

STATE OF CALIFORNIA

DEPARTMENT OF GENERAL SERVICES
REAL ESTATE SERVICES DIVISION

PARKING LOT LEASE

LEASE COVERING PREMISES LOCATED AT:

Employment Development Office Building
135 W. Fremont Street
Stockton, California

Lease No.: L-2257

AGENCY

EMPLOYMENT DEVELOPMENT DEPARTMENT

C-10-329 MF

THIS Lease, dated for reference purposes only, April 29, 2010, by and between the State of California, acting by and through its Director of the Department of General Services (DGS), with the consent of the Employment Development Department (EDD), hereinafter collectively referred to as STATE, and the City of Stockton, hereinafter referred to as LESSEE.

RECITALS:

WHEREAS, Pursuant to Government Code Section 14670(a)(1), the Director of General Services, with the consent of the Employment Development Department, is authorized to let State real property for a period not to exceed five years if the Director deems such letting is in the best interest of the State; and

WHEREAS, STATE owns a 27,211 square foot Office Building along with a parking lot which has 69 improved parking spaces at 135 W. Fremont Street, Stockton, California, and

WHEREAS, LESSEE has a need to provide parking for patrons at the Stockton Events Center located on Fremont Street, Stockton, California, and

WHEREAS, STATE desires to lease said Stockton State Building parking lot during State's non-business hours, and

WHEREAS, it is the STATE's policy to make available facilities under its control, for such purposes, when it is for the benefit of the public and same is consistent with the STATE's programs and needs, and

WHEREAS, it is in the best interests of the STATE that such a lease be consummated between the STATE and LESSEE on the terms and conditions herein contained;

NOW THEREFORE, it is mutually agreed between the parties hereto as follows:

WITNESSETH:

DESCRIPTION

1. STATE does hereby lease to LESSEE, and LESSEE does hereby hire from STATE, non-exclusive and limited use of approximately 69 spaces in the parking lot, located at 135 W. Fremont Street, Stockton, California, hereinafter referred to as the Premises, as shown on the attached **Exhibit "A"**, consisting of one (1) page, attached hereto and incorporated by this reference.

This Lease is subject to (a) all easements, covenants, conditions, and restrictions, rights of way, liens, encumbrances and other matters of record, (b) all matters discoverable by physical inspection of the Premises or that would be discovered by an accurate survey of the Premises and (c) all matters known to LESSEE or of which LESSEE has notice, constructive or otherwise.

USE

2. (a) LESSEE agrees to use the leased Premises for events parking only and no other purposes whatsoever. Use of said Premises by LESSEE is limited to the hours from 6:00 p.m. until 6:00 a.m. on weekdays (12 hours) and from 10:00 a.m. until 6:00 a.m. on weekend days, Saturday and Sunday (20 hours).

(b) In no event shall LESSEE have the right to use the Premises on weekdays from 6:00 a.m. until 6:00 p.m. (12 hours).

RENT

3. Current Fair Market Rent for the Premises is at a rate of ONE THOUSAND THREE HUNDRED SEVENTY-EIGHT DOLLARS (\$1,378.00) per month. The first period lease payment identified in the schedule below is due concurrently with the commencement of this Lease and thereafter payments will be due monthly in advance for the remaining term of this Lease. Beginning June 1, 2011, rent will be increased annually by five (5%) percent (rounded) as follows:

06/01/10	05/31/11	\$1,378.00
06/01/11	05/31/12	\$1,447.00
06/01/12	05/31/13	\$1,519.00
06/01/13	05/31/14	\$1,595.00
06/01/14	05/31/15	\$1,675.00

All payments are to be made to Employment Development Department and sent directly to the following address:

Employment Development Department
 Attn: Accounts Receivable Unit, MIC 70
 Post Office Box 826217
 Sacramento, California 94230-6217

Rent payments are due on the first day of the month. Rent payments received after the 10th working day of the month will be subject to a late charge in the amount of five (5%) percent of the monthly rent payment amount and added to the rent amount owing for the following month.

STATE will provide electricity for lighting to the Premises during the term of the lease.

Rent shall be due and payable to STATE whether or not an actual invoice is sent by STATE or received by LESSEE.

TERM

4. The term of the Lease shall be for a period of five (5) years, commencing June 1, 2010 and ending on May 31, 2015, with such rights of termination as may be hereinafter expressly set forth.

- ADMINISTRATIVE FEE** 5. Prior to Lease execution, LESSEE shall pay to STATE a one-time Administrative Fee of TWO THOUSAND AND NO/100 (\$2,000) DOLLARS for the cost to prepare this Lease. LESSEE's administrative fee shall indicate Lease No. L-2257 and be submitted concurrently with this Lease document to:
- Department of General Services
State Owned Leasing and Development
707 3rd Street, 5th Floor
West Sacramento, California 95605
- DESIGNATED SPACES** 6. Parking shall be limited to designated parking spaces on the Premises, and LESSEE shall ensure ingress and egress for vehicles at all times. LESSEE shall not reconfigure any of the parking spaces on the Premises.
- DECLARATION OF EMERGENCY** 7. In the event of a Declaration of Emergency by STATE or federal government, which emergency causes it to become appropriate to use the Premises for the purpose of protection of the public safety and the safety of public or preservation of LESSOR's assets, LESSEE shall immediately and fully cooperate with STATE to make the Premises available forthwith for those purposes. LESSEE shall be compensated for any such use only by the abatement of Rent liability during the period of time when the Premises are unavailable to LESSEE for LESSEE's use.
- LESSEE shall specifically not be entitled to compensation for (a) lost income which would have been derived from the use of the Premises, or (b) any liability to third parties resulting from LESSEE's inability to meet any contractual obligations. STATE shall be responsible for restoring the Premises to its condition as existed prior to STATE's use, as described in this section.
- TERMINATION** 8. The parties hereto agree that either party may terminate this Lease at any time during the term hereof by thirty (30) days written notice prior to the date when such termination shall become effective.
- LESSEE agrees that termination of the Lease by either party coincidentally terminates any subleases or contracts for the Premises.
- HOLDING OVER** 9. Any holding over after the expiration of the Term or any extension thereof, with the written consent of the STATE expressed or implied, shall be deemed a tenancy only from month-to-month, subject to a rent adjustment based upon current fair market rent for the market area, and shall otherwise be on the terms and conditions specified in this Lease so far as applicable.
- LIENS** 10. LESSEE shall keep the Premises free from all liens and claims of mechanics, material suppliers, and others from work done and material furnished at the request of LESSEE. Should any lien or claim of lien be filed or notice be given, LESSEE shall cause the same to be immediately canceled and removed, and if so removed, LESSEE shall not be in default under the terms of this Lease.
- SUBLETTING** 11. LESSEE shall not assign this Lease in any event and shall not sublet the leased Premises or any part thereof and will not permit the use of the leased Premises by anyone other than the LESSEE without prior written consent by the STATE.
- SIGNS** 12. LESSEE agrees to post signs on the Premises in such a manner to prohibit the consumption of alcoholic beverages or other "Tail Gate Party" type activities, after obtaining written approval of the signs from the Department of General Services, Office of Fleet Administration.

**ALTERATIONS/
REPAIRS**

13. LESSEE shall make no changes and/or alterations, or construction of improvements on the Premises without prior written permission from STATE. LESSEE agrees to keep the Premises in good order and condition during its time of use each day, reasonable wear and tear excepted.

LESSEE agrees to cooperate with STATE with any needed repairs or maintenance issues that may be encountered during the Term of this Lease, including the temporary suspension of use with 30-days' prior written notice, when feasible, to accommodate repair or maintenance projects.

LESSEE shall not be compensated nor allowed rent abatement for any such use during the period of time when the Premises are unavailable to LESSEE for LESSEE's use.

**MAINTAINING
PREMISES**

14. LESSEE agrees to maintain said Premises in compliance with the sanitation laws and regulations of the State of California, and in compliance with all other laws of the STATE. LESSEE agrees to clean parking lot and remove all litter, trash, cans, bottles, etc. from the parking lot as well as the surrounding landscaped areas after each use. Clean up to be completed before 6:00 a.m. each morning. Any vehicles remaining in the parking lot after 6:00 a.m. each morning shall be subject to the parking fees charged for day use of the lot. Any vehicles parked on the Premises for more than 24 hours shall be towed away by STATE's order and at LESSEE's risk and expense.

**RECOVERY OF
LEGAL FEES**

15. In the event that either STATE or LESSEE fails to perform any of its obligations under this Lease or in the event a dispute arises concerning the meaning or interpretation of any provision of this Lease, the defaulting party or the non-prevailing party in such dispute, as the case may be, shall pay the prevailing party reasonable attorneys' and experts' fees and costs, and all court costs and other costs of action incurred by the prevailing party in connection with the prosecution or defense of such action and enforcing or establishing its rights hereunder (whether or not such action is prosecuted to a judgment). The term "attorneys' fees" shall also include, without limitation, all such fees incurred with respect to appeals, mediations, arbitrations, and bankruptcy proceedings, and whether or not any action is brought with respect to the matter for which such fees were incurred. The term "costs" shall mean the costs and expenses of counsel to the parties, which may include printing, duplicating and other expenses, air freight charges, hiring of experts, and fees billed for law clerks, paralegals, and others not admitted to the bar but performing services under the supervision of an attorney.

**CONDITION OF
PREMISES**

16. LESSEE accepts the Premises as being in good order, condition and repair, and agrees that on the last day of the Term, or sooner termination of this Lease, to surrender up to STATE the Premises with any appurtenances or improvements therein, in the same condition as when received, reasonable use and wear and tear thereof and damage by act of Nature, or by the elements excepted.

LESSEE has visited and inspected said Premises and it is agreed that the size stated herein and on the attached Exhibit A is only approximate and the STATE does not hereby warrant or guarantee the actual area included hereunder.

**PARTNERSHIP
DISCLAIMER**

17. LESSEE and any and all agents, subcontractors, and employees of LESSEE shall act in an independent capacity and not as officers or employees of STATE. Nothing herein contained shall be construed as constituting the parties herein as partners.

NOTICES

18. All notices or other communications required hereunder, shall be in writing and shall be personally delivered (including by means of professional messenger service) or sent by overnight courier, or sent by registered or certified mail, postage prepaid, return receipt requested, to the address set forth below. All such notices or other communications shall be deemed received upon earlier of: (i.) if personally delivered or sent by overnight courier, the date of delivery to the address of the person to receive such notice, or (ii.) if mailed as provided above, on the date of receipt or rejection, when received by the other party if received Monday through Friday between 8:00 A.M. and 5:00 P.M. Pacific Standard Time, so long as such day is not a State or Federal holiday, such a notice shall be effective on the following business day.

To the LESSEE: CITY OF STOCKTON
Director of Housing and Redevelopment
425 North El Dorado Street
Stockton, California 95202
Telephone: (209) 937-8694

To the STATE: DEPARTMENT OF GENERAL SERVICES
Real Estate Services Division – SOLD
707 Third Street, Fifth Floor
West Sacramento, CA 95605
Tel: (916) 375-4025

To the STATE: EMPLOYMENT DEVELOPMENT DEPARTMENT
Northern Facilities Project Management Group
800 Capitol Mall
Sacramento, California 95814
Telephone: (916) 653-8433

Notice of change of address or telephone number shall be given by written notice in the manner described in this section. LESSEE is obligated to notice all State offices listed above and the failure to provide notice to all State offices shall constitute a lack of notice. Nothing contained herein shall preclude the giving of any such notice by personal service.

LOSSES

19. The STATE will not be responsible for losses or damage to personal property, equipment or materials of the LESSEE and all losses shall be reported to the STATE immediately upon discovery.

HOLD HARMLESS

20. This Lease is made upon the express condition that STATE is to be free from all liability and claims for damages by reason of any injury to any person or persons, including LESSEE or property of any kind whatsoever and to whomsoever belonging, including LESSEE, from any cause or causes whatsoever while in, upon, or in any way connected with the Premises during the term of this Lease or any occupancy hereunder, except those arising out of the sole negligence of the STATE.

State does hereby agree to indemnify and hold LESSEE harmless from any damage proximately caused by State, or arising out of, or in any way connected with the exercise by State of any rights herein granted or that may arise from use of the Premises by State, to the extent legally permissible by Government Code Section 14662.5 et seq. except to the extent that any such damages or expenses suffered by LESSEE are a result of any persons acting under or on behalf of the LESSEE; except were State or LESSEE, as applicable, are found to have no liability by reason of immunity arising by statute or common law.

**SURRENDER OF
PREMISES**

21. Upon termination of this Lease for any cause, the LESSEE shall surrender the Premises in good order, condition and repair, ordinary wear and tear excepted. Within thirty (30) days after such termination date, LESSEE shall remove any and all equipment, signs and improvements of the LESSEE and repair any damage caused by LESSEE'S removal of its equipment, signs and improvements, except however, the STATE may approve, in writing, any deviation from this requirement. If LESSEE fails to remove any of its equipment, signs or improvements that are required to be removed, STATE may remove such equipment, signs and improvements, at LESSEE's expense, which equipment will thereafter become the property of STATE.

INSURANCE

22. LESSEE shall furnish STATE a certificate of insurance with STATE's Lease Number L-2257 indicated on the face of said certificate, issued to STATE with evidence of insurance as follows:

COMMERCIAL GENERAL LIABILITY:

Provider shall maintain general liability with limits of not less than \$1,000,000 aggregate for bodily injury and property damage liability combined. The policy shall include coverage for liabilities arising out of Premises, operations, independent contractors, products, completed operations, personal & advertising injury, and liability assumed under an insured contract. It shall also include an endorsement for physical abuse and sexual molestation coverage. This insurance shall apply separately to each insured against whom claim is made or suit is brought subject to the Provider's limit of liability.

The policy must include State of California, Department of General Services, LESSEE, and their officers, agents, employees and servants as additional insureds, but only insofar as the operations under the Lease are concerned.

AUTOMOBILE LIABILITY:

The Provider shall maintain motor vehicle liability with limits of not less than \$1,000,000 per accident for bodily injury and property damage. The State of California and Department of General Services are to be additional insured with respect to liability arising out of all vehicles owned, hired and non-owned.

WORKERS' COMPENSATION:

LESSEE shall maintain statutory workers' compensation and employer's liability coverage for all its employees who will be engaged in the performance of the Lease, including special coverage extensions where applicable. Employer's liability limits of \$1,000,000 shall be required, and the policy shall include a waiver of subrogation in favor of the State of California.

GENERAL REQUIREMENTS

LESSEE shall ensure that the following general requirements are met:

- a. Insurance Companies must be acceptable to Department of General Services, Office of Risk and Insurance Management.
- b. LESSEE shall provide STATE with a true copy of the policy in place providing coverage for General Liability, within thirty (30) days after each insurance policy renewal.
- c. Coverage shall be in-force for the complete term of this Lease. If the insurance policy expires during the term of the Lease, a new certificate must be received by the STATE within thirty (30) days following the expiration date of the existing policy. This new insurance must still meet the terms of the original contract.

**INSURANCE
(CONT)**

- d. Insurance policies shall contain a provision that coverage will not be cancelled without thirty (30) days prior written notice to the STATE.
- e. LESSEE is responsible for any deductible or self-insured retention contained within the insurance program.
- f. In the event LESSEE fails to keep in effect at all times the specified insurance coverage, the STATE may, in addition to any other remedies it may have, terminate this Lease upon the occurrence of such event, subject to the provisions of this Lease.
- g. Any insurance required to be carried shall be primary, and not excess, to any other insurance carried by the STATE.
- h. If LESSEE is self-insured in whole or in part as to any of the above described types and levels of coverage, LESSEE shall provide STATE with written acknowledgment of this fact at the time of the execution of this Lease. If, at any time after the execution of this Lease, LESSEE abandons its self-insured status, LESSEE shall immediately notify STATE of this fact and shall comply with all of the terms and conditions of this Insurance Paragraph 19 pertaining to policies of insurance in regard to those types and levels of insurance.

It is agreed that STATE shall not be liable for the payment of any premiums or assessments on the required insurance coverage.

**FIRE & CASUALTY
DAMAGES**

23. STATE will not keep improvements which are constructed or installed by LESSEE under the provisions of this Lease insured against fire or casualty, and LESSEE will make no claim of any nature against STATE by reason of any damage to the business or property of LESSEE in the event of damage or destruction by fire or other cause, arising other than from or out of negligence or willful misconduct or agents or employees of the State of California in the course of their employment.

**FAILURE TO
PERFORM**

24. In the event of the failure, neglect, or refusal of LESSEE to do or perform work, or any part thereof, or any act or thing in this Lease provided to be done and performed by LESSEE, STATE shall, at its option, have the right to do and perform the same, and LESSEE hereby covenants and agrees to pay STATE the cost thereof on demand.

LESSEE's duty to reimburse the STATE under this Section is, however, conditioned upon LESSEE receiving written notice of the alleged failure, neglect, or refusal and LESSEE being permitted a right to cure such alleged failure, neglect, or refusal within thirty (30) days of receipt of such notice, or such longer period as is necessary to cure the failure, neglect or refusal, except in the case of vehicles left after LESSEE's time of use each day being removed by STATE after the end of LESSEE's time of use.

**COMPLIANCE
WITH LAWS**

25. LESSEE shall, at its sole cost and expense, comply with all of the applicable requirements of all municipal, state, and federal authorities now in force or which may hereafter be in force pertaining to the Premises and use of the Premises as provided by this Lease.

**AMERICANS WITH
DISABILITIES ACT**

26. Where applicable, LESSEE shall comply with all federal requirements under 28 Code of Federal Regulations, Part 36; Americans with Disabilities Act, in order to make programs accessible to all participants and to provide equally effective communications. By signing this contract, LESSEE assures the STATE it complies with the Americans with Disabilities Act (ADA) of 1990, (42 U.S.C. 12101 et sec.), which prohibits discrimination on the basis of disability, as well as applicable regulations and guidelines issued pursuant to the ADA.

NON-DISCRIMINATION

27. LESSEE and STATE shall not discriminate, harass, or allow harassment against any employee or applicant for employment because of race, creed, color, national origin, ancestry, physical disability (including HIV and AIDS), mental disability, weight, height, medical condition, age (over 40), marital status, domestic partner status, sex, sexual orientation, or use of family care leave. LESSEE and STATE shall insure that the evaluation and treatment of its employees and applicants for employment are free from such discrimination and harassment.

Such action shall include, but not be limited to, the following: employment, upgrading, demotion or transfer; recruitment or recruitment advertising; layoff or termination; rates of pay or other forms of compensation; and selection for training, including apprenticeship.

LESSEE shall comply with the applicable provisions of the Fair Employment and Housing Act (Government Code Section 12990 (a-f) et seq.). The applicable regulations of the Fair Employment and Housing Commission implementing Government Code Section 12990 (a-f), set forth in Chapter 5 of Division 4 of Title 2 of the California Code of Regulations, are incorporated into this Agreement by reference and made a part hereof as if set forth in full. LESSEE shall give written notice of its obligations under this clause to any labor organizations with which they have a collective bargaining or other agreement. Further, LESSEE shall post in conspicuous places available to employees and applicants for employment, notices provided by the STATE setting forth the provisions of this Fair Employment Practices Sections, (Government Code, and Section 12920-12994).

Remedies For Willful Violations:

A. The STATE may determine a willful violation of the Fair Employment Practices provision to have occurred upon the receipt of a final judgment having that effect from a court in an action to which LESSEE was a party, or upon receipt of a written notice from the Fair Employment Practices Commission that it has investigated and determined that the LESSEE has violated the Fair Employment Practices Act and has issued an order pursuant to the appropriate provisions of the Government Code.

B. The STATE shall have the right to terminate this Lease agreement and any loss or damage sustained by the STATE by reason thereof shall be borne and paid by the LESSEE.

PROTECTION OF PREMISES

28. No dumping of refuse by LESSEE is permitted in any area of the Premises, and LESSEE shall not commit or suffer to be committed any waste or nuisance upon the Premises; and LESSEE agrees not to cut or remove any landscaping elements thereon except as approved in writing by STATE; and LESSEE further agrees that it shall at all times exercise due diligence in the protection of the Premises against damage or destruction by fire, vandalism or other cause. LESSEE shall be responsible for the costs of any repairs made for damage occurring during LESSEE's time of use.

TAXES/ASSESSMENTS

29. LESSEE agrees to pay all lawful taxes, assessments, or charges which at any time may be levied by any public entity upon interest in this Lease. It is understood that this Lease may create a possessory interest subject to property taxation and LESSEE may be subject to the payment of property taxes levied on such interest.

DEBT LIABILITY DISCLAIMER

30. The STATE will not be liable for any debts or claims that arise from the operation of this Lease.

EASEMENTS AND RIGHTS OF WAY

31. This Lease is subject to all existing easements and rights of way. STATE further reserves the right to grant additional public utility easements as may be necessary and LESSEE hereby consents to the granting of any such easement. The public utility will be required to reimburse LESSEE for any damages caused by the construction work on the easement area. Any easements required by LESSEE in connection thereto shall be obtained with STATE's prior written approval by LESSEE at LESSEE's sole cost and expense.

RIGHT TO ENTER

32. During continuance in force of this Lease, there shall be and is hereby expressly reserved to STATE and to any of their agencies, contractors, agents, employees, representatives, or licensees, the right at any and all reasonable times, and any and all places to temporarily enter upon said Premises for inspection or other lawful STATE purposes.

AUTHORITY TO ENTER INTO AGREEMENT

33. Notwithstanding anything to the contrary contained in this Lease, STATE acknowledges and agrees that no officer or employee of LESSEE has authority to commit LESSEE to this Lease unless and until the Parking Authority of San Francisco Board shall have duly adopted a Resolution approving this Lease and authorizing the transactions contemplated hereby. Therefore, any obligations or liabilities of LESSEE hereunder are contingent upon adoption of such a Resolution, and this Lease shall be null and void if the Parking Authority of San Francisco Board does not approve this Lease, in its sole discretion.

HAZARDOUS SUBSTANCES

34. LESSEE agrees that it will comply with all applicable laws, either Federal, State, or local, existing during the Term of this Lease pertaining to LESSEE'S use, storage, transportation, and disposal of any hazardous substance as that term is defined in such applicable law. In the event STATE or any of its affiliates, successors, principals, employees, or agents should incur any liability, cost, or expense, including attorney's fees and costs, as a result of the LESSEE'S illegal use, storage, transportation, or disposal of any hazardous substance, including any petroleum derivative, the LESSEE shall indemnify, defend, and hold harmless any of these individuals against such liability. Where the LESSEE is found to be in breach of this provision due to the issuance of a government order directing the LESSEE to cease and desist any illegal action in connection with a hazardous substance, or to remediate a contaminated condition caused by the LESSEE or any person acting under LESSEE'S direct control and authority, LESSEE shall be responsible for all costs and expenses of complying with such order, including any and all expenses imposed on or incurred by STATE in connection with or in response to such government order. In the event a government order is issued naming the LESSEE or the LESSEE incurs any liability, during or after the Term of the Lease, in connection with contamination which pre-existed LESSEE'S obligations and occupancy under this Lease or were not caused by the LESSEE, STATE shall hold harmless, indemnify, and defend the LESSEE in connection therewith and shall be solely responsible as between LESSEE and STATE for all efforts and expenses therefore.

RELOCATION

35. In the event that STATE terminates this Lease, LESSEE acknowledges and agrees that it has no claim against the STATE for Relocation Payments, Relocation Advisory Assistance, or costs pursuant to the Government Code Sections 7260 et seq. or any regulations implementing or interpreting such sections. LESSEE further agrees that it has no claim in either law or equity against the STATE for damages or other relief should the Lease be terminated, and waives any such claims it may have.

- FORCE MAJEURE** 36. If either LESSEE or STATE shall be delayed or prevented from the performance of any act required hereunder by reason of acts of Nature, governmental restrictions, regulations or controls (except those reasonably foreseeable in connection with the uses contemplated by this Lease) or other cause without fault and beyond the control of the party obligated (except financial inability), performance of such act shall be excused for the period of the delay and the period for the performance of any such act shall be extended for a period equivalent to the period of such delay. Nothing in this clause shall excuse LESSEE from prompt payment of any rent, taxes, insurance or any other charge required of LESSEE, except as may be expressly provided in this Lease.
- PARKING CHARGES** LESSEE agrees that there will be a parking fee per vehicle per event to patrons, agents and invitees for use of the parking lot during LESSEE's hours of use. STATE has the right to reserve with fifteen (15) day notice an adequate number of spaces at all times for State sponsored functions or any other State purpose to accommodate employees of the building who may need to park after regular business hours or on weekend days at no charge.
- SECURITY** 37. LESSEE shall provide security for the Premises during hours of use. LESSEE assumes all responsibility for protection of patrons, agents and invitees from acts of third parties.
- MINERAL RIGHTS** 38. LESSEE agree not to interfere, in any way, with the interests of any person or persons that may presently, or in the future, hold in oil, gas, or other mineral interests upon or under said Premises; nor shall LESSEE, in any way, interfere with the rights of ingress and egress of said interest holders.
- SEVERABILITY** 39. If any term, covenant, condition, or provision of this Lease is found invalid, void, or unenforceable, the remainder of the Lease shall not be affected thereby, and shall be valid and enforceable to the fullest extent permitted by law.
- SUPERCEDURE** 40. This Lease supercedes and voids any prior lease, Lease or agreement between the STATE of California and the LESSEE identified in this Lease with regard to the Premises.
- MUTUAL CONSENT** 41. Notwithstanding anything herein contained to the contrary, this Lease may be terminated and the provisions of the Lease may be altered, changed, or amended by mutual written consent of the parties hereto.
- SECTION HEADINGS** 42. All section headings contained herein are for convenience of reference only and are not intended to define or limit the scope of any provision of this Lease.
- BINDING** 43. The terms of this Lease and covenants and agreements herein contained shall apply to and shall bind and inure to the benefit of the heirs, representatives, assigns and successors in interest of the parties hereto.
- COUNTERPARTS** 44. This Lease may be executed in two or more counterparts, each of which shall be deemed an original, but all of which taken together shall constitute one and the same instrument.
- ESSENCE OF TIME** 45. Time is of the essence of each and all of the provisions, covenants and conditions of this Lease.

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IN WITNESS WHEREOF, the parties have executed this License by their duly authorized representatives on the date written below.

STATE OF CALIFORNIA:

LICENSEE:

DIRECTOR OF DEPARTMENT OF
GENERAL SERVICES

CITY OF STOCKTON

By: *Tony Psihopaidas*
TONY PSIHOPAIDAS, Manager
State Owned Leasing and Development

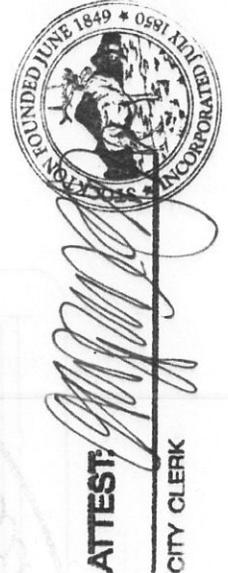
By: *Bob Deis*
BOB DEIS
CITY MANAGER
425 North El Dorado Street
Stockton, California 95202

Date Executed: 08/11/10

APPROVED AS TO FORM:

Office of the City Attorney

By: *John Luebberke*
JOHN LUEBBERKE
Interim City Attorney



FC

APPROVAL RECOMMENDED:

CONSENT:

STATE OWNED LEASING AND
DEVELOPMENT

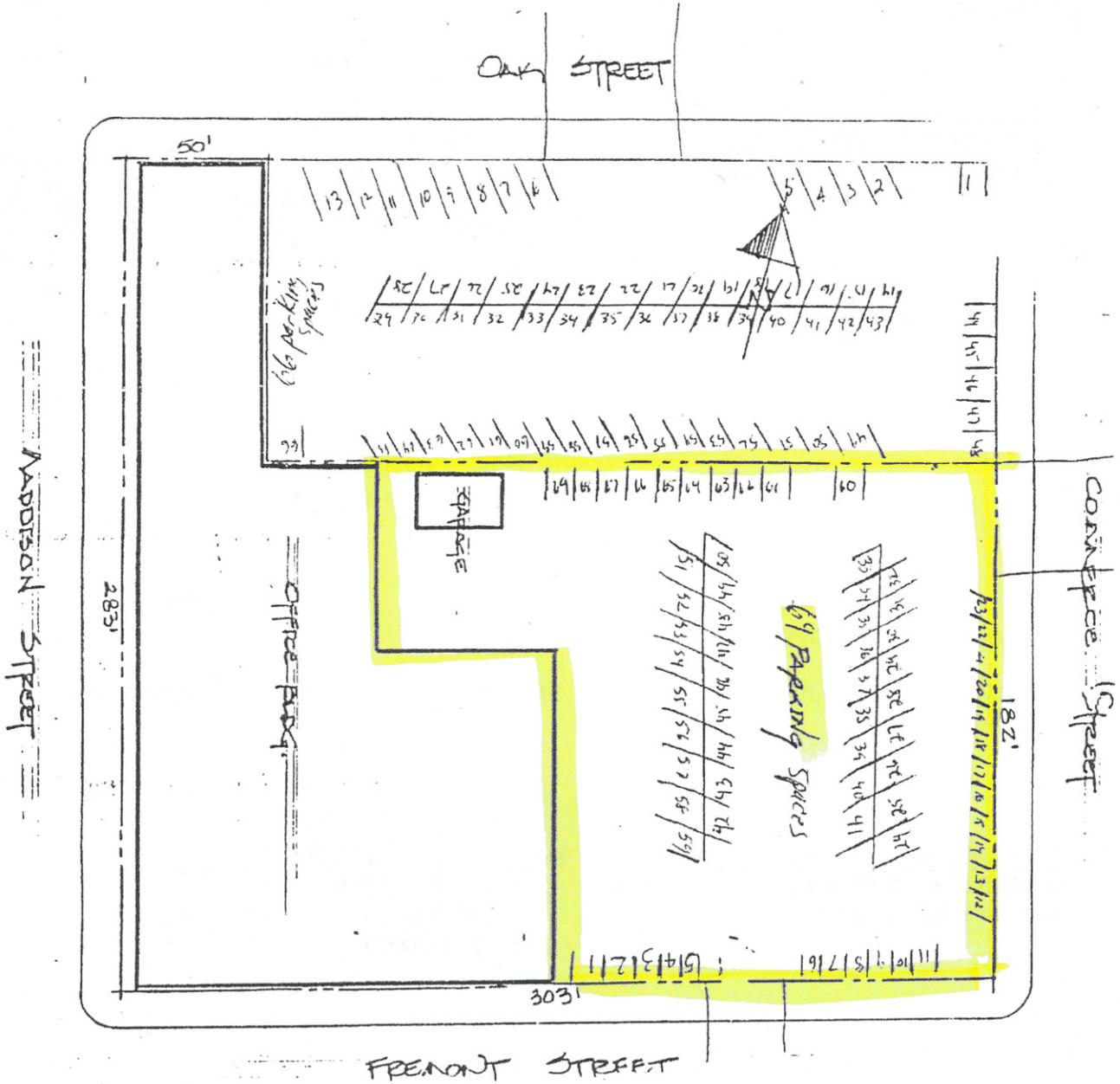
EMPLOYMENT DEVELOPMENT DEPARTMENT

By: *Kimberley Tsumura*
KIMBERLEY TSUMURA
Associate Real Estate Officer

By: *Sheri S. Huber*
SHERI S. HUBER, Chief
Business Operations Planning and
Support Division

EXHIBIT A

California State Building Parking Lot
135 W. Fremont Street, Stockton, California



E. D. D. OFFICE — STOCKTON
 SITE PLAN — 135 W. FREMONT ST.
 N.T.S. — C/2/87 — R. ANDERSON