

Received 12/13 from Nancy Lince

**LEASE BETWEEN THE CITY OF SACRAMENTO AND CBS OUTDOOR INC. FOR
THE OPERATION AND MAINTENANCE OF THREE OUTDOOR ADVERTISING
STRUCTURES ON
BUSINESS ROUTE 80**

This lease, executed in Sacramento, California, is made on December 1, 2006, between the City of Sacramento, a municipal corporation ("Lessor"), and CBS Outdoor, Inc. ("Lessee").

The parties hereto agree as follows:

1. **DESCRIPTION OF PREMISES:** Lessor leases to Lessee, and Lessee leases from Lessor, on the terms and conditions hereinafter set forth, those certain premises, improved with three two-sided advertising structures, situated in the City of Sacramento, County of Sacramento, State of California as described on Exhibit A ("Premises"), which is attached hereto and is by this reference incorporated herein.
2. **TERM:** The term of this lease shall be for a term of three (3) years commencing on January 1, 2007 ("commencement date"), and ending on December 31, 2009 ("termination date").
3. **RENT:**
 - A. Lessee shall prepay to Lessor, at the Revenue Division of the City of Sacramento, 915 "I" Street, 1st Floor, Sacramento, California 95814, the total rent contemplated for the three year term of this lease in the amount of \$1,125,000.00 (One million one hundred twenty-five thousand dollars) on or before the commencement date.
4. **USE:**
 - A. The Premises are leased to Lessee for the purpose of operating and maintaining the three existing outdoor advertising structures and such uses ordinarily incidental to such activity. Lessee shall not use, or permit the Premises, or any part thereof, to be used for any other purpose. Lessee agrees not to post any alcohol or tobacco-related advertising on any advertising structure on the Premises.
 - B. Lessee shall make a poster face on one of the advertising structures available to the Lessor at no cost for its use for the term of the lease. The poster face shall be selected by the Lessor. Production of the poster will be at Lessor's sole expense; provided, however, Lessee shall install the poster face at no cost to the Lessor.

- C. In the event the advertising structures becomes a hazard or public nuisance Lessor shall notify Lessee pursuant to and in accordance with the process defined in Section 17.
- D. Lessee shall make no alterations of the advertising structures without the express written consent of Lessor except for routine alterations necessary for the maintenance of the advertising structures and to change advertising copy.
- E. Lessor covenants and warrants not to erect, place, or construct any improvement, structure, advertising display, vegetation (including trees, shrubs or other vegetation), or any other object on the Premises, or appurtenant property owned or controlled by Lessor during the term of this lease, which would in any manner, partially or completely, obscure or obstruct the normal highway views of the advertising structures. Improvements, structures, and displays existing on the commencement date are expressly exempt from the limitations herein. If Lessor erects, places or constructs any improvement, structure, display, vegetation or any other object on the Premises or appurtenant property owned or controlled by the Lessor, Lessee has the right to (a) remove the obscuring or obstructing improvement, structure, advertising display or the object at Lessor's expense; and (b) to cut and/remove any obscuring or obstructing vegetation at Lessee's expense, in accordance with the process described in Section 17.
10. WASTE, NUISANCE, UNLAWFUL PURPOSE PROHIBITED: Lessee shall not commit, or suffer to be committed, any waste on the Premises, nor shall it maintain, commit, or permit the maintenance of any nuisance on the Premises or use the Premises for any unlawful purpose.
11. INSURANCE REQUIREMENTS. During the term of this lease, Lessee shall purchase at its sole cost and expense and maintain in full force the insurance coverage as described in Exhibit B, which is attached hereto and is by this reference incorporated herein.
12. ASSIGNMENT AND SUBLETTING: Lessee shall neither assign this lease nor sublet the Premises without first obtaining the written consent of Lessor to do so; provided, however, that Lessor shall not arbitrarily or unreasonably refuse to grant its consent to such assignment or subletting, and provided further that a consent to one assignment or subletting by Lessor shall not be deemed a consent to any subsequent assignment or subletting. Any assignment or subletting without the consent of the Lessor shall be void and shall, at the option of Lessor, terminate this lease.
13. COMPLIANCE WITH LAWS: Lessee shall, at Lessee's own cost and expense, comply with all statutes, ordinances, regulations and requirements of all

City of Sacramento
Facilities and Real Property Management
5730 24th Street, Building 4
Sacramento, CA 95822
Attention: Facilities Manager
(916) 808-8251

With a copy addressed to the following address:

Department of Parks and Recreation
City of Sacramento
915 I Street, 5th Floor
Sacramento, CA 95814
(916) 808-5200

C. Notices and demands delivered to Lessee by mail shall be addressed to it at the following address:

CBS Outdoor, Inc.
1745 Enterprise Boulevard
West Sacramento, CA 95691
(916) 372-8252

17. **PROCESS FOR CURE:** With respect to the observance or performance of any covenant or condition of this lease, Lessee shall not be deemed in default for failure to observe or perform the same unless such failure has continued for thirty (30) days after Lessee's receipt of written notice delivered in accordance with section 16, specifying the covenant or condition to be observed or performed and the nature of Lessee's default; provided, however, that if the nature of Lessee's default is such that more than thirty (30) days are reasonable required for its cure, then Lessee or Lessor shall not be deemed in default if it commences to cure such default within such thirty (30) day period and thereafter diligently prosecutes such cure to completion.

18. **TERMINATION:**

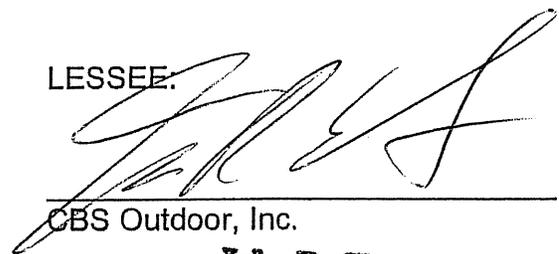
A. Lessor shall have the right to terminate this lease if Lessee defaults in the performance of any of the covenants, conditions, or agreements contained in this lease subject to and in accordance with the process defined in Section 17.

22. **GOVERNING LAW:** This lease shall be construed according to, and the rights of the parties shall be governed by, the law of the State of California.
23. **BINDING ON SUCCESSORS:** The covenants and conditions contained in this lease shall, subject to the provisions as to assignment, apply to and bind the heirs, successors, executors, administrators, and assigns of all parties hereto, and all of the parties hereto, shall be jointly and severally liable hereunder.
24. **ENTIRE AGREEMENT:**
- This lease, including all Exhibits, contains the entire agreement between the parties and supersedes whatever oral or written understanding they may have had prior to the execution of this lease. No alteration to the terms of this lease shall be valid unless approved in advance in a writing signed by Lessor and Lessee.
25. **SEVERABILITY:** If any of the provisions of this lease are found or deemed by a court of competent jurisdiction to be invalid or unenforceable, they shall be considered severable from the remainder of this lease, and shall not cause the invalidity or unenforceability of the remainder of this lease.
26. **AMENDMENT.** This lease may be amended only by a written agreement, signed by both parties.

LESSOR: CITY OF SACRAMENTO

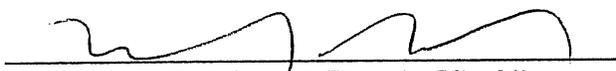
By: _____
Cassandra Jennings, Assistant City Manager
For: Ray Kerridge, City Manager

LESSEE:



CBS Outdoor, Inc.
John R. Clements
Executive Vice President

ORIGINAL APPROVED AS TO FORM:



Michael T. Sparks, Sr. Deputy City Attorney

EXHIBIT B INSURANCE REQUIREMENTS

During the term of this Lease Agreement, and until final completion and acceptance of any work required by this Agreement, Lessee shall maintain in full force and effect at its own cost and expense the following insurance coverage. By requiring the insurance herein, the CITY does not represent that the coverage and limits will necessarily be adequate to protect the LESSEE. It is understood and agreed by the LESSEE that the required insurance coverage and limits shall not be deemed as a limitation on LESSEE'S liability under the indemnities granted to the CITY in this Lease Agreement.

Insurance requirements are subject to review and revision every five (5) years to assure that policy terms, conditions and limits are maintained in accordance with current insurance industry standards for comparable premises and buildings.

A. Minimum Scope & Limits of Insurance Coverage

- (1) General Liability Insurance is required providing coverage at least as broad as ISO GL Form 00 01 on an occurrence basis for bodily injury including death of one or more persons, property damage and personal injury, with limits of not less than one million dollars (\$1,000,000). The policy shall include coverage for premises, operations, products and completed operations and contractual liability for the term of the policy. The policy shall include a fire legal liability limit of \$50,000 per occurrence.
- (2) Auto liability Insurance is required providing coverage at least as broad as ISO Form CA 00 01 on an occurrence basis for bodily injury of one or more persons, property damage and personal injury with limits no less than \$1,000,000 combined single limit. The policy shall provide coverage for owned, non-owned and/or hired autos as appropriate to the operations of the LESSEE.
- (3) Worker's Compensation Insurance is required with limits of not less than one million dollars (\$1,000,000).

D. Acceptability of Insurers

Insurance shall be placed with insurers with a Bests' rating of not less than A:V. Self insured retentions, policy terms or other variations that do not comply with the requirements of Section 11 must be declared to City's representative and approved by the City Risk Management Division.

E. Verification of Coverage

- (1) LESSEE shall furnish CITY with certificates and required endorsements evidencing the insurance required. The certificates and endorsements shall be forwarded to the CITY'S representative. Copies of policies shall be delivered to the CITY on demand. Certificates of insurance shall be signed by an authorized representative of the insurance carrier.
- (2) The CITY may withdraw its offer or cancel this Lease Agreement if the certificates of insurance and endorsements required have not been provided prior to execution of this Agreement. Failure to provide insurance certificates and endorsements and keep such certificates and endorsements current will be considered a material breach by LESSEE of this Lease Agreement.

F. Contractors

Lessee shall require and verify that all contractors and subcontractors maintain insurance coverage that meets the minimum scope and limits of insurance coverage specified in subsections A, C and D above with the exception of subsection A(4).