

LICENSE AGREEMENT

This LICENSE AGREEMENT ("Agreement") is dated as of the ____ day of April 2025 ("Effective Date") by and between the CITY OF CHINO, a California municipal corporation ("City") and the CHINO FORD DEALERSHIP, a California corporation ("Dealership") (each individually a "Party", and collectively the "Parties"), and is made with reference to the following facts:

RECITALS

- A. Dealership owns and operates one electronic LED sign ("LED Sign") on certain real property located in the City of Chino, California at: 13220 Central Avenue (double-sided main flagship LED Sign ("Property"), which is further described in Exhibit "1" attached to this Agreement and incorporated herein by this reference.
- B. Dealership desires, and City agrees, for Dealership to refurbish the LED Signs on the Property, which refurbishing will include installation of new LED sign panels and other related work, as further described in Exhibit "2" attached to this Agreement and incorporated herein by this reference.
- C. Dealership anticipates the total costs to refurbish the LED Signs is approximately FIVE HUNDRED SEVENTY SIX THOUSAND THREE HUNDRED EIGHTY FOUR DOLLARS (\$576,384.00).
- D. Dealership and City each desire to pay a portion of the cost to refurbish the LED Signs, upon completion and in consideration for City's payment of an amount equal to fifty percent (50%) of the actual total cost not to exceed TWO HUNDRED EIGHTY EIGHT THOUSAND ONE HUNDRED NINETY TWO DOLLARS (\$288,192.00) for City to obtain the prepaid right to display certain messages as provided for hereunder on the LED Signs.

AGREEMENT

NOW, THEREFORE, IN CONSIDERATION OF THE TERMS AND CONDITIONS SET FORTH IN THIS AGREEMENT, CITY AND DEALERSHIP AGREE, AS FOLLOWS:

- 1. Recitals. The Recitals above are true and correct and are hereby incorporated as part of this Agreement.
- 2. License. For a period of twenty (20) years from the filing of a Notice of Completion for the refurbishment of the LED Signs, subject to any extension provided under Section 4 below (the "Term"), Dealership hereby licenses to the City fifteen percent (15%) of the LED Signs' operating time each hour ("City Operating Time") for purposes of displaying the City's Permitted Messages (as defined in Section 4 below) prepared by City, which message content shall not be subject to edit or modification by Dealership ("License"). Upon the expiration of the Term, unless extended by mutual written agreement of the Parties, this Agreement shall automatically terminate and no additional instrument, consent or action by either Party shall be required to terminate this

Agreement. Upon the termination of this Agreement, the City shall execute any document and take any action as may be reasonably necessary to evidence such termination.

3. Consideration. In consideration for the License, and subject to the City's confirmation that the LED Signs are in conformance with (i) the sign panel as described in the attached proposal, and (ii) all Regulations, as defined in Section 12 below, City shall pay directly to Electra Media, Inc., dba EMI, 4737 West 156th Street, Lawndale, CA 90260, Attn: Rodney Wilson, CEO ("Vendor"), the vendor from whom the Dealership is purchasing the LED Signs, the lesser amount of fifty-percent (50%) of the Actual Costs to refurbish the LED Signs or TWO HUNDRED EIGHTY EIGHT THOUSAND ONE HUNDRED NINETY TWO DOLLARS (\$288,192.00)("City Payment"), which shall be paid in two installments as follows:

a. A progress payment in the amount equal to fifty percent (50%) of the City Payment within thirty (30) days of receipt of written confirmation from Vendor of shipment of the LED screens for the LED Signs; and

b. A balance payment in the amount of equal to fifty percent (50%) of the City Payment within thirty (30) days of filing of a Notice of Completion for the project.

"Actual Costs" shall mean the direct cost to refurbish the LED Signs, including, without limitation, any payments to a third-party licensed contractor to refurbish the LED Signs, but excluding Dealership overhead and/or profit. The Actual Costs shall be evidenced by appropriate invoices from Vendor and any additional documentation verifying such Actual Costs as may be requested by City.

4. City Use of LED Signs. The LED Signs shall be operative every calendar day of each year during the Term and in accordance with any applicable City sign regulations, except when inoperative due to mechanical or electrical failure and/or required maintenance; provided that should the LED Signs be inoperable for more than ten (10) days in any calendar year, the Term shall be extended to include such inoperable periods. The City shall be responsible for providing notice of the City's desired message content and the duration of message display for the LED Signs to Dealership or its designee at least seven (7) business days in advance of the date and time for publication ("Notice of Content"), except in the case of an emergency in which case no prior Notice of Content shall be required; provided, however, that the City's message content shall only pertain to (i) City sponsored events, (ii) events held at City facilities, (iii) City recreation programs, or (iv) public service announcements as determined at the City's sole and absolute discretion; and provided further that no City message content shall relate to any auto sales, auto services or auto products (the message content permitted hereunder is referred to herein as "Permitted Messages"). If the Notice of Content is timely provided by City, Dealership shall endeavor to provide timely publication of the Permitted Messages at the City designated date, time and period of publication ("Publication Time"), subject to (i) Dealership's consent to the Publication Time, which shall not be unreasonably withheld, delayed, or denied, in light of the City's targeted audience and purposes for publication, and (ii) Dealership's reasonable determination that the message content contained in the Notice of Content are Permitted Messages. In the event that Dealership does not consent to the City's proposed Publication Time or the message content, Dealership shall provide written notice to the City, stating with specificity the reason(s) for withholding consent ("Notice of Refusal"), within three (3) business days of receiving the City's Notice of Content in which case,

representatives of the Parties shall meet within two (2) business days of the Notice of Refusal to address in good faith the reason for the Notice of Refusal.

5. Dealership Use of LED Signs. Dealership shall limit content displayed on the LED Signs to on premise advertising of Dealership auto sales, promotions, products and services, and related business activity associated with each Property upon which the LED Signs are located.

6. Maintenance and Repair. Dealership shall maintain the LED Signs in good and operable condition during the Term and any authorized extension thereto. City shall have no obligation to maintain and/or repair, or cause the maintenance and/or repair of the LED Signs or pay any costs. Any period during which the LED Signs are inoperative, including any inoperative periods during maintenance and/or repair, shall not be considered as City Operating Time and shall be further subject to extensions of the Term per Section 4 above.

7. Installation, Construction and Removal. City shall bear no responsibility for installation, construction, and/or removal of the LED Signs. Dealership shall be responsible for obtaining and/or complying with all regulations, approvals and/or permits required by any government agency having jurisdiction therefore ("Required Approvals"), including any permits and/or regulations required by the Outdoor Advertising Act (California Business and Professions Code sections 5200-5231). Dealership understands and agrees that the City's approval of this Agreement shall not constitute a Required Approval and Dealership's failure to obtain all Required Approvals shall constitute a default hereunder.

8. Costs and Expenses. Dealership shall be responsible for installing and/or providing all utility services for operation of the LED Signs in accordance with this Agreement. Except for the City Payment, City shall not be responsible for any costs or expenses associated with the LED Signs or the surrounding property including, without limitation, installing and/or providing utility services for operation of the LED Signs and any and all real or personal property taxes and other charges (including any increase caused by a change in the tax rate or by a change in assessed valuation) of any description levied or assessed on or against the Properties or the LED Signs.

9. Assignment.

9.1 Assignment By Dealership. Dealership shall not assign any rights under this Agreement to any individual, partnership, limited partnership, trust, estate, Dealership, corporation, limited liability company, or other entity, domestic or foreign (collectively, "Person") without the prior written consent of the City or authorized designee. In the event that Dealership is permitted to assign this Agreement (or any portion hereof), the City may require the assignee to enter into an assignment and assumption agreement.

9.2 Assignment by City. City shall not assign, license, lease, sell, or otherwise transfer any rights under this Agreement to any Person. Without limiting the generality of the forgoing, this section 9.2 shall be deemed to prohibit City from, in any manner, (i) assigning, licensing, leasing, selling or otherwise transferring the City Operating Time, and any portion thereof, to any Person; and (ii) including in any Notice of Content any message content prepared or requested by any Person other than the Parties to this Agreement, except as may be consistent

with the scope of Permitted Messages, or for which the City will receive any consideration of any kind whatsoever from any Person other than the Parties to this Agreement.

10. Indemnification.

10.1 Dealership shall defend, indemnify and hold harmless (collectively, "Indemnify") the City and its officers, employees, contractors, representatives, and agents (collectively, "City Indemnitees") from and against all claims, liability, loss, damage, costs or expenses (including attorney's fees and court costs) (collectively, "Claims") arising from the acts or omissions of Dealership, its officers, employees, contractors, representatives, and agents (collectively, "Dealership Indemnitors") in connection with the Dealership's use, repair, maintenance, and refurbishing of the LED Signs; provided, however, that Dealership shall have no duty to Indemnify the City Indemnitees against any Claims arising from any act or omission of the City Indemnities as to the content of any Permitted Messages displayed on the LED Signs.

10.2 Dealership's insurance or indemnification obligations under this Agreement are independent of each other and shall not in any way satisfy restrict, limit or modify the other obligation.

10.3 The obligation of Dealership to Indemnify the City pursuant to this Agreement shall survive the termination of this Agreement, until any and all actual or prospective Claims regarding any matter subject to such obligation to Indemnify the City pursuant to this Agreement are fully, finally, absolutely and completely barred by applicable statutes of limitations.

11. Insurance. During the Term, and without diminishing its responsibilities to Indemnify the City Indemnitees, Dealership shall obtain and maintain the following insurance coverage:

11.1 Liability Insurance. Commercial general liability insurance insuring against claims for bodily injury, personal injury, death or property damage occurring upon, on or about the LED Signs at least as broad as Insurance Services Office Occurrence Form CG0001, with a minimum liability limit of Two Million Dollars (\$2,000,000) for any one occurrence and Four Million Dollars (\$4,000,000) aggregate.

11.2 Property Insurance. Insurance providing coverage for the LED Signs insuring against loss, damage, or destruction by fire or other hazards encompassed under the broadest form of property insurance coverage then customarily used for like properties in San Bernardino County, in an amount equal to one hundred percent (100%) of the replacement value (without deduction for depreciation) of the LED Signs (excluding excavations and foundations) and in any event sufficient to avoid co-insurance and with no co-insurance penalty provision, with "ordinance or law" coverage. To the extent customary for like properties in San Bernardino County at the time, such insurance shall include an "increased cost of construction" endorsement and an endorsement covering demolition and cost of debris removal.

11.3 Dealership may provide any insurance required hereunder through a "blanket" or "umbrella" insurance policy. All insurance obtained and maintained by Dealership in satisfaction of the requirements of this Agreement shall be fully paid for and non-assessable. The Property Insurance policy shall name City as a "loss payee." The Liability Insurance policy shall name the City Indemnities as "additional insured." The coverage afforded to the City Indemnities

shall be at least as broad as that afforded to Dealership and may not contain any terms, conditions, exclusions, or limitations applicable to the City Indemnities that do not apply to Dealership. Any insurance or self-insurance maintained by the City Indemnities shall be excess of all insurance required to be maintained by Dealership under this Agreement and shall not contribute with any insurance required to be maintained by Dealership under this Agreement. Dealership shall furnish, or cause to be furnished, to the City evidence of the insurance required to be maintained by Dealership under this Agreement.

12. Compliance with Law. Dealership shall erect, re-erect, construct, enlarge, alter, repair, move, improve, convert, equip, use, operate, and/or maintain the LED Signs in compliance with all applicable laws, rules and regulations, including, but not limited to, all applicable federal and state labor laws (collectively, "Regulations"). Dealership hereby expressly acknowledges and agrees that City has never previously affirmatively represented to Dealership or its contractor for the LED Signs, in writing or otherwise, in a call for bids or otherwise, that the work to be covered by the bid or contract for installation of the LED Signs is not a "public work," as defined in Section 1720 of the Labor Code. Dealership hereby agrees that Dealership shall have the obligation to provide any and all disclosures, representations, statements, rebidding, and/or identifications which may be required by Labor Code Sections 1726 and 1781, as the same may be enacted, adopted or amended from time to time, or any other provision of law. Dealership hereby agrees that Dealership shall have the obligation to provide payment to contractors (including the payment of wages to workers performing any public work) which may be required by Labor Code Section 1781 as the same may be enacted, adopted or amended from time to time, or any other provision of law. Dealership shall defend, hold harmless and indemnify the City and its respective officials, officers, employees, contractors and agents, from and against any and all loss, liability, damage, claim, cost, expense, and/or "increased costs" (including labor costs, penalties, reasonable attorney's fees, court and litigation costs, and fees of expert witnesses) which, in connection with the refurbishing of the LED Signs, including, without limitation, any and all public works (as defined by applicable law), results or arises in any way from any of the following: (1) the noncompliance by Dealership of any applicable local, state and/or federal law, including, without limitation, any applicable federal and/or state labor laws (including, without limitation, if applicable, the requirement to pay state prevailing wages); (2) the implementation of Sections 1726 and 1781 of the Labor Code, as the same may be enacted, adopted or amended from time to time, or any other similar law; (3) failure by Dealership to provide any required disclosure representation, statement, rebidding and/or identification which may be required by Labor Code Sections 1726 and 1781, as the same may be enacted, adopted or amended from time to time, or any other provision of law; and/or (4) failure by Dealership to provide and maintain any and all payments to contractors (including the payment of wages to workers performing any public work) which may be required by Labor Code Section 1781, as the same may be enacted, adopted or amended from time to time, or any other provision of law. It is agreed by the Parties that, in connection with the refurbishing of the LED Signs, including, without limitation, any public work (as defined by applicable law), Dealership shall bear all risk of payment or non-payment of state prevailing wages for on-site labor and/or the implementation of Labor Code Sections 1726 and 1781, as the same may be enacted, adopted or amended from time to time, and/or any other provision of law. "Increased costs" as used in this Section shall have the meaning ascribed to it in Labor Code Section 1781, as the same may be enacted, adopted or amended from time to time.

13. No Encumbrances. Dealership shall pay any mechanics', materialmen's, contractors' or subcontractors' liens or any claim for damage arising from Dealership's use of the LED Signs.

14. Notices. Any notice to be given or other document to be delivered by either Party to the other may be delivered in person or may be deposited in the United States mail, with first class postage prepaid, and addressed as follows:

Dealership: Chino Ford Dealership
4480 Chino Hills Parkway
Chino, CA 91710
Attn: Armina Mgerian

With a Copy to:

City: City of Chino
13220 Centra Avenue
Chino, CA 91710

With a Copy to: Aleshire & Wynder, LLP
1 Park Plaza, Suite 1000
Irvine, CA 92614
Attn: Fred Galante, City Attorney

15. City Default. Failure or delay by City to perform or comply with any term or provision of this Agreement constitutes a default under this Agreement. In the event of any failure or delay by City to make payment when due, Dealership may immediately seek any available remedy. With respect to any other default, the following shall apply: Dealership shall give written notice of default to the City in the event of such default by City, specifying the default complained of by Dealership; If the default is reasonably capable of being cured within thirty (30) days after such notice is received or deemed received, City shall have such period to effect a cure prior to exercise of remedies by Dealership; If the default is such that it is not reasonably capable of being cured within thirty (30) days, and City (a) initiates corrective action within said 30-day period, and (b) diligently, continually, and in good faith works to effect a cure as soon as possible, then City shall have such additional time as is reasonably necessary to cure the default prior to exercise of any remedies by Dealership; provided, however, in no event shall Dealership be precluded from exercising remedies if the event of default is not cured within ninety (90) days or Dealership's rights under this Agreement or otherwise become or are about to become materially jeopardized by any failure to cure a default. In the event that City fails to cure a default (other than any failure or delay by City to make payment when due) in accordance with the provisions of this Section 15, Dealership may exercise any or all of the following remedies: (i) institute a legal action to seek specific performance of City's obligations under this Agreement; or (ii) terminate this Agreement.

16. Dealership Default. Failure or delay by Dealership to perform or comply with any term or provision of this Agreement constitutes a default under this Agreement. City shall give written notice of default to Dealership, specifying the default complained of by City. If the default is reasonably capable of being cured within thirty (30) days after such notice is received or deemed

received, Dealership shall have such period to effect a cure prior to exercise of remedies by the City. If the default is such that it is not reasonably capable of being cured within thirty (30) days, and Dealership (a) initiates corrective action within said 30-day period, and (b) diligently, continually, and in good faith works to effect a cure as soon as possible, then Dealership shall have such additional time as is reasonably necessary to cure the default prior to exercise of any remedies by City; provided, however, in no event shall City be precluded from exercising remedies if the event of default is not cured within ninety (90) days or City's rights under this Agreement or otherwise become or are about to become materially jeopardized by any failure to cure a default. In the event that Dealership fails to cure a default in accordance with the provisions of this Section 16, City may exercise any or all of the following remedies: (i) institute a legal action to seek specific performance of Dealership's obligations under this Agreement; or (ii) terminate this Agreement. Such remedies shall be in addition to all other applicable legal and equitable remedies available to the City, including unearned, prepaid License payments.

17. Waiver of Certain Damages. The parties hereto hereby agree to waive the right to lost profits, speculative, consequential, special and punitive damages.

18. Dealership's Duty of Restoration. Dealership shall be responsible for the restoration of the LED Signs in accordance with the damage and destruction clauses in this Section 18.

18.1 In case of any damage to or destruction of the LED Signs, or any part thereof, Dealership shall commence the restoration, replacement or rebuilding of the LED Signs with such alterations and additions as may be approved by the City Manager (such restoration, replacement, rebuilding alterations and additions, together with any temporary repairs and property protection pending completion of the work being herein called "Restoration") within thirty (30) days of such damage or destruction or such longer time as may be reasonably approved, in writing, by the City Manager, plus any additional period reasonably determined by the City Manager to be required to obtain any Net Insurance Proceeds, as hereinafter defined, to be used to pay all or a portion of the cost of such Restoration, and shall complete such Restoration within a reasonable period of time thereafter. As used herein, the term "Net Insurance Proceeds" means the gross insurance proceeds paid by an insurer to Dealership for loss or damage to the LED Signs, less any and all costs and expenses (including, but not limited to reasonable attorney's fees) incurred to recover said proceeds. Dealership agrees to promptly commence and prosecute to completion the settlement of insurance proceeds with respect to any event of damage or destruction of the LED Signs. The Term shall be extended for any period in which the LED Signs are damaged or destroyed consistent with the provisions of Section 4.

18.2 Dealership agrees that notwithstanding any other provision of this Agreement, upon any event of damage to or destruction of the LED Signs, Dealership shall, at its sole cost and expense, immediately take or cause to be taken such actions and to complete such work as is necessary to reasonably minimize further damage to the LED Signs pending the ultimate disposition of the LED Signs.

18.3 Insurance proceeds which are received on account of any damage to or destruction of the LED Signs, or any portion thereof (less the costs, fees and expenses incurred in the collection thereof, including without limitation attorney's fees and expenses) shall be applied as follows:

1. Within a reasonable time and in any event within 180 days after the damage to or destruction of the LED Signs, Dealership shall furnish, or cause to be furnished to City evidence reasonably satisfactory to City (a) of the total cost of Restoration of the damaged or destroyed LED Signs and (b) that the total amount of money available will, when added to the Net Insurance Proceeds received and available to pay for the Restoration, be sufficient to pay the cost of such Restoration.
 2. Net Insurance Proceeds received on account of any damage to or destruction of the LED Signs, or any part thereof, shall be paid to Dealership or as Dealership may direct from time to time, as Restoration progresses, solely to pay or reimburse Dealership for the cost of Restoration.
19. City Contract. Administration. The City Manager shall administer this Agreement on behalf of City, subject to the final approval by the City Council. Except as otherwise expressly provided in this Agreement, the City Council has the sole authority to approve or consent to those matters in this Agreement requiring City's approval or consent and to make all other decisions on behalf of City.
20. Further Documents. The Parties hereby agree to execute such other documents and to take such other action as may be reasonably necessary to further the purposes of this Agreement.
21. Time of the Essence. Time is of the essence in this Agreement.
22. Governing Law and Venue. This Agreement shall be governed by, interpreted under, and construed and enforced in accordance with the laws of the State of California. The Parties each acknowledge and agree that this Agreement is entered into and is to be fully performed in the City of Chino, County of San Bernardino, State of California, and that all legal actions arising from this Agreement shall be filed in the Superior Court of the State of California in and for the County of San Bernardino, California, or the United States District Court with jurisdiction in the County of San Bernardino, California.
23. No Limitation on City Authority. Nothing in this Agreement shall be deemed to limit, modify or abridge the governmental police power or other legal authority (whether direct or delegated) of City regarding the Properties, the LED Signs, or the Dealership.
24. Binding Effect. This Agreement shall be binding upon and inure to the benefit of the Parties hereto and their permitted successors and assigns.
25. Third Party Beneficiaries. The Parties to this Agreement acknowledge and agree that the provisions of this Agreement are for the sole benefit of City and Dealership, and not for the benefit, directly or indirectly, of any other person or entity.
26. Severance. If any provision of this Agreement is determined by a court of competent jurisdiction to be illegal, invalid or unenforceable, such provision will be deemed to be severed and deleted from this Agreement as a whole and neither such provision, nor its severance and deletion shall in any way affect the validity of the remaining provisions of this Agreement.

27. Counterparts. This Agreement may be executed in counterparts and when so executed, each such counterpart will constitute an original document and such counterparts will constitute one and the same agreement.

28. Electronic Signature. The Parties agree that, in accordance with the City's Electronic Signature Use Policy, the Parties may use electronic signatures to execute this Agreement. Any use of electronic signatures to execute this Agreement shall comply with the City's Electronic Signature Use Policy, and such signatures shall have the same force and effect as if this Agreement were executed by hand. Dealership acknowledges that it has had an opportunity to request and review the City's Electronic Signature Use Policy, and Dealership agrees to comply with the Electronic Signature Use Policy. Dealership agrees to indemnify, defend, and hold the City harmless from any claim, damage, or liability associated with transmitting an electronic signature or an electronically signed record by electronic transmission.

[SIGNATURES ON FOLLOWING PAGE]

IN WITNESS WHEREOF, the City and Dealership have executed and entered into this Agreement as of the date first written above.

CITY:

CITY OF CHINO,
A California municipal corporation

By: _____, City Manager

Attest:

By: _____, City Clerk

Approved as to form:

By: _____, City Attorney

DEALERSHIP:

CHINO FORD, a California corporation

DocuSigned by:
Armina Mgerian
By: 222E94011127414...

Name: Armina Mgerian

Title: CEO

By: _____

Name: _____

Title: _____

EXHIBIT "1"
TO
LICENSE AGREEMENT
(Chino Ford)

Sale Agreement

[Attached behind this cover page]

EXHIBIT "2"
TO
LICENSE AGREEMENT
(Chino Ford)

Rendering

[Attached behind this cover page]