

**MEMORANDUM OF UNDERSTANDING FOR OCCUPANCY OF THE CONCOURSE
BY PURCHASING AND CONTRACTING DEPARTMENT-
PUBLISHING SERVICES DIVISION –
PRINT SHOP**

This Memorandum of Understanding for Occupancy of the Concourse ("MOU") is entered into by the **Real Estate Assets Department, ("CITY")** and **Purchasing and Contracting Department – Publishing Services Division – Print Shop ("DEPARTMENT")** for the purpose of setting forth the terms on which the Print Shop shall be permitted to occupy space at Plaza Hall in the Concourse for its operations.

CITY agrees to permit DEPARTMENT to occupy a portion of Plaza Hall in the City's Concourse at 202 "C" Street, San Diego, California to conduct DEPARTMENT'S business on the following terms and conditions:

1. Premises. A portion of Plaza Hall consisting of approximately 14,507 square feet as shown on the attached floor plan as Exhibit A ("Premises").
2. Use of Premises. The use of the Premises shall be limited to general office usage, print shop operations, and other related uses as may be approved in writing in advance by the City.
3. Term of Agreement. The initial term of this MOU shall be three years commencing March 1, 2019 and shall expire on February 28, 2022, unless DEPARTMENT requests a termination as provided in Section 4.
4. Early Termination. This MOU may be terminated by either party with ninety (90) days prior written notice to the other party.
5. Right to Extend. Provided that DEPARTMENT is not in default of this MOU or any extension and further subject to the original terms of this MOU and any subsequent amendments, this MOU will automatically extend for up to three (3) additional one (1) year periods. The rent for the extended term shall be three percent (3%) over the last month's rent and shall increase by three percent (3%) for each of the extended periods.
6. Holdover. Any holding over by DEPARTMENT after expiration or termination shall not be considered a renewal or extension of the MOU. The occupancy of the Premises after expiration or termination of this MOU constitutes a month-to-month occupancy, and all other terms and conditions of this MOU shall continue in full force and effect; provided, however, CITY shall have the right to apply an increase in rent to bring the rent to fair market value and the right to terminate the holdover occupancy at will.

7. Rent. Rent payment will be made quarterly at \$31,770.33 including cost for half of the loading dock. (\$127,081.32 annually).

DEPARTMENT shall pay its fair share of Concourse operating costs and capital expenditures as defined under Section 8 and Section 9.

8. Concourse Operating Costs, and Exterior Maintenance Reimbursement. DEPARTMENT shall pay a pro rata share of actual Concourse building operating and utility costs. DEPARTMENT'S share of these costs is based upon the following calculation:

Total Concourse building area (excluding basement) = 114,000 sq. ft.

DEPARTMENT occupied space at Plaza Hall in the Concourse = 14,507 sq. ft. (including half (425 sq. ft.) of the shared loading dock area of 850 sq. ft.)

DEPARTMENT shall be responsible for establishing an account with Central Store to procure their own restroom supplies and establishing an account with D2 Distribution for janitorial services.

DEPARTMENT shall reimburse CITY for DEPARTMENT'S share of estimated costs on a periodic basis. DEPARTMENT shall pay within thirty (30) days of receipt of the statement of actual costs.

The parties further agree that any change to the size of DEPARTMENT'S occupied space within the Concourse will require DEPARTMENT'S share of costs to be recalculated based upon the same formula.

9. Capital Expenditure Reimbursement. DEPARTMENT shall reimburse CITY for DEPARTMENT'S share of total costs of capital expenditures for the Concourse as and when payment is due.
10. Accident Reports. DEPARTMENT shall report to CITY any accident causing more than ten thousand dollars (\$10,000) worth of property damage or any serious injury to persons on the Premises. This report shall contain the names and addresses of the parties involved, a statement of the circumstances, the date and hour, the names and addresses of any witnesses, and other pertinent information.
11. Prohibited Uses. DEPARTMENT may not do the following, unless approved in writing in advance by CITY: (a) utilize the Premises for anything but the use stated in Paragraph 2; (b) make any alterations or changes to the Premises; (c) effect any non-emergency repairs to the Premises amounting to more than five thousand dollars (\$5,000) per instance; (d) allow or permit any liens or encumbrances to be placed on the Premises; (e) utilize the Premises in any manner which may create a health, safety or fire hazard. In the event of an emergency, repairs amounting to more than five thousand dollars (\$5,000) may be made by DEPARTMENT and must be reported in writing to CITY within forty-eight (48) hours after the emergency.

12. Possession by Department. CITY has made no promise to alter or improve the Premises or made any representation concerning the condition thereof. DEPARTMENT is currently in possession of the Premises and acknowledges the Premises are in good order and condition. DEPARTMENT will maintain the Premises in good condition and repair and will not cause or permit the Premises to be damaged or defaced. DEPARTMENT will make no alterations or additions to the Premises without CITY'S prior written consent. DEPARTMENT will return the Premises at the expiration of the term (or when appropriate at the end of each usage) in as good condition and repair as when DEPARTMENT received the Premises as the case may be, normal wear and tear excepted.
13. Amendment of Agreement. No amendment, modification or alteration of this MOU will be valid unless it is in writing and signed by all parties.
14. Entry and Inspection. CITY reserves and shall always have the right, but not the obligation, to enter Premises for the purpose of viewing and ascertaining the condition of the Premises, or to protect its interest in the Premises, or to inspect the operations conducted on the Premises. In the event that such entry or inspection by CITY discloses that the Premises are not in a decent, safe, healthy, and sanitary condition, CITY shall have the right, after ten (10) days written notice to DEPARTMENT, to have any necessary maintenance work done at the expense of DEPARTMENT. DEPARTMENT agrees to pay promptly any and all costs incurred by CITY in having such necessary maintenance work done, in order to keep the Premises in a decent, safe, healthy, and sanitary condition.
15. Improvements/Alterations. No improvements, structures or installations shall be constructed on the Premises, and the Premises may not be altered by DEPARTMENT without prior written approval by the City. Further, DEPARTMENT agrees that major structural or architectural design alterations to approved improvements, structures or installations may not be made on the Premises without prior written approval by the City and that such approval shall not be unreasonably withheld. This provision shall not relieve DEPARTMENT of any obligation under this Agreement to maintain the Premises in a decent, safe, healthy, and sanitary condition, including structural repair and restoration of damaged or worn improvements. CITY shall not be obligated by this Agreement to make or assume any expense for any improvements or alterations.
16. Compliance with Law. DEPARTMENT shall at all times in the construction, maintenance, occupancy, and operation of the Premises comply with all applicable City of San Diego Council Policies, all applicable City of San Diego Administration Regulations, all applicable laws, statutes, ordinances, and regulations of CITY, county, state, and federal governments at DEPARTMENT'S sole cost and expense. In addition, DEPARTMENT shall comply with any and all notices issued by the City or his

authorized representative under the authority of any such law, statute, ordinance or regulation.

17. Hazardous/Toxic Waste. For the purposes of this MOU and this provision, a release of hazardous substances shall include but not be limited to any spilling, leaking, pumping, pouring, emitting, emptying, discharging, injecting, escaping, leeching, dumping or otherwise disposing of hazardous substances. "Hazardous substances" shall mean those hazardous substances listed by the Environmental Protection Agency in regularly released reports and any other substances incorporated into the State's list of hazardous substances. A copy of the presently effective EPA and the State lists is on file in the Office of the City Clerk as Document 769704 and by this reference is incorporated herein.

If DEPARTMENT knows or has reasonable cause to believe that any hazardous substance has been released on or beneath the Premises, DEPARTMENT shall give written notice to the City within ten (10) days of receipt of such knowledge or cause for belief. Provided, however, if DEPARTMENT knows or has reasonable cause to believe that such substance is an imminent and substantial danger to public health and safety, DEPARTMENT shall notify the City immediately upon receipt of this knowledge or belief and shall take all actions necessary to alleviate such danger. DEPARTMENT will notify the City immediately of any notice of violation received or initiation of environmental actions or private suits relative to the Premises. In addition, DEPARTMENT shall not utilize or sell any hazardous substance on the property without the prior written consent of CITY.

18. Asbestos Disclosure. CITY discloses to DEPARTMENT that portions of the structural components of the Premises may contain asbestos. DEPARTMENT acknowledges having received notice from CITY of the presence of such asbestos in accordance with Health and Safety Code Section 25915. DEPARTMENT shall disclose to the appropriate parties the existence of asbestos on the Premises, as required by Health and Safety Code Section 25915.

19. Asbestos.

a. Improvement and Repair - CITY and DEPARTMENT agree that the party who undertakes the improvements and repairs, as provided for in this Agreement, shall also be responsible for any asbestos removal, management or containment and all asbestos costs associated with such improvements.

b. General Guidelines - Such asbestos removal or management shall be conducted in accordance with all applicable laws and as approved by CITY.

CITY reserves the right to inspect any work undertaken by DEPARTMENT pursuant to this MOU and to station supervisory personnel at the work site, at CITY'S sole discretion, to ensure that DEPARTMENT'S obligations are carried out. Both parties shall coordinate any repair and improvements with each other

and, except in the event of an emergency, the party undertaking a repair shall provide prior written notice to the other within fifteen (15) days of undertaking said repair.

- c. Asbestos Disturbance - The party responsible for any disturbance of asbestos-containing materials shall be responsible for any and all costs caused by their respective action.

20. Notices.

- a. Any notice required or permitted to be given pursuant to this MOU shall be in writing and may be served personally or by United States mail, postage prepaid, addressed to DEPARTMENT at the Premises or at such other address designated in writing by DEPARTMENT:

Purchasing and Contracting Department – Print Shop Division
Attn: Sam Merrill, Program Manager
1200 Third Avenue
M.S. 56P
San Diego, CA 92101

and to CITY as follows:

Real Estate Assets Department
Attn: Corporate Services
1200 Third Avenue, Suite 1700
M.S. 51A
San Diego, CA 92101

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

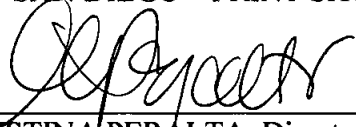
21. Assignment and Subletting. DEPARTMENT shall not assign this MOU, or any interest, and shall not sublet the Premises, or any part or any right or privilege pursuant to the MOU or allow any other person, except employees, agents, and guests of DEPARTMENT to use or occupy the Premises, or any part, without the prior written consent of the City or his designee, in each instance. A consent to assignment, subletting, occupation, or use by any other person shall not be deemed to be a consent to any subsequent assignment, subletting occupation or use. Any assignment, subletting occupation or use without such consent shall be void and shall, at the option of CITY, terminate this MOU. This MOU shall not, nor shall any interest contained in this MOU, be assignable as to the interest of DEPARTMENT by operation of law, without the written consent of the Mayor or his designee.

22. CITY Approval. The approval or consent of CITY, wherever required in this MOU, shall mean the written approval or consent of the City or his designee, unless otherwise specified.
23. Signature Page.

IN WITNESS WHEREOF, this Agreement shall be effective as of the Effective Date.

CITY OF SAN DIEGO – PRINT SHOP DIVISION

By: _____


KRISTINA PERALTA, Director
Purchasing and Contracting Department

Date: _____

2/6/2019

THE CITY OF SAN DIEGO, a California municipal corporation

By: _____


CYBELE L. THOMPSON, Director
Real Estate Assets Department

Date: _____

2/8/19

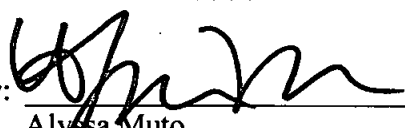
Environmental Analysis Section Environmental Clearance:

This activity is not a project pursuant to CEQA Guidelines Section 15378(b)(5), and thus, is not subject to CEQA pursuant to CEQA Guidelines Section 15060(c)(3).

Date: _____

2/26/19

By: _____


Alyssa Muto
Deputy Director, Planning Department

This activity is not a project as defined by the California Environmental Quality Act Section 21065 and State CEQA Guidelines Section 15378(b)(5), as it is an organizational or administrative activity of government that will not result in direct or indirect physical changes in the environment. The determination that this activity is not subject to CEQA, pursuant to Section 15060(c)(3), is not appealable and a Notice of Right to Appeal the Environmental Determination (NORA) is not required.

EXHIBIT A
FLOOR PLAN

