

5A
Prop.

RESOLUTION No. 211355

R-75-232

Adopted on AUG 22 1974

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

That it be and it is hereby certified that the information contained in the Environmental Impact Report on file in the office of the City Clerk as E.Q.D. No. 73-10-003C, amended, has been completed in compliance with the California Environmental Quality Act of 1970 and the State guidelines pursuant thereto, and that said Environmental Impact Report, amended, has been reviewed and considered by this Council.

APPROVED: JOHN W. WITT, City Attorney

By H. Valderhaug
Harold Valderhaug, Deputy

nr/7-25-74

5A
Prop.

RESOLUTION No. 211356

R-75-233

Adopted on AUG 22 1974

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

That the City Manager be and he is hereby authorized and empowered to execute, for and on behalf of said City, a First Amendment to Lease Agreement with GIBBS FLYING SERVICE, INC., a California corporation, updating and clarifying standard lease paragraphs and adding the Nondiscrimination and Affirmative Action paragraphs to that certain lease agreement on file in the office of the City Clerk as Document No. 732107, under the terms and conditions set forth in the form of First Amendment to Lease Agreement on file in the office of the City Clerk as Document No. 748431.

APPROVED: JOHN W. WITT, City Attorney

By H. Valderhaug
Harold Valderhaug, Deputy

nr/7-25-74

5A
Prop.

R-75-234

RESOLUTION No. 211357

Adopted on AUG 22 1974

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

That the City Manager be and he is hereby authorized and empowered to execute, for and on behalf of said City, a Consent to Sublease Agreement whereby City consents to its Lessee GIBBS FLYING SERVICE, INC., a California corporation, subleasing portions of its leased premises to:

a. AMERICAN FUN TRAVELERS, for aircraft rental, flight instruction and sale of pilot supplies;

b. GIBBS FLITE CENTER, INC., for general aircraft and helicopter operations;

c. GIBBS COPTER, INC., for helicopter instruction and operations;

d. GIBBS SERVICE CENTER, INC., for aircraft and aircraft radio repair, maintenance, parts and component sales and installation; and

e. CALIFORNIA AERONAUTICAL EXPOSITION, INC., for aircraft rental, instruction and sales;

whereby City will receive various percentages of gross income as provided in the master lease, under the terms and conditions set forth in the form of Consent to Sublease Agreement on file in the office of the City Clerk as Document No. 748432.

APPROVED: JOHN W. WITT, City Attorney

By

H. Valderhaug
Harold Valderhaug, Deputy

nr/7-25-74
HAGAR

FIRST AMENDMENT TO LEASE AGREEMENT FILED

SEP 13 1974

OFFICE OF THE CITY CLERK
SAN DIEGO, CALIFORNIATHIS AGREEMENT, executed this 22 day of August, 1972,

by and between THE CITY OF SAN DIEGO, a municipal corporation (CITY) and GIBBS FLYING SERVICE, INC., a California corporation, (LESSEE) WITNESSETH:

WHEREAS, by Lease Agreement executed May 19, 1970, filed as Document No. 732107 in the Office of the City Clerk, CITY leased to LESSEE certain real property at Montgomery Field, more particularly described in said Lease Agreement; and

WHEREAS, the parties hereto now desire to amend said Lease Agreement in the manner herein set forth;

NOW, THEREFORE, CITY AND LESSEE HEREBY AGREE:

That Section (C) RENT, of said Lease Agreement is hereby deleted in its entirety and the following substituted therefor:

(C) RENT. The rent shall be paid by LESSEE to CITY at the Office of the City Treasurer, Community Concourse, San Diego, California, 92101, and shall be as follows:

LESSEE shall pay to CITY monthly in arrears within thirty (30) days following the last day of each calendar month the following percentage rent, and in the event that the total amount of said percentage rent paid to CITY in any one lease year is less than the amount of the Minimum Annual Rent for that year as herein-after set forth, then LESSEE shall pay to CITY the difference between said amounts within thirty (30) days following the last day of such lease year:

PERCENTAGE RENT.

1. ONE-HALF PERCENT ($\frac{1}{2}\%$) of the Gross Income from the sale of new or used aircraft.

2. ONE-HALF PERCENT ($\frac{1}{2}\%$) of the Gross Income from the sale of aircraft, aircraft parts and accessories, radios and service sold to dealers for resale.
3. SEVEN PERCENT (7%) of the Gross Income from the rental of aircraft tiedown facilities.
4. FIVE PERCENT (5%) of the Gross Income from the rental of aircraft storage hangars.
5. FOUR PERCENT (4%) of the Gross Income from the sale of aviation fuel to the general public.
6. TWO PERCENT (2%) of the Gross Income from the sale of aviation oil to the general public.
7. TWO AND ONE-HALF PERCENT ($2\frac{1}{2}\%$) of Gross Income from all other sources of income derived from occupancy of the leased premises not hereinabove defined.

The aforesaid percentage rent shall be calculated and paid by LESSEE on the basis of said gross income whether the income is received by LESSEE, its agents, sublessees, concessionaires or licensees and all gross income received by said agents, sublessees, concessionaires or licensees as a result of occupancy of said premises or any operations thereon shall be regarded as gross income of LESSEE for the purpose of calculating the percentage rent hereunder required to be paid by LESSEE to CITY.

MINIMUM ANNUAL RENT

Commencing on the effective date of this lease, the Minimum Annual Rent shall be TWENTY-FOUR THOUSAND TWO HUNDRED FIFTY DOLLARS (\$24,250.00) per year, and is based on the rate of TWO AND ONE-HALF CENTS (\$.025) per square foot per year for each square foot of land leased hereunder which is computed to be 970,000 square feet of vacant land.

The minimum annual rent may be adjusted, at CITY'S option at the expiration of each five year period to SIXTY SIX AND TWO THIRDS PERCENT (66 2/3%) of the annual average of actual rents paid, including all rents computed to have been payable, during the preceding five-year period provided, however, in no event shall the Minimum Annual Rent during any such five-year period of said term be less than the Minimum Annual Rent required for the last preceding five-year period thereof.

In the event LESSEE fails to pay the applicable rents when due as previously provided herein then LESSEE shall pay CITY in addition to the delinquent rent, a sum of money equal to FIVE PERCENT (5%) of said delinquent rent; provided, however, in the event said delinquent rent is still unpaid after fifteen (15) days of becoming delinquent then LESSEE shall pay CITY, instead of said FIVE PERCENT (5%), a sum of money equal to TEN PERCENT (10%) of said delinquent rent. It is the intent of this provision that CITY shall be compensated by such additional sums for loss resulting from rental delinquency including costs to CITY for servicing the delinquent account. The City Manager of CITY may for good cause waive any such delinquency compensation charge upon written application of LESSEE prior to the delinquent period.

That Section (D) 1, RECORDS of said Lease Agreement is hereby deleted in its entirety and the following substituted therefor:

1. RECORDS. Gross Income as used in this lease shall include all income resulting from occupancy of the demised premises from whatever source derived whether received or to become due, as outlined hereinabove (except such income as shall be specifically excluded as elsewhere in this agreement provided) including the amount of any manufacturer's or importer's excise tax included in

the prices of property sold, even though the manufacturer or importer is also the retailer thereof, and it is immaterial whether the amount of such excise tax is stated as a separate charge. Gross Income, however, shall not include federal, state or municipal taxes collected from the consumer as such taxes (regardless of whether the amount thereof is stated to the consumer as a separate charge) and paid over periodically by LESSEE to a governmental agency accompanied by a tax return or statement, but the amount of such taxes shall be shown on the books and records elsewhere herein required to be maintained.

LESSEE shall keep true, accurate and complete records in a manner and form satisfactory to CITY. Such records shall show all transactions relative to the conduct of operation of the leased premises, and such transactions shall be supported by documents of original entry such as sales slips, cash register tapes, purchase invoices and tickets issued or other means satisfactory to CITY. Said records shall be maintained separate from all other accounts not relating to operation of the leased premises. Allowances made by LESSEE for "trade-in" merchandise shall be excluded from computation of gross income provided LESSEE keeps adequate records, in the opinion of the CITY, from which CITY can determine what allowances were made. Said books of account and records shall be kept or made available at one location within the limits of the City of San Diego. Not later than the THIRTIETH day of each month, LESSEE shall render to CITY, a detailed statement as to the source of the receipts showing all gross income and all operations rental of the preceding calendar month together with the amount payable to CITY as hereinabove provided and shall accompany same with a remittance of the amount so shown to be due CITY. CITY shall through its duly authorized agents or representatives have the right to at any and all reasonable times examine and audit said records for the purpose of determining the accuracy thereof, and of the monthly statements of monies accrued and sales made on said premises.

That Section (D) 6, MECHANIC'S LIEN BOND of said Lease Agreement is hereby deleted in its entirety and the following substituted therefor:

6. MECHANIC'S LIEN BOND. LESSEE will save CITY free and harmless, indemnify it against all claims for labor and materials in connection with improvements, repair or alterations to the leased premises, and the cost of defending against such claims, including reasonable attorney's fees.

In the event that improvements, repairs, or alterations are constructed on the leased premises by other than the CITY, the LESSEE shall file with the CITY a bond, conditioned for the payment in full of the claims of all person performing labor upon or furnishing materials to be used, in the amount of the estimated cost of the improvement, alteration, or repair as determined by the City Manager. The bond shall be acknowledged by the LESSEE as principal and by a corporation licensed by the Insurance Commissioner of the State of California to transact the business of a fidelity and surety insurance company as surety.

In the event that a lien is recorded under the Civil Code of the State of California against the leased premises and the lien-holder attempts to perfect such lien by a lawsuit and the LESSEE has failed to comply with the requirements of this paragraph, this lease shall automatically terminate five (5) days after service of summons in such lawsuit upon the CITY; provided, however, that the City Manager shall have the right to continue this lease in full force and effect by notifying the LESSEE in writing of his election to do so.

That Section (D) 9, ASSIGNMENT of said Lease Agreement is hereby deleted in its entirety and the following substituted therefor:

9. ASSIGNMENT AND SUBLETTING. LESSEE shall not assign this lease or any interest therein, and shall not sublet the said premises or any part thereof, or

any right or privilege appurtenant thereto, without the prior written consent of the City Manager of CITY except as otherwise provided in Section (D) 20 ENCUMBRANCE hereof. A consent to one assignment, subletting, occupation or use by any other person shall not be deemed to be a consent to any subsequent assignment, subletting, occupation or use by another person. Any such assignment or subletting without such consent shall be void, and shall at the option of CITY, terminate this lease. This lease and any interest herein shall not be assignable by operation of law without the written consent of the City Manager. The City Manager's consent, as required in this Section (D) 9, shall not be unreasonably withheld.

That Section (D) 12, REMEDIES OF CITY of said Lease Agreement is hereby deleted in its entirety and the following substituted therefor:

12. REMEDIES OF CITY - Default By LESSEE. In the event that (1) LESSEE shall default in the performance or fulfillment of any covenant or condition herein required to be performed or fulfilled by LESSEE and shall fail to cure said default within thirty (30) days following the service on LESSEE of a written notice from CITY specifying the default complained of, or (2) LESSEE shall file a voluntary petition in bankruptcy, or (3) LESSEE shall be adjudicated a bankrupt, or (4) LESSEE shall make a general assignment for the benefit of creditors; then CITY may, at its option, without further notice or demand upon LESSEE or upon any person claiming through LESSEE, immediately terminate this lease and all rights of LESSEE and of all persons claiming rights through LESSEE or by reason of LESSEE in or to further possession thereof and CITY may thereupon enter and take possession of said premises and expel LESSEE and all persons so claiming rights thereto.

Provided, however, in the event that there is a deed of trust or mortgage on the leasehold interest given by LESSEE with the consent of CITY to secure a loan or loans as provided for herein, CITY shall not terminate this lease until it shall have, as a condition precedent, served upon the mortgagee or beneficiary written

notice of the default or defaults complained of and, if said defaults are curable, the mortgagee or beneficiary shall have thirty (30) days from service of such notice within which to commence such cure as may be necessary, and this lease shall not terminate if said mortgagee or beneficiary shall prosecute said cure with reasonable diligence thereafter, and said thirty (30) day period shall be extended during the time required for said mortgagee or beneficiary to perfect, through litigation or through foreclosure, its rights to cure. Provided, further, that if the mortgagee or beneficiary shall be required to perfect its right to cure said default or defaults through litigation or through foreclosure, then CITY shall have the option of the following courses of action in order that such default or defaults may be expeditiously corrected:

- (a) CITY may correct or cause to be corrected said default or defaults and charge the costs therefor (including costs incurred by CITY in enforcing this provision) to the account of the LESSEE, which charge shall be due and payable on the date that the rent is next due after presentation by CITY of a statement of all or part of said costs.
- (b) CITY may correct or cause to be corrected said default or defaults and pay the costs thereof (including costs incurred by CITY in enforcing this provision) from the funds of any faithful performance cash bond on deposit with CITY, or CITY may call on the bonding agent to correct said default or defaults or to pay the cost of such correction performed by or at the direction of the CITY.
- (c) CITY may terminate this lease as to the rights of LESSEE herein by assuming liability for any trust deed or mortgage theretofore approved by CITY, or CITY may substitute for said terminated LESSEE a new LESSEE satisfactory to the mortgagee or beneficiary.

Should said default or defaults be of a noncurable type or nature; then the mortgagee or beneficiary shall have the absolute right to substitute itself to the estate of the LESSEE hereunder and to commence performance of this lease and this lease shall not terminate if such mortgagee or beneficiary shall give notice in writing of its election to so substitute itself and commence performance within said thirty (30) day period after service upon it of said written notice of default by the CITY. In the event of the election by the mortgagee or beneficiary to substitute itself to LESSEE'S estate hereunder, the CITY expressly consents to said substitution and authorizes said mortgagee or beneficiary to perform under this lease with all the rights and privileges of the original LESSEE hereunder, subject to cure of the default if both possible and feasible by mortgagee or beneficiary and LESSEE expressly assigns all its interest in and to its leasehold estate in that event.

Abandonment by LESSEE. Even though LESSEE has breached the lease and abandoned the property, this lease shall continue in effect for so long as CITY does not terminate LESSEE'S right to possession, and CITY may enforce all its rights and remedies under said lease, including the right to recover the rent as it becomes due under the lease.

For purposes of this section, the following do not constitute a termination of LESSEE'S right to possession:

1. Acts of maintenance, or preservation, or efforts to relet the property.
2. The appointment of a receiver upon initiative of CITY to protect the CITY'S interest under the lease.

Damages. Damages which CITY may recover in the event of default under this lease include the worth at the time of award of the amount by which the unpaid rent for the balance of the term after the date of award, or for any shorter period of

time specified in this lease, exceeds the amount of such real loss for the same period that the LESSEE proves could be reasonably avoided.

The remedy provided by this Section (D) 12 is not exclusive and shall be cumulative to all other rights and remedies possessed by CITY, and nothing contained herein shall be construed so as to defeat any other rights or remedies to which CITY may be entitled.

That Section (D) 18, INSURANCE of said Lease Agreement is hereby deleted in its entirety and the following substituted therefor:

18. INSURANCE. Upon taking physical possession of said leased premises, LESSEE shall take out and maintain public liability insurance which names CITY as an additional insured with an insurance carrier licensed to do business in California and must have an A+ excellent rating in the current issue of Best's Insurance Guide to protect against loss from liability imposed by law for damages on account of bodily injury, including death resulting therefrom, suffered or alleged to be suffered by any person or persons whatsoever, resulting directly or indirectly from any act or activities of LESSEE, LESSEE'S sublessees, or any person acting for LESSEE or under LESSEE'S control or direction, and also to protect against loss from liability imposed by law for damages to any property of any person caused directly or indirectly by or from acts or activities of LESSEE, LESSEE'S sublessees, or any person acting for LESSEE or under LESSEE'S control or direction. Such public liability and property damage insurance shall be maintained in full force and effect during the entire term of this lease in the amounts of not less than ONE MILLION DOLLARS (\$1,000,000.00) combined single limit liability.

If the operation under this agreement results in an increased or decreased risk in the opinion of the City Manager, then the minimum limits hereinabove designated shall be changed accordingly. If LESSEE does not keep such insurance in full force and effect, CITY may take out the necessary insurance and pay the premium, and the

repayment thereof shall be deemed to be a part of the rental and paid as such on the next day upon which rent becomes due. Provisions of this paragraph as to maintenance of insurance shall not be construed as limiting in any way the extent to which the LESSEE may be held responsible for the payment of damages to persons or property resulting from his activities or the activities of any person or persons for which he is otherwise responsible.

During the term of this lease, LESSEE agrees to defend in the name of, and on behalf of, CITY, all claims or suits for damages and all fixed costs and interest on all such legal proceedings and pay all sums which CITY may become liable to pay as damages imposed upon CITY by law arising out of accidental bodily injury or death suffered, or alleged to have been suffered, by any person while within or upon the premises described in this lease or upon the sidewalks or other ways or premises adjacent thereto. LESSEE further agrees to pay all sums which CITY may become liable to pay as damages imposed upon CITY by law resulting from accidental injury to, or destruction of, property not owned, leased, occupied or used by, or in the care, custody or control of, LESSEE or of CITY or of any employee of LESSEE or CITY, subject to the following conditions:

(a) This agreement shall not apply to any injury or death caused by any employee of CITY;

(b) CITY shall not voluntarily assume any liability or incur any expenses or settle any claims without the prior written consent of LESSEE;

(c) LESSEE shall, on or before the effective date of this lease, deliver to the Property Department of CITY, a policy of bodily injury and property damage liability insurance in which CITY is named as an additional insured, issued by a company licensed in the State of California to transact such business, indicating that LESSEE has bodily injury and property damage liability insurance as required

in this paragraph, and indicating that the policy has been endorsed or does otherwise cover the contractual liability imposed by this agreement, and that the insurance company shall notify the Property Department if said policy be terminated or limited in any manner prior to the termination date specified in the policy.

(d) LESSEE also agrees upon commencement of construction on the leased premises, to take out and maintain during the entire remaining term of this agreement, fire and extended coverage insurance on all property of an insurable nature belonging to LESSEE located upon the leased premises. Said insurance shall be written by an insurance carrier satisfactory with CITY and in an amount sufficient to cover at least 80% of the replacement cost of said property. LESSEE shall require that a policy of such insurance be filed with CITY and that said insurance shall not be terminated or limited in any manner prior to the termination date specified in the policy without prior written notice to CITY. LESSEE shall pay the premium for such insurance and shall require that any such insurance proceeds resulting from a loss under said policy are payable jointly to CITY and LESSEE in order that said proceeds will be reinvested in rebuilding or repairing the damaged property, or said proceeds may be disposed of as specified in Paragraph 18 of this agreement, provided, however, that within the period which there is in existence a mortgage or deed of trust upon the leasehold given by LESSEE with the prior consent of the CITY securing a construction or other loan provided for in Paragraph 20, LEASE ENCUMBRANCE herein, then and for that period all policies of fire insurance shall be made payable jointly to the

mortgagee or beneficiary and the named insured and surrendered to the said mortgagee or beneficiary and any proceeds collected therefrom shall be held by said mortgagee or beneficiary for the following purposes: (1) As a trust fund to pay for the reconstruction, repair or replacement of the damaged or destroyed improvements in kind and scope in progress payments as the work is performed with any excess remaining after completion of said work to be retained by said mortgagee or beneficiary and applied in reduction of the debt secured by such mortgage or deed of trust and with any excess remaining after full payment of said debt to be paid over to LESSEE; or (2) In the event that this lease is terminated with consent of both CITY and mortgagee or beneficiary in lieu of restoration of premises, and said improvements are not reconstruction, repaired or replaced, the insurance proceeds shall be retained by said mortgagee or beneficiary to the extent fully to discharge the debt secured by said mortgage or deed of trust and said mortgagee or beneficiary shall hold the balance thereof without liability, to restore premises to a neat condition and then for CITY and LESSEE as their interest may appear. CITY reserves the right to increase the percentage of coverage when, in the opinion of the CITY, the value of the improvements covered is increased, subject to the availability of such insurance at the increased limits.

That Section (D) 24, ANTI-DISCRIMINATION of said Lease Agreement is hereby deleted in its entirety and the following substituted therefor:

24. ANTI-DISCRIMINATION. LESSEE shall not discriminate in any manner against any person or persons on account of race, color, sex, creed or national

origin in LESSEE'S use of said premises including, but not limited to, the providing of goods, services, facilities, privileges, advantages and accommodations, and the obtaining and holding of employment.

That Section (D) 37, AFFIRMATIVE ACTION is hereby added to read as follows:

37. AFFIRMATIVE ACTION. LESSEE shall take affirmative action to improve employment opportunities of minorities and women by implementing the Affirmative Action Program for Lessees, a copy of which is on file in the Office of the City Clerk as Document No. 746205 and by this reference incorporated herein. Minorities are defined as Mexican-American, Black, Filipino, American Indian and Asian/Oriental. The goal of this Affirmative Action Program shall be the attainment of the employment of minorities and women in all areas of employment in a total percentage of employment approximately equal to the total level of minority and women employment as established by the City for its Affirmative Action Program each year.

This First Amendment to Lease Agreement shall be effective upon the date of execution by CITY.

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

Date August 22, 1974

THE CITY OF SAN DIEGO

By [Signature]
Assistant to the City Manager

GIBBS FLYING SERVICE, INC.

By William E. Gibbs, Vice President

APPROVED as to form and legality this 4 day of September, 1974.

JOHN W. WITT, City Attorney

By [Signature]
Deputy

JH:ar
6-5-74



THE CITY OF
SAN DIEGO

CITY ADMINISTRATION BUILDING • 202 C STREET • SAN DIEGO, CALIF. 92101

November 15, 1979

OFFICE OF THE
CITY MANAGER
236-6363

AIRPORTS LEASE ADMIN ✓

Gibbs Flying Service, Inc.
Montgomery Field Airport
San Diego, CA 92123

Re: Permit - City/Gibbs Flying Service, Inc.

Gentlemen:

Permission is hereby granted to Gibbs Flying Service, Inc., a California corporation, hereinafter referred to as "Permittee," for use of City-owned property as described and delineated on the attached drawing and referred to herein as the "premises." The purpose of the permit is to allow Permittee use of said premises to facilitate the movement of light aircraft to and from taxiways in conjunction with flight operations on leased premises, City Document 732107. This permit is subject to the following terms and conditions:

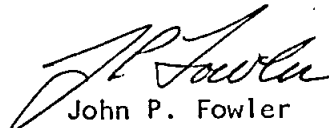
1. Said premises are licensed to Permittee only for the purpose of right-of-way access for light aircraft to and from the adjacent main taxiways, as shown on the referenced drawing.
2. This permit shall become effective on December 1, 1979 and shall continue until November 30, 1981, or may be terminated upon thirty (30) days' written notice by either party.
3. It is mutually agreed that the City shall not be obligated for any loss, financial or otherwise, which may be incurred by Permittee as a result of termination of this permit by City, and further that Permittee expressly waives any claim of expense or loss which it might incur as a result of termination of this permit.
4. As consideration for this permit, the Permittee agrees to pave the permitted premises with asphalt surfacing and maintain the access rights-of-way throughout the term of the permit to the satisfaction of the City Airports Manager at Montgomery Field Airport.
5. Permittee shall not commit any public or private nuisance and shall keep the premises and adjacent areas clean and clear of refuse and obstructions at its own expense. Disposition of all garbage, trash, industrial waste and refuse shall be made in a manner satisfactory to the City.
6. Permittee shall assume the defense of and save the City of San Diego harmless from all claims, expenses and liabilities of every kind, nature and description resulting in any manner from the use or condition of the property and any and all operations conducted thereon by Permittee.

To: Gibbs Flying Service, Inc. -2-
Re: Permit - City/Gibbs Flying Service, Inc.

7. Permittee certifies that a Policy of Liability Insurance in which the City of San Diego is named as an additional insured has been secured in an amount of not less than \$500,000 Combined Single Limit Liability and said policy shall be kept in force for the duration of this permit. A certificate of said insurance shall be filed with the City Property Department upon execution of this permit.
8. Permittee acknowledges that his interest may be subject to a possible possessory interest tax that the County of San Diego may impose on such interest, and Permittee agrees that such tax payment shall not reduce any rent due the City hereunder and Permittee agrees that any such tax shall be the liability of and be paid by the Permittee before becoming delinquent.
9. Upon revocation or other termination of this permit, Permittee shall at Permittee's sole cost, restore said premises to its original condition to the satisfaction of the City Manager.
10. This activity is a Class 1 project categorically exempt from CEQA pursuant to City EIR Guidelines, Section V, Existing Facilities.

Please acknowledge your agreement to the foregoing terms and conditions on the enclosed copy of this letter and return it to John Butler, Property Agent, City of San Diego Property Department, Security Pacific Plaza, 1200 Third Avenue, Suite 1024, San Diego, CA 92101.

Very truly yours,

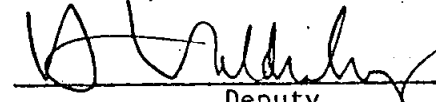

John P. Fowler
Deputy City Manager

JPF:JLS:JB:ed

Enclosures

APPROVED AS TO FORM AND LEGALITY THIS 20 DAY OF November, 1979.

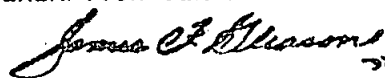
JOHN W. WITT, CITY ATTORNEY

By: 
Deputy

THE ABOVE IS ACKNOWLEDGED AND AGREED TO THIS 19 DAY OF December 1979,
1979.

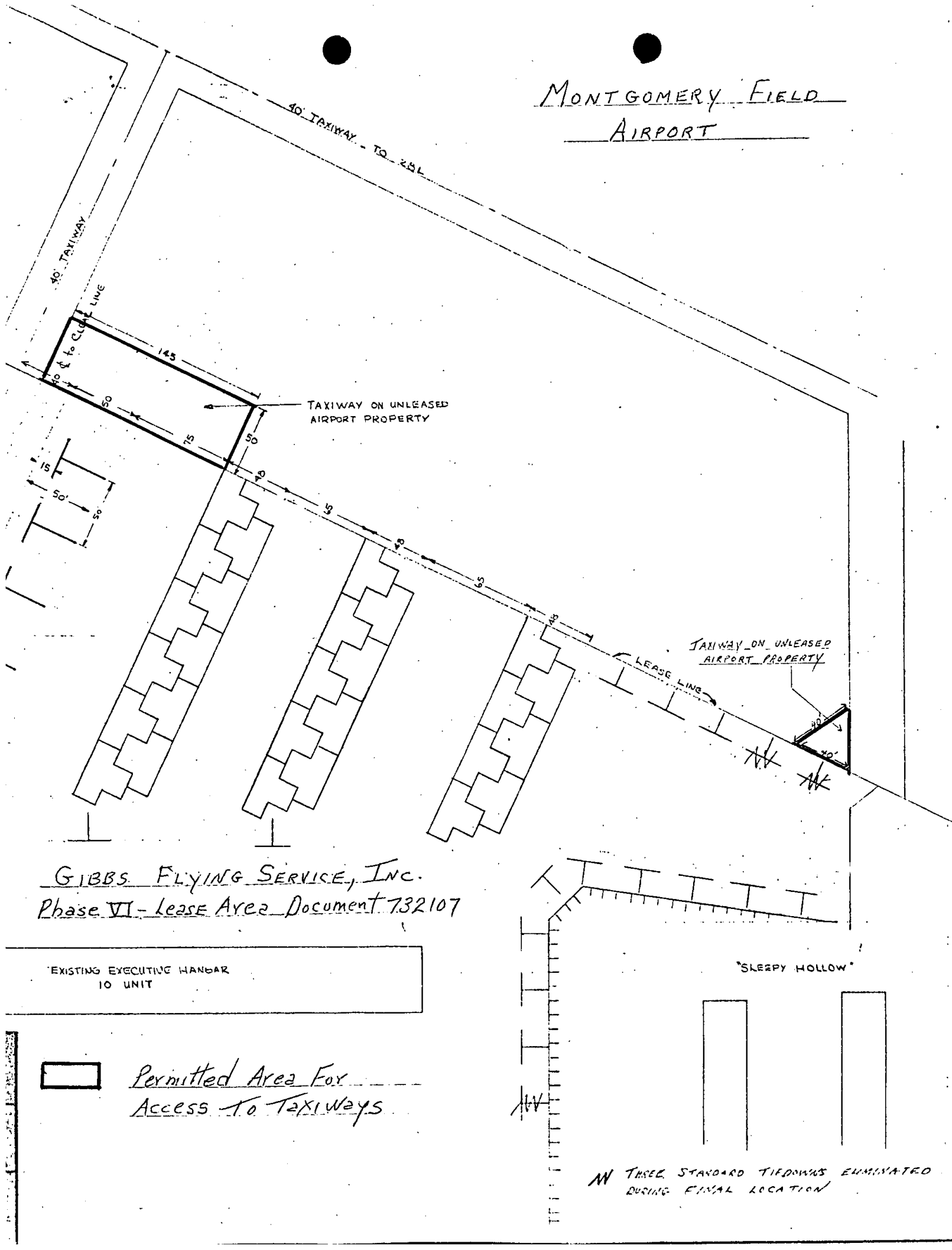
GIBBS FLYING SERVICE, INC.

EXEMPTION VERIFIED


James F. Gleason 12/6

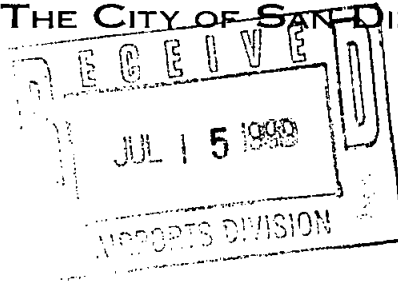
By: William F. Gibbs, Vice President
By: _____

MONTGOMERY FIELD
AIRPORT





THE CITY OF SAN DIEGO



July 6, 1999

Mr. Buzz Gibbs
Gibbs Flying Service, Inc.
8906 Aero Drive
San Diego, CA 92123

Re: Exercise of Option-Lease Agreement between City and Gibbs Flying Service,
Lease Document No. RR-732107, as amended, and Flat-Rate Lease Document
RR-273253, both filed in the office of the City Clerk.

Dear Buzz,

In response to your letter, the City acknowledges and accepts your request to exercise your third and last option authorized in the subject leases. By exercising the third option, the termination dates for these leases will be extended from May 31, 2000 to May 31, 2005.

This letter will be filed in the office of the City Clerk and cross-referenced to your lease agreements. Diana Drake, Property Agent, will forward a copy of this letter, stamped with the document number, to you as soon as we receive our copy from the City Clerk. Please feel free to contact Diana at 573-1433, if you have any questions.

Sincerely,

TRACY L. WILLIAMS, A.A.E.
Deputy Director, Airport Division

cc: Penny Kincaid, Office of the City Clerk
Bill Svensson, Supervising Property Agent
Diana Drake, Property Agent, MYF
Norma Arroyo, Lease Billing Supervisor
County Assessor
City Auditor

DOCUMENT NO. C-09424
FILED JUL 13 1999
OFFICE OF THE CITY CLERK
SAN DIEGO, CALIFORNIA



Airports Division • Montgomery and Brown Fields

Real Estate Assets • Public Works • Main Office, 3750 John J. Montgomery Drive • San Diego, CA 92123-1769

Tel (619) 573-1425 Fax (619) 279-0536



REI

THE CITY OF SAN DIEGO

July 1, 1999

Mr. Buzz Gibbs
Gibbs Flying Service, Inc.
8906 Aero Drive
San Diego, CA 92123

Re: Lease Document RR-273253, Approval For Last Five-Year Extension
Period of June 1, 2000 through May 30, 2005

Dear Buzz,

The City is pleased to approve your request to exercise the last option to extend the lease term for five additional years. By exercising this option, your lease agreement is now scheduled to terminate on May 30, 2005. Your lease rent shall remain the same until it is adjusted on June 1, 2000, by CPI increases and a market value adjustment, in accordance with paragraphs 3.02 b. and c. of the lease.

Sincerely,

DIANA L. DRAKE,
Property Agent, MYF

cc: Tracy L. Williams, AAE, Airports Deputy Director
Bill Svensson, Supervising Property Agent
Norma Arroyo, Lease Billing Supervisor





THE CITY OF

SAN DIEGO

AIRPORTS DIVISION • MONTGOMERY AND BROWN FIELDS

Main Office • Montgomery Field Administration Building

3750 John J. Montgomery Drive • San Diego, California 92123 • Phone (619) 236-6496

GENERAL SERVICES DEPARTMENT

FILE: Gibbs Flying Service, Inc.

October 12, 1989

Mr. William Gibbs
Gibbs Flying Service
8906 Aero Drive
San Diego, CA 92123

RE: Exercise of Option-Lease Agreement between the City of San Diego and Gibbs Flying Service, Inc., Document No. 732107 filed on May 29, 1970 in the Office of the City Clerk, as amended, and Flat Rate Lease, filed April 24, 1989, as Document RR-273253.

Dear Mr. Gibbs:

Receipt of your letter dated August 28, 1989 is hereby acknowledged which expresses your desire to exercise the first of three five-year options authorized in the subject lease agreements.

Inasmuch as both your leases are current, the City of San Diego has no objection to your exercising the first five-year option commencing on June 1, 1990 and expiring on May 31, 1995. Should you have any questions, please call Mr. Gerald Kretoivics at 236-6496.

Sincerely,

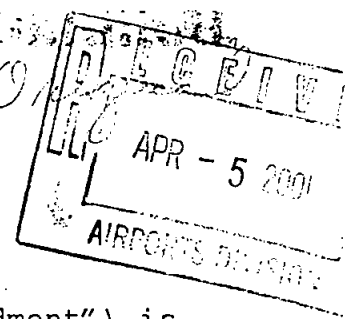
Carole A. Brock
Supervisor, Airports Leasing

CAB:GEK:pi

cc: County Assessor
MYF Airport Operations Manager
Bill Svensson, Property Department
Susan Drake, Auditor's Office

ORIGINAL

Second Amendment to Lease Agreement



This Second Amendment to Lease Agreement ("Amendment") is dated for reference purposes as of MAY 30 2000, 2000 ("Execution Date") by and between GIBBS FLYING SERVICE, INC., a California corporation ("Lessor"), and the CITY OF SAN DIEGO, a municipal corporation in the County of San Diego, State of California ("Lessee") with reference to the facts set forth below.

RECITALS

- A. Lessor and Lessee entered into that certain Lease Agreement dated April 17, 1989 (the "Lease") providing for the lease of an air support hangar, office, and related services by the City of San Diego Police Department, with such premises having a street address of 8912 Aero Drive, San Diego (the "Police Department Premises"). The Lease, as amended by the First Amendment dated July 1, 1997, provides for the leasing of Hangar No. 12 at Gibbs Flying Service as a part of the Police Department Premises.
- B. The Lease, as amended, is due to expire by its terms on June 30, 2000. Two additional one year options to extend the lease term hereby remain.
- C. Lessor and Lessee desire to provide for the leasing of an additional aircraft storage hangar, a Port-A-Port hangar known as "Hangar No. 201" pursuant to the Lease thereby, all on the terms and conditions as set forth in this Amendment.

NOW, THEREFORE, in consideration of the Recitals and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, Lessor and Lessee agree as set forth below.

1. Description of Premises. The following is added to Section 1.1 of the Lease, as amended, entitled "Premises".

"In addition to the Police Department Premises as described in the Lease, as amended, which is currently occupied and leased by the Lessee pursuant to the Lease, commencing on the first day of the month following execution by Lessee, ("Second Amendment Effective Date") Lessor hereby also leases to Lessee and Lessee leases from Lessor, on all the

terms and conditions hereof, Hangar No. 201, which is part of Lessor's fixed base operation at Montgomery Field, to be utilized for the storage of aircraft and appurtenances in accordance with the terms of this Lease. From and after the Second Amendment Effective Date, all references in the Lease to the "Premises" shall include the Police Department Air Support Unit Hangar at 8912 Aero Drive, Hangar No. 12 and Hangar No. 201."

2) Options to Extend. Section 1.5 of the Lease, entitled Option to Extend is hereby amended by the deletion of the last paragraph of the section, as further defined below, and the following substituted thereof.

Deleted: "Lessor further acknowledges.....to the Police Department Premises."

Added: "Lessor further acknowledges and agrees that Lessee may exercise any option to extend as to all of the Police Department Premises (8912 Aero Drive, Hangar No. 12 and Hangar No. 201) or, only as to the Police Department Air Support Hangar and either or no individual aircraft hangar, provided, however, that if at any time Lessee fails to exercise an option to extend as to Hangar No. 12 or Hangar No. 201, Lessee shall have no further right or option to lease that hangar for which the option was not exercised."

3) Base Rent. The following is added to Section 2.1 of the Lease entitled "Base Rent";

"As of the Execution Date of this Second Amendment, Lessor and Lessee acknowledge and agree that the current Base Rent with respect to the Police Department Air Support Unit Hangar, 8912 Aero Drive, is Three Thousand Seven Hundred Six Dollars and Fifty Seven Cents (\$3,706.57) and Hangar No. 12 is Two Hundred Eighty Six Dollars and Fifty Five Cents (\$286.55) for a total Base Rent of Three Thousand Nine Hundred Ninety Three Dollars and Twelve Cents (\$3,993.12). The current Base Rent with regard to Hangar No. 201 is now Two Hundred Eighty Five Dollars (\$285.00). Therefore, on the Second Amendment Effective Date, the Total Base Rent will be the sum of Four Thousand Two Hundred Seventy Eight Dollars and Twelve Cents (\$4,278.12) (the "Effective Date Total Base Rent"). The Effective Date Total Base Rent shall be subject to annual adjustments based upon the increases in the Index as described in Section 2.2 of the Lease, with the first adjustment on July 1, 2000, and each subsequent adjustment on July 1 of each ensuing year, including the option periods, if exercised."

- 4) The following is added to Section 4.1 of the Lease entitled "Conduct of Business";

The Lease is amended by substituting "Hangar No. 12" with "Hangar No. 12 and 201" throughout the Lease.

- 5) Lease in Full Force and Effect. Lessee and Lessor hereby agree and acknowledge that the Lease, as modified by this Second Amendment, is in full force and effect and that the Lease, as modified by the First and this Second Amendment, contains the entire agreement of the parties with respect to the leasing of the Premises.

IN WITNESS WHEREOF, Lessor and Lessee have executed this Second Amendment as of the date first above written.

LESSOR:

GIBBS FLYING SERVICE, INC.

By: William E. Gibb

Its: President

LESSEE:

THE CITY OF SAN DIEGO

By: Real Estate Assets Director

Its: Real Estate Assets Director

Approved as to form and legality this 6th day of March, 2000.

By: Deputy City Attorney

Deputy City Attorney

CALIFORNIA ALL-PURPOSE ACKNOWLEDGMENT

State of California

County of San Diego

On June 13, 2000 before me, Shelia B. Duhart

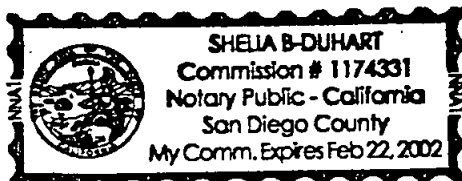
personally appeared William T. Griffith

Name and Title of Officer (e.g., "Jane Doe, Notary Public")

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) 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.

Shelia B. Duhart
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: _____

Document Date: _____ Number of Pages: _____

Signer(s) Other Than Named Above: _____

Capacity(ies) Claimed by Signer(s)

Signer's Name: _____

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

Signer Is Representing: _____

**RIGHT THUMBPRINT
OF SIGNER**
 Top of thumb here

Signer's Name: _____

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

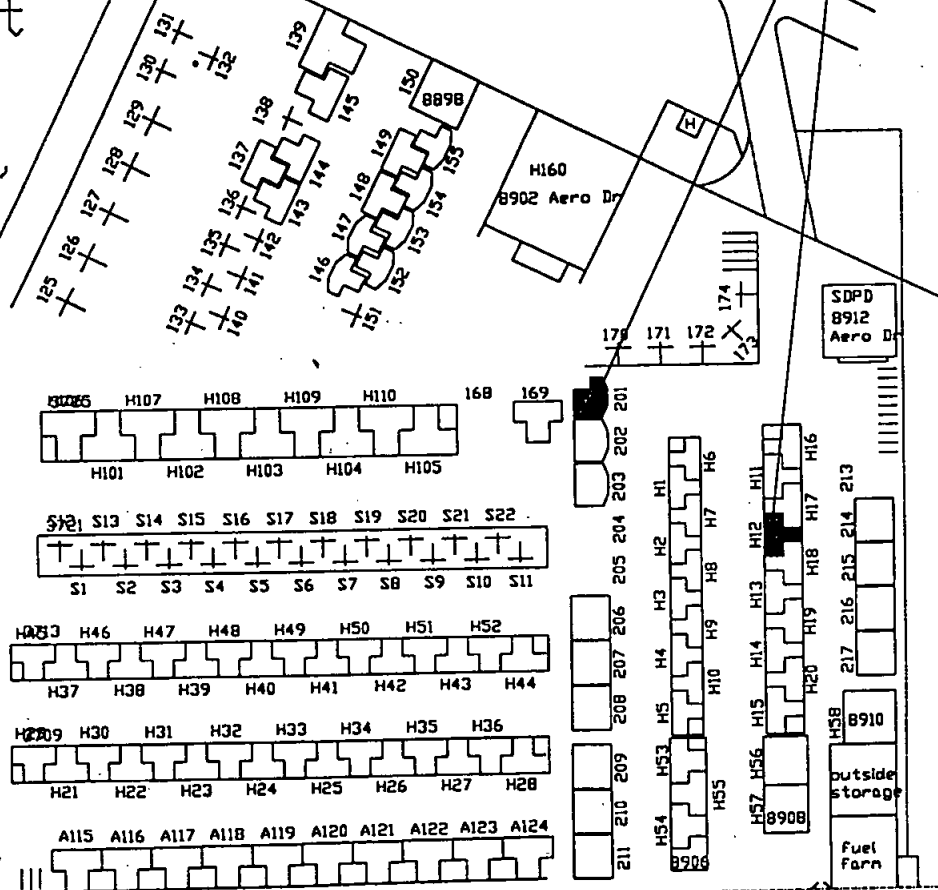
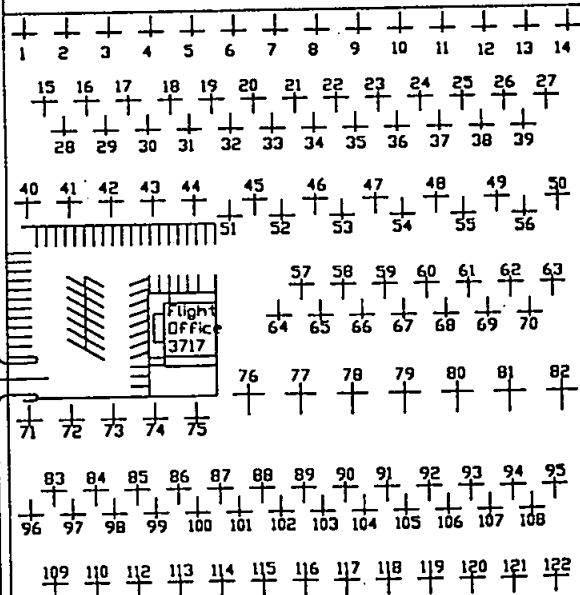
Signer Is Representing: _____

**RIGHT THUMBPRINT
OF SIGNER**
 Top of thumb here

Supplement to
Exhibit A
Police Department
Lease Agreement
Document RR-273254,
RR-289209 and
Second Amendment

San Diego Police
Air Support Unit
Hangars H12 & 201

John J. Montgomery Drive



AERO DRIVE

Gibbs Flying Service, Inc. Lots 1 & 2

File: 2ndamend.dwg

Mar 15, 2000

RESOLUTION NUMBER R- 293182

ADOPTED ON MAY 30 2000

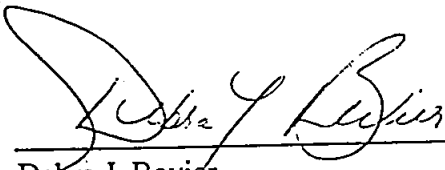
WHEREAS, The City of San Diego, a municipal corporation, ("City") leases land at Montgomery Field Airport to Gibbs Flying Service, Inc., a California corporation, ("Gibbs") by a long-term lease agreement. Gibbs owns the improvements on the leasehold. By a separate lease agreement, the City leases back a helipad and two hangars from Gibbs, which are used by the City's Police Air Support Unit to operate, maintain and store its aircraft. These aircraft are used by the City's Police Department for surveillance and transportation. The lease is renewable annually at City's option until June 30, 2002, when said lease expires. The First Amendment to the City's lease from Gibbs (Document No. RR-273254) added a small hangar to the lease. The City has since acquired two additional helicopters, necessitating more hangar space to store aircraft. The new hangar space will allow the City to secure all its aircraft and protect these valuable assets from vandalism, theft, and weather. The additional hangar will also give the Police Air Support Unit better access to all of its aircraft and eliminate the need to move aircraft around before responding to emergencies, thus improving response time; and

WHEREAS, the City and Gibbs have now negotiated a Second Amendment to Lease Agreement whereby Hangar No. 201 will be added to the City's leasehold, and the City's rent will be increased from \$3,993.12 to \$4,278.12 per month. The rent will be further adjusted by CPI rent adjustment on July 1, 2000 and annually thereafter, resulting in a total annual rent not to exceed \$53,000 for FY 2001; 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 Gibbs Flying Service, Inc., a California corporation, for the leasing of an additional aircraft storage hangar, a Port-A-Port hangar known as Hangar No. 201, as set forth in that lease agreement on file in the office of the City Clerk as Document No. RR- 293182.

BE IT FURTHER RESOLVED, that the additional expenditure for FY 2000 will be \$285, and the total expenditure for FY 2001 will be in an amount not to exceed \$53,000 from the Police Seized and Forfeited Asset Fund 10118, with annual CPI rent adjustments thereafter, is hereby authorized, solely and exclusively for the purpose of providing funds for the above described lease.

APPROVED: CASEY GWINN, City Attorney

By 
Debra J. Bevier
Deputy City Attorney

DJB:cmg
04/11/00
Or.Dept:READ
Aud.Cert: 2100003
R-2000-1190
Form=leaser.frm

Passed and adopted by the Council of San Diego on MAY 30 2000 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: Esther Ramos, Deputy

I HEREBY CERTIFY that the above and foregoing is a full, true and correct copy of
RESOLUTION NO. R- 293182, passed and adopted by the Council of The City of San
Diego, California on MAY 30 2000.

CHARLES G. ABDELNOUR

City Clerk of The City of San Diego, California

(SEAL)

By: Esther Ramos, Deputy

Mock 14

(R-86-343)

RESOLUTION NUMBER R- 264175

ADOPTED ON SEP 30 1985

WHEREAS, Gibbs Flying Service, Inc. has been found by the City's Auditor to owe the City approximately \$21,672 in unpaid rents and late penalties; and

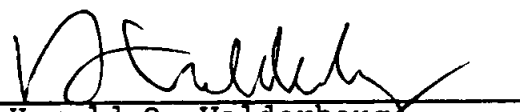
WHEREAS, Gibbs Flying Service, Inc. has protested the amount of the rent deficiency; and

WHEREAS, the City Manager, for those reasons stated in the attached report, has recommended that the City accept \$11,908 in settlement of the claimed rent deficiency; NOW, THEREFORE,

BE IT RESOLVED, by the Council of The City of San Diego, that the City Manager is hereby authorized and empowered to accept the amount of \$11,908 in full settlement of the above described rental deficiency.

APPROVED: JOHN W. WITT, City Attorney

By


Harold O. Valderhaug
Deputy City Attorney

HOV:ps
08/22/85
Or.Dept:Prop.
Job:252033
R-86-343
Form=r.none



THE CITY OF

SAN DIEGO

AIRPORTS DIVISION

MONTGOMERY AND BROWN FIELDS

Main Office

Montgomery Field Administration Building

3750 John J. Montgomery Drive

San Diego, California 92123-1769

Phone (619) 573-1425

Fax (619) 279-0536

REAL ESTATE ASSETS
DEPARTMENT

October 4, 1995

Mr. William Gibbs
Gibbs Flying Service, Inc.
8906 Aero Drive
San Diego, CA 92123

Re: Flat-Rate Rent Adjustment for Fuel Island Lease (N508GA-078-B00)

Dear Buzz:

Paragraph 3.02 b. (2) CPI Index Adjustments in your lease required that the flat-rate rent be adjusted on 7-01-95.

Based on the attached calculations your monthly rent shall be increased from \$729 to \$765 for the period of retroactive from 7-01-95 to 12-31-97.

I believe your November invoice has already been sent at the lower rate, so the City will issue a supplemental invoice for the underpayment of rent for the period of July through November of this year and the correct amount will show on your December invoice.

Sincerely,

Diana L. Drake
Property Agent

enclosure:



DIVERSITY
BRINGS US ALL TOGETHER

CPI, Flat-Rate Rent Adjustment Gibbs Flying Service,
Fuel Facility, Lease File N508GA078B00,

1. To calculate current index, average 4th, 5th, 6th months preceding adjustment date

Jan. 154.3

Feb. 154.5

Mar. 154.6

463.4 divided by 3 = 154.5 current index

2. Base index is the current index used in the prior rent adjustment= 147.0

3. To determine the adjustment factor , divide current index by base index:

Current Index: 154.5 = 1.05 Adjustment Factor

Base Index: 147.0

4. Calculate new rent by multiplying current rent by adjustment factor:

Current Rent: \$729 x 1.05 Adjustment factor = \$765 New Rent

pc: Supervising Property Agent
Lease Billing Supervisor
S. Drake, Auditors



THE CITY OF

SAN DIEGO

AIRPORTS DIVISION • MONTGOMERY AND BROWN FIELDS

Main Office • Montgomery Field Administration Building

3750 John J. Montgomery Drive • San Diego, California 92123 • Phone (619) 236-6496

GENERAL SERVICES DEPARTMENT

TERRY FLYNN
DIRECTOR

October 11, 1990

Mr. William Gibbs
Gibbs Flying Service
8906 Aero Drive
San Diego, Calif 92123

Re: Revised CPI Rent Adjustment - Lease RR-273253

Dear Mr. Gibbs:

The following is the corrected CPI adjustment to the above referenced lease.

Current CPI Index average:

November 89	December 89	January 90	
130.0	130.6	132.1	= 392.7 / 3 = 130.9

Base CPI Index average:

November 88	December 88	January 89	
124.1	124.2	124.6	= 372.9 / 3 = 124.3

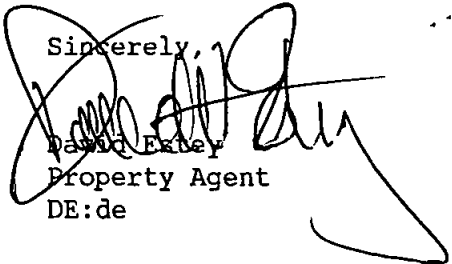
$130.9 / 124.3 = 1.05 \times \$216.00 = \$226.80$ = new monthly rate

We will correct the past invoices for the months June through October and adjust the future invoices to reflect the correct amount.

This CPI adjustment is effective June 1, 1990 through May 31, 1995.

Sorry for the confusion.

Sincerely,


David E. Eley
Property Agent
DE:de

cc: Property Director
Property Services Supervisor
Supervisor, Airports Leasing
Deputy Director, Airports
Lease Billing Supervisor

*Gibbs audit dated
April 12, 1995 shows
rent should have been
increased to \$228.96
I invoiced them \$129.60
for underpayment for 6/1/90*