

DUPLICATE

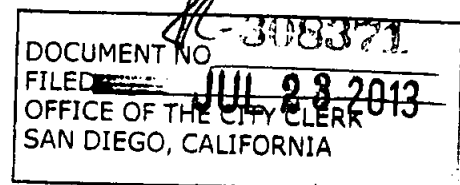
FIRST AMENDMENT TO FLAT RATE LEASE

This FIRST AMENDMENT TO FLAT RATE LEASE ("First Amendment") is made by and between THE CITY OF SAN DIEGO, a California municipal corporation ("CITY"), as lessor, and SAN DIEGO INDOOR SOCCER, INC, a California corporation, as lessee ("LESSEE"), to be effective as of the date of execution by CITY (the "First Amendment Effective Date"), when signed by the parties and approved by the San Diego City Attorney.

FOR VALUABLE CONSIDERATION, the sufficiency of which is acknowledged, the parties agree as follows:

RECITALS

- A. CITY and LESSEE are parties to that certain FLAT RATE LEASE dated November 24, 2003, and filed in the Office of the San Diego City Clerk as Document No. RR-298552 on November 3, 2003 (the "Lease").
- B. The original term of the Lease will expire on November 30, 2018. To justify the proposed investment of relocating the two existing soccer fields to locations set forth as "Relocated Field" on the new Section 9.1.a Exhibit "A" and in installing a third soccer game field and practice field identified as "3rd Field" and "Practice Field" respectively on the new Section 9.1.a Exhibit "A", LESSEE has requested an extension of the Lease term to expire 9 years after the expiration of the current Lease, to November 30, 2027.
- C. As set forth in Section 1.3 of the Lease, LESSEE acknowledges and agrees that approval and execution of this First Amendment does not constitute CITY approval of any other action, including the issuance of any permits or entitlement necessary to relocate the two existing soccer fields or the construction of the practice field and third soccer field.
- D. Pursuant to Lease Section 6.10, Ownership of Improvements and Personal Property, CITY has the right ("CITY's Ownership Right") to assume ownership of LESSEE's improvements at the end of the Lease term.
- E. WHEREAS, the proposed new Market Rent for the property has been appraised by CITY (using generally accepted appraisal techniques) at Five Thousand Six Hundred Dollars (\$5,600.00) per month.
- F. As consideration for CITY's agreement to extend the Lease term, LESSEE'S rent will increase to Five Thousand Six Hundred Dollars (\$5,600.00) per month, with a CPI adjustment after the 5th year following the First Amendment Effective Date and every five (5) years thereafter.



AGREEMENT

1. Term. Section 2.1, Commencement, is hereby deleted in its entirety and replaced with the following:

2.1 Commencement. This First Amendment shall extend the original fifteen (15) year term of this lease by nine (9) additional years for a total of twenty-four (24) years. Upon the effectiveness of this First Amendment, this lease shall expire on November 30, 2027. "Lease year" as used in this lease shall mean the twelve (12)-month period commencing on the first day of the calendar month following the execution of this lease by the City Manager or designee.

2. Rent. Portions of Section 3, RENT are amended as follows:

A. Section 3.2.a, Rent Amount, is hereby deleted in its entirety and replaced with the following:

3.2.a. Rent Amount. Upon the First Amendment Effective Date, the rent shall be Five Thousand Six Hundred Dollars (\$5,600.00) per month. Said rent is subject to adjustments based on increases, if any, in the Consumer Price Index (CPI) and in the fair market value of the leased premises as hereinafter provided.

B. The first paragraph of Section 3.2.b (1), CPI Index Adjustments, located on page 4 of the original Lease, is hereby deleted in its entirety and replaced with the following:

3.2.b (1) CPI Index Adjustments. At the end of the fifth year following the First Amendment Effective Date, and at the end of every five (5) years thereafter during the lease term, the rent shall be adjusted to reflect increases in the Consumer Price Index (CPI).

3. Subleasing. A new Section 4.2.1 shall be added to the Lease and shall read as follows:

Subleasing. Lessee may sublease all or part of the leased premises to a qualified sublessee subject to the prior written approval of the City. No sublease shall be approved which would be detrimental to the City's rights under the Lease or for a use that is not consistent with uses allowed by the Lease. City shall receive fifty percent (50%) of any and all gross revenue due to the Lessee from any and all subleases.

4. Equal Benefits. A new Section 7.18 shall be added to the Lease and shall read as follows:

Equal Benefits. LESSEE shall comply with San Diego Municipal Code sections 22.4301-22.4308, which require lessees of City-owned property to offer the same employment benefits to employees with spouses and employees with domestic partners. LESSEE shall certify that it will maintain such equal benefits throughout the term of this Lease.

5. Exhibits. Section 9.1, EXHIBIT "A", is hereby replaced in its entirety with the following new exhibit:

9.1a Exhibit "A".

6. No Other Changes. All other terms and conditions of the Lease shall remain in full force and effect. Any conflict between the terms and conditions of this First Amendment and those of the Lease shall be resolved in favor of the terms and conditions of this First Amendment.
7. Authority. Each individual executing this First Amendment on behalf of another person or legal entity represents and warrants that they are authorized to execute and deliver this First Amendment on behalf of such person or entity in accordance with duly adopted resolutions or other authorizing actions which are necessary and proper and under such legal entity's articles, charter, bylaws, or other written rules of conduct or governing agreement, and that this First Amendment is binding upon such person or entity in accordance with its terms. Each person executing this Lease on behalf of another person or legal entity represents and warrants such entity is a valid, qualified corporation, limited liability company, partnership, or other unincorporated association in good standing in its home state and that such entity is qualified to do business in California

IN WITNESS WHEREOF, this First Amendment is executed to be effective as of the First Amendment Effective Date.

Date: 7/2/13 -

SAN DIEGO INDOOR SOCCER, INC., a
California corporation

By: [Signature]
Name: MIKE GARRETT
Title: VP - LEASING / Expansion

Date: 8/8/13
First Amendment Effective Date

THE CITY OF SAN DIEGO, a California
municipal corporation

By: [Signature]
Name: JAMES F. HARRIS, JR.
Title: Director, Real Estate Assets

Approved as to form and legality:

JAN I. GOLDSMITH, CITY ATTORNEY

By: [Signature]
Name: Kenneth So
Title: Deputy City Attorney

RESOLUTION NUMBER R- 308371

DATE OF FINAL PASSAGE JUL 30 2013

A RESOLUTION OF THE COUNCIL OF THE CITY OF SAN DIEGO AUTHORIZING AND DIRECTING THE MAYOR TO EXECUTE THE FIRST AMENDMENT TO THE LEASE WITH SAN DIEGO INDOOR SOCCER, INC. FOR A SOCCER COMPLEX ON THE ROOFTOP AREA OF THE UNIVERSITY HEIGHTS RESERVOIR PROPERTY LOCATED AT 2720 HOWARD AVENUE, SAN DIEGO, CALIFORNIA

WHEREAS, the City of San Diego (City) owns the University Heights Reservoir, a 12 million gallon enclosed reservoir building on a 2.47 acre site, located at 2720 Howard Avenue, San Diego (Reservoir); and

WHEREAS, the rooftop area of the Reservoir encompasses approximately 92,500 square feet (Property); and

WHEREAS, pursuant to a lease with the City, San Diego Indoor Soccer, Inc., a California corporation, (Lessee) has constructed a unique soccer complex on the Property that comprises a clubhouse, administrative offices, two soccer fields, a training area, bleacher seats, and an elevator from ground level to provide ADA access; and

WHEREAS, this lease agreement, which is on file as Document No. RR-298552 with the Office of the City Clerk, (Lease) has a term that currently extends until November 2018; and

WHEREAS, Lessee wishes to reconfigure and upgrade the improvements to accommodate an additional soccer field as well as a small training field on the Property at an approximate cost to Lessee of \$300,000; and

WHEREAS, in order to help amortize these costs over a reasonable time frame, Lessee has proposed extending the existing Lease by nine years from the current expiration date in 2018 to 2027; and

WHEREAS, in return for such a Lease extension, Lessee will agree to a rent increase from the present monthly rate of \$3,727 to a new monthly rate of \$5,600; and

WHEREAS, in a memorandum dated March 27, 2013, an MAI certified appraiser on City staff performed an appraisal of the Property and determined that the market value of the Property is \$5,600 per month, which would result in over \$350,000 in additional revenue to the City over the Lease term; and

WHEREAS, on June 19, 2013, the Council Committee on Land Use and Housing (LU&H) unanimously recommended forwarding the approval of the Lease to the full Council with further information to be provided at the full Council hearing on the organization and further clarification to be given on various issues involving the Lease Amendment; NOW, THEREFORE,

BE IT RESOLVED, by the City Council of the City of San Diego, that the Mayor is authorized and directed to execute, for and on behalf of the City, the amendment of the Lease with San Diego Indoor Soccer Inc., a California corporation, for the Property located at 2720

Howard Avenue, San Diego, on the terms and conditions set forth in the First Amendment to Flat
Rate Lease which is on file with the City Clerk as Document Number ^{RR} 308371

APPROVED: JAN I. GOLDSMITH, City Attorney

By 
Kenneth R. So
Deputy City Attorney

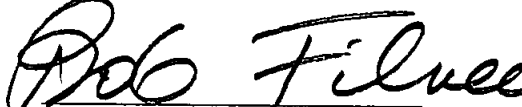
KRS:nja
06/28/13
Or. Dept: READ
Doc. No.: 586673_2
Comp. R-2013-810

I hereby certify that the foregoing Resolution was passed by the Council of the City of
San Diego, at this meeting of 7/23/13.

ELIZABETH S. MALAND
City Clerk

By 
Deputy City Clerk

Approved: 7/26/13
(date)


BOB FILNER, Mayor

Vetoed: _____
(date)

BOB FILNER, Mayor

This resolution is effective July 30, 2013, which represents the day this resolution
was returned to the Office of the City Clerk with the Mayor's signature of approval.

Passed by the Council of The City of San Diego on JUL 23 2013, by the following vote:

Councilmembers	Yeas	Nays	Not Present	Recused
Sherri Lightner	☒	☐	☐	☐
Kevin Faulconer	☒	☐	☐	☐
Todd Gloria	☒	☐	☐	☐
Myrtle Cole	☒	☐	☐	☐
Mark Kersey	☒	☐	☐	☐
Lorie Zapf	☒	☐	☐	☐
Scott Sherman	☒	☐	☐	☐
David Alvarez	☒	☐	☐	☐
Marti Emerald	☐	☐	☒	☐

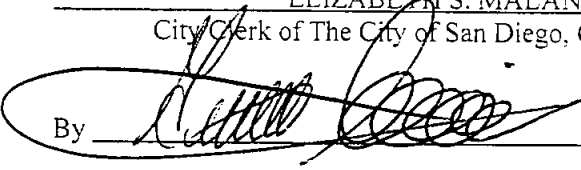
Date of final passage JUL 30 2013.

AUTHENTICATED BY:

BOB FILNER
Mayor of The City of San Diego, California.

(Seal)

ELIZABETH S. MALAND
City Clerk of The City of San Diego, California.

By 

Deputy

Office of the City Clerk, San Diego, California

Resolution Number R- 308371

Passed by the Council of The City of San Diego on July 23, 2013 by the following vote:

YEAS: **LIGHTNER, FACULCONER, GLORIA, COLE, KERSEY, ZAPF, SHERMAN, ALVAREZ.**

NAYS: **NONE.**

NOT PRESENT: **EMERALD.**

VACANT: **NONE.**

RECUSED: **NONE.**

AUTHENTICATED BY:

BOB FILNER

Mayor of The City of San Diego, California

ELIZABETH S. MALAND

City Clerk of The City of San Diego, California

(Seal)

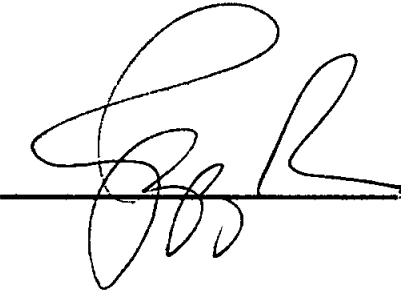
By: Peggy Rogers, Deputy

I HEREBY CERTIFY that the above and foregoing is a full, true and correct copy of
RESOLUTION NO. R-308371 approved by the Mayor of the City of San Diego, California on
July 30, 2013

ELIZABETH S. MALAND

City Clerk of The City of San Diego, California

(SEAL)

By:  Deputy