



CITY OF SAN DIEGO
FLAT RATE OFFICE LEASE
[4817 SANTA MONICA AVENUE, OCEAN BEACH]

BETWEEN

THE CITY OF SAN DIEGO,
A CALIFORNIA MUNICIPAL CORPORATION, AS LESSOR

AND

KRONE & BUSHARD, INC.,
A CALIFORNIA CORPORATION, AS LESSEE

CITY OF SAN DIEGO
FLAT RATE OFFICE LEASE
[4817 SANTA MONICA AVENUE, OCEAN BEACH]

THIS CITY OF SAN DIEGO FLAT RATE OFFICE LEASE ("Lease") is made by and between THE CITY OF SAN DIEGO, a California municipal corporation ("CITY"), as lessor, and, KRONE & BUSHARD, INC., a California corporation ("LESSEE"), as lessee, to be effective as of **November 1, 2013** (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. **Building.** This Lease shall be for a portion of the CITY-owned building ("Building") located at 4817 Santa Monica Avenue, San Diego, California 92107-2850.
2. **Premises.** CITY leases to LESSEE and LESSEE leases from CITY a portion of the Building known as Suite A-1 (the "Premises"), attached hereto and incorporated herein as **EXHIBIT A: The Premises**, consisting of approximately 301 square feet. LESSEE acknowledges and agrees that the square footage figure set forth in this Lease is an approximation for reference only, that the approximation is reasonable and shall not be subject to revision except with an actual physical change in the Premises.
3. **Allowed Use.** LESSEE shall use the Premises solely and exclusively for general office operations ("Allowed Use") and for no other purpose without CITY's prior written consent.
4. **Unauthorized Use Charge.** LESSEE shall pay CITY one hundred percent (100%) of the gross receipts from any use of the Premises that is not allowed by this Lease, regardless of any related penalties charged LESSEE by competent governmental authorities. Such unauthorized use charge shall be payable to CITY within thirty (30) days after LESSEE receives such gross receipts. The unauthorized use charge shall be considered "rent" under this Lease, and shall be subject to all costs and penalties for delinquent payments hereunder and shall not be considered or applied as satisfaction for any other rent obligations of LESSEE under this Lease. The existence of such unauthorized use charge and CITY's acceptance thereof shall not constitute authorization for the use in question, and shall not waive any of CITY's rights under this Lease.
5. **Term.** The term of this Lease ("Term") shall be three (3) years, commencing on the Effective Date.
6. **Monthly Rent.** LESSEE shall initially pay monthly rent ("Monthly Rent") in the amount of Nine Hundred Fifty Dollars (\$950). Monthly Rent will increase by three percent (3%) annually on the anniversary of the Effective Date of the Lease.
7. **Rent Payment.** LESSEE shall pay the Monthly Rent in advance on the first day of each month during the Term.

8. Place of Payment. All payments to be paid by LESSEE under this Lease 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 LESSEE. 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.

9. Delinquent Payments. If LESSEE fails to make any payment under this Lease when due, LESSEE 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, LESSEE 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 Lease 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. LESSEE shall pay to CITY any collection-referral fee and all other fees and charges plus interest as may then be charged by the San Diego 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 LESSEE'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, LESSEE 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.
10. Utilities. LESSEE shall order, obtain and pay for all utilities, and service and installation charges in connection with the operation of the Premises. All utilities except electricity and cable shall be installed underground. City shall pay for water.
11. Holdover. Any holding over by LESSEE after the termination of this Lease shall not be considered a renewal or extension of this Lease. LESSEE's occupancy of the Premises after the termination of this Lease shall constitute a tenancy at will, terminable upon three (3) days' prior written notice to quit the Premises, and all other terms and conditions of this

Lease shall continue in full force and effect except that CITY may then demand and receive from LESSEE rent up to one hundred twenty-five percent (125%) of the then fair market rent for the Premises' highest and best use, as determined by an appraisal prepared by a qualified appraiser chosen by CITY in its sole discretion, which rent shall be effective and due as of the first day of the holdover period, retroactively applied after the appraisal is made.

12. Surrender of Premises. Upon the expiration or earlier termination of this Lease, LESSEE shall vacate the Premises and surrender them to CITY free and clear of all liens and encumbrances, and in a condition reasonably satisfactory to CITY.

Clearing Liens. If LESSEE fails to so surrender the Premises to CITY free and clear of all liens and encumbrances, and in a condition reasonably satisfactory to CITY, LESSEE shall be solely responsible for and shall pay for (and shall reimburse CITY for any and all costs incurred by CITY for) the removal of such liens and encumbrances and putting the Premises in a condition reasonably satisfactory to CITY; this provision shall survive the expiration or termination of this Lease.

13. Quitclaim Deed. At any time after the expiration or earlier termination of this Lease, LESSEE shall execute and deliver to CITY, within thirty (30) days after CITY's request, a valid and recordable quitclaim deed covering all of the Premises. If LESSEE fails or refuses to deliver the required quitclaim deed, CITY may prepare and record a notice reciting LESSEE's failure to perform this Lease obligation, and the notice shall be deemed conclusive evidence of the termination of this Lease and all of LESSEE's rights in and to the Premises.

14. Governmental Approvals. By entering into this Lease, neither CITY nor the San Diego City Council ("City Council") is obligating itself to LESSEE or to any governmental agent, board, commission, or agency with regard to any other discretionary action relating to LESSEE's occupancy, use, development, maintenance or restoration of the Premises or improvements thereon. Discretionary action includes without limitation re-zonings, variances, environmental clearances and all other required governmental approvals.

No Determinations. LESSEE acknowledges and agrees that CITY has not made, nor now makes, any determinations regarding any aspect, sufficiency or legality of LESSEE's actual or intended use of the Premises or regarding any improvements LESSEE has made to the Premises, or any aspect thereof. Furthermore, CITY does not represent, warrant or guarantee any future approval by the City of San Diego, in its governmental capacity, or the City Council, of any use of or improvements to the Premises proposed or to be proposed by LESSEE or any aspect thereof, nor shall anything in this Lease be interpreted as representing, warranting or guaranteeing any such future approval.

15. CITY's Consent, Approval. CITY's consent or approval under this Lease shall mean the written consent or approval of the Mayor of San Diego, or his or her designee ("Mayor"), unless otherwise expressly provided or required by law. CITY's discretionary acts hereunder

shall be made in the Mayor's discretion, subject to applicable laws, rules, regulations and directives of competent governmental authorities.

16. Quiet Possession. LESSEE, performing the covenants and agreements in this Lease, shall at all times during the term of this Lease peaceably and quietly have, hold, and enjoy the Premises. If LESSEE is temporarily dispossessed through action or claim of a title superior to CITY's, this Lease shall not be voidable nor shall CITY be liable to LESSEE for any loss or resulting damages.
17. Reservation of Rights. The following reservation of rights and any and each exercise thereof shall be without compensation of any kind to LESSEE.

LESSEE EXPRESSLY WAIVES ANY CLAIM AGAINST CITY AND ITS ELECTED OFFICIALS, OFFICERS, EMPLOYEES, REPRESENTATIVES AND AGENTS FOR ANY BURDEN, EXPENSE OR LOSS WHICH LESSEE INCURS AS A RESULT OF CITY'S EXERCISING ITS RIGHTS RESERVED UNDER THIS SECTION.

Mineral Rights. CITY reserves all rights, title and interest in and to any and all subsurface natural gas, oil, minerals and water on or within the Premises.

Easements. CITY reserves the right to grant, establish and use easements and rights-of-way over, under, along, across and through the Premises for utilities, thoroughfares or access as it deems advisable for the public good.

Repairs. CITY may at all reasonable times upon reasonable prior notice to LESSEE (except in the event of an emergency, in which case no prior notice shall be required) enter upon the Premises for the purpose of making repairs to or developing municipal resources and services.

Noninterference. In the exercise of the rights reserved under this section, CITY shall not substantially unreasonably interfere with LESSEE's use of the Premises.

Costs. CITY shall pay the costs of maintenance and repair of all CITY installations made pursuant to these reserved rights.

18. Prohibited Uses. LESSEE shall not: (a) use the Premises except as permitted under this Lease; (b) make any alterations or changes to the Premises; (c) effect any repairs to the Premises without CITY's prior consent; (d) allow or permit any liens or encumbrances to be placed on any portion of the property of which the Premises are a part; (e) operate or use any machine or device which results in excess use of utilities; (f) use the Premises in any manner which may create a health, safety or fire hazard; (g) fail to pay all taxes assessed against LESSEE related to its tenancy, use or occupancy of the Premises; or (h) fail to obey the Building's "Rules and Regulations", as may be amended from time to time, attached hereto as **EXHIBIT B: Rules and Regulations**.

19. Maintenance. With the exception of the plumbing, heating, air conditioning, and major structural components of the building, such as roof, walls, floors, ceilings, and walkways, LESSEE shall maintain the Premises and all improvements, fixtures, and installations thereon in a decent, safe, healthy and sanitary condition reasonably satisfactory to CITY. CITY shall have no obligation or responsibility to remove debris, or to construct, maintain, repair or replace improvements, fixtures or installations other than plumbing, heating, air conditioning, and major structural components of the building, such as roof, walls, floors, ceilings, and walkways.

CITY's Right to Maintain. Notwithstanding any provision of this Lease allowing LESSEE an opportunity to correct a breach, if the Premises are not in a decent, safe, healthy or sanitary condition, or if LESSEE fails to perform LESSEE's maintenance obligations set forth above, CITY shall have the right but not the obligation, after ten (10) days prior written notice to LESSEE, to have any maintenance work done that is reasonably deemed by CITY to be necessary. LESSEE shall promptly pay CITY for all costs incurred for such work immediately upon receipt of an invoice therefor.

Performance Bond. CITY may require LESSEE to file with CITY a faithful performance bond to ensure the prompt correction of any condition which is not decent, safe, healthy and sanitary that LESSEE is obligated to maintain. The bond shall be in an amount reasonably determined by CITY to be adequate to correct the unsatisfactory condition. LESSEE shall pay the cost of the bond.

20. Waste, Damage, or Destruction. LESSEE shall not commit or allow to be committed any waste or any public or private nuisance on the Premises, shall keep the Premises clean and clear of refuse and obstructions, and shall dispose of all garbage, trash and rubbish in a manner satisfactory to CITY. If the Premises are put into a condition which is not decent, safe, healthy or sanitary, LESSEE shall restore the Premises to a decent, safe, healthy and sanitary condition within a reasonable time and to CITY's reasonable satisfaction.
21. Entry and Inspection. Upon reasonable prior notice to the LESSEE (except in the event of an emergency in which case no prior notice shall be required), CITY, as the lessor under this Lease with no effect on its governmental rights and powers, may enter and inspect the Premises and the operations conducted on the Premises, provided that such entry and inspection shall not unreasonably interfere with LESSEE's or LESSEE's subtenants' use of the Premises.
22. Keys. LESSEE acknowledges receipt of keys for the Premises. LESSEE may duplicate keys, at LESSEE's sole cost. LESSEE assumes the risk of lost keys. All keys, access cards, and all copies thereof must be returned to CITY upon termination of this Lease. LESSEE shall pay CITY all costs necessitated by a loss of any of LESSEE's keys or access cards, including without limitation costs for replacement of all Premises and Building locks. LESSEE shall provide CITY with a copy of the key used to open both gates in the fencing around the Building.

23. Signs. Other than pre-existing signs and marquees, LESSEE 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 Premises, LESSEE shall remove the item at its expense within twenty-four (24) hours after notice by CITY, or CITY may thereafter remove the item at LESSEE's cost.
24. Improvements/Alterations. No improvements, structures or installations shall be constructed on the Premises, and the Premises may not be altered, by LESSEE without CITY's prior written approval. LESSEE shall not make any structural or architectural design alterations to approved improvements, structures or installations on the Premises without CITY's prior written approval. This provision shall not relieve LESSEE of any maintenance obligation under this Lease. CITY shall not be obligated by this Lease to make or assume any expense for any improvements or alterations to the Premises.
25. Liens. LESSEE shall protect, defend, indemnify and hold CITY harmless from and against all claims for labor or materials in connection with operations, improvements, alterations or repairs on or to the Premises and the costs of defending against such claims, including without limitation reasonable attorney fees. If LESSEE causes improvements, alterations or repairs to be made to the Premises, and a lien or notice of lien is filed against the Premises, LESSEE shall notify CITY of the lien within five (5) days after LESSEE first becomes aware of the existence of the lien, and within thirty (30) days after the filing either: (a) take all actions necessary to record a valid release of the lien; or (b) file with CITY a bond, cash or other security acceptable to CITY sufficient to pay in full all claims of all persons seeking relief under the lien.
26. Indemnification and Hold Harmless. LESSEE 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 LESSEE's officers, employees, invitees, guests, agents or contractors, which arise out of or are in any manner directly or indirectly connected with LESSEE's acts or omissions in the performance of its rights and obligations under this Lease, and all expenses of investigating and defending against same, including without limitation attorney fees and costs; provided, however, that LESSEE's duty to indemnify and hold CITY harmless shall not include any established liability arising from the gross negligence or intentional misconduct of CITY or its elected officials, officers, employees, representatives or agents. CITY may, at its election, conduct the defense or participate in the defense of any claim related in any way to this indemnification. If CITY chooses at its own election to conduct its own defense, participate in its own defense, or obtain independent legal counsel in defense of any claim related to this indemnification, LESSEE shall pay all of the costs related thereto, including without limitation reasonable attorney fees and costs.
27. Insurance. LESSEE shall deliver to CITY's Real Estate Assets Department a current certificate of insurance and relevant endorsements for:
- (1) Commercial General Liability Insurance, providing coverage on the Premises for bodily injury, including death, personal injury, and property damage with limits of at least One

Million Dollars (\$1,000,000) per occurrence, subject to an annual aggregate of at least Two Million Dollars (\$2,000,000);

- (2) Automobile Liability Insurance, providing coverage on the Premises 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 Lease. 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 LESSEE's employees who are subject to this Lease, with Employers' Liability coverage with a limit of at least One Million Dollars (\$1,000,000).
- (4) Additional Insureds. Pursuant to a separate endorsement, "The City of San Diego, its elected officials, officers, employees, representatives and agents" shall be named as additional insureds in all policies issued to the named insured, including without limitation coverage under endorsement CG 2010 (11/85) or its equivalent.

Primary and Non-Contributory. Insurance policies shall be endorsed such that the coverage is primary and non-contributory to any coverage carried or maintained by CITY.

Qualified Insurer(s). All insurance required by the terms of this Lease 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.

Deductibles/Retentions. All deductibles and self-insured retentions on any insurance policy are the sole responsibility of LESSEE and must be disclosed and acceptable to CITY at the time evidence of insurance is provided.

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, LESSEE shall furnish a certificate(s) showing that a new or extended policy has been obtained which meets the requirements of this Lease. LESSEE shall provide proof of continuing insurance at least annually during the Term and otherwise upon CITY's request. If insurance lapses or is discontinued for any reason, LESSEE shall immediately notify CITY and shall immediately obtain replacement insurance.

Modification. To assure protection from and against the kind and extent of risk existing with the Allowed Uses, CITY, at its reasonable discretion, may require the revision of amounts and coverage at any time by giving LESSEE thirty (30) days prior written notice. LESSEE 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 Allowed Uses.

Accident Reports. LESSEE shall immediately report to CITY any accident causing property damage or injury to persons on the Premises or otherwise related to the Allowed Uses. 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.

Causes of Loss - Special Form Property Insurance. LESSEE shall obtain and maintain, at its sole cost, Causes of Loss - Special Form Property Insurance on all of LESSEE's insurable property related to the Allowed Uses of the Premises under this Lease or the Premises in an amount to cover 100 percent (100%) of the replacement cost. LESSEE shall deliver a certificate of such insurance to CITY's Real Estate Assets Department.

28. Hazardous Substances. LESSEE shall not knowingly and willfully permit the illegal installation, storage, utilization, generation, sale or release of hazardous or otherwise regulated substances in, on, under or from the Premises. LESSEE and LESSEE's agents and contractors shall not install, store, utilize, generate or sell any hazardous substance on the Premises without CITY's prior written consent. LESSEE 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.

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.

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.

Remediation. If LESSEE's occupancy, use, development, maintenance or restoration of the Premises results in a release of a hazardous substance or petroleum related substance or its chemical constituents, LESSEE shall pay all costs of remediation and removal to the CITY's satisfaction for unrestricted reuse of the Premises, and in

accordance with all applicable laws, rules, regulations and directives of governmental authorities.

Removal. If LESSEE or LESSEE'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 Premises, LESSEE and/or LESSEE's contractor or agent shall remove all hazardous substances and hazardous wastes in any type of container, equipment or device from the Premises immediately upon or prior to the expiration or earlier termination of this Lease. CITY reserves the right to conduct inspections of the Premises and/or request documentation demonstrating the legal removal and/or disposal of the hazardous materials, wastes or other containers, equipment or devices from the Premises. LESSEE 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.

Indemnity. LESSEE shall protect, defend, indemnify and hold CITY harmless from any and all claims, costs and expenses related to environmental liabilities resulting from LESSEE's occupancy, use, development, maintenance or restoration of the Premises, 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, LESSEE's officers, employees, invitees, guests, agents or contractors, or the public; and (vii) all costs of any health assessments or health effect studies.

Notice of Release. If LESSEE 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 Premises, LESSEE shall immediately notify CITY and any appropriate regulatory or reporting agency pursuant to California Code of Regulations Title 19 and any other applicable laws or regulations. LESSEE shall deliver a written report 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 LESSEE 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, LESSEE shall take all actions necessary to alleviate the danger. LESSEE 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 related to the Premises.

Environmental Assessment. Upon reasonable cause to believe that LESSEE's occupancy, use, development, maintenance or restoration of the Premises ("LESSEE's Operations"), resulted in any hazardous substance being released on, from or beneath the Premises, 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 LESSEE's sole cost and expense, and shall establish what, if any, hazardous substances have more likely than not been caused by LESSEE's Operations on, in, from or under the Premises, 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 Premises, 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. LESSEE shall cause, or if LESSEE 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 Premises and compliance with environmental law and regulations are achieved, and LESSEE shall pay all costs and expenses therefor.

29. Asbestos Disclosure. Portions of the Building may contain asbestos. LESSEE shall disclose to all appropriate parties the potential existence of asbestos in the Building. LESSEE shall protect, defend, indemnify and hold CITY harmless from any loss or claim by LESSEE and LESSEE's agents, guests, and invitees which may result from the existence of asbestos in the Building.
30. Asbestos. If either CITY or LESSEE makes improvements, alterations or repairs to the Building or Premises, the party causing such improvements, alterations or repairs shall be responsible for any asbestos removal, management or containment, and shall pay all costs associated therewith. Asbestos removal, management or containment shall be conducted in accordance with all applicable laws and as approved by CITY. CITY reserves the right to inspect any improvements, alterations or repairs to the Premises made by LESSEE. CITY may, at its discretion, station supervisory personnel at the work site to ensure that LESSEE's obligations under this section are fulfilled. Each party shall coordinate with the other any improvement, alteration or repair, and except in the event of an emergency, the party responsible for such work shall provide written notice to the other party at least fifteen (15) days prior to commencing the work.
31. Water Quality – Best Management Practices. The CITY and LESSEE are committed to the implementation of controls (best management practices, or BMPs) to manage activities on the premises in a manner which aids in the protection of the City of San Diego's precious water resources. It is the LESSEE's responsibility to identify and implement an effective combination of BMPs so as not to cause pollutant discharges to the storm drain system in violation of Section 43.03, Stormwater Ordinance. Therefore, LESSEE shall, at minimum, implement and comply, as applicable, with the BMPs for industrial and commercial facilities adopted under the San Diego Municipal Code Section 43.0307(a). It is ultimately the LESSEE's responsibility to prevent pollutant discharges to the storm drain system. Therefore, the LESSEE will identify and implement any additional BMPs that may be required to avoid the discharge of pollutants to the storm drain system.

32. Common Areas. The term “common areas” shall mean all areas and facilities outside the Premises and within the exterior boundary line of the Building (including all interior utility raceways within the Building) including the interior restrooms, kitchen, and conference room that are provided and designated by the CITY from time to time for non-exclusive use by CITY, LESSEE and other tenants of the Building.

LESSEE’s Rights. CITY grants to LESSEE during the Term, the non-exclusive license to use, in common with others, the common areas as they exist from time to time, subject to any rights reserved by CITY under this Lease.

Rules and Regulations. CITY shall have exclusive control and management of the common areas and may, from time to time, establish, modify, amend and enforce reasonable rules and regulations (“Rules and Regulations”) regarding the common areas, a current copy of which is attached hereto and incorporated herein as **Exhibit B: Rules and Regulations**. LESSEE shall abide by the Rules and Regulations, and shall cause its employees, suppliers, shippers, customers, contractors and invitees to abide by the Rules and Regulations. CITY shall not be responsible to LESSEE for any other tenant’s non-compliance with the Rules and Regulations.

LESSEE’s Waiver. LESSEE expressly waives any claim against CITY and its elected officials, officers, employees, representatives and agents for any burden, expense or loss which LESSEE incurs as a result of another tenant’s non-compliance with the Rules and Regulations.

Changes. CITY may, in CITY’s sole discretion and from time to time, make changes to the common areas, including without limitation making changes in the location, size, shape and number of driveways, entrances, parking spaces, parking area, loading and unloading areas, ingress and egress, direction of traffic, landscaped areas, walkways and utility raceways. CITY may temporarily close any common area for maintenance purposes, provided reasonable access to the Premises remains available. CITY may make improvements to the common areas and use the common areas while making improvements, alterations or repairs to any part of the Building, and do and perform such other acts and make other changes in, to or with respect to the Building as CITY may deem appropriate.

33. Assignment and Subletting. LESSEE shall not assign this Lease or any interest in this Lease without CITY’s prior written consent in each instance. LESSEE shall not sublet the Premises or any part of the Premises without CITY’s prior written consent in each instance. LESSEE shall not grant any license or other right or appurtenant privilege to the Premises, or permit any other person, except LESSEE’s employees, agents, guests, invitees and approved subtenants, to use or occupy the Premises or any part of the Premises without CITY’s prior written consent in each instance. Neither this Lease nor any interest in it shall be assignable, as to LESSEE’s interest, by operation of law, without CITY’s prior written consent in each instance. As used in this Lease, “assignment” shall include without limitation the transfer of any interest in this Lease and, if LESSEE is other than a natural person, the transfer of a

controlling interest in LESSEE or any of LESSEE's general partners, principals or controlling shareholders.

Consent Conditions. CITY may require, as a condition to consenting to any assignment, sublease or other grant of rights related to the use and occupancy of the Premises, that this Lease be revised to comply with then-current CITY lease provisions, and that the sublease be subject and subordinate to each and every provision of this Lease.

34. Charter Section 225. Pursuant to San Diego City Charter section 225, LESSEE and each of its assignees and subtenants shall make a full and complete disclosure of the name and identity of each and every person/entity directly or indirectly involved in this Lease and the precise nature of all interests of each such person. Each and every person/entity proposed to have an interest in this Lease shall be subject to CITY's review and approval, in CITY's sole discretion.
35. Compliance with Law. LESSEE shall at all times in the construction, maintenance, occupancy, restoration and operation of the Premises comply with all applicable laws, rules, regulations and directives of competent legal authority, at LESSEE's sole cost and expense. LESSEE shall promptly deliver to CITY copies of all documentary evidence of such compliance received by or otherwise available to LESSEE (e.g., validation of periodic inspections, if any).
36. California Public Records Act. CITY shall determine, in its sole discretion, whether information provided to CITY by LESSEE pursuant to this Lease is or is not a public record subject to disclosure under the California Public Records Act. LESSEE shall hold CITY, its elected officials, officers and employees harmless for CITY's disclosure of any such information in response to a request for information under the California Public Records Act.
37. Equal Opportunity. LESSEE 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 laws, rules, regulations and directives of competent governmental authority. LESSEE 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. LESSEE shall cause the foregoing provisions to be inserted in all commercial subleases and all contracts for any work covered by this Lease so that such provisions will be binding upon each commercial sublessee and contractor. LESSEE shall fully cooperate with any investigation conducted by the City of San Diego, in its governmental capacity, pursuant to its Nondiscrimination in Contracting Ordinance [San Diego Municipal Code sections 22.3501-22.3517, as amended from time to time], and upon CITY's request, LESSEE shall submit a current Workforce Report. LESSEE 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 Lease and debarment from participating in CITY contracts for a period of not less than one (1) year.

38. Equal Benefits. LESSEE shall comply with San Diego Municipal Code sections 22.4301-22.4308, as amended from time to time, which require lessees of CITY-owned property to offer the same employment benefits to employees with spouses and employees with domestic partners. LESSEE shall certify that it will maintain such equal benefits throughout the term of this Lease. LESSEE's failure to maintain equal benefits shall be a material default of this Lease.
39. Nondiscrimination. LESSEE shall not discriminate in any manner against any person or persons on account of race, color, religion, gender, sexual orientation, medical status, national origin, age, marital status, or disability in LESSEE's use of the Premises, including without limitation the provision of goods, services, facilities, privileges, advantages, and accommodations, and the hiring and retention of employees and contractors.
40. Disabled Access Compliance. LESSEE shall, at its sole cost and expense and as applicable to the Premises and LESSEE's possession, use and occupancy thereof, comply with the California Government Code, Sections 11135-11139.5; the Federal Rehabilitation Act of 1973, Section 504, Title V; the Americans with Disabilities Act of 1990 ("ADA"); and all other applicable laws, rules, regulations and directives of competent governmental authority protecting the rights of people with disabilities. LESSEE's compliance shall include without limitation the following:

LESSEE 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.

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 LESSEE.

LESSEE shall include language in each sublease agreement which indicates the sublessee's agreement to abide by the foregoing provisions of this section. LESSEE and each of its commercial sublessees shall be individually responsible for their own ADA employment programs.

LESSEE shall post a statement addressing the requirements of the ADA in a prominent place at the work site.

Where required by law, all improvements, fixtures, structures or installations on the Premises shall comply with municipal disabled-access requirements by bringing up to code and making accessible any areas of the Premises which deny access to disabled persons. As to LESSEE's use of the Premises and LESSEE's maintenance obligations under this Lease, LESSEE shall comply with the requirements of the ADA, as applicable.

LESSEE acknowledges and agrees that failure to comply with the above requirements and/or submitting false information in response to these requirements shall be a default of this Lease.

41. Drug-free Workplace. LESSEE shall abide by the omnibus drug legislation passed by Congress on November 18, 1988, by adopting and enforcing a policy to maintain a drug-free workplace by doing all of the following:

Publish a statement notifying employees that the unlawful manufacture, distribution, dispensation, possession or use of controlled substances are prohibited on the Premises and specifying the actions that will be taken against employees for violations of the prohibition; and

Establish a drug-free awareness program to inform employees about all of the following:

The dangers of drug abuse in the workplace;

LESSEE's policy of maintaining a drug-free workplace;

Any available drug counseling, rehabilitation, and employee assistance programs; and

The penalties that may be imposed upon employees for drug abuse.

LESSEE shall include in each of its sublicenses and contracts related to this Lease language obligating each sublicensee and contractor to comply with the provisions of this section to maintain a drug-free workplace. LESSEE, and each of its sublicensees and contractors, shall be individually responsible for their own drug-free workplace program.

42. Taxes. LESSEE shall pay, before delinquency, all taxes, assessments and fees assessed or levied upon the Premises or upon LESSEE's use and occupancy of the Premises, including without limitation licenses and permits, and including the land and any improvements or fixtures installed or maintained by LESSEE thereon. LESSEE acknowledges that this Lease may create a possessory interest subject to property taxation and that LESSEE may be subject to the payment of taxes levied on that possessory interest. LESSEE shall pay all such possessory interest taxes. LESSEE's payment of taxes, fees and assessments shall not reduce any rent due to the CITY. CITY shall not assume any responsibility for any taxes whatsoever resulting from LESSEE's possession, use or occupancy of the Premises.
43. Standard of Employees. LESSEE and its employees shall at all times conduct themselves and the operations on the Premises in a creditable manner.
44. Cost Recovery. LESSEE shall pay to CITY administrative fees as required under CITY's schedule of such fees as an offset to administrative costs incurred for CITY staff services that

are of benefit to LESSEE. CITY shall process applicable requests upon receipt of LESSEE's payment of such a fee. CITY, in its sole discretion, may update its fee schedule from time to time.

45. Local Business and Employment. LESSEE acknowledges that CITY seeks to promote employment and business opportunities for local residents and firms in all CITY contracts. For work associated with this Lease and to the extent legally possible, LESSEE shall use its best efforts to solicit applications for employment and bids and proposals for contracts from local residents and firms as opportunities occur. LESSEE shall use its best efforts to hire qualified local residents and firms whenever practicable.
46. Nondiscrimination. This Lease is made and accepted upon and subject to the covenant and condition, which shall run with the land, that LESSEE or any person claiming under or through LESSEE shall not establish or allow any discrimination against or segregation of any person or group of persons on account of race, color, religion, gender, disability, sexual orientation, marital status, national origin, ancestry, familial status or source of income in the possession, use and occupancy of the Premises or in the selection, location, number, use or occupancy of tenants, subtenants or vendees on the Premises.
47. Default. LESSEE shall be in default of this Lease if any of the following occurs:
- LESSEE fails to make any payment required under this Lease when due;
 - LESSEE breaches any of its obligations under this Lease, other than those requiring payment to CITY, and fails to correct the breach within thirty (30) days following written notice thereof from CITY, or if not curable within thirty (30) days, fails to commence to correct the breach within thirty (30) days and diligently pursue the cure to completion;
 - LESSEE voluntarily files or involuntarily has filed against it any petition under any bankruptcy or insolvency act or law, and such proceeding is not dismissed within sixty (60) days thereafter;
 - LESSEE is adjudicated a bankrupt; or
 - LESSEE makes a general assignment for the benefit of creditors.
48. Remedies. Upon LESSEE's default, CITY may, at its option, either terminate this Lease upon three (3) days prior notice delivered to LESSEE (or any person claiming rights through LESSEE), or deliver to LESSEE (or any person claiming rights through LESSEE) a thirty (30)-day written "Notice of Intent to Terminate" this Lease. If CITY delivers such a "Notice of Intent to Terminate" and LESSEE (or the persons claiming rights through LESSEE) does not cure the default within the thirty-day period, CITY may, upon three (3) days prior notice delivered to LESSEE (or any person claiming rights through LESSEE) terminate this Lease and all rights of LESSEE (and/or each person claiming rights through LESSEE) to the Premises or to possession of the Premises. Upon termination, CITY may enter and take possession of the Premises, and may recover from LESSEE the sum of:

the worth at the time of award of any unpaid rent that was due at the time of termination;

the worth at the time of award of the amount by which the unpaid rent that would have been earned after termination until the time of award exceeds the amount of rental loss, if any, that LESSEE affirmatively proves could have been reasonably avoided;

the worth at the time of award of the amount by which the unpaid rent for the balance of the term after the time of award exceeds the amount of rental loss, if any, that LESSEE affirmatively proves could be reasonably avoided;

any other amount necessary to compensate CITY for all the detriment proximately caused by LESSEE's breach and default, or that in the ordinary course of things, would be likely to result; and

all other amounts in addition to or in lieu of those previously stated as may be permitted at law or in equity.

As used in clauses above, the "worth at the time of award" is computed by allowing interest at the rate of five percent (5%) per annum. As used in clause (c), above, the "worth at the time of award" is computed by discounting that amount at the discount rate of the Federal Reserve Bank of San Francisco at the time of award plus two percent (2%). As used in this section, the term "rent" shall include rent and any and all other amounts payable by LESSEE under this Lease.

49. Abandonment by LESSEE. If LESSEE abandons the Premises, this Lease shall continue in effect as long as CITY does not terminate this Lease, and CITY may enforce all of its rights and remedies under this Lease, including without limitation the right to recover rent as it becomes due, plus damages.
50. Waiver. Any waiver by CITY of a breach or default by LESSEE shall not be a waiver of any other breach or default. No waiver shall be valid and binding unless in writing and executed by CITY. CITY's delay or failure to enforce a right or remedy shall not be a waiver of that or any other right or remedy under this Lease. The enforcement of a particular right or remedy for a breach or default shall not waive any other right or remedy for the same breach or default, or for any other or later breach or default. CITY's acceptance of any rents shall not be a waiver of any default preceding such payment. LESSEE acknowledges that the Premises are a part of publicly-owned property held in trust for the benefit of the citizens of the City of San Diego, and that any failure by CITY to discover a breach or default, or take prompt action to require the cure of any breach or default, shall not result in an equitable estoppel, but CITY shall at all times, have the legal right to require the cure of any breach or default. CITY's acceptance of a partial payment of rent shall not constitute a waiver of the balance of the rent payment due.

51. Eminent Domain. If all or part of the Premises is taken through condemnation proceedings or under threat of condemnation by any public authority with the power of eminent domain, the interests of CITY and LESSEE (or beneficiary or mortgagee) shall be as follows:

Full Taking. If the entire Premises are taken, this Lease shall terminate on the date of the transfer of title or possession to the condemning authority, whichever first occurs.

Partial Taking - Remainder Usable. If a partial taking of the Premises occurs, and in the opinion of CITY, the remaining part of the Premises are suitable for continued Lease operation, this Lease shall terminate in regard to the portion taken on the date of the transfer of title or possession to the condemning authority, whichever first occurs, but shall continue for the portion not taken. The rent shall be equitably reduced to reflect the portion of the Premises taken, only to the extent that LESSEE's operations are reduced or impaired.

Award. All monies awarded in any taking shall belong to CITY, whether the taking results in diminution in value of the leasehold or the fee or both. LESSEE shall be entitled to any award attributable to the taking of, or damages to, LESSEE's then-remaining leasehold interest in installations or improvements owned by LESSEE. CITY shall have no liability to LESSEE for any award not provided by the condemning authority.

Transfer. CITY has the right to transfer CITY's interests in the Premises in lieu of condemnation to any authority entitled to exercise the power of eminent domain. If a transfer occurs, LESSEE shall retain whatever interest it may have in the fair market value of any LESSEE-owned improvements on the Premises in accordance with this Lease.

No Inverse Condemnation. The exercise of any CITY right under this Lease shall not be interpreted as an exercise of the power of eminent domain and shall not impose any liability upon CITY for inverse condemnation.

52. Notices. Any notice required or permitted to be given under this Lease shall be in writing and may be served personally or by United States Postal Service, postage prepaid and addressed as follows:

THE CITY OF SAN DIEGO
Attn: Real Estate Assets Department
1200 Third Avenue, Suite 1700, MS-51A
San Diego, CA 92101

KRONE & BUSHARD, INC.
Attn: Alan W. Krone, President
4817 Santa Monica Avenue, Suite A-1
San Diego, CA 92107-2850

Any party entitled or required to receive notice under this Lease may by like notice designate a different address to which notices shall be sent.

53. Counterparts. This Lease may be executed in any number of counterparts, each of which when executed shall be deemed an original, but all of which together shall constitute one and the same instrument.
54. Cumulative Remedies. CITY's rights and remedies under this Lease are cumulative and shall not limit or otherwise waive or deny any of CITY's rights or remedies at law or in equity.
55. Survival. Any obligation which accrues under this Lease prior to its expiration or termination shall survive such expiration or termination.
56. Joint and Several Liability. If LESSEE 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 LESSEE under this Lease.
57. No Affiliation. Nothing contained in this Lease shall be deemed or construed to create a partnership, joint venture or other affiliation between CITY and LESSEE or between CITY and any other entity or party, or cause CITY to be responsible in any way for the debts or obligations of LESSEE or any other party or entity.
58. Entire Agreement. This Lease constitutes the entire agreement between the parties and supersedes any and all prior understandings, representations, warranties and agreements between them pertaining to this Lease and LESSEE's occupancy, use, development, maintenance and restoration of the Premises. Any modification, alteration or amendment of this Lease shall be in writing and signed by all the parties hereto.
59. Partial Invalidity. If any term, covenant, condition or provision of this Lease is found invalid, void or unenforceable by a court of competent jurisdiction, the remaining provisions shall remain in full force and effect.
60. Unavoidable Delay. If the performance of an act required by this Lease is directly prevented or delayed by a cause beyond the reasonable control of the party required to perform the act, that party shall be excused from performing the act for a period equal to the period of the prevention or delay. This provision shall not apply to obligations to pay rent. The party claiming a delay shall notify the other party in writing within ten (10) days after the beginning of any claimed delay.
61. Acceptance of Premises. By signing this Lease, LESSEE represents and warrants that it has independently inspected the Premises and made all tests, investigations and observations necessary to satisfy itself as to the condition of the Premises and its suitability for the Allowed Use. LESSEE further represents and warrants that it is not relying on any representation by CITY as to the condition of the Premises or its suitability for the Allowed Use or any particular use, and that LESSEE is relying solely on its own and independent

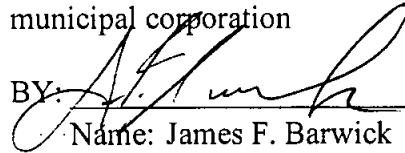
inspections, tests, investigations and observations of the Premises in entering into this Lease. LESSEE accepts the Premises in its current condition. LESSEE acknowledges and agrees that unless set forth in this Lease, CITY neither had nor has any obligation to improve, modify, repair, replace, alter or otherwise develop the Premises at any time either prior to, on or after the Effective Date. LESSEE shall not hold CITY responsible for any defects in the Premises. LESSEE accepts and assumes all risk of harm to all persons and property, including without limitation LESSEE's employees, agents, guests, invitees and subtenants, from any defects in the Premises, and shall be solely responsible therefor.

62. Authority to Contract. Each individual executing this Lease on behalf of another person or legal entity represents and warrants that they are authorized to execute and deliver this Lease 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. Each party represents and warrants that this Lease is binding upon such party in accordance with its terms. Each party which is not a natural person represents and warrants that it is a valid, qualified corporation, limited liability company, partnership or other unincorporated association in good standing in its home state and that it is qualified to do business in California.

IN WITNESS WHEREOF, this Lease is executed to be effective as of the Effective Date:

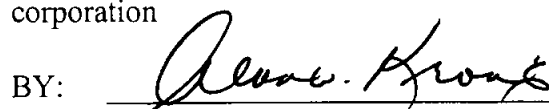
Date: 10/9/13

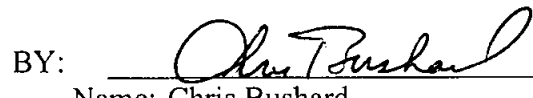
THE CITY OF SAN DIEGO, a California
municipal corporation

BY: 
Name: James F. Barwick
Title: Director, Real Estate Assets

KRONE & BUSHARD, INC., a California
corporation

Date: 10/1/13

BY: 
Name: Alan W. Krone
Title: President

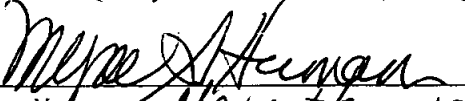
BY: 
Name: Chris Bushard
Title: Vice Pres.

[Additional signatures on following page.]

Environmental Analysis Section Environmental Clearance:

This activity is exempt pursuant to the California Environmental Quality Act Section 15301 (Existing Facilities).

Date: 11/1/13

BY: 
Name: Myra Hermann
Title: Schwartzman

Approved as to form and legality:

JAN I. GOLDSMITH, City Attorney

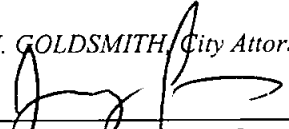
BY: 
Name: Jeremy Fonseca
Title: Deputy City Attorney

Exhibit A: The Premises

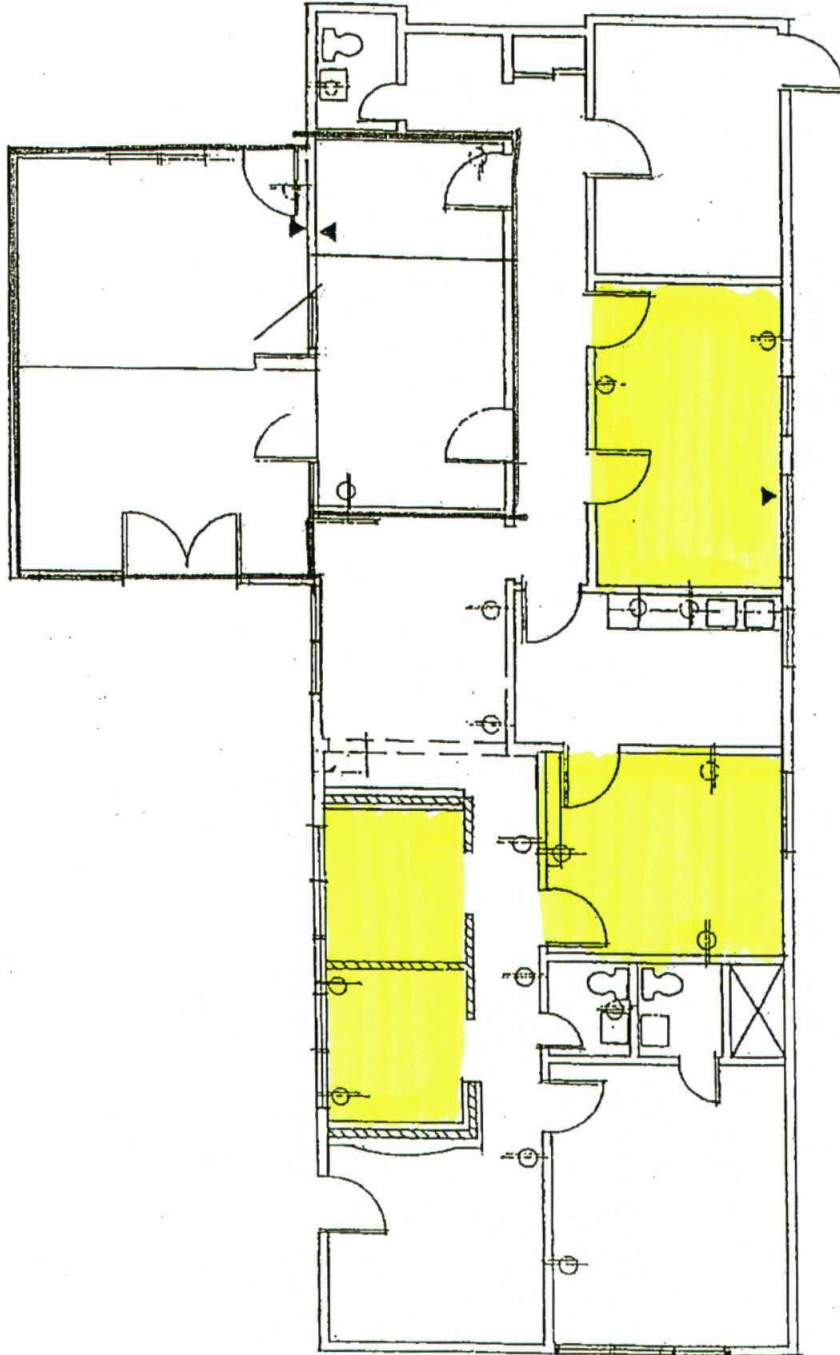
Exhibit B: Rules and Regulations

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EXHIBIT A

THE PREMISES

[4817 SANTA MONICA AVENUE, OCEAN BEACH]



First Floor

EXHIBIT B

RULES AND REGULATIONS

[4817 SANTA MONICA AVENUE, OCEAN BEACH]

1. The sidewalks, entrances, halls, corridors, elevators and stairways of the Building and Premises shall not be obstructed or used as a waiting or lounging place by any tenant or any tenant's agent, servant, employee, invitee, licensee or visitor. Entrance doors leading from the Premises to the hallways shall not be propped or kept open at any time.
2. In case of invasion, riot, public excitement or other commotion, CITY may prevent access to the Building during the continuance of same. CITY shall in no case be liable for damages for the admission or exclusion of any person to or from the Building. CITY may exclude or expel from the Building any person who, in CITY's judgment, is intoxicated or under the influence of liquor or drugs, or who is in violation of any of these Rules and Regulations.
3. CITY may require payment of a reasonable charge for any additional keys requested by LESSEE. LESSEE shall not have any keys made for the Premises, alter any lock, or install new or additional locks on any door without CITY's prior written consent in each instance. LESSEE shall provide CITY with a key for any such approved lock or bolt. Upon the expiration or termination of its tenancy, LESSEE shall deliver to CITY all keys in its possession for all locks in and around the Building and Premises. LESSEE shall pay to CITY immediately upon demand all costs related to LESSEE's loss of any Building or Premises key or access card.
4. LESSEE shall permit CITY's employees (or CITY's agents' employees) to maintain the Building.
5. CITY may prescribe the date, time, method and conditions that any personal property, equipment, trade fixtures, merchandise and other similar items shall be delivered to or removed from the Building. No iron safe or other heavy or bulky object shall be delivered to or removed from the Building, except by experienced safe men, movers or riggers approved in writing in advance by CITY. LESSEE shall pay CITY immediately upon demand for all damage done to the Building by the delivery or removal of such items, or by reason of their presence in the Building. Unless equipped with rubber tires, no hand trucks shall be used in any space, or in the halls of the Building, either by LESSEE, jobbers or others in the delivery or receipt of merchandise. Any Building freight elevator shall be available for use by all tenants in the Building. LESSEE's initial move-in and subsequent deliveries of bulky items, such as furniture, safes and similar items shall be subject to such scheduling as CITY, in its reasonable discretion, shall deem appropriate. Unless otherwise agreed to in writing by CITY, deliveries during normal office hours shall be limited to normal office supplies and other small items. No deliveries shall be made which unreasonably impede or interfere with other tenants or the operation of the Building.
6. LESSEE shall not cover or obstruct the walls, partitions, skylights, windows, doors or transoms that reflect or admit light into passageways or into any other part of the Building.

7. The restrooms, toilets, urinals, wash bowls, drains and water apparatus shall not be used for any purpose other than that for which they were constructed or installed, and no sweepings, rubbish, chemicals or other unsuitable substances shall be thrown or placed therein. LESSEE shall pay CITY immediately upon demand all costs related to any breakage, stoppage or damage resulting from violation of this rule by LESSEE or any of LESSEE's agents, employees, invitees, licensees or visitors.
8. No sign, name, placard, advertisement or notice visible from the exterior of any Premises, shall be inscribed, painted or affixed by LESSEE on any part of the Building without CITY's prior written consent in each instance. All signs, names, placards, advertisements or notices shall comply with CITY's Sign Ordinance (San Diego Municipal Code section 142.1201 *et seq.*, as amended from time to time). All signs or letterings on doors or otherwise must be approved by CITY and shall be inscribed, painted or affixed by a person approved by CITY at LESSEE's sole cost and expense. Pre-existing signs and marquees excluded.
9. No signaling, telegraphic or telephonic instruments or devices, burglar alarm systems or similar service, or other wire, instruments or devices, shall be installed in or on the Premises without CITY's prior written consent in each instance. Such installations and the boring or cutting for wires shall be made at LESSEE's sole cost and expense and under CITY's direction. CITY may require: (a) the installation and use of such electrical protecting devices that prevent the transmission of excessive currents of electricity into or through the Building; (b) the changing of wires and of their installation and arrangement underground or otherwise as CITY may direct; and (c) compliance on the part of all using or seeking access to such wires with such rules as CITY may establish relating thereto. All such wires used by LESSEE must be clearly tagged at the distribution boards and junction boxes and elsewhere in the Building, with the number of the Premises to which said wires lead, the purpose for which said wires are used, and the name of the provider operating same. Pre-existing burglar alarm and telephonic and computer devices excluded.
10. LESSEE, its agents, servants and employees, shall not:
 - go on the roof of the Building;
 - use any additional method of heating or air conditioning the Premises;
 - sweep or throw any dirt or other substance from the Premises into any of the halls, corridors, elevators or stairways of the Building;
 - bring in or keep in or about the Premises any vehicles or animals of any kind, except for service animals with CITY's prior written consent;
 - install any radio or television antennae or any other device or item on the roof, exterior walls, windows or window sills of the Building;

place objects against glass partitions, doors or windows which would be unsightly from the interior or exterior of the Building;
use the Premises for any manufacturing, storage or sale of merchandise or retailing property of any kind;

cause or permit unusual or objectionable odor to be produced or permeate from the Premises, including without limitation duplicating or printing equipment fumes;

install or operate any vending machines in the Premises without CITY's prior written consent in each instance; or

allow the operation of any musical or sound-producing instrument or device which may be heard outside the Premises or Building, or which may emit electrical waves which will impair radio or television broadcast or reception from or into the Building.

11. No canvassing, soliciting, distribution of hand bills or other written material, or peddling shall be permitted in the Building, and LESSEE shall cooperate with CITY in preventing and eliminating same.
12. LESSEE shall promptly notify CITY of all damage to or defects in heating, ventilating and air conditioning equipment, plumbing, electrical facilities or any part or appurtenance of the Building.
13. If the Premises becomes infested with pests or vermin, LESSEE, at its sole cost and expense, shall cause such pests or vermin to be exterminated from time to time to the CITY's reasonable satisfaction, and shall employ such exterminators as shall be approved by CITY.
14. No curtains, blinds, shades, screens, awnings or other coverings or projections of any nature shall be attached to or hung in, or used in connection with any door, window or wall of the Premises or of the Building without CITY's prior written consent in each instance.
15. LESSEE shall not place a load upon any floor of the Premises which exceeds the load per square foot which such floor was designed to carry and which is allowed by law. CITY may prescribe the weight, size and position of all equipment, materials, furniture or other property brought into the Building. Heavy objects shall stand on such platform as determined by CITY to be necessary to properly distribute the weight, which platform shall be provided at LESSEE's sole cost and expense. Business machines and mechanical equipment belonging to LESSEE, which cause noise or vibration that may be transmitted to the structure of the Building or to any space therein to such a degree as to be reasonably objectionable to CITY or to any tenant in the Building, shall be placed and maintained by LESSEE, at LESSEE's sole expense, on vibration eliminators or other devices sufficient to eliminate noise or vibration. CITY shall not be responsible for the loss or damage of any such equipment or other property for any cause. LESSEE shall pay CITY immediately upon demand all costs of damage done to the Building by maintaining or moving such equipment or other property.

16. LESSEE shall cooperate with CITY to assure the most efficient operation of the Building's heating, ventilating and air conditioning system.
17. LESSEE shall be responsible for the acts and omissions of its associates, employees, agents and any other person entering the Building or the Premises under LESSEE's express or implied invitation. LESSEE shall cooperate with CITY to assure compliance by all such parties with these Rules and Regulations.
18. CITY may make reasonable amendments, modifications and additions to these Rules and Regulations, and make additional reasonable rules and regulations, as in CITY's sole judgment may be needed from time to time for the safety, care, cleanliness and preservation or good order of the Building.
19. A request by LESSEE will be attended to only upon written application.
20. CITY may waive any one or more of these Rules and Regulations for the benefit of any tenant. No such waiver by CITY shall be construed as a waiver of such Rules and Regulations in favor of LESSEE or any other tenant, or prevent CITY from thereafter enforcing any such Rules and Regulations against any or all of the tenants of the Building.
21. LESSEE assumes all responsibility for protecting the Premises from theft, robbery and pilferage, which includes keeping doors locked and other means of entry to the Premises secured.