

**CITY OF SAN DIEGO
FLAT RATE RESIDENTIAL LEASE**

BY AND BETWEEN

**THE CITY OF SAN DIEGO,
A CALIFORNIA MUNICIPAL CORPORATION**

AND

BULMARO ESTRADA and LUPITA BELTRAN

CITY OF SAN DIEGO
FLAT RATE RESIDENTIAL LEASE

THIS CITY OF SAN DIEGO FLAT RATE RESIDENTIAL LEASE ("Lease") is entered into by and between THE CITY OF SAN DIEGO, a California municipal corporation ("CITY"), and BULMARO ESTRADA and LUPITA BELTRAN ("LESSEES").

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

SECTION 1: PREMISES; USES

1.1 Leased Premises. CITY leases to LESSEE and LESSEE leases from CITY all of that CITY-owned real property located at 123 E. Seaward Avenue, San Ysidro, California 92173 (the "Premises"), consisting of a 4 bedroom, 2 bathroom single-family residence and attached yard.

1.2 Allowed Uses. The Premises shall be used solely for residential purposes by the people set forth below in section 1.2.1 and for no other purposes whatsoever ("Allowed Uses").

1.2.1 Occupancy. Regular occupants of the Premises shall be restricted to those persons who have signed this Lease as "LESSEES" and the following named individuals (this paragraph shall not prevent LESSEE from accommodating true guests for reasonable time periods); and no other persons:

<u>Jose Rios</u>	<u>09-06-2006</u>	<u>Allison Mondragon</u>	<u>11-05-2008</u>
Name	Date of Birth	Name	Date of Birth

1.3 Superior Interests. This Lease is subject to all liens, encumbrances, covenants, conditions, restrictions, reservations, contracts, permits and 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 become necessary or reasonably advisable to allow its use of the Premises, relative to any such superior interest. If LESSEE's use of the Premises is or becomes 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.

1.4 Governmental Approvals. By entering into this Lease, 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 LESSEE's occupancy, use, development, maintenance, or restoration of the Premises. Discretionary action includes without limitation re-zonings, variances, environmental clearances, and all other required governmental approvals.

- 1.5 CITY's Consent, Approval. Unless otherwise expressly provided herein, CITY's consent or approval under this Lease shall mean the written consent or approval of the Mayor of San Diego, or his or her designee ("Mayor"). CITY's discretionary acts hereunder shall be made in the Mayor's discretion, unless otherwise expressly provided herein.
- 1.6 Quiet Possession. LESSEE, performing the covenants and agreements in this Lease, shall at all times during the term of this Lease peaceably and quietly have, hold, and enjoy the Premises.
- 1.7 Reservation of Rights.
- 1.7.1 Mineral Rights. CITY reserves all rights, title, and interest in and to any and all subsurface natural gas, oil, minerals, and water on or within the Premises.
- 1.7.2 Easements. CITY reserves the right to grant, establish, and use easements and rights-of-way over, under, along, and across the Premises for utilities, thoroughfares, or access as it deems advisable for the public good.
- 1.7.3 Repairs. CITY may at all reasonable times enter the Premises for the purpose of making repairs to or developing municipal resources and services.
- 1.7.4 Noninterference. CITY shall not unreasonably interfere with LESSEE's use of the Premises, and shall repair or reimburse LESSEE for reasonable costs incurred by LESSEE to repair any physical damages to the Premises or LESSEE's personal property directly caused by CITY's exercising its rights reserved in this section. CITY shall pay the costs of maintenance and repair of all CITY installations made pursuant to these reserved rights.

SECTION 2: TERM

- 2.1 Term. This Lease shall not have a set term; instead, upon commencement, the tenancy created by the Lease shall continue month-to-month until either CITY or LESSEE gives the other party a 90-day notice to terminate the tenancy ("Term"). The month-to-month tenancy created by this Lease shall commence on September 19, 2015 ("Commencement Date").
- 2.2 Holdover. No holding over by LESSEE after the expiration or earlier termination of this Lease shall be allowed. LESSEE specifically agrees that should LESSEE hold over after the expiration or earlier termination of this Lease, then CITY may demand and receive from LESSEE rent, on a per diem basis, utilizing the amount of one hundred fifty percent (150%) of the monthly rental amount in effect upon expiration or earlier termination of the Lease.

If LESSEE willfully and maliciously remains in possession of the Premises after expiration or early termination of this Lease, CITY may recover up to six hundred dollars (\$600) statutory damages, in addition to actual damages, including rent found due.

- 2.3 Surrender of Premises. Upon the expiration or earlier termination of this Lease, LESSEE shall vacate the Premises and surrender it to CITY free and clear of all liens and encumbrances, and in a decent, safe, and sanitary condition, reasonable wear and tear excepted. At any time after the expiration or earlier termination of this Lease, LESSEE shall execute, acknowledge, and deliver to CITY, within thirty (30) days after CITY's demand, a valid and recordable quitclaim deed covering all of the Premises. If LESSEE fails or refuses to deliver the required quitclaim deed, CITY may prepare and record a notice reciting LESSEE's failure to perform this Lease provision, and the notice shall be deemed conclusive evidence of the termination of this Lease and all of LESSEE's rights in and to the Premises.

SECTION 3: RENT

Rent. LESSEE shall pay to CITY monthly rent ("Monthly Rent"), in advance for each rental month, in the amount of Eight Hundred and Twenty Five Dollars (\$825.00). The Monthly Rent shall be due on or before the first of each rental month. Based upon the effective or termination dates of this lease, the rent will be prorated accordingly.

- 3.1 Time and Place of Payment. All payments to be paid by LESSEE under this Lease shall be made payable to "City Treasurer" and be mailed to:

The Office of the City Treasurer
City of San Diego
P.O. Box 129030
San Diego, California 92112-9030

or hand-delivered to:

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

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

- 3.2 Delinquent Monthly Rent. Starting the first full month of this lease, if LESSEE fails to pay Monthly Rent when due, LESSEE shall pay, in addition to the unpaid Monthly Rent,

Fifty Dollars (\$50) if the Monthly Rent is still unpaid after fifteen (15) days past due, which is agreed by the parties to be appropriate to compensate CITY for the cost of servicing the delinquent account. 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.

- 3.3 Returned Check. If LESSEE's personal check for Rent is not honored or is returned by LESSEE's financial institution for any reason (Returned Check), CITY will treat this situation as if LESSEE has not paid Rent for that month. LESSEE shall be obligated to pay CITY any additional fees in accordance to the Office of the City Treasurer guidelines.
- 3.4 Security Deposit. At the time LESSEE signs this Lease, LESSEE shall also pay CITY a security deposit in the amount of \$800.00 ("Security Deposit") as security for the faithful performance of LESSEE's obligations under this Lease. CITY shall have the right to commingle the Security Deposit with other funds of CITY. City may, at its option, deduct from the Security Deposit such amounts as are reasonably necessary: (a) to remedy LESSEE's defaults in payment of Rent, utility charges or any other item for which LESSEE is responsible under this Lease; (b) to repair damage (other than ordinary wear and tear) to the Premises caused by LESSEE and/or members of LESSEE's family, guests, licensees, visitors or pets, including but not limited to stains in carpet, counter damage, drywall repair, painting, drapes and plumbing system; (c) to clean the Premises upon termination of LESSEE's tenancy; and/or (d) to cover the cost of restoring, replacing or reclaiming any personal property provided to LESSEE (e.g., keys). Any refund of the Security Deposit to LESSEE shall be made in the amount and manner established by law.

In the event CITY uses any part of the Security Deposit during LESSEE's tenancy, LESSEE shall replenish the Security Deposit to its full amount within (10) days after CITY's written notice to LESSEE of the deduction and CITY's demand that the Security Deposit be replenished in full.

SECTION 4: ATTORNEY FEES

- 4.1 Lawsuits Brought by or Against LESSEE. If, as a result of an action brought by or against LESSEE in connection with this Lease, CITY intervenes therein, becomes a party, or is made a party thereto, LESSEE shall pay all of CITY's costs and expenses thereof, including, without limitation, reasonable attorney fees and costs.

SECTION 5: ENCUMBRANCES; ASSIGNMENT & SUBLETTING

- 5.1 Leasehold Encumbrances. LESSEE shall not encumber LESSEE's leasehold estate by deed of trust or other security instrument.
- 5.2 Assignment and Subletting. LESSEE shall not assign this Lease or any interest in this Lease, and shall not sublet the Premises or any part of the Premises, or grant any license or other right or appurtenant privilege to the Premises, or permit any other person, except those persons set forth in section 1.2.1 and LESSEE's guests, to use or occupy the Premises or any part of the Premises. Neither this Lease nor any interest in it shall be assignable, as to LESSEE's interest, by operation of law, without CITY's written consent.

SECTION 6: DEFAULT AND REMEDIES

- 6.1 Default. LESSEE shall be in default of this Lease if any of the following occurs:
- (a) LESSEE fails to make any payment required under this Lease when due;
 - (b) LESSEE breaches any of its obligations under this Lease, other than those requiring payment to CITY, 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;
 - (c) LESSEE voluntarily files or involuntarily has filed against it any petition under any bankruptcy or insolvency act or law;
 - (d) LESSEE is adjudicated a bankrupt; or
 - (e) LESSEE makes a general assignment for the benefit of creditors.
- 6.2 Remedies. Upon LESSEE's default, CITY may, at its option, give LESSEE, or any person claiming rights through LESSEE, a written "Three Day Notice to Pay or Quit," or CITY may terminate the Lease and all rights of LESSEE, and all persons claiming rights through LESSEE, to the Premises or to possession of the Premises. Upon termination, CITY may enter and take possession of the Premises, and may recover from LESSEE the sum of:
- (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 LESSEE 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 LESSEE affirmatively proves could be reasonably avoided;
- (d) any other amount necessary to compensate CITY for all the detriment proximately caused by LESSEE's breach and default, or that in the ordinary course of things, would be likely to result; and
- (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 6.2(a) and 6.2(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 6.2(c), above, the "worth at the time of award" is computed by discounting that amount at the discount rate of the Federal Reserve Bank of San Francisco at the time of award plus two percent (2%). As used in this section, the term "rent" shall include rent and any other amounts payable by LESSEE under this Lease.

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

SECTION 7: EMINENT DOMAIN

- 7.1 Eminent Domain. If all or part of the Premises are taken through condemnation proceedings or under threat of condemnation by any public authority with the power of eminent domain, the interests of CITY and LESSEE (or beneficiary or mortgagee) shall be as follows:
- 7.1.1 Full Taking. If the entire Premises are taken, this Lease shall terminate on the date of the transfer of title or possession to the condemning authority, whichever first occurs.
- 7.1.2 Partial Taking - Remainder Usable. If a partial taking of the Premises occurs, and in the opinion of CITY, the remaining part of the Premises are suitable for continued Lease operation, this Lease shall terminate in regard to the portion taken on the date of the transfer of title or possession to the condemning authority, whichever first occurs, but shall continue for the portion not taken. The rent shall be equitably reduced to reflect the portion of the Premises taken, only to the extent that LESSEE's operations are reduced or impaired.
- 7.1.3 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 the Premises. CITY shall have no liability to LESSEE for any award not provided by the condemning authority.
- 7.1.4 Transfer. CITY has the right to transfer CITY's interests in the Premises in lieu of condemnation to any authority entitled to exercise the power of eminent domain. If a transfer occurs, LESSEE shall retain whatever interest it may have in the fair market value of any improvements placed by it on the Premises in accordance with this Lease.
- 7.1.5 No Inverse Condemnation. The exercise of any CITY right under this Lease shall not be interpreted as an exercise of the power of eminent domain and shall not impose any liability upon CITY for inverse condemnation.

SECTION 8: INDEMNITY; HOLD HARMLESS; INSURANCE

- 8.1 Indemnification and Hold Harmless. LESSEE shall protect, defend, indemnify, and hold CITY and its elected officials, officers, employees, representatives, and agents harmless from and against any and all claims asserted or liability established for damages or injuries to any person or property, including injury to LESSEE's officers, employees, invitees, guests, agents, or contractors, which arise out of or are in any manner directly or indirectly connected with LESSEE's acts or omissions in the performance of its obligations under this Lease, and all expenses of investigating and defending against same, including without limitation attorneys' fees and costs; provided, however, that LESSEE's duty to indemnify and hold CITY harmless shall not include any claims or

liability arising from the sole negligence or intentional misconduct of CITY and its elected officials, officers, employees, representatives, and agents.

- 8.2 Required Insurance. LESSEE is required to obtain: (a) Renter's Insurance Policy covering loss of all personal property as a result of fire, theft, or vandalism, and (b) public liability coverage in the minimum amount of \$300,000 per occurrence. LESSEE must provide CITY with certificates evidencing valid policies prior to the Effective Date of this Lease. CITY will not provide insurance coverage for loss or damage to LESSEE's personal property or public liability for the Residence.

8.2.1 Conditions. All insurance policies shall, by separate endorsement, name CITY, its elected officials, officers, agents and employees as additional insured's, protect CITY against any legal costs in defending claims, and shall not terminate without sixty (60) days prior written notice to CITY. All insurance companies must be satisfactory to CITY and be licensed to do business in California (see section 8.4 below). All policies shall be in effect on or before the Effective Date. A copy of each insurance policy shall remain on file with CITY during the Term of this Agreement. At least thirty (30) days prior to the expiration of each policy, LESSEE shall furnish to CITY a certificate showing that a new or extended policy has been obtained which meets the terms of this Lease.

8.2.2 Modification. CITY, at its discretion, may require additional insurance coverage at any time during the Term by giving LESSEE sixty (60) days prior written notice. Such requirements shall be designed to assure protection from and against the kind and extent of risk existing on the "Premises". LESSEE shall obtain any additional insurance required by CITY for approved improvements, in order to meet the requirements of this Lease.

8.2.3 Accident Reports. LESSEE shall report to CITY any incident causing more than two hundred dollars (\$200.00) worth of property damage, and all events involving injury to persons on the Premises. The report shall contain the names and addresses of the parties involved, a statement of the circumstances, the date and hour, the names and addresses of any witnesses, and other pertinent information.

- 8.3 Deductibles. All deductibles on any policy shall be the responsibility of the Lessee and shall be disclosed to the City at the time the evidence of insurance is provided

8.4 Acceptability of Insurers

- 8.4.1 All insurance required by the Lease shall only be carried by insurance companies with a rating of at least "A-, VI" by A.M. Best Company, that are authorized by the California Insurance Commissioner to do business in the State of California, and that have been approved by the City.

8.4.2 The City will accept insurance provided by non-admitted, "surplus lines" carriers only if the carrier is authorized to do business in the State of California and is included on the List of Eligible Surplus Lines Insurers (LESLI list). All policies of insurance carried by non-admitted carriers are subject to all of the requirements for policies of insurance provided by admitted carriers described herein.

8.5 Required Endorsements. The following endorsements to the policies of insurance are required to be provided to the City before the Lease shall be effective:

8.5.1 Commercial General Liability Insurance Endorsement

(a) Additional Insured. To the fullest extent allowed by law including but not limited to California Insurance Code Section 11580.04, the policy or policies must be endorsed to include as an Additional Insured the City of San Diego and its respective elected officials, officers, employees, agents and representatives with respect to liability arising out of (a) ongoing operations performed by you or on your behalf, (b) your products, (c) your work, including but not limited to your completed operations performed by you or on your behalf, or (d) premises owned, leased, controlled or used by you.

(b) Primary And Non-Contributory Coverage. The policy or policies must be endorsed to provide that the insurance afforded by the Commercial General Liability policy or policies is primary to any insurance or self-insurance of the City of San Diego and its elected officials, officers, employees, agents and representatives as respects operations of the Named Insured. Any insurance maintained by the City of San Diego and its elected officials, officers, employees, agents and representatives shall be in excess of Lessee's insurance and shall not contribute to it.

8.6 Reservation of Rights. The City reserves the right, from time to time, to review the Lessee's insurance coverage, limits, deductibles and self-insured retentions to determine if they are acceptable to the City, and to require that insurance coverage be increased as appropriate based on the reasonable discretion of CITY.

8.7 Additional Insurance. The Lessee may obtain additional insurance not required by the Lease.

SECTION 9: IMPROVEMENTS; ALTERATIONS; REPAIRS; MAINTENANCE

9.1 Waste, Damage, or Destruction. LESSEE shall not commit or allow to be committed any waste or any public or private nuisance on the Premises, shall keep the Premises clean and clear of refuse and obstructions, and shall dispose of all garbage, trash, and rubbish in

a manner satisfactory to CITY. If the Premises are put into a condition which is not decent, safe, healthy, and sanitary, LESSEE shall restore the Premises to their prior condition within a reasonable time.

- 9.2 Acceptance of Premises. LESSEE acknowledges that LESSEE resided at the Premises prior to CITY becoming the owner of the Premises, that the Premises are in good order and condition, and that LESSEE shall take possession of the Premises in an "as is, where is" condition. CITY has not made and makes no representation or warranty as to the condition or suitability of the Premises for LESSEE's intended use, and assumes no obligation to alter or improve the Premises. LESSEE has relied solely on its own independent investigations of the condition and suitability of the Premises, and is satisfied with the condition thereof.

LESSEE acknowledges that the Premises do not include any appliances such as a refrigerator, microwave oven, stove, washer or dryer. Any appliances are considered personal property of the tenants. LESSEE shall be responsible for the maintenance, repair or replacement of all such appliances throughout the term of this lease. City shall have no responsibility for current or future appliances or the maintenance thereof.

- 9.3 Asbestos. If either CITY or LESSEE makes improvements, alterations or repairs to the Building or the Premises, the party causing such improvements, alterations or repairs shall be responsible for any asbestos removal, management, or containment, and shall pay all costs associated therewith. Asbestos removal, management or containment shall be conducted in accordance with all applicable laws and as approved by CITY. CITY reserves the right to inspect any improvements, alterations or repairs to the Premises or the Building made by LESSEE. CITY may, at its discretion, station supervisory personnel at the work site to ensure that LESSEE's obligations under this section are fulfilled. Each party shall coordinate with the other any improvement, alteration or repair, and except in the event of an emergency, the party responsible for such work shall provide written notice to the other party at least fifteen (15) days prior to commencing the work.

- 9.4 Entry and Inspection. Upon 24 hours prior notice (excepting cases of emergency, where no advance notice is required), CITY may at all reasonable times enter and inspect the Premises.

LESSEE shall not add or change any lock, locking device, bolt or latch on the Premises without CITY's prior written consent. LESSEE acknowledges that CITY has a key to LESSEE's Premises and may use the same for entry, as provided herein.

- 9.5 Maintenance. LESSEE shall maintain the Premises in a decent, safe, healthy, and sanitary condition reasonably satisfactory to CITY. Notwithstanding the foregoing, it is CITY's obligation to maintain the Premises in a habitable condition (which LESSEE agrees it is at the commencement of this lease), but CITY is not responsible for defective

LESSEE shall, at its sole cost and expense, obtain and maintain trash receptacles and trash-removal service (see section 9.13 below).

- 9.6 Improvements/Alterations. No improvements, structures, or installations shall be constructed on the Premises, and the Premises may not be altered by LESSEE without CITY's prior written approval. Once consent is given for any specific improvement/alteration, LESSEE shall not make any structural or architectural design alterations to said approved improvements, structures, or installations on the Premises without CITY's additional prior written approval. This provision shall not relieve LESSEE of any maintenance obligation under this Lease. CITY shall not be obligated by this Lease to make or assume any expense for any improvements or alterations to the Premises.
- 9.7 Utilities. LESSEE shall order, obtain, and pay for all water, utilities, and service and installation charges in connection with the Allowed Uses of the Premises. LESSEE acknowledges that they will share the cost of water/sewer service charges 50/50 with 123 B. Seaward Apartment G.
- 9.8 Liens. LESSEE shall protect, defend, indemnify, and hold CITY harmless from and against all claims for labor or materials in connection with operations, improvements, alterations, or repairs on or to the Premises and the costs of defending against such claims, including without limitation reasonable attorneys' fees. If LESSEE causes improvements, alterations, or repairs to be made to the Premises, and a lien or notice of lien is filed against the property, LESSEE shall notify CITY of the lien within five (5) days after LESSEE first becomes aware of the existence of the lien, and within thirty (30) days after the filing either: (a) take all actions necessary to record a valid release of the lien; or (b) file with CITY a bond, cash, or other security acceptable to CITY sufficient to pay in full all claims of all persons seeking relief under the lien.
- 9.9 Taxes. LESSEE shall pay, before delinquency, all taxes, assessments and fees assessed or levied upon the Premises or upon LESSEE's use and occupancy of the Premises, including without limitation licenses and permits, and any improvements or fixtures installed or maintained by LESSEE thereon. LESSEE acknowledges that this Lease may create a possessory interest subject to property taxation and that LESSEE may be subject to the payment of taxes levied on that possessory interest. LESSEE shall pay all such possessory interest taxes. LESSEE's payment of taxes, fees and assessments shall not reduce any rent due to the CITY. CITY shall not assume any responsibility for any taxes whatsoever resulting from LESSEE's possession, use, or occupancy of the Premises.
- 9.10 Signs. LESSEE shall not erect or display any banners, pennants, flags, posters, signs, decorations, marquees, awnings, or similar devices or advertising without CITY's prior written consent. If any such unauthorized item is found on the Premises, LESSEE shall remove the item at its expense within twenty-four (24) hours after notice by CITY, or CITY may thereafter remove the item at LESSEE's cost.

9.11 Personal Property.

9.11.1 Personal Property. LESSEE shall remove all LESSEE-owned personal property upon the expiration or early termination of this Lease, or as soon as practicable after termination, but in no event later than thirty (30) days after the expiration or earlier termination of this Lease. Any such items which LESSEE fails to so remove shall be returned to LESSEE, placed in storage or disposed of as provided in Civil Code Section 1965 et. seq. 1980 et. seq., or Code of Civil Procedure Section 1174. LESSEE, 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 Premises.

9.11.2 Late Removal. Notwithstanding any provision of this Lease to the contrary, LESSEE shall pay rent to CITY for any period of time after the expiration or early termination of this Lease needed to remove improvements or personal property as required by this Lease, whether by CITY or LESSEE. Such rent shall be calculated utilizing the methodology set forth in section 2.2 of this Lease.

9.12 Trash and Refuse. LESSEE shall, at its sole cost and expense, provide containers on the Premises to receive trash and refuse generated on the Premises. Refuse containers shall not be located outside the Premises except on the designated trash pick-up day for the Premises. Such containers shall be covered and emptied regularly enough to prevent them from overflowing or creating unhealthful, unsightly, or unsanitary conditions. The contents of the containers shall be disposed of by LESSEE or others acting pursuant to LESSEE's direction at authorized landfills or other garbage reception areas as provided under applicable law at the time of collection.

9.13 Hazardous Substances. LESSEE shall not allow the illegal installation, storage, utilization, generation, sale or release of hazardous or otherwise regulated substances in, on, under, or from the Premises. LESSEE and LESSEE's agents and contractors shall not install, store, utilize, generate, or sell any hazardous substance on the Premises without CITY's prior written consent. LESSEE shall obtain and maintain all required licenses and permits from applicable regulatory agencies, including without limitation the San Diego County Department of Environmental Health, local fire agencies, the San Diego County Department of Weights and Measures, the San Diego County Air Pollution Control District, and the San Diego Regional Water Quality Control Board. Installing, utilizing, storing, or any other presence of a hazardous substance includes boxes, bags, bottles, drums, cylinders, above or below ground tanks, equipment with tanks, or any other type of container, equipment, or device which holds or incorporates a hazardous substance or hazardous waste.

9.13.1 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.

- 9.13.2 Remediation. If LESSEE's occupancy, use, development, maintenance, or restoration of the Premises results in a release of a hazardous substance, or petroleum related substance or its chemical constituents, LESSEE shall pay all costs of remediation and removal to the CITY's satisfaction for unrestricted reuse of the Premises, and in accordance with all applicable laws, rules, and regulations of governmental authorities.
- 9.13.3 Removal. If LESSEE or LESSEE's contractor or agent has received approval and permits to store, utilize, generate, or install, or otherwise bring hazardous materials or hazardous wastes to the Premises, LESSEE and/or LESSEE's contractor or agent shall remove all hazardous substances and hazardous wastes in any type of container, equipment, or device from the Premises immediately upon or prior to the expiration or earlier termination of this Lease. CITY reserves the right to conduct inspections of the Premises and/or request documentation demonstrating the legal removal and/or disposal of the hazardous materials, wastes or other containers, equipment, or devices from the Premises. LESSEE shall be responsible for any and all costs incurred by CITY to remove any container, equipment, or device requiring disposal or removal as required by this provision.
- 9.13.4 Indemnity. LESSEE shall protect, defend, indemnify, and hold CITY harmless from any and all claims, costs, and expenses related to environmental liabilities resulting from LESSEE's occupancy, use, development, maintenance, or restoration of the Premises, including without limitation: (i) costs of environmental assessments; (ii) costs of regulatory remediation oversight; (iii) costs of remediation and removal; (iv) any necessary CITY response costs; (v) all fines, penalties, or fees assessed by any regulatory agency; (vi) damages for injury to natural resources, LESSEE's officers, employees, invitees, guests, agents, or contractors, or the public; and (vii) all costs of any health assessments or health effect studies.
- 9.13.5 Notice of Release. If LESSEE knows or has reasonable cause to believe that a hazardous substance or petroleum related substance or its chemical constituents has been released on, from, or beneath the Premises, LESSEE shall immediately notify CITY and any appropriate regulatory or reporting agency per California Administrative Code Title 19 and any other applicable laws or regulations. LESSEE shall deliver a written report thereof to CITY within three (3) days after receipt of the knowledge or cause for belief and submit any required written reports to regulatory or reporting agencies as required by regulation or law. If LESSEE knows or has reasonable cause to believe that such substance is an

imminent release or is an imminent substantial danger to public health and safety, LESSEE shall take all actions necessary to alleviate the danger. LESSEE shall immediately notify CITY in writing of any violation, notice to comply, or notice of violation received or the initiation of environmental actions or private suits related to the Premises.

- 9.13.6 Environmental Assessment. Upon reasonable cause to believe that LESSEE's occupancy, use, development, maintenance, or restoration of the Premises ("LESSEE's Operations"), resulted in any hazardous substance being released on, from or beneath the Premises, CITY may cause an environmental assessment under regulatory oversight of the suspect area to be performed by a professional environmental consultant registered with the State of California as a Professional Engineer, Certified Engineering Geologist, or Registered Civil Engineer. The environmental assessment shall be obtained at LESSEE's sole cost and expense, and shall establish what, if any, hazardous substances have more likely than not been caused by LESSEE's Operations on, in, from or under the Premises, and in what quantities. If any such hazardous substances exist in quantities greater than allowed by city, county, state, or federal laws, statutes, ordinances, or regulations, or require future restricted re-use of the Premises, then the environmental assessment shall include a discussion of such substances with recommendations for remediation and removal necessary to effect unrestricted re-use and in compliance with those laws or statutes, and estimates of the cost of such remediation or removal. LESSEE shall cause, or if LESSEE fails to do so within a reasonable period of time, as determined by CITY in its sole discretion, CITY may cause the remediation and/or removal recommended in the environmental assessment such that unrestricted re-use of the Premises and compliance with environmental law and regulations are achieved, and LESSEE shall pay all costs and expenses therefore.

SECTION 10: GENERAL PROVISIONS

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

If to LESSEE:

Bulmaro Estrada
Lupita Beltran
123 E. Seaward Avenue
San Ysidro, CA 92173

If to CITY:

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

- 10.2 Compliance with Law. LESSEE shall at all times in the occupancy, maintenance, and restoration of the Premises comply with all applicable laws, rules, regulations, and requirements of competent legal authority at LESSEE's sole cost and expense.
- 10.3 California Public Records Act. CITY shall determine, in its sole discretion, whether information provided to CITY by LESSEE pursuant to this Lease is or is not a public record subject to disclosure under the California Public Records Act ("CPRA"). LESSEE shall hold CITY, its elected officials, officers and employees harmless for CITY's disclosure of any such information in response to a request for information under the CPRA.
- 10.4 Accessibility Assessment. In accordance with California Civil Code Section 1938, CITY hereby states that the Premises has not been inspected by a Certified Access Specialist (CASP).
- 10.5 Nondiscrimination. This Lease is made and accepted upon and subject to the covenant and condition, which shall run with the land, that LESSEE or any person claiming under or through LESSEE shall not establish or allow any discrimination against or segregation of any person or group of persons on account of race, color, religion, gender, disability, sexual orientation, sexual identity, health status, marital status, national origin, ancestry, familial status, or source of income in the possession, use and occupancy of the Premises.
- 10.6 Pets. No animal or pet shall be kept on or about the Premises without Landlord's prior written consent. City consents to LESSEE's one (1) dog, a "Boxer".
- 10.7 Cumulative Remedies. Except as expressly provided in this Lease, CITY's rights and remedies under this Lease are cumulative and shall not limit or otherwise waive or deny any of CITY's rights or remedies at law or in equity.
- 10.8 Survival. Any obligation which accrues under this Lease prior to its expiration or termination shall survive such expiration or termination.
- 10.9 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.
- 10.10 No Affiliation. Nothing contained in this Lease shall be deemed or construed to create a partnership, joint venture or other affiliation between CITY and LESSEE or between CITY and any other entity or party, or cause CITY to be responsible in any way for the debts or obligations of LESSEE or any other party or entity.

- 10.11 Entire Agreement. This Lease constitutes the entire agreement between the parties and supersedes any and all prior understandings, representations, warranties, and agreements between them pertaining to this Lease and LESSEE's occupancy, use, development, maintenance, and restoration of the Premises. Any modification, alteration, or amendment of this Lease shall be in writing and signed by all the parties hereto.

LESSEE acknowledges having been advised to consult with independent legal counsel before entering into this Lease, and that CITY gave LESSEE adequate time to seek such representation and advice prior to entering into this Lease.

- 10.12 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.

- 10.13 Disclosure Pursuant to Civil Code Section 2079.10a (Proximity of Registered Sex Offenders)

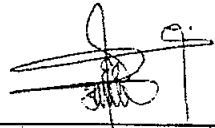
Notice: Pursuant to Section 290.46 of the Penal Code, information about specified registered sex offenders is made available to the public via an internet Web site maintained by the Department of Justice at www.meganslaw.ca.gov. Depending on an offender's criminal history, this information will include either the address at which the offender resides or the community of residence and ZIP Code in which he or she resides.

IN WITNESS WHEREOF, this Lease is executed to be effective as of the date this Lease is approved by the City Attorney's Office.

THIS IS A BINDING LEGAL DOCUMENT. IF ANY PROVISION IS NOT UNDERSTOOD, CONSULT AN ATTORNEY BEFORE SIGNING.

LESSEE:

Date: SEP-29-15

By: 
Printed Name: Bolmar Estrada

Date: SEP-29-15

By: 
Printed Name: Lupita Beltran

THE CITY OF SAN DIEGO, a California
municipal corporation

Date:

9/29/15

By:

Cybele Thompson

Director, Real Estate Assets Department

Environmental Analysis Section Environmental Clearance:

The City of San Diego conducted an environmental review that determined that this Real Estate Purchase and Sale Agreement would not have the potential for causing a significant effect on the environment because no construction would occur, no grading would occur, and no change in use would result with this transaction. Per CEQA §15352(a), this site acquisition does not constitute approval of a Project. Approval will occur once the project is submitted for permit and environmental review in accordance with CEQA §15004 and the City's LDC. Therefore, the activity is exempt from CEQA per §15061(b)(3) under the general rule that CEQA applies only to projects which have the potential for causing a significant effect on the environment. Where it can be seen with certainty that there is no possibility that the activity in question may have a significant effect on the environment the activity is not subject to CEQA. This action will not foreclose review of alternatives or mitigation measures by the public as part of the CEQA process.

Date:

9/30/15

By:

Name:

Title:

Meghan S. Heyman
Meghan S. Heyman
Senior Planner

Approved as to form this 1st day
of October, 20 15.

JAN I. GOLDSMITH, City Attorney

By:

Name:

Title:

Lubra J. Bevier
Lubra J. Bevier
City Attorney