

MONTGOMERY-GIBBS EXECUTIVE AIRPORT
FLAT RATE MOU FOR OFFICE SPACE

Between

CITY OF SAN DIEGO AIRPORTS

And

CITY OF SAN DIEGO ENGINEERING & CAPITAL PROJECTS DEPARTMENT(E&CP)

CITY OF SAN DIEGO
INTERDEPARTMENTAL MEMORANDUM OF UNDERSTANDING

THIS CITY OF SAN DIEGO INTERDEPARTMENTAL MEMORANDUM OF UNDERSTANDING ("MOU") is made by and between the City of San Diego Real Estate Assets Department–Airports Division ("AIRPORTS") and the City of San Diego-Engineering & Capital Projects Department("E&CP") to be effective as of June 1, 2021 (the "Effective Date"), as follows:

RECITALS

A. WHEREAS, the City of San Diego owns the real property located at 8525 Gibbs Drive, San Diego, California, ("Property") which is part of the Montgomery Gibbs-Executive Airport, which is an asset of AIRPORTS; and

B. WHEREAS, E&CP is in need of office and storage area for service delivery to other City Departments and the public, and E&CP has determined that the best location for E&CP to consolidate staff into one central location is on a portion of the Property as more specifically set forth below, and eventually at other real property located on Montgomery-Gibbs Executive Airport, to include the real property at 8575 and 8668 Gibbs Drive; and

C. WHEREAS, as a result of FAA grant assurances, and other regulations pertaining to the management and use of public airports in the National Plan of Integrated Airports Systems, AIRPORTS is required to obtain fair market value for use of the Property for all nonaeronautical activities, even if such use is by another City department; and

D. WHEREAS, this MOU is intended to clarify the terms under which E&CP will occupy and use a portion of the Property, including the rent to be paid, the term of the use and occupancy, and the responsibilities for maintenance and compliance with the grant assurances;

E. WHEREAS, E&CP's future use of any other portion of the Property will be documented in the future, either by amending this MOU, or by entering into additional MOUs;

NOW THEREFORE, E&CP and AIRPORTS agree as follows:

1. Premises. Pursuant to the terms of this MOU, E&CP shall have the right to use and occupy the following areas of the Property, which consists of a total of approximately 24,171 sq. ft. of office space (collectively the "Premises") and are further depicted on **Exhibit A**, attached hereto:

Suite No.	Rentable Square Feet (sq. ft.)
115	4,125
205	3,338
206	3,049
207	3,067
208	1,820
301	1,002
301A	462
302	4,776
306	2,532

2 Parking. E&CP shall have the right to access and use the Parking Lots and/or Parking Garage, including non-exclusive use of sixty-nine (69) parking spaces in Parking Lot A or B, as depicted in Exhibit B, for its staff, guests, and visitors. E&CP will ensure that any use of the Parking Lots and/or Parking Garage complies with the most recent version of the Rules and Regulations provided to E&CP by AIRPORTS. If for any reasons AIRPORTS determines that it needs to close, change, alter, or rearrange the parking spaces in the parking lots and/or parking garage, AIRPORTS will work with E&CP to locate alternative parking arrangements, however, AIRPORTS is not required to provide alternative parking arrangements, and AIRPORTS and E&CP agree that changes to the availability parking shall not reduce the amount of rent owed to AIRPORTS for E&CP's use and occupancy of the Premises.

3. Uses. E&CP will only use the Premises for office and storage purposes and E&CP shall not use or permit the Premises to be used for any other purpose, or by any other City Department or third party, except with AIRPORTS' prior written consent. Further, E&CP agrees that it will ensure that its employees, contractors, agents, and all others using, entering onto or occupying the Premises as a result of this MOU will conform to the FAA covenants and reservations of rights set forth in "**Exhibit C**."

4. Term. The term of this MOU shall be month-to-month commencing on June 1, 2021 ("Commencement Date"). Either AIRPORTS or E&CP may terminate this MOU for any reason, and it is agreed that if either AIRPORTS or E&CP anticipate terminating this MOU, they will inform the Director of the other Department when such termination is being considered, so that the Departments can work cooperatively to facilitate the termination and determine the final amounts of any rents due from E&CP to AIRPORTS based on the final date of occupancy.

5. Rent. On or before the first day of each month, E&CP will pay an initial monthly flat-rate rent for the first twelve (12) months of the MOU in the amount of Forty-One Thousand Eight Hundred Sixteen Dollars and ($ 41,816) per month ($1.73 per square foot per month). The obligation to pay rent shall commence on the Commencement Date.

Following the first 12 months, the rent will be increased annually by three percent (3%) as shown below in accordance this schedule:

Months	Monthly Rent
13 to 24	$43,070
25 to 36	$44,362
37 to 48	$45,693

In the event E&CP continues to use and occupy the Premises beyond 48 months, the rent shall continue to be increased annually by three percent (3%).

6. Accident Reports. E&CP shall immediately report to AIRPORTS any accident causing property damage or injury to persons on the premises or otherwise related to the allowed uses. Such report shall contain the names and addresses of the involved parties, a statement of the circumstances, the date and hour of the accident, the names and addresses of any witnesses, and other pertinent information.

7. Security Deposit. RESERVED.

8. Insurance. The City of San Diego is self-insured and shall maintain, for the duration of the contract, insurance for E&CP separate from Airports which shall pay for injuries to persons or damages to property as follows:

a. **Commercial General Liability (CGL)**: Insurance Services Office Form CG 00 01 covering CGL on an "occurrence" basis, including products and completed operations, property damage, bodily injury and personal & advertising injury with limits no less than **$1,000,000** per occurrence. If a general aggregate limit applies, either the general aggregate limit shall apply separately to this project/location (ISO CG 25 03 or 25 04) or the general aggregate limit shall be twice the required occurrence limit.

b. **Automobile Liability**: ISO Form Number CA 00 01 covering any auto (Code 1), or if Contractor has no owned autos, hired, (Code 8) and non-owned autos (Code 9), with limit no less than **$1,000,000** per accident for bodily injury and property damage.

c. **Workers' Compensation**: as required by the State of California, with Statutory Limits, and Employer's Liability Insurance with limit of no less than **$1,000,000** per accident for bodily injury or disease.

9. Improvements to Premises Prior to Occupancy. AIRPORTS will cause to be constructed, at its cost, on a "turn-key basis" that certain E&CP improvement work described as "E&CP Improvements" in the Work Letter attached as Exhibit "D", in accordance with the terms and conditions of the Work Letter.

10. Maintenance. As and between AIPORTS and E&CP, the maintenance of the Property and Premises will be as follows:

a. AIRPORTS will be responsible for maintaining in good condition the structural portions of the Building within which the Premises is located (including, without limitation, the exterior walls, underflooring, and roof), the base building facilities, and

the Common Areas located on the Property at the expense of the Airports Enterprise Fund.

b. E&CP will be responsible for maintaining, in good operating condition and repair, all portions of the Premises, including, without limitation, all fixtures, interior walls, ceilings, floors, floor coverings, windows, doors, E&CP's personal property, alterations, E&CP's work and E&CP's trade fixtures and signs. If for any reason, AIRPORTS is required to make such repairs or replacements, or perform maintenance which is the responsibility of E&CP, E&CP will reimburse the Airport Enterprise Fund for all actual costs and expenses incurred by the Airport Enterprise Fund in connection with such repairs, replacement, and/or maintenance.

c. Improvements/Alterations. E&CP will not make any alterations, or construct any improvements structures or installations on the Premises without obtaining AIRPORTS written consent. Other than the EC&P Improvements, AIRPORTS will not be required to construct any other improvements, structures or installations on the Premises in connection with this MOU.

11. Utilities. AIRPORTS will provide utilities and services and charges at the expense of the Airport Enterprise Fund from 7:30 A.M. to 10:00 P.M. Monday through Friday and 9:00 A.M. to 1:00 P.M. on Saturdays, excluding Sundays and holidays, as follows: (a) electricity for lighting and power in the premises adequate for use of the premises for general office purposes in a normal and customary manner; (b) heat and air conditioning as required in AIRPORTS' reasonable judgment for the comfortable use and occupancy of the premises for general office purposes in a normal and customary manner; (c) elevator service by non-attended automatic elevators for general office usage; and (d) janitorial services five days a week except legal holidays as required to maintain the premises in a clean and orderly condition consistent with other comparable office buildings in the San Diego area. E&CP agrees to keep closed when necessary draperies or blinds which, because of the sun's position, must be closed to provide for the efficient operation of the air conditioning system, and E&CP agrees to cooperate with AIRPORTS and to abide by the regulations and requirements which AIRPORTS may prescribe for the proper functioning and protection of the HVAC system.

AIRPORTS shall use reasonable efforts to provide additional or after-hours heating or air conditioning at E&CP' prior written request, provided E&CP pays to AIRPORTS the cost of such service as determined by AIRPORTS.

12. Liens. If E&CP's use and occupancy of the Premises results in any lien or notice of lien being filed against the Property, E&CP will at no expense to the Airport Enterprise Fund take all steps necessary to ensure that a valid release of the lien is recorded, and or a bond, cash or other security sufficient to pay in full all claims of all persons seeking relief under the lien is secured at no costs to the Airport Enterprise Fund.

13. Ownership of Improvements and Personal Property. At the MOU termination, E&CP will remove any improvements, trade fixtures, structures, installations, additions, or personal

property, that AIRPORTS has determined should be removed, at no expense to the Airport Enterprise Fund. If AIRPORTS agrees that certain improvements, trade fixtures, structures, installations, additions, or personal property may remain on the Premises and those items do remain on the Premises following the termination of the MOU, any such items will be deemed an asset of AIRPORTS at no costs to the Airports Enterprise Fund.

14. Hazardous/Toxic Waste. E&CP will not install, store, utilize, generate, or sell any hazardous substance on the premises without AIRPORTS's prior written consent. E&CP will be responsible, at no costs to the AIRPORTS and the Airport Enterprise Fund to comply with all laws relating to Hazardous Substances, including paying for all costs, damages, penalties and fines, removal, or remediation incurred or necessary as a result of any release of hazardous substances that occurs as a result of EC&P's use and occupancy of the Premises under this MOU.

15. Water Quality – Best Management Practices. E&CP shall be responsible for identifying, implementing, and paying for, any best management practices (BMPs) necessary to ensure that E&CP's use and occupancy does not cause pollutant discharges to the storm drain system in violation of San Diego Storm Water Management and Discharge Control Ordinance (San Diego Municipal Code sections 43.0301 to 43.0312).

16. Accessibility Compliance. E&CP will be responsible for ensuring, at no costs to the Airport Enterprise Fund, that the Premises, as applicable to E&CP'S possession, use and occupancy, comply with all accessibility requirements under California Government Code sections 11135-11139.5; Title 24 of the California Code of Regulations; the Federal Rehabilitation Act of 1973, Section 504, Title V; the Americans with Disabilities Act of 1990 (ADA); and all other applicable laws, rules and regulations of competent governmental authority protecting the rights of individuals with disabilities.

17. MOU Subject to Federal Aviation Administration (FAA) Regulations. E&CP acknowledges and agrees, in addition to the foregoing terms and conditions of this MOU, that E&CP shall strictly adhere to, and at all times be subject to, the FAA Regulations set forth in the attached **EXHIBIT C**, which by this reference are made a part of this MOU. Failure to strictly adhere to the FAA Regulations will require AIRPORTS to immediately terminate this MOU. Additionally, E&CP acknowledges that this MOU is subordinate to the provisions of any existing or future agreements between the AIRPORTS and the United States Government or other governmental authority, relative to the operation or maintenance of the Airport, the execution of which has been or will be required as a condition precedent to the granting of Federal or other governmental funds for the development of the Airport, to the extent of the provisions of any existing or future funds. AIRPORTS agrees to inform E&CP of any provisions that would adversely modify the material terms of the MOU upon AIRPORTS becoming aware of such a provision. Further, all provisions of the MOU shall be subordinate to the rights of the United States of America to operate the Airport or any thereof during time of war or national emergency. Such rights shall supersede any provisions of this MOU inconsistent with the operations of the Airport by the United States of America.

IN WITNESS WHEREOF, this MOU is executed by AIRPORTS, acting by and through its Mayor, and by E&CP, acting by and through its lawfully authorized representative.

CITY OF SAN DIEGO AIRPORTS

Date June 1, 2021

By _____
Penny Maus
Director, Real Estate Assets Department

CITY OF SAN DIEGO E&CP

Date 5/27/2021

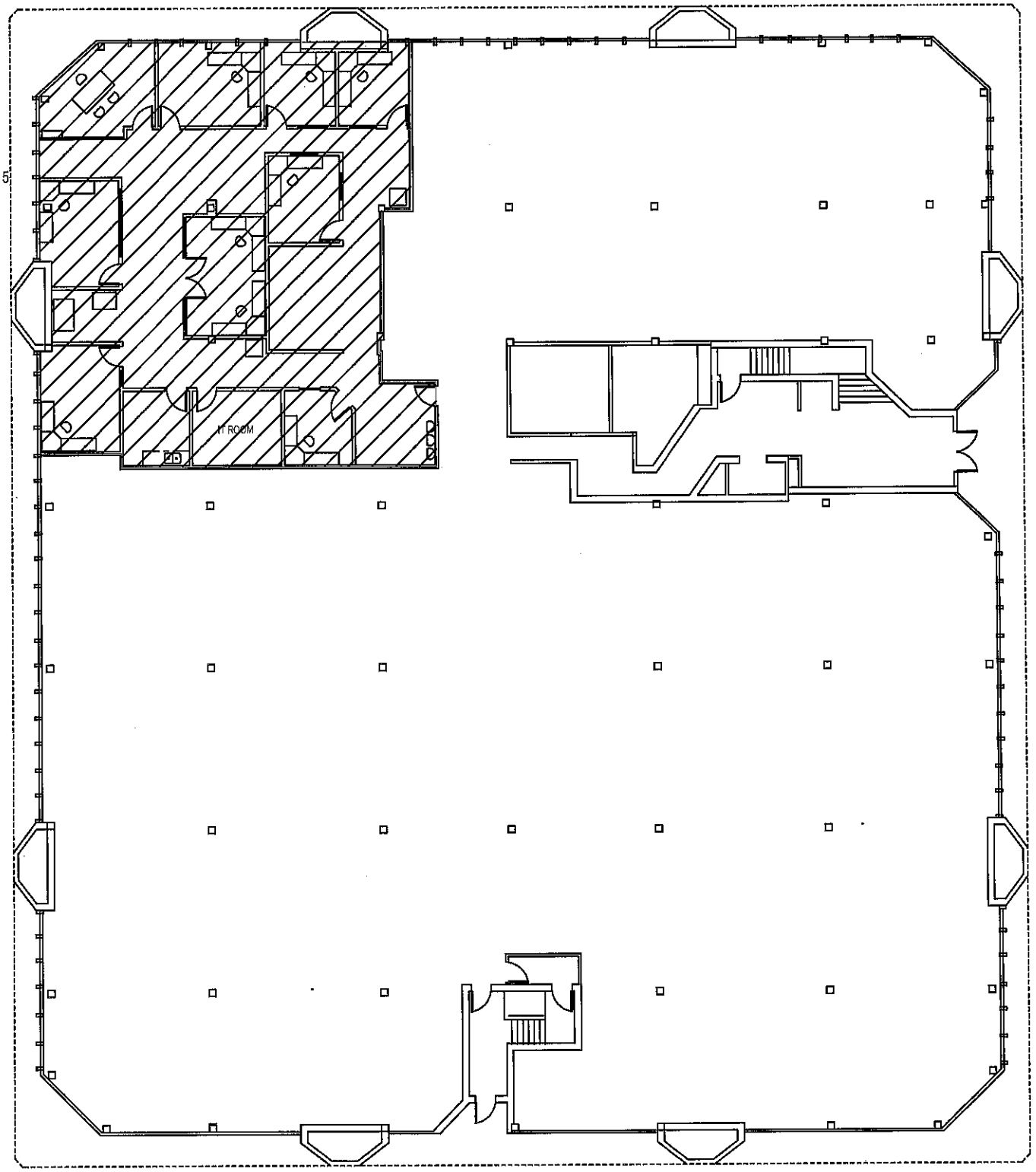
By: _____
James Nagelvoort
Director, E&CP – Engineering & Capital Projects

EXHIBITS
Exhibit "A" PREMISES
Exhibit "B" PARKING SPACES
Exhibit "B-1" RULES AND REGULATIONS & PARKING LOT RULES
Exhibit "C" FAA REQUIREMENTS
Exhibit "D" WORK LETTER

EHXIBIT A

PREMISES

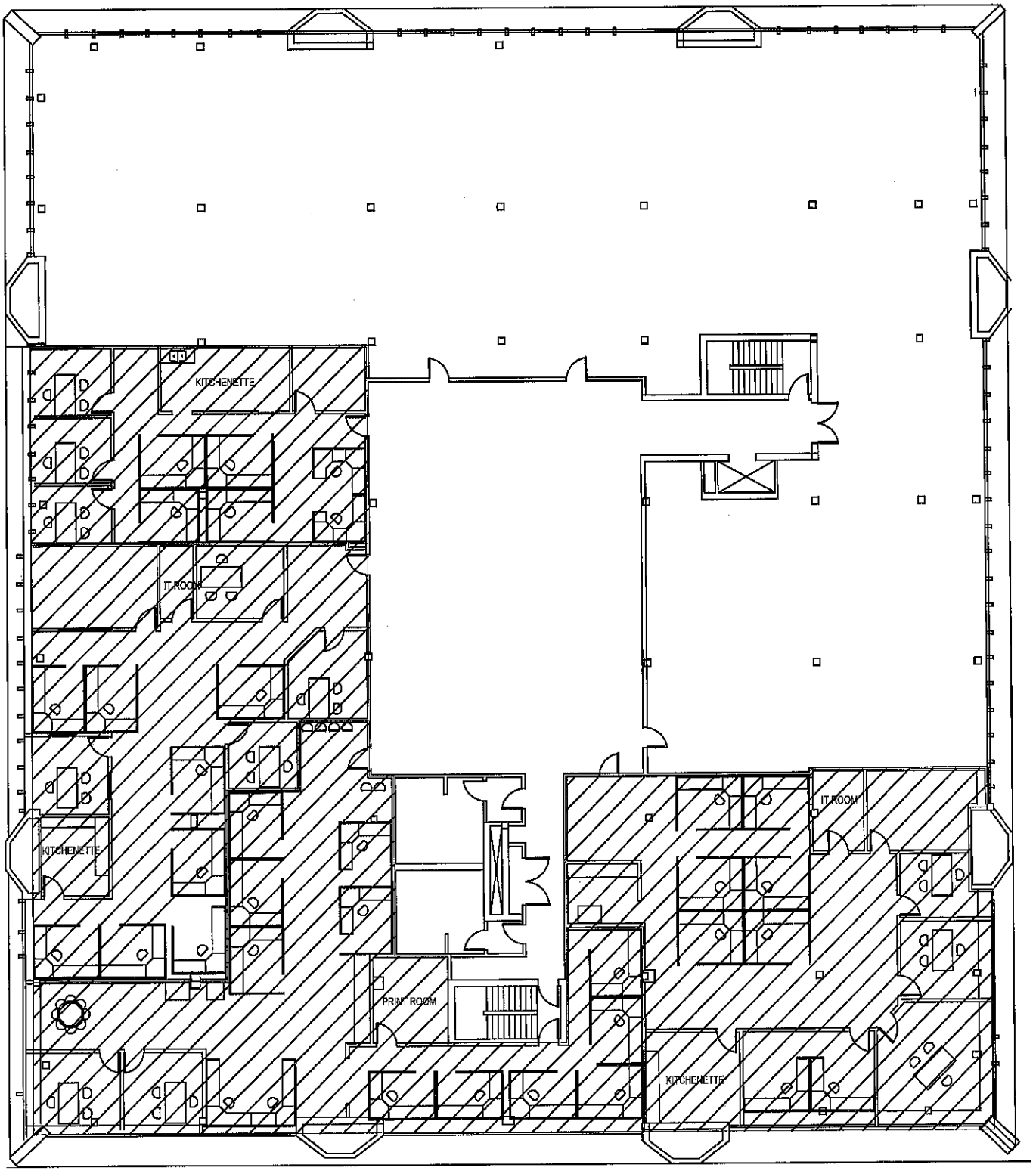
EXHIBIT A



THE PREMISES ARE SHOWN CROSSHATCHED

8525 Gibbs Dr
First Floor

EXHIBIT A



SUITE 208
1,820 SF

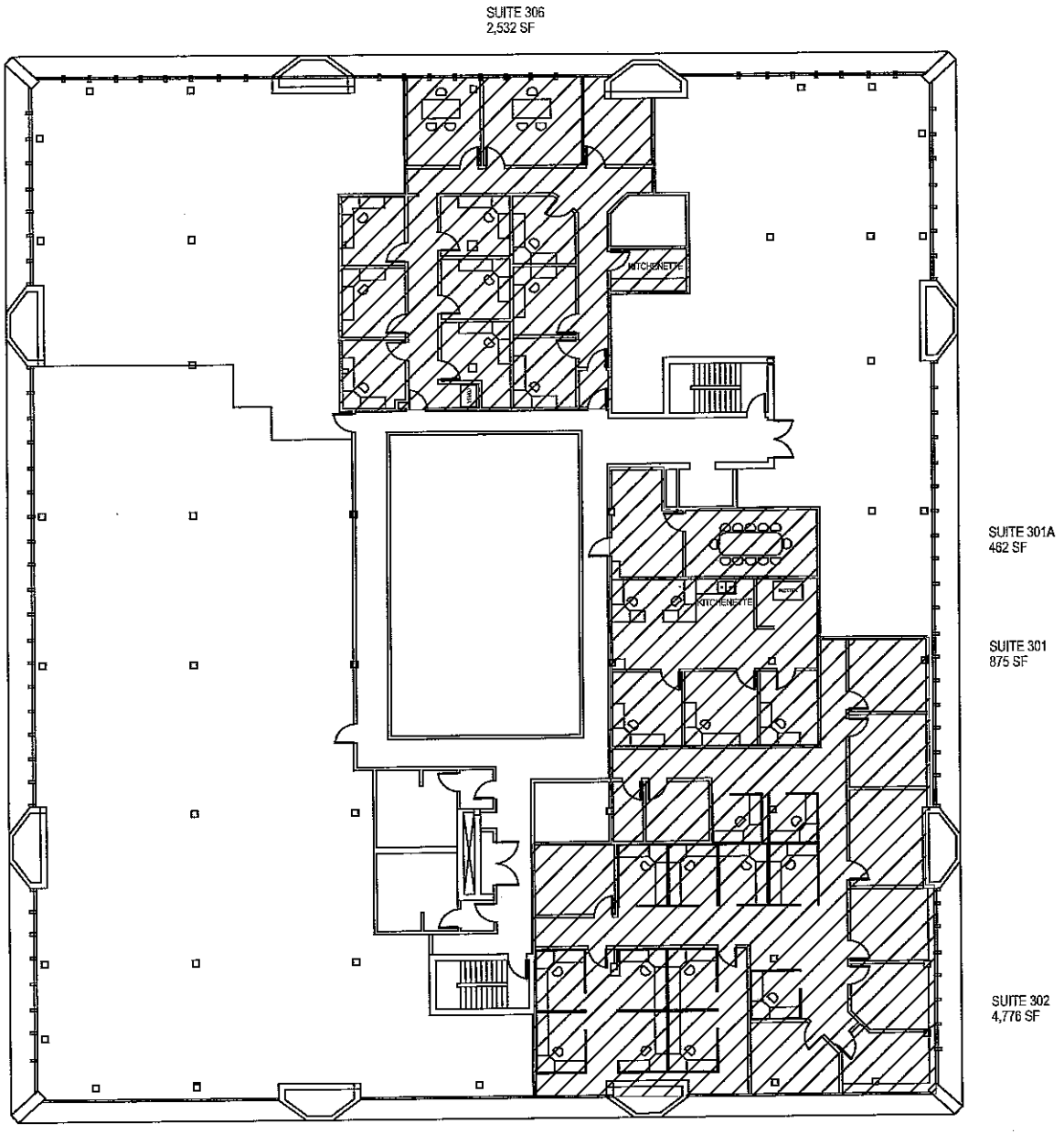
SUITE 206
3,049 SF

SUITE 207
3,067 SF

SUITE 205
3,338 SF

8525 Gibbs Dr
Second Floor

EXHIBIT A



8525 Gibbs Dr
Third Floor

EXHIBIT B

PARKING SPACES

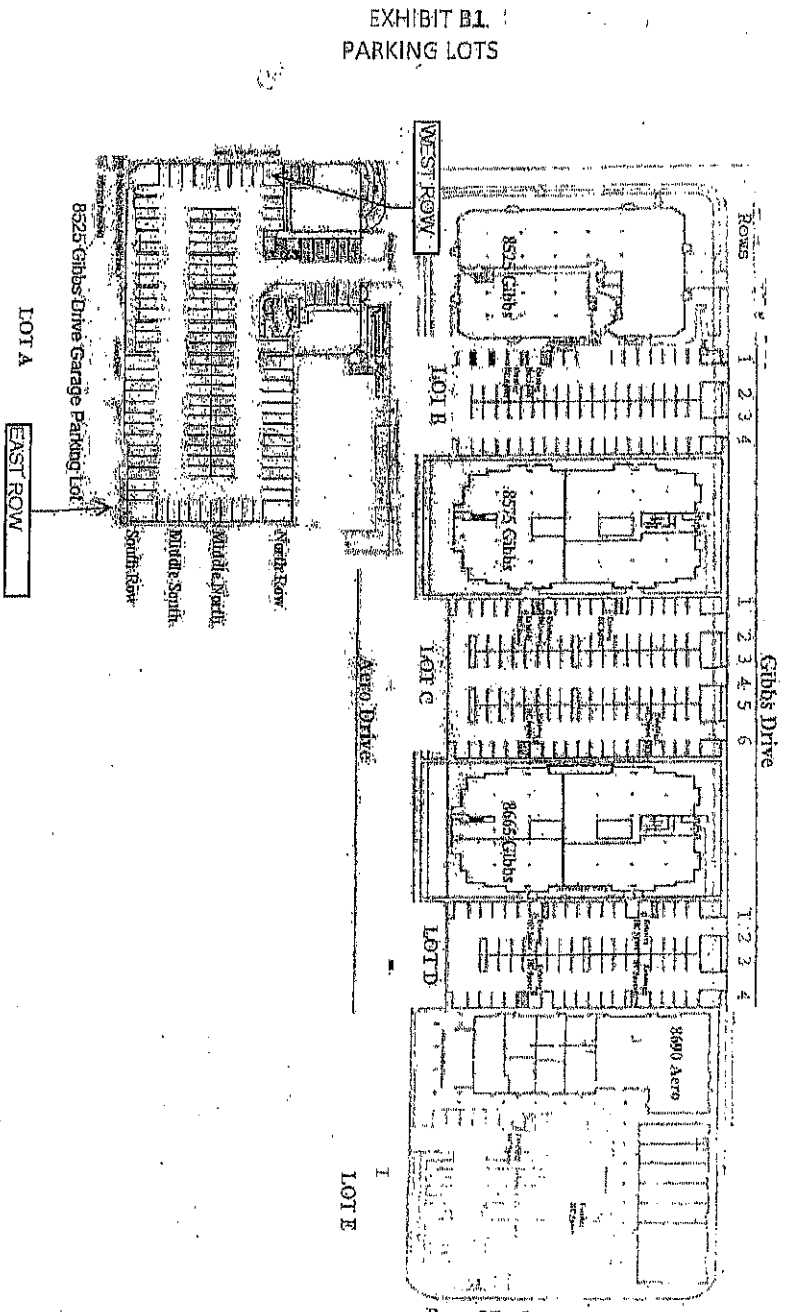


EXHIBIT B-1
RULES AND REGULATIONS
&
PARKING LOT RULES

The sidewalks, entrances, halls, corridors and stairways of the building ("Building") and premises shall not be obstructed or used as a waiting or lounging place by any E&CP, their agents, servants, employees, invitees, licensees and visitors. All entrance doors leading from any premises to the hallways are to be kept closed at all times.

1. In case of invasion, riot, public excitement or other commotion, AIRPORTS also reserves the right to prevent access to the Building during the continuance of same. AIRPORTS shall in no case be liable for damages for the admission or exclusion of any person to or from the Building. AIRPORTS reserves the right to exclude or expel from the Building any person who, in AIRPORTS's judgment, is intoxicated or under the influence of liquor or drugs or who is in violation of any of the Rules and Regulations of the Building.

2. AIRPORTS will furnish E&CP with keys to each door lock on the premises, and AIRPORTS may make a reasonable charge for any additional keys requested by E&CP. E&CP shall not have any keys made for the premises; nor shall E&CP alter any lock, or install new or additional locks or bolts, on any door without the prior express written approval of AIRPORTS. In the event of such alteration or installation approved by AIRPORTS, E&CP making such alteration shall supply AIRPORTS with a key for any such lock or bolt. E&CP, upon the expiration or termination of its tenancy, shall deliver to AIRPORTS all keys and access cards in any such E&CP's possession for all locks and bolts in the Building and in the event of loss of any keys or cards so furnished, shall pay AIRPORTS therefore.
3. E&CP shall not cause any unnecessary labor by reason of such E&CP's carelessness or indifference in the preservation of good order and cleanliness of the premises. In the event E&CP must dispose of crates, boxes, etc. which will not fit into office waste paper baskets, it will be the responsibility of E&CP to dispose of same. In no event shall E&CP set such items in the public hallways or other areas of the building or garage facility, excepting E&CP's own premises, for disposal. E&CP shall store all of its trash and garbage within its premises or in any other facilities· provided by AIRPORTS. All garbage and refuse disposal shall be made in accordance with directions issued from time to time by AIRPORTS.

4. AIRPORTS reserves the right to prescribe the date, time, method and conditions that any personal property, equipment, trade fixtures, merchandise and other similar items shall be delivered to or removed from the Building. No iron safe or other heavy or bulky object shall be delivered to or removed from the Building, except by experienced safe personnel, movers or riggers approved in writing in advance by AIRPORTS. All damage done to the Building by the delivery or removal of such

items, or by reason of their presence in the Building, shall be paid to AIRPORTS, immediately upon demand, by the E&CP by, through, or under whom such damage was done. There shall not be any hand trucks, except those equipped with rubber tires , used in any space, or in the public halls of the Building, either by E&CP or by jobbers or others, in the delivery or receipt of merchandise.. E&CP's initial move-in and subsequent deliveries of bulky items, such as furniture, safes and similar items shall, unless otherwise agreed in writing by AIRPORTS, be made during the hours of 5:30 p.m. to 7:00 a.m., or on Saturday, or Sunday. Deliveries during normal office hours shall be limited to normal office supplies and other small items. No delivery shall be made which impede or interfere with other E&CPS or the operations of the Building.

5. The walls, partitions, skylights, windows, doors and transoms that reflect or admit light into passageways or into any other part of the Building shall not be covered or obstructed by E&CP.

6. The toilet rooms, toilets, urinals, wash bowls and water apparatus shall not be used for any purpose other than for those for which they were constructed or installed, and no sweepings, rubbish, chemicals, or other unsuitable substances shall be thrown or placed therein. The expense of any breakage, stoppage or damage resulting from violation(s) of this rule shall be borne by the E&CP by whom, or by whose agents, employees, invitees, licensees or visitors, such breakage, stoppage or damage shall have been caused.

7. No sign, name, placard, advertisement or notice visible from the exterior of any premises, shall be inscribed, painted or affixed by any E&CP on any part of the Building without the prior written approval of AIRPORTS.

8. No signaling, telegraphic or telephonic instruments or devices, burglar alarm systems or similar service, or other wire, instruments or devices, shall be installed in connection with the Leased premises without the prior written approval of AIRPORTS. Such installations, and the boring or cutting for wires, shall be made at the sole cost and expense of the E&CP and under the control and direction of AIRPORTS. AIRPORTS retains, in all cases, the right to require (i) the installation and use of such electrical protecting devices that prevent the transmission of excessive currents of electricity into or through the Building; (ii) the changing of wires and of their installation and arrangement underground or otherwise as AIRPORTS may direct; and (iii) compliance on the part of all using or seeking to such wires with such rules as AIRPORTS may establish relating thereto. All such wires used by E&CP must be clearly tagged at the distribution boards and junction boxes and elsewhere in the Building, with (i) the number of the premises to which said wires lead; (ii) the purpose for which said wires are used; and (iii) the name of the company operating same.

9. E&CP, its agents, servants or employees, shall not (i) go on the roof of the Building;

(ii) use any additional method of heating or air conditioning the premises; (iii) sweep or throw any dirt or other substance from the premises into any of the halls, corridors, elevators, or stairways of the Building; (iv) bring in or keep in or about the premises any vehicles or animals of any kind; (v) install any radio or television antennae or any other device or item on the roof, exterior walls, windows or window sills of the Building; (vi) place objects against glass partitions, doors or windows which would be unsightly from the interior or exterior of the Building; (vii}use the premises for any manufacturing, storage or sale of merchandise or property of any kind; (viii) cause or permit unusual or objectionable odor to be produced or permeate from the premises, including, without limitation, duplicating or printing equipment fumes; or (ix) install or operate any vending machines in the premises without the prior written consent of AIRPORTS. E&CP, its agents, servants and employees, invitees, licensees, or visitors shall not permit the operation of any musical or sound producing instruments or device which may be heard outside the Leased premises, building, or which may emit electrical waives which will impair radio or television broadcast or reception from or into the building.

10. E&CP shall not store or use in any premises any (i) ether, naphtha, phosphorous, benzol, gasoline, benzine, petroleum, crude or refined earth or coal oils, flashlight power, kerosene or camphene; (ii) any other flammable, combustible, explosive or illuminating fluid, gas or material of any kind; or (iii) any other fluid, gas or material of any kind having an offensive odor, without the prior written consent of AIRPORTS.

11. No canvassing, soliciting, distribution of hand bills or other written material, or peddling shall be permitted in the Building, and E&CP shall cooperate with AIRPORTS in presentation and elimination of same.

12. E&CP shall give AIRPORTS prompt notice of all accidents to or defects in air conditioning equipment, plumbing, electrical facilities or any part or appurtenances of the premises.

13. If any premises become infested with vermin, the E&CP, at its sole cost and expense, shall cause its premises to be exterminated from time to time to the satisfaction of the AIRPORTS and shall employ such exterminators as shall be approved by AIRPORTS.

14. No curtains, blinds, shades, screens, awnings, or other coverings or projections of any nature shall be attached to or hung in, or used in connection with any door, window or wall of a Leased premise of the Building without the prior written consent of AIRPORTS.

15. E&CP shall not place a load upon any floor of the Leased premises which exceeds the load per square foot which such floor was designated to carry and which is allowed by law. AIRPORTS shall have right to prescribe weight, size and position of all

equipment, materials, furniture or other property brought into the building. Heavy objects shall, if considered necessary by AIRPORTS, stand on such platform as determined by AIRPORTS to be necessary to properly distribute the weight, which platform shall be provided at *E&CP's* expense. Business machines and mechanical equipment belonging to E&CP, which cause noise or vibration that may be transmitted to the structure of the Building or to any space therein to such a degree as to be objectionable to AIRPORTS or to any E&CP in the Building shall be placed and maintained by E&CP, at E&CP's expense, on vibration eliminators or other devices sufficient to eliminate noise or vibration. AIRPORTS will not be responsible for loss of, or damage to, any such equipment or other property for any cause, and all damage done to the Building by maintaining or moving such equipment or other property shall be repaired at the expense of E&CP.

16. E&CP shall not waste electricity, water or air conditioning and agrees to cooperate with AIRPORTS to assure the most effective operation of the building's heat and air conditioning and to comply with the governmental energy saving rules, laws or regulations of which E&CP has actual notice, and shall refrain from attempting to adjust controls. E&CP shall keep corridors closed, shall keep window coverings closed at the end of each business day.

17. AIRPORTS shall have the right to prohibit any advertising by E&CP which, in AIRPORTS's opinion, tends to impair the reputation of AIRPORTS or of the Building, or its desirability as an office building for existing or prospective E&CP who require the highest standards of integrity and respectability, and upon written notice from AIRPORTS, E&CP shall immediately refrain from or discontinue such advertising.

18. Whenever the word "E&CP" occurs, it is understood and agreed that it shall also mean E&CP's associates, employees, agents and any other person entering the building or the Leased premises under the express or implied invitation of E&CP. E&CP shall cooperate with AIRPORTS to assure compliance by all such parties with the Rules and Regulations.

19. AIRPORTS reserves the right to make reasonable amendments, modifications and additions to the Rules and Regulations heretofore set forth, and to make additional reasonable rules and regulations, as in AIRPORTS's sole judgment may from time to time be needed for the safety, care, cleanliness and preservation or good order of the Building.

20. A request by E&CP will be attended to only upon application at the office of the Building. Employees of AIRPORTS shall not perform any work or do anything outside of their regular duties unless under special instructions from AIRPORTS, and no employee will admit any person (E&CP or otherwise) to any Leased premises without specific instructions from AIRPORTS.

21. AIRPORTS shall have the right, exercisable without notice and without liability to E&CP, to change the name and the street address of the Building of which Leased premises are a part. AIRPORTS will pay for all reasonable cost incurred by E&CP as a result of changing the street address of the Building unless the change is requested by an authorized governmental agency.

22. E&CP shall not obtain for use upon the premises ice, towel or other similar services or accept barbering or boot blacking services on the premises, except from persons authorized by AIRPORTS and at the hours and under regulations fixed by AIRPORTS.

23. AIRPORTS may waive any one or more of these Rules and Regulations for the benefit of any E&CP, but no such waiver by AIRPORTS shall be construed as a waiver of such Rules and Regulations in favor of E&CP or any other E&CP nor prevent AIRPORTS from thereafter enforcing any such Rules and Regulations against any or all of the E&CP of the Building.

24. E&CP assumes any and all responsibility for protecting its Leased premises from theft, robbery, and pilferage, which includes keeping doors locked and other means of entry to the Leased premises secured. E&CP shall comply with all safety and fire protection evacuation procedures and regulations established by AIRPORTS or any governmental agency.

MONTGOMERY FIELD OFFICE BUILDING PARKING RULES

These Rules shall apply to those parking lots as described as Parking Lot A, the parking garage below the building at 8525 Gibbs Dr., Parking Lot B, the concrete lot between buildings 8525 and 8575 Gibbs Dr., Parking Lot C, the asphalt lot between buildings 8575 and 8665 Gibbs Dr. and Parking Lot D, the asphalt lot between 8665 Gibbs Dr. and 8690 Aero Dr.

1. Parking areas shall be used only for parking of vehicles that are no longer than full size, passenger automobiles, herein called "Permitted Size Vehicles." Vehicles other than Permitted Size Vehicles are herein referred to as "Oversized Vehicles."

2. E&CP shall not permit or allow any vehicles that belong to or are controlled by E&CP or E&CP's employees, suppliers, shippers, customers, or invitees to be loaded, unloaded or parked in areas other than those designated by AIRPORTS for such activities.

3. AIRPORTS reserves the right to refuse the sale of identification devices to any person or entity that willfully refuses to comply with the applicable rules, regulations, laws and/or agreements.

4. AIRPORTS reserves the right to relocate all or part of parking spaces and/or to reasonably adjacent offsite locations and to reasonably allocate them between compact and standard size spaces, as long as the same complies with applicable laws, ordinances and regulations.

5. Users of the parking area will obey all posted signs and park only in the areas designated for vehicle parking.

7. Unless otherwise instructed, every person using the parking area is required to park and lock his/her own vehicle. AIRPORTS will not be responsible for any damage to vehicles, injury to persons or loss of property, all of which risks are assumed by the party using the parking area.

8. The maintenance, washing, waxing or cleaning of vehicles in the parking area is strictly prohibited.

9. E&CP shall be responsible for seeing that all of its employees, agents and invitees comply with the applicable parking rules, regulations, laws and agreements.

10. AIRPORTS reserves the right to modify these rules and/or adopt such other reasonable and non-discriminatory rules and regulations as it may deem necessary for the proper operation of the parking area.

11. Such parking use as is herein provided is intended merely as a license only and no bailment is intended or shall be created hereby.

12. Smoking is prohibited in the Parking Garage (LOT A) and within 25 feet of any entrance.

13. Vehicles shall only drive through lots as indicated by directional markings. Cutting comers and driving through vacant stalls is prohibited.

14. Vehicles shall not travel faster than 5 miles per hour.

15. E&CPs and E&CPs' employees are strictly prohibited from parking in Visitor Parking at ANY TIME.

16. Overnight parking defined herein as between the hours of 10 p.m. and 4 a.m. is prohibited without the prior written approval of AIRPORTS.

17. Vehicles MUST be parked within the marked lines. Vehicles parked over the line or taking up more than one space will be towed away at the vehicle owner's expense.

18. AIRPORTS reserves the right to have any vehicle that violates any of these rules removed from the parking area at the vehicle owner's expense.

19. All persons receiving a parking permit MUST completely fill in all requested information on the vehicle registration form provided by Management.

20. Each permit holder is responsible for updating his/her information, including contact phone numbers and any changes in vehicle, license plates BEFORE parking in any lot.

21. Vehicles parked on-site must display a valid state registration sticker.

22. In compliance with California statutes all drivers must carry Liability insurance.

EXHIBIT C

FAA REQUIREMENTS

E&CP shall adhere to the following terms and conditions during the entirety of the time period covered by this MOU. If any term and or condition contained in this Exhibit conflicts with any provision contained in the main body of the MOU, the terms and conditions contained in the main body of the MOU shall prevail.

1. E&CP's Use to Conform with Law and Other Rules

   E&CP is granted the nonexclusive use of all public airport facilities including, but not limited to, taxiways, runways, aprons, navigational aids and other facilities related to the normal function of any aircraft under E&CP's or its sub-E&CP's control. E&CP agrees that such use shall be in accord with existing or future laws, rules and regulations of the United States of America, the State of California and AIRPORTS in regard to their aviation and air navigation authority.

2. E&CP's Use and Construction to Conform with Federal Aviation Regulations

   E&CP agrees to conform to all applicable Federal Aviation Regulations in any operation or construction on the premises and Airport. E&CP agrees to comply with the notification and review requirements covered in Part 77 of the Federal Aviation Regulations (which may be amended or replaced by other regulations from time to time) before constructing any improvements or modifying or altering any structure on the premises.

3. E&CP's Noninterference with Aircraft

   E&CP, on behalf of itself and its successors, assigns, licensees and subleases, agrees not to use the premises in any manner or act in any manner that might interfere with any aircraft landing or taking off from the Airport or otherwise create a hazard. If this covenant is breached in any way, AIRPORTS reserves the right to enter the premises and abate or eliminate the interference at the expense of E&CP and E&CP agrees to reimburse AIRPORTS for all costs and fees, including attorney's fees, incurred by AIRPORTS involved with said abatement or elimination.

4. MOU Subordinate to AIRPORTS/United States of America Agreements

   This MOU shall be subordinate to the terms of any existing or future agreements between AIRPORTS and the United States of America, and to any United States of America legal requirement relative to the development, operation or maintenance of the Airport, and AIRPORTS shall not be liable for any claims, losses, or damages, of any type, that E&CP, or anyone claiming through E&CP, may incur or suffer as a result of any such subordination.

5. Height Limitation

The E&CP and the E&CP'S successors and assigns agree not to erect or permit any structure unless it complies with all height limitations and other requirements of the FAA and the applicable Airport Land Use Compatibility Plan (also known as the "ALUCP"). If this covenant is breached in any way, AIRPORTS reserves the right to remove the structure or object at the expense of the E&CP, and E&CP agrees to reimburse AIRPORTS for all costs and fees, including attorney's fees, incurred by AIRPORTS involved with said removal.

6. Right of Flight Easement

AIRPORTS and its successors and assigns reserve a right of flight for the passage of aircraft in the air space above the premises, for the benefit and use of the public. This right includes the right to make noise inherent in the operation of existing or future aircraft that operate in any way on or near the Airport.

7. War or National Emergency

In the event of war or national emergency, this MOU and all of its provisions shall be subject to any right of the United States of America, existing now or in the future, affecting the control, operation, regulation, take over, or exclusive or nonexclusive use of the Airport. During any war or national emergency, AIRPORTS shall have the right to MOU, or allow the use of, any part of the Airport, including its landing areas, to the United State of America. In this event, any provisions of this MOU which are inconsistent with the provisions of the MOU, or allowed use, to the United States of America shall be suspended. AIRPORTS shall not be liable for any claims, loss, or damages, of any type, that E&CP, or anyone claiming through E&CP, may incur or suffer as a result of this action. However, nothing in this MOU shall prevent E&CP from pursuing any rights it may have for reimbursement from the United States of America.

8. Airport Development

AIRPORTS reserves the right to further develop, change or improve the Airport and its routes and landing areas as AIRPORTS sees fit, without liability to E&CP, and without E&CP interference or hindrance and regardless of E&CP's views and desires. AIRPORTS shall have the right to perform any and all such actions referred to in this section 8, including the right to shut parts or all of the Airport down, at no liability to AIRPORTS, regardless of any damages or losses E&CP, or anyone claiming through E&CP, may suffer from said actions.

9. Nonexclusive Right

E&CP understands and agrees that nothing in this MOU shall be construed to grant or authorize an exclusive right within the meaning of Section 308 of the Federal Aviation Act of 1958 (Title 49, Section 1349 of the United States Code).

10. Landing Area Maintenance

AIRPORTS reserves the right, but not the obligation, to maintain and repair the Airport landing and travel areas and all other public facilities at the Airport, at AIRPORTS's sole discretion, without liability to E&CP, or anyone claiming through E&CP. AIRPORTS also has the right to direct and control all E&CP activities affecting the maintenance and repair of these facilities.

11. FAA Nondiscrimination Covenant

a. E&CP, on behalf of itself and its representatives, successors, subleases, licensees and assigns, as part of the consideration for this MOU, agrees to the following nondiscrimination covenants:

(1) No person shall be denied benefits, participation or subjected to discrimination in the use of facilities on the premises based on race, color, sex or national origin.

(2) No person shall be denied benefits, excluded from participation in or subject to discrimination in the construction of any improvements nor the furnishing of any services on the premises, based on race, color, sex or national origin.

(3) E&CP shall use the premises in compliance with all other requirements imposed by or pursuant to Title 49, Code of Federal Regulations (CFR), Department of Transportation, Subtitle A, Office of the Secretary, Part 21, "Nondiscrimination in Federally Assisted Programs of the Department of Transportation Effectuation of Title VI of the Civil Rights Act of 1964," as now exists or may be amended in the future.

b. If any of the above nondiscrimination covenants are breached, AIRPORTS may terminate this MOU and reenter and repossess the premises as if this MOU had never been made. This provision is not effective until the procedures of 49 CFR Part 21 are followed and completed, including expiration of appeal rights.

c. E&CP agrees to furnish accommodations and services on a fair and equal basis to all users and will charge fair, reasonable and equal prices for each item or service. E&CP is allowed to make reasonable and nondiscriminatory discounts, rebates or similar price reductions to volume purchasers. If E&CP does not comply with this provision, AIRPORTS has the right to terminate this MOU, without liability, and either AIRPORTS or the United States of America may judicially enforce this entire covenant.

d. E&CP agrees to include this entire covenant in any agreement by which E&CP grants any right or privilege to any firm, corporation or person providing services or accommodations to the public on the premises.

12. Equal Opportunity

E&CP on behalf of itself and its successors, assigns, sublessees, licensees and any suborganizations, agrees to undertake an equal opportunity program as required by Title 14, Code of Federal Regulations, Part 152, Subpart E, to ensure that no person shall be

excluded from any employment program or opportunity, nor be denied any service described, based on race, creed, color, national origin or sex.

13. AIRPORTS to Mitigate Impacts of Subordination

If subordination agreements between AIRPORTS and the United States of America result in E&CP's inability to operate as authorized by this MOU, or if E&CP's operations authorized under this MOU are materially affected during a period of subordination, (1) AIRPORTS agrees to make a reasonable adjustment to the terms and conditions of the MOU, as determined by AIRPORTS, in its sole discretion; or (2) upon written request from E&CP, AIRPORTS will terminate this MOU or extend the term of this MOU for the period of time that E&CP's operation is affected, and no rent shall accrue during any period of non-operation. E&CP agrees that any damages claimed during this subordination period will be limited to the relief granted by AIRPORTS, if any, and that AIRPORTS will incur no liability for any losses suffered by E&CP.

14. Employee Conduct

E&CP shall be responsible for the conduct of any employee, contractor, agent, invitee, and guest on the entire Airport, if that employee, contractor, agent, invitee or guest is on Airport property during any period of employment or in connection with E&CP's operations or activities on the Airport.

15. Minority Business Policy

If E&CP receives any federal funds governed by Title 49, Code of Federal Regulations, Part 23, E&CP agrees that it and its contractor will ensure that minority business enterprises have the maximum opportunity to compete for and perform contracts and subcontracts. E&CP and E&CP's contractors agree not to discriminate on the basis of race, color, national origin or sex in the award and performance of any Federal Department of Transportation-assisted contracts.

16. Provisions to be Included in All Pertinent Documents

E&CP agrees that it shall insert all of the foregoing provisions in all contracts or agreements by which said E&CP grants a right or privilege to any person, firm or corporation to render accommodations or services to the public on the premises.

EXHIBIT D

E&CP IMPROVEMENTS

WORK LETTER

EXHIBIT D-E&CP Improvements

Grahovac Construction
8418 La Mesa Boulevard La Mesa, California 91941
Office: (619) 466-6693 Fax: (619) 466-6673
www.grahovacconst.com

PROPOSAL

TO: City of San Diego
Real Estate Assets - Airports Division
3750 John J Montgomery Drive
San Diego, Ca 92123
ATTN: Thurman Hodges

Date: 7/13/2020

Job Name: Tenan Improvement - 8525 Gibbs Dr.
Location: 8525 Gibbs Dr, San Diego, CA 92123

We hereby propose the work specified below:

Tenant Improvement at suites 115, 208, 206, 207, 205, 306, 302, 301.
*Including painting of **all** walls, recarpeting of **all** office space and conditioning of 6 doors and installation.*

Qty.	Unit	Description		Price
1	ea.	Demo of flooring where indicated, tile carpeting and base	$	69,706.58
		add: tile carpeting 1'x3' including installation	$	17,692.50
1	ea.	Patch and paint	$	15,750.00
1	ea.	Acconditioning of doors and installation. Minor fix in cabinetry.	$	3,180.00

Notes:
1. All doors assumed in reasonable condition.
2. Carpet limited to $14.60 per SY cost. Paint limited to $12.80 per Gal. Costs including tax&freight.
3. Include Prevailing Wages for regular work hours.
4. Exclude any work in structural elements like concrete and steel or any other unforeseen condition.
5. Exclude permits and fees for construction, engineering or architectural
6. Exclude any abatement testing and removal required.
7. Any alteration or deviation from the above specified items involving extra cost of material or labor will be executed upon written order for same and will become an extra charge over the sum quoted above
8. Proposal is good for 60 days.

Sub Total:		$	106,329.08
Contractor O&P:	12%	$	119,088.57
Insurance Fee:	2%	$	121,470.34
Bond (if required):	1.25%	$	122,988.72
Proposed Total		**$**	**122,988.72**

By signing below I acceept the terms and conditions of this proposal.

CONTRACTOR

Signature _____
Date of Proposal_____

OWNER

Signature _____
Date of Acceptance_____

Suite 115
Unit #115-1
1 Replace Thermostat With Commercial Grade Programmable Type
2 Install Inline Flow Switch to shut unit down during loss on water flow from mechanical pad
Unit #115-2
3 Install Inline Flow Switch to shut unit down during loss on water flow from mechanical pad
4 Replace Thermostat With Commercial Grade Programmable Type

Suite 205
Unit #205-1
1 Replace Thermostat With Commercial Grade Programmable Type
2 Install Inline Flow Switch to shut unit down during loss on water flow from mechanical pad
Unit #205-2
1 Replace Thermostat With Commercial Grade Programmable Type
2 Install Inline Flow Switch to shut unit down during loss on water flow from mechanical pad
Unit #205-3
1 Replace Thermostat With Commercial Grade Programmable Type
2 Install Inline Flow Switch to shut unit down during loss on water flow from mechanical pad
Unit #205-4
1 Replace Thermostat With Commercial Grade Programmable Type
2 Install Inline Flow Switch to shut unit down during loss on water flow from mechanical pad
Unit #205-6
1 Replace Thermostat With Commercial Grade Programmable Type
2 Install Inline Flow Switch to shut unit down during loss on water flow from mechanical pad

Suite 206
Unit #206-2
1 Ball valve is leaking. Replace with new in order to prevent damage to the tiles below
2 Replace Thermostat With Commercial Grade Programmable Type
3 Install Inline Flow Switch to shut unit down during loss on water flow from mechanical pad

Suite 207	
Unit #207-1	
	1 Replace Thermostat With Commercial Grade Programmable Type
	2 Install Inline Flow Switch to shut unit down during loss on water flow from mechanical pad
Unit # AH-1	
	1 Replace Thermostat With Commercial Grade Programmable Type
	2 Unit is low in charge. Add charge with one (1) pound of refigerant to bring back to specifications and monitor future issues
Unit #206-1	
	1 2.5 Ton 460 3 Phase Left Return
	2 Replace unit Enercon Manufactured 1986

Suite 208	
Unit #208-1	
	1 Water lines are not supported and sagging in ceiling. Provide and install the proper supports
	2 Install Inline Flow Switch to shut unit down during loss on water flow from mechanical pad

Suite 301	
Unit #301-3	
	1 2.5 Ton 460 3 Phase Left Return
	2 Replace unit Enercon Manufactured 1986
Unit #301-1	
	1 Replace Thermostat With Commercial Grade Programmable Type
	2 Install Inline Flow Switch to shut unit down during loss on water flow from mechanical pad
	3 Unit is flat on refrigerant charge. Perform a leak check and repair unit in order to bring it back to service. If unit is found with Non Repairable Leak provide pricing for replacement and repair.
	4 The 14" flex is damaged and not sealed properly. Remove the failed area and install new ducting.

Suite 302	
Unit #300-9	
	1 Replace Thermostat With Commercial Grade Programmable Type
	2 Install Inline Flow Switch to shut unit down during loss on water flow from mechanical pad
	3 Failed freeze protection sensor. Provide and install new
Server Unit	
	1 Replace Thermostat With Commercial Grade Programmable Type
	2 Install Inline Flow Switch to shut unit down during loss on water flow from mechanical pad
	3 Failed freeze protection sensor. Provide and install new
Unit #300-6	
	1 4 Ton 460 3 Phase Right Return
	2 Replace unit Enercon Manufactured 1986
Unit #300-7	
	1 Replace Thermostat With Commercial Grade Programmable Type
	2 Install Inline Flow Switch to shut unit down during loss on water flow from mechanical pad
	3 Failed freeze protection sensor. Provide and install new

Suite 306	
Unit #304-4	
	1 2.5 Ton 460 3 Phase Left Return
	2 Replace unit Enercon Manufactured 1986
Unit #306-2	
	1 2.5 Ton 460 3 Phase Left Return
	2 Replace unit Enercon Manufactured 1986
Unit #306-3	
	1 2.5 Ton 460 3 Phase Left Return
	2 Replace unit Enercon Manufactured 1986

Items included in with New Units:
1 Thermostat
2 Lined Plenums with Filter Rack Return
3 New Hose Kit
4 New inline flow switch
5 Reconnect drain lines and all flex duct
6 All electrical needed
7 Full start up of equipment
8 Disposal of trash off-site

EXCLUSIONS
1 Permits of any kind
2 HERS Testing
3 Drywall or Stucco of any kind