

PARKING SPACE LEASE AGREEMENT
(Parking Lot Located at 73-710 Fred Waring Drive)

This PARKING SPACE LEASE AGREEMENT (“Agreement”) is entered into as of December 11, 2025, between DIRECTOR OF THE DEPARTMENT OF GENERAL SERVICES OF THE STATE OF CALIFORNIA (the “State”) and CITY OF PALM DESERT, a California municipal corporation (“City”) (each individually a “Party” and collectively the “Parties”).

RECITALS

This Agreement is predicated upon the following facts, which the Parties agree are true and correct:

- A. City and State are parties to that certain Lease dated as of August 15, 2023 (Lease File No. 1934-005) (the “Existing Office Lease”), pursuant to which City leased to State certain office space located at 73-710 Fred Waring Drive, Suite 201, Palm Desert, California, together with certain parking spaces.
- B. City and State have agreed to an early termination of the Existing Office Lease.
- C. As a condition to the termination of the Existing Office Lease, City and State have agreed to enter into this Agreement with respect to the City owned parking lot located at 73-710 Fred Waring Drive, Palm Desert, California (“Parking Lot”).
- D. City and State desire for City to lease to State ten (10) parking spaces in the Parking Lot on the terms and conditions set forth in this Agreement.

AGREEMENT

NOW, THEREFORE, for good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the Parties agree as follows:

1. Lease of Parking Spaces. Beginning on January 1, 2026 (“Effective Date”), and continuing through September 30, 2031 (“Term”), City shall lease to State and State shall lease from City ten (10) spaces in the Parking Lot (collectively, “the Spaces,” and individually, each a “Space”) under the following terms:

1.1 *Location.* The location of the Spaces shall be as set forth and depicted on Exhibit A attached hereto and incorporated herein.

1.2 *Use.* State shall have the exclusive use of the Spaces during the Term, unless otherwise agreed upon by the Parties. The Spaces shall be used by the State solely for the purpose of providing vehicular parking for employees of the State or vehicular parking for vehicles owned by the State and used by the Department of Food and Agriculture.

1.3 *Rent.* During the Term, in consideration for the termination of the Existing Office Lease, State shall not be obligated to pay any rent for the Spaces.

1.4 *Signage.* Subject to the City's prior written approval, State may, at its own expense, post appropriate signs in the Spaces designating their exclusive use for State, and State's employees. City reserves the right to direct State to modify, relocate or remove those signs in its discretion.

1.5 *Laws, Rules and Regulations.* State shall ~~at~~ comply with all federal, state and local laws, rules, orders and regulations applicable to use of the Spaces and the Parking Lot, and shall be solely responsible for all consequences of failing to do so, including payment of any fine or penalties assessed.

1.6 *Repairs; Alignment.* The City shall be entitled to make changes in the alignment, location, size, extent or configuration of the Parking Lot as the City, in its reasonable discretion, shall deem desirable and in the interest of all persons using the Parking Lot, including, but not limited to, the addition, elimination, location and relocation of parking areas, driveways, entrances, exits, landscaped or prohibited areas and the determination of direction and flow of traffic, provided that no such change reduces the number of parking spaces available to the State. The City reserves the right to temporarily close the entire Parking Lot (or portions thereof) after giving reasonable notice to affected parties, for repairs and alterations, and in order to prevent a public dedication thereof or the accrual of prescriptive rights thereon.

2. Maintenance. City shall maintain, at the City's expense, the Spaces in the same manner as City maintains the remainder of the Parking Lot; City shall also be responsible for repairing and maintaining any gates used to control access specifically to the 10 spaces. State shall promptly notify City in writing In the event State becomes aware that any of the gates used to control access to the Spaces is in need of maintenance or repair.

3. Alterations. The State shall not, without the prior written consent of the City, which consent may be withheld in City's sole discretion, construct, alter, improve, or demolish any of the Spaces, the Parking Lot or any improvements located thereon.

4. Indemnification. State shall defend, indemnify and hold City, its elected officials, officers, employees, agents and volunteers free and harmless from and against any and all claims, demands, causes of action, costs (including, without limitation, litigation costs and attorneys' fees), expenses, loss, damage, injury or liability, in law or equity, to property or persons, including wrongful death, in any manner arising out of or in any way connected with State's lease of the Spaces from City pursuant to this Agreement, including claims made by third-parties using State's Spaces or the Parking Lot as a result of this Agreement. The provisions of this Section 4 shall survive the termination of this Agreement.

5. Assumption of Risk, Waiver, and City's Non-liability. To the maximum extent allowed by law, except for City's willful misconduct or sole, actively negligent acts, State assumes any and all risk of loss, damage or injury of any kind to any person or property that is on or about the Spaces or Parking Lot as a result of or in connection with this Agreement. State's assumption of risk shall include, without limitation, personal injury of State or State's guests or invitees, including wrongful death, and loss or damage to State's or State's guest or invitees' vehicles or personal property caused by any reason, including, without limitation, third-party vandalism or theft, any condition of the Spaces or Parking Lot, accident, fire or other casualty on or about the

Spaces or Parking Lot. To the maximum extent allowed by law, except for City's willful misconduct or City's sole, actively negligent acts, State hereby waives all claims and demands against City, its elected officials, officers, employees, agents and volunteers arising from or in any connection with any of the foregoing and any other occurrence on or about the Spaces or Parking Lot, and agrees to indemnify, defend and hold harmless City, its elected officials, officers, employees, agents and volunteers for the same pursuant to Section 4 of this Agreement.

6. Acceptance of Parking Spaces As-Is. State acknowledges that it is accepting the Spaces and Parking Lot in their AS-IS condition, as of the Effective Date. State acknowledges and agrees that City has made absolutely no representations, guarantees or warranties regarding the condition of the Spaces or Parking Lot, nor has City made representations, guarantees or warranties regarding whether the Spaces or Parking Lot and improvements thereon comply with applicable covenants and restrictions of record, building codes, ordinances or statutes in effect at the commencement of this Agreement.

7. Damage or Destruction of Parking Spaces or Parking Lot. If during the Term (or any Extension Term) of this Agreement, any portion of the Spaces or Parking Lot is damaged by fire or other catastrophic cause, so as to render such portion of the Spaces or Parking Lot untenable, the obligations under this Agreement may be suspended while such portion of the Spaces or Parking Lot remains untenable. In the event of such damage, State shall give City notice of such untenable condition and City shall elect in its sole discretion, whether to repair the Spaces or Parking Lot or to cancel this Agreement with respect thereto. City shall notify State in writing of its election within thirty (30) days after service of notice by State. In the event that City elects not to repair the Spaces or Parking Lot or portion thereof, this Agreement shall be deemed cancelled as of the date the damage occurred with respect to the untenable portion(s) of the Spaces or Parking Lot. If this Agreement is cancelled pursuant to this section, City shall not be liable to State for any reason or under any theory and State shall not be entitled to recover damages of any kind or nature from City. Additionally, if during the Term, any portion of the Spaces or Parking Lot is damaged by fire or other catastrophic cause, so as to render such portion of the Spaces or Parking Lot untenable, then State can elect in writing to cancel this Agreement with respect to the untenable portion(s) of the Spaces or Parking Lot by providing written notice of its election to City within thirty (30) days of the damage.

8. Termination.

8.1 *Return Of Premises.* State agrees that it will, upon any termination of this Agreement, return the Spaces in as good condition and repair as the Spaces now are or shall hereafter be put.

8.2 *Holding Over.* In the event State shall hold over and continue to occupy the Spaces with the consent of City, expressed or implied, the tenancy shall be deemed to be a tenancy from month-to-month upon the same terms and conditions, including rent, as existed and prevailed at the time of the expiration of the Term (or the Extension Term, as applicable) of this Agreement (except for rent which shall be as applicable to the Extension Period).

9. Miscellaneous Terms.

9.1 *Notices.* All notices or other communications required or permitted between the Parties under this Agreement shall be in writing, and may be (i) personally delivered, (ii) sent by

United States registered or certified mail, postage prepaid, return receipt requested, (iii) sent by telecopier, or (iv) sent by nationally recognized overnight courier service (e.g., Federal Express), addressed to the Parties at the addresses provided in this Section 9.1, subject to the right of either Party to designate a different address for itself by notice similarly given. Any notice so given by registered or certified United States mail shall be deemed to have been given on the second (2nd) business day after the same is deposited in the United States mail. Any notice not so given by registered or certified mail, such as notices delivered by telecopier or courier service (e.g., Federal Express), shall be deemed given upon delivery confirmation by the telecopier or courier service.

<u>To City:</u>	<u>To State:</u>
City of Palm Desert	_____
73-510 Fred Waring Dr.	_____
Palm Desert, California 92260	_____
Attn: City Manager	

9.2 *Attorney's Fees.* If either Party commences an action against the other Party arising out of or in connection with this Agreement, the prevailing Party in such litigation shall be entitled to have and recover from the other Party reasonable attorneys' fees and all other costs of such action.

9.3 *Governing Law; Choice of Venue.* This Agreement shall be governed by and construed in accordance with the laws of the State of California. This Agreement shall be deemed to have been made in the City of Palm Desert, County of Riverside, California, regardless of the order of the signatures of the Parties. Any litigation or other legal proceedings that arise under or in connection with this Agreement shall be conducted in a federal or state court located within or for the County of Riverside, California.

9.4 *Amendments and Modification.* This Agreement may only be modified or amended by a written document signed by both Parties.

9.5 *Assignment.* State shall not assign any of its rights or obligations under this Agreement without the prior express written consent of City, which may be given or withheld in City's sole and absolute discretion.

9.6 *Successors and Assigns.* This Agreement shall be binding on and inure to the benefit of the Parties' successors and assigns.

9.7 *Waiver.* No waiver of any default under this Agreement shall constitute a waiver of any other default or breach, whether of the same or other covenant or condition. No waiver, benefit, privilege or service voluntarily given or performed by a Party shall give the other Party any contractual rights by custom, estoppel, or otherwise.

9.8 *No Third-Party Beneficiaries.* This Agreement is expressly declared to be for the sole benefit of the Parties hereto. No other person or entity not a signatory to this Agreement shall have any rights or causes of actions against any Party to this Agreement because of that Party's entry into this Agreement.

9.9 *Time of Essence.* Time of the essence in the performance of the Parties' obligations under this Agreement.

9.10 *Entire Agreement.* This Agreement represents the entire agreement between the Parties with respect to the subject matter herein, and supersedes all prior and contemporaneous communications, negotiations, understandings, promises, and agreements, whether oral or written.

9.11 *Counterparts.* This Agreement may be executed in counterparts, each of which shall be deemed to be an original, but, all of which, when taken together, shall constitute one and the same instrument.

9.12 *Authority to Execute.* Each Party warrants that the individuals who have signed this Agreement have the legal power, right, and authority to make this Agreement and bind each respective Party.

[Signatures on following page]

IN WITNESS WHEREOF, the parties have executed this Agreement on the day and year first written above.

CITY OF PALM DESERT,
a California municipal corporation

By: _____
Chris Escobedo, City Manager

Date: _____

ATTEST:

APPROVED AS TO LEGAL FORM:

By: _____
Anthony Mejia, MMC, City Clerk
LLP

By: _____
City Attorney, Best Best & Krieger

Date: _____

Date: _____

STATE OF CALIFORNIA

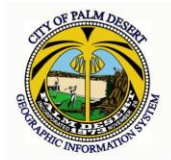
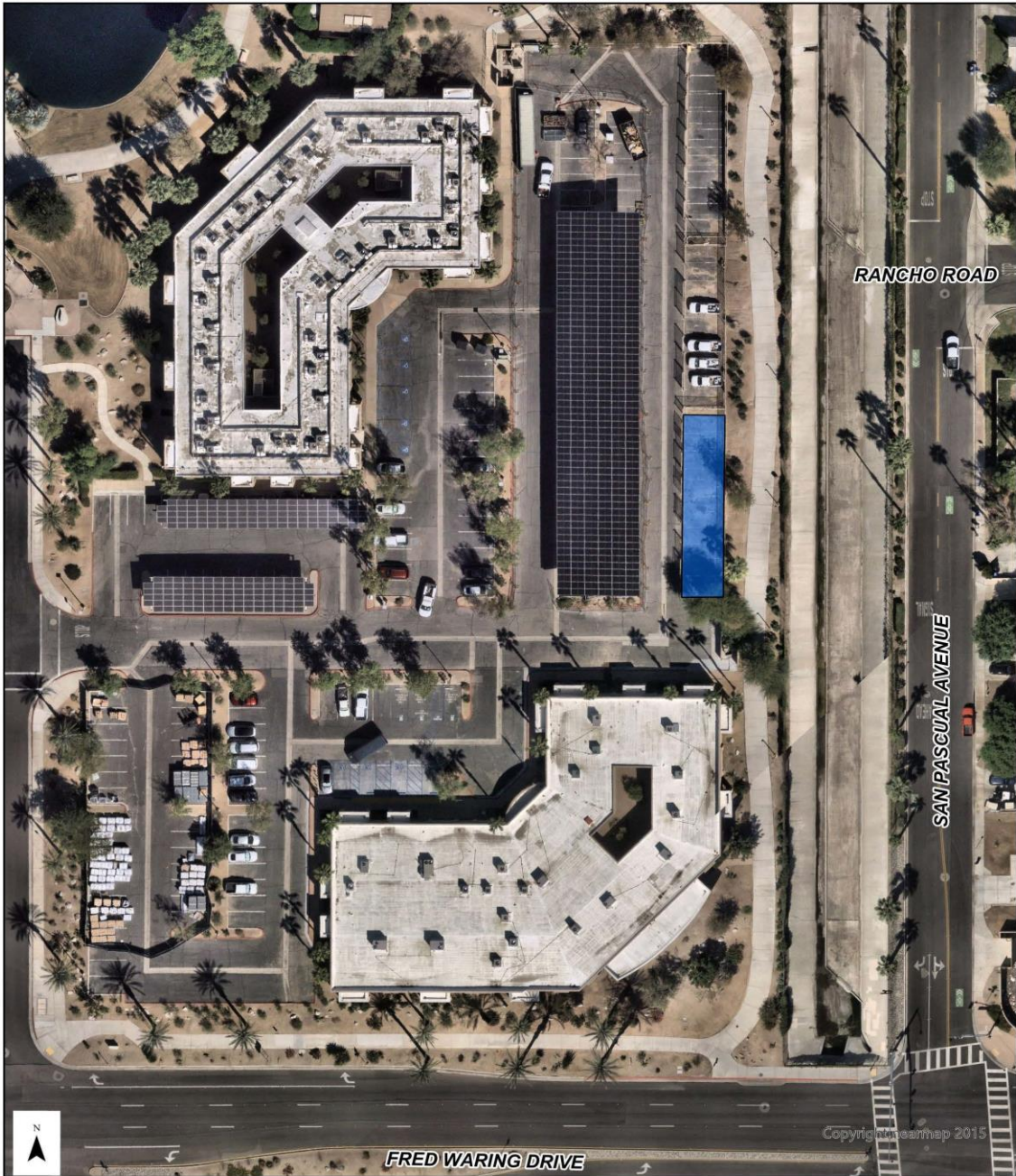
Approved:

DIRECTOR OF THE DEPARTMENT
OF GENERAL SERVICES

By: _____

EXHIBIT A

DEPICTION OF LOCATION OF PARKING SPACES



Reserved Parking Area

 10 Parking Spaces