

FIRST AMENDMENT TO LEASE

This First Amendment to Lease is executed by and between the CITY OF SAN DIEGO, a municipal corporation (hereinafter referred to as "City") and CHARLES P. BLUTH (hereinafter referred to as "Lessee").

- A. Heretofore, CITY and MISSION BAY MARINA, entered into that certain lease agreement dated March 5, 1979 and filed April 11, 1979 in the Office of the City Clerk as Document No. 766042 and said lease was subsequently assigned by said MISSION BAY MARINA to CHARLES P. BLUTH Lessee herein.
- B. The parties hereto desire to further amend said lease agreement in the manner herein set forth.

NOW, THEREFORE, for good and valuable consideration, mutually exchanged between the parties, the parties hereby agree as follows:

1. Section III. CONSIDERATION, A., RENT, Subsection 4, is hereby deleted in its entirety and the following is substituted therefore:
 - 4) The percentage rental rates of gross income from boat slip rental and other wet storage will be as follows:

January 1, 1985 through December 31, 1989 - 20 percent

January 1, 1990 through December 31, 1994 - 22.5 percent

January 1, 1995 through December 31, 1999 - 25 percent

Beginning on January 1, 2000 and prior to the end of each 10th year thereafter throughout the balance of the lease term - Said percentage rates shall be determined by negotiation subject to arbitration in accordance with Section C.

PERCENTAGE RENT ADJUSTMENT, hereof.

Lessee acknowledges that the existing leasehold development plan provides for the construction of a restaurant and related parking for that portion of the leasehold (Lot 28) currently utilized as dry boat storage and boat repair area. Due to past and projected future economic conditions for that area of Mission Bay Park the City and Lessee agree that another use may be more appropriate.

Therefore, within 180 days following execution of this amendment, Lessee shall submit to the City Manager a new development plan and timetable for the aforereferenced portion of its leasehold (Lot 28). Said plan and timetable shall be subject to the following terms and conditions:

DOCUMENT NO. RR-265857

FILED JUN 2 1986

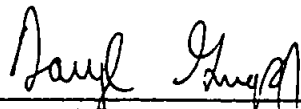
OFFICE OF THE CITY CLERK
SAN DIEGO, CALIFORNIA

1. If the City Manager does not approve said plan, Lessee shall promptly revise and resubmit plans until City Manager approval is granted. Provided, however, if Lessee does not submit a plan satisfactory to the City Manager within 240 days of City's execution of this amendment, this failure to submit shall constitute an event of default under the lease.
2. The plan shall include uses which are compatible with the purposes of Mission Bay Park and will complement existing uses on the property and provide a reasonable amount of gross income.
3. The plan shall be prepared at no cost to the City.

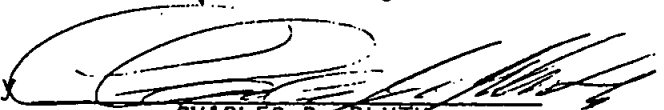
Nothing herein is intended to change any other terms or conditions of the existing lease agreement.

Dated JUN 2 1986, 1986

THE CITY OF SAN DIEGO

By 
ASSISTANT TO THE CITY MANAGER

Dated 3/20/86, 1986

By 
CHARLES P. BLUTH

APPROVED as to form and legality this 23rd day of June, 1986.

JOHN W. WITT, CITY ATTORNEY

By 
Deputy

WJP:baa(7)108
3-4-86

20. CONTROL BY LESSEE. The corporation named herein as LESSEE shall (1) remain owned and controlled by Koebig & Koebig, Inc., a wholly subsidiary of Combustion Engineering, Inc., a Delaware corporation, to the extent of at lease fifty-one percent (51%) of the issued and unencumbered stock and (2) maintain competent management of the leased premises to the satisfaction of the City Manager throughout the term of this agreement. Provided, however, LESSEE shall have the right to assign this lease once to an affiliate or subsidiary of LESSEE or its parent corporation without the prior consent of CITY upon notice thereof to CITY. Provided however, in the event that the leasehold interest herein is assigned to HIGH FLIERS, LTD. as authorized by CITY, then controlling interest in the limited partnership named herein as LESSEE shall remain vested in Earl F. Tritt and Fliers, Incorporated, a California corporation, as General Partners thereof and the LESSEE shall maintain competent management of the leased premises to the satisfaction of the City Manager throughout the term of this lease agreement.

21. 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 Sections (D) 20 CONTROL BY LESSEE, (D) 22 RENTAL OF BOAT SLIPS and (D) 24 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) 21, shall not be unreasonably withheld.

20. CONTROL BY LESSEE. The corporation named herein as LESSEE shall (1) remain owned and controlled by Koebig & Koebig, Inc., a wholly subsidiary of Combustion Engineering, Inc., a Delaware corporation, to the extent of at least fifty-one percent (51%) of the issued and unencumbered stock and (2) maintain competent management of the leased premises to the satisfaction of the City Manager throughout the term of this agreement. Provided, however, LESSEE shall have the right to assign this lease once to an affiliate or subsidiary of LESSEE or its parent corporation without the prior consent of CITY upon notice thereof to CITY. Provided however, in the event that the leasehold interest herein is assigned to HIGH FLIERS, LTD. as authorized by CITY, then controlling interest in the limited partnership named herein as LESSEE shall remain vested in Earl F. Tritt and Fliers, Incorporated, a California corporation, as General Partners thereof and the LESSEE shall maintain competent management of the leased premises to the satisfaction of the City Manager throughout the term of this lease agreement.

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