

SECOND AMENDMENT TO LEASE AGREEMENT

This Second Amendment to Lease Agreement is executed by and between THE CITY OF SAN DIEGO ("CITY") AND THE LODGE AT TORREY PINES PARTNERSHIP ("LESSEE").

WHEREAS, the parties entered into that certain lease agreement dated April 24, 1995, and filed as Document No. 00-18172 in the Office of the City Clerk. Said lease was subsequently amended by First Amendment dated March 4, 1996, and filed as Document No. 00-18269 in the Office of the City Clerk.

WHEREAS, the parties wish to further amend said lease agreement to revise the rent provisions, permitted uses, and various other provisions.

WHEREAS, LESSEE contemplates spending at least \$45 million for improvements to the leased premises within the next three years.

NOW, THEREFORE, CITY and LESSEE hereby agree:

1. The addition to Section 1.2, Uses, in the First Amendment is deleted in its entirety, and the following is substituted therefor:

The use of the westerly extension of the leasehold, described as the Westerly Parcel in Section 9.1 hereof, shall be limited to golf course operations, hotel access, hotel landscaping, and other passive hotel uses as determined by the City Manager as not conflicting with golf course operations. Hotel structures and other improvements appurtenant to hotel buildings not within the Westerly Parcel may be constructed within the Westerly Parcel by LESSEE subject to the prior written approval of the City Manager and subject to other required regulatory approvals, if any. CITY approval may be withheld in the sole and absolute discretion of the City Manager, and LESSEE acknowledges that hotel uses of the Westerly Parcel shall be subordinate to golf course operations. CITY may use the Westerly Parcel for any golf operations deemed necessary by the City Manager. However, CITY shall not use the Westerly Parcel in such a manner as to obstruct the view from the hotel on the premises, and neither CITY nor LESSEE shall use the Westerly Parcel for incidental commercial activities.

2. The reference to "golf clubhouse" is deleted from Section 1.2, Uses. The reference to "locker rooms" in said section is changed to "locker rooms for PGA tournaments."

3. The following is added to Section 1.5a:

However, CITY will not effectuate any lateral entry upon the premises to pursue and recover subsurface natural gas, oil, and minerals on or within the premises at a level higher than 500 feet below the physical ground level of the premises.

4. CITY and LESSEE acknowledge and agree that LESSEE has satisfied the requirements of Section 2.1, Commencement, and that said section is amended so that the term of the lease is hereby extended for an additional twenty-six (26)

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SAN DIEGO, CALIFORNIA

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years through June 4, 2061, subject to LESSEE completing construction of the hotel expansion under the General Development Plan referenced in Section 6.12, Development Plans, hereof.

5. The fourth full paragraph of Section 3.2a is deleted in its entirety and the following is substituted therefor:

If LESSEE makes a major renovation of the premises (defined as at least 14 rooms out of service for more than one month or in any case meaning the redevelopment contemplated by the General Development Plan) during the first ten (10) years of the lease term, then the annual minimum rent shall be abated to the extent that portions of the premises are out of service. During this period, however, LESSEE shall continue to pay percentage rent for all ongoing operations, if any; provided, however, that the failure of LESSEE to continue hotel operations upon the premises shall not constitute a default under this lease. The period of the abatement shall be the lesser of the actual period of construction or eighteen (18) months from commencement of construction. LESSEE shall notify CITY as far in advance as commercially and reasonably possible of any proposed renovation activity which will result in a request for rental abatement. Such a rental abatement shall occur only once.

6. The first sentence of Section 3.2b is deleted in its entirety and the following is substituted therefor:

The rental abatement referred to in Subsection 3.2a above, in the case of a major renovation of the premises, shall end upon the date in which the Certificate of Occupancy is issued for the hotel guest rooms so renovated or upon the expiration of eighteen (18) months from commencement of construction, whichever occurs first ("Occupancy Date"). Thereafter, the rent under this lease for the six (6)-year period on and after the Occupancy Date ("Hotel Stabilization Period") shall be the greater of either the annual minimum rent or the percentage rent, as follows:

actually
3-10-02
but moved
to 4-1-02.

<u>Year</u>	<u>Annual Minimum Rent</u> <u>Versus Percentage of All Gross Income</u>
1	\$220,000 vs. 0.92%
2	\$250,000 vs. 0.97%
3	\$300,000 vs. 1.11%
4	\$375,000 vs. 1.30%
5	\$475,000 vs. 1.60%
6	\$550,000 vs. 1.80%

Effective at the beginning of the first day of the seventh year after the Occupancy Date and at the beginning of each three (3)-year period thereafter during the term of this lease, the annual minimum rent shall be eighty percent (80%) of the annual average of actual rents paid or accrued during the three (3) years preceding the adjustment date; provided, however, that for the first such minimum rent

adjustment after the Hotel Stabilization Period, the annual minimum rent shall be calculated based upon the rents that would have been paid had percentage rents, at the percentage rates specified in Section 3.2c hereof, been payable during the last three (3) years of the Hotel Stabilization Period. Commencing two (2) years after the Occupancy Date, LESSEE shall also pay a surcharge on all gross income in excess of the threshold amounts set forth below. Said surcharge shall be payable for an eight (8)-year period at the rate of one-half percent ($\frac{1}{2}$ of 1%) for the first four (4) years (years 3, 4, 5, and 6 below) and one percent (1%) for the second four (4) years (years 7, 8, 9, and 10 below).

<u>Year</u>	<u>Gross Income Thresholds</u>
1	N/A
2	N/A
3	\$27,095,000
4	\$28,840,000
5 through 10	Annual compounded increase-only adjustment based on the Consumer Price Index for "All Urban Consumers" for Los Angeles/Anaheim/ Riverside.

7. The following is added to Section 3.2c, Percentage Rent:

<u>Percentages</u>	<u>Business Activities</u>
Ten Percent (10%)	Health Club/Spa
Three Percent (3%)	Mandatory gratuities and service charges for banquets and room service.
Ten Percent (10%)	Commissions from rental of audiovisual equipment by third-party concessionaires.
Ten Percent (10%)	Fees for Swim Club use of hotel pool.
Ten Percent (10%)	Fees for locker use during golf tournaments.
Ten Percent (10%)	Markup, if any, on exchange account items, as defined in Exhibit "A" attached hereto and made part of this lease.

8. Section 3.2d, Percentage Rate Adjustment, is deleted in its entirety and the following is substituted therefor:

Effective at the beginning of the first day of the eleventh year after the Occupancy Date, the following percentages of gross income shall be established or increased as shown:

<u>Percentages</u>	<u>Business Activities</u>
Seven and One-Quarter Percent (7¼%)	Rooms (Year 11)
Seven and One-Half Percent (7½%)	Rooms (Year 13)
Eight Percent (8%)	Rooms (Year 15)
Three and One-Half Percent (3½%)	Food and Non-Alcoholic Beverages
Six and One-Half Percent (6½%)	Alcoholic Beverages
Seven Percent (7%)	Gift Shop
Fifty Percent (50%)	Guest Room Movie Commissions and Coin-Operated Telephone Commissions
Ten Percent (10%)	Guest Room Phones
Ten and One-Half Percent (10½%)	Health Club/Spa

At least six (6) months prior to the end of the twentieth year after the Occupancy Date and at least six (6) months prior to the end of each ten (10)-year period thereafter, the parties hereto, by mutual consent or through appraisal as hereinafter set forth, will adjust the percentage rates of LESSEE'S gross income to be paid CITY effective upon the first day of the succeeding ten (10)-year period. Said adjustment will be made to the degree necessary to provide a fair rental to CITY as determined by the City Manager and LESSEE, taking into consideration the criteria set forth in Subsection 3.02e. below. In the event that such adjustment is not made by mutual consent prior to two (2) months before the end of said ten (10)-year periods, then the parties hereto will refer the matter to appraisal under the terms hereinafter set forth.

9. The following section is added:

- 3.8 Additional Consideration to CITY. LESSEE acknowledges that CITY expends considerable sums for maintenance of Torrey Pines Golf Course adjacent to the leasehold. LESSEE further acknowledges that the expenditure of such funds enhances the value of the leasehold. LESSEE and CITY agree that the exact amount of such enhancement is impossible to ascertain. However, CITY desires to be reimbursed to a reasonable extent in consideration for the continued maintenance of the adjacent golf course. Therefore, LESSEE and CITY agree that in the event of an assignment; in the event of a subletting of the majority portion of the leasehold; or in the event of a refinancing creating an encumbrance against the leasehold after the permanent improvements have been constructed, pursuant to the Development Plans as described in Section 6.12 hereof, LESSEE shall pay to CITY one percent (1%) of the gross amount paid for the leasehold in connection with an approved assignment of the lease, one percent (1%) of any amount paid LESSEE in consideration of a sublease

of all or a majority portion of the leasehold, or one percent (1%) of the amount of any increased loan or encumbrance against the property over and above the amount of the encumbrance needed to finance the improvements. The amount upon which the one percent (1%) shall be based shall be the total consideration resulting from the transaction including total cash payments and the market value of noncash consideration, including but not limited to stocks, bonds, deferred payments, secured and unsecured notes, and forbearances regarding claims and judgments, less the amount listed in LESSEE'S most recent federal tax return as the current depreciated value of the hotel improvements upon the premises. Said hotel improvements are defined as only consisting of buildings, building improvements, leasehold improvements (landscape, hardscape, etc.), and furniture, fixtures, and equipment (FF&E). Prior to CITY'S consent to any assignment, majority subletting, or refinancing, LESSEE shall deliver to CITY a written statement of all sums due and owing to CITY from LESSEE pursuant to the provisions of this paragraph, together with an acknowledgment from the proposed assignee, sublessee, or refinancing agency as to the amount due CITY. The sum due CITY shall be payable in full to CITY concurrent with the completion of the transaction, be it an assignment, a sublease, or a refinancing. Any assignment, subletting, or refinancing in violation of the terms and conditions of this paragraph shall be void. The provisions of this paragraph shall not apply to:

- a. An assignment or transfer of a beneficial interest in the leasehold resulting from devise, bequest, intestate succession, or by operation of law for the benefit of Anne L. Evans, her lineal descendants and/or their spouses, and/or any initial partner of LESSEE or a trust created for her or their benefit, as further described in Section 4.2, Assignment and Subletting, hereof.
- b. Such other assignment for which the City Manager determines that the legal and equitable ownership interests in the leasehold have remained unchanged, such as a change in the legal or fictitious name of the LESSEE without any other change in the equity in beneficial use of, or legal title to, the leasehold as an asset or the income produced thereby.

CITY and LESSEE recognize that the existence and continued maintenance of Torrey Pines Golf Course enhances the value of LESSEE'S leasehold and that the future availability of an adequate number of reserved tee times for guests on the premises would favorably affect LESSEE'S room rate, occupancy, and the overall success of the hotel improvements (and also enhance both lease revenues and transient occupancy tax to CITY) through LESSEE'S ability to create golf packages incident to the sale of rooms. Therefore, CITY agrees to make five (5) foursome reserved nonresident tee times per day available to LESSEE on

such terms and conditions as determined by the City Manager and which will be set forth in a separate agreement with LESSEE.

10. The last sentence of the second paragraph of Section 4.2, Assignment and Subletting, is amended to read as follows:

Additionally, an "Assignment" for purposes of this clause shall not include a transfer of this lease to an entity where a majority-in-interest of the ownership is held by Anne L. Evans, her lineal descendants and/or their spouses, and/or any initial partner of LESSEE or a trust created for her or their benefit.

11. Consistent with the provisions of Section 6.12, Development Plans, hereof, the parties acknowledge that LESSEE has submitted to and the City Manager has approved the General Development Plan. Further, the parties acknowledge that construction of the hotel expansion under the General Development Plan shall be a period of up to eighteen (18) months coinciding with the period of minimum rent abatement set forth in Section 3.2a&b hereof.

12. Section 7.5, Compliance with CITY'S Equal Opportunity Contracting Program, is deleted in its entirety and the following is substituted therefor:

- 7.5 Compliance with CITY'S Equal Opportunity Contracting Program. LESSEE acknowledges and agrees that it is aware of, and will comply with, City Council Ordinance No. 18173 (San Diego Municipal Code Sections 22.2701 through 22.2708, as amended), EQUAL EMPLOYMENT OPPORTUNITY OUTREACH PROGRAM, a copy of which is on file in the Office of the City Clerk and by this reference is incorporated herein. LESSEE and all of its subcontractors are individually responsible to abide by its contents.

LESSEE will comply with Title VII of the Civil Rights Act of 1964, as amended; Executive Orders 11246, 11375, and 12086; the California Fair Employment Practices Act; and any other applicable federal and state laws and regulations hereafter enacted. LESSEE will not discriminate against any employee or applicant for employment on any basis prohibited by law.

LESSEE submitted and CITY acknowledges receipt of a current Work Force Report or a current Equal Employment Opportunity (EEO) Plan as required by Section 22.2705 of the San Diego Municipal Code, which sets forth the actions that LESSEE will take to achieve the CITY'S commitment to equal employment opportunities.

LESSEE agrees to insert the foregoing provisions in all subcontracts for any work covered by this lease agreement so that such provisions will be binding upon each subcontractor. LESSEE agrees that compliance with EEO provisions flowing from the authority of both parties will be

implemented, monitored, and reviewed by the CITY'S Equal Opportunity Contracting Program staff.

LESSEE understands that failure to comply with the above requirements and/or submitting false information in response to these requirements may result in termination of this lease agreement and debarment from participating in CITY contracts for a period of not less than one (1) year.

13. Section 7.13, Disabled Access Compliance, is deleted in its entirety and the following is substituted therefor:

7.13 Disabled Access Compliance. LESSEE agrees to comply with Title 24 of the California Code of Regulations (Building Code) as defined in the California Health and Safety Code (Title 24); the Americans with Disabilities Act of 1990 (ADA); and any other applicable state and federal laws and regulations hereafter enacted protecting the rights of people with disabilities. LESSEE'S compliance shall include but not necessarily be limited to the following:

- a. LESSEE shall not discriminate against qualified persons with disabilities in any aspects of employment, including recruitment, hiring, promotions, conditions and privileges of employment, training, compensation, benefits, discipline, layoffs, and termination of employment, to the extent required under applicable law.
- b. No qualified individual with a disability may be excluded on the basis of disability from participation in, or be denied the benefits of, services, programs, or activities of LESSEE, to the extent required under applicable law.
- c. LESSEE shall post a statement addressing the requirements of Subsections a. and b. above in a prominent place at the work site.
- d. Where required by law, LESSEE shall comply with CITY'S disabled access requirements by bringing up to code and making accessible any areas of the premises which deny access to disabled persons. All such improvements and alterations shall be at the sole cost of LESSEE.
- e. LESSEE shall include language in each sublease agreement which indicates the sublessee's agreement to abide by the foregoing provisions. LESSEE and sublessees shall be individually responsible for their own compliance with ADA.

LESSEE understands that failure to comply with the above requirements and/or submitting false information in response to these requirements shall

constitute a default under this lease, subject to the notice and cure periods set forth in Section 4.4, Defaults and Remedies, hereof.

14. Section 7.16e is deleted in its entirety and the following is substituted therefor:

7.16e LESSEE will allow CITY to bypass the exclusive for the Super Bowl or similar CITY-wide events at the request of the City Manager; provided, however, that there be no more than two (2) such events per year, that such events not be primarily sited at the golf course and be no longer than one (1) day each, and that, if bids are solicited, LESSEE is allowed to bid on the food and beverage service to be provided, if any.

15. The following section is added:

7.19 Best Management Practices. Torrey Pines Golf Course is a recreational park in the City of San Diego. The success of area businesses is influenced by the continued protection of land/water quality and the promotion of Torrey Pines Golf Course for use by the public. To further these goals, CITY and LESSEE are committed to implementation of a program to manage activities in a manner which aids in the protection of land and water resources. Best Management Practices (BMP) are to be prepared by LESSEE in order to control erosion and reduce the amount of pollutants and other sediments discharged from the leased premises in and around Torrey Pines Golf Course.

Once a BMP has been developed by LESSEE, it is crucial that the practices be enforced and maintained. It is LESSEE'S responsibility to inform employees, contractors, subcontractors, sublessees, agents, and vendors of the BMP. In addition, LESSEE shall include in each contract the requirement for compliance with BMP for maintenance of land/water quality within the leasehold.

The following are examples of BMP:

- a. Parking Lots. Cleaning and/or sweeping of parking lots and walkways on a daily basis is recommended. In addition, the use of water for cleaning and/or sweeping shall be minimized. The sweeping program shall include, but not be limited to, the removal of litter, oil, grease, and particulate matter before it enters storm drains located on or around the leased premises. Catch basin inserts such as stormceptors shall be installed at storm drains when any new construction is performed on the leased premises.
- b. Landscaping. To prevent an excess amount of water runoff into Torrey Pines Golf Course, grass filter strips or similar devices shall be utilized at all storm drain inlets that collect runoff from the existing landscaped areas of the parking lots. The use of drip

irrigation in lieu of spray irrigation is suggested. The irrigation system shall operate in a manner that ensures survival of plant materials. Inspection for damaged sprinkler heads and wear and tear shall be performed regularly.

Water-conserving plants and turf shall be used whenever feasible. Irrigation parts shall be replaced immediately upon detection of failure. Intentional disposal of landscape debris into storm drains is prohibited. Water used for irrigation shall not be allowed to run off the leased premises. Use of pesticides and fungicides that have been banned from manufacture by the U.S. EPA is prohibited.

- c. Erosion Control. Vegetation and other suitable ground cover on all slopes and other open areas shall be maintained to provide adequate long-term soil protection and erosion control to prevent the transport of sediment from the leased premises during rainfall and irrigation. Any erosion problems caused by rainfall, broken sprinkler heads, or irrigation shall be corrected promptly, and any transported sediment shall be promptly removed before it reaches a storm drain or receiving water.
- d. Storm Drains. Hazardous material or waste, cleaning compounds or detergents (biodegradable or otherwise), runoff from cleaning operations of food containers or transport equipment, wash-down or wash-off containing organic matter either man-made or natural, liquid food products or grease, paint or paint cleaning materials, or anything else that is of a questionable nature shall not be discharged or disposed of into the storm drain system.
- e. Maintenance/Repairs. Complete washing of vehicles and equipment shall be done in a contained wash rack. Sandblasting or other heavy maintenance is prohibited within the leased premises. Any vehicle and equipment maintenance tasks that could cause a toxic discharge shall not be conducted on the leased premises. Oil changes shall be performed at a fuel dock.
- f. Recyclables/Hazardous Materials. LESSEE will provide trash receptacles and containers for recyclables that are cleaned on a regular basis and clearly marked and sited so that they are convenient for LESSEE'S customers and staff. All hazardous materials shall be disposed of in a safe manner by LESSEE. Use of any pesticide that has a high risk of runoff or leaching shall be minimized and a suitable alternative utilized. LESSEE shall provide a secure location to store hazardous wastes with each container properly labeled.

16. Nothing contained herein is intended to alter or amend any other covenant or condition of said lease agreement.
17. This amendment shall be effective upon approval by the San Diego City Council and execution hereof by the City Manager or his designee.

THE CITY OF SAN DIEGO

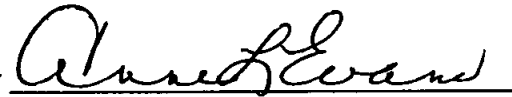
Date 10/19/00

By 
William T. Griffith
Real Estate Assets Director

LESSEE:

THE LODGE AT TORREY PINES
PARTNERSHIP, a California limited
partnership

Date 9-14-00

By 
Anne L. Evans
Managing General Partner

Approved as to form and legality:

CASEY GWINN, City Attorney

Date 10-23-00

By 
Deputy City Attorney

PTC/jmj
8/16/00
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EXHIBIT "A"

LESSEE derives gross income from items that, according to LESSEE, are goods and services provided from third parties to guests or consumers by LESSEE in its normal course of business, as an accommodation to individual guests or groups at LESSEE'S cost. The gross income derived from these goods and services shall be excluded from the gross income prior to the calculation of the percentage rent. It is understood that the exchange account list hereinbelow may be updated from time to time, subject to the prior written approval and reasonable determination of the City Manager. In no event shall LESSEE be allowed to deduct more than two percent (2%) from gross income for goods and services on the exchange account list, with all income above such two percent (2%) to be included in gross income.

Exchange charges are all those charges wherein LESSEE is paying an outside vendor for a service or product provided to a guest or group, for which LESSEE in turn charges the guest or group. The markup to the guest or group, if any, is not part of the exchange charge, but is considered "other income" for lease purposes.

Exchange Account List

Tickets to area attractions including the Zoo, Sea World, Wild Animal Park, harbor excursions, airport transportation services, car rentals (excluding any located directly on the leased premises), limousine services, sightseeing tours, golf, fishing, and any other attractions requested by guests or groups from time to time.

Special requests by guests or groups including flowers, cakes, hats, party favors, party rentals, decorations, photography, typewriters, copies by outside companies, rentals or purchases from outside companies of items such as chairs, dance floors, tents, pianos, coat racks, table linen, computer equipment, audiovisual equipment, special equipment, piano tuning, signs, electrical cords, printing, postage, ice carvings, casino nights, security guards, secretarial services, shipping charges, entertainment, and reimbursed banquet charges.

RESOLUTION NUMBER R- 293587

ADOPTED ON JUL 31 2000

WHEREAS, the City of San Diego [City] and The Lodge at Torrey Pines Partnership [Lessee] entered into a lease agreement, filed in the Office of the City Clerk as Document No. OO-18172, for the operation and maintenance of a hotel located in the Torrey Pines area; and

WHEREAS, City and Lessee entered into a First Amendment to Lease Agreement, filed in the Office of the City Clerk as Document No. OO-18269, for the primary purpose of adding approximately two acres to the leasehold area; and

WHEREAS, the City and Lessee desire to further amend the Lease Agreement for the primary purpose of facilitating development of the leasehold; NOW, THEREFORE,

BE IT RESOLVED, by the Council of the City of San Diego, that the City Manager is authorized to execute, for and on behalf of the City of San Diego, a Second Amendment to Lease Agreement with The Lodge at Torrey Pines Partnership, under the terms and conditions set forth in that lease amendment on file in the office of the City Clerk as Document No.

RR- 293587

APPROVED: CASEY GWINN, City Attorney

By Lori W. Girard
Lori W. Girard
Deputy City Attorney

LWG:cdk

07/21/00

Or.Dept:REA

Aud.Cert:N/A

R-2001-138

COPY

FIRST AMENDMENT TO LEASE AGREEMENT

This First Amendment to Lease Agreement is executed by and between THE CITY OF SAN DIEGO ("CITY") AND THE LODGE AT TORREY PINES PARTNERSHIP ("LESSEE").

WHEREAS, the parties entered into that certain lease agreement dated April 24, 1995 and filed as Document 00-18172 in the Office of the City Clerk.

WHEREAS, the parties wish to amend said lease agreement to revise the boundaries of the leasehold and to set forth the terms and conditions for golf course parking.

NOW, THEREFORE, CITY and LESSEE hereby agree:

1. The following is added to Section 1.2, Uses:

The use of the westerly extension of the leasehold, described as the Westerly Parcel in Section 9.1, shall be limited to golf course and hotel access, landscaping, and other passive uses determined by the City Manager as not conflicting with golf course operations. Structures and other improvements appurtenant to buildings not within the Westerly Parcel may be constructed within the Westerly Parcel subject to the prior written approval of the City Manager and subject to other required regulatory approvals, if any. CITY approval may be withheld in the sole and absolute discretion of the City Manager.

2. The following section is added:

7.18 Golf Course Parking. LESSEE agrees to provide ninety-four (94) spaces on the premises free of charge to news media and validated participants in amateur and professional golf tournaments held at Torrey Pines Golf Course. CITY shall give LESSEE at least thirty (30) days notice prior to each tournament. On days of regular play, LESSEE agrees to provide forty (40) parking spaces on the premises free of charge to validated golfers at Torrey Pines Golf Course. Should CITY institute pay parking on a regular basis at Torrey Pines Golf Course for other than the Buick Invitational or similar special event, LESSEE shall continue to provide the aforesaid numbers of parking spaces to golf course users but may charge such users a parking rate not to exceed that charged by CITY.

3. Section 9.1, Legal Description, is deleted in its entirety and the attached Section 9.1, Legal Description, is substituted therefor.

DOCUMENT NO. 118269

FILED MAR 04 1996
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SAN DIEGO, CALIFORNIA

4. Nothing contained herein is intended to alter or amend any other covenant or condition of said lease agreement.
5. This amendment shall be effective upon approval by the San Diego City Council and execution hereof by the City Manager or his designee.

THE CITY OF SAN DIEGO

Date 3-7-96

By Robert J. Collins
Real Estate Assets Director

LESSEE:

THE LODGE AT TORREY PINES
PARTNERSHIP, a California limited
partnership

Date 12-15-95

By Anne L. Evans
Managing General Partner

Approved as to form and legality:

JOHN W. WITT, City Attorney

Date 3/7/96

By [Signature]
Deputy City Attorney

PTC/dcj
12/4/95

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EXHIBIT "A"

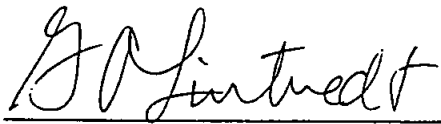
LEASE PARCEL
LEGAL DESCRIPTION

THOSE PORTIONS OF PUEBLO LOTS 1330 AND 1331 OF THE PUEBLO LANDS OF SAN DIEGO, IN THE CITY OF SAN DIEGO, COUNTY OF SAN DIEGO, STATE OF CALIFORNIA, ACCORDING TO MAP THEREOF MADE BY JAMES PASCOE IN 1870, A COPY OF SAID MAP BEING FILED IN THE OFFICE OF THE COUNTY RECORDER OF SAN DIEGO COUNTY, AND IS KNOWN AS MISCELLANEOUS MAP NO. 36, DESCRIBED AS FOLLOWS:

BEGINNING AT THE NORTHEASTERLY CORNER OF SAID PUEBLO LOT 1331; THENCE SOUTH $0^{\circ}22'50''$ WEST ALONG THE EASTERLY LINE THEREOF 1155.24 FEET; THENCE LEAVING SAID EASTERLY LINE, SOUTH $89^{\circ}55'53''$ WEST 115.41 FEET TO A FOUND LEAD AND DISC STAMPED "LS 4593", THE TRUE POINT OF BEGINNING, SAID POINT BEING THE NORTHEAST CORNER OF THAT PARCEL SHOWN ON RECORD OF SURVEY MAP NO. 14849, RECORDED IN THE OFFICE OF THE COUNTY RECORDER ON APRIL 13, 1995, FILE NO. 95-155749, O.R.; THENCE NORTH $2^{\circ}09'51''$ WEST (NORTH $0^{\circ}13'28''$ EAST RECORD PER GROUND LEASE, CITY CLERK'S DOCUMENT NO. 629873, RECORDED OCTOBER 24, 1961 AS FILE NO. 184967, O.R., TO BE REFERRED TO HEREINAFTER AS DEED 1; SEE ALSO CITY OF SAN DIEGO DRAWING NO. 13929-CL) (NORTH $2^{\circ}11'10''$ WEST RECORD PER EXHIBIT "C" PARCEL 3 IN THE ASSIGNMENT OF GROUND LEASE RECORDED JULY 6, 1990 AS FILE NO. 90-367803, O.R., TO BE REFERRED TO HEREINAFTER AS DEED 2); 15.33 FEET ALONG THE NORTHERLY PROLONGATION OF THE EASTERLY LINE OF SAID RECORD OF SURVEY PARCEL; THENCE LEAVING SAID NORTHERLY PROLONGATION OF SAID EASTERLY LINE SOUTH $87^{\circ}26'43''$ WEST 268.12 FEET; THENCE SOUTH $18^{\circ}34'38''$ WEST 71.76 FEET; THENCE SOUTH $4^{\circ}55'07''$ EAST 502.68 FEET TO A FOUND LEAD AND DISC STAMPED "RCE 12725" IN A CONCRETE CURB, ACCEPTED AS THE NORTHWEST CORNER OF LOT 1 OF SHERATON HOTEL AT TORREY PINES UNIT NO. 2, ACCORDING TO MAP THEREOF NO. 12164, RECORDED AUGUST 12, 1988 AS FILE NO. 88-399909, O.R.; THENCE ALONG THE SOUTH LINE OF SAID DEED 1, BEING ALSO THE NORTH LINE OF SAID MAP NO. 12164, THE FOLLOWING COURSES: NORTH $82^{\circ}31'26''$ EAST 42.91 FEET (NORTH $82^{\circ}30'36''$ EAST 42.93 FEET PER

MAP NO. 12164) AND NORTH $82^{\circ}33'15''$ EAST 402.20 FEET (NORTH $84^{\circ}57'03''$ EAST 402.47 FEET PER DEED 1) (NORTH $82^{\circ}32'25''$ EAST PER MAP NO. 12164) TO THE SOUTHEAST CORNER OF SAID DEED 1, SAID POINT BEING ALSO THE POINT OF BEGINNING OF DEED 2; THENCE CONTINUING ALONG THE EASTERLY PROLONGATION OF SAID SOUTH LINE OF DEED 1, NORTH $82^{\circ}33'15''$ EAST 121.05 FEET (NORTH $82^{\circ}32'25''$ EAST 120.81 FEET MORE OR LESS PER DEED 2) TO THE WESTERLY SIDELINE OF NORTH TORREY PINES ROAD (OLD HIGHWAY 101) 153.00 FEET IN WIDTH PER MAP NO. 12164; THENCE ALONG SAID SIDELINE NORTH $9^{\circ}28'03''$ WEST 210.00 FEET TO THE BEGINNING OF A TANGENT CURVE CONCAVE SOUTHWESTERLY HAVING A RADIUS OF 200.00 FEET, SAID POINT BEING THE TRUE POINT OF BEGINNING OF SAID DEED 2; THENCE LEAVING THE SIDELINE OF NORTH TORREY PINES ROAD, NORTHWESTERLY ALONG THE ARC OF SAID CURVE THROUGH A CENTRAL ANGLE OF $46^{\circ}31'57''$ A DISTANCE OF 162.43 FEET; THENCE TANGENT TO SAID CURVE NORTH $56^{\circ}00'00''$ WEST 155.14 FEET (155.67 FEET MORE OR LESS PER DEED 2) TO A POINT ON A LINE 68.00 FEET SOUTHERLY AND PARALLEL WITH THE NORTHERLY LINE OF DEED 1; THENCE ALONG SAID PARALLEL LINE SOUTH $87^{\circ}32'47''$ WEST 62.08 FEET (SOUTH $87^{\circ}31'15''$ WEST 61.72 FEET MORE OR LESS PER DEED 2) TO THE EASTERLY LINE OF DEED 1; THENCE NORTH $2^{\circ}09'51''$ WEST (NORTH $0^{\circ}13'28''$ EAST PER DEED 1) (NORTH $2^{\circ}11'10''$ WEST PER DEED 2) 68.00 FEET TO THE TRUE POINT OF BEGINNING.

THE BASIS OF BEARINGS FOR THIS DESCRIPTION IS THE CENTERLINE OF NORTH TORREY PINES ROAD PER MAP NO. 12164, I.E. NORTH $9^{\circ}28'03''$ WEST.



GARY A. LINTVEDT L.S. 4593

LICENSE EXPIRES 9/30/98

I.D. NO. 95-257

W.O. NO. 034000

DWG. NO. 28078-D



EXHIBIT "A"

WESTERLY PARCEL
LEGAL DESCRIPTION

THOSE PORTIONS OF PUEBLO LOT 1331 OF THE PUEBLO LANDS OF SAN DIEGO, IN THE CITY OF SAN DIEGO, COUNTY OF SAN DIEGO, STATE OF CALIFORNIA, ACCORDING TO MAP THEREOF MADE BY JAMES PASCOE IN 1870, A COPY OF SAID MAP BEING FILED IN THE OFFICE OF THE COUNTY RECORDER OF SAN DIEGO COUNTY, AND IS KNOWN AS MISCELLANEOUS MAP NO. 36, DESCRIBED AS FOLLOWS:

BEGINNING AT THE NORTHEASTERLY CORNER OF SAID PUEBLO LOT 1331; THENCE SOUTH $0^{\circ}22'50''$ WEST ALONG THE EASTERLY LINE THEREOF 1155.24 FEET; THENCE LEAVING SAID EASTERLY LINE, SOUTH $89^{\circ}55'53''$ WEST 115.41 FEET TO A FOUND LEAD AND DISC STAMPED "LS 4593", THE NORTHEAST CORNER OF THAT PARCEL SHOWN ON RECORD OF SURVEY MAP NO. 14849, RECORDED IN THE OFFICE OF THE COUNTY RECORDER ON APRIL 13, 1995, FILE NO. 95-155749; THENCE NORTH $2^{\circ}09'51''$ WEST (NORTH $0^{\circ}13'28''$ EAST RECORD PER GROUND LEASE, CITY CLERK'S DOCUMENT NO. 629873, RECORDED OCTOBER 24, 1961 AS FILE NO. 184967, O.R., TO BE REFERRED TO HEREINAFTER AS DEED 1; SEE ALSO CITY OF SAN DIEGO DRAWING NO. 13929-CL) 15.33 FEET ALONG THE NORTHERLY PROLONGATION OF THE EASTERLY LINE OF SAID RECORD OF SURVEY PARCEL; THENCE LEAVING SAID EASTERLY LINE SOUTH $87^{\circ}26'43''$ WEST 268.12 FEET; THENCE SOUTH $18^{\circ}34'38''$ WEST 24.43 FEET TO A POINT OF INTERSECTION WITH THE WESTERLY LINE OF SAID DEED 1 AND RECORD OF SURVEY PARCEL, SAID POINT BEING THE **TRUE POINT OF BEGINNING**; THENCE CONTINUING SOUTH $18^{\circ}34'38''$ WEST 47.33 FEET; THENCE SOUTH $4^{\circ}55'07''$ EAST 502.68 FEET TO A FOUND LEAD AND DISC STAMPED "RCE 12725" IN A CONCRETE CURB, ACCEPTED AS THE NORTHWEST CORNER OF LOT 1 OF SHERATON HOTEL AT TORREY PINES UNIT NO. 2,

ACCORDING TO MAP THEREOF NO. 12164, RECORDED AUGUST 12, 1988 AS FILE NO. 88-399909, O.R.; THENCE NORTH $82^{\circ}31'26''$ EAST 42.91 FEET (NORTH $82^{\circ}30'36''$ EAST 42.93 FEET RECORD PER MAP NO. 12164) TO THE SOUTHWEST CORNER OF DEED 1; THENCE NORTH $7^{\circ}26'39''$ WEST (NORTH $5^{\circ}03'32''$ WEST RECORD PER DEED 1) ALONG THE WESTERLY LINE OF SAID DEED 1 AND SAID RECORD OF SURVEY PARCEL 544.70 FEET TO THE TRUE POINT OF BEGINNING.

THE BASIS OF BEARINGS FOR THIS DESCRIPTION IS THE CENTERLINE OF NORTH TORREY PINES ROAD PER MAP NO. 12164, I.E. NORTH $9^{\circ}28'03''$ WEST.



GARY A. LINTVEDT L.S. 4593

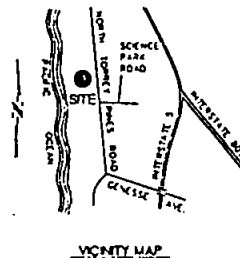
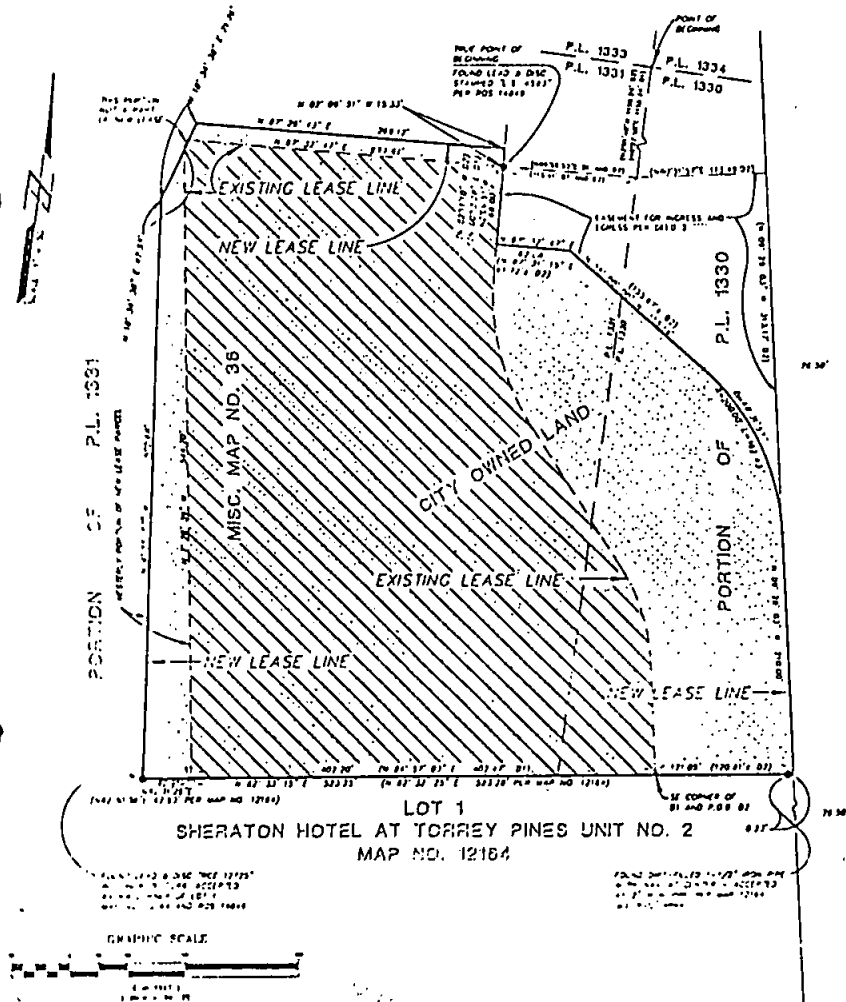
LICENSE EXPIRES 9/30/98



I.D. NO. 95-257

W.O. NO. 034000

DWG. NO. 28078-D



LEGAL DESCRIPTION

OF PORTIONS OF PLATS 1330 & 1331 OF THE PLATS (LAND) OF SAN DIEGO, IN THE CITY OF SAN DIEGO, COUNTY OF SAN DIEGO, STATE OF CALIFORNIA, ACCORDING TO MAP THE HER MAP BY JAMES PACE IN 1970 & COPY OF SAID MAP BEING FILED IN THE OFFICE OF THE COUNTY RECORDER OF SAN DIEGO COUNTY, AND BE KNOWN AS WHITE, AND 3.1 MAP NO. 31

LEGEND

- NEW LEASE PARCEL (6033 AC)
- EXISTING LEASE PARCEL PER CITY OF SAN DIEGO
- LEASE AGREEMENT ADOPTED ON 04-28-73
- FILED WITH THE CITY CLERK AS ORDINANCE NO. 04-1872

- (01 = DEED 1) INDICATES RECORD DATA PER ORIGIN (LEASE, CITY ELEM'S DOCUMENT NO. 120472, RECORDED OCTOBER 21, 1967 AS FILE NO. 101367, 00 (MIX CITY DOC. 12171-3)
- (02 = DEED 2) INDICATES RECORD DATA PER ASSIGNMENT OF ORIGIN (LEASE RECORDED JULY 6, 1968 AS FILE NO. 30-3679, 1, 00

BASIS OF BEARINGS:

THE BASIS OF BEARINGS FOR THIS MAP IS THE CENTER LINE OF NEARLY STRAIGHT PINE ROAD PER MAP NO. 12184, 15, N 89° 25' 03" W

SAID BEARING AND THE BEARINGS SHOWN HEREON ARE IN TERMS OF THE CALIFORNIA COORDINATE SYSTEM BY THE QUOTED BEARINGS FROM REFERENCE MAPS OR DEEDS MAY OR MAY NOT BE IN TERMS OF SAID SYSTEM

ASSESSOR'S PARCEL NUMBER

760-103-17 AND 760-103-09

REFERENCE DRAWINGS

MAP NO. 12184

RECORD OF SURVEY NO. 14018

CITY OF SAN DIEGO DRAWING 121270-02



JAMES PACE, INC.		ASSOCIATES	
1000 LA JOLLA VILLAGE DRIVE, SUITE 100, LA JOLLA, CA 92037			
DATE: 1-24-96			
BY: JAMES PACE			
LEASEHOLD ACQUISITION			
PORTIONS OF PLATS 1330 AND 1331 OF THE CITY OF SAN DIEGO, CALIFORNIA			
TO: JAMES PACE, INC.	FROM: CITY OF SAN DIEGO	DATE: 1-24-96	FILE NO. 30-3679-252
BY: JAMES PACE	BY: JAMES PACE	DATE: 1-24-96	FILE NO. 30-3679-252
BY: JAMES PACE	BY: JAMES PACE	DATE: 1-24-96	FILE NO. 30-3679-252
BY: JAMES PACE	BY: JAMES PACE	DATE: 1-24-96	FILE NO. 30-3679-252
BY: JAMES PACE	BY: JAMES PACE	DATE: 1-24-96	FILE NO. 30-3679-252

(O-96-109)

ORDINANCE NUMBER O- 18269 (NEW SERIES)

ADOPTED ON MAR 04 1996

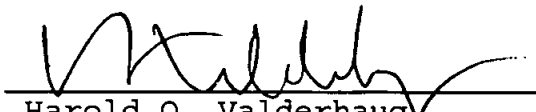
AN ORDINANCE AUTHORIZING A FIRST AMENDMENT TO
LEASE AGREEMENT WITH THE LODGE AT TORREY
PINES PARTNERSHIP, WHICH AMENDMENT ADDS
APPROXIMATELY TWO ACRES TO THE LEASEHOLD AREA

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

Section 1. That the City Manager is hereby authorized to
execute, for and on behalf of The City of San Diego, a first
amendment to the lease agreement with THE LODGE AT TORREY PINES
PARTNERSHIP, a California limited partnership, which amendment
revises the boundaries of the leasehold to add approximately two
acres of area, and sets forth the terms and conditions for golf
course parking on the leasehold property, under the terms and
conditions set forth in that first amendment to lease agreement,
a copy of which is on file in the office of the City Clerk as
Document No. OO- 18269.

Section 2. This ordinance shall take effect and be in force
on the thirtieth day from and after its passage.

APPROVED: JOHN W. WITT, City Attorney

By 
Harold O. Valderhaug
Chief Deputy City Attorney

HOV:ps
01/29/96
Or.Dept:REA
Job:220592
O-96-109

Passed and adopted by the Council of The City of San Diego on
MAR 04 1996 by the following vote:

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

NAYS: NONE.

NOT PRESENT: NONE.

AUTHENTICATED BY:

SUSAN GOLDING
Mayor of The City of San Diego, California

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

(Seal)

By: Peggy Rogers, Deputy

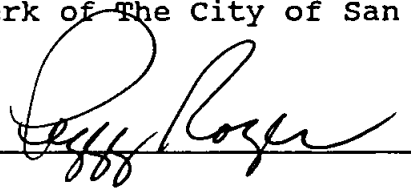
I HEREBY CERTIFY that the above and foregoing is a full, true and correct copy of ORDINANCE NO. O- 18269 (New Series) of The City of San Diego, California.

I FURTHER CERTIFY that said ordinance was not finally passed until twelve calendar days had elapsed between the day of its introduction and the day of its final passage, to wit, on FEB 12 1996 and on MAR 04 1996.

I FURTHER CERTIFY that the reading of said ordinance in full was dispensed with by a vote of not less than a majority of the members elected to the Council, and that there was available for the consideration of each member of the Council and the public prior to the day of its passage a written or printed copy of said ordinance.

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

(Seal)

By: , Deputy