RECEIVED
2016 OCT 18 PM 1 45
CITY CLERK, FRESNO CA

LEASE AGREEMENT

THIS LEASE (Lease) date October __, 2016 by and between SMG, a Pennsylvania general partnership ("Landlord"), and the SUCCESSOR AGENCY TO THE REDEVELOPMENT AGENCY OF THE CITY OF FRESNO ("Tenant"), covers office space within the Fresno Convention Center located at 848 M St, Fresno, CA 93721 as depicted in Exhibit A.

1. TERM. Landlord leases to Tenant the Leased Premises for three years, commencing on November 1, 2016, ("Commencement Date") and ending October 31, 2019; provided, however the Lease will automatically renew for subsequent one-year terms ("Renewal Term") unless terminated by either party by sixty days written notice at any time during the renewal term.

2. AUTHORITY. Landlord represents and warrants it has the legal interest and authority to Lease the Leased Premises. Landlord's legal interest and authority to Lease the Leased Premises arises from that certain Restated Management Agreement between Landlord and the City of Fresno dated December 18, 2013 (the "Management Agreement").

3. LEASED PREMISES. The Leased Premises consists of an approximately 1,460 square foot, office space situated on the second floor of the Convention Center (APN 468-212-19T) (the "Property"). The Leased Premises are depicted in Exhibit A.

4. RENT. Tenant shall pay $1 per square foot base rent, plus its proportionate share of common area expenses, janitorial costs, and parking ("Rent") for a total monthly payment of $2,000. All monthly Rent payments shall be payable in advance at the Landlord's address as shown on the signature page of this Lease, commencing December 1, 2016.

5. UTILITIES. Landlord shall provide water, sewer, garbage, electricity, and gas for the Leased Premises at no additional cost to Tenant during the term of the Lease and any Renewal Term. Tenant is responsible for telephone, cable and data charges supplied to the Leased Premises during the Term and any Renewal Term.

6. USE. Tenant shall use the Leased Premises only for the purposes of office and administrative space.

7. PARKING. Use of four parking spaces in the garage adjacent to the Leased Premises is included at no additional cost to Tenant.

8. MAINTENANCE. All exterior, interior and roof maintenance, including, but not limited to leak damage, if any, shall be the responsibility of the Landlord, unless such damage was caused by the wrongful acts of Tenant or its employees, agents or invitees. The Landlord is also responsible for the structural condition of the Leased Premises and the condition of the parking surfaces and agrees that the Leased Premises will always be maintained in the good working order and condition. Landlord will also maintain all fixtures, doors, and gates in good working condition. Tenant shall repair and maintain the Leased Premises in good working condition, except for such portions of the Leased Premises which are Landlord's responsibility as described above.

9. MAINTENANCE - NON PERFORMANCE. In the event the Landlord neglects, fails or refuses to maintain the Leased Premises as afore stated within thirty days after written notice has been given by Tenant, Tenant may, at Tenant's sole option, cure any such default by performance of any act, including payment of money, and deduct the cost thereof plus reasonable administrative costs from the rent.

10. LIABILITY. Tenant is free of liability for loss or damages caused by structural failure, existing defects within the Leased Premises and any third-party actions.

Tenant will be responsible for loss, damage or injury caused by the negligence or willful misconduct of Tenant or any of its employees, agents or invitees. Landlord will be responsible for any loss, damage or injury caused by the negligence or willful misconduct of Landlord or any of its employees, agents or invitees.

Landlord will not be responsible for damages to the Leased Premises caused solely by Tenant's negligence, willful misconduct, or misuse of said Leased Premises.

Throughout the life of this Lease, Landlord shall pay for and maintain in full force and effect all insurance as required herein or as may be authorized or required in writing by Tenant's Risk Manager or his/her designee at any time and in his/her sole discretion.

Landlord shall have no liability whatsoever for claims arising after the termination of the Management Agreement.

This section shall survive termination or expiration of this Lease.

11. SURRENDER OF POSSESSION. It is mutually understood that upon any termination of the Lease, Tenant will surrender the Leased Premises to Landlord in as good order and condition as when received, except for reasonable wear and tear and any maintenance or repair that is the express obligation of Landlord pursuant to any of the provisions hereof. Any needed repairs will be completed within fifteen days of termination, subject to extension as may be reasonably necessary to complete such work.

If any needed repairs that are the express obligation of Tenant hereunder are not completed within fifteen days, or such other reasonable period if cannot be completed within such duration, the Landlord may take action needed to make said repairs and Tenant agrees to pay the cost for those repairs within thirty days of receipt of invoice by Landlord.

12. RIGHT OF ENTRY. Landlord or its representative, upon reasonable advance notice to Tenant and subject to Tenant's right to accompany Landlord, may enter the Leased Premises during business hours at any time during the term of this Lease to protect, inspect, exercise or investigate any rights of Landlord herein reserved. Subject to the foregoing, Landlord may enter the Leased Premises for the purpose of making any alteration, repair or improvement to said building, or the Leased Premises, when it deems convenient for the maintenance or preservation thereof provided always that the normal business of Tenant or its invitees shall not be unnecessarily inconvenienced.

13. TERMINATION BY TENANT FOR NON-APPROPRIATION. The Tenant's obligation to pay the rental payments and any other payment obligations under this Lease shall constitute a current expense to Tenant for Tenant's beneficial use and

occupancy of the Leased Premises. The rental payments shall be payable only from current funds, budgeted and appropriated, on deposit in a reserve fund, or otherwise legally available for the rental payments or other Leased Premises costs. This Lease does not create an immediate debt for aggregate rental payments, and is not a pledge of the Successor Agency's full faith and credit.

During its annual budgeting process, Tenant shall consider, and will use best efforts to appropriate funding to meet its rental payments, maintenance, and other estimated Leased Premises costs under this Lease for the fiscal year under consideration.

In the sole event of non-appropriation relating to this Lease, Tenant shall have the right to terminate this Lease at the end of any fiscal year of Tenant, in the manner and subject to the terms specified in this paragraph. Tenant shall endeavor to give written notice of such termination not less than sixty days prior to the end of such fiscal year, and shall notify Landlord of any anticipated termination. For purposes of this paragraph, "fiscal year" shall mean the twelve month fiscal period of Tenant which commences on July 1 in every year and ends on the following June 30. For purposes of this paragraph, "non-appropriation" shall mean the failure of Tenant or Tenant's governing body to appropriate money for any fiscal year of Tenant sufficient for the continued performance of this Lease by Tenant.

14. ASSIGNMENT. Tenant may assign its interest under this Lease, or sublet any portion of the Premises, to an affiliated entity, or an affiliated entity of the City of Fresno, subject to approval by Landlord, which approval shall not be unreasonably withheld.

15. QUIET CONDUCT AND POSSESSION. Landlord or any Tenant of Landlord shall not commit, or suffer to be committed, any waste upon the property upon which the Leased Premises are located, or any nuisance, or do any other act or thing which may or does disturb the quiet enjoyment of Tenant of its occupancy of the building in which the Leased Premises are located or the use of the parking spaces by Tenant.

16. CONDEMNATION. In the event that at any time during the term of this Lease, the Leased Premises or any part thereof shall be taken by eminent domain or condemnation by any public or quasi public authority (or in the event a voluntary conveyance is made by Landlord to such public or quasi public authority by reason of or by threat or imminence of the exercise of said power of eminent domain or condemnation by said authority), Tenant's right of possession shall terminate as of the date of taking and rent and other charges provided for in this Lease shall be adjusted as of said date. Tenant shall have no right to any part of the damage award of the condemnation proceedings.

17. DAMAGE OR DESTRUCTION. If the Leased Premises shall be damaged by fire, the elements, unavoidable accident, or other casualty, but is not thereby rendered untenantable in whole or in part, Landlord shall, at Landlord's own expense and within thirty days of Tenant's written notification to Landlord of the damage, cause such damage to be repaired, and the rent shall not be abated. If by reason of such occurrence, the Leased Premises shall be rendered untenantable only in part, Landlord shall, at Landlord's own expense and within thirty days of Tenant's written notification of Landlord of the damage, cause such damage to be repaired, and the rent meanwhile shall be abated proportionately as to the portion of the Leased Premises rendered

untenantable from the time of such occurrence until such repairs are completed. If the Leased Premises shall be rendered wholly untenantable by reason of such occurrence, Landlord shall, at Landlord's own expense and within sixty days of Tenant's written notification to Landlord of the damage, cause such damage to be repaired, and the rent meanwhile shall be abated in whole from the time of such occurrence until such repairs are completed. Notwithstanding the proceeding provisions of this Section, either party shall have the right, to be exercised by notice in writing to the other within thirty days from and after the date of Tenant's written notification of any such event of partial or total destruction, to elect to terminate this Lease, and in such event, this Lease and the tenancy hereby created hereby shall cease as of the date of such notice, and the rent shall be adjusted as of such date.

18. TAXES AND INSURANCE. Landlord will pay all real estate taxes, bonds and assessments, if any, when due on the Leased Premises and will maintain property and hazard insurance on the Leased Premises. Tenant, its officials, officers, employees, agents or authorized volunteers shall not be liable to Landlord or its insurer for any damage caused by fire or any of the risks insured against under the property and hazard insurance, unless such fire or other damage is caused by Tenant, its officials, officers, employees, agents, or authorized volunteers. Nothing herein is intended to require Tenant to maintain property and hazard insurance covering the Leased Premises for whatever cause.; provided, however, Tenant shall maintain a commercial general liability insurance (either through a third party or a self-insurance program) providing coverage of not less than $2,000,000 per occurrence and $3,000,000 in the annual aggregate. Tenant shall maintain, at Tenant's sole cost, a policy of standard fire, extended coverage and special extended coverage insurance (all risks), including a vandalism and malicious mischief endorsement, sprinkler leakage coverage where sprinklers are provided in an amount equal to the full replacement value new without deduction for depreciation of all Tenant Improvements and trade fixtures, furniture, equipment and other personal property installed by or at the expense of Tenant. Notwithstanding the foregoing, if Tenant does not obtain sprinkler leakage coverage, then Tenant shall be deemed to have self-insured such risk (and, accordingly, such risk shall be treated as if Tenant actually carried a policy containing sprinkler leakage coverage).

19. DEFAULT. If either party defaults in the performance of any condition or covenant in this Lease, the other party, at its option, may terminate this Lease, but only if the defaulting party fails to rectify said default within thirty days (except for nonpayment of rent, which shall be ten days) after written notice thereof is served upon the defaulting party by the other party. In the event, however, that any default (except nonpayment of rent) complained of hereunder is of such nature that the same cannot be rectified in such thirty day period as aforesaid, then such default shall be deemed to be rectified if the defaulting party shall have commenced the compliance of the provisions hereof breached by it and in the performance of which it is claimed to be in default within such thirty day period and shall with all diligence prosecute work or perform the particular provisions until the same shall have been fully rectified or performed.

20. MISCELLANEOUS.

20.1 NOTICES. Notices hereunder to the respective parties shall be deemed delivered if given in writing, mailed with postage prepaid, return receipt requested, addressed to the respective party at the address given on the signature page of this Lease or at such other address as the parties may, from time to time, designate by written notice.

20.2 ATTORNEY FEES. In the event of a claim by either party for breach of, or failure to perform, or any inaccuracy in, any of the representations, warranties, covenants, or agreements contained in this Lease, then in any action or proceeding the prevailing party shall be entitled to be reimbursed for all costs, fees, and expenses incurred in connection with prosecuting or defending such claim, including reasonable attorneys' fees.

20.3 OTHER AGREEMENTS SUPERSEDED, WAIVER, AND MODIFICATION. This Lease constitutes the entire agreement between the parties pertaining to the subject matter contained in and supersedes all prior and contemporaneous agreements, representations, and understandings of the parties. No supplement, modification, or amendment of this Lease shall be binding unless executed in writing by all of the parties. No waiver of any condition or provision shall be enforceable unless made in writing. Nothing in this Lease shall be construed to give any person or entity other than the parties hereto any rights or remedies.

20.4 GOVERNING LAW AND VENUE. This Lease shall be construed and interpreted in accordance with and governed and enforced in all respects by the laws of the State of California. Venue for purposes of the filing of any action regarding the enforcement or interpretation of this Lease and rights and duties hereunder shall be Fresno County, California.

20.5 HEADINGS. The article and section headings throughout this Lease are provided for convenience only and the words contained therein shall in no way be held to expand, amplify, modify, or aid in the interpretation or construction thereof.

20.6 SUCCESSORS AND ASSIGNS. This Lease shall inure to the benefit of and be binding upon the heirs, executors, administrators, and successors of the parties hereto, but no right or liability or obligation arising hereunder may be assigned by Tenant without prior written consent of Landlord.

20.7 SEVERABILITY. In the event any of the provisions of this Lease shall be declared by a court to be void or unenforceable, then such provision shall be severed from this Lease without affecting the validity and enforceability of any of the other provisions hereof, and the parties shall negotiate in good faith to replace such

unenforceable or void provisions with a similar clause to achieve to the extent permitted under law, the purpose and intent of the provisions declared void and unenforceable.

IN WITNESS WHEREOF, the parties hereto have executed this Lease as of the day and year first above written.

LANDLORD:

SMG, a Pennsylvania general partnership

By: _____
William C. Overfelt, General Manager
FCEC/SMG

Dated: 10/18/16, 2016

ATTEST:
YVONNE SPENCE, CMC
Ex-Officio Clerk

By: _____
Deputy

Dated: _____, 2016

ADDRESS OF LANDLORD:

TENANT:

SUCCESSOR AGENCY TO THE REDEVELOPMENT AGENCY OF THE CITY OF FRESNO,

By: _____
Marlene Murphey, Executive Director

Dated: _____, 2016

APPROVED AS TO FORM:
DOUGLAS T. SLOAN
Ex-Officio Attorney

By: _____
Laurie Avedisian-Favini, Assistant

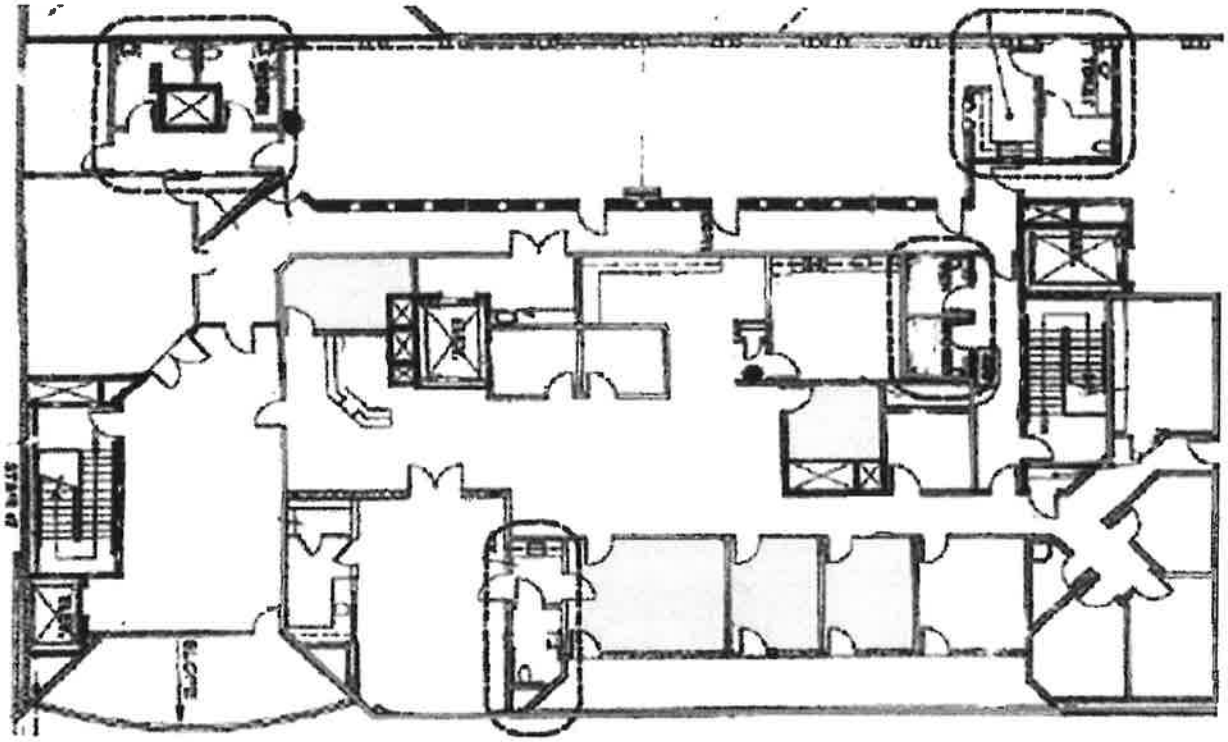
Dated: _____, 2016

ADDRESS OF TENANT:

Attn: Executive Director
Successor Agency

_____
Fresno, CA 93721

LAF:ns [72749ns/laf]

EXHIBIT A
Leased Premises

FLOOR PLAN