

Recording Requested By And When Recorded
Mail To:

CITY OF STOCKTON, California
c/o City Attorney
425 North El Dorado Street
Stockton, California 95202

Attention: John Luebberke, Esq.

This document is recorded for the benefit of the City of Stockton and the recording is fee-exempt under section 27383 of the California Government Code.

**LEASE
(CITY OF STOCKTON)**

by and between the

STOCKTON PUBLIC FINANCING AUTHORITY

and the

CITY OF STOCKTON

Executed and entered into as of August 1, 2018

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LEASE

This Lease, dated as of August 1, 2018, between the CITY OF STOCKTON, a charter city duly organized and existing under the laws of the State of California (the “City”), as lessor, and the STOCKTON PUBLIC FINANCING AUTHORITY, a public entity and agency, duly organized and existing pursuant to an Agreement entitled “Joint Exercise of Powers Agreement by and between the City of Stockton and the Redevelopment Agency of the City of Stockton” (the “Authority”), as lessee;

WITNESSETH:

WHEREAS, the City presently owns the parcels of real property described in Exhibit A attached hereto and by this reference incorporated herein, and the City wishes to lease said equipment and parcels of real property and all buildings, structures, fixtures and improvements thereon (the “Facilities”) to the Authority; and

WHEREAS, all acts, conditions and things required by law to exist, to have happened and to have been performed precedent to and in connection with the execution and entering into of the Lease do exist, have happened and have been performed in regular and due time, form and manner as required by law, and the parties hereto are now duly authorized to execute and enter into this Lease;

NOW, THEREFORE, in consideration of the premises and of the mutual agreements and covenants contained herein and for other valuable consideration, the parties hereto do hereby agree as follows:

SECTION 1. Definitions.

Unless the context otherwise requires, the terms defined in this Section shall, for all purposes of this Lease, have the meanings herein specified, the following definitions to be equally applicable to both the singular and plural forms of any of the terms herein defined. Capitalized terms used herein and not otherwise defined shall have the meanings set forth in the Sublease.

“Assignment Agreement” means that certain Assignment Agreement executed and entered into as of the date hereof by and between the Authority and the Purchaser, as originally executed and entered into and as it may from time to time be amended in accordance therewith.

“Authority” means Stockton Public Financing Authority, acting as lessee hereunder.

“City” means the City of Stockton, a charter city duly organized and existing under and by virtue of the laws of the State of California.

“Expiry Date” means February 1, 2032, with respect to the Facilities.

“Facilities” means the equipment and real property and improvements thereon described in Exhibit A hereto as such property description may be amended or modified (including

the release, addition or substitution of property as part of the Facilities), in accordance with Sections 2.03 of the Sublease, subject, however, to Permitted Encumbrances.

“Lease” means this lease, as originally executed and entered into and as it may from time to time be amended in accordance herewith.

“Purchaser” means City of Stockton

“Sublease” means that certain sublease entitled “Sublease (City of Stockton),” dated as of the date hereof, entered into between the Authority, as sublessor, and the City, as sublessee, as originally executed and entered into and as it may from time to time be amended in accordance therewith.

SECTION 2. Purpose and Term.

The City hereby leases to the Authority and the Authority hereby hires from the City, on the terms and conditions hereinafter set forth, the Facilities. The parties hereto hereby agree that said lease of the Facilities by the City to the Authority serves the public purposes of the City and the Authority.

The term of this Lease shall commence on August 1, 2018, or the date the Lease is recorded and shall end on the Expiry Date, unless such term is extended or sooner terminated as hereinafter provided. If on an Expiry Date, the principal components of the Base Rental Payments and all Additional Rental attributable to the related Facilities shall not have been paid, or provision therefor made in accordance with Section 8.02 of the Sublease, for any reason, including, without limitation, because the Base Rental Payments shall have been abated at any time and for any reason, then the term hereof with respect to such Facilities shall be extended until 10 days after all the principal components of the Base Rental Payments and all Additional Rental attributable to the related Facilities have been paid, or provision therefor made in accordance with Section 8.02 of the Sublease, except that the term hereof shall in no event be extended beyond 10 years after the Expiry Date. If prior to the Expiry Date, the principal components of the Base Rental Payments and all Additional Rental attributable to the related Facilities have been paid, or provision therefor made, the term hereof with respect to such Facilities shall end 10 days thereafter or 10 days after written notice by the Authority to the City, whichever is earlier.

SECTION 3. Rental.

The Authority agrees to pay to the City as advance rental for the use and right to possession of the Facilities for the term of this Lease the sum of Twelve million three hundred ninety-seven thousand four hundred twenty-two and 39/100 Dollars (\$12,397,422.39). Said advance rental shall be paid from proceeds of the assignment of this Lease and Sublease to the Purchaser. The Authority hereby waives any right that it may have under the laws of the State of California to a rebate of such rental in full or in part in the event there is substantial interference with the use and right to possession by the Authority of the Facilities or portion thereof as a result of material damage, destruction or condemnation.

SECTION 4. Default.

The Authority shall be deemed to be in default hereunder:

(a) if the Authority shall fail to keep, observe or perform any term, covenant or condition contained herein to be kept or performed by the Authority, or

(b) if (1) the Authority's interest in this Lease or any part thereof be assigned or transferred without the written consent of the City, either voluntarily or by operation of law or otherwise, or if (2) any proceeding under the United States Bankruptcy Code or any federal or state bankruptcy, insolvency or similar law or any law providing for the appointment of a receiver, liquidator, trustee or similar official of the Authority or of all or substantially all of its assets is instituted by or with the consent of the Authority, or is instituted without its consent and is not permanently stayed or dismissed within sixty (60) days, or if the Authority offers to the Authority's creditors to effect a composition or extension of time to pay the Authority's debts, or asks, seeks or prays for a reorganization or to effect a plan of reorganization or for readjustment of the Authority's debts, or if the Authority shall make a general assignment or any assignment for the benefit of the Authority's creditors.

Upon any such default it shall be lawful for the City to exercise any and all rights and remedies available pursuant to law, except that no merger of this Lease and of the Sublease shall be deemed to occur as a result thereof; provided, however, that the City shall have no power to terminate this Lease by reason of any default on the part of the Authority.

Neither the City nor the Authority shall in any event be in default in the performance of any of its obligations hereunder or imposed by law unless and until the City or the Authority (as the case may be) shall have failed to perform such obligations within sixty (60) days or such additional time as is reasonably required to correct any such default after notice by the Purchaser, the Authority or the City to the nonperforming party properly specifying wherein such party has failed to perform any such obligation.

SECTION 5. Eminent Domain.

If the whole or any part of the Facilities shall be taken under the power of eminent domain, the interest of the Authority shall be recognized and is hereby determined to be the amount of the unpaid principal components of Base Rental Projects (as that term is defined in the Sublease) due under the Sublease, including all accrued interest thereon, and the amount of the unpaid Additional Rental (as that term is defined in the Sublease) due under the Sublease, and the balance of the award, if any, shall be paid to the City.

SECTION 6. Right of Entry.

The City and its assignees shall have the right to enter the Facilities during reasonable business hours (and in emergencies at all times) (a) to inspect the same, (b) for any purpose connected with the City's or the Authority's rights or obligations under this Lease or the Sublease and (c) for all other lawful purposes.

SECTION 7. Quiet Enjoyment by the Authority.

The Authority shall at all times during the term of this Lease peaceably and quietly have, hold and enjoy the Facilities without suit, trouble or hindrance from the City. Notwithstanding the foregoing covenant, the Authority shall not have any right to receive a rebate of the advance rental paid pursuant to Section 3 hereof or any portion thereof in the event there is a substantial interference with the use and right to possession by the Authority of the Facilities as a result of material damage, destruction or condemnation.

SECTION 8. Waiver of Personal Liability.

All liabilities under this Lease on the part of the Authority shall be solely liabilities of the Authority, as a public entity and agency, and the City hereby releases each and every member, director, officer, agent, or employee of the Authority of and from any personal or individual liability under this Lease. No member, director, officer, agent, or employee of the Authority shall at any time or under any circumstances be individually or personally liable under this Lease to the City or to any other party for any act or omission of the Authority hereunder.

SECTION 9. Assignment.

The City acknowledges and affirms the assignment by the Authority of its rights under this Lease to the Purchaser, under the terms of this Assignment Agreement. The Authority shall not otherwise have any rights to assign or sublet the Facilities.

SECTION 10. Law Governing.

This Lease shall be governed exclusively by the provisions hereof and by the laws of the State of California.

SECTION 11. Notices.

All approvals, authorizations, consents, demands, designations, notices, offers, requests, statements or other communications hereunder by either party to the other shall be in writing and shall be sufficiently given and served upon the other party if delivered personally or if mailed by United States first class mail, postage prepaid, to its address set forth below, or at such other address as such party may provide to the other party in writing from time to time, namely:

If to the City:	City of Stockton 425 North El Dorado Street Stockton, CA 95202 Attention: Chief Financial Officer
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If to the Authority:	Stockton Public Financing Authority 425 North El Dorado Street Stockton, CA 95202 Attention: Treasurer
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SECTION 12. Validity and Severability.

If any one or more of the agreements, conditions, covenants or terms contained herein required to be observed or performed by or on the part of the City or Authority shall be contrary to law, then such agreement or agreements, such condition or conditions, such covenant or covenants or such term or terms shall be null and void and shall be deemed severable from the remaining agreements, conditions, covenants and terms hereof and shall in no way affect the validity hereof. The City and Authority hereby declare that they would have executed and entered into this Lease and each and every other article, section, paragraph, subdivision, sentence, clause and phrase hereof irrespective of the fact that any one or more of the articles, sections, paragraphs, subdivisions, sentences, clauses or phrases hereof or the application thereof to any person or circumstances may be held to be unconstitutional, unenforceable or invalid.

SECTION 13. Purpose of Lease.

The Authority covenants that during the term of this Lease, except as hereinafter provided, it will use, or cause the use of, the Facilities for use for City purposes and for all purposes incidental thereto provided that in the event of default by the City under the Sublease the Authority may exercise the remedies provided in the Sublease.

SECTION 14. Waiver.

Failure of the City to take advantage of any default on the part of the Authority shall not be, or be construed as, a waiver thereof, nor shall any custom or practice which may grow up between the parties in the course of administering this Lease be construed to waive or to lessen the right of the City to insist upon performance by the Authority of any term, covenant or condition hereof, or to exercise any rights given the City on account of such default. A waiver of a particular default shall not be deemed to be a waiver of a subsequent default of the same kind or any other subsequent default. The acceptance of rent hereunder shall not be, nor be construed to be, a waiver of any term, covenant or condition of this Lease.

SECTION 15. Section Headings.

All section headings contained are for convenience of reference only and are not intended to define or limit the scope of any provision of this Lease.

SECTION 16. Execution in Counterparts.

This Lease may be executed in any number of counterparts, each of which shall be deemed to be an original, but all together shall constitute but one and the same Lease.

IN WITNESS WHEREOF, the City and the Authority have caused this Lease to be executed by their respective duly authorized officers, all as of the day and year first above written.

CITY OF STOCKTON, Lessor

By _____
Name:
Title:

Attest:

Name: Bret Hunter
Title: City Clerk

STOCKTON PUBLIC FINANCING
AUTHORITY, Lessee

By _____
Name:
Title:

Attest:

Name: Bret Hunter
Title: Secretary

EXHIBIT "A-1"
FACILITIES LOCATION AND DESCRIPTION

2006 Leased Assets

Location: City of Stockton, San Joaquin County, California

Description: Parcel One

A portion of Block 1, East of Center Street, in the City of Stockton, San Joaquin County, California, according to the Official Map or Plat thereof and described as follows: All of Lots 1, 3, 5, 7, 9, 11, 13, 14, 15 and 16 and a portion of Lots 2, 4, 6, 8, 10, and 12, in Block 1, East of Center Street, in the City of Stockton, according to the Official Map or Plat thereof, and described as follows: Beginning at the Northwest corner of said Block 1; thence Southerly along the West line thereof, a distance of 204.00 feet~ thence Easterly parallel with the North line of said Block 303.00 feet to the East line of said Block; thence Northerly along the East line of said Block, 204.00 feet to the Northeast corner of said Block; thence Westerly along the North line of said Block 303.00 feet to the true point of beginning.

APN: 149 020 01

Description: Parcel Two

A portion of Block 1, East of Center Street, in the City of Stockton, San Joaquin County, California, according to the Official Map or Plat thereof, and described as follows: A portion of Lots 2, 4, 6, 8, 10 and 12, in Block 1, East of Center Street, in the City of Stockton, according to the Official Map or Plat thereof, and described as follows: Commencing at the Southwest corner of said Block 1; thence Northerly along the West line, thereof, a distance of 74.00 feet to the true point of beginning; thence Easterly parallel with the South line of said Block 1, a distance of 303.00 feet to the East line of said Block 1; thence Northerly along the East line of said Block 1, a distance of 25.00 feet; thence Westerly parallel with the North line of said Block 11 a distance of 303.00 feet of the West line of said Block 1; thence Southerly along the January line of said Block 11 a distance of 25feet to the true point of beginning.

APN: 149 020 01

EXHIBIT "A-2"
EQUIPMENT LOCATION AND DESCRIPTION

2007 Leased Assets

Location: City of Stockton, San Joaquin County, California

Description: One (1) 2008 Pierce Fire Truck

Asset: A5191

VIN #: 4P1CU01H28A008085

Description: One (1) 2008 Ford Water Rescue Vehicle

Asset: A5197

VIN #: 1FDAW57R98ED05124

EXHIBIT "A-3"
EQUIPMENT LOCATION AND DESCRIPTION

2015 Leased Assets

Location: City of Stockton, San Joaquin County, California

Description: One (1) 2015 EXT 100' Tractor Drawn Aerial Fire Vehicle

City Tag: 20068
Asset: A5506
VIN #: 54F2DC609GWM11428

Description: Three (3) 2015 3/16" FX 1500 GPM Pumpers Fire Engines

Asset: A5502
VIN #: 54F2CB612GWM11468

Asset: A5503
VIN#: 54F2CB619GWM11466

Asset: A5504
VIN#: 54F2CB610GWM11467

EXHIBIT "A-4"
EQUIPMENT LOCATION AND DESCRIPTION

2017 Leased Assets

Location: City of Stockton, San Joaquin County, California

Description: Two (2) 2017 Rosenbauer, 3/16" FX 1500 GPM Pumper with a Commander Custom Chassis

Asset: A5546
VIN #: 54F2CA709JWM12060

City Tag: 20070
Asset: A5547
VIN#: 54F2CA700JWM12061

Description: One (1) 2016 Rosenbauer, 100' EXT Tractor Drawn Aerial with a Commander 400 Custom Chassis

Asset: A5548
VIN #: 54F2EC60XJWM12057