

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 **SAN DIEGO GAS & ELECTRIC COMPANY**, a California corporation ("PERMITTEE"), to be effective as of **August 1, 2014**, (the "Effective Date"), when signed by the parties and approved by the San Diego City Attorney.

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:

1.1. **"Monthly Rent"** shall mean monetary consideration to CITY in the amount:

August 13, 2014 to August 31, 2014: Three Thousand Nine Hundred Twenty Dollars (\$3,920);

September 1, 2014 to July 31, 2015: Ten Thousand Three Hundred Ninety Five Dollars (\$10,395) per month; and

August 1, 2015 to January 31, 2016: Ten Thousand Eight Hundred Eleven Dollars (\$10,811) per month.

1.2 **"Permit Area"** shall mean an approximate 1.6 acre (69,300 SF) portion of property commonly known as 3000 Block of Camino Del Rio North, APN 433-230-36, comprised of fenced unimproved land and more particularly depicted in Exhibit A, attached hereto, excluding the Monitoring Wells (defined below).

1.3 **"Monitoring Wells"** shall mean three monitoring wells located within the Permit Area identified as DB-2a, DB-2, and DB-2b on Exhibit A.

1.4 **"CITY Contact"** shall mean the CITY's Water Department staff member Greg Cross, who can be contacted at 619-533-4235.

1.5 **"CITY Access"** shall mean that CITY shall have access to the Permit Area at any time from time to time to inspect, maintain, monitor, repair, sample, replace or remove the Monitoring Wells. Associated with the sampling will be discharge of the sampling water to the ground surface where it must be allowed to soak back into the ground. PERMITTEE's and CITY's locks at the entrance to the Permit Area shall be "daisy chained" to allow each access to the Permit Area.

1.6 **"Permit Fee"** shall mean a one-time, non-refundable permit processing fee in the amount of Seven Hundred Twenty Seven Dollars (\$727).

1.7 **“Permit Use”** shall mean the exclusive use by PERMITTEE of the Permit Area, 24 hours a day, seven (7) days a week, during the Term, which shall be used solely for two (2) approximate 40’ office trailers, construction vehicles and equipment, employee vehicles, portable restrooms, trash dumpster, storage container for miscellaneous tools and materials, and fabrication of pipe fittings onto lengths of pipe, all in connection with PERMITTEE’s “ large pipe storage for various pipeline safety jobs” and subject to the following restrictions:

1.7.1 PERMITTEE shall not allow any person to clean vehicles, perform any mechanical work on any vehicles, or fuel or refuel any vehicles within the Permit Area.

1.7.2 PERMITTEE shall install and maintain drip pans below each vehicle parked on the Permit Area.

1.7.3 PERMITTEE shall maintain the existing perimeter fence in good repair and condition. Any damage to the existing fence shall be promptly repaired by PERMITTEE, at PERMITTEE’s sole cost and expense, to CITY’s reasonable satisfaction, except to the extent such damage is caused by CITY or its employees, representatives or agents during any inspection or entrance onto the Permit Area.

1.7.4 PERMITTEE shall install and maintain fencing to separate the Permit Area from the adjacent City-owned land as depicted in Exhibit A.

1.7.5 PERMITTEE shall continuously maintain a rock substrate of decomposed granite over the entire Permit Area to CITY’s reasonable satisfaction.

1.7.6 Except in case of an emergency, PERMITTEE shall not conduct any activities on the Permit Area before 6:00 A.M. or after 8:00 P.M. every day.

1.7.7 No permanent structures shall be constructed in the Permit Area.

1.8 **“PERMITTEE’s Address for Notices”** shall be:

San Diego Gas & Electric Co.
Land Services Manager
8335 Century Park Court, CP 11D
San Diego, CA 92123

1.9 **“Security Deposit”** shall mean an amount equal to Six Thousand Three Hundred Ninety Five Dollars and (\$6,395).

“Term” shall mean eighteen (18) months, commencing on the Effective Date.

2. Occupancy. Subject to the terms and conditions of this Permit, CITY hereby grants exclusive permission to PERMITTEE and its officers, employees, agents and contractors to enter upon and occupy the Permit Area solely for 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. Monitoring Wells. PERMITTEE shall at all times maintain a twenty foot (20') wide radius around each Monitoring Well that is free and clear of all materials and debris. PERMITTEE shall, at all times, maintain a twelve (12) foot access route to each Monitoring Well for CITY's access that is free and clear of all materials and debris. Other than with respect to PERMITTEE's obligations to maintain the above-referenced radii and access routes, the Monitoring Wells are not part of the Permit Area.
 - 4.1 Damage to the Monitoring Wells: PERMITTEE shall immediately notify the CITY Contact if PERMITTEE causes any damage to the Monitoring Wells or any damage to the Monitoring Wells occurs as a result of the Permit Use. Unless otherwise authorized by the CITY Contact, PERMITTEE is prohibited from making any repairs to any damages to the Monitoring Wells caused by PERMITTEE or arising from the Permit Use.
 - 4.2 Reimbursement for Damages to Monitoring Wells: PERMITTEE is responsible for reimbursing the CITY for the cost to repair any damage to the Monitoring Wells caused by PERMITTEE or arising from the Permit Use, including any items that CITY staff has reasonably determined to be damaged by PERMITTEE or the Permit Use.
 - 4.3 Indemnity for Damage to Monitoring Wells: PERMITTEE shall protect, defend, indemnify and hold the CITY harmless for any and all claims, costs and expenses related to liabilities that arise from PERMITTEE's damage to the Monitoring Wells or damages to the Monitoring Wells that result from the Permit Use, including without limitation: (i) costs to repair the Monitoring Wells, (ii) costs of regulatory oversight of the repairs to the Monitoring Wells, (iii) any necessary CITY response costs, (iv) all fines, penalties or fees assessed by any regulatory agency, (v) damages for injury to natural resources, PERMITTEE's officers, employees, invitees, agents, guests or contractors, or to the public; and (vi) all reasonable or required tests and assessments of the Monitoring Wells, including any water monitoring system to which the Monitoring Wells are apart.
5. Governmental Approvals. **PERMITTEE represents that it has made its own investigation with the CITY's Development Services Department to ensure the Permit Use complies with applicable zoning and all other applicable City development regulations.** By entering into this Permit, neither CITY nor CITY's City Council is obligating itself to PERMITTEE or 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, Discretion. CITY's consent or approval under this Permit shall mean the written consent or approval of CITY's Mayor, or his or her designee ("Mayor"), unless otherwise expressly provided. CITY's discretionary acts hereunder shall be made in the Mayor's discretion, unless otherwise expressly provided.
7. Extended Term. At the sole discretion of the CITY and by written agreement of the parties, the Term may be extended on a month-to-month basis. However, in no event shall the Term, including any extensions thereof, exceed three (3) years in total unless authorized by the San Diego City Council. If PERMITTEE desires to extend the Term, PERMITTEE shall provide CITY with written request at least ninety (90) days prior to the expiration of the Term, which may or may not be granted in CITY's sole discretion. If the Term is extended, the Monthly Rent shall increase by four percent (4%) on January 1, 2016, and shall continue to increase annually by four percent (4%) on January 1 of each year thereafter until the term expires.
8. Revocable License. This Permit is not a lease. It is a license to use CITY property, and may be revoked at will by CITY, in its sole but reasonable discretion: (a) if for PERMITTEE's breach or default of any of PERMITTEE's obligations under this Permit or in case of an emergency, immediately upon written notice delivered to PERMITTEE; and (b) if for CITY's convenience, upon thirty (30) days prior written notice delivered to PERMITTEE. CITY shall not be obligated for any burden or loss, financial or otherwise, which may be incurred by PERMITTEE as a result of such revocation or the termination of this Permit.
 - 8.1 PERMITTEE's Waiver. PERMITTEE expressly waives any claim against CITY and its elected officials, officers, employees, representatives and agents for any burden, expense or loss which PERMITTEE incurs 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 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 of this Permit, CITY may demand and receive from PERMITTEE rent for the Permit Area calculated on a per diem basis using up to two (2) times the fair market rental rate to be determined as of the date of the expiration or termination of this Permit by an appraisal prepared by a qualified appraiser selected by CITY in its sole but reasonable discretion. CITY's acceptance of such rent shall neither constitute a renewal or extension of the license, nor give PERMITTEE any rights in or to the Permit Area.

10. Termination. PERMITTEE may terminate this Permit for any reason upon thirty (30) days prior written notice delivered to CITY at CITY's address for notices as set forth herein, below.
11. Restoration of Permit Area. Except as otherwise provided in this Permit, or except as agreed to by the parties in writing, prior to the expiration or as soon as practicable after termination of this Permit, PERMITTEE shall restore the Permit Area to its condition on the Effective Date, normal wear and tear excepted.
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, or PERMITTEE may terminate this Permit.
13. Permit Fee. PERMITTEE shall pay the Permit Fee to CITY upon execution of this Permit.
14. Rent. PERMITTEE shall pay the Monthly Rent in advance on the first day of each month during the Term. If the Effective Date is not the first day of a calendar month, then the Monthly Rent payable for the partial month at the beginning of the Term shall be prorated on a per diem basis.
15. Place of Payment. All payments to be paid by PERMITTEE under this Permit shall be made payable to "City Treasurer" and be mailed to:

San Diego City Treasurer
P.O. Box 129030
San Diego, California 92112-9030

or hand delivered to:

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

CITY may change the place of payment at any time upon thirty (30) days written notice to PERMITTEE. Mailed payments shall be deemed paid upon the date the payment is postmarked by the postal authorities. If postmarks are illegible, the payment shall be deemed received only upon actual receipt.

16. Delinquent Payments. If PERMITTEE fails to make any payment under this Permit when due, PERMITTEE shall pay to CITY, in addition to the unpaid amount, five percent (5%) of the unpaid amount, which shall be additional rent. If any amount of such payment remains unpaid after fifteen (15) days past due, PERMITTEE shall pay to CITY an additional five percent (5%) of the unpaid amount [being a total of ten percent (10%)], which shall be additional rent. Notwithstanding the foregoing, in no event shall the charge for late payment of rent be less than Twenty-Five Dollars (\$25). After thirty (30) days past due, unpaid amounts due CITY under this Permit may be referred to the San Diego City Treasurer for collection, and shall be subject to San Diego Municipal Code section 22.1707, as may be amended from time to time. PERMITTEE shall pay to CITY any collection-referral fee and all other fees and charges plus interest as may then be charged by the CITY's City Treasurer under authority of the San Diego Municipal Code. Acceptance of late charges and any portion of the late payment by CITY shall neither constitute a waiver of PERMITTEE's breach or default with respect to the 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.
17. Security Deposit. Upon execution of this Permit, PERMITTEE shall deliver the Security Deposit 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. CITY shall keep detailed documentation and records of any such expenditures of the Security Deposit used to cure a breach or default of this Permit by PERMITTEE, or for expenses incurred as a result thereof, and shall provide such documentation and records to PERMITTEE upon written request therefor. PERMITTEE shall maintain the Security Deposit throughout the Term. Notwithstanding any other provision of this Permit to the contrary, if PERMITTEE does not deposit and maintain the Security Deposit as required by this Permit, then at any time after five (5) days prior written notice delivered to PERMITTEE at PERMITTEE's Address for Notices, but prior to PERMITTEE's deposit or maintenance of the Security Deposit as required by such notice, CITY may revoke the license granted hereunder, and such revocation shall be deemed reasonable. Upon such revocation, PERMITTEE shall immediately cease its use of the Permit Area and commence and diligently pursue the removal of its property from the Permit Area.
- 17.1 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.

- 17.2 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.
- 17.3 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.
18. 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. 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.
19. Inspection. CITY may at all times enter and inspect the Permit Area in an emergency, or if such event is not an emergency, during PERMITTEE's regular business hours and with at least twenty-four (24) hours' prior notice to PERMITTEE.
20. Utilities. PERMITTEE shall order, obtain and pay for all utilities and all service and installation charges to the extent incurred in connection with PERMITTEE's use of the Permit Area.
21. Improvements/Alterations. Except as allowed as a Permit Use, PERMITTEE shall not construct any improvements, structures or permanent 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.
22. Improvements and Personal Property.
- 22.1 Improvements. Upon expiration or termination of this Permit, PERMITTEE shall remove any and all improvements, fixtures, structures and installations or additions to the Permit Area that were constructed or installed on the Permit Area by PERMITTEE ("PERMITTEE Improvements"). PERMITTEE shall, at PERMITTEE's sole cost and expense, remove PERMITTEE Improvements as soon as practicable, but in no event later than sixty (60) days after the expiration or earlier termination of this Permit. PERMITTEE, at its sole cost and expense, shall be responsible for the repair of any and all damage resulting from the removal of PERMITTEE Improvements as required by this Permit. If PERMITTEE fails to remove PERMITTEE Improvements as required under this paragraph, CITY may, at its option, remove them at PERMITTEE's sole cost and expense.

- 22.2 Personal Property. PERMITTEE shall remove from the Permit Area all PERMITTEE-owned machines, appliances, equipment, trade fixtures and other items of personal property upon the expiration of the Term, or as soon as practicable after termination, but in no event later than thirty (30) days after the expiration or earlier termination of this Permit. Any such items which PERMITTEE fails to so remove shall be deemed abandoned and become CITY's property free of all claims and liens, or CITY may, at its option, remove such items at PERMITTEE's sole cost and expense. PERMITTEE, at its sole cost and expense, shall be responsible for the repair of any and all damage resulting from the removal of its personal property from the Permit Area.
- 22.3 Post-Permit License. CITY grants permission to PERMITTEE to enter upon and occupy the Permit Area after the expiration or earlier termination of this Permit solely for the purpose of removing PERMITTEE Improvements and PERMITTEE's personal property as provided by this Permit. This provision shall survive the expiration or earlier termination of this Permit.
- 22.4 Late Removal. Notwithstanding any provision of this Permit to the contrary, PERMITTEE shall pay rent to CITY for any period of time after the expiration or termination of this Permit needed to remove PERMITTEE Improvements or personal property as required by this Permit, whether by CITY or PERMITTEE. Such rent shall be calculated on a per diem basis using the rental rate in effect just prior to the expiration or termination of this Permit.
- 22.5 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 shall have the first right to acquire such personal property, subject to applicable laws.
23. Insurance. PERMITTEE represents and warrants to CITY that it is self-insured in accordance with applicable law, and shall pay all claims related to this Permit or PERMITTEE'S use of the Permit Area that would be covered by a third-party insurance company in the usual course of business as shown below. PERMITTEE shall deliver to CITY upon request evidence of PERMITTEE's ability to self-insure, in form and content reasonably satisfactory to CITY. In the alternative, PERMITTEE shall deliver to CITY's Real Estate Assets Department a current certificate of insurance for each of the following:
- 23.1 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 Two Million Dollars (\$2,000,000) per occurrence, subject to an annual aggregate of at least Four Million Dollars (\$4,000,000);
- 23.2 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

- 23.3 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).
- 23.4 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.
- 23.5 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.
- 23.6 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 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.
- 23.7 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.
- 23.8 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.
- 23.9 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.

- 23.10 Accident Reports. PERMITTEE shall immediately report to CITY any accident causing property damage or injury to persons and related to the Permit Use or the Permit Area. Such report shall contain the names and addresses of the involved parties, a statement of the circumstances, the date and hour of the accident, the names and addresses of any witnesses, and other pertinent information.
- 23.11 Causes of Loss - Special Form Property Insurance. PERMITTEE shall obtain and maintain, at its sole cost, Causes of Loss - Special Form Property Insurance on all of PERMITTEE's insurable property related to the Permit Use or the Permit Area in an amount to cover 100 percent (100%) of the replacement cost. PERMITTEE shall deliver to CITY a certificate of such insurance.
24. 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 this Permit or PERMITTEE's occupancy, use, development, maintenance, or restoration of the Permit Area, including damages arising out of release of hazardous materials or damage to the Monitoring Wells, and all expenses of investigating and defending against same, including without limitation attorneys' fees and costs; provided, however, that PERMITTEE's duty to indemnify and hold harmless shall not include any established liability arising from the gross negligence or intentional misconduct of CITY and/or its elected officials, officers, employees, representatives and agents.
25. Security and Safety of Permit Area. PERMITTEE shall bear the sole responsibility for the security and safety of the Permit Area during the Term relating to the Permit Use or any work or activities conducted as authorized by this Permit or under the direction of PERMITTEE. PERMITTEE shall be responsible for the maintenance, cleanup, and securing of the Permit Area, as appropriate, during the Term of the Permit, to ensure security and safety. PERMITTEE shall comply with all applicable rules, laws, regulations and directives of competent governmental authorities, at PERMITTEE's sole cost and expense, with respect to maintaining the Permit Area in a safe and secure manner during the Term. CITY has no obligation to provide oversight of the Permit Use or staffing or resources for the maintenance of the Permit Area during the Term.
26. Repair. PERMITTEE shall be responsible, at its sole cost and expense, for the repair or replacement of any damage caused by PERMITTEE or arising out of the Permit Use to any portion of the Permit Area, including items that CITY staff has reasonably determined to be damaged. PERMITTEE shall comply with the reasonable direction of CITY staff with respect to the method of any repairs or replacement arising under this Permit.

27. Compliance with Laws. PERMITTEE shall at all times in its use and occupancy of the Permit Area comply with all applicable laws, rules and regulations and direction by competent governmental authorities, and all at PERMITTEE's sole cost and expense.
28. California Public Records Act. CITY shall determine, in its sole discretion, whether information provided by PERMITTEE pursuant to this Permit is or is not a public record subject to disclosure under the California Public Records Act. PERMITTEE shall hold CITY and its elected officials, officers and employees harmless for CITY's disclosure of any such information in response to a request for information under the CPRA.
29. 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 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 and retention of employees and contractors.
30. Equal Opportunity. PERMITTEE shall comply with Title VII of the Civil Rights Act of 1964, as amended; Executive Orders 11246, 11375 and 12086; the California Fair Employment Practices Act; and all other related and applicable federal and state laws and regulations. PERMITTEE shall not discriminate against any employee or applicant for employment based on race, religion, color, ancestry, age, gender, sexual orientation, disability, medical condition or place of birth. PERMITTEE shall cause the substantive content of the foregoing provisions to be inserted in all of PERMITTEE's contracts for work related to this Permit so that such provisions will be binding upon each of PERMITTEE's contractors. PERMITTEE shall fully cooperate with any investigation conducted by CITY pursuant to CITY'S Nondiscrimination in Contracting Ordinance (i.e., San Diego Municipal Code sections 22.3501-22.3517, as amended from time to time), and upon CITY's request PERMITTEE shall submit a current Workforce Report. PERMITTEE acknowledges that failure to comply with the requirements of this section and/or submitting false information in response to these requirements may result in termination of this Permit and debarment from participating in CITY contracts for a period of not less than one (1) year.
31. Equal Benefits. PERMITTEE shall comply with San Diego Municipal Code sections 22.4301-22.4308, which require applicable parties to offer the same employment benefits to employees with spouses and employees with domestic partners. PERMITTEE shall certify that it will maintain such equal benefits throughout the term of this Permit. PERMITTEE's failure to maintain equal benefits shall be a material breach of this Permit.
32. Disabled Access Compliance. PERMITTEE shall comply with Title 24 of the California Code of Regulations (i.e., the "Building Code", as defined in Title 24 of the California Health and Safety Code); 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 PERMITTEE's 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.

PERMITTEE and each of its sublicensees shall be individually responsible for their own ADA compliance program. PERMITTEE's failure to comply with the above requirements and/or submitting false information in response to those requirements shall be a default under this Permit.

33. CITY Employee Participation Policy. CITY may unilaterally and immediately terminate this Permit if PERMITTEE employs an individual who, within the twelve (12) months immediately preceding such employment did, in their capacity as a CITY officer or employee, participate in negotiations with or otherwise have an influence on a recommendation made to the San Diego City Council related to the selection of PERMITTEE for this Permit. It is not the intent of this policy that these provisions apply to members of the City Council.
34. Local Business and Employment. PERMITTEE acknowledges that CITY seeks to promote employment and business opportunities for local residents and firms in all CITY contracts. For work associated with this Permit and to the extent legally possible and reasonably feasible based upon PERMITTEE's activities to be conducted within the Permit Area, PERMITTEE shall use commercially reasonable efforts to solicit applications for employment and bids and proposals for contracts from local residents and firms as opportunities occur. PERMITTEE shall use its best efforts to hire qualified local residents and firms whenever practicable.

35. PERMITTEE's Risk. PERMITTEE shall bear all risks and liability arising out of PERMITTEE's use or occupancy 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.
36. 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 or that violates the City's Noise Abatement and Control Ordinance (Chapter 5, Article 9.5 of the San Diego Municipal Code, as amended from time to time).
37. 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 in each instance. Any assignment by operation of law shall automatically terminate this Permit.
38. 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.
39. Encumbrances. PERMITTEE shall keep the Permit Area free from all encumbrances and liens of any nature which arise out of PERMITTEE'S use or occupancy of the Permit Area. PERMITTEE shall 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 and arising out of PERMITTEE's use or occupancy of 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 entitled to lien or encumber the Permit Area pursuant to the California Civil Code.
40. Taxes. PERMITTEE shall pay, before delinquency, all taxes, assessments and fees assessed or levied upon PERMITTEE or the Permit Area during the Term, including the land and 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 licensing and permitting costs and fees. 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 payment due CITY.
41. Hazardous Substances. PERMITTEE shall not, nor shall PERMITTEE allow its employees, agents, contractors, subcontractors or invitees to cause the illegal installation, storage, utilization, generation, sale or release of a Hazardous Substance or otherwise

regulated substance in, on, under or from the Permit Area. Unless otherwise agreed to by CITY in writing in each instance, PERMITTEE and PERMITTEE's agents and contractors shall not install, store, utilize, generate or sell any Hazardous Substance on the Permit Area, except that PERMITTEE may, if consistent with the Permit Use, use and store motor vehicles and equipment that legally use Hazardous Substances that are necessarily incident to their operation on the Permit Area. 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.

- 41.1 Release. A "release" shall include without limitation any spilling, leaking, pumping, pouring, emitting, emptying, discharging, injecting, escaping, leaching, dumping or otherwise disposing of a Hazardous Substance.
- 41.2 Hazardous Substance. "Hazardous Substance" shall mean any substance listed by the Environmental Protection Agency or the State of California as a Hazardous Substance, and all types of petroleum-related substances and their chemical constituents.
- 41.3 Remediation. If PERMITTEE's occupancy, use, development, maintenance or restoration of the Permit Area results in a release of a Hazardous Substance, that, individually or in the aggregate, triggers a clean-up obligation under applicable laws, rules and regulations, caused by PERMITTEE or its employees, contractors, subcontractors, agents or invitees, PERMITTEE shall pay all costs of remediation and removal of the release to the CITY's satisfaction to restore the Permit Area to the same condition as existed on the Effective Date, and in accordance with all applicable laws, rules and regulations of governmental authorities.
- 41.4 Removal. If PERMITTEE or PERMITTEE's contractor or agent has received approval and permits to store, utilize, generate or install, or otherwise bring Hazardous Substances 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 prior to the expiration or within seven (7) days after the earlier termination of this Permit. Upon CITY's request, PERMITTEE shall deliver to CITY true copies of documentation demonstrating the legal removal and/or disposal of the Hazardous Substances and/or hazardous wastes, 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.

- 41.5 Indemnity. PERMITTEE shall protect, defend, indemnify and hold CITY harmless from any and all claims, costs and expenses related to liabilities that arise from releases of Hazardous Substances 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 all reasonable health assessments or health effect studies. Notwithstanding anything to the contrary contained in this Permit, PERMITTEE shall not have any obligation or liability whatsoever with respect to any conditions in, on or under the Permit Area, including the presence of Hazardous Substances, that (i) preexist the Effective Date of this Permit, (ii) are caused by or result from the entry on, use of, or other action of CITY, or (iii) are caused by persons not reasonably deemed to be under the control or direction of PERMITTEE. The provisions of this paragraph shall control over any other conflicting or inconsistent provisions of this Permit.
- 41.6 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 promptly notify CITY and any appropriate regulatory or reporting agency pursuant to California Code of Regulations Title 19 and any other applicable laws or regulations. PERMITTEE shall deliver a written report thereof to CITY within three (3) days after receipt of the knowledge or cause for belief that a release has occurred 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 substance 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 promptly notify CITY in writing of any violation, notice to comply, or notice of violation received or the initiation of environmental actions or private suits related to the Permit Area.
- 41.7 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 a release of a Hazardous Substance on, from or beneath the Permit Area in a quantity that cannot, without causing additional damage to the Permit Area, be immediately removed and cleaned as permitted by and in conformity with all applicable laws, 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 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 substances 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. PERMITTEE shall cause, or if PERMITTEE fails to do so within a reasonable period of time, as determined by CITY in its sole but reasonable 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 to the extent necessary to remediate the Permit Area to the condition it existed in on the Effective Date.

42. Aboveground Storage Tanks.

- 42.1 Monitoring. If PERMITTEE installs or maintains any aboveground storage tanks within the Permit Area (individually and collectively, "Aboveground Tanks"), PERMITTEE shall monitor each Aboveground Tank during the Term in compliance with this Permit and all applicable laws, rules and regulations. PERMITTEE shall conduct daily visual inspections of all Aboveground Tanks and shall permit the San Diego Regional Water Quality Control Board (the "Water Quality Board"), CITY, and all responsible governmental agencies, to conduct periodic inspections of all Aboveground Tanks.
- 42.2 Reporting. PERMITTEE shall report to CITY each and every unauthorized release of Hazardous Substances from Aboveground Tanks in accordance with the provisions of the "Hazardous Substances" section of this Permit.
- 42.3 Fees and Costs. PERMITTEE shall pay all fees and costs related to unauthorized releases of Hazardous Substances from Aboveground Tanks, including without limitation investigative, surface, groundwater cleanup and expert and agency fees. PERMITTEE shall maintain insurance or other financial means to ensure the fulfillment of its obligations hereunder to pay such fees and costs, including without limitation the costs of corrective actions, compensating third parties for personal injuries or property damage, and compensating CITY for damages to the Permit Area, directly or indirectly caused by any and all releases from Aboveground Tanks. PERMITTEE shall deliver to CITY and maintain evidence, satisfactory to CITY, of such financial responsibility. PERMITTEE shall pay all costs and expenses related to Aboveground Tanks, including without limitation costs and expenses to comply with PERMITTEE's obligations under this Permit.
- 42.4 Development, Maintenance, and Repair. PERMITTEE shall develop, maintain and repair all Aboveground Tanks in compliance with all applicable laws, rules

and regulations of competent governmental authorities, including without limitation the California Health and Safety Code, as presently existing and as may be amended from time to time ("Health & Safety Code"). PERMITTEE shall obtain all required permits and produce and deliver such documents as any and all responsible governmental agencies may require. PERMITTEE shall: (a) comply with all valid orders of the Water Quality Board; (b) file all required aboveground storage tank statements; (c) establish and maintain all required monitoring programs and systems; (d) report all spills as required; and (e) pay all lawfully-imposed penalties and fines.

- 42.5 Records and Inspection. PERMITTEE shall produce and maintain complete and accurate records related to Aboveground Tanks, including without limitation documentation related to permit applications, monitoring, inspections and testing data and results, equipment installation, repairing, closure and removal of Aboveground Tanks, and all unauthorized releases of Hazardous Substances from Aboveground Tanks. PERMITTEE shall keep such records in a format and location readily accessible by CITY and all other competent authorities for a period of not less than thirty-six (36) months after PERMITTEE permanently vacates the Permit Area. PERMITTEE shall make all such records available for inspection by CITY and all other competent authority.
- 42.6 Spill Prevention. PERMITTEE shall prepare and implement a spill prevention control countermeasure plan as required by the Health & Safety Code, and conduct periodic inspections to ensure compliance therewith.
- 42.7 Operator Agreements. PERMITTEE shall require each operator of an Aboveground Tank to comply with the Health & Safety Code as part of each agreement between PERMITTEE and each operator of an Aboveground Tank.
- 42.8 Legal Compliance. PERMITTEE shall comply with all laws, rules and regulations presently existing or hereafter enacted applicable to Aboveground Tanks.
- 43. Water Quality Assurances. PERMITTEE shall, at its sole cost and expense, comply with all laws, rules, regulations and direction of competent governmental authority (such as the San Diego Regional Water Quality Control Board) relating to water quality assurance and storm water management. PERMITTEE acknowledges and agrees that such legal requirements may change at any time and from time to time.
 - 43.1 NPDES. PERMITTEE shall comply with all applicable requirements of the National Pollutant Discharge Elimination System ("NPDES") permit in force on the Effective Date of this Permit (i.e., Permit No. R9-2007-0001), and any and all amendments thereto and all applicable succeeding NPDES permits.
 - 43.2 Stormwater Management. PERMITTEE shall comply with all applicable requirements of the San Diego Municipal Code Chapter 4, Article 3, Division 3:

Stormwater Management and Discharge Control (the "Stormwater Code"), and employ "Best Management Practices," as that term is defined by the Stormwater Code, and as approved by the City of San Diego, in its governmental capacity, under its Stormwater Management Program.

44. 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.
45. 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.
46. Survival. Any obligation which accrues under this Permit prior to its expiration or termination shall survive such expiration or termination.
47. 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.
48. 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.
49. Entire Agreement. This Permit constitutes 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, development, 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.
50. Counterparts. This Permit may be executed in one or more counterparts, each of which shall be deemed to constitute an original, but all of which, when taken together, shall constitute one and the same instrument.

51. 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

52. 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.

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53. 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 necessary to satisfy itself as to 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. PERMITTEE acknowledges and agrees that unless set forth in this Permit, CITY has no obligation to improve, modify, repair, replace, alter or otherwise develop the Permit Area at any time either prior to, on or after 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 PERMITTEE's employees, agents, contractors, subcontractors, invitees and PERMITTEE's property from any defects in the Permit Area, and shall be solely responsible therefor.

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

Approved as to form and legality:

SDG&E

BY: _____
Name: _____
Title: _____

SAN DIEGO GAS & ELECTRIC COMPANY, a
California corporation

BY: Andrew I. Thompson
Name: Andrew I. Thompson
Title: Land Services Manager

Approved as to form and legality:

JAN I. GOLDSMITH, City Attorney
BY: Alexis Jodkowski
Name: Alexis Jodkowski
Title: Deputy City Attorney

THE CITY OF SAN DIEGO, a California
municipal corporation

BY: Kristin Geitz
Name: Kristin Geitz
Title: Interim Director Real Estate Assets

Environmental Analysis Section Environmental Clearance:

This activity is categorically exempt from CEQA pursuant to State CEQA Guidelines, Section 15301 – Existing facilities and 15304(e) – Minor Alterations to Land.

Date: _____

BY: _____
Name: _____
Title: _____

53. 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 necessary to satisfy itself as to 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. PERMITTEE acknowledges and agrees that unless set forth in this Permit, CITY has no obligation to improve, modify, repair, replace, alter or otherwise develop the Permit Area at any time either prior to, on or after 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 PERMITTEE's employees, agents, contractors, subcontractors, invitees and PERMITTEE's property from any defects in the Permit Area, and shall be solely responsible therefor.

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

SAN DIEGO GAS & ELECTRIC COMPANY, a
California corporation

BY: _____
Name: _____
Title: _____

See previous page

THE CITY OF SAN DIEGO, a California
municipal corporation

BY: _____
Name: _____
Title: _____

Environmental Analysis Section Environmental Clearance:

This activity is categorically exempt from CEQA pursuant to State CEQA Guidelines, Section 15301 – Existing facilities and 15304(e) – Minor Alterations to Land.

Date: 8/12/14

BY: Melissa Heyman
Name: Melissa Heyman
Title: School Planner

Exhibit A: Permit Area
APN 433-230-36

