

OFFICE SUBLEASE AGREEMENT

THIS OFFICE SUBLEASE AGREEMENT ("Sublease") is entered into by and between THE CITY OF SAN DIEGO, a California municipal corporation ("CITY"), as sublessor, and THE SOUTHWEST BORDER HIGH INTENSITY DRUG TRAFFICKING AREA CALIFORNIA PARTNERSHIP, KNOWN AS CALIFORNIA BORDER ALLIANCE GROUP ("SUBLESSEE"), as sublessee, to be effective as of **JANUARY 1, 2011** (the "Effective Date"), when signed by the parties and approved by the San Diego City Attorney, as follows:

RECITALS

- A. CITY, as tenant, and EXECUTIVE ONE ASSOCIATES, an Illinois limited partnership ("Executive One"), as landlord, are parties to that certain OFFICE LEASE dated January 28, 1999, as amended by that certain FIRST AMENDMENT TO LEASE dated May 30, 2000, that certain SECOND AMENDMENT TO LEASE dated May 26, 2000 (the "Second Amendment"), that certain THIRD AMENDMENT TO LEASE dated October 31, 2000, that certain FOURTH AMENDMENT TO LEASE dated November 30, 2001, and that certain FIFTH AMENDMENT TO LEASE dated July 16, 2002 (the "Master Lease," attached hereto as **Exhibit A: Master Lease**), whereby CITY leased from Executive One certain office space located in that certain building located at 1010 Second Avenue, San Diego, California 92101 (the "Building").
- B. The Second Amendment added the nineteenth (19th) floor of the Building to the definition of the "Premises" under the Master Lease. The 19th floor consists of approximately 8,929 rentable square feet, and is more particularly described in the Second Amendment.
- C. SUBLESSEE wants to sublease the 19th floor of the Building (the "Sublease Premises") from CITY.

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

- 1. Sublease. CITY leases the Sublease Premises to SUBLESSEE and SUBLESSEE leases the Sublease Premises from CITY under the terms and conditions of this Sublease. LESSEE acknowledges and agrees that the square footage figure set forth in this Sublease is a reasonable approximation for the Sublease Premises and shall not be subject to revision except with an actual physical change in the Sublease Premises.
- 2. Subordination. This Sublease shall be subject to and subordinate to the terms, covenants and conditions of the Master Lease. All terms and conditions of the Master Lease shall control and supersede each provision of this Sublease that is or becomes contrary to or in conflict with the Master Lease.
- 3. Term. The term of this Sublease ("Term") shall be three (3) years, commencing on the Effective Date and expiring on December 31, 2013.

4. Termination. Notwithstanding any other provision of this Sublease, if federal funding for SUBLESSEE'S operations is eliminated, SUBLESSEE may terminate this Sublease with ninety (90) days prior written notice to CITY.
5. Holdover. Any holding over by SUBLESSEE after the expiration or earlier termination of this Sublease shall not be considered a renewal or extension of this Sublease. SUBLESSEE acknowledges that the Master Lease expires on the March 31, 2014. If CITY surrenders the Sublease Premises to the Master Lease landlord upon the expiration or earlier termination of the Master Lease, SUBLESSEE shall immediately vacate the Sublease Premises. If CITY does not surrender the Sublease Premises to the Master Lease landlord upon the expiration or earlier termination of the Master Lease, SUBLESSEE'S occupancy of the Sublease Premises after the expiration or earlier termination of this Sublease shall constitute a month-to-month tenancy subject to the Master Lease, and all other terms and conditions of this Sublease shall continue in full force and effect, and SUBLESSEE shall pay rent to CITY during any holdover period at the same rate CITY is obligated to pay under the Master Lease during such holdover period, and CITY may terminate at will SUBLESSEE'S holdover tenancy.
6. Rent. SUBLESSEE shall pay to CITY rent (the "Sublease Rent") at the same rental rates CITY is obligated to pay under the Master Lease as of the Effective Date, as follows:

January 1, 2011 through March 31, 2011:	\$14,197.11 per month
April 1, 2011 through March 31, 2012:	\$14,375.69 per month
April 1, 2012 through March 31, 2013:	\$14,554.27 per month
April 1, 2013 through December 31, 2013:	\$14,732.85 per month
7. Operating Expenses. SUBLESSEE shall pay to CITY, in addition to the Sublease Rent, an amount equal to two and three-quarters percent (2.75%) of the Building's operating expenses, as defined in the Master Lease, as billed to CITY under the Master Lease, and as additional rent, due and payable as invoiced by CITY.
8. Time and Place of Payment. Rent shall be due and payable monthly in advance on or before the first day of each calendar month during the Term. Checks should be made payable to "City Treasurer" and mailed with an applicable invoice to:

THE CITY OF SAN DIEGO
Office of the City Treasurer
P.O. Box 129030
San Diego, CA 92112-9030

or delivered to the Office of the City Treasurer, Civic Center Plaza Building, 1200 Third Avenue, First Floor, San Diego, CA 92101.

9. Use. SUBLESSEE shall use the Sublease Premises solely for general office and meeting assembly purposes and for no other purpose whatsoever without CITY'S prior written consent in each instance.

10. CITY'S Consent, Approval. Whenever required under this Sublease, CITY'S consent or approval shall mean the written consent or approval of the San Diego City Manager, or his or her designee ("City Manager"). "City Manager" shall be deemed to refer to the Mayor of San Diego or his or her designee for the duration CITY operates under the mayor-council (commonly referred to as "strong mayor") form of governance pursuant to Article XV of The City Charter of the City of San Diego, California.
11. Governmental Approvals. By entering into this Sublease, neither CITY nor CITY'S City Council is obligating itself to any governmental agent, board, commission, or agency with regard to any other discretionary action relating to SUBLESSEE'S occupancy, use, development, maintenance, or restoration of the Sublease Premises. Discretionary action includes without limitation re-zonings, variances, environmental clearances, and all other required governmental approvals.
12. Suitability; Alterations. SUBLESSEE acknowledges that the Sublease Premises are in good condition and suitable for the use contemplated by this Sublease. SUBLESSEE shall not make any alternations, improvements or additions on or about the Sublease Premises without CITY'S prior written consent.
13. Utilities. SUBLESSEE shall order, obtain, and pay for all utilities and service and installation charges in connection with its use of the Sublease Premises.
14. Maintenance. SUBLESSEE shall, at its sole expense, maintain the Sublease Premises in good order and repair and in a safe, healthy, and sanitary condition at all times during the Term. Upon expiration or earlier termination of this Sublease, SUBLESSEE shall surrender and vacate the Sublease Premises in broom-clean, good condition to CITY'S satisfaction, normal wear and tear excepted, and shall, without expense to CITY, remove or cause to be removed from the Sublease Premises all debris and rubbish, all furniture, equipment, business and trade fixtures, movable partitions, and other articles of personal property owned by SUBLESSEE.
15. Compliance with Laws. SUBLESSEE shall, at its sole cost and expense, comply with all rules, regulations, and laws, and all direction by competent authority, which now or hereafter pertain to SUBLESSEE'S occupancy, use, development, maintenance, and restoration of the Sublease Premises.
16. Encumbrances. SUBLESSEE shall keep the Sublease Premises free from all encumbrances and liens of any nature which arise out of or are in any manner directly or indirectly connected with this Sublease or SUBLESSEE'S occupancy, use, development, maintenance, or restoration of the Sublease Premises. SUBLESSEE shall protect, defend, indemnify, and hold CITY harmless from and against any and all such encumbrances and/or liens, and from and against any claim, liability, cost or expense, including without limitation all attorney fees and costs, relating to or charged against the Sublease Premises, including without limitation SUBLESSEE'S failure or the failure of any contractor or

subcontractor hired by SUBLESSEE to pay any person or persons referred to in Section 3181 of the California Civil Code or other applicable sections thereof.

17. Improvements/Alterations. SUBLESSEE shall not construct any improvements, structures, or installations on the Sublease Premises, and shall not alter the Sublease Premises without CITY'S prior written consent. SUBLESSEE shall not make any major structural or architectural design alterations to approved improvements, structures or installations on the Sublease Premises without CITY'S prior written consent. This provision shall not relieve SUBLESSEE of any obligation under this Sublease to maintain the Sublease Premises in a decent, safe, healthy, and sanitary condition, including structural repair and restoration of damaged or worn improvements. 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 Sublease Premises.
18. Ownership of Improvements and Personal Property.
 - a. Improvements. Upon expiration or termination of this Sublease, SUBLESSEE shall remove any and all improvements, fixtures, structures, and installations or additions to the Sublease Premises that were constructed or installed on the Sublease Premises by SUBLESSEE. SUBLESSEE shall, at SUBLESSEE'S sole cost and expense, remove such items as soon as practicable, but in no event later than sixty (60) days after the expiration or earlier termination of this Sublease. SUBLESSEE, at its sole cost and expense, shall be responsible for the repair of any and all damage resulting from the removal of its improvements, structures, and installations as required by this Sublease. If SUBLESSEE fails to remove its improvements, structures, and installations as required, CITY may, at its option, remove them at SUBLESSEE'S sole cost and expense. Notwithstanding the foregoing, CITY may, upon notice to SUBLESSEE at termination or at any time prior to the expiration of the Term, elect to assume ownership of all or any SUBLESSEE-installed permanent improvements, fixtures, structures, and installations.
 - b. Personal Property. SUBLESSEE shall remove SUBLESSEE-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 Sublease. Any such items which SUBLESSEE 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 SUBLESSEE'S sole cost and expense. SUBLESSEE, 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 Sublease Premises.
 - c. Late Removal. Notwithstanding any provision of this Sublease to the contrary, SUBLESSEE shall pay rent to CITY for any period of time after the expiration or termination of this Sublease needed to remove improvements or personal property as required by this Sublease, whether by CITY or SUBLESSEE. 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 Sublease.

- d. CITY'S Right to Acquire Personal Property. If SUBLESSEE wants to dispose of any of its personal property used in its operations on the Sublease Premises upon expiration or termination of this Sublease, CITY shall have the first right to acquire such personal property.
19. Entry and Inspection. CITY may, but shall not be obligated to, enter the Sublease Premises for the purpose of viewing and ascertaining the condition of the Sublease Premises, to protect its interests in the Sublease Premises, or to inspect the operations conducted on the Sublease Premises. If the Sublease Premises are not in a decent, safe, healthy and sanitary condition, CITY may, after ten (10) days prior notice to SUBLESSEE, have any necessary maintenance work done at SUBLESSEE'S sole expense. SUBLESSEE shall pay CITY on demand any and all costs to put the Sublease Premises in a decent, safe, healthy, and sanitary condition. The rights reserved in this section shall not create or increase any obligation of CITY under this Sublease.
20. Signs. SUBLESSEE shall only post signs which are required by federal, state, or local regulations. SUBLESSEE shall not erect or display any banners, pennants, flags, posters, signs, decorations, marquees, awnings, or similar devices or advertising on the Sublease Premises without CITY'S prior written consent. If any unauthorized item is found on the Sublease Premises, SUBLESSEE shall remove the item at its expense within twenty-four (24) hours after CITY'S notice, or CITY may then enter the Sublease Premises and remove the item at SUBLESSEE'S cost.
21. Insurance. SUBLESSEE shall deliver to CITY'S Real Estate Assets Department a current certificate of insurance for:
 - (1) Commercial General Liability Insurance, providing coverage on the Sublease Premises 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);
 - (2) Automobile Liability Insurance, providing coverage on the Sublease 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 Sublease. 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 SUBLESSEE'S employees who are subject to this Sublease, with Employers' Liability coverage with a limit of at least One Million Dollars (\$1,000,000).

- a. Additional Insureds. Pursuant to a separate endorsement [CG2010 (11/85) or equivalent form], "The City of San Diego, its elected officials, officers, employees, representatives, and agents" shall be named as additional insureds in all policies.
- b. Primary & Non-Contributory. Insurance policies shall be endorsed such that the coverage is primary and non-contributory to any coverage carried or maintained by CITY.
- c. Qualified Insurer(s). All insurance required by the terms of this Sublease 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.
- d. Deductibles/Retentions. All deductibles and self-insured retentions on any insurance policy are the sole responsibility of SUBLESSEE and must be disclosed and acceptable to CITY at the time evidence of insurance is provided.
- e. Continuity of Coverage. All policies shall be in effect on or before the first day of the Term, except "course of construction fire insurance" shall be in force on commencement of all authorized construction, and full applicable fire insurance coverage shall be effective upon completion of each insurable improvement. The policies shall be kept in force for the duration of the Term. At least thirty (30) days prior to the expiration of each insurance policy, SUBLESSEE shall furnish a certificate(s) showing that a new or extended policy has been obtained which meets the requirements of this Sublease. SUBLESSEE shall provide proof of continuing insurance at least annually during the Term. If insurance lapses or is discontinued for any reason, SUBLESSEE shall immediately notify CITY and obtain replacement insurance as soon as possible.
- f. Modification. To assure protection from and against the kind and extent of risk existing with the Sublease Use or the Sublease Premises, CITY, at its discretion, may require the revision of amounts and coverage at any time during the Term by giving SUBLESSEE thirty (30) days prior written notice. SUBLESSEE 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 Sublease Use or the Sublease Premises.
- g. Accident Reports. SUBLESSEE shall immediately report to CITY any accident causing property damage or injury to persons and related to the Sublease Use or the Sublease Premises. 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.

- h. Causes of Loss - Special Form Property Insurance. SUBLESSEE shall obtain and maintain, at its sole cost, Causes of Loss - Special Form Property Insurance on all of SUBLESSEE'S insurable property related to the Sublease Use or the Sublease Premises in an amount to cover 100 percent (100%) of the replacement cost. SUBLESSEE shall deliver to CITY a certificate of such insurance.
22. Assignment and Subleasing. SUBLESSEE shall not assign this Sublease or any of its obligations hereunder, or sublet any part of the Sublease Premises without CITY'S prior written consent. An assignment by operation of law shall automatically terminate this Sublease.
23. Indemnification & Hold Harmless. SUBLESSEE 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 SUBLESSEE'S officers, employees, invitees, guests, agents, or contractors, which arise out of or are in any manner directly or indirectly connected with this Sublease or SUBLESSEE'S occupancy, use, development, maintenance, or restoration of the Sublease Premises, and all expenses of investigating and defending against same, including without limitation attorney fees and costs; provided, however, that SUBLESSEE'S duty to indemnify and hold harmless shall not include any claims or liability arising from the gross negligence, recklessness, or intentional misconduct of CITY and its elected officials, officers, employees, representatives, and agents.
24. Hazardous Substances. SUBLESSEE shall not allow the installation, storage, utilization, generation, sale or release of hazardous or otherwise regulated substances in, on, under, or from the Sublease Premises. SUBLESSEE and SUBLESSEE'S agents and contractors shall not install, store, utilize, generate, or sell any hazardous substance on the Sublease Premises without CITY'S prior written consent. SUBLESSEE shall, prior to initiating any operations, obtain all required Subleases from applicable regulatory agencies, including without limitation the San Diego County Department of Environmental Health, local fire agencies, the San Diego County Department of Weights and Measures, the San Diego County Air Pollution Control District, and the San Diego Regional Water Quality Control Board. Installing, utilizing, storing, or any other presence of a hazardous substance includes boxes, bags, bottles, drums, cylinders, above or below ground tanks, equipment with tanks, or any other type of container, equipment, or device which holds or incorporates a hazardous substance or hazardous waste.
- a. Release. For the purposes of this provision, a release shall include without limitation any spilling, leaking, pumping, pouring, emitting, emptying, discharging, injecting, escaping, leaching, dumping, or otherwise disposing of hazardous substances. "Hazardous substances" shall mean any hazardous liquid, solid, or gaseous material substances listed by the Environmental Protection Agency or the State of California as a hazardous substance, and any type of petroleum-related substances and their chemical constituents. A copy of the presently effective EPA and the State lists is on file in the Office of the City Clerk as Document 769704 and is hereby incorporated into this

Sublease.

- b. Remediation. If SUBLESSEE'S occupancy, use, development, maintenance, or restoration of the Sublease Premises results in a release of a hazardous substance, or petroleum related substance or its chemical constituents, SUBLESSEE shall pay all costs of remediation and removal to the CITY's satisfaction for unrestricted reuse of the Sublease Premises, and in accordance with all applicable laws, rules, and regulations of governmental authorities.
- c. Removal. If SUBLESSEE or SUBLESSEE's contractor or agent has received approval and Subleases to store, utilize, generate, or install, or otherwise bring hazardous materials or hazardous wastes to the Sublease Premises, SUBLESSEE and/or SUBLESSEE's contractor or agent shall remove all hazardous substances and hazardous wastes in any type of container, equipment, or device from the Sublease Premises immediately upon or prior to the expiration or earlier termination of this Sublease. CITY reserves the right to conduct inspections of the Sublease 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 Sublease Premises. SUBLESSEE shall be responsible for any and all costs incurred by CITY to remove any container, equipment, or device requiring disposal or removal as required by this provision.
- d. Indemnity. SUBLESSEE shall protect, defend, indemnify, and hold CITY harmless from any and all claims, costs, and expenses related to environmental liabilities resulting from SUBLESSEE'S occupancy, use, development, maintenance, or restoration of the Sublease 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, SUBLESSEE'S officers, employees, invitees, guests, agents, or contractors, or the public; and (vii) all costs of any health assessments or health effect studies. CITY shall protect, defend, indemnify, and hold SUBLESSEE harmless from any and all claims, costs, and expenses related to environmental liabilities arising solely from conditions existing, or acts or omissions occurring, prior to SUBLESSEE'S occupancy of the Sublease Premises.
- e. Notice of Release. If SUBLESSEE 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 Sublease Premises, SUBLESSEE shall immediately notify CITY and any appropriate regulatory or reporting agency per California Administrative Code Title 19 and any other applicable laws or regulations. SUBLESSEE 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 SUBLESSEE 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, SUBLESSEE shall take

all actions necessary to alleviate the danger. SUBLESSEE 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 Sublease Premises.

- f. Environmental Assessment. Upon reasonable cause to believe that SUBLESSEE'S occupancy, use, development, maintenance, or restoration of the Sublease Premises ("SUBLESSEE'S Operations"), resulted in any hazardous substance being released on, from or beneath the Sublease 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 SUBLESSEE'S sole cost and expense, and shall establish what, if any, hazardous substances have more likely than not been caused by SUBLESSEE'S Operations on, in, from or under the Sublease 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 Sublease 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. SUBLESSEE shall cause, or if SUBLESSEE 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 Sublease Premises and compliance with environmental law and regulations are achieved, and SUBLESSEE shall pay all costs and expenses therefor.
25. Default. SUBLESSEE shall be in default of this Sublease if: (a) SUBLESSEE fails to make any payment required by this Sublease when due; or (b) SUBLESSEE breaches any of its non-monetary obligations under this Sublease and fails to cure the breach within thirty (30) days following written notice thereof from CITY, or if not curable within thirty (30) days, fails to commence to cure the breach within thirty (30) days and diligently pursue the cure to completion.
26. Remedies. Upon SUBLESSEE'S default, CITY may, at its option, give SUBLESSEE, or any person claiming rights through SUBLESSEE, a written "Three Day Notice to Pay or Quit", or CITY may terminate this Sublease and all rights of SUBLESSEE, and all persons claiming rights through SUBLESSEE, to the Sublease Premises or to possession of the Sublease Premises. Upon termination, CITY may enter and take possession of the Sublease Premises, and may recover from SUBLESSEE the sum of:
- a. the worth at the time of award of any unpaid rent that was due at the time of termination;
 - b. 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 SUBLESSEE affirmatively proves could have been reasonably avoided;

- c. 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 SUBLESSEE affirmatively proves could be reasonably avoided;
- d. any other amount necessary to compensate CITY for all the detriment proximately caused by SUBLESSEE'S breach and default, or that in the ordinary course of things, would be likely to result; and
- e. all other amounts in addition to or in lieu of those previously stated as may be permitted from time to time by California law.

As used in clauses (a) and (b), above, the "worth at the time of award" is computed by allowing interest at the rate of ten percent (10%) 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 Remedies Section, the term "rent" shall include rent and any other amounts payable by SUBLESSEE under this Sublease.

- 27. Abandonment by SUBLESSEE. If SUBLESSEE abandons the Sublease Premises, this Sublease shall continue in effect as long as CITY does not terminate this Sublease, and CITY may enforce all of its rights and remedies under this Sublease, including without limitation the right to recover rent as it becomes due, plus damages.
- 28. Waiver. CITY'S failure to insist upon the strict performance of any of SUBLESSEE'S obligations under this Sublease, 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 Sublease, 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.
- 29. Legal Proceedings. If any party brings an action or proceeding against another party under this Sublease, the prevailing party shall be entitled to recover from the non-prevailing party all reasonable costs and expenses thereof, including without limitation reasonable attorney fees and costs. The "prevailing party" shall be that party who obtains substantially the result sought, whether by settlement, dismissal, or judgment.
- 30. Cumulative Remedies. CITY'S rights and remedies under this Sublease are cumulative and shall not limit or otherwise waive or deny any of CITY'S rights or remedies at law or

in equity.

31. Survival. Any obligation which accrues under this Sublease prior to its expiration or termination shall survive such expiration or termination.
32. Joint and Several Liability. If SUBLESSEE 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 SUBLESSEE under this Sublease.
33. No Affiliation. Nothing contained in this Sublease shall be deemed or construed to create a partnership, joint venture, or other affiliation between CITY and SUBLESSEE or between CITY and any other entity or party, or cause CITY to be responsible in any way for the debts or obligations of SUBLESSEE or any other party or entity.
34. Entire Understanding. This Sublease constitutes the entire agreement between the parties and supersedes any and all prior understandings, representations, warranties, and agreements between them pertaining to this Sublease and SUBLESSEE'S occupancy, use, development, maintenance, and restoration of the Sublease Premises. Any modification, alteration, or amendment of this Sublease shall be in writing and signed by all the parties hereto.
35. Successors and Assigns. Except as otherwise provided in this Sublease, all of the terms, covenants, and conditions of this Sublease shall apply to, benefit, and jointly and severally bind the successors and assigns of the respective parties.
36. Nondiscrimination. SUBLESSEE 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 physical disability in SUBLESSEE'S use of the Sublease Premises, including without limitation the provision of goods, services, facilities, privileges, advantages, and accommodations, and the obtaining and holding of employment.
37. Notices. Any notice required or permitted to be given under this Sublease shall be in writing and may be served personally or delivered by United States mail, postage prepaid, and addressed as follows:

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

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

CALIFORNIA BORDER ALLIANCE GROUP
1010 Second Avenue, Suite 1900
San Diego, California 92101

38. Taxes. SUBLESSEE shall pay, before delinquency, all taxes, assessments, and fees assessed or levied upon SUBLESSEE or the Sublease Premises, including any structures, machinery, equipment, appliances, or other improvements or property of any nature whatsoever erected, installed, or maintained by SUBLESSEE, or levied by reason of SUBLESSEE'S occupancy, use, development, maintenance, or restoration of the Sublease Premises, including without limitation licenses or subleases. SUBLESSEE acknowledges that this Sublease may create a possessory interest subject to property taxation, and that SUBLESSEE may be subject to the payment of taxes levied on that interest. SUBLESSEE shall pay all such possessory interest taxes. SUBLESSEE'S payment for such taxes, fees, and assessments shall not reduce any amount payable to CITY under this Sublease.
39. Disabled Access Compliance. SUBLESSEE 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.
40. Partial Invalidity. If any term, covenant, condition, or provision of this Sublease is found invalid, void, or unenforceable by a court of competent jurisdiction, the remaining provisions shall remain in full force and effect.
41. Captions. The section headings and captions for various articles and paragraphs shall not be held to define, limit, augment, or describe the scope, content, or intent of any or all parts of this Sublease. The numbers of the paragraphs and pages of this Sublease may not be consecutive. The lack of consecutive numbers shall have no effect on the enforceability of this Sublease.
42. Time is of the Essence. Time is of the essence for each of the terms, covenants, and conditions of this Sublease.
43. Governing Law. This Sublease shall be governed, construed, and enforced in accordance with the laws of the State of California.
44. Counterparts. This Sublease 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.
45. Authority to Contract. Each individual executing this Sublease on behalf of another person or legal entity represents and warrants that they are authorized to execute and deliver this Sublease 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 Sublease, and that this Sublease is binding upon such person or entity in accordance with its terms. Each person executing this Sublease 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.

46. Acceptance of Sublease Premises. By signing this Sublease, SUBLESSEE represents and warrants that it has independently inspected the Sublease Premises and made all tests, investigations, and observations necessary to satisfy itself as to the condition of the Sublease Premises and its suitability for SUBLESSEE'S use of the Sublease Premises. SUBLESSEE further represents and warrants that it is not relying on any representation by CITY as to the condition of the Sublease Premises or its suitability for SUBLESSEE'S use of the Sublease Premises, and that SUBLESSEE is relying solely on its own and independent inspections, tests, investigations and observations of the Sublease Premises in entering into this Sublease. SUBLESSEE accepts the Sublease Premises in its current

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condition, and acknowledges and agrees that CITY has fulfilled all obligations it may have had to improve, modify, repair, replace, alter, or otherwise develop the Sublease Premises prior to the Effective Date. SUBLESSEE shall not hold CITY responsible for any defects in the Sublease Premises. SUBLESSEE accepts and assumes all risk of harm to all persons and property, including without limitation SUBLESSEE'S employees, from any defects in the Sublease Premises, and shall be solely responsible therefor.

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

Date: _____

THE SOUTHWEST BORDER HIGH INTENSITY DRUG
TRAFFICKING AREA CALIFORNIA PARTNERSHIP,
KNOWN AS CALIFORNIA BORDER ALLIANCE
GROUP

[Signature] **DIRECTOR, CBAG**
KEVIN McADAM

BY: *[Signature]*
Name: JOHN REOMAN
Title: EXECUTIVE DIRECTOR

Date: 1/4/11

THE CITY OF SAN DIEGO, a California municipal
corporation

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

Environmental Analysis Section Environmental Clearance:

This activity (Right of Entry) is Categorically Exempt from CEQA pursuant to State CEQA Guidelines Section §15301.

Date: 12/20/10

BY: *[Signature]*
Name: Myra Herrmann
Title: Senior Planner

Approved as to Form and Legality:

JAN I. GOLDSMITH, City Attorney

BY: *[Signature]*
Name: Brock Ladewig
Title: Deputy City Attorney

Exhibit A: Master Lease