

FIRST AMENDMENT TO AIR STANDARD INDUSTRIAL/COMMERCIAL SINGLE-TENANT LEASE-NET

This First Amendment to AIR Standard Industrial/Commercial Single-Tenant Lease – Net (“**First Amendment**”) is entered into and effective as of April 11, 2022 (“**Effective Date**”), by and between Debolt, Derrick, McFarland Properties, LLC, a California limited liability company, as Lessor (“**Lessor**”) and City of San Diego, a California municipal corporation, as Lessee (“**Lessee**”), with reference to the recitals set forth below:

RECITALS

A. Lessor and Lessee entered into that certain Standard Industrial/Commercial Single-Tenant Lease – Net dated as of June 7, 2021 (the “**Original Lease**”), whereby Lessor leases to Lessee, and Lessee leased from Lessor, an approximately 22,000 square foot warehouse building located at 116 South 20th Street in San Diego, California 92113 (the “**Premises**”).

B. Lessee desires to exercise its option to extend the Term of the Original Lease pursuant to Paragraph 51 of the Original Lease.

C. Lessor and Lessee now wish to amend the Original Lease to confirm that Lessee has exercised its right to extend the Lease Term as provided for in the Original Lease, and to confirm the amount of the Base Rent and Additional Rent as further provided herein.

AGREEMENT

NOW THEREFORE, based on the foregoing recitals, the truth and accuracy of which are hereby confirmed by the parties, and for and in consideration of the mutual promises and covenants hereinafter set forth, the parties agree as follows:

1. **Defined Terms.** Initially capitalized terms not defined herein shall have the meanings given to them in the Original Lease.

2. **Extension of Term.** The Term of the Original Lease is hereby extended for a period of twelve (12) months commencing on July 1, 2022 and expiring on June 30, 2023 (the “**Extended Term**”). Any reference to “Term” in the Original Lease shall include the Extended Term.

3. **Base Rent for the Extended Term.** Pursuant to Paragraph 52 of the Original Lease, the monthly Base Rent for the Extended Term shall be \$16,590.00.

4. **Operating Expenses.** During the Extended Term, Lessee shall continue to be responsible for Operating Expenses as set forth in Paragraph 53 of the Original Lease. Lessee’s share of the monthly Operating Expenses for the calendar year 2022 is \$1,561.47. The monthly Operating Expenses shall be adjusted by Lessor each subsequent calendar year based on Lessor’s actual expenses.

5. **No Default.** Lessor and Lessee hereby represent and warrant to the other that based on their actual knowledge, as of the date of this First Amendment, Lessor and Lessee are in full compliance with all terms, covenants and conditions of the Original Lease and that there are no breaches or defaults which, given the passage of time, would constitute a default under the Lease by either Lessor or Lessee.

6. **Brokers.** Lessor and Lessee each represents to the other that it has had no dealings with any real estate broker, agent, or finder in connection with the negotiation of this First Amendment, and that they know of no other real estate broker, agent, or finder who is entitled to a commission or finder's fee in connection with this First Amendment. Each party shall indemnify, protect, defend, and hold harmless the other party against all claims, demands, losses, liabilities, lawsuits, judgments, and costs and expenses (including reasonable attorney fees) for any leasing commission, finder's fee, or equivalent compensation alleged to be owing on account of the indemnifying party's dealings with any real estate broker, agent, or finder. The terms of this Section shall survive the expiration or earlier termination of the Extended Term.

7. **Recitals.** The Recitals attached hereto are incorporated into this First Amendment and made a part hereof.

8. **Headings.** The headings preceding each section are inserted merely as a matter of convenience and shall not be deemed to be a part of this First Amendment.

9. **Entire Agreement.** This First Amendment sets forth the entire understanding of the parties hereto and supersedes any prior oral or written agreements with respect to the subject matter hereof.

10. **Integration and Modification.** Upon the mutual execution and delivery of this First Amendment, all references to the "**Lease**" shall mean the Original Lease as modified by this First Amendment. In the event of any conflict between the Original Lease and this First Amendment, the terms of this First Amendment shall control. All of the terms and conditions of the Original Lease shall remain in full force, except as expressly modified by this First Amendment and no further modification shall be effective unless it is in writing and executed by Lessor and Lessee.

11. **Authority of Signatory.** Each individual executing this First Amendment below on behalf of another person or legal entity hereby represents and warrants that her or she has full power and authority to execute and deliver this First Amendment on behalf of such person or entity in accordance with duly adopted resolutions or other authorizing actions which are necessary and proper and under such legal entity's articles, charter, bylaws, or other written rules of conduct or governing agreement and that this First Amendment is binding upon such person or entity in accordance with its terms. Each person executing this First Amendment on behalf of another person or legal entity represents and warrants such entity is a valid, qualified corporation, limited liability company, partnership, or other unincorporated association in good standing in its home state and that such entity is organized and qualified to do business in California.

12. **Enforceability.** In the event that one or more provision of this First Amendment should be found invalid or unenforceable, then the parties hereto expressly intend that such provision shall be construed in such a way as to permit enforcement to the maximum extent permitted by law, and the balance of this First Amendment shall remain in full force and effect.

13. **Waiver.** No waiver of any term, condition, default or breach hereof shall constitute the waiver of any other term, condition or other default or breach hereof, nor shall a failure to enforce any provision hereof operate as a waiver of such provision or any other provision or right

of enforcement hereunder.

14. **Counterparts**. This First Amendment may be executed by the parties by facsimile, electronic signature, and in one or more counterparts, each of which shall be deemed to be original, but all of which, taken together, shall constitute one and the same document.

15. **Successors and Assigns**. This First Amendment shall be binding upon and inure to the benefit of the parties hereto and their successors and assigns.

THE SUBMISSION OF THIS FIRST AMENDMENT FOR EXAMINATION OR SIGNATURE BY LESSEE IS NOT A COMMITMENT BY LESSOR OR ITS AGENTS TO HONOR THE TERMS OF THIS FIRST AMENDMENT. THIS FIRST AMENDMENT SHALL BECOME EFFECTIVE AND LEGALLY BINDING ONLY UPON FULL EXECUTION AND DELIVERY BY BOTH LESSOR AND LESSEE.

*The remainder of this page is intentionally left blank,
signatures appear on the following page.*

IN WITNESS WHEREOF, Lessor and Lessee have executed this First Amendment to Lease as of the Effective Date first set forth above.

LESSOR:

DEBOLT, DERRICK, MCFARLAND PROPERTIES,
LLC, a California limited liability company

DocuSigned by:
By: Matt McFarland
Name: Matt McFarland
Title: COO

LESSEE:

THE CITY OF SAN DIEGO,
a California municipal corporation

By: [Signature]
Name: Penny Maus
Title: Director, Department of Real Estate and Airport Management

Approved as to Form on this 5th
day of May, 2022

MARA W. ELLIOTT, City Attorney

By: [Signature]
Name: Melissa Ables
Title: Deputy City Attorney

04/05/2022

Attachment A

Environmental Determination	
Environmental Planner	Sureena Basra (sbasra@sanidiego.gov)
Project Name	116 S 20th Street - 1st Amendment to Lease
Environmental Determination	This activity is not a subject to CEQA pursuant to CEQA Guidelines Section 15060(c)(2) as it involves the leasing of a warehouse for storage purposes, which on its own accord will not result in a direct or reasonably foreseeable indirect physical change in the environment.
Date Environmental Determination made	04/05/2022