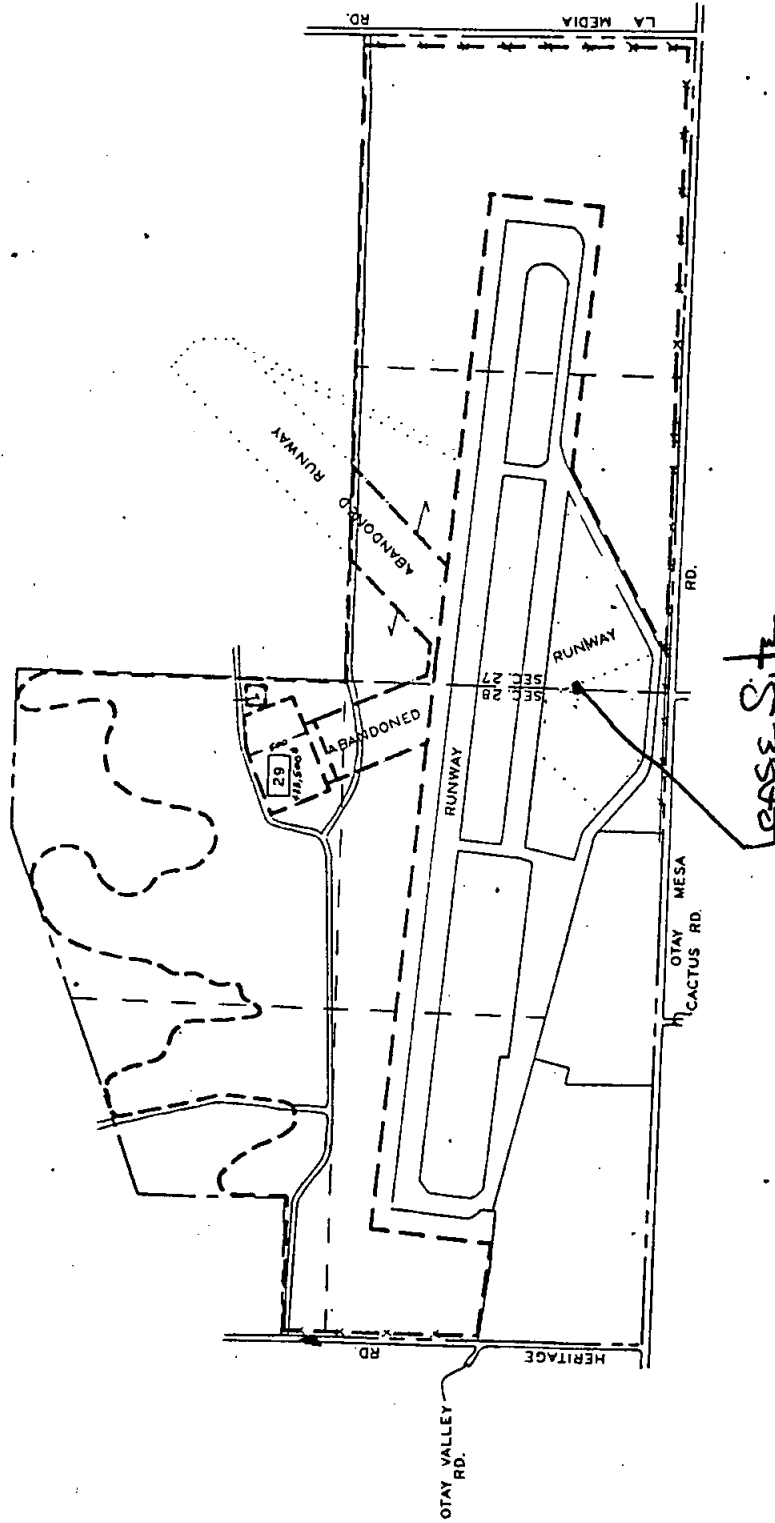


Exhibit A-1

046-05
 646-06
 760-108

OPERATION AGREEMENT FOR AIRPORT
TRAFFIC CONTROL TOWER

DEPARTMENT OF TRANSPORTATION
FEDERAL AVIATION ADMINISTRATION

OPERATION AGREEMENT FOR AIRPORT TRAFFIC CONTROL TOWER
(Constructed by the Government)

I. THIS AGREEMENT is to be attached to and made a part of Lease No. DTFA08-91-L-13242 between the United States of America acting by and through the Federal Aviation Administration, hereinafter called Government, and CITY OF SAN DIEGO operating its airport known as BROWN FIELD AIR TRAFFIC CONTROL TOWER located at SAN DIEGO, CALIFORNIA, hereinafter known as Lessor, and this said Agreement shall be executed by the parties hereto independently of said lease to which it is a part.

II. WHEREAS, An Airport Traffic Control Tower will be or has been erected on the leased plot by and at the expense of the Government; and

III. WHEREAS, It is in the public interest that the said Airport Traffic Control Tower on the above airport be operated by the Government, subject to the availability of funds therefor, in accordance with standards established by the Government;

IV. NOW, THEREFORE, The Lessor agrees to the following conditions:

1. The Lessor shall, at no expense to the Government, provide the lighting control panels in the said Tower and shall provide all electrical circuits and current, on a continuing basis, necessary for the operation of boundary, flood and obstruction lights, including those which may be operated by the Government; all airport lighting which the Government determines is essential to aircraft operations, including the foregoing, and all such air traffic control devices which are designated to be directly or remotely controlled from the Airport Traffic Control Tower shall be operationally under the control of the Government's Air Traffic Controllers, and the Lessor shall be responsible for the proper and continued functioning of any locally-installed lights or other device placed under the Government's control.

2. The Lessor shall be responsible for the proper and continued functioning of all equipment and devices which the Government determines are necessary for air traffic control, but which cannot be placed in operation or controlled from said Tower, or are not otherwise operated by or under the control of the Government.

3. The Lessor shall promptly advise the Government's duly authorized representative(s) in said Tower of any conditions which render all, or any, area(s) of the Airport unsafe for normal utilization by aircraft and will, upon demand, appropriately mark any such area(s) in a manner approved by the Government which properly indicates the existing condition(s); the Lessor shall promptly give notice to the Government's Tower representative(s) prior to the time any maintenance or construction is begun on the airport landing area unless such action is in accordance with a schedule which has been previously coordinated with the said Tower; said notice shall be given not less than thirty (30) days prior to the commencement date and said approved schedules shall be submitted for approval no less than thirty (30) days prior to the scheduled date for beginning the first item of construction and/or maintenance on the schedule.

4. The Government shall have absolute control of the operation of said Tower and its associated facilities at all times and shall not be subject to direction from the Lessor in this regard, ~~but the Lessor shall indemnify and save harmless the Government from and against all loss, injury, or damage and any claims for such acts resulting from or incident to the operation of said Tower; provided, however,~~ the Lessor shall not be responsible for any ~~such~~ acts or claims resulting from the negligent or wrongful act or omission of any employee operating in said Tower. INITIAL
Q
Xio

5. The Lessor, upon request from the Government, agrees to provide two-way ground control communication equipment in its maintenance and emergency vehicles scheduled to regularly operate in the airport landing area, and such equipment shall be capable of maintaining radio communications with the Government's Tower on said Airport.

6. The Lessor, agrees to pay (and the Government shall not pay any part of such costs other than those provided by any existing Federal Aid to Airports Programs) for the relocation of said Tower and its associated facilities if such relocation is made necessary by Airport improvements or changes which impair the technical and/or operational characteristics of said Tower and its associated facilities.

V. FURTHER, At any Airport on which said Tower is constructed and on which there have not been expended Federal funds under any Federal Aid to Airports Program, the Lessor agrees to the following additional provisions:

1. The Lessor agrees that the Airport shall be operated for the use and benefit of the public, on fair and reasonable terms, without unjust discrimination, and agrees that it shall not grant or permit any exclusive right for the use of the Airport which is forbidden by Section 308 of the Federal Aviation Act of 1958, as amended (49 U.S.C. 1349), or any succeeding laws or regulation on the same subject;

R-284325

2. The Lessor agrees that in its operation of all facilities on the Airport neither it nor any person or entity occupying space or facilities thereon shall discriminate against any person, or organization, or class of persons by reason of race, color, creed, or national origin in the operation of any airport facilities provided for the use of the public;

VII. Dated this, the sixth day of September, 1994.

LESSOR:

CITY OF SAN DIEGO

THE UNITED STATES OF AMERICA
DEPARTMENT OF TRANSPORTATION
FEDERAL AVIATION ADMINISTRATION

By: [Signature]

By: Ronda I. O'Honnell

Title: Deputy Director, Airports

Title: CONTRACTING OFFICER

(R-95-36)

RESOLUTION NUMBER R- 284325

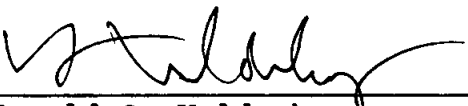
ADOPTED ON JUL 25 1994

BE IT RESOLVED, by the Council of The City of San Diego, that the City Manager is hereby authorized to execute, for and on behalf of The City of San Diego, a one-year lease agreement, with nine one-year options to renew, with a 180-day cancellation clause that can be exercised by either party, with the FEDERAL AVIATION ADMINISTRATION (FAA) for approximately 21,025 square feet of land and traffic control tower at Brown Field Airport, with consideration during the lease term to include the establishment, operation and maintenance of the facilities for the control of air traffic for the benefit of the public, under the terms and conditions set forth in that lease agreement on file in the office of the City Clerk as Document No.

RR- 284325.

APPROVED: JOHN W. WITT, City Attorney

By



Harold O. Valderhaug
Chief Deputy City Attorney

HOV:ps
07/06/94
Or.Dept:Gen.Svcs.
R-95-36
Form=r-t

Passed and adopted by the Council of The City of San Diego on JUL 25 1994 by the following vote:

YEAS: MATHIS, ROBERTS, KEHOE, STEVENS, WARDEN, STALLINGS, MCCARTY, VARGAS,
MAYOR GOLDING

NAYS: NONE

NOT PRESENT: NONE

AUTHENTICATED BY:

MAUREEN O'CONNOR
Mayor of The City of San Diego, California

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

(SEAL)

By: ELISE M. HARMON, Deputy

I HEREBY CERTIFY that the above and foregoing is a full, true and correct copy of RESOLUTION
NO. R- 284325, passed and adopted by the Council of The City of San Diego, California
on JUL 25 1994.

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

(SEAL)

By: Elise M. Harmon, Deputy

DEPARTMENT OF TRANSPORTATION
FEDERAL AVIATION ADMINISTRATION
REAL ESTATE AND UTILITIES BRANCH, AWP-56
P. O. BOX 92007, WORLDWAY POSTAL CENTER
LOS ANGELES, CALIFORNIA 90009-2007

LEASE NO: DTFA08-91-L-13242
BROWN FIELD MUNICIPAL AIRPORT
AIR TRAFFIC CONTROL TOWER
OTAY MESA ROAD
SAN DIEGO, CALIFORNIA 92173

LEASE

between

CITY OF SAN DIEGO

and

THE UNITED STATES OF AMERICA

This lease, made and entered into this day of
in the year one-thousand nine hundred and ninety-two by and between
CITY OF SAN DIEGO, whose address is:

ATTN: DEPUTY DIRECTOR/AIRPORTS
3750 JOHN J. MONTGOMERY DRIVE
SAN DIEGO, CALIFORNIA 92123

for itself and its successors and assigns, hereinafter called the Lessor and
the UNITED STATES OF AMERICA, hereinafter called the Government:

WITNESSETH: The parties hereto for the consideration hereinafter mentioned
covenant and agree as follows:

1. For the term beginning July 1, 1991 and ending July 30, 1992 the
Lessor, hereby leases to the Government the following described real
property, hereinafter called the premises, viz:

See Page 2 for legal description and Exhibit "A" for delineation of the
leased premises and improvements.

Page 2 of 8

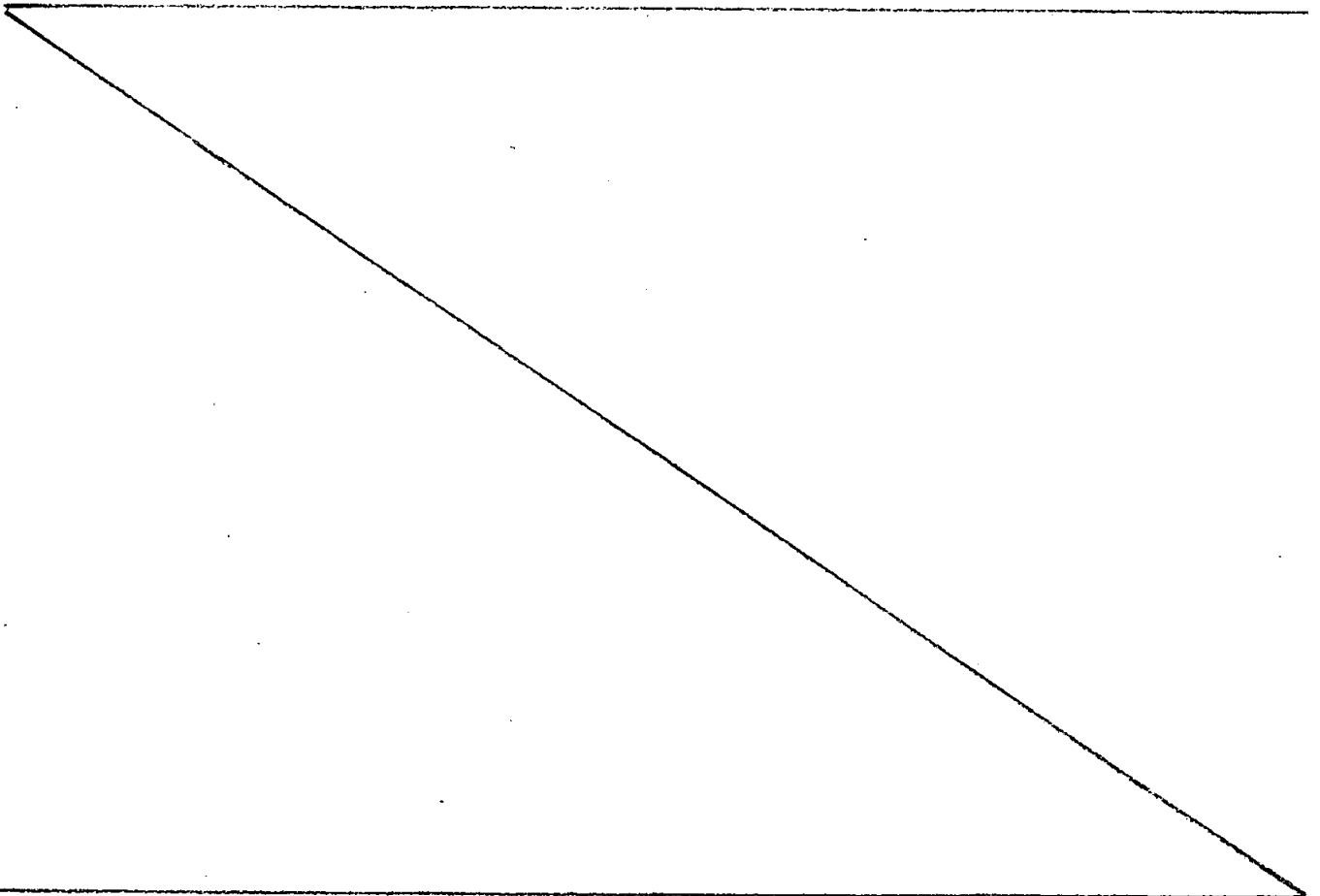
Lease No: DTFA08-91-L-13242

BROWN FIELD AIR TRAFFIC CONTROL TOWER

LEASE DESCRIPTION
BROWN FIELD AIR TRAFFIC CONTROL TOWER
OTAY MESA ROAD
SAN DIEGO, CALIFORNIA

That portion of Sections 27 and 28, Township 18 South, Range 1 West, San Bernardino Base and Meridan, in the City of San Diego, County of San Diego, State of California, described as follows:

Beginning at the southwest corner of said Section 27; thence N 00 45' 19" E along the west line of said Section 27, 159.88 feet; thence N 60 00' 16" E 378.59 feet to the true point of beginning; thence N 83o 59' 44" W 72.50 feet; thence N 6o 00' 16" E 145.00 feet; thence S 83o 59' 44" E 145.00 feet, thence S 6o 00' 16" 145.00 feet; thence N 83o 59' 44" W 72.50 feet to the true point of beginning.



a. Together with a right-of-way for ingress to and egress from the premises; a right-of-way or rights-of-way for establishing and maintaining a pole line or pole lines for extending electric power, and telecommunications facilities to the premises; and right-of-way for subsurface power, communication and water lines to the premises; all rights-of-way to be over the said lands and adjoining lands of the lessor, and unless herein described by metes and bounds, to be by routes reasonably determined to be the most convenient to the Government.

b. And the right of grading, conditioning, and installing drainage facilities, and seeding the soil of the premises, and the removal of all obstructions from the premises which may constitute a hindrance to the establishment and maintenance of air navigation and telecommunications facilities. Any alterations or improvement by the Government must have prior written approval by the Deputy Director of Airports.

c. And the right to make alterations, attach fixtures, and erect additions, structures, or signs, in or upon the premises hereby leased, which alterations, fixtures, additions, structures or signs so placed in or upon, or attached to the said premises shall be and remain the property of the Government, and may be removed upon the date of expiration or termination of this lease, or within ninety (90) days thereafter, by or on behalf of the Government, or its grantees, or purchasers of said alterations, fixtures, additions, structures, or signs.

2. This lease may, at the option of the Government, be renewed from year to year, not to exceed 10 (ten) years and otherwise upon the terms and conditions herein specified. The Government's option shall be deemed exercised and the lease renewed each year for one (1) year unless either party serves the other party prior 180 day written notice; and that the Government will not exercise its option before this lease or any renewal thereof expires: PROVIDED, that no renewal thereof shall extend the period of occupancy of the premises beyond the 30th day of September 2001.

3. The Government shall pay the Lessor no monetary consideration in the form of rental, it being mutually agreed that the rights extended to the Government herein are in consideration of the obligations assumed by the Government in its establishment, operation and maintenance of facilities upon the premises hereby leased for the term set forth in Article 1 above, and monetary consideration for each annual renewal exercised by the Government hereafter.

4. Either party may terminate this lease, in whole or in part, at any time by giving at least 180 days notice in writing to the other party, and no rental shall accrue after the effective date of the termination. Said notice shall be sent by certified or registered mail.

5. The Government shall surrender possession of the premises upon the date of expiration or termination of this lease. If the Lessor by written notice at least 30 days before the date of expiration or termination requests restoration of the premises, the Government at its option shall within ninety (90) days after such expiration or termination, or within such additional time as may be mutually agreed upon, either (1) restore the premises to as good condition as that existing at the time of the Government's initial entry upon the premises under this lease or any preceding lease (changes to the premises in accordance with paragraph 1.(a), 1.(b) and 1.(c) above, ordinary wear and tear, damage by nature elements and by circumstances over which the Government has no control, excepted) or (2) make an equitable adjustment in the lease amount for the cost of such restoration of the premises or the diminution of the value of the premises if unrestored, whichever is less. Should a mutually acceptable settlement be made hereunder, the parties shall enter into a supplemental agreement hereto effecting such agreement. Failure to agree to any such equitable adjustment shall be a dispute concerning a question of fact within the meaning of Clause 6 of this lease.

6. (a) This lease is subject to the Contract Disputes Act of 1978 (Public Law 95-563).

(b) Except as provided in the Act, all disputes arising under or relating to this lease shall be resolved in accordance with this clause.

(c) (i) As used herein, "claim" means a written demand or assertion by one of the parties seeking, as a legal right, the payment of money, adjustment or interpretation of lease terms, or other relief, arising under or relating to this lease.

(ii) A voucher, invoice, or request for payment that is not in dispute when submitted is not a claim for the purpose of the Act. However, where such submission is subsequently not acted upon in a reasonable time, or disputed either as to liability or amount, it may be converted to a claim pursuant to the Act.

(iii) A claim by the Lessor shall be made in writing and submitted to the Contracting Officer for decision. A claim by the Government against the Lessor shall be subject to a decision by the Contracting Officer.

(d) For Lessor claims of more than \$50,000, the Lessor shall submit with the claim a certification that the claim is made in good faith; the supporting data are accurate and complete to the best of the Lessor's knowledge and belief; and the amount requested accurately reflects the lease adjustment for which the Lessor believes the Government is liable. The certification shall be executed by the Lessor if an individual. When the Lessor is not an individual, the certification shall be executed by a senior company official in charge at the Lessor plant or location involved, or by an officer or general partner of the Lessor having overall responsibility for the conduct of the Lessor's affairs.

(e) For Lessors claim of \$50,000 or less, the Contracting Officer must render a decision within 60 days. For Lessor claims in excess of \$50,000, the Contracting Officer must decide the claim within 60 days or notify the Lessor of the date when the decision will be made.

(f) The Contracting Officer's decision shall be final unless the Lessor appeals or files a suit as provided in the Act.

(g) The authority of the Contracting Officer under the Act does not extend to claims or disputes which by statute or regulation other agencies of the Executive Branch of the Federal Government are expressly authorized to decide.

(h) Interest on the amount found due on a Lessor claim shall be paid from the date of the claim is received by the Contracting Officer until the date of payment. Interest on the amount found due on a Government claim shall be paid from the date the claim is received by the Lessor until the date of payment. Interest shall be computed at ten percent (10%) per annum on the basis of a 365 or 366 day year, whichever applies.

(i) Except as the parties may otherwise agree, pending final resolution of a claim by the Lessor arising under the lease, the Lessor shall proceed diligently with the performance of the lease and its terms in accordance with the Contracting Officer's decision.

Page 6 of 8

Lease No.: DTFA08-91-L-13242

BROWN FIELD AIR TRAFFIC CONTROL TOWER

7. No member of Congress or Resident Commissioner shall be admitted to any share or part of this lease, or to any benefit to arise therefrom.

8. The Lessor warrants that no person or selling agency has been employed or retained the solicit or secure this lease upon an agreement or understanding for a commission, brokerage, percentage or contingent fee, except bona fide employees or bona fide established commercial or selling agencies maintained by the Lessor for the purpose of securing business. For breach or violation of this warranty, the Government shall have the right to annul this lease without liability, or in its discretion to deduct from amounts otherwise due under this lease or other consideration, the full amount of such commission, brokerage, percentage, or contingent fee.

9. All notices sent to the parties under the lease shall be addressed as follows:

To the Lessor:

CITY MANAGER
ATTN: DEPUTY DIRECTOR AIRPORTS
3750 JOHN J. MONTGOMERY DRIVE
SAN DIEGO, CALIFORNIA 92123

To the Government:

DEPARTMENT OF TRANSPORTATION
FEDERAL AVIATION ADMINISTRATION
REAL ESTATE AND UTILITIES BRANCH, AWP-56B
P.O. BOX 92007, WORLDWAY POSTAL CENTER
LOS ANGELES, CALIFORNIA 90009-2007

10. This lease is subject to the additional provisions set for below, or attached hereto and incorporated herein. These additional provisions are identified as follows in paragraphs:

Page 7 of 8

Lease No.: DTFA08-91-L-13242

BROWN FIELD AIR TRAFFIC CONTROL TOWER

a. The airport owner agrees that any relocation, replacement, or modification of the BROWN FIELD AIR TRAFFIC CONTROL TOWER or components thereof covered by this lease during its term or any renewal thereof made necessary by airport improvements or changes which impair or interrupt the technical and/or operational characteristics of the facilities, will be at the expense of the airport owner; except, when such improvements or changes are made at the specific request of the Government.

In the event such relocations or modifications are necessitated due to causes not attributable to either the airport owner or the Government, funding responsibility shall be determined by the Government.

b. The Government shall make all arrangements for and pay all utilities used by it on the premises.

c. The Government agrees to remediate, at its sole cost, all hazardous substance contamination on the leased premises that is found to have occurred as a direct result of the installation, operation, and/or maintenance of the Air Traffic Control Tower facility. The Lessor agrees to remediate, at its sole cost, any and all other hazardous substance contamination found on the leased premises. The Lessor also agrees to save and hold the Government harmless for any and all costs, liabilities and/or claim by third parties that arise out of hazardous contamination found on the leased premises not directly attributable to the installation, operation and/or maintenance of the Air Traffic Control Tower.

Page 8 of 8

Lease No: DTFA08-91-L-13242

BROWN FIELD AIR TRAFFIC CONTROL TOWER

IN WITNESS WHEREOF, the parties hereto have hereunto subscribed their names as of the date first above written.

MANAGER, CITY OF SAN DIEGO

By: _____

Title: _____

Date: _____

THE UNITED STATES OF AMERICA
DEPARTMENT OF TRANSPORTATION
FEDERAL AVIATION ADMINISTRATION

By: Barbara H. Moreau

Title: Contracting Officer

Date: July 31, 1992

OPERATION AGREEMENT FOR AIRPORT
TRAFFIC CONTROL TOWER

DEPARTMENT OF TRANSPORTATION
FEDERAL AVIATION ADMINISTRATION

OPERATION AGREEMENT FOR AIRPORT TRAFFIC CONTROL TOWER
(Constructed by the Government)

I. THIS AGREEMENT is to be attached to and made a part of Lease No. DTFA08-91-L-13242 between the United States of America acting by and through the Federal Aviation Administration, hereinafter called Government, and CITY OF SAN DIEGO operating its airport known as BROWN FIELD AIR TRAFFIC CONTROL TOWER located at SAN DIEGO, CALIFORNIA, hereinafter known as Lessor, and this said Agreement shall be executed by the parties hereto independently of said lease to which it is a part.

II. WHEREAS, An Airport Traffic Control Tower will be or has been erected on the leased plot by and at the expense of the Government; and

III. WHEREAS, It is in the public interest that the said Airport Traffic Control Tower on the above airport be operated by the Government, subject to the availability of funds therefor, in accordance with standards established by the Government;

IV. NOW, THEREFORE, The Lessor agrees to the following conditions:

1. The Lessor shall, at no expense to the Government, provide the lighting control panels in the said Tower and shall provide all electrical circuits and current, on a continuing basis, necessary for the operation of boundary, flood and obstruction lights, including those which may be operated by the Government; all airport lighting which the Government determines is essential to aircraft operations, including the foregoing, and all such air traffic control devices which are designated to be directly or remotely controlled from the Airport Traffic Control Tower shall be operationally under the control of the Government's Air Traffic Controllers, and the Lessor shall be responsible for the proper and continued functioning of any locally-installed lights or other device placed under the Government's control.

2. The Lessor shall be responsible for the proper and continued functioning of all equipment and devices which the Government determines are necessary for air traffic control, but which cannot be placed in operation or controlled from said Tower, or are not otherwise operated by or under the control of the Government.

3. The Lessor shall promptly advise the Government's duly authorized representative(s) in said Tower of any conditions which render all, or any, area(s) of the Airport unsafe for normal utilization by aircraft and will, upon demand, appropriately mark any such area(s) in a manner approved by the Government which properly indicates the existing condition(s); the Lessor shall promptly give notice to the Government's Tower representative(s) prior to the time any maintenance or construction is begun on the airport landing area unless such action is in accordance with a schedule which has been previously coordinated with the said Tower; said notice shall be given not less than thirty (30) days prior to the commencement date and said approved schedules shall be submitted for approval no less than thirty (30) days prior to the scheduled date for beginning the first item of construction and/or maintenance on the schedule.

4. The Government shall have absolute control of the operation of said Tower and its associated facilities at all times and shall not be subject to direction from the Lessor in this regard, but the Lessor shall indemnify and save harmless the Government from and against all loss, injury, or damage and any claims for such acts resulting from or incident to the operation of said Tower; provided, however, the Lessor shall not be responsible for any such acts or claims resulting from the negligent or wrongful act or omission of any employee operating in said Tower.

5. The Lessor, upon request from the Government, agrees to provide two-way ground control communication equipment in its maintenance and emergency vehicles scheduled to regularly operate in the airport landing area, and such equipment shall be capable of maintaining radio communications with the Government's Tower on said Airport.

6. The Lessor, agrees to pay (and the Government shall not pay any part of such costs other than those provided by any existing Federal Aid to Airports Programs) for the relocation of said Tower and its associated facilities if such relocation is made necessary by Airport improvements or changes which impair the technical and/or operational characteristics of said Tower and its associated facilities.

V. FURTHER, At any Airport on which said Tower is constructed and on which there have not been expended Federal funds under any Federal Aid to Airports Program, the Lessor agrees to the following additional provisions:

1. The Lessor agrees that the Airport shall be operated for the use and benefit of the public, on fair and reasonable terms, without unjust discrimination, and agrees that it shall not grant or permit any exclusive right for the use of the Airport which is forbidden by Section 308 of the Federal Aviation Act of 1958, as amended (49 U.S.C. 1349), or any succeeding laws or regulation on the same subject;

2. The Lessor agrees that in its operation of all facilities on the Airport neither it nor any person or entity occupying space or facilities thereon shall discriminate against any person, or organization, or class of persons by reason of race, color, creed, or national origin in the operation of any airport facilities provided for the use of the public;

3. ~~As a protection to the capital investment by The United States Government,~~ the Lessor agrees to continue the operation of said Airport without reduction in runway length, for a period of not less than twenty (20) years. The Lessor further agrees that in the event it fails to do so it will reimburse The United States Government the sum or \$ _____, the initial construction cost as reimbursement for costs incurred in the construction of the Airport Traffic Control Tower structure. It is mutually understood and agreed that this sum will be reduced by 1/20 for every year that the Lessor does continue the operation of the said Airport. BNM

VI. ~~Section V, above, does does not apply to this contract.~~
(strike out one)

VII. Dated this, the _____ day of _____, 19__.

Lessor: _____

By: _____

Title: _____

Date: _____

The United States of America

By: Barbara H. Moreau

Title: Contracting Officer

Date: July 31, 1992