

**Recording Requested by and
When Recorded Mail to:**

City of Rialto
150 S. Palm Avenue
Rialto, California 92576
Attn: City Clerk

Space Above This Line for Recorder's Office Use Only
EXEMPT FROM RECORDING FEE PER GOV. CODE §27383

**GROUND LEASE
(For Sign)**

This GROUND LEASE (this "**Lease**") is made and entered into by and between **THE CITY OF RIALTO**, a public body ("**Landlord**"), and **LHR RENAISSANCE MARKETPLACE SOUTH, LLC**, a Delaware limited liability company ("**Tenant**") as of the recordation of this Lease in the Official Records of San Bernardino County ("**Effective Date**").

RECITALS:

- A.** Landlord reasonably believes it owns that certain real property in the City of Rialto, County of San Bernardino, State of California as legally described on **Exhibit A** attached hereto ("**Premises**"), and depicted on **Exhibit A-1** attached hereto.
- B.** Tenant owns that certain real property legally described on **Exhibit B** attached hereto ("**Shopping Center Property**") which is adjacent to the Premises and improved as a retail shopping center currently known as the *Renaissance Marketplace Shopping Center* ("**Shopping Center**"). The Shopping Center Property is subject to that certain Declaration of Covenants, Conditions and Restrictions and Grant of Easements, made by Tenant (in its capacity as the "**Declarant**" as defined therein), dated October 17, 2017 and recorded on October 20, 2017 as Instrument No. 2017-0435491 in the Official Records of San Bernardino County, California ("**CC&Rs**"). The Shopping Center is also subject to certain land use entitlements identified as PPD # _____ issued by the City of Rialto ("**Entitlements**").
- C.** The Premises is not otherwise suitable for development.
- D.** Landlord is willing to lease the Premises consisting of approximately one thousand two hundred (1,200) square feet to Tenant so it can construct, operate and maintain three (3) pylon signs for the benefit of the Shopping Center Property in accordance with the CC&Rs and the Entitlements which improvements are more fully defined below.

NOW, THEREFORE, in consideration of the above Recitals (which are incorporated herein) and the mutual promises of the parties set forth in this Lease, Landlord and Tenant hereby agree as follows:

**ARTICLE 1
DEMISE OF PREMISES**

1.1. Leasing. Landlord hereby leases to Tenant and Tenant hereby leases from Landlord the Premises solely for the construction, operation and maintenance of the "Improvements" (as defined in

Article 6) for the specific uses specified in Article 7. As material consideration for this Lease, Tenant agrees to use the Premises solely in connection with the operation of the Shopping Center in accordance with the CC&Rs and the Entitlements.

1.2. Ownership of Premises. Landlord reasonably believes that it is the fee owner of the Premises, which it acquired from CALTRANS when it relinquished the Premises (which is adjacent to the 210 Freeway). Accordingly, Landlord makes no representation or warranty regarding the status of title to the Premises and Tenant has been advised to secure its own assurances as to the status of title of the Premises as it may deem appropriate. If Landlord is ever determined to not own the Premises and this Lease is invalidated, Landlord shall have no liability to Tenant.

1.3. Rights Reserved. Landlord reserves the right to use small portions of the Premises for its electrical and water meters which Landlord may reasonably need to serve the adjacent property owned by Landlord. Landlord shall work with Tenant to locate such meters which shall not interfere with the Improvements; Tenant shall not be obligated to incur any expense related to installing, maintaining and/or removing the foregoing electrical and water meters.

ARTICLE 2 **DELIVERY OF POSSESSION**

As of the Effective Date, Tenant accepts the Premises in AS-IS condition subject to all matters of record against the Premises. Tenant acknowledges that Landlord is not making any representations or warranties to Tenant with respect to the (i) the condition of the Premises, including, but not limited to, any physical condition of Premises or its suitability for the Improvements; or (ii) the condition of title of the Premises.

ARTICLE 3 **LEASE TERM**

3.1 Term. The term of this Lease shall commence on the Effective Date and shall terminate fifty-five (55) years thereafter (“**Original Term**”) unless extended by the parties in writing or otherwise terminated by a party as provided in this Lease.

3.2 Ownership and Operation of Shopping Center. This Lease may be terminated by Landlord at any time that Tenant (or its permitted assignee pursuant to Article 8) (i) is no longer the Declarant under the CC&Rs; and/or (ii) the Shopping Center ceases operating as a retail sales operation on the Shopping Center Property for a period of twelve (12) months. Landlord, in its sole discretion, may exercise this right by delivery of written notice to Tenant.

3.3 Exclusive Right to Negotiate Extension. Tenant shall have the right (but not the obligation) to enter into a ninety (90) day period of exclusive negotiation with Landlord to extend this Lease (“**ENA Right**”). If Tenant is in compliance with Article 7, then Tenant has created a presumption that it is in compliance with the Lease and Landlord will cooperate to extend the Term in compliance with applicable law. Tenant may exercise this ENA Right by sending a written notice to Landlord specifying its exercise of this ENA Right which notice must be delivered to Landlord not less than six (6) months prior to the expiration of the Original Term (“**ENA Notice**”). Within fifteen (15) business days of receipt of the ENA Notice, Landlord shall deliver to Tenant its standard non-binding form of exclusive negotiation agreement (“**ENA Agreement**”). Tenant may, in its sole discretion, execute the ENA Agreement and return same to Landlord within fifteen (15) business days of its receipt of the ENA Agreement. If the parties agree to an extension and other modifications, such terms shall be effective only if this Lease is amended in accordance with Section 16.8.

3.4 Surrender. Upon termination of this Lease for any reason, Tenant shall surrender to Landlord the Premises in its then existing condition free and clear of all liens created by Tenant. Notwithstanding the preceding sentence, Landlord shall have the right to require Tenant to remove any improvements, structures, trade fixtures, equipment, systems and other personal property as Landlord elects in its sole and absolute discretion. Landlord may elect to cause Tenant to perform such removal by providing written notice to Tenant within six (6) months after termination of this Lease. Title to any improvements remaining on the Premises with Landlord's consent after termination of this Lease shall automatically pass to Landlord without the necessity for the execution of any instrument of conveyance although Tenant will execute any documents reasonably required by Landlord to confirm such ownership.

ARTICLE 4

RENT AND OTHER CONSIDERATION

4.1 Rent Payment. Prior to the Effective Date, Tenant shall pay to Landlord the sum of Five Hundred Fifty Dollars (\$550) ("**Rent Payment**") for the Original Term. In the event that this Lease is terminated for any reason other than the default by Landlord, the Rent Payment shall be retained by Landlord who shall have no obligation to return any portion of same.

4.2 Additional Consideration. The parties acknowledge that, in addition to the Rent Payment, Landlord is receiving the following additional consideration for this Lease: (i) Tenant's construction and operation of the Shopping Center which shall benefit the community of the City of Rialto ("**City**") by generating jobs as well as substantial sales tax revenue to the City; (ii) Tenant's obligation to construct and maintain the Improvements on the Premises as provided in this Lease, (iii) Tenant's commitment to advertise and market the businesses operating on the Shopping Center Property, and (iv) Tenant's obligation to maintain the Premises that would otherwise be a City responsibility.

4.3 Security Deposit. Tenant is not required to provide and has not provided a security deposit to Landlord.

ARTICLE 5

TAXES

5.1 Real Property Taxes. Tenant shall pay any and all real property taxes applicable to Tenant's possessory interest in the Premises. All such payments shall be made prior to the due date of the applicable installment. Upon Landlord's written request, Tenant shall promptly furnish Landlord with satisfactory evidence that such taxes have been paid. If any such taxes to be paid by Tenant shall cover any period of time after the expiration or earlier termination of the Term, Tenant's share of such taxes shall be equitably prorated to cover only the period of time within the tax fiscal year that this Lease is in effect, and Tenant may apply to the County for reimbursement of any overpayments after such proration. Notwithstanding anything above to the contrary, to the extent any assessment is levied against the Premises payable in installments, Tenant shall pay all installments coming due and payable during the Term of this Lease. If the Premises become a part of a landscaping district, Tenant shall pay the assessments applicable to the Premises.

5.2 Personal Property Taxes. During the Term, Tenant shall pay prior to delinquency all taxes assessed against the levied upon fixtures, equipment and all other personal property owned by Tenant located at the Premises, and when possible Tenant shall cause said fixtures, equipment and other personal property to be assessed and billed separately from any personal property of Landlord.

ARTICLE 6

IMPROVEMENTS; UTILITIES

6.1 Improvements. Within twelve (12) months of the Effective Date, Tenant shall, at its sole cost and expense, construct or cause to be constructed three (3) pylon signs on the Premises in accordance with the specifications set forth in **Exhibit D** attached hereto (“**Signs**”) together with (i) electrical conduits, wiring and other electrical improvements necessary to illuminate the Signs, and (ii) any other similar utilities, structures, trade fixtures, equipment, personal property, and other improvements necessary to illuminate and operate the Signs (collectively the “**Improvements**” [which includes the Signs]). The Improvements shall be located on the Premises as specified in **Exhibit E** attached hereto. The Improvements shall be located only on the Premises and shall not encroach on any other property.

Tenant shall promptly commence and diligently prosecute to completion the Improvements in accordance with all applicable governmental regulations and all applicable processes, permits and approvals as required by the City of Rialto in accordance with its standard procedures (“**Permits/Approvals**”). Nothing herein shall be deemed to preempt or waive any discretionary approvals to be issued by the City in accordance with the Municipal Code. Construction of the Improvements is material consideration to Landlord for this Lease and if the Improvements are not constructed in accordance with this Lease, Landlord shall have the right to terminate this Lease. Upon completion, the Improvements may not be materially modified or altered without the prior written approval of Landlord which approval shall not be unreasonably withheld but may be conditioned upon (i) approval and compliance with all applicable governmental requirements; and (ii) such modifications shall be consistent with all the requirements applicable to the construction of the original Improvements. Landlord has no construction obligations under this Lease.

Tenant shall not be obligated to obtain Landlord’s consent to change sign panels on the Signs, paint and otherwise maintain the Signs provided that such repair and maintenance does not result in material modification to the structural aspects of the Signs. However, this provision shall not be deemed to supersede any limitations under the Permits/Approvals.

6.1.1 Requirements Prior to Commencing Construction. Prior to commencing construction of the Improvements, Tenant shall deliver to Landlord insurance certificates evidencing builder’s all-risk coverage reasonably satisfactory to Landlord.

6.1.2 Construction. Upon commencement of the Improvements, Tenant must (i) comply with all Permits/Approvals; (ii) promptly commence and diligently prosecute the work to completion; (iii) ensure that the work site is safe at all times during construction; (iv) require that construction trucks and materials storage comply with requirements imposed by City and Landlord; and (v) not permit any mechanic liens to be recorded against the Property. All work must be constructed in good and workmanlike manner and in compliance with all applicable laws and the Permits/Approvals.

6.1.3 Mechanic Liens. Tenant shall pay, when due, all claims for labor or materials furnished to or for Tenant at or for use on the Premises, which claims are or may be secured by any mechanics’ or materialmen’s lien against the Premises or any interest therein. Tenant shall give Landlord not less than twenty (20) days’ notice prior to the commencement of any work in, on or about the Premises, and Landlord shall have the right to post notices of non-responsibility in or on the Premises as provided by law. If Tenant shall, in good faith, contest the validity of any such lien, claim or demand, then Tenant shall, at its sole expense, indemnify, defend and protect itself, Landlord and the Premises against the same, and shall pay and satisfy any such adverse judgment that may be rendered thereon before the enforcement thereof against the Landlord or the Premises. If Landlord shall require, Tenant shall furnish to Landlord a surety bond satisfactory to Landlord in amount equal to one hundred fifty

percent (150%) of the amount of such contested lien claim or demand, indemnifying Landlord against liability for the same, as required by law for the holding of the Premises free from the effect of such lien or claim.

6.2 Landscaping. All portions of the Premises not occupied by the Improvements shall be landscaped as required by Landlord and City. Landlord reserves the right to annex the Land into a landscaping district in which case the landscaping shall be maintained by the district and Tenant shall be obligated to pay the applicable assessments. Tenant agrees to either maintain the Land satisfactory to Landlord and City, or agree to annex the Land into the district.

6.3 Utilities. All utilities serving the Improvements shall be separately metered with Tenant as the responsible party to the applicable utility company. During the Term, Tenant shall pay prior to delinquency directly to the applicable utility companies or governmental agencies all charges for utilities (including, but not limited to, electricity, gas, water, sewage or telephone) applicable to Tenant's use of the Premises.

ARTICLE 7

USE

7.1 Use. Tenant shall only use the Premises to construct, operate and maintain the Improvements, which shall be solely for the benefit of tenants, subtenants, concessionaires, and licensees ("**Shopping Center Business**") in the Shopping Center. The Signs may only advertise the businesses then operating in the Shopping Center. Tenant specifically agrees that it shall not install any sign panels or other improvements on the Signs for (a) any business that is not a Shopping Center Business in the Shopping Center at the time the applicable signage is installed on the Signs; (ii) a business that is considered "adult entertainment" or that does not permit the admission of individuals under the age of eighteen (18) years old in any portion of their business premises; or (iii) any swap meet or flea market. In no event shall the Signs or any portion of the Premises be used for cell phone operations including, but not limited, to cell towers.

7.2 Compliance with Laws. Tenant shall, at Tenant's own cost and expense, comply with all requirements of all laws, orders, ordinances, rules and regulations of federal, state, county and municipal authorities, and of any certificate of occupancy or other direction issued pursuant to law by any public officer or officers, which shall relate to the Premises or the use, occupancy or control thereof or the conduct of any business thereon, including those relating to or which necessitate structural changes or improvements or alteration, repair or removal of any Improvements.

7.3 General Use Restrictions. Tenant shall use and occupy the Premises only for the purposes set forth in Section 7.1 and for no other purpose. Tenant shall not use or permit the use of the Premises in a manner that creates waste or a nuisance, is in violation of any applicable laws that causes material damage to other portions of the Land or neighboring properties.

ARTICLE 8

ASSIGNMENT AND SUBLEASING

8.1 Assignment. Tenant shall have the right to assign this Lease without Landlord's consent to the buyer ("**Buyer**") of any legal parcel constituting part of the Shopping Center Property provided that (i) the Buyer becomes the Declarant under the CC&Rs; and (ii) the Buyer executes an assignment and assumption agreement ("**Assignment**") in the form attached hereto as **Exhibit C**, which assignment is recorded concurrently with the grant deed for any legal parcel constituting part of the Shopping Center Property. Upon recordation of the Assignment, Tenant shall have no obligations under this Lease arising

after recordation. Any other assignment of this Lease shall require the prior written approval of Landlord in Landlord's sole discretion.

8.2 Sublease. Tenant may not sublease the Premises in whole or in part without the prior written consent of Landlord in Landlord's sole discretion.

ARTICLE 9

MAINTENANCE AND REPAIRS

9.1 Tenant's Obligations. Tenant shall, at Tenant's sole cost and expense, and at all times, keep the Improvements and Premises in good order, condition and repair. All portions of the Premises other than what is occupied by the Signs shall be maintained with landscaping as required by Landlord. Tenant shall be responsible for all repairs to the Signs, the Improvements, and the Premises except repairs or replacements necessitated by damage caused solely by the willful acts or negligence of Landlord, its employees, agents and contractors. All development and construction on and to the Signs, the Improvements, and the Premises and all maintenance, repair and other work with respect thereto required hereunder shall be Tenant's sole responsibility, and Landlord shall have no obligation with respect thereto.

9.2 Free from Liens. Tenant shall keep the Premises free from any liens arising out of any work performed, material furnished, or obligation incurred by Tenant or on behalf of Tenant. Tenant shall pay or cause to be paid any and all such claims or demands before any action is brought to enforce same against the Premises. If any lien is filed against the Premises, Section 6.1 shall apply.

ARTICLE 10

INSURANCE

10.1 Tenant's Insurance. From and after the Effective Date, Tenant shall maintain commercial general liability insurance for the mutual benefit of Landlord and Tenant covering the Premises against claims for bodily injury, personal injury and damage to property with minimum limits of Two Million Dollars (\$2,000,000) combined single limit. Any insurance required to be maintained by Tenant may be maintained in whole or in part either under a plan of self-insurance, or from a carrier which specializes in providing coverage to or for Tenant or its affiliates, or firms in the same or related businesses if at the time of such coverage is provided that Tenant's net worth exceeds One Hundred Million Dollars (\$100,000,000).

10.2 Tenant to Provide Workers' Compensation Insurance. Tenant shall, at Tenant's sole cost and expense, maintain a policy of worker's compensation insurance in an amount as will fully comply with the laws of the State of California and which shall indemnify, insure and provide legal defense for both Tenant and Landlord against any loss, claim or damage arising from any injuries or occupational diseases occurring to any worker employed by or any persons retained by Tenant in the course of Tenant's use of the Premises.

10.3 Insurance Certificates. Tenant shall name Landlord as an additional insured under all policies carried pursuant to this Article 10. All policies may be maintained under a blanket insurance policy of the insuring party (or by self-insurance as to Tenant as permitted by Section 10.1).

10.4 No Insurance by Landlord. Landlord is not required to maintain any insurance on the Premises or the Improvements.

10.5 Mutual Release; Waiver of Subrogation. Each of the parties, on behalf of their respective insurance companies insuring such property of either Landlord or Tenant against such loss, waives any right of subrogation that it may have against the other. The foregoing waivers of subrogation shall be operative only so long as available in California and provided further that no policy is invalidated thereby. Nothing herein shall be deemed to imply any obligation of Landlord to maintain any insurance.

10.6 General Provisions. All of the policies of insurance required to be procured by Tenant under this Lease shall be primary insurance and shall name Landlord, its elected or appointed officers, employees, and agents as additional insureds. The insurers shall waive all rights of contribution they may have against Landlord, its officers, employees and agents and their respective insurers. All of said policies of insurance shall provide that said insurance may not be amended or cancelled without providing thirty (30) days prior written notice by registered mail to Landlord. Prior to the Effective Date and at least thirty (30) days prior to the expiration of any insurance policy, Tenant shall provide Landlord with copies of all applicable policies evidencing the required insurance coverages written by insurance companies acceptable to Landlord, licensed to do business in the State of California and rated A:VII or better by Best's Insurance Guide. In the event the City Manager of Landlord, or his/her designee ("**Risk Manager**") determines that (i) Tenant's activities in the Premises creates an increased or decreased risk of loss to Landlord, (ii) greater insurance coverage is required due to the passage of time, or (iii) changes in the industry require different coverages be obtained, Tenant agrees that the minimum limits of any insurance policy required to be obtained by Tenant may be changed accordingly upon receipt of written notice from the Risk Manager; provided that Tenant shall have the right to appeal a determination of increased coverage by the Risk Manager to the City Council of Landlord within ten (10) days of receipt of notice from the Risk Manager.

10.7 Indemnity. Tenant shall indemnify, protect, defend and hold harmless the Premises, Landlord and its managers, officers, directors, members, employees, agents, contractors, partners and lenders, from and against any and all claims, and/or damages, costs, liens, judgments, penalties, permits, reasonable attorneys' and consultant's fees, expenses and/or liabilities arising out of, involving, or in dealing with, the occupancy of the Premises by Tenant, the conduct of Tenant's business, any act, omission or neglect of Tenant, its officers, directors, members, employees, agents or contractors, and out of any Breach by Tenant in the performance in a timely manner of any obligation on Tenant's part to be performed under this Lease, except for matters which are the result of Landlord's negligence, intentional wrongful acts, or in breach of this Lease. The foregoing shall include, but not be limited to, all costs of the defense or pursuit of any claim or any action or proceeding involved therein, and whether or not (in the case of claims made against Landlord) litigated and/or reduced to judgment. In case any action or proceeding is brought against Landlord by reason of any of the foregoing matters, Tenant upon notice from Landlord shall defend the same at Tenant's expense by counsel reasonably satisfactory to Landlord and Landlord shall cooperate with Tenant in such defense. Landlord need not have first paid any such claim in order to be so indemnified. In addition, Landlord may require Tenant to pay Landlord's attorneys' fees and costs in defending against or participating in such claim, action or proceeding if Landlord shall decide, in its exercise of reasonable judgment, it is unsatisfied with the representation of its interest by Tenant or its counsel.

ARTICLE 11

DAMAGE OR DESTRUCTION

If any of the Improvements on the Land are materially damaged or destroyed during the Term by a casualty loss, Tenant may elect to either (i) rebuild and restore the Improvements; or (ii) raze the Improvements and return the Premises in a safe condition and thereafter to terminate this Lease. Tenant shall make such election by delivering written notice delivered to Landlord within thirty (30) days of the occurrence of the damage which notice shall specify Tenant's election ("**Election Notice**"). If Tenant

fails to deliver the Election Notice in the time and manner specified, Tenant shall be deemed to have elected to rebuild and restore the Improvements, which Tenant shall promptly commence and diligently prosecute to completion in compliance with all the provisions in this Lease applicable to the original construction of the Improvement.

ARTICLE 12 **CONDEMNATION**

If all, or any portion of, the Premises shall be taken under power of eminent domain by any public or private authority or conveyed by Landlord to said authority in lieu of such taking, then this Lease shall be terminated as of the date of such taking or conveyance. In the event of any such termination, this Lease shall be of no further force or effect and neither party hereto shall have any further rights, duties or liabilities hereunder other than those rights, duties and liabilities which have arisen or accrued hereunder prior to the effective date of such termination. Landlord shall not convey all or a portion of the Premises to the appropriating authority in lieu of a taking without Tenant's consent, which shall not be unreasonably withheld, conditioned or delayed. All compensation awarded for any taking of the Premises shall belong to the party to whom such award was made. If only one award is made as to the Premises, such award shall be allocated between Landlord and Tenant in accordance with their respective interests although Tenant shall not be entitled to any allocation for the leasehold value. Notwithstanding the foregoing, any award attributable or applicable to the Improvements shall belong to Tenant.

ARTICLE 13 **DEFAULT**

13.1 Default by Tenant. Subject to a reasonable notice and cure period, the occurrence of any one or more of the following events shall constitute a default and breach of this Lease by Tenant (“Default”):

- a. Tenant’s failure to make any payment of Rent or any other payment required to be made by Tenant hereunder, as and when due, where such failure shall continue for a period of three (3) days after written notice by Landlord to Tenant;
- b. Failure of Tenant to provide, within ten (10) days of Landlord’s written request, the insurance coverage in accordance with Article 10;
- c. Failure of the Tenant to also concurrently be the Declarant under the CC&Rs;
- d. All tenants in the Shopping Center cease operating at the Shopping Center Property for a period of twelve (12) consecutive months (subject to Force Majeure);
- e. A failure by Tenant to observe or perform any other covenants, conditions or provisions of this Lease to be observed or performed by Tenant, where such failure shall continue for a period of thirty (30) days after written notice by Landlord to Tenant; provided, however, that if the nature of the default involves such that more than thirty (30) days are reasonably required for its cure, then Tenant shall not be deemed to be in default if Tenant commences such cure within such thirty (30) day period and thereafter diligently prosecutes said cure to completion;
- f. Vacation or abandonment of the Premises by Tenant;

- g. Tenant's failure to (i) allow annexation of the Premises into a landscape district if initiated by the City, or (ii) maintain the Premises at Tenant's sole cost and expense in accordance with this Lease.

Any notice required to be given by Landlord under this Section 13 shall be in lieu of and not in addition to any notice required under Section 1161 of the California Code of Civil Procedure.

13.2 Remedies. In the event of any Default by Tenant, Landlord may at any time thereafter, without further notice or demand, rectify or cure such default, and any sums expended by Landlord for such purposes shall be paid by Tenant to Landlord upon demand and as additional rental hereunder. In the event of any such default or breach by Tenant, Landlord shall have the right (i) to continue the Lease in full force and effect and enforce all of its rights and remedies under this Lease, including the right at any time thereafter to elect to terminate the Lease and Tenant's right to possession thereunder. Upon such termination, Landlord shall have the right to recover from Tenant:

- a. The worth at the time of award of the unpaid rental which had been earned at the time of termination;
- b. The worth at the time of award of the amount by which the unpaid rental which would have been earned after termination until the time of award exceeds the amount of such rental loss that Tenant proves could have been reasonably avoided;
- c. The worth at the time of award of the amount by which the unpaid rental for the balance of the term after the time of award exceeds the amount of such rental loss that Tenant proves could be reasonably avoided; and
- d. Any other amount necessary to compensate Landlord for all the detriment proximately caused by Tenant's failure to perform its obligations under the lease or which in the ordinary course of things would be likely to result therefrom.

The "**worth at the time of award**" of the amounts referred to in subparagraphs (i) and (ii) above shall be computed by allowing interest at three percent (3%) over the prime rate then being charged by Bank of America, N.A. but in no event greater than the maximum rate permitted by law. The worth at the time of award of the amount referred to in subparagraph (iii) above shall be computed by discounting such amount at the discount rate of the Federal Reserve Bank of San Francisco at the time of award plus one percent (1%), but in no event greater than ten percent (10%).

As used herein "**rental**" or "**rent**" shall be the fair market rental value of the Premises, including the other sums payable hereunder which are designated "**rent**", "**rental**" or "**additional rental**" and any other sums payable hereunder.

Such efforts as Landlord may make to mitigate the damages caused by Tenant's breach of this Lease shall not constitute a waiver of Landlord's right to recover damages against Tenant hereunder, nor shall anything herein contained affect Landlord's right to indemnification against Tenant for any liability arising prior to the termination of this Lease for personal injuries or property damage, and Tenant hereby agrees to indemnify and hold Landlord harmless from any such injuries and damages, including all attorney's fees and costs incurred by Landlord in defending any action brought against Landlord for any recovery thereof, and in enforcing the terms and provisions of this indemnification against Tenant.

Notwithstanding any of the foregoing, the breach of this Lease by Tenant, or an abandonment of the Premises by Tenant, shall not constitute a termination of this Lease, or of Tenant's right of possession hereunder, unless and until Landlord elects to do so, and until such time Landlord shall have the right to

enforce all of its rights and remedies under this Lease, including the right to recover rent, and all other payments to be made by Tenant hereunder, as they become due. Failure of Landlord to terminate this Lease shall not prevent Landlord from later terminating this Lease or constitute a waiver of Landlord's right to do so, including the prosecution of any unlawful detainer action against Tenant.

13.3 No Waiver. The waiver by Landlord of any term, covenant or condition shall not be deemed to be a waiver of such term, covenant or condition on any subsequent breach of the same or any other term, covenant or condition in this Lease.

13.4 Landlord's Default. Landlord shall not be in default unless Landlord fails to perform obligations required of Landlord within a reasonable time, but in no event later than thirty (30) days after written notice by Tenant to Landlord and to the holder of any first mortgage or deed of trust covering the Premises whose name and address shall have theretofore been furnished to Tenant in writing, specifying wherein Landlord has failed to perform such obligation; provided, however, that if the nature of Landlord's obligation is such that more than thirty (30) days are required for performance then Landlord shall not be deemed in default if Landlord commences performance within a (30) day period and thereafter diligently prosecutes the same to completion. Tenant shall have the right to terminate this Lease as a result of Landlord's default but not to any damages.

13.5 Sale of Premises. In the event of the sale of the Premises, Landlord shall be entirely freed and relieved of all liability under any and all of the covenants and obligations contained in or derived from this Lease arising out of any act, occurrence or omission occurring after the consummation of such sale. The purchaser, at such sale or any subsequent sale of the Premises, shall be deemed, without any further agreements between the parties or their successors in interest or between the parties and any such purchaser, to have assumed and agreed to carry out each and all of the covenants and obligations of Landlord under this Lease.

ARTICLE 14 **QUIET ENJOYMENT; RIGHT OF ENTRY**

14.1 Quiet Enjoyment. As long as Tenant is not in default under this Lease, Tenant shall have quiet enjoyment of the Premises during the Term.

14.2 Right of Entry. Tenant shall permit Landlord and its employees, contractors and agents to enter into and upon the Premises at all reasonable times for the purpose of inspecting the Premises and the Improvements to ensure compliance with this Lease.

ARTICLE 15 **ENCUMBRANCING OF LEASEHOLD INTEREST; ESTOPPEL CERTIFICATES**

15.1 Right to Encumber Leasehold. Tenant may encumber its leasehold interest in this Lease by a deed of trust provided such deed of trust also encumbers the Shopping Center Property. Landlord will execute reasonable documents to facilitate such financing including executing an estoppel certificate indicating that Tenant is not in default under this Lease; confirm that Landlord does not have a security interest in any of Tenant's personal property on the Premises; Landlord's agreement to provide written notice to the lender of any default by Tenant under this Lease and to permit the lender to cure any Tenant default under this Lease; and Landlord and Tenant will not materially amend this Lease without the written consent of the lender which consent shall not be unreasonably withheld, conditioned or delayed.

15.2 Estoppel Certificates. Within twenty (20) days after the written request by either party, the other party hereto agrees to deliver an estoppel certificate, in form and substance reasonably satisfactory to both parties.

ARTICLE 16 **MISCELLANEOUS**

16.1 Holding Over. Any holding over after the expiration of the Term, with or without the consent of Landlord, express or implied, shall be construed to be a tenancy from month to month, cancellable upon thirty (30) days written notice.

16.2 No Waiver. No acquiescence by either party to any default by the other party hereunder shall operate as a waiver of its rights with respect to any other breach or default, whether of the same or any other covenant or condition, nor shall the acceptance of rent by Landlord at any time constitute a waiver of any rights of Landlord.

16.3 Entire Agreement. This (i) Lease covers in full each and every agreement of every kind or nature whatsoever between the parties hereto concerning this Lease, (ii) supersedes any and all previous obligations, agreements and understandings between the parties, oral or written including the Existing Lease, and (iii) merges all preliminary negotiations and agreements of whatsoever kind or nature herein. Tenant acknowledges that no representations or warranties of any kind or nature not specifically set forth herein have been made by Landlord or its agents or representatives.

16.4 Authority. Tenant represents that each individual executing this Lease on behalf of Tenant is duly authorized to execute and deliver this Lease on behalf of Tenant, in accordance with a duly adopted resolution in accordance with its formation documents, and that this Lease is binding upon Tenant in accordance with its terms. Tenant represents and warrants to Landlord that the entering into this Lease does not violate any provisions of any other agreement to which Tenant is bound.

16.5 Relationship of Parties. The relationship of the parties is that of Landlord and Tenant. Landlord does not in any way or for any purpose become a partner of Tenant in the conduct of Tenant's business or operations.

16.6 Nondiscrimination. Tenant covenants for itself, successors and assigns and all persons claiming under or through it, and this Lease is made and accepted upon and subject to the condition that there shall be no discrimination against or segregation of any person or group of persons on account of race, sex, marital status, color, creed, national origin or ancestry, in the leasing, subleasing, transferring, use, occupancy, tenure or enjoyment of the Premises herein leased, nor shall Tenant itself, or any person claiming under or through it, establish or permit any such practice or practices of discrimination or segregation with respect to the operation and use of the Premises.

16.7 Recordation of Lease. In accordance with Government Code Section 37393, this Lease shall be recorded in the Official Records of San Bernardino County. Upon termination of the Lease, Tenant shall execute and acknowledge any documents reasonably requested by Landlord in order to terminate the Lease of record. This obligation shall survive termination of this Lease for any reason.

16.8 Amendment or Modification. Any amendment or modification of this Lease must be in writing executed by both Landlord and Tenant and recorded in the Official Records of San Bernardino County.

16.9 Notices. All notices shall be in writing and shall be sent by either personal delivery, a reputable overnight courier which keeps receipts of delivery (such as UPS or Federal Express), through

the facilities of the United States Post Office, postage prepaid, certified or registered mail, return receipt requested. Unless expressly provided to the contrary elsewhere in this Lease, any such notice shall be effective upon delivery, if delivered by personal delivery or overnight courier, and on the date of the postmark, if sent by U.S. mail in accordance with the above. Notices to the respective parties shall be sent to the following addresses unless written notice of a change of address has been previously given pursuant hereto:

To Landlord:	City of Rialto 150 S. Palm Ave. Rialto, California 92376 Attn: City Administrator
With a copy to:	City of Rialto 150 S. Palm Ave. Rialto, California 92376 Attn: City Attorney
To Tenant:	LHR RENAISSANCE MARKETPLACE SOUTH, LLC c/o Lewis Management Corp. 1156 North Mountain Avenue Upland, California 91786 Attn: David Linden
With a copy to:	LHR RENAISSANCE MARKETPLACE SOUTH, LLC c/o Lewis Management Corp. 1156 North Mountain Avenue Upland, California 91786 Attn: Mario Pichardo, Esq. / Legal Department

For the purpose of this Lease, Tenant's counsel may provide notices to Landlord on behalf of Tenant and such notices shall be binding on Landlord as if such notices have been provided directly by Tenant.

16.10 Successors and Assigns. All covenants, promises, conditions, representations, and agreements herein contained shall be binding upon, apply and inure to the parties hereto and their respective successors, and permitted assigns.

16.11 Applicable Law. This Lease shall be governed by the laws of the State of California. Any litigation between the parties hereto concerning this Lease shall be initiated in the Superior Court of the State of California for the County of San Bernardino.

16.12 Time is of the Essence. Time is of the essence as to the performance of all of the covenants, conditions, and agreements of this Lease.

16.13 Partial Invalidity. If any provision of this Lease or the application thereof to any person or circumstance shall to any extent be held invalid, then the remainder of this Lease or the application of such provision to persons or circumstances other than those as to which it is held invalid shall not be affected thereby, and each provision of this Lease shall be valid and enforced to the fullest extent permitted by law.

16.14 Headings, Captions and References. The headings and section captions contained in this Lease are for convenience only and do not in any way limit or amplify any term or provision hereof. The use of the terms "**hereof**," "**hereunder**" and "**herein**" shall refer to this Lease as a whole, inclusive of

the Exhibits, except when noted otherwise. The use of the masculine or neuter genders herein shall include the masculine, feminine and neuter genders and the singular form shall include the plural when the context so requires.

16.15 Force Majeure. In the event that either party shall be delayed or hindered in, or prevented from, the performance of any work, service, or other act required under this Lease to be performed by the party and such delay or hindrance is due to strikes, lockouts, acts of God, governmental restrictions, enemy act, civil commotion, fire or other casualty, or other causes of a like nature beyond the control of the party so delayed or hindered (collectively and individually “**Force Majeure**”), then performance of such work, service, or other act shall be excused for the period of such delay and the period for the performance of such work, service, or other act shall be extended for a period equivalent to the period of such delay. Notwithstanding the foregoing, “governmental restrictions” shall not apply to any standard requirements for construction of the Improvements such as building permits, etc. with which Tenant is required comply.

16.16 Time Periods. If the time period by which any right, option or election provided under this Lease must be exercised, or by which any act required hereunder must be performed, expires on a Saturday, Sunday or legal or bank holiday, then such time period shall be automatically extended through the close of business on the next regularly scheduled business day.

16.17 Interest on Past-Due Obligations. Any monetary payment due Landlord not received by Landlord within five (5) days following the date on which it was due shall bear interest from the sixth (6th) day after it was due until paid in full at the rate of ten percent (10%) per annum, but, in no event, exceeding the maximum rate allowed by law.

16.18 Attorneys' Fees. In the event that any action or proceeding is brought by either party to enforce any term or provision of this Lease, the prevailing party shall recover its reasonable attorneys’ fees and costs incurred with respect thereto.

16.19 Counterparts. This Lease may be executed in several counterparts, each of which may be deemed an original, and all of such counterparts together shall constitute one and the same instrument.

16.20 Entire Agreement. This Lease (including the Exhibits attached hereto) contains the entire agreement between the parties with respect to the subject matter hereof and supersedes all prior and contemporaneous representations, statements, understandings, negotiations and agreements, oral or written, between the parties, if any, with respect thereto.

16.21 Exhibits. Each exhibit attached to and referred to in this Lease is incorporated by reference as though set forth in full where referred to (by letter or description) herein. The exhibits consist of:

Exhibit A	Legal Description of the Premises
Exhibit A-1	Depiction of Premises
Exhibit B	Legal Description of Shopping Center Property
Exhibit C	Form of Assignment Agreement
Exhibit D	Summary of Sign Requirements
Exhibit E	Location of Signs

[SIGNATURES ON FOLLOWING PAGE]

IN WITNESS WHEREOF, Landlord and Tenant have caused their duly authorized representatives to execute and deliver this Lease on the date set forth below.

LANDLORD:

CITY OF RIALTO,
a municipal corporation

By: _____
Deborah Robertson, Mayor

Dated: _____, 2017

ATTEST:

By: _____
Barbara A. McGee, City Clerk

APPROVED AS TO FORM:

ALESHIRE & WYNDER, LLP

By: _____
Fred Galante, City Attorney

TENANT:

LHR RENAISSANCE MARKETPLACE SOUTH, LLC
a Delaware limited liability company

By LHR RENAISSANCE MARKETPLACE, LLC, a
Delaware limited liability company
Sole Member

By LEWIS RIALTO RETAIL MEMBER, LLC,
a Delaware limited liability company
Managing Member

By LEWIS MANAGEMENT CORP.,
a Delaware corporation
Sole Manager

By: _____

Name: _____

Its: _____

Date: _____

EXHIBIT A

LEGAL DESCRIPTION OF THE PREMISES

That certain real property located in the City of Rialto, County of San Bernardino, State of California legally described as follows:

EXHIBIT A-1

DEPICTION OF PREMISES

EXHIBIT B

LEGAL DESCRIPTION OF SHOPPING CENTER PROPERTY

EXHIBIT C

FORM OF ASSIGNMENT AGREEMENT

Recording Requested by and
When Recorded Mail to:

Space Above This Line for Recorder's Office Use Only

THIS ASSIGNMENT AND ASSUMPTION OF LEASE AGREEMENT ("**Agreement**") is made and entered into by and between _____, a _____ ("**Assignor**"), and _____, a _____ ("**Assignee**").

RECITALS

- A. On or about _____, 20____, the City of Rialto, a municipal corporation ("Landlord") and Assignor as tenant entered into that certain "Ground Lease (for Sign)" which was recorded on _____, 201__ as Instrument No. _____ in the Official Records of San Bernardino County, State of California ("**Lease**") pursuant to the terms of which Landlord leased to Assignor premises located in the City of Rialto, State of California (the "**Premises**").
- B. As provided in the Lease, Assignor has the right to assign the Lease to a buyer of all or a portion of the Shopping Center (as defined in the Lease) without the prior written consent of Landlord upon certain conditions set forth in Article 8 ("**Assignment Conditions**").
- C. Assignor desires to assign and Assignee desires to acquire Assignor's interest in and to the Lease.

NOW, THEREFORE, in consideration of the mutual obligations set forth herein, the parties hereto covenant and agree as follows:

1. **Effective Date.** The effective date of this assignment shall be the date on which it is recorded in the Official Records of San Bernardino County together with the concurrent recordation of the grant deed of the Shopping Center to Assignee which provides that Assignee is the Declarant under the CC&Rs (as defined in the Lease) ("**Effective Date**"). After the Effective Date, Assignee shall promptly send a recorded copy of this Agreement and the grant deed to Landlord pursuant to the notice provisions in the Lease.
2. **Assignment and Assumption.** As of the Effective Date, Assignor hereby assigns and transfers to Assignee all right, title, and interest in the Lease. Assignee accepts said assignment and assumes and agrees to be bound by and to perform, from and after the Effective Date, all the terms and conditions of the Lease binding upon the tenant thereunder, including, but not limited to, payment of rental, use restrictions and all provisions of the Lease.

3. **Liability of Assignor.** This Agreement shall not affect or reduce any obligation of Assignor or the rights of Landlord under the Lease, and all obligations of Assignor shall continue in full force and effect as the obligations of a principal and not of a guarantor or surety, to the same extent as though no assignment had been made.
4. **Compliance with Lease Conditions.** Assignor represents and warrants that the Lease Conditions have been satisfied and, therefore, the written consent of Landlord is not required.
5. **Default under Lease.**
 - (a) **Notice.** Landlord shall not be obligated to send or otherwise serve on Assignor any notice of default that Landlord may send to Assignee.
 - (b) **Right To Cure.** If Assignee is in default under the Lease, before Landlord may exercise any of the rights available to Landlord by reason of any such default by the Tenant, Assignor shall have the right to cure any default of Assignee, subject to the same time limitations upon such cure as apply to any cure by Assignee.
6. **Assignor's Representations and Covenants.** Assignor represents and covenants that:
 - (a) The Lease is in full force and effect;
 - (b) Landlord has fully performed all covenants and obligations on its part to be performed and observed under the Lease;
 - (c) Landlord has not done or permitted any act or acts in violation of any of covenants, provisions, or terms of the Lease;
 - (d) Assignor has fully performed all covenants and obligations on its part to be performed and observed under the Lease;
 - (e) Assignor has not done or permitted any act or acts in violation of any covenants, provisions or terms of the Lease; and
 - (f) There is not now in existence any reason or claim to offset, deduct, or decrease any payments under the Lease.
7. **Condition of Premises.** Assignee agrees that it has inspected the Premises and hereby agrees to take the Premises in the condition existing upon the Effective Date.
8. **Miscellaneous.**
 - (a) **Attorneys' Fees.** If any party hereto commences an action against the other party to enforce any provision of this Agreement, the prevailing party shall be entitled to recover from the losing party's reasonable attorneys' fees and other costs incurred in connection therewith.
 - (b) **Notice.** Any notice or communication that any party hereto desires or is required to give to another party or any other person shall be given pursuant to the Notices provision of the Lease. Assignee shall provide notice to Landlord of its address for notices in accordance with the Notices provision in the Lease.

9. **Amendment of Lease.** Landlord and Assignee may enter into any agreement that amends the Lease without Assignor's consent; provided, however, that any amendment shall not substantially increase Assignor's obligations under this Assignment without Assignor's written consent.
10. **Modification.** This Agreement may not be changed, modified, discharged, or terminated other than by a written agreement in writing executed by Assignor and Assignee and recorded in the Official Records of San Bernardino County.
11. **Counterparts.** This Agreement may be executed in several counterparts, each of which shall be deemed an original, but all of which shall constitute one and the same Agreement.
12. **Landlord as Third Party Beneficiary.** Landlord is a third-party beneficiary of this Agreement.

IN WITNESS WHEREOF, the parties hereto have duly executed this Agreement as of the _____ day of _____, 20____.

"Assignee"

_____ a _____

By: _____
Name: _____
Its: _____

By: _____
Name: _____
Its: _____

"Assignor"

_____ a _____

By: _____
Name: _____
Its: _____

By: _____
Name: _____
Its: _____

STATE OF CALIFORNIA)
) ss.
COUNTY OF _____)

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

Signature _____

1

STATE OF CALIFORNIA)
) ss.
COUNTY OF _____)

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

Signature _____

1

EXHIBIT D

SUMMARY OF SIGN REQUIREMENTS

EXHIBIT E

LOCATION OF SIGNS

A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

STATE OF CALIFORNIA)
) ss.
COUNTY OF _____)

On _____ before me, _____, Notary Public, personally appeared _____, who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

Signature _____

(Seal)