

**PROPERTY LEASE
BY AND BETWEEN
THE CITY OF RIALTO AND
LAMAR CENTRAL OUTDOOR, LLC**

THIS PROPERTY LEASE (“Lease”) is made and entered into as of this ____ day of _____ 2019, by and between the **City of Rialto**, a public body, corporate and politic located in the County of San Bernardino, State of California (hereinafter referred to as “Lessor” and sometimes “City”), and **Lamar Central Outdoor, LLC**, a Delaware limited liability company (hereinafter referred to as “Lessee”).

RECITALS:

A. Lessor is the owner of that certain real property located in the City of Rialto, California, more particularly described in Exhibit “A-1” attached hereto and incorporated herein by this reference (the “Premises”).

B. Lessee desires to install and conduct certain advertising business operations on a portion of the Premises consisting of approximately ____ square feet[, as more particularly described in the metes and bound description set forth on Exhibit “A-2” attached hereto and incorporated herein by this reference] (the “Leased Premises”).

C. Lessor desires to convey a leasehold interest in a portion of the Premises, to Lessee and Lessee desires to acquire from Lessor a leasehold interest in the Leased Premises pursuant to the terms and conditions set forth in this Lease.

D. The parties desire that the Leased Premises be used for the construction, repair, relocation and/or use of a double-sided digital advertising display (“Digital Display”), with supporting structures, illumination facilities and connections, as provided for in this Lease (collectively, the “Sign”).

E. The Lease is conditioned upon and subject to Lessee’s ability to obtain (i) any and all required entitlements and approvals from the City or other applicable governmental agencies, including those required under California Environmental Quality Act (Public Resources Code Sections 2100 *et seq.*) (“CEQA”), for Lessee’s construction, use, and operation of the Sign and its Appurtenant Rights (as defined below); and (ii) any and all required approvals from the California Department of Transportation (including the California Department of Transportation Outdoor Advertising Division (“Caltrans”) that may be necessary in order to allow for the construction and installation of the Sign on the Leased Premises, including, without limitation, the relocation of one of Lessee’s existing outdoor advertising billboard display to the Leased Premises pursuant to the California Outdoor Advertising Act (“COAA”).

NOW, THEREFORE, for good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the parties incorporate the Recitals set forth above and agree as follows:

ARTICLE 1 SUBJECT OF LEASE

1.1 The Leased Premises. City hereby leases to Lessee the Leased Premises as set forth in Exhibit “A-2” together with the Appurtenant Rights (as defined below), subject to the terms, covenants and conditions set forth in this Lease to be used for the construction, repair, maintenance, relocation and use of the Sign and Digital Display. Lessee acknowledges and agrees that the Leased Premises are in good order, repair, and condition and suitable for the uses provided under this Lease and Lessee accepts the Leased Premises in an “AS-IS” condition without any representation or warranty from the City.

1.2 Appurtenant Rights. The Leased Premises shall include certain appurtenant rights as necessary for the construction, operation and repair of the Sign and Digital Display, which shall consist of the following: (i) a non-exclusive license coupled with an interest (the “License”) of access over the Premises for the limited purpose of accessing the Leased Premises in connection with the use, maintenance and service of the Sign and all activities reasonably necessary in connection therewith, which License is hereby granted to Lessee and Lessee’s employees, contractors, agents and representatives; (ii) certain easement rights over and under the Premises as may be reasonably necessary to provide electrical or other utility service to the Digital Display; provided, however, that all utility service(s) to the Leased Premises shall be designed, installed, operated and maintained in such manner as to minimize interference with the use of the Premises by City or any planned development thereon (collectively, the “Easement Rights”); (iii) subject to compliance with the terms of this Lease and applicable local and state law, the right to construct and erect (or cause to be constructed and erected) necessary structures, advertising devices, utility service(s), connections, and communications devices and connections directly related to the use of the Digital Display (collectively, “Appurtenant Rights”). Lessee shall exercise its rights hereunder primarily during the hours of 7:00 a.m. and 6:00 p.m. and, except in an emergency situation, shall not conduct maintenance activities on the Premises outside of such hours without prior notice to City. City shall have the right to designate, by written notice to Lessee, that portion of the Premises to be used by Lessee for purposes of accessing and maintaining the Sign (the “Designated Access Area”) and to restrict access from the Designated Access Area to the remainder of the Premises; provided that such Designated Access Area shall be located in such a manner so as to not materially impair access to the Sign or otherwise materially interfere with the maintenance and operation thereof. Notwithstanding anything to the contrary herein (i) all Appurtenant Rights of Lessee, shall be subject to the terms and conditions of any development agreements or similar agreements entered into by City with any third party for the development and/or operation of any development project on the Premises, and the construction and operation of such development projects thereon; provided that such terms and conditions shall not cause the Digital Display to be obstructed or impaired from view from the adjacent 210 freeway, and (ii) City shall have the right, in its sole discretion to require a relocation of the Designated Access Area and Lessee’s Appurtenant Rights to the extent reasonably necessary for the development of the Premises in order to ensure there is no conflict with any future planned development of the Premises, and any such relocation shall be performed by Lessee at not cost to City; provided that any relocation of the Digital Display to the area designated by City shall not cause the Digital Display to be obstructed or impaired from view from the adjacent 210 freeway.

1.3 Conditions. Lessee's rights under this Lease and its use and access to the Leased Premises, shall be conditioned upon and subject to Lessee's (i) acquisition of any and all required permits, entitlements, and governmental approvals from all applicable governmental agencies, including the City and Caltrans, and (ii) full compliance with the COAA and any and all approvals required under CEQA that may be necessary for the construction and/or operation of the Sign. Lessee's construction, use, and operation of the Sign and the Appurtenant Rights shall be subject to all ordinances, resolutions, codes, rules, regulations and official policies of City, including, but not limited to, the City's General Plan, Municipal Code and Zoning Code, which govern development and use of the Leased Premises and the Sign, including, without limitation, the permitted use of land, the maximum height and size of the Sign and/or Digital Display, and the design, improvement and construction standards and specifications applicable to the development of the Leased Premises and the Sign.

Lessee acknowledges and agrees that the City has not yet determined the scope or scale of the environmental review that will be required for the construction or operation of the Sign and that the City shall have full discretionary approval over the erection and operation of the Sign, its required entitlements, and environmental review required pursuant to CEQA as a condition precedent to the Lease of the Leased Premises to Lessee. City hereby reserves its full discretion to approve or deny any entitlements and/or environmental approvals required under CEQA that may be required for Lessee's construction or operation of the Sign and use of the Leased Premises. Further, all expenses incurred by Lessee during the Term (as defined below) are incurred at Lessee's sole risk and expense. Prior to formal approvals from the City, Lessee's reliance on any representations or promises by City, including, its staff, attorneys, consultants, and individual City Council members, shall be undertaken at Lessee's sole risk and expense. As to any matter which City may be required to exercise its unfettered discretion with respect to the installation of the Sign, nothing herein shall obligate City to exercise discretion in any particular manner, and any exercise of discretion reserved hereunder or required by law; it is not a waiver of the City's police powers and shall not be deemed to constitute a breach of City's duties under this Lease.

ARTICLE 2 POSSESSION OF THE LEASED PREMISES

2.1 Quiet Enjoyment. Except as expressly provided under this Lease, Lessee shall lawfully and quietly hold, occupy and enjoy the exclusive use of the Leased Premises during the Term (as defined in Article 3) of this Lease, without hindrance or molestation by Lessor or any person or persons claiming through Lessor, or otherwise. Furthermore, Lessor shall not allow any competitor of Lessee to develop outdoor advertising displays upon any property owned by Lessor within one thousand (1,000) feet of the Leased Premises.

2.2 Surrender of the Leased Premises. Except as set forth in Section 5.5, all structures, equipment and materials erected or placed upon the Leased Premises by the Lessee shall remain the property of Lessee and may be removed by Lessee at any time prior to or no later than sixty (60) days after expiration of the Term hereof or the Extended Term (if applicable). At the termination of this Lease, Lessee agrees to restore the surface of the Leased Premises to its original condition. Lessee shall have the right to make any necessary applications with, and obtain permits from, all applicable governmental bodies and agencies for the construction and maintenance of Lessee's Sign and the Leased Premises and Appurtenant Rights, at the sole

discretion of Lessee. All such permits and any nonconforming rights pertaining to the Leased Premises and associated Appurtenant Rights shall be the property of Lessee.

2.3 Release. Effective on the Commencement Date (as defined in Section 12.2), Lessee waives, releases and discharges Lessor, the City and its members, officers, employees, attorneys agents, contractors and consultants, from any and all present and future claims, demands, suits, legal and administrative proceedings, and from all liability for damages, losses, costs, liabilities, fees and expenses (including, without limitation, attorneys' fees) arising out of or in any way connected with the Lessee's use, maintenance, ownership or operation of the Leased Premises and Appurtenant Rights, including any portion thereof and any Improvements thereon, except to the extent the same are caused by the sole negligence or willful misconduct of the Lessor or its employees, officers or agents. Lessee acknowledges that it is aware of and familiar with the provisions of Section 1542 of the California Civil Code which provides as follows:

“A general release does not extend to claims that the creditor or releasing party does not know or suspect to exist in his or her favor at the time of executing the release and that, if known by him or her would have materially affected his or her settlement with the debtor or released party.”

Developer's Initials: _____

To the extent of the release set forth in this Section 2.3, Lessee hereby waives and relinquishes all rights and benefits which it may have under Section 1542 of the California Civil Code.

ARTICLE 3 TERM

3.1 Duration and Commencement. This Lease shall be for a Term of twenty (20) years ("Term"), commencing on the Commencement Date, unless otherwise terminated earlier pursuant to terms and conditions herein.

3.2 Option to Extend. Provided that Lessee is not in default under this Lease on the date Lessee issues written notice of its election to exercise its Option and/or on the date that is the last day of the initial Term, Lessee may extend the term of this Lease ("Option") under the same terms and conditions set forth herein for up to ten (10) years ("Extended Term") by giving written notice to Lessor at least one hundred eighty (180) days but not more than three hundred sixty (360) days before the expiration of the initial Term. Lessee shall have no other right to extend the term of this Lease beyond the Extended Term. Except in the event of a Permitted Transfer described in Section 8.1 below, the Option is personal to Lessee and may not be assigned or transferred either voluntarily or by operation of law.

ARTICLE 4 RENT

Lessee shall pay Rent (as hereinafter defined) in such amounts as provided in this Article 4.

4.1 Rent. Lessee shall pay Lessor as rent for the use and occupancy of the Leased Premises in the amount of (a) Forty Thousand Dollars (\$40,000) per year ("Base Rent"); or (b) Twenty-Five Percent (25%) of gross advertising revenue for the Digital Display, in the aggregate ("Gross Revenue Amount"), whichever is greater ("Rent"). Beginning on the start of the 5th anniversary of the Commencement Date and every five (5) years thereafter during the Term, the Base Rent shall be adjusted by the percentage increase in the Consumer Price Index (CPI) as published by the U.S. Bureau of Labor Statistics for Riverside-San Bernardino-Ontario, CA, it being understood that under no circumstances shall the Base Rent be adjusted to exceed twenty percent (20%) of the Gross Revenue Amount from the immediately preceding year. In the event there is no change in the CPI or in the event there is a decrease in the CPI for the prior calendar year, then the Base Rent shall not be changed for the following year.

4.2 Payment. Lessee shall pay Rent on a monthly basis in equal successive installments calculated pursuant to the Base Rent ("Monthly Rent"). Payment of Monthly Rent shall be made to the City commencing on the Commencement Date. If, at the end of the quarterly period following the Commencement Date during the Term (occurring on April 1, June 1, September 1 and January 1 of each year of the Term), the Gross Revenue Amount realized over the course of the quarterly period exceeds the Base Rent amount for such same period, then any additional overage shall be paid by the Lessee to the City within thirty (30) days of such quarterly period. All payments required to be made by Lessee to City under this Lease shall be made when due and shall be made by check drawn on sufficient available funds payable to the "City of Rialto" and delivered to the City at 150 S. Palm Ave., Rialto, CA 92376, Attn: City Finance Director or any other location as the City may designate.

4.3 Audit Books and Records. The Lessee shall prepare and maintain proper, accurate and complete books and records regarding any revenue realized pursuant to this Lease. All financial records of the Lessee shall be maintained in accordance with generally accepted accounting principles and auditing standards. Lessee shall make available for examination and copying such books and records (except for the Lessee's financial ledgers and statement). Lessee shall keep and maintain all such books and records separate and distinct from other records and accounts, and shall maintain such books and records for at least three (3) years after review by City. With prior written notice of not less than ten (10) business days, Lessor, at its sole expense, shall have the right to audit Lessee's Gross Revenue Amount. If the statement of Gross Revenue Amount previously provided to Lessor shall be found to be inaccurate for prior years of the Term, and Lessee is found to have underpaid Lessor of the percentage Rent that should have been paid to Lessor, Lessee shall promptly pay to Lessor such sums as may be necessary to settle in full the accurate amount of said percentage Rent that should have been paid to Lessor for the period or periods covered by such inaccurate statement or statements. In addition, if said audit discloses an underpayment of greater than five percent (5%) with respect to the Gross Revenue Amount reported by Lessee for the period or periods of said report(s), then Lessee shall immediately pay to Lessor its actual and reasonable costs of such audit (provided that in exercising its rights, the Lessor shall not engage any auditor working on a contingency fee basis), plus five percent (5%) interest on the amount underpaid, but the application of such interest is limited to three (3) years before the time any underpayment should have been paid to the Lessor.

4.4 Utility and Services. During the Term of this Lease, Lessee shall contract and pay for, and shall indemnify defend and hold Lessor and the Leased Premises harmless from all charges for all utilities and services to the Leased Premises including but not limited to electricity service, and all other services and utilities used, rendered or supplied to, on or in the Leased Premises during the Term and/or as necessary for the operation of its Sign / Digital Display. Lessor shall cooperate with Lessee in procuring the services described above. Lessee shall, to the extent commercially reasonable, cause all utility service(s) provided to the Leased Premises to be separately metered and City shall use its best efforts to cooperate with and assist Lessee in obtaining such separate metering.

4.5 Taxes. Lessee shall pay prior to delinquency any and all personal property taxes and possessory interest taxes attributable to the Leased Premises. Lessee is aware that this leasehold will be subject to possessory interest taxes as assessed by the County of San Bernardino. Lessee shall indemnify, defend and hold harmless Lessor against any and all such taxes, fees, penalties or interest assessed, or imposed against Lessor hereunder. In the event Lessee fails to timely pay any tax, assessment, fee, penalty or interest, Lessor, at its option, shall have the right to pay such charge and treat such payment as additional rent ("Additional Rent") to be charged to Lessee and paid by Lessee to Lessor within five (5) days after receipt of written notice from Lessor. Lessee shall be solely responsible for the payment of all taxes attributable to its operations, including but not limited to, sales taxes and income taxes. In the event that documentary transfer taxes are due by the Lessor, Lessee shall reimburse the Lessor for such costs.

ARTICLE 5 USE OF THE LEASED PREMISES

5.1 Permitted Use. Lessee accepts the Leased Premises subject to all matters of record including, but not limited to, any covenants, conditions, and/or restrictions recorded against the Premises. The Leased Premises shall be used only for the purpose of conducting Lessee's outdoor advertising business. Lessee shall conduct said business in full compliance with all terms and conditions of this Lease, and applicable laws. In accordance therewith, Lessee may erect one two-paneled Digital Display on the Leased Premises. Lessee may change out a digital side to static if and when its business needs or objectives so dictate, subject to Lessee securing all applicable permits and authorizations therefor. Lessee's use and access to the Leased Premises shall comply with any and all covenants, conditions, restrictions, easements, development agreements, mortgages or deeds of trust, rights of way or other matters now or hereafter of record against the Leased Premises.

5.1.1 Due Diligence Contingency and Pre-Commencement Date Access to Premises. Lessee shall have the right (but not the obligation) at any time following the full execution of this Lease and prior to the Commencement Date, to enter the Leased Premises for the purpose of making necessary inspections, taking measurements and conducting engineering surveys (and soil tests where applicable) and any other reasonably necessary tests to determine the suitability of the Leased Premises for the Sign ("Due Diligence"), and for the purpose of preparing the Leased Premises for the installation or construction of the Sign. During any Due Diligence activities or pre-installation or pre-construction work, Lessee shall have insurance which covers such activities as set forth in this Lease. Lessee shall notify Lessor of any proposed tests, measurements or pre-installation or pre-construction work, and shall coordinate the scheduling of such activities with Lessor. If, during

the course of Due Diligence Lessee determines that the Premises are unsuitable for Lessee's contemplated use, then Lessee shall have the right to terminate this Lease prior to the Commencement Date without any further liability or obligation to Lessor by delivery of written notice of termination to Lessor as set forth in Section 7.3. In the event Lessee terminates this Lease pursuant to the provisions of this Section 5.1.1, then Lessee, at Lessee's sole cost, shall immediately return the Leased Premises to the condition thereof existing prior to Lessee engaging in all Due Diligence activities.

5.2 Prohibited Uses. Lessee shall not use, or allow use of, the Leased Premises for any activity other than outdoor advertising without the prior written consent of Lessor. Lessee's uncured breach of the above shall be deemed a material default under the terms of this Lease giving rise to Lessor's right, in its sole discretion, to immediately terminate this Lease. Lessee voluntarily covenants and agrees for itself, its successors and assigns, that any advertising displayed on the Digital Display (which term shall include any display converted to a static display) shall not contain any advertising for (i) sexually oriented images or language or adult entertainment or nudity including, but not limited to, topless bars, nightclubs, establishments that feature nude dancing, mud wrestling, any adult business featuring retail sales of adult novelty items, books, magazines, videos and tapes, or any material that could be reasonably considered pornographic, (ii) hard alcohol (beer and wine shall be permitted to be displayed), (iii) drugs or narcotics, marijuana, hashish, or tobacco products of any type, or (iv) immoral, vulgar or obscene images, messages, or language. Lessor further reserves the right to object to any other advertising that may be considered detrimental to the image of City. In such case, Lessor shall inform Lamar in writing of the offensive advertising and request that it be removed. Lessee shall not unreasonably deny the request.

5.3 Community Benefits in Favor of City. Lessee shall provide free of charge to City on a space-available basis, advertising space either on the Digital Display or an alternative billboard within close proximity to the City, subject to the City's reasonable approval, no less than three (3) times per year, upon the request of City. Such advertising space shall only be made available for the use of City-related events or public service announcements. In no event shall the City be entitled to make the advertising space available to any competitor of Lessee or any third party without the express written consent of Lessee. City will be responsible for creating the design of any such displays, subject to review and approval of a suggested copy from City by Lessee.

5.4 Compliance with Laws. Lessee shall not occupy or use the Leased Premises, Sign, or Appurtenant Rights or permit the Leased Premises or Appurtenant Rights to be used or occupied, nor do or permit anything to be done in or on the Leased Premises or Appurtenant Rights in whole or in part, for other than legal purposes, or anything likely to create a public or private nuisance, or to cause structural injury to the Premises or any part thereof, or in violation of any local law of the City.

5.5 Alterations. Except for the installation and maintenance of the Sign and appurtenances in accordance with the terms of this Lease, Lessee shall not make any additional alterations in or about the Premises, without Lessor's prior written consent, which shall not be unreasonably withheld. Any alterations to the Leased Premises or Lessee's Appurtenant Rights

shall be done according to any and all applicable laws and regulations and with all required permits. Lessee shall give Lessor advance notice of the commencement date of any planned alteration, so that Lessor, at its option, may post a notice of non-responsibility to prevent potential liens against Lessor's interest in the Leased Premises and/or the Premises. Lessor may also require Lessee to provide Lessor with lien releases from any contractor performing work on the Leased Premises. With the exception of the Sign and other outdoor advertising structures, equipment, and materials placed upon the Leased Premises by the Lessee, all Improvements installed by Lessee, with or without Lessor's consent, shall become the property of Lessor upon termination.

5.6 Right of Entry. Lessee shall permit Lessor and Lessor's employee, agents, representatives, or contractors to enter the Leased Premises at all reasonable times upon reasonable prior notice to inspect the Leased Premises to determine whether Lessee is in compliance with the terms of this Lease and to do other lawful acts that may be necessary to protect Lessor's interest in the Leased Premises under this Lease, to show the Leased Premises for any prospective purchasers, developers, or lenders, or to perform Lessor's duties under this Lease and confirm compliance by Lessee. In addition, Lessor and Lessor's, employees and agents shall have the right to enter the Leased Premises at any time in the case of an emergency, or to abate any nuisance or dangerous condition. All such activities of Lessor shall be without abatement of rent or liability to Lessee.

SPECIAL NOTE: Nothing in this Lease shall restrict or obligate City when acting in its capacity as a governmental authority, in accordance with its police powers to protect the health, safety and welfare of the City, or its residents or visitors, or from acting in accordance with its powers as a governmental agency, when issuing any permits or approvals or taking any other discretionary action.

5.7 Surrender of Premises, Holding Over. On the expiration or termination of this Lease, Lessee shall promptly surrender and deliver the Leased Premises to Lessor in good condition and repair subject to reasonable wear and tear and shall surrender all keys to the Leased Premises or, in the event of the loss of any keys, Lessee shall reimburse Lessor for the cost of replacing same. At the expiration of this Lease, if Lessee holds over for any reason, it is agreed, in absence of a written agreement to the contrary, tenancy shall then be from month-to-month only and not a renewal of this Lease, or an extension for any further term. Lessee shall pay monthly rent in an amount established by Lessor, and the month-to-month tenancy shall be subject to every other term, covenant and condition in this Lease that is consistent with and not contrary to a month-to-month tenancy.

5.8 Mechanics' Liens. Lessee shall not permit any mechanic's, materialman's, contractor's, subcontractor's or other lien arising from any work or improvement, for any labor done, services performed, or materials, appliances, transportation, or power used or furnished, however it may arise, to stand against the Leased Premises or the Premises. If any such lien shall be filed or arise against the Leased Premises or the Premises, Lessee shall cause the same to be discharged within forty-five (45) days after such filing, by payment, deposit, or bond and shall save and hold City and the Premises free and harmless from any and all such claims, liens, or suits. If an action to foreclose such lien has been filed before Lessee discharges in full such lien, and a lis pendens or similar encumbrance on the Leased Premises or the Premises has been recorded in

connection with such action, Lessee shall, at the time it discharges such lien, take all measures necessary to procure the removal of such encumbrance from the record title of the Leased Premises or the Premises. If Lessee shall fail to discharge any such lien, City may, but shall not be obligated to, discharge the same and any amount so paid or deposited by City and any expenses so incurred by City, including reasonable attorneys' fees, shall become immediately due and payable by the Lessee to City together with interest as provided hereunder.

ARTICLE 6 INDEMNIFICATION AND INSURANCE

6.1 Indemnification of Lessor. Lessee hereby indemnifies, holds harmless and agrees to defend Lessor, its staff, members, officers, employees, agents, and contractors ("Lessor Parties") from and against all claims, damages, liabilities, costs, expenses (including, without limitation, reasonable attorneys' fees and reasonable investigative and discovery costs), liabilities and judgments ("Indemnified Claims") on account of Lessee's construction, operation, use or maintenance of the Sign, Leased Premises, or Appurtenant Rights, and/or any injury to persons, loss of life, or injury or damage to property occurring on or about the Leased Premises or the Premises and on the ways immediately adjoining the Leased Premises. In connection with the foregoing, (a) Lessee shall defend any action or actions filed in connection with any of said Indemnified Claims and will pay all costs and expenses, including legal costs and attorneys' fees incurred in connection therewith; (b) Lessee shall promptly pay any judgment rendered against Lessor and Lessor Parties for any such Indemnified Claims; and Lessee shall save and hold the Lessor and Lessor Parties harmless therefrom; and (c) in the event the Lessor and Lessor Parties are made a party to any action or proceeding filed or prosecuted against Lessee for such Indemnified Claims, Lessee shall pay to Lessor any and all costs and expenses incurred by the Lessor or Lessor Parties in such action or proceeding, including but not limited to, all actual legal costs and attorneys' fees. Lessee's obligations with respect to indemnification hereunder shall remain effective, notwithstanding the expiration or termination of this Lease, as to claims arising or accruing prior to the expiration or termination of this Lease. Notwithstanding anything in this Lease to the contrary, Lessee and Lessor acknowledge that Lessee shall not indemnify the Lessor Parties for any Indemnified Claims caused by or arising out of the gross negligence or willful misconduct of the Lessor Parties.

6.2 Liability Insurance Coverage and Limits. Commencing upon the Commencement Date and throughout the duration of the Term (and during any Option Periods, if applicable), Lessee shall procure and maintain at its own expense, during the Term of this Lease, Comprehensive General Liability Insurance, of not less than One Million Dollars (\$1,000,000) per occurrence, and Two Million Dollars (\$2,000,000) in the aggregate, for bodily injury, personal injury, death, loss, or damage resulting from the wrongful or negligent acts by Lessee or its officers, employees, servants, volunteers, and agents and independent contractors. All insurance policies shall be endorsed to name the City and its officers, employees, servants, volunteers, agents and independent contractors as additional insured's.

6.4 Policy Form, Content and Insurer.

6.4.1 All insurance required by the provisions of this Lease shall be carried only with insurance companies licensed to do business in this state with Best's Financial Rating of A VII or better or otherwise acceptable to Lessor.

6.4.2 All such policies required by the provisions of this Lease shall be non-assessable and shall contain language to the effect that (i) the policies are primary and noncontributing with any insurance that may be carried by Lessor, (ii) the policies cannot be canceled or materially changed except after thirty (30) days notice by the insurer to Lessor and (iii) Lessor shall not be liable for any premiums or assessments. The insurer under the policy of property insurance for the Leased Premises shall also waive its rights of subrogation against Lessor and Lessor's members, officers, employees, agents and contractors.

6.4.3 All deductibles or self-insured retentions shall be commercially reasonable for companies of similar net worth as Lessee.

6.4.4 Upon Lessee's execution and delivery of this Lease, Lessee shall deliver to Lessor certificates of insurance evidencing the insurance coverages specified in this Article 6 Lessee shall thereafter deliver to Lessor original certificates and amendatory endorsements evidencing the insurance coverages required by this Article upon renewal of any insurance policy. Full copies of the policies shall be made available to Lessor upon request.

ARTICLE 7 DAMAGE OR DESTRUCTION; CONDEMNATION; TERMINATION

7.1 Damage or Destruction. If, by no fault of Lessee, the Leased Premises are totally or partially damaged or destroyed by fire, earthquake, accident or other casualty, Lessee shall have the right to restore the Leased Premises by repair or rebuilding. If Lessee elects and is able to complete such restoration within 90 days from the date of damage, this Lease shall remain in full effect, and Lessee shall be required to commence repair and restoration within thirty (30) days following such damage or destruction and shall diligently prosecute such repair and restoration to completion, and Lessee's Rent payments shall be abated as of the date of damage until the completion of such repair/restoration. If Lessee is unable or elects not to restore the Leased Premises within the ninety (90) day timeframe provided herein, then either party may terminate this Lease by giving the other written notice, and Lessee shall be required to remove any and all structures and personal property of Lessee still existing on the Leased Premises and restore the surface of the Leased Premises to its original condition. If damage occurs as a result of any negligent act of Lessee, only Lessor shall have the right of termination, and no reduction in Rent shall be made.

7.2 Condemnation. If, at any time during the Term, title to any portion of the Leased Premises shall be taken in condemnation proceedings or by a right of eminent domain in a manner that materially impairs Lessee's ability to use the Leased Premises or to operate the Sign thereon in a commercially reasonable manner, this Lease shall terminate upon the date of such taking and the Rent and any additional payments due hereunder shall be apportioned and paid to the date of such taking. Without limiting the foregoing, the condemnation award or amount paid in lieu thereof shall be apportioned as follows:

(a) City shall be entitled to receive such portion of the award or awards (with interest thereon, if any) as shall represent compensation for the value of the Leased Premises or the part thereof so taken, exclusive of the value of the Sign and Lessee's leasehold interest in the Leased Premises, and such portion of such award or awards (with interest thereon, if any) as shall represent consequential damages, if any, to the portion of the Leased Premises not so taken, if any; and

(b) Lessee shall be entitled to receive the balance of such award or awards as shall represent compensation for the value of Sign or Lessee's leasehold interest in the Leased Premises, or the part thereof so taken, and such portion of such award or awards as shall represent consequential damages, if any, to the portion of the Sign or Leased Premises not so taken, if any.

7.3 Termination. This Lease may be immediately terminated by Lessee in its sole discretion without further liability, by delivery of written notice thereof to Lessor prior to the Commencement Date for any reason resulting from Lessee's Due Diligence, or if a title report obtained by Lessee for Leased Premises shows any defects of title or any liens or encumbrances which may adversely affect Lessee's intended use of the Leased Premises. In addition, this Lease may be terminated without further liability upon thirty (30) days prior written notice as follows: (a) by either party upon an event of default pursuant to Section 10.2; (b) by either party if Lessee does not obtain licenses, permits or other approvals necessary to the construction or operation of the Sign ("Permits"); (c) by Lessee if it is unable to obtain Permits without conditions which, in Lessee's reasonable discretion, are not standard or typical for premises where facilities as contemplated herein are located or is unable to maintain such Permits despite reasonable efforts to do so.

ARTICLE 8 ASSIGNMENT AND SUBLETTING

8.1 Prohibition Against Assignment/Transfer. Lessee understands and acknowledges that Lessor has entered into this Lease based upon Lessee's experience, knowledge, capability and reputation. For this reason, Lessee shall not assign, transfer, sublet, or attempt to assign this Lease or any of its rights herein, nor make any total or partial sale, transfer, conveyance or assignment of the whole or any part of the Leased Premises, or the Improvements, without prior written approval of Lessor, in its sole discretion. This restriction, however, shall not serve to bar the transfer of Lessee's rights and interests hereunder to (i) an affiliate (defined as a corporation, limited liability company or other entity that owns or controls (directly or indirectly) over fifty percent (50%) by the same entity (or entities) as Lessee), or (ii) a lawful successor in interest to 100% of Lessee, including one created by merger, restructuring, entity or asset purchase or other lawful business reorganization, provided that each such transfer referenced in clauses (i) and (ii) above shall be subject to the reasonable approval of documentation by Lessor or its designee for conformance with this Lease, including (if applicable) a written assignment and assumption agreement in a form approved by Lessor in its reasonable discretion, executed by Lessee's assignee and Lessee ("Permitted Transfer"). The term "controls" as used in clause (i) above in the immediately preceding sentence shall mean an entity possessing more than 50% of the voting rights in both Lessee and the purported affiliate.

8.2 Lessee's Continued Obligations. In the absence of a specific written agreement by Lessor, and except as otherwise provided in this Lease, no such sale, transfer, conveyance or assignment of this Lease, Leased Premises or the Improvements (or any portion thereof), or approval by Lessor of any such sale, transfer, conveyance or assignment, shall be deemed to relieve Lessee or any other party from any obligations under this Lease.

ARTICLE 9 REPRESENTATIONS AND WARRANTIES

9.1 Lessor's Representations and Warranties. Lessor represents and warrants to Lessee that: (i) Lessor has full right and authority to grant the estate and the other rights demised herein and to execute and perform all of the terms and conditions of this Lease binding on Less; (ii) Lessee, upon performing and complying with all covenants, agreements, terms and conditions of this Lease to be performed or complied with by it, shall peaceably and quietly have, hold and enjoy the full possession and use of the Leased Premises and the easements, rights-of-way, rights, privileges, benefits and appurtenances belonging thereto throughout the Term, subject to all terms and conditions of this Lease; and (iii) Lessor has the power and authority to enter into this Lease and perform all the obligations of Lessor hereunder.

9.2 Lessee's Representations and Warranties. Lessee represents and warrants to Lessor that: (i) Lessee has examined the Leased Premises and finds that it is fit for use as outdoor advertising in accordance with this Lease; (ii) Lessee acknowledges that Lessor has not made any representations or warranties regarding the condition of the Leased Premises, or its suitability for the operation of outdoor advertising contemplated by this Lease; (iii) Lessee is solely responsible for the construction and maintenance of the Sign and all necessary devices or structures, and all associated costs for said construction and maintenance; and (iv) Lessee has the right, power and authority to enter into this Lease and to perform all the obligations of Lessee hereunder.

ARTICLE 10 DEFAULT & REMEDIES.

10.1 Defaults – General.

a. Failure or delay by either party to perform any term or provision of this Lease shall constitute a default under this Lease. The party who fails or delays must commence to cure, correct or remedy such failure or delay and shall complete such cure, correction or remedy with reasonable diligence.

b. The injured party shall give written notice of default to the party in default, specifying the default complained of by the injured party. Failure or delay in giving such notice shall not constitute a waiver of any default, nor shall it change the time of default. Except as otherwise expressly provided in this Lease, any failures or delays by either party in asserting any of its rights and remedies as to any default shall not operate as a waiver of any default or of any such rights or remedies. Delays by either party in asserting any of its rights and remedies shall not deprive either party of its right to institute and maintain any actions or proceedings which it may deem necessary to protect, assert, or enforce any such rights or remedies.

c. If a monetary event of default occurs, prior to exercising any remedies hereunder, the injured party shall give the party in default written notice of such default. The party in default shall have a period of ten (10) calendar days after such notice is received or deemed received within which to cure the default prior to exercise of remedies by the injured party.

d. If a non-monetary event of default occurs, prior to exercising any remedies hereunder, the injured party shall give the party in default notice of such default. If the default is reasonably capable of being cured within thirty (30) calendar days after such notice is received or deemed received, the party in default shall have such period to effect a cure prior to exercise of remedies by the injured party. If the default is such that it is not reasonably capable of being cured within thirty (30) days after such notice is received, and the party in default (1) initiates corrective action within said period, and (2) diligently, continually, and in good faith works to effect a cure as soon as possible, then the party in default shall have such additional time as is reasonably necessary to cure the default prior to exercise of any remedies by the injured party, but in any event no more than ninety (90) days of receipt of such notice of default from the injured party.

10.2 Events of Default. Subject to the notice and cure provisions of Section 10.1 above, in addition to other rights and remedies at law and equity, Lessor or Lessee, as the situation so dictates, shall have the right to terminate this Lease in the event of a default by the other party, including but not limited to the following (collectively referred to herein as an “Event of Default”):

10.2.1 If Lessee fails to make a payment of any Monthly Rent or Additional Rent or other fees, payments, or charges when due and payable to Lessor and such default shall continue for more than ten (10) days after Lessor shall have given written notice thereof to Lessee; or

10.2.2 Lessee assigns or attempts to assign this Lease, or any rights herein, or transfer, except in the event of a Permitted Transfer described in Section 8.1 above, or suffer any involuntary transfer of the Leased Premises or any respective parts thereof, in violation of this Lease, and such breach is not cured within the time provided herein; or

10.2.3 If Lessee shall default in the performance of or compliance with any other term, covenant or condition of this Lease; or

10.2.4 Upon any bankruptcy, dissolution, or insolvency of Lessee, any transfer by Lessee to defraud creditors, any assignment by Lessee for the benefit of creditors, or the commencement of any proceedings of any kind by or against Lessee under any provision of the Federal Bankruptcy Act or under any other insolvency, dissolution, bankruptcy or reorganization act unless, in the event any such proceedings are involuntary, Lessee is discharged from the same within sixty (60) days thereafter; the appointment of a receiver for a substantial part of the assets of Lessee; or the levy upon this Lease or any estate of Lessee hereunder by any attachment or execution; or

10.2.5 If Lessor shall default in the performance of or compliance with any term, covenant or condition of this Lease applicable to Lessor; or

10.2.6 If the Digital Display becomes entirely or partially obscured or obstructed due to an act of Lessor.

10.3 Remedies.

10.3.1 Lessee Remedies: If an Event of Default shall occur by Lessor, then, in addition to any other remedies available to Lessee at law or in equity, Lessee shall have the right to terminate this Lease.

10.3.2 Lessor Remedies: If an Event of Default shall occur by Lessee, then, in addition to any other remedies available to Lessor at law or in equity, Lessor shall have the right to:

(a) terminate this Lease in which case this Lease shall terminate and Lessee shall immediately surrender possession of the Leased Premises to Lessor. In such event City shall be entitled to recover from Lessee all damages incurred by Lessor by reason of Lessee's default, including, without limitation, the following: (i) any unpaid Rent which had been earned at the time of such termination; plus (ii) any other amount necessary to compensate Lessor for all the detriment proximately caused by Lessee's failure to perform its obligations under this Lease..

(b) without further notice or demand, rectify or cure such default, and any sums expended by Lessor for such purposes shall be paid by Lessee to Lessor upon demand and as additional compensation hereunder.

(c) continue this Lease in full force and effect after such default and recover the Rent and any other monetary charges as they become due. During the period Lessee is in default, Lessor shall have the right to do all acts necessary to preserve and maintain the Leased Premises as Lessor deems reasonable and necessary, including removal of all persons and property from the Leased Premises, and Lessor may enter the Leased Premises and relet them, or any part of them, to third parties for Lessee's account. Lessee shall be liable immediately to City for all costs City incurs in reletting the Leased Premises, including, without limitation, brokers' commissions, expenses of remodeling the Leased Premises required by the reletting, and like costs. Reletting can be for a period shorter or longer than the remaining Term.

(d) pursue any other legal or equitable remedy available to Lessor. Unpaid installments of Rent and other unpaid monetary obligations of Lessee under the terms of this Lease shall bear interest from the date due at the rate of ten percent (10%) per annum.

10.4 Effect on Indemnification. Notwithstanding the foregoing, nothing contained in this Article 10 shall be construed to limit Lessor's right to indemnification as otherwise provided in this Lease.

ARTICLE 11 REPAIRS AND MAINTENANCE

11.1 Lessor's Non-Responsibility. During the Term of this Lease, Lessor shall not be required to maintain or make any repairs or replacements of any nature or description whatsoever

to the Leased Premises or the Improvements thereon, including, but not limited to the Sign, except as expressly provided elsewhere herein.

11.2 Lessee's Duty to Maintain Leased Premises. Except as expressly otherwise provided for herein, throughout the Term of this Lease, Lessee shall, at Lessee's sole cost and expense, maintain or cause to be maintained the Leased Premises and the Improvements located on the Leased Premises in a first class condition and repair, free of debris, and in compliance with (i) all applicable local, state and federal rules, orders and regulations, and (ii) all applicable rules, orders, and regulations of any insurance company insuring all or any part of the Leased Premises or the Improvements thereon or both, and Lessee shall make or cause to be made whatever repairs and replacements are required by such enactments or provisions or future enactments or provisions. In addition, Lessee shall keep the Sign free from all graffiti and the Leased Premises free from trash and debris.

ARTICLE 12 DEFINITIONS

12.1 "Improvements" shall mean and include all appurtenances, equipment structures, fixtures and all other improvements of whatsoever character constructed on, around, under or over the Leased Premises, including, but not limited to the Sign.

12.2 "Commencement Date" shall mean the first day of the calendar month following the completion of construction of the Sign. The completion of the construction of the Sign shall be deemed to have occurred when City's inspector initials the building permit job card for the Sign.

ARTICLE 13 MISCELLANEOUS

13.1 Notices. Any notices, requests, demands, documents, approvals or disapprovals given or sent under this Lease from one party to another (each, a "Notice" and collectively, the "Notices") shall be given to the party entitled thereto at its address set forth below, or at such other address as such party may provide to the other parties in writing from time to time, namely:

(a) If to Lessor:

City of Rialto
150 S. Palm Ave.
Rialto, CA 92376
Attn: City Administrator

And to:

Aleshire & Wynder, LLP
18881 Von Karman Ave., Suite 1700
Irvine, CA 92612
Attn: Fred Galante

(b) If to Lessee:

Lamar Central Outdoor, LLC
449 East Parkcenter Circle South
San Bernardino, CA 92408
Attn: Brian Smith
Real Estate Manager

And to:

Stream Kim Hicks Wrage & Alfaro, PC
3403 Tenth Street, Suite 700
Riverside, CA 92501
Attn: Theodore Stream

Each such Notice shall be deemed delivered to the party to whom it is addressed: (i) if personally served or delivered, upon delivery; (ii) if given by registered or certified mail, return receipt requested, deposited with the United States mail postage prepaid, seventy-two hours after such notice is deposited with the United States mail; or (iii) if given by overnight courier, with courier charges prepaid, twenty-four (24) hours after delivery to said overnight courier.

13.2 Successors. All of the rights and obligations of the parties under this Lease shall bind and inure to the benefit of the respective heirs, personal representatives, successors, grantees and assigns of the parties and the restrictions, covenants and obligations pertaining to the Leased Premises shall run with the land and shall continue until this Lease is terminated or expires.

13.3 Integration. This Lease and the Exhibits attached hereto are the entire agreement between and final expression of the parties, and there are no agreements or representations between the parties except as expressed herein or therein. This Lease supersedes and cancels any and all previous negotiations, arrangements, agreements and understandings, if any, between the parties, and none shall be used to interpret this Lease.

13.4 No Waiver By Lessor. To the extent permitted by applicable law, no failure by Lessor to insist upon the strict performance of any term hereof or to exercise any right, power or remedy consequent upon a default under this Lease, and no acceptance of Rent during the continuance of any such default, shall constitute a waiver of any such default or of any such term. No waiver of any default shall affect or alter this Lease, which shall continue in full force and effect, or the rights of Lessor with respect to any other then existing or subsequent default.

13.5 Amendment. This Lease may be modified, supplemented, or amended only by a written amendment signed by both Lessor and Lessee.

13.6 Severability; Consent; Headings; Counterparts. If any term, covenant, or condition contained herein or any application thereof shall be determined to be invalid, void or otherwise unenforceable by a court of competent jurisdiction, the remainder of the terms and provisions under this Lease and any other application of such term shall not be affected thereby. Unless otherwise expressly provided herein, any approval or consent of Lessor required hereunder

shall not be unreasonably withheld or delayed. The headings contained in this Lease are for purposes of reference only and shall not limit or define the meaning hereof. This Lease may be executed in any number of counterparts, each of which shall be an original, but all of which shall together constitute one and the same instrument.

13.7 Non-liability of Lessor Officials and Employees; Non-liability of Members. No member, official or employee of Lessor shall be personally liable to Lessee, or any successor in interest, in the event of any default or breach by Lessor or for any amount which may become due to Lessee or its successor or on any obligations under the terms of this Lease.

13.8 Attorneys' Fees. In any action between the parties to interpret, enforce, reform, modify, rescind or otherwise in connection with any of the terms or provisions of this Lease, the prevailing party in the action or other proceeding shall be entitled to recover its reasonable costs and expenses.

13.9 Brokerage Commissions. Each party represents that it has not had dealings with any real estate broker, finder or other person, with respect to this Lease in any manner. Each party shall hold harmless the other party from all damages resulting from any claim that may be asserted against the other party by any broker, finder, or other person with whom the other party has or purportedly has dealt.

13.10 Remedies Cumulative. The various rights, options, elections and remedies of Lessor contained in this Lease shall be cumulative and no one of them shall be construed as exclusive of any other, or of any right, priority or remedy allowed or provided for by law and not expressly waived in this Lease.

13.11 Interpretation.

13.9.1 Controlling and Venue Law. The laws of the State of California shall govern the validity, construction and effect of this Lease any action brought relating to this Lease shall be held exclusively in a state court the County of San Bernardino.

13.9.2 Joint and Several Liability. In the event either party hereto now or hereafter shall consist of more than one person, firm or corporation, then and in such event all such persons, firms or corporations shall be jointly and severally liable as parties hereunder.

13.12 Attachments. All Exhibits referred to in this Lease are attached to and incorporated herein by reference.

13.13 Recordation. The parties shall execute and acknowledge a Memorandum of Lease in the form of Exhibit "B" attached hereto, which Lessee shall cause to be recorded in the Official Records of San Bernardino County, at its election.

13.14 Authority. The person(s) executing this Lease on behalf of each party represent and warrant that (i) such party is duly organized and existing, (ii) they are duly authorized to execute and deliver this Lease on behalf of such party, (iii) by so executing this Lease, such party

is formally bound to the provisions of this Lease, and (iv) entering into this Lease does not violate any provision of any other agreement to which such party is bound.

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

[THIS PORTION OF THIS PAGE LEFT INTENTIONALLY BLANK]

IN WITNESS WHEREOF, the parties hereto have caused this Lease to be executed as of the date first set forth above.

CITY OF RIALTO,
a municipal corporation

LAMAR CENTRAL OUTDOOR, LLC,
a Delaware limited liability company

By: _____
Deborah Robertson, Mayor

By: _____
Name: Todd Porter
Its: Vice President and General Manager

ATTEST:

By: _____
Barbara McGee, City Clerk

APPROVED AS TO FORM:

By: _____
Fred Galante, City Attorney

EXHIBIT “A-1”

LEGAL DESCRIPTION OF THE PREMISES

[LEGAL DESCRIPTION TO BE INSERTED BY THE PARTIES PRIOR TO EXECUTION OF THIS LEASE]

EXHIBIT “A-2”

LEGAL DESCRIPTION OF THE LEASED PREMISES

[LEGAL DESCRIPTION TO BE INSERTED BY THE PARTIES PRIOR TO EXECUTION OF THIS LEASE]

EXHIBIT "B"

FORM OF MEMORANDUM OF LEASE

Recording Requested By and When Recorded Return To:

c/o City Clerk
150 S. Palm Ave.
Rialto, CA 92376

APN: _____

(Space Above This Line For Recorder's Use)

MEMORANDUM OF LEASE

This Memorandum of Lease ("Memorandum") is entered into this ____ day of _____, 2019, by and between the CITY OF RIALTO, a public body, corporate and politic ("Landlord"), and LAMAR CENTRAL OUTDOOR, LLC, a Delaware limited liability company ("Tenant").

1. Landlord is the owner of approximately ____ square feet of real property in the City of Rialto ("City"), County of San Bernardino, State of California, more particularly described in Exhibit "A" attached hereto and incorporated herein by reference ("Premises").
2. Landlord and Tenant have entered into that certain Property Lease, dated _____, 2019 ("Lease"), pursuant to which Landlord has agreed to lease to Tenant a portion of the Premises (the "Leased Premises"), together with certain Appurtenant Rights, as such term is defined in the Lease, subject to the terms and conditions under the Lease.
3. The Term of the Lease is for twenty (20) years, commencing on the Commencement Date, as that term is defined in the Lease, subject to the provisions governing extensions or renewals thereof.
4. Tenant has the right and option to renew the Lease and extend the Term for one (1) renewal period of ten (10) years upon the same terms and conditions as set forth in the Lease.
5. Tenant shall have the exclusive right to construct and operate an outdoor advertising display on the Leased Premises and Landlord shall not allow any competitor of Tenant to develop outdoor advertising displays upon any property owned by Landlord within two thousand (2,000) feet of the Premises.
6. All of the terms and conditions of the Lease are hereby incorporated herein by this reference as though fully set forth herein. Capitalized terms not otherwise defined herein shall have the meanings given to them in the Lease.
7. This Memorandum may be executed in multiple counterparts, each of which shall be deemed to be an original, but all of which together shall constitute one and the same agreement.

IN WITNESS WHEREOF, the parties hereto have caused this Memorandum to be executed on the date first set forth above.

LANDLORD

CITY OF RIALTO, a public body,
corporate and politic

By: _____
Name:
Title:

TENANT

LAMAR CENTRAL OUTDOOR, LLC, a
Delaware limited liability company

By: _____
Name: Todd Porter
Title: Vice President and General Manager

ATTEST:

By: _____
Barbara McGee, City Clerk

APPROVED AS TO FORM:

By: _____
Fred Galante, City Attorney

[INSERT CALIFORNIA ALL-PURPOSE ACKNOWLEDGEMENT FORM]

EXHIBIT “A”
LEGAL DESCRIPTION OF THE PREMISES

[To Be Inserted]