

CITY OF SAN ANTONIO

ITEM NO. 21

DEPARTMENT OF ASSET MANAGEMENT
INTERDEPARTMENTAL CORRESPONDENCE SHEET

TO: Mayor and City Council

FROM: Rebecca Waldman, Director, Department of Asset Management

THROUGH: Terry M. Brechtel, City Manager

COPIES: Erik J. Walsh, Assistant to the City Manager; Shawn P. Eddy, Special Projects Manager, Property Disposition

DATE: Thursday, March 25, 2004

SUBJECT: S. P. No. 1077—Request for a License to Use Public Right of Way over an irregular portion of Old Thousand Oaks Drive adjacent to NCB 13732

PETITIONER: 99 Cents Only Stores Texas, Inc.
Attn: Jeff Gold, President
4000 Union Pacific Avenue
City of Commerce, CA 90023

SUMMARY AND RECOMMENDATIONS

This Ordinance will grant a license agreement to 99 Cents Only Stores Texas, Inc., a Delaware Corporation to use and maintain an irregular portion of Old Thousand Oaks Drive Public Right of Way located approximately 850 feet southeast of Jones Maltsberger Road for the sole purpose of landscaping adjacent to NCB 13732, in Council District No. 9, for a ten (10) year term and the consideration of \$5,000.00.

Staff recommends approval of this Ordinance.

BACKGROUND INFORMATION

Petitioner is requesting a license to use an irregular portion of Old Thousand Oaks Drive Public Right of Way located adjacent to NCB 13732 as shown on attached Exhibit "A." This property consists of approximately 0.23 acres (9,821.03 square feet) of land and petitioner would like to landscape and aesthetically improve the Right of Way. The petitioner plans to plat and develop his abutting property for commercial use.

POLICY ANALYSIS

This action is consistent with the City Code and Ordinances which require City Council approval for any private use of property owned or controlled by the City.

FISCAL IMPACT


The City will collect \$5,000.00 for this license to use Public Right of Way.

COORDINATION

In compliance with City procedures, this request has been canvassed through interested City departments, public utilities and applicable agencies. A Canvassing Checklist and an executed Letter of Agreement, by which the petitioner agrees with all conditions imposed through this canvassing, are attached for review.

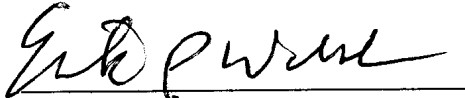
SUPPLEMENTARY COMMENTS

Executed Discretionary Contracts Disclosure Statement from petitioner(s) is attached.

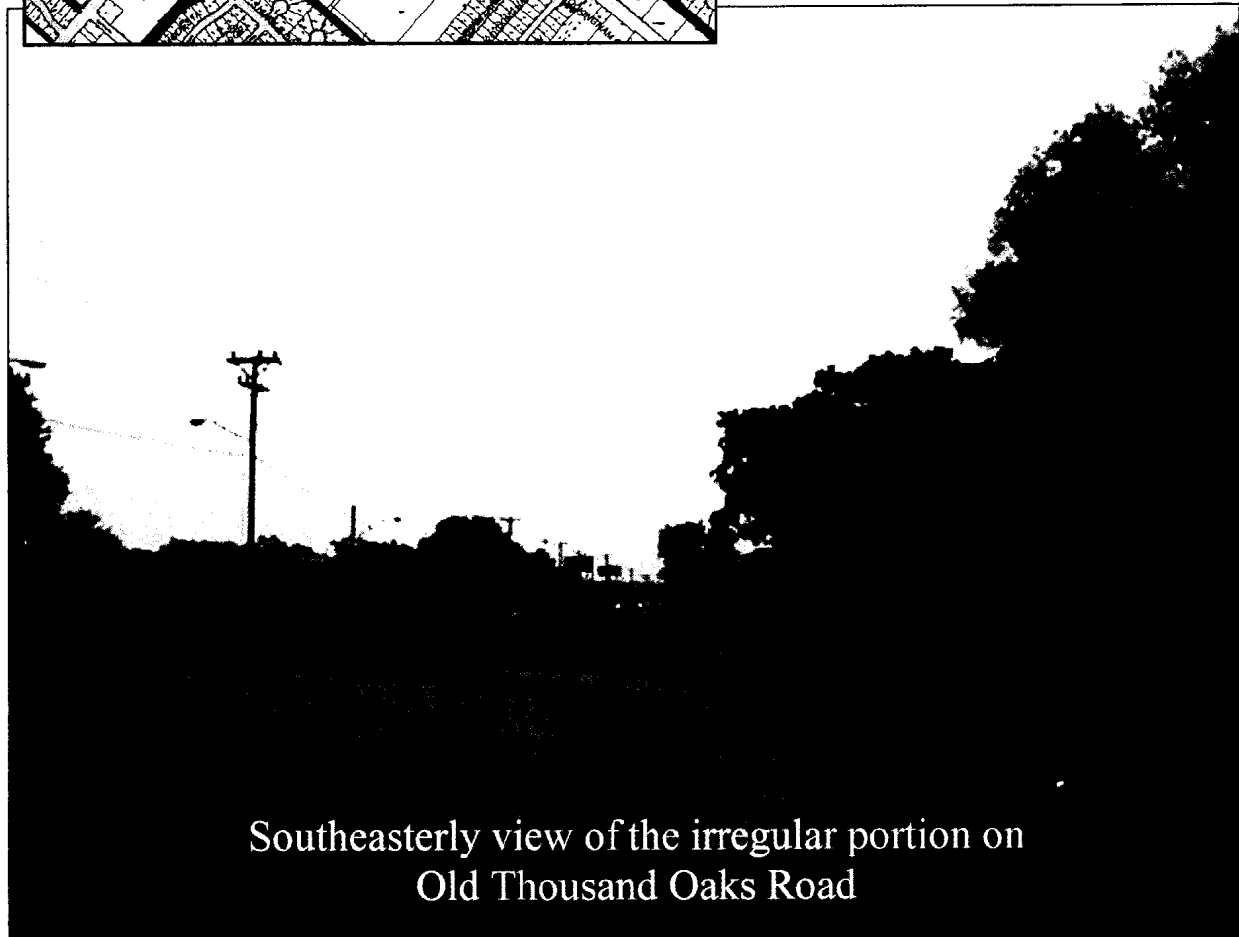
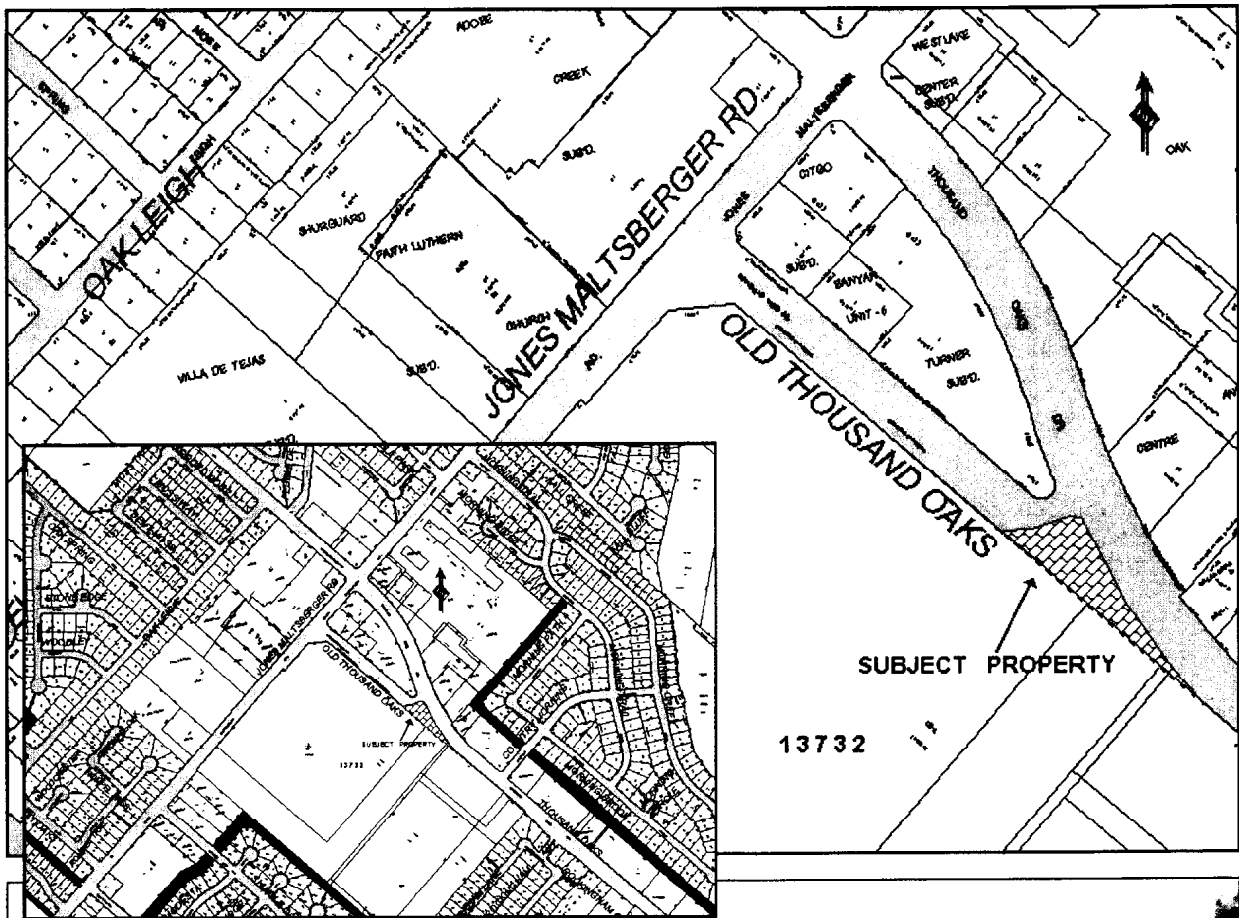


Rebecca Waldman, Director
Department of Asset Management

Approved:



Erik J. Walsh
Assistant to the City Manager



Southeasterly view of the irregular portion on
Old Thousand Oaks Road

Exhibit "A"

Canvassing Checklist

SPNo **1077**

Request: Petitioner is requesting a license to use an irregular portion of Old Thousand Oaks Drive Public Right of Way located adjacent to NCB 13732 as shown on attached Exhibit "A." This property consists of 0.23 acres (9,821.03 square feet) of land and petitioner would like to landscape and aesthetically improve the Right of Way. The petitioner plans to plat and develop his abutting property for commercial use.

	Included in Canvassing	Out Date	In Date	Uncond. Approval	Conditional Approval	Denial
Planning Department	<input checked="" type="checkbox"/>	9/24/2002	10/17/2002	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
PublicWorks	<input checked="" type="checkbox"/>	9/24/2002	11/1/2002	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Development Services	<input checked="" type="checkbox"/>	9/24/2002	10/10/2002	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Police Department	<input type="checkbox"/>			<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Fire Department	<input type="checkbox"/>			<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Parks and Recreation	<input type="checkbox"/>			<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Neighborhood Action (NAD)	<input type="checkbox"/>			<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
City Public Service	<input checked="" type="checkbox"/>	9/24/2002	11/7/2002	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
S.A. Water System (SAWS)	<input checked="" type="checkbox"/>	9/24/2002	10/29/2002	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
TXDOT	<input type="checkbox"/>			<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
S.A. River Authority (SARA)	<input type="checkbox"/>			<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
VIA Metropolitan	<input type="checkbox"/>			<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Environmental Services	<input type="checkbox"/>			<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Other Agency	<input type="checkbox"/>			<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Neighborhood Association	<input type="checkbox"/>			<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

Canvassing Comments

No Neighborhood Association applicable.



CITY OF SAN ANTONIO

DEPARTMENT OF ASSET MANAGEMENT

P.O. BOX 839966 SAN ANTONIO, TEXAS 78283-3966

TEL. 210-207-4032 FAX 210-207-7888

March 2, 2004

99 Cents Only Stores Texas, Inc.
a Delaware Corporation
Attn: Jeff Gold, President
4000 Union Pacific Avenue
Commerce, California 90023

Re: S. P. No. 1077—Request for a License to Use Public Right of Way over an irregular portion of Old Thousand Oaks Drive adjacent to NCB 13732

Dear Mr. Gold:

With reference to the captioned project, please be advised that the City of San Antonio has now completed the canvassing process and will recommend approval of your request subject to the following conditions:

DEPARTMENT OF ASSET MANAGEMENT:

Approved provided that use of the subject irregular portion of Old Thousand Oaks Drive Public Right of Way is limited to landscaping only.

Also, the fee established for this license agreement is \$5,000.00 for a 10-year term. The license fee will be due and payable to the City of San Antonio prior to City Council consideration. If for some reason the license is not approved by City Council, the fee will be returned to the petitioner. Also, a Certificate of Insurance must be provided and the City of San Antonio must be formally released from any and all liabilities, which may be incurred in connection with this request.

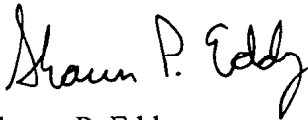
Further, a fully completed and signed Discretionary Contracts Disclosure Statement is required and enclosed for your convenience.

If you concur with the above mentioned conditions, including the payment of the fee established for this encroachment, please countersign this letter in the space provided below and return to the undersigned. *Upon receipt of this signed Letter of Agreement, the License Agreement, the Discretionary Contracts Disclosure form, the Certificate of Insurance and the payment, we will continue processing your request.*

A handwritten signature in dark ink, appearing to be "J. Gold", located in the bottom right corner of the page.

This Letter of Agreement is being offered by the City of San Antonio only to the above named petitioner and will expire thirty (30) days after the date of issuance unless a specific extension is requested by the petitioner and granted by the City.

Sincerely,

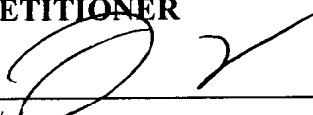


Shawn P. Eddy
Special Projects Manager
Property Disposition Division

SPE/ma

AGREED AS TO TERMS AND CONDITIONS:

PETITIONER

	
By	JEFF GOLD / President
99 CENTS ONLY STORES TEXAS, INC	Title
Print Name	Date 3/10/04



City of San Antonio
Discretionary Contracts Disclosure*

*For use of this form, see City of San Antonio Ethics Code, Part D, Sections 1&2
Attach additional sheets if space provided is not sufficient.
State "Not Applicable" for questions that do not apply.*

** This form is required to be supplemented in the event there is any change in the information under (1), (2), or (3) below, before the discretionary contract is the subject of council action, and no later than five (5) business days after any change about which information is required to be filed.*

Disclosure of Parties, Owners, and Closely Related Persons

For the purpose of assisting the City in the enforcement of provisions contained in the City Charter and the Code of Ethics, an individual or business entity seeking a discretionary contract from the City is required to disclose in connection with a proposal for a discretionary contract:

(1) the identity of any **individual** who would be a party to the discretionary contract:

None

(2) the identity of any **business entity**¹ that would be a party to the discretionary contract:

99 Cents Only Stores Texas, Inc.

and the name of:

(A) any individual or business entity that would be a **subcontractor** on the discretionary contract;

None

and the name of:

(B) any individual or business entity that is known to be a **partner**, or a **parent** or **subsidiary** business entity, of any individual or business entity who would be a party to the discretionary contract;

99¢ Only Stores and 99 Cents Only Stores

¹ A business entity means a sole proprietorship, partnership, firm, corporation, holding company, joint-stock company, receivership, trust, unincorporated association, or any other entity recognized by law.

- (3) the identity of any *lobbyist* or *public relations firm* employed for purposes relating to the discretionary contract being sought by any individual or business entity who would be a party to the discretionary contract.

None

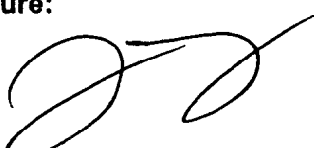
Political Contributions

Any individual or business entity seeking a discretionary contract from the city must disclose in connection with a proposal for a discretionary contract all political contributions totaling one hundred dollars (\$100) or more within the past twenty-four (24) months made directly or indirectly to any *current* or *former member* of City Council, any *candidate* for City Council, or to any *political action committee* that contributes to City Council elections, by any individual or business entity whose identity must be disclosed under (1), (2) or (3) above. Indirect contributions by an individual include, but are not limited to, contributions made by the individual's spouse, whether statutory or common-law. Indirect contributions by an entity include, but are not limited to, contributions made through the officers, owners, attorneys, or registered lobbyists of the entity.

To Whom Made:	Amount:	Date of Contribution:
None	N/A	N/A

Disclosures in Proposals

Any individual or business entity seeking a discretionary contract with the city shall disclose any known facts which, reasonably understood, raise a question² as to whether any city official or employee would violate Section 1 of Part B, Improper Economic Benefit, by participating in official action relating to the discretionary contract.

None		
Signature: 	Title: President Company: 99 Cents Only Stores Texas, Inc.	Date: 3/10/04

² For purposes of this rule, facts are "reasonably understood" to "raise a question" about the appropriateness of official action if a disinterested person would conclude that the facts, if true, require recusal or require careful consideration of whether or not recusal is required.

LICENSE AGREEMENT

This License Agreement (referred to herein as "Agreement" or "License") is entered into by and between the **CITY OF SAN ANTONIO**, a Texas Municipal Corporation, as "**LICENSOR**", hereinafter referred to as "**CITY**", acting by and through its City Manager, or the designee, pursuant to Ordinance No. _____ dated _____, 2004, and **99 CENTS ONLY STORES TEXAS, INC.**, a Delaware Corporation, as "**LICENSEE**."

I. PREMISES/ USE

1.1 CITY License. For and in consideration of the observance of the terms and conditions set forth herein, **CITY** grants to **LICENSEE**, a license (the "License") to use and maintain an irregular portion of Old Thousand Oaks Drive Public Right of Way located approximately 850 feet southeast of Jones Maltsberger Road, adjacent to NCB 13732, San Antonio, Bexar County, Texas, for the sole purpose of landscaping at the location shown and more specifically described in **EXHIBIT "A"** attached hereto and incorporated herein for all purposes. The described area is hereinafter referred to as the "Licensed Premises" or "Premises."

II. RESTRICTIONS ON USE/RECORDING

2.1 This License does not grant to **LICENSEE** the authority to use any area beyond the Licensed Premises.

2.2 CITY's Superior Interest. **LICENSEE** acknowledges that this License is in the nature of a privilege to use the Premises, and, therefore, is revocable by **CITY**, and the **CITY** does not purport to convey any real property interest in any of the property over, under or upon the Premises. **CITY** reserves the right to enter upon the Licensed Premises at any time for asserting its superior real property interests or for emergency purposes.

2.3 Recording. A **MEMORANDUM OF LICENSE AGREEMENT**, incorporated herein as **EXHIBIT "B"**, shall be recorded by **CITY** in the Official Public Records of Real Property of Bexar County, Texas. **LICENSEE** shall be responsible for any recording fees assessed by Bexar County.

III. TERM

3.1 Term. The License granted hereby shall be for a term of ten (10) years ("License Term" or "Term" herein), beginning on the Effective Date of this Agreement, unless terminated by **CITY** or **LICENSEE** pursuant to the terms hereof.

IV. LICENSE FEE

4.1 License Fee. **LICENSEE** agrees to pay to **CITY** a one-time, lump-sum "License Fee" of Five Thousand Dollars (\$5,000.00), payable on or before the Effective Date of this License.

4.2 Place of Payment. The License Fee shall be paid at the office of the Department of Asset Management, 114 W. Commerce St., 2nd Floor (c/o Property Disposition Manager), San Antonio, Texas 78205 to be deposited into the appropriate Index Code.

V. CONSTRUCTION, MAINTENANCE AND OPERATIONS

5.1 Costs. LICENSEE shall be solely responsible for all costs of construction, installation, repairs, maintenance, alterations, additions, improvements, adjustments, relocation, replacement, renovations, remodeling, rehabilitation, restoration, reconstruction, use and operation of any property placed in the Premises (hereafter "LICENSEE's Work"). Such property is also referred to herein as "facilities" and "improvements and betterments."

5.2 No Liability. CITY assumes no liability and no expense by reason of its grant of this License or its exercise by LICENSEE, and CITY shall not be liable for any damages caused to the Premises by reason of the construction performed previously or in the future or any maintenance or operation activities authorized or permitted by CITY in or on the Licensed Premises.

5.3 Relocation. If it should become necessary that any relocation, maintenance, or adjustment be made in LICENSEE's improvements hereunder by reason of the exercise of CITY's rights, powers and/or duties, then such relocation, maintenance or adjustments shall be done at LICENSEE's sole cost and expense.

5.4 Maintenance. LICENSEE, at its sole cost and expense, agrees to maintain, as necessary, the facilities constructed and installed by LICENSEE, adhering to all applicable safety standards, including those imposed by State laws, Federal laws, CITY ordinances and Bexar County ordinances.

5.5 Not Binding. LICENSEE covenants that LICENSEE shall not bind, nor shall LICENSEE's contractors or subcontractors bind, or attempt to bind, CITY for payment of any money in connection with any of LICENSEE's Work in, on or about the Premises, whether authorized or unauthorized hereunder.

5.6 Contractors and Subcontractors. LICENSEE hereby agrees to promptly pay all persons supplying labor, services and materials in the performance of any and all current work and future LICENSEE's Work. LICENSEE WILL REQUIRE LICENSEE'S CONTRACTORS AND SUBCONTRACTORS TO FULLY INDEMNIFY AND HOLD HARMLESS CITY AND THE ELECTED OFFICIALS, EMPLOYEES, AGENTS, OFFICERS, DIRECTORS, CONSULTANTS, SUBCONSULTANTS, CONTRACTORS, SUBCONTRACTORS, VOLUNTEERS, REPRESENTATIVES, SERVICE PROVIDERS, UTILITY PROVIDERS, OTHER LICENSEES, AND INVITEES OF CITY, INDIVIDUALLY OR COLLECTIVELY, FROM AND AGAINST ANY AND ALL CLAIMS, AFFIDAVITS, LIENS, SUITS, OR ACTIONS ASSERTED BY ANY PERSON, FIRM OR CORPORATION ON ACCOUNT OF LABOR, MATERIAL OR SERVICES FURNISHED TO LICENSEE OR TO SAID CONTRACTORS OR SUBCONTRACTORS DURING THE PERFORMANCE OF ANY LICENSEE'S WORK AND AGAINST ANY CLAIM FOR INJURY OR DEATH TO PERSONS OR DAMAGE TO ANY PROPERTY.

5.7 Signs. LICENSEE will have LICENSEE's contractors and subcontractors agree to install all signs, including location, direction and warning signs, as required by applicable CITY and Bexar County ordinances, as well as, state and federal laws. Installation is included in the definition of "LICENSEE's Work."

VI. SPECIFIC CONDITIONS

6.1 Letter of Conditions. Pursuant to CITY's canvass of interested CITY departments and/or utility agencies, LICENSEE has agreed to the conditions described in the "LETTER OF AGREEMENT" in EXHIBIT "C", a copy of which is attached hereto and incorporated herein for all purposes.

VII. INDEMNITY

7.1 LICENSEE covenants and agrees to FULLY INDEMNIFY and HOLD HARMLESS, CITY and the elected officials, employees, agents, officers, directors, consultants, subconsultants, contractors, subcontractors, volunteers, representatives, service providers, utility providers, other licensees, and invitees of CITY, individually or collectively, from and against any and all costs, claims, liens, damages, losses, expenses, fees, fines, penalties, proceedings, actions, demands, causes of action, liability and suits of any kind and nature, including but not limited to, personal injury or death and property damage, made upon CITY, directly or indirectly arising out of, resulting from or related to LICENSEE's activities, including LICENSEE's Work, or CITY's activities, the activities of the elected officials, employees, agents, officers, directors, consultants, subconsultants, contractors, subcontractors, volunteers, representatives, service providers, utility providers, other licensees, and invitees of CITY, or any other party's activities under this LICENSE, including any acts or omissions of LICENSEE, and any respective agent, officer, director, representative, employee, consultant, subconsultant, contractor, subcontractor, sublicensee, assignee, invitee, volunteer or service provider of LICENSEE, and their respective officers, agents, employees, directors and representatives while in the exercise or performance of the rights or duties under this LICENSE, all without, however, waiving any governmental immunity available to CITY under Texas Law and without waiving any defenses of the parties under Texas Law. IT IS FURTHER COVENANTED AND AGREED THAT SUCH INDEMNITY SHALL APPLY EVEN WHERE SUCH COSTS, CLAIMS, LIENS, DAMAGES, LOSSES, ACTION, LIABILITY AND/OR SUITS ARISE IN ANY PART FROM THE NEGLIGENCE OF CITY, THE ELECTED OFFICIALS, EMPLOYEES, AGENTS, OFFICERS, DIRECTORS, CONSULTANTS, SUBCONSULTANTS, CONTRACTORS, SUBCONTRACTORS, VOLUNTEERS, REPRESENTATIVES, SERVICE PROVIDERS, UTILITY PROVIDERS, OTHER LICENSEES, AND INVITEES OF CITY, UNDER THIS AGREEMENT. The provisions of this indemnification are solely for the benefit of the parties hereto and are not intended to create or grant any rights, contractual or otherwise, to any other person or entity. LICENSEE shall promptly advise CITY in writing of any claim or demand against CITY or LICENSEE known to LICENSEE related to or arising out of LICENSEE's activities or CITY's activities or any other party's activities under this LICENSE and shall see to the investigation and defense of such claim or demand at LICENSEE's cost. CITY shall have

the right, at its option and at its own expense, to participate in such defense without relieving LICENSEE of any of its obligations under this ARTICLE. Notwithstanding any condition imposed by a policy of insurance to which LICENSEE and CITY are named, City shall retain the right, at its option and at its own expense, to participate in any such defense provided by LICENSEE or LICENSEE's agent under this ARTICLE.

7.2 It is the EXPRESS INTENT of the parties to this LICENSE, that the INDEMNITY provided for in this ARTICLE is an INDEMNITY extended by LICENSEE to INDEMNIFY, PROTECT and HOLD HARMLESS CITY from the consequences of CITY'S OWN NEGLIGENCE, provided however, that the INDEMNITY provided for in this ARTICLE SHALL APPLY only when the NEGLIGENT ACT of CITY is a CONTRIBUTORY CAUSE of the resultant injury, death or damage, and shall have no application when the negligent act of CITY is the sole cause of the resultant injury, death or damage. LICENSEE further AGREES TO DEFEND, AT ITS OWN EXPENSE, and ON BEHALF OF CITY AND IN THE NAME OF CITY, any claim or litigation brought against CITY and its elected officials, employees, agents, officers, directors, consultants, subconsultants, contractors, subcontractors, volunteers, representatives, service providers, utility providers, other licensees, and invitees in connection with any such injury, death, or damage for which this INDEMNITY shall apply, as set forth above.

VIII. INSURANCE

8.1 Without limiting CITY's rights to indemnification, LICENSEE shall provide and maintain insurance, at its own expense, with companies admitted to do business in the State of Texas and with a rating of A- or better by A. M. Best and Company or provide evidence of self-insurance, in the following types and amounts for the term of this Agreement, including periods of LICENSEE's Work:

<u>TYPE</u>	<u>AMOUNT</u>
1. Worker's Compensation during the performance of LICENSEE's Work or an approved alternate plan at other periods during the License Term hereof.	Statutory, with a waiver of subrogation in favor of CITY
2. Employers' Liability during LICENSEE's Work or an approved alternate plan at other Periods during the License Term hereof.	\$500,000 per category, with a waiver of subrogation in favor of CITY.
3. Commercial General (Public) Liability - to include coverage for the following where the exposure exists:	For Bodily Injury and Property Damage: \$1,000,000 per Occurrence
(a) Premises/Operations	\$2,000,000 general aggregate or its equivalent in Umbrella or Excess Liability coverage.
(b) Independent Contractors	

<u>TYPE</u>	<u>AMOUNT</u>
3. Commercial General (Public) Liability - (continued)	
(c) Products/Completed	
(d) Personal Injury Liability	
(e) Contractual Liability	
(f) Explosion, Collapse and Underground Property	
(g) Broad Form Property Damage	
4. Property Insurance -- for physical damage to the property of LICENSEE including improvements and betterments to the Premises.	Coverage for a minimum of 80% of the actual cash value of the improvements.

Any alternate plan for Workers' Compensation and Employer's Liability must be approved in advance by **CITY's** Risk Manager. Alternate plans will not be allowed or accepted during any periods of **LICENSEE's** Work in, on, or about the Premises, whether authorized or unauthorized hereunder.

8.2 CITY's Risk Manager is hereby authorized to reasonably modify the requirements set forth above in the event he determines that such modification is in the **CITY's** best interest.

8.3 LICENSEE further agrees that, with respect to the above required insurance, each insurance policy required by this Agreement shall contain the following clauses:

"It is agreed that any insurance or self-insurance provided by **LICENSEE** shall not be canceled, limited in scope or coverage, or non-renewed until after thirty (30) days' prior written notice has been given to:

- (a) City Clerk, City of San Antonio
City Hall/Military Plaza
P.O. Box 839966/2nd Floor, City Hall
San Antonio, Texas 78283-3966
Attention: Risk Manager

AND

- (b) Department of Asset Management
City of San Antonio
P.O. Box 839966
San Antonio, Texas 78283-3966
Attention: Property Disposition Manager"

"It is agreed that any insurance or self-insurance provided by **LICENSEE** is primary to any insurance or self-insurance maintained by the **CITY OF SAN ANTONIO**."

"It is agreed that any insurance or self-insurance maintained by the **CITY OF SAN ANTONIO** shall apply in excess of, or not contribute with, insurance provided by this policy."

8.4 Each insurance policy required by this Agreement, excepting policies for Workers' Compensation, Employer's Liability and Professional Liability, shall contain the following clause:

"The **CITY OF SAN ANTONIO**, its elected officials, employees, agents, officers, directors, consultants, subconsultants, contractors, subcontractors, volunteers, representatives, service providers, utility providers, other licensees, and invitees are added as additional insureds as respects operations and activities for, or on behalf of, the named insured performed under a License with the City of San Antonio."

8.5 In those cases where **LICENSEE** makes the initial construction of improvements or any subsequent **LICENSEE's** Work, as provided herein, **LICENSEE** shall further procure, or have its contractors and subcontractors procure, and maintain in full force and effect during the term of such contract for **LICENSEE's** Work and until all Work is accepted by **CITY**, (1) builder's risk insurance for the replacement cost of the improvements being constructed; (2) commercial general (public) liability insurance adequate to fully protect **CITY** and **LICENSEE** from and against any and all liability for death of, or injury to, persons, or damage to property, caused in or about, or by reason of, **LICENSEE's** Work; (3) workers' compensation and employer's liability insurance; (4) professional liability insurance for architects and engineers; and (5) any other liability or other insurance coverage in the amounts and types of coverage approved by **CITY's** Risk Manager, covering all risks of physical loss during the term of any contract for such **LICENSEE's** Work and until said Work is accepted by **CITY**. Also payment and performance bonds naming **CITY** as additional indemnitee shall be provided by **LICENSEE** or its contractors or subcontractors. Should the size and scope of a contract for such **LICENSEE's** Work be limited in nature, **LICENSEE** may request, in writing to **CITY's** Director of the Department of Asset Management, a waiver of the requirements in this **ARTICLE**; however, a waiver may only be granted by **CITY's** Risk Manager. In any event, **CITY's** Risk Manager's decision shall be final.

8.6 Further **LICENSEE** agrees to provide to **CITY**, within thirty (30) days after the Effective Date of this Agreement, endorsements to the above-required policies, which add to these policies the applicable clauses referenced above in **SECTIONS 8.3 and 8.4**. Such endorsements shall be signed by an authorized representative of the insurance company and shall include the signator's company affiliation and title. Should it be deemed necessary by **CITY**, it shall be **LICENSEE's** responsibility to see that **CITY** receives documentation acceptable to **CITY** which confirms that the individual signing said endorsements is authorized by the insurance company to do so.

8.7 Said Notices and Certificates of Insurance shall be provided to:

- (a) City Clerk, City of San Antonio
P.O. Box 839966/2nd Floor, City Hall
San Antonio, Texas 78283-3966
Attn: Risk Manager

AND

- (b) Department of Asset Management
City of San Antonio
P.O. Box 839966
San Antonio, Texas 78283-3966
Attn: Property Disposition Manager

8.8 Nothing herein contained shall be construed as limiting in any way the extent to which **LICENSEE** may be held responsible for the payment of damages to persons or property resulting from **LICENSEE's** activities or the activities of **LICENSEE's** agents, officers, directors, representatives, employees, consultants, subconsultants, contractors, subcontractors, sublicensees, assignees, invitees, volunteers, or service providers under this Agreement.

8.9 **CITY**, or its elected officials, employees, agents, officers, directors, consultants, subconsultants, contractors, subcontractors, volunteers, representatives, service providers, utility providers, other licensees, or invitees (collectively "other parties") shall not be liable, and **LICENSEE** waives all claims for any damage to persons or property sustained by **LICENSEE** or any person claiming through **LICENSEE**, which may occur on the Premises, or for the loss of or damage to any property of **LICENSEE** or of others by theft or otherwise, whether caused by other persons on the Premises or by occupants of adjacent property or the public or **LICENSEE's** agents, officers, directors, representatives, employees, consultants, subconsultants, contractors, subcontractors, sublicensees, assignees, invitees, volunteers or service providers. **LICENSEE** shall save and hold harmless **CITY** and other parties, except for **CITY's** sole active negligence or such other parties' sole active negligence, from any and all claims arising out of damage to **LICENSEE's** property, including subrogation claims by **LICENSEE's** insurers.

8.10 Any and all agents, officers, directors, representatives, employees, consultants, subconsultants, contractors, subcontractors, sublicensees, assignees, invitees, volunteers or service providers of **LICENSEE** or any other party providing services on behalf of **LICENSEE** while engaged in the performance of any work required by **CITY** or **LICENSEE** related to the Premises shall be considered agents, officers, directors, representatives, employees, consultants, subconsultants, contractors, subcontractors, sublicensees, assignees, invitees, volunteers or service providers of **LICENSEE** only, and not of **CITY** unless otherwise required by law. Any and all claims that may result from any obligation for which **LICENSEE** may be held liable under any Workers' Compensation, Unemployment Compensation or Disability Benefits law or under any similar law on behalf of said agents, officers, directors, representatives, employees, consultants, subconsultants, contractors, subcontractors, sublicensees, assignees, invitees, volunteers or service providers shall be the sole obligation and responsibility of **LICENSEE**.

LICENSEE shall also secure Releases of Liability from said parties and provide copies thereof to **CITY**.

8.11 CITY reserves the right to review and require reasonable changes in insurance coverage at any time during the Term hereof. In the event **LICENSEE** believes the requested change is unreasonable, **LICENSEE** shall have sixty (60) days from the date of the request to terminate this Agreement by filing a notice of termination and removing the improvements which, upon termination, will be encroaching within the Licensed Premises. Termination shall become effective thirty (30) days from the date of the Notice to Terminate. The provisions of **SECTION 9.2** shall apply upon such termination.

IX. TERMINATION

9.1 The parties agree that this Agreement may be terminated by **CITY** at any time prior to the expiration of the License Term by giving **LICENSEE** written notice of such intent to the address provided in **ARTICLE XI**. of this Agreement.

9.2 Upon expiration or termination of this Agreement, all rights and privileges herein granted shall immediately cease and terminate and **LICENSEE** shall immediately cease and terminate use of the Premises and yield up said Premises peacefully to **CITY**. **CITY**, at its option, upon consideration of the nature of the improvements, which, upon termination, will be encroaching within the former Licensed Premises, shall solely determine and direct **LICENSEE** to either (1) abandon said encroaching improvements, and appurtenance thereto, including lines and equipment; or (2) remove all or any part of said improvements and appurtenances thereto and restore the Licensed Premises, at the sole cost of **LICENSEE**, to its original or better condition existing prior to said removal, and subject to approval of **CITY** upon inspection. Any improvements or appurtenances not removed within ninety (90) days after the end of the License Term, or other termination set forth herein, shall be deemed abandoned by **LICENSEE** and become the property of **CITY** to dispose of at a public or private sale, without any notice and without any liability to **LICENSEE** whatsoever. **LICENSEE** shall be liable to **CITY** for any costs incurred by **CITY**, if **CITY** removes **LICENSEE**'s property.

X. ASSIGNMENT/SUBLICENSING

10.1 This Agreement is personal to **LICENSEE** and shall not be assigned or sublicensed by **LICENSEE**, other than to its parent or subsidiaries, without the prior written consent of **CITY**, as evidenced by passage of a future City of San Antonio Ordinance. In the event that **LICENSEE** assigns or sublicenses this Agreement to a parent or subsidiary, the **LICENSEE** shall provide **CITY** with thirty (30) days' prior written notice of such action to the address provided in **ARTICLE XIII**. of this Agreement. **LICENSEE** shall not lease or sublease the Premises.

XI. MISCELLANEOUS ("BOILER PLATE") PROVISIONS

11.1 The following provisions shall apply herein:

A. CITY/LICENSOR defined. Whenever the word, "CITY" or "LICENSOR" is used herein, it shall mean the CITY OF SAN ANTONIO, provided, however, that where the word, as used, denotes action authority, same shall mean the City Manager or designee so designated in writing, unless otherwise provided for herein.

B. LICENSEE defined. The word "LICENSEE" and the pronouns referring thereto shall mean, where the context so admits or requires, the person or persons or entity or entities named herein as "LICENSEE"; and if there is more than one LICENSEE, the covenants of LICENSEE shall be joint and several obligations of each of them, and if LICENSEE is a partnership, the covenants of LICENSEE shall be the joint and several obligations of each of the partners and the obligations of the firm. Any pronoun shall be read in the singular or plural number and in such gender as the context may require. LICENSEE is fully responsible, pecuniarily and in all other respects, for acts or omissions on LICENSEE's part that are not properly authorized pursuant to the provisions herein or otherwise in writing by CITY.

C. Relationship of Parties Limited. The Parties hereto agree that it is their intention hereby to create only the relationship of Licensor and Licensee, and no provision hereof, or act of either party hereunder, shall ever be construed as creating the relationship of principal and agent, or a partnership, or a joint venture of enterprise between the parties hereto.

D. Construction of Agreement/Applicable Law. **THIS AGREEMENT SHALL BE CONSTRUED UNDER AND IN ACCORDANCE WITH THE LAWS OF THE STATE OF TEXAS**, and all obligations of the parties created hereunder are performable in Bexar County, Texas. Further, the privileges granted hereunder shall be construed to be only those authorized by pertinent Texas Statutes and the City Charter, City Code, and City Ordinances of the City of San Antonio, Texas and Bexar County, Texas ordinances and not to include anything inconsistent with the rights of the public. The Parties hereto further agree that any court of proper jurisdiction sitting in San Antonio, Bexar County, Texas, shall be the proper forum for any actions brought hereunder.

E. Captions. The captions contained in this Agreement are for the purposes of easy reference and shall not be considered a part of this Agreement or in any way modify, amend, or affect the provisions hereof.

F. Nondiscrimination. LICENSEE covenants that LICENSEE, its agents, employees and anyone under LICENSEE's control will not discriminate against any individual or group on account of race, color, gender, age, religion, national origin, or handicap, in employment practices or in the use of the Premises, which said discrimination LICENSEE acknowledges is prohibited.

G. Wages. LICENSEE shall not, except as may otherwise be permitted by applicable laws and regulations, pay less than the minimum wages required by Federal and State statutes and CITY and Bexar County Ordinances to persons employed by LICENSEE in its operations under this Agreement.

H. Non-waiver. Neither the payment by **LICENSEE** nor acceptance of **LICENSEE**'s License Fee, or taxes or other fees or charges hereunder nor the performance of any obligation by **LICENSEE** shall be deemed to be a waiver by **CITY** of any rights hereunder after **LICENSEE** fails to cure a default. No consent, approval or waiver by **CITY**, whether express or implied to any act, or to any breach of any covenant, condition or duty of **LICENSEE** on any occasion shall be construed as a consent, approval or waiver to, (or of) any other act or any other breach of the same covenant, condition or duty on any other occasion, or to, (or of) any other act or any breach of any other covenant, condition or duty on the same occasion.

I. Notices. Any Notice hereunder to **CITY** or to **LICENSEE** shall be in writing and shall be deemed duly served if mailed by Certified Mail, Return Receipt Requested, addressed to the Party at the addresses set forth herein and shall be presumed received three (3) calendar days after mailed. Written notice may also be hand-delivered or transmitted by facsimile and in such instance immediately deemed received upon delivery or confirmation of transmission. Notices to **CITY** required or appropriate under this Agreement shall be addressed to:

City Clerk
City of San Antonio
P.O. Box 839966/2nd Floor, City Hall
San Antonio, Texas 78283-3966

with a copy to the Property Disposition Manager, Department of Asset Management at the same address or to such other address as may hereafter be designated in writing by City Manager of the City of San Antonio. Notices to **LICENSEE** shall be addressed to:

99 Cents Only Stores Texas, Inc.
a Delaware Corporation
Attn: Jeff Gold, President
4000 Union Pacific Avenue
Commerce, California 90023

or to such other address as may herein designated in writing by **LICENSEE**.

J. Quiet Enjoyment. If **LICENSEE** shall pay the License Fee, taxes, and other fees and charges as herein provided and observe and perform the other terms, covenants and conditions on **LICENSEE**'s part to be observed or performed, **CITY** agrees that **LICENSEE** shall peaceably and quietly have, hold and enjoy the Licensed Premises and **LICENSEE**'s other rights hereunder without hindrance or molestation by any person or persons lawfully claiming by, through or under **CITY**, subject however, to the terms of this Agreement, with the exception of special events, if subsequently held hereafter.

K. Binding Effect. All covenants, promises, conditions, representations, and agreements herein contained shall be binding upon, apply and inure to the parties hereto and their respective heirs, legal representatives, successors, and assigns; it being understood and agreed, however, that the provisions entitled "**ASSIGNMENT/SUBLICENSING**" are in no way impaired by this provision, unless otherwise provided for therein.

L. Release From Liability/Notice of Sale. In the event of any sale or exchange of the Premises by CITY, CITY shall be and is hereby entirely freed and relieved of all liability under any and all of its obligations contained in or derived from this Agreement arising out of any act, occurrence, or omission relating to the Premises or this Agreement occurring after the consummation of such sale or exchange provided the purchaser undertakes all of CITY's responsibilities hereunder. CITY agrees to notify LICENSEE in writing upon the closing of such sale or exchange and to secure the agreement of the purchaser to simultaneously notify LICENSEE of the name of the purchaser and place for future payment of any future License Fee, taxes and other charges, following the sale or exchange.

M. Subsequent Voluntary Transfer by CITY. Upon written request of CITY, or any purchaser or, as applicable, ground lessor, of the Premises from CITY, or a mortgagee, beneficiary or assignee of CITY, LICENSEE will, in writing: (1) subordinate its rights hereunder to the interest of any said purchaser, ground lessor, mortgagee, beneficiary or (collectively "assignee") of the land upon which the Premises are situated and to the lien of any mortgage or deed of trust, now or hereafter in force against the land, and, if applicable, Building of which the Premises are a part, and upon any building hereafter placed upon the land of which the Premises are a part and to all advances made or hereafter to be made upon the security thereof, (2) agree in writing to attorn to any assignee of CITY, and (3) if LICENSEE is not in default hereunder, also agrees to execute an Estoppel Certificate, if so requested and under the provisions hereof, in a form or substance reasonably acceptable to LICENSEE, provided in each instance that such assignee will agree not to disturb LICENSEE'S possession of the Licensed Premises, provided LICENSEE is not in default hereunder. "Ground Lessor" shall include CITY, if applicable. CITY and LICENSEE agree to execute any such legal instrument purporting to be a Subordination Non-Disturbance and Attornment Agreement and an Estoppel Certificate delivered by said assignee for execution by either CITY or LICENSEE or both parties, if acceptable and in accordance with the terms and conditions hereof. The Director of the City of San Antonio Department of Asset Management or her successor, as designee of the City Manager of the City of San Antonio, and upon review by the City Attorney, is authorized to execute said instrument, without the prior approval of the City of San Antonio City Council by passage of any future City ordinance.

N. Foreclosure. In the event any proceedings are brought for foreclosure, or in the event of the exercise of the power of sale under any mortgage or Deed of Trust made by CITY covering the Premises, LICENSEE shall agree to attorn to the purchaser upon any such sale and recognize such sale and such purchaser as CITY under this License provided that said purchaser recognizes LICENSEE's rights under this License and that such purchaser will agree not to disturb LICENSEE's possession of the Premises so long as LICENSEE is not in default hereunder at the time of such sale or subsequent thereto.

O. LICENSEE Financing. LICENSEE shall have the right from time to time to grant and assign a mortgage or other security interest in all of LICENSEE's personal property located within the Premises to its lenders in connection with LICENSEE's financing arrangements, and any lien of CITY against LICENSEE's personal property (whether by statute or under the terms of this Agreement) shall be subject and subordinate to such security interest. CITY shall execute such documents as LICENSEE's lenders may reasonably request in connection with any such financing, provided such documents accurately reflect the intent of this Agreement and do not

otherwise modify any rights, privileges, duties, obligations, cure periods, or terms and conditions of any nature whatsoever binding **LICENSEE** hereunder. The City Manager of the City of San Antonio or a designee, including the Director, Department of Asset Management, is authorized hereunder to execute such documents, without the necessity of approval evidenced by passage of a future City of San Antonio ordinance. However, if such documents do in fact seek to modify any rights, privileges, duties, obligations, cure periods, or terms and conditions of any nature whatsoever binding **LICENSEE** hereunder, then **CITY** must secure the approval for execution of such documents thereof through passage of a future City ordinance.

P. Lien For License Fee, Taxes, Fees And Other Charges. To the extent such property is not subject to a purchase money security interest, or other lien to finance purchase of fixtures, furnishings and equipment, then in consideration of the mutual benefits arising under this Agreement, **LICENSEE** does hereby mortgage, and grant a security interest under the Texas Business and Commerce Code, as amended from time to time, unto **CITY**, upon all property of **LICENSEE** now or hereafter placed on or upon the Premises (except such part of any property or merchandise as may be exchanged, replaced or sold from time to time in the ordinary course of operations or trade), and such property is hereby subjected to a lien and security interest in favor of **CITY** and shall be and remain subject to such a lien and security interest of **CITY** for payment of the License Fee, if unpaid or partially paid, all taxes, fees and other charges agreed to be paid by **LICENSEE** herein. At **CITY**'s request, **LICENSEE** shall execute and deliver to **CITY** a financing statement appropriate for use under said Code. Such lien and security interest shall be in addition to and cumulative of **CITY**'s liens provided by law.

Q. Multiple Originals. This Agreement may be executed in multiple originals, each of which shall be considered an original for all purposes.

R. Conflict Of Interest. **LICENSEE** acknowledges that it is informed that the Charter of the City of San Antonio and its Ethics Code prohibit a **CITY** officer or employee, as the terms "officer" and "employee" are defined in Part B, Section 10 of **CITY**'s Ethics Code, as may be amended from time to time, from having a financial interest in any contract with **CITY** or any **CITY** agency such as **CITY**-owned utilities. An officer or employee has a "prohibited financial interest" in a contract with **CITY** or in the sale to **CITY** of land, materials, supplies or service, if any of the following individual(s) or entities is a party to the contract or sale: a **CITY** officer or employee; his or her parent, child or spouse; a business entity in which the officer or employee, or his or her parent, child or spouse owns ten (10%) percent or more of the voting stock or shares of the business entity, or ten (10%) percent or more of the fair market value of the business entity; a business entity in which any individual or entity above listed is a subcontractor on a **CITY** contract, a partner or a parent or subsidiary business entity. **LICENSEE** warrants and certifies, and this Agreement is made in reliance thereon, that **LICENSEE**, **LICENSEE**'s officers, employees and agents are neither officers nor employees of **CITY**. **LICENSEE** further warrants and certifies that, if required to do so, **LICENSEE** has tendered to **CITY** a Discretionary Contracts Disclosure Statement in compliance with **CITY**'s Ethics Code.

S. Condemnation (Eminent Domain). It is agreed and understood that in the event that the Premises are taken, in whole or in part, by the exercise of the right of eminent domain by any authority with the legal right to condemn **LICENSEE**'s interest hereunder, then this Agreement

and all rights or permission to use hereunder shall, at the option of CITY, cease on the date title to such land so taken or transferred vests in the condemning authority. LICENSEE hereby waives all rights to any proceeds of such condemnation. LICENSEE shall have the right to seek a separate condemnation award.

T. Attorney's Fees and Court Costs. In the event CITY brings any action under this Agreement alleging that LICENSEE has defaulted hereunder, CITY shall be entitled to recover from LICENSEE CITY's attorney's fees and all court costs. In the event of this situation, LICENSEE agrees to make prompt payment of such fees and court costs to CITY.

U. Taxes and Licenses. LICENSEE shall pay, on or before their respective due dates, to the appropriate collecting authority, all federal, state and local taxes, license fees, permit fees, debts, and obligations, which are now or may hereafter be levied upon the Licensed Premises, or upon LICENSEE, or incurred by LICENSEE related to its improvements, construction, use, installation, maintenance, operations and activities hereunder, or upon any of LICENSEE's property used in connection therewith, and shall maintain in current status all federal, state and local licenses and permits required for the improvements within and above the Licensed Premises.

V. Gender. Words of any gender used in this Agreement shall be held and construed to include any other gender, and words in the singular number shall be held to include the plural, unless the context otherwise requires.

W. Severability. The parties hereto agree that if one or more of the provisions contained in this Agreement shall for any reason be held to be invalid, illegal, or unenforceable in any respect, such invalidity, illegality, or unenforceability shall be construed as if such invalid, illegal, or unenforceable provision had never been contained herein. In such event, it is the intention of the parties hereto that the remainder of this Agreement shall not be affected thereby, and it is also the intention of the parties to this Agreement that, in lieu of each clause or provision of this Agreement that is illegal, invalid or unenforceable, there be added as a part of this Agreement a clause or provision as similar in terms to such illegal, invalid, or unenforceable clause or provision as may be possible and be legal, valid and enforceable.

X. Entire Agreement/Amendment. It is understood and agreed that this Agreement, together with its Exhibits, shall constitute and represent the entire, final Agreement between the parties hereto and shall not be modified or amended in any manner except by instrument in writing executed by the parties hereto. It is further understood and agreed by LICENSEE that CITY and CITY's agents have made no representations or promises with respect to the Premises or the making or entry into this Agreement, except as expressly set forth herein, and that no claim or liability or cause for termination shall be asserted by LICENSEE against CITY for, and CITY shall not be liable by reason of, the breach of any representations or promises not expressly stated in this Agreement, any other written or parole Agreement with CITY being expressly waived by LICENSEE, it being understood that the Charter of the City of San Antonio requires all agreements of this type with the City of San Antonio (CITY herein) to be in writing and adopted by an Ordinance. No amendment, modification or alteration of this Agreement shall be

binding unless it be approved in writing, dated subsequent to the date hereof, agreed to and duly executed by the parties, and approved by Ordinance passed by the San Antonio City Council.

Y. Consent/Approval of City. CITY represents that it has full right, power and authority to enter into this Agreement, pursuant to the City Ordinance referenced above. CITY's consent and approval may be granted by the Director, Department of Asset Management, City of San Antonio ("CITY"), as designee of the City Manager of said CITY, unless the City Charter requires that the City Council consent by the passage of a future City ordinance. LICENSEE's consent/approval may be granted by its duly authorized authority.

Z. LICENSEE's Authority to Execute/Consent/Approval. The party or parties executing this Agreement on behalf of LICENSEE personally warrant that each of them has full authority to execute this Agreement on behalf of the entity for whom he or she is acting herein. LICENSEE's consent/approval may be granted by its duly authorized authority.

AA. Acknowledgment Of Reading. The parties hereto acknowledge that they have thoroughly read this Agreement, including any exhibits or attachments hereto, and have sought and received whatsoever competent advice and counsel which was necessary for them to form a full and complete understanding of their rights and obligations herein, and, having so done, do hereby execute this Agreement.

EXECUTED to be effective ten (10) days after the date of passage of the CITY Ordinance referenced on Page 1, which authorized this Agreement, ("Effective Date").

LICENSOR:

CITY OF SAN ANTONIO,
a Texas Municipal Corporation

By: _____
City Manager

ATTEST:

City Clerk

APPROVED AS TO FORM:

City Attorney

LICENSEE:

99 CENTS ONLY STORES TEXAS, INC.
~~99 CENTS ONLY TEXAS, INC.,~~
a Delaware Corporation

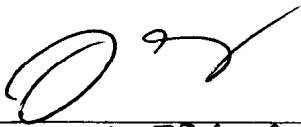
By:  _____
Printed Name: Jeff Gouge
Title: President

EXHIBIT "A"

TO

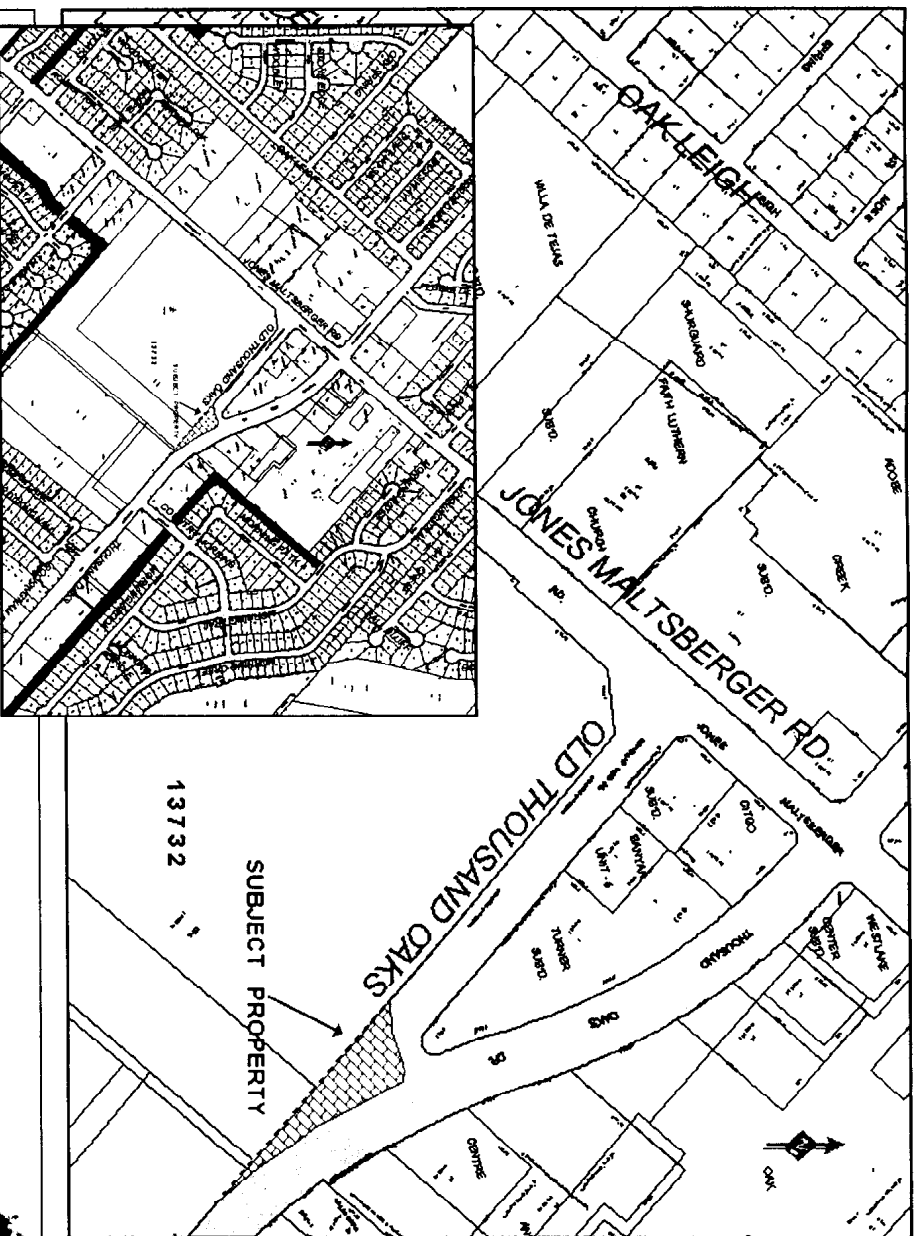
LICENSE AGREEMENT

99 CENTS ONLY STORES TEXAS, INC.

WITH ~~99 CENTS ONLY STORES, INC.~~

(LOCATION/DESCRIPTION OF THE SUBJECT PROPERTY)





Southeasterly view of the irregular portion on
Old Thousand Oaks Road

Exhibit "A"

[Handwritten signature]

EXHIBIT "B"

TO

LICENSE AGREEMENT

99 CENTS ONLY STORES TEXAS, INC.

WITH ~~99 CENTS ONLY STORES, INC.~~

**(COPY OF THE SIGNED
MEMORANDUM OF LICENSE AGREEMENT)**

A handwritten signature in the bottom right corner of the page, consisting of a stylized, cursive letter 'E' followed by a flourish.

MEMORANDUM OF LICENSE AGREEMENT

This is a Memorandum of a License Agreement (referred to herein as "Agreement") entered into by and between the **CITY OF SAN ANTONIO**, a Texas Municipal Corporation, as "**LICENSOR**", hereinafter referred to as "**CITY**", acting by and through its City Manager, or designee, pursuant to Ordinance No. _____ passed and approved on _____, 2004, and **99 CENTS ONLY STORES TEXAS, INC.**, a Delaware Corporation, as "**LICENSEE**."

Premises. The **CITY** has granted to **LICENSEE** a License to use and maintain an irregular portion of Old Thousand Oaks Drive Public Right of Way located approximately 850 feet southeast of Jones Maltsberger Road, adjacent to NCB 13732, San Antonio, Bexar County, Texas, for the sole purpose of landscaping at the location shown and more specifically described in **EXHIBIT "A"**, attached hereto and incorporated herein for all purposes. The described area is hereinafter referred to as the "Licensed Premises" or "Premises."

License Term. The License granted under the Agreement shall be for a term of ten (10) years ("License Term"), beginning ten (10) days after passage of the Ordinance authorizing said Agreement by the San Antonio City Council, unless terminated by **CITY** or **LICENSEE** pursuant to the terms of said Agreement.

Assignment or Sublicensing. The Agreement is personal to **LICENSEE** and shall not be assigned or sublicensed by **LICENSEE**, other than to its parent or subsidiaries, without the prior written consent of **CITY**, as evidenced by passage of a future City of San Antonio Ordinance. In the event that **LICENSEE** assigns or sublicenses the Agreement to a parent or subsidiary, the **LICENSEE** shall provide **CITY** with thirty (30) days prior written notice of such action. **LICENSEE** shall not lease or sublease the Premises.

EXECUTED to be effective ten (10) days after the date of passage of the **CITY** ordinance which authorized the Agreement ("Effective Date").

LICENSOR:

CITY OF SAN ANTONIO,
a Texas Municipal Corporation

By: _____
City Manager

ATTEST: _____
City Clerk

APPROVED AS TO FORM: _____
City Attorney

LICENSEE:

99 CENTS ONLY STORES TEXAS, INC.,
a Delaware Corporation

By: _____
Printed Name: JEFF LOY
Title: President

[ACKNOWLEDGEMENTS APPEAR ON NEXT PAGE]

ACKNOWLEDGEMENT

STATE OF TEXAS §
 §
COUNTY OF BEXAR §

This instrument was acknowledged before me on this ____ day of _____, 2004 by _____, _____ of the **CITY OF SAN ANTONIO**, a Texas Municipal Corporation, on behalf of said municipal corporation.

(SEAL)

Notary Public, State of Texas

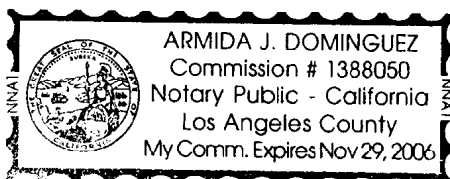
ACKNOWLEDGEMENT

STATE OF California §
 §
COUNTY OF Los Angeles §

This instrument was acknowledged before me on this 10th day of March, 2004 by Jeff Gold, President (title) of **99 CENTS ONLY STORES TEXAS, INC.**, a Delaware Corporation, on behalf of said corporation.

(SEAL)

Armida J. Dominguez
Notary Public, State of Texas



AFTER RECORDING RETURN TO:

City of San Antonio
Department of Asset Management
P.O. Box 839966/2nd Floor, Municipal Plaza
San Antonio, Texas 78283-3966
Attn: Property Disposition Managers

[Handwritten signature]

EXHIBIT "A"
TO
MEMORANDUM OF LICENSE AGREEMENT

A

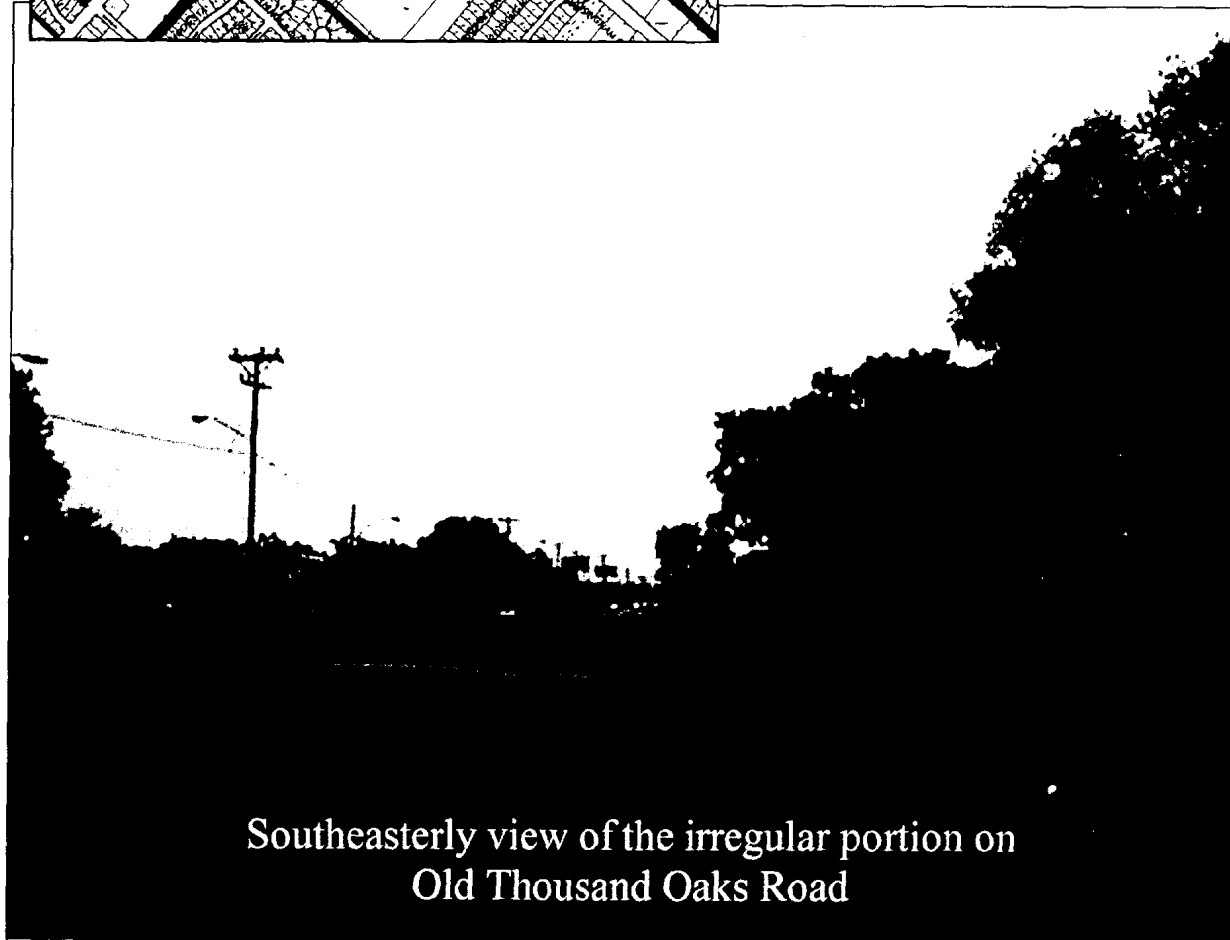
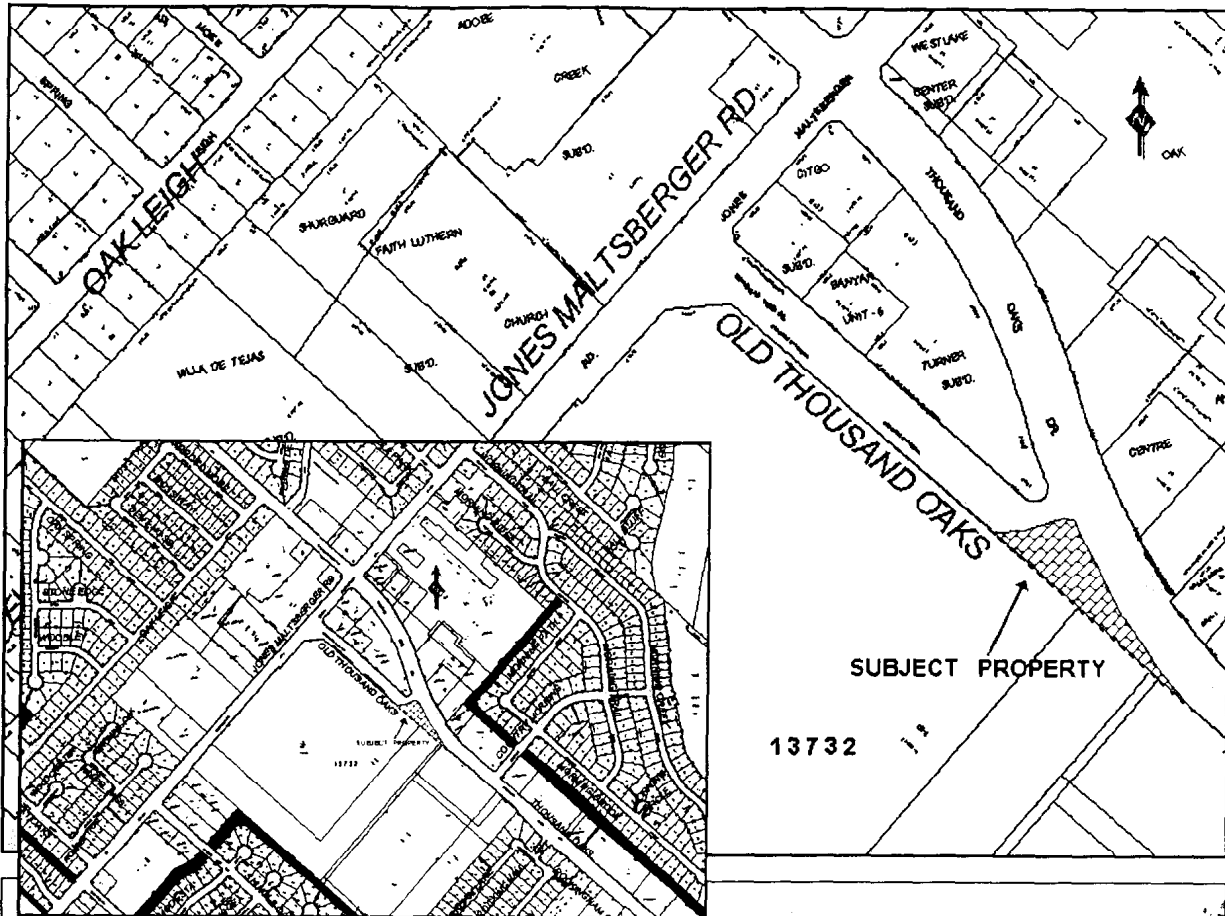


Exhibit "A"

Handwritten signature or mark.

EXHIBIT "C"

TO

LICENSE AGREEMENT

99 CENTS ONLY STORES TEXAS, INC.

WITH ~~99 CENTS ONLY STORES, INC.~~

(COPY OF LETTER OF AGREEMENT)





CITY OF SAN ANTONIO

DEPARTMENT OF ASSET MANAGEMENT

P.O. BOX 839966 SAN ANTONIO, TEXAS 78283-3966

TEL. 210-207-4032 FAX 210-207-7888

March 2, 2004

99 Cents Only Stores Texas, Inc.
a Delaware Corporation
Attn: Jeff Gold, President
4000 Union Pacific Avenue
Commerce, California 90023

Re: S. P. No. 1077—Request for a License to Use Public Right of Way over an irregular portion of Old Thousand Oaks Drive adjacent to NCB 13732

Dear Mr. Gold:

With reference to the captioned project, please be advised that the City of San Antonio has now completed the canvassing process and will recommend approval of your request subject to the following conditions:

DEPARTMENT OF ASSET MANAGEMENT:

Approved provided that use of the subject irregular portion of Old Thousand Oaks Drive Public Right of Way is limited to landscaping only.

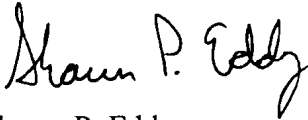
Also, the fee established for this license agreement is \$5,000.00 for a 10-year term. The license fee will be due and payable to the City of San Antonio prior to City Council consideration. If for some reason the license is not approved by City Council, the fee will be returned to the petitioner. Also, a Certificate of Insurance must be provided and the City of San Antonio must be formally released from any and all liabilities, which may be incurred in connection with this request.

Further, a fully completed and signed Discretionary Contracts Disclosure Statement is required and enclosed for your convenience.

If you concur with the above mentioned conditions, including the payment of the fee established for this encroachment, please countersign this letter in the space provided below and return to the undersigned. *Upon receipt of this signed Letter of Agreement, the License Agreement, the Discretionary Contracts Disclosure form, the Certificate of Insurance and the payment, we will continue processing your request.*

This Letter of Agreement is being offered by the City of San Antonio only to the above named petitioner and will expire thirty (30) days after the date of issuance unless a specific extension is requested by the petitioner and granted by the City.

Sincerely,

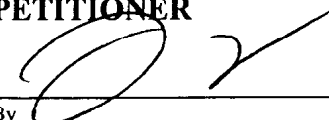


Shawn P. Eddy
Special Projects Manager
Property Disposition Division

SPE/ma

AGREED AS TO TERMS AND CONDITIONS:

PETITIONER

		<u>JEFF GOLD / President</u>	
By	<u>99 CENTS ONLY STORES TEXAS, INC</u>	Title	<u>3/10/04</u>
Print Name		Date	

