

DOC # 2005-0035333



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JAN 13, 2005 3:20 PM

RECORDED REQUEST OF
First American Title
SUBDIVISION MAPPING DEPT.

OFFICIAL RECORDS
SAN DIEGO COUNTY RECORDER'S OFFICE
GREGORY J. SMITH, COUNTY RECORDER
FEES: 246.00
PAGES: 40

WHEN RECORDED MAIL TO:

International Gateway Associates, LLC
Attn: JER International Gateway LLC
c/o JER Partners (JC Richards)
1650 Tysons Boulevard, Suite 1600
McLean, Virginia 22102



2005-0035333

1492948-15

AMENDED AND RESTATED SECOND AMENDMENT TO PUBLIC USE LEASE

(Parcel A-1)

RECORDED NO. 00100211

DEC 07 2004

SAN DIEGO COUNTY RECORDER

AMENDED AND RESTATED SECOND AMENDMENT TO PUBLIC USE LEASE

(Parcel A-1)

This Amended and Restated Second Amendment to Public Use Lease (this "**Amendment**") is dated for reference purposes as of November 22, 2004, and is entered into by and between INTERNATIONAL GATEWAY ASSOCIATES, LLC, a Delaware limited liability company ("Lessor"), and the CITY OF SAN DIEGO, a charter city ("City").

Recitals

A. Existing Lease. Lessor and City have entered into that certain Public Use Lease dated March 20, 2001 (the "**Lease**"), relating to certain real property referred to therein as "**Parcel A**." The Lease has been amended by that certain Amendment to Public Use Lease dated November 18, 2003 (the "**First Amendment**") and by that certain Second Amendment to Public Use Lease dated August 17, 2004 and filed in the Office of the City Clerk for the City of San Diego on September 14, 2004 as Document No. 00-18932-1 (the "**Former Second Amendment**") and, collectively with the Lease and First Amendment, the "**Existing Lease**"). Any capitalized terms not otherwise defined in this Amendment shall have the meaning ascribed to such terms in the Existing Lease.

B. Purpose. Lessor and the City now wish to enter into this Amendment in order to replace and supercede the terms of the Former Second Amendment and to further amend the provisions of the Lease, all as set forth herein.

Agreement

NOW, THEREFORE, in consideration of the covenants and conditions hereafter contained and subject to the following terms and conditions, Lessor and City amend the Existing Lease in accordance with the terms of this Amendment. The Former Second Amendment is replaced in its entirety by the terms of this Amendment, and the Former Second Amendment shall have no further force or effect. All references herein or in the Existing Lease to the "**Lease**" henceforth shall be deemed to refer to the Existing Lease, as amended by this Amendment, and all references in the Lease to the "**Second Amendment**" shall mean this Amendment. The parties further agree as follows:

1. Property Subject to Lease; Parcel A-1; Map. The parties hereby agree that all references in the Lease to "**Parcel A**" henceforth shall be deemed to refer to Parcel A-1 as described on Exhibit A-1 attached hereto (which for all purposes henceforth shall be deemed to constitute "**Parcel A-1**" for purposes of the Lease), and except for Parcel A-1 as so described, no other portions of "**Parcel A**" (as defined in the Existing Lease) shall continue to be subject to the Lease. The Map of Parcel A referenced in the Existing Lease is hereby deleted. Lessor and City hereby acknowledge and agree that the rights and obligations of Lessor under the Existing Lease, as amended by this Amendment, shall be binding upon Lessor, as owner of Parcel A-1, and any successor owner(s) of Parcel A-1.

2. DDA. All references herein or in the Lease to the term "DDA" shall refer to that certain Disposition and Development Agreement entered into by LandGrant as of May 28, 1998 (as succeeded to by Lessor), and by the Agency as of May 29, 1998; as clarified and implemented by (1) that certain First Implementation Agreement dated February 23, 2000 (the "First Implementation Agreement"), (2) that certain Second Implementation Agreement dated November 27, 2000 (the "Second Implementation Agreement"), (3) that certain Third Implementation Agreement dated June 28, 2001 (the "Third Implementation Agreement"), (4) that certain Fourth Implementation Agreement dated May 28, 2002 (the "Fourth Implementation Agreement" and (5) that certain Fifth Implementation Agreement dated November 22, 2004 (the "Fifth Implementation Agreement"), as the same may be further amended or implemented from time to time hereafter.

3. Parking Area Description. The Parking Area Description attached to the Existing Lease as Exhibit C is hereby replaced with the substitute Parking Area Description attached to this Amendment as Exhibit C. The parties agree that the Parking Area Description may be revised from time to time with the consent of the City Manager of the City of San Diego, provided that no such revision (a) shall diminish in any material respect the ability of the City to use the Parking Area for Park and Ride purposes or (b) shall relocate any portion of the Parking Area off Parcel A-1.

4. Plan for Improvements.

(a) The Plan for Improvements on DDA Parcel A, attached to the First Amendment as Exhibit F, is hereby replaced with the Plan for Improvements on DDA Parcel A-1 attached to this Amendment as Exhibit D.

(b) The second and third sentences of Section 5 of the First Amendment are hereby replaced by the following:

"The Plan for Improvements attached as Exhibit D to the Second Amendment to this Lease shows the general layout of approximately 188,272 square feet of retail, office, entertainment and/or food uses to be constructed on Parcel A-1 (the "Initial A Improvements"). The DDA further provides the Developer with an option to develop within Parcel A-1 approximately 3,631 square feet of improvements for retail, office, entertainment and/or food uses within an expansion of Building D-2 identified on the Plan for Improvements as Building D-3 (it being understood that said optional improvements shall not constitute a portion of the Initial A Improvements for purposes of this Lease)."

(c) The reference in Section 2.02(b) of the Lease (as amended by Section 7 of the First Amendment) to Exhibit F to the Lease henceforth shall be deemed to refer to Exhibit D to this Amendment.

5. Amendments to Article 1 of the Lease (Regarding Rent). The parties intend (1) that the Lessor is to be relieved from any obligation to commence or complete any "Supplemental A Improvements", (2) that the former concept of additional rent being payable under the Lease from and after completion of "Supplemental A Improvements" is to be deleted

from the Lease, and (3) that the entire "Annual Rent Amount A-1" and the "Annual Rent Amount A-2" (including both the "Base Rent" and the "Additional Rent" components thereof) shall be payable from and after the Term Commencement Date A-1, notwithstanding the fact that no "Supplemental A Improvements" shall have been completed (and thus the Term Commencement Date A-2 shall be the same day as the Term Commencement Date A-1). In furtherance of these general intentions, the parties agree that Article 1 of the Lease (RENT), as amended by the First Amendment, is hereby further amended with Sections 5(a), (b) and (c) below:

(a) Section 1.01(g) of Article 1 is hereby amended and restated in its entirety to read as follows:

"(g) "Term Commencement Date" shall mean, as to both the Annual Rent Amount A-1 and the Annual Rent Amount A-2, the July 1 next following the date upon which the Initial A Improvements have been completed and the Parking Area Improvements referred to in Section 2.04, have been completed."

(b) Section 1.02 of Article 1 is hereby amended and restated in its entirety to read as follows:

"Section 1.02

a. Annual Rent Amount A. City hereby agrees to pay to Lessor for each Lease Year beginning with the Term Commencement Date A-1 and continuing until the Lease Year ending on the Termination Date A-1, the Annual Rent Amount A (including both the Annual Rent Amount A-1 and the Annual Rent Amount A-2), at which time any as yet unpaid Base Rent A-1, Base Rent A-2, Additional Rent A-1 or Additional Rent A-2 shall be deemed forgiven.

b. Payments. All Rent Amount A shall be payable in cash or by check drawn to the order of Lessor."

(c) Section 1.09 of Article 1 is hereby amended and restated in its entirety to read as follows:

"Section 1.09. Notwithstanding any other provisions of this Lease to the contrary, if City has made, or is treated as if having made pursuant to Section 1.04 above, the Base Rent A-1, Additional Rent A-1, Base Rent A-2 and Additional Rent A-2 payments in compliance with the provisions of this Article 1 for transactions occurring on Parcel A-1 for thirty (30) Lease Years beginning with the Term Commencement Date A-1, then the Base Rent A-1, the Additional Rent A-1, the Base Rent A-2 and the Additional Rent A-2 shall be deemed to have been completely paid, even if the sum of such installments totals less than otherwise required by this Lease."

6. Actions to Effectuate this Amendment. The parties agree to execute such other instruments, memoranda, agreements and amendments to documents as may be necessary or appropriate to effectuate the intent of this Amendment and the Lease.

7. Existing Lease to Remain in Effect. Except as expressly provided otherwise in this Amendment, and as amended hereby, the Existing Lease remains in full force and effect, enforceable in accordance with its terms.

8. Counterparts; Date of Amendment. This Amendment may be executed in counterparts, each of which is deemed to be an original. This Amendment shall not be effective until it has been mutually executed by Lessor and City. Upon such mutual execution, the date of this Amendment for reference purposes shall be the date first set forth above.

IN WITNESS WHEREOF, the parties have executed this Amendment ~~as of the date and year first above written.~~

INTERNATIONAL GATEWAY
ASSOCIATES, LLC, a Delaware limited
liability company

THE CITY OF SAN DIEGO, a California
municipal corporation

By: [Signature]
Name: JAMES C. RICHARDS
Title: V.P.

By: [Signature]
Name: Henry C. Cunningham
Title: Authorized designee City Manager

APPROVED AS TO FORM AND
LEGALITY ON THIS 7th day
of January, 2004 5

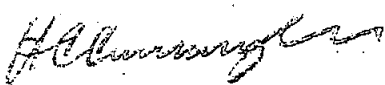
City Attorney of the City of San Diego

By: [Signature]
Name: Daisy Humphrey

APPROVAL OF THE REDEVELOPMENT AGENCY OF THE CITY OF SAN DIEGO

The Redevelopment Agency of the City of San Diego (the "Agency") acknowledges that it has reviewed the foregoing Amended and Restated Second Amendment to Public Use Lease (the "Amendment") and approves of the execution, delivery and performance of the Amendment. Further, the Agency agrees that it will take all actions reasonably necessary or appropriate in order to implement the transactions contemplated by the Amendment. The Agency acknowledges and agrees that the Lessor and its present and future lenders may rely upon the provisions of this paragraph in proceeding with the financing and redevelopment contemplated by, or otherwise reasonably necessary or appropriate to achieve the redevelopment contemplated by, the DDA.

THE REDEVELOPMENT AGENCY OF THE CITY OF SAN DIEGO

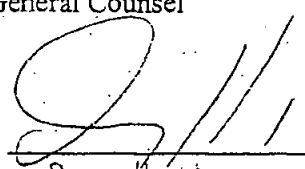
By: 

Name: Henry C. Cunningham

Title: Asst Executive Director

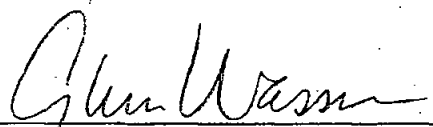
APPROVED AS TO FORM AND
LEGALITY ON THIS 7th day
of January, 2004 5

Agency General Counsel

By: 

Name: Doug Hynes

APPROVED:
KANE, BALLMER & BERKMAN
Agency Special Counsel

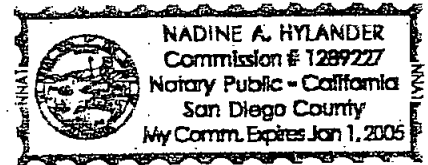
By: 

Glenn F. Wasserman, Esq.

STATE OF CALIFORNIA,
COUNTY OF SAN DIEGO} S.S.

On NOVEMBER 30, 2004, before me, NADINE A. HYLANDER ^{NOTARY PUBLIC} ~~(here insert name and title of the officer)~~, personally appeared JAMES C. RICHARDS ~~personally known to me (or proved to me on the basis of satisfactory evidence)~~ to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

WITNESS my hand and official seal.



Signature _____

Nadine A. Hylander

STATE OF CALIFORNIA,
COUNTY OF SAN DIEGO} S.S.

On _____, 2004, before me, _____ (here insert name and title of the officer), personally appeared _____, personally known to me (or proved to me on the basis of satisfactory evidence) to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

WITNESS my hand and official seal.

Signature _____

STATE OF CALIFORNIA,
COUNTY OF SAN DIEGO} S.S.

On _____, 2004, before me, _____ (here insert name and title of the officer), personally appeared _____, personally known to me (or proved to me on the basis of satisfactory evidence) to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

WITNESS my hand and official seal.

Signature _____

STATE OF CALIFORNIA,
COUNTY OF SAN DIEGO} S.S.

On _____, 2004, before me, _____ (here insert name and title of the officer), personally appeared _____, personally known to me (or proved to me on the basis of satisfactory evidence) to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

WITNESS my hand and official seal.

Signature _____

STATE OF CALIFORNIA,
COUNTY OF SAN DIEGO} S.S.

On _____, 2004, before me, _____ (here insert name and title of the officer), personally appeared _____, personally known to me (or proved to me on the basis of satisfactory evidence) to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

WITNESS my hand and official seal.

Signature _____

STATE OF CALIFORNIA,
COUNTY OF SAN DIEGO} S.S.

On _____, 2004, before me, _____ (here insert name and title of the officer), personally appeared _____, personally known to me (or proved to me on the basis of satisfactory evidence) to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

WITNESS my hand and official seal.

Signature _____

EXHIBIT A-1

Legal Description of Parcel A-1

Parcel 2 as shown on the 2004 West Side Map (as defined in the attached "Map Attachment").

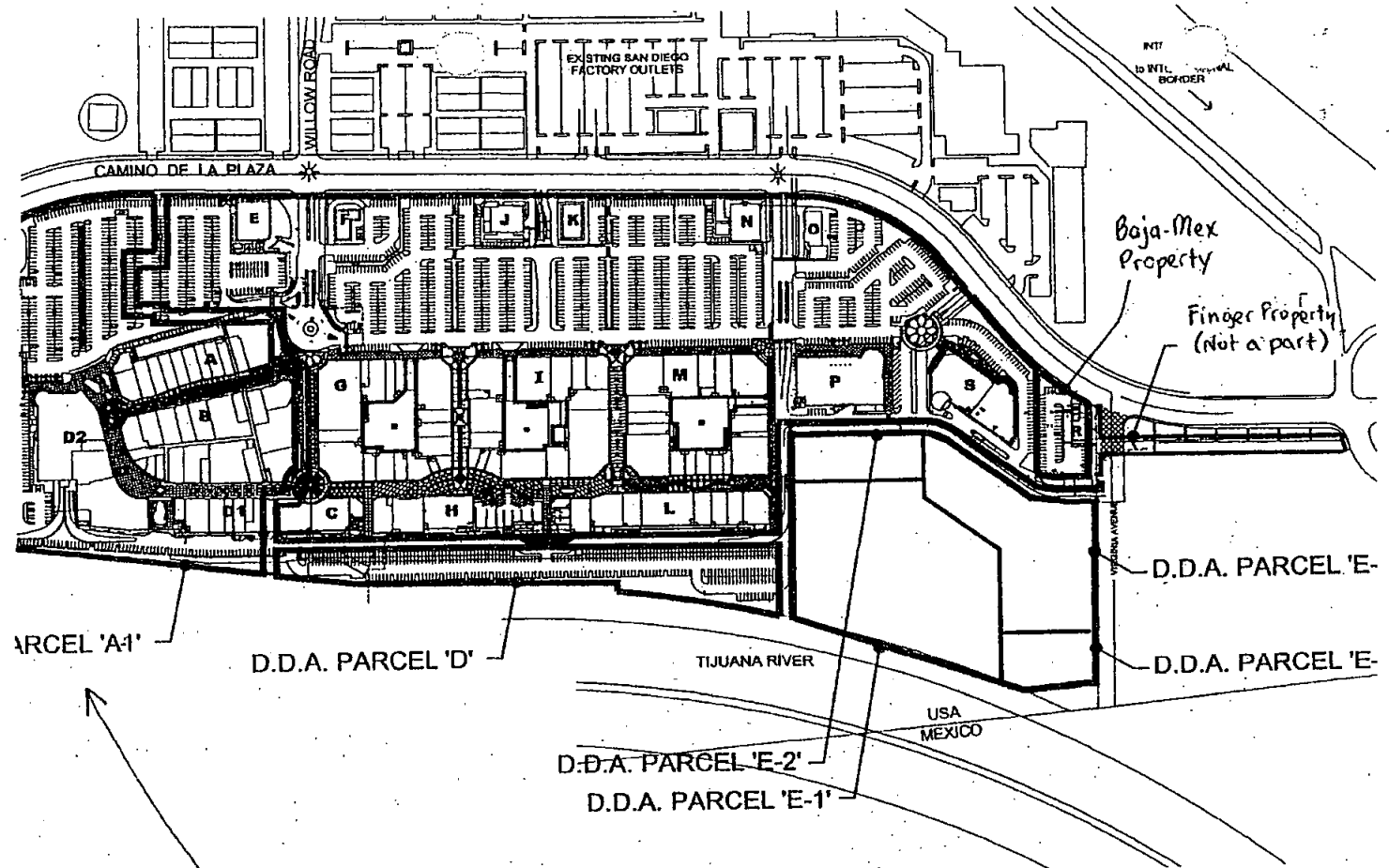
MAP ATTACHMENT

The following terms shall have the following meanings in the document to which this Map Attachment is attached (to the extent used therein):

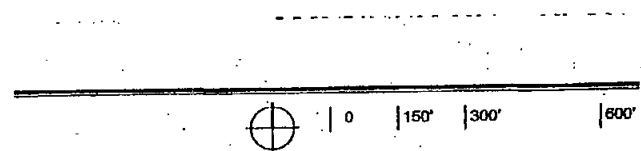
2004 East Side Map: Map No. 19628 recorded on December 16, 2004 in the Official Records of the San Diego County Recorder's Office as File No. 2004-1184765.

2004 West Side Map: Map No. 19629 recorded on December 16, 2004 in the Official Records of the San Diego County Recorder's Office as File No. 2004-1184833.

THERE IS NO EXHIBIT B TO THIS AMENDMENT



Plan for Improvements



MAP ATTACHMENT

The following terms shall have the following meanings in the document to which this Map Attachment is attached (to the extent used therein):

2004 East Side Map: Map No. 19628 recorded on December 16, 2004 in the Official Records of the San Diego County Recorder's Office as File No. 2004-1184765.

2004 West Side Map: Map No. 19629 recorded on December 16, 2004 in the Official Records of the San Diego County Recorder's Office as File No. 2004-1184833.

RECEIVED

FEB 07 2005

COMMUNITY & ECONOMIC DEV
DEPARTMENT

(O-2005-58)

5-
Dup

ORDINANCE NUMBER O- 19344 (NEW SERIES)

ADOPTED ON DEC 07 2004

AN ORDINANCE AUTHORIZING THE CITY MANAGER TO EXECUTE THE AMENDED AND RESTATED SECOND AMENDMENT TO THE PUBLIC USE LEASE AGREEMENT (PARCEL A-1) WITH INTERNATIONAL GATEWAY ASSOCIATES, LLC.

WHEREAS, the City previously entered into a Public Use Lease for Parcel A (public parking) with International Gateway Associates, LLC [Lease], which was approved by Council on March 20, 2001, by Ordinance No. OO-18932; and

WHEREAS, the City previously entered into an Amendment to Public Use Lease for Parcel A (public parking) with International Gateway Associates, LLC which was approved by Council on December 9, 2003, by Ordinance No. OO-19252; and

WHEREAS, the City previously entered into a Second Amendment to Public Use Lease for Parcel A (public parking) with International Gateway Associates, LLC which was approved administratively and dated August 17, 2004; and

WHEREAS, the City and International Gateway Associates, LLC desire to amend the Lease to provide for a minor modification to the Plan for Improvements for Parcel A-1 and physical location of parking spaces; and

WHEREAS, the City and International Gateway Associates, LLC desire to amend the Lease to provide for a relief of responsibility to construct improvements on former Parcel A-2 as they relate to the Term Commencement Date;" and

WHEREAS, the City Council has determined that the Public Use Lease advances important public policies, including the Park and Ride capabilities afforded by the Public Use

Lease, and it has been, and continues to be, the intent of the City Council that the various permits and approvals issued by the City of San Diego with respect to the Las Americas Project (including without limitation the Coastal Development Permit/Site Development Permit No. 40-338 approved on November 2, 2000, by City Council Resolution No. R-294284) should not be interpreted or construed as being inconsistent with, or otherwise prohibiting or interfering with, the uses contemplated by the Public Use Lease; NOW, THEREFORE,

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

Section 1. That the Amended and Restated Second Amendment to the Public Use Lease (Parcel A-1), attached as Exhibit A, is hereby approved.

Section 2. That the City Manager is authorized to execute, for and on behalf of the City of San Diego, the Second and Restated Amendment to the Public Use Lease Agreement (Parcel A-1), with International Gateway Associates, LLC under the terms and conditions set forth in that Amended and Restated Second Amendment on file in the office of the City Clerk as

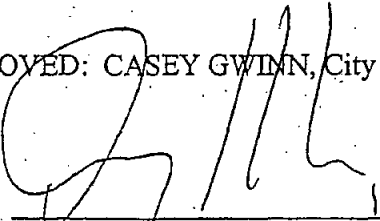
Document No. OO- **19344**

Section 3. That a full reading of this ordinance is dispensed with prior to its final passage, a written or printed copy having been available to the City Council and the public a day prior to its final passage.

Section 4. This ordinance shall take effect and be in force on the thirtieth day from and after its passage.

APPROVED: CASEY GWINN, City Attorney

By



Douglas K. Humphreys
Deputy City Attorney

DKH:ai
10/26/04
Or.Dept:REDV
O-2005-58

0395



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2/27

THE CITY OF SAN DIEGO
MANAGER'S REPORT

DATE ISSUED: February 21, 2001 REPORT NO. 01-035

ATTENTION: Honorable Mayor and City Council
Docket of February 27, 2001

SUBJECT: Lease Agreements (Parking) with International Gateway Associates, LLC
for the International Gateway of the Americas Project (Lease 1: Parcels B
and C; Lease 2: Parcel A) in the San Ysidro Redevelopment Project Area
(Council District 8)

REFERENCE: Manager's Reports No. 00-247, dated November 15, 2000; RA 00-19,
dated November 15, 2000; RA-00-3, dated February 16, 2000; RA-98-4,
dated May 6, 1998; and RA-97-8, dated July 11, 1997

SUMMARY

Issues - Should the City Council authorize the City Manager to enter into two Lease Agreements ("Agreements") with International Gateway Associates, LLC to lease sections of the International Gateway of the Americas retail shopping center parking lots (Lease 1 for Parcels B and C; and Lease 2 for Parcel A) for Park and Ride facilities, using a portion of the sales tax revenues generated by improvements to the property, for a term not to exceed 30 years?

Manager's Recommendation - Authorize the City Manager to enter into two Lease Agreements with International Gateway Associates LLC to lease sections of the International Gateway of the Americas shopping center parking lots (Lease 1 for Parcels B and C; and Lease 2 for Parcel A) for Park and Ride facilities.

Other Recommendations - None.

Fiscal Impact - The total lease price will be \$8,418,000 for Lease 1 (Parcels B and C) and \$6,306,000 for Lease 2 (Parcel A.) The unpaid portion of the leases will bear interest at 10 % per annum for the First Tier Base Rent (\$5,989,000 for Lease 1; and \$1,145,000 for Lease 2) and 6% per annum for the Second Tier Base Rent (\$2,429,000 for Lease 1; and \$5,161,000 for Lease 2.) The maximum total cost to the City, including interest, has been established at \$24,353,190 for Lease 1 and \$14,892,060 for Lease 2. Regardless of whether or not the balance is paid in full, the obligation will terminate after the 30th year

0-18932 0-18933

from the payment commencement date. The Park and Ride facilities will be available for 30 years. The City must receive a Certificate of Completion for not less than 200,525 for Lease 1 and 157,950 for Lease 2 square feet of retail space (325,289 square feet for Lease area 1 and 307,406 square feet for Lease area 2 of retail space was permitted under the recently approved permits.) Revenue for these payments will come only from the increased sales taxes generated by the redevelopment of the site and are expected to be \$1,105,807 for Lease 1 and \$797,400 for Lease 2. The annual lease payment will be \$811,773 for Lease 1 and \$496,402 for Lease 2.

Environmental - The City Council as Lead Agency under CEQA has reviewed and considered an Environmental Impact Report, dated March 1996 and adopted April 2, 1996 by Resolution No. R-287149, and a Mitigated Negative Declaration, dated April 24, 1998 and adopted May 12, 1998 by Resolution No. R-290105, covering this activity.

BACKGROUND

On July 15, 1997, the Redevelopment Agency entered into an Exclusive Negotiating Agreement (ENA) with LandGrant Development to prepare a Disposition and Development Agreement (DDA) for the International Gateway of the Americas (IGA) Project in the San Ysidro Redevelopment Project Area.

On May 12, 1998, the Redevelopment Agency entered into a DDA with LandGrant for the IGA Project. The DDA provided for LandGrant to build 1.4 million square feet of retail, office and hotel uses on approximately 67 acres of land they controlled through a joint venture partnership and/or the Agency agreed to assist in acquiring, if necessary, adjacent to the west of the old Virginia Avenue commercial Port of Entry. The project also proposed a river pedestrian bridge to Tijuana, Mexico, with associated federal inspection facilities. The project was to have a value of \$192,044,000. The DDA provided for the Agency to assist the development through a land purchase and sale arrangement. In addition, the City was asked to participate by entering into public-use leases for public parking lots for Parcels A, B and C, and public works financing agreements to finance the off-site public improvements, both to be paid with sales tax revenues generated from the project. (The public works financing agreements were eliminated as part of the First Implementation Agreement.)

On February 22, 2000, the Redevelopment Agency entered into the First Implementation Agreement with LandGrant. The First Implementation Agreement provided for the Developer to proceed with the first phase of the project ahead of the anticipated International Bridges and Border Commission authorization of the River Pedestrian Bridge. The first phase consists of 654,830 square feet of retail and restaurant commercial development located on approximately 57 acres of the 67 acre site (also known as Parcel A, B and C in the DDA.)

On November 21, 2000, the City Council and the Redevelopment Agency approved the Discretionary Permits for the first phase of the International Gateway of the Americas (IGA)

Project on DDA Parcels A, B and C; approved the Second Implementation Agreement; and a Cooperation Agreement between the City and the Agency. The Second Implementation added more off site public improvements required by the project and shifted the responsibility to pay for some of those improvements to the Redevelopment Agency. The Cooperation Agreement acknowledged and approved the shift of responsibility from the Developer to the Agency.

On September 22, 1998, the cities of San Diego and Tijuana made a joint presentation to the International Bridges and Border Commission (IBBC) for permission to build a river pedestrian bridge connecting Louisiana Avenue and Avenida Revolucion. City representatives flew to Mexico City on November 6, 1998, to exchange information with Mexican federal agencies regarding this project. The City of San Diego followed-up those meetings with a formal application for a Presidential Permit on January 21, 1999. On March 11, 1999, the City of San Diego made a presentation to the United States State Department and other federal agencies in Washington D.C., supporting this project. On April 27, 1999, in Matamoros, Mexico, the City and LandGrant again presented materials to the IBBC and, on October 25, 1999, LandGrant attended the IBBC meeting in El Paso, Texas. On March 7, 2000, the IBBC hosted a Binational Border Walk in Tijuana and toured the IGA site. LandGrant again attended the IBBC spring and fall meetings in 2000. Results of these meetings, and others, have been both positive and encouraging. City staff and LandGrant expect to be successful in obtaining the authorization to construct the River Pedestrian Bridge over the next two or three IBBC meetings, which are held every six months.

DISCUSSION

As noted above, at the time the DDA was approved by the City and Agency, the City was informed that it would be asked to enter into Public Use Lease Agreements for public parking lots. The Public Use Lease Agreements will assist in the development of the project. This new development will increase sales tax revenues to the City and provided employment opportunities in the community.

The City is proposing to lease portions of the parking lots for Park and Ride Facilities. Approximately 635 spaces will be provided on Parcels B and C (Lease 1) and 455 spaces will be provided on Parcel A (Lease 2) which will be available for 30 years. The leases will commence on the July 1 of the year following the fiscal year the private improvements on the Parcels and the parking facilities are completed.

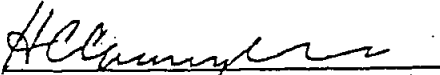
Annual installment payments will be in the amount of \$811,773 per year for Lease 1 and \$496,402 per year for Lease 2, provided that the development generates at least that amount of sales tax revenues to the City. Currently it is estimated that the development on Parcel B and C will generate \$1,105,807 and Parcel A will generate \$797,400 per year to the City. The amount of sales tax received by the City exceeding the annual payment amount will go into a City held reserve account until such reserve account equals \$1,411,904 for Lease 1 and \$588,096 for Lease 2. The reserve account shall be used to supplement the annual lease payment in any year that the

sales tax revenue does not cover the lease payments. The reserve is a one time only amount, if funds are withdrawn to supplement an annual lease payment the reserve account is not replenished. In other words, the maximum amount the City must guarantee for lease shortfalls is \$1,411,904 for Lease 1 and \$588,096 for Lease 2 and only from a reserve built up from project generated sales tax revenues with respect to the parcels. At the end of the 10th lease year, or the year after the sales tax revenues to the City is greater than 1.5 times the Annual Rent, the reserve may be reduced to an amount equal to the annual rent (\$811,773 for Lease 1 and \$496,402 for Lease 2.)

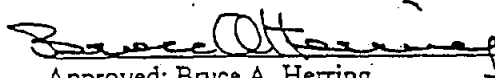
ALTERNATIVE

Do not authorize the City Manager to enter into the Lease Agreements with International Gateway Associates, LLC. This alternative would allow the Developer to terminate the DDA, thereby stopping the development of the project. No tax increment revenues would be generated to the Agency, nor would sales tax revenues be generated to the City. There would be no jobs generated for the community and the land would continue to remain vacant until such time as some developer wished to attempt another development.

Respectfully submitted,



Hank Cunningham
Director
Community and Economic Development



Approved: Bruce A. Herring
Deputy City Manager

CUNNINGHAM/PKH

Attachment(s): 1. Lease Agreement

file:pkh:IGAparkingleaseagreestaffreport

ORDINANCE NUMBER O- 19344 (NEW SERIES)

ADOPTED ON DEC 07 2004

AN ORDINANCE AUTHORIZING THE CITY MANAGER TO EXECUTE THE AMENDED AND RESTATED SECOND AMENDMENT TO THE PUBLIC USE LEASE AGREEMENT (PARCEL A-1) WITH INTERNATIONAL GATEWAY ASSOCIATES, LLC.

WHEREAS, the City previously entered into a Public Use Lease for Parcel A (public parking) with International Gateway Associates, LLC [Lease], which was approved by Council on March 20, 2001, by Ordinance No. OO-18932; and

WHEREAS, the City previously entered into an Amendment to Public Use Lease for Parcel A (public parking) with International Gateway Associates, LLC which was approved by Council on December 9, 2003, by Ordinance No. OO-19252; and

WHEREAS, the City previously entered into a Second Amendment to Public Use Lease for Parcel A (public parking) with International Gateway Associates, LLC which was approved administratively and dated August 17, 2004; and

WHEREAS, the City and International Gateway Associates, LLC desire to amend the Lease to provide for a minor modification to the Plan for Improvements for Parcel A-1 and physical location of parking spaces; and

WHEREAS, the City and International Gateway Associates, LLC desire to amend the Lease to provide for a relief of responsibility to construct improvements on former Parcel A-2 as they relate to the Term Commencement Date;” and

WHEREAS, the City Council has determined that the Public Use Lease advances important public policies, including the Park and Ride capabilities afforded by the Public Use

Lease, and it has been, and continues to be, the intent of the City Council that the various permits and approvals issued by the City of San Diego with respect to the Las Americas Project (including without limitation the Coastal Development Permit/Site Development Permit No. 40-338 approved on November 2, 2000, by City Council Resolution No. R-294284) should not be interpreted or construed as being inconsistent with, or otherwise prohibiting or interfering with, the uses contemplated by the Public Use Lease; NOW, THEREFORE,

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

Section 1. That the Amended and Restated Second Amendment to the Public Use Lease (Parcel A-1), attached as Exhibit A, is hereby approved.

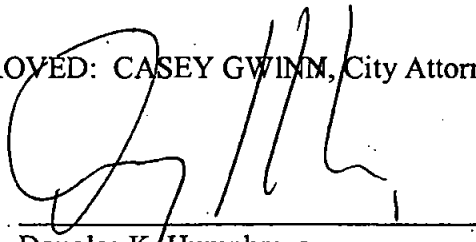
Section 2. That the City Manager is authorized to execute, for and on behalf of the City of San Diego, the Second and Restated Amendment to the Public Use Lease Agreement (Parcel A-1), with International Gateway Associates, LLC under the terms and conditions set forth in that Amended and Restated Second Amendment on file in the office of the City Clerk as Document No. OO- 19344.

Section 3. That a full reading of this ordinance is dispensed with prior to its final passage, a written or printed copy having been available to the City Council and the public a day prior to its final passage.

Section 4. This ordinance shall take effect and be in force on the thirtieth day from and after its passage.

APPROVED: CASEY GWINN, City Attorney

By



Douglas K. Humphreys
Deputy City Attorney

DKH:ai
10/26/04
Or.Dept:REDV.
O-2005-58

RECORDING REQUESTED BY:

WHEN RECORDED MAIL TO:

International Gateway Associates, LLC
Attn: JER International Gateway LLC
c/o JER Partners (JC Richards)
1650 Tysons Boulevard, Suite 1600
McLean, Virginia 22102

AMENDED AND RESTATED SECOND AMENDMENT TO PUBLIC USE LEASE

(Parcel A-1)

AMENDED AND RESTATED SECOND AMENDMENT TO PUBLIC USE LEASE

(Parcel A-1)

This Amended and Restated Second Amendment to Public Use Lease (this "Amendment") is entered into as of _____, 2004, by and between INTERNATIONAL GATEWAY ASSOCIATES, LLC, a Delaware limited liability company ("Lessor"), and the CITY OF SAN DIEGO, a charter city ("City").

Recitals

A. **Existing Lease.** Lessor and City have entered into that certain Public Use Lease dated March 20, 2001 (the "Lease"), relating to certain real property referred to therein as "Parcel A." The Lease has been amended by that certain Amendment to Public Use Lease dated November 18, 2003 (the "First Amendment") and by that certain Second Amendment to Public Use Lease dated August 17, 2004 and filed in the Office of the City Clerk for the City of San Diego on September 14, 2004 as Document No. 00-18932-1 (the "Former Second Amendment" and, collectively with the Lease and First Amendment, the "Existing Lease"). Any capitalized terms not otherwise defined in this Amendment shall have the meaning ascribed to such terms in the Existing Lease.

B. **Purpose.** Lessor and the City now wish to enter into this Amendment in order to replace and supercede the terms of the Former Second Amendment and to further amend the provisions of the Lease, all as set forth herein.

Agreement

NOW, THEREFORE, in consideration of the covenants and conditions hereafter contained and subject to the following terms and conditions, Lessor and City amend the Existing Lease in accordance with the terms of this Amendment. The Former Second Amendment is replaced in its entirety by the terms of this Amendment, and the Former Second Amendment shall have no further force or effect. All references herein or in the Existing Lease to the "Lease" henceforth shall be deemed to refer to the Existing Lease, as amended by this Amendment, and all references in the Lease to the "Second Amendment" shall mean this Amendment. The parties further agree as follows:

1. **Property Subject to Lease; Parcel A-1; Map.** The parties hereby agree that all references in the Lease to "Parcel A" henceforth shall be deemed to refer to Parcel A-1 as described on Exhibit A-1 attached hereto (which for all purposes henceforth shall be deemed to constitute "Parcel A-1" for purposes of the Lease), and except for Parcel A-1 as so described, no other portions of "Parcel A" (as defined in the Existing Lease) shall continue to be subject to the Lease. The Map of Parcel A referenced in the Existing Lease is hereby deleted. Lessor and City hereby acknowledge and agree that the rights and obligations of Lessor under the Existing Lease, as amended by this Amendment, shall be binding upon Lessor, as owner of Parcel A-1, and any successor owner(s) of Parcel A-1.

2. DDA. All references herein or in the Lease to the term "DDA" shall refer to that certain Disposition and Development Agreement entered into by LandGrant as of May 28, 1998 (as succeeded to by Lessor), and by the Agency as of May 29, 1998, as clarified and implemented by (1) that certain First Implementation Agreement dated February 23, 2000 (the "First Implementation Agreement"), (2) that certain Second Implementation Agreement dated November 27, 2000 (the "Second Implementation Agreement"), (3) that certain Third Implementation Agreement dated June 28, 2001 (the "Third Implementation Agreement"), (4) that certain Fourth Implementation Agreement dated May 28, 2002 (the "Fourth Implementation Agreement" and (5) that certain Fifth Implementation Agreement dated _____, 2004 (the "Fifth Implementation Agreement"), as the same may be further amended or implemented from time to time hereafter.

3. Parking Area Description. The Parking Area Description attached to the Existing Lease as Exhibit C is hereby replaced with the substitute Parking Area Description attached to this Amendment as Exhibit C. The parties agree that the Parking Area Description may be revised from time to time with the consent of the City Manager of the City of San Diego, provided that no such revision (a) shall diminish in any material respect the ability of the City to use the Parking Area for Park and Ride purposes or (b) shall relocate any portion of the Parking Area off Parcel A-1.

4. Plan for Improvements.

(a) The Plan for Improvements on DDA Parcel A, attached to the First Amendment as Exhibit F, is hereby replaced with the Plan for Improvements on DDA Parcel A-1 attached to this Amendment as Exhibit D.

(b) The second and third sentences of Section 5 of the First Amendment are hereby replaced by the following:

"The Plan for Improvements attached as Exhibit D to the Second Amendment to this Lease shows the general layout of approximately 188,272 square feet of retail, office, entertainment and/or food uses to be constructed on Parcel A-1 (the "Initial A Improvements"). The DDA further provides the Developer with an option to develop within Parcel A-1 approximately 3,631 square feet of improvements for retail, office, entertainment and/or food uses within an expansion of Building D-2 identified on the Plan for Improvements as Building D-3 (it being understood that said optional improvements shall not constitute a portion of the Initial A Improvements for purposes of this Lease)."

(c) The reference in Section 2.02(b) of the Lease (as amended by Section 7 of the First Amendment) to Exhibit F to the Lease henceforth shall be deemed to refer to Exhibit D to this Amendment.

5. Amendments to Article 1 of the Lease (Regarding Rent). The parties intend (1) that the Lessor is to be relieved from any obligation to commence or complete any "Supplemental A Improvements", (2) that the former concept of additional rent being payable under the Lease from and after completion of "Supplemental A Improvements" is to be deleted

from the Lease, and (3) that the entire "Annual Rent Amount A-1" and the "Annual Rent Amount A-2" (including both the "Base Rent" and the "Additional Rent" components thereof) shall be payable from and after the Term Commencement Date A-1, notwithstanding the fact that no "Supplemental A Improvements" shall have been completed (and thus the Term Commencement Date A-2 shall be the same day as the Term Commencement Date A-1). In furtherance of these general intentions, the parties agree that Article 1 of the Lease (RENT), as amended by the First Amendment, is hereby further amended with Sections 5(a), (b) and (c) below:

(a) Section 1.01(g) of Article 1 is hereby amended and restated in its entirety to read as follows:

"(g) "Term Commencement Date" shall mean, as to both the Annual Rent Amount A-1 and the Annual Rent Amount A-2, the July 1 next following the date upon which the Initial A Improvements have been completed and the Parking Area Improvements referred to in Section 2.04, have been completed."

(b) Section 1.02 of Article 1 is hereby amended and restated in its entirety to read as follows:

"Section 1.02

a. Annual Rent Amount A. City hereby agrees to pay to Lessor for each Lease Year beginning with the Term Commencement Date A-1 and continuing until the Lease Year ending on the Termination Date A-1, the Annual Rent Amount A (including both the Annual Rent Amount A-1 and the Annual Rent Amount A-2), at which time any as yet unpaid Base Rent A-1, Base Rent A-2, Additional Rent A-1 or Additional Rent A-2 shall be deemed forgiven.

b. Payments. All Rent Amount A shall be payable in cash or by check drawn to the order of Lessor."

(c) Section 1.09 of Article 1 is hereby amended and restated in its entirety to read as follows:

"Section 1.09. Notwithstanding any other provisions of this Lease to the contrary, if City has made, or is treated as if having made pursuant to Section 1.04 above, the Base Rent A-1, Additional Rent A-1, Base Rent A-2 and Additional Rent A-2 payments in compliance with the provisions of this Article 1 for transactions occurring on Parcel A-1 for thirty (30) Lease Years beginning with the Term Commencement Date A-1, then the Base Rent A-1, the Additional Rent A-1, the Base Rent A-2 and the Additional Rent A-2 shall be deemed to have been completely paid, even if the sum of such installments totals less than otherwise required by this Lease."

6. Actions to Effectuate this Amendment. The parties agree to execute such other instruments, memoranda, agreements and amendments to documents as may be necessary or appropriate to effectuate the intent of this Amendment and the Lease.

7. Existing Lease to Remain in Effect. Except as expressly provided otherwise in this Amendment, and as amended hereby, the Existing Lease remains in full force and effect, enforceable in accordance with its terms.

8. Counterparts; Date of Amendment. This Amendment may be executed in counterparts, each of which is deemed to be an original. This Amendment shall not be effective until it has been mutually executed by Lessor and City. Upon such mutual execution, the date of this Amendment for reference purposes shall be the date first set forth above.

IN WITNESS WHEREOF, the parties have executed this Amendment as of the date and year first above written.

INTERNATIONAL GATEWAY
ASSOCIATES, LLC, a Delaware limited
liability company

THE CITY OF SAN DIEGO, a California
municipal corporation

By: _____
Name: _____
Title: _____

By: _____
Name: _____
Title: _____ City Manager

APPROVED AS TO FORM AND
LEGALITY ON THIS _____ day
of _____, 2004.

City Attorney of the City of San Diego

By: _____
Name: _____

APPROVAL OF THE REDEVELOPMENT AGENCY OF THE CITY OF SAN DIEGO

The Redevelopment Agency of the City of San Diego (the "Agency") acknowledges that it has reviewed the foregoing Amended and Restated Second Amendment to Public Use Lease (the "Amendment") and approves of the execution, delivery and performance of the Amendment. Further, the Agency agrees that it will take all actions reasonably necessary or appropriate in order to implement the transactions contemplated by the Amendment. The Agency acknowledges and agrees that the Lessor and its present and future lenders may rely upon the provisions of this paragraph in proceeding with the financing and redevelopment contemplated by, or otherwise reasonably necessary or appropriate to achieve the redevelopment contemplated by, the DDA.

THE REDEVELOPMENT AGENCY OF THE CITY OF SAN DIEGO

By: _____
Name: _____
Title: _____ Executive Director

APPROVED AS TO FORM AND
LEGALITY ON THIS _____ day
of _____, 2004.

Agency General Counsel

By: _____
Name: _____

APPROVED:
KANE, BALLMER & BERKMAN
Agency Special Counsel

By: _____
Glenn F. Wasserman, Esq.

STATE OF CALIFORNIA,
COUNTY OF SAN DIEGO} S.S.

On _____, 2004, before me, _____ (here insert name and title of the officer), personally appeared _____, personally known to me (or proved to me on the basis of satisfactory evidence) to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

WITNESS my hand and official seal.

Signature _____

STATE OF CALIFORNIA,
COUNTY OF SAN DIEGO} S.S.

On _____, 2004, before me, _____ (here insert name and title of the officer), personally appeared _____, personally known to me (or proved to me on the basis of satisfactory evidence) to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

WITNESS my hand and official seal.

Signature _____

STATE OF CALIFORNIA,
COUNTY OF SAN DIEGO} S.S.

On _____, 2004, before me, _____ (here insert name and title of the officer), personally appeared _____, personally known to me (or proved to me on the basis of satisfactory evidence) to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

WITNESS my hand and official seal.

Signature _____

STATE OF CALIFORNIA,
COUNTY OF SAN DIEGO} S.S.

On _____, 2004, before me, _____ (here insert name and title of the officer), personally appeared _____, personally known to me (or proved to me on the basis of satisfactory evidence) to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

WITNESS my hand and official seal.

Signature _____

STATE OF CALIFORNIA,
COUNTY OF SAN DIEGO} S.S.

On _____, 2004, before me, _____ (here insert name and title of the officer), personally appeared _____, personally known to me (or proved to me on the basis of satisfactory evidence) to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

WITNESS my hand and official seal.

Signature _____

STATE OF CALIFORNIA,
COUNTY OF SAN DIEGO} S.S.

On _____, 2004, before me, _____ (here insert name and title of the officer), personally appeared _____, personally known to me (or proved to me on the basis of satisfactory evidence) to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

WITNESS my hand and official seal.

Signature _____

EXHIBIT A-1

Legal Description of Parcel A-1

Parcel 2 as shown on the 2004 West Side Map (as defined in the attached "Map Attachment").

THERE IS NO EXHIBIT B TO THIS AMENDMENT

EXHIBIT C

Parking Area Description

(Parcel A-1 Parking Area)

That portion of Lots 4, 8, 9 and 10 of International Gateway of the Americas Phase 1B, according to the map thereof No. 14406, filed in the Office of the County Recorder of San Diego County, June 13, 2002, described as follows:

COMMENCING at the northeast corner of Lot 9 of said Map 14406; thence South 20°05'29" West 13.69 feet to the **POINT OF BEGINNING**;

1. Thence South 0°00'00" East 130.00 feet;
2. Thence North 90°00'00" West, 67.17 feet;
3. Thence South 00°00'00" East, 129.08 feet;
4. Thence North 90°00'00" East, 67.17 feet;
5. Thence South 0°00'00" East 29.42 feet;
6. Thence South 74°57'58" West, 86.15 feet;
7. Thence South 62°18'09" West, 151.79 feet;
8. Thence North 90°00'00" West, 110.70 feet;
9. Thence South 0°00'00" West, 240.97 feet;
10. Thence North 90°00'00" West, 103.52 feet;
11. Thence North 0°00'00" East, 445.04 feet;
12. Thence South 90°00'00" East, 121.46 feet;
13. Thence North 0°00'00" East, 135.39 feet;
14. Thence North 70°20'28" East, 12.06 feet to a tangent curve concave to the south with a radius of 650.00 feet;
15. Thence easterly along the said curve through a central angle of 19°39'32", 223.02 feet;
16. Thence South 90°00'00" East 80.34 feet to the **POINT OF BEGINNING**;

Said land contains 144,716 square feet or 3.322 acres, more or less.

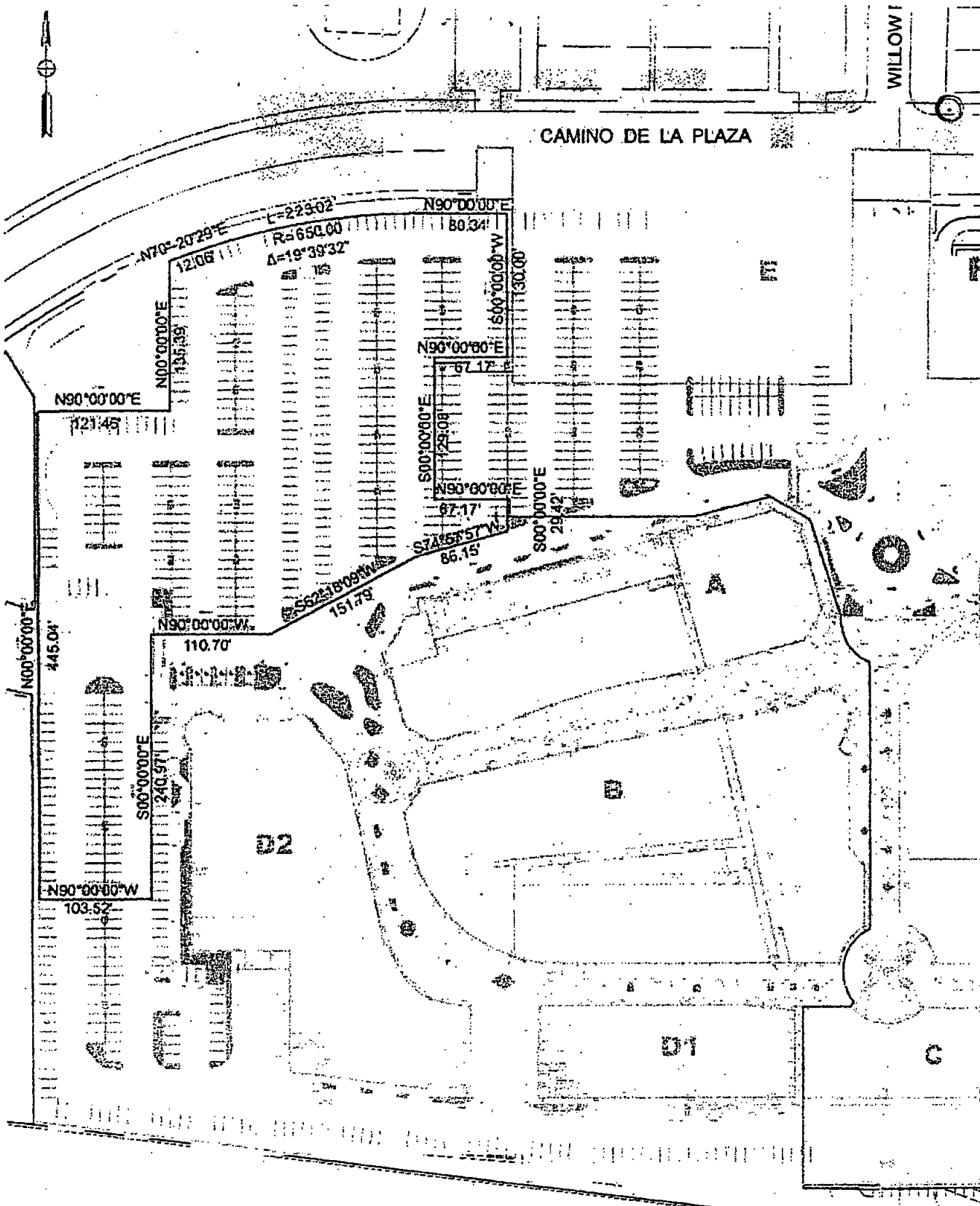
This legal description has been prepared by me, or under my direction, in conformance with the Professional Land Surveyors Act.

Signature: _____

Robert M. Sergeant

Robert M. Sergeant, RCE 29685
License Expires 3/31/2007
Date: October 18, 2004





Parking Area for Public
Use Lease for Parcel A-1

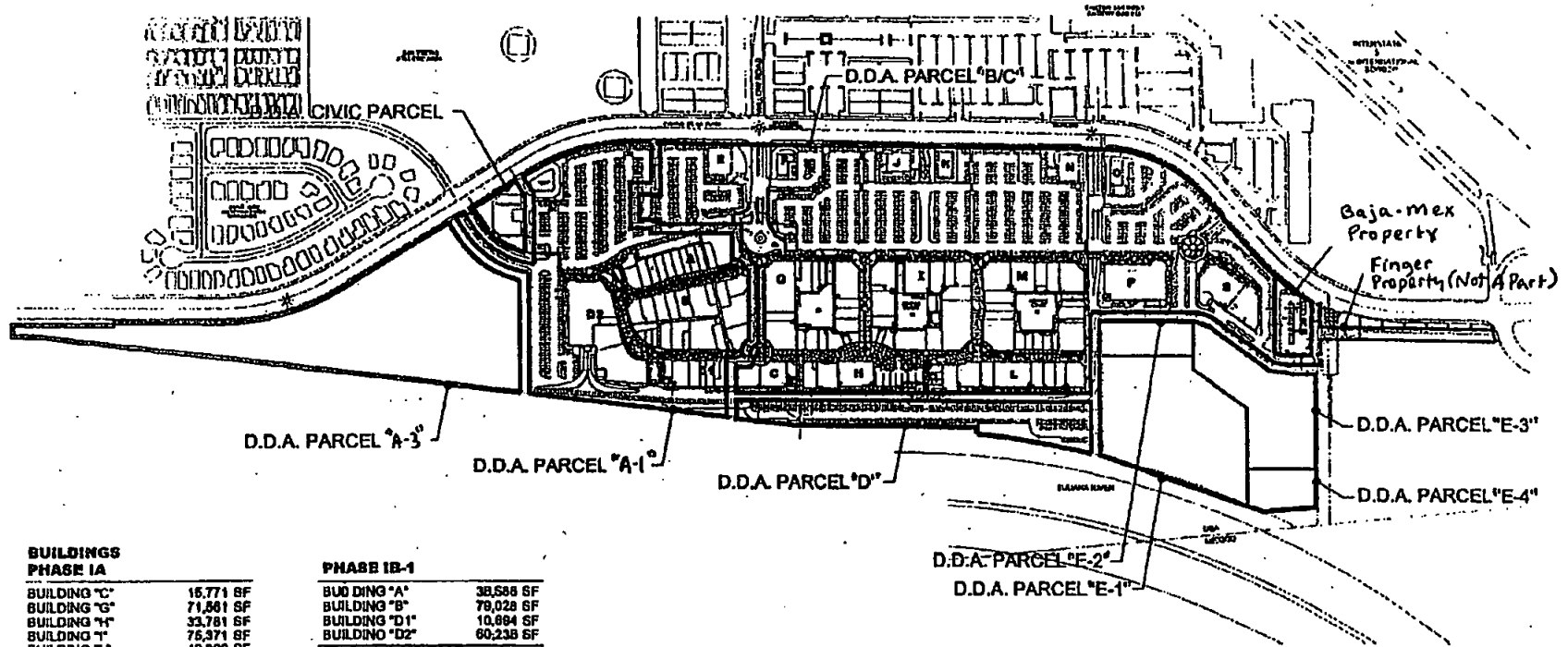


PARSONS

110 WEST A STREET, SUITE 1050
SAN DIEGO, CA 92101
(619) 685-0085

EXHIBIT D

Plan for Improvements for DDA Parcel A-1



**BUILDINGS
PHASE 1A**

BUILDING "C"	15,771 SF
BUILDING "G"	71,581 SF
BUILDING "H"	33,781 SF
BUILDING "I"	75,371 SF
BUILDING "L"	42,390 SF
BUILDING "M"	75,787 SF
BUILDING "P"	25,182 SF
BUILDING "S"	23,592 SF

SUB-TOTAL 363,885 SF

PAD "F"	4,680 SF
PAD "J"	5,000 SF
PAD "K"	8,000 SF
PAD "N"	8,005 SF
PAD "O"	4,821 SF

SUB-TOTAL 25,508 SF

TOTAL 389,391 SF

PHASE 1A

PHASE 1B-1

BUILDING "A"	38,588 SF
BUILDING "B"	79,028 SF
BUILDING "D1"	10,884 SF
BUILDING "D2"	60,235 SF

60B-TOTAL 187,843 SF

PAD "E" 8,000 SF

TOTAL OLA 195,843 SF

GRAND-TOTAL 684,904 SF

PHASE 1A & 1B-1

0-19344



Las Americas
La Puerta • The Gateway

Douglas Wilson Companies

JER PARTNERS

EXHIBIT B-1
AMENDED SITE PLAN
19 OCTOBER, 2004

0 150' 300' 600'



**AMBREY
COOK
MCGILL**

MAP ATTACHMENT

The following terms shall have the following meanings in the document to which this Map Attachment is attached (to the extent used therein):

2004 East Side Map: Map No. _____ recorded on _____, 2004 in the Official Records of the San Diego County Recorder's Office as File No. _____.

2004 West Side Map: Map No. _____ recorded on _____, 2004 in the Official Records of the San Diego County Recorder's Office as File No. _____.

Recording Requested by:
CITY OF SAN DIEGO

When Recorded Return to and
Mail Tax Statements to:
CITY OF SAN DIEGO
Economic Development & Comm
Services Department
400 B Street, 4th Floor
San Diego, CA 92101
Attention: San Ysidro Project Manager

*1st Amendment
Parcel A*

I, CHARLES G. ABDELNOUR, Clerk of
the City of San Diego, California,
hereby certify that this is a true
copy of papers on file and of
record in the office of the Clerk
of said City.

CHARLES G. ABDELNOUR, City Clerk

By *Brenda Franklin*, Deputy

Dated *April 13, 2004*

Free Recording Requested

per Government Code § 6103

AMENDMENT TO PUBLIC USE LEASE
(Parcel A)

This Amendment to Public Use Lease (the "Amendment") is entered into as of November 18, 2003, by and between INTERNATIONAL GATEWAY ASSOCIATES, LLC, a Delaware limited liability company, ("Lessor"), and the CITY OF SAN DIEGO, a charter city ("City").

RECITALS

A. The Redevelopment Agency of the City of San Diego ("Agency") and Lessor ("Developer" therein) are the parties to that certain Disposition and Development Agreement dated May 29, 1998, as amended by the First Implementation Agreement dated February 23, 2000, the Second Implementation Agreement dated November 27, 2000, the Third Implementation Agreement dated June 28, 2001 and the Fourth Implementation Agreement dated May 28, 2002 (collectively the "DDA") with respect to the redevelopment of certain real property (the "Site"), within the San Ysidro Redevelopment Project area in the City. The redevelopment of the Site involves construction of certain improvements specified in the DDA. Such improvements are to be constructed in phases.

B. In accordance with the DDA, Lessor and City entered into that certain Public Use Lease dated March 20, 2001, relating to a portion of the Site referred to as "Parcel A" (the "Lease"). Any capitalized terms not otherwise defined in this Amendment shall have the meaning ascribed to such terms in the Lease.

C. Pursuant to the Lease, Lessor has agreed to lease to City and City has agreed to lease from Lessor that portion of Parcel A described in the Lease as the "Parking Area".

D. Pursuant to the Fourth Implementation Agreement to the DDA, the Agency and Lessor have agreed that Parcel A is to be subdivided into three parcels, described as "Parcel A-1" (also sometimes referred to as "Phase 1-B-1"), "Parcel A-2" (also sometimes referred to as "Phase 1-

B-2") and "Parcel A-3" (also sometimes referred to as "Phase 1-B-3"). The Parking Area is to be contained within Parcel A-1.

NOW, THEREFORE, in consideration of the covenants and conditions hereafter contained, and subject to the following terms and conditions, Lessor and City agree to amend the Lease as follows:

1. Map of Parcel A. The Map of Parcel A attached to the Lease as Exhibit A is hereby replaced with the substitute Map of Parcel A attached to this Amendment as Exhibit A.

2. Legal Description of Parcel A. The Legal Description of Parcel A attached to the Lease as Exhibit B is hereby replaced with the substitute Legal Description of Parcel A attached to this Amendment as Exhibit B.

3. Parking Area Description. The Parking Area Description attached to the Lease as Exhibit C is hereby replaced with the substitute Parking Area Description attached to this Amendment as Exhibit C. The parties agree that the Parking Area Description may be revised from time to time with the consent of the City Manager of the City of San Diego, provided that no such revision (a) shall diminish in any material respect the ability of the City to use the Parking Area for Park and Ride purposes or (b) shall relocate any portion of the Parking Area off Parcel A-1.

4. Rent Schedules. Rent Schedule A, attached to the Lease as Exhibit D is hereby replaced with the following Rent Schedules: Rent Schedule A-1 (Initial A Improvements), which is attached hereto as Exhibit D; and Rent Schedule A-2 (Supplemental A Improvements), which is attached hereto as Exhibit E.

5. Plan for Improvements. The Plan for Improvements on DDA Parcel A, attached to the Lease as Exhibit G is hereby replaced with the Plan for Improvements, attached to this Amendment as Exhibit F. The Plan for Improvements attached as Exhibit F shows the general layout of approximately 189,000 square feet of retail, entertainment and food uses to be constructed on Parcel A-1 pursuant to the DDA (the "Initial A Improvements"). As more fully set forth in the DDA, the Lessor is authorized to construct certain additional improvements on Parcel A (including approximately 28,000 square feet of retail, entertainment and food uses to be constructed in connection with the construction of a library on Parcel A-2, should the City so elect to construct such library and subject to the satisfaction of certain additional conditions). For purposes of this Lease, the term "Supplemental A Improvements" shall mean approximately 28,000 square feet of retail, entertainment and food uses constructed on Parcel A in addition to the Initial A Improvements.

6. Rent. Article 1 of the Lease (RENT) is hereby amended in its entirety to read as follows:

ARTICLE 1. RENT

Amount and Terms of Payment

"Section 1.01. For the purposes of this Lease, the following terms shall have the following meanings:

(a) "Additional Rent A" shall mean the sum of Additional Rent A-1 and Additional Rent A-2, as follows:

(i) "Additional Rent A-1" shall mean amounts to be paid each Lease Year during the Term, calculated at the rate of ten percent (10%) per annum on the First Tier Base Rent A-1, and at the rate of six percent (6%) per annum on the Second Tier Base Rent A-1, which when paid with the Annual Base Rent A-1 applicable to each such Lease Year, will equal the Annual Rent Amount A-1. The Additional Rent A-1 for each Lease Year, and the composition thereof, is shown on Rent Schedule A-1 (Initial A Improvements), which is attached to this Amendment as Exhibit D and hereby incorporated by reference.

(ii) "Additional Rent A-2" shall mean amounts to be paid each Lease Year during the Term, calculated at the rate of ten percent (10%) per annum on the First Tier Base Rent A-2, and at the rate of six percent (6%) per annum on the Second Tier Base Rent A-2, which when paid with the Annual Base Rent A-2 applicable to each such Lease Year, will equal the Annual Rent Amount A-2. The Additional Rent A-2 for each Lease Year, and the composition thereof, is shown on Rent Schedule A-2 (Supplemental A Improvements), which is attached to this Amendment as Exhibit E and hereby incorporated by reference.

(b) "Available Sales Tax A" shall mean the amount of sales and use taxes (i.e., those taxes levied by City under the authority of the California Sales and Use Tax Law (Part 1 of Division 2 of the California Revenue and Taxation Code commencing at Section 6001) or any successor law thereto) which have been collected, allocated and paid to, and actually received by City from transactions originating in any applicable Lease Year from Parcel A, after reduction for any amounts received earlier by City and which are to be refunded because of an overpayment of such taxes. An example of the calculation of the Available Sales Tax A is attached to the Lease as Exhibit E.

(c) "Base Rent A" for any given Lease Year shall mean the sum of Base Rent A-1 and Base Rent A-2, as follows:

(i) "Base Rent A-1" shall mean the amount of \$4,416,886, constituting the initial total amount of Base Rent A-1 outstanding attributable to the entire Term of the Lease. The Base Rent A-1 is comprised of the sum of: (1) the initial total amount of Base Rent A-1 outstanding related to the first tier of annual Additional Rent A-1 in the amount of \$801,988 (the "First Tier Base Rent A-1"); plus (2) the initial total amount of Base Rent A-1 outstanding related to the second tier of annual Additional Rent A-1 in the amount of \$3,614,898 (the "Second Tier Base Rent A-1").

(ii) "Base Rent A-2" shall mean the amount of \$1,889,114, constituting the initial total amount of Base Rent A-2 outstanding attributable to the entire Term of the

Lease. The Base Rent A-2 is comprised of the sum of: (1) the initial total amount of Base Rent A-2 outstanding related to the first tier of annual Additional Rent A-2 in the amount of \$343,012 (the "First Tier Base Rent A-2"); plus (2) the initial total amount of Base Rent A-2 outstanding related to the second tier of annual Additional Rent A-2 in the amount of \$1,546,102 (the "Second Tier Base Rent A-2").

(d) "Lease Year" shall mean the period from July 1 of one calendar year, through and including June 30 of the immediately following calendar year.

(e) "Sales Tax A" shall include (but only include) sales and use taxes (i.e., those taxes levied by City under the authority of the California Sales and Use Tax Law (Part 1 of Division 2 of the California Revenue and Taxation Code commencing at Section 6001) or any successor law thereto) which have been collected, allocated and paid to, and actually received by City from transactions originating in any applicable Lease Year from Parcel A, without reduction for any amounts received earlier by City and which are to be refunded because of an overpayment of such taxes.

(f) "Annual Rent Amount A" shall consist of the sum of Annual Rent Amount A-1 and Annual Rent Amount A-2, as follows:

(i) "Annual Rent Amount A-1" shall mean the equal annual scheduled payment for Base Rent A-1 and Additional Rent A-1 owed by City to Lessor each Lease Year as shown on Rent Schedule A-1 (Initial A Improvements) (Exhibit D).

(ii) "Annual Rent Amount A-2" shall mean the equal annual scheduled payment for Base Rent A-2 and Additional Rent A-2 owed by City to Lessor each Lease Year as shown on Rent Schedule A-2 (Supplemental Improvements) (Exhibit E).

(g) "Term Commencement Date" shall mean, (i) as to the Annual Rent Amount A-1, the July 1 next following the earlier to occur of: (A) the date when the Initial A Improvements have been completed and the Parking Area Improvements referred to in Section 2.04, have been completed; or (B) the date established in the Schedule of Performance (Attachment No. 3) of the DDA for completion of construction of the Initial A Improvements, as such date may be extended by City for purposes of this provision only pursuant to Section 3.02, or as such date may be extended for purposes of this provision only pursuant to Section 6.19, to the extent, and only to the extent, that the causes under that Section delay completion of the Initial A Improvements, or the completion of the Parking Area Improvements referred to in Section 2.04, and (ii) as to the Annual Rent Amount A-2, the July 1 next following the date when the Supplemental A Improvements have been completed (in addition to the improvements described in clause (i) of this definition).

(h) "Termination Date" shall mean as follows, as the context may require:

(i) Termination Date as to Annual Rent Amount A-1 shall mean June 30 of the thirtieth (30th) Lease Year of scheduled rental payments of the Base Rent A-1 and Additional Rent A-1 under this Lease.

- (ii) Termination Date as to Annual Rent Amount A-2 shall mean June 30 of the thirtieth (30th) Lease Year of scheduled rental payments of the Base Rent A-2 and Additional Rent A-2 under this Lease.

Section 1.02.

a. Annual Rent Amount A-1. City hereby agrees to pay to Lessor each Lease Year beginning with the Term Commencement Date A-1, the Annual Rent Amount A-1, until Termination Date A-1, at which time any as yet unpaid Base Rent A-1 and/or Additional Rent A-1 shall be deemed forgiven. The City's obligation to pay the Annual Rent Amount A-1 shall not be affected or diminished by any failure of the Supplemental A Improvements to be completed.

b. Annual Rent Amount A-2. City hereby agrees to pay to Lessor each Lease Year, the Annual Rent Amount A-2, until Termination Date A-2, at which time any as yet unpaid Base Rent A-2 and/or Additional Rent A-2 shall be deemed forgiven.

c. All Annual Rent Amount A shall be payable in cash or by check drawn to the order of Lessor."

Section 1.03.

Within forty-five (45) days after City receives its final installment of Sales Tax A from the State of California (or such other governmental entity as may be the payor of Sales Tax A in the future) for each Lease Year after the Term Commencement Date A-1, City shall pay to Lessor the lesser of: (a) the Annual Rent Amount A; or (b) the sum of (i) Available Sales Tax A for the applicable Lease Year, and (ii) Available Reserves A (as defined in Section 1.07 below) as of the end of the immediately preceding Lease Year. Such amount is referred to herein as the "Annual Payment" for the applicable Lease Year. An example of the calculation of the Annual Payment is attached to the Lease as Exhibit F. Any interest earned on Available Sales Tax A due to investment of such funds by City prior to the making of such Annual Payment to Lessor shall be the property of City. Concurrently with the making of such Annual Payment, City shall provide Lessor with a financial report showing the amount of Sales Tax A allocated and paid to City for the preceding Lease Year and how the amount paid to Lessor for that Lease Year was determined. Such report further shall detail the amount (if any) of Annual Rent Amount A that continues to be unpaid for any past Lease Year as referred to in Section 1.04.

Section 1.04.

City shall only be required to calculate the Annual Payments on the basis of Sales Tax A, and to pay such amounts from (a) Sales Tax A, which are actually collected, allocated to and received by City for the applicable Lease Year; and (b) Available Reserves A as of the end of the Lease Year immediately preceding the Lease Year for which the applicable Annual Payment is due. Any portion of Annual Rent Amount A which is not paid in a Lease Year because there is insufficient Available Sales Tax A for that Lease Year, or insufficient

Available Reserves A, shall be deemed a deferred obligation payable (without interest) from Available Reserves A, if and as there are Available Reserves A to pay to Lessor on account of such deferred obligation. Any deposit in the Fund for Available Reserves A in a Lease Year as provided for in Section 1.05, shall be used in that Lease Year, immediately upon such deposit, to pay toward the outstanding balance of deferred obligations, if any. After such time as City has deposited into the Fund for Available Reserves A, the maximum cumulative limit of such deposits established pursuant to Section 1.07 hereinbelow, then any portion of Annual Rent Amount A which is not paid in a Lease Year because there is insufficient Available Sales Tax A for that Lease Year, or insufficient Available Reserves A available from deposits made before the limit was reached, shall be deemed forgiven, and City shall have no further obligation or liability with respect thereto. For the purpose of calculating the outstanding balance of Base Rent A under this Lease, the portion of Annual Rent Amount A deemed forgiven shall be treated as if it actually had been paid. If payments with respect to a Lease Year (whether from Available Sales Tax A for that Lease Year or from the Available Reserves A) are less than the Annual Rent Amount A, the amounts paid shall be applied first against Annual Rent Amount A-1 and then against Annual Rent Amount A-2.

Section 1.05.

Lessor acknowledges and agrees that payment of the Base Rent A and Additional Rent A shall be calculated solely upon City's receipt of Sales Tax A from transactions on or from Parcel A based upon the percentage of sales taxes received by City for general fund purposes as of the date of this Lease. The parties acknowledge that the documentation as to sales tax generation received by City from the State of California (or other distributing entity) may not be available in a form to undertake such calculation, and agree to reasonably cooperate with each other to establish procedures and means to ascertain the Sales Tax A as best as reasonably possible to permit application of Sections 1.02 through 1.04. If specific figures for Parcel A are available from the State or other governmental agency, City will cooperate with Lessor in attempting to have such figures provided to City. It is recognized, however, that figures regarding transactions on Parcel A which generate Sales Tax A may be only obtainable directly from the occupants of Parcel A engaged in such transactions. In such circumstances, Lessor acknowledges and agrees that it is the party best positioned to obtain such figures from such occupants in a form reasonably acceptable to City.

City covenants to take all actions legally required to obtain and receive the maximum amount of Sales Tax A revenue to which City is legally entitled so as not to jeopardize or impair Lessor's ability to receive payment pursuant to this Lease. Lessor acknowledges and agrees that to the extent that any future constitutional, legislative or judicial amendment, act, ruling or decision (hereafter referred to as a "Sales Tax Interference Act") interferes with the ability of City to receive Sales Tax A, any payments made by City to Lessor during the period following the start of the Lease Term that such Sales Tax Interference Act is not in effect will be deemed full and complete payment of the Base Rent A and Additional Rent A, even if the amount of such payments total less than otherwise required by this Lease, unless an alternative payment formula and procedure is agreed to by the parties in accord with this Section. In the event of a Sales Tax Interference Act, the parties will reasonably cooperate to

establish an alternative payment formula and procedure, provided, however, that such alternative shall be based solely upon transactions occurring on Parcel A, and shall most closely achieve the economic equivalent of the present situation for both City and Lessor.

Section 1.06.

Notwithstanding any other provision of this Lease, City may prepay the outstanding balance (not paid, or deemed paid pursuant to Section 1.04 above) of the Base Rent A, or the outstanding balance (not paid, or deemed paid pursuant to Section 1.04 above) of the First Tier Base Rent A or the Second Tier Base Rent A, together with all Additional Rent A, or the first tier of annual Additional Rent A or the second tier of annual Additional Rent A, as applicable, accrued (and not paid, or deemed paid pursuant to Section 1.04 above) as of the date of prepayment, at any time without prior notice to Lessor and without any penalty or charge. Lessor agrees to cooperate with City, including without limitation providing any appropriate estoppel certificate regarding the status of this Lease, and the prepayment of Base Rent A and the payment of accrued Additional Rent A, or the first tier of annual Additional Rent A or the second tier of annual Additional Rent A accrued, as applicable, hereunder as may be reasonably requested by City or in connection with any bond issue or other financing of City's obligations hereunder.

Section 1.07.

As security for City's obligation to make the Annual Payments to Lessor with respect to Annual Rent Amount A, City agrees to establish in its accounts a reserve fund (the "Fund for Available Reserves A"), which shall be drawn upon by City to pay toward any Annual Payment in a Lease Year when the Available Sales Tax A for the applicable Lease Year is insufficient to pay the Annual Rent Amount A in full, or to pay toward any obligations accrued in a previous Lease Year when the Available Sales Tax A for the applicable Lease Year and Available Reserves A as of the end of the immediately preceding Lease Year were insufficient to pay the Annual Rent Amount A. Commencing with the first Lease Year after the closing of the mortgage loan and/or other financing for the development of the Initial A Improvements, when City is allocated and actually receives any amount of Sales Tax A, City shall deposit in the Fund for Available Reserves A any amount by which Available Sales Tax A exceeds the Annual Rent Amount A required for the applicable Lease Year. Any interest or other investment return earned on monies in the Fund for Available Reserves A (determined by City in its absolute discretion), shall be added to the Fund and used for the same purposes and under the same conditions and limitations, provided for herein with respect to amounts deposited by City from Available Sales Tax A. Notwithstanding the foregoing, in no event shall City be required to deposit into the Fund for Available Reserves A (including any interest added thereto) in excess of Five Hundred Eighty-Eight Thousand Ninety Six Dollars (\$588,096) for the entire term of this Lease, independent of whether or how much of such deposits are withdrawn to cover current or past shortfalls in Annual Rent Amount A. Provided however, that on the earlier of (a) the end of the tenth Lease Year after the Term Commencement Date A-1, or (b) the July 1 next following the first Lease Year in which Available Sales Tax A is greater than \$744,603, the maximum cumulative limit on deposits into the Fund for Available Revenues A shall be reduced to an amount equal to the

greater of (i) the then applicable Annual Rent Amount A, or (ii) the amount theretofore withdrawn by City from the Fund for Available Reserves A to cover current or past shortfalls in Annual Rent Amount A. Any balance in the Fund for Available Reserves A in excess of such revised limit may be immediately withdrawn by City.

Section 1.08.

Upon the prior written approval of City, Lessor may assign its rights to receive the Base Rent A and Additional Rent A due under this Lease to one or more construction or permanent lenders (each a "Lender") that makes a construction or permanent loan secured by all or any portion of Parcel A-1. Such assignment shall be made pursuant to a written agreement reasonably satisfactory to City in form and substance.

Notwithstanding the foregoing, City shall not be obligated to pay any portion of the Base Rent A, or any Annual Payment related thereto, to any person other than Lessor unless City is notified by Lessor in writing of the name of any Lender to which payment of the Base Rent A, and the Annual Payments related thereto, are to be paid directly, the amount to be paid to such Lender, and the address to which such payment is to be sent. City shall not be liable for any failure on the part of Lessor to give such notice to City or if City for any reason does not actually receive any such notice.

In the event that Lessor defaults on its obligations to any Lender, or defaults as the Developer on its obligations to the Agency under the DDA, and such Lender elects to assume the obligations of Lessor (as the Developer) pursuant to Section 320 of the DDA, Lessor may assign its rights under this Lease to such Lender with the prior written approval of City and City shall pay the Base Rent A, and the Annual Payments related thereto, directly to such Lender as provided for in this Lease. Such assignment shall be made pursuant to a written agreement reasonably satisfactory to City in form and substance.

Section 1.09.

a. Annual Rent Amount A-1. Notwithstanding any other provision of this Lease, if City has made, or is treated as if having made pursuant to Section 1.04 above, the Base Rent A-1 and Additional Rent A-1 payments in compliance with the provisions of Article 1 of this Lease for transactions occurring on Parcel A for thirty (30) Lease Years beginning with the Term Commencement Date A-1, the Base Rent A-1, and any Additional Rent A-1, shall be deemed to have been completely paid, even if the sum of such installments totals less than otherwise required by this Lease.

b. Annual Rent Amount A-2. Notwithstanding any other provision of this Lease, if City has made, or is treated as if having made pursuant to Section 1.04 above, the Base Rent A-2 and Additional Rent A-2 payments in compliance with the provisions of Article 1 of this Lease for transactions occurring on Parcel A for thirty (30) Lease Years beginning with the Term Commencement Date A-2, the Base Rent A-2, and any Additional Rent A-2, shall be deemed to have been completely paid, even if the sum of such installments totals less than otherwise required by this Lease.

7. Parking Area: Miscellaneous Conditions. Section 2.02 is hereby amended in its entirety to read as follows:

Section 2.02. City's obligation to lease the Parking Area pursuant to this Lease is subject to the satisfaction of the following conditions, which are solely for City's benefit unless otherwise indicated:

Delivery of Possession

(a) The delivery of possession of the Parking Area to City at the start of the Lease Term, free and clear of all uses and occupancies except those approved in writing by City. City hereby consents to the use and occupancy of the Parking Area for parking purposes by all tenants of the Development Parcels identified in the DDA, and by their employees, customers, invitees, and guests, provided such uses do not interfere with use of the Parking Area for a Park and Ride facility.

Completion of Construction on Parcel A-1

(b) The Initial A Improvements shall be constructed, if at all, in the locations identified in the Plan for Improvements attached hereto as Exhibit F, or in such other locations duly approved by the City Manager on behalf of the City. The Supplemental A Improvements shall be located on Development Parcel A in such locations as may be approved by the City Manager on behalf of the City, which approval shall not be unreasonably withheld. Completion of the Initial A Improvements and/or the Supplemental A Improvements shall be evidenced by the issuance of a certificate by a licensed architect stating that all required construction necessary for occupancy of such improvements, both exterior and interior, other than tenant signage and tenant improvements, has been completed.

9. Parking Area: Term of Lease. Section 2.03 is hereby amended in its entirety to read as follows:

Term of Lease

Section 2.03. The lease term shall commence on the Term Commencement Date A-1 and shall continue until the last to occur of Termination Date A-1 or Termination Date A-2 (hereafter referred to as the "Lease Term"), unless terminated earlier in accordance with the terms of this Lease. Each consecutive twelve (12) month period is a "Lease Year." Upon the commencement of the Lease Term, the parties agree to execute an acknowledgment evidencing the date of such commencement. Except as otherwise expressly set forth herein, City shall have no right to extend the Lease Term. Upon the termination or expiration of the Lease Term, City shall immediately surrender possession of the Parking Area to Lessor or its successors or assigns, and shall not allow delay in said transfer of possession for any reason.

~~Lessor shall have the right to terminate the Lease Term prior to the end of the Lease~~
Term by giving written notice of termination to City, in the event City fails to pay any Base Rent A or Additional Rent A as required by this Lease, provided Lessor has first given City written notice of such failure, and thirty (30) days from the date of such notice have elapsed without cure of the default by City. Such remedy shall be in addition to any other remedies Lessor may have for such failure.

10. Miscellaneous Amendments. The exhibits and attachments to the Lease are hereby amended to the extent necessary to conform to the provisions of this Amendment. The Agency Executive Director or designee is hereby authorized to make such changes to the documents attached to the Lease as may be necessary to conform to the provisions of this Lease.

11. Actions to Effectuate this Amendment. The parties agree to execute such other instruments, memoranda, agreements and amendments to documents as may be necessary or appropriate to effectuate the Lease, as amended by this Amendment. The City Manager (or his designee) is hereby authorized to execute on behalf of the City such memoranda of agreements with the Lessor as the City Manager and City Attorney (or his designee) may deem appropriate for the proper interpretation and implementation of the terms of this Amendment, including such corrections or modifications to the terms of this Amendment as the City Manager (or designee) and City Attorney (or designee) may deem appropriate and consistent with the purposes of this Amendment.

12. Lease to Remain in Effect. Except as expressly provided otherwise in this Amendment, the Lease remains in full force and effect, enforceable in accordance with its terms.

13. Counterparts; Date of Amendment. This Amendment is executed in five (5) duplicate originals, each of which is deemed to be an original, and may be signed in counterparts. This Amendment shall not be effective until it has been mutually executed by Lessor and City. Upon such mutual execution, the date of this Amendment for reference purposes shall be the date first set forth above.

IN WITNESS WHEREOF, the City and Lessor have executed this Agreement.

Executed this 21 day of Jan., 2007.

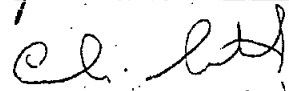
INTERNATIONAL GATEWAY ASSOCIATES, LLC
a Delaware limited liability company
(Lessor)

By: Gateway Retail Group, LLC,
a California limited liability company
(Managing Member)

By: LandGrant Development Unlimited,
a California corporation (Managing
Members)

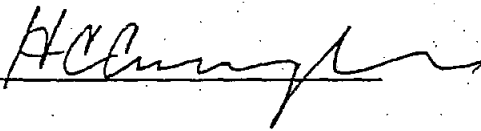
By: 
Name: MARISA

Title: President

By: 
Name: CHRIS SMITH

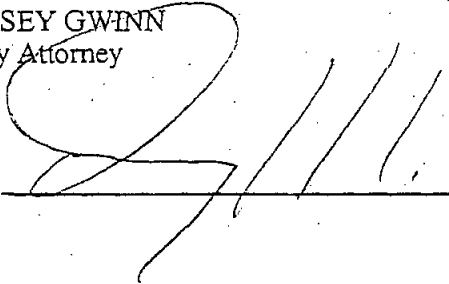
Title: EX U.P.

CITY OF SAN DIEGO
(City)

By: 

APPROVED AS TO FORM AND LEGALITY:

CASEY GWINN
City Attorney

By: 

I, CHARLES G. ABDELNOUR, Clerk of
the City of San Diego, California,
hereby certify that this is a true
copy of papers on file and of
record in the office of the Clerk
of said City.

CHARLES G. ABDELNOUR, City Clerk

By: Brenda Franklin, Deputy

Dated April 13, 2004

CALIFORNIA ALL-PURPOSE ACKNOWLEDGMENT

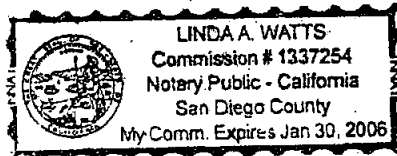
State of California }
County of SAN DIEGO } ss.

LINDA A. WATTS
Notary Public

On Nov 7, 2003 before me, _____
Date Name and Title of Officer (e.g., "Jane Doe, Notary Public")
personally appeared C. Samuel Marasco & Chris Smith
Name(s) of Signer(s)

☒ personally known to me
☐ proved to me on the basis of satisfactory evidence

to be the person(s) whose name(s) ~~is~~ are subscribed to the within instrument and acknowledged to me that ~~he~~ she/they executed the same in ~~his~~ her/their authorized capacity(ies), and that by ~~his~~ her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.



WITNESS my hand and official seal

[Signature]
Signature of Notary Public

OPTIONAL

Though the information below is not required by law, it may prove valuable to persons relying on the document and could prevent fraudulent removal and reattachment of this form to another document.

Description of Attached Document

Title or Type of Document: Amendment to Public Use Lease

Document Date: 5/28/02 Number of Pages: 11 + EXHIBITS

Signer(s) Other Than Named Above: _____

Capacity(ies) Claimed by Signer

Signer's Name: _____

- ☐ Individual
- ☐ Corporate Officer — Title(s): _____
- ☐ Partner — ☐ Limited ☐ General
- ☐ Attorney-in-Fact
- ☐ Trustee
- ☐ Guardian or Conservator
- ☐ Other: _____

Signer Is Representing: _____

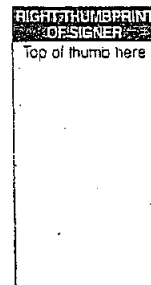


EXHIBIT A
MAP OF PARCEL A

[BEHIND THIS PAGE]

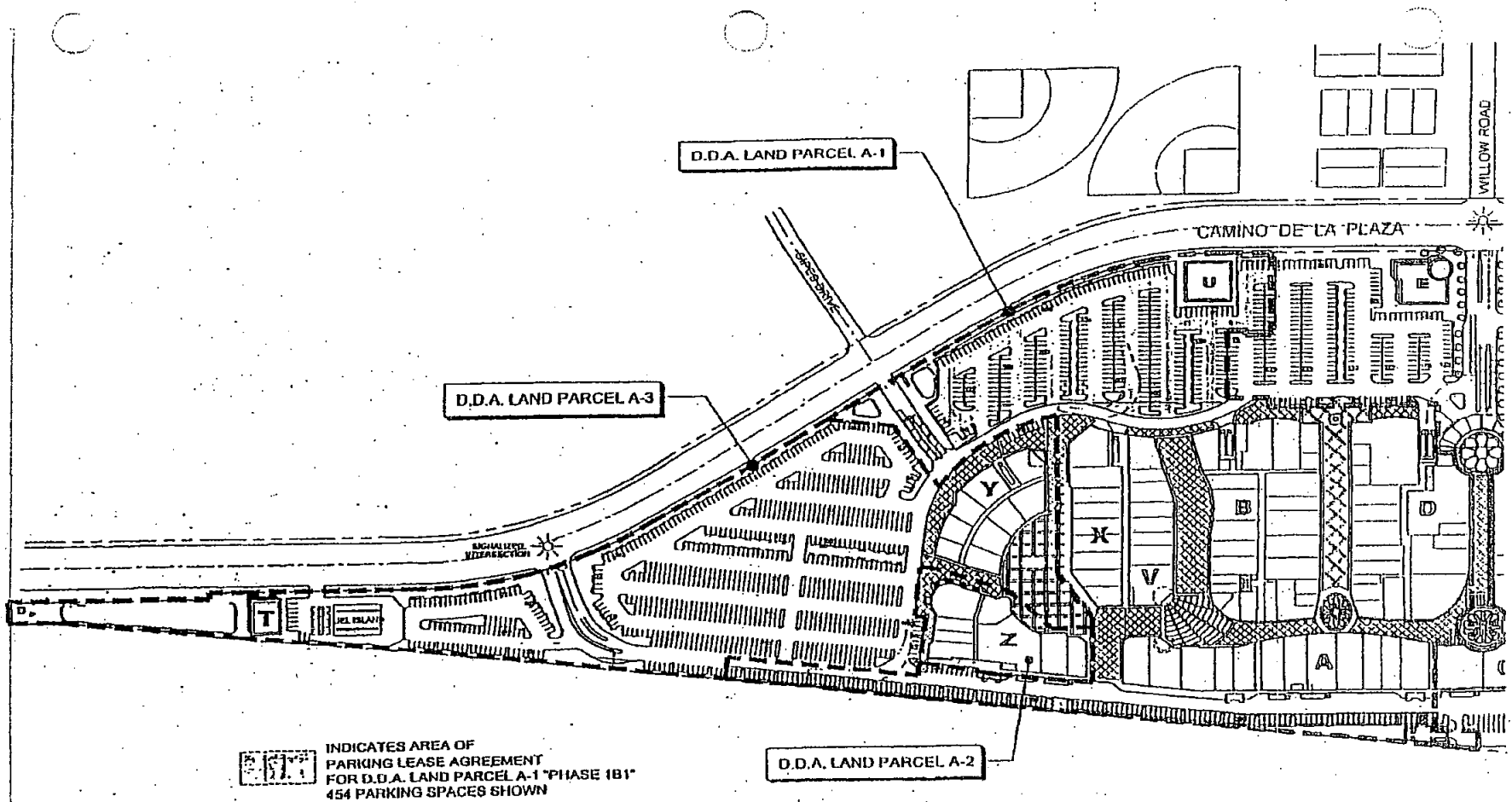
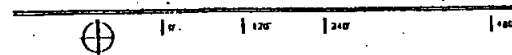


EXHIBIT A MAP OF PARCEL A 23 MAY, 2002



**LAND GRANT
DEVELOPMENT**
13625 Highland Dr., Suite 212
Brea, CA 92621
Telephone: (951) 481-0084
Fax: (951) 481-0085
E-Mail: info@landgrantdev.com



EXHIBIT B

LEGAL DESCRIPTION OF PARCEL A

[BEHIND THIS PAGE]

EXHIBIT B

International Gateway of the Americas

Legal Description of Parcel A

Lots 1, 2, 3, 4, 5, 6, 8, and 9 of the map of International Gateway of the Americas Phase 1B as shown on Map _____, filed in the Office of the County Recorder of the County of San Diego

The above described Parcel contains 21.07 acres, more or less.

EXHIBIT C

PARKING AREA DESCRIPTION

[BEHIND THIS PAGE]

EXHIBIT c

DDA Parking Use Area Description

A portion of Lots 8 and 9 of the Map of International Gateway of the Americas Phase 1B as shown on Map _____ filed in the Office of the County Recorder of the County of San Diego, _____, more particularly described as follows:

Parcel A-1.

Beginning at the northwest corner of Lot 10 of said Map of International Gateway of the Americas Phase 1B; thence southerly along the west line of said Lot 10 South 0°00'00" East, 129.98 feet to a non-tangent curve concave to the north having a radius of 229.28 feet (a radial line to said non-tangent curve bears North 28°32'18" West); thence southwesterly, westerly and northwesterly along the last said curve through a central angle of 49°34'23" a distance of 198.37 feet to a reversing curve concave to the south having a radius of 197.92 feet; thence north westerly, westerly and southwesterly along the last said curve through a central angle of 52°49'14" a distance of 182.46 feet to a non-tangent line (a radial line to said non-tangent line bears North 31°47'09" West); thence along said non-tangent line South 58°12'51" West, 102.68 feet; thence North 32°14'01" West 99.16 feet; thence North 57°45'59" East, 28.33 feet; thence North 0°00'00" East, 57.10 feet; thence North 30°21'25" West, 15.17 feet; thence North 58°28'16" East, 169.47 feet to a non-tangent curve having a radius of 645.20 feet (a radial line to said non-tangent curve bears South 31°31'58" East); thence northeasterly along the last said non-tangent curve through a central angle of 24°57'22" a distance of 281.03 feet; thence South 0°00'00" West 87.16 feet; thence South 90°00'00" East 98.00 feet; thence North 0°00'00" West 89.73 feet; thence South 90°00'00" East 64.68 feet to the east line of lot 9 of said Map; thence along said east line South 0°00'00" West 138.26 feet; thence North 90°00'00" West, 79.68 feet to the beginning.

The above described Parcel contains 2.66 acres, more or less.

Beginning at the southwest corner of Lot 8 of said Map of International Gateway of the Americas Phase 1B; thence northerly along the west line of said Lot 8 North 6°49'14" East, 25.00 feet; thence South 83°07'50" East, 890.94 feet; thence South 90°00'00" East, 308.25 feet to the east line of said lot 8; thence southerly along the said east line South 0°00'00" West, 25.00 feet; thence South 90°00'00" West, 309.75 feet to the south line of said lot 8; thence westerly along the south line of said Lot 8 North 83°07'50" West, 892.42 feet to the beginning.

The above described Parcel contains 0.69 acres, more or less.

EXHIBIT D

RENT SCHEDULE A-1 (INITIAL A IMPROVEMENTS)

[BEHIND THIS PAGE]

Exhibit D to
Amendment to Public Use Lease (Parcel A)
RENT SCHEDULE A-1
(Initial A Improvements)

Lease Year	Annual Rent Amount	Annual Base Rent	Annual First Tier Additional Rent	Balance of First Tier Base Rent Due For Term	Annual Second Tier Additional Rent	Balance of Second Tier Base Rent Due for Term	Total Annual Additional Rent	Balance of Base Rent Due for Term
0				\$801,988		\$3,614,898		\$4,416,886
1	\$347,693	(\$50,600)	(\$80,199)	\$797,112	(\$216,894)	\$3,569,174	(\$297,093)	\$4,366,286
2	\$347,693	(\$53,831)	(\$79,711)	\$791,749	(\$214,150)	\$3,520,706	(\$293,862)	\$4,312,455
3	\$347,693	(\$57,275)	(\$79,175)	\$785,850	(\$211,242)	\$3,469,330	(\$290,417)	\$4,255,179
4	\$347,693	(\$60,948)	(\$78,585)	\$779,361	(\$208,160)	\$3,414,871	(\$286,745)	\$4,194,232
5	\$347,693	(\$64,864)	(\$77,936)	\$772,222	(\$204,892)	\$3,357,145	(\$282,828)	\$4,129,367
6	\$347,693	(\$69,042)	(\$77,222)	\$764,370	(\$201,429)	\$3,295,955	(\$278,651)	\$4,060,325
7	\$347,693	(\$73,498)	(\$76,437)	\$755,733	(\$197,757)	\$3,231,094	(\$274,194)	\$3,986,827
8	\$347,693	(\$78,254)	(\$75,573)	\$746,232	(\$193,866)	\$3,162,341	(\$269,439)	\$3,908,573
9	\$347,693	(\$83,329)	(\$74,623)	\$735,781	(\$189,740)	\$3,089,463	(\$264,364)	\$3,825,244
10	\$347,693	(\$88,747)	(\$73,578)	\$724,285	(\$185,368)	\$3,012,213	(\$258,946)	\$3,736,498
11	\$347,693	(\$94,531)	(\$72,429)	\$711,639	(\$180,733)	\$2,930,327	(\$253,161)	\$3,641,966
12	\$347,693	(\$100,709)	(\$71,164)	\$697,729	(\$175,820)	\$2,843,528	(\$246,984)	\$3,541,257
13	\$347,693	(\$107,308)	(\$69,773)	\$682,428	(\$170,612)	\$2,751,521	(\$240,385)	\$3,433,949
14	\$347,693	(\$114,359)	(\$68,243)	\$665,596	(\$165,091)	\$2,653,994	(\$233,534)	\$3,319,590
15	\$347,693	(\$121,893)	(\$66,560)	\$647,082	(\$159,240)	\$2,550,615	(\$225,799)	\$3,197,697
16	\$347,693	(\$129,948)	(\$64,708)	\$626,715	(\$153,037)	\$2,441,034	(\$217,745)	\$3,067,749
17	\$347,693	(\$138,559)	(\$62,672)	\$604,313	(\$146,462)	\$2,324,878	(\$209,134)	\$2,929,190
18	\$347,693	(\$147,769)	(\$60,431)	\$579,670	(\$139,493)	\$2,201,752	(\$199,924)	\$2,781,422
19	\$347,693	(\$157,621)	(\$57,967)	\$552,562	(\$132,105)	\$2,071,239	(\$190,072)	\$2,623,801
20	\$347,693	(\$168,162)	(\$55,256)	\$522,744	(\$124,274)	\$1,932,894	(\$179,531)	\$2,455,639
21	\$347,693	(\$179,445)	(\$52,374)	\$489,945	(\$115,974)	\$1,786,250	(\$168,248)	\$2,276,194
22	\$347,693	(\$191,523)	(\$48,994)	\$453,865	(\$107,175)	\$1,630,806	(\$156,169)	\$2,084,671
23	\$347,693	(\$204,458)	(\$45,386)	\$414,177	(\$97,848)	\$1,466,036	(\$143,235)	\$1,880,213
24	\$347,693	(\$218,313)	(\$41,418)	\$370,521	(\$87,962)	\$1,291,380	(\$129,380)	\$1,661,900
25	\$347,693	(\$233,158)	(\$37,052)	\$322,498	(\$77,483)	\$1,106,244	(\$114,555)	\$1,428,743
26	\$347,693	(\$249,068)	(\$32,250)	\$269,674	(\$66,375)	\$910,001	(\$98,624)	\$1,179,674
27	\$347,693	(\$266,125)	(\$26,967)	\$211,567	(\$54,600)	\$701,982	(\$81,567)	\$913,549
28	\$347,693	(\$284,417)	(\$21,137)	\$147,650	(\$42,119)	\$481,483	(\$63,276)	\$629,132
29	\$347,693	(\$304,039)	(\$14,765)	\$77,340	(\$28,889)	\$247,753	(\$43,654)	\$325,093
30	\$347,693	(\$325,093)	(\$7,734)	\$0	(\$14,865)	\$0	(\$22,599)	\$0

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EXHIBIT E

RENT SCHEDULE FOR A-2 (SUPPLEMENTAL A IMPROVEMENTS)

[BEHIND THIS PAGE]

Exhibit E to
Amendment to Public Use Lease (Parcel A)
RENT SCHEDULE A-2
(Supplemental A Improvements)

Lease Year	Annual Rent Amount	Annual Base Rent	Annual First Tier Additional Rent	Balance of First Tier Base Rent Due For Term	Annual Second Tier Additional Rent	Balance of Second Tier Base Rent Due for Term	Total Annual Additional Rent	Balance of Base Rent Due for Term
0				\$343,012		\$1,546,102		\$1,889,114
1	\$148,709	(\$21,642)	(\$34,301)	\$340,927	(\$92,766)	\$1,526,545	(\$127,067)	\$1,867,472
2	\$148,709	(\$23,024)	(\$34,093)	\$338,633	(\$91,593)	\$1,505,815	(\$125,685)	\$1,844,449
3	\$148,709	(\$24,497)	(\$33,863)	\$336,110	(\$90,349)	\$1,483,842	(\$124,212)	\$1,819,952
4	\$148,709	(\$26,068)	(\$33,611)	\$333,335	(\$89,031)	\$1,460,550	(\$122,642)	\$1,793,884
5	\$148,709	(\$27,743)	(\$33,333)	\$330,282	(\$87,633)	\$1,435,860	(\$120,966)	\$1,766,142
6	\$148,709	(\$29,529)	(\$33,028)	\$326,923	(\$86,152)	\$1,409,689	(\$119,180)	\$1,736,612
7	\$148,709	(\$31,435)	(\$32,692)	\$323,229	(\$84,581)	\$1,381,948	(\$117,274)	\$1,705,177
8	\$148,709	(\$33,469)	(\$32,323)	\$319,166	(\$82,917)	\$1,352,542	(\$115,240)	\$1,671,707
9	\$148,709	(\$35,640)	(\$31,917)	\$314,696	(\$81,153)	\$1,321,372	(\$113,069)	\$1,636,067
10	\$148,709	(\$37,957)	(\$31,470)	\$309,779	(\$79,282)	\$1,288,332	(\$110,752)	\$1,598,110
11	\$148,709	(\$40,431)	(\$30,978)	\$304,370	(\$77,300)	\$1,253,309	(\$108,278)	\$1,557,679
12	\$148,709	(\$43,074)	(\$30,437)	\$298,421	(\$75,199)	\$1,216,185	(\$105,636)	\$1,514,605
13	\$148,709	(\$45,896)	(\$29,842)	\$291,876	(\$72,971)	\$1,176,833	(\$102,813)	\$1,468,709
14	\$148,709	(\$48,911)	(\$29,188)	\$284,677	(\$70,610)	\$1,135,121	(\$99,798)	\$1,419,798
15	\$148,709	(\$52,134)	(\$28,468)	\$276,759	(\$68,107)	\$1,090,905	(\$96,575)	\$1,367,664
16	\$148,709	(\$55,579)	(\$27,676)	\$268,048	(\$65,454)	\$1,044,037	(\$93,130)	\$1,312,085
17	\$148,709	(\$59,262)	(\$26,805)	\$258,466	(\$62,642)	\$994,356	(\$89,447)	\$1,252,823
18	\$148,709	(\$63,201)	(\$25,847)	\$247,926	(\$59,661)	\$941,695	(\$85,508)	\$1,189,622
19	\$148,709	(\$67,415)	(\$24,793)	\$236,332	(\$56,502)	\$885,874	(\$81,394)	\$1,122,207
20	\$148,709	(\$71,923)	(\$23,633)	\$223,579	(\$53,152)	\$826,704	(\$76,786)	\$1,050,283
21	\$148,709	(\$76,749)	(\$22,358)	\$209,551	(\$49,602)	\$763,984	(\$71,960)	\$973,534
22	\$148,709	(\$81,915)	(\$20,955)	\$194,119	(\$45,839)	\$697,500	(\$66,794)	\$891,619
23	\$148,709	(\$87,447)	(\$19,412)	\$177,145	(\$41,850)	\$627,028	(\$61,262)	\$804,172
24	\$148,709	(\$93,373)	(\$17,714)	\$158,473	(\$37,622)	\$552,327	(\$55,336)	\$710,799
25	\$148,709	(\$99,722)	(\$15,847)	\$137,933	(\$33,140)	\$473,144	(\$48,987)	\$611,077
26	\$148,709	(\$106,527)	(\$13,793)	\$115,340	(\$28,389)	\$389,210	(\$42,182)	\$504,550
27	\$148,709	(\$113,822)	(\$11,534)	\$90,488	(\$23,353)	\$300,240	(\$34,887)	\$390,727
28	\$148,709	(\$121,646)	(\$9,049)	\$63,150	(\$18,014)	\$205,931	(\$27,063)	\$269,082
29	\$148,709	(\$130,038)	(\$6,315)	\$33,079	(\$12,356)	\$105,965	(\$18,671)	\$139,043
30	\$148,709	(\$139,043)	(\$3,308)	\$0	(\$6,358)	\$0	(\$9,666)	\$0

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Prepared by: S. Haines
Approved by: _____

EXHIBIT C

Parking Area Description

(Parcel A-1 Parking Area)

See attached.

That portion of Lots 4, 8, 9 and 10 of International Gateway of the Americas Phase 1B, according to the map thereof No. 14406, filed in the Office of the County Recorder of San Diego County, June 13, 2002, described as follows:

COMMENCING at the northeast corner of Lot 9 of said Map 14406; thence South 20°05'29" West 13.69 feet to the **POINT OF BEGINNING**;

1. Thence South 0°00'00" East 130.00 feet;
2. Thence North 90°00'00" West, 67.17 feet;
3. Thence South 00°00'00" East, 129.08 feet;
4. Thence North 90°00'00" East, 67.17 feet;
5. Thence South 0°00'00" East 29.42 feet;
6. Thence South 74°57'58" West, 86.15 feet;
7. Thence South 62°18'09" West, 151.79 feet;
8. Thence North 90°00'00" West, 110.70 feet;
9. Thence South 0°00'00" West, 240.97 feet;
10. Thence North 90°00'00" West, 103.52 feet;
11. Thence North 0°00'00" East, 445.04 feet;
12. Thence South 90°00'00" East, 121.46 feet;
13. Thence North 0°00'00" East, 135.39 feet;
14. Thence North 70°20'28" East, 12.06 feet to a tangent curve concave to the south with a radius of 650.00 feet;
15. Thence easterly along the said curve through a central angle of 19°39'32", 223.02 feet;
16. Thence South 90°00'00" East 80.34 feet to the **POINT OF BEGINNING**;

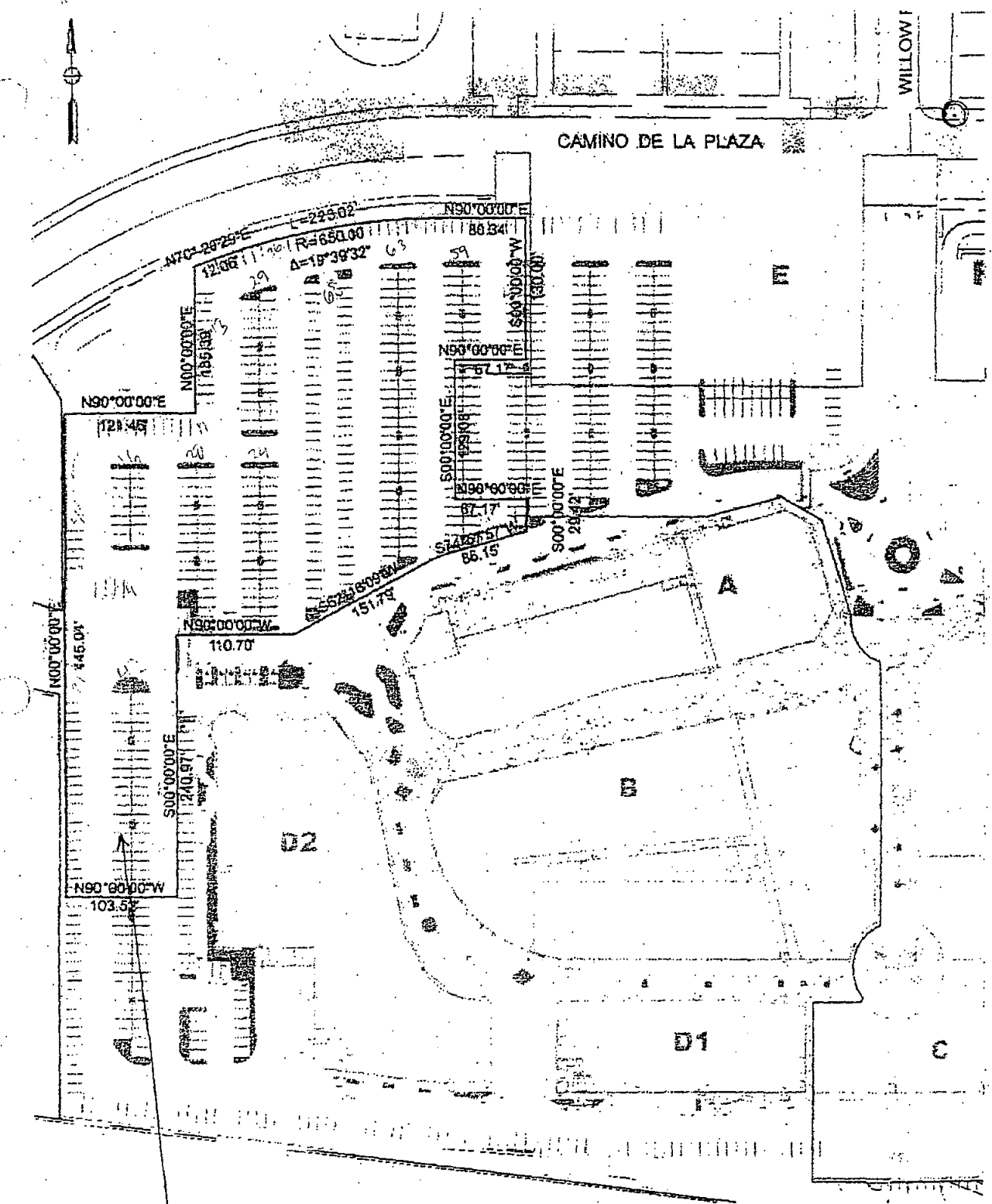
Said land contains 144,716 square feet or 3.322 acres, more or less.

This legal description has been prepared by me, or under my direction, in conformance with the Professional Land Surveyors Act.

Signature: _____

Robert M. Sergeant, RCE 29685
License Expires 3/31/2007
Date: October 18, 2004





Parking Area for Public
Use Lease for Parcel A-1



PARSONS
110 WEST A STREET, SUITE 1050
SAN DIEGO, CA 92101
(619) 685-0085

EXHIBIT D

Plan for Improvements for DDA Parcel A-1

See attached.

The Plan for Improvements for DDA Parcel A-1 consists of those improvements described on the attached for construction on Parcel A-1.