

CONCESSION LEASE AGREEMENT

between

Galt Fuel Station, LLC, as Tenant

and

City of Lodi, as Landlord

Effective Date: _____, 2026

PROPERTY

Location: 350 N. Washington St., Lodi, CA 95240

CONCESSION LEASE AGREEMENT

THIS CONCESSION LEASE AGREEMENT (this “**Lease**”), made and effective as of _____, 2026 (the “**Effective Date**”), is by and between City of Lodi, a municipal corporation (“**Landlord**”), and Galt Fuel Station, LLC, a California limited liability company, (“**Tenant**”).

RECITALS

WHEREAS, Landlord owns the legal parcel located at 350 N. Washington St., Lodi, San Joaquin County, California, and more particularly described in Exhibit A attached hereto and incorporated herein (the “**Premises**”);

WHEREAS, Tenant desires to enter this concession agreement and lease with Landlord, and Landlord agrees to grant a concession agreement and lease to Tenant, for the Premises for the term and on the conditions set forth herein; and

NOW, THEREFORE, Landlord and Tenant hereby agree as follows:

Article 1

PREMISES AND TERM

1.01 Concession Agreement and Lease of Premises in consideration of Tenant’s covenant to pay the rent and other sums provided for herein, and the performance of the other obligations of Tenant hereunder, Landlord hereby grants a concession agreement and lease to Tenant, and Tenant hereby accepts such concession agreement and lease from Landlord, for the Term (as hereinafter defined) the Premises.

1.02 Use. Tenant may use the Premises in order to construct and maintain an enclosed dining and entertainment patio and related improvements for use by Tenant and members of the public as Tenant’s guests and for any and all uses ancillary or incidental thereto that are, and remain, consistent and compatible with Landlord’s park uses adjacent to the Premises (the “**Permitted Use**”), but not for any other purpose without Landlord’s prior written consent, which consent shall not be unreasonably withheld or delayed. Tenant acknowledges and agrees that this Lease is subject and subordinate to prior-recorded restrictions present in the chain of title.

1.03 Term.

Subject to and upon the terms and conditions set forth herein, this Lease shall continue in force for a term of 15 (fifteen) years commencing on the Effective Date and shall expire on February 28, 2041, unless earlier terminated by agreement of the parties (“**Term**”). Upon expiration or termination of the Term, Tenant agrees to quit and surrender the Premises in a peaceable manner and Landlord shall have the right to remove Lessee and all others occupying through or under this Lease.

1.04 Representations and Warranties on Execution of Lease. Landlord represents and warrants that: (i) Landlord is the owner of the Premises in fee simple and has the full right and power to make this Lease; and (ii) upon payment of the Rent herein reserved and performance of the terms and conditions of this Lease on the part of Tenant to be performed, Tenant shall peacefully and quietly enjoy the Premises at all times during the Term. Except as expressly set forth in this Lease, Landlord makes no other representations, warranties or covenants whatever with respect to the physical condition of the Premises, and leases the same to Tenant in its present condition, "as is", without any other or further representations, warranty or covenant, and subject to all applicable governmental regulations including zoning and building ordinances, environmental laws, encroachments, utility rights of way, and such state of facts as may be shown by a current survey as may be prepared by Tenant. Landlord shall have no obligation or liability hereunder to make any repairs or improvements to the Premises. Should, at any time, the title or right to receive Rent of Landlord be disputed, or should there be any change in ownership of the estate of Landlord by act of the parties or operation of law, Tenant may withhold Rent thereafter accruing until furnished satisfactory proof of the person or entity to receive such Rent.

Article 2

RENTAL

2.01 Rent shall start at an annual rate during the "Lease Year", which shall be from March 1st through February 28th (or 29th in leap years), Tenant covenants and agrees to pay to Landlord as base annual rent for the Premises the sum of Five Hundred and No/100 Dollars (\$500.00). The base annual rent shall be prorated for any partial Lease Year at the beginning or the end of the Term excepting any rent free period. During each successive Lease Year following the initial Lease Year, Tenant covenants and agrees to pay to Landlord as base annual rent for the Premises an amount equal to the base annual rent in the immediately prior year plus one percent (1%). All such sums are herein referred to as "**Rent.**"

2.02 Rent Payments. Rent shall be payable annually on or before March 1st of each Lease Year for which Rent is owed. The Rent and other sums to be paid by Tenant shall be payable in lawful money of the United States of America. All payments shall be made by Tenant to Landlord without notice, demand, deduction or offset, except as otherwise expressly provided herein, at the address of Landlord set forth below or at such other address as may be designated by Landlord from time to time.

2.03 Additional Rent. All amounts payable by Tenant to Landlord under the terms of this Lease other than the Rent are collectively called "**Additional Rent**".

2.04 Late Payments. If any installment of Rent is not paid within ten (10) days of the date on which such Rent becomes due, Tenant shall pay Landlord interest on such past due payment at the Default Rate (as hereinafter defined) accruing from the due date of such payment until the same is paid in full. The "**Default Rate**" shall mean the sum of (i) the prime rate of interest from time to time as published in the *Wall Street Journal*, plus (ii) five percent (5%) per annum, provided that in no event shall such rate exceed the maximum rate of interest permitted by applicable law.

2.05 Purchase Price Credit. While the parties do not presently have an agreement for purchase and sale of the Premises, should the parties in the future agree to such a transaction all Rent paid by Tenant up the date of close of escrow shall be credited toward payment of the purchase price of the Premises, up to a maximum of the total agreed purchase price.

Article 3

INSPECTION /CONSTRUCTION

3.01 Improvements. Tenant intends to construct an enclosed dining and entertainment patio and related improvements on the Premises (“Improvements”) and Tenant’s proposed design and layout for such Improvements shall be referred to herein as the “Plans and Specifications.” Subject to Landlord approval, not to be unreasonably withheld or delayed, the Plans and Specifications may be modified or supplemented to incorporate such changes or alterations as Tenant or Tenant’s architect or engineer, at any time and from time to time, shall determine to be reasonably necessary or desirable. Tenant shall bear the cost of completing project approvals and the construction of any Improvements, as such Plans and Specifications may change. Notwithstanding any provision of this Lease to the contrary, Landlord’s receipt of the Plans and Specifications for Tenant Improvements shall not be construed as an approval of the character or quality of the architectural, structural or engineering design of such improvements or any of their components, or an acknowledgment that any plan or design complies with applicable laws and building codes. Landlord shall be entitled to rely upon and shall be indemnified by Tenant, for the work of any architect, engineer, contractor or agent used or employed by Tenant with respect to the architectural, structural or engineering elements of the Plans and Specifications, as well as compliance of any planned improvements with applicable laws and building codes.

3.02 Construction.

(a) Tenant to Select Contractor. Landlord and Tenant agree that the contractor for construction of the Improvements shall be selected by Tenant in Tenant’s sole discretion (the “**Contractor**”), and Tenant shall enter into a construction contract with such Contractor for the construction of the Improvements. The Contractor’s Contract shall contain an indemnity whereby Contractor shall indemnify the Landlord against claims of third parties arising out of injuries, property damages, or other claims, including employment claims, suffered by the acts or actions or omissions of the Contractor under such construction contract.

(b) Approvals. Landlord shall cooperate with Tenant in Tenant’s applications to or securing from the governmental authorities having jurisdiction a building permit and all other permits, licenses and/or governmental approvals and shall, if necessary, arrange for all inspections required in connection with construction of the Improvements in accordance with the Plans and Specifications and the terms and conditions of this Lease.

(c) Fees and Assessments. All fees and assessments and all sales, consumer, general, special excise, use and other taxes required by federal, state or local law relating to the construction of the Improvements or any portion thereof shall be considered a part of the cost of Improvements.

(d) Landlord Access. During the period of construction, Landlord, its employees and agents, may enter upon the Premises at all reasonable times for the purpose of inspecting the same and determining that the work is being completed in accordance with the Plans and Specifications. Should Landlord give Tenant notice of faulty construction or of any other material deviation from the Plans and Specifications, Tenant shall cause its contractors or subcontractors to make corrections promptly.

(e) Time for Construction. Tenant shall proceed with construction of the Improvements and diligently pursue completion of the Improvements in compliance with the Plans and Specifications, the terms and conditions of this lease and all applicable laws and regulations. Tenant shall diligently pursue such construction to completion in a workmanlike manner in compliance with the Plans and Specifications and all applicable Legal Requirements.

Mechanics and Materialman's Liens. The consent by Landlord to any alterations and the construction of the Improvements shall not be so construed as to subject Landlord or the Premises to any liability whatsoever for the payment of any labor performed or materials engaged by Tenant and furnished in connection therewith. In the event that any claim therefor is asserted against Landlord or the Premises, Tenant agrees to forthwith pay the same, or cause such security to be deposited for the payment thereof as may be reasonably required by Landlord. In the event that any person, firm or corporation files a mechanic's lien or materialman's lien against the Premises or the Tenant's leasehold interest therein, Tenant agrees to cause the same to be bonded or discharged of record within thirty (30) days after written notice from Landlord to Tenant (as provided in the Lease) of the filing of such lien. Tenant shall have the right to diligently and in good faith contest any such mechanic's and materialman's liens. In the event any such lien is not discharged within said thirty (30) day period or should Tenant fail to commence within said thirty (30) days period and diligently pursue the contest of such liens so as to discharge the same, Landlord may declare the Lease to be in default and may exercise any rights provided under said Lease with respect to a default. Landlord may, in addition to any other right or remedy provided herein following the failure by Tenant to cure or commence the cure, as provided above or as may be provided in the Lease, pay the amount of such lien or discharge the same by bonding proceedings or pay any judgment recovered on such claim, and any amount paid or expense incurred by Landlord shall be deemed Additional Rent for the Premises and shall be due and payable by Tenant upon demand by Landlord. The provisions of this Section 3.02(e) shall relate to the initial Improvements to be installed by Tenant and to any subsequent alterations or work on the Premises at any time during the term of this Lease.

(f) Risk of Loss. During construction of the Improvements, Tenant shall bear the entire risk of damage, loss, theft or destruction, partial or complete, of the Improvements or any portion thereof or of any fixtures, equipment, machinery or other materials located on the work site to be incorporated as part of the Improvements from any source whatsoever and any and all repairs, replacements or substitutions shall be at the sole cost and expense of Tenant.

(g) Construction. When all necessary permits, approvals and licenses described in Section 3.02(b) for construction shall have been obtained by Tenant, Tenant shall engage the Contractor to promptly begin construction of the Improvements and shall prosecute the construction diligently to completion in accordance with the Plans and Specifications and all applicable governmental regulations. In connection with the construction of the Improvements, the following

covenants shall apply until construction shall have been completed:

(i) Tenant shall secure the area within which the work shall be accomplished and shall contain all its activities and the activities of the Contractor and its subcontractors to the Premises.

(ii) Tenant shall take all reasonable steps to minimize dust, debris, mud or other unsightly material from being carried from the Premises.

(iii) No construction or other work or activities performed by Tenant shall materially delay or interfere with the operations of Lawrence Park.

(iv) Tenant shall use reasonable efforts to minimize noise.

(h) Indemnity. Tenant covenants and agrees to indemnify Landlord against any and all claims, costs, loss, liability and expenses arising out of the design or construction of the Improvements, including, specifically the cost of any labor performed and materials furnished to the Premises by any person, firm or corporation, including reasonable attorneys' fees, (ii) all claims, costs, loss, liability and expenses arising out of Tenant or Tenant's guests' use of the Improvements, and (iii) any assertion, action or claim by Tenant against Landlord arising from or related to Landlord's review and/or approval of any and all plans submitted to Landlord, it being understood that although Landlord has a substantial interest in reviewing and approving all plans to protect the overall aesthetics and compatibility of such improvements, Landlord has no duty to review, maintain, or engage any person, contractor or professional to review or maintain, the character or quality of the architectural, structural or engineering design of such Improvements or any of their components, or the compliance of such planned improvements with applicable laws and building codes.

(i) Compliance with Laws. The Improvements shall be constructed by Tenant in a good and workmanlike manner. Tenant shall promptly comply in every respect with all applicable laws, ordinances, rules and regulations for all federal, state, county and municipal governments now in force or that may be hereafter enacted; and all rules, regulations or other requirements of carriers of insurance on the Premises.

Article 4

UTILITIES; TAXES; OPERATING COSTS

4.01 Utilities. Tenant shall pay or cause to be paid when due all charges for all public or private utility services to or for the Premises during the Term, including, without limiting the generality of the foregoing, all charges for heat, light, electricity, water, gas, telephone service, cable service, internet service, garbage collection, sanitary sewer service and storm sewer or other drainage service, and shall indemnify Landlord and save it harmless against any liability or charges on account thereof.

4.02 Impositions.

(a) Commencing on the Effective Date and continuing during the Term, Tenant shall pay all Impositions assessed against or imposed upon the Premises as and to the extent properly allocable to the Term even if such Impositions shall have a benefit to Landlord that would last beyond the remaining Term of this Lease. As used herein, the term “**Impositions**” shall mean and include the following: (i) all taxes or assessments of every kind and nature assessed against or imposed upon the Premises which are measured by the value of the Improvements and assessed with the real property, (ii) all taxes or assessments of every kind and nature assessed against or imposed upon the leasehold estate of Tenant under this Lease, (iii) all fees, contributions, charges and other amounts payable pursuant to any easement, declaration, covenant, condition, restriction or other agreement encumbering title to the Premises, (iv) all permit fees, inspection fees, license fees or similar charges attributable to the Tenant’s operations at the Premises, and (v) all other public charges and/or taxes whether of a like or different nature, even if unforeseen or extraordinary, imposed upon or assessed against the Premises or the Tenant’s business operations therein. Tenant’s obligation to pay Taxes and Assessments includes, without limitation, the obligation to pay all Possessory Interest Taxes, real estate taxes, taxes upon or measured by rents, personal property taxes, privilege taxes, gross receipts taxes, excise taxes, parking taxes, business and occupation taxes, gross sales taxes, transient occupancy taxes, occupational license taxes, water charges, sewer charges, or environmental taxes or assessments of any kind and nature whatsoever, levied by the State of California, the government of the United States, or any agency or subdivision thereof, or any other governmental body or assessment district, during the Term, whether or not now customary or within the contemplation of the parties hereto and regardless of whether the same shall be foreseen or unforeseen, similar or dissimilar to any of the foregoing. Landlord specifically calls to Tenant’s attention the fact that this Lease may create a possessory interest subject to property taxation, and Tenant may be subject to property tax levied on such interest. Landlord specifically calls to Tenant’s attention the fact that the County Assessor of the County may value the possessory interest created by this lease, or any subleases. Under California Revenue and Taxation Code Section 107, a property interest tax may be levied on that possessory interest. The Tenant is obligated to pay this property tax, and failure to do so may be considered a default hereunder. If the right is given to pay any of the Taxes, Assessments or other impositions which Tenant is herein obligated to pay either in one sum or in installments, Tenant may elect either mode of payment.

(b) Tenant shall pay the Impositions to the respective taxing authorities or to the other payees thereof prior to the date such Impositions become delinquent and shall provide Landlord with copies of paid receipts evidencing the payment of such Impositions within ten (10) days after Landlord’s written request. If any Imposition is not paid by Tenant as provided in the immediately preceding sentence, Landlord, after giving Tenant at least ten (10) days written notice thereof, may (but shall not be obligated to) pay the unpaid Imposition, including any penalties and interest thereon, in which event Tenant shall be obligated to reimburse Landlord on demand for any amount so paid by Landlord plus interest thereon at the Default Rate on the unreimbursed portion of the amount so paid from the date of payment by Landlord until Landlord shall have been reimbursed in full.

(c) If by law any Imposition may at the option of the taxpayer be paid in installments, Tenant may exercise such option, and shall pay all such installments (and interest, if

any) becoming due during the Term as the same become due (including any installment with respect to any assessment which may be payable following the Effective Date). At the end of the Term, Tenant shall deposit with Landlord an amount sufficient to pay Tenant's pro rata share of all Impositions for the calendar year in which the Lease terminates. Impositions applicable to any period prior to the Effective Date or subsequent to the expiration or earlier termination of the Term shall be prorated between Landlord and Tenant based on actual days elapsed during the applicable period of assessment.

4.03 Permitted Contests. Tenant, at its sole cost and expense, may, by appropriate legal proceedings conducted in good faith and with due diligence, contest the amount or validity or application, in whole or in part, of any Imposition or lien therefor, or any other lien, encumbrance or charge against the Premises arising from work done or materials provided to or for Tenant, if:

(a) Such proceedings operate to suspend the collection thereof from Landlord and the Premises;

(b) Tenant shall have furnished such security, if any, as may be required in the proceedings; and

(c) Tenant shall give Landlord reasonable notice of, and information pertaining to, such contest and regular progress reports with respect thereto.

Tenant agrees that each such contest shall be promptly and diligently prosecuted to a final conclusion. Landlord agrees to cooperate, at Tenant's cost and expense as requested by Tenant including, without limitation, providing all documents, data or other information in its possession requested by Tenant, as reasonably required to enable Tenant to prosecute any such contest. Tenant shall indemnify, defend and hold Landlord harmless from and against any and all losses, judgments, decrees, costs and expenses (including all reasonable attorneys' fees and expenses) arising in connection with any such contest and shall, promptly after the final determination of such contest, fully pay and discharge the amounts which shall be levied, assessed, charged or imposed or be determined to be payable therein or in connection therewith, together with all penalties, fines, interest, costs and expenses thereof or in connection therewith, and shall perform all acts the performance of which shall be ordered or decreed as a result thereof.

4.04 Compliance With Laws. Tenant shall at all times during the Term, at Tenant's sole cost and expense, perform and comply in all material respects with all Legal Requirements that are specifically applicable to Tenant's particular manner of use of the Premises (including any such Legal Requirements which require construction, modifications or alterations of the Premises). As used in this Lease, the term "Legal Requirements" shall mean, collectively: (i) all laws, rules, orders, codes, ordinances, regulations and requirements of governmental authorities having jurisdiction over the Premises, and (ii) the Recorded Instruments. Tenant shall obtain and maintain all licenses and permits required to operate the Premises for Permitted Use and shall provide Landlord with copies of all such licenses and permits within thirty (30) days after any request by Landlord. Tenant shall not take any action, or fail to take any action, which results in the loss of any permit necessary to operate the Premises for the Permitted Use or otherwise result in the loss of the legal right to operate the Premises for the Permitted Use.

Article 5

REPAIRS AND ALTERATIONS TO PREMISES

5.01 Tenant's Repair and Maintenance Obligations. During the Term, Tenant, at its expense, shall maintain the Premises in good condition, repair and cleanliness, reasonable wear and tear and depreciation from lapse of time excepted. **TENANT ACKNOWLEDGES THAT LANDLORD IS NOT OBLIGATED TO MAKE ANY REPAIRS WHATSOEVER TO THE PREMISES OR IMPROVEMENTS OR TO REPLACE ANY COMPONENT OF THE PREMISES OR IMPROVEMENTS UNDER ANY CIRCUMSTANCES.**

5.02 Alterations to Improvements. During the Term of this Lease, Tenant shall be permitted to make such structural or nonstructural additions, improvements, alterations, and replacements of the Improvements as Tenant desires; provided that any nonstructural alteration in excess of \$100,000 or structural alteration to the Premises or the Improvements shall require the prior written consent of Landlord which shall not be unreasonably withheld, conditioned or delayed. Tenant shall give written notice to Landlord not less than thirty (30) days prior to commencing any such alterations, additions or improvements, all of which shall be performed in accordance with Article 3 and by licensed contractors in a good and workmanlike manner and in accordance with Legal Requirements. At the expiration or earlier termination of this Lease, all additions, alterations and Improvements and all fixtures permanently installed on the Premises shall be removed by the Tenant. Upon the expiration of the Term, provided that no Event of Default has occurred which is continuing, Tenant shall be entitled to remove its Improvements, Trade Fixtures and Equipment from the Premises, but Tenant shall promptly repair any damage to the Premises which is caused by such removal. The term "**Trade Fixtures and Equipment**" shall mean all of Tenant's personal property, equipment and trade fixtures which can be removed without material damage to the Premises and which are not essential to the normal building functions for any generic use of the Premises (i.e., not related to Tenant's particular use). Trade Fixtures and Equipment shall not include items which cannot be removed without material damage to the Premises, including, without limitation, plumbing systems and fixtures, heating, ventilation and air conditioning systems, electrical systems, light fixtures, and other similar fixtures and systems.

5.03 Surrender Upon Termination. Subject to the terms of this Lease, upon expiration or earlier termination of this Lease, Tenant shall deliver the Premises to Landlord in good repair and condition, ordinary wear and tear and depreciation from lapse of time excepted.

Article 6

DAMAGE OR DESTRUCTION

6.01 Notice of Damage. If the Premises shall be damaged or destroyed by fire or other casualty, Tenant shall deliver prompt written notice thereof to Landlord.

6.02 Tenant's Obligation to Repair.

(a) In the event of damage to or destruction of the Improvements, Tenant shall

promptly repair the damage and/or reconstruct the Improvements so damaged or destroyed to substantially the condition which such Improvements were in prior to said damage or destruction at Tenant's sole cost and expense. Tenant shall promptly commence and diligently and continuously carry out such repair, replacement, reconstruction or rebuilding of the Improvements to full completion as soon as reasonably possible. All such repairs, replacement, reconstruction or rebuilding shall be performed by Tenant in a good and workmanlike manner, in accordance with all Legal Requirements and Article 3 of this Lease.

6.03 No Abatement. No Rent, Additional Rent or other amounts payable under this Lease shall abate during any period the Premises are untenable, in whole or in part, as the result of any fire or casualty. Any business interruption or loss of rents proceeds received by Landlord shall be credited toward Tenant's obligation to pay Rent for the amounts and time period received. Landlord shall have no obligation under any circumstances to repair or restore the Improvements or any portion thereof.

Article 7

INSURANCE

7.01 Insurance Maintained by Tenant. Tenant shall maintain, provide or cause to be provided at its own expense the following insurance:

(a) Upon substantial completion of the Improvements, Tenant shall procure and thereafter maintain property and casualty insurance against loss or damage to the Improvements by fire, wind storm, hail and such other risks as are included in "all-risk extended coverage" policies or policies covering "special causes of loss", all written at replacement cost value (exclusive of the cost of foundations, excavations and footings), and with a replacement cost endorsement, naming Landlord (as hereinafter defined) as "loss payee" as their respective interests may appear;

(b) Commercial general liability insurance against claims of personal injury or death and property damage caused by an occurrence upon, in or about the Premises, affording a minimum coverage of not less than \$1,000,000 combined single limit (per occurrence), with an aggregate annual limit of \$2,000,000 and an umbrella coverage of \$5,000,000, and naming Landlord as "additional insureds"; and

(c) As long as any construction is taking place on the Premises, builder's risk insurance in the full amount of the cost of the proposed Improvements (or cause the contractor under its construction contract(s) to take out and maintain) naming Landlord as "loss payee" as their respective interests may appear.

(d) The City of Lodi, its elected and appointed boards, commissions, officers, agents, employees, and volunteers are to be covered as additional insureds on the general liability policy with respect to liability arising out of work or operations performed by or on behalf of the Tenant including materials, parts, or equipment furnished in connection with such work or operations. General liability coverage can be provided in the form of an endorsement to the Tenant insurance

(at least as broad as ISO Form CG 20 10 11 85 or if not available, through the addition of both CG 20 10, CG 20 26, CG 20 33, or CG 20 38; and CG 20 37 if a later edition is used

All insurance policies required to be maintained by Tenant hereunder shall be with responsible insurance companies with an A.M. Best's rating of not less than A- and a financial size category of not less than VIII, authorized to do business in the State of California.

7.02 Certificates. As evidence of the insurance specified in Section 7.01(a) required to be maintained by Tenant, Tenant shall deliver to Landlord Evidence of Insurance or other certificate providing at least the same assurances (or, if limited by Legal Requirements, then a certificate providing as many of the same assurances as allowed by applicable law). As evidence of the insurance specified in Section 7.01 required to be maintained by Tenant, Tenant shall deliver to Landlord a Certificate of Insurance or other certificate providing at least the same assurances. Each such certificate shall provide that the insurance company will give Landlord at least thirty (30) days written notice prior to the termination or cancellation of, or changes to, the policy. Upon the written request of Landlord, but not more than one (1) time in any policy year, Tenant shall deliver to Landlord copies of the insurance policies which provide the coverages required hereunder. Tenant shall deliver to Landlord, prior to the commencement of construction of any of the Improvements, and until completion thereof and procurement of the insurance required pursuant to Section 7.01(c) above, certificates evidencing the existence of such insurance coverages, and Tenant shall deliver to Landlord certificates of insurance evidencing such coverages prior to the commitment of such work.

7.03 Landlord's Acquisition of Insurance. If Tenant at any time during the Term fails to procure or maintain any insurance required hereunder or to pay the premiums therefor, Landlord shall have the right to procure the same and to pay any and all premiums thereon, and any amounts paid by Landlord in connection with the acquisition of insurance shall be immediately due and payable as Additional Rent, and Tenant shall pay to Landlord upon demand the full amount so paid and expended by Landlord, together with interest thereon at the Default Rate from the date of such expenditure by Landlord until repayment in full by Tenant.

7.04 Waiver of Subrogation. Tenant's policies shall be primary and any policies maintained by Landlord shall be secondary. Tenant hereby grants the Landlord a waiver of any right to subrogation which any insurer of said Tennant may acquire against the Landlord by virtue of the payment of any loss under such insurance. Tennant agrees to obtain any endorsement that may be necessary to affect this waiver of subrogation, but this provision applies regardless of whether or not the Landlord has received a waiver of subrogation endorsement from the insurer.

7.05 Blanket Policies. Any insurance provided for in this Article may be effected by a blanket policy or policies of insurance, or under so called "all-risk" or "multi-peril" insurance policies, provided that the amount of the total insurance available with respect to the Premises shall provide coverage and indemnity at least equivalent to separate policies in the amounts herein required, and provided further that in other respects, any such policy or policies shall comply with the provisions of this Article. Any increased coverage provided by individual or blanket policies shall be satisfactory, provided the aggregate liability limits covering the Premises under such policies shall otherwise comply with the provisions of this Article.

Article 8

INDEMNIFICATION

8.01 Tenant Indemnity. Without limitation of the other indemnity provisions set forth in this Lease but subject to Sections 7.04 and 9.02, Tenant hereby agrees to indemnify, defend (with counsel approved by Landlord), and hold Landlord harmless from and against any and all actions, causes of action, claims, damages, demands, fines, liabilities, losses, obligations, penalties, costs and expenses of any kind or nature (including, without limitation, reasonable attorneys' fees) which may be imposed upon, asserted against or suffered or incurred by Landlord by reason of, including, but not limited to, (a) any breach, violation or non-performance by Tenant of any covenant or agreement in this Lease (including any failure of Tenant to maintain or renew any insurance policy required by the terms of this Lease), regardless of whether Tenant has received notice of such breach, violation or nonperformance (b) any accident, injury or damage to person and/or property which occurs on the Premises during the Term, and (c) any actual or alleged violation of any Legal Requirement by Tenant or any of Tenant's agents, contractors or employees.

8.02 Landlord Indemnity. Landlord hereby agrees to indemnify, defend (with counsel approved by Tenant), and hold Tenant harmless from and against any and all liabilities, obligations, penalties, fines, suits, claims, demands, actions, costs and expenses of any kind or nature (including, without limitation, reasonable attorneys' fees) which may be imposed upon Tenant by reason of the negligence or willful misconduct of Landlord or its agents, contractors, or employees.

Article 9

ASSIGNMENT, SUBLETTING AND LENDERS

9.01 Assignment/Sublease - Consent Required. Except as otherwise provided in this Article 9, Tenant shall not have the right to assign or sublease this Lease in whole or in part without Landlord's prior written consent, which consent shall not be unreasonably withheld. Except as otherwise provided in this Article 9, no such assignment or sublease shall operate to release Tenant from liability under this Lease or to reduce any of its liabilities hereunder. Landlord shall have the right to collect Rent and Additional Rent directly from any assignee or subtenant of Tenant without releasing or limiting the liability of Tenant hereunder, except to the extent of Tenant's liability for the Rent and Additional Rent collected by Landlord directly from such assignee or subtenant.

9.02 Assignment/Sublease. Tenant may at any time assign this Lease or sublet all or any part of the Premises (either, a "**Permitted Transfer**") to (i) any Person ("**Permitted Assigns**") subject to obtaining the consent of Landlord, which consent shall not be unreasonably withheld, conditioned or delayed, (ii) to any Affiliate (as defined below) of Tenant without the need to obtain the consent of Landlord, and (iii) to any lender or other financing provider (a "**Financing Provider**") without the need to obtain the consent of Landlord. In the event of such subletting or assignment under option (i) above, Tenant shall remain liable for all of the obligations of Tenant to Landlord under, and in compliance with, all of the terms and conditions of this Lease. If Tenant enters into a sublease, such sublease shall not be affected by a cancellation or termination of this

Lease, and Landlord shall recognize the rights of the subtenant throughout the term of the sublease; provided, however, that Tenant shall notify Landlord of any subletting of the Premises, and Landlord shall not be required to recognize any sub tenancy of which it has not been notified. As used herein, "**Affiliate**" means and refers to any Person that directly, or indirectly through one or more intermediate entities, has ownership of or is owned by, or controls or is controlled by, that Person or is under common control with that Person. For purposes of the foregoing, "ownership" or "control" of a Person means that an entity possesses, directly or indirectly, the power to direct or cause the direction of the management and policies of such Person, whether through the ownership of voting securities or by contract or otherwise.

9.03 Reorganization or Merger. Notwithstanding anything contained herein to the contrary, in the event that Tenant shall be reorganized, or shall be merged or consolidated with, or shall sell all or substantially all of its assets to, any other business entity, and the resulting, surviving or successor business entity shall, as the result of such reorganization, merger, consolidation or sale, succeed to substantially all of the assets of the business of Tenant and shall in writing undertake and assume all of the liabilities and obligations of Tenant under this Lease, such resulting, surviving or successor business entity shall automatically and without the necessity of further assignment become and be the Tenant under this Lease in accordance with and subject to all of the terms, provisions and conditions hereof. The original Tenant, even if it shall not be the business entity surviving such reorganization, merger or consolidation, shall not be relieved from remaining primarily liable for payment of the Rent herein provided or from the conditions and covenants of this Lease.

9.04 Affiliates. Notwithstanding any provision of this Lease to the contrary, Tenant may, without Landlord's consent, assign this Lease or sublease all or any portion of the Premises to any entity that directly or indirectly controls, is controlled by, or is under common control with, Tenant.

9.05 Assignment by Landlord. Landlord shall have the right to transfer, assign and convey, in whole or in part, the Premises and any and all of its rights under the Lease, and in the event Landlord assigns its rights under this Lease, Landlord shall thereby be released from any further obligations hereunder, and Tenant agrees to look solely to such successor in interest of the Landlord for performance of such obligations. Any security given by Tenant to secure performance of Tenant's obligations hereunder shall be assigned and transferred by Landlord to such successor in interest and Landlord shall thereby be discharged of any further obligation relating thereto. The term "Landlord" as used in this Lease shall mean the owner of the Premises, at the time in question, and in the event of the transfer by such owner of its interest in the Premises, such owner shall thereupon be released and discharged from all covenants and obligations of the Landlord thereafter accruing, but such covenants and obligations shall be binding during the Term upon each new owner for the duration of such owner's ownership.

9.06 Tenant Financing.

(a) Personal Property. Anything herein to the contrary notwithstanding, Landlord acknowledges and agrees that Tenant may, from time to time, grant liens upon and security interests in Tenant's personal property assets from time to time located upon the Premises. Accordingly, Landlord hereby waives its landlord's lien (whether statutory or common law) upon

Tenant's Trade Fixtures and Equipment, merchandise, inventory, stock-in-trade and other personal property of every kind and nature from time to time located upon the Premises, and Landlord agrees to execute any commercially reasonable agreement, consent, waiver or other instrument requested by Tenant or any lienholder which may be required in connection with such waiver.

(b) Leasehold Mortgages. Anything herein to the contrary notwithstanding, Landlord consents and agrees that Tenant may, from time to time, grant leasehold mortgages upon its leasehold estate hereunder in favor of Tenant's lenders. Landlord agrees that it shall execute any commercially reasonable consent, acknowledgment, estoppel certificate, recognition agreement or similar agreement requested by Tenant's leasehold mortgagee in order to evidence Landlord's consent, which agreement shall include provisions granting notice and cure rights to such leasehold mortgagee with respect to Tenant defaults hereunder.

(c) Cooperation. Landlord and Tenant agree that they will cooperate with one another, in good faith, to coordinate the rights of Landlord's mortgagees and Tenant's leasehold mortgagees under SNDAs and recognition agreements in order to achieve a mutually beneficial financing structure for both Landlord and Tenant.

Article 10

DEFAULT

10.01 Event of Default. The occurrence of any of the following shall constitute an "**Event of Default**" hereunder:

(a) Tenant shall fail to pay when due any installment of Rent or Additional Rent owing to Landlord or any other obligation under this Lease involving the payment of money to Landlord and such failure shall continue unremedied for a period of five (5) days after written notice of such failure is received by Tenant (provided that Landlord shall not be obligated to deliver written notice to Tenant pursuant to this Section 10.01(a) more than two (2) times in any calendar year, and any subsequent failure by Tenant to pay any sum described in this Section 10.01(a) within five (5) days of its due date shall constitute an immediate Event of Default).

(b) Tenant shall fail to comply with any provision of this Lease, other than as described in subsection (a) above, and shall not cure such failure within thirty (30) days after receipt of written notice thereof from Landlord (except that this 30-day period shall be extended for a reasonable period of time if the failure is not reasonably capable of cure within said 30-day period and Tenant promptly commences efforts to cure such failure and continues diligently thereafter all efforts necessary to cure such failure).

(c) Tenant shall make a transfer in fraud of creditors or shall make an assignment for the benefit of creditors.

(d) Tenant shall file a petition under any section or chapter of the federal Bankruptcy Code, as amended, or under any similar law or statute of the United States or any state thereof, or Tenant shall be the subject of proceedings filed against Tenant under any such laws, and such proceedings are not discharged within sixty (60) days after commencement.

(e) A receiver or trustee shall be appointed for the Premises or for all or substantially all of the assets of Tenant and such receiver or trustee is not discharged within thirty (30) days following the date of appointment.

(f) Tenant shall do or permit to be done anything which creates a lien upon Landlord's interest in the Premises (other than a lien on Tenant's leasehold interest in the Premises), and subject to Section 4.03 of this Lease, such lien is not removed (or bonded around pursuant to the applicable requirements of the laws of California) within thirty (30) days after Tenant becomes aware of such lien. Nothing in this section shall prohibit Tenant from granting security interests in Tenant's Trade Fixtures and Equipment.

10.02 Remedies. Upon the occurrence of any Event of Default by Tenant, Landlord shall have the right and option, at Landlord's election, to pursue any and all rights or remedies available to Landlord at law, in equity or pursuant to the terms of this Lease including, without limitation, the following:

(a) Voluntary Surrender. Demand immediate possession of the Premises, and within ten (10) days after receipt of Landlord's written demand for possession Tenant agrees that it shall peacefully surrender possession of the Premises to Landlord without terminating this Lease, whereupon Tenant shall remain liable for all Rent accrued and accruing hereunder, subject to the terms of Section 10.02(d).

(b) Summary Dispossession. Pursuant to summary dispossession or other legal proceedings, enter into and upon the Premises or any part thereof and repossess the same and expel Tenant, and those claiming an interest by, through or under Tenant, from the Premises.

(c) Disposal of Personal Property. Upon any repossession of the Premises, and regardless of whether this Lease has been terminated in connection with such repossession, remove from the Premises and dispose of any personal property left by Tenant (or anyone claiming by, through or under Tenant) without being deemed guilty of any manner of trespass or conversion.

(d) Reletting. Upon any repossession of the Premises, and regardless of whether this Lease has been terminated in connection with such repossession, relet the Premises and hold Tenant liable for all reasonable expenses incurred in connection with any such reletting and for any difference between the amount of rent received from such reletting and the amount of Rent due and payable under the terms of this Lease.

(e) Termination. Cancel and terminate this Lease by giving Tenant two (2) days written notice of cancellation.

(f) Self-help. Perform, or cause to be performed, the covenant, performance or condition required to be kept, observed or performed by Tenant and which is in default; in which event Tenant shall reimburse Landlord, within fifteen (15) days after receipt of a written notice requesting same, for Landlord's reasonable costs and

expenses actually incurred in doing so

(g) Damages. Recover from Tenant all reasonable sums necessary to compensate Landlord for all detriment proximately caused by Tenant's failure to perform or which is likely to result therefrom including, but not limited to, attorneys' fees and expenses (including at trial and at all levels of appeal), all other costs incurred in connection with the enforcement of Landlord's remedies hereunder, costs of repossession, costs of removing persons or property from the Premises, costs of repairs to the Premises and brokerage commissions and other costs reasonably incurred in order to lease the Premises.

All rights, options, and remedies of Landlord hereunder shall be cumulative in nature and may be exercised successively or concurrently as Landlord may elect, and the exercise of any such right, option or remedy in one or more instances shall not constitute the waiver of any other right, option or remedy. For the purpose of any suit by Landlord brought or based on this Lease, this Lease shall be construed to be a divisible contract, to the end that successive actions may be maintained as successive periodic sums shall mature under this Lease. It is further agreed that failure to include in any suit or action any sum or sums then matured shall not be a bar to the maintenance of any suit or action for the recovery of said sum or sums so omitted.

10.03 Limitation of Remedies. Notwithstanding anything contained herein to the contrary, (i) Landlord hereby waives any right to seek consequential or punitive damages against Tenant, and (ii) in no event shall Landlord be entitled to exercise self-help to lock out Tenant or forcibly retake possession of the Premises without legal process as required by applicable law. This Lease does not grant to Landlord any right to accelerate Rent.

10.04 Injunctive Relief. Either party may restrain or enjoin any breach or threatened breach of any covenant, duty or obligation of the other herein contained. The remedies of Landlord and Tenant hereunder shall be deemed cumulative and not exclusive of each other.

10.05 No Waivers. No failure by any party hereto to insist upon the strict performance of any provision of this Lease or to exercise any right, power or remedy consequent to any breach thereof, and no waiver of any such breach, or the acceptance of full or partial rent during the continuance thereof, shall constitute a waiver of any such breach or of any such provision. No waiver of any breach shall affect or alter this Lease, which shall continue in full force and effect, or the rights of any party hereto with respect to any other then existing or subsequent breach.

Article 11

MISCELLANEOUS

11.01 No Partnership. Nothing contained herein or in any instrument relating hereto shall be construed as creating a partnership or joint venture between Landlord and Tenant or between Landlord and any other party, or cause Landlord to be responsible in any way for debts or obligations of Tenant or any other party.

11.02 Time of the Essence. Time is hereby expressly declared to be of the essence of this

Lease and of each and every term, covenant, agreement, condition and provision hereof.

11.03 Captions. The captions of this Lease and any table of contents preceding this Lease are for convenience and reference only, and are not a part of this Lease, and in no way amplify, define, limit or describe the scope or intent of this Lease, nor in any way affect this Lease.

11.04 Meaning of Terms. Words of any gender in this Lease shall be held to include any other gender and words in the singular number shall be held to include the plural when the sense requires.

11.05 Lease Construed as a Whole. The language in all parts of this Lease shall in all cases be construed as a whole according to its fair meaning and neither strictly for nor against Landlord or Tenant.

11.06 Severability. If any provision of this Lease (other than those relating to payment of Rent and Additional Rent) or the application thereof to any person or circumstances shall to any extent be invalid or unenforceable, the remainder of this Lease, or the application of such provision to persons or circumstances other than those as to which it is invalid or unenforceable, shall not be affected thereby, and each provision of this Lease shall be valid and be enforced to the fullest extent permitted by law.

11.07 Survival. Each provision of this Lease which may require the payment of money or the performance of obligations by, Tenant after the expiration of the Term hereof or its earlier termination shall survive such expiration or earlier termination. In addition, all indemnity obligations of Landlord and Tenant under this Lease arising during the Term of this Lease shall survive the termination of this Lease.

11.08 Amendment. This Lease may be amended only in writing, signed by both Landlord and Tenant.

11.09 Notices. Any notice to be given or to be served upon any party hereto in connection with this Lease must be in writing, and may be given by Federal Express or other nationally recognized courier which provides evidence of delivery and shall be deemed to have been given and received on the next business day after any such notice, properly addressed, with overnight, priority service prepaid, is delivered to Federal Express or such other courier. If given otherwise than as provided in the preceding sentence, any such notice shall be deemed to have been given when delivered to and received by the party to whom it is addressed. Notices given by facsimile transmission shall be deemed given and received as of the time and date set forth on the electronic confirmed receipt of transmission of the sender. Such notices shall be given to the parties hereto at the following addresses:

Landlord: ATTN: City Manager
 City of Lodi
 221 W. Pine Street
 Lodi, CA 95240

Tenant: ATTN: Cody Diede
 Galt Fuel Station, LLC
 PO Box 1218
 Woodbridge, CA 95258

or to such other address as either party may from time to time designate by written notice to the other.

11.10 Attorneys' Fees. In any proceeding or controversy associated with or arising out of this Lease or a claimed or actual breach thereof, or in any proceeding to recover the possession of the Premises, or in any bankruptcy proceeding or appeal involving this Lease or the Premises, the prevailing party shall be entitled to recover from the other party all costs and reasonable attorney's fees incurred in connection with such matter, the amount of which shall be fixed by the court and shall be made a part of any judgment rendered; provided, however, that if prior to commencement of a trial, the non-prevailing party offered to pay an amount equal to or in excess of such judgment (determined without reference to costs and attorney's fees), then the prevailing party shall not be entitled to any award of costs, charges, expenses, or attorneys' fees associated with such legal action.

11.11 Governing Law. This Lease shall be construed according to and governed by the internal laws (without regard to conflict of laws principles) of the State of California.

11.12 Exhibits. The Exhibits attached to this Lease are hereby incorporated by reference as though set forth herein *verbatim* and in full.

11.13 Successors and Assigns. All of the covenants, agreements, terms and conditions contained in this Lease shall inure to and be binding upon the Landlord and Tenant and their respective heirs, executors, administrators, successors and assigns.

11.14 Entire Agreement. This Lease contains the final and complete expression of the parties relating in any manner to the leasing, use and occupancy of the Premises and other matters set forth in this Lease. No prior agreements or understanding pertaining to the same shall be valid or of any force or effect and the covenants and agreements of this Lease shall not be altered, modified or added to except in writing signed by Landlord and Tenant.

11.15 No Waiver Implied. No waiver of any default hereunder shall be implied from any omission by either party to take any action on account of such default if such default persists or is repeated and no express waiver shall affect any default other than the default specified in the express waiver and that only for the time and to the extent therein stated. The acceptance by Landlord of Rent with knowledge of the breach of any of the covenants of this Lease by Tenant shall not be deemed a waiver of any such breach. One or more waivers of any breach of any covenant, term or condition of this Lease shall not be construed as a waiver of any subsequent breach of the same covenant, term or condition. The consent or approval, by Landlord or Tenant, as the case may be, to or of any act by the other party requiring consent or approval, shall not be deemed to waive or render unnecessary Landlord's or Tenant's consent or approval, as the case may be, to or of any subsequent similar acts by the other party.

11.16 Environmental Matters.

(a) Tenant shall, at Tenant's sole cost and expense, comply with all applicable federal, state and local laws, rules and regulations relating to the use or disposal of hazardous substances or materials, including without limitation the Comprehensive Environmental Response, Compensation and Liability Act of 1980, as amended, 42 U.S.C.A. Sections 9601 et. seq. (collectively, the "**Environmental Laws**"). Tenant covenants and agrees that no Hazardous Materials, as defined below, shall be generated, processed, stored, transported, handled or disposed of on the Premises or released from the Premises by Tenant, its agents, employees or contractors except in strict accordance with all Environmental Laws. If during the Term Landlord has a reasonable basis to believe that Tenant is in violation of this Section 11.16, after giving Tenant notice, which shall set forth the basis of Landlord's belief, Landlord may obtain a reasonably scoped environmental assessment from an environmental engineer and deliver the same to Tenant, and if such environmental assessment reveals that Tenant is in violation of this Section 11.16, then Tenant shall reimburse Landlord within five (5) days after demand by Landlord for the actual, reasonable cost of such environmental assessment.

(b) Hazardous Materials. For the purpose of this Lease, "**Hazardous Materials**" shall mean any flammable explosives, radioactive materials, hazardous materials, hazardous wastes, hazardous or toxic substances or related materials as defined in the Environmental Laws and in the regulations adopted and publications promulgated pursuant thereto, and all asbestos, petroleum products and derivatives, polychlorinated biphenyls, flammable substances and materials defined as hazardous materials under any Environmental Laws governing the use, storage, treatment, transportation, manufacture, refinement, handling, production or disposal thereof, but shall exclude commonly used cleaning supplies used, stored and disposed of in strict compliance with all such laws, ordinances, codes, rules, orders, regulations and policies

(c) Notification; Cleanup. Tenant shall immediately notify Landlord if Tenant becomes aware of (i) any release of Hazardous Materials upon the Premises, (ii) any actual or alleged violation of any Environmental Laws with respect to the Premises, or (iii) any actual or threatened action with respect to any of the foregoing. Tenant shall, at its sole cost and expense, take all such actions as may be necessary in connection with any remediation or cleanup of Hazardous Materials which may be required under Environmental Laws as a result of Tenant's violation thereof, and shall further pay or cause to be paid all cleanup, administrative and enforcement costs of governmental agencies necessitated by such violation if obligated to do so by any Environmental Law.

(d) Tenant hereby represents and warrants to Landlord that Tenant has performed all necessary due diligence of the Premises. Tenant hereby accepts the Premises as-is, where-is, and assumes all obligations related to any existing, pending, or threatened investigation or inquiry by any governmental authority or any response costs or remedial obligations under any Environmental Law. Tenant hereby agrees to pay any fines, charges, fees, expenses, damages, losses, liabilities or response costs arising from or pertaining to the application of any Environmental Law to the Premises, and to indemnify and forever save Landlord, and any individual direct or indirect owners, shareholders and members of Landlord, harmless from any and all judgments, fines, charges, fees, expenses, damages, losses, liabilities, response costs, or

attorneys' fees and expenses arising from the application of such Applicable Environmental laws to the Premises or Landlord other than for the acts of Landlord. This indemnification shall survive the expiration or earlier termination of this Lease.

(e) Indemnity. Tenant agrees to defend, indemnify and hold Landlord, and any individual direct or indirect owners, shareholders and members of Landlord, harmless from any and all claims, demands, costs, fees, penalties, charges and expenses incurred by or asserted or assessed against Landlord as a result of (a) any violation by Tenant of this Section 11.16, and (b) any actual or alleged violation of Environmental Laws by Tenant with respect to the Premises during the Term, except to the extent that any act or omission of Landlord or any of its agents or employees contributed to such actual or alleged violation. This indemnification shall survive the expiration or earlier termination of this Lease.

11.17 Limited Liability. The liability of Landlord to Tenant for any default by Landlord under the terms of this Lease shall be limited to the interest of Landlord in the Premises, including rents, profits, and insurance, condemnation and sales proceeds therefrom; and Landlord shall not be liable for any deficiency. In no event shall Landlord or any officer, employee or volunteer of Landlord be personally liable for any of the obligations of Landlord hereunder.

11.18 Holding Over. In the event Tenant remains in possession of the Premises after the expiration of this Lease and without the execution of a new Lease, Tenant shall be deemed to be occupying the Premises as a tenant from month to month at a monthly rent equal to one hundred fifty percent (150%) of the Rent herein provided, and otherwise subject to all the conditions, provisions and obligations of this Lease insofar as the same are applicable to a month-to-month tenancy. Nothing contained in this Section 11.18, or this Lease shall be construed as a grant of Landlord's permission for Tenant to remain in possession of the Premises after the expiration of this Lease without the execution of a new Lease.

11.19 Memorandum of Lease. A memorandum of this Lease in form and content substantially similar in all material response to that set forth as Exhibit B shall be executed by Landlord and Tenant and recorded in the official records of the county where the Premises are located. All recording fees and taxes with respect to such memorandum shall be borne by Tenant.

11.20 Quiet Enjoyment. Throughout the Term of this Lease, and provided that no Event of Default remains outstanding, Tenant shall be entitled to the peaceable and quiet possession and enjoyment of the Premises in accordance with the authorized use described in Section 1.02, and Landlord shall defend the same as against any adverse claim of Landlord or any party claiming by, through or under Landlord.

11.21 Discharge of Liens. If any lien, encumbrance or other charge against the Landlord or Premises should be created by reason of the Tenant's acts or omissions or by reason of a claim against Tenant, Tenant shall cause the same to be canceled, discharged of record or bonded within thirty (30) days after written notice from Landlord (as provided in the Lease) of the filing of such lien; provided, however, that Tenant shall not be required to discharge any such liens, encumbrances or charges as may be placed upon the Premises arising solely from Landlord's acts or omissions. Anything hereinabove to the contrary notwithstanding, Tenant shall have the right to contest in good faith any lien placed against the Premises by reason of an alleged claim against Tenant,

provided that no such lien shall be allowed to remain in effect for longer than a period of six (6) months. In the event that Tenant fails to comply, Landlord may pay the amount of such lien or discharge the same by bonding proceedings or pay any judgment recovered on such claim, and any amount paid or expense incurred by Landlord shall be deemed Additional Rent for the Premises and shall be due and payable by Tenant upon demand by Landlord.

11.22 Tenant's Warranties as to Standing and Authority. Tenant represents and warrants to Landlord that it is a California limited liability company duly formed and validly existing, and in good standing under the laws of the State of California, and that it has all requisite authority to execute and deliver this Lease and to perform its obligations hereunder. Each party represents and warrants that the person or persons who have executed this Lease have the requisite authority and approval to do so. Each party represents and warrants to the other that this Lease is a legal, valid, and binding obligation, enforceable against such party in accordance with its terms.

[No further text on this page. Signature page follows.]

IN WITNESS WHEREOF, Landlord and Tenant have caused this Lease to be properly executed and delivered, effective as of the day and year first above written.

LANDLORD: By: _____ Name: _____ Title: _____	TENANT: By: _____ Name: _____ Title: _____
Approved as to form: By: _____ Name: <u>Katie Lucchesi</u> Title: <u>City Attorney</u> 	
Attest: By: _____ Name: _____ Title: _____	

Exhibits:

Exhibit A – Premises Description

Exhibit B – Memorandum of Lease Sample

EXHIBIT A

Premises Map Description

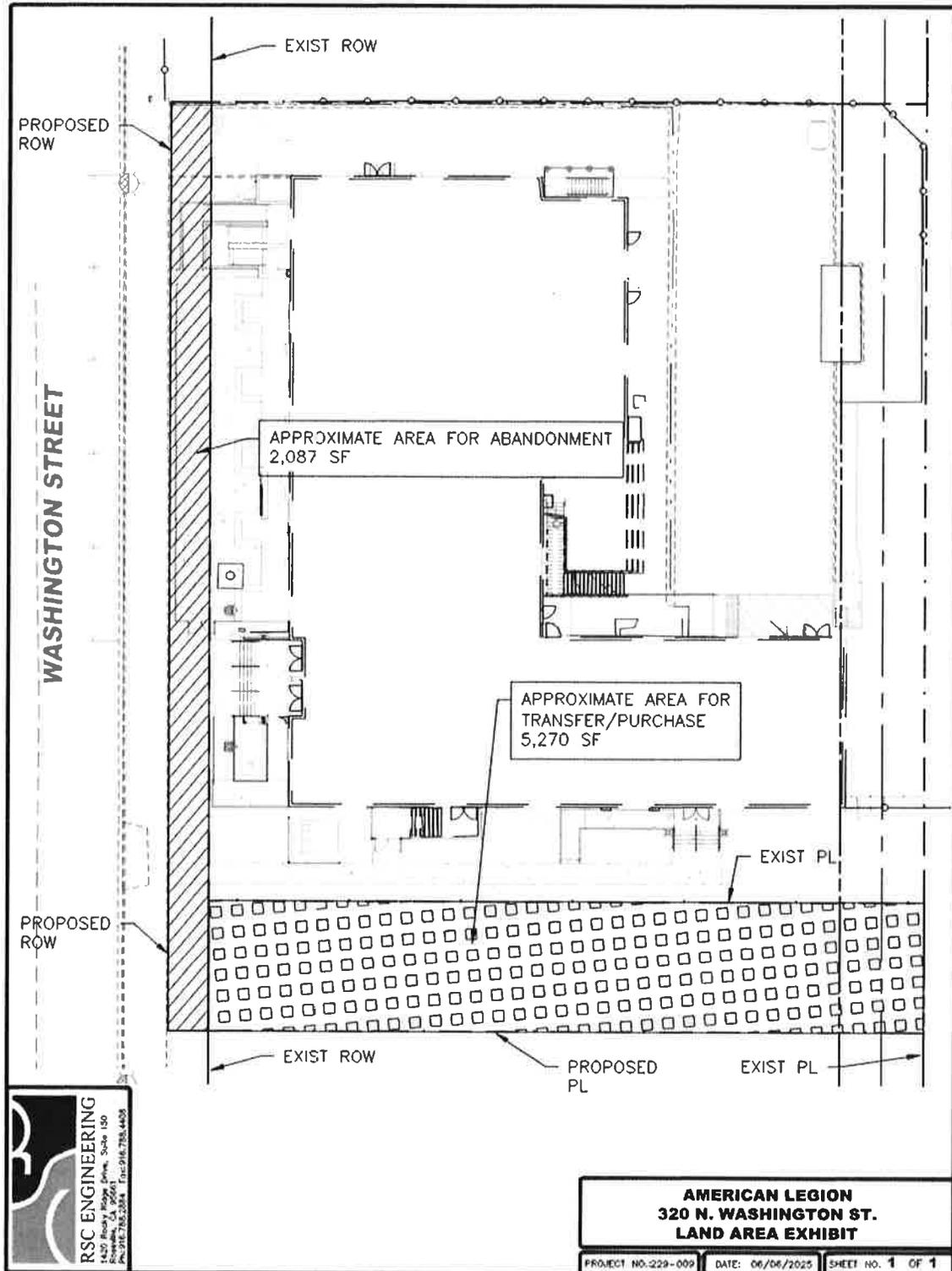


EXHIBIT B

FORM OF MEMORANDUM OF LEASE

*This Instrument Prepared By, And
After Recording Return To:*

MEMORANDUM OF CONCESSION LEASE AGREEMENT

THIS MEMORANDUM OF CONCESSION LEASE AGREEMENT entered into as of the _____ day of _____, 20__ (the "Execution Date") by and between _____, and _____ ("Tenant").

W I T N E S S E T H:

WHEREAS, Landlord and Tenant are parties to that certain Concession Lease Agreement dated the _____ day of _____, 20__ (as heretofore or hereafter extended, amended, modified or renewed, the "Lease"); and,

WHEREAS, Landlord and Tenant desire to execute this Memorandum of Lease in order to publish record notice of the existence of the Lease and the rights created thereby;

NOW, THEREFORE, Landlord and Tenant do hereby acknowledge and agree that the Lease contains the following terms:

1. **Landlord:** The name of the Landlord is _____.
2. **Tenant:** The name of the Tenant is _____.
3. **Term:** The term of the Lease commences on the Effective Date described in the Lease and expires fifteen (15) years thereafter (the "Primary Term"). The Term shall expire on February 28, 2041, unless terminated earlier by the parties pursuant to the Lease terms.
4. **Description of Leased Premises:** The leased premises are described in Exhibit A attached hereto and made a part hereof.

This Memorandum of Lease is for informational purposes only and nothing contained herein shall be deemed in any way to modify or otherwise affect any of the terms and conditions of the Lease, all of which are incorporated herein by this reference. This instrument is intended to be construed as a Memorandum of Lease, and is subject to all of the terms, provisions and conditions of the Lease. In the event of any inconsistency between the terms of the Lease and this instrument, the terms of the Lease shall prevail.

The rights and obligations set forth herein shall be binding upon and shall inure to the benefit of the parties hereto in their respective successors and assigns.

IN WITNESS WHEREOF, Landlord and Tenant have caused this Memorandum of Lease to be properly executed and delivered as of the date set forth above.

LANDLORD: By: _____ Name: _____ Title: _____	TENANT: By: _____ Name: _____ Title: _____
Approved as to form: By: _____ Name: _____ Title: _____	
Attest: By: _____ Name: _____ Title: _____	

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 _____)

On _____, _____, before me, _____, Notary Public, personally appeared _____, who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) 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.

Signature _____ (Seal)

Exhibit A
To Memorandum of Lease

Legal Description of the Leased Premises