

**GROUND LEASE AGREEMENT**

LESSOR: Palomar Mountain Volunteer Fire Department,  
a California non-profit corporation

LESSEE: County of San Diego,  
a political subdivision of the State of California

APN: 135-040-80

COUNTY CONTRACT NO.: 553057

**GROUND LEASE AGREEMENT**

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## GROUND LEASE AGREEMENT

This ground lease agreement ("Lease") is entered into as of 12-17-15 ("Commencement Date") by and between the Palomar Mountain Volunteer Fire Department, a California Non-Profit Corporation ("Lessor"), and the County of San Diego, a political subdivision of the State of California ("County").

### RECITALS

- A. By a Grant Deed recorded March 26, 1992 as Document Number 1992-0171751, Lessor became the owner of record of that real property located at 21610 Crestline Road, Palomar Mountain, California ("Property") described in Exhibit "A" DESCRIPTION OF PREMISES, which is incorporated into this Lease by this reference, and further described as County of San Diego Assessor Parcel Number 135-040-80.
- B. The Property is improved with a Fire Station with an attached apparatus bay and a single family home which includes the sleeping quarters and administrative offices.
- C. Lessor and County wish to enter into a lease of the Property for purposes of a fire station site and uses related to providing public fire protection, rescue, medical aid and ambulance services. The term of this Ground Lease shall commence on the date the County's Directory of the Department of General Services concurrently executes each document.

### ARTICLE 1 PREMISES

Lessor leases to County the real property located at 21610 Crestline Road, Palomar Mountain, California, consisting of an approximate 3.29-acre parcel of land with water rights and existing structures also known as Assessor Parcel Number 135-040-80 ("Premises"), as depicted on Exhibit "A" DESCRIPTION OF PREMISES, subject to the terms and conditions set forth in this Lease.

### ARTICLE 2 TERM

2.1 Term. The term of this Lease shall be fifty (50) years ("Term"), beginning on the Commencement Date. If the Commencement Date is not the first day of a calendar month, then the Term shall include the partial calendar month from and including the Commencement Date through the last day of the partial calendar month at the beginning of the Term, plus the number of months of the full Term, so that the Term shall expire on the last day of a calendar month.

2.2 Early Termination. County may terminate this Lease to be effective at any time during the Term by providing Lessor with ninety (90) days prior written notice.

2.3 Holding Over. If County remains in possession of the Premises, for any reason, after the expiration of the Term of this Lease without executing a new lease then the holding over shall be construed as a tenancy from month-to-month, subject to all the conditions, provisions and obligations of this Lease as they are applicable to a month-to-month tenancy.

**ARTICLE 3**  
**RENT**

County shall pay to Lessor as rent ("Rent") during the Term the sum of one dollar (\$1.00) per year. The Rent shall be payable as a one-time lump sum payment and become due upon the Commencement Date of this Lease.

**ARTICLE 4**  
**USE OF PREMISES**

The Premises shall be used as a fire station site and for uses related to providing public fire protection, rescue, medical aid and ambulance services ("Intended Use"). The Palomar Mountain Volunteer Fire Department, 501C-3 nonprofit organization, may use the fire station facilities for community activities and events, subject to the County's approval of such activities and events, through its operational partner CAL FIRE. All scheduling shall be coordinated and approved by CAL FIRE."

**ARTICLE 5**  
**MAINTENANCE AND REPAIR OBLIGATIONS**

5.1 Custodial and Trash Services. County shall, at its sole cost and expense, furnish to the Premises all custodial and trash removal services which may be required by County's occupancy and use of the Premises. The services shall be provided at the level necessary to maintain the Premises in a clean and orderly condition.

5.2 Maintenance and Repair. County shall, at its sole cost and expense, maintain the Premises, make major repairs, restorations, and replacements, including without limitation, the heating, ventilating, air conditioning, mechanical, electrical, plumbing systems, structural roof, walls, foundations, fixtures and appurtenances to the Premises as and when needed to preserve them in good working order and condition. County shall also, at its sole cost and expense, maintain in good order, condition, and repair including, without limitation, all interior maintenance including plumbing, electrical wiring, switches, light fixtures and bulbs, floors and floor covering, doors, locks, and closing devices, window casements, interior and exterior glass and frames, all appliances and equipment, faucets, sinks, shower facility, garbage disposal, counter tops, cabinets, hot water tanks, interior painting, all landscaping upon, within, or attached to the Premises.

**ARTICLE 6**  
**UTILITIES**

County shall furnish to the Premises, and at all times during the Term pay for, all utilities necessary for the use and enjoyment by County of the Premises for the Intended Use. The utility services shall include, but not necessarily be limited to, gas, water, electricity, heating, ventilation and air conditioning.

**ARTICLE 7**  
**QUIET ENJOYMENT**

Upon County's payment of rent and performance of its other obligations under this Lease, County shall peacefully and quietly have, hold and enjoy the Premises throughout the Term, without hindrance, ejection or molestation by Lessor, any person lawfully claiming through or under Lessor or any person claiming prior rights to Lessor to the Premises.

**ARTICLE 8**  
**INSURANCE**

8.1 Lessor's Insurance Obligations. Without limiting Lessor's indemnification obligations to County under this Lease, Lessor shall provide and maintain, during the Term and for any other period required in this Lease, at its sole expense, insurance in the amounts and form specified in Exhibit "B" INSURANCE REQUIREMENTS, which is incorporated into this Lease by this reference.

8.2 County's Insurance Obligations. County maintains a policy of All-Risk Insurance covering the County's personal property in the Premises, including any fixtures or equipment in the Premises owned by County. The County utilizes a program of self-funding with regard to any liability it may incur for personal injury or property damage arising out of its use or occupancy of the Premises.

**ARTICLE 9**  
**INDEMNITY**

9.1 Lessor's Indemnity. County shall not be liable for, and Lessor shall defend, indemnify and hold County and its elected officials, officers, employees and agents (collectively "County Parties") harmless from any and all claims, demands, liability, judgments, awards, fines, mechanics' liens or other liens, labor disputes, losses, damages, expenses, charges or costs of any kind or character, including attorneys' fees and court costs (collectively "Claims"), related to this Lease and arising either directly or indirectly from any act, error, omission or negligence of Lessor or its contractors, licensees, agents, servants or employees, including, without limitation, Claims caused by the concurrent negligent act, error or omission, whether active or passive, of County Parties. Lessor shall have no obligation to defend or indemnify County Parties from a Claim if it is determined by a court of competent jurisdiction that the Claim was caused by the sole negligence or willful misconduct of County Parties.

9.2 County's Indemnity. County shall defend and indemnify Lessor and hold it harmless from and against any Claims related to this Lease that arise solely from any act, omission or negligence of County Parties.

**ARTICLE 10**  
**ASSIGNMENT AND SUBLETTING**

County shall not sublet the whole or any part of the Premises to any party other than the Palomar Mountain Volunteer Fire Department. However, in the event the Fire Protection Agreement, Agreement No. 530230, for Service Area 135, dated June 25, 2008 ("FPA"), is terminated pursuant to Article 7 of the FPA, County may sublet all or any part of the Premises only for the Intended Use. County shall not be required to obtain Lessor's consent or approval to sublet or assign the Premises provided the sublease or assignment is consistent with the Intended Use.

**ARTICLE 11**  
**TAXES**

County shall not be obligated to pay any taxes accruing before, during or after the Term, or any extension of the Term, on the Premises. All tax payments shall be the sole responsibility of Lessor. As used in this Lease, the term "taxes" means all taxes, governmental bonds, special assessments, Mello-Roos assessments, charges, rental income or transfer taxes, license and transaction fees, including, but not limited to, (i) any state, local, federal, personal or corporate income tax, or any real or personal property tax, (ii) any estate inheritance taxes, (iii) any franchise, succession or transfer taxes, or (iv) interest on taxes or penalties resulting from Lessor's failure to pay taxes.

**ARTICLE 12**  
**COMPLIANCE WITH THE LAW; SAFETY REQUIREMENTS**

If the Intended Use of the Premises is prohibited at any time during the Term or any extensions of the Term by any federal, state or local statute, ordinance or regulation, this Lease shall automatically terminate as of the effective date of the prohibition, and all rent owing under this Lease shall be equitably pro-rated on a per diem basis as of the date of the termination. Lessor warrants that, as of the Commencement date of this Lease Lessor, is unaware of any violations of any laws or ordinances, or of rules or regulations of insurance-rating organizations, which would materially affect County's use or occupancy of the Premises, and that County's Intended Use of the Premises is in compliance with all existing laws and insurance policies affecting the Premises.

**ARTICLE 13**  
**HAZARDOUS MATERIALS**

13.1 Hazardous Materials Laws-Definition. As used in this Lease, the term “Hazardous Materials Laws” means any and all federal, state or local laws or ordinances, rules, permits, decrees, orders, regulations or court decisions (including “common law”) relating to hazardous substances, hazardous materials, hazardous waste, toxic substances, environmental conditions on, under or about the Premises, soil and ground water conditions or other similar substances or conditions, including, without limitation, those hazardous or toxic substances identified in the Resource Conservation and Recovery Act, 42 U.S.C. Section 6901, et seq.

13.2 Hazardous Materials - Definition. As used in this Lease, the term “Hazardous Materials” means any chemical, compound, material, substance or other matter the presence of which gives rise to any reporting, notice or publication requirements, or duty to investigate, under any Hazardous Materials Laws; provided, however, that office and cleaning supplies in amounts normal and customary for the Premises shall not be considered as Hazardous Materials.

13.3 California Health and Safety Code. Lessor and County are aware of California Health and Safety Code Section 25359.7(a), which provides in part as follows:

“(a) Any owner of nonresidential real property who knows, or has reasonable cause to believe, that any release of a hazardous substance has come to be located on or beneath that real property shall, prior to the sale, lease, or rental of the real property by that owner, give written notice of that condition to the buyer, lessee, or renter of the real property. Failure of the owner to provide written notice when required by this subdivision to the buyer, lessee, or renter shall subject the owner to actual damages and any other remedies provided by law . . . .”

Pursuant to California Health and Safety Code Section 25359.7, Lessor advises County that Lessor does not know, or have reasonable cause to believe, that any release of a hazardous substance has come to be located on or beneath the Premises. If it is established by agreement of Lessor and County or by final order of court of competent jurisdiction that the foregoing representation and warranty of Lessor is false, then Lessor shall indemnify, hold harmless and defend County from and against all claims, liabilities, costs and expenses arising out of Lessor’s breach of the foregoing representations, including, but not limited to, all costs and expenses incurred by County for testing, removal, cleaning or other remedial work related to hazardous substances, and regardless of whether any portion of the claims, liabilities, costs or expenses result, in whole or in part, from the active or passive negligence of County, its elected officials, employees or agents. The foregoing environmental indemnities shall survive the expiration or earlier termination of this Lease and shall be governed by the laws of the State of California.

Lessor advises County that Lessor is unaware of any release of hazardous substances coming to be located on the Premises as of the Commencement Date of this Lease.

Notwithstanding any provisions to the contrary contained in this Lease, Lessor shall not be responsible for Hazardous Materials present on the Premises prior to August 10, 1994.

13.4 Lessor’s Representations and Warranties. Lessor represents and warrants that, other than as disclosed to County and specifically approved in writing by County’s Lease Administrator:



(a) Lessor has received no notice from any governmental agency of violation, or suspected or possible violation, of any Hazardous Materials Laws with respect to the Premises, and there has at no time been a government-supervised cleanup or remediation of Hazardous Materials on the Premises.

(b) To the best of Lessor's knowledge, any handling, transportation, storage, treatment or usage of Hazardous Materials that has occurred on the Premises prior to the Commencement Date has been in compliance with all applicable Hazardous Materials Laws.

(c) No leaks, spills, releases, discharges, emissions or disposal of Hazardous Materials have occurred on the Premises prior to the Commencement Date, and, to the best of Lessor's knowledge, the soil, ground water, and soil vapor on or under the Premises is free of Hazardous Materials as of the Commencement Date.

(d) After due and reasonable investigation, no underground improvements, including but not limited to treatment or storage tanks, or gas or oil wells are on, or ever have been on, the Premises or on the property to which the Premises is appurtenant.

13.5 Indemnification by Lessor. Lessor (and, if applicable, each of its general partners) and its successors, assigns, and guarantors, if any, jointly and severally agree to indemnify, defend (with counsel selected by County), reimburse, and hold County and its elected officials, officers, employees and agents harmless from any claims, judgments, damages, penalties, fines, costs, liabilities (including sums paid in settlement of claims) or loss, including attorneys' fees, consultants' fees, and experts' fees (consultants and experts to be selected by County) which arise during the Term from Lessor's breach of any of its warranties set forth in Section 13.3, or in connection with the presence or suspected presence of Hazardous Materials anywhere on the Premises, unless the Hazardous Materials are present solely as a result of the actions of County, its elected officials, officers, employees or agents. Without limiting of the generality of the foregoing, the indemnification provided by this section shall specifically cover costs incurred in connection with investigation of site conditions or any cleanup, remedial, removal or restoration work required by any Hazardous Materials Laws because of the presence of Hazardous Materials in the soil, ground water or soil vapor on the Premises; provided, however, that the indemnification shall not cover costs incurred as a result of Hazardous Materials introduced to the Premises by County, its elected officials, employees, agents or subcontractors. The indemnification provided by this section shall also specifically cover costs incurred in responding to Hazardous Materials present or suspected to be present in the soil, ground water or soil vapor on or under the Premises before the Commencement Date.

The foregoing environmental indemnities shall survive the expiration or earlier termination of this Lease and/or any transfer of all or any portion of the Premises, or of any interest in this Lease, and shall be governed by the laws of the State of California.

13.6 Asbestos and Lead Paint Abatement. Lessor shall assume responsibility for asbestos and lead paint abatement should any abatement be required as part of any repair or maintenance activity undertaken, or as required by any health and safety regulations of federal, state, or agencies following written notice by the agency that an asbestos or lead paint hazard exists on the Premises.

**ARTICLE 14**  
**DAMAGE BY FIRE OR OTHER CASUALTY; CONDEMNATION**

14.1 Damage or Destruction of the Building. If, during the Term of this Lease or any extension of the Term, the structures and improvements (“Buildings”) are damaged or destroyed, and if the damage materially interferes with County’s use of the Premises, County may terminate this Lease by providing thirty (30) days written notice to Lessor.

14.2 Condemnation. If all or any part of the Premises is taken or appropriated by any public or quasi-public authority under the power of eminent domain, or under any agreement in lieu of eminent domain (any taking or appropriation is referred to in this Lease as a “Taking”, or having been “Taken”), this Lease shall terminate as to the part Taken as of the date of the Taking. If a partial Taking of the Premises occurs, County shall have the right to terminate this Lease as to the remaining portion of the Premises by giving written notice to Lessor within thirty (30) days after the Taking. The exercise of the right of termination shall be contingent upon whether, in the opinion of County’s Lease Administrator, the portion of the Premises Taken is of an extent and nature that materially impairs County’s access to the Premises or materially diminishes the nature of the Buildings as they existed on the date of the Taking, or substantially interferes with the Intended Use of the Premises. Lessor shall be entitled to all compensation, damages, income, rent, awards and interest which may be paid or made on account of Lessor’s interest in the Premises in connection with any Taking except for the value of the land which shall be paid to Lessor.

**ARTICLE 15**  
**GENERAL PROVISIONS**

15.1 Authority. Lessor represents and warrants that it has full power and authority to execute and fully perform its obligations under this Lease pursuant to its governing instruments, without the need for any further action, and that the person(s) executing this Lease on behalf of Lessor are the duly designated agents of Lessor and are authorized to act on behalf of Lessor, and that fee title to the Premises vests solely in Lessor.

15.2 Captions. The captions, headings and index appearing in this Lease are inserted for convenience only and in no way define, limit, construe, or describe the scope or intent of the provisions of this Lease.

15.3 County Approval. Except where stated in this Lease to the contrary, the phrases “County’s approval”, and “County’s written approval”, or similar phrases, shall mean approval of County’s Lease Administrator or a designee. For purposes of this Lease, County’s Lease Administrator shall be the Director of the County Department of General Services.

15.4 Cumulative Remedies. If a default under this Lease occurs, each party’s remedies shall be limited to those remedies set forth in this Lease. The remedies under this Lease are cumulative and not exclusive of any other remedies under this Lease to which the non-defaulting party may be entitled.

15.5 Entire Agreement. This Lease, together with all attached addenda, exhibits and riders, constitutes the entire agreement between the parties with respect to the subject matter of this Lease, and all prior or contemporaneous agreements, understandings and representations, oral or written, are superseded.

15.6 Governing Law. This Lease shall be governed, construed and enforced in accordance with the laws of the State of California.

15.7 Modification. The provisions of this Lease may not be modified, except by a written instrument signed by both parties.

15.8 Notices. All notices, demands, requests or other communication required or permitted to be given under this Lease ("Notices") shall be in writing and (i) delivered in person to an officer or duly authorized representative of the other party, (ii) sent by Registered First Class United States Mail, postage prepaid to Lessor and County at the appropriate address set forth below, or to another address designated by Lessor or County by written notice to the other party. Any Notice shall be deemed received if delivered as set forth under (i), above, or in case of (ii) above, forty-eight (48) hours from the time of mailing if mailed as provided in this section.

Lessor's Address for notice:

Palomar Mountain Volunteer Fire Department  
P.O. Box 235  
Palomar Mountain, California 92060

County's Address for notice:

County of San Diego  
Attention: Director, Department of General Services  
5560 Overland Avenue  
Suite 410  
San Diego, California 92123

15.9 Partial Invalidity. If any provision of this Lease is determined by a court of competent jurisdiction to be invalid or unenforceable, the remainder of this Lease shall not be affected by the determination. Each provision of this Lease shall be valid and enforceable to the fullest extent permitted by law.

15.10 Successor and Assigns. This Lease shall be binding on and inure to the benefit of the parties and their successors and assigns, except as may otherwise be provided in this Lease.

15.11 Time of Essence. Time is of the essence of each and every provision of this Lease.

15.12 Waiver. No provision of this Lease or the breach of any provision of this Lease shall be deemed waived, except by written consent of the party against whom the waiver is claimed.

15.13 Memorandum of Lease. Concurrent with execution of this Lease, Lessor and County shall execute and cause to be acknowledged a memorandum of this Lease in the form of Exhibit "C" MEMORANDUM OF LEASE. County may record the memorandum in the office of the San Diego County Recorder. The memorandum shall not under any circumstances be deemed to modify or otherwise change any of the terms, conditions or covenants of this Lease. If there is any conflict between this Lease and the memorandum, the terms, covenants and conditions of this Lease shall control.

**ARTICLE 16**  
**AFFIRMATIVE ACTION PROGRAMS FOR VENDORS**

During the Term of this Lease, Lessee shall comply with the Affirmative Action Program for Vendors pertaining to employment of disabled persons, as set forth in Article IIIK (commencing at Section 84) of the San Diego County Administrative Code, which is incorporated into this Lease by this reference. Lessee is informed that the County's Affirmative Action Program for Vendors provides that its requirements shall not apply to any lessee, or subcontractor of a lessee, who has a regular, paid workforce of less than fifteen (15) employees. A copy of this Affirmative Action Program will be furnished to Lessee by the County's Lease Administrator upon Lessee's request.


**THE REMAINDER OF THIS PAGE HAS BEEN LEFT INTENTIONALLY BLANK.**  
**THE SIGNATURE PAGE IS ON THE FOLLOWING PAGE.**

**SIGNATURES**

Lessor and County have executed this Lease effective as of the date first written above.


LESSEE:

County of San Diego,  
a political subdivision of the State of California


By:   
for April F. Heinze, P.E., Director  
Department of General Services

LESSOR:

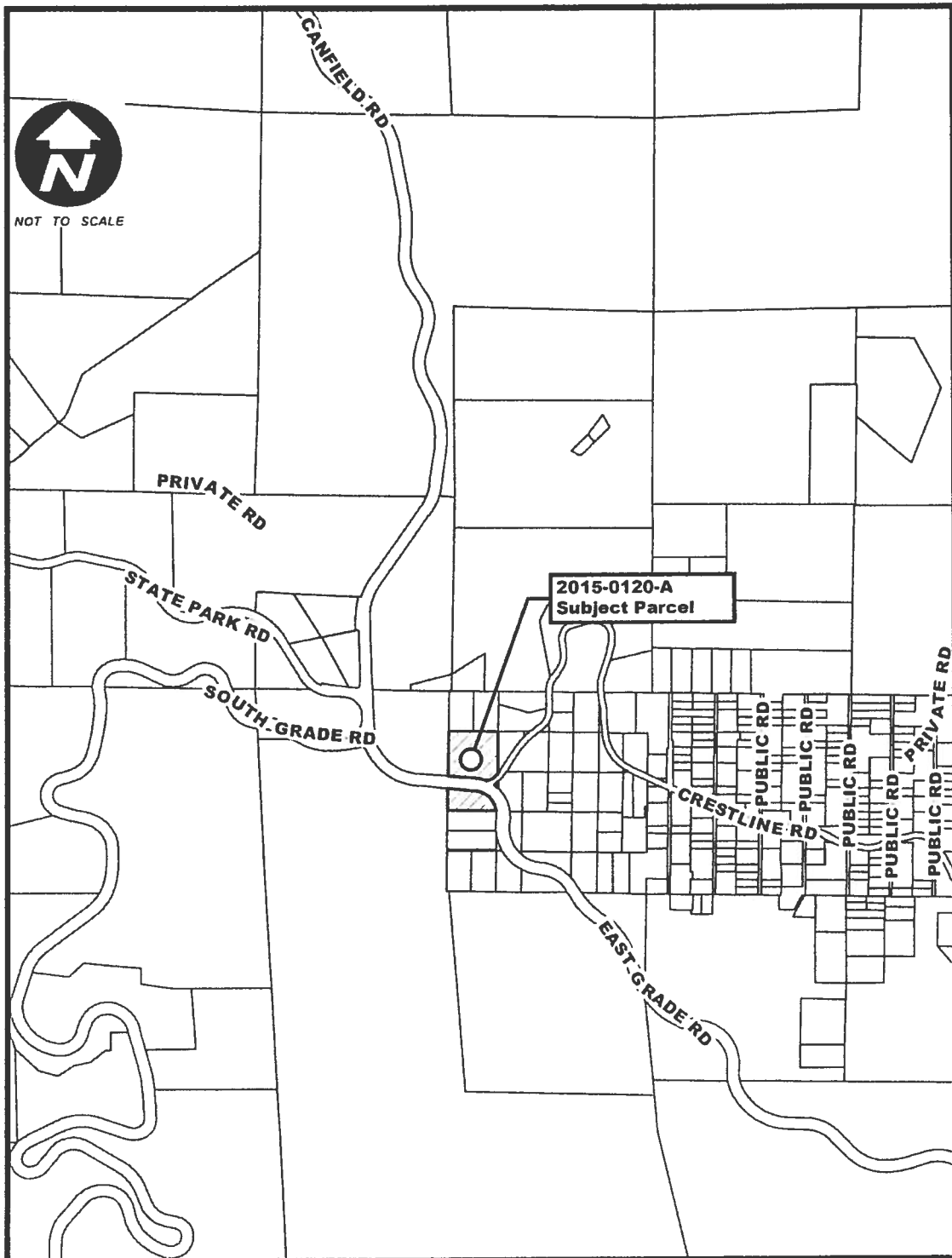
Palomar Mountain Volunteer Fire Department,  
a California non-profit corporation

By:   
Suzann M. Leininger, President

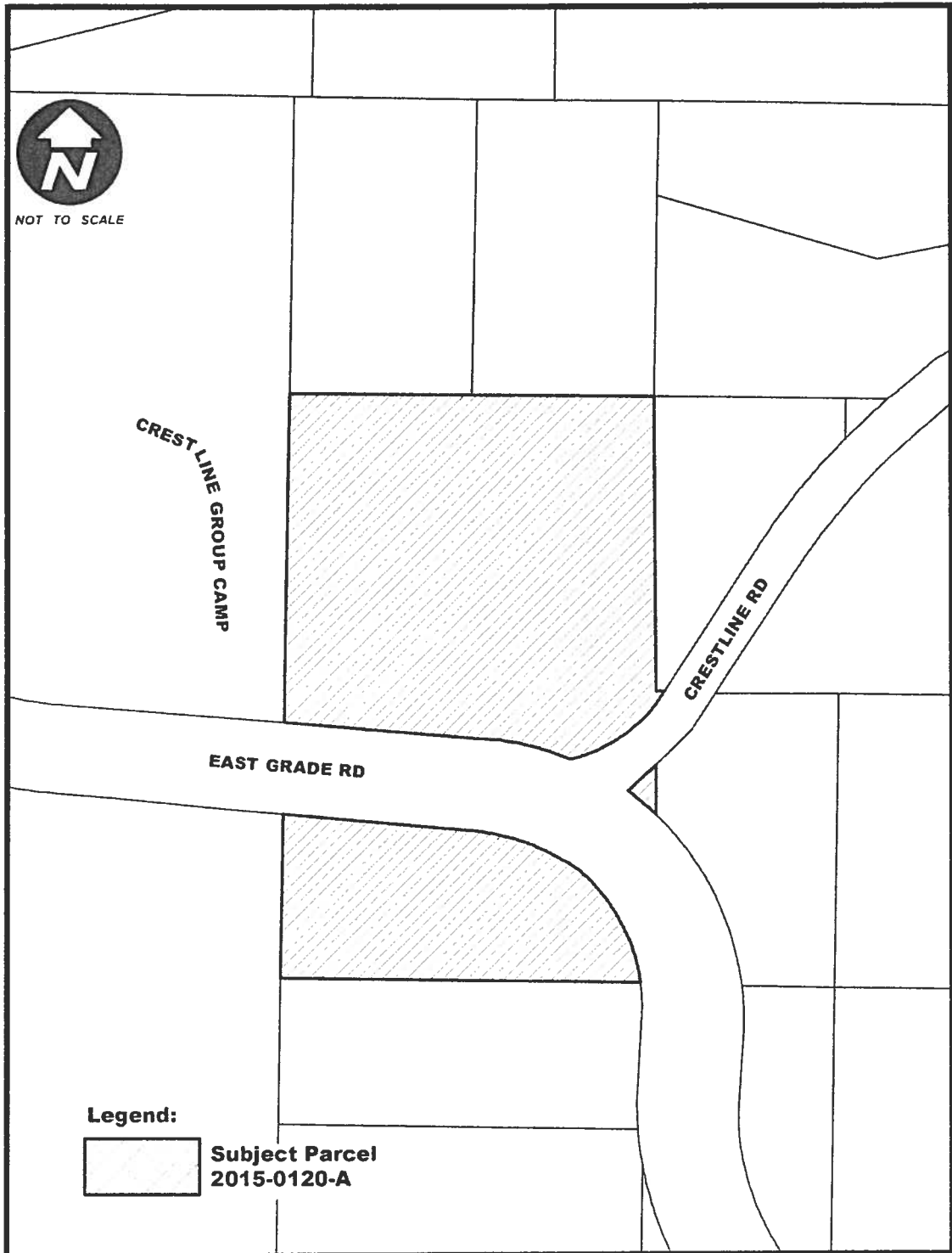
Approved as to form and legality:

By:   
Kristin Laychus,  
Deputy County Counsel

**EXHIBIT "A"**  
**DESCRIPTION OF PREMISES**  
**Location Map**



**EXHIBIT "A"**  
**DESCRIPTION OF PREMISES**  
**Site Map**



**EXHIBIT "B"**  
**INSURANCE REQUIREMENTS**

**COUNTY'S INSURANCE OBLIGATIONS**

The County utilizes a program of self-funding with regard to any liability it may incur for personal injury or property damage, subject to Lessor's insurance obligations and indemnification of County as set forth in this Lease.

**INSURANCE REQUIREMENTS FOR LESSOR'S**

Without limiting Lessor's indemnification obligations to County under this Lease, Lessor shall provide and maintain for the duration of this Lease insurance against claims for injuries to persons or damages to property which may arise from or in connection with the Lessor's operation and use of the Premises. The cost of the insurance shall be borne by the Lessor.

**1. Minimum Scope of Insurance**

Coverage shall be at least as broad as:

- A. Commercial General Liability, Occurrence form, Insurance Services Office Form CG0001.
- B. Automobile Liability covering all owned, non-owned and hired auto, Insurance Services Office form CA0001.
- C. Workers Compensation, as required by State of California and Employer's Liability Insurance.
- D. Property Insurance against all risk or special form perils, including Replacement Cost coverage, without deduction for depreciation, for Lessor's merchandise, fixtures owned by Lessor, any items identified in this Lease as improvements to the Premises constructed and owned by Lessor, and the personal property of Lessor, its agents and employees.

**2. Minimum Limits of Insurance**

Lessor shall maintain limits no less than:

- A. Commercial General Liability including Premises, Operations, Products and Completed Operations, Contractual Liability and Independent Contractors: \$1,000,000 per occurrence for bodily injury, personal injury and property damage. The General Aggregate limit shall be \$2,000,000 and shall be a Per Location



Aggregate. Fire Damage Limit (Any One Fire) \$300,000 and Medical Expense Limit (Any One Person) \$5,000.

- B. Automobile Liability: \$1,000,000 each accident for bodily injury and property damage.
- C. Employers Liability: \$1,000,000 each accident for bodily injury or disease. Coverage shall include a waiver of subrogation endorsement in favor of County of San Diego.
- D. Property: Full replacement cost with no coinsurance penalty provision.

**3. Deductibles and Self-Insured Retention's**

Any liability deductible or self-insured retention must be declared to and approved by County Risk Management. The property insurance deductible shall not exceed five thousand dollars (\$5,000) per occurrence and shall be borne by Lessor.

**4. Other Insurance Provisions**

The general liability and automobile liability policies are to contain, or be endorsed to contain the following provisions:

A. Additional Insured Endorsement

Any general liability policy provided by Lessor shall contain an additional insured endorsement applying coverage to the County of San Diego, the members of the Board of Supervisors of the County and the officers, agents, employees and volunteers of the County, individually and collectively.

B. Primary Insurance Endorsement

For any claims related to this Lease, the Lessor's insurance coverage shall be primary insurance as respects the County, the members of the Board of Supervisors of the County and the officers, agents, employees and volunteers of the County, individually and collectively. Any insurance or self-insurance maintained by the County, the members of the Board of Supervisors of the County, its officers, officials, employees, or volunteers shall be excess of the Lessor's insurance and shall not contribute with it.

C. Notice of Cancellation

Notice of Cancellation shall be provided in accordance with policy provisions.

## **General Provisions**

### **5. Qualifying Insurers**

All required policies of insurance shall be issued by companies which have been approved to do business in the State of California by the State Department of Insurance, and which hold a current policy holder's alphabetic and financial size category rating of not less than A-, VII according to the current Best's Key Rating guide, or a company of equal financial stability that is approved in writing by County Risk Management.

### **6. Evidence of Insurance**

Prior to the Commencement Date of this Lease, Lessor shall furnish the County with certificates of insurance and amendatory endorsements effecting coverage required by this Lease.

Renewal certificates and amendatory endorsements shall be furnished to County within thirty (30) days of the expiration of the term of any required policy. Lessor shall permit County at all reasonable times to inspect any required policies of insurance.

### **7. Failure to Obtain or Maintain Insurance; County's Remedies**

Lessor's failure to provide insurance specified or failure to furnish certificates of insurance and amendatory endorsements or failure to make premium payments required by the insurance, shall constitute a material breach of this Lease, and County may, at its option, terminate this Lease for any default by Lessor.

### **8. No Limitations of Obligations**

The foregoing insurance requirements as to the types and limits of insurance coverage to be maintained by Lessor, and any approval of the insurance by the County are not intended to and shall not in any manner limit or qualify the liabilities and obligations otherwise assumed by Lessor pursuant to this Lease, including, but not limited to, the provisions concerning indemnification.

### **9. Review of Coverage**

County retains the right at any time to review the coverage, form and amount of insurance required in this Lease and may require Lessor to obtain insurance reasonably sufficient in coverage, form and amount to provide adequate protection against the kind and extent of risk which exists at the time a change in insurance is required.

### **10. Self-Insurance**

Lessor may, with the prior written consent of County Risk Management, fulfill some or all of the insurance requirements contained in this Lease under a plan of self-insurance.

Lessor shall only be permitted to utilize self-insurance if in the opinion of County Risk Management, Lessor's (i) net worth, and (ii) reserves for payment of claims of liability against Lessor, are sufficient to adequately compensate for the lack of other insurance coverage required by this Lease. Lessor's utilization of self-insurance shall not in any way limit liabilities assumed by Lessor under this Lease.

**11. Waiver of Subrogation**

Lessor and County waive all rights to recover against each other or against any other tenant or occupant of the building, or against the officers, directors, shareholders, partners, employees, agents or invitees of each other or of any other occupant or tenant of the building, from any Claims (as defined in Article 9 INDEMNITY) against either of them and from any damages to the fixtures, personal property, Lessor's improvements, and alterations of either County or Lessor in or on the Premises and the Property, to the extent that the proceeds received from any insurance carried by either County or Lessor, other than proceeds from any program of self-insurance, covers any Claim or damage. Included in any policy or policies of insurance provided by Lessor shall be a standard waiver of rights of subrogation against County by the insurance company issuing the policy or policies.

**EXHIBIT "C"**  
**MEMORANDUM OF LEASE**

(Begins on following page)

44  
CIP

DOC# 2015-0654383



Dec 23, 2015 08:41 AM

OFFICIAL RECORDS

Ernest J. Dronenburg, Jr.,

SAN DIEGO COUNTY RECORDER

FEES: \$0.00

PCOR: N/A

PAGES: 4

RECORDED REQUEST OF DEPARTMENT OF GENERAL SERVICES FOR THE BENEFIT OF THE COUNTY OF SAN DIEGO

WHEN RECORDED, PLEASE RETURN THIS INSTRUMENT TO:

(MAIL STATION 0-200)

County of San Diego  
Department of General Services  
5560 Overland Avenue  
Suite 410  
San Diego, California 92123

Attention: DEBBIE BAILEY

SPACE ABOVE FOR RECORDER'S USE ONLY

**MEMORANDUM OF LEASE**

NO TRANSFER TAX DUE

APN: 135-040-80

Palomar Mountain Volunteer Fire Department ("Lessor"), and the County of San Diego, a political subdivision of the State of California ("County"), entered into a lease ("Lease"), dated DEC 17, 2015, of certain property more particularly described in Schedule "1", attached to this Memorandum of Lease (the "Premises").

1. Grant. Lessor grants to County a leasehold estate in the Premises in accordance with the terms, covenants and conditions of the Lease.
2. Term. The term of the Lease is fifty (50) years, with a commencement date and a termination dated as provided in the Lease.

4. Summary. This Memorandum of Lease does not include all the terms, covenants and conditions of the Lease. The provisions of this Memorandum of Lease shall not be used in interpreting the terms, covenants and conditions of the Lease and shall not be deemed to modify or otherwise change any of the terms, covenants or conditions of the Lease. If a conflict between the Lease and this Memorandum of Lease occurs, the terms, covenants and conditions of the Lease shall control.

Lessor and County have executed this Memorandum of Lease as of the 17 day of DECEMBER, 2015.

"Lessor"

Palomar Mountain Volunteer Fire Department,  
a California corporation

By: Shawn M. Leinger

Title: President, Board of Directors, PMFD

"County"

County of San Diego,  
a political subdivision of the State of California

By: April F. Heinze  
April F. Heinze, P.E., Director

*for* Department of General Services

**SCHEDULE "1"**  
**DESCRIPTION OF PROPERTY**

**PARCEL 1:**

THE SOUTH 264 FEET OF THE NORTH 528 FEET OF THE NORTHEAST QUARTER OF THE NORTHEAST QUARTER, SECTION 15, TOWNSHIP 10 SOUTH, RANGE 1 EAST, SAN BERNARDINO MERIDIAN, IN THE COUNTY OF SAN DIEGO, STATE OF CALIFORNIA, ACCORDING TO OFFICIAL PLAT OF SAID LAND FILED IN THE DISTRICT LAND OFFICE OCTOBER 10, 1896. EXCEPTING THEREFROM THE EAST 990 FEET OF SAID NORTHEAST QUARTER OF THE NORTHEAST QUARTER.

**PARCEL 2:**

AN EASEMENT AND RIGHT OF WAY FOR ROAD, SEWER, WATER, GAS, POWER AND TELEPHONE LINES AND APPURTENANCES THERETO OVER, UNDER, ALONG AND ACROSS THAT PORTION OF THE SOUTH 50 FEET OF THE NORTH 528 FEET OF THE WEST 165 FEET OF THE EASE 990 FEET OF THE NORTHEAST QUARTER OF THE NORTHEAST QUARTER, SECTION 15, TOWNSHIP 10 SOUTH, RANGE 1 EAST, SAN BERNARDINO MERIDIAN, IN THE OCUNTY OF SAN DIEGO, STATE OF CALIFORNIA, ACCRODING TO OFFICIAL PLAT OF SAID LAND FILED IN THE DISTRICT LAND OFFICE OCTOBER 10, 1876, LYING WESTERLY OF THE WESTERLY LINE OF COUNTY ROAD SURVEY NO. 453-A.

THE EASEMENT HEREIN DESCRIBED IS HERBY DECLARED TO BE APPURTENANT TO AND FOR THE USE AND BENEFIT OF THE PRESENT AND FUTURE OWNERS OF ALL OR ANY PORTION OF THE PARCEL 1 ABOVE.

APN: 135-040-80

"A Notary Public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document."

STATE OF CALIFORNIA }  
COUNTY OF SAN DIEGO } SS

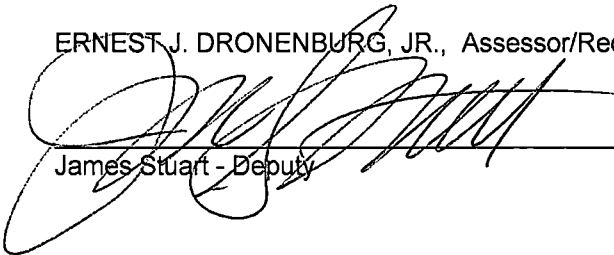
On December 18, 2015, before me, JAMES STUART, Deputy County Clerk in and for said County and State personally appeared Lou Cavagnaro for April F. Heinze, who proved to me on the basis of satisfactory evidence to be the person(s) whose name is subscribed to the within instrument and acknowledged to me that he executed the same in his authorized capacity and by his signature on the instrument the person, or the entity upon behalf of which the person acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.



ERNEST J. DRONENBURG, JR., Assessor/Recorder/County Clerk

  
James Stuart - Deputy