

**CONSENT TO ASSIGNMENT OF LEASE
And
CONDITIONAL AMENDMENT TO LEASE**

This consent to assignment of lease and conditional amendment to lease term ("Consent") is dated _____, 2011, and is between the COUNTY OF CONTRA COSTA, a political subdivision of the State of California ("Lessor") on the one hand, and LITHIA REAL ESTATE, INC., an Oregon corporation ("Assignor") and CROWN AUTOMOTIVE, INC., a California corporation ("Assignee") on the other.

Recitals

- A. Lessor owns real property located in the County of Contra Costa that consists of approximately 6.1 acres commonly known as 4901 Marsh Drive, Concord, California (the "Premises").
- B. The Premises are subject to a lease between Lessor and the Solano Way Partnership dated August 20, 1985, as subsequently amended (the "Lease"). Pursuant to an assignment agreement dated September 15, 1999, the Solano Way Partnership assigned its interest in the Lease to Assignor.
- C. Assignor desires to sell and assign to Assignee all of Assignor's right, title and interest in the Lease (the "Assignment"), and Assignee desires to acquire and accept the Assignment under the terms and conditions described in that certain Assignment and Assumption of Lease Agreement dated _____, 2011, between Assignor and Assignee, attached hereto as Exhibit A (the "Assignment Agreement").
- D. The Lease requires that Assignor obtain Lessor's written consent to the Assignment. The County is willing to grant its consent on the terms set forth herein, including the parties' agreement that upon the occurrence of certain events, (i) Assignee's possessory interest in the Premises will be terminated, (ii) Assignor will be responsible for compliance with the terms of the Lease, including the payment of current and past due rent, if any, and (ii) the Lease term will be modified.

The parties therefore agree as follows:

Agreement

1. Definitions

Capitalized terms not otherwise defined herein have the meaning ascribed to them in the Lease.

2. Consent

Lessor hereby consents to the Assignment, subject to the conditions set forth in Section 3 below. Lessor is consenting to the Assignment in reliance on the representations and warranties of Assignor and Assignee set forth below.

3. Breach by Assignee

If prior to the third anniversary of this Consent (the “Transition Period”), the Assignee fails to keep, observe, or perform any of its obligations under the Lease within the applicable periods provided in the Lease (a “Breach”) and no “permitted leasehold encumbrance” (as defined in the Lease) is outstanding, the County may elect to rescind its consent to the Assignment and terminate Assignee’s possessory interest in the Premises. Such election is a “Termination of Assignment.”

Upon receiving written notice from the County of a Termination of Assignment, Assignor shall do all of the following:

- i. Cure the Breach within ten calendar days; provided, however, that if the Breach cannot be cured within such ten day period, then Assignor will not be in breach of this Consent if Assignor has commenced a cure within such period and pursues the cure in good faith until completion.
- ii. Comply with all terms and conditions set forth in the Lease for a period that ends on the fifth anniversary of the first day the Assignment Agreement takes effect (the “Revised Lease Term”); provided, however, that the Assignor may elect to extend the Revised Lease Term through August 31, 2020 on all the terms, covenants, and conditions set forth in the Lease. Upon the occurrence of a Termination of Assignment and Assignor’s compliance with the terms of this Consent, all references to the term of the Lease set forth in the Lease will be deemed to mean the Revised Lease Term.

4. Lease Unchanged

The obligations of the Lessee under the Lease are unchanged. This Consent does not amend the Lease except as otherwise set forth in Section 3 of this Consent. If there is a contradiction between the Lease and this Consent, the terms of the Lease will prevail.

5. Governing Law

This Consent is governed by the laws of the State of California.

6. Representations and Warranties of Assignor and Assignee

Assignor and Assignee each represent and warrant that:

- A. Following the Assignment, the use of the Premises will be unchanged and will not be inconsistent with the use permitted under the Lease. The Assignment does not require alteration of the Premises.
- B. Assignee’s intended use of the Premises will not increase the hazardous substance liability to the Premises and will not otherwise adversely affect the Lessor’s interest in the Premises.

- C. Assignee has a good reputation in the business community in which it conducts its businesses and its business reputation and business credit history is consistent with other business conducted on the Premises.
- D. Assignee is capable of operating an automobile dealership as contemplated by the terms of the Lease and has business experience and management ability that is equal to or greater than that of Assignor.
- E. Assignee's financial condition is sufficient to support the obligations of Lessee under the Lease and any encumbrances secured by the Lease.
- F. The Assignment will not result in a reduction in the rent, or any other amounts, due under the Lease.
- G. Assignor and Assignee have the legal right and authority to enter into this Consent and each as received all necessary approvals to do so.

7. Notices

From and after the effective date of the Assignment, all notices given to Lessee under the Lease will be sent to the following address:

Patrick Costello
[Title]
108 Dana Highlands
Danville, California 94506

During the Transition Period, a copy of all such notices will be sent to Assignor at the following address:

[Insert]

[Remainder of Page Intentionally Left Blank]

8. No Construction Against Drafter

Each party to this Consent acknowledges that (i) each party is of equal bargaining strength, (ii) each party has actively participated in the drafting, preparation, and negotiation of this Consent, and (iii) any rule of construction to the effect that ambiguities are to be resolved against the drafting party does not apply to the interpretation of this Consent or any portion of it.

The parties are signing this Consent as of the date set forth in the introductory paragraph.

LESSOR

CONTRA COSTA COUNTY, a political
Subdivision of the State of California

By _____
Keith Freitas
Director of Airports

ASSIGNOR

Lithia Real Estate, Inc.
an Oregon corporation

By _____
Name
Title

By _____
Name
Title

RECOMMENDED FOR APPROVAL:

By _____
Karen Laws
Principal Real Property Agent

By _____
Beth Lee
Assistant Director of Airports

ASSIGNEE

Crown Automotive, Inc.,
a California corporation

By _____
Name
Title

By _____
Name
Title

APPROVED AS TO FORM:

By Sharon L. Anderson, County Counsel

By _____
Kathleen M. Andrus,
Deputy County Counsel

EXHIBIT A

ASSIGNMENT AND ASSUMPTION OF
LEASE AGREEMENT

[To Be Inserted]