

CITY OF SAN DIEGO
USE AND OCCUPANCY PERMIT

THIS CITY OF SAN DIEGO USE AND OCCUPANCY PERMIT ("Permit") is entered into by and between **THE CITY OF SAN DIEGO**, a California municipal corporation ("CITY"), and **CAMPLAND LLC**, a limited liability company ("PERMITTEE"), to be effective as of MARCH 28, 2012 (the "Effective Date"), when signed by the parties and approved by the San Diego City Attorney.

RECITALS

A. WHEREAS, the CITY and PERMITTEE are parties to that certain Lease Agreement dated November 8, 1967, as amended and assigned; and

B. WHEREAS, PERMITTEE wishes to use the Permit Area defined in Section 1.c below, for certain limited uses defined in Section 1.e. below; and

C. WHEREAS, CITY intends to allow PERMITTEE to use the Permit Area for these limited uses, subject to the conditions set forth below.

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

1. Definitions. As used in this Permit, the following terms shall be defined as follows:

- a. **"Lease"** shall mean the Lease Agreement filed with the Office of the City Clerk of the City of San Diego as Document No. 723339, and as subsequently amended and assigned.
- b. **"Monthly Permit Use Charge"** shall mean rent payments made to the City in accordance with Article IV of the Lease.
- c. **"Permit Area"** shall mean the CITY-owned land located between the bike path and the area leased to Permittee described in the Lease, consisting of 53,505 sq.ft and more particularly described in **Exhibit A: Permit Area**, attached hereto.
- d. **"Permit Fee"** shall mean a one-time, non-refundable permit processing fee in the amount of Six Hundred Dollars (\$600).
- e. **"Permit Use"** shall mean the *non-exclusive* use of the **Permit Area** solely for the uses described in Article I of the Fourth Amendment to Lease Agreement dated August 22, 1983, on file with the Office of the City Clerk of the City of San Diego as Document No. RR-259130, except that PERMITTEE shall not use the portion of the Permit Area designated as Existing Fire Access Road in Exhibit A for any purpose.

f. **“PERMITTEE’S Address for Notices”** shall be: Campland, LLC
6310 San Vicente Blvd. #560
Los Angeles, CA 90048

g. **“Term”** shall mean three (3) years, commencing on the Effective Date, subject to Sections 7 through 10 below.

2. **Occupancy.** Subject to the terms and conditions of this Permit, CITY hereby grants permission to PERMITTEE, its officers, employees, agents, and contractors to enter upon and occupy the Permit Area solely for the purpose of the Permit Use.
3. **Use of Permit Area.** PERMITTEE may use the Permit Area solely for the Permit Use and for no other purpose whatsoever without CITY’S prior written consent in each instance. PERMITTEE shall continuously occupy and use the Permit Area throughout the Term.
4. **Existing Fire Access Road.** PERMITTEE shall not use the portion of the Permit Area designated as Existing Fire Access Road in Exhibit A to access the Permit Area. PERMITTEE shall at all times ensure that the Existing Fire Access Road remains clear and unobstructed to CITY’S satisfaction so that CITY emergency vehicles can use it for emergency access as needed.
5. **Governmental Approvals.** By entering into this Permit, neither CITY nor CITY’S City Council is obligating itself to any governmental agent, board, commission, or agency with regard to any other discretionary action relating to PERMITTEE’S occupancy, use, development, maintenance, or restoration of the Permit Area. Discretionary action includes without limitation re-zonings, variances, environmental clearances, and all other required governmental approvals.
6. **CITY’S Consent, Approval.** Whenever required under this Permit, CITY’S consent or approval shall mean the written consent or approval of the Mayor or his or her designee (“Mayor”).
7. **Term.** The Term shall commence on the Effective Date. If the Effective Date is not the first day of a calendar month, the first, partial month shall be counted as a full month for purposes of determining the expiration date of this Permit, so that the Term shall expire on the last day of a calendar month, and not to exceed, in any event, three (3) years.
8. **Revocable License.** This Permit is not a lease. It is a license to use CITY-owned property and may be revoked at will by the City in its sole discretion. 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 revocation or termination of this Permit.
9. **No Holdover.** If PERMITTEE continues to occupy the Permit Area after the expiration or earlier termination or revocation of this Permit, such occupancy shall neither constitute a

renewal or extension of this Permit, nor give PERMITTEE any rights in or to the Permit Area. If PERMITTEE continues to occupy the Permit Area after the expiration or earlier termination or revocation of this Permit, CITY may demand from PERMITTEE and PERMITTEE shall be obligated to pay to the CITY triple the Monthly Permit Use Charge for each month that PERMITTEE continues to occupy and/or use the Permit Area. CITY'S acceptance of such triple Monthly Permit Use Charge shall neither constitute a renewal or extension of the license, nor give PERMITTEE any rights in or to the Permit Area. For purposes of calculating the amount due to CITY pursuant to this Section 9, a partial month shall be treated as a whole month.

10. Expiration or Revocation. PERMITTEE may use the Permit Area until the expiration or revocation of this Permit by the CITY, whichever occurs first.
11. Restoration of Permit Area. Except as otherwise provided in this Permit, prior to the expiration or as soon as practicable after revocation of this Permit, PERMITTEE shall restore the Permit Area to its condition on the Effective Date, normal wear and tear accepted.
12. Superior Interests. This Permit is subject to all liens, encumbrances, covenants, conditions, restrictions, reservations, contracts, permits and licenses, easements, and rights-of-way pertaining to the Permit Area, whether or not of record. PERMITTEE shall obtain all licenses, permits, and agreements from such third parties as may be or become necessary or reasonably advisable to allow its use of the Permit Area, relative to any such superior interest. If PERMITTEE'S use of the Permit Area is or becomes inconsistent or incompatible with a preexisting, superior interest, PERMITTEE shall take such actions and pay all costs and expenses necessary to remove such inconsistency or incompatibility to the satisfaction of the holder of the superior interest.
13. Permit Fee/Monthly Permit Use Charge. PERMITTEE shall pay (1) the Permit Fee to CITY upon execution of this Permit and (2) the Monthly Permit Use Charge in accordance with Article IV of the Lease.
14. Place of Payment. Monthly Permit Use Charge shall be made payable to "City Treasurer" and delivered to the Office of the City Treasurer, Civic Center Plaza Building, 1200 Third Avenue, First Floor, San Diego, CA 92101, or mailed with an invoice to:

THE CITY OF SAN DIEGO
P.O. Box 129030
San Diego, CA 92112-9030

15. Delinquent Payments. Amounts due CITY under this Permit and not paid when due will be referred to the San Diego City Treasurer for collection, and PERMITTEE shall pay to CITY the delinquent Permit Use Charge payments required by Article IV of the Lease. Acceptance of late charges and any portion of the late payment by CITY shall neither constitute a waiver of PERMITTEE'S default with respect to late payment nor prevent CITY from exercising any other rights and remedies available at law or in equity. As

required by law, PERMITTEE is hereby notified that a negative credit report may be submitted to a credit reporting agency if amounts due CITY are not paid when due.

16. Security Deposit. Upon execution of this Permit, PERMITTEE shall deliver any security deposit or faithful performance bonds required by the Lease, if any, to CITY as security for the performance of PERMITTEE'S obligations under this Permit. CITY shall not be liable to PERMITTEE for any interest thereon. Any interest earned from such deposit or redeposit shall not become part of the security deposit, but shall be and remain the property of CITY. All or any portion of the security deposit shall be available unconditionally to CITY to cure, in whole or in part, any breach or default of this Permit by PERMITTEE, or for expenses incurred by CITY as a result of PERMITTEE'S breach or default of this Permit. PERMITTEE shall maintain the security deposit or faithful performance bond, if any, throughout the Term. Notwithstanding any other provision of this Permit to the contrary, if PERMITTEE fails or refuses to deposit or maintain the 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 property from the Permit Area.
 - a. Utilization. If CITY utilizes all or any portion of the Security Deposit, then upon ten (10) days prior written notice, PERMITTEE shall reimburse the Security Deposit to the full required amount.
 - b. Increase. Upon thirty (30) days prior written notice by CITY, PERMITTEE shall deliver to CITY such additional funds as CITY may reasonably require to adequately secure PERMITTEE'S obligations under this Permit.
 - c. Return. Provided PERMITTEE is not in breach or default of this Permit, CITY shall return the Security Deposit, or any balance thereof, to PERMITTEE within sixty (60) days after the expiration or termination of this Permit.
17. Maintenance of the Permit Area. PERMITTEE shall, at PERMITTEE'S sole cost and expense and to CITY'S satisfaction, maintain the Permit Area in good order and repair and in a safe, healthy, and sanitary condition at all times during the Term in accordance with Article XIX and XXI of the Lease. CITY shall not be required to make any improvements or repairs to the Permit Area. PERMITTEE shall keep the Permit Area free and clear of rubbish, debris, and litter at all times. PERMITTEE shall keep the Permit Area free and clear of weeds and brush as reasonably directed by CITY and to CITY'S reasonable satisfaction.
18. Inspection. CITY may at all times enter and inspect the Permit Area.
19. Utilities. PERMITTEE shall order, obtain, and pay for all utilities and service and installation charges in connection with its use of the Permit Area.
20. Improvements/Alterations. PERMITTEE shall install and maintain a permanent chain link fence as described in Exhibit "B" attached hereto, at the location more particularly

described in the Exhibit "A" within 30 days of the Effective Date of this Permit. PERMITTEE shall not construct any additional improvements, structures, or installations on the Permit Area, and shall not alter the Permit Area without the express written consent of CITY. 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.

21. Ownership of Improvements and Personal Property.

- a. Improvements. Ownership and removal of improvements, fixtures, structures, and installations or additions to the Permit Area shall be governed by Section XX and XXI of the Lease.
- b. Personal Property. PERMITTEE shall remove PERMITTEE-owned machines, appliances, equipment, trade fixtures, and other items of personal property upon the expiration of the Term in accordance with Section XX of the Lease.
- c. Late Removal. Notwithstanding any provision of this Permit to the contrary, PERMITTEE shall pay to the CITY the amount of the last Monthly Permit Use Charge paid to the CITY prior to expiration, revocation or termination of the this Permit for any period of time after the expiration, revocation or termination needed to remove improvements or personal property as may be required by the Lease. For purposes of calculating the amount due to the City under this paragraph, a partial month shall be treated as a whole month.
- d. CITY'S Right to Acquire Personal Property. If PERMITTEE wants to dispose of any of its personal property used in its operations on the Permit Area upon expiration or termination of this Permit, CITY may acquire such personal property in accordance with Section XX of the Lease.

22. Insurance. PERMITTEE shall deliver to CITY'S Real Estate Assets Department a current certificate of insurance for:

- (1) Commercial General Liability Insurance, providing coverage on the Permit Area 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 Five Million Dollars (\$5,000,000);
- (2) Automobile Liability Insurance, providing coverage on the Permit Area for all bodily injury and property damage, with a limit of at least One Million Dollars (\$1,000,000) per occurrence. Such insurance shall cover liability arising out of any vehicle (including owned, hired, and non-owned vehicles) operated in performing any and all work pursuant to this Permit. Coverage shall be written on *ISO form CA 00 01 12 90*, or a substitute form providing equivalent liability coverage; and
- (3) 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 a limit of at least One Million Dollars (\$1,000,000).

- a. Additional Insureds. Pursuant to a separate endorsement [CG2010 (11/85) or equivalent form], "The City of San Diego, its elected officials, officers, employees, representatives, and agents" shall be named as additional insureds in all policies.
 - b. Primary & Non-Contributory. Insurance policies shall be endorsed such that the coverage is primary and non-contributory to any coverage carried or maintained by CITY.
 - c. Qualified Insurer(s). All insurance required by the terms of this Permit must be provided by insurers licensed to do business in the State of California which are rated at least "A-, VI" by the current Fee AM Best Ratings Guide and which are acceptable to CITY. Non-admitted surplus lines insurers may be accepted provided they are included on the most recent list of California eligible surplus lines insurers (LESLI list) and otherwise meet CITY requirements.
 - d. Deductibles/Retentions. All deductibles and self-insured retentions on any insurance policy are the sole responsibility of PERMITTEE and must be disclosed and acceptable to CITY at the time evidence of insurance is provided.
 - e. Continuity of Coverage. All policies shall be in effect on or before the first day of the Term, except "course of construction fire insurance" shall be in force on commencement of all authorized construction, and full applicable fire insurance coverage shall be effective upon completion of each insurable improvement. The policies shall be kept in force for the duration of the Term. 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. PERMITTEE shall provide proof of continuing insurance at least annually during the Term. If insurance lapses or is discontinued for any reason, PERMITTEE shall immediately notify CITY and obtain replacement insurance as soon as possible.
 - f. Modification. To assure protection from and against the kind and extent of risk existing with the Permit Use or the Permit Area, CITY, at its discretion, may require the revision of amounts and coverage 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, changed circumstances, or CITY'S reasonable re-evaluation of risk levels related to the Permit Use or the Permit Area.
 - g. Causes of Loss - Special Form Property Insurance. PERMITTEE shall obtain and maintain, at its sole cost, fire and extended coverage insurance in accordance with Article XXIII of the Lease.
23. Indemnification & Hold Harmless. PERMITTEE shall protect, defend, indemnify, and

hold CITY and its elected officials, officers, employees, representatives, and agents 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 occupancy, use, development, maintenance, or restoration 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 sole gross negligence, recklessness, or intentional misconduct of CITY and its elected officials, officers, employees, representatives, and agents.

24. No Discrimination. PERMITTEE shall not discriminate in any manner against any person 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 without limitation the provision of goods, services, facilities, privileges, advantages, and accommodations, and the hiring of employees and contractors.
25. Disabled Access Compliance. PERMITTEE shall comply with Title 24 of the California Code of Regulations, the Americans with Disabilities Act of 1990 ("ADA") , and any other applicable state and federal laws and regulations enacted protecting the rights of people with disabilities. PERMITTEE's compliance shall include, without limitation, the following:
 - a. PERMITTEE shall not discriminate against qualified persons with disabilities in any aspects of employment, including recruitment, hiring, promotions, conditions and privileges of employment, training, compensation, benefits, discipline, layoffs, and termination of employment;
 - b. No qualified individual with a disability may be excluded on the basis of disability from participation in, or be denied the benefits of, services, programs, or activities of PERMITTEE;
 - c. PERMITTEE shall post a statement addressing the requirements of the ADA in a prominent place at the work site;
 - d. Where required by law, PERMITTEE shall, at its sole cost and in conformance with all applicable building codes, comply with applicable disabled-access requirements by making accessible any areas of the Permit Area which deny access to disabled persons; and
 - e. PERMITTEE shall include language in each sublicense agreement, if any, indicating the sublicensee's agreement to abide by the foregoing provisions.
26. PERMITTEE'S Risk. PERMITTEE shall bear all risks and liability arising out of or in any manner directly or indirectly connected with PERMITTEE'S occupancy, use,

development, maintenance, and restoration 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.

27. No Nuisance. PERMITTEE shall not use the Permit Area in any manner which creates a nuisance or unreasonably disturbs the quiet enjoyment of persons in and to the surrounding area.
28. Assignment and Sublicense. PERMITTEE shall not assign or sublicense any rights granted by this Permit or any interest in this Permit without CITY'S prior written consent.. Any assignment by operation of law shall automatically terminate this Permit.
29. Signs. PERMITTEE shall not 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 twenty-four (24) hours after notice by CITY, or CITY may thereafter remove the item at PERMITTEE'S cost.
30. Encumbrances. PERMITTEE shall keep the Permit Area and any CITY-owned property of which the Permit Area is a part 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 occupancy, use, development, maintenance, or restoration 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.
31. Compliance with Laws. PERMITTEE shall, at its sole cost and expense, comply with all rules, regulations, and laws, and all direction by competent authority, which now or hereafter pertain to PERMITTEE'S occupancy, use, development, maintenance, and restoration of the Permit Area.
32. Taxes. PERMITTEE shall pay, before delinquency, all taxes, assessments, and fees assessed or levied upon PERMITTEE or the Permit Area, including the land, any buildings, structures, machinery, equipment, appliances, or other improvements or property of any nature whatsoever erected, installed, or maintained by PERMITTEE, or levied by reason of PERMITTEE'S occupancy, use, development, maintenance, or restoration of the Permit Area, including without limitation licenses or permits. PERMITTEE acknowledges that this Permit may create a possessory interest subject to property taxation, and that PERMITTEE may be subject to the payment of taxes levied on that interest. PERMITTEE shall pay all such possessory interest taxes. PERMITTEE'S payment for such taxes, fees, and assessments shall not reduce any amount payable to CITY under this Permit.

33. Hazardous Substances. PERMITTEE shall not allow the installation, storage, utilization, generation, sale or release of hazardous or otherwise regulated substances in, on, under, or from the Permit Area. PERMITTEE and PERMITTEE'S agents and contractors shall not install, store, utilize, generate, or sell any hazardous substance on the Permit Area without CITY'S prior written consent. PERMITTEE shall, prior to initiating any operations, obtain all required permits from applicable regulatory agencies, including without limitation the San Diego County Department of Environmental Health, local fire agencies, the San Diego County Department of Weights and Measures, the San Diego County Air Pollution Control District, and the San Diego Regional Water Quality Control Board. Installing, utilizing, storing, or any other presence of a hazardous substance includes boxes, bags, bottles, drums, cylinders, above or below ground tanks, equipment with tanks, or any other type of container, equipment, or device which holds or incorporates a hazardous substance or hazardous waste.
- a. Release. For the purposes of this provision, a release shall include without limitation any spilling, leaking, pumping, pouring, emitting, emptying, discharging, injecting, escaping, leaching, dumping, or otherwise disposing of hazardous substances. "Hazardous substances" shall mean any hazardous liquid, solid, or gaseous material substances listed by the Environmental Protection Agency or the State of California as a hazardous substance, and any type of petroleum-related substances and their chemical constituents. 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 is hereby incorporated into this Permit.
- b. Remediation. If PERMITTEE'S occupancy, use, development, maintenance, or restoration of the Permit Area results in a release of a hazardous substance, or petroleum related substance or its chemical constituents, PERMITTEE shall pay all costs of remediation and removal to the CITY's satisfaction for unrestricted reuse of the Permit Area, and in accordance with all applicable laws, rules, and regulations of governmental authorities.
- c. Removal. If PERMITTEE or PERMITTEE's contractor or agent has received approval and permits to store, utilize, generate, or install, or otherwise bring hazardous materials or hazardous wastes to the Permit Area, PERMITTEE and/or PERMITTEE's contractor or agent shall remove all hazardous substances and hazardous wastes in any type of container, equipment, or device from the Permit Area immediately upon or prior to the expiration or earlier termination of this Permit. CITY reserves the right to conduct inspections of the Permit Area and/or request documentation demonstrating the legal removal and/or disposal of the hazardous materials, wastes or other containers, equipment, or devices from the Permit Area. PERMITTEE shall be responsible for any and all costs incurred by CITY to remove any container, equipment, or device requiring disposal or removal as required by this provision.
- d. Indemnity. 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 occupancy, use, development, maintenance, or

restoration of the Permit Area, including without limitation: (i) costs of environmental assessments; (ii) costs of regulatory remediation oversight; (iii) costs of remediation and removal; (iv) any necessary CITY response costs; (v) all fines, penalties, or fees assessed by any regulatory agency; (vi) damages for injury to natural resources, PERMITTEE'S officers, employees, invitees, guests, agents, or contractors, or the public; and (vii) all costs of any health assessments or health effect studies. CITY shall protect, defend, indemnify, and hold PERMITTEE harmless from any and all claims, costs, and expenses related to environmental liabilities arising solely from conditions existing, or acts or omissions occurring, prior to PERMITTEE'S occupancy of the Permit Area.

- e. Notice of Release. If PERMITTEE knows or has reasonable cause to believe that a hazardous substance or petroleum related substance or its chemical constituents has been released on, from, or beneath the Permit Area, PERMITTEE shall immediately notify CITY and any appropriate regulatory or reporting agency per California Administrative Code Title 19 and any other applicable laws or regulations. If PERMITTEE causes a release of a hazardous substance, PERMITTEE shall deliver a written report on the release of hazardous substance(s) caused by PERMITTEE thereof to CITY within three (3) days after receipt of the knowledge or cause for belief and submit any required written reports to regulatory or reporting agencies as required by regulation or law. If PERMITTEE knows or has reasonable cause to believe that such release of a hazardous substance caused by PERMITTEE is an imminent release or is an imminent substantial danger to public health and safety, PERMITTEE shall take all actions necessary to alleviate the danger. PERMITTEE shall immediately notify CITY in writing of any violation, notice to comply, or notice of violation received or the initiation of environmental actions or private suits concerning the release of hazardous substances related to the Permit Area.
- f. Environmental Assessment. Upon reasonable cause to believe that PERMITTEE'S occupancy, use, development, maintenance, or restoration of the Permit Area ("PERMITTEE'S Operations"), resulted in any hazardous substance being released on, from or beneath the Permit Area, CITY may cause an environmental assessment under regulatory oversight of the suspect area to 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 have more likely than not been caused by PERMITTEE'S Operations on, in, from or under the Permit Area, and in what quantities. If any such hazardous substances released by PERMITTEE exist in quantities greater than allowed by city, county, state, or federal laws, statutes, ordinances, or regulations, or require future restricted re-use of the Permit Area, then the environmental assessment shall include a discussion of such hazardous substances released by PERMITTEE with recommendations for remediation and removal necessary to effect unrestricted re-use and in compliance with those laws or statutes, and estimates of the cost of such remediation or removal. If PERMITTEE causes a release of hazardous substances, PERMITTEE shall cause, or if PERMITTEE fails to

do so within a reasonable period of time, as determined by CITY in its sole discretion, CITY may cause, the remediation and/or removal recommended in the environmental assessment such that unrestricted re-use of the Permit Area and compliance with environmental law and regulations are achieved, and PERMITTEE shall pay all costs and expenses incurred by CITY to remediate and/or remove the hazardous substances released by PERMITTEE. PERMITTEE, however, shall only be responsible for a release of hazardous substances caused by PERMITTEE.

34. Water Quality Assurances. PERMITTEE shall comply with San Diego Municipal Code Article 3, Division 3: Stormwater Management and Discharge Control (the "Stormwater Code"), and employ "Best Management Practices" including a "Storm Water Pollution Prevention Plan" as those terms are defined by the Stormwater Code (collectively, "Prevention Plan") and as approved by CITY under its Stormwater Management Program. Within the first thirty (30) days of the Term, PERMITTEE shall submit a Prevention Plan satisfactory to CITY that will control erosion and reduce the amount of "Pollutants," as defined by the Stormwater Code, and other sediments discharged from the Premises. CITY may review the Prevention Plan periodically. Within thirty (30) days after written notice from CITY requesting an update of the Prevention Plan, PERMITTEE shall submit an updated Prevention Plan to CITY'S satisfaction. 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 inform its employees, contractors, subcontractors, agents and vendors of the Prevention Plan and ensure their compliance therewith.
35. Cumulative Remedies. CITY'S rights and remedies under this Permit are cumulative and shall not limit or otherwise waive or deny any of CITY'S rights or remedies at law or in equity.
36. Waiver. The property constituting the Permit Area is publicly owned and held in trust for the benefit of CITY'S citizens. 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. CITY'S waiver of a default shall not be a waiver of any other default. Any waiver of a default must be in a writing executed by CITY to constitute a valid and binding waiver. CITY'S delay or failure to exercise a right or seek a remedy shall not be deemed a waiver of that or any other right or remedy under this Permit, at law, or in equity. The exercise of any particular right or the use of any particular remedy for any default shall not waive the use of any other right or remedy for the same default or for another or later default. CITY'S acceptance of any rents shall not be a waiver of any default preceding the rent payment. CITY'S failure to discover a default or take prompt action to require the cure of any default shall not result in an equitable estoppel, but CITY may at any and all times require the cure of the default.
37. Survival. Any obligation which accrues under this Permit prior to its expiration or termination shall survive such expiration or termination.

38. Joint and Several Liability. If PERMITTEE is comprised of more than one person or legal entity, such persons and entities, and each of them, shall be jointly and severally liable for the performance of each and every obligation of PERMITTEE under this Permit.
39. No Affiliation. Nothing contained in this Permit shall be deemed or construed to create a partnership, joint venture, or other affiliation between CITY and PERMITTEE or between CITY and any other entity or party, or cause CITY to be responsible in any way for the debts or obligations of PERMITTEE or any other party or entity.
40. Entire Agreement. This Permit and the Lease constitute the entire agreement between the parties and supersedes any and all prior understandings, representations, warranties, and agreements between them pertaining to this Permit and PERMITTEE'S occupancy, use,, maintenance, and restoration of the Permit Area. Any modification, alteration, or amendment of this Permit shall be in writing and signed by all the parties hereto.
41. Legal Proceedings. If any party brings an action or proceeding against another party under this Permit, the prevailing party shall be entitled to recover from the non-prevailing party all reasonable costs and expenses thereof, including without limitation reasonable attorney fees and costs. The "prevailing party" shall be that party who obtains substantially the result sought, whether by settlement, dismissal, or judgment.
42. 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 PERMITTEE at PERMITTEE'S Address for Notices, and to CITY as follows:

THE CITY OF SAN DIEGO
Attention: Director, Real Estate Assets Department
1200 Third Avenue, Suite 1700 (MS 51A)
San Diego, California 92101
(619) 236-6020

With a copy by First Class Mail to: SAN DIEGO CITY ATTORNEY
Attn: Real Property Section
1200 Third Avenue, Suite 1100
San Diego, California 92101-4106

43. Authority to Contract. Each individual executing this Permit on behalf of another person or legal entity represents and warrants that they are 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 represents and warrants such entity is a valid, qualified corporation, limited liability company, partnership, or other unincorporated association in good standing in its home

state and that such entity is qualified to do business in California.

44. Acceptance of Permit Area. By signing this Permit, PERMITTEE represents and warrants that it has independently inspected the Permit Area and made all tests, investigations, and observations, except a soil and/or groundwater investigation, necessary to satisfy itself as to the condition of the Permit Area and its suitability for the Permit Use. PERMITTEE further represents and warrants that it is not relying on any representation by CITY as to the condition of the Permit Area or its suitability for the Permit Use, and that PERMITTEE is relying solely on its own and independent inspections, tests, investigations and observations of the Permit Area in entering into this Permit. PERMITTEE accepts the Permit Area in its current condition, and acknowledges and agrees that CITY has fulfilled all obligations it may have had to improve, modify, repair, replace, alter, or otherwise develop the Permit Area prior to the Effective Date. PERMITTEE shall not hold CITY responsible for any defects in the Permit Area. PERMITTEE accepts and assumes all risk of harm to all persons and property, including without limitation PERMITTEE'S employees, from any defects in the Permit Area, and shall be solely responsible therefor.

[Remainder of this page left blank intentionally]

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

Date: 3/15/12

Campland, LLC, a limited liability company

BY: [Signature]
Name: MICHAEL GELFOND
Title: PRESIDENT MUNDGUTZ PARTNER

Date: 3/26/12

THE CITY OF SAN DIEGO, a California municipal corporation

BY: [Signature]
Name: James F. Barwick, CCIM
Title: Director, Real Estate Assets

Environmental Analysis Section Environmental Clearance:

This activity is Categorical Exempt from CEQA pursuant to State CEQA Guidelines Sections §15301, §15302 and §15304(e).

Date: 3/22/12

BY: [Signature]
Name: Kyla Herrmann
Title: Senior Planner

Approved as to Form and Legality:

JAN I. GOLDSMITH, City Attorney

BY: [Signature]
Name: Nathan Slegers
Title: Deputy City Attorney

VEB/cb

I:\Support Staff Group\WPO\2012\BALOTSKY\OCCUPANCY PERMIT- CAMPLAND USE.docx

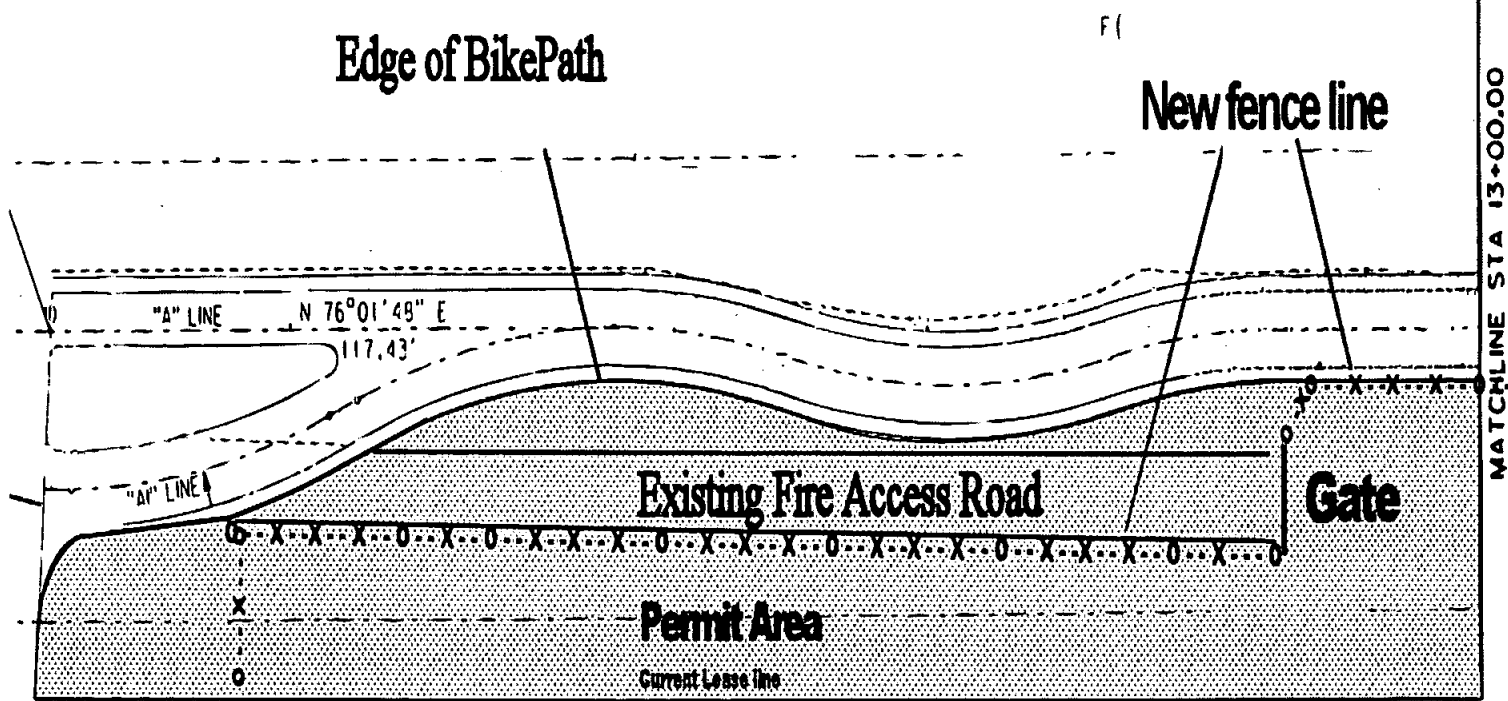
10+00 11+00 12+00 13+00

Campland On The Bay
221 Pacific Beach Drive
San Diego, CA 92109 P/L
Bridge project Map Page 4

The new permit area noted in red,
are all the lands south of the Rose Creek Bike Path
down to the current lease line on the South edge,
and from the West end of the New Rose Creek Bike
and Pedistrian Bridge to Pacific Beach Drive to the West.



Exhibit A: Permit Area



Campland On The Bay
 | 221 Pacific Beach Drive
 13+00 San Diego, CA 92109
 Fence Map Page 5

Exhibit A: Permit Area

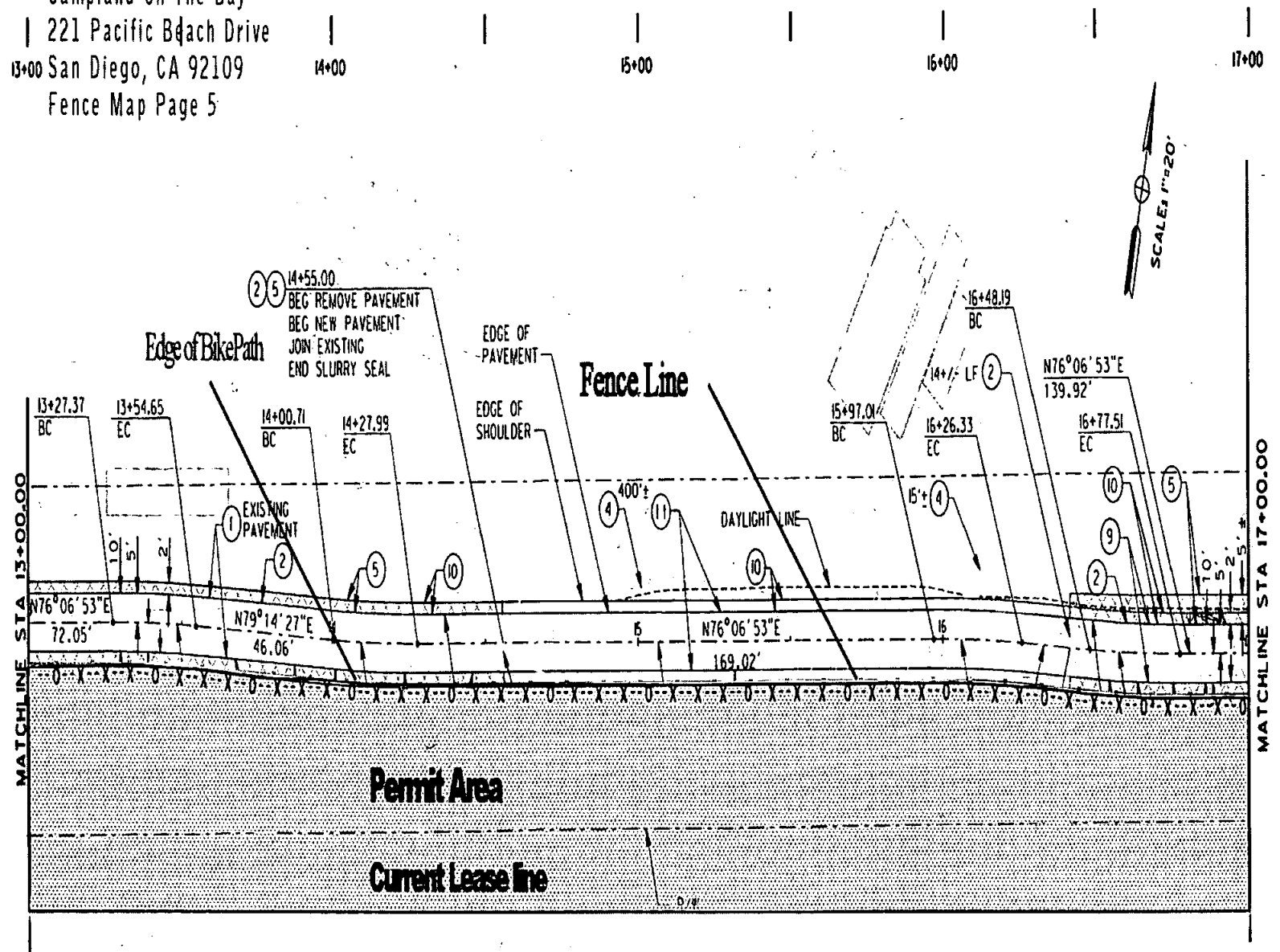


Exhibit A: Permit Area

21+00 22+00 23+00 24+00

Camp/land On The Bay
221 Pacific Beach Drive
San Diego, CA 92109
Fence Map Page 7

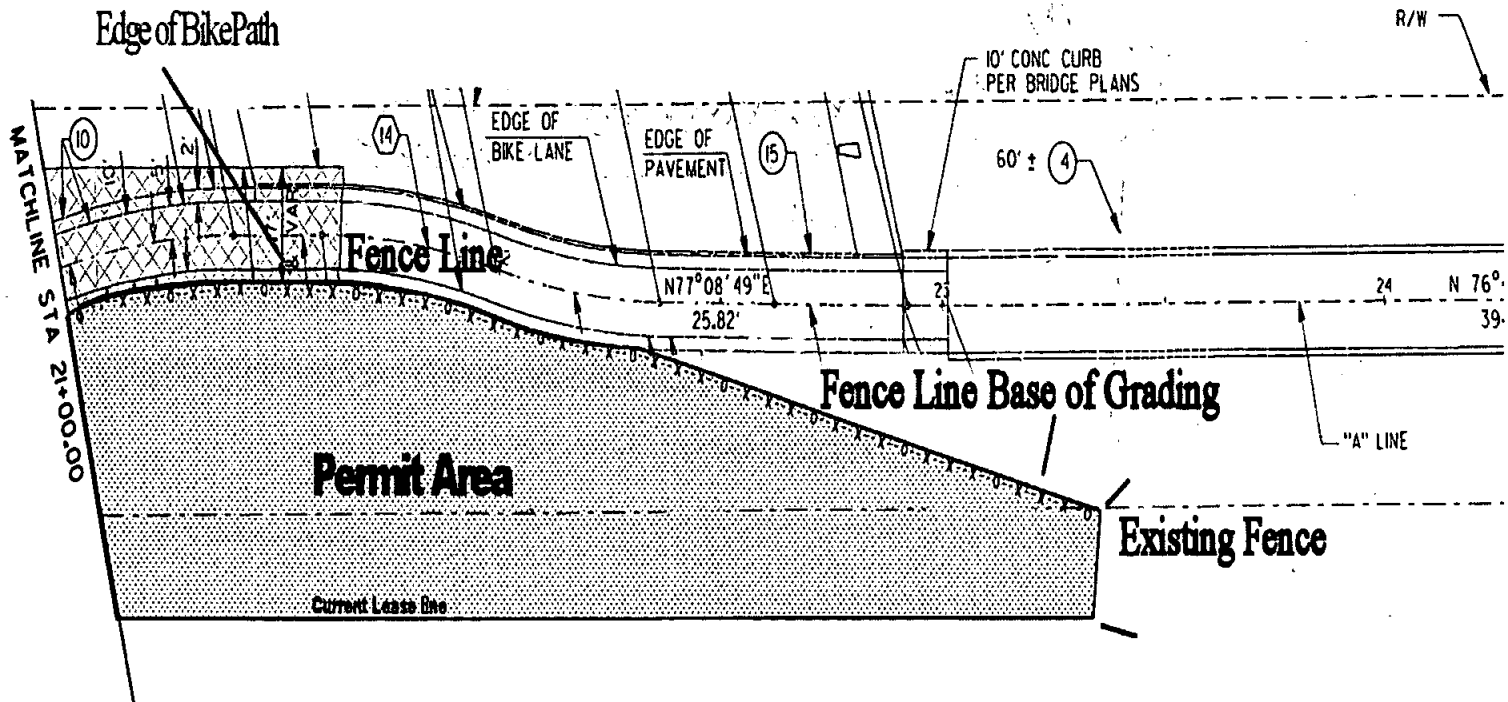
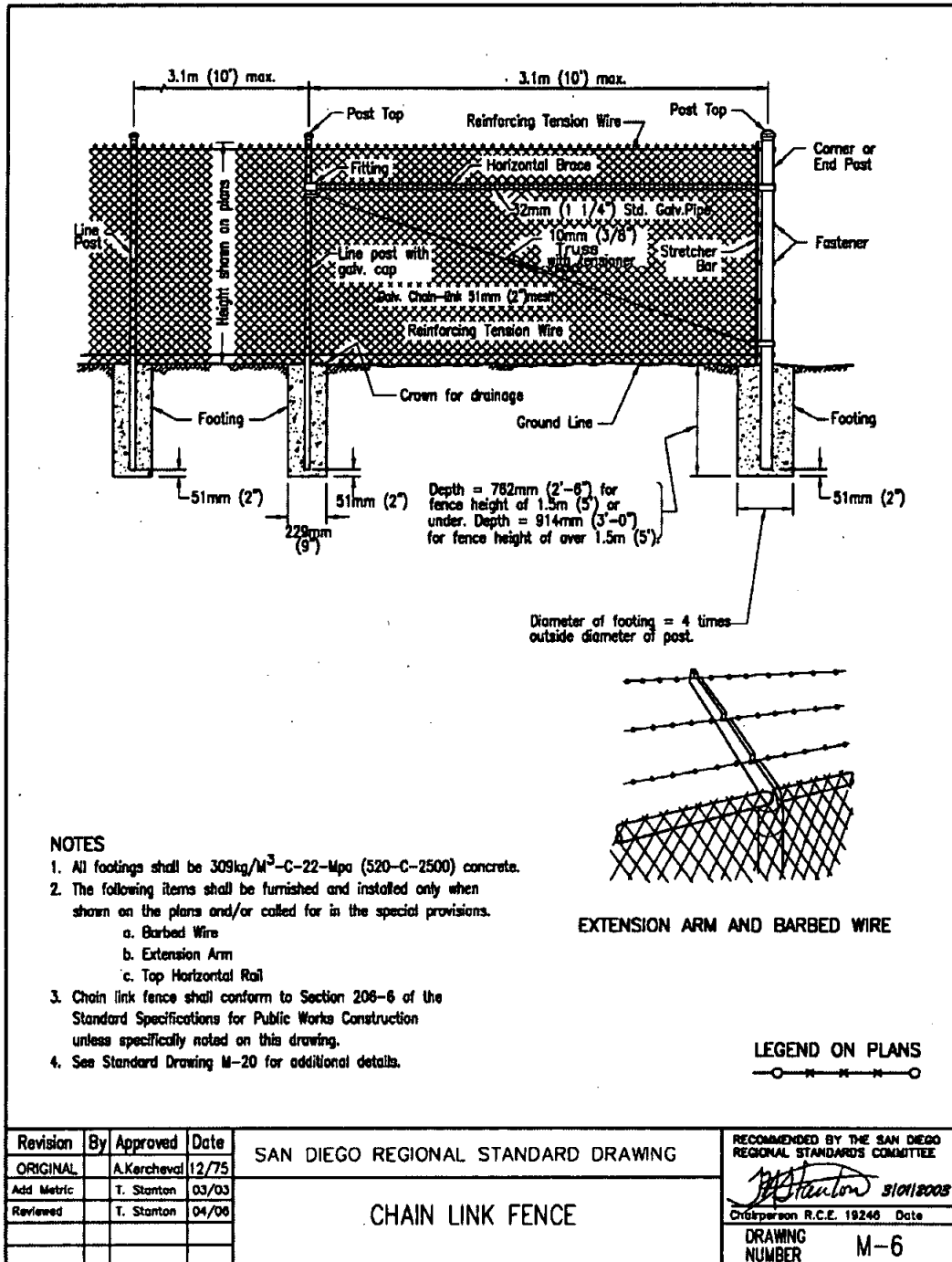


Exhibit "B" Permanent Fence



August 2009