

## LEASE OF VACANT PROPERTY

[1739 Bradley Street and 7550 Summit Street, Riverside, California]

### THE TORO COMPANY

This Lease ("Lease") is entered into this \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_, between the CITY OF RIVERSIDE, a California charter city and municipal corporation ("City"), and THE TORO COMPANY, a Delaware corporation authorized to do business in the State of California ("Lessee"). City and Lessee are sometimes referred to in this Lease individually as a "Party" and collectively as "Parties."

1. **PROPERTY LEASED.** City hereby leases to Lessee the real property, consisting of approximately 19.31 acres of vacant land located at 1739 Bradley Street and 7550 Summit Street, Riverside, California, also known as APN 242-040-004 and APN 242-040-005, respectively ("Premises"), and more specifically described and depicted in Exhibit "A" attached hereto and incorporated herein by this reference.

2. **PURPOSE.** Lessee shall use the Premises for the purposes set forth in Exhibit "B," attached hereto and incorporated herein by this reference. From time to time, Lessee may request that City approve additional purposes or uses for the Premises, and City shall not unreasonably withhold such permission.

3. **TERM.** This Lease shall be effective as of the date first written above ("Effective Date"). Though this Lease is effective as of the Effective Date, the term of the Lease, Lessee's obligations to pay any amounts due under this Lease, and Lessee's right to occupy and use the Premises (the "Term") shall commence on the Commencement Date, as specified in the Acceptance Memorandum (as defined below) and shall expire on expiration of the sixtieth (60<sup>th</sup>) full calendar month following the Commencement Date (the "Expiration Date"). Lessee has also two options to extend the Term of the Lease for five years each, in accordance with the terms of this Lease. The rent payable during any extension term shall be on the same terms and conditions as provided in this Lease. The period from the Commencement Date through the Expiration Date prior to any extension may be referred to herein as the "Initial Term" of the Lease. The Commencement Date and Expiration Date shall be stated in the Acceptance Memorandum attached hereto as Exhibit "C" (the "Acceptance Memorandum") and, when signed by the parties, the Acceptance Memorandum shall be attached to and incorporated in this Lease. The period from the Effective Date to the Commencement Date shall be known as the "Approval Period" and is further described as follows.

From the Effective Date until the date that is 60 days after the Effective Date (the "Approval Period"), Lessee shall have the right to perform a Phase I environmental assessment of the Premises, any follow up environmental investigations recommended in the Phase I, a physical condition assessment of the Premises and other assessments and investigations of the condition of the Premises that Lessee deems necessary in its reasonable discretion (the "Inspection") and with the City's written consent with the respect to the timing of such Inspection. City shall deliver or make available to Lessee all information regarding the Premises in City's possession reasonably

6. **LATE CHARGES.** Lessee hereby acknowledges that late payment by Lessee of the monthly rent, additional rent, or any other sums due under this Lease will cause City to incur costs not contemplated by this Lease. Such costs include, but are not limited to, processing and accounting charges, and late charges which may be imposed upon City by the terms of any mortgage or trust deed covering the Premises. Accordingly, if any installment of monthly rent, additional rent, or any other sums due from Lessee under this Lease, shall not be paid within twenty (20) days after the time set forth in this Lease for payment thereof, Lessee shall thereupon pay to City a late charge equal to ten percent (10%) of the overdue amount. City and Lessee agree that this late charge represents a reasonable sum considering all of the circumstances existing on the date of this Lease, including the relationship of the sum to the loss to City that could be reasonably anticipated by such nonpayment by Lessee and the anticipation that proof of actual damages sustained by City would be costly or inconvenient to determine. City and Lessee agree that such late charge shall in no event constitute a waiver of Lessee's default with respect to such overdue amount, nor prevent City from exercising any of the other rights and remedies available to City at law, in equity, or under this Lease. City, at its option, may deem any such overdue amounts and/or late charges so unpaid to be additional rent, nonpayment of which shall in addition to any other rights and remedies available to City, give rise to those rights and remedies of City set forth in Section 22 of this Lease, subject to the notice and cure provisions of that Section 22.

7. **IMPROVEMENTS BY LESSEE.** City hereby approves the improvements set forth in Exhibit B. Lessee may make additional improvements to the Premises as may be appropriate subject to the prior written approval of the City. Approval by the City shall not relieve Lessee from the obligation of obtaining any other necessary permits or approval from other City departments or governmental agencies having jurisdiction.

However, City's prior written consent will not be necessary for any alteration, improvement, or addition which is (i) non-structural in nature (*i.e.*, alterations which do not require governmental permits); and (ii) costs less than Five Thousand Dollars (\$5,000) including labor and material. Further, City hereby approves the improvements set forth in Exhibit B. Lessee shall submit plans and specifications for any such improvements to the City and obtain approval therefor prior to commencement of construction, which City shall not unreasonably withhold. Lessee shall construct such improvements in accordance with the approved plans and specifications. Lessee shall secure all applicable approvals and permits and, if required to do so by the California Environmental Protection Agency State Water Resources Control Board, will implement Storm Water Pollution Prevention Plan (SWPPP) Best Management Practices (BPM) on the Premises, as required by law. For the avoidance of doubt, identification of the SWPPP and BPM obligations shall be considered Governmental Approvals, as defined in Section 3 of this Lease. All work described in this Section 7 shall be performed by the Lessee. All costs related to the improvements cited in this Section including design, permits, materials, labor, project management, SWPPP, BMP, etc. shall be borne at the sole expense of the Lessee.

8. **MAINTENANCE AND CITY'S RIGHT TO INSPECT.**

Lessee agrees, at its own expense, to maintain and keep the Premises in a good condition and repair and to keep the Premises in an attractive, neat, clean and orderly condition consistent with Lessee's operations on the Premises, including but not limited to grass planting. This includes, but is not limited to, weed abatement, any refuse or waste materials which might be or

constitute a fire hazard or a public or private nuisance; and the disposal in a safe and proper manner, and in accordance with any applicable law, ordinance, statute, rule or regulation, of any industrial or hazardous waste.

Lessee agrees to manage its irrigation water used for the premises and otherwise control surface water in order to minimize soil erosion and silt run-off from the Premises.

Lessee's hours of operation will be from 6:00 a.m. to 7:00 p.m. daily.

Lessee agrees to limit the use of power tools and mowing in compliance with the noise regulations pursuant to the Riverside Municipal Code.

Lessee agrees that the City, at its sole discretion, may determine whether the Lessee is exercising reasonable care in the control of soil erosion and soil run-off. Lessee shall promptly implement, at Lessee's cost and expense, City's reasonable requirements for such control.

Except as otherwise specified herein, Lessee will not apply chemical treatments, including but not limited to pesticides, insecticides, fungicides, and herbicides, having a residual effect beyond the term of this Lease except with the prior written consent of the City. Lessee shall be permitted to use following treatments at the Premises: Speed Zone (herbicide), Pendulum EC (herbicide), Turflon Ester Ultra (herbicide), Trimec (herbicide), Drive (herbicide), Round Up (herbicide), Wilco Gopher Bait (strychnine pesticide), Wilco Ground Squirrel Bait (diphacione pesticide), Turf Grass Fertilizers, or similar control products or their current or future equivalent or alternative in accordance with manufacturer label rates unless such use is legally prohibited.

Lessee will not remove any soil, subsoil, or trees from the premises, but may spread manure and other farm chemicals that are normally applied to crop land to control pests and weeds.

Lessee shall restore the Premises to the same or better condition at the end of the Lease.

9. **ENTRY BY CITY.** City may immediately enter the Premises at any time in case of emergency (which means an imminent threat to life or material property damage), and otherwise with forty-eight (48) hours prior notice to Lessee to inspect and determine whether Lessee is complying with the terms of the Lease and for the purpose of doing other lawful acts may be necessary to protect the City's interest in the Premises.

10. **CONDITION OF PREMISES.** City shall assist Lessee in defending against any third party claiming rights to access the Premises during the term of this Lease. Lessee has examined the Premises and agrees to possession of the Premises in an "as is" condition. Except as provided in the preceding sentence, Lessee acknowledges and agrees that City, including its authorized agents, representatives and employees, has not made any representations, guarantees or warranties regarding the Premises, nor has City, its agents, representatives, or employees made any representations, guarantees or warranties regarding whether the Premises and improvements thereon comply with applicable covenants and restrictions of record, building codes, ordinances or statutes in effect at the Commencement Date. During the Approval Period under this Lease,

City agrees to monitor the Premises and remove, if necessary, any debris deposited on the Premises by third parties.

11. **USE.** The Premises shall be used only for the purposes set forth in Section 2, and purposes incidental to that use. Lessee shall use the Premises in a careful, safe and proper manner and shall not use the Premises for any disreputable business or purpose. Lessee shall not use or permit the Premises to be used or occupied for any purpose or in any manner prohibited by any applicable law, ordinance, order, rule, regulation or other governmental requirement. Lessee shall not commit waste or suffer or permit waste to be committed in, on or about the Premises. Lessee shall conduct their business and control their employees, agents and invitees in such a manner so as not to create a nuisance or a risk of fire or other hazard, or that would violate, suspend, void or increase the rate of fire or liability or any other insurance of any kind at any time carried by City upon the Premises.

12. **COMPLIANCE WITH ENVIRONMENTAL LAWS.** Lessee and the Premises shall remain in compliance with all applicable laws, ordinances, orders, rules and regulations regulating, relating to, or imposing liability of standards of conduct concerning any Hazardous Materials, or pertaining to occupational health or industrial hygiene, occupational or environmental conditions on, under, or about the Premises, as now or may at any later time be in effect, including without limitation, the Comprehensive Environmental Response, Compensation and Liability Act of 1980 ("CERCLA") [42 USC Section 9601 et seq.]; the Resource Conservation and Recovery Act of 1976 ("RCRA") [42 USC Section 6901 et seq.]; the Clean Water Act, also known as the Federal Water Pollution Control Act ("FWPCA") [33 USC Section 1251 et seq.]; the Toxic Substances Control Act ("TSCA") [15 USC Section 2601 et seq.]; the Hazardous Materials Transportation Act ("HMTA") [49 USC Section 1801 et seq.]; the Insecticide, Fungicide, Rodenticide Act [7 USC Section 6901 et seq.] the Clean Air Act [42 USC Section 7401 et seq.]; the Safe Drinking Water Act [42 USC Section 300f et seq.]; the Solid Waste Disposal Act [42 USC Section 6901 et seq.]; the Surface Mining Control and Reclamation Act [30 USC Section 101 et seq.] the Emergency Planning and Community Right to Know Act [42 USC Section 11001 et seq.]; the Occupational Safety and Health Act [29 USC Section 655 and 657]; the California Underground Storage of Hazardous Substances Act [H & S C Section 25288 et seq.]; the California Hazardous Substances Account Act [H & S C Section 25300 et seq.]; the California Safe Drinking Water and Toxic Enforcement Act [H & S C Section 24249.5 et seq.] the Porter-Cologne Water Quality Act [Water Code Section 13000 et seq.] together with any amendments of or regulations promulgated under the statutes cited above and any other federal, state or local law, ordinance, order, rule or regulation now in effect or later enacted that pertains to occupational health or industrial hygiene, and only to the extent the occupational health or industrial hygiene laws, ordinances, or regulations relate to hazardous substances on, under or about the Premises, or the regulation or protection of the environment, including ambient air, soil, soil vapor, groundwater, surface water or land use ("Environmental Laws").

A. Lessee shall promptly notify City in writing and provide copies upon receipt of all written complaints, claims, citations, demands, inquiries, reports or notices relating to the condition of the Premises or compliance with Environmental Laws. Lessee shall promptly cure and have dismissed with prejudice and of those actions and proceedings to the satisfaction of City. Lessee shall keep the Premises free of any lien imposed pursuant to and Environmental Law.

B. For the purpose of Section 4.4, the term "Hazardous Materials" shall include, without limitation, substances defined as "hazardous substances," "hazardous materials," "toxic substances," "hazardous wastes," "extremely hazardous wastes," or "restricted hazardous wastes," or stated to be known to cause cancer or reproductive toxicity, under any Environmental Law. Lessee shall not permit any release, generation, manufacture, storage, treatment, transportation or disposal of any Hazardous Materials, except that Lessee shall be permitted to have on site storage in <1000 gal quantity total (not including quantities machines under test or vehicles on the premises): gasoline, diesel fuel, engine oils, hydraulic oils, and other fluids consistent with operation of Toro, or similar manufacturer, produced machines. Lessee shall promptly notify City in writing if Lessee have or acquire notice or knowledge that any Hazardous Materials have been or are threatened to be released, discharged, disposed of, transported, or stored on, in, under or from the Premises; and if any Hazardous Materials are found on the Premises, Lessee, at their sole cost and expense, shall immediately take such action as is necessary to detain the spread of and remove the Hazardous Material to the complete satisfaction of City and the appropriate governmental authorities.

C. City shall, at City's sole cost and expense, have the right at all reasonable times and from time to time to conduct environmental audits of the Premises, and Lessee shall reasonably cooperate in the conduct of those audits. City shall permit Lessee to conduct a Phase I environmental assessment of the Premises and any additional testing recommended by the Phase I before the commencement of this Lease, as further specified in Section 3 of this Lease.

D. If Lessee fail to comply with the forgoing covenants pertaining to Hazardous Materials, City may cause the removal (or other cleanup acceptable to City) of any Hazardous Materials from the Premises. The costs of Hazardous Materials removal and any other cleanup (including transportation and storage costs) will be additional rent under this Lease, whether or not a court has ordered the cleanup, and those costs will become due and payable on demand by the City. Lessee shall give City, its agents and employees access to the Premises to remove or otherwise cleanup any Hazardous materials. City, however, has no affirmative obligation to remove or otherwise cleanup any Hazardous Materials. and this Lease shall not be construed as creating any such obligation.

E. Lessee shall indemnify, defend (with counsel reasonably acceptable to City and at Lessee's sole cost), and hold City and City's elected and appointed officials, officers, employees, agents, successors and assigns free and harmless from and against all losses, liabilities, obligations, penalties, claims, litigation, demands, defenses, costs, judgments, suits, proceedings, damages (including consequential damages), disbursements or expenses of any kind (including reasonable attorneys' and experts' fees and expenses and fees and expenses incurred in investigating, defending or prosecuting any litigation, claim or proceeding) that may at any time be imposed upon, incurred by, or asserted or awarded against City in connection or arising out of: (i) any Hazardous Material on, in, under or affecting all or any portion of the Premises (other than as to Hazardous Materials present at the Premises prior to or as of the Effective Date or as a result of any release of Hazardous Materials on, at or under the Leased Premises caused by City, its agents, employees or contractors), (ii) any violation or claim of violation of any Environmental Law by Lessee; or (iii) the imposition of any lien for the recovery of costs for environmental cleanup or other response costs relating to the release or threatened release of Hazardous Materials on, in,

under or affecting all or any portion of the Premises (other than to the extent resulting from a release of Hazardous Materials on, at or under the Premises prior to the Effective Date or as a result of any release of Hazardous Materials on, at or under the Premises caused by City, its agents, employees or contractors). Lessee's indemnification obligation shall survive the expiration and termination of this Lease. City shall indemnify, defend (with counsel reasonably acceptable to Lessee and at City's sole cost), and hold Lessee and Lessee's officers, employees, agents, successors and assigns free and harmless from and against all losses, liabilities, obligations, penalties, claims, litigation, demands, defenses, costs, judgments, suits, proceedings, damages (including consequential damages), disbursements or expenses of any kind (including reasonable attorneys' and experts' fees and expenses and fees and expenses incurred in investigating, defending or prosecuting any litigation, claim or proceeding) that may at any time be imposed upon, incurred by, or asserted or awarded against Lessee in connection or arising out of (i) any Hazardous Materials present at the Premises after the City's acquisition of the Premises but before the Effective Date; (ii) any violation or claim of violation of any Environmental Law by City, or (iii) the imposition of any lien for the recovery of costs for environmental cleanup or other response costs relating to the release or threatened release of Hazardous Materials on, in, under or affecting all or any portion of the Premises to the extent resulting from a release of Hazardous Materials on, at, or under the Premises after City's acquisition of the Premises but before the Effective Date or as a result of any release of Hazardous Materials on, at or under the Premises caused by City, its agents, employees or contractors.

13. **NON-DISCRIMINATION.** Lessee herein covenants by and for themselves, their heirs, executors, administrators, and assigns, and all persons claiming under or through them, and this Lease is made and accepted upon and subject to the requirement that there shall be no discrimination against or segregation of any person or group of persons, on the grounds of race, religious creed, color, national origin, ancestry, age, physical handicap, medical condition including the medical condition of Acquired Immune Deficiency Syndrome (AIDS) or any condition related thereto, marital status, sex or sexual orientation, genetic information, gender, gender identity, or gender expression, in the leasing, use, occupancy, tenure, or enjoyment of the Premises, nor shall the Lessee themselves, or any person claiming under or through them, establish or permit any such practice or practices of discrimination or segregation with reference to the selection, location, number, use, or occupancy, of Lessee, sub-lessee(s) or vendees in the Premises herein leased.

14. **NOTICES.** All notices, requests, consents, approvals or other communications between the parties in connection with this Lease shall be in writing and personally delivered or mailed to the recipient party by certified mail at its last known address as follows:

City

City of Riverside  
Attention: Kenneth Trettin  
General Services Department  
Property Management Division  
8095 Lincoln Ave  
Riverside, CA 92504

Lessee

The Toro Company  
Attention: Quentin Lyons  
Test Site Supervisor  
5825 Jasmine Street  
Riverside, CA 92504

With copy to:  
The Toro Company  
8111 Lyndale Avenue South  
Bloomington, MN 55420  
Attn: Emily Lawrence, Legal Depart.

The parties may, from time to time, change their respective addresses for the purpose of this paragraph by sending notice of such change to the other as provided herein. Any notice given pursuant to this paragraph shall be deemed served when personally served or when placed in the U. S. mails with postage prepaid and addressed to the recipient at the recipient's latest known address.

15. **INSURANCE.** Lessee shall obtain and keep in full force and effect during the entire term of this Lease, commercial general liability and property damage insurance with a minimum limit of \$1,000,000 per occurrence. Lessee agrees to deposit with City upon execution of this Lease by City, certificates of insurance evidencing the required insurance with coverage at least equal to the above types and amounts as a minimum, and further agrees to file certificates with City during the entire term of this Lease showing continued coverage.

To be acceptable, the insurance coverage must meet the following requirements:

A. Such policy(s) must provide that the policy shall not be canceled or materially changed unless thirty (30) days' prior written notice thereof by certified or registered mail has been given to City.

B. The commercial general liability policy must provide that City shall be named as additional insured as respects all operations of the insured, which insurance shall be primary insurance and not contributing with any other insurance available to the City under any other third party liability policy or any self-insurance retention.

C. The commercial general liability policy shall contain either a provision for a broad form of contractual liability including leases, or an endorsement providing for such coverage.

D. Each policy must be placed with a company authorized to do business in the State of California, having a policy holder rating of A or higher and a Financial Class of at least VII or higher.

E. City shall have the right at any time during the term of this Lease to review the type, form, and coverage limits of the insurance enumerated herein.

F. City shall notify Lessee in writing of any change in the insurance provisions necessary to provide adequate protection.

If Lessee does not deposit acceptable certificate of valid insurance policies acceptable in form and content to City, incorporating such changes, within sixty (60) days of receipt of such notice, this Lease shall be in default without further notice to Lessee and City shall be entitled to all legal remedies provided herein.

The procuring of such policy of insurance shall not be construed to be a limitation upon Lessee's liability nor as a full performance of its part of the indemnification provisions of this Lease. Lessee's obligation being, notwithstanding said policy or policies of insurance, the full and total amount of any damage, injury or loss caused by the negligence or neglect connected with the operation under this Lease.

Lessee shall provide a valid certificate of insurance and additional insured endorsement prior to occupying the Premises under this Lease. No certificate shall be acceptable unless first approved by the City.

**16. MUTUAL WAIVER OF SUBROGATION.** The Parties hereto release each other and their respective authorized employees, agents and representatives, from any and all claims, demands, loss, expense or injury to any person, or to the Premise or to personal property, including, but not limited to, furnishings, fixtures or equipment located therein, caused by or resulting from perils, events or happenings which are the subject of insurance in force at the time of such loss. Each Party shall cause each insurance policy obtained by it to provide that the insurer waives all right of recovery by way of subrogation against either party in connection with any damage covered by any policy. Neither Party shall be liable to the other for any damage caused by fire or any of the risks insured against under any insurance policy in effect as required by this Lease.

**17. INDEMNITY.** Lessee agrees, except as to the sole negligence or willful misconduct of City, to fully indemnify, defend, and hold City, its elected and appointed officials, officers, employees, agents, successors and assigns, free and harmless from any and all claims, liability, loss, damage, costs, or expenses, including reasonable attorney fees, resulting from Lessee's occupation or use of the Premises, specifically including, without limitation, any claim of liability, loss or damage arising by reason of:

A. The death or injury of any person or persons, including Lessee or any person who is an employee, agent, guest, or customer of Lessee, or by reason of the damage or destruction of any property, including property owned by Lessee or any person who is an employee, agent, guest, or customer of Lessee, and caused or allegedly caused by either the condition of the Premises, or



some act or omission of Lessee or of some agent, contractor, employee, servant, guest, or customer of Lessee on the Premises;

B. Any work performed on the Premises or materials furnished to the Premises at the instruction or request of Lessee; and

C. Lessee's failure to perform any provision of this Lease, or to comply with any requirement of local, state or federal law or any requirement imposed on Lessee or the Premises by any duly authorized governmental agency or political subdivision.

18. **WAIVER AND RELEASE.** Lessee waive and releases all claims against City, its employees, and agents with respect to all matters for which City has disclaimed liability pursuant to the provisions of this Lease. In addition, Lessee agree that City, its elected and appointed officials, employees, agents, successors and assigns shall not be liable for any loss, injury, death or damage (including consequential damages) to persons, property, or Lessee's business occasioned by theft; act of God; public enemy; injunction; riot; strike; insurrection; war; terrorism; court order; order of governmental body or authority; earthquake; fire; explosion; falling objects; water; rain; snow; leak or flow of water, or by dampness or from the breakage, leakage, obstruction, or other defects of the pipes, sprinklers, wires, appliances, plumbing, air conditioning, or light fixtures; or from construction, repair, or alteration of the Premises; or from any acts or omissions of any visitor of the Premises; or from any cause beyond City's control.

19. **ASSIGNMENT AND SUBLETTING.** Lessee shall not assign, mortgage, pledge, encumber, or hypothecate this Lease or any interest herein (directly, indirectly, voluntarily or involuntarily, by operation of law, or otherwise) or sublet the Premises or any part thereof, or permit the use of the Premises by anyone other than Lessee without the prior written consent of City first being obtained. However, Lessee may without the consent of City but upon written notice to the City, assign its interest in this Lease to (i) any corporation which is a successor Lessee either by merger consolidation, (ii) to a purchaser of all or substantially all of Lessee's assets, and (iii) to any entity that controls, is under the control or, or under common control as Lessee.

20. **CONFIDENTIALITY.** All information provided to City by Lessee under this Lease shall be the property of Lessee. City shall maintain such information as confidential and shall not use or disclose it to others. City shall treat any and all confidential information received with the same degree of care it would employ to prevent unauthorized disclosure of its own confidential information. City, however, shall not be restricted from using or disclosing information which (a) is or becomes available to the public other than by breach of this Lease; (b) is in City's possession prior to the time of the disclosure to City by Lessee and was not acquired, directly or indirectly from Lessee; (c) is made available to City by a third party who has the legal right to do so; or (d) if the City is legally required to disclose, in whole or in part, but not limited to the City's obligations under the California Public Records Act (California Government Code section 6250 et seq.)

The City agrees to refrain from photographing, videotaping or otherwise documenting Lessee's operations and/or property as used on the Premises without Lessee's express written consent and refraining from allowing competitors of Lessee access, whether visual or physical, to either the

Premises or to Lessee's confidential information. Upon request, City shall return to Lessee all documents or things in City's possession or control which record or reduce such information to tangible form.

**21. DEFAULT; REMEDIES.**

A. Default. The occurrence of any one or more of the following events shall constitute a default under this Lease:

- 1) The vacation or abandonment of the Premises by Lessee;
- 2) The failure by Lessee to make any payment of rent, fee or any other payment required to be made by Lessee hereunder as and when due. If Lessee does not fully cure such default within thirty (30) days after Lessee has been served with a notice of such default, this Lease shall be terminable at City's option.

B. Remedies.

- 1) In addition to all other rights and remedies it might have, City shall have the right to terminate this Lease and Lessee's right to possession of the Premises in the event of a default as set forth above;
- 2) Upon termination of this Lease, whether by lapse of time or otherwise, Lessee shall immediately vacate the Premises and deliver possession thereof to City.

**22. UNILATERAL TERMINATION.** After the Initial term of the Lease, either Party may terminate this Lease upon one year's prior written notice. At any time during this Lease, Lessee may terminate this Lease upon thirty (30) days' prior written notice to City if Lessee objects to any increase required by City to Lessee's insurance requirements under this Lease without further obligation hereunder.

**23. WAIVER.** The waiver by City or Lessee of any agreement, condition or provision herein contained shall not be deemed to be a waiver of any subsequent breach of the same or any other agreement, condition or provision herein contained, nor shall any custom or practice which may grow up between the Parties in the administration of the terms hereof be construed to waive or to lessen the right of City or Lessee to insist upon the performance by Lessee or City in strict accordance with said terms. The subsequent acceptance of any payment hereunder by City shall not be deemed to be a waiver of any breach by Lessee of any agreement, condition or provision of this Lease, other than the failure of Lessee to pay the particular amount so accepted. Specifically City may accept any payment from Lessee and apply same to any amount owing hereunder notwithstanding any stated intent or instruction on the part of Lessee to the contrary and without waiving or compromising any claim that such payment was less than the payment actually due from Lessee.

**24. APPLICABLE LAW.** This Lease shall be governed by and construed in accordance with the laws of the State of California.

25. **NO RIGHT TO HOLDOVER.** Lessee have no right to retain possession of the Premises or any part thereof beyond the expiration or termination of this Lease. If, without objection by City, Lessee hold possession of the Premises after expiration of the Term, Lessee shall become Lessee from month-to-month upon the terms herein specified, except that the monthly rent shall equal to one hundred and fifty percent (150%) of the monthly rent payable by Lessee at the expiration of the Term. In addition, Lessee shall continue to pay all other amounts due to City hereunder. Each Party shall give the other notice at least one (1) month prior to the date of termination of such monthly tenancy of their intention to terminate such tenancy. If, after objection by City thereto, Lessee hold possession of the Premises after expiration of the Term, Lessee shall constitute a Lessee at sufferance and without in any way waiving the wrongful holding over of the Premises by Lessee, City shall be entitled to receive for each month or portion thereof during which Lessee wrongfully hold over at the Premises monthly rent equal to two hundred percent (200%) of the monthly rent payable by Lessee at the expiration of the Term together with all other amounts otherwise due to City hereunder. City's receipt of increased monthly rent under this Section 10.1 shall not constitute an extension of the Term nor shall it constitute a waiver of Lessee's wrongful holding over and shall not prejudice any other rights or remedies available to City under this Lease or by law.

26. **POSSESSORY INTEREST TAX.** Lessee recognizes and understands that this Lease may create a possessory interest subject to property taxation and that the Lessee may be subject to the payment of property taxes levied on such interest. Any imposition of a possessory interest tax shall be a tax liability of Lessee solely and shall be paid by Lessee; and any such tax payment shall not reduce any rent due City hereunder. Lessee shall not be responsible to pay any taxes assessed on any adjacent property not included in the Premises leased to Lessee, or any taxes assessed in connection with City's income from or transfer of any interest in the Premises.

27. **OWNERSHIP OF IMPROVEMENTS MADE BY LESSEE.** Lessee may make additional improvements to the Premises as may be appropriate subject to the prior written approval of the City, as further stated herein.

All alterations, improvements or additions in, on or about the Premises, whether temporary or permanent in character, shall immediately become City's property and at the expiration of the Term of this Lease shall remain on the Premises without compensation to Lessee; provided, however, that Lessee shall remain the owner of any and all furniture, trade fixtures, equipment, signs and all other items of Lessee's movable personal property located in, or, or about the Premises, including but not limited to irrigation heads and controllers. Upon termination of this Lease, removal of all improvements, shall be Lessee's responsibility at no cost to the City, unless the City directs otherwise.

28. **VENUE.** Any action at law or in equity brought by either party hereto for the purpose of enforcing a right provided for by this Lease shall be tried in a court of competent jurisdiction in the County of Riverside, California, and the parties hereby waive all provisions of law providing for a change of venue in such proceedings to any other county.

29. **PROVISIONS BINDING ON SUCCESSORS.** Each and all of the covenants, conditions and agreements herein contained shall, in accordance with the context, inure to the benefit of and be binding upon the parties hereto, and the successors in interest, agents and assigns of such parties, or any person who may come into possession or occupancy of the Premises, or any part thereof, in any manner whatsoever. Nothing in this paragraph shall in any way alter the provisions in this Lease against assignment or subletting or other transfers.

30. **PARTIAL INVALIDITY.** If any term, covenant, condition or provision of this Lease is held by a court of competent jurisdiction to be invalid, void or unenforceable, the remainder of the provisions hereof shall remain in full force and effect and shall in no way be affected, impaired or invalidated thereby.

31. **RECORDING.** This Lease shall not be recorded by either party.

32. **RIGHT OF FIRST REFUSAL.** City hereby grants Lessee a limited right of first refusal to purchase the Premises, as further defined herein. The right of first refusal to Lessee shall not accrue to Lessee until the City has determined that the Premises are surplus to the needs of the City, and has complied with the disposition procedures set forth in Government Code section 54222 et seq. by contacting the appropriate governmental agencies (local, county, state and regional) as to their interest in procuring the Premises. If no interest is shown from a governmental agency, the City shall not sell or agree to sell the Premises without first offering the Premises to Lessee. The word "sell" shall include any transfer, conveyance, assignment, lease, hypothecation, or pledge of all or any portion of the Premises or City's interest in the Premises.

A. After the City has complied with in Government Code section 54222 et seq. and before the City sells, seeks to sell, or enters into an agreement to sell the Premises, City shall offer ("First Offer") to sell the Premises to Lessee. The First Offer shall be in writing and, at a minimum, include the following proposed conditions for sale:

(i) The purchase price proposed for sale, which may include the cost for the City to purchase replacement parkland property;

(ii) The method of purchase price payment;

(iii) The amount of any earnest money deposit;

(iv) The time and location for the close of escrow; and

(v) The other material terms and conditions of the proposed sale of the Premises.

In addition to the foregoing, if City has complied with Government Code section 54222, and receives a bona fide purchase offer from an independent third party, the First Offer shall include a summary of all information in the bona fide purchase offer, but not including the name of the independent third party given to City in connection with such offer from the relevant third party.

B. Lessee shall have forty-five (45) business days from the date of its receipt of the First Offer to accept the First Offer ("Acceptance Period") by delivering to City the acceptance on or before 5:00 p.m. on the last day of the Acceptance Period. If Lessee fails to accept the First Offer on or before the last day of the Acceptance Period, the First Offer shall be deemed to be rejected.

C. If Lessee responds to the First Offer with anything other than an unequivocal acceptance or rejection, the right of first refusal shall terminate and the response shall be deemed an offer to purchase the Premises on the terms and conditions in the response ("Counter Offer"). City shall be entitled to accept or reject the Counter Offer at City's sole discretion. If the Counter Offer is rejected, City may sell the Premises to any prospective third party purchaser for the purchase price as was set forth in the First Offer and the right of first refusal set forth in this Section 10.3C shall terminate.

D. If Lessee accepts the First Offer, Lessee shall have the greater of (i) ninety (90) days, or (ii) the time period set forth in the Purchase Offer, following acceptance of the First Offer ("Closing Period") to consummate the purchase of the Premises pursuant to the terms and conditions of the First Offer according a purchase agreement negotiated and executed between the parties with terms reasonably acceptable to City and Lessee. On the closing date, City shall convey indefeasible fee title to the Premises free of all liens, judgments and adverse claims and free of any lease other than this Lease to Lessee.

33. **MARGINAL CAPTIONS.** The various headings and numbers herein and the groupings of the provisions of this Lease into separate sections and paragraphs are for the purpose of convenience only, and shall not be considered a part hereof.

34. **ENTIRE AGREEMENT.** This Lease supersedes any prior agreements, negotiations and communications, oral or written, and contains the entire agreement between Lessee and City as to the subject matter hereof. No subsequent agreement, representation, or promise made by either Party hereto, or by or to any employees or agents of either Party shall be of any effect unless it is in writing and executed by the party to be bound thereby.

[Signatures on next page]

IN WITNESS WHEREOF the parties hereto have caused this Lease to be executed the day and year first above written.

CITY OF RIVERSIDE, a  
California charter city and  
municipal corporation

THE TORO COMPANY,  
a Delaware corporation authorized to  
do business in the State of California

By: \_\_\_\_\_  
City Manager

By: Renee J. Peterson  
Printed Name: Renee J. Peterson  
Title: VP + CFO

By: \_\_\_\_\_  
Printed Name: \_\_\_\_\_  
Title: \_\_\_\_\_

ATTEST:

By: \_\_\_\_\_  
City Clerk

APPROVED AS TO FORM:

By: Susan Wilson  
Assistant City Attorney

Exhibit "A"

Legal Description / Plat for APN 242-040-004 and APN 242-040-005

Depiction of Premises:

**EXHIBIT A**


APN: 242-040-004  
FEE SIMPLE INTEREST

That certain real property in the City of Riverside, County of Riverside, State of California described as follows:

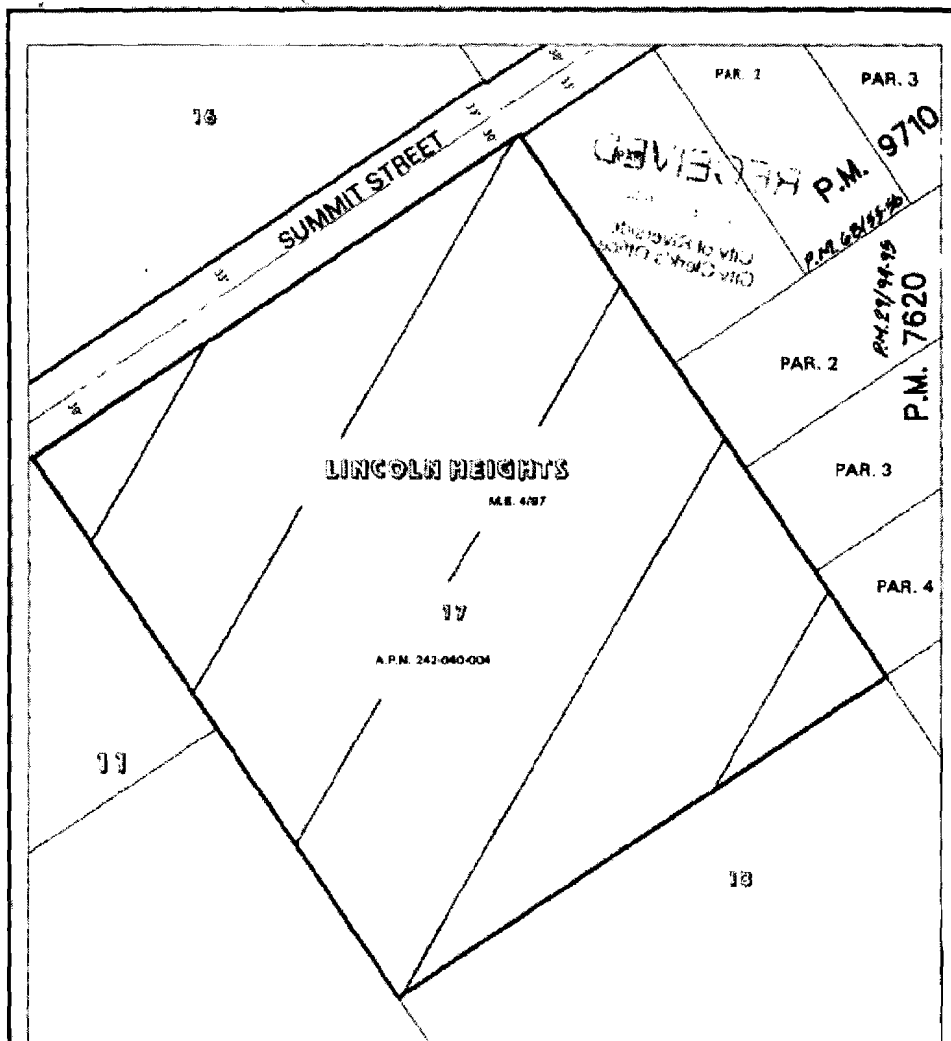
Lot 17 of Lincoln Heights, as shown by map on file in Book 4 of Maps at Page 97 thereof, Records of Riverside County, California.

The above described parcel of land contains 8.63 acres, more or less.

This description was prepared by me or under my direction in conformance with the requirements of the Land Surveyors Act.

 12/11/07 Prep. E.V.  
Mark S. Brown, L.S. 5655 Date  
License Expires 9/30/09





♦ CITY OF RIVERSIDE, CALIFORNIA ♦ 84-1

THIS PLAT IS SOLELY AN AID IN LOCATING THE PARCEL(S) DESCRIBED IN THE ATTACHED DOCUMENT. IT IS NOT A PART OF THE WRITTEN DESCRIPTION THEREIN.

Sheet 1 of 1



Scale: 1" = 200'

Drawn by: ev

Date: 12/10/07

Subject: Golden Star Park

116 32.5



EXHIBIT "A"

That certain real property located in the City of Riverside, County of Riverside, State of California, described as follows:

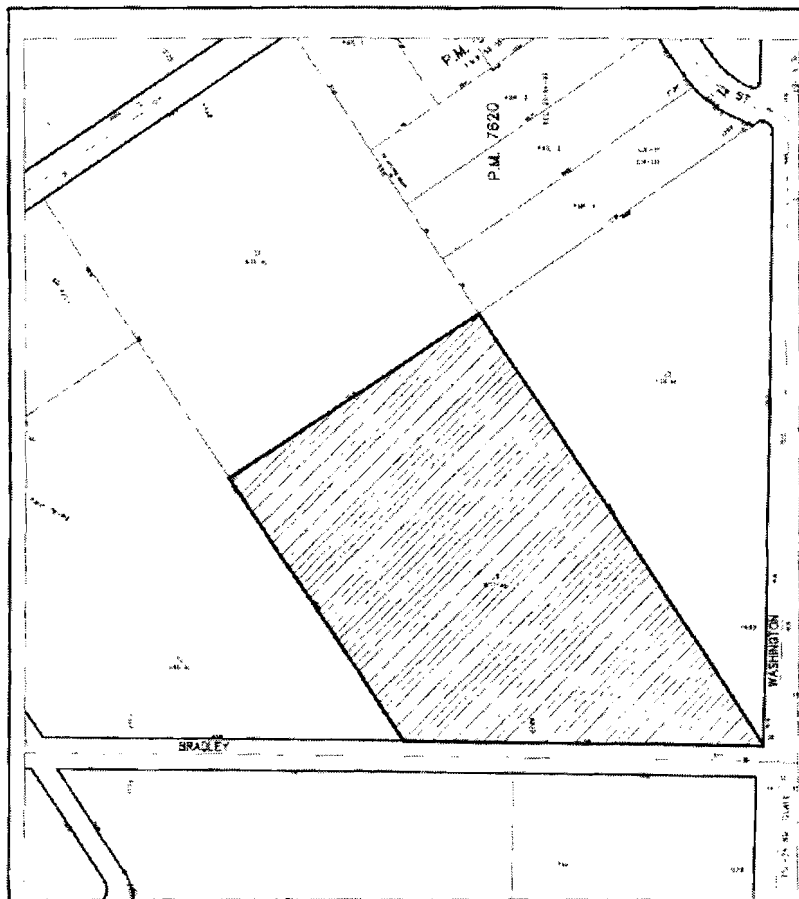
Lot 18 of Lincoln Heights, as shown by map on file in Book 4, Page 87 of Maps, records of San Bernardino County, California.

DESCRIPTION APPROVAL

BY: LS Straub 6-5-20

DATE

FOR: MARK S. BROWN  
CITY SURVEYOR



♦ CITY OF RIVERSIDE, CALIFORNIA ♦

THIS PLAT IS SOLELY AN AID IN LOCATING THE PARCEL(S) DESCRIBED IN THE ATTACHED DOCUMENT. IT IS NOT A PART OF THE WRITTEN DESCRIPTION THEREIN.

Sheet 1 of 1



Scale: 1" = 200'

Drawn by: skn

Date: 06/05/06

Subject: GOLDEN STAR GENERAL PARK

## Exhibit "B"

Lessee is hereby authorized, if it elects to do so, to install the following improvements, subject to obtaining any and all necessary permits:

- a temporary parking area (e.g. crushed rock),
- temporary storage area(s) (max. 20'x20'), placement is negotiable
- fencing, including woven fabric with high opacity
- gate,
- raised planter beds with drip irrigation,
- temporary shade structure (wood structured canopy for relief from sun for workers) as shown on proposed layout, placement is negotiable
- aboveground temporary irrigation,
- water service hookups and related infrastructure,
- electrical service hookups and related infrastructure
- turf grass evaluation areas with underground irrigation installed, and

Since water is always a precious resource, Lessee is proposing to utilize the Premises site for evaluation of turf grasses and irrigation techniques for water saving on turf and other crops. Through this endeavor, there are educational opportunities that Lessee can share with our customers, including the City of Riverside, and the greater Riverside community. As stated in Toro's 2016 Corporate Fact Sheet (Appendix A), our purpose is, "To help our customers enrich the beauty, productivity and sustainability of the land."

There are three main agricultural activities that would occur on the property:

- Raised Planter Beds
  - Installation of three 4' x 12' raised planter beds that will serve to demonstrate how inexpensive drip irrigation products can be used to efficiently irrigate vegetable gardens. The concept is to reach out to RPU (Riverside Public Utilities) and in conjunction with their educational outreach efforts offer Saturday drip workshops that will start at the Toro facility for classroom training and then end with a demonstration of how what they learned can be applied to their own raised planter garden.
- Irrigation Control with high efficiency equipment
  - Remote Sensing of irrigation needs that will deliver information from the irrigated area back to the control system in order to assure more efficient watering schedules. This research will further the progress of improving irrigation efficiency in the irrigation of residential, commercial and industrial outdoor landscapes as well as parks and sports fields.
  - Establish a turf area irrigated by golf rotors and spray heads with high

efficiency nozzles that will permit training irrigation professionals on proper auditing techniques of large area golf rotors. This will be used to provide hands-on education to those irrigation professionals pursuing their certification by the Irrigation Association as Certified Golf Irrigation Auditors. In addition, this area will be used to undertake real-world testing of newly developed, high efficiency nozzles.

- Establish a dedicated turf area that is irrigated by sub-surface drip irrigation in order to demonstrate the ability to irrigate turf grass with this technology. It has the potential to reduce water use by 30% or more because watering occurs in the soil, at the depth of the turf grass roots without losses to evaporation, wind drift, overspray and misting.
- Evaluation and research of Turf Equipment at its effect on the turf. The equipment that maintains turf has changed much over the years from different materials to cleanly cut the turf and maintain sharpness to the cleaner power plants on equipment that are used to maintain the turf. These pieces of equipment continue to be developed with the customer and environment in mind.

### **GrowRIVERSIDE Initiatives**

The GrowRIVERSIDE initiatives are met through education of customers and the community, efficient use of water saving irrigation technologies, and giving back to the community.

#### Education:

The State of California Employment Development Department - Labor Market Information Division estimates that Landscaping and Groundskeeping, combined with Farmworkers, Crop, Nursery, and Greenhouse employment, will account for 10,000 jobs in the Riverside area by 2022\*. The Landscaping and Groundskeeping component will account for an estimated 7,280 of those jobs. Furthermore, state water restrictions, compliance with green building codes, and a growing public interest in environmental stewardship will require workers in these fields to have greater knowledge of precision landscape management concepts. Precision management takes advantage of advances in technology to empower landscape managers to make better-informed decisions with the end result being improved quality and functionality of the land with reduced inputs and cost.

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The lack of awareness on the part of potential employees of how to successfully implement precision management practices in the landscape represents a significant barrier to further growth in this field, limiting the potential for career growth and increased environmental sustainability. To address this need, education and outreach programs, led by Dr. Josh Friell, will be a critical component of our partnership with the city of Riverside and will focus on ensuring that residents have access to the basic knowledge and support required to implement precision management practices.

Programming will target stakeholders primarily through face-to-face trainings and possibly through online content in the future. We will target stakeholders through two precision management educational events each year. Attendees will gain an understanding of the unique benefits of precision management practices and will learn to employ some of the most commonly-used tools like soil moisture sensors and remote sensing technologies. For each of our educational events, we will survey participants in order to get quick feedback on our programming.

## EXHIBIT "C"

### Acceptance Memorandum

**1739 Bradley Street and 7550 Summit Street, Riverside, California (the "Premises")**

Pursuant to Section 3 of the Lease Agreement dated on or about \_\_\_\_\_, 2017 (the "Lease") between City of Riverside, a California charter city and municipal corporation ("Landlord") and The Toro Company, ("Lessee") with respect to the Premises, Landlord and Tenant acknowledge and agree that for all purposes in the Lease:

1. The Commencement Date is \_\_\_\_\_ **2018**, and Lessee has accepted possession of the Property as of the Commencement Date.
2. The Expiration Date of the Initial Term is \_\_\_\_\_, **2023** (60 full calendar months after Commencement Date). Lessee has two options to extend the Lease Term and expiration date by five years for each extension. If Lessee exercises all options then the Expiration Date will be \_\_\_\_\_, 2033 (15 years after Commencement Date).
3. The first rental payment is due on \_\_\_\_\_, 2018 (same as the Commencement Date).

When signed by City and Lessee, this Acceptance Memorandum is attached to and incorporated in the Lease as Exhibit C, shall replace the form of Exhibit C attached to the Lease as of the Effective Date and the Lease is amended to be consistent with this Acceptance Memorandum.

Dated: \_\_\_\_\_, 2018

Landlord:

City of Riverside, a California charter city and municipal corporation

By: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_

Tenant:

The Toro Company, a Delaware corporation  
authorized to do business in California

By: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_