

**SECOND AMENDMENT
TO
CITY OF SAN DIEGO FLAT RATE LEASE**

THIS SECOND AMENDMENT (Second Amendment) to CITY OF SAN DIEGO AIR ADVENTURES SKYDIVING, INC. FLAT RATE LEASE, filed with the Office of the City Clerk on September 18, 2000, as Document No. RR-293833 (lease), is made and entered into by and between the CITY OF SAN DIEGO, a California municipal corporation (CITY), and TACTICAL AIR OPERATIONS, INC., a California corporation (LESSEE), to be effective as of the date this Second Amendment is executed by the parties and approved by the City Attorney (Effective Date).

RECITALS

- A. LESSEE has requested that the "Allowed Uses" for the lease be expanded to include "ultralight aircraft operations".
- B. CITY agrees to amend the lease to add "ultralight aircraft operations" as an Allowed Use contingent upon LESSEE's agreement to the terms and conditions of this Second Amendment.

AGREEMENT

NOW, THEREFORE, for good and valuable consideration, the receipt of which is hereby acknowledged, the parties hereto agree to the following.

1. AMENDMENT TO: Section 1.2 Uses

The first through third paragraphs, only, of Section 1.2 of the lease are hereby **DELETED** in their entirety and **REPLACED** with the following. Notwithstanding the fact that the third paragraph of Section 1.2 is replaced with the below revised third paragraph, the purpose of this replacement is merely to add "ultralight aircraft operations" to said paragraph, NOT to restart the six (6) month time period for the termination of the therein stated prohibited activities. Other than the added allowance of "ultralight aircraft operations" to the lease's Allowed Uses, all other activities that were required to be terminated within six (6) months of the Effective Date of the First Amendment, shall be subject to that prior specific timing requirement.

- "1.2 Allowed Uses**. It is expressly agreed that the Premises are leased to LESSEE solely and exclusively for the purposes of conducting parachute training, skydiving operations, and aircraft operations necessary for skydiving operations and ultralight aircraft operations ("Allowed Uses"), and for no other purpose whatsoever without CITY's prior written consent in each instance. All Allowed Uses shall be subject to the following conditions, restrictions, and requirements:

Active Use Area. The Allowed Uses are to occur solely within the Active Use Area.

Termination of Other Uses. LESSEE shall bring to an end, and permanently terminate, all uses which are not designated as "Allowed Uses"; the termination of all uses not designated as Allowed Uses is required to be accomplished within six (6) months of May 22, 2015 (the Effective Date of the First Amendment to this lease). The uses that shall be terminated are all uses not specifically necessary for parachute training, skydiving operations, and ultralight aircraft operations; these uses include, but are not limited to: storage and operation of any aircraft not needed to sustain parachute training and skydiving operations; storage of vehicles; storage of equipment not needed to sustain parachute training, skydiving operations, and ultralight aircraft operations; overnight activities; and any and all other training or activities not specifically involving parachuting, skydiving and ultralight aircraft operations. LESSEE is solely responsible, and CITY shall have no responsibility, to terminate all such non-allowed uses within the herein-stated time period."

The remainder of Section 1.2 will remain as otherwise stated in the lease.

2. AMENDMENT TO: Section 3.2 Rent

Section 3.2 of the lease is hereby amended to **DELETE**, in its entirety, the second paragraph of said section (said second paragraph follows the paragraph titled "a. Rent Amount." and was added pursuant to the First Amendment to the lease) and **REPLACE** it with the following:

"LESSEE agrees that upon commencement of the final five (5) years of the term (from October 1, 2015, through September 30, 2020), the initial rent for said time period shall initially be adjusted upward to One Hundred One Thousand Five Hundred Dollars (\$101,500.00) if paid annually (the annual rent was calculated by multiplying the approximately 29 acres of usable land (the Active Use Area) by \$35K per acre/per month, multiplying that amount by ten percent (10%), or Eight Thousand Four Hundred Fifty Eight Dollars and Thirty Three Cents (\$8,458.33) if paid monthly. The herein described initial rent shall be adjusted upward by three percent (3%) on each anniversary of each subsequent Lease Year. The following rent schedule for said time period is provided as an illustration only; any miscalculation below shall be disregarded and the correct amount paid:

10/01/15 – 09/30/16:	\$8,458.33/ mo.
10/01/16 – 09/30/17:	\$8,712.00 / mo.
10/01/17 – 09/30/18:	\$8,973.45 / mo.

10/01/18- 09/30/19: \$9,242.65 / mo.

10/01/19 - 09/30/20: \$9,519.93 / mo."

4. AMENDMENT TO: SECTION 10: EXHIBITS

Section 10.1 of the lease is hereby **DELETED** in its entirety and **REPLACED** with the following (the new Exhibit A is attached to this Second Amendment and incorporated into the lease by this reference):

"10.1 Exhibit A.

A map of the leasehold delineating the Overall Lease Area, the Active Use Area and the Unauthorized Access Area, is attached hereto as Exhibit A and incorporated into this lease by this reference."

This Second Amendment represents the desires of CITY and LESSEE to amend, modify and update the terms and conditions of the lease. All other terms and conditions of the lease that have not been amended, modified and/or updated pursuant to this Second Amendment shall remain in full force and effect.

IN WITNESS WHEREOF, this Second Amendment is executed by CITY, acting by and through its Mayor, or his designee, and by LESSEE, acting by and through its lawfully authorized officer.

Date: 4/5/16

THE CITY OF SAN DIEGO, a California
municipal corporation

BY: [Signature]

Cybele Thompson
Director, Real Estate Assets Department

Date: 24 Feb 16

TACTICAL AIR OPERATIONS, INC., a
California corporation

BY: [Signature]

Name: Alm Fink
Title: Pres.

ENVIRONMENTAL ANALYSIS SECTION ENVIRONMENTAL CLEARANCE:

This activity is: determined to be exempt from CEQA pursuant
to CEQA Section 15301 (Existing Facilities).

Date: 5/5/16

BY:

Name:

Title:

Myra Hermann
Myra Hermann
Senior Planner

Approved as to form this 5th day
of May, 2016.

JAN I. GOLDSMITH, City Attorney

BY:

Debra J. Bevier
Deputy City Attorney

Exhibit A

[Exhibit A is a map of the leasehold which follows this coversheet.]



0 530 Feet
1 inch = 200 feet

GIS Source: SanGIS

Exhibit A, Tactical Air Operations lease area amendment 2, 2016

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prepared by:
City of San Diego Public Utilities Department
Watershed and Resource Protection Team