



**CITY OF SAN DIEGO
TELECOMMUNICATIONS LEASE**

between

THE CITY OF SAN DIEGO

and

**STATE OF CALIFORNIA
DEPARTMENT OF GENERAL SERVICES**

at

**Moody Canyon Communications Center
(San Ysidro)/San Diego, CA**

CITY OF SAN DIEGO TELECOMMUNICATIONS LEASE

This CITY OF SAN DIEGO TELECOMMUNICATIONS LEASE [Lease] is entered into by and between THE CITY OF SAN DIEGO, a California municipal corporation [CITY], and the STATE OF CALIFORNIA, by and through the Director of the Department of General Services [LESSEE], with the consent of the California Highway Patrol, hereinafter collectively referred to as the "Parties," to be effective on March 1, 2012 [Effective Date], once the Lease is approved by the San Diego City Attorney.

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

1. DEFINITIONS.

For the purposes of this Lease, the terms listed below are defined as follows:

- 1.1. "Communications Equipment" – includes, but is not limited to, antenna structures, antenna equipment, cable wiring, utility lines, transmission lines, air-conditioned equipment shelters, back-up power sources (that may include back-up power generators with connected fuel storage tanks for emergency power), and related fixtures, more particularly described in Exhibit C.
- 1.2. "Hazardous Substances" – those hazardous substances listed by the Environmental Protection Agency [EPA] in regularly released reports and any other substances incorporated into the State of California's list of hazardous substances.
- 1.3. "LESSEE'S Operations" – LESSEE'S development, occupancy, use, and/or maintenance of the "Site" (defined below) and "Premises" (defined below).
- 1.4. "Premises" – that certain portion of the "Site" (defined below) used by LESSEE, more particularly described in Exhibit A.
- 1.5. "Site" – that certain parcel of City-owned real property located in the City of San Diego, County of San Diego, State of California, more particularly described in Exhibit A.

2. LEASED PROPERTY.

- 2.1. Lease of Premises. Under the terms and conditions of this Lease, CITY leases to LESSEE and LESSEE leases from CITY, the Premises.
- 2.2. Access to Site. Unless otherwise provided, LESSEE, its agents, employees, contractors, guests, and invitees may enter the Site on a 24-hour, non-exclusive basis to access the Premises using such access points as shown or described in Exhibit A.

- 2.3. Memorandum of Lease. Upon LESSEE'S request, CITY shall execute and deliver to LESSEE a "Memorandum of Lease," substantially in the form attached hereto as Exhibit D, which LESSEE may record in the Office of the San Diego County Recorder.

3. USES.

LESSEE shall use the Premises solely and exclusively for the purposes, with proper permits and approvals obtained, of installing, constructing, modifying, maintaining, operating, and removing, all at LESSEE'S sole cost and expense, a wireless communication facility on the Premises, including, without limitation, LESSEE'S Communications Equipment.

- 3.1. Continuous Use. LESSEE shall continuously occupy and use the Premises throughout the term of this Lease (as defined below).
- 3.2. Unauthorized Use. LESSEE shall not operate its Communication Equipment or use the Premises or Site for other related or incidental activities of any kind without CITY'S prior written consent, which consent shall be in CITY'S sole discretion. The use of the Premises or Site for any unauthorized, illegal, or non-permitted purpose shall constitute a default of this Lease. Notwithstanding any provision of this Lease to the contrary, upon such default, CITY may, in its sole discretion, terminate this Lease immediately upon written notice to LESSEE.

4. TERM.

The term of this Lease [Term] shall be ten years, commencing on the Effective Date. "Lease Year" shall mean each twelve month period during the Term, commencing on the month and day of the Effective Date and continuing to the same month and day of the following year, minus one day.

- 4.1. Holdover. LESSEE may not continue in possession of the Premises past the expiration or earlier termination of this Lease. Any extension of the Term shall require approval by the City Council pursuant to City Council Policy 700-10 ("Disposition of City-Owned Real Property").
- 4.2. Surrender. Upon the expiration or earlier termination of this Lease, LESSEE shall surrender the Premises to CITY in a decent, safe, and sanitary condition, and free and clear of all liens and encumbrances caused by or resulting from LESSEE'S Operations, except those liens and encumbrances which: (1) existed on the Effective Date, and (2) exist after the Effective Date and are not the result of LESSEE'S Operations. LESSEE shall surrender the Premises in the same condition as it was on the Effective Date, normal wear and tear excepted.
- 4.3. Early Termination by LESSEE. LESSEE may terminate this Lease at any time without further obligation to pay rent by giving written notice to CITY at least thirty (30) days prior to the date when such termination shall become effective.

5. RENT.

LESSEE shall pay to CITY rent in the amount of Twenty-Six Thousand Four Hundred Dollars (\$26,400) per year, in arrears, subject to annual adjustments as of the first day of the second Lease Year and each Lease Year thereafter, as follows:

Lease Year Two	\$27,456
Lease Year Three	\$28,554
Lease Year Four	\$29,696
Lease Year Five	\$30,884
Lease Years Six – Ten	Market Rent Adjustments by Appraisal

\$6,600
4 / 26,400

The above rent schedule reflects an annual rent escalation equal to three percent (3%) above the annual rent for each preceding Lease Year. For the sixth through the tenth Lease Years, the rent may be adjusted upward pursuant to the "Market Rent Adjustments by Appraisal" section, below.

5.1. Market Rent Adjustments by Appraisal. At the end of the fifth Lease Year, the rent for the remaining five Lease Years of the Term shall be determined by an appraisal, to be effective as of the first day of the sixth Lease Year [Adjustment Date]. Such appraisal shall be performed by a staff appraiser of CITY'S Real Estate Assets Department [READ] or by a California State Certified General Real Estate Appraiser who is confirmed by READ as being competent in determining market rent for telecommunications sites, properties, and leases [Qualified Appraiser] and shall be in conformance with Uniform Standards of Professional Appraisal Practice. In establishing the market rent for the Premises, the Qualified Appraiser shall base the valuation on an appraisal not more than six months old, as of the Adjustment Date, prepared by surveying comparable market rents for similar leased facilities in Southern California or other comparable market areas. If the appraisal is not completed prior to the Adjustment Date, LESSEE shall continue to pay rent in accordance with the then-existing Lease rates, and the adjustment, when determined, shall be retroactive to the Adjustment Date. Any deficiency shall be paid by LESSEE to CITY within thirty calendar days after determination of the new rental rate. In no event shall the adjusted rent be less than the rent in effect immediately prior to the Adjustment Date. CITY may determine that no market value adjustment is necessary and waive the requirement for an appraisal, in which case, the rent for the remaining five Lease Years shall be set at three percent above the annual rent for each preceding Lease Year.

5.2. Time and Place of Payment. Rent is due quarterly in arrears on or before June 1, September 1, December 1 and March 1 of each Lease Year. All rents required by this Lease shall be made payable to the City Treasurer and mailed to:

The City of San Diego
Office of the City Treasurer
PO Box 129030
San Diego, CA 92112-9030

or hand delivered to:

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

LESSEE shall include CITY'S customer account number for LESSEE on the rent payment so CITY can apply the rent to the appropriate account. The place of payment may be changed at any time by CITY upon thirty calendar days prior 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 paid upon actual receipt by the City Treasurer. LESSEE assumes all risk of loss and responsibility for late payment charges if payments are made by mail.

- 5.3. Delinquent Rent. If LESSEE fails to pay rent when due, LESSEE shall pay, in addition to the unpaid rent, three percent of the delinquent rent. If the rent is still unpaid at the end of fifteen calendar days past due, LESSEE shall pay an additional three percent [for a total of six percent], which is agreed by the Parties to be appropriate to compensate CITY for loss resulting from rental delinquency, including lost interest, opportunities, legal costs, and the cost of servicing the delinquent account. In no event shall the charge for late payments of rent be less than \$250. Acceptance of late charges and any portion of the late payment by CITY shall neither constitute a waiver of LESSEE'S default with respect to late payment nor prevent CITY from exercising any other rights and remedies available at law or in equity. This provision is voidable by LESSEE in the event of a State of California [State] budgetary impasse.
- 5.4. Financial Records. LESSEE shall maintain, in accordance with generally accepted accounting practices, complete and accurate financial records showing all sublease or other rental income and receipts from its use of the Premises. LESSEE shall make any and all of its records and accounts relating to its use of the Premises available to CITY for inspection at a reasonable location and time so that CITY can determine LESSEE'S compliance with this Lease. LESSEE'S failure to keep and maintain records and make them available for inspection by CITY shall be a default of this Lease. LESSEE shall maintain all records and accounts for a minimum period of five years past the expiration or earlier termination of this Lease. This section shall survive the expiration or earlier termination of this Lease.

6. QUIET POSSESSION.

LESSEE, paying the rent and performing its obligations under this Lease, shall, at all times during the Term, peaceably and quietly have, hold, and enjoy the Premises. If during the Term, LESSEE is temporarily dispossessed through action or claim of a title superior to CITY'S, this Lease shall not be voided thereby, and CITY shall not be liable to LESSEE for any loss or resulting damage, but there shall be determined and stated by CITY, in writing, a

proportionate reduction of the rent for the period or periods during which LESSEE is prevented from having the quiet possession of all or a portion of the Premises.

7. INSURANCE.

- 7.1. Self-Insurance Status. LESSEE has elected to be insured for its motor vehicle and general liability exposures through a self-insurance program. The State Attorney General administers the general liability program through an annual appropriation from the General Fund. The Office of Risk and Insurance Management administers the motor vehicle liability program.

Under this form of insurance, the State and its employees (as defined in Section 810.2 Government Code) are insured for any tort liability that may develop through carrying out our official activities, including State official operations on non-State owned property. Should any claim arise by reason of such operations or under an official contract or license agreement, they should be referred to the Attorney General, State of California, Tort Liability Section 1300 "I" Street, Suite 125, P.O. Box 944255, Sacramento, California 94244-2550. Claims arising from operations of a State-owned vehicle should be forwarded to the Office of Risk and Insurance Management, Auto Self-Insurance, 707 Third Street, West Sacramento, California 95605.

LESSEE warrants that it has entered into a master agreement with the State Compensation Insurance Fund to administer workers' compensation benefits for all State employees, as required by the Labor Code.

- 7.2. Accident Reports. LESSEE shall report to CITY any accident causing property damage or injury to persons on the Site. 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.

8. ACCEPTANCE OF PREMISES.

LESSEE represents and warrants that LESSEE has independently inspected the Premises and made all tests, investigations, and observations necessary to satisfy itself of the condition of the Premises. LESSEE agrees that LESSEE is relying solely on its independent inspections, tests, investigations, and observations in entering into this Lease. LESSEE acknowledges that the Premises are in the condition called for herein, that CITY has performed all work with respect to the Premises, and that LESSEE shall not hold CITY responsible for any defects, whether apparent or latent, in the Premises. LESSEE has been given the opportunity to investigate the Premises for the presence of any Hazardous Substances, including, without limitation, the opportunity to perform soil borings and other tests. LESSEE shall notify CITY if LESSEE'S investigations indicate the presence of any substances on the Premises. LESSEE waives any claims against CITY which may result from the presence of Hazardous Substances on the Premises.

9. SITE PLANS.

LESSEE shall develop the Premises in accordance with plans approved by CITY'S Development Services Department and attached as Exhibit B. CITY may, in its sole discretion, authorize changes to such plans, provided the principal components thereof are not modified, and a document evidencing approved changes is filed with READ. LESSEE'S failure to comply with the approved plans shall be a default of this Lease.

10. IMPROVEMENTS AND ALTERATIONS.

LESSEE shall not construct any improvements, structures, or installations on the Premises, or make any alterations to the Premises (with the exception of necessary maintenance and/or repairs) without CITY'S prior written approval. LESSEE shall not make major structural or architectural design alterations to approved improvements, structures, or installations on the Premises without CITY'S prior written approval, which may not be unreasonably withheld.

- 10.1. Upgrading. If changes in technology occur during the Term that require LESSEE to upgrade the Communications Equipment, LESSEE may perform such upgrading, provided that LESSEE obtains CITY'S prior written approval, that the upgrading does not damage or interfere with any adjacent improvements on the Site, and that the upgrading complies with the requirements set forth in Exhibit E.
- 10.2. Information to Permitting Authorities. In obtaining any required permits for improvements, structures, installations, and/or alterations on the Premises, LESSEE shall inform permitting authorities, in writing, that the Premises are CITY-owned property.
- 10.3. Repair and Restoration. These provisions shall not relieve LESSEE of any obligation under this Lease to maintain the Premises in a decent, safe, healthy, and sanitary condition as required in Section 17 of this Lease, including, without limitation, structural repair and restoration of damaged or worn improvements.

11. COMPETENT MANAGEMENT.

Throughout the Term, LESSEE shall provide competent management of the Premises for the permitted uses to the reasonable satisfaction of CITY. For purposes of this section, "competent management" shall mean demonstrated ability in the management and operation of a wireless communication facility and related activities in a fiscally responsible manner and in accordance with industry standards.

12. COMPLIANCE WITH LAWS AND POLICIES.

- 12.1. General. LESSEE'S Operations shall, at all times, comply with all applicable laws, statutes, ordinances, and regulations of CITY, county, state, and federal governments at LESSEE'S sole cost and expense. LESSEE shall comply with all notices issued by CITY under the authority of all current or future laws, statutes, ordinances, or regulations.

- 12.2. 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 physical disability in LESSEE'S Operations, including, but not limited to, the providing of goods, services, facilities, privileges, advantages, and accommodations, and the obtaining and holding of employment.
- 12.3. Equal Benefits. LESSEE shall comply with San Diego Municipal Code sections 22.4301-22.4308, 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.
- 12.4. Disabled Access. LESSEE shall, at all times during LESSEE'S Operations, comply with each of the following: the 1990 Americans with Disabilities Act; Title 24 of the California Code of Regulations (i.e., the California Building Standards Code); and any other applicable federal, state, or local regulations hereafter enacted protecting the rights of people with disabilities.
- 12.5. Water Quality Assurances. LESSEE shall comply with CITY'S Storm Water Management and Discharge Control Ordinance [Ordinance], codified in San Diego Municipal Code sections 43.0301 et seq., and employ "Best Management Practices," including a "Storm Water Pollution Prevention Plan" (as those terms are defined in the Ordinance), hereinafter collectively referred to as the "Prevention Plan," as approved by CITY under its Stormwater Management Program. Within ninety calendar days after the Effective Date, LESSEE shall submit a Prevention Plan satisfactory to CITY that will control erosion and reduce the amount of "Pollutants" (as defined in the Ordinance) and other sediments discharged from the Premises. CITY may review the Prevention Plan periodically. Within ninety calendar days after written notice from CITY requesting an update of the Prevention Plan, LESSEE shall submit an updated Prevention Plan satisfactory to CITY. LESSEE shall implement all changes to the Prevention Plan as required by CITY, to ensure compliance with all applicable laws, ordinances, and regulations. LESSEE shall inform its employees, contractors, subcontractors, agents, and vendors of the Prevention Plan and ensure their compliance therewith.

13. TELECOMMUNICATIONS PROVISIONS.

- 13.1. Entire Installation. LESSEE represents and warrants that the Communications Equipment listed in Exhibit C constitutes the entire installation, which LESSEE shall update from time to time upon CITY'S request.
- 13.2. Radio Frequency Radiation. LESSEE shall maintain any radio frequency [RF] radiation associated with the Communications Equipment within the levels allowed by federal regulations set forth in Section 1.1310 of CFR 47 and OET Bulletin 65. Any area within one thousand feet of any RF transmitting antenna on the Premises, casually accessible by the general public or by any worker at ground level, shall be

maintained below limits stated for General Population/Uncontrolled Exposure. LESSEE shall report to CITY any areas discovered by LESSEE to exceed such federally mandated limits. LESSEE shall not hold CITY responsible for its radiation levels found to exceed such limits. Hazardous RF radiation levels may be encountered when climbing on antenna structures [Refer to FCC OET Bulletin 65]. Any equipment installed on the Site may, at times, require shutdown to allow maintenance on antenna structures. LESSEE shall allow shutdown periods when required for such maintenance, provided CITY uses reasonable efforts to ensure that the shutdowns do not occur during peak hours of operation. Protection of employees performing service on buildings, roofs, air-conditioning equipment, water tanks, communications equipment, or any other maintenance work is of primary concern. Any areas in which such employees may be subjected to radiation levels that exceed the General Population/Uncontrolled Exposure limits must be clearly identified as required by CAL-OSHA. LESSEE shall provide CITY with written shutdown procedures, contact names, and telephone numbers. LESSEE shall notify CITY, in writing, of any changes to the shutdown procedures, contact names, or telephone numbers at least ten calendar days before the change.

- 13.3. Radio Frequency Interference. LESSEE shall comply with all requirements set forth in Exhibit E, which may be updated from time to time in CITY'S sole discretion. LESSEE warrants that all Communications Equipment installations, modifications, and maintenance will not result in degraded performance or RF interference with any CITY-authorized equipment on the Site, provided that the installation and operation of such CITY-authorized equipment pre-dates the installation of the Communications Equipment at the Site.
- 13.4. Industry Standards. LESSEE shall perform all Communications Equipment installations, modifications, and maintenance in adherence to industry standards set by the "Standards and Guidelines for Communications Sites" Motorola R56© Manual, or any succeeding regulations or standards. In addition to the requirements of the Motorola R56© publication, installations on CITY property shall comply with the following supplemental requirements:
- 13.4.1. LESSEE shall remove all trash and debris from the Premises at the end of each workday and upon completion of a project;
 - 13.4.2. Tower and structure climbing shall be done in compliance with all CAL-OSHA requirements;
 - 13.4.3. All transmitters shall have all necessary protection, such as cavity filtering and transmitter isolators, to eliminate any RF degradation of the receive signal to other users on the Site; and
 - 13.4.4. LESSEE shall comply with the requirements set forth in Exhibit F with respect to any Communications Equipment installation or modification. CITY may, in its sole discretion, update Exhibit F from time to time.

13.5. Co-Location. If the Site is a shared site, LESSEE shall not access any other wireless communication facility or CITY-owned communications equipment (including any towers) on the Site without CITY'S prior consent.

13.6. Interference with CITY Operations or Public Use. LESSEE'S Operations shall not interfere with CITY operations or public use of CITY-owned property.

14. WASTE, DAMAGE, OR DESTRUCTION.

LESSEE shall immediately give notice to CITY of any fire or any other damage that occurs on the Premises. LESSEE shall not commit, or allow to be committed, any waste or injury or any public or private nuisance in connection with LESSEE'S Operations. LESSEE shall keep the Premises clean and clear of refuse and obstructions, and dispose of all garbage, trash, and rubbish in a manner satisfactory to CITY. If the Premises is damaged by any cause that puts the Premises into a condition which is not decent, safe, healthy, and sanitary, LESSEE shall make, or cause to be made, full repair of the damage and restore the Premises to the condition which existed prior to the damage; or, at CITY'S option, LESSEE shall clear and remove from the Premises all debris resulting from the damage and restore the Premises in accordance with plans and specifications previously submitted to and approved by CITY, in writing, in order to replace in kind and scope the operation which existed prior to the damage. LESSEE shall commence preliminary steps toward performing repairs and/or restoration of the Premises as soon as practicable, but no later than thirty calendar days after the occurrence of the fire or damage, and shall complete the required repairs and/or restoration of the Premises within one hundred eighty calendar days after such occurrence.

15. HAZARDOUS SUBSTANCES.

LESSEE shall not allow the installation or release of Hazardous Substances in, on, under, or from the Premises or Site. LESSEE and LESSEE'S agents and contractors shall not store, utilize, or sell any Hazardous Substance on the Premises or Site without CITY'S prior written consent. For the purpose of this section, a release shall include without limitation any spilling, leaking, pumping, pouring, emitting, emptying, discharging, injecting, escaping, leeching, dumping, or otherwise disposing of Hazardous Substances. "Hazardous substances" shall mean any hazardous liquid, solid, or gaseous material substances listed by the United States Environmental Protection Agency or the State of California as a hazardous substance, and any type of petroleum-related substances and their chemical constituents.

15.1. Remediation. If LESSEE'S Operations result in a release of a Hazardous Substance, LESSEE shall pay all costs of remediation and removal of the Hazardous Substance in accordance with all applicable laws, rules, and regulations of governmental authorities.

15.2. Indemnification. To the extent permitted by law, 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 Operations, including, without limitation, costs of environmental assessments, costs of remediation and

removal, any necessary response costs, damages for injury to natural resources or the public, and costs of any health assessment or health effect studies.

- 15.3. Notice of Release. If LESSEE knows or has reasonable cause to believe that a Hazardous Substance has been released on or beneath the Premises or Site, LESSEE shall immediately notify CITY and deliver a written report thereof to CITY within three calendar days after receipt of the knowledge or cause for belief. If LESSEE knows or has reasonable cause to believe that such substance is an imminent and substantial danger to public health and/or safety, LESSEE may take all actions necessary to alleviate the danger. LESSEE shall notify CITY immediately of any notice of violation received, environmental action initiated, or private suit filed that is related to the Premises or Site.
- 15.4. Environmental Assessment. Upon reasonable cause to believe that LESSEE'S Operations resulted in any Hazardous Substance being released on or beneath the Premises or Site, CITY may cause an environmental assessment of the Premises or Site 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, or under the Premises or Site, 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, then the environmental assessment shall include a discussion of such substances with recommendations for remediation and removal necessary to effect 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, CITY may cause, the remediation and/or removal recommended in the environmental assessment, such that compliance with environmental law is achieved, and LESSEE shall pay all costs and expenses therefor.

16. SIGNS.

LESSEE shall only post signs required by federal, state, or local regulations, including, without limitation, safety signs required by OSHA, FAA, and/or FCC. LESSEE shall not erect or display any banners, pennants, flags, posters, signs, decorations, marquees, awnings, or similar devices or advertising on the Premises without CITY'S prior written consent. If any such unauthorized item is found on the Premises, LESSEE shall remove the item at LESSEE'S sole cost and expense within twenty-four hours after CITY'S demand therefor, or CITY may then enter the Premises and remove the item at LESSEE'S cost and expense. LESSEE shall post a clearly marked sign at the Premises indicating LESSEE'S name and emergency telephone number.

17. MAINTENANCE.

LESSEE shall, at its sole cost and expense, continuously maintain the Premises throughout the Term. In doing so, LESSEE shall, at its sole cost and expense, make all repairs,

restoration, and replacements (including structural repairs and restoration of damaged or worn improvements) necessary to maintain and preserve the Premises in a decent, safe, healthy, and sanitary condition. All such maintenance (including repairs and restoration) shall be completed to the satisfaction of CITY, in conformance with the description of the Site and Premises set forth in Exhibit A, and in compliance with all applicable codes and standards of CITY, state, and federal agencies.

17.1. CITY reserves the right to perform any needed maintenance on the Site at any time. If CITY performs such maintenance, CITY shall provide LESSEE with at least forty-eight hours notice prior to commencing the work (except in the event of an emergency, in which case, no notice shall be required), and LESSEE shall comply with all applicable safety requirements issued by CITY to ensure the safety of CITY personnel performing such maintenance on the Site.

17.2. The Parties shall comply with the emergency maintenance procedures set forth in Exhibit G, including the requirement to notify the other party, in writing, of any changes to its emergency contacts and telephone numbers.

18. ENTRY AND INSPECTION.

CITY may, at any time, without any obligation to do so, enter the Premises for the purpose of viewing and ascertaining the condition of the Premises, or to protect CITY'S interest in the Premises, or to inspect the operations conducted on the Premises. If CITY'S entry or inspection discloses that the Premises are not in a decent, safe, healthy, and sanitary condition, CITY may, after ten calendar days written notice to LESSEE, have any necessary maintenance work done in order to keep the Premises in a decent, safe, healthy, and sanitary condition, all at LESSEE'S sole cost and expense, and LESSEE shall promptly pay any and all costs incurred by CITY in having the necessary maintenance work done. If at any time CITY determines that the Premises are not in a decent, safe, healthy, and sanitary condition, CITY may, without additional notice, require LESSEE to file with CITY a faithful performance bond to assure prompt correction of any condition which is not decent, safe, healthy, and sanitary. The bond shall be in an amount adequate, in CITY'S opinion, to correct the unsatisfactory condition. LESSEE shall pay the cost of the bond. The rights reserved in this section shall not create any obligation on CITY or increase CITY'S obligations elsewhere in this Lease.

19. UTILITIES.

LESSEE shall order, obtain, and pay for all utilities, service, and installation charges in connection with LESSEE'S Operations. All utilities shall be installed underground.

20. TAXES.

LESSEE shall pay, before delinquency, all taxes, assessments, and fees assessed or levied upon LESSEE for its use of the Premises, including the land, any buildings, structures, machines, equipment, appliances, or other improvements or property of any nature whatsoever erected, installed, or maintained by LESSEE, or levied by reason of LESSEE'S

business or other LESSEE activities related to the Premises, including, without limitation, any licenses or permits. 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 the leasehold interests. LESSEE shall pay all such possessory interest taxes. LESSEE'S payment of taxes, fees, and assessments shall not reduce any rent due CITY.

21. SUPERIOR INTERESTS.

This Lease is subject to all liens, encumbrances, covenants, conditions, restrictions, reservations, contracts, leases, licenses, easements, and rights-of-way pertaining to the Premises, whether or not of record. LESSEE shall obtain all licenses, permits, and agreements from such third parties as may be or may become necessary or reasonably advisable to allow LESSEE'S Operations, relative to any such superior interest. If LESSEE'S Operations are or become inconsistent or incompatible with a preexisting, superior interest, LESSEE shall take such actions and pay all costs and expenses necessary to remove such inconsistency or incompatibility to the satisfaction of the holder of the superior interest.

22. ENCUMBRANCES.

Only with CITY'S prior written consent in each instance and upon the condition that LESSEE apply any Premises-related loan proceeds exclusively to its installation of wireless communication facilities on the Premises, LESSEE may pledge its leasehold estate hereunder to secure its performance under the subject debt instrument.

22.1. Use of Loan Proceeds. A reasonable portion of such loan proceeds may be disbursed for payment of incidental costs of installing LESSEE'S wireless communication facilities on the Premises, including, but not limited to, the following: off-site improvements for service of the Premises; on-site improvements; escrow charges; premiums for hazard insurance or other insurance or bonds required by CITY; title insurance premiums; reasonable loan costs, such as discounts, interest, and commissions; and architectural, engineering, and attorney fees and other normal expenses incidental to such installation.

22.2. Subsequent Encumbrances. After the Premises are fully developed, as contemplated by this Lease and to CITY'S satisfaction, if LESSEE proposes a subsequent encumbrance on its leasehold estate hereunder, then CITY'S consent thereto may be subject, in CITY'S sole discretion and without limitation, to increasing the rent to then-current market rates. LESSEE may use the proceeds from any such subsequent encumbrance for any purpose approved by CITY.

22.3. Acceptance of Approved Mortgagee or Beneficiary. Upon a foreclosure or transfer in lieu of foreclosure of a CITY-approved encumbrance, CITY shall accept the approved mortgagee or beneficiary as the "LESSEE" under this Lease, with all rights and obligations thereof granted and imposed herein. Such mortgagee or beneficiary may assign its interest in this Lease to its nominee if CITY deems, in its sole discretion, such nominee to be a reputable, qualified, and financially responsible person.

- 22.4. Encumbrance Approved by CITY. Any CITY-approved encumbrance shall be subject and subordinate to all of the terms, covenants, and conditions of this Lease, and shall not be deemed to amend or alter any such term, covenant, or condition. LESSEE acknowledges that pursuant to City Charter section 225, each person having an interest in this Lease shall be subject to CITY'S review and approval, which may not be unreasonably withheld, provided such person is of good character and reputation in the community.
- 22.5. Liens. LESSEE shall at all times protect, defend, indemnify, and hold CITY harmless from and against any and all claims for labor or materials in connection with LESSEE'S use, improvement, alteration, maintenance, or repair of the Premises, and all costs of defending against such claims, including, without limitation, reasonable attorney fees. If LESSEE'S use, improvement, alteration, maintenance, or repair of the Premises results in a lien or notice of lien being filed against the Premises or Site LESSEE shall, within five calendar days after such filing, either: (a) take all actions necessary to record a valid release of the lien; or (b) deliver to CITY a bond, cash, or other security acceptable to CITY in an amount sufficient to pay in full all claims of all persons seeking relief under the lien.

23. ASSIGNMENT AND SUBLETTING.

23.1. Assignment.

- 23.1.1. For the purposes of this section, "Assignment" shall include, without limitation, the transfer of any interest in this Lease by LESSEE or by any partners, principals, or controlling shareholders of LESSEE, 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.
- 23.1.2. LESSEE shall not assign this Lease, or any interest in this Lease, without CITY'S prior written consent, which consent shall be in CITY'S sole discretion. LESSEE shall not assign this Lease, or any interest in this Lease, to any person or entity engaged in the design, development, construction, operation, sale, and/or leasing of telecommunication towers or poles.
- 23.1.3. CITY'S consent to any Assignment pursuant to Section 23.1.2 shall be conditioned upon the assignee agreeing, in writing, that it will assume the rights and obligations assigned, and that it will keep and perform all covenants, conditions, and provisions of this Lease which are applicable to the rights acquired.
- 23.1.4. LESSEE shall not permit any person (other than the employees, agents, contractors, and/or guests of LESSEE) to use or occupy the Premises, or any part of the Premises.

- 23.1.5. Consent by CITY to any Assignment of this Lease pursuant to Section 23.1.2 shall not be deemed to be consent to any subsequent Assignment to the same or any other person.
- 23.1.6. Neither this Lease nor any interest herein shall be assignable as to LESSEE'S interest herein by operation of law, without CITY'S prior written consent.
- 23.1.7. Any Assignment of this Lease, or any use or occupancy of the Premises by any other person, in violation of the foregoing provisions (Sections 23.1.1 through 23.1.6) shall be void and a default of this Lease, and CITY may thereupon terminate this Lease.
- 23.2. Subletting. LESSEE shall not sublet, in whole or in part, the Premises, or any right or appurtenant privilege to the Premises.
- 23.2.1. State agencies are interchangeable as to this Lease. State reserves the right to substitute agencies and such substitution shall not be construed as an event of assignment or subletting.
- 23.3. Provisions Binding on Successors. Except as otherwise provided in this Lease, all of the terms, covenants, and conditions of this Lease shall apply to, benefit, and bind the successors and assigns of the respective parties, jointly and individually.

24. INDEMNIFICATION.

LESSEE shall protect, defend, indemnify, and hold CITY, its elected officials, officers, representatives, agents, and employees, harmless from any damage proximately caused by LESSEE, or arising out of, or in any way connected with the exercise by LESSEE of any rights herein granted that may arise from the use of the Premises by LESSEE, to the extent legally permissible by Government Code Section 14662.5 et seq.

25. RELATED COUNCIL ACTIONS.

By entering into this Lease, neither CITY nor the San Diego City Council is obligating itself to any other governmental agent, board, commission, or agency with regard to any other discretionary action relating to the development, occupancy, use, or maintenance of the Premises. Discretionary action includes, but is not limited to any rezoning, variance, environmental clearance, or any other governmental approval that may be required for LESSEE'S Operations. LESSEE shall diligently seek and obtain, at its sole cost and expense, all entitlements and actions from both CITY and other governmental agencies with jurisdiction over the Premises, as are necessary for LESSEE'S Operations.

26. CITY'S RESERVATION OF RIGHTS.

- 26.1. Resources. CITY reserves all rights, title, and interest in any and all subsurface natural gas, oil, minerals, and water on or within the Premises.

- 26.2. Use. CITY reserves the right to grant and use easements or to establish and use rights-of-way over, under, along, and across the Premises for utilities, thoroughfares, or access as CITY deems advisable, in its sole discretion, for the public good.
- 26.3. Entry. CITY may enter the Premises to develop and/or make repairs to municipal resources and services. CITY shall not unreasonably interfere with LESSEE'S use of the Premises and shall reimburse LESSEE for physical damages, if any, to the permanent improvements located on the Premises or to LESSEE'S Communications Equipment resulting from CITY exercising the rights reserved in this section. Such reimbursement may include a reduction in the rent proportionate to the amount of physical damage, as reasonably determined by CITY. CITY shall pay the costs of maintenance and repair of all CITY installations made pursuant to these reserved rights.

27. REASSIGNMENT OF SPACE.

At any time during the Term, but only once during the initial term of this Lease, CITY, in its sole discretion, may reassign LESSEE an amount of space within the Site substantially equivalent to the Premises in receipt and in transmission of State radio signals. CITY shall exercise its reassignment right by delivering written notice (the "Reassignment Notice") to LESSEE that proposes one or more alternate locations within the Site to which LESSEE may relocate its Communications Equipment. LESSEE shall have ninety calendar days from the date LESSEE receives the Reassignment Notice to evaluate CITY'S proposed relocation space, during which period LESSEE may conduct tests to determine the technological feasibility of the proposed relocation space. Any relocation space which CITY and LESSEE agree upon, in writing, is hereinafter referred to as the "Relocation Space."

- 27.1. Timing and Costs. LESSEE shall relocate its Communications Equipment to the Relocation Space either within ninety calendar days after the execution of a written agreement between the Parties concerning the location and dimensions of the Relocation Space, or otherwise as soon as possible after receipt of all necessary permits and approvals required for any CITY construction or redevelopment project which requires such relocation, and receipt of all permits and approvals required for LESSEE'S use of the Relocation Space. LESSEE shall cooperate fully with CITY and its contractors during any reassignment, and shall pay all expenses associated with the reassignment.
- 27.2. Physical Relocation of Equipment. The physical relocation of all or any part of LESSEE'S Communications Equipment shall only be done by LESSEE or LESSEE'S contractors.
- 27.3. Broadcast and/or Receiving Capability. CITY shall use its best efforts to ensure continuous, uninterrupted broadcast, and/or receiving capability during any conversion, including the installation and operation by LESSEE of a CITY-approved temporary wireless communication facility on the Site.

- 27.4. No Agreement. If CITY and LESSEE are unable to agree on a mutually acceptable relocation space, then LESSEE may terminate this Lease upon thirty calendar days prior written notice to CITY, without further obligation thereto.
- 27.5. Premises Redefined. After a reassignment and relocation as provided in this section, the Premises shall be redefined to be the Relocation Space. CITY and LESSEE agree that "as built" drawings of the Relocation Space, including any access and utility easements, may be prepared by a licensed architect at LESSEE'S sole cost and expense. In such event, Exhibits A and B of this Lease shall be amended (pursuant to Section 32.12 below) to include a full description of the Relocation Space and the new "as built" drawings. Except as expressly provided in this section, any such reassignment and relocation shall not alter, modify, or otherwise change any of the terms or conditions of this Lease.

28. 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 its beneficiary or mortgagee) shall be as follows:

- 28.1. Full Taking. If the entire Premises is taken, this Lease shall terminate on the date of the transfer of title or possession to the condemning authority, whichever first occurs.
- 28.2. Partial Taking - Remainder Unusable. If a partial taking of the Premises occurs, and in the opinion of CITY, the remaining part of the Premises is unsuitable for the Lease operation, this Lease shall terminate on the date of the transfer of title or possession to the condemning authority, whichever first occurs.
- 28.3. Partial Taking - Remainder Usable. If a partial taking of the Premises occurs, and in the opinion of CITY, the remaining part of the Premises is 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, but only to the extent that LESSEE'S use of the Premises is reduced or impaired.
- 28.4. 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 of LESSEE. CITY shall have no liability to LESSEE for any award not provided by the condemning authority.
- 28.5. Transfer. CITY may transfer CITY'S interests in the Premises in lieu of condemnation to any authority entitled to exercise the power of eminent domain. If such a transfer occurs, LESSEE shall retain whatever interest LESSEE may have in the fair market value of any improvements placed by LESSEE on the Premises in accordance with this Lease.

- 28.6. No Inverse Condemnation. CITY'S exercise of any 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.

29. DEFAULT AND REMEDIES.

- 29.1. Default. Each of the following shall constitute an event of default under this Lease:

- 29.1.1. LESSEE'S failure to make any payment required under this Lease when due, if the failure continues for five calendar days past due following written notice of the failure by CITY;
- 29.1.2. LESSEE'S breach of any of its obligations under this Lease, other than those requiring payment to CITY, and LESSEE either: (i) fails to cure the breach within thirty calendar days following written notice from CITY; or, (ii) if such breach is not curable within thirty calendar days, fails to commence to cure the breach within thirty calendar days and to diligently pursue the cure to completion;
- 29.1.3. LESSEE voluntarily files any petition under any bankruptcy or insolvency act or law;
- 29.1.4. LESSEE has involuntarily filed against it any petition under any bankruptcy or insolvency act or law and the matter is not dismissed by a court of competent jurisdiction within ninety calendar days of filing;
- 29.1.5. LESSEE is adjudicated a bankrupt;
- 29.1.6. LESSEE makes a general assignment for the benefit of creditors;
- 29.1.7. LESSEE uses the Premises for any unauthorized purpose.

29.2. Remedies.

- 29.2.1. General. Upon LESSEE'S default under this Lease, CITY may pursue any one or more of the remedies listed in this section in addition to any other remedies now or later available to CITY, in law or equity. Such remedies shall be cumulative and not exclusive.
- 29.2.2. For Monetary Default. Upon LESSEE'S default for nonpayment under Section 29.1.1 of this Lease, CITY may, in its sole discretion, either give LESSEE, or any person claiming rights through LESSEE, a written Five-Day Notice to Pay or Quit, or CITY may terminate this Lease and all rights of LESSEE and of all persons claiming rights through LESSEE to the Premises or to possession of the Premises, and CITY may enter and take possession of the Premises and may recover the amount set forth below.

- 29.2.3. For Non-Monetary Default. Upon LESSEE'S default based upon Sections 29.1.2 through 29.1.7 of this Lease, CITY may, in its sole discretion, terminate this Lease, and all rights of LESSEE and of all persons claiming rights through LESSEE to the Premises or possession of the Premises, and CITY may enter and take possession of the Premises and may recover from LESSEE the amount set forth below. If any default described in Sections 29.1.2 through 29.1.7 of this Lease is not curable within thirty calendar days after notice to LESSEE, CITY will not terminate this Lease pursuant to the default, if LESSEE immediately commences to cure the default and diligently pursues the cure to completion.
- 29.2.4. CITY'S Recovery Upon Termination. Upon termination of the Lease due to LESSEE'S default, CITY may recover the sum of:
- 29.2.4.1. The worth at the time of award of any unpaid rent that had been due at the time of termination; plus
 - 29.2.4.2. The worth at the time of award of the amount by which (i) the unpaid rent that would have been earned after termination until the time of award minus (ii) the amount of the rent lost, if any, that LESSEE affirmatively proved could have been reasonably avoided; plus
 - 29.2.4.3. The worth at the time of award of the amount by which (i) the unpaid rent for the balance of the Term after the time of the award minus (ii) the amount of rent lost, if any, as LESSEE affirmatively proves could be reasonably avoided; plus
 - 29.2.4.4. Any other amount necessary to compensate CITY for the detriment proximately caused by LESSEE'S failure to perform LESSEE'S obligations or that, in the ordinary course of things, would be likely to result; plus
 - 29.2.4.5. All other amounts in addition to or in lieu of those previously stated as may be permitted by California law.
 - 29.2.4.6. As used in Sections 29.2.4.1 and 29.2.4.2, the "worth at time of award" shall be computed by allowing interest at the rate of ten percent per annum. As used in Section 29.2.4.3, the "worth at the time of award" shall be 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. As used in this section, the term "rent" shall include base rent, percentage rent, and any and all other amounts that LESSEE is required to pay to CITY under this Lease.
 - 29.2.4.7. The calculation of any sum under this section shall be based on a 30-day month and a 360-day year.

29.3. Leasehold Pledged as Security. If LESSEE is in default under this Lease and the leasehold is pledged as security for a CITY-authorized encumbrance, CITY shall notify the mortgagee or beneficiary thereof of LESSEE'S default. CITY shall allow such mortgagee or beneficiary thirty calendar days to cure the default or, if the default is not curable within thirty calendar days, to commence to cure the default and diligently pursue the cure to completion. CITY may, in its sole discretion, extend such time to cure the default if CITY deems that the mortgagee or beneficiary is pursuing the cure with reasonable diligence.

29.3.1. If the mortgagee or beneficiary is required to exercise its right to cure a default through litigation or foreclosure, then CITY may take the following actions to expeditiously cure the default:

29.3.1.1. CITY may correct the default and charge the costs incurred to LESSEE'S account, which charge shall be due and payable on the date that the rent is next due after CITY'S statement of such costs is delivered to LESSEE and mortgagee or beneficiary;

29.3.1.2. CITY may correct the default and may recover the costs incurred from the proceeds of any insurance fund held by CITY, CITY and LESSEE, or by CITY and mortgagee or beneficiary, or CITY may use the funds of any faithful performance or cash bond on deposit with CITY, or CITY may call on the bonding agent to correct the default or to pay the cost of correction performed by or at the direction of CITY; or

29.3.1.3. CITY may terminate this Lease as to the rights of LESSEE by assuming or causing the assumption of liability for any CITY-authorized encumbrance on the leasehold. LESSEE shall assume and pay any and all penalties or bonuses required by the beneficiaries, trustees or mortgagees as a condition of CITY'S early payoff of the related obligations. CITY may, as an alternative, substitute for the terminated LESSEE a new tenant reasonably satisfactory to the mortgagee or beneficiary. Any reasonable costs incurred by CITY in entering into a new lease with the same terms and conditions as this Lease with the new tenant shall be the responsibility of the terminated LESSEE, and LESSEE shall reimburse CITY for all such costs.

29.3.2. If the default is not curable by LESSEE, then any lender holding a beneficial interest in the leasehold, whose qualifications as an assignee are approved by CITY, may substitute itself in the place of LESSEE by assuming all of LESSEE'S rights and obligations under this Lease. If such a lender notifies CITY of its intention to substitute itself in LESSEE'S place, in writing, within thirty calendar days after receipt of CITY'S notice of default, and the default is cured by the lender, then this Lease will not terminate pursuant to the default. Subject to such a cure and LESSEE'S assignment to the lender of

LESSEE'S rights and obligations under this Lease, CITY shall consent to the assignment.

- 29.4. Quitclaim Deed. Upon termination of this Lease for any reason, LESSEE shall execute, acknowledge, and deliver to CITY, within ten calendar days after written demand, a valid and recordable quitclaim deed relinquishing LESSEE'S interest in the Premises. If LESSEE fails or refuses to deliver any such quitclaim deed, CITY may prepare and record a notice reciting LESSEE'S failure to perform such obligation, and such notice shall be conclusive evidence of the termination of this Lease and termination of LESSEE'S rights to the Premises.
- 29.5. Abandonment by LESSEE. If LESSEE breaches this Lease and abandons the Premises, this Lease shall continue in effect as long as CITY does not terminate this Lease, and CITY may enforce all its rights and remedies under this Lease, including, without limitation, the right to recover the rent as it becomes due, plus damages.
- 29.6. Waiver. CITY'S waiver of a default shall not constitute a waiver of any other default. Any waiver of a default shall be in a writing executed by CITY in order to constitute a valid and binding waiver. CITY'S delay or failure to exercise a remedy or right shall not be a waiver of that or any other remedy or right under this Lease. The use of one remedy or right for any default shall not waive the use of another remedy or right for the same or any other default. CITY'S acceptance of any rent shall not be a waiver of any default preceding the rent payment. The property constituting the Premises is CITY-owned and held in trust for the benefit of the citizens of the City of San Diego. CITY'S failure 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 may, at all times, require the cure of any breach or default regardless of when discovered.

30. OWNERSHIP OF IMPROVEMENTS AND PERSONAL PROPERTY.

Except as otherwise provided in this section, all improvements to the Premises (including, without limitation, all structures, trade fixtures, installations, and additions), constructed on the Site by LESSEE or by LESSEE'S contractors, and/or subcontractors at any time during the Term (hereinafter referred to in this section as "LESSEE'S Improvements"), as well as all Communications Equipment, machines, appliances, equipment, and other personal property, brought to the Site by LESSEE or LESSEE'S contractors, and/or subcontractors at any time during the Term (all or any portion thereof hereinafter referred to in this section as "LESSEE'S Personal Property"), shall be the property of LESSEE (hereinafter referred to in this section as "LESSEE'S Property").

- 30.1. On or before the expiration of this Lease, or as CITY may direct upon earlier termination of this Lease, LESSEE shall remove from the Premises LESSEE'S Personal Property. If LESSEE fails to remove any of LESSEE'S Personal Property as required herein, then either: (i) such property shall be considered abandoned and become CITY'S property free of all claims and liens; or (ii) CITY may cause such property's removal, and LESSEE shall reimburse CITY on demand for the full cost thereof.

30.1.1. If LESSEE desires to dispose of any of LESSEE'S Personal Property used in the operation of its wireless communication facilities on the Premises, CITY shall have the first right to acquire or purchase such property.

30.2. LESSEE shall repair, at its sole cost and expense, all damage to the Premises resulting from the removal of LESSEE'S Property from the Premises by LESSEE or LESSEE'S contractors, and/or subcontractors.

30.2.1. If the removal of LESSEE'S Property by LESSEE (or LESSEE'S contractors, and/or subcontractors) or by CITY takes place after expiration of this Lease, or beyond CITY'S direction upon earlier termination of this Lease, LESSEE shall pay rent to CITY at the rate in effect immediately prior to the expiration or earlier termination of this Lease, until all of LESSEE'S Property has been removed from the Site.

31. NOTICES.

Any notice required or permitted to be given under this Lease shall be in writing and may be served personally, sent by United States mail, postage prepaid, or sent by reliable overnight courier, addressed to the Parties as follows, or to any mortgagee, trustee, or beneficiary, as applicable, at the appropriate address designated, in writing, by the respective party:

If to LESSEE:

State of California
Department of General Services
Real Estate Services Division
Lease Management Unit
707 Third Street, 5th Floor
West Sacramento, CA 95605-2811

With a copy to:

Department of Information Technology
Public Safety Communications Division
Attn: Telecommunications Site Management
601 Sequoia Pacific Boulevard
Sacramento, CA 95814-0282
Telephone: (916) 657-9327
Facsimile: (916) 657-9233

and

Telecommunications Section
601 North 7th Street
Sacramento, CA 95814
Telephone: (916) 843-4200

If to CITY:

City of San Diego
Real Estate Assets Department
Attention: Real Estate Assets Director
1200 Third Avenue, Suite 1700, MS 51A
San Diego, CA 92101-4155

If to CITY'S General Services Department, Communications Division:

City of San Diego
Attention: Communications Division
Central Operations
1220 Caminito Centro
San Diego, CA 92102

- 31.1. Address Changes. 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.
- 31.2. When Effective. Notice shall be effective upon personal service, or five calendar days after deposit in the U. S. mail.

32. MISCELLANEOUS PROVISIONS.

- 32.1. Governing Law. This Lease shall be governed, construed, and enforced in accordance with the laws of the State of California.
- 32.2. Entire Understanding. This Lease contains the entire understanding of the Parties. CITY and LESSEE agree that there is no other written or oral understanding between them with respect to LESSEE'S Operations. Each party has relied on its own examination of the Premises, advice from its own attorneys, and the warranties, representations, and covenants of the Lease itself. Each party to this Lease agrees that no other party, agent, or attorney of any other party has made any promise, representation, or warranty whatsoever which is not contained in this Lease. The failure or refusal of any party to read this Lease or other documents, inspect the Premises, and obtain legal or other advice relevant to this transaction constitutes a waiver of any objection, contention, or claim that might have been based on such actions.
- 32.3. Supersedure. As of the Effective Date, this Lease shall supersede and annul all prior leases, right-of-entry permits, or other agreements concerning LESSEE'S Operations, by and between CITY and LESSEE, and each such agreement shall be void and of no effect, except as to any rentals and fees that may have accrued or any rights and remedies accrued or granted to CITY under those agreements.

- 32.4. 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.
- 32.5. Time of the Essence. Time is of the essence for each and every term, covenant, and condition of this Lease.
- 32.6. Standard of Conduct. LESSEE and its employees shall, at all times, conduct themselves and LESSEE'S Operations on the Premises in a creditable manner and in accordance with industry standards.
- 32.7. 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.
- 32.8. Unavoidable Delay. If the performance of any act required of CITY or LESSEE under this Lease is directly prevented or delayed by reason of strikes, lockouts, labor disputes, unusual governmental delays, acts of God, fire, floods, epidemics, freight embargoes, or other causes beyond the reasonable control of the party required to perform an act, that party shall be excused from performing that act for a period equal to the period of the prevention or delay. This provision shall not apply to LESSEE'S obligation to pay rent. If CITY or LESSEE claims the existence of such a delay, the party claiming the delay shall notify the other party, in writing, of the fact within ten calendar days after the beginning of any such claimed delay.
- 32.9. CITY'S Consent or Approval. Whenever required under this Lease, CITY'S consent or approval shall mean the written consent or approval of CITY'S City Manager or his designee [City Manager], unless otherwise expressly provided. CITY'S discretionary acts hereunder shall be made at the City Manager's discretion, unless otherwise expressly provided.
- 32.10. San Diego's Strong Mayor Form of Governance. All references to "City Manager" in this Lease (and all subsequent amendments to this Lease) shall be deemed to refer to the "Mayor or his designee." This section shall remain in effect for the duration CITY operates under the mayor-council (commonly referred to as the "strong mayor") form of governance, pursuant to Article XV of CITY'S City Charter.
- 32.11. Consent by Either Party. Except as otherwise expressly provided in this Lease, consent to be given by either party shall not be unreasonably withheld or delayed.
- 32.12. Lease Modifications. This Lease shall not be modified, altered, or amended unless the modification, alteration, or amendment is in writing and signed by the Parties.
- 32.13. Cost Recovery. CITY collects various fees to offset the administrative costs incurred for CITY staff services. CITY shall process each of LESSEE'S service requests upon receipt of LESSEE'S payment of the applicable fee. The fee schedule, which is on file at the Office of the City Clerk, may be updated from time to time in CITY'S sole discretion.

- 32.14. Survival. Any obligation under this Lease that requires a party's performance of that obligation after the expiration or earlier termination of this Lease shall survive such expiration or termination.
- 32.15. Legal Fees. If there is any litigation regarding this Lease, the prevailing party shall be entitled to an award of reasonable legal costs, including, without limitation, court costs and attorney fees.
- 32.16. Headings and Captions. The section headings and captions used in this Lease shall not be held to define, limit, augment, or describe the scope, content, or intent of any or all parts of this Lease. If the page numbers and/or section numbers in this Lease are not in consecutive order, the lack of consecutive numbering shall have no effect on the enforceability of this Lease.
- 32.17. Number and Gender. In this Lease, words in the singular number shall include the plural, and *vice versa*, as appropriate to the context. Words of either gender shall include the other gender.
- 32.18. Authority to Execute and Deliver Lease. 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, and that this Lease is binding upon such person or entity in accordance with its terms. Each person executing this Lease on behalf of another person or legal entity shall provide CITY with evidence, satisfactory to CITY, that such authority is valid, and 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 the State of California.
- 32.19. 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.

[The remainder of this page intentionally left blank.]

32.20. Exhibits Incorporated. All exhibits referenced in this Lease are incorporated into the Lease by this reference.

IN WITNESS WHEREOF, this Lease is executed by CITY and LESSEE, to be effective as of the Effective Date.

Date: 6/14/11

THE CITY OF SAN DIEGO, a California municipal corporation

By [Signature]
(Print Name) James F. Barwick, CCIM
(Title) Director, Real Estate Assets

Date: _____

LESSEE: STATE OF CALIFORNIA, by and through the Department of General Services

By [Signature]
(Print Name) MICHAEL BUTLER
(Title) Assistant Chief, Real Property Services Section

CONSENTS:

CALIFORNIA HIGHWAY PATROL
ADMINISTRATIVE SERVICES DIVISION

By [Signature]
JEFFREY T. UYEDA, Chief

Date: 6-3-11

APPROVAL RECOMMENDED:

DEPARTMENT OF GENERAL SERVICES
REAL ESTATE SERVICES DIVISION

MARK MCGUIRE, REAL ESTATE OFFICER

By [Signature]
As Authorized Representative

APPROVED AS TO FORM AND LEGALITY:

Date Signed: 6-8-11

Date: 6/15/2011

JAN I. GOLDSMITH, City Attorney

By [Signature]
David L. Herman
Deputy City Attorney

EXHIBITS

Exhibit "A" - Legal Description of "Site"

Moody Canyon (San Ysidro) Communications Site

A parcel of land situated in the City of San Diego, County of San Diego, State of California, in the East ½ of Section 36, Township 18 South, Range 2 West, San Bernardino Meridian, described as follows, basis of bearings being California Coordinate System, Zone 6, (Chapter 1307, Statutes of 1947):

Commencing at the East 1/4 corner of said Section 36; thence South 82°59' 21" West 778.74 feet to the Point of Beginning; thence South 63°20' 56" West 59.50 feet; thence North 59° 38' 06" West 34.00 feet; thence North 26° 39' 04" West 77.00 feet; thence North 27° 06' 54" East, 35.00 feet; thence 33° 47' 30" West 22.17 feet; thence North 27° 06' 54" East, 36.00 feet; thence North 63° 20' 56" East 23.50 feet; thence South 26°39' 04" East, 169.50 feet to the Point of Beginning.

Containing 0.26 acre, more or less.

Exhibit "B" - Floor Plan of City Vault including Premises

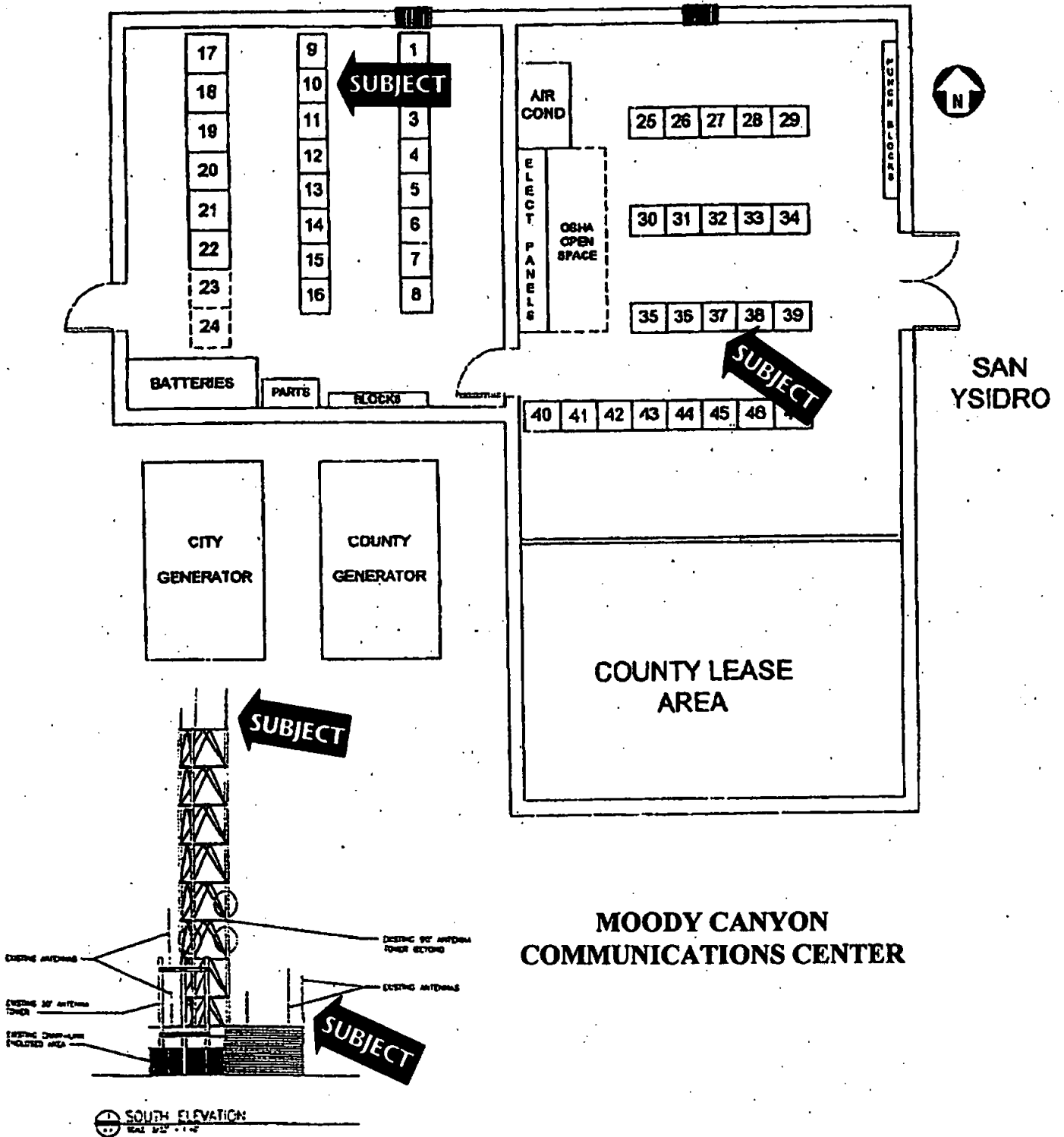


Exhibit "C" - Equipment

RACK SPACE:

- Rack 10 -two receivers for Bortac, 155.370 MHz and 42.64 MHz
- Rack (unnumbered) - one GE low band base station

ANTENNAS:

Two low band Kreco omnidirectional whip antennas

- one located at the top (90-foot level) of the City's tower and
- one on the side of the vault building.

Exhibit D: Memorandum of Lease Form

Recording Requested By and
When Recorded Return To:

APN#
Site #

MEMORANDUM OF LEASE

THIS MEMORANDUM OF LEASE is effective as of _____, 20__ (the Effective Date”).

1. THE CITY OF SAN DIEGO, a California municipal corporation [CITY], with an office at 1200 Third Avenue, M.S. 51A, San Diego, CA 92101-4155, and _____ *[LESSEE’S name and state of incorporation]* [LESSEE], with an office at _____, entered into that certain CITY OF SAN DIEGO TELECOMMUNICATIONS LEASE [Lease] dated _____, 20__, for the purpose of installing, operating, and maintaining a wireless communication facility and other improvements as set forth in the Lease.
2. The term of the Lease is _____ () years and commenced on _____, 20__.
3. The land which is the subject of the Lease is described in attached Exhibit “A.” The portion of the land being leased to LESSEE is set forth in the Lease.

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

CITY:

LESSEE:

THE CITY OF SAN DIEGO, a
California municipal corporation

By: _____
Name: _____
Title: _____

By: _____
Name: _____
Title: _____

APPROVED AS TO FORM AND LEGALITY:
JAN I. GOLDSMITH, CITY ATTORNEY

By: _____
Name: _____
Title: _____

Exhibit E: Interference Protection Requirements

- a. Interference. Prior to the Effective Date or at anytime during the Term of this Lease, LESSEE may be required to provide an intermodulation report [Report] to CITY. This Report shall include the calculation parameters used to compile the Report, all intermodulation "hits," a brief description of the results of the intermodulation calculations; a list of possible interference situations that may result from the proposed Communications Equipment; transmission frequencies that are currently being operated at the Site, and similar or other relevant data from other permittees/lessees/users operating on-site. The information required to compile the Report, including intermodulation parameters and currently known transmission frequencies at the Site may be obtained from CITY'S General Services Department, Communications Division CITY is not responsible for any omitted data provided for the purpose of creating the Report. The Report shall be provided to CITY'S General Services Department, Communications Division [GSDCD], Attention: Senior Communications Engineer.
- b. City of San Diego Land Radio/Electronic Use "ON THE AIR" Test Instructions and Procedures. For the purpose of confirming interference situations calculated by the Report and for the discovery of any other actual interference situations, on-premises, pre-installation or pre-use tests may be required. The tests will determine whether or not radio frequency interference or degraded performance will result to any existing authorized radio/electronic type uses at the Site.

Pre-installation or pre-use Testing

- (1) LESSEE shall notify all permittees/lessees/users at the Site of the tests and details of the tests, at least fourteen calendar days in advance of the test. A listing of all permittees/lessees/users operating at the Site may be obtained from CITY and used to compile a notification list.
 - (a) The notification shall be in the form of a letter to each listed permittee/lessee/user giving a technical data summary of the test and shall specify the date and hour the test will start. The letter of notification shall request the permittees/lessees/users to have a qualified representative present for the test to observe for possible interference problems and with authority to sign an interference or noninterference certification on behalf of the permittee/lessee/user. Technical Data Summary and Test Results Certification sheets are included below.

- (b) A copy of these instructions, "City of San Diego Radio/Electronic Land Use On-The-Air Test Instructions and Procedures" shall be attached to each notification and it shall be noted in the notification letter.
 - (c) Notification to permittees/lessees/users shall be sent via U.S. Mail, pre-paid First-Class postage, certified return receipt requested or hand delivered.
 - (d) The notification letter to the GSDCD Senior Communications Engineer shall include a list of all permittees/lessees/users notified.
- (2) Following the completion of the tests, LESSEE shall provide a letter to the GSDCD Senior Communications Engineer stating the test results obtained from each permittee/lessee/user participating in the test and a list of those permittees/lessees/users who did not respond.
 - (3) If a notified permittee/lessee/user fails to send a qualified representative to observe and participate in the tests, it will be assumed by CITY that the permittee/lessee/user has assured itself that their operations will not be affected.
 - (4) It shall be the responsibility of LESSEE to make complete arrangements and conduct all tests in accordance with applicable Federal/FCC Rules and Regulations.

c. On-The-Air Tests - Technical Details

Pre-installation or pre-use on-the-air tests shall be conducted by the LESSEE under the following technical conditions:

- (1) The LESSEE'S transmitting and/or receiving equipment shall be of the type planned for final use at the Site.
 - (a) The transmitted RF power shall be the maximum to be used and authorized at the Site.
 - (b) On-the-air transmitter tests shall include the use of full allowable modulation.
 - (c) Antenna height(s), location(s) and type(s) shall be the same or comparable to the final installation plan.

- (2) Tests shall include on-the-air operation of all participating transmitter(s) and receiver(s) in all possible combinations with the LESSEE'S electronic equipment.
- (3) All tests shall include testing with all frequencies planned for use by the LESSEE at the Site.

d. Radio Frequency Interference to City Radio Equipment

The radio equipment use proposed by LESSEE shall not directly or indirectly result in degraded technical performance of the CITY'S existing radio equipment installed at the Site or used in the general area. Resulting degraded technical performance in this instance will include, but is not limited to:

- (1) Detectable or measurable received intermodulation;
- (2) Audio distortion or noise; and
- (3) Receiver desensitization in excess of 3.0 dB with respect to 12dB SINAD test.

e. Modifications to Equipment

LESSEE shall notify CITY prior to modifications to transmitting equipment that will change effective radiated power, transmitter frequency, transmitter modulation, or transmitter spurious and harmonic emissions. These modifications may require retest using this "ON THE AIR" testing procedure and the newly proposed equipment.

f. Resulting Interference

LESSEE shall resolve interference problems that the Communications Equipment might cause with (i) other equipment located at the Premises on the Addendum Effective Date or (ii) when LESSEE desires to add additional Communications Equipment to the Premises, any equipment that became attached to the Premises between the Addendum Effective Date and such future date by initiating mutually agreeable actions with the affected parties. CITY may recognize the right of prior authorized permittees/lessees/users and withhold approval or disallow use of a new, retuned, or modified installation pending settlement of the interference problems between LESSEE and other authorized users. CITY shall not be obligated for any loss, financial or otherwise, which may be incurred by LESSEE as a result of CITY withholding approval and LESSEE waives any claim for expense or loss which LESSEE might incur as a result of CITY withholding approval.

TECHNICAL DATA SUMMARY

One form to be completed per transmitter and supplied to all permittees/lessees/users operating at the facility.

DATE _____

LOCATION _____ APPLICANT _____

CALL SIGN _____ CONTACT NAME _____ PHONE _____

TRANSMITTER

RECEIVER

Manufacturer _____ Manufacturer _____

Model _____ Model _____

Emission _____

Radiated ERP _____ Watts

Transmit Frequency _____

Receiver Frequency _____

CTCSS or DCS

1. _____

1. _____

1. _____

2. _____

2. _____

2. _____

3. _____

3. _____

3. _____

4. _____

4. _____

4. _____

ANTENNA

TRANSMIT CAVITY

FILTER ISOLATOR

Make _____

Make _____

Make _____

Model/Type _____

Gain _____ dBd

Azimuth _____

REMARKS:

TEST RESULTS CERTIFICATION

Top section is to be completed and supplied to all permittees/lessees/users operating at the Site. Bottom section is to be completed by each existing Site permittee/lessee/user after testing is finished.

SUBJECT: "ON THE AIR" interference testing

SITE LOCATION _____

FREQUENCY _____

DATE OF TEST _____

TIME OF TEST _____

PROPOSED TRANSMITTER OWNED BY _____

TEST PERFORMED BY _____

Permittee/Lessee/User:

"On-the-air" interference testing has been completed at the above stated Site location. A qualified representative was present for the test to observe for possible interference problems.

With regard to the above test, this is to certify that objectionable radio frequency interference did ☐ did not ☐ result during this test.

Details of interference: (if applicable)

Proposed technical resolution: (if applicable)

(Tenant)

(Tenant's Representative)

(Date)

Exhibit F: Installation Standards

- a. All waveguide and coaxial cable runs shall be installed and supported on the tower, cable ladder, and ice bridges using equivalent hardware and methods to those currently used on site.
- b. All waveguide and coaxial cable shall be installed in a neat manner with sweeping bends and straight runs on the tower cable ladder and ice bridges.
- c. Three ground kits shall be installed as follows: Near the antenna, where the coax transitions to horizontal at the junction between the cable ladder and ice bridge, and where the cable enters the building. Grounds shall be installed to shunt any lightning directly to earth ground.
- d. All antenna mounts and hardware utilized on towers and structures shall be hot-dip galvanized or stainless steel and of standard manufacture.
- e. All drawings submitted for installation approval shall clearly show the following items:
 - (1) A plot plan of the site to include the building and tower location with the proposed equipment shown in its proposed location.
 - (2) A tower drawing clearly showing the location of the proposed antenna and the routing of the waveguide or coax cable specifying grounding locations.
 - (3) If equipment is to be located inside the building, a drawing shall be provided showing the rack location of the equipment, an elevation drawing of the rack, and a plot plan of the equipment installed in the rack.
 - (4) A list of all equipment to be installed shall be provided. This list shall include the type and manufacturer of equipment, RF frequency, RF power, modulation type, RF filtering, antenna type, antenna model, antenna gain and azimuth, waveguide and/or coax cable length and AC power requirement including any HVAC.
- f. All transmitters shall have necessary protection to eliminate any RF degradation of the receive signal to any other user on the site, such as filtering and isolators.
- g. To minimize the number of antennas and waveguide or coax cables to be mounted on the tower, transmitter combining will be required whenever possible.
- h. All cabinets and racks shall be grounded to the site grounding system.
- i. Should CITY determine that a tower loading analysis is required, the requesting user shall have the tower analysis done at its expense and provide CITY with information on how the additional load to the tower will affect tower structural integrity.

- j. Tower Climbing: All tower climbing shall be done in compliance with all CAL-OSHA requirements.
- k. RF Radiation: Hazardous RF radiation levels may be encountered when climbing on existing antenna structures. Refer to FCC OET Bulletin 65. When it is necessary to climb on the antenna structure for installation or maintenance, contact the CITY'S General Services Department, Communications Division [GSDCD] Fixed Maintenance Supervisor at (619) 525-8650 for shutdown scheduling and procedures. Any equipment installed on the Site may at times require shutdown to allow maintenance personnel to access the antenna structure.
- l. Lessees shall provide CITY with shutdown procedures and 24-hour contact names and telephone numbers. In addition, should changes be made to the contact names and telephone numbers, the CITY shall be notified at least ten calendar days before the change.
- m. Access: For access to the site, contact the GSDCD Fixed Maintenance Supervisor at (619) 525-8650. Keys will be issued as required. **DO NOT DUPLICATE KEYS.**
- n. Security: All sites are alarmed with silent alarms and monitored 24 hours per day by the Public Service Dispatch Center. When entering or leaving a building, call (619) 527-7660 or use the order wire dial #13 and identify yourself. Police respond to all unanswered alarms.
- o. Cleanup: All trash and debris shall be removed from the site at the end of each work day and upon completion of the project.
- p. A detailed construction schedule shall be provided to GSDCD prior to any installation work.

Exhibit G: Emergency Maintenance Procedures

If LESSEE discovers that any of the Communications Equipment is damaged, LESSEE shall immediately notify **CITY'S Station 38 at (619) 527-7660**.

If CITY discovers that any of the Communications Equipment is damaged, CITY shall immediately notify **LESSEE'S Network Operation Call Center at (916) 843-4200 or (916) 657-9327**.

CITY may require any replacement Communications Equipment to be relocated, as provided for in this Lease.

If LESSEE'S Communications Equipment causes any interference to CITY'S telecommunications equipment and/or system, CITY may require such Communications Equipment to be removed permanently and replaced at another location, as provided for in this Lease.

LESSEE shall not unreasonably interfere with pedestrian or vehicle traffic while installing or maintaining its Communications Equipment.

If a party changes its emergency contact telephone information, that party shall immediately notify the other party of the new contact information at the telephone number provided above, and, within ten calendar days, provide the other party with written notice of the new contact information, in accordance with this Lease.