

FIRST AMENDMENT TO
LEASE AGREEMENT

This First Amendment to Lease Agreement is executed by and between THE CITY OF SAN DIEGO ("CITY") as lessor and ORFILA VINEYARDS, INC., ("LESSEE") with respect to the following facts:

RECITALS

- A. The CITY and LESSEE have entered into that certain Lease Agreement, dated October 18, 1999 and filed in the Office of the City Clerk of the City of San Diego as Document RR-292312.
- B. Included in the lease as additional percentage rent is a requirement for LESSEE to pay the CITY \$20,063 in connection with an audit deficiency determination for the period ending December 31, 1995.
- C. LESSEE has disputed the amount owing and contends the actual amount owed is much lower.
- D. CITY and LESSEE are willing to agree to resolve the dispute and to set the amount owed at \$9,119.98.

CITY and LESSEE agree to amend the Lease Agreement to read as follows:

Section 3.2(c) Percentage Rents: Percentage rents will be calculated on a calendar month basis and will consist of the following percentages of the gross income resulting from the use of the premises:

- 1. Standard Percentage. LESSEE shall pay 3% of all income from all operations on or from the leasehold.
- 2. Audit Deficiency Repayment. LESSEE shall pay .25% of all income from all operations on or from the leasehold, in addition to the 3% required in Section 3.2.c.1., up to a total amount of \$9,119.98, to repay the agreed upon audit deficiency for the period ending December 31, 1995.

Nothing contained herein is intended to alter or amend any other covenant or provision of said Lease Agreement.

This Amendment shall be effective February 1, 2002.

DOCUMENT NO. RR-297131
FILED OCT 07 2002
OFFICE OF THE CITY CLERK
SAN DIEGO, CALIFORNIA

This First Amendment is executed by the CITY and LESSEE on the day of
OCT 07 2002, 2002.

THE CITY OF SAN DIEGO

7-1-02
Date

T. C.

ORFILA VINEYARDS, INC.

6-6-02
Date

Alexander Orfila

APPROVED AS TO FORM AND LEGALITY THIS 15th DAY OF October, 2002.

CASEY GWINN

Russella Dwyer
Deputy City Attorney

DCM/jmj
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R- 297131

(R-2003-314)

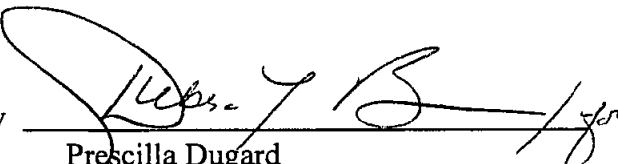
RESOLUTION NUMBER R- **297131**

ADOPTED ON **OCT 07 2002**

BE IT RESOLVED, by the Council of the City of San Diego, that the City Manager is authorized to execute, for and on behalf of the City of San Diego, a First Amendment to Lease Agreement with Orfila Vineyards, Inc., under the terms and conditions set forth in that First Amendment to Lease Agreement on file in the office of the City Clerk as Document No.

RR- **297131**.

APPROVED: CASEY GWINN, City Attorney

By 
Prescilla Dugard
Deputy City Attorney

PD:cdk
08/27/02
Or.Dept:REA
R-2003-314
Form=leaser.frm

Passed and adopted by the Council of San Diego on

OCT 07 2002

by the following vote:

YEAS: PETERS, WEAR, ATKINS, STEVENS, MAIENSCHIN, FRYE, MADAFFER,
INZUNZA, MAYOR MURPHY.

NAYS: NONE.

NOT PRESENT: NONE..

AUTHENTICATED BY:

DICK MURPHY

Mayor of The City of San Diego, California

CHARLES G. ABDELNOUR

City Clerk of The City of San Diego, California

(Seal)

By: MARY A. CEPEDA, Deputy

I HEREBY CERTIFY that the above and foregoing is a full, true and
correct copy of RESOLUTION NO. R- **297131**, passed
and adopted by the Council of The City of San Diego, California
on OCT 07 2002.

CHARLES G. ABDELNOUR

City Clerk of The City of San Diego, California

(SEAL)

By: Mary A. Cepeda, Deputy