

LEASE AGREEMENT

WIRELESS COMMUNICATIONS PADRE DAM MUNICIPAL WATER DISTRICT FOR A PORTION OF COWLES MOUNTAIN RADIO VAULT FACILITY

APN: PORTION OF APN 371-070-10

CO-LESSOR: COUNTY OF SAN DIEGO, a political subdivision of the State of California

CO-LESSOR: CITY OF SAN DIEGO, a municipal corporation of the State of California

LESSEE: PADRE DAM MUNICIPAL WATER DISTRICT

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EXHIBITS

EXHIBIT A	DESCRIPTION AND PLAT OF THE PREMISES
EXHIBIT B	INSURANCE REQUIREMENTS

LEASE AGREEMENT
COWLES MOUNTAIN WIRELESS COMMUNICATIONS SITE

THIS LEASE AGREEMENT ("Lease") is made and entered into effective as of the date of execution by the last party to sign the Lease ("Commencement Date"), by and between the COUNTY OF SAN DIEGO, a political subdivision of the State of California ("County"), the CITY OF SAN DIEGO, a municipal corporation of the State of California ("City"), herein called "Lessors" and PADRE DAM MUNICIPAL WATER DISTRICT, a municipal water district of the State of California organized pursuant to the Municipal Water District Law of 1911, herein called "Lessee."

IN CONSIDERATION OF THE RENTS AND COVENANTS hereinafter set forth, the County/City hereby leases to Lessee, and Lessee hereby leases from County/City, the premises described below upon the following terms and conditions:

ARTICLE 1
LEASE OF PREMISES

County/City hereby leases to Lessee and Lessee hereby leases from County/City, for the rent and upon the covenants and conditions hereinafter set forth, the premises ("Premises") consisting of that certain real property described as follows:

A portion of improved real property consisting of one-half of a rack space, utilities, emergency back-up power, common passageways, and an antenna communications space at the County/City radio tower located Cowles Mountain Communications site and further identified as a portion of Assessor Parcel Number 371-070-10 located at Mission Trails (Cowles Mountain) Regional Park, Navajo Road, San Diego, CA 92119. Sufficient for Lessee to install and maintain the "Lessee facilities" as hereafter defined in paragraph 5.1 of this Lease, together with access thereto (the "Premises"). Lessee agrees at Lessee's expense to fund the cost to install and maintain one-half radio communication interior storage rack space. A rack space is defined as area that is seven and a half (7 $\frac{1}{2}$) foot in height by nineteen (19") inch width space along with permission to install exterior antenna. All of said leased real property is outlined on the plat marked Exhibit "A" attached hereto and by this reference incorporated herein. The Premises shall include a right of access to the Premises, operating within County/City security and operational guidelines, seven (7) days a week, twenty-four (24) hours a day.

ARTICLE 2
TERM

The term of this Lease shall be ten (10) years, commencing on the Commencement Date and terminating sixty (60) days following delivery of written notice of termination by either party to the other.

ARTICLE 3
RENT

3.1 Base Monthly Rent. Subject to adjustment as provided in Section 3.2, "Cost of Living Adjustment," below, Lessee shall pay as rent for the use and occupancy of the Premises the sum of One Thousand Three Hundred Sixty Dollars (\$1,360.00) per month. Lessee shall pay said rent in advance, on the first day of each calendar month ("Rent Due Date"), without setoff, deduction, prior notice or demand, commencing on the Commencement Date. Should the Commencement Date be a day other than the first day of a calendar month, then the rent for such first fractional month shall be computed on a daily basis for the period from the Commencement Date to the end of such calendar month and at an amount equal to one thirtieth (1/30th) of the said monthly rent for each such day, and thereafter shall be computed and paid as aforesaid.

3.2 Cost Of Living Adjustments ("COLA") to the Base Monthly Rent. The Base Monthly Rent provided for in Section 3.1 shall be increased and adjusted by three (3%) percent as of the first anniversary of the Commencement Date, and thereafter every year on such date for the remainder of the Term (each such one-year period is referred to herein as a "COLA Period"), to reflect any increase in the purchasing power of the dollar.

3.3 Delivery of Rent Payments. All rent due under this Lease shall be made payable to the City of San Diego, and shall be considered paid when delivered to:

The City of San Diego
Office of the Treasurer
P.O. Box 122289
San Diego, California 92112-4165

or hand delivered to:

Office of the City Treasurer
Civic Center Plaza
1200 Third Avenue, First Floor
San Diego, California 92101-4155

County/City may, at any time, by written notice to Lessee, designate a different address to which Lessee shall deliver the rent payments. County/City may, but is not obligated to, send monthly rent invoices to Lessee.

3.4 Failure to Pay Base Monthly Rent or Additional Rent; Late Charge.

a. If Lessee fails to pay rent due hereunder at the time it is due and payable, such unpaid amounts shall bear interest at the rate of ten percent (10%) per year from the date due to the date of payment, computed on the basis of monthly compounding with actual days elapsed compared to a 360-day year. In addition to such interest, the late payment by Lessee of any monthly rental due hereunder will cause County/City to incur certain costs and expenses not contemplated under this

Lease, the exact amount of which costs being extremely difficult or impracticable to fix. Such costs and expenses will include, without limitation, administrative and collection costs, and processing and accounting expenses. Therefore, if any such monthly rental is not received by County/City within five (5) calendar days following the due date, Lessee shall immediately pay to County/City a late charge equal to five percent (5%) of such overdue amount. This late charge represents a reasonable estimate of such costs and expenses and is fair compensation to County/City for its loss caused by Lessee's nonpayment. Should Lessee pay said late charge but fail to pay contemporaneously therewith all unpaid amounts of rent due hereunder, County/City's acceptance of this late charge shall not constitute a waiver of Lessee's default with respect to such nonpayment by Lessee nor prevent County/City from exercising all other rights and remedies available to County/City under this Lease or under law.

b. In the event of a dispute between the parties as to the correct amount of Base Monthly Rent or Additional Rent owed by Lessee, County/City may accept any sum tendered by Lessee in payment thereof, without prejudice to County/City's claim as to the proper amount of rent owing. If it is later determined that Lessee has not paid the full amount of rent owing, the late charge specified herein shall apply only to that portion of the rent still due and payable from Lessee. Notwithstanding any provision of this Section to the contrary, however, County/City's Lease Administrator may waive any delinquency payment or late charge upon written application of Lessee.

ARTICLE 4 SECURITY DEPOSIT

No Security Deposit will be required.

ARTICLE 5 POSSESSION AND USE

5.1 Permitted Uses. Lessee acknowledges that it has been operating at this site for ten (10) years, and shall use the Premises for any lawful activity in relation to the construction, maintenance, and operation of radio communication rack space with common area access within a radio tower communications facility and appurtenances thereto. Each rack space will have width and depth measurements of approximately two feet by two feet and a height of seven and a half feet. The Joint Cowles Mountain City/County Technical Committee shall be responsible for the prompt evaluation of the cause(s) and for recommending actions designed to reduce or eliminate harmful interference to existing radio systems at the Cowles Mountain Radio Vault Facility. Lessee will have access to both the front and rear of both rack spaces. The antennas will be no longer than three inches in diameter. Equipment may include, but not limited to, radio transmitting and receiving equipment, antennas and antenna mounts ("Lessee's Facilities"). Lessee agrees to perform (or cause to be performed) the installation of Lessee's facilities in accordance with Motorola R56A standards, and to maintain and operate its equipment in accordance with said standards. Lessor will approve and direct the Lessee as to the placement of all antenna mounts. Lessee shall be solely responsible for all expenses and arrangements relating to said installation, all utility upgrades and Lessor shall not be party to any such arrangement or agreement and Lessee agrees to indemnify Lessor against

all obligations under such arrangements and agreements. All installations, maintenance, repairs and improvements shall be at Lessee's expense. Lessor plans no enhancements to the facility electrical system. Lessee shall coordinate with both the County of San Diego Sheriff Wireless Unit and City of San Diego Information Technology (IT) Department to confirm that adequate clearance is maintained between the County's and City Regional Communication System and Lessee's radio system. No one other than Lessee, its agents, volunteers and employees, or any sublessee of Lessee approved by County as provided in Article 14, "Assignment and Subletting," below, is permitted to use the Premises for the purposes described herein, and Lessee shall be fully responsible for the activities of its agents, volunteers and employees and sublessees, if any, on the Premises.

5.2 Duties and Prohibited Conduct. Where Lessee is reasonably in doubt as to the propriety of any particular use, Lessee may request the written determination of County/City's Lease Administrator that such use is or is not permitted, and Lessee will not be in breach or default under this Lease if Lessee abides by such determination. Notwithstanding the foregoing, however, Lessee shall not use nor permit the use of the Premises in any manner that will tend to create waste or a nuisance. Lessee shall, at Lessee's expense, comply promptly with all applicable statutes, laws, ordinances, rules, regulations, orders, covenants and restrictions of record, and requirements in effect during the term, regulating the use by Lessee of the Premises. Lessee shall not use, or permit any person or persons to use, the Premises for the sale or display of any goods and/or services, which, in the sole discretion of County/City, are inconsistent with the permitted uses of the Premises pursuant to this Lease. Lessee shall keep the Premises, and every part thereof, in a decent, safe and sanitary condition, free from any objectionable noises or odors, except as may be typically present for the permitted uses specified above.

5.3 Compliance With Stormwater Laws. Lessee's use of the Premises is subject to federal, state and local laws regarding the discharge into the stormwater conveyance system of pollutants. Compliance with these laws may require Lessee to develop, install, implement and maintain pollution prevention measures, source control measures and Best Management Practices ("BMPs"). BMPs can include operational practices; water or pollutant management practices; physical site features; or devices to remove pollutants from stormwater, to affect the flow of stormwater or to infiltrate stormwater to the ground. BMPs applicable to Lessee's use of the Premises may include a requirement that all materials, wastes or equipment with the potential to pollute urban runoff be stored in a manner that either prevents contact with rainfall and stormwater, or contains contaminated runoff for treatment and disposal. Lessee is required and agrees to use, operate, maintain, develop, redevelop and retrofit the Premises, as necessary, in accordance with all applicable federal, state and local laws restricting the discharge of non-stormwater at or from the Premises; and all such laws, regulations, or local guidance requiring pollution prevention measures, source control measures, or the installation or use of BMPs. Lessee further agrees to develop, install, implement and/or maintain at Lessee's sole cost and expense, any BMPs or similar pollution control devices required by federal, state and/or local law and any implementing regulations or guidance.

Lessee understands and acknowledges that the stormwater and non-stormwater requirements applicable to Lessee's use of the Premises may be changed from time to time by federal, state and/or local authorities, and that additional requirements may become applicable based on changes in Lessee's activities or development or redevelopment by Lessee or County/City. Lessee shall develop,

install, implement, and maintain such additional BMPs and/or other pollution control practices at the Premises at Lessee's sole cost and expense. To the extent there is a conflict between any federal, state or local law, Lessee shall comply with the more restrictive provision. If County/City receives any fine or fines from any regulatory agency as a result of Lessee's failure to comply with applicable stormwater laws as set forth in this Article, Lessee shall reimburse County for the entire fine amount, or any other cost or fee required for compliance.

ARTICLE 6 UTILITIES

6.1 Utility Services: Lessee agrees to provide and pay for all of the utilities and services necessary for the occupancy and use of the Premises, including, but not limited to, gas, water, electricity, trash, sewage charges or septic service, and telephone. County/City shall have no responsibility either to provide or pay for such services.

6.2 Energy Conservation by Lessee: Lessee shall be responsible for promoting energy conservation measures in the operation of all activities at the Lease premises. Lessee shall cooperate with the Landlord in all forms of energy conservation including energy-efficient lighting, heating and air-conditioning systems, and fixtures and equipment. Lessee shall comply with all existing and newly-enacted laws, by-laws, regulations, etc., relating to the conservation of energy. Lessee shall comply with all reasonable requests and demands of the Landlord pertaining to the installation and maintenance of energy conservation systems, fixtures, and equipment.

6.3 Energy Conservation by County/City: County/City is required to comply with all laws and regulations requiring the installation of energy-efficient systems, fixtures, and equipment at County/City buildings and facilities. In accordance with all laws and regulations and this Lease; Lessee shall maintain or repair, or cause to maintain or repair, the building, and related systems in accordance with current energy conservation standards.

6.4 Allocation of Costs for Energy Conservation Systems, Fixtures, and Equipment: During the term of this lease County/City may be required to install new energy-efficient systems, fixtures, or equipment within the Lease Premises or to serve said Premises. County/City shall be entitled to reasonably and equitably allocate the costs it incurs in connection with the installation thereof. County/City shall be entitled to amortize the cost of any capital improvements to any building, machinery or equipment installed that is made or becomes operational during the term of this Lease and which has the effect of reducing the Lessee's expenses that otherwise would be billed in the costs of operation. County/City shall have the option of allocating additional operating costs to lessees or occupants at either the actual cost or at a level equal to the projected or proven, operating cost reductions to Lessee.

ARTICLE 7 MECHANICS' LIENS

Lessee shall pay, or cause to be paid, all costs for work done by it, or caused to be done by it, on the Premises, and for all materials furnished for or in connection with any such work. If any lien

is filed against the Premises, Lessee shall cause the lien to be discharged of record within ten (10) days after it is filed. Lessee shall indemnify, defend and hold County/City harmless from any and all liability, loss, damage, costs, attorneys' fees and all other expenses on account of claims of lien of laborers or materialmen or others for work performed or materials or supplies furnished for Lessee or persons claiming under Lessee. Lessee shall have the right to contest the validity, nature, or amount of any such lien but, upon the final determination of such questions shall immediately pay any adverse judgment rendered with all proper cost and charges and shall have the lien released at its own expense. If Lessee desires to contest any such lien, then prior to commencing such contest, will post a bond, where necessary, to release the lien.

ARTICLE 8 SECURITY

Lessee shall be responsible for and shall provide for the security of Lessee's equipment space and antennas only and County/City shall have no responsibility therefor. Lessor shall, however, maintain reasonable security measures as is consistent with other regional communication sites, for both the communications building and tower of which the Premises are apart.

ARTICLE 9 TAXES, ASSESSMENTS AND FEES

9.1 Responsibility for Payment of Taxes and Assessments. County/City shall not be obligated to pay any taxes or assessments accruing against Lessee on the Premises or any interest of Lessee therein before, during or after the Term, or any extension thereof; all such payments shall be the sole responsibility of Lessee. In addition, Lessee shall be solely responsible for payment of any taxes or assessments levied upon any Improvements, Fixtures or Personal Property located on the Premises, to the extent that such taxes or assessments result from the business or other activities of Lessee upon, or in connection with, the Premises.

9.2 Definition of Taxes. As used herein, the term "taxes" means all taxes, governmental bonds, special assessments, Mello-Roos assessments, charges, rent income or transfer taxes, license and transaction fees, including, but not limited to, (i) any state, local, federal, personal or corporate income tax, or any real or personal property tax, (ii) any estate inheritance taxes, (iii) any franchise, succession or transfer taxes, (iv) interest on taxes or penalties resulting from Lessee's failure to pay taxes, (v) any increases in taxes attributable to the sale of Lessee's leasehold interest in the Premises, or (vi) any taxes which are essentially payments to a governmental agency for the right to make improvements to the Premises.

9.3 Creation of Possessory Interest. Pursuant to the provisions of Revenue and Taxation Code section 107.6, Lessee is hereby advised that the terms of this Lease may result in the creation of a possessory interest. If such a possessory interest is vested in Lessee, Lessee may be subjected to the payment of real property taxes levied on such interest. Lessee shall be solely responsible for the payment of any such real property taxes. Lessee shall pay all such taxes when due, and shall not allow any such taxes, assessments or fees to become a lien against the Premises or any improvement thereon; provided, however, that nothing herein shall be deemed to prevent or

prohibit Lessee from contesting the validity of any such tax, assessment or fee in a manner authorized by law.

ARTICLE 10 LESSEE'S RIGHT TO CONSTRUCT IMPROVEMENTS

10.1 Construction Permits and Licenses. Lessee shall procure, as its sole cost and expense, all permits and licenses that are or may in the future become necessary or required for its operation on the Premises. Lessee further agrees not to allow or permit any fee or charge for such permit or license to become delinquent or to become a lien on said Premises or any improvement thereon. County/City agrees, at no expense to County, to cooperate with Lessee in making application for and obtaining all licenses, permits, and any and all necessary approvals that may be required for Lessee's intended use of the Premises.

10.2 As-Built Plans and Construction Costs. Within sixty (60) days following completion of any substantial improvements within the Premises, Lessee, or its Engineer or Architect, shall furnish County/City a complete set of "As-built" plans. Lessee will be responsible for funding construction plan review. All construction plans, modifications or alterations will be provided for approval to the County of San Diego, Wireless Service Unit, attention Len Angle, (858) 495-5460.

10.3 Removal of Lessee's Fixtures, Equipment and Improvements. County/City agrees that all fixtures, equipment and improvements installed by Lessee in accordance with the provisions herein provided, whether before or after the Commencement Date of this Lease, and not being a replacement or repair of or for any improvement now existing and belonging to County/City, shall be and remain the property of Lessee. Lessee shall have the right to remove said fixtures, equipment and improvements prior to the termination of this Lease and its own expense, provided that any damage to County/City's property or improvements shall be repaired and the Premises left in as good order and condition as when Lessee took possession, normal wear and tear and casualty loss excepted. In the event Lessee does not so remove said fixtures and improvements prior to the expiration of this Lease, County/City may remove and store said fixtures and equipment at Lessee's sole cost and expense, and Lessee shall pay to County/City the reasonable cost thereof, together with the reasonable cost of repair of resulting damages to County/City's property or improvements.

ARTICLE 11 REPAIRS; MAINTENANCE

11.1 Acceptance of Premises. Lessee acknowledges that Lessee has made a thorough inspection of the Premises prior to the Commencement Date of this Lease, and that it accepts the Premises as of the Commencement Date in their condition at that time. Lessee further acknowledges that County/City has made no oral or written representations or warranties to Lessee regarding the condition of the Premises, and that Lessee is relying solely on its inspection of the Premises with respect thereto.

11.2 Lessee's Repair and Maintenance Obligations. Lessee shall at all times from and after the Commencement Date, at its own cost and expense, repair, maintain in good and tenantable condition and replace, as necessary, the Premises and every part thereof, including, without limitation, that portion of the following, as applicable, attributable to the Premises: the roof; the heating, ventilation and air conditioning system; mechanical and electrical systems; all meters, pipes, conduits, equipment, components and facilities (whether or not within the Premises) that supply the Premises exclusively with utilities (except to the extent the appropriate utility company has assumed these duties); all Fixtures and other equipment installed in the Premises; all exterior and interior glass installed in the Premises; all signs, lock and closing devices; all interior window sashes, casements and frames; doors and door frames (except for the painting of the exterior surfaces thereof); floor coverings; and all such items of repair, maintenance, alteration, improvement or reconstruction as may be required at any time or from time to time by a governmental agency having jurisdiction thereof. Lessee's obligations hereunder shall apply regardless of whether the repairs, restorations and replacements are ordinary or extraordinary, foreseeable or unforeseeable, capital or non-capital, or the fault or not the fault of Lessee, its agents, employees, invitees, visitors, sublessees or contractors. All replacements made by Lessee in accordance with this Section shall be of like size, kind and quality to the items replaced and shall be subject to County/City's approval. Upon surrender of the Premises, Lessee shall deliver the Premises to County/City in good order, condition and state of repair, but shall not be responsible for damages resulting from ordinary wear and tear. Lessee shall provide for trash removal, at its expense, and shall maintain all trash receptacles and trash areas in a clean, orderly and first-class condition.

11.3 Lessee's Failure to Maintain. If Lessee refuses or neglects to repair, replace, or maintain the Premises, or any part thereof, in a manner reasonably satisfactory to County/City, County/City may, upon giving Lessee reasonable written notice of its election to do so, make such repairs or perform such maintenance on behalf of and for the account of Lessee. If County/City makes or causes any such repairs to be made or performed, as provided for herein, Lessee shall pay that portion of the cost thereof attributable to the Premises to County/City, as additional rent, promptly upon receipt of an invoice therefore.

11.4 Right to Enter. Lessee shall permit County/City, or its authorized representatives, to enter the Premises at all times during usual business hours to inspect the same, and to perform, upon reasonable prior notice, any work therein that (a) may be necessary to comply with any laws, ordinances, rules or regulations of any public authority, (b) County/City may deem necessary to prevent waste or deterioration in connection with the Premises if Lessee does not make, or cause to be made, such repairs or perform, or cause to be performed, such work promptly after receipt of written demand from County/City, and (c) County/City may deem necessary in connection with the expansion, reduction, remodeling, protection or renovation of any County/City-constructed or owned facilities on or off of the Premises. Nothing herein shall imply any duty on the part of County/City to do any such work which, under any provision of this Lease, Lessee may be required to do, nor shall County/City's performance of any repairs on behalf of Lessee constitute a waiver of Lessee's default in failing to do the same. If County/City exercises any of its rights under this Section, Lessee shall not be entitled to any compensation, damages or abatement of rent from County/City for any injury or inconvenience occasioned thereby. In the even of an emergency situation which poses an immediate threat of substantial harm or damage to persons and/or property on Lessor's property and

which requires entry on the Premises, Lessor may enter the Premises and take such actions as required to protect individuals or personal property from such immediate threat of substantial harm or damage.

11.5 County/City Not Obligated to Repair or Maintain; Lessee's Waiver of California Civil Code Section 1942. To the extent that any remedies specified in this Lease conflict or are inconsistent with any provisions of California Civil Code section 1942, or any successor statute thereto ("CC §1942"), the provisions of this Lease shall control. Lessee specifically waives any right it may have pursuant to CC §1942 to effect maintenance or repairs to the Premises and to abate the costs thereof from rent due to the County/City under this Lease.

ARTICLE 12 INDEMNITY AND INSURANCE

12.1 Lessee's Indemnity. County/City shall not be liable for, and Lessee shall defend and indemnify County/City and the employees and agents of County/City (collectively "County/City Parties"), against any and all claims, demands, liability, judgments, awards, fines, mechanics' liens or other liens, labor disputes, losses, damages, expenses, charges or costs of any kind or character, including attorneys' fees and court costs (hereinafter collectively referred to as "Claims"), related to this Lease and arising either directly or indirectly from any act, error, omission or negligence of Lessee or its contractors, licensees, agents, volunteers, servants or employees, including, without limitation, Lessee's share of Claims caused by the concurrent negligent act, error or omission, whether active or passive, of Lessee and County/City Parties, in proportion to the percentage of the Claim(s) attributable to Lessee's negligence. Lessee shall have no obligation, however, to defend or indemnify County /City Parties from a Claim if it is determined by a court of competent jurisdiction that such Claim was caused by the negligence or willful misconduct of County/City Parties.

12.2 County/City's Indemnity. County/City shall defend and indemnify Lessee and hold it harmless from and against any Claims related to this Lease that arise from any act, omission or negligence of County/City Parties, including County/City's share of Claims caused by the concurrent negligent act, error or omission, whether active or passive, of Lessee and County/City Parties, in proportion to the percentage of the Claim(s) attributable to the negligence of any County/City Party or Parties.

12.3 Covered Claims. The obligations of Lessee and County/City hereunder to indemnify, defend and hold each other harmless shall not apply to the extent that insurance carried by Lessee or County/City, other than any program of self-insurance covers any Claim.

12.4 Lessee's Insurance Obligations. Without limiting Lessee's indemnification obligations to County/City under this Lease, Lessee shall provide and maintain, during the Term and for such other period as may be required herein, at its sole expense, insurance in the amounts and form specified in Exhibit "B," attached hereto.

12.5 County/City's Insurance Obligations. County/City maintains a policy of All-Risk Insurance covering the County's personal property in the Premises, including any fixtures or

equipment in the Premises owned by County/City. The County/City utilizes a program of self-funding with regard to any liability it may incur for personal injury or property damage arising out its use or occupancy of the Premises.

ARTICLE 13 HAZARDOUS MATERIALS

13.1 Hazardous Materials Laws-Definition. As used in this section, the term "Hazardous Materials Laws" means any and all federal, state or local laws or ordinances, rules, decrees, orders, regulations or court decisions (including the so-called "common law"), including without limitation the Comprehensive Environmental Response, Compensation and Liability Act of 1980, as amended (42 U.S.C. 9601 et seq.), the Hazardous Materials Transportation Act, as amended (49 U.S.C. 1801 et seq.), the Resource Conservation and Recovery Act of 1976, as amended (42 U.S.C. 6901 et seq.), and the California Environmental Quality Act of 1970, relating to hazardous substances, hazardous materials, hazardous waste, toxic substances, environmental conditions on, under or about the Premises, soil and ground water conditions or other similar substances or conditions.

13.2 Hazardous Materials - Definition. As used in this section the term "Hazardous Materials" means any chemical, compound, material, substance or other matter that:

- a. Is a flammable, explosive, asbestos, radioactive nuclear medicine, vaccine, bacteria, virus, hazardous waste, toxic, overtly injurious or potentially injurious material, whether injurious or potentially injurious by itself or in combination with other materials;
- b. Is controlled, referred to, designated in or governed by any Hazardous Materials Laws;
- c. Gives rise to any reporting, notice or publication requirements under any Hazardous Materials Laws; or
- d. Is any other material or substance giving rise to any liability, responsibility or duty upon the County or Lessee with respect to any third person under any Hazardous Materials Law.

13.3 Lessee's Representations and Warranties. Lessee represents and warrants that, during the Term or any extension thereof, or for such longer period as may be specified herein, Lessee shall comply with the following provisions unless otherwise specifically approved in writing by County/City's Lease Administrator:

- a. Lessee shall not cause or permit any Hazardous Materials to be brought, kept, sold, or used in or about the Premises by Lessee, its agents, employees, sublessees, assigns, contractors or invitees, except as required by Lessee's permitted use of the Premises, as described in Section 5.1, "Permitted Uses."
- b. Any handling, transportation, storage, treatment or usage by Lessee of Hazardous Materials that is to occur on the Premises following the Commencement Date shall be in

compliance with all applicable Hazardous Materials Laws.

c. Any installation or release, including but not limited to leaks, spills, release, discharge, emission, pumping, pouring, emptying, leaching, dumping or otherwise disposing of Hazardous Materials which may occur on the Premises following the Commencement Date shall be promptly and thoroughly cleaned, remediated and removed from the Premises by Lessee at its sole expense, and any such discharge or release shall be promptly reported in writing to County/City, and to any other appropriate governmental regulatory authorities.

d. No friable asbestos shall be constructed, placed on, deposited, stored, disposed of, or located by Lessee in the Premises.

e. No underground improvements, including but not limited to treatment or storage tanks, or water, gas or oil wells shall be located by Lessee on the Premises without County/City's prior written consent.

f. Lessee shall conduct and complete all investigations, studies, sampling, and testing procedures and all remedial, removal, and other actions necessary to clean up and remove all Hazardous Materials on, from, or affecting the Premises in accordance with all applicable Hazardous Materials Laws and to the satisfaction of County.

g. Activities proposed by Lessee that involve disturbing asbestos materials on site shall only be conducted in accordance with all federal, state and local asbestos rules and regulations including, but not limited to, the California Occupational Safety and Health Administration (Cal/OSHA), Environmental Protection Agency (EPA) and Air Pollution Control District (APCD), with prior written consent of the County/City, as follows:

Prior to conducting asbestos related activities, Lessee shall notify Lessor of the proposed work at least one month in advance. The notification shall include the location of work, type of asbestos containing material (ACM) to be removed and a work plan indicating the work practices and methods of control to be used during the abatement activity to control asbestos fiber release. The County/City Occupational Health Program shall review the work plan and may modify the plans as necessary.

Any asbestos related activities shall be performed by a contractor that is registered with Cal/OSHA and certified by the California Contractors State Licensing Board to perform asbestos work. Any asbestos related activities shall be overseen by a California Certified Asbestos Consultant (CAC), or a Certified Site Surveillance Technician under the direction of a CAC.

Replacement products used in tenant improvements or other construction activities shall not contain asbestos. Any replacement products used by Lessee shall be verified as non-asbestos products by using Material Safety Data Sheets (MSDS) and/or having the architect or project engineer verify that ACMs were not used.

h. Notice of Release. If Lessee knows or has reasonable cause to believe that a hazardous substance has been released on, under, or from the Premises, Lessee shall immediately notice County/City and deliver a written report thereof to County/City within three (3) days of receipt of the knowledge or cause for belief. If Lessee knows or has reasonable cause to believe that such substance is an imminent and substantial danger to public health and safety, Lessee shall take all actions necessary to alleviate the danger. Lessee shall promptly supply County/City with copies of all notices, reports, correspondence, and submissions made by Lessee to the United States Environmental Protection Agency, the United Occupational Safety and Health Administration, and any other local, state or federal authority which requires submission of any information concerning environmental matters or hazardous wastes or substances pursuant to applicable Hazardous Materials Laws.

i. Lessee shall promptly notify County/City of any liens threatened or attached against the Premises pursuant to any Hazardous Materials Law. If such a lien is filed against the Premises, then within twenty (20) days following such filing or before any governmental authority commences proceedings to sell the Premises pursuant to the lien, whichever occurs first, Lessee shall either: (a) pay the claim and remove the lien from the Premises; or (b) furnish either (1) a bond or cash deposit reasonably satisfactory to County/City in an amount not less than the claim from which the lien arises, or (2) other security satisfactory to County/City in an amount not less than that which is sufficient to discharge the claim from which the lien arises. At the end of this lease, Lessee shall surrender the Premises to County free of any and all Hazardous Materials and in compliance with all Hazardous Materials Laws affecting the Premises.

13.4 Indemnification by Lessee. Lessee (and, if applicable, each of its general partners) and its successors, assigns, and guarantors, if any, jointly and severally agree to protect, indemnify, defend (with counsel selected by County/City), reimburse and hold County/City and its officers, employees and agents harmless from any claims, judgments, damages, penalties, fines, costs or expenses (known or unknown, contingent or otherwise), liabilities (including sums paid in settlement of claims), personal injury (including wrongful death), property damage (real or personal) or loss, including attorneys' fees, consultants' fees, and experts' fees (consultants and experts to be selected by County/City) which arise during or after the Term from or in connection with the presence or suspected presence of Hazardous Materials caused by Lessee or allowed to be placed on the Premises by Lessee, including the soil, ground water or soil vapor on or under the Premises. Without limiting the generality of the foregoing, the indemnification provided by this section shall specifically cover costs incurred in connection with investigation of site conditions or any cleanup, remedial, removal or restoration work required by any Hazardous Materials Laws because of the presence of Hazardous Materials in the soil, ground water or soil vapor on the Premises, and the release or discharge of Hazardous Materials by Lessee during the course of Lessee's alteration or improvement of the Premises.

13.5 Environmental Assessment. Upon reasonable cause to believe the Lessee's occupancy, use, development, or maintenance of the Premises resulted in any hazardous substance being released on or beneath the Premises, County/City may cause an environmental assessment of the Premises to be performed by a professional Engineer, Certified Engineering Geologist, or Registered Civil Engineer. The environmental assessment shall be obtained at Lessee's sole cost and

expense, and shall establish what, if any, hazardous substances have more likely than not been caused by Lessee's operations on, in or under the Premises, and in what quantities. If any such hazardous substance exist in quantities greater than allowed by County, City, State or Federal laws, statutes, ordinances, or regulations, then the environmental assessment shall include a discussion of such 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. Lessee shall cause, or if Lessee fails to do so within a reasonable period of time, County/City may cause the remediation and/or removal recommended in the environmental assessment such that compliance with environmental law is achieved, and Lessee shall pay all costs and expenses therefor.

13.6 Remedies Cumulative; Survival. The provisions of this Article shall be in addition to any and all common law obligations and liabilities Lessee may have to County/City, and any remedies and the environmental indemnities provided for herein shall survive the expiration or termination of this Lease and/or any transfer of all or any portion of the Premises, or of any interest in this Lease, and shall be governed by the laws of the State of California.

13.7 Inspection. County and County/City's agents, servants, and employees including, without limitation, legal counsel and environmental consultants and engineers retained by County/City, may (but without the obligation or duty so to do), at any time and from time to time, on not less than ten (10) business days' notice to Lessee (except in the event of an emergency in which case no notice shall be required), inspect the Premises to determine whether Lessee is complying with Lessee's obligations set forth in this Article, and to perform environmental inspections and samplings, during regular business hours (except in the event of an emergency) or during such other hours as County/City and Lessee may agree. If Lessee is not in compliance, County/City shall have the right, in addition to County/City's other remedies available at law and in equity, to enter upon the Premises immediately and take such action as County/City in its sole judgment deems appropriate to remediate any actual or threatened contamination caused by Lessee's failure to comply. County/City will use reasonable efforts to minimize interference with Lessee's use of Premises but shall not be liable for any interference caused by County/City's entry and remediation efforts. Upon completion of any sampling or testing County/City will (at Lessee's expense if County/City's actions are a result of Lessee's default under this section) restore the affected area of the Premises from any damage caused by County/City's sampling and testing.

ARTICLE 14 ASSIGNMENT AND SUBLETTING

Lessee shall not voluntarily or involuntarily assign, sublease, mortgage, encumber, or otherwise transfer (collectively, a "Transfer") all or any portion of the Premises or its interest in this Lease without County/City's prior written consent. County/City may reasonably withhold its consent to any Transfer. Any attempted Transfer without County/City's consent shall be void and shall constitute a material breach of this Lease. As used herein, the term "Transfer" shall include an arrangement (including without limitation management agreements, concessions, and licenses) that allows the use and occupancy of all or part of the Premises by anyone other than Lessee.

ARTICLE 15
COUNTY/CITY'S RIGHT OF ACCESS

a. County/City, its agents, employees, and contractors may enter the Premises at any time in response to an emergency, and at reasonable hours to (a) inspect the Premises, (b) exhibit the Premises to prospective purchasers or Lessees, (c) determine whether Lessee is complying with its obligations in this Lease (including its obligations with respect to compliance with Hazardous Materials Laws), (d) supply cleaning service and any other service that this Lease requires County/City to provide, (e) post notices of non-responsibility or similar notices, or (f) with reasonable prior notice, make repairs that this Lease requires County/City to make, or make repairs to any adjoining space or utility services, or make repairs, alterations, or improvements to any other portion of the Premises; provided, however, that all work will be done as promptly as reasonably possible and so as to cause as little interference to Lessee as reasonably possible.

b. As long as reasonable prior notice of entry for the purpose of conducting work on the Premises is provided in accordance with this Lease, Lessee waives any claim of injury or inconvenience to Lessee's business, interference with Lessee's business, loss of occupancy or quiet enjoyment of the Premises, or any other loss occasioned by such entry. If necessary, Lessee shall provide County/City with keys to unlock all of the doors in the Premises (excluding Lessee's vaults, safes, and similar areas designated in writing by Lessee in advance). County/City will have the right to use any means that County/City may deem proper to open doors in the Premises and to the Premises in an emergency. No entry to the Premises by County/City by any means compliant with the terms of this Lease will be a forcible or unlawful entry into the Premises or a detainer of the Premises or an eviction, actual or constructive, of Lessee from the Premises, or any part of the Premises, nor shall the entry entitle Lessee to damages or an abatement of rent or other charges that this Lease requires Lessee to pay.

ARTICLE 16
QUIET ENJOYMENT

If Lessee is not in breach under the covenants made in this Lease, County/City covenants that Lessee shall have peaceful and quiet enjoyment of the Premises without hindrance on the part of County/City. County/City will defend Lessee in the peaceful and quiet enjoyment of the Premises against claims of all persons claiming through or under the County/City.

ARTICLE 17
NOTICES

16.1 Notices. Whenever in this Lease it shall be required or permitted that notice or demand be given or served by either party to this Lease to or on the other, such notice or demand shall be in writing, mailed or delivered to the other party at the following addresses:

To County: Director
Department of General Services
5555 Overland Avenue
Building 2, Suite 2240
San Diego, California 92123-1294

To City: City of San Diego
Real Estate Assets Department
Attention: Real Estate Assets Director
1200 Third Avenue, Suite 1700, MS 51A
San Diego, California 92101-4155

To City: City of San Diego
Information, Technology and Communications Department
Attention: Communications Division
Central Operations
1220 Caminito Centro
San Diego, California 92102

To Lessee: Director of Finance
Padre Dam Municipal Water District
9300 Fanita Parkway/P.O. Box 719003
Santee, CA 92072-9003

To Lessee: Right of Way Department
Padre Dam Municipal Water District
9300 Fanita Parkway/P.O. Box 719003
Santee, CA 92072-9003

Mailed notices shall be sent by United States Postal Service, certified or registered mail, postage prepaid and shall be deemed to have been given, delivered and received three (3) business days after the date such notice or other communication is posted by the United States Postal Service. All other such notices or other communications shall be deemed given, delivered and received upon actual receipt. Either party may, by written notice delivered pursuant to this provision, at any time designate a different address to which notices shall be sent.

17.2 Default Notices. Notwithstanding anything to the contrary contained within this Article, any notices County/City is required or authorized to deliver to Lessee in order to advise

Lessee of alleged violations of Lessee's covenants under this Lease must be in writing but shall be deemed to have been duly given or served upon Lessee by County/City attempting to deliver at the address listed above during normal business hours a copy of such notice to Lessee or its managing employee and by County/City mailing a copy of such notice to Lessee in the manner specified in the preceding Section.

ARTICLE 18 AFFIRMATIVE ACTION PROGRAM FOR DISABLED PERSONS

Lessee shall comply with the Affirmative Action Program for Vendors pertaining to employment of disabled persons, as set forth in Article IIIK (commencing at Section 84) of the San Diego County Administrative Code, which program is incorporated in this Lease by this reference. Lessee is informed that the County's Affirmative Action Program for Vendors provides that its requirements shall not apply to any lessee, or subcontractor of a lessee, who has a regular, paid workforce of less than fifteen (15) employees. A copy of this Affirmative Action Program will be furnished upon request by the Lease Administrator.

ARTICLE 19 WAIVER OF RELOCATION ASSISTANCE BENEFITS

19.1 Relocation Assistance Benefits. Lessee is hereby informed and acknowledges the following:

a. By entering into this Lease and becoming a tenant of County, Lessee may become entitled to receipt of "relocation assistance benefits" ("Relocation Benefits") pursuant to the Federal Uniform Relocation Assistance Act (42 U.S.C., 4601 et seq.) and/or the California Relocation Assistance Law (Cal. Gov. Code, 7270 et seq.) (collectively, the "Relocation Statutes"), should County at some time make use of the Premises in such a way as to "displace" Lessee from the Premises. Pursuant to the Relocation Statutes, County may then become obligated to make such payments to Lessee even where such displacement of Lessee does not otherwise constitute a breach or default by County of its obligations pursuant to this Lease.

b. Under the Relocation Statutes in effect as of the Date of Commencement of this Lease, Relocation Benefits may include payment to such a "displaced person" of (i) the actual and reasonable expense of moving himself or herself and a family, business, or farm operation, including personal property, (ii) the actual direct loss of reestablishing a business or farm operation, but not to exceed Ten Thousand Dollars (\$10,000), or (iii) payment in lieu of moving expenses of not less than One Thousand Dollars (\$1000) or more than Twenty Thousand Dollars (\$20,000).

19.2 Lessee's Waiver and Release of Relocation Benefits. In consideration of County/City's agreement to enter into this Lease, Lessee hereby waives any and all rights it may now have, or may hereafter obtain, to Relocation Benefits arising out of the County/City's assertion or exercise of its contractual rights to terminate this Lease pursuant to its terms, whether or not such rights are contested by Lessee or any other entity, and releases County/City from any liability for payment of such Relocation Benefits; provided, however, that Lessee does not waive its rights to

Relocation Benefits to the extent that Lessee's entitlement thereto may arise out of any condemnation or pre-condemnation actions taken by the County/City or any other public agency with respect to the Premises. Lessee shall in the future execute any further documentation of the release and waiver provided hereby as County/City may reasonably require.

ARTICLE 20 GENERAL PROVISIONS

20.1 Authority. Lessee represents and warrants that it has full power and authority to execute and fully perform its obligations under this Lease pursuant to its governing instruments, without the need for any further action, and that the person(s) executing this Lease on behalf of Lessee are the duly designated agents of Lessee and are authorized to do so.

20.2 Brokers. Lessee warrants that it has had no dealings with any real estate broker or agent in connection with the negotiation and/or execution of this Lease. In the event any broker other than the brokers acknowledged in writing by County make claim for monies owed, Lessee shall indemnify, defend and hold County harmless therefrom.

20.3 Captions. The captions, headings and index appearing in this Lease are inserted for convenience only and in no way define, limit, construe, or describe the scope or intent of the provisions of this Lease.

20.4 County Approval. Except where stated herein to the contrary, the phrases "County/City's approval," and "County/City's written approval" or such similar phrases shall mean approval of County/City's Lease Administrator or said Administrator's representative as authorized by said administrator in writing.

20.5 Cumulative Remedies. In the event of a default under this Lease, each party's remedies shall include those remedies set forth in this Lease as well as all remedies available at law or in equity. Any such remedies are cumulative and not exclusive of any other remedies under this Lease or at law or in equity to which the non-defaulting party may be entitled.

20.6 Entire Agreement. This Lease, together with all addenda, exhibits and riders attached hereto, constitutes the entire agreement between the parties with respect to the subject matter hereof, and all prior or contemporaneous agreements, understandings and representations, oral or written, are superseded.

20.7 Estoppel Certificate. Lessee shall at any time during the term of this Lease, within five (5) business days of written notice from County/City, execute and deliver to County/City a statement in writing certifying that this Lease is unmodified and in full force and effect or, if modified, stating the nature of such modification. Lessee's statement shall include other details requested by County/City, such as the date on which rent and other charges are paid, the current ownership and name of Lessee, Lessee's knowledge concerning any outstanding defaults with respect to County/City's obligations under this Lease and the nature of any such defaults. Any such

statement may be relied upon conclusively by any prospective purchaser or encumbrancer of the Premises. Lessee's failure to deliver such statements within such time shall be conclusively deemed to mean that this Lease is in full force and effect, except to the extent any modification has been represented by County/City, that there are no uncured defaults in the County/City's performance, and that not more than one month's rent has been paid in advance.

20.8 Exhibits. All exhibits referred to herein are attached hereto and incorporated by reference.

20.9 Force Majeure. In the event either party is prevented or delayed from performing any act or discharging any obligation hereunder, except for the payment of rent by Lessee, because of any and all causes beyond either party's reasonable control, including unusual delays in deliveries, abnormal adverse weather conditions, unavoidable casualties, strikes, labor disputes, inability to obtain labor, materials or equipment, acts of God, governmental restrictions, regulations or controls, any hostile government actions, civil commotion and fire or other casualty, legal actions attacking the validity of this Lease or the County/City's occupancy of the Premises, or any other casualties beyond the reasonable control of either party except casualties resulting from Lessee's negligent operation or maintenance of the Premises ("Force Majeure"), performance of such act shall be excused for the period of such delay, and the period for performance of such act shall be extended for a period equivalent to the period of such delay. Force Majeure shall not include any bankruptcy, insolvency, or other financial inability on the part of either party hereto.

20.10 Governing Law. This Lease shall be governed, construed and enforced in accordance with the laws of the State of California.

20.11 Interpretation. The language of this Lease shall be construed simply according to its plain meaning and shall not be construed for or against either party.

20.12 Joint and Several Liability. If more than one person or entity executes this Lease as Lessee, each of them is jointly and severally liable for all of the obligations of Lessee hereunder.

20.13 Lease Administration. This Lease shall be administered on behalf of County/City by the Director, Department of General Services, County of San Diego, or by such person's duly-authorized designee (referred to collectively herein as "County/City's Lease Administrator"), and on behalf of Lessee by: General Manager, Padre Dam Municipal Water District, 9300 Fanita Parkway/P.O. Box 719003, Santee, Ca 92072-9003, or by such other person as may be designated in writing by Lessee (referred to collectively herein as "Lessee's Lease Administrator").

20.14 Lessee's Lease Administration. Lessee confirms that Lessee's Lease Administrator has been given full operational responsibility for compliance with the terms of this Lease. Lessee shall provide County/City with a written schedule of its normal hours of business operation on the Premises, and Lessee's Lease Administrator or a representative designated thereby shall be (i) available to County on a twenty-four (24) hour a day, seven (7) days a week, basis, and (ii) present on the Premises during Lessee's normal business hours, to resolve problems or answer question pertaining to this Lease and Lessee's operations on the Premises.

20.15 Liquidated Damages. Any payments by Lessee to County under this Lease described as liquidated damages represent the parties' reasonable estimate of County's actual damages under the described circumstances, such actual damages being uncertain and difficult to ascertain in light of the impossibility of foreseeing the state of the leasing market at the time of the various deadlines set forth herein. County may, at its election, take any of the liquidated damages assessed in any portion of this Lease as direct monetary payments from Lessee and/or as an increase of rent due from Lessee under this Lease.

20.16 Modification. The provisions of this Lease may not be modified, except by a written instrument signed by both parties.

20.17 Partial Invalidity. If any provision of this Lease is determined by a court of competent jurisdiction to be invalid or unenforceable, the remainder of this Lease shall not be affected thereby. Each provision shall be valid and enforceable to the fullest extent permitted by law.

20.18 Payments. Except as may otherwise be expressly stated, each payment required to be made by Lessee shall be in addition to, and not a substitute for, other payments to be made by Lessee.

20.19 Successors & Assigns. This Lease shall be binding on and inure to the benefit of the parties and their successors and assigns, except as may otherwise be provided herein.

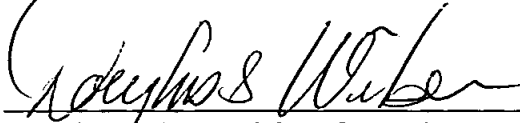
20.20 Time of Essence. Time is of the essence of each and every provision of this Lease.

20.21 Waiver. No provision of this Lease or the breach thereof shall be deemed waived, except by written consent of the party against whom the waiver is claimed. The waiver by County of any breach of any term, covenant or condition contained in this Lease shall not be deemed to be a waiver of such term, covenant or condition of any subsequent breach thereof, or of any other term, covenant or condition contained in this Lease. County's subsequent acceptance of partial rent or performance by Lessee shall not be deemed to be an accord and satisfaction or a waiver of any preceding breach by Lessee of any term, covenant or condition of this Lease or of any right of County to a forfeiture of the Lease by reason of such breach, regardless of County's knowledge of such preceding breach at the time of County's acceptance. The failure on the part of County to require exact or full and complete compliance with any of the covenants, conditions of agreements of this Lease shall not be construed as in any manner changing or waiving the terms of this Lease or as estopping County from enforcing in full the provisions hereof. No custom or practice which may arise between the parties hereto in the course of administering this Lease shall be construed to waive, estop or in any way lessen County's right to insist upon Lessee's full performance of, or compliance with, any term, covenant or condition of this Lease or to inhibit or prevent County's exercise of its rights with respect to any default, dereliction or breach of this Lease by Lessee.

IN WITNESS WHEREOF, the County, City, and Lessee have duly executed this Lease as of the Commencement Date.

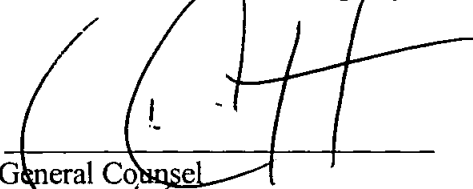
LESSEE:

PADRE DAM MUNICIPAL WATER DISTRICT

By: 
DOUGLAS S. WILSON, General Manager

Date: 1/22/08

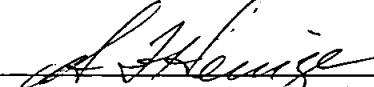
Approved As To Form And Legality:

By: 
General Counsel

Date: 1/22/08

LESSOR:

THE COUNTY OF SAN DIEGO,
a political subdivision of the State of California

By: 
APRIL F. HEINZE, P.E., Director
Department of General Services

Date: 2-8-08

THE CITY OF SAN DIEGO,
a municipal corporation of the State of California

By: 
JAMES F. BARWICK, Director
Real Estate Assets Department

Date: 2/14/08

Approved As To Form And Legality:

MICHAEL J. AGUIRRE, City Attorney

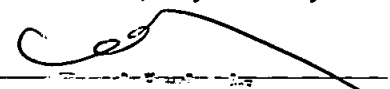
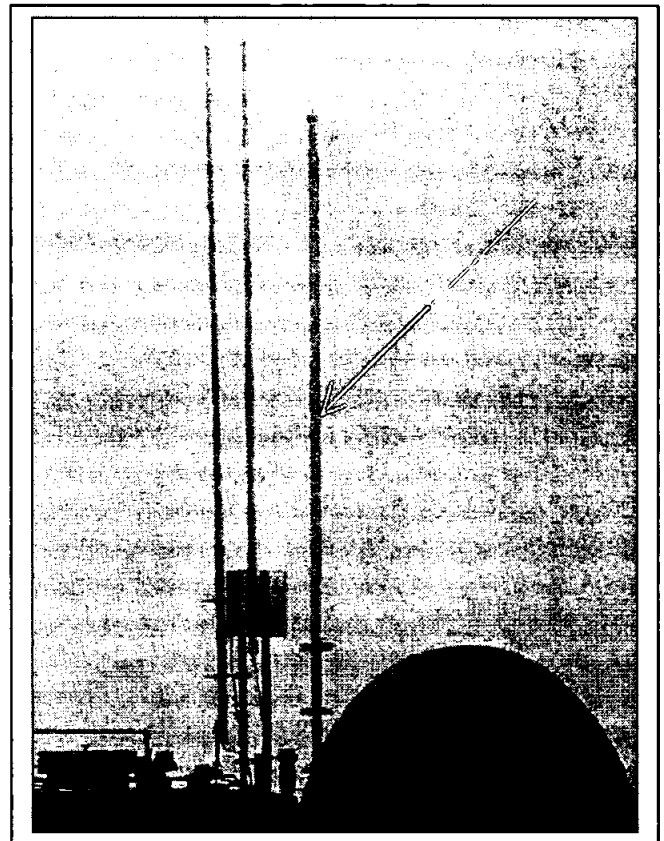
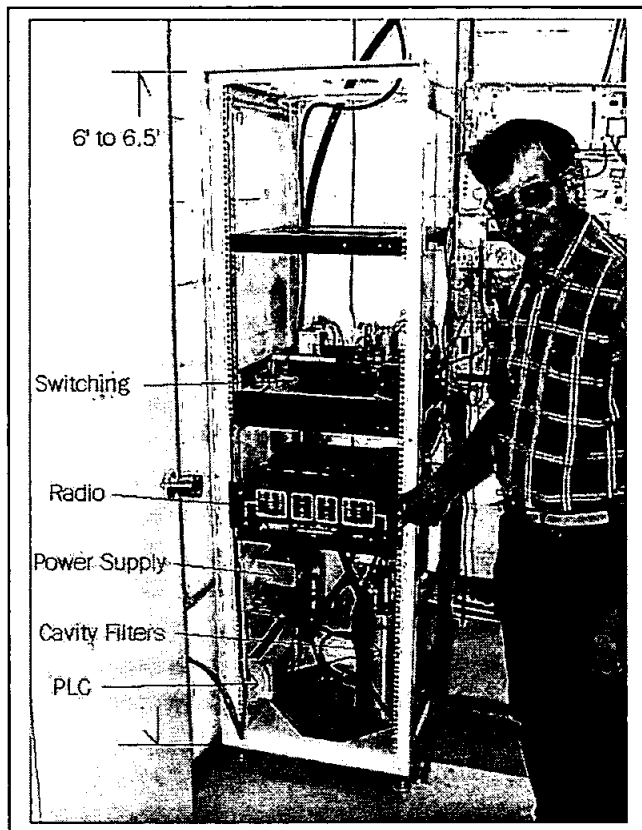
By: 
Title: Deputy City Attorney
Date: 2-25-08

EXHIBIT A
DESCRIPTION AND PLAT OF THE PREMISES

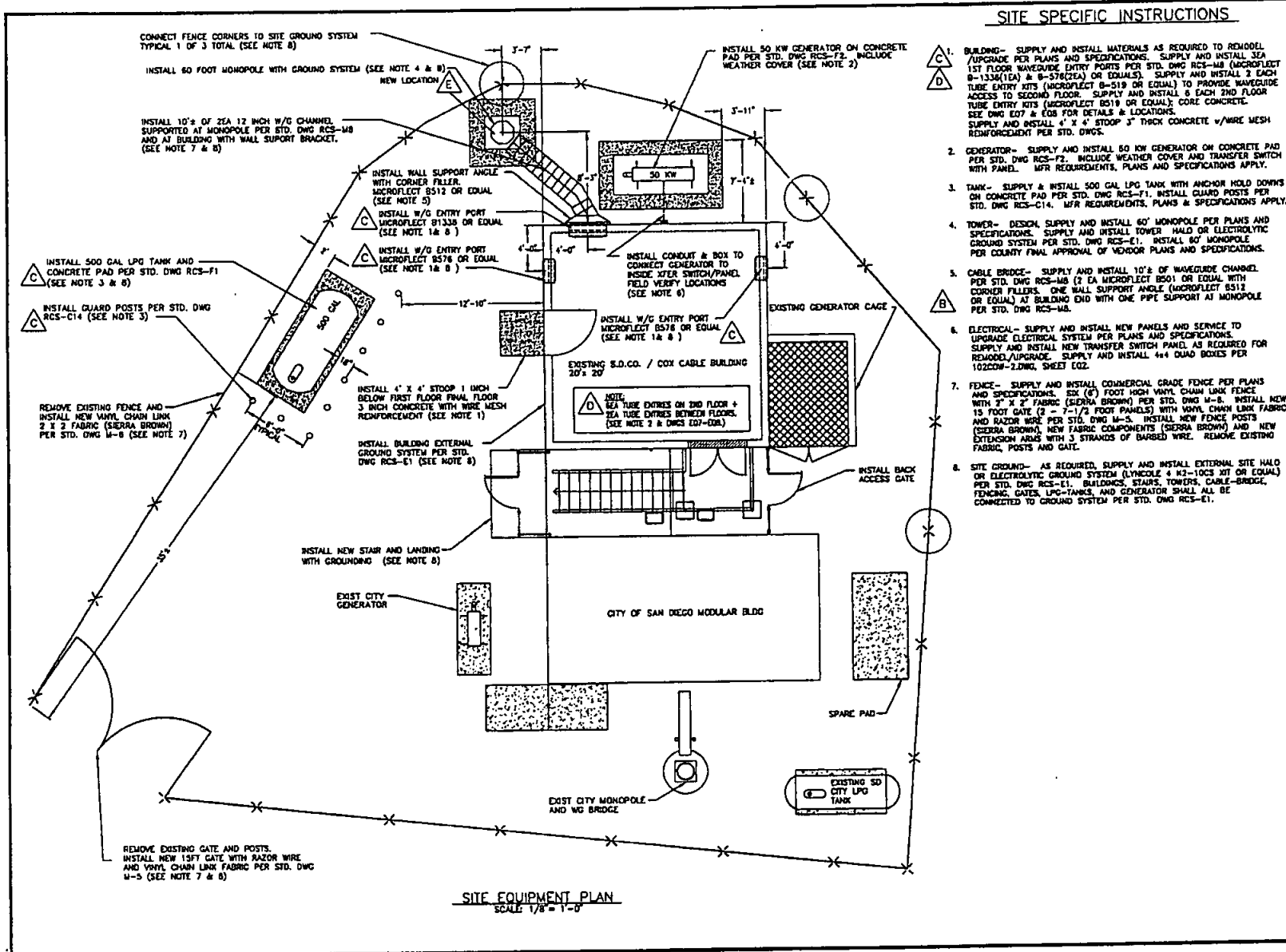
Padre Dam facilities consist of the following equipment in half of a cabinet within the Cowles Mountain building along with one 13' x 3" diameter antenna outside of the building:

- 1 Radio – Alligator Model 1800
- 2 PLC – Modicon 612
- 3 Cavity Filters
- 4 Power Supply
- 5 Switching Device





DESIGNED BY: J. THOMAS	DRAWN BY: LA	REV. NO: E	SCALE: 11" X 17"
FILE NAME: 102COW-2.DWG	SCALE: 1/4" = 1'-0"	DATE: 10/17/01	SHEET: EQ2



COUNTY OF SAN DIEGO			
800 Mhz			
REGIONAL COMMUNICATION SYSTEM			
COWLES MOUNTAIN, SITE 102			
EQUIPMENT PLAN			
REV	DATE	BY	MODIFICATION
1	11/06/08	LA	NEW MONOPOLE PER CONTRACTOR
2	10/21/08	LA	LA & HOF 8-5 ENTRY OF STD. F
3	10/21/08	LA	LA & HOF 8-5 ENTRY OF STD. F
4	10/21/08	LA	LA & HOF 8-5 ENTRY OF STD. F
5	10/21/08	LA	LA & HOF 8-5 ENTRY OF STD. F
6	10/21/08	LA	LA & HOF 8-5 ENTRY OF STD. F
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37	10/21/08	LA	LA & HOF 8-5 ENTRY OF STD. F
38	10/21/08	LA	LA & HOF 8-5 ENTRY OF STD. F
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98	10/21/08	LA	LA & HOF 8-5 ENTRY OF STD. F
99	10/21/08	LA	LA & HOF 8-5 ENTRY OF STD. F
100	10/21/08	LA	LA & HOF 8-5 ENTRY OF STD. F



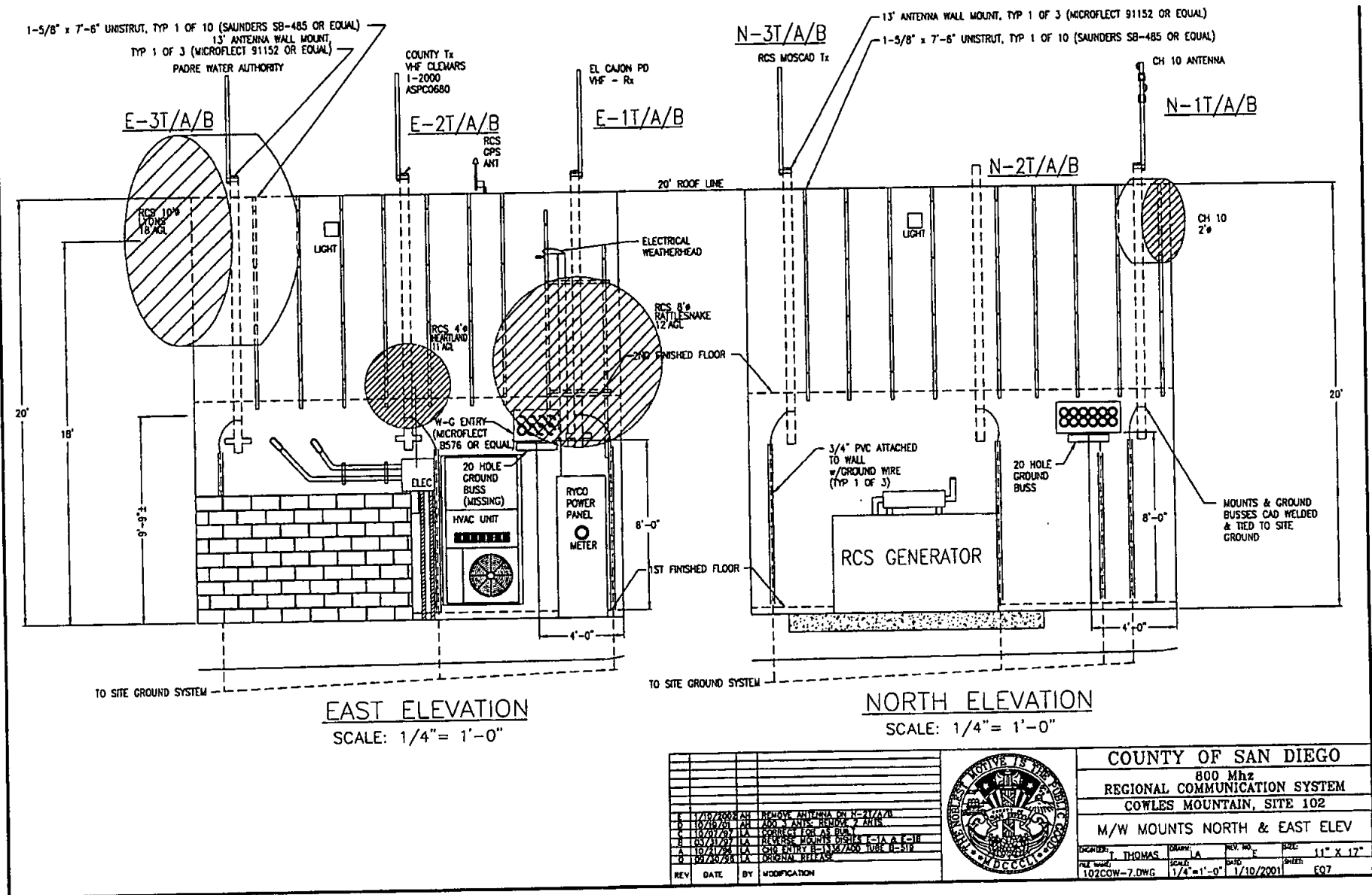


EXHIBIT A

EXHIBIT B
INSURANCE REQUIREMENTS

INSURANCE REQUIREMENTS

Without limiting Lessee's indemnification obligations to County under this Lease, Lessee shall provide and maintain for the duration of this Lease insurance against claims for injuries to persons or damages to property which may arise from or in connection with the Lessee's operation and use of the leased premises. The cost of such insurance shall be borne by the Lessee.

1. Minimum Scope of Insurance

Coverage shall be at least as broad as:

- A. Commercial General Liability, Occurrence form, Insurance Services Office Form CG0001.
- B. Automobile Liability covering all owned, non-owned and hired auto, Insurance Services Office form CA0001.
- C. Workers Compensation, as required by State of California and Employer's Liability Insurance.
- D. Property Insurance against all risk or special form perils, including Replacement Cost coverage, without deduction for depreciation, for Lessee's merchandise, fixtures owned by Lessee, any items identified in this Lease as improvements to the Premises constructed and owned by Lessee, and the personal property of Lessee, its agents and employees.

Rental Income Insurance assuring County of receiving the minimum monthly rent from the time the Premises are damaged or destroyed with a minimum period of coverage for one (1) year.

2. Minimum Limits of Insurance

Lessee shall maintain limits no less than:

- A. Commercial General Liability including Premises, Operations, Products and Completed Operations, Contractual Liability and Independent Contractors: \$1,000,000 per occurrence for bodily injury, personal injury, property damage fire damage and medical expense. The General Aggregate limit shall be \$2,000,000 and shall be a Per Location Aggregate.

- B. Automobile Liability: \$1,000,000 each accident for bodily injury and property damage. Coverage will include contractual liability.
- C. Employers Liability: \$1,000,000 each accident for bodily injury or disease. Coverage shall include a waiver of subrogation endorsement in favor of County of San Diego.
- D. Property: Full replacement cost with no coinsurance penalty provision.

3. Deductibles and Self-Insured Retentions

Any liability deductible or self-insured retention must be declared to and approved by the County's Risk Manager. The property insurance deductible shall not exceed \$5,000 per occurrence and shall be borne by Lessee.

4. Other Insurance Provisions

The general liability and automobile liability policies are to contain, or be endorsed to contain the following provisions:

A. Additional Insured Endorsement

Any general liability policy provided by Lessee shall contain an additional insured endorsement applying coverage to the County of San Diego, the members of the Board of Supervisors of the County and the officers, agents, employees and volunteers of the County, individually and collectively.

B. Primary Insurance Endorsement

For any claims related to this Lease, the Lessee's insurance coverage shall be primary insurance as respects the County, the members of the Board of Supervisors of the County and the officers, agents, employees and volunteers of the County, individually and collectively. Any insurance or self-insurance maintained by the County, the members of the Board of Supervisors of the County, its officers, officials, employees, or volunteers shall be excess of the Lessee's insurance and shall not contribute with it.

C. Notice of Cancellation

Each required insurance policy shall be endorsed to state that coverage shall not be canceled by either party, except after thirty (30) days' prior written notice by certified mail, return receipt requested, has been given to the County at the address shown in section of Lease entitled "Notices".

General Provisions

5. Qualifying Insurers

All required policies of insurance shall be issued by companies which have been approved to do business in the State of California by the State Department of Insurance, and which hold a current policy holder's alphabetic and financial size category rating of not less than A- VII according to the current Best's Key Rating guide, or a company of equal financial stability that is approved in writing by County's Risk Manager.

6. Proof of Insurance

Lessee shall, as soon as practicable following the placement of insurance required hereunder, but in no event later than the effective date of the Contract, deliver to County certified copies of the actual insurance policies specified herein, together with appropriate separate endorsements thereto, evidencing that Lessee has obtained such coverage for the period of the Contract. Thereafter, copies of renewal policies, and appropriate separate endorsements thereof, shall be delivered to County within thirty (30) days prior to the expiration of the term of any policy required herein.

7. Failure to Obtain or Maintain Insurance; County's Remedies

Lessee's failure to provide insurance specified or failure to furnish certificates of insurance, amendatory endorsements and certified copies of policies, or failure to make premium payments required by such insurance, shall constitute a material breach of the Lease, and County may, at its option, terminate the Lease for any such default by Lessee.

8. No Limitations of Obligations

The foregoing insurance requirements as to the types and limits of insurance coverage to be maintained by Lessee, and any approval of said insurance by the County are not intended to and shall not in any manner limit or qualify the liabilities and obligations otherwise assumed by Lessee pursuant to the Lease, including, but not limited to, the provisions concerning indemnification.

9. Review of Coverage

County retains the right at any time to review the coverage, form and amount of insurance required herein and may require Lessee to obtain insurance reasonably sufficient in coverage, form and amount to provide adequate protection against the kind and extent of risk which exists at the time a change in insurance is required.

10. Self-Insurance

Lessee may, with the prior written consent of County's Risk Manager, fulfill some or all of the insurance requirements contained in this Lease under a plan of self-insurance. Lessee shall only be permitted to utilize such self-insurance if in the opinion of County's Risk Manager, Lessee's (i) net worth, and (ii) reserves for payment of claims of liability against Lessee, are sufficient to adequately compensate for the lack of other insurance coverage required by this Lease. Lessee's utilization of self-insurance shall not in any way limit liabilities assumed by Lessee under this Lease.

11. Sublessees' Insurance

Lessee shall require any sublessee, and any sub-sublessee, of all or any portion of the Premises to provide the insurance coverage described herein prior to occupancy of the Premises.

12. Waiver of Subrogation

Lessee and County waive all rights to recover against each other or against any other tenant or occupant of the building, or against the officers, directors, shareholders, partners, employees, agents or invitees of each other or of any other occupant or tenant of the building, from any Claims (as defined in the Article entitled "Indemnity") against either of them and from any damages to the fixtures, personal property, Lessee's improvements, and alterations of either County or Lessee in or on the Premises and the Property, to the extent that the proceeds received from any insurance carried by either County or Lessee, other than proceeds from any program of self-insurance, covers any such Claim or damage. Included in any policy or policies of insurance provided by Lessee shall be a standard waiver of rights of subrogation against County by the insurance company issuing said policy or policies.