

DUPLICATE

**SECOND AMENDMENT
TO
LEASE AGREEMENT
(Zoological Society of San Diego)**

This Second Amendment to Lease Agreement ("**Second Amendment**"), is entered into by and between the CITY OF SAN DIEGO, a California municipal corporation ("**CITY**"), and ZOOLOGICAL SOCIETY OF SAN DIEGO, a California nonprofit corporation ("**SOCIETY**" or "**LESSEE**"), as of the date this Second Amendment is approved as to form by the San Diego City Attorney as shown on the signature page to this Second Amendment ("**Second Amendment Effective Date**"). CITY and SOCIETY are sometimes referred to in this Second Amendment, each individually, as a "**Party**" or, collectively, as the "**Parties**." This Second Amendment is entered into by CITY and SOCIETY with reference to the following recited facts ("**Recitals**"):

RECITALS

A. CITY and SOCIETY entered into that certain Lease Agreement, filed with the San Diego City Clerk on August 13, 1979, as Document No. 767195 ("**Original Lease**"), as amended by that certain First Amendment to Lease Agreement, filed with the San Diego City Clerk on September 8, 2025, as Document No. RR-316408 ("**First Amendment**"). The Original Lease, as amended by the First Amendment, is referred to in this Second Amendment as the "Lease."

B. CITY and SOCIETY enter into this Second Amendment to, among other things: (i) modify the boundaries of the Premises to include property around the Balboa Park Carousel and to be consistent with onsite improvements and parcel line boundaries; (ii) extend the Lease term; (iii) specify the distribution of parking revenue generated by SOCIETY under the Lease; and (iv) update the insurance and other CITY compliance requirements.

NOW, THEREFORE, CITY AND SOCIETY AGREE, AS FOLLOWS:

1. **Article II Amendment.** Article II (Demise) of the Original Lease is amended to read in its entirety as follows:

Subject to all terms, covenants and conditions and upon the consideration hereinafter set forth, CITY hereby leases to SOCIETY and SOCIETY leases from CITY, for the purpose of operating and maintaining zoological gardens and uses associated therewith, those certain premises, together with all buildings, structures, facilities and appurtenances thereto situated in Balboa Park in the City of San Diego, County of San Diego, State of California, as generally depicted in Exhibit A-1, attached hereto and incorporated herein by this reference ("**Premises**"). Exhibit A-1 attached to the Lease will be amended with the Parties' mutual written consent based on a survey of the Premises that will be completed no later than six (6) months after CITY's City Council's approval of this Second Amendment, at SOCIETY's sole cost and expense. CITY's Mayor or designee or successor in function shall review and approve the survey.

DOCUMENT NO. **RR-316661**

FILED **MAR 09 2026**
OFFICE OF THE CITY CLERK
SAN DIEGO, CALIFORNIA

2. **Article III Amendment.** Article III (Term) of the Original the Lease is amended to read in its entirety as follows:

The term shall be for a period of ninety-nine (99) years, commencing on July 23, 1979, and continuing thereafter until July 23, 2078, unless sooner terminated as hereinafter provided ("Term").

3. **Article V, Section 7 Amendment.** Section 7 of Article V of the Original Lease is amended to read in its entirety as follows:

7. The parking lot at the east end of the GARDENS ("Zoo Parking Lot") shall be maintained and operated by SOCIETY as a public parking facility for the accommodation and parking of the motor vehicles of visitors to Balboa Park and the GARDENS and SOCIETY shall have the right to charge reasonable parking fees for the use thereof in an amount to be determined by SOCIETY. The City hereby reserves the right to review the effect the imposition of such parking fees has on the use of Balboa Park generally, and specifically with regard to any parking and traffic problems which may occur in other park areas as the result of the imposition of such fees. In the event the City Council determines that the imposition of such fees significantly and adversely affects the parking and traffic situation in Balboa Park, SOCIETY agrees to take whatever action is necessary including the reduction or elimination of such fees to alleviate such problems. In the event SOCIETY reduces or eliminates parking fees in the Zoo Parking Lot as a result of such City Council determination described in the immediately preceding sentence, SOCIETY's obligation to pay CITY'S Minimum Payment, as defined in Section 7.b., shall be reduced in the same proportion as the parking fee reduction. Notwithstanding anything to the contrary in this Section 7, the daily parking fees that SOCIETY charges City of San Diego residents to park in the Zoo Parking Lot shall be commensurate with CITY's parking rates for City of San Diego residents in Balboa Park.

During and only for such time as SOCIETY imposes parking fees in the Zoo Parking Lot, CITY and SOCIETY will each receive fifty percent (50%) of the Annual Parking Revenue (as defined in Section 7.a. below; "CITY's Share" and "SOCIETY's Share," respectively), as follows:

a. For the purposes of this Section 7, "Annual Parking Revenue" means the sum of all SOCIETY's gross income derived from its operation of the Zoo Parking Lot for each calendar year, minus an amount equal to 50% of SOCIETY's reasonable expenses incurred in the establishment, operation, and administration of paid parking at the Zoo Parking Lot during such calendar year, not including SOCIETY's capital expenses for the maintenance and operation of the Zoo Parking Lot (such expenses shall not exceed a total of \$700,000 for each calendar year during the Term).

b. During and only for such time as CITY imposes parking fees within Balboa Park, and notwithstanding anything to the contrary in this Lease, excepting the terms of Article V, Section 7 hereof, and regardless of whether SOCIETY imposes parking fees within the Zoo Parking Lot, and the amount, if any, of Annual Parking Revenue that SOCIETY receives during any calendar year, SOCIETY must pay CITY

CITY's Minimum Payment (as defined in this Section 7.b.) on the later of April 1, 2026, or thirty (30) days after the Second Amendment Effective Date, and on every subsequent April 1 during the Term. CITY's Minimum Payment is \$3,000,000 for each calendar year from 2026 through 2029. CITY's Minimum Payment will increase by three percent (3%) for calendar year 2030 and for every subsequent calendar year during the Term in which CITY imposes any parking fees within Balboa Park. No increase shall accrue in any year in which CITY does not impose any parking fees within Balboa Park.

c. In the event CITY does not charge for parking within Balboa Park on five (5) or more days in any calendar year, including both consecutive and non-consecutive free parking days, but excluding any CITY holidays on which CITY does not enforce paid parking within Balboa Park ("**CITY Holidays**"), CITY's Minimum Payment shall be reduced by a percentage equivalent to the total number of days in which no parking fees are charged divided by three hundred sixty-five (365) days. As an example, if CITY does not charge for parking on fifteen (15) days exclusive of CITY Holidays, CITY's Minimum Payment in that calendar year would be reduced by 4.11% ($15/365 \times 100$), such that a Minimum Payment otherwise due of \$3,000,000 would be reduced by \$123,300 ($\$3,000,000 \times 0.0411$), for a total CITY's Minimum Payment of \$2,876,700 ($\$3,000,000 - \$123,300$)."

d. CITY shall receive CITY's Share in excess of CITY's Minimum Payment, if any, for each calendar year during the Term no later than April 1 of the following calendar year.

e. SOCIETY must use SOCIETY's Share to maintain and operate the Zoo Parking Lot. If SOCIETY's Share exceeds the amount necessary to maintain and operate the Zoo Parking Lot, SOCIETY must use such excess of SOCIETY's Share in a manner consistent with Article V, Section 9, of the Original Lease.

f. Financial Review. No later than May 15 of each calendar year during the Term, SOCIETY must provide to CITY an annual statement of all of SOCIETY's income from and expenses of operation of the Zoo Parking Lot during the previous calendar year (each, an "**Annual Parking Revenue Statement**"). Additionally, each Annual Parking Revenue Statement shall be certified by an executive level officer of SOCIETY with substantial knowledge regarding all of SOCIETY's income from and expenses of operation of the Zoo Parking Lot. Each Annual Parking Revenue Statement shall set forth in reasonable detail the Annual Parking Revenue (including any deductions for reasonable expenses applied in determining Annual Parking Revenue pursuant to Section 7.a.) of SOCIETY from the Zoo Parking Lot during the immediately preceding calendar year and certify that the accounting practices of SOCIETY conform to industry standards and the requirements of this Lease. If such certification cannot be made, then the Annual Parking Revenue Statement shall show such adjustments as are necessary to conform SOCIETY's accounting practices such that the certification can be made. All such Annual Parking Revenue Statements shall be in customary form reasonably satisfactory to CITY. If any such Annual Parking Revenue Statement, as it may be adjusted pursuant to this Section 7(e) indicates either an overpayment or an underpayment to CITY of CITY's Share for the subject calendar year, the amount of any such overpayment shall be

refunded by CITY to SOCIETY or the amount of any such underpayment shall be paid by SOCIETY to CITY, within thirty (30) days following written notice of such overpayment or underpayment. Each such Annual Parking Revenue Statement shall be conclusive and binding on CITY and SOCIETY, unless CITY commences an audit of SOCIETY's financial records pursuant to this Section 7.e., within three (3) years following the end of the subject calendar year. On ten (10) business days' written notice (notice shall not be required during the continuance of a previously noticed SOCIETY default under the Lease), only during normal business hours, and (so long as no SOCIETY default under the Lease shall have occurred) no more often than once each calendar year, CITY's auditor may audit SOCIETY's financial statements with regard to Annual Parking Revenue for up to three (3) preceding calendar years. SOCIETY shall, without charge, assist in such audit, as CITY's auditor shall reasonably request. CITY's auditor shall be either: (1) an employee of CITY; or (2) a certified public accountant. CITY's auditor shall comply with such reasonable restrictions on time and access as SOCIETY shall require, provided that such restrictions do not have the purpose or effect of frustrating the audit. CITY's auditor shall not work under a contract providing a contingency fee for amounts determined to have been underpaid to CITY by SOCIETY. If any audit discloses that SOCIETY's Annual Parking Revenue was under-reported in any Annual Parking Revenue Statement to an extent of four percent (4%) or more on an annual basis for one or more calendar years, SOCIETY shall pay to CITY the reasonable out of pocket cost of the audit, in addition to any deficiency in CITY's Share payable for any calendar year, with six percent (6%) interest on such deficiency amount from the date such amount was originally due, until paid in full. If any audit by CITY discloses an overpayment to CITY of CITY's Share, such amount will be credited with interest at 6% from the date such payment was made to City to SOCIETY against future payments becoming due to CITY under this Section 7 (CITY shall be under no obligation to make payments of any overpayment amount to SOCIETY during the Term), unless this Lease has terminated, in which case CITY shall pay any overpayment amount to SOCIETY within thirty (30) days after CITY's receipt of the audit report disclosing such overpayment; provided, however, that CITY may first apply any such overpayment to any amounts owed to CITY by SOCIETY before making any such payment to SOCIETY. CITY shall keep all financial information regarding SOCIETY's operation of the Zoo Parking Lot confidential to the extent permitted by applicable law.

g. CITY reserves the right to exclusively use ten (10) consecutive parking spaces along the far north curblane closest to the War Memorial Building in the Zoo Parking Lot for CITY's operations at the War Memorial Building, as determined by CITY in CITY's reasonable discretion. CITY will be responsible for providing and installing signage to identify such CITY-reserved parking spaces. SOCIETY shall not be obligated to enforce parking compliance for such CITY-reserved parking spaces.

h. SOCIETY's Chief Operations Officer shall provide to CITY's designated official reasonable notice via email or in writing before permanent removal or reduction of ten (10) or more parking spaces in the Zoo Parking Lot.

4. **Article V, Section 18 Amendment.** Section 18 of Article V of the Original Lease is amended to read in its entirety as follows:

18. **Insurance.** SOCIETY shall maintain, at its sole expense, throughout the Term, the following insurance policies:

- 18.1 *Automobile Liability Insurance.* Insurance coverage against claims of personal injury (including bodily injury and death), and property damage covering all owned, leased, hired, and non-owned vehicles used by SOCIETY, with minimum limits for bodily injury and property damage of Two Million Dollars (\$2,000,000). Such insurance shall be provided by a business or commercial vehicle policy and may be provided through a combination of primary and excess or umbrella policies, all of which shall be subject to pre-approval by CITY, which pre-approval shall not be unreasonably withheld, all of which shall be subject to pre-approval by CITY, which pre-approval shall not be unreasonably withheld.
- 18.2 *Liability Insurance.* Commercial general liability insurance against claims for bodily injury, personal injury, death, or property damage occurring upon or in the Premises, at least as broad as Insurance Services Office Occurrence Form CG0001, with a minimum liability limit of Two Million Dollars (\$2,000,000) for any one occurrence and Four Million Dollars (\$4,000,000) aggregate. Commercial general liability insurance coverage may be provided through a combination of primary and excess or umbrella insurance policies. If commercial general liability insurance or other form with a general aggregate limit is used, the general aggregate limit shall apply separately to the Premises.
- 18.3 *Property Insurance.* Insurance providing coverage for the Premises and all improvements on or to the Premises against loss, damage, or destruction by fire or other hazards encompassed under Cause of Loss – Special Form of property insurance coverage then customarily used for like properties in San Diego County, in an amount equal to one hundred percent (100%) of the replacement value (without deduction for depreciation) of all improvements (excluding excavations and foundations), and in any event sufficient to avoid co-insurance and with no co-insurance penalty provision, with “ordinance or law” coverage. To the extent customary for like properties in San Diego County at the time, such insurance shall include coverage for explosion of steam and pressure boilers and similar apparatus located in or associated with the Premises, an “increased cost of construction” endorsement and an endorsement covering demolition and cost of debris removal.
- 18.4 *Workers Compensation Insurance.* Workers compensation insurance complying with the provisions of State law and an employer’s liability insurance policy, with a minimum liability limit of One Million Dollars (\$1,000,000) per accident for bodily injury, or disease, covering all employees of SOCIETY.

- 18.5 *Contractors Pollution Liability Insurance.* If SOCIETY performs sampling, testing, geotechnical boring, construction, or installation activities below the surface of the Premises (collectively, "Subsurface Work"), Contractors Pollution Liability insurance against claims arising from pollution conditions or site environmental conditions, including ongoing operations performed by SOCIETY or on SOCIETY's behalf, SOCIETY's products, SOCIETY's work (including SOCIETY's completed operations performed by SOCIETY or on SOCIETY's behalf), or premises owned, leased, controlled, or used by SOCIETY, with minimum liability limits of Two Million Dollars (\$2,000,000) for any one claim or occurrence and Four Million Dollars (\$4,000,000) aggregate per policy period of one year. All costs of defense covered by the Contractors Pollution Liability Insurance shall be outside the policy's liability limits. The deductible for Contractors Pollution Liability Insurance may not exceed Twenty-Five Thousand Dollars (\$25,000) per claim unless and until SOCIETY obtains City's separate written approval of a higher deductible amount. With City's separate prior written approval, SOCIETY may satisfy its obligation to maintain Contractors Pollution Liability Insurance through its subcontractor that will perform the Subsurface Work maintaining Contractors Pollution Liability Insurance as required under these Insurance Requirements (defined below). When SOCIETY requests CITY's approval to use its subcontractor's Contractors Pollution Liability Insurance, SOCIETY shall certify to CITY that all Subsurface Work requiring Contractors Pollution Liability Insurance under these Insurance Requirements will be performed exclusively by the subcontractor that will maintain the Contractors Pollution Liability Insurance and provide CITY with a copy of its subcontractor's Contractors Pollution Liability Insurance policy. Policies issued on a claims made basis must be issued before any work commences, be maintained for the duration of all work and include a 12-month extended claims discovery period applicable to all work or the policy or policies must be maintained for at least 12 months after completion of all the work without advancing the retroactive date.
- 18.6 *Nature of Insurance.* The contents of this Section 18 are sometimes referred to as the "**Insurance Requirements.**" All Liability Insurance, Automobile Liability Insurance, Property Insurance, Workers Compensation Insurance, and Contractors Pollution Liability Insurance (if required) policies required by these Insurance Requirements shall be issued by carriers that: (a) are listed in the then current "Best's Key Rating Guide—Property/Casualty—United States & Canada" publication (or its equivalent, if such publication ceases to be published) with a minimum financial strength rating of "A-" and a minimum financial size category of "VII" (exception may be made for the State Compensation Insurance Fund when not specifically rated); and (b) are authorized to do business in the State by the State Department of Insurance. SOCIETY may provide any insurance under a "blanket" or "umbrella" insurance

policy, provided that: (i) such policy or a certificate of such policy shall specify the amount(s) of the total insurance allocated to the Premises, which amount(s) shall equal or exceed the amount(s) required by these Insurance Requirements; and (ii) such policy otherwise complies with the requirements of these Insurance Requirements.

18.7 Policy Requirements and Endorsements. All insurance policies required by these Insurance Requirements shall contain (by endorsement or otherwise) the following provisions:

- i. *Insured.* Liability Insurance and Contractors Pollution Liability Insurance policies shall name CITY, its City Council, elected officials, officers, employees, and agents (collectively, the “City Parties”) as “additional insured.” The coverage afforded to the City Parties shall be at least as broad as that afforded to SOCIETY regarding the Premises and may not contain any terms, conditions, exclusions, or limitations applicable to the City Parties that do not apply to SOCIETY.
- ii. *Primary Coverage.* All insurance coverage maintained by SOCIETY shall be primary to all insurance or self-insurance maintained by the City Parties and all insurance or self-insurance maintained by the City Parties shall be excess of all insurance maintained by SOCIETY and shall not contribute with any insurance maintained by SOCIETY.
- iii. *Contractual Liability.* Liability Insurance and Contractors Pollution Liability Insurance policies shall contain contractual liability coverage for SOCIETY’s Indemnity obligations under this Lease. SOCIETY’s maintaining or failing to maintain such contractual liability coverage shall not relieve SOCIETY from nor satisfy any Indemnity obligation of SOCIETY under this Lease.
- iv. *Deliveries to City.* Evidence of SOCIETY’s maintenance of all insurance policies required by these Insurance Requirements shall be delivered to CITY before the Second Amendment Effective Date. No later than ten (10) days before any insurance required by these Insurance Requirements expires, is cancelled or its liability limits are reduced or exhausted, SOCIETY shall deliver to CITY evidence of SOCIETY’s maintenance of all insurance required by these Insurance Requirements. Each insurance policy required by these Insurance Requirements shall be endorsed to state that coverage shall not be cancelled, suspended, voided, reduced in coverage or in limits, except after thirty (30) days’ advance written notice of such action to CITY. Phrases such as “endeavor to” and “but failure to mail such notice shall impose no obligation or liability of any kind upon the company” shall not be included in the cancellation wording of any

certificates or policies of insurance applicable to the City Parties under these Insurance Requirements.

- v. *Waiver of Certain Claims.* SOCIETY shall cause each insurance carrier providing any Liability Insurance, Worker's Compensation Insurance, or Automobile Liability Insurance coverage under these Insurance Requirements to endorse their applicable policy(ies) with a Waiver of Subrogation (defined below) with respect to the City Parties, if not originally in the policy. To the extent SOCIETY obtains an insurance policy covering both SOCIETY, its directors, officers, members, managers, partners, employees, agents, and attorneys and the City Parties and containing a Waiver of Subrogation, the Parties release each other from any Claims for damage to any Person or property to the extent such Claims are paid by the insurance carrier under such insurance policy. "**Waiver of Subrogation**" means and refers to a provision in, or endorsement to, any insurance policy, under which the carrier agrees to waive rights of recovery by way of subrogation against the City Parties for any loss such insurance policy covers.
- vi. *No Representation.* No Party makes any representation that the limits, scope, or forms of insurance coverage required by these Insurance Requirements are adequate or sufficient.
- vii. *No Claims Made Coverage.* None of the insurance coverage required by these Insurance Requirements, except Contractors Pollution Liability Insurance, may be written on a claims-made basis.
- viii. *Fully Paid and Non-Assessable.* All insurance maintained by SOCIETY in satisfaction of these Insurance Requirements shall be fully paid for and non-assessable.
- ix. *Separation of Insured.* All Liability Insurance, Contractors Pollution Liability Insurance, and Automobile Liability Insurance shall provide for separation of insured for SOCIETY and the City Parties. Insurance policies obtained in satisfaction of these Insurance Requirements may provide a cross-suits exclusion for suits between named insureds but shall not exclude suits between named insureds and additional insureds.
- x. *Deductibles and Self-Insured Retentions.* All deductibles or self-insured retentions under insurance policies issued in satisfaction of these Insurance Requirements shall be declared to CITY. SOCIETY shall pay all such deductibles or self-insured retentions regarding the City Parties. Each insurance policy issued in satisfaction of these Insurance Requirements shall provide that, to the extent SOCIETY fails to pay all or any portion of a self-insured retention under such

policy in reference to an otherwise insured loss, CITY may pay the unpaid portion of such self-insured retention, in City's sole and absolute discretion. All amounts paid by CITY toward self-insured retentions regarding insurance policies covering the City Parties under these Insurance Requirements shall be reimbursed to CITY by SOCIETY in the same manner that insurance costs are reimbursable to City from SOCIETY under Section 18.9 of these Insurance Requirements.

- xi. *No Separate Insurance.* SOCIETY shall not carry separate or additional insurance coverage concurrent in form or contributing in the event of loss with insurance coverage required by these Insurance Requirements unless the City Parties are made additional insured under such insurance coverage.

18.8 **Insurance Independent of Indemnification.** These Insurance Requirements are independent of the Parties' indemnification and other obligations under this Lease and shall not be construed or interpreted in any way to satisfy, restrict, limit or modify the Parties' indemnification or other obligations or to limit the Parties' liability under this Lease, whether within, outside or in excess of such coverage, and regardless of solvency or insolvency of the insurer issuing the coverage, nor shall the provision of such insurance preclude CITY from taking such other actions as are available to CITY under any other provision of this Lease or otherwise at law or in equity.

18.9 **City Option to Obtain Coverage.** During the continuance of a default arising from the failure of SOCIETY to maintain any insurance coverage required by these Insurance Requirements, CITY may, in CITY's sole and absolute discretion, purchase such required insurance coverage. CITY shall be entitled to immediate payment from SOCIETY of all premiums and associated reasonable costs paid by CITY to obtain such insurance coverage. Each amount becoming due and payable to CITY under this Section 18.9 that is not paid within fifteen (15) days after Notice from CITY with an explanation of the amounts owed, will accrue Default Interest from the date incurred until paid. Election by CITY to purchase or not to purchase insurance coverage otherwise required by these Insurance Requirements to be carried by SOCIETY shall not relieve SOCIETY of any default or SOCIETY's obligation to maintain all insurance coverage required by these Insurance Requirements.

5. **Prevailing Wages Requirements.** In performing all Construction or maintenance work under this Second Amendment, SOCIETY and its contractors and subcontractors will cause all workers who perform Construction (as defined in Section 5.10) or maintenance work (including work performed during the design and preconstruction phases of Construction, such as inspection and land surveying work) to be paid not less than the general prevailing rate of per diem wages for work of a similar character in the locality in which the work is performed and not

less than the general prevailing rate of per diem wages for holiday and overtime work, all as determined by the Director of the California Department of Industrial Relations ("DIR") under California Labor Code sections 1770 through 1785 (these wages are, collectively, referred to in this Second Amendment as "**Prevailing Wages**"), and will comply with all the provisions of California Labor Code sections 1720 through 1861 and this Section 5 California Labor Code sections 1720 through 1861 and this Section 5 are referred to in this Second Amendment, collectively, as the "Prevailing Wage Law."

5.1 Prevailing Wages. Copies of the DIR prevailing wage rates are on file with CITY and are available for inspection to any interested party on request. Copies of the prevailing rate of per diem wages also may be found at <http://www.dir.ca.gov/OPRL/DPreWageDetermination.htm>. SOCIETY and SOCIETY's contractors and subcontractors shall all post a copy of the prevailing rate of per diem wages determination at each job site and shall make this information available to all interested persons upon request. SOCIETY and SOCIETY's contractors and subcontractors shall all deliver evidence of the required job site posting to CITY, within five (5) days after such posting.

5.1.1 The wage rates determined by DIR refer to expiration dates. If the published wage rate does not refer to a predetermined wage rate to be paid after the expiration date, then the published rate of wage shall be in effect for the Term. If the published wage rate refers to a predetermined wage rate to become effective upon expiration of the published wage rate and the predetermined wage rate is on file with DIR, such predetermined wage rate shall become effective on the date following the expiration date of the previous wage rate and shall apply to the Lease in the same manner as if it had been published. If the predetermined wage rate refers to one or more additional expiration dates with additional predetermined wage rates, which expiration dates occur during the Term, each successive predetermined wage rate shall apply to the Lease, as amended by this Second Amendment, on the date following the expiration date of the previous wage rate. If the last of such predetermined wage rates expire during the Term, such wage rate shall apply to the balance of the Term.

5.2 DIR Public Works Coverage Determination. SOCIETY may seek a public works coverage determination from the DIR under California Labor Code section 1773.5 about whether Construction or maintenance work on the Premises is fully or partially exempt from the payment of Prevailing Wages under California Labor Code sections 1720 through 1861. Before submitting any written request for a public works coverage determination to the DIR, SOCIETY must obtain CITY's written approval of the content of the request, which approval will not be unreasonably withheld or delayed and will be limited to CITY's determination that the request is factually accurate and complete. SOCIETY will promptly provide CITY with a copy of all written correspondence and documents exchanged between SOCIETY and the DIR with respect to SOCIETY's requested public works coverage determination. Similarly, CITY will promptly provide SOCIETY with a copy of all written correspondence and documents exchanged between City and the DIR with respect to SOCIETY's requested public works coverage determination. Nothing in the Lease, as amended by this Second Amendment, prohibits or restricts either Party's communications with the DIR, including providing legal positions or analysis that the Party believes are applicable, including positions or analysis that are inconsistent with positions or analysis presented by the other Party. If the DIR determines in

writing that Construction or maintenance work on the Premises is fully or partially exempt from the requirements to pay Prevailing Wages under California Labor Code sections 1720 through 1861, SOCIETY will only be required to pay workers performing Construction or maintenance work on the Premises not less than Prevailing Wages and comply with the requirements of California Labor Code sections 1720 through 1861 and the provisions of this Section to the extent the DIR determines that workers performing Construction or maintenance work on the Premises must be paid not less than Prevailing Wages and compliance with California Labor Code sections 1720 through 1861 is required for Construction or maintenance work on the Premises.

5.3 Penalties for Violations. SOCIETY and SOCIETY's contractors and subcontractors shall all comply with California Labor Code section 1775, in the event a worker is paid less than the prevailing wage rate for the work or craft in which the worker is employed. Compliance with California Labor Code section 1775 shall be in addition to all other applicable penalties allowed under California Labor Code sections 1720-1861.

5.4 Payroll Records. SOCIETY and SOCIETY's contractors and subcontractors shall all comply with California Labor Code section 1776, which generally requires keeping accurate payroll records, verifying, and certifying payroll records, and making them available for inspection. SOCIETY and SOCIETY's contractors and subcontractors shall all comply with California Labor Code section 1776, including having provisions requiring such compliance in all contracts with subcontractors. Any requirement to submit certified payroll records to DIR shall include submitting certified payroll records to DIR through its online system for submission of certified payroll records, as required by DIR. Further, SOCIETY and SOCIETY's contractors and subcontractors shall all furnish the records specified in California Labor Code section 1776 directly to the California Labor Commissioner in the manner required California Labor Code section 1771.4. SOCIETY is responsible for ensuring that SOCIETY's contractors and subcontractors submit certified payroll records to CITY, the California Labor Commissioner, and DIR.

5.5 Apprentices. SOCIETY and SOCIETY's contractors and subcontractors shall all comply with California Labor Code sections 1777.5, 1777.6 and 1777.7 concerning the employment and wages of apprentices. SOCIETY shall be held responsible for its compliance and the compliance of SOCIETY's contractors and subcontractors with California Labor Code sections 1777.5, 1777.6, and 1777.7.

5.6 Working Hours. SOCIETY and SOCIETY's contractors and subcontractors shall all comply with California Labor Code sections 1810 through 1815, including: (i) restricting working hours on public works contracts to eight hours a day and forty hours a week, unless all hours worked in excess of 8 hours per day are compensated at not less than 1½ times the basic rate of pay; and (ii) specifying penalties to be imposed on design professionals, contractors, and subcontractors of \$25 per worker per day for each day the worker works more than 8 hours per day and 40 hours per week in violation of California Labor Code sections 1810 through 1815.

5.7 Required Provisions for Subcontracts. SOCIETY shall include, at a minimum, a copy of the following provisions in any contract it enters into with a contractor or subcontractor: California Labor Code sections 1771, 1771.1, 1775, 1776, 1777.5, 1810, 1813, 1815, 1860, and 1861.

5.8 Labor Code Section 1861 Certification. In accordance with California Labor Code section 3700, SOCIETY and SOCIETY's contractors and subcontractors are all required to secure the payment of compensation of their respective employees and by signing this Lease or any contract or subcontract, respectively, SOCIETY and SOCIETY's contractors and subcontractors all certify that "I am aware of the provisions of section 3700 of the California Labor Code which require every employer to be insured against liability for workers' compensation or to undertake self-insurance in accordance with the provisions of that code, and I will comply with such provisions before commencing the performance of the work of this contract." SOCIETY shall include this certification in all contracts with each contractor or subcontractor.

5.9 Registration Requirements. All work is subject to compliance monitoring and enforcement by DIR. A contractor or subcontractor shall not be qualified to bid on, be listed in a bid proposal subject to the requirements of State Public Contract Code section 4104 or engage in the performance of any contract for public work, as defined in Prevailing Wage Law, unless currently registered and qualified to perform the work under California Labor Code section 1725.5. In accordance with California Labor Code section 1771.1(a), "[i]t is not a violation of this section for an unregistered contractor to submit a bid that is authorized by section 7029.1 of the State Business and Professions Code or by section 10164 or 2103.5 of the State Public Contract Code, provided the contractor is registered to perform public work under section 1725.5 at the time the contract is awarded."

5.9.1 A contractor's inadvertent error in listing a subcontractor who is not registered under California Labor Code section 1725.5 in a response to a solicitation shall not be grounds for filing a bid protest or grounds for considering the bid non-responsive, provided that any of the following apply: (1) the subcontractor is registered prior to bid opening; (2) within twenty-four hours after the bid opening, the subcontractor is registered and has paid the penalty registration fee specified in California Labor Code section 1725.5; or (3) the subcontractor is replaced by another registered contractor under State Public Contract Code section 4107.

5.9.2 A contract entered into with any contractor or subcontractor in violation of California Labor Code section 1771.1(a) shall be subject to cancellation, provided that a contract for public work shall not be unlawful, void, or voidable solely due to the failure of the awarding body, contractor, or any subcontractor to comply with the requirements of California Labor Code section 1725.5.

5.9.3 By entering into this Lease, SOCIETY is certifying that it has verified or will verify that all contractors and subcontractors used on work subject to Prevailing Wage Law are registered with DIR in compliance with California Labor Code sections 1771.1 and 1725.5 and shall provide proof of such registration to CITY.

5.9.4 **Filing of Form PWC-100.** SOCIETY shall timely file a PWC-100 Form (or other form required by DIR) with DIR, as and when required by Prevailing Wage Law, and concurrently deliver a copy of such filed form to CITY.

5.10 **Filing of Notice of Completion.** SOCIETY shall record a notice of completion in accordance with State Civil Code section 8182, et seq., with the Recorder for the County of San Diego, California, and concurrently deliver a copy of such recorded notice of completion to CITY.

5.11 **Construction Definition.** As used in this Section 5, "Construction" means any alteration, construction, demolition, excavation, fill, grading, development, expansion, reconstruction, removal, replacement, rehabilitation, redevelopment, repair, restoration, or other work affecting the Premises, including new construction.

6. **Periodic Review of Article IV and Section 7 of Article V.** Because of the extended duration of the Lease, as amended by this Second Amendment, and to comply with California Government Code section 37380(b)(1), on the tenth anniversary of the Second Amendment Effective Date and every 10 years thereafter (each a "**Review Date**"), the Parties will review Article IV and Section 7 of Article V of the Original Lease, taking into account then-current general economic conditions, the context of this Lease, as described in Article I, Recitals, of the Original Lease; CITY's recent comparable long-term ground leases of other parcels in Balboa Park; the real estate marketplace; applicable policies of CITY's City Council; and all other conditions in effect on the Review Date that may reasonably be considered in reviewing. The Parties will use commercially reasonable efforts to mutually agree upon new terms in Article IV and Section 7 of Article V as necessary as of the applicable Review Date, based on consideration of the factors in the immediately preceding sentence.

7. **Zero Emissions Municipal Buildings and Operation Policy.** SOCIETY will comply with all requirements of Council Policy 900-03, as amended from time to time, which are incorporated into the Amended Lease by this reference.

8. **Complimentary Admission Tickets.** SOCIETY shall continue to make available to San Diego nonprofit corporations, school groups, and children a minimum of the equivalent of \$250,000 in complimentary daily admission tickets to the GARDENS per calendar year. SOCIETY shall provide a report annually of such complimentary daily admission tickets for each calendar year no later than April 1 of the following calendar in a form reasonably acceptable to CITY.

9. **Exhibit A (Premises) Amendment.** Exhibit A attached to the Lease is deleted in its entirety and replaced with Exhibit A-1 attached to this Second Amendment and made a part of this Second Amendment.

10. **Confirmation of Agreement.** The Lease, as amended by this Second Amendment, is in all respects confirmed and all the terms, provisions, and conditions of the Lease, as amended by this Second Amendment, shall be and remain in full force and effect.

11. **Incorporation of Recitals.** The Recitals are true and correct and are incorporated into this Second Amendment by this reference, as though fully set forth in this Second Amendment.

12. **Entire Agreement.** The Lease, as amended by this Second Amendment, represents the entire understanding between the Parties as to the subject matter of the Lease, as so amended.

13. **Counterparts.** This Second Amendment may be signed by the authorized representatives of the Parties in multiple counterpart originals (including electronic counterpart originals), each of which shall be deemed an original, and all such counterpart originals, when taken together, shall constitute one agreement.

14. **Principles of Interpretation.** No inference in favor of or against any Party shall be drawn from the fact that such Party drafted any part of this Second Amendment. The Parties participated substantially in the negotiation, drafting, and revision of this Second Amendment, with advice from legal and other counsel and advisers of their own selection. A word, term or phrase defined in this Second Amendment may be used in the singular, plural, past tense or future tense, regardless of how it is defined, all in accordance with ordinary principles of English grammar, which shall govern all language in this Second Amendment. The words "include" and "including" in this Second Amendment shall be construed to be followed by the words: "without limitation." Each collective noun in this Second Amendment shall be interpreted as if followed by the words "(or any part of it)," except where the context clearly requires otherwise. Every reference to a document, including this Second Amendment, refers to such document, as modified from time to time (excepting any modification that violates the Lease), and includes all exhibits, schedules, addenda, and riders to such document. The word "or" in this Second Amendment includes the word "and," except where the context clearly requires otherwise. Every reference to a law, statute, regulation, order, form, or similar governmental requirement in this Second Amendment refers to each such requirement as amended, modified, renumbered, superseded, or succeeded, from time to time.

15. **Governing Law.** The procedural and substantive laws of the State of California shall govern the interpretation and enforcement of this Second Amendment, without application of conflicts of laws principles or statutes.

16. **Binding on Successors and Assigns.** This Second Amendment shall be binding upon and inure to the benefit of the Parties and their respective legal representatives, successors, and assigns.

17. **No Other Representations or Warranties.** Except as expressly set forth in this Second Amendment, no Party makes any representation or warranty material to this Second Amendment to any other Party.

18. **Incorporation of Defined Terms.** All terms, phrases, or words indicated to be defined terms by initial capitalization in this Second Amendment that are not specifically defined in this Second Amendment (if any) shall have the meaning ascribed to the same term, phrase, or word in the Lease.

19. **Electronic Signatures.** The Parties agree: (a) to deliver and accept signatures on or pursuant to this Second Amendment by e-mail, or electronic means (including digital signatures); and (b) that signatures delivered by e-mail, or electronic means (including digital signatures) shall be binding as originals upon the Party so signing and delivering.

SIGNATURE PAGE
TO
SECOND AMENDMENT TO
LEASE AGREEMENT
(Zoological Society of San Diego)

IN WITNESS WHEREOF, CITY and SOCIETY sign and enter into this Second Amendment, by and through the signatures of their respective authorized representatives, as follow:

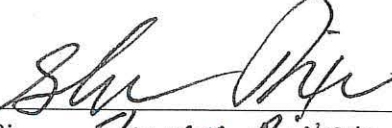
CITY:

The City of San Diego, a California
municipal corporation

By: 
Name: Casey Smith
Title: Chief Housing and Community Development Officer

SOCIETY:

Zoological Society of San Diego, a
California nonprofit corporation

By: 
Name: Shawn Dixon
Title: CEO

APPROVED AS TO FORM
on March 17, 2026:

HEATHER FERBERT
City Attorney

R-318661

By: 
Julie Gough Inman
Deputy City Attorney

**EXHIBIT A-1
TO
SECOND AMENDMENT TO
LEASE AGREEMENT
(Zoological Society of San Diego)**

PREMISES DEPICTION

[To be attached behind this cover page.]

RESOLUTION NUMBER R-316661

DATE OF FINAL PASSAGE MAR 11 2026

A RESOLUTION OF THE COUNCIL OF THE CITY OF SAN DIEGO APPROVING THE SECOND AMENDMENT TO LEASE AGREEMENT BETWEEN THE CITY OF SAN DIEGO AND THE ZOOLOGICAL SOCIETY OF SAN DIEGO FOR THE SAN DIEGO ZOO PROPERTY LOCATED IN BALBOA PARK, MAKING A RELATED FINDING OF PUBLIC PURPOSE, AUTHORIZING THE CHIEF FINANCIAL OFFICER TO ACCEPT AND DEPOSIT PAYMENTS RECEIVED UNDER THE SECOND AMENDMENT, AND WAIVING APPLICATION OF PART V(D)(3) AND PART V(D)(5) OF COUNCIL POLICY 700-10.

RECITALS

The Council of the City of San Diego (Council) adopts this Resolution based on the following:

A. The City of San Diego (City) and the Zoological Society of San Diego, a California nonprofit corporation (Society), are parties to a 55-year Lease Agreement signed on July 23, 1979, and filed with the San Diego City Clerk on August 31, 1979, as Document No. 767195 (Original Lease). Under the Original Lease, the Society leases City-owned real property located in Balboa Park, as specifically described in Exhibit A of the Original Lease (Premises), where it operates the San Diego Zoo. On September 15, 2025, the City and the Society entered into that certain First Amendment to Lease Agreement, filed with the San Diego City Clerk on September 8, 2025, as Document No. RR-316408 (First Amendment), to allow the Society to charge different rates for users of the San Diego Zoo parking lot. Hereinafter, the Original Lease, as amended by the First Amendment, is referred to as the "Lease." The term of the Lease expires on July 23, 2034.

B. During negotiations of the First Amendment, the Society expressed an interest in extending the term of the Lease, and the City expressed an interest in specifying the distribution

more than can be reasonably amortized over the remaining lease term to qualify for a lease extension.

F. The Council intends to waive Council Policy 700-10, Part V(D)(3), because instead of proposing capital investments to the Premises, the Society will pay the City the City's Minimum Payment and the City's Share under the Second Amendment.

G. Council Policy 700-10, Part V(D)(5), states that the rent amount in any amended lease that memorializes an extended lease term will be updated to the current market rent. Council Policy 700-10 allows the Council to authorize the lease of City-owned property in certain instances for a discounted rental rate that is less than the current market rent, as established by a timely appraisal. In those instances, the Council must make a finding that the lease transaction will serve one or more specified public purposes or provide one or more specified public benefits.

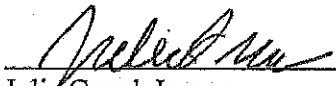
H. The Council intends to waive Council Policy 700-10, Part V(D)(5), because, as described in the staff report accompanying this Resolution (Staff Report), the Second Amendment will serve valid public purposes and provide public benefits in that Society's continued management, maintenance, and operation of the Zoo and its animals and exhibits will provide an invaluable asset to the City as a tourist attraction and a beneficial recreational facility for City residents. In addition, in lieu of paying rent under the Second Amendment, the Society will pay the City the City's Minimum Payment and the City's Share.

I. The California Surplus Land Act (SLA), Government Code sections 54220-54234, requires the Council to take formal action at a regular public meeting to declare that City-owned real property is either surplus land or exempt surplus land before the City may take any action to dispose of the real property. However, under Government Code section 54221(d), the

5. The Council waives Council Policy 700-10, Part V(D)(3), stating that a lessee must propose a capital investment that increases the value or useful life of the leasehold improvements by an amount more than can be reasonably amortized over the remaining lease term to qualify for a lease extension.

6. The Council waives Council Policy 700-10, Part V(D)(5), stating that the rent amount in any amended lease that memorializes an extended lease term will be updated to the current market rent.

APPROVED: HEATHER FERBERT, City Attorney

By 
Julie Gough Inman
Deputy City Attorney

JGI:cw
03/02/2026
Or.Dept: Econ. Dev.
Doc. No. 4351119

I certify that the Council of the City of San Diego adopted this Resolution at a meeting held on
MAR 09 2026

DIANA J.S. FUENTES
City Clerk

By 
Deputy City Clerk

Approved: 3/11/26
(date)


TODD GLORIA, Mayor

Vetoed: _____
(date)

TODD GLORIA, Mayor

Passed by the Council of The City of San Diego on March 9, 2026, by the following vote:

YEAS: LACAVA, CAMPBELL, WHITBURN, FOSTER III, VON WILPERT,
CAMPILLO, MORENO, ELO-RIVERA.

NAYS: NONE.

NOT PRESENT: LEE.

RECUSED: NONE.

AUTHENTICATED BY:

TODD GLORIA

Mayor of The City of San Diego, California

DIANA J.S. FUENTES

City Clerk of The City of San Diego, California

(Seal)

By: Chrystal Rodriguez, Deputy

I HEREBY CERTIFY that the above and foregoing is a full, true, and correct copy of
RESOLUTION NO. R-316661 approved on March 9, 2026. The date of final
passage is March 11, 2026.

DIANA J.S. FUENTES

City Clerk of the City of San Diego, California

(Seal)

By: , Deputy