RECORDING REQUESTED BY AND WHEN RECORDED, MAIL TO:

CITY OF LOMPOC 100 Civic Center Plaza Lompoc, CA 93436 Attention: City Clerk

SPACE ABOVE THIS LINE FOR RECORDER'S USE EXEMPT FROM RECORDING FEES PER GOV. CODE §27383

V & J ROCK TRANSPORT, INC.

LEASE AGREEMENT

THIS LEASE AGREEMENT (Agreement) is made and entered into on August 1, 2023, by and between the CITY OF LOMPOC, a California municipal corporation (City) and V & J ROCK TRANSPORT, INC., a California corporation (Tenant).

In consideration of the mutual promises and covenants herein contained, City and Tenant hereby agree as follows:

- 1. <u>Lease of Premises</u>. City hereby leases to Tenant, and Tenant leases from City, on the terms and conditions set forth in this Agreement, that certain real property located at 1655 North V Street in Lompoc, California identified as a portion of Assessor's Parcel Numbers 93-040-20, and 93-040-40 and shown as Lease Area A and Lease Area B on Exhibit A, which is attached hereto and incorporated herein by this reference (the Premises). City also hereby grants to Tenant the right to store materials, except Hazardous Materials (as defined below), on the Premises outside of the floodway, in a manner acceptable to City.
- 2. <u>Term.</u> The term of this Agreement commences on August 1, 2023, and terminates on July 30, 2028, unless earlier terminated as provided by this Agreement. The parties understand any holding over by Tenant beyond the terms created by this Agreement, with City's express or implied consent, shall be a month-to-month tenancy only, unless the parties otherwise specifically agree in writing.

3. Rent.

A. Tenant agrees to pay to City at 100 Civic Center Plaza, Lompoc, California 93436, as rent for the use and occupancy of the Premises, the sum of \$1,672.00 per month (the Rent). The first payment of Rent shall be due within 3 days after the effective date of this Agreement and shall not be pro-rated based on the number of days left in the month in which that payment is made. Thereafter, the Rent shall be payable on the first day of ensuing calendar-month during the term hereof for this Agreement for Lease Areas A and B.

- B. There is no grace period for payment of the Rent and any late charges. If Tenant fails to pay any required Rent, License Fee, or any late charges, and such nonpayment continues for 10 days after written notice of nonpayment is given to Tenant, then Tenant shall be in default of this Agreement and City shall have all of the remedies given it by this Agreement and the general laws.
- C. The City may, at its discretion, provide the Tenant with a courtesy notice of the periodic Rent amounts due. Such courtesy notice does not affect the terms outlined in Section 3.B. above.

4. Rent Adjustments:

- A. On July 1 of each year, beginning in 2024, the Rent will be increased per the increase in U.S. City Average, All Urban Consumers, Not Seasonally Adjusted, Current Base, All Items, Monthly Series, Consumer Price Index (CPI) for the twelve months ending March as published in April compared with the March CPI of the Preceding year, plus 1%. The reference CPI series, available from the U.S. Department of Labor, Bureau of Statistics as of March 31st (published in April) prior to the rate change date, will be used.
- B. If either or both of the referenced indexes become unavailable during the term of this lease, then the parties agree to utilize indexes that are comparable in nature as the existing CPI.
- C. In the event the applicable index (CPI) decreases to the point of reflecting a negative figure for that year, then the Rent, as applicable, shall not change.
- 5. <u>Late Charges</u>. Tenant's failure to pay rent when due is an event of default under this Agreement. Rent payments not received by City by the tenth day of the month when due shall be subject to a late penalty of one and one-half percent per month, compounded, until fully paid.
- 6. <u>Security Deposit</u>. Tenant shall deposit the sum of \$1,672.00, as security for Tenant's performance of Tenant's obligations hereunder (the Security Deposit). If during the Agreement term, any Rent, late charges, or other sum payable to City by Tenant are overdue or unpaid (Any Delinquency), then City may (but is not required to) apply some or all of the Security Deposit to the payment of Any Delinquency. In such event, upon City's written demand, Tenant shall restore the Security Deposit to \$1,672.00, and Tenant's failure to do so within 30 days after City's demand shall be a breach of this Agreement. If Tenant defaults in the performance of any of the terms, covenants, and conditions of this Agreement, then City may, after terminating this Agreement, appropriate and apply part or all of the Security Deposit as required to compensate City for damages caused by Tenant's breach. Within 21 days after termination of this Agreement the deposit will be refunded without interest to Tenant after City has deducted such amounts necessary to satisfy any outstanding financial obligations and to replace or restore the Premises

to as good condition as when rented to Tenant, reasonable wear and tear excepted. Tenant has a Security Deposit in the amount of \$750 deposited with the City for the preceding agreement. Tenant shall deposit an additional \$922.00 no later than September 30, 2023.

7. Taxes. The use or occupancy of the Premises by Tenant constitutes a property interest, which may be subject to possessory interest taxes, and Tenant shall be solely liable for the payment of such taxes. Tenant acknowledges Tenant's actual knowledge of the existence of a possessory interest tax on the Premises and receipt of City's notice herein of potential tax liability. Tenant agrees Tenant is solely responsible for the timely payment before delinquency of possessory interest taxes and any other tax, levy or assessment upon the Premises and Tenant's personal property, improvements, and fixtures upon the Premises. Tenant shall indemnify and hold harmless City from any liability, loss, or damage resulting from any taxes, assessments, or other charges to be paid by Tenant and from all interests, penalties, and other sums imposed thereon and from any sales or other proceedings to enforce collection of any such taxes, assessments, or other charges.

8. Use of Premises.

- A. The Premises known as Lease Area A and Area B is leased to Tenant solely for the storage of materials. Tenant shall not use, or permit to be used, any part of the Premises for any purpose other than the purposes for which they are leased. Tenant shall not change the use of the Premises without first obtaining the written consent of City. All operations incident to that use of the Premises shall be carried on according to the best course of business practiced in the vicinity.
- B. Tenant will not permit any noxious weeds to go to seed on the Premises and all seeds and plants planted or stored thereon shall be free from noxious weed seeds. City reserves the right to go on the Premises at any time for the purpose of inspecting and treating any noxious weeds which may be growing thereon. Whenever Tenant removes plants from the Premises Tenant will immediately proceed to cultivate the land from which such plants have been removed so that no weeds may grow thereon.
- C. Tenant shall not use, store, keep, release, discharge, dispose of or spill any toxic or hazardous substances, wastes or materials ("Hazardous Materials" as defined below) on the Premises nor use or store any such substance that will have any residual effect beyond the term of this Agreement. For purposes of this Agreement, Hazardous Materials shall mean polychlorinated biphenyls (whether or not highly chlorinated); radon gas; radioactive materials; explosives; chemicals known to cause cancer or reproductive toxicity; hazardous waste, toxic substances or related materials; petroleum and petroleum product, including, but not limited to, gasoline and diesel fuel; those substances defined

as a "Hazardous Substance," as defined by Section 9601 of the Comprehensive Environmental Response, Compensation and Liability Act of 1980, 42 U.S.C. 9601, et seq., or as "Hazardous Waste" as defined by section 6903 of the Resource Conservation and Recovery Act, 42 U.S.C. 6901, et seq.; and "Extremely Hazardous Waste," a "Hazardous Waste" or a "Restricted Hazardous Waste," as defined by The Hazardous Waste Control Law under Sections 25115, 25117 or 25122.7 of the California Health and Safety Code, or is listed or identified pursuant to Section 25140 of the California Health and Safety Code; a "Hazardous Material," "Hazardous Substance," "Hazardous Waste" or "Toxic Air Contaminant" as defined by the California Hazardous Substance Account Act, laws pertaining to the underground storage of hazardous substances, hazardous materials release response plans, or the California Clean Air Act under Sections 25316, 25281, 25501, 25501.1 or 39655 of the California Health and Safety Code: "Oil" or a "Hazardous Substance" listed or identified pursuant to Section 311 of the Federal Water Pollution Control Act, 33 U.S.C. 1321; a "Hazardous Waste," "Extremely Hazardous Waste" or an "Acutely Hazardous Waste" listed or defined pursuant to Chapter 11 of Title 22 of the California Code of Regulations sections 66261.1 -66261.126; chemicals listed by the State of California under Proposition 65 Safe Drinking Water and Toxic Enforcement Act of 1986 as a chemical known by the State to cause cancer or reproductive toxicity pursuant to section 25249.8 of the California Health and Safety Code; a material which due to its characteristics or interaction with one or more other substances, chemical compounds, or mixtures, materially damages or threatens to materially damage, health, safety, or the environment, or is required by any law or public City to be remediated, including remediation which such law or government City requires in order for the property to be put to the purpose proposed by this Lease Agreement; any material whose presence would require remediation pursuant to the guidelines set forth in the State of California Leaking Underground Fuel Tank Field Manual, whether or not the presence of such material resulted from a leaking underground fuel tank; pesticides regulated under the Federal Insecticide, Fungicide and Rodenticide Act, 7 U.S.C. 136 et seq.; asbestos, PCBs, and other substances regulated under the Toxic Substances Control Act, 15 U.S.C. 2601 et seg.; any radioactive material including, without limitation, any "source material," "special nuclear material," "by-product material," "low-level wastes," "high-level radioactive waste," "spent nuclear fuel" or "transuranic waste" and any other radioactive materials or radioactive wastes, however produced, regulated under the Atomic Energy Act, 42 U.S.C. 2011 et seq., the Nuclear Waste Policy Act, 42 U.S.C. 10101 et seq., or pursuant to the California Radiation Control Law, California Health and Safety Code sections 25800 et seg.; hazardous substances regulated under the Occupational Safety and Health Act, 29 U.S.C. 651 et seq., or the California

Occupational Safety and Health Act, California Labor Code sections 6300 et seq.; or regulated under the Clean Air Act, 42 U.S.C. 7401 et seq. or pursuant to The California Clean Air Act, sections 3900 et seq. of the California Health and Safety Code.

- D. City shall not be responsible for conducting or financing any testing of the Premises for Hazardous Materials pursuant to any applicable laws, statutes, rules, and regulations. As between City and Tenant, Tenant shall also be responsible for making site conditions suitable for its use of the Premises, including, but not limited to, flood zones, Alguist-Priolo, and similar matters.
- E. Tenant shall, at Tenant's sole cost and expense, promptly and properly comply with any and all laws, ordinances, rules, regulations, requirements, and orders whatever, present or future, of the Federal, State, County or City which may in any way apply to the use of, maintenance of, occupation of, and operations on, the Premises.
- F. Neither Tenant nor any other person shall park or keep any motor home, trailer, boat, or other recreational vehicle or inoperable automobile on the Premises. Overnight occupancy or camping by any person is strictly prohibited.
- G. Tenant shall indemnify, defend, and hold harmless City and its officers, employees, and agents from any and all liability, loss, damages, fines, penalties, claims, and actions by Tenant or its officers, employees or agents related to this Agreement.
- H. Tenant hereby agrees Tenant will not permit or suffer any liens of any kind to be filed against the Premises as a result of any obligation, malfeasance, negligence, or omission of Tenant, and that Tenant shall diligently take all necessary and proper steps to remove and discharge any liens which are filed.
- If Tenant, in Tenant's sole discretion, desires by appropriate legal proceedings brought in good faith and diligently prosecuted in Tenant's name, or in the names of Tenant and City when appropriate or required, to contest the validity or applicability to the Premises of any law, ordinance, statute, order, or regulation now or hereafter made or issued by any federal, state, county, local, or other governmental agency or entity, any such contest or proceeding, although maintained in the names of Tenant and City, shall be without cost to City, and Tenant shall protect the Premises and City from Tenant's failure to observe or comply during the contest with the contested law, ordinance, statute, order, or regulation.

- 9. <u>Entry by City</u>. Tenant shall permit City, and City's agents and assigns, at all reasonable times, to enter the Premises for the purposes of inspection for compliance with the terms of this Agreement, exercise of all rights under this Agreement, and all other lawful purposes.
- 10. <u>Condition of Premises.</u> By entering into this Agreement, Tenant accepts the Premises in its present condition; Tenant agrees to surrender the Premises to City on the last day of the term or on sooner termination of this Agreement, in the same condition as when received, reasonable use, wear, and damage by fire, act of God, and the elements excepted, and to remove all of Tenant's property from the Premises. At all times during this Agreement Tenant shall, at Tenant's sole cost and expense, keep and maintain the Premises and all present and future improvements on the Premises in good order and repair and in a safe and clean condition. Tenant shall, at Tenant's sole cost and expense, maintain at all times during the term of this Agreement the whole of the Premises, as well as any improvements, landscaping, and facilities thereon in a clean, sanitary, neat, tidy, orderly, and attractive condition. Tenant agrees to pay City in full and promptly upon demand for loss or damage to City's Premises arising from this Agreement.
- 11. <u>Disclaimer</u>. City makes no covenant or warranty respecting the Premises' condition or suitability for Tenant's authorized or proposed uses under this Agreement. Tenant represents that Tenant has made an independent inspection of the Premises and is not relying upon any representation or warranty whatsoever from City as to suitability or fitness for Tenant's desired uses. City does not warrant the security of Tenant's personal property or fixtures on the Premises including but not limited to vehicles, inventory, equipment, and animals.
- 12. Operating Costs. All costs incurred by Tenant in connection with Tenant's operations upon the Premises, including but not limited to costs of preparing the Premises for Tenant's use and occupancy, refuse removal, water, electricity, and other utilities, shall be borne and paid solely by Tenant when due.
- Hold Harmless. Tenant, as a material part of the consideration of this 13. Agreement, hereby waives all claims against City for property damage of any kind whatsoever, and for injuries to persons, in or about the Premises from any cause arising at any time, except for negligence on the part of City, its officers and employees; and Tenant shall indemnify, defend, and hold City, its officers, officials, employees, volunteers, contractors, and agents harmless from any loss, damage, liability, death or injury to any person or injury to property (including attorneys' fees and court costs) arising from or as a result of the death of any person or any accident, injury, loss or damage whatsoever caused to any person or to the property of any person arising directly or indirectly out of or related to this Agreement or Tenant's officers, employees, contractors or agents. Tenant shall not be responsible for (and such indemnity shall not apply to) any active negligence, sole negligence, or willful misconduct of the City or its officers, officials, employees, contractors, or agents. Nothing contained in the insurance requirements shall be construed as limiting the extent of Tenant's responsibility for payment of damages resulting from Tenant's operations under this Agreement.

14. <u>Liability Insurance</u>.

- A. Tenant shall, at Tenant's sole cost and expense, maintain during the entire term of this Agreement liability insurance at least as broad as Insurance Services Office Commercial General Liability Coverage (occurrence form CG 0001) issued by an insurance company acceptable to City and authorized to issue liability insurance in California, to protect against loss from liability imposed by law for damages on account of, but not limited to (i) bodily injury, including death therefrom, suffered or alleged to be suffered by any person or persons whosoever on or about the Premises and the business of Tenant on the Premises, or in connection with the operation thereof, resulting directly or indirectly from any acts or activities of Tenant or its sublessees, or any person acting for Tenant, or under Tenant's control or direction, and also to protect against loss from liability imposed by law for (ii) damages to any property of any person occurring on or about the Premises or in connection with the operation thereof, caused directly or indirectly by or from acts or activities of Tenant or its subtenants, or any person acting for Tenant or under Tenant's control or direction. Such property damage and bodily injury insurance shall also provide for, and protect City against, incurring any legal cost in defending claims for alleged loss.
- B. Such commercial general liability insurance shall be maintained in full force and effect during the term of this Agreement in the following amounts: Commercial general liability insurance with limits not less than \$2,000,000 for each occurrence combined single limit for bodily injury and property damage. (If a general aggregate limit is used, either the general aggregate limit shall apply separately to the Premises or the general aggregate limit shall be twice the required occurrence limit.) (Any deductibles or self-insured retentions must be declared to and approved by City. At the option of City, either the insurer shall reduce or eliminate such deductibles or self-insured retentions as respects City, its officers, officials, employees and volunteers, or Tenant shall provide a financial guarantee satisfactory to the City guaranteeing payment of losses and related investigations, claims administration and defense expenses.) If the Tenant maintains higher limits than the minimums shown above, then City requires and shall be entitled to coverage for the higher limits maintained. Any available insurance proceeds in excess of the specified minimum limits of insurance and coverage shall be available to the City.
- C. Workers' Compensation insurance as required by the State of California, with Statutory Limits, and Employer's Liability Insurance with limits of no less than \$1,000,000 per accident for bodily injury or disease (for lessees with employees).

- D. Property insurance against all risks of loss to any tenant improvements or betterments, at full replacement cost with no coinsurance penalty provision. Property coverage is further described in Section 15, below.
- E. Additional Insured Status: City and its officers, officials, employees, and volunteers shall be named as additional insureds on the CGL 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's insurance at least as broad as ISO Form CG 20 10.
- F. <u>Primary Coverage</u>: For any claims related to this Agreement, Tenant's insurance coverage shall be primary insurance as respects City, its officers, officials, employees, and volunteers. Any insurance or self-insurance maintained by City, its officers, officials, employees, or volunteers shall be excess of the Tenant's insurance and shall not contribute with it.
- G. <u>Notice of Cancellation</u>: Each insurance policy required above shall provide that coverage shall not be canceled, except with notice to City.
- H. Waiver of Subrogation: Tenant hereby grants to City a waiver of any right to subrogation which any insurer of said Tenant may acquire against the City by virtue of the payment of any loss under such insurance. Tenant 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 City has received a waiver of subrogation endorsement from the insurer.
- I. <u>Acceptability of Insurers</u>: Insurance is to be placed with insurers with a current A.M. Best's rating of no less than A: VII, unless otherwise acceptable to City.
- J. <u>Deductibles and Self-Insured Retentions</u>: Any deductibles or self-insured retentions must be declared to and approved by City. At the option of City, either: Tenant shall obtain coverage to reduce or eliminate such deductibles or self-insured retentions as respects City, its officers, officials, employees, and volunteers; or Tenant shall provide a financial guarantee satisfactory to City guaranteeing payment of losses and related investigations, claim administration, and defense expenses.
- 15. <u>Verification of Coverage</u>: Tenant shall furnish City with original certificates and amendatory endorsements or copies of the applicable policy language providing the insurance coverage required above. All certificates and

endorsements are to be received and approved by City before work commences. However, failure to obtain the required documents prior to the work beginning shall not waive Tenant's obligation to provide them. City reserves the right to require complete, certified copies of all required insurance policies, including endorsements, required by these specifications, at any time. Verification of coverage is further described in Section 16, below. Fire and Casualty Insurance. At all times during the term of this Agreement, Tenant shall, at Tenant's sole cost and expense, keep leased property insured for its full insurable value by insurance companies authorized to issue such insurance in California against loss or destruction by fire and the perils commonly covered under the standard extended coverage endorsement to fire insurance policies in Santa Barbara County. Tenant also shall insure all leased property against loss or destruction by windstorm, cyclone, tornado, hail, explosion, and riot, riot attending a strike, civil commotion, malicious mischief, vandalism, aircraft, fire, smoke damage, and sprinkler leakage. Any proceeds received because of a loss covered by such insurance shall be used and applied in the manner required by Section 18 of this Agreement.

- 16. Deposit of Insurance with Lessor. Tenant shall within 10 days after the execution of this Agreement and promptly thereafter when any such policy is replaced, rewritten, or renewed, deliver to City a true and correct copy of each insurance policy required by this Agreement or a certificate executed by the insurer(s) or their authorized agent(s) evidencing such coverage. Each insurance policy required of this Agreement shall contain a provision that it cannot be materially altered or cancelled for any reason unless 3 days prior written notice of such change is given to City.
- 17. <u>Destruction of Premises</u>. If during the term of this Agreement improvements now or hereafter on the Premises are destroyed wholly or partially by fire, theft, the elements, or any other cause not Tenant's fault, then this Agreement shall continue in full force and effect if Tenant so elects, and Tenant, at Tenant's own cost and expense, shall repair and restore the damaged or destroyed improvements according to the original plan thereof unless otherwise approved in writing by City. Tenant shall commence repair and restoration within 60 days after the damage or destruction occurs and shall complete the work with due diligence.

Any and all fire or other insurance proceeds payable at any time during the term of this Agreement because of damage or destruction of any improvements on the Premises shall be paid to Tenant and applied by Tenant toward the cost of repairing and restoring the damaged or destroyed improvements; provided, however, that should Tenant legally terminate this Agreement because of damage to or destruction of the improvements on the Premises, all fire or other insurance proceeds payable because of such damage or destruction shall be paid to City to compensate City, at least in part, for the loss to City's damaged or destroyed improvements.

18. <u>Lease Subject to Existing Rights of Others</u>. This Agreement is subject to all existing easements, servitudes, licenses, and rights of way for canals, ditches, levees, roads, highways, and telephone, telegraph, and electric power lines, railroads, pipelines, and other purposes, whether or not of record.

- 19. <u>Quiet Enjoyment</u>. City hereby covenants and agrees if Tenant pays the Rent as herein provided, and faithfully performs the terms and conditions on Tenant's part to be kept, observed, and performed, then Tenant shall have the peaceful enjoyment of the Premises during the term hereof, without hindrance or interference from City.
- 20. <u>Waste</u>. Tenant shall not commit or permit others to commit any waste or nuisance upon the Premises or commit or allow any other act thereon that could disturb the quiet enjoyment of City, any other tenant of City, or persons properly upon the Premises or upon adjacent or nearby property.
- 21. Assignments or Subletting. Neither this Agreement nor any interest herein shall be assigned, either voluntarily or involuntarily, by Tenant, or by operation of law or otherwise, nor shall the Premises, or any part thereof, be sublet by Tenant without the prior written consent of City. Tenant shall remit to City 30% of all rents generated by any assignment and sublease, and such assignment and sublease shall be subject to such other conditions as may be imposed by City. Any such assignment or sublease, without such prior written consent of City, shall be void. City shall have the right to assign or transfer this Agreement or any rights in or to it.
- 22. <u>Alteration of Premises</u>. Tenant shall perform no alterations to, or construction on, the Premises without City's prior written consent. Any such construction or alteration shall proceed only in accordance with such conditions, as City shall impose in connection with its consent thereto.
- 23. <u>Liens</u>. Tenant shall not permit or suffer any liens of any kind to be filed against the Premises as a result of any obligation, malfeasance, negligence or omission of Tenant, and Tenant shall diligently take all steps necessary and proper to remove and discharge any liens which are filed.
- 24. <u>Default and Termination</u>. If Tenant breaches this Agreement or abandons the Premises prior to the natural expiration of the term of this Agreement, then City may continue this Agreement in effect by not terminating Tenant's right to possession of the Premises in which case City shall be entitled to enforce all City's rights and remedies under this Agreement including the right to recover rent as it becomes due.

If Tenant defaults in performance of any covenant, condition, or agreement contained in this Agreement and the default is not cured within 10 days after written notice by City, then City may terminate this Agreement and bring an action to recover from Tenant the worth at time of award of unpaid rent which had been earned at the time of termination of the Agreement, all amounts necessary to compensate City for all detriment proximately caused by Tenant's failure to perform Tenant's obligations under this Agreement, and such other sums as permitted by law. City may also bring an action, in addition to or in lieu of the foregoing, to reenter and regain possession of the Premises in the manner provided by the laws of California.

If Tenant becomes insolvent, then City may, by giving 30-days' written notice to Tenant, terminate this Agreement and forfeit Tenant's interest in the Premises and in any improvements or facilities in, on or appertaining to the Premises. For purposes of this section, Tenant shall be conclusively presumed to have become insolvent if Tenant has a receiver appointed to take possession of all or substantially all of Tenant's property because of insolvency; makes a general assignment for the benefit of creditors; or allows any judgment against Tenant to remain unsatisfied and unbonded for 30 days or longer.

Tenant specifically agrees to take all necessary measures during the term of this Agreement to eliminate and abate any adverse effects of Tenant's operations upon residential and/or other property in the vicinity, including without limitation noise, odor, etc. In the event of City's receipt of complaints from any person regarding Tenant's operations hereunder, Tenant agrees to cooperate fully with City to promptly and effectively remove or satisfactorily reduce the noise or other aspect of Tenant's business operations giving rise to the complaint. If such corrective actions by Tenant fail to resolve the problem within five days and complaints continue to be lodged with City, City may, by giving ten days written notice to Tenant, terminate this Agreement and forfeit Tenant's interest in the Premises and in any improvements or facilities on, in, or appertaining to the Premises.

If prior to the termination of this Agreement, pursuant to its terms, Tenant ceases conducting business at the Premises, then this Agreement shall terminate upon Tenant's removal of all its materials stored at the Premises and Tenant's abandonment of the Premises; provided, that Tenant has given City sixmonths' written notice of Tenant's intent to cease operations at, and remove all its materials from and vacate the Premises.

25. <u>Notices</u>. Notices required by law, or this Agreement shall be in writing and shall be deemed duly served and given when personally delivered to Tenant or to City's Clerk or, in lieu of such personal service, when deposited in the United States mail, first-class postage prepaid, addressed:

If to Tenant: V&J Rock Transport, Inc. 1655 N. 'V' Street Lompoc, CA 93436

If to the City Clerk: City of Lompoc Attn: City Clerk 100 Civic Center Plaza Lompoc, CA 93436 And a copy to: Aleshire & Wynder, LLP Attn: Jeff Malawy 3701 Wilshire Blvd., Suite 725 Los Angeles, CA 90010 If to City for agreement payments: City of Lompoc Attn: Finance Division 100 Civic Center Plaza Lompoc, CA 93436

- 26. <u>Time of Essence</u>. Time is hereby expressly declared to be of the essence of this Agreement and of each and every provision hereof, and each such provision is hereby made and declared to be a material, necessary and essential part of this Agreement.
- 27. <u>Superseding Agreement and Amendments</u>. This Agreement supersedes all oral agreements and understandings between the parties and constitutes their whole agreement regarding the Premises . This Agreement cannot be changed orally but only by agreement in writing signed by the parties.
- 28. <u>Governing Law</u>. This Agreement is to be construed, interpreted, and enforced in accordance with California law.
- 29. <u>Attorneys' Fees</u>. In any action or proceeding by either party to enforce this Agreement or any provision thereof, the prevailing party shall be entitled to all costs incurred and to reasonable attorneys' fees.
- 30. <u>Binding on Successors</u>. This Agreement shall be binding on and shall inure to the benefit of the heirs, executors, administrators, successors, and assigns of the parties hereto, but nothing in this paragraph shall be construed as consent by City to any assignment of this Agreement or any interest therein by Tenant.
- 31. General. If any term or provision of this Agreement or any application thereof shall be invalid or unenforceable, then the remainder of this Agreement and any other application of such terms or provisions shall not be affected thereby. The captions of this Agreement are for convenience of reference only and shall not define or limit any of its terms or provisions. All of Tenant's covenants hereunder shall be deemed and construed to be conditions as well as covenants as though the words specifically expressing or imparting covenants and conditions were used in each separate instance. The waiver by City of any breach by Tenant of any of the provisions of this Agreement shall not constitute a continuing waiver or waiver of any subsequent breach by Tenant of the same or a different provision of this Agreement. The relationship created by this Agreement is one of Landlord/Tenant.

This Agreement is not intended to create a joint venture or any relationship other than that of Landlord/Tenant. City's remedies hereunder shall not be exclusive, but shall be cumulative with and in addition to all remedies allowed by law.

WITNESS WHEREOF, City and Tenant have entered into this Agreement on the day and year first above written.

| CITY OF LOMPOC, a municipal corporation | V & J ROCK TRANSPORT, INC. a California corporation | | |
|---|--|----------------------------|--|
| By: | By: Steven Johnson, Chief Executive Officer By: Linda Donelson, Chief Financial Officer | | |
| | | APPROVED AS TO FORM: | |
| | | Jeff Malawy, City Attorney | |