LEASE

This Lease (the "**Lease**") is entered into in Lathrop, San Joaquin County, California on, and is effective as of, November \_\_, 2018 (“**Effective Date**”), by and between the City of Lathrop, a general law City incorporated in the State of California (“**Tenant**” or “**City**”) and Ramona Chace, LLC, a California limited liability company (“**Landlord**” or “**Ramona Chace**”). Together, the City and Ramona Chace are the “**Parties**” to this Lease; separately, each is a “**Party**” hereto.

RECITALS

A. This Lease is made, admissible and enforceable under and pursuant to the terms of a Judgment filed on June 17, 2016, in the Superior Court of the State of California, in and for the County of San Joaquin, pertaining to cases numbered STK-CV-URP-2014-0008896 (*Ramona Chace, LLC* v. *City of Lathrop, et al.*) and all related cases; and STK-CV-URP-2014-0008901 (*Ramona Chace, LLC* v. *City of Lathrop, et al.*); and all related cases (collectively, the “**Judgment**”). Landlord and Tenant are the parties to that Judgment.

B. In the Judgment, the Court incorporated *Exhibit A* to the Judgment, describing it as the “Letter Agreement.” In the Judgment, the Court retained jurisdiction over the matters in the Letter Agreement “until the parties [the City and Ramona Chace] have fully performed under the Letter Agreement, in accordance with [California Code of Civil Procedure] section 664.6.”

C. Alternatively, the Parties refer to the Letter Agreement by its caption title “Global Resolution.” For all purposes of this Lease, the terms “**Letter Agreement**” and “**Global Resolution**” both refer to and mean the six (6) page “Global Resolution (1/12/2016)” executed by the Parties on January 13, 2016 (Ramona Chace) and January 14, 2016 (the City). For convenience of reference, the Judgment including the Letter Agreement attached to the Judgment as *Exhibit A* is attached hereto as **Exhibit A**.

D. If, and to the extent, the Judgment and this Lease are inconsistent, the Parties agree this Lease shall control.

E. Pages 4-5 of the Global Resolution address certain rights and obligations of the Parties with respect to a property referred to therein and by the Parties as the “**Spray Field**.” As of the Effective Date, the City is the fee owner of the Spray Field, subject to a remainder interest in favor of Ramona Chace and/or its successors or assigns as remainderman, upon the happening of certain specified events in the Judgment.

F. In the last bullet point of the Global Resolution section entitled “Spray Field,” the Parties agreed that Ramona Chace could exercise an option to acquire the Spray Field by grant deed from the City prior to January 12, 2019 for the option consideration stated therein. On September\_\_, 2018, Ramona Chace notified the City it was exercising its option. Thereafter escrow was opened and funds and the grant deed were deposited.

G. The City has requested to lease the Spray Field while it decommissions the Spray Field from the City’s permit with the RWQCB, which the City believes is prudent and appropriate, even though it has not sprayed reclaimed water on the site since September 2009. Ramona Chace is prepared to accommodate the City’s request pursuant to this Lease.

H. Landlord has previously submitted to the City and the City has approved the following applications for the development of the Spray Field property: Lathrop Towne Centre Vesting Tentative Parcel Map No VTM-17-111; Site Plan Review No. SPR-17-112 and Conditional Use Permit No. CUP-17-113 (which together and separately are described as “**Project Approvals**”)

NOW, THEREFORE, for good and sufficient consideration, the receipt of which is hereby acknowledged and conclusively presumed to be true notwithstanding California Evidence Code Section 622, Landlord and Tenant agree to all of the foregoing matters, incorporated herein by reference, along with each attached exhibit, and as follows:

1. Lease of the Leased Premises. On the terms and subject to the conditions in this Lease, Landlord hereby leases to Tenant, and Tenant hereby leases from Landlord, the real property (the "**Leased Premises**") in the County of San Joaquin, State of California, including approximately 12.4 acres, described more particularly on attached **Exhibit B**.

2. Term of Lease. The term of this Lease shall be for a period of twenty-four (24) months (the "**Term**"), commencing on November \_\_, 2018 (the Effective Date defined above) and ending on the earlier of (a) November \_\_\_, 2020 and (b) thirty (30) days after the RWQCB Decommissioning Approval. For purpose of this Lease, “**RWQCB Decommissioning Approval**” shall mean the date on which the RWQCB approves the application of the City to remove from its wastewater permit and decommission the Spray Field and monitoring well.

3. Rent. The base rent (the "**Rent**") for the entire Term is [ ] dollars which Rent is all due and payable in arrears on or before the end of the Lease Term. As additional rent, the City agrees to pay for all costs to obtain the RWQCB Decommissioning Approval and remove the Spray Field Infrastructure on the Lease Premises. Concurrent with the execution of this Lease, Landlord has agreed to and has contributed $35,000 to the City towards those expenses (which comprises the cost of the “Base scope (including no optional tasks)” stated in the proposal letter dated October 22, 2018 from EKI Environment and Water to Greg Gibson, the City’s Senior Civil Engineer). No further Rent shall be payable hereunder except as provided at Paragraph 21, Holding Over.

4. Use of Leased Premises. The Leased Premises are leased to Tenant for the following and no other purposes:

4.1 Decommission Spray Field and Well. To the extent necessary, for the City, diligently and in good faith, to take all such reasonable actions necessary to (a) obtain RWQCB approval to remove and decommission the Spray Field and monitoring well from the RWQCB permit, resulting in RWQCB Decommissioning Approval and (b) for the City to remove the pipes, pumps, and other materials and equipment on the Leased Premises for the use and operation of the Spray Field and monitoring well (the “**Spray Field Infrastructure**”) and the decommissioning of the monitoring well prior to the expiration of the Term.

4.2 Other. Except as permitted above, no other use of the Leased Premises is or shall be permitted. Without limiting the generality of the foregoing, no equipment shall be permitted or materials stored on the Leased Premises except such temporary equipment and materials that are required for purposes of completing the decommissioning processes or otherwise necessary to obtain the RWQCB Decommissioning Approval.

5. Covenants and Agreement.

5.1 Removal of Spray Field Infrastructure. Tenant covenants and agrees, at Tenant’s sole cost and expense, to remove the Spray Field Infrastructure from the Leased Premises prior to the expiration of the Term.

5.2 Compliance with Applicable Law. Tenant shall, at Tenant's cost and expense, comply with all laws, ordinances, rules, regulations, requirements, and orders, existing and future, of any federal, state, county, or municipal governments, regulatory agencies, and all decisions made by courts of competent jurisdiction ("**Applicable Law**") which may in any way apply to the use of the Leased Premises, the decommissioning and removal of the Spray Field Infrastructure and monitoring well, obtaining the RWQCB Decommissioning Approval, and delivery of the Leased Premises to Landlord at the end of the Lease Term without impairing any conditional of approval otherwise imposed on Landlord or adversely affecting the issuance or continued validity of any permit, approval or other authorization issued by or pending issuance by the City related to the development of the Leased Premises after the Lease Term ends.

5.3 Tenant Cooperation with Landlord. Tenant acknowledges that the Leased Premises comprise portions of several legal parcels. Tenant agrees to consent to one or more lot line adjustments pursuant to Government Code Section 66412(d) or other approvals under the Subdivision Map Act with respect to any of those legal parcels and adjacent properties, provided that no such approval shall affect access to the Leased Premises. Landlord acknowledges that Tenant is a general law city and that any such consent shall be in Tenant's capacity as a Tenant alone and this Paragraph 5.3 does not constitute or require any waiver of Tenant's authority under the Subdivision Map Act or other Applicable Law.

5.4 Landlord Permit and Entitlement Rights. Landlord shall have the right at any time during the Term to make application for and process building plans for the development of the Leased Premises. Tenant agrees to diligently and timely process and approve all consistent building permit applications filed by Landlord. Landlord agrees not to have issued, and Tenant shall not be obligated to issue, any building permit until the expiration or earlier termination of this Lease. Landlord has previously obtained the Project Approvals with respect to the Leased Premises, and Tenant agrees that Landlord shall have the right to obtain and record a final map upon Landlord’s satisfaction of the conditions of approval set forth in the Project Approvals and without allowing any controlling development agreement to expire. Tenant agrees to diligently and timely process all final map and condition of approval materials and requests filed by Landlord, and any requested amendments to the Project Approvals.

5.5 Environmental Indemnity. Tenant shall not cause or permit to occur: (a) any use, manufacture, handling, generation, transportation, storage, treatment, recycling, reclamation or Release (as defined below) of any Hazardous Material (as defined below) on or about the Leased Premises; (b) any activity on or about the Leased Premises in violation of any Applicable Law, Environmental Laws (as defined below); or (c) any condition of pollution or nuisance, on, about, adjacent to, or beneath the Leased Premises, that does, will, or reasonably could adversely affect surface water or ground water, air, the surface of the Leased Premises or the subsurface environment. If any Release of a Hazardous Material, or any condition of pollution or nuisance, occurs on, about, adjacent to, or beneath the Leased Premises as a result of any act or omission (in each case, whether active or passive and whether directly or indirectly) by Tenant or any of Tenant's employees, agents, contractors, subtenants, assignees, licensees, invitees or guests: (i) Tenant shall promptly undertake, at its sole cost and expense, all investigative and remedial measures, and pursue to completion all work and monitoring directed by any governmental agency, which may be necessary or desirable to investigate, address, clean up, abate or otherwise respond to the Release, pollution or nuisance (collectively, "**Remedial Work**") in accordance with all Applicable Law and all Environmental Laws; (ii) Tenant shall be solely responsible for the cost of restoring the Leased Premises to its pre-Release condition, for any damages or injuries and damages to natural resources, people and property, for all related penalties and taxes, and for Landlord's reasonable costs to defend itself or address any requirements imposed on it or monitor any Remedial Work; and (iii) Tenant shall provide Landlord with copies of all technical data, technical reports, correspondence with government agencies, and similar documents created by, provided to or made available to it in connection with any Remedial Work and, on an ongoing basis, update and supplement all such documentation in connection with conditions at the Leased Premises. For purposes of this Lease:

a. "**Hazardous Materials**" shall mean and include a reportable quantity of any substance which is or at any time becomes: (a) defined under any law, rule, regulation, judgment, decree or like act of any legal authority as a hazardous substance, hazardous waste, hazardous material, pollutant or contaminant; (b) a petroleum hydrocarbon, including crude oil or any fraction thereof; (c) all materials that are hazardous, toxic, corrosive, flammable, explosive, infectious, radioactive, carcinogenic or a reproductive toxicant; and/or (d) otherwise regulated pursuant to any Environmental Law or Environmental Laws.

b. "**Environmental Laws**" (each, an “**Environmental Law**”) shall mean all present and future federal, state and local laws, statutes, ordinances, rules and regulations, judicial and administrative orders, permits, licenses and other requirements of government authorities relating to the environment, worker safety, public health and safety, or to Hazardous Materials or any activity involving the introduction, presence, use, generation, storage, treatment, recycling, removal, transport, disposal, or Release of any Hazardous Materials.

c. "**Release**" shall mean and include any accidental or intentional spilling, leaking, pumping, pouring, emitting, emptying, discharging, injection, escaping, leaching, migrating, dumping, or disposing into the air, land, surface water, groundwater or the environment (including without limitation the abandonment or discarding of receptacles containing any Hazardous Materials) other than via the reuse of reclaimed water on the Leased Premises.

d. “**Applicable Law**” has the meaning set forth above.

6. Operating Costs. Tenant shall pay all costs in connection with Tenant's operations on the Leased Premises, including but not limited to costs of maintaining and operating the Spray Field Infrastructure; costs of tools and labor, electricity, water, gas, sewer, telecommunications and other utilities; and each and tax (other than a tax imposed under the Mello-Roos Community Facilities District Act) or assessment imposed by any public agency on the Leased Premises,

7. Taxes and Assessments. Tenant shall pay, before delinquency, all personal property taxes (other than taxes imposed under the Mello-Roos Community Facilities District Act) or assessments, if any, levied on Tenant's personal property situated in or about the Leased Premises during the Lease Term. During the Lease Term, Tenant shall be responsible for the payment of real property taxes (other than taxes imposed under the Mello-Roos Community Facilities District Act) or assessments, if any, levied on the Leased Premises, as well as any transfer taxes that may be levied as a result of this Lease. On demand, Tenant shall provide Landlord satisfactory evidence of payment of all such taxes before delinquent.

8. Insurance. Prior to any entry onto the Leased Premises by Tenant and/or any of Tenant's licensees or invitees and at all times during the Lease Term, Tenant shall maintain self-insurance, or pooled self-insurance, on terms substantially the same as those on which Tenant self-insures its other real property to protect both Tenant and Landlord, which expressly shall be named and maintained during the Lease Term as an additional insured, against liability and personal, environmental and property damage on the Leased Premises. Tenant shall deliver to Landlord evidence of such self-insurance prior to any entry on the Leased Premises by Tenant and/or any of Tenant's licensees or invitees and thereafter promptly during the Lease Term at such other times during the Term as Landlord may request.

9. Maintenance. Tenant shall, at Tenant's expense, keep and maintain the Leased Premises, all improvements on the Leased Premises including the Spray Field Infrastructure, and all facilities appurtenant to the Leased Premises, in good order and repair and in as safe, secure, and clean a condition as they were when received from Landlord at the commencement of the Lease, except as necessary to diligently decommission (and as enhanced and improved by the decommissioning) the Spray Field and the monitoring well.

10. Waste or Unlawful Use. Tenant shall not cause, commit, or permit others to commit, directly or indirectly, through action or inaction, any waste or nuisance on the Leased Premises. Tenant shall not use or permit the use of the Leased Premises for any unlawful purpose. Reuse of reclaimed water on the Leased Premises, to the extent unavoidably necessary, if at all, in accordance with Applicable Law shall not constitute waste, nuisance or an unlawful purpose.

11. Alterations. Other than the removal by Tenant of the Spray Field Infrastructure and monitoring well, and as otherwise required in order to obtain the RWQCB Decommissioning Approval before the end of the Term, Tenant shall not make any alterations, diminishments or improvements to the Leased Premises.

12. Acceptance by Tenant. Tenant was the owner of the property that includes the Leased Premises immediately before the Effective Date of this Lease, is familiar with that property and the Leased Premises. **TENANT ACKNOWLEDGES AND AGREES THAT LANDLORD AND LANDLORD’S AGENTS OR EMPLOYEES HAVE NOT AT ANY TIME MADE AND ARE NOT NOW MAKING, AND LANDLORD, FOR ITSELF AND FOR EACH OF THEM, SPECIFICALLY DISCLAIMS TO THE FULLEST EXTENT PERMITTED BY APPLICABLE LAW, ALL WARRANTIES, REPRESENTATIONS OR GUARANTIES OF ANY KIND OR CHARACTER, EXPRESS OR IMPLIED, WITH RESPECT TO THE LEASED PREMISES.** Tenant accepts the Leased Premises, the Spray Field Infrastructure and the improvements on the Leased Premises and facilities appurtenant to the Leased Premises in its **AS-IS, WHERE-IS, AND WITH ALL FAULTS, IF ANY** condition, as of the Effective Date. Tenant acknowledges, accepts, and agrees to be bound by Landlord’s representations and disclaimers herein regarding the condition and utility of the Leased Premises.

13. Indemnification of Landlord. Tenant agrees that throughout the Lease Term and thereafter as to events occurring during the Lease Term, Tenant will indemnify, defend with the same counsel that defends Tenant (or other counsel acceptable to Landlord, as determined by Landlord in its reasonable discretion), protect and hold Landlord harmless from all damages, injuries, claims and expenses (including, without limitation, actual and reasonable attorneys' fees and costs of defense) arising from Tenant's possession, occupancy and use of the Leased Premises, including, without limitation, decommissioning activities taken on or for the benefit of the Leased Premises. The obligations of Tenant under this Paragraph 13 survive termination or expiration of this Lease. California Civil Code 2778(2), which provides that “2. Upon an indemnity against claims, or demands, or damages, or costs, expressly, or in other equivalent terms, the person indemnified is not entitled to recover without payment thereof;” is waived and does not apply to this Lease.

14. Assignment and Subleasing.

14.1 By Tenant. Without the consent of Landlord, which may be granted, conditioned or withheld in Landlord’s sole discretion, Tenant may not assign, delegate or sublease all or any interest, right or obligation in this Lease that exists for the benefit of or is imposed on Tenant.

14.2 By Landlord. During the Lease Term, Landlord may hypothecate, encumber, pledge, assign, transfer, or convey its Fee Title (or any other estate in land that does not impair Tenant’s lease estate) in the Property that includes Leased Premises provided, however, that Landlord shall provide Tenant at least ten (10) days' prior notice of any such action. Tenant shall within ten (10) days of the request of Landlord, execute, acknowledge and deliver to Landlord an agreement to subordinate its rights under this Lease to any mortgage or deed of trust now of hereafter in force against the Leased Premises, subject to Landlord obtaining for the benefit of Tenant a subordination, nondisturbance and attornment agreement, on such commercially reasonable form as may be required by the applicable holder of any such mortgage or deed of trust. Tenant covenants and agrees that in the event that any proceedings are brought for the foreclosure of any mortgage or deed of trust, or the giving of a deed in lieu thereof, it shall attorn to Landlord’s successor in interest as its landlord.

15. Default

15.1 Events of Default. The occurrence of any of the following shall constitute a material default and breach of this lease by Tenant:

15.1.1 The failure by Tenant to file application with the RWQCB for the release and decommissioning of the Spray Field and monitoring well from the RWQCB permit within sixty (60) days of the Effective Date;

15.1.2 The failure of Tenant to diligently process to completion the application with the RWQCB for the decommissioning of the Spray Field and monitoring well or to obtain approval for the removal and decommissioning of the Spray Field and monitoring well from the City’s permit with the RWQCB and the RWQCB Decommissioning Approval no later than November [ ], 2020.

15.1.3 The abandonment or vacation of the Leased Premises by Tenant before the expiration or sooner termination of the Lease Term.

15.1.4 One or more failures by Tenant to observe and perform each and every provision of this Lease to be observed or performed by Tenant including, without limitation, payment of Rent under Paragraph 3 of this Lease, payment of taxes under Paragraph 7 of this Lease, and provision of self-insurance under Paragraph 8 of this Lease.

15.2 Notice and Opportunity to Cure. Upon a breach of this Lease by Tenant not involving the payment of Rent or any other monetary amount due hereunder, Landlord shall give written notice to Tenant describing the breach and identifying what acts must be undertaken to cure such breach. Upon receipt of such notice, Tenant immediately commence and shall have ten (10) days to cure such breach. Upon Tenant's failure to timely cure the breach, Landlord may pursue such remedies as are available at law or equity including self-help, to the fullest extent permitted by Applicable Law; provided, however, that Landlord may not terminate this Lease or evict Tenant from possession of the Leased Premises unless the cure period has expired without the required cure having been effected. Nothing provided in this Lease, however, shall prevent Landlord from terminating this Lease upon a failure of Tenant to pay the Rent or other monetary obligation due hereunder, or otherwise.

16. Specific Performance; Damages. Landlord may obtain a remedy in specific performance or proceed in an action legal proceedings including, with limitation, via writ of mandate against Tenant to enforce an express obligation of Tenant under this Lease to make a payment or to perform any of its obligations hereunder and may recover damages from Tenant as otherwise provided in this Lease.

17. Condemnation, Damage and Destruction.

17.1 Condemnation.

17.l.l No City Condemnation. Tenant expressly agrees for itself and each governmental sub-agency within its control that it will not cause or allow an eminent domain proceeding to be commenced or pursued in its name or on its behalf or assign any such claim to another agency that but for this restriction would be permitted to do so.

17.1.2 Cooperation to Resist Taking. If any public or quasi-public agency or entity (other than Tenant or an agency controlled by Tenant) attempts to take all or part of the Leased Premises under the power of eminent domain during the Lease Term, Landlord and Tenant shall cooperate in good faith, each at its own expense, to prevent or, as applicable, terminate the taking. If such taking succeeds as to the whole of the Leased Premises despite those efforts, this Lease shall terminate as of the effective date of such taking. If only a portion of the Leased Premises is taken, this Lease shall terminate as of the effective date of such taking only with respect to that portion of the Leased Premises taken.

17.1.3 Condemnation Award. Upon any taking or condemnation of all or any portion of the Leased Premises, there shall be no refund of any Rent hereunder, any and all damages and compensation awarded or paid as a settlement or otherwise because of a taking of the Leased Premises shall be paid to Landlord, and Tenant waives and releases any rights or interest in any such damages or compensation awarded. The value of the Leased Premises for purposes of determining such damages or compensation shall be based on the value of the Leased Premises for its entitled and approved uses as of the date of any such taking, including, without limitation, pursuant to the Project Approvals.

17.2 Damage or Destruction. If the Leased Premises are damaged or destroyed, in whole or in part, whether by reason of high waters or from any other cause or reason whatsoever, Landlord shall have no obligation to restore or repair the Leased Premises, and Tenant shall not be released from any obligations under this Lease, nor shall this Lease terminate.

18. Oil, Gas, and Mineral Rights. Landlord reserves all rights in any and all minerals, oil, gas, and other hydrocarbons located in, on or under the Leased Premises, provided, however, that during the Lease Term, Landlord shall have no right of surface entry in the Leased Premises. Nothing in this section limits Landlord’s right of surface entry, as necessary, in an emergency, to comply with Applicable Law and as environmental circumstances and Environmental Laws make prudent and/or necessary.

19. Attorneys' Fees. In the event of my claim, dispute or controversy arising out of or relating to this Lease, including an action for damages, specific performance or other equitable relief and/or declaratory relief, the prevailing party in such action or proceeding shall be entitled to recover its reasonable attorneys' fees and costs actually incurred, including, but not limited to, telephone calls, photocopies, fees for testifying and consulting expert witnesses, and travel, in amounts fixed by the court. Recoverable costs are based on this Lease and are in no way limited by the California Code of Civil Procedure, the California Civil Code, or other law or judicial decision. Such recovery shalt include, but not be limited to, court costs, out-of-pocket expenses and actual and reasonable attorneys' fees on appeal, if any, or in connection with the enforcement of any judgment. The prevailing party in any such dispute shall be determined pursuant to California Civil Code Section 1717.

20. Notices. Notices allowed or required hereunder shall be made in writing and (a) mailed by certified mail, return receipt requested, postage prepaid, (b) personally delivered, (c) delivered by nationally recognized overnight courier, or (d) sent via facsimile with a confirmation by telephone, to Landlord or Tenant at all the addresses set forth below or such other address as either may designate by notice to the other. Notices shall be deemed (i) given and received when personally delivered, (ii) given when mailed and received on the second business day after mailing (iii) upon delivery receipt or refusal; or (iv) on the next business day if delivered by a nationally recognized courier with next business day delivery specified. The sender of each such notice shall pay or make arrangements to pay all delivery costs. Addresses specified in this section may be changed using the procedures in this section to any other (or additional) address located in the State of California.

**TO TENANT**:

City of Lathrop

390 Towne Centre Drive Lathrop, CA 95330

Attn: City Manager & Public Works Director

(209) 858-5259 (fax)

With a copy to:

City Attorney City of Lathrop

390 Towne Centre Drive Lathrop, CA 95330

(209) 858-5259 (fax)

**TO LANDLORD**:

Ramona Chace

Address

With a copy to:

Louis A. Gonzalez, Jr., Esq.

**weintraub tobin chediak coleman grodin law corporation**

400 Capitol Mall, 11th Floor,

Sacramento, California 95814

(916)446.1611 (fax)

21. Holding Over. If Tenant holds over after the expiration or earlier termination of the Term hereof, with or without the express or implied consent of Landlord, Tenant shall become and be only a tenant at sufferance. After the expiration or termination of the Term, the applicable rent shall equal Thirty Thousand Dollars ($30,000) per month, payable in full monthly in arrears. Neither any provision of this Lease nor any acceptance by Landlord of any Rent after any such expiration or earlier termination shall be deemed a consent to any holdover hereunder or result in a renewal of this Lease or an extension of the Term, or any waiver of any of Landlord's rights or remedies with respect to such holdover. Notwithstanding any provision to the contrary contained herein, (i) Landlord expressly reserves the right to require Tenant to surrender possession of the Leased Premises upon the expiration of the Term or upon the earlier termination hereof or at any time during any holdover, and the right to assert any remedy at law or in equity to evict Tenant and collect damages in connection with any such holdover, and (ii) Tenant shall indemnify, defend and hold Landlord harmless from and against any and all claims, demands, actions, proceedings, losses, damages, liabilities, obligations, penalties, costs and expenses, including, without limitation, all lost profits and other consequential damages, attorneys' fees, consultants' fees and court costs incurred or suffered by or asserted against Landlord by reason of Tenant’s failure to surrender the Premises Leased on the expiration or earlier termination of this Lease in accordance with the provisions of this Lease.

22. Binding on Heirs and Successors. This Lease and each of its provisions shall be binding on and shall inure to the benefit and burden of the parties to this Lease and their respective successors in interest, and permitted assigns.

23. Time of Essence. Time is of the essence of this Lease and of each provision contained within it, and each provision is made and declared to be a material, necessary, and essential part of this Lease.

24. Entire Agreement. This Lease, including all exhibits attached hereto and incorporated by reference, and the Judgment, including the Letter Agreement, collectively represent the entire agreement between Landlord and Tenant with respect to the subject matter hereof and supersede all prior agreements and understandings, whether oral or written, between Landlord and Tenant with respect to the subject of this Lease. No other representations, covenants, undertakings or other prior or contemporaneous agreements, oral or written, respecting those matters, which are not specifically incorporated herein, may be deemed in any way to exist or to bind either Landlord or Tenant with respect to the subject matter of this Lease. Landlord and Tenant each acknowledge that it has not executed this Lease in reliance on any promise, representation or warranty not specifically included in this Lease or in the Judgment.

25. Further Acts. As is commercially reasonable under the circumstances then existing, Landlord and Tenant agree to perform such further acts and to execute and deliver such further instruments as are reasonably necessary to accomplish the intent and purpose of this Lease.

26. Effect of Partial Invalidity. If any provision of this Lease is determined by a court of competent jurisdiction to be invalid or unenforceable for any reason, the remaining provisions of the Lease shall remain in full force and effect consistent with the unaffected portions hereof.

27. Governing Law. This Lease shall be governed by and construed in accordance with the laws of the State of California, without regard to conflict of law provisions. Venue for any action with respect to this Lease shall lie in the state courts of California in San Joaquin County, California. Landlord and Tenant, each for itself, hereby consent to personal jurisdiction of all such courts located in San Joaquin County, California, for purposes of any suit or action to interpret, enforce, or otherwise with respect to, this Lease.

28. Counterparts. This Lease and any modifications hereto may be executed in any number of counterparts with the same force and effect as if executed in the form of a single document, all of which the executed counterpart documents will constitute. This Lease and all documents executed pursuant hereto other than documents that require notarization and/or must be recorded may be executed and transmitted electronically, with the same effect as original ink signatures would have.

29. No Third-Party Beneficiaries. Tenant intends to hold the Leased Premises as a part of the City’s wastewater utility and as a Spray Field until it has obtained the RWQCB Decommissioning Approval or the expiration of this Lease, whichever occurs first. However, no customer of Tenant's (or any affiliated public or private) wastewater utility or any developer of property served by Tenant's wastewater utility, or any other person or entity that other than Tenant has, by virtue of those facts alone, any interest in any particular Spray Field operated by Tenant. There are no third-party beneficiaries to this Lease, intended, incidental or otherwise and this Lease does not create any rights of any kind in any person, firm or entity other than the Parties.

30. Assistance of Counsel and Advisors. Landlord and Tenant, each for itself, warrant as follows:

30.1 Assistance of Counsel and Other Advisors. It either had the assistance of its own independent legal counsel and tax and other advisors or had such counsel and advisors available to it, in connection with the negotiation, drafting, and execution of this Lease.

30.2 Authority. It authorized the execution of this Lease and that each person signing this Lease on its behalf has the power, the right and all authority necessary to bind the party on whose behalf it signs this Lease to this Lease and, by its signature, does so. To effectuate this Lease, the parties have caused their duly authorized representatives to execute this Lease as of the Effective Date.

30.3 No Presumption Regarding Drafter. The terms and conditions of this Lease have been negotiated and discussed by and among the parties and their attorneys, and that this Lease reflects their mutual agreement. Because of the nature of the negotiations and discussions, the parties agree that it would be inappropriate to deem any party to be the drafter of this Lease or any specific provision herein, and therefore no presumption for or against validity, enforceability or as to any interpretation hereof, based on the identity of the drafter, shall be applicable in interpreting or enforcing this Lease.

IN WITNESS WHEREOF, Landlord and Tenant each have executed this Lease to be effective as of the Effective Date, regardless of the date(s) on which it is signed.

TENANT LANDLORD

CITY OF LATHROP, Ramona Chace, LLC,

a municipal corporation a California limited liability company

Attest:

By: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ Its: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

\_\_\_\_\_\_\_\_\_\_\_\_\_, Deputy City Clerk

Approved as to form:

\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

Salvador Navarrette

EXHIBIT A

JUDGMENT (INCLUDING THE LETTER AGREEMENT)

EXHIBIT B

LEGAL DESCRIPTION OF THE LEASED PREMISES