

CITY OF SAN DIEGO RIGHT OF ENTRY PERMIT

THIS CITY OF SAN DIEGO RIGHT OF ENTRY PERMIT ("Permit") is entered into by and between THE CITY OF SAN DIEGO, a California municipal corporation ("CITY"), and THE RESOURCE MANAGEMENT GROUP, INC., ("PERMITTEE"), to be effective upon execution by the parties and approval by the San Diego City Attorney (the "Effective Date"), as follows:

RECITALS

- A. This Right of Entry Permit is contingent upon San Diego Storage vacating the Permit Area on or before December 31, 2008.
- 1) **Right to Enter.** Subject to the terms and conditions of this Permit, CITY hereby grants permission to PERMITTEE, its employees, agents and contractors to enter upon that CITY-owned real property (the "Permit Area") located at the end of Roselle Street (APN: 340-080-64), containing a total of approximately 1.56 acres (68,060 sq. ft.), and as specifically set forth in the attached Exhibit "A."
 - 2) **Use of Permit Area.** PERMITTEE may enter upon and use the Permit Area solely and exclusively for the purpose of storage of roll-off metal containers and trucks and for no other purpose. PERMITTEE shall not allow any person to clean and/or maintain vehicle/equipment within the Permit Area. PERMITTEE'S unauthorized use of the Permit Area or PERMITTEE'S failure to continuously occupy and use the Permit Area as provided herein shall be a default and subject this Permit to termination at CITY'S sole option.
 - 3) **Term.** The effective date of this Permit shall be January 1, 2008. This Permit shall be on a month-to-month status with either the City or the Permittee having a right to cancel this Permit on 30 days notice.
 - 4) **Revocable License.** This Permit is not a lease. It is a license to use CITY-owned property, and may be revoked by CITY, in its sole discretion, upon thirty (30) days prior written notice to PERMITTEE. CITY shall not be obligated for any loss, financial or otherwise, which may be incurred by PERMITTEE as a result of such revocation or the termination of this Permit. PERMITTEE expressly waives any claim for expense or loss which PERMITTEE might incur as a result of CITY'S termination of this Permit. CITY may enter upon the Permit Area at all times upon prior notice to PERMITTEE.
 - 5) **Possessory Interest.** Permittee recognizes and understands that this Permit may create a possessory interest subject to property taxation and that Permittee may be subject to the payment of property taxes levied on such interest. Permittee further agrees that such tax payment shall not reduce any fee paid the City of San Diego hereunder and that such tax shall be paid by Permittee before becoming delinquent.

- 6) Permit Fee. PERMITTEE shall pay monthly rent during the Term in accordance with the following rent schedule:

First Permit Year \$6,125.00 per month

"Permit Year" as used in this Permit shall mean the first 12 calendar months of the Term and each 12-month period thereafter during the Term.

- a) Rent Adjustment. The \$6,125.00 monthly rent shall be adjusted upward by five (5%) percent on the 13th month and every 12 months thereafter of the Permit.
- b) Delinquent Rent. If PERMITTEE fails to pay the rent when due, PERMITTEE shall pay, in addition to the unpaid rent, five percent (5 %) of the delinquent rent. If the rent is still unpaid after fifteen (15) days past due, PERMITTEE shall pay an additional five percent (5%) [being a total of ten percent (10%)] of the delinquent rent, which is agreed to be appropriate to compensate CITY for loss resulting from rental delinquency, including lost interest, opportunities, legal costs, and the cost of servicing the delinquent account. In no event shall the charge for late payment of rent be less than twenty-five dollars (\$25).
- c) Time and Place of Rent Payment. Rent is due monthly in advance on or before the first day of each calendar month. Checks shall be made payable to the City Treasurer and mailed to the **Office of the City Treasurer, City of San Diego, P.O. Box 122289, San Diego, California 92112-4165**, or delivered to the **Office of the City Treasurer, Civic Center Plaza, 1200 Third Avenue, First Floor, San Diego, California**. The place and time of payment may be changed at any time by CITY upon thirty (30) days prior written notice to PERMITTEE. Mailed rental payments shall be deemed paid upon the date such payment is postmarked by the postal authorities. If postmarks are illegible, the payment shall be deemed paid upon actual receipt by the City Treasurer. PERMITTEE assumes all risk of loss and responsibility for late payment charges if payments are made by mail.
- 7) Security Deposit. PERMITTEE shall remit a security deposit in the amount of \$6,125. Permittee currently has a \$2,500 security deposit with the CITY. Upon Permit execution PERMITTEE shall present a check in the amount of \$3,625 which the remaining portion of the security deposit. CITY shall not be liable to PERMITTEE for any interest thereon. Any interest earned from such deposit or redeposit shall be and remain the property of CITY. All or any portion of the principal sum shall be available unconditionally to CITY to correct any breach or default of this Permit by PERMITTEE, PERMITTEE'S successors or assigns, or for expenses incurred by CITY as a result of PERMITTEE'S breach or default of this Permit. PERMITTEE shall maintain the security deposit throughout the Term. **Notwithstanding any other provision of this Permit, if PERMITTEE fails to maintain a security deposit as required by this Permit, CITY may terminate this Permit immediately upon such breach. Upon such termination, PERMITTEE shall immediately cease its use of the Permit Area and commence and diligently pursue the removal of its customers' property from the Permit Area.**

- a) If CITY utilizes all or any portion of the security deposit, upon ten days prior written notice, PERMITTEE shall reimburse the security deposit to the full required amount.
 - b) Upon thirty (30) days prior written notice by CITY, PERMITTEE shall deliver to CITY additional funds as CITY may, in its sole determination, require to adequately secure PERMITTEE'S obligations under this Permit.
 - c) Provided PERMITTEE is not in breach or default of this Permit, CITY shall return the security deposit, or any balance thereof, to PERMITTEE within ninety (90) days after the expiration or termination of this Permit.
- 8) Utilities. If required, PERMITTEE shall order, obtain, and pay for all utilities and service and installation charges in connection with the development and operation of the Permit Area. All utilities shall be installed underground.
- 9) CITY'S Consent, Discretion. Whenever required under this Permit, CITY'S consent or approval shall mean the written consent or approval of the Mayor of San Diego, or designee ("Mayor"), unless otherwise expressly provided. CITY'S discretionary acts hereunder shall be made in the Mayor's discretion, unless otherwise expressly provided.
- 10) Improvements/Alterations. Except as otherwise provided in this Permit, PERMITTEE shall not construct any improvements, structures, or installations on the Permit Area, and shall not alter the Permit Area without CITY'S prior written consent. PERMITTEE shall not make any major structural or architectural design alterations to approved improvements, structures or installations on the Permit Area without CITY'S prior written consent, which may not be unreasonably withheld. This provision shall not relieve PERMITTEE of any obligation under this Permit to maintain the Permit Area in a decent, safe, healthy, and sanitary condition, including structural repair and restoration of damaged or worn improvements. Except as required by law, CITY shall not be obligated to make any repair or assume any expense for any improvements or alterations to the Permit Area.
- 11) Ownership of Improvements and Personal Property.
- a) Improvements. Upon expiration or termination of this Permit, any and all improvements including fencing, trade fixtures, structures, and installations, or additions to the Permit Area now existing or constructed on the Permit Area by PERMITTEE shall be deemed to be part of the Permit Area and shall become CITY'S property free of all liens and claims. Notwithstanding the foregoing, CITY may, upon notice to PERMITTEE at termination or within thirty (30) days prior to the expiration of the Term, elect not to assume ownership of all or any improvements, trade fixtures, structures, and installations. PERMITTEE shall, at PERMITTEE'S sole cost and expense, remove all such improvements, structures and installations prior to the expiration of the Term, or within thirty (30) days after a notice of termination. If PERMITTEE fails to remove any improvements, structures, and installations as required by this Permit, PERMITTEE shall pay CITY the full cost of any removal.

- b) Personal Property. PERMITTEE shall remove PERMITTEE-owned machines, appliances, equipment (other than trade fixtures), and other items of personal property prior to the expiration of the Term, or as soon as reasonably practicable after a notice of termination, but in no event later than thirty (30) days after such notice of termination. Any such items which PERMITTEE fails to remove shall be deemed abandoned and become CITY'S property free of all claims and liens, or CITY may, at its option, remove such items at PERMITTEE'S sole cost and expense. If any removal of such personal property by PERMITTEE results in damage to the Permit Area, PERMITTEE shall repair all such damage at its sole cost and expense.
 - c) Late Removal. PERMITTEE shall pay additional rent for any period of time needed to remove any improvements or personal property, whether by CITY or PERMITTEE, after the expiration or termination of this Permit. Such additional rent shall be at the rate in effect immediately prior to such expiration or termination.
 - d) CITY'S Right to Acquire. Notwithstanding the foregoing, if PERMITTEE elects to dispose of any of its personal property used in its operations on the Permit Area, upon expiration or termination of this Permit, CITY shall have the first right to acquire or purchase such personal property.
- 12) Insurance. PERMITTEE shall obtain and maintain at all times during the Term the following insurance at its sole expense
- a) **Commercial General Liability Insurance**, providing coverage for bodily injury, including death, personal injury, and property damage with limits of at least One Million Dollars (\$1,000,000) per occurrence, subject to an annual aggregate of at least Two Million Dollars (\$2,000,000); and
 - b) **Fire, extended coverage, and vandalism insurance** on all insurable property on the Permit Area in an amount to cover 100 percent (100%) of the replacement cost, including but not limited to containers and recreational vehicles. Any proceeds from a loss shall be payable jointly to CITY and PERMITTEE. The proceeds shall be placed in a trust fund to be reinvested in rebuilding or repairing the damaged property.
 - c) **Workers' Compensation Insurance**, as required by the laws of the State of California for all of PERMITTEE'S employees who are subject to this Permit, with Employers' Liability coverage with limits of at least One Million Dollars (\$1,000,000).
 - i) Additional Insured. All insurance policies shall name "CITY, its elected officials, officers, representatives, agents and employees" as an additional insured, protect CITY against any legal costs in defending claims, and shall not terminate without sixty (60) days prior written notice to CITY. All insurance companies must be

satisfactory to CITY and licensed to do business in California. All policies shall be in effect on or before the first day of the Term of this Permit, except "course of construction fire insurance" shall be in force on commencement of all authorized construction on the Permit Area, and full applicable fire insurance coverage shall be effective upon completion of each insurable improvement. A copy of the insurance policy shall remain on file with CITY during the entire Term of this Permit. At least thirty (30) days prior to the expiration of each insurance policy, PERMITTEE shall furnish a certificate(s) showing that a new or extended policy has been obtained which meets the requirements of this Permit.

- ii) Modification. To assure protection from and against the kind and extent of risk existing on the Permit Area, CITY, at its discretion, may require the revision of amounts and coverages at any time during the Term by giving PERMITTEE thirty (30) days prior written notice. PERMITTEE shall also obtain any additional insurance required by CITY for new improvements, in order to meet the requirements of this Permit.
 - iii) Accident Reports. PERMITTEE shall report to CITY any accident causing more than five thousand dollars (\$5,000) worth of property damage or any serious injury to persons on the Permit Area. Such report shall contain the names and addresses of the involved parties, a statement of the circumstances, the date and hour of the accident, the names and addresses of any witnesses, and other pertinent information.
 - iv) Failure to Comply. If PERMITTEE fails or refuses to obtain and maintain the required insurance, or fails to provide proof of coverage, CITY may obtain the insurance. PERMITTEE shall reimburse CITY for the premiums paid, with interest at the maximum allowable legal rate then in effect in California. CITY shall notify PERMITTEE of such payment of premiums within thirty (30) days of payment stating the amount paid, the name(s) of the insurer(s), and rate of interest. PERMITTEE shall pay such reimbursement and interest on the first (1st) day of the month following CITY'S notice. **Notwithstanding any other provision of this Permit, if PERMITTEE fails or refuses to obtain or maintain insurance as required by this Permit, or fails to provide proof of insurance, CITY may terminate this Permit immediately upon such breach. Upon such termination, PERMITTEE shall immediately cease its use of the Permit Area and commence and diligently pursue the removal of its customers' property from the Permit Area.**
- 13) Indemnification. PERMITTEE shall protect, defend, indemnify, and hold CITY, its elected officials, officers, representatives, agents and employees, harmless from and against any and all claims asserted or liability established for damages or injuries to any person or property, including injury to PERMITTEE'S officers, employees, invitees, guests, agents, or contractors, which arise out of or are in any manner directly or indirectly connected with this Permit or PERMITTEE'S development, use, or maintenance of the Permit Area, and all expenses of investigating and defending against same, including without limitation attorney fees and costs; provided, however, that PERMITTEE'S duty to indemnify and hold harmless

shall not include any claims or liability arising from the established active negligence, sole negligence, or sole willful misconduct of CITY, its elected officials, officers, representatives, agents and employees. CITY may, at its election, conduct the defense or participate in the defense of any claim related in any way to this indemnification. If CITY chooses at its own election to conduct its own defense, participate in its own defense, or obtain independent legal counsel in defense of any claim related to this indemnification, PERMITTEE shall pay all of the costs related thereto, including without limitation reasonable attorney fees and costs.

- 14) No Discrimination. PERMITTEE shall not discriminate in any manner against any person or persons on account of race, color, religion, gender, sexual orientation, medical status, national origin, age, marital status, or physical disability in PERMITTEE'S use of the Permit Area, including but not limited to the providing of goods, services, facilities, privileges, advantages, and accommodations, and the obtaining and holding of employment.
- 15) Local Business and Employment. PERMITTEE acknowledges that CITY seeks to promote employment and business opportunities for local residents and firms in all CITY contracts. PERMITTEE will, to the extent legally possible, solicit applications for employment, and bids and proposals for subcontracts, for work associated with this Permit from local residents and firms as opportunities occur. PERMITTEE agrees to hire qualified local residents and firms whenever feasible.
- 16) Drug-free Workplace. PERMITTEE shall be required to abide by the omnibus drug legislation passed by Congress on November 18, 1988, by adopting and enforcing a policy to maintain a drug-free workplace by doing all of the following:
 - a) Publish a statement notifying employees that the unlawful manufacture, distribution, dispensation, possession or use of controlled substances are prohibited on the Permit Area and specifying the actions that will be taken against employees for violations of the prohibition; and
 - b) Establish a drug-free awareness program to inform employees about all of the following:
 - i) The dangers of drug abuse in the workplace;
 - ii) PERMITTEE'S policy of maintaining a drug-free workplace;
 - iii) Any available drug counseling, rehabilitation, and employees assistance programs; and
 - iv) Penalties that may be imposed upon employees for drug abuse violations.
- 17) Disabled Access Compliance. PERMITTEE shall comply with the California Government Code, Sections 11135-11139.5; the Federal Rehabilitation Act of 1973, Section 504, Title V; the Americans with Disabilities Act of 1990 (ADA); and any other applicable state and

federal laws and regulations hereafter enacted protecting the rights of people with disabilities.

- 18) PERMITTEE'S Risk. PERMITTEE shall bear all risks and liability arising out of or in any manner directly or indirectly connected with PERMITTEE'S use of the Permit Area and any damages to the improvements on, under, or in the vicinity of the Permit Area resulting directly or indirectly thereby.
- 19) No Nuisance. PERMITTEE shall not use the Permit Area in any manner which, in CITY'S opinion, creates a nuisance or disturbs the quiet enjoyment of persons in and to the surrounding area.
- 20) No Assignment. PERMITTEE shall not assign or sublease any rights granted by this Permit or any interest herein including subleasing without CITY'S prior written consent. Approval of any such proposed assignment or subleasing may be withheld in CITY'S sole and absolute discretion. Any assignment or sublease of the Permit Area by operation of law shall automatically terminate this Permit.
- 21) Signs. PERMITTEE shall not to erect or display any banners, pennants, flags, posters, signs, decorations, marquees, awnings or similar devices or advertising without CITY'S prior written consent. If any such unauthorized item is found on the Permit Area, PERMITTEE shall remove the item at its expense within 24 hours notice by CITY, or CITY may thereafter remove the item at PERMITTEE'S cost.
- 22) Encumbrances. PERMITTEE shall keep the Permit Area free from all encumbrances and liens of any nature which arise out of or are in any manner directly or indirectly connected with this Permit or PERMITTEE'S development, use, or maintenance of the Permit Area. PERMITTEE shall protect, defend, indemnify, and hold CITY harmless from and against any and all such encumbrances and/or liens, and from and against any claim, liability, cost or expense, including without limitation all attorney fees and costs, relating to or charged against the Permit Area, including without limitation PERMITTEE'S failure or the failure of any contractor or subcontractor hired by PERMITTEE to pay any person or persons referred to in Section 3181 of the California Civil Code or other applicable sections thereof.
- 23) Maintenance of the Permit Area. PERMITTEE shall, to CITY'S satisfaction, maintain the Permit Area in a decent, safe, healthy and sanitary condition at all times during the Term.
- 24) Permittee is to ensure that debris and building material scraps are not allowed to accumulate in the permit area.
- 25) Due to the location of the Permit Area in a floodplain, grading, filling, dumping, new planting or fencing, except as stated in paragraph 24 (B) below, are prohibited unless first approved in writing by the City Manager. Permittee shall not change the surface grade or construct any barriers on the Permit Area. Any such violations will be corrected by Permittee at its sole expense to the satisfaction of the City Manager and are grounds, at the City's option, for immediate termination of this Permit.

26) MHPA Land Use Adjacency Guidelines/Protection of Sensitive Biological Resources:

- A. The Permit Area, as well as any off-road vehicular activity associated with the activities authorized under this Permit, shall be limited to existing graded portions of the subject City-owned parcel as further defined in the outlined area of exhibit "A".
- B. Prior to the commencement of activities authorized by this Permit, the Permittee shall erect temporary fencing (or other type of barrier acceptable to the City Manager) to prevent unauthorized encroachment into portions of the subject parcel and adjacent properties which contain sensitive biological resources, including the Multi-Habitat Planning Area (MHPA) of the City of San Diego Multiple Species Conservation Program Subarea Plan, in a manner which does not result in any impacts to sensitive biological resources, and shall arrange for the City to inspect such fencing for adequacy. With the exception of the erection of this fencing, the Permittee shall not undertake any activities on the subject parcel prior to the inspection and approval of the fencing by the City.
- C. Any lighting proposed to be utilized on the subject parcel shall be approved in writing by the city Manager. On-site lighting authorized by the City Manager, if any, shall be directed away from the MHPA and shielded as necessary to avoid spillover into the MHPA.
- D. Any planting proposed to be installed on the subject parcel shall be approved in writing by the City Manager. On-site planting authorized by the City Manager, if any, shall be limited to non-invasive species.

27) Compliance with Laws. PERMITTEE shall, at its sole cost and expense, comply with all the requirements of all rules, regulations, ordinances, laws and direction of governing authorities now in effect or which may hereafter be in effect, which pertain to the Permit Area, including without limitation the following:

- a) Municipal Code Chapter 4, Article 3, Division 3: Stormwater Management and Discharge Control; and
- b) Municipal Code Chapter 14, Article 2, Division 1: Grading Regulations, Division 2: Storm Water Runoff and Drainage Regulations, and Division 3: Fence Regulations.

28) Water Quality Assurances. In complying with all laws as required by this Permit, PERMITTEE shall employ "Best Management Practices," including a "Storm Water

Pollution Prevention Plan,” as those terms are defined by the Municipal Code (collectively, “Prevention Plan”). CITY may review the Prevention Plan periodically. Upon thirty (30) days prior written notice from CITY requesting an update of the Prevention Plan, PERMITTEE shall submit an updated Prevention Plan to the satisfaction of CITY. PERMITTEE shall implement all changes to the Prevention Plan as required by CITY and to ensure compliance with all applicable laws, ordinances and regulations. PERMITTEE shall be solely responsible for informing its employees, contractors, subcontractors, agents, and vendors of the Prevention Plan and assuring their compliance therewith.

29) Inspection. CITY may, at all times upon prior notice, enter and inspect the Permit Area.

30) Hazardous Substances. PERMITTEE shall not allow the installation or release of hazardous substances in, on, under, or from the Permit Area. For the purposes of this provision, a release shall include but not be limited to any spilling, leaking, pumping, pouring, emitting, emptying, discharging, injecting, escaping, leeching, dumping, or otherwise disposing of hazardous substances. “Hazardous substances” shall mean those hazardous substances listed by the Environmental Protection Agency in regularly released reports and any other substances incorporated into the State of California’s list of hazardous substances. A copy of the presently effective EPA and the State lists is on file in the Office of the City Clerk as Document 769704 and by this reference is incorporated into this Permit.

- a. If any release of a hazardous substance occurs, PERMITTEE shall pay all costs of remediation and removal of the hazardous substance in accordance with all applicable laws and rules and regulations of governmental authorities.
- b. PERMITTEE shall protect, defend, indemnify, and hold CITY harmless from any and all claims, costs, and expenses related to environmental liabilities resulting from PERMITTEE’S development, use, or maintenance of the Permit Area, including but not limited to costs of environmental assessments, costs of remediation and removal, any necessary response costs, damages for injury to natural resources or the public, and costs of any health assessment or health effect studies.
- c. If PERMITTEE knows or has reasonable cause to believe that any hazardous substance has been released on or beneath the Permit Area, PERMITTEE shall give written notice to CITY within three (3) days of receipt of the knowledge or cause for belief. If PERMITTEE knows or has reasonable cause to believe that such substance is an imminent and substantial danger to public health and safety, PERMITTEE shall notify CITY immediately upon receipt of such knowledge or belief and shall take all actions necessary to alleviate the danger. PERMITTEE shall notify CITY immediately of any notice of violation received or initiation of environmental actions or private suits related to the Permit Area. PERMITTEE and PERMITTEE’S agents and contractors shall not store, utilize, or sell any hazardous substance on the Permit Area without CITY’S prior written consent.
- d. At CITY’S option, upon expiration or termination of this Permit, an environmental assessment of the Permit Area shall be performed by a professional environmental

consultant registered with the State of California as a Professional Engineer, Certified Engineering Geologist, or Registered Civil Engineer. The environmental assessment shall be obtained at PERMITTEE'S sole cost and expense, and shall establish what, if any, hazardous substances exist on, in, or under the Permit Area, and in what quantities. If any hazardous substances exist in quantities greater than that allowed by CITY, county, state, or federal laws, statutes, ordinances, or regulations, then the environmental assessment shall include a discussion of these substances with recommendations for remediation and removal necessary to effect compliance with those laws or statutes, and estimates of the cost of such remediation or removal. PERMITTEE shall cause the remediation and/or removal recommended in the environmental assessment such that compliance with environmental law is achieved, and PERMITTEE shall pay all costs and expenses of such remediation or removal.

- 31) Waiver. CITY'S failure to insist upon the strict performance of any of PERMITTEE'S obligations under this Permit, in one or more instance, shall not be construed as a waiver of any such obligation, and the same shall remain in full force and effect. The property constituting the Permit Area is CITY-owned and held in trust for the benefit of CITY'S citizens. CITY'S failure to discover a breach of any obligation of this Permit or take prompt action to require the cure of any such breach shall not result in an equitable estoppel, but CITY may at any and all times require the cure of any such breach.
- 32) Survival. Any obligation which accrues under this Permit prior to its expiration or termination shall survive such expiration or termination.
- 33) Entire Agreement. This Permit constitutes the entire agreement between the parties and supersedes any and all prior understandings, representations, warranties and agreements between them. Any modification, alteration, or amendment of this Permit shall be in writing and signed by all the parties hereto.
- 34) Legal Proceedings. If CITY commences legal proceedings to enforce any right or obligation under this Permit, PERMITTEE shall pay all costs in connection therewith, including reasonable attorney fees and costs.
- 35) Notices. Any notice required or permitted to be given under this Permit shall be in writing and may be served personally or delivered by United States mail, postage prepaid, and addressed to CITY or PERMITTEE, respectively, as follows:

THE CITY OF SAN DIEGO
Real Estate Assets Department
Attn: Gary Jones, Asset Manager
1200 Third Avenue, Suite 1700 (MS 51A)
San Diego, California 92101

RESOURCE MANAGEMENT GROUP, INC.
1250 Sixth Ave., WTC Suite 209
San Diego, CA 92101

- 36) Governmental Approvals. By entering into this Permit, neither CITY nor CITY'S City Council is obligating itself to any other governmental agent, board, commission, or agency with regard to any other discretionary action relating to PERMITTEE'S use of the Permit Area. Discretionary action includes but is not limited to re-zonings, variances, environmental clearances, or any other governmental agency approvals which may be required for PERMITTEE'S development, use, or maintenance of the Permit Area.

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37) Authority to Contract. Each individual executing this Permit on behalf of another person or legal entity represents and warrants that he/she is authorized to execute and deliver this Permit 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 Permit is binding upon such person or entity in accordance with its terms. Each person executing this Permit on behalf of another person or legal entity shall provide CITY with evidence, satisfactory to CITY, that such authority is valid.

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

Date: 1/15/08

THE CITY OF SAN DIEGO, a California municipal corporation

By: David A. Sandoval
Name: David A. Sandoval, CCIM
Title: Deputy Director, Real Estate Assets

Date: 1/15/08

RESOURCE MANAGEMENT GROUP, INC., a California corporation

By: [Signature]
Name: Armen Derderian
Title: President

ENVIRONMENTAL ANALYSIS SECTION ENVIRONMENTAL CLEARANCE:

THIS ACTIVITY IS CATEGORICALLY EXEMPT FROM CEQA PURSUANT TO STATE CEQA GUIDELINES, SECTION 15304 (e).

Date: 1/17/08

By: Nicole A. McGowan
Name: NIKOLE A. MCGOWAN
Title: SENIOR PLANNER

APPROVED AS TO FORM AND LEGALITY:

Effective Date: 1-17-08

MICHAEL J. AGUIRRE, City Attorney

By: [Signature]
Tamara B. [Signature], Deputy City Attorney

AJM
12/17/07



Every reasonable effort has been made to ensure the accuracy of this map. However, neither the BUREAU of Land Management nor the San Diego County Planning Commission assumes any liability arising from its use.

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EXHIBIT A

READ 12-03-07

1:1,428





THE CITY OF SAN DIEGO

August 31, 2001

Files: Property File -K302-9
Permit File - APN No. 340-080-64
Job Order # 223087-001

ATTORNEY
04 SEP 36 AM 8:31
CIVIL DIVISION

Mr. Armen Derderian
The Resource Management Group, Inc.
World Trade Center Building
1250 Sixth Avenue
San Diego, CA 92101

Attention: Armen Derderian, Owner

Reference: Right of Entry Permit - Assessor's Parcel No. 340-080-64, located at the end of Roselle Street in San Diego

The City of San Diego ("City") hereby grants permission to The Resource Management Group, Inc. ("Permittee") to enter upon the above-referenced City-owned property ("Permit Area"), as delineated on the attached Exhibit "A," upon the following terms and conditions:

1. Permittee's use of the Permit Area shall be limited to the storage of roll-off metal containers and trucks.
2. Consideration to City for granting this Permit shall be a \$360 non-refundable processing fee and a \$700 monthly Permit fee for approximately 24,500 square feet commencing on the effective date hereof. Starting January 1, 2002, the monthly rent shall increase to \$1,900 per month. Permit fees are payable at the office of the City Treasurer on or before the first day of each month. The first and last months' Permit fees will be prorated as necessary to achieve payment on the first of the month. Payments postmarked or paid in person after the first of the month will be subject to a 5 percent late charge if 1 to 15 days past due, and to an additional 5 percent late charge if 16 or more days past due. In no event shall the late charge be less than \$25.
3. The effective date of this Permit shall be October 1, 2001. Starting on February 1, 2002, this Permit shall be on a month-to-month status with either the City or the Permittee having a right to cancel this Permit on 30 days notice.
4. Permittee certifies that a policy of public liability and property damage insurance, in which "The City of San Diego" is named as an additional insured, has been secured in an amount of not less than \$3 million combined single limit liability with an occurrence claims form and that said policy shall be kept in force for the duration of



Real Estate Assets

1200 Third Avenue, Suite 1700, MS 51A • San Diego, CA 92101-4199
Tel (619) 236-6020 Fax (619) 236-6706

this Permit. A certificate of said insurance shall be filed with the City Real Estate Assets Department upon execution of this Permit.

5. Permittee agrees to defend, indemnify, protect, and hold the City, its agents, officers, and employees harmless from and against any and all claims asserted or liability established for damages or injuries to any person or property, including injury to Permittee's employees, invitees, guests, agents, or officers, which arise out of or are in any manner directly or indirectly connected with the development or operation of the Permit Area or the work and operations to be performed under this agreement, and all expenses of investigating and defending against same; provided, however, that Permittee's duty to indemnify and hold harmless shall not include any claims or liability arising from the established active negligence, sole negligence, or sole willful misconduct of the City, its agents, officers, or employees.
6. Permittee agrees not to discriminate in any manner against any person or persons on account of race, color, religion, gender, sexual orientation, medical status, national origin, age, marital status, or physical disability in Permittee's use of the Permit Area, including but not limited to the providing of goods, services, facilities, privileges, advantages, and accommodations, and the obtaining and holding of employment.
7. All risks in connection with Permittee's use of the Permit Area and any damages to the improvements thereon, thereunder, or in the vicinity thereof shall be borne in full by Permittee.
8. Permittee shall not use the Permit Area in any manner which, in the opinion of the City Manager, creates a nuisance or disturbs the quiet enjoyment of persons in the surrounding area.
9. This Permit is revocable at any time by the City of San Diego after the initial term of four months. It is mutually agreed that the City of San Diego shall not be obligated for any loss, financial or otherwise, which may be incurred by Permittee as a result of termination of this Permit, and, further, that Permittee expressly waives any claim for expense or loss which Permittee might incur as a result of termination of this Permit.
10. Permittee recognizes and understands that this Permit may create a possessory interest subject to property taxation and that Permittee may be subject to the payment of property taxes levied on such interest. Permittee further agrees that such tax payment shall not reduce any fee paid the City of San Diego hereunder and that such tax shall be paid by Permittee before becoming delinquent.
11. Permittee shall at its sole cost and expense comply with all the requirements of all municipal, state, and federal authorities now in effect or which may hereafter be in effect, which pertain to the Permit Area.

12. Permittee shall file with the City Real Estate Assets Department a \$2,500 cash performance deposit to assure that, upon expiration or earlier termination of this Permit, Permittee shall at its sole cost remove all materials and repair and/or restore the Permit Area to its original condition, including any hazardous or toxic waste remediation, to the satisfaction of the City Manager.
13. Permittee shall not assign any rights granted by this Permit nor any interest therein without the prior written approval of the City Manager. Approval of any such proposed assignment may be withheld in the sole and absolute discretion of the City Manager. Any assignment by operation of law shall automatically terminate this Permit.
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18. This activity is categorically exempt from CEQA pursuant to State CEQA Guidelines, Section 15304(e).
19. MHPA Land Use Adjacency Guidelines/Protection of Sensitive Biological Resources:
 - A. The Permit Area, as well as any off-road vehicular activity associated with the activities authorized under this Permit, shall be limited to existing graded portions of the subject City-owned parcel.
 - B. Prior to the commencement of activities authorized by this Permit, the Permittee shall erect temporary fencing (or other type of barrier acceptable to the City Manager) to prevent unauthorized encroachment into portions of the subject parcel and adjacent properties which contain sensitive biological resources, including the Multi-Habitat Planning Area (MHPA) of the City of San Diego Multiple Species Conservation Program Subarea Plan, in a manner which does not result in any impacts to sensitive biological resources, and

Page 4
Mr. Armen Derderian
August 31, 2001

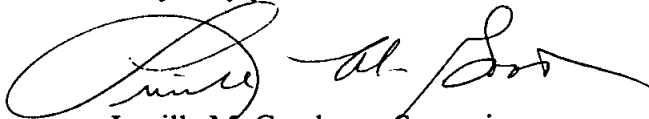
shall arrange for the City to inspect such fencing for adequacy. With the exception of the erection of this fencing, the Permittee shall not undertake any activities on the subject parcel prior to the inspection and approval of the fencing by the City.

- C. Any lighting proposed to be utilized on the subject parcel shall be approved in writing by the city Manager. On-site lighting authorized by the City Manager, if any, shall be directed away from the MHPA and shielded as necessary to avoid spillover into the MHPA.
- D. Any planting proposed to be installed on the subject parcel shall be approved in writing by the City Manager. On-site planting authorized by the City Manager, if any, shall be limited to non-invasive species.

Please acknowledge your agreement to the foregoing terms and conditions on the enclosed copy of this letter and return it to the City Real Estate Assets Department, together with your insurance certificate and check for \$3,560 made payable to the "City Treasurer," within 10 days from receipt hereof.

If you should require additional information or have any questions, please call Jim Braun, Property Agent, at (619) 533-6517.

Very truly yours,



Lucille M. Goodman, Supervisor
Real Estate Assets Department

Date: 9-4-01

JAB/jmj-n

Attachments

cc: County Assessor

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Page 5
Mr. Armen Derderian
August 14, 2001

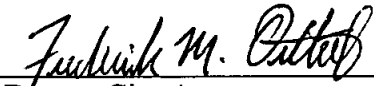
THE ABOVE IS ACKNOWLEDGED AND ACCEPTED THIS 4th DAY OF
September, 2001.

THE RESOURCE MANAGEMENT GROUP, INC.

By 
Armen Derderian, Owner

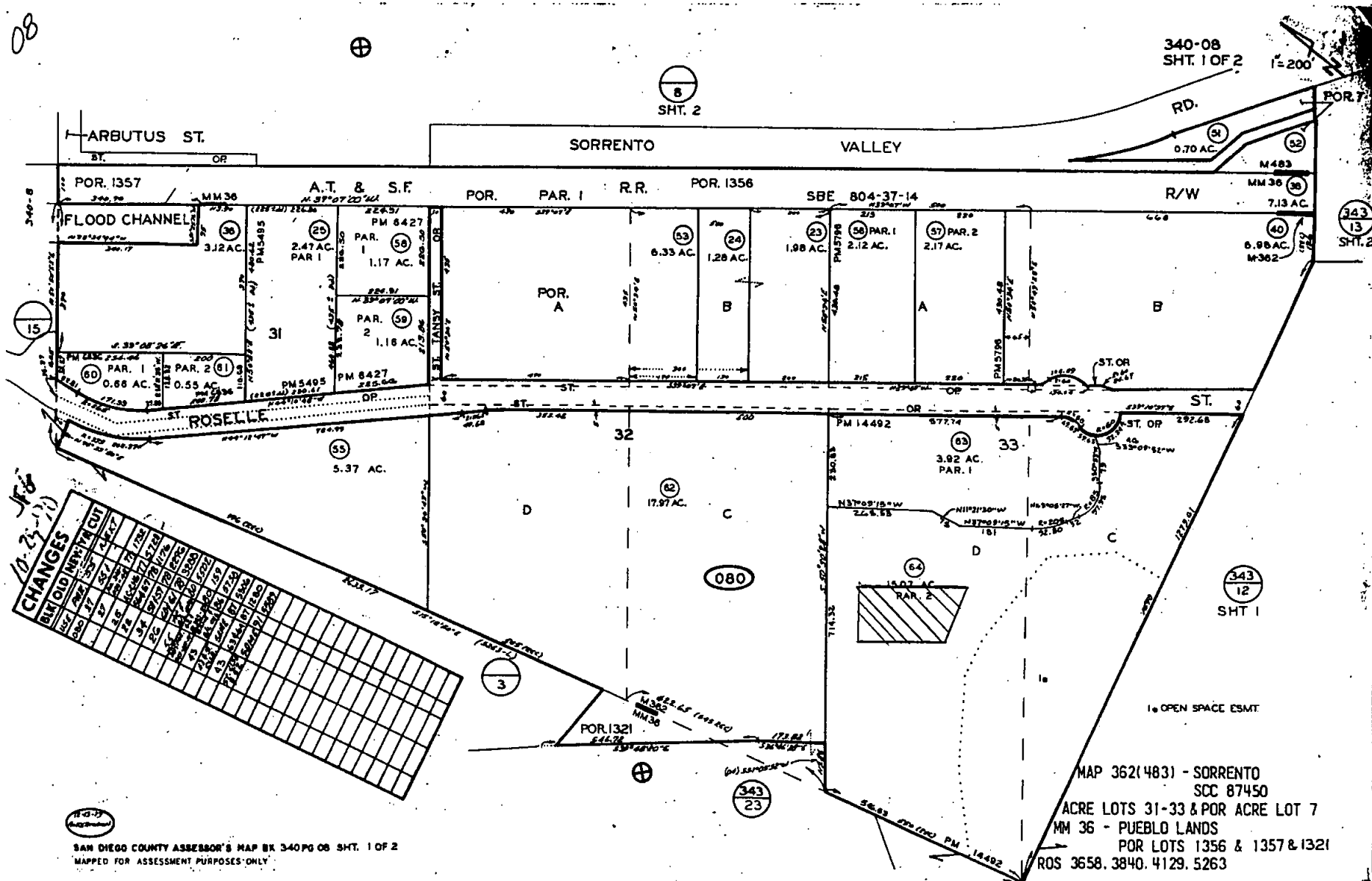
APPROVED AS TO FORM AND LEGALITY

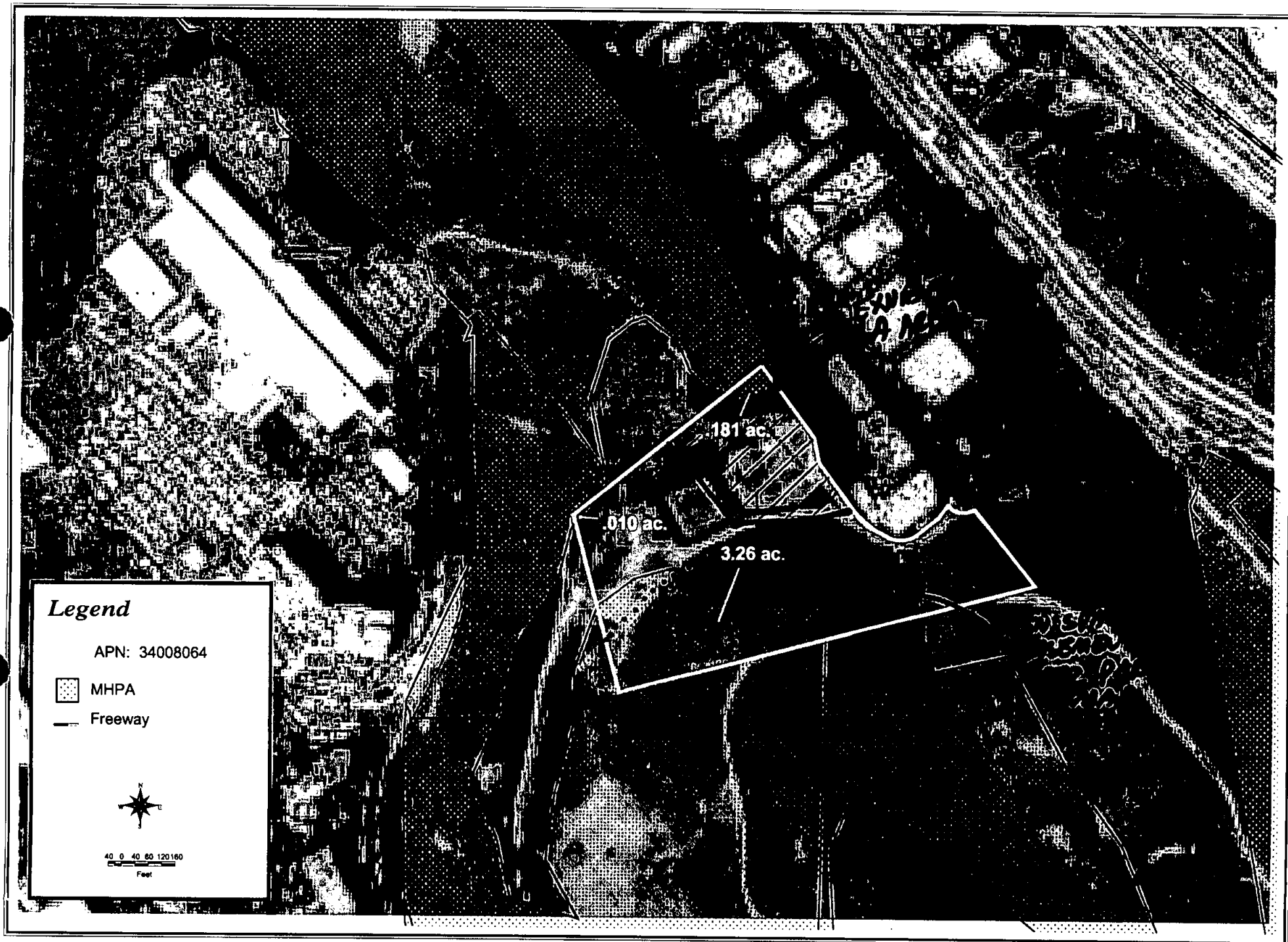
CASEY GWINN, City Attorney

By 
Deputy City Attorney

ENVIRONMENTAL ANALYSIS SECTION
ENVIRONMENTAL CLEARANCE:

By 







THE CITY OF SAN DIEGO

August 31, 2001

Files: Property File -K302-9
Permit File - APN No. 340-080-64
Job Order # 223087-001

CITY ATTORNEY
04 SEP 36 AM 8:31
CIVIL DIVISION

Mr. Armen Derderian
The Resource Management Group, Inc.
World Trade Center Building
1250 Sixth Avenue
San Diego, CA 92101

Attention: Armen Derderian, Owner

Reference: Right of Entry Permit - Assessor's Parcel No. 340-080-64, located at the end of Roselle Street in San Diego

The City of San Diego ("City") hereby grants permission to The Resource Management Group, Inc. ("Permittee") to enter upon the above-referenced City-owned property ("Permit Area"), as delineated on the attached Exhibit "A," upon the following terms and conditions:

1. Permittee's use of the Permit Area shall be limited to the storage of roll-off metal containers and trucks.
2. Consideration to City for granting this Permit shall be a \$360 non-refundable processing fee and a \$700 monthly Permit fee for approximately 24,500 square feet commencing on the effective date hereof. Starting January 1, 2002, the monthly rent shall increase to \$1,900 per month. Permit fees are payable at the office of the City Treasurer on or before the first day of each month. The first and last months' Permit fees will be prorated as necessary to achieve payment on the first of the month. Payments postmarked or paid in person after the first of the month will be subject to a 5 percent late charge if 1 to 15 days past due, and to an additional 5 percent late charge if 16 or more days past due. In no event shall the late charge be less than \$25.
3. The effective date of this Permit shall be October 1, 2001. Starting on February 1, 2002, this Permit shall be on a month-to-month status with either the City or the Permittee having a right to cancel this Permit on 30 days notice.
4. Permittee certifies that a policy of public liability and property damage insurance, in which "The City of San Diego" is named as an additional insured, has been secured in an amount of not less than \$3 million combined single limit liability with an occurrence claims form and that said policy shall be kept in force for the duration of



Real Estate Assets

1200 Third Avenue, Suite 1700, MS 51A • San Diego, CA 92101-4199
Tel (619) 236-6020 Fax (619) 236-6706

this Permit. A certificate of said insurance shall be filed with the City Real Estate Assets Department upon execution of this Permit.

5. Permittee agrees to defend, indemnify, protect, and hold the City, its agents, officers, and employees harmless from and against any and all claims asserted or liability established for damages or injuries to any person or property, including injury to Permittee's employees, invitees, guests, agents, or officers, which arise out of or are in any manner directly or indirectly connected with the development or operation of the Permit Area or the work and operations to be performed under this agreement, and all expenses of investigating and defending against same; provided, however, that Permittee's duty to indemnify and hold harmless shall not include any claims or liability arising from the established active negligence, sole negligence, or sole willful misconduct of the City, its agents, officers, or employees.
6. Permittee agrees not to discriminate in any manner against any person or persons on account of race, color, religion, gender, sexual orientation, medical status, national origin, age, marital status, or physical disability in Permittee's use of the Permit Area, including but not limited to the providing of goods, services, facilities, privileges, advantages, and accommodations, and the obtaining and holding of employment.
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Page 4
Mr. Armen Derderian
August 31, 2001

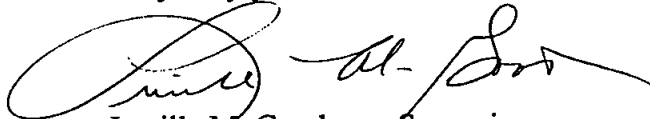
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Very truly yours,



Lucille M. Goodman, Supervisor
Real Estate Assets Department

Date: 9-4-01

JAB/jmj-n

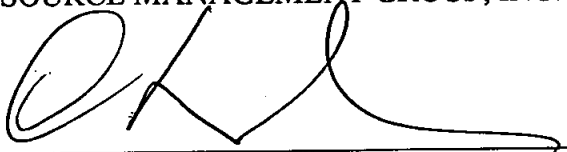
Attachments

cc: County Assessor

Page 5
Mr. Armen Derderian
August 14, 2001

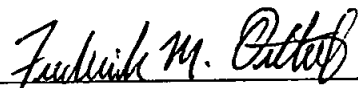
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THE RESOURCE MANAGEMENT GROUP, INC.

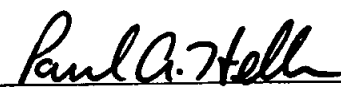
By 
Armen Derderian, Owner

APPROVED AS TO FORM AND LEGALITY

CASEY GWINN, City Attorney

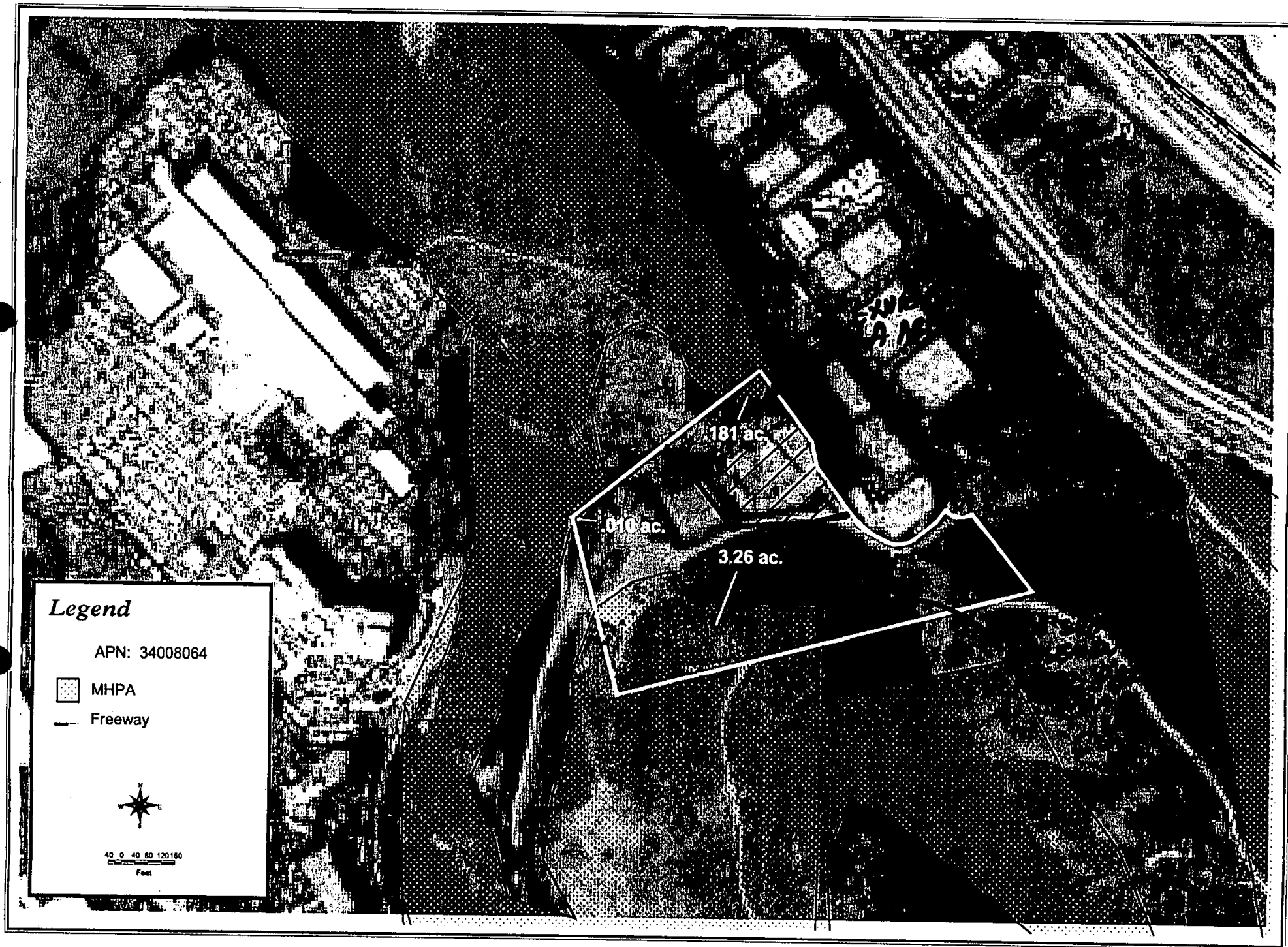
By 
Deputy City Attorney

ENVIRONMENTAL ANALYSIS SECTION
ENVIRONMENTAL CLEARANCE:

By 

[illegible]

MAP 362(483) - SORRENTO
SCC 87450
ACRE LOTS 31-33 & POR ACRE LOT 7
MM 36 - PUEBLO LANDS
POR LOTS 1356 & 1357 & 1321
ROS 3658, 3840, 4129, 5263



1999 AERIAL