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(213) 202-2633

August 20, 2026

Honorable Karen Bass, Mayor
City of Los Angeles
Room 303, City Hall

Honorable City Council
City of Los Angeles
c/o Office of the City Clerk
City Hall, Room 395

Honorable Mayor and Members of the City Council:

Attached herewith is a proposed First Amendment (Amendment No. 1) to Lease Agreement No. C-129943 between the City of Los Angeles, Department of Recreation and Parks and the Heart of Los Angeles Community Partners, for the Lease of an additional portion of Lafayette Park for the installation, operation, and maintenance of the proposed Project.

Also attached is Board Report No. 26-190, which was adopted by the Board of Recreation and Park Commissioners at its Regular Meeting held on August 20, 2026.

If you have any questions with regard to the proposed Agreement, please contact Bryan Miller, Management Analyst, Planning, Maintenance, and Construction Branch 213-202-2608.

Very truly yours,

BOARD OF RECREATION AND
PARK COMMISSIONERS

TAKISHA SARDIN
Commission Executive Assistant II

Attachments: Board Report No. 26-190

cc: Bryan Miller, Management Analyst, Planning, Maintenance, and Construction Branch



APPROVED

August 20 2026

BOARD OF RECREATION
AND PARK COMMISSIONERS

BOARD REPORT

NO. 26-190

DATE August 20, 2026

C.D. 10

BOARD OF RECREATION AND PARK COMMISSIONERS

SUBJECT: LAFAYETTE PARK – PROPOSED HEART OF LOS ANGELES ROCK GARDEN PROJECT – APPROVAL OF PROPOSED AMENDMENT NO. 1 TO LEASE AGREEMENT NO. C-129943 WITH HEART OF LOS ANGELES COMMUNITY PARTNERS – CATEGORICAL EXEMPTION FROM THE PROVISIONS OF THE CALIFORNIA ENVIRONMENTAL QUALITY ACT (CEQA) PURSUANT TO ARTICLE 19, SECTION 15301 [PERMITTING, LEASING, LICENSING, OR MINOR ALTERATION OF EXISTING PUBLIC OR PRIVATE STRUCTURES, FACILITIES, MECHANICAL EQUIPMENT, OR TOPOGRAPHICAL FEATURES, INVOLVING NEGLIGIBLE OR NO EXPANSION OF EXISTING OR FORMER USE.] OF CALIFORNIA CEQA GUIDELINES AND ARTICLE III, SECTION 1, CLASS 1(14) OF CITY CEQA GUIDELINES

B. Aguirre _____ M. Rudnick _____
B. Jones _____ for C. Santo Domingo 
C. Stoneham _____ N. Williams _____



General Manager

Approved X Disapproved _____ Withdrawn _____

RECOMMENDATIONS:

1. Approve the proposed Heart of Los Angeles Rock Garden Project located on a portion of Lafayette Park, as described in the Summary of this Report (Project) and in conformance with the proposal attached hereto as Attachment 1;
2. Approve the First Amendment (Amendment No. 1) to Lease Agreement No. C-129943 (Lease) with Heart of Los Angeles Community Partners (HOLA), substantially in the form on file in the Board Office and attached hereto as Attachment 2 to this Report, for the Lease of an additional portion of Lafayette Park for the installation, operation, and maintenance of the proposed Project, subject to approval of the Mayor, the City Council, and the City Attorney as to form;
3. Authorize the Board of Recreation and Park Commissioners (Board) President and Secretary to execute Amendment No. 1 upon receipt of the necessary approvals;
4. Direct the Board Secretary to forward Amendment No. 1 to the Mayor and, concurrently, to the City Council for approval and the City Attorney for review and approval as to form;

BOARD REPORT

PG. 2 NO. 26-190

5. Determine that the Project is categorically exempt from the provisions of the California Environmental Quality Act (CEQA) pursuant to Article 19, Section 15301 [Permitting, leasing, licensing, or minor alteration of existing public or private structures, facilities, mechanical equipment, or topographical features, involving negligible or no expansion of existing or former use] of California CEQA Guidelines as well as Article III, Section 1, Class 1(14) of City CEQA Guidelines and direct staff to file a Notice of Exemption (NOE) with the Los Angeles County Clerk and the Governor's Office of Land Use and Climate Innovation;
6. Authorize RAP's Chief Accounting Employee or designee to prepare a check to the Los Angeles County Clerk in the amount of \$25.00 for the purpose of filing an NOE; and,
7. Authorize RAP staff to make technical corrections as necessary to carry out the intent of this Report.

SUMMARY

Lafayette Park (Park) is a 9.72-acre park located at 625 South Lafayette Park Place, Los Angeles. The facility contains a multi-purpose building with an auditorium and various community rooms, basketball courts, a children's play area, picnic tables, a lighted soccer field, and several lighted tennis courts. It offers aerobics, day care, preschool, after school programs, and summer camps, among other things. The Park serves approximately 14,338 people within a half-mile walking radius.

HOLA is a nonprofit organization that helps young people overcome barriers through exceptional, free, integrated programs and personalized guidance in a trusted, nurturing environment. The organization builds strong connections among K-12 leaders, families, and local organizations to holistically serve kids in Los Angeles' historically underserved neighborhoods.

In 2006, HOLA contributed more than \$700,000 for the completion of the Park Multi-Purpose Building and the enhancement of youth recreational programs at the site. The donation was memorialized in a Gift Agreement and Memorandum of Agreement (MOA), which the Board approved through Report No. 07-217. The MOA has a 25-year term and sets forth the terms and conditions under which HOLA is authorized to occupy and use the additional Multi-Purpose Building space for the development of new programs and the expansion of its existing programs, and to better serve the increasing number of children residing around Lafayette Park.

Due to the success of the programs provided following the completion of the Park Multi-Purpose Building, HOLA submitted a proposal in early 2015 to expand its programming through the construction of a second building on the site. The Board approved a 50-year lease with HOLA on June 21, 2017, which included approval for the construction and operation of a new 24,860 square foot Arts and Recreation Center (Attachment 3).

BOARD REPORT

PG. 3 NO. 26-190

In April 2025, HOLA contacted RAP (Attachment 1) with a proposal for the HOLA Rock Garden Project (Project). HOLA, in collaboration with cityLAB-UCLA, is proposing to add an outdoor seating area called the “HOLA Rock Garden” located on the northern side of the HOLA Arts and Recreation Center building, and adjacent to the pedestrian entrance on 6th Street within Lafayette Park. The Rock Garden will consist of two groups of outdoor seating and a set of cornhole boards. The proposed Project will provide HOLA students with a safe and comfortable place for various activities, including socializing, outdoor learning, and open-air performances.

The proposed Project site adjoins HOLA's current lease premises. In order to accommodate the Project, HOLA is seeking approval from the Board to expand its premises to allow for the installation of the garden.

RAP staff has reviewed the request from HOLA and recommends that the Board grant the request. The proposed Project will complement the existing park by providing space and seating for shared recreational programming with RAP.

TREES AND SHADE

Approval of the proposed Project and Amendment No. 1 will have no impact on existing trees or shade at Lafayette Park.

ENVIRONMENTAL IMPACT

The proposed Project consists of leasing an existing public structure with negligible or no expansion of use.

According to the parcel profile report retrieved from NavigateLA (www.navigate.la.lacity.org) on July 16, 2026, this site is not within a coastal, historic protection, or liquefaction zone. It is located in the methane zone, but since the proposed Project involves only outdoor improvements, it will not expose park patrons to methane seepage. Therefore, there is no reasonable possibility that the proposed Project may impact on an environmental resource of hazardous or critical concern or have a significant effect due to unusual circumstances. No other known projects would involve cumulatively significant impacts, and no future projects would result from the proposed Project. As of July 16, 2026, the State Department of Toxic Substances Control (DTSC) (Envirostor at www.envirostor.dtsc.ca.gov) and the State Water Resources Control Board (SWRCB) (Geotracker at <https://geotracker.waterboards.ca.gov/>) have not listed the Project site, although the following four cases of leaking underground storage tanks (LUST) were listed:

- T0603701128 was a gas station leak reported in 1986. The Regional Water Quality Control Board (RWQCB) closed the case in 1989.
- T06037004488 is a leaking underground storage tank found on the site of a residential development. The tank was removed, and RWQCB closed the case in 1997.

BOARD REPORT

PG. 4 NO. 26-190

- T060371417 is a storage tank associated with a pre-existing garage where a residential apartment building for seniors was being constructed. The developer installed monitoring wells and performed a risk assessment for vapor intrusion. Construction mitigation measures were implemented, and the RWQCB closed the case in 2004.
- T10000018527 is also a leaking tank discovered during the construction of an affordable housing development. After extensive analysis, removal of impacted soil and installation of a soil barrier, construction of the affordable housing units was concluded, and in December 2023, the RWQCB closed the case of any contaminated sites near the Project area (within 1,000 feet).

According to the Caltrans Scenic Highway Map, there is no scenic highway located within or adjacent to the proposed Project site. Regarding the impact on historic resources, the proposed Project is not within an historic site and will not have any significant effect on historic resources.

Based on this information, RAP staff recommends that the Board determine that the proposed Project is categorically exempt from the provisions of the California Environmental Quality Act (CEQA) pursuant to Article 19, Section 15301 of California CEQA Guidelines and Article III Section 1, Class 1(14) of City CEQA Guidelines. Staff will file a Notice of Exemption with the Los Angeles County Clerk and the Governor's Office of Land Use and Climate Innovation upon the Board's approval.

FISCAL IMPACT

Approval of the proposed Project and Amendment No. 1 will have no impact on RAP's General Fund. All costs associated with the proposed Project are the responsibility of HOLA.

This Report was prepared by Bryan Miller, Management Analyst, Planning, Maintenance, and Construction Branch. Elena Maggioni, Environmental Supervisor II, Planning, Construction, and Maintenance Branch, reviewed the compliance with CEQA.

LIST OF ATTACHMENTS

Attachment 1 - Heart of Los Angeles Rock Garden Project Proposal
Attachment 2 - Lease Agreement No. C-129943 – Amendment No. 1
Attachment 3 - Lease Agreement No. C-129943

LAFAYETTE PARK

HEART OF LOS ANGELES (HOLA)

ROCK GARDEN PROJECT PROPOSAL



PROJECT DESCRIPTION

DATE:	April 2025
PROJECT TITLE:	Heart of Los Angeles (HOLA) Rock Garden
PROJECT APPLICANT NAME & ADDRESS:	HOLA Community Partners 2701 Wilshire Boulevard, Suite 100 Los Angeles, CA 90057
PROJECT LOCATION:	North of 615 La Fayette Park Place Los Angeles, CA 90057

PROJECT DESCRIPTION:

Heart of Los Angeles (HOLA), in collaboration with cityLAB-UCLA, is proposing to add an outdoor seating area called the “HOLA Rock Garden” to the northern side of the HOLA Arts and Recreation Center building adjacent to the pedestrian entrance on 6th Street within La Fayette Park. The Rock Garden will consist of two groups of outdoor seating and a set of cornhole boards. HOLA is a non-profit organization that provides extracurricular activities in academics, arts, and athletics to underserved youth in Los Angeles. The proposed Rock Garden will provide HOLA students a safe and comfortable place for various activities, including socializing, outdoor learning, and open-air performances. Please refer to Figure 3 for the Proposed Site Plan.

The three sets of furniture will be located in the current public picnic area in Lafayette Park, which has abundant tree shade. One set of seats will include pebble-shaped concrete benches in various sizes, while the other will use modular seating designed to support diverse outdoor uses. Both will be arranged in a semi-circle to create a welcoming and accessible environment. The proposed project will complement the existing park by providing space and furniture for shared recreational programming with the Recreation and Parks Department.

The furniture pieces of the proposed Rock Garden will be donated by QCP, a furnishing manufacturer based in Norco, California, through its 2024 pro-bono project. To minimize the impact of installation on the current site conditions, the outdoor benches will be manufactured with Glass Fiber Reinforced Concrete (GFRC), which is lightweight and functionally flexible without sacrificing strength and durability. Aesthetically, the GFRC materials will have a natural tone and a versatile Sandstone finish for a refined, consistent look. QCP will also precast the concrete foundations for the furniture installment.

To install the proposed Rock Garden, existing picnic tables on the project site will be removed. The precise placement of the proposed furniture pieces will be adjusted according to the site conditions.

The proposed site is within HOLA's maintenance boundaries but beyond the current lease agreement. The project is seeking approval from the City of Los Angeles Department of Recreation and Parks to install the proposed HOLA Rock Garden.

PROJECT LOCATION

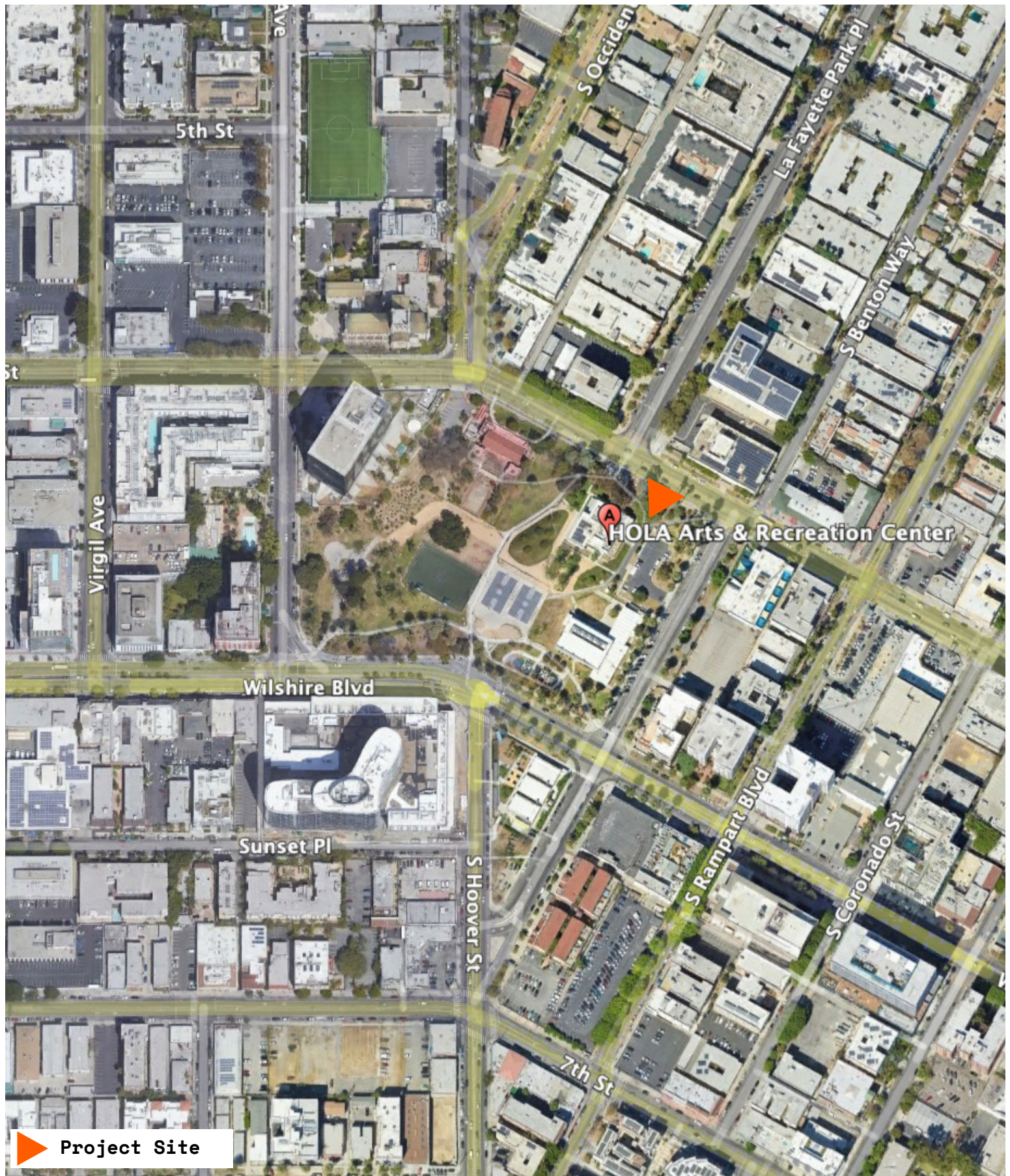
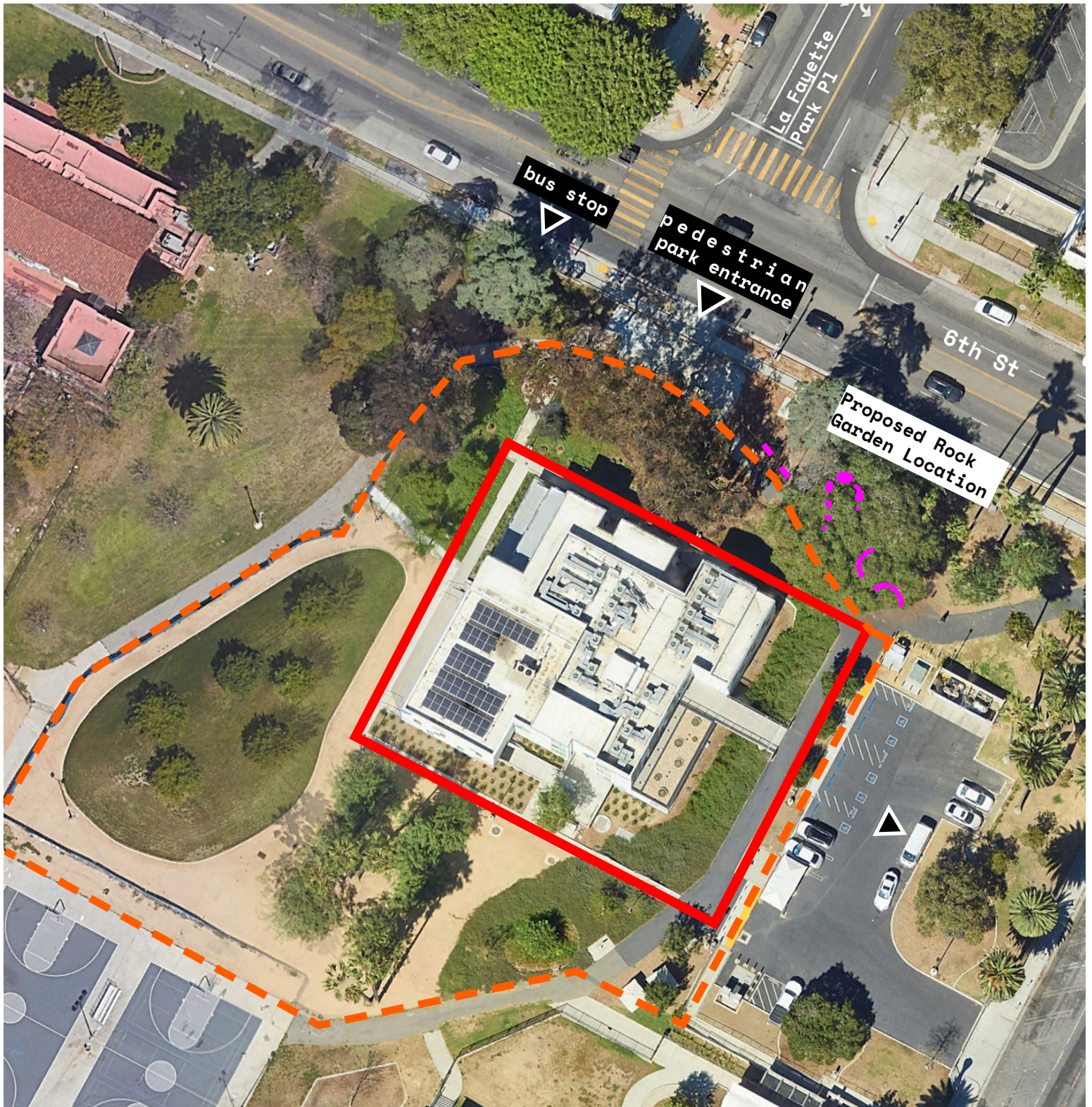


Figure 1. Regional Vicinity and Project Location

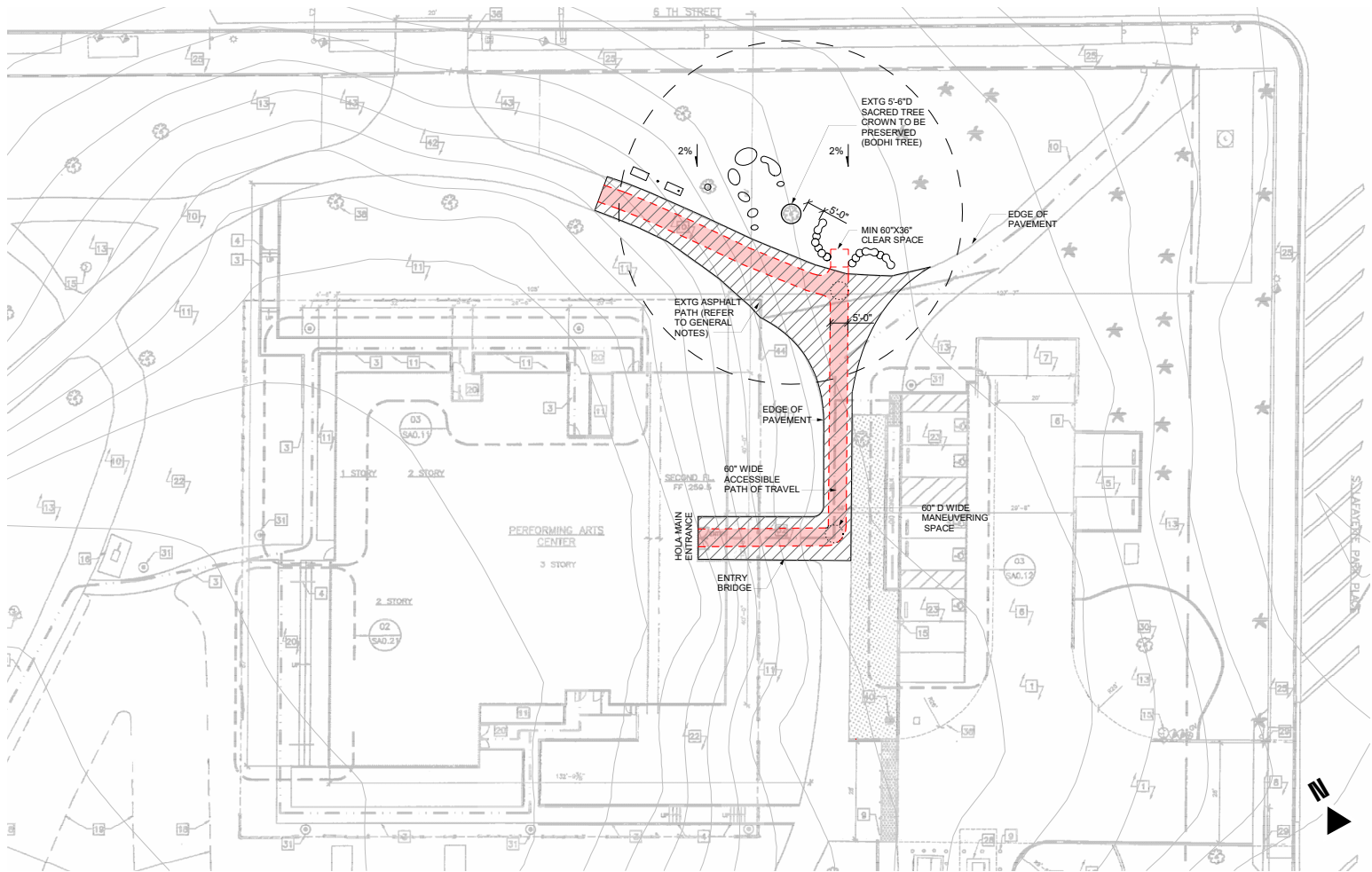
PROJECT LOCATION



-  HOLA's Maintenance Area
-  HOLA's Current Lessee Area
-  Proposed Rock Garden Location

Figure 2. Aerial View of the Proposed Project Site and Vicinity

PROJECT PLAN



ADA Compliance Notes

1. Slopes of Walking Surfaces

- The **running slope** of all walking surfaces shall not exceed **1:20** (5%) for standard walks, and **1:12** (8.33%) for ramps.
- The **cross slope** of all accessible paths shall not exceed **1:48** (2%) on newly constructed concrete and asphalt surfaces.

2. Accessible Path of Travel (P.O.T.):

- The path of travel, including walks and sidewalks, shall consist of a **continuous common surface** without steps or abrupt changes in level greater than **½ inch**.
- Changes in level of **¼ inch or less** may be vertical.
- Changes in level between **¼ inch** and **½ inch** shall be **beveled** with a slope no steeper than **1:2**.

3. Surface Conditions & Width:

- All accessible path surfaces shall be **slip-resistant, stable, and firm**.
- The minimum clear width of the path shall be **48 inches**, with **60 inches preferred** where possible.
- Resting areas with a level surface of 60 inches shall be provided at intervals no greater than **400 feet** along continuous gradients.

4. Vertical Clearance:

- All portions of the accessible path shall maintain a minimum vertical **clearance of 80 inches**, free of overhanging obstructions.

Figure 3. Proposed Project Plan

PROJECT RENDERINGS

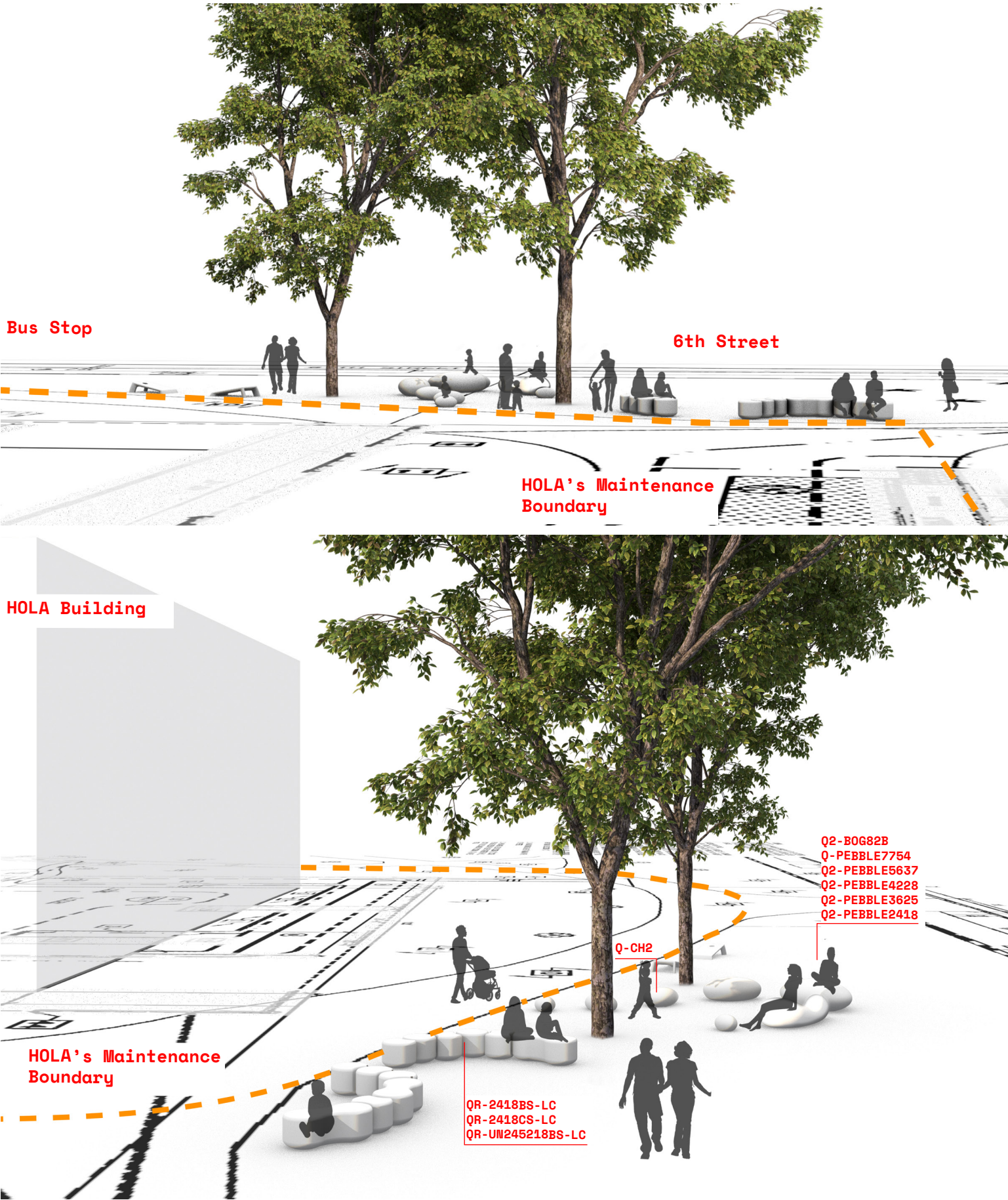


Figure 4. Project Renderings

PROJECT INSTALLATION

INSTALLATION LOGISTICS:

The project proposes to use prefabricated, lightweight GFRC seating to minimize disruption during a brief two-day installation period. On Day 1, our team will install a small, precast footing slab to evenly distribute the weight of each piece over compacted ground. These small foundation slabs minimize disruption to the Lafayette Park landscape, ensure structural stability and user safety, and prevent movement in wet conditions. On Day 2, our team will fix each piece to its foundation using an epoxy concrete adhesive. The installation will be managed by HOLA's maintenance team, with cityLAB assisting with additional labor expenses as needed.

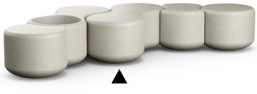
PRODUCT NAME	MODEL NUMBER	IMAGE	MATERIAL	WIDTH	LENGTH	HEIGHT	THICKNESS	WEIGHT	QUANTITY
CORN-HOLE	Q-CH2		SRC	26 1/2"	55"	12"		315 lbs	2
BOG	Q2-BOG82B		GFRC	23"	82"	39"		1,200 lbs	1
PEBBLE	Q-PEBBLE7754		GFRC	77"	54"	30"		481 lbs	1
PEBBLE	Q2-PEB-BLE5637		GFRC	56"	37 5/16"	20"		210 lbs	1
PEBBLE	Q2-PEB-BLE4228		GFRC	42"	28"	15"		136 lbs	1
PEBBLE	Q2-PEB-BLE3625		GFRC	36"	25"	14"		106 lbs	1
PEBBLE	Q2-PEB-BLE2418		GFRC	24"	18"	12"		59 lbs	2
UNITY MODULAR	QR-UN2418AS-LC		GFRC	24"	24"	18"	.75"	150 lbs	2
UNITY MODULAR	QR-2418BS-LC		GFRC	24"	21.5"	18"	.75"	150 lbs	4
UNITY MODULAR	QR-2418CS-LC		GFRC	24"	19"	18"	.75"	150 lbs	3
UNITY MODULAR	QR-UN245218BS-LC		GFRC	24"	51.75"	18"	.75"	301 lbs	3

Table 1. Furniture List for the Proposed Rock Garden

APPENDIX. FURNITURE SPECS

PRODUCT: Q-PEBBLE 2418 LC WEIGHT: 59 lbs.
(CUSTOMER TO OFFLOAD IF OVER 6000 Lbs.)

QUANTITY:

CONCRETE COLOR:

☐ QUAIL HILL RED

☐ FRENCH GREY

☐ NATURAL

☐ BUNGALOW

☐ MISSION WHITE

☐ ADOBE TAUPE

☐ LATTE

☐ CUSTOM COLOR

☐ HARVEST

CONCRETE TEXTURE:

☐ SMOOTH

☐ SANDSTONE

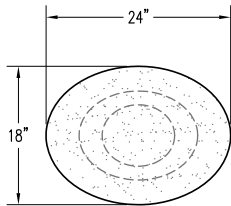
☐ POLISH

SEALER: STANDARD SEALER 4200

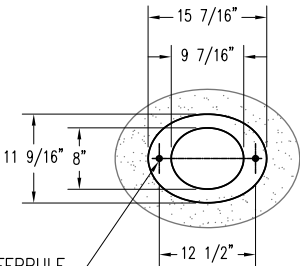
Authorized Signature _____ Date _____

By signing above or stamping this drawing "approved" or "no exception taken" authorization is give to QCP to produce this drawing as shown within a 1/4" tolerance.

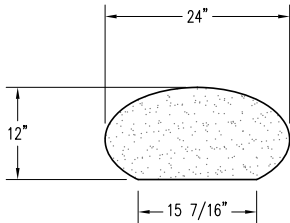
GENERAL PRODUCT NOTES:
E = EXPOSED FINISHED SURFACE
INSTALLATION IS REQUIRED BY OTHERS.
ALL EDGES TO BE EASED.
MANUFACTURING TOLERANCE ±1/4".
LITE CRETE



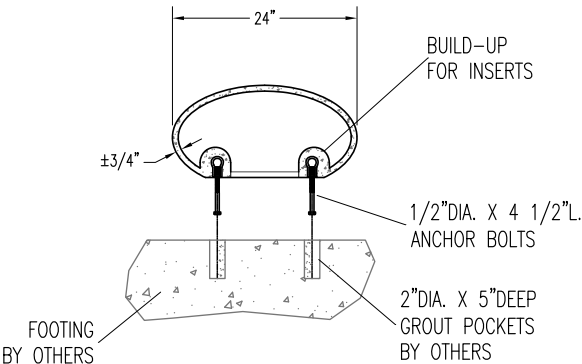
PLAN VIEW



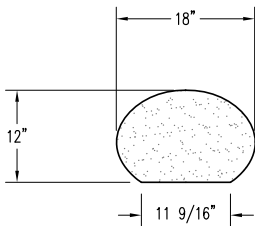
BOTTOM VIEW



ELEVATION VIEW



SECTION VIEW



SIDE VIEW



PLAN TYPE	CONSTRUCTION PLAN	DATE	7/15/22	FILE NO.	Q-PEBBLE 2418 LC	SHEET
PRODUCT	Q-PEBBLE 2418 LC PEBBLE	SCALE	33/64" = 1'	DRAWN BY:	R.S.	OF
PROJECT NAME		PC. NO.		QC ITEM NO.		

APPENDIX. FURNITURE SPECS

PRODUCT: Q-PEBBLE2418

WEIGHT: 238 lbs.
(CUSTOMER TO OFFLOAD IF OVER 6000 Lbs.)

Authorized Signature

Date

By signing above or stamping this drawing "approved" or "no exception taken" authorization is give to QCP to produce this drawing as shown within a 1/4" tolerance.

CONCRETE COLOR:

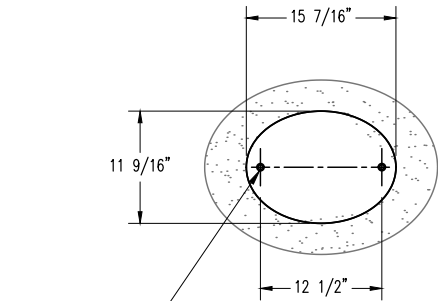
CONCRETE TEXTURE:

- ☐ NATURAL
- ☐ FRENCH GREY
- ☐ CRAFTSMANS ETCH
- ☐ HONED
- ☐ MISSION WHITE
- ☐ LATTE
- ☐ STRATA
- ☐ SMOOTH
- ☐ CUSTOM: _____

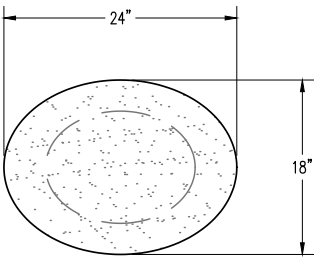
QUANTITY: _____

SEALER: PERMASHIELD 4200 SEALER

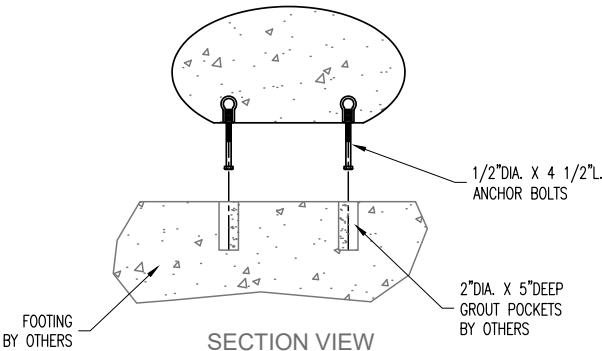
GENERAL PRODUCT NOTES:
E = EXPOSED FINISHED SURFACE
INSTALLATION IS REQUIRED BY OTHERS.
ALL EDGES TO BE EASED.
MANUFACTURING TOLERANCE ±1/4".
ANCHORING METHOD BY OTHERS



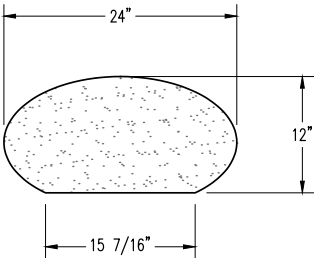
BOTTOM VIEW



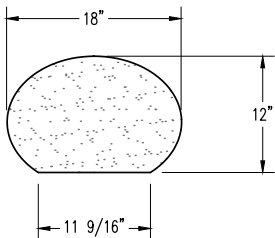
PLAN VIEW



SECTION VIEW



ELEVATION VIEW



SIDE VIEW

HARDWARE LIST	
QTY	TYPE
2	1/2"DIA. x 4 1/2"L. ANCHOR BOLT
1	SIKAFLEX

 www.qcp-corp.com	PLAN TYPE	CONSTRUCTION PLAN	DATE	6/7/23	FILE NO.	Q-PEBBLE 2418	SHEET
	PRODUCT	Q-PEBBLE2418 SEATING PEBBLE	SCALE	5/8" = 1'	DRAWN BY:	----	OF
	PROJECT NAME		PC. NO.		QC ITEM NO.		

APPENDIX. FURNITURE SPECS

PRODUCT: Q-PEBBLE3625

WEIGHT: 764 lbs.
(CUSTOMER TO OFFLOAD IF OVER 6000 Lbs.)

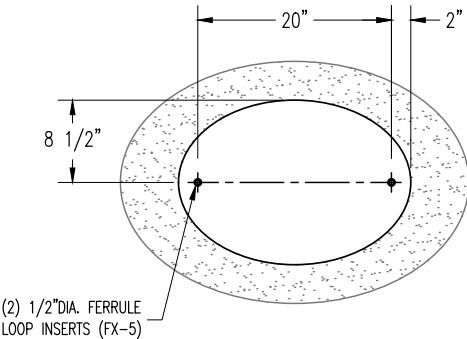
Authorized Signature _____ Date _____
By signing above or stamping this drawing "approved" or "no exception taken" authorization is give to QCP to produce this drawing as shown within a 1/4" tolerance.

CONCRETE COLOR: CONCRETE TEXTURE:
☐ NATURAL ☐ FRENCH GREY ☐ CRAFTSMANS ETCH ☐ HONED
☐ MISSION WHITE ☐ LATTE ☐ STRATA ☐ SMOOTH
☐ CUSTOM: _____

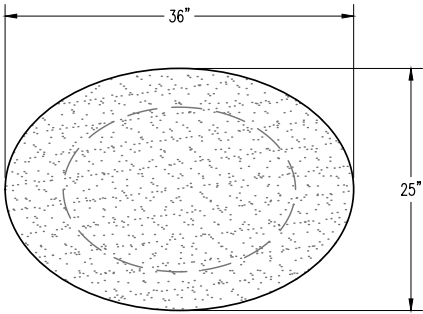
QUANTITY: _____

SEALER: PERMASHIELD 4200 SEALER

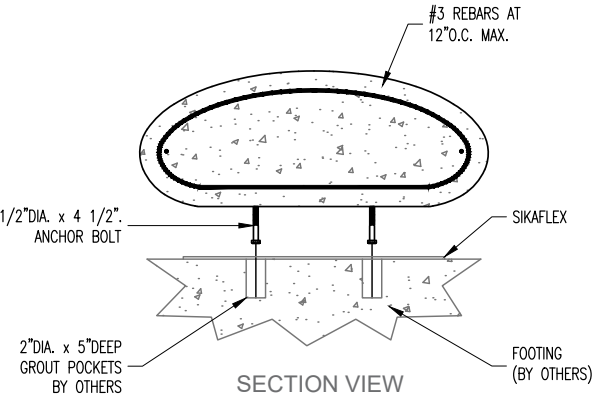
GENERAL PRODUCT NOTES:
E = EXPOSED FINISHED SURFACE
INSTALLATION IS REQUIRED BY OTHERS.
ALL EDGES TO BE EASED.
MANUFACTURING TOLERANCE ±1/4".
ANCHORING METHOD BY OTHERS



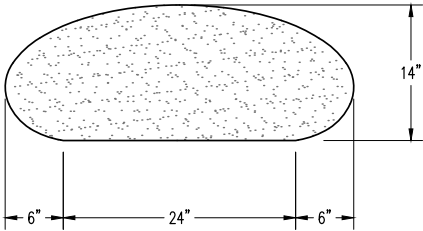
BOTTOM VIEW



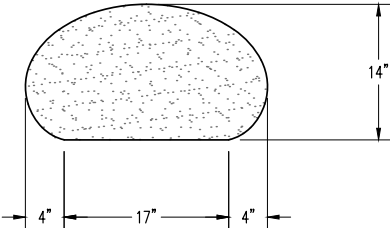
PLAN VIEW



SECTION VIEW



ELEVATION VIEW



SIDE VIEW

HARDWARE LIST	
QTY	TYPE
2	1/2" DIA. x 4 1/2" L. ANCHOR BOLT
1	SIKAFLEX

 www.qcp-corp.com	PLAN TYPE	CONSTRUCTION PLAN	DATE	6/7/23	FILE NO.	Q-PEBBLE 3625	SHEET
	PRODUCT	Q-PEBBLE3625 SEATING PEBBLE	SCALE	5/8" = 1'	DRAWN BY:	----	OF
	PROJECT NAME		PC. NO.		QC ITEM NO.		

APPENDIX. FURNITURE SPECS

PRODUCT: Q-PEBBLE4228

WEIGHT: 1020 lbs.
(CUSTOMER TO OFFLOAD IF OVER 6000 Lbs.)

Authorized Signature _____ Date _____
By signing above or stamping this drawing "approved" or "no exception taken" authorization is give to QCP to produce this drawing as shown within a 1/4" tolerance.

CONCRETE COLOR: CONCRETE TEXTURE:

☐ NATURAL ☐ FRENCH GREY ☐ CRAFTSMANS ETCH ☐ HONED

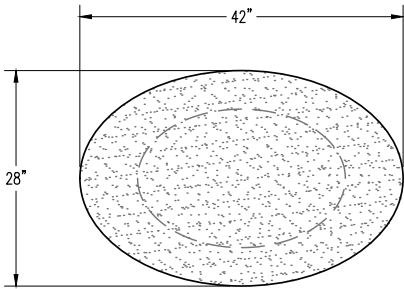
☐ MISSION WHITE ☐ LATTE ☐ STRATA ☐ SMOOTH

☐ CUSTOM: _____

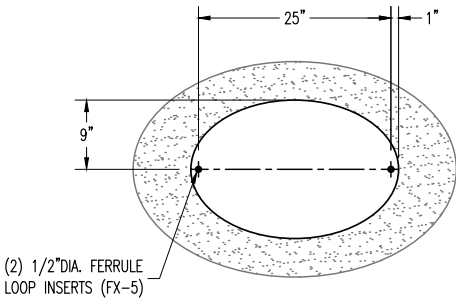
QUANTITY: _____

SEALER: PERMASHIELD 4200 SEALER

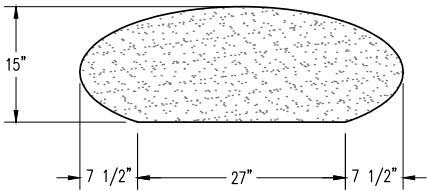
GENERAL PRODUCT NOTES:
E = EXPOSED FINISHED SURFACE
INSTALLATION IS REQUIRED BY OTHERS.
ALL EDGES TO BE EASED.
MANUFACTURING TOLERANCE ±1/4".
ANCHORING METHOD BY OTHERS



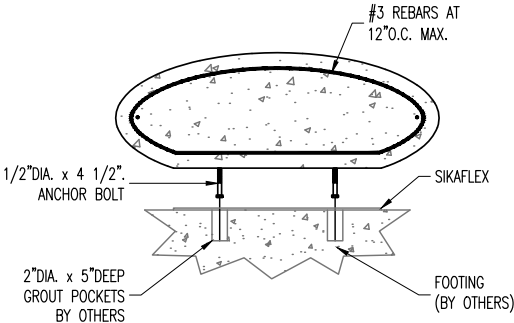
PLAN VIEW



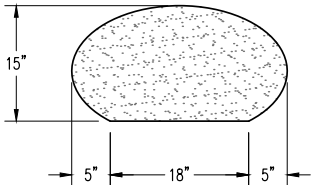
BOTTOM VIEW



ELEVATION VIEW



SECTION VIEW



SIDE VIEW

HARDWARE LIST	
QTY	TYPE
2	1/2"DIA. x 4 1/2"L. ANCHOR BOLT
1	SIKAFLEX

QCP
www.qcp-corp.com

PLAN TYPE	CONSTRUCTION PLAN	DATE	6/15/23	FILE NO.	Q-PEBBLE 4228	SHEET
PRODUCT	Q-PEBBLE4228 SEATING PEBBLE	SCALE	1/2" = 1'	DRAWN BY:	----	OF
PROJECT NAME		PC. NO.		QC ITEM NO.		

APPENDIX. FURNITURE SPECS

PRODUCT: Q-PEBBLE5637

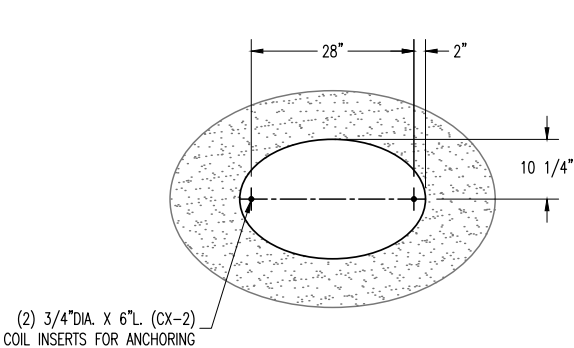
WEIGHT: 2210 lbs.
(CUSTOMER TO OFFLOAD IF OVER 6000 Lbs.)

Authorized Signature _____ Date _____
By signing above or stamping this drawing "approved" or "no exception taken" authorization is give to QCP to produce this drawing as shown within a 1/4" tolerance.

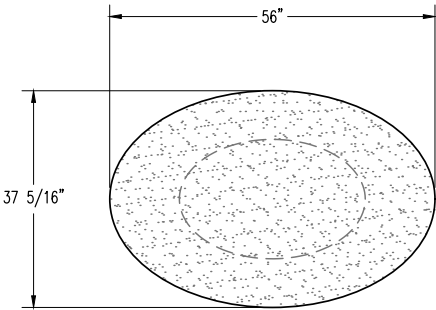
CONCRETE COLOR: CONCRETE TEXTURE:
☐ NATURAL ☐ FRENCH GREY ☐ CRAFTSMANS ETCH ☐ HONED
☐ MISSION WHITE ☐ LATTE ☐ STRATA ☐ SMOOTH
QUANTITY: _____
☐ CUSTOM: _____

SEALER: PERMASHIELD 4200 SEALER

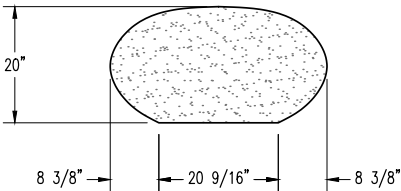
GENERAL PRODUCT NOTES:
E = EXPOSED FINISHED SURFACE
INSTALLATION IS REQUIRED BY OTHERS.
ALL EDGES TO BE EASED.
MANUFACTURING TOLERANCE ±1/4".
ANCHORING METHOD BY OTHERS



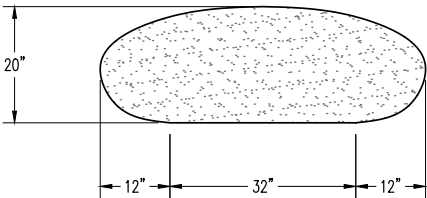
BOTTOM VIEW



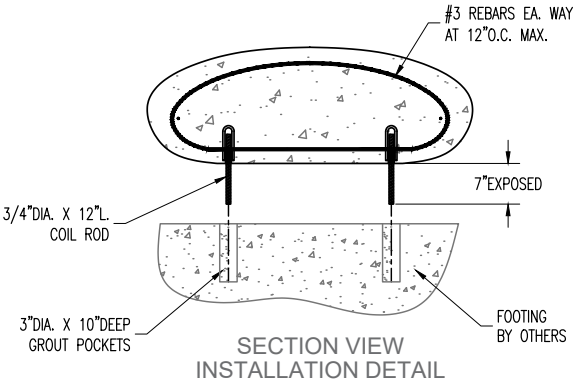
PLAN VIEW



SIDE VIEW



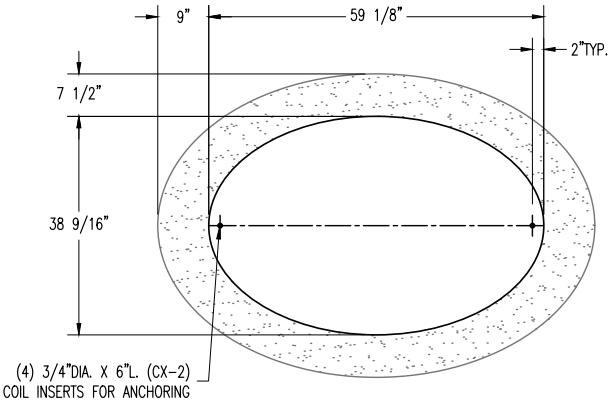
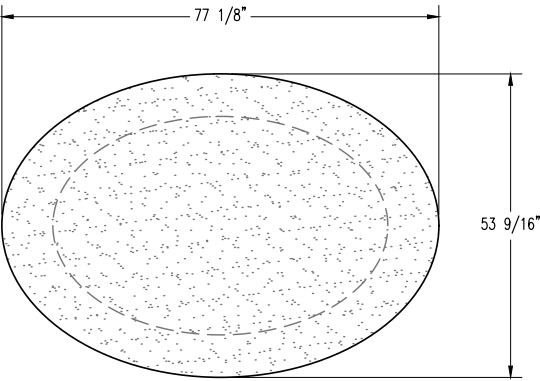
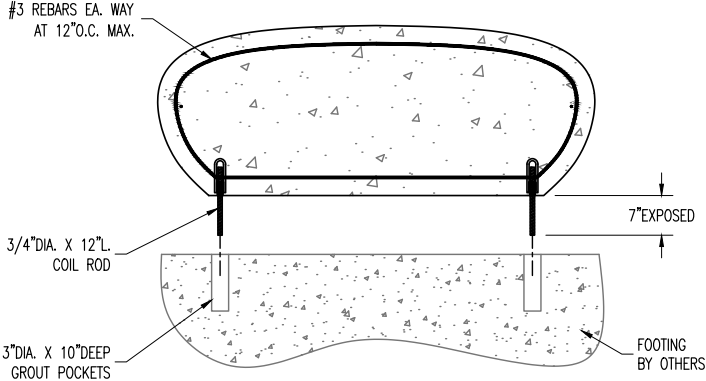
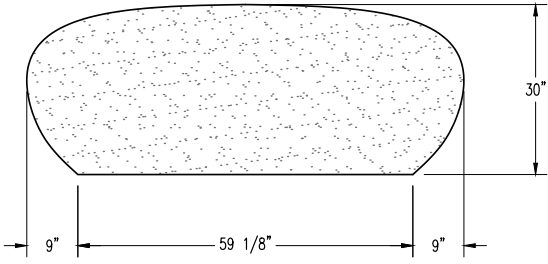
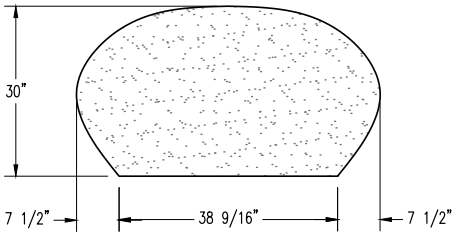
ELEVATION VIEW



HARDWARE LIST	
QTY	TYPE
2	3/4"DIA. x 12"L. COIL ROD
1	SIKAFLEX

 www.qcp-corp.com	PLAN TYPE	CONSTRUCTION PLAN	DATE	6/15/23	FILE NO.	Q-PEBBLE 5637	SHEET
	PRODUCT	Q-PEBBLE5637 SEATING PEBBLE	SCALE	3/8" = 1'	DRAWN BY:	----	OF
	PROJECT NAME		PC. NO.		QC ITEM NO.		

APPENDIX. FURNITURE SPECS

PRODUCT: Q-PEBBLE7754		WEIGHT: 7,135 lbs. (CUSTOMER TO OFFLOAD IF OVER 6000 Lbs.)																						
CONCRETE COLOR:		CONCRETE TEXTURE:																						
☐ NATURAL ☐ FRENCH GREY		☐ CRAFTSMANS ETCH ☐ HONED																						
☐ MISSION WHITE ☐ LATTE		☐ STRATA ☐ SMOOTH																						
☐ CUSTOM: _____																								
QUANTITY: _____		SEALER: PERMASHIELD 4200 SEALER																						
GENERAL PRODUCT NOTES: E = EXPOSED FINISHED SURFACE INSTALLATION IS REQUIRED BY OTHERS. ALL EDGES TO BE EASED. MANUFACTURING TOLERANCE ±1/4". ANCHORING METHOD BY OTHERS																								
																								
BOTTOM VIEW		PLAN VIEW																						
																								
SECTION VIEW		ELEVATION VIEW																						
		SIDE VIEW																						
<table><tr><th colspan="2">HARDWARE LIST</th></tr><tr><th>QTY</th><th>TYPE</th></tr><tr><td>2</td><td>3/4" DIA. x 12" L. COIL ROD</td></tr><tr><td>1</td><td>SIKAFLEX</td></tr></table>				HARDWARE LIST		QTY	TYPE	2	3/4" DIA. x 12" L. COIL ROD	1	SIKAFLEX													
HARDWARE LIST																								
QTY	TYPE																							
2	3/4" DIA. x 12" L. COIL ROD																							
1	SIKAFLEX																							
		<table><tr><td>PLAN TYPE</td><td>CONSTRUCTION PLAN</td><td>DATE</td><td>6/7/23</td><td>FILE NO.</td><td>Q-PEBBLE 7754</td><td>SHEET</td></tr><tr><td>PRODUCT</td><td>Q-PEBBLE7754 SEATING PEBBLE</td><td>SCALE</td><td>3/8" = 1'</td><td>DRAWN BY:</td><td>----</td><td>OF</td></tr><tr><td>PROJECT NAME</td><td></td><td>PC. NO.</td><td></td><td>QC ITEM NO.</td><td></td><td></td></tr></table>		PLAN TYPE	CONSTRUCTION PLAN	DATE	6/7/23	FILE NO.	Q-PEBBLE 7754	SHEET	PRODUCT	Q-PEBBLE7754 SEATING PEBBLE	SCALE	3/8" = 1'	DRAWN BY:	----	OF	PROJECT NAME		PC. NO.		QC ITEM NO.		
PLAN TYPE	CONSTRUCTION PLAN	DATE	6/7/23	FILE NO.	Q-PEBBLE 7754	SHEET																		
PRODUCT	Q-PEBBLE7754 SEATING PEBBLE	SCALE	3/8" = 1'	DRAWN BY:	----	OF																		
PROJECT NAME		PC. NO.		QC ITEM NO.																				

APPENDIX. FURNITURE SPECS

PRODUCT: Q2-BOG82B

WEIGHT: 3521 lbs.
(CUSTOMER TO OFFLOAD IF OVER 6000 Lbs.)

Authorized Signature _____ Date _____

By signing above or stamping this drawing "approved" or "no exception taken" authorization is give to QCP to produce this drawing as shown within a 1/4" tolerance.

CONCRETE COLOR:

- ☐ NATURAL ☐ FRENCH GREY
☐ MISSION WHITE ☐ LATTE
☐ CUSTOM: _____

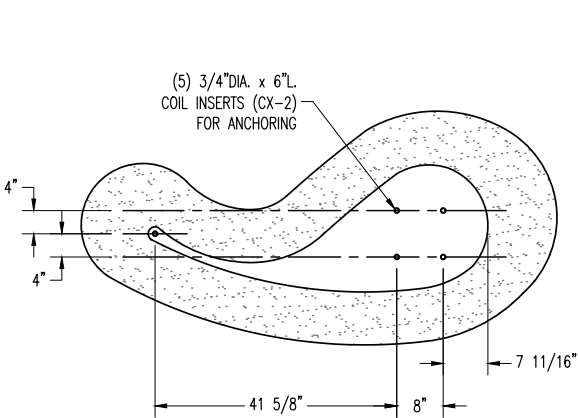
CONCRETE TEXTURE:

- ☐ CRAFTSMANS ETCH
☐ STRATA
☐ HONED

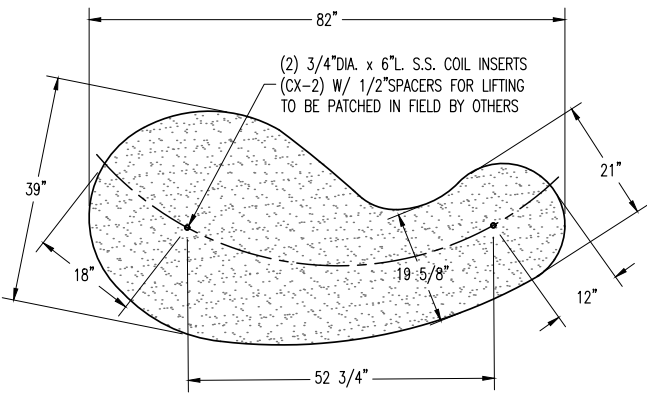
QUANTITY: _____

SEALER: PERMASHIELD 4200 SEALER

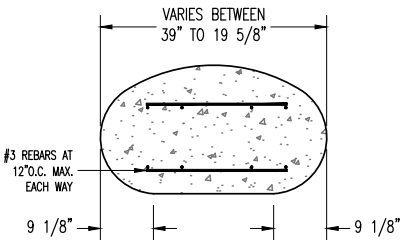
GENERAL PRODUCT NOTES:
E = EXPOSED FINISHED SURFACE
INSTALLATION IS REQUIRED BY OTHERS.
ALL EDGES TO BE EASED.
MANUFACTURING TOLERANCE ±1/4".
ANCHORING METHOD BY OTHERS



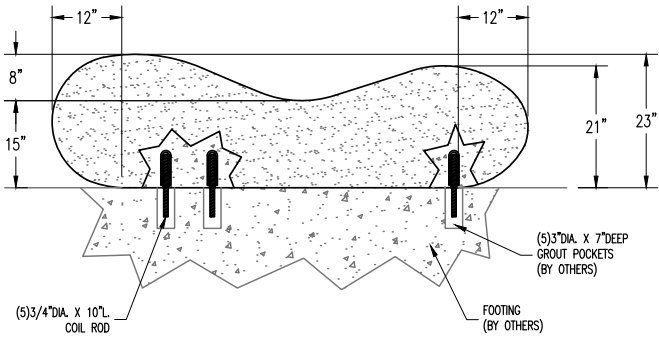
BOTTOM VIEW



PLAN VIEW



SECTION VIEW



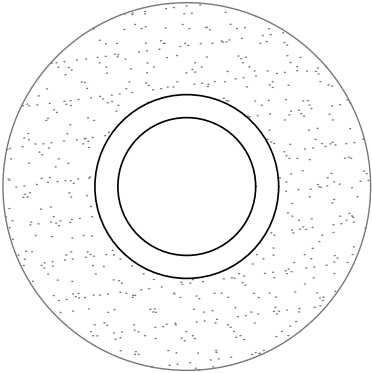
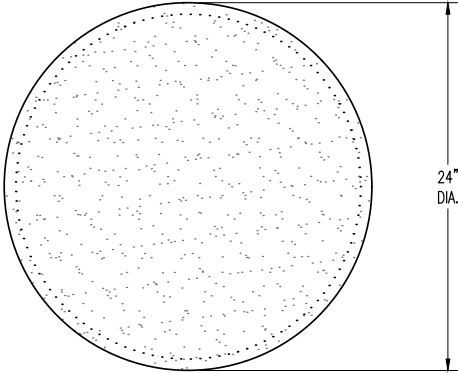
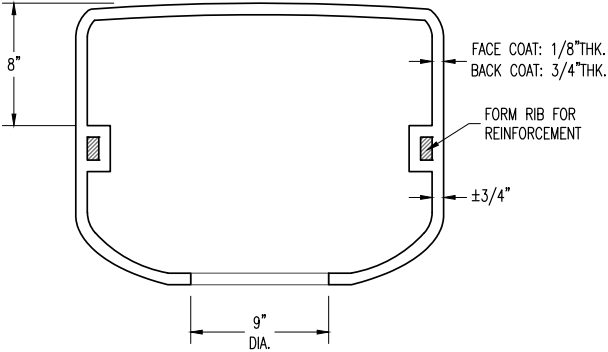
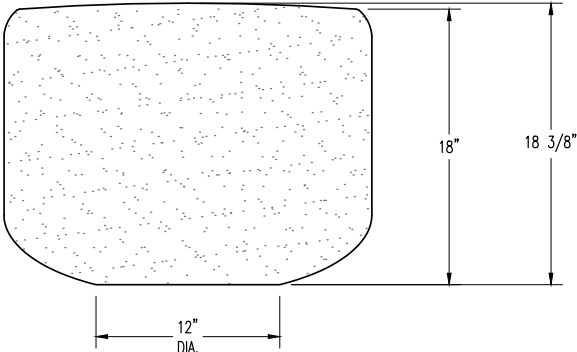
ELEVATION VIEW

HARDWARE LIST	
QTY	TYPE
5	3/4"DIA. x 10"L. COIL ROD

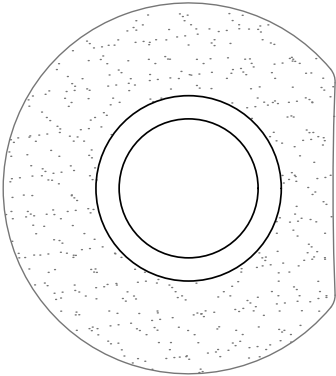
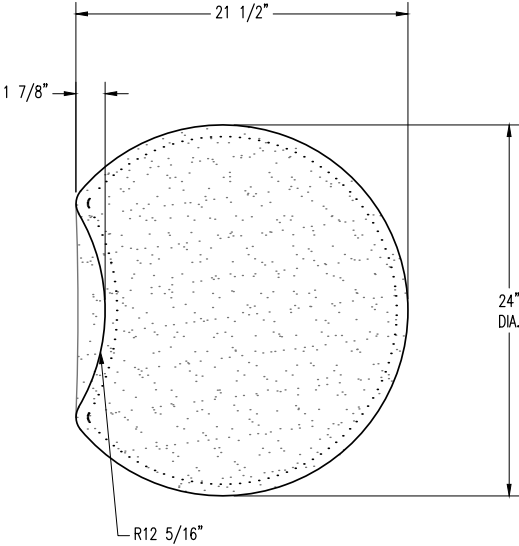
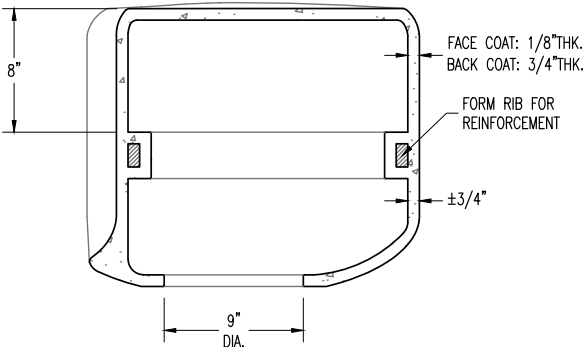
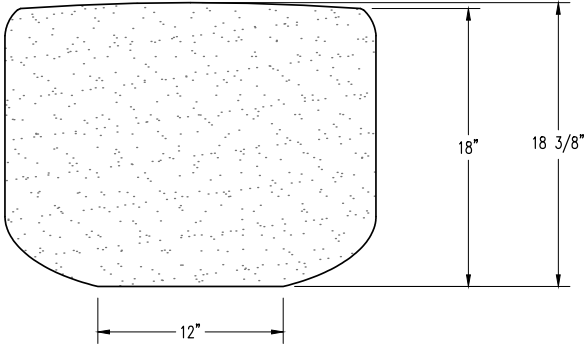
QCP
www.qcp-corp.com

PLAN TYPE	CONSTRUCTION PLAN	DATE	8/8/22	FILE NO.	Q2-BOG82B	SHEET
PRODUCT	Q2-BOG82B SEATING BOG	SCALE	3/8" = 1'	DRAWN BY:	----	OF
PROJECT NAME		PC. NO.		QC ITEM NO.		

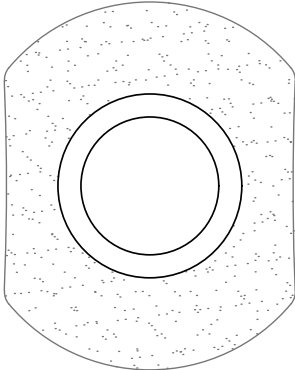
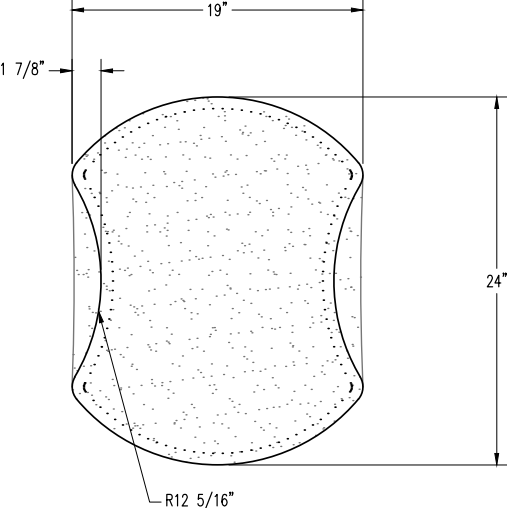
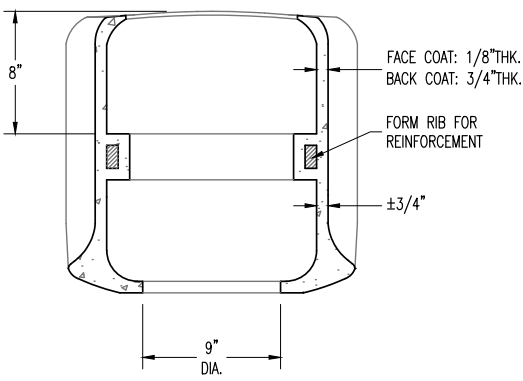
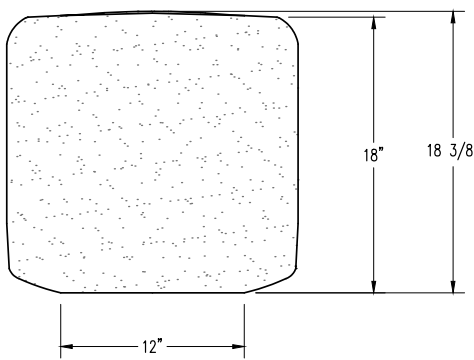
APPENDIX. FURNITURE SPECS

PRODUCT: QR-UN2418AS-LC		WEIGHT: 150 lbs. (CUSTOMER TO OFFLOAD IF OVER 6000 Lbs.)																									
QUANTITY: _____		Authorized Signature _____ Date _____ By signing above or stamping this drawing "approved" or "no exception taken" authorization is give to QCP to produce this drawing as shown within a 1/4" tolerance.																									
CONCRETE COLOR: ☐ NATURAL ☐ FRENCH GREY ☐ MISSION WHITE ☐ LATTE ☐ CUSTOM		CONCRETE TEXTURE: ☐ SANDSTONE ☐ GFRC HONED																									
		SEALER: PERMASHIELD 4200 SEALER																									
GENERAL PRODUCT NOTES: E = EXPOSED FINISHED SURFACE INSTALLATION IS REQUIRED BY OTHERS. ALL EDGES TO BE EASED. MANUFACTURING TOLERANCE ±1/4". ANCHORING METHOD BY OTHERS GFRC																											
																											
BOTTOM VIEW		PLAN VIEW																									
																											
SECTION VIEW		ELEVATION VIEW																									
 www.qcp-corp.com <table><tr><td>PLAN TYPE</td><td>CONSTRUCTION PLAN</td><td>DATE</td><td>6/27/23</td><td>FILE NO.</td><td>QR-UN2418AS-LC</td><td>SHEET</td><td>1</td></tr><tr><td>PRODUCT</td><td>QR-UN2418AS-LC ROUND SEATING UNITY</td><td>SCALE</td><td>1" = 1'</td><td>DRAWN BY:</td><td>----</td><td>OF</td><td></td></tr><tr><td>PROJECT NAME</td><td></td><td>PC. NO.</td><td></td><td>QC ITEM NO.</td><td></td><td></td><td>1</td></tr></table>				PLAN TYPE	CONSTRUCTION PLAN	DATE	6/27/23	FILE NO.	QR-UN2418AS-LC	SHEET	1	PRODUCT	QR-UN2418AS-LC ROUND SEATING UNITY	SCALE	1" = 1'	DRAWN BY:	----	OF		PROJECT NAME		PC. NO.		QC ITEM NO.			1
PLAN TYPE	CONSTRUCTION PLAN	DATE	6/27/23	FILE NO.	QR-UN2418AS-LC	SHEET	1																				
PRODUCT	QR-UN2418AS-LC ROUND SEATING UNITY	SCALE	1" = 1'	DRAWN BY:	----	OF																					
PROJECT NAME		PC. NO.		QC ITEM NO.			1																				

APPENDIX. FURNITURE SPECS

PRODUCT: QR-2418BS-LC		WEIGHT: 150 lbs. (CUSTOMER TO OFFLOAD IF OVER 6000 Lbs.)		Authorized Signature _____ Date _____		
CONCRETE COLOR:		CONCRETE TEXTURE:		By signing above or stamping this drawing "approved" or "no exception taken" authorization is give to QCP to produce this drawing as shown within a 1/4" tolerance.		
QUANTITY: _____		SEALER: PERMASHIELD 4200 SEALER				
☐ NATURAL ☐ MISSION WHITE ☐ CUSTOM		☐ FRENCH GREY ☐ LATTE		☐ SANDSTONE ☐ GFRC HONED		
GENERAL PRODUCT NOTES: E = EXPOSED FINISHED SURFACE INSTALLATION IS REQUIRED BY OTHERS. ALL EDGES TO BE EASED. MANUFACTURING TOLERANCE ±1/4". ANCHORING METHOD BY OTHERS GFRC						
						
BOTTOM VIEW		PLAN VIEW				
						
SECTION VIEW		ELEVATION VIEW				
 www.qcp-corp.com	PLAN TYPE	CONSTRUCTION PLAN		DATE	FILE NO.	SHEET
	PRODUCT	QR-2418BS-LC ROUND SEATING UNITY		6/27/23	QR-UN2418BS-LC	1
	PROJECT NAME			SCALE	DRAWN BY:	OF
				1" = 1'	----	1
				PC. NO.	QC ITEM NO.	

APPENDIX. FURNITURE SPECS

PRODUCT: QR-UN2418CS-LC		WEIGHT: 150 lbs. (CUSTOMER TO OFFLOAD IF OVER 6000 Lbs.)								
CONCRETE COLOR:		CONCRETE TEXTURE:								
☐ NATURAL ☐ MISSION WHITE ☐ CUSTOM		☐ FRENCH GREY ☐ LATTE ☐ SANDSTONE ☐ GFRC HONED								
QUANTITY: _____		SEALER: PERMASHIELD 4200 SEALER								
GENERAL PRODUCT NOTES: E = EXPOSED FINISHED SURFACE INSTALLATION IS REQUIRED BY OTHERS. ALL EDGES TO BE EASED. MANUFACTURING TOLERANCE ±1/4". ANCHORIN METHOD BY OTHERS GFRC										
										
BOTTOM VIEW		PLAN VIEW								
										
SECTION VIEW		ELEVATION VIEW								
		PLAN TYPE	CONSTRUCTION PLAN		DATE	6/27/23	FILE NO.	QR-UN2418CS-LC	SHEET	1
		PRODUCT	QR-UN2418CS-LC ROUND SEATING UNITY		SCALE	1" = 1'	DRAWN BY:	----	OF	
		PROJECT NAME			PC. NO.		QC ITEM NO.			1

APPENDIX. FURNITURE SPECS

PRODUCT: QR-UN245218BS-LC

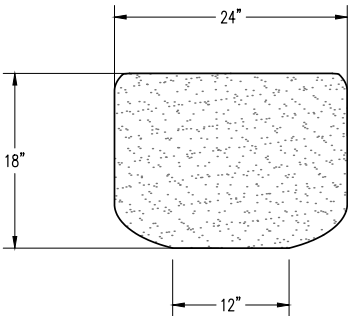
WEIGHT: 301 lbs.
(CUSTOMER TO OFFLOAD IF OVER 6000 Lbs.)

Authorized Signature _____ Date _____
By signing above or stamping this drawing "approved" or "no exception taken" authorization is given to QCP to produce this drawing as shown within a 1/4" tolerance.

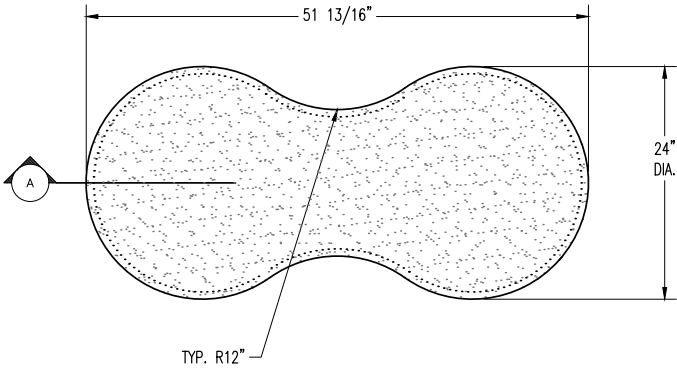
CONCRETE COLOR: CONCRETE TEXTURE:
☐ NATURAL ☐ FRENCH GREY ☐ SANDSTONE
☐ MISSION WHITE ☐ LATTE ☐ GFRC HONED
☐ CUSTOM
SEALER: PERMASHIELD 4200 SEALER

QUANTITY: ____

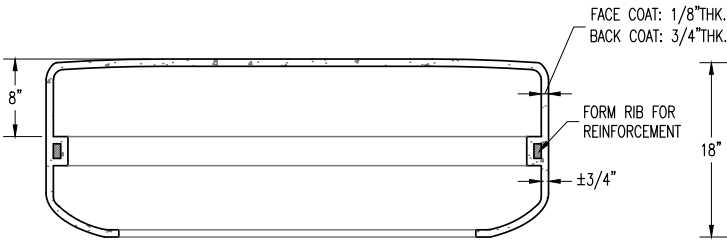
GENERAL PRODUCT NOTES:
E = EXPOSED FINISHED SURFACE
INSTALLATION IS REQUIRED BY OTHERS.
ALL EDGES TO BE EASED.
MANUFACTURING TOLERANCE ±1/4".
STD. 2"DIA. DRAIN HOLE
INTERIOR WATER SEALANT INCLUDED
GFRC



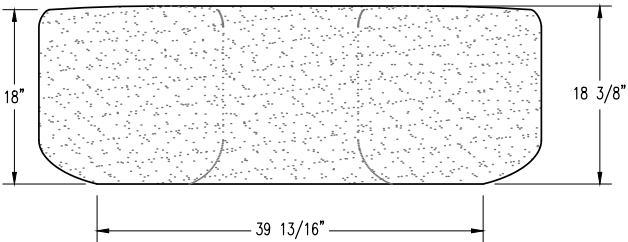
SIDE VIEW



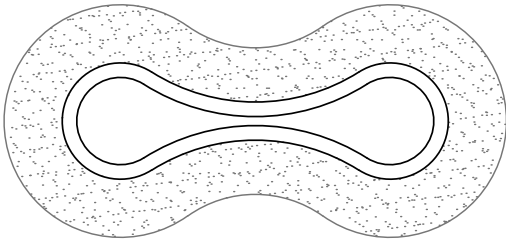
PLAN VIEW



SECTION "A" VIEW



ELEVATION VIEW

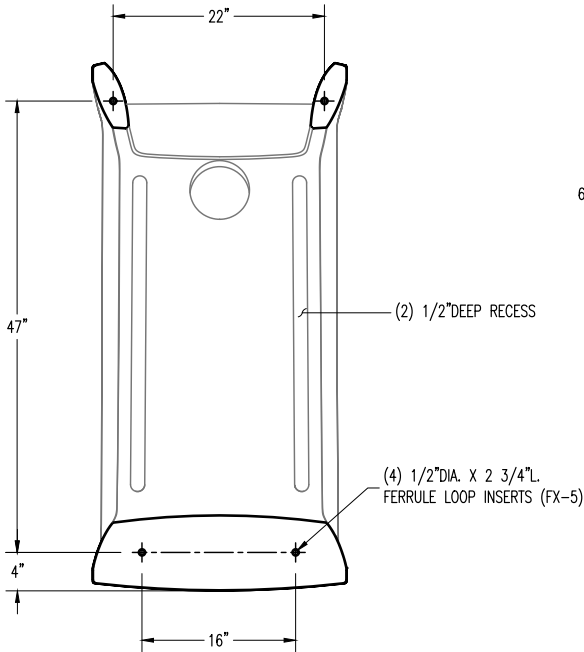
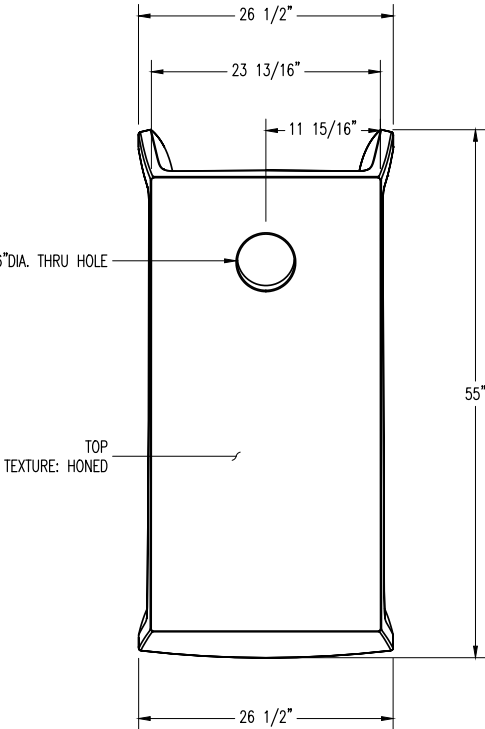
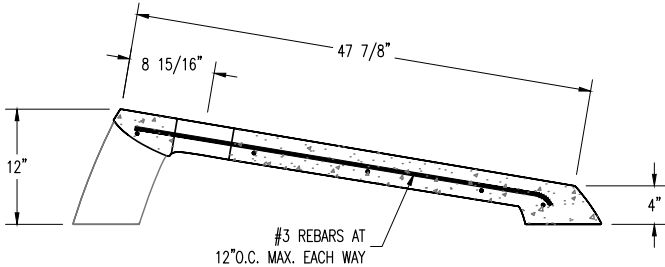
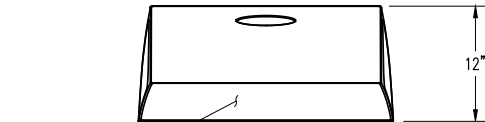


BOTTOM VIEW



PLAN TYPE	CONSTRUCTION PLAN	DATE 7/5/23	FILE NO. QR-UN245218BS-LC	SHEET 1
PRODUCT	QR-UN245218BS-LC SEATING UNITY	SCALE 5/8" = 1'	DRAWN BY: ----	OF
PROJECT NAME		PC. NO.	QC ITEM NO.	1

APPENDIX. FURNITURE SPECS

PRODUCT: Q-CH2		WEIGHT: 315 lbs. (CUSTOMER TO OFFLOAD IF OVER 6000 Lbs.)		Authorized Signature _____		Date _____	
CONCRETE COLOR:		CONCRETE TEXTURE:		By signing above or stamping this drawing "approved" or "no exception taken" authorization is give to QCP to produce this drawing as shown within a 1/4" tolerance.			
QUANTITY: _____		☐ NATURAL ☐ FRENCH GREY ☐ CRAFTSMANS ETCH ☐ HONED					
		☐ MISSION WHITE ☐ LATTE ☐ STRATA					
		☐ CUSTOM					
		SEALER: PERMASHIELD 4200 SEALER					
GENERAL PRODUCT NOTES: E = EXPOSED FINISHED SURFACE INSTALLATION IS REQUIRED BY OTHERS. ALL EDGES TO BE EASED. MANUFACTURING TOLERANCE ±1/4". ANCHORING METHOD BY OTHERS							
							
BOTTOM VIEW				PLAN VIEW			
							
SIDE VIEW				ELEVATION VIEW			
		PLAN TYPE	CONSTRUCTION PLAN		DATE	FILE NO.	SHEET 1
		PRODUCT	Q-CH2 GAMING CORN HOLE		6/19/23	Q-CH2	
		PROJECT NAME			SCALE	DRAWN BY:	OF 1
				5/8" = 1'	----		
				PC. NO.	QC ITEM NO.		

FIRST AMENDMENT TO LEASE AGREEMENT BETWEEN
CITY OF LOS ANGELES
AND
HOLA COMMUNITY PARTNERS
FOR THE CONSTRUCTION AND OPERATION OF
AN ARTS AND RECREATION CENTER IN LAFAYETTE PARK

THIS FIRST AMENDMENT TO LEASE AGREEMENT (this “Amendment”) is entered into this ___ day of _____, 2026, by and between the CITY OF LOS ANGELES, a municipal corporation, acting by and through its Board of Recreation and Parks Commissioners, as Landlord (“CITY”), and HOLA COMMUNITY PARTNERS, a California public benefit non-profit corporation (“HOLA”), as Tenant.

1. Exhibit A of the Original Lease is hereby amended as provided in Exhibit A attached to this Amendment. To the extent the map of the land on which the Premises are situated in the Original Lease is inconsistent with the map of such land in Exhibit A of this Amendment, the map of the land in Exhibit A of this Amendment shall control and all other maps of such land in the Original Lease are hereby modified to conform to the map of the land in Exhibit A of this Amendment

IN WITNESS WHEREOF, parties hereto have caused this First Amendment to Lease Agreement to be executed by their duly authorized representatives.

Executed this ____ day of 2026

THE CITY OF LOS ANGELES, a
municipal corporation, acting by and
through its Board of Recreation and Park
Commissioners

By _____

President

By _____

Secretary

Executed this ____ day of 2026

HOLA COMMUNITY PARTNERS, a
California nonprofit public benefit
corporation

By _____

President

By _____

Secretary

Approved as to Form:

Date: _____

HYDEE FELDSTEIN SOTO, City Attorney

By: _____
Deputy City Attorney

ATTEST:

Date: _____

PATRICE Y LATTIMORE, City Clerk

By _____
Deputy City Clerk

Council File Number: _____ Date of Approval: _____

Said Amendment is Number _____ of City Contracts

FIRST AMENDMENT TO LEASE AGREEMENT BETWEEN
CITY OF LOS ANGELES
AND
HOLA COMMUNITY PARTNERS
FOR THE CONSTRUCTION AND OPERATION OF
AN ARTS AND RECREATION CENTER IN LAFAYETTE PARK

THIS FIRST AMENDMENT TO LEASE AGREEMENT (this “Amendment”) is entered into this ___ day of _____, 2026, by and between the CITY OF LOS ANGELES, a municipal corporation, acting by and through its Board of Recreation and Parks Commissioners, as Landlord (“CITY”), and HOLA COMMUNITY PARTNERS, a California public benefit non-profit corporation (“HOLA”), as Tenant.

1. Exhibit A of the Original Lease is hereby amended as provided in Exhibit A attached to this Amendment. To the extent the map of the land on which the Premises are situated in the Original Lease is inconsistent with the map of such land in Exhibit A of this Amendment, the map of the land in Exhibit A of this Amendment shall control and all other maps of such land in the Original Lease are hereby modified to conform to the map of the land in Exhibit A of this Amendment

IN WITNESS WHEREOF, parties hereto have caused this First Amendment to Lease Agreement to be executed by their duly authorized representatives.

Executed this _____ day of 2026

THE CITY OF LOS ANGELES, a
municipal corporation, acting by and
through its Board of Recreation and Park
Commissioners

By _____

President

By _____

Secretary

Executed this ____ day of 2026

HOLA COMMUNITY PARTNERS, a
California nonprofit public benefit
corporation

By _____

President

By _____

Secretary

Approved as to Form:

Date: _____

HYDEE FELDSTEIN SOTO, City Attorney

By: _____
Deputy City Attorney

ATTEST:

Date: _____

PATRICE Y LATTIMORE, City Clerk

By _____
Deputy City Clerk

Council File Number: _____ Date of Approval: _____

Said Amendment is Number _____ of City Contracts

GROUND LEASE AGREEMENT
BY AND BETWEEN
THE CITY OF LOS ANGELES
AND
HOLA COMMUNITY PARTNERS,
FOR THE CONSTRUCTION AND OPERATION OF
AN ARTS AND RECREATION CENTER IN LAFAYETTE PARK

ARTICLE 1
BASIC LEASE PROVISIONS

1.1 **Parties.** This GROUND LEASE AGREEMENT (“Lease”) is entered into as of September 14, 2017, by and between the CITY OF LOS ANGELES, a municipal corporation, acting by and through its Board of Recreation and Parks Commissioners, as Landlord (“CITY”), and HOLA COMMUNITY PARTNERS, a California public benefit corporation (“HOLA”), as Tenant.

1.2 **Recitals.**

1.2.1 The City of Los Angeles owns and controls certain lands, known as Lafayette Park, under the management and control of the Board of Recreation and Parks Commissioners (“BOARD”);

1.2.2 HOLA is a non-profit public benefit corporation formed for the purpose of providing underprivileged youth with free, exceptional programs in academics, arts and athletics. HOLA performs the charitable functions of and carries out the charitable purposes of Heart Of Los Angeles Youth, Inc., a California nonprofit public benefit corporation (“HEART OF LA”). HOLA is a supporting organization controlled by HEART OF LA, as specified in Section 509(a)(3) of the Internal Revenue Code (the “Code”);

1.2.3 HOLA has special abilities in the areas of fundraising, enrichment, recreation programs, and community outreach for at-risk youth, and desires to construct, operate, and maintain an arts and recreation center that emphasizes community enrichment, recreation programs and activities for the inner-city youth of Los Angeles (the “Center”); and

1.2.4 CITY and HOLA desire to enter into this Lease for the use of certain land within Lafayette Park (as shown in **Exhibit A** of this Lease), which Lease shall set forth the duties, obligations, responsibilities, aims, and goals of the parties, for the specific purpose of constructing, operating, and maintaining the Center.

1.3 **Definitions in Lease.** When used in this Lease, or any Exhibits to this Lease, except where a different definition is clearly and expressly given, the following words or phrases, capitalized as shown, shall mean:

1.3.1 **City.** The defined term “CITY” shall mean the City of Los Angeles, as Landlord pursuant to this Lease. Except where clearly and expressly provided otherwise in this Lease, any action to be taken by CITY may be taken for CITY by the General Manager as defined in Paragraph 1.3.4. Except where clearly and expressly provided otherwise in this Lease, the capacity of the City of Los Angeles in this Lease shall be as Landlord, and any benefits, obligations, or restrictions conferred or imposed by this Lease on CITY shall be limited to that capacity and shall not relate to or otherwise affect any activity of the City of Los Angeles in its governmental capacity, including, but not limited to, enacting laws, inspecting structures, reviewing and issuing permits, and all other legislative, administrative, or enforcement functions of the City of Los Angeles pursuant to federal, state, or local law.

1.3.2 **Department.** The defined term “DEPARTMENT” shall mean the Department of Recreation and Parks of the City of Los Angeles.

1.3.3 **Effective Date.** The defined term “Effective Date” shall mean the date that the Office of the City Clerk of Los Angeles attests this Lease.

1.3.4 **General Manager.** The defined term “General Manager” shall mean the General Manager of the Department of Recreation and Parks of the City of Los Angeles, or such successor position as the City Council of the City of Los Angeles may designate. The defined term “General Manager” shall also include any person designated by the General Manager to act on behalf of the General Manager.

1.3.5 **HEART OF LA.** The defined term “HEART OF LA” shall mean Heart Of Los Angeles Youth, Inc., a California nonprofit public benefit corporation

1.3.6 **HOLA.** The defined term “HOLA” shall mean HOLA Community Partners, a California nonprofit public benefit corporation.

1.3.7 **Premises.** The defined term “Premises” shall mean the Center site and the delineated leasehold pad surrounding the Center site in Lafayette Park, located in City Council District 10 on the corner of West Sixth Street and South Lafayette Park Place, Los Angeles, California. The Center site is located in the northeast corner of the park, and shall occupy approximately 24,860 square feet, together with surrounding lawn and landscape area as shown on Exhibit A.

ARTICLE 2 TERM

2.1 **Term.** The term of this Lease shall be for fifty (50) years, beginning on the Effective Date of this Lease and expiring at midnight of the day immediately prior to the fiftieth (50th) anniversary of the Effective Date (“Term”), unless previously terminated in accordance with other provisions of this Lease.

2.2 Early Termination by HOLA. In the event that at any time HOLA is no longer able to carry out the purposes of this Lease as set forth in this Lease because of (i) corporate incapacity, (ii) lack of funds, or (iii) changed conditions in general, then HOLA shall have the right to terminate this Lease upon one (1) year's prior written notice to CITY. In the event of the early termination of this Lease, the provisions of Section 16.1 of this Lease shall pertain regarding termination.

2.3 Termination – Non-conforming Use. Should the Premises cease to be used for the purpose of an Arts and Recreation Center, or should HOLA cease to operate or exist or maintain its nonprofit corporate status (temporary suspension of status for a period not exceeding one hundred eighty (180) days shall not be considered a failure to maintain status), or should the operations conducted not be in accordance with the statutes of the United States, State of California, the County of Los Angeles, or the City of Los Angeles, or should the Premises, at the reasonable discretion of the BOARD, not be used for purposes of this Lease as set forth in Article 5, then CITY may terminate this Lease pursuant to Paragraph 15.2.1. HOLA's right to cure pursuant to Paragraph 15.2.1 shall be applicable to this Section 2.3. Should said termination be ordered, HOLA will peaceably surrender the Premises and will comply with all of the requirements of this Lease with regard to termination.

2.4 Termination – Commencement of Operations. If HOLA does not commence the on-going operation of the Center to members of the general public pursuant to the terms of use in Article 5 of this Lease (the "Opening Date") within sixty (60) months after the Effective Date, subject to any extension for Force Majeure, CITY may terminate this Lease at any time on or after the end of the sixtieth (60th) month following the Effective Date upon thirty (30) days prior written notice to HOLA (which notice may be given only after the end of such sixtieth (60th) month), and provided that if HOLA thereafter has commenced on-going operation of the Center prior to the effective date of such notice, then such right to terminate shall expire and this Lease shall remain in full force and effect. Upon a showing of good cause, HOLA may request in writing that the deadline for the Opening Date be extended by CITY, which request may be granted or withheld in City's sole discretion.

2.5 Termination – Commencement of Center Construction.

2.5.1 Commencement of Center Construction. If HOLA fails to commence construction of the Center (the "Construction Commencement Date") within thirty-six (36) months after the Effective Date, subject to any extension for Force Majeure, or diligently pursue completion of such construction thereafter, CITY may terminate this Lease at any time on or after the thirty-sixth (36th) month following the Effective Date upon thirty (30) days prior written notice to HOLA (which notice may be given only after the end of such thirty-sixth (36th) month), and provided that if HOLA thereafter has commenced construction of the Center prior to the effective date of such notice and diligently pursues such construction thereafter, then such right to terminate shall expire and this Lease shall remain in full force and effect. Construction shall be deemed to commence on the date HOLA starts physical work on the Premises pursuant to a valid Building Permit from the City of Los Angeles. Upon a showing of good cause, HOLA may request in writing that the deadline for the Construction Commencement Date be extended by CITY, which request may be granted or withheld in CITY's sole discretion.

2.5.2 **City's Reservation of Rights.** Notwithstanding anything to the contrary, CITY shall have the right to continue its current use of the Premises (provided, however, that HOLA may use the Premises solely for purposes of any necessary pre-construction investigative or site work) until HOLA commences (and diligently pursues) construction on the Premises for the development of the Center.

2.6 **Termination – Failure to Obtain Funding.** HOLA shall be responsible for raising Six Million Dollars (\$6,000,000.00) in funds for the development of the Center at the Premises (the “Fundraising Milestone Date”) within one (1) year after the Effective Date, subject to any extension for Force Majeure. If HOLA fails to provide the General Manager with satisfactory proof that the \$6,000,000.00 is in a lender-secured bank account or the subject of an executed pledge agreement or the subject of a governmental appropriation for the Center at the Premises, by such date, this Lease will automatically terminate, unless extended in writing by the CITY not less than fifteen (15) days prior to one (1) year after the Effective Date, and HOLA will peacefully surrender the Premises and will comply with all of the requirements of this Lease with regard to termination. The sufficiency of the proof submitted will be at the sole discretion of the General Manager subject to appeal to the BOARD whose decision shall be final. Upon a showing of good cause, HOLA may request in writing that the deadline for the Fundraising Milestone Date be extended by CITY, which request may be granted or withheld in CITY’s sole discretion. If, after the Fundraising Milestone Date, HOLA determines that \$6,000,000 will be insufficient to cover the estimated cost of construction, HOLA shall, within fifteen (15) days, notify the General Manager in writing. The General Manager may require, at his or her sole discretion, HOLA to raise, within six (6) months, sufficient additional funds to cover the new estimated cost of construction. Neither CITY, nor any of its offices or departments, shall be obligated to contribute or otherwise appropriate any portion of the construction costs needed for the project.

2.7 Intentionally deleted.

2.8 **Re-Leasing to HOLA.** In the event that HOLA is not then in default under this Lease, commencing two (2) years prior to the scheduled expiration of the Term of this Lease, CITY agrees to consider re-leasing to HOLA the Premises upon provisions and conditions mutually acceptable to CITY and HOLA. The foregoing agreement, however, shall not be construed so as to obligate CITY to enter into such an agreement or any agreement not permitted by law or to impose any obligations on the Premises or either party if such obligations would violate the Rule against Perpetuities, sections 715 through 719 of the Civil Code, the Los Angeles City Charter (the “**City Charter**”), or any other applicable state or municipal statute, ordinance or regulation (as they may be revised from time to time).

ARTICLE 3 CONSIDERATION AND FINANCING

3.1 **Consideration.** The consideration for this Lease shall be the operation of an Arts and Recreation Center as set forth in Article 5 of this Lease at the Premises, together with the attendant benefits to the youth of the City of Los Angeles and their families, plus the annual payment during the Term of this Lease of One Dollar (\$1.00) by HOLA. As of the Effective Date, HOLA has pre-paid to the CITY the sum of Fifty Dollars (\$50.00), representing full payment of

the monetary consideration set forth in the preceding sentence, which sum shall be non-refundable to HOLA in the event that this Lease is terminated for any reason in accordance with its terms.

3.2 **Funding.** HOLA shall be required to fund the development, construction, financing, maintenance, and operation of the Center for the uses set forth in Article 5 of this Lease at the Premises. Other than the funds granted pursuant to that certain Proposition K Grant Agreement No. C-127724, by and between HEART OF LA and the City of Los Angeles Bureau of Engineering, as amended, no CITY monies shall be required to fund the development, construction, financing, maintenance, and/or operation of the Center.

ARTICLE 4 PREMISES

4.1 **Premises.** HOLA leases from CITY the land in the City of Los Angeles, County of Los Angeles, State of California, described in Exhibit A attached hereto and incorporated herein by this reference (the “Premises”). The Premises are subject to all existing easements and any other restrictions of record. The Premises are also subject to future easements or rights-of-way for utilities and uses in accordance with Charter section 594(c)(1).

4.2 **Acceptance of Premises.** HOLA accepts the Premises on an “as is” basis as of the Effective Date of this Lease, with no obligation of CITY to modify or alter the Premises.

4.3 **Reservation of Mineral Rights and Air Rights.** CITY hereby reserves all right, title, and interest in any and all gas, oil, minerals, and water beneath the Premises, below a plane five hundred (500) feet below the surface of the Premises, but without the right to use the surface of the Premises, or any area above a plane five hundred (500) feet below the surface of the Premises, for the extraction of such gas, oil, minerals, and water. CITY also reserves all right, title, and interest in any and all air rights above the Premises; provided, however, that any use of air rights by CITY shall not interfere with the public’s and HOLA’s ingress and egress to or HOLA’s operation of the Center on the Premises.

4.4 **Access.** CITY hereby grants to HOLA a non-exclusive easement appurtenant to the Premises, as depicted on Exhibit B attached hereto and incorporated herein by reference (“Easement Tract”), for pedestrian access, ingress, and egress by HOLA and its agents, representatives, employees, invitees, visitors, successors and assigns, for the term of the Lease.

4.4.1 From the Construction Commencement Date through and until the Opening Date, HOLA shall (1) keep the Easement Tract in good maintenance and repair, free of debris, and in a well-kept state and (2) be solely responsible for the cost of maintenance, repair, and removal of debris of the Easement Tract.

4.4.2 In granting the easement, the CITY retains the right to change the location of the Easement Tract to a reasonably suitable alternate location, without HOLA’s consent, so long as HOLA is given fifteen (15) days written notice and the location change does not unreasonably interrupt HOLA’s construction and operations.

4.4.3 HOLA and its agents, representatives, employees, invitees, visitors, successors and assigns are prohibited from use of the easement substantially in excess of

the use contemplated at the date of creation of the easement without written consent of the General Manager.

ARTICLE 5 USE OF PREMISES FOR CENTER

5.1 Use of Premises. The Premises shall be used in any way that is consistent with HOLA's current mission of providing enrichment and recreational activities for youth and their families, including its use as an Arts and Recreation Center on a non-profit basis and for operations and functions related to or incidental to such Center, including storage and office space for use by HOLA's onsite staff members. No offices for CITY or DEPARTMENT will be provided.

5.2 Operation. As partial consideration for the use of City-owned property, the Center shall be operated as an Arts and Recreation Center conducted on a nonprofit basis. The facilities of the Center at the Premises shall be open a minimum of five (5) days per week for forty-six (46) weeks per year and will serve the public with the overall operation schedule to be developed by mutual agreement of the General Manager and HOLA (see Section 12.2, regarding obligation after damage or destruction). HOLA shall post its operating schedule in a conspicuous place near the entrance to the Center and shall adhere to the posted hours of operation. Any changes in said operating schedule shall be posted for a reasonable period in advance of the date on which such changes are to take effect. HOLA shall operate the Center, develop recreational programming, volunteer training, seminars, workshops, special programs, athletics, community outreach programs, special artistic displays, and similar programs and events for the benefit of Los Angeles youth and residents.

5.2.1 Hours of Operation. The overall operating schedule shall be developed by mutual agreement of the General Manager and HOLA. Hours of Operation shall reflect normal park operating hours of Sunrise to 10 p.m., except under such circumstances and conditions as may be approved in writing in advance by the General Manager. HOLA reserves the right to open after normal operating hours, on weekday evenings and/or Sundays for special events with prior permission from DEPARTMENT.

5.3 Consideration for DEPARTMENT Programs. HOLA shall give consideration to groups sponsored by the DEPARTMENT that wish to use the Center as a location for meetings or programs when the Center is not open to the public. Members of such groups would be participants of programs at DEPARTMENT facilities. HOLA shall reasonably accommodate DEPARTMENT requests for use of the meeting space in accordance with standard reservation procedures, provided the parties hereby expressly acknowledge and agree, that the following activities shall be prohibited by any occupant of the Premises, including, without limitation the City, Tenant or Department: any trade or business, that is an excluded business under Treasury Regulations 1.45D-1(d)(5)(ii) or (iii), including without limitation, any one or more of the following: any private or commercial golf course, country club, massage parlor, hot tub facility, suntan facility, racetrack or other facility used for gambling, or any store the principal business of which is the sale of alcoholic beverages for consumption off premises, the ownership or operation of "residential rental property" (as defined in Section 168(e)(2)(A) of the Code, any trade or business consisting predominantly of the development or holding of intangibles for sale or license,

and any trade or business the principal activity of which is farming (within the meaning of section 2032A(e)(5)(A) or (B) of the Code).

5.4 Security. HOLA shall, at its sole cost and expense, provide for reasonable precautions to protect the security and safety of the Premises, contents contained therein, and all those who enter the Premises. In the event of an injury to a person on said Premises or in the event of an emergency situation, HOLA shall make reasonable efforts to ensure that the injured person or emergency receives prompt and qualified attention. CITY is not obligated under this Lease to provide any security for the Premises, contents contained therein, or persons who enter the Premises. No person may live on the Premises (*i.e.*, use Center or Premises as a home or living quarters) except during declared emergencies.

5.5 Alcoholic Beverages. The dispensing of beer, wine, or other intoxicating liquors shall not be permitted, except under such circumstances and conditions as may be approved in writing in advance by the General Manager.

5.6 Signs and Advertising. Signage on the Premises and advertising shall be governed as follows:

5.6.1 Commercial Signs. No commercial advertising signs of any kind or type may be displayed at the Premises without the prior written approval of the General Manager in his or her discretion.

5.6.2 Donor and Related Signage. Donor signage and signs denoting building/area names shall be allowed. The cooperation between HOLA and CITY shall be recognized in a mutually agreed to manner in all signage and promotions relating to the facilities at the Premises.

5.7 Special Events. HOLA may conduct certain special program-related, fundraising, or community events outside normal operating hours with the prior written approval of the General Manager, which shall not be unreasonably withheld or delayed, and in compliance with all policies and procedures heretofore and hereafter adopted by the CITY. HOLA shall provide for and assume all costs and expenses for additional personnel and/or facilities that the General Manager deems necessary to accommodate said special event. For the avoidance of doubt, special events conducted pursuant to this Section 5.7 shall not include “rental events” such as weddings, quinceañeras, bar mitzvahs, birthday parties, or other events that are unrelated to HOLA’s programs and services.

5.8 Ancillary Income. During the Term, in the event HOLA obtains income from uses of the Premises which are ancillary to the uses contemplated under this Lease (*e.g.*, uses contemplated in Section 17.1 herein), HOLA shall use such income only for such purposes as are consistent with the nonprofit activities permitted with respect to the use of the Premises. Any receipt of such income shall be reported to CITY in the annual report required pursuant to Section 8.1, and HOLA, if requested by the General Manager, shall provide the General Manager with such accountings as the General Manager shall reasonably require to demonstrate compliance with this Section 5.8. Nothing in this Section shall be construed to permit uses of the Premises not

otherwise allowed under the provisions of this Lease, nor shall anything in this Section be construed to negate or modify any requirement for prior approval of activities.

5.9 Review of Functions and Operations. On an annual basis, or as deemed reasonably necessary by either HOLA or CITY, CITY may request that representatives of the parties confer to evaluate adequacy of the functional, operational and maintenance responsibilities of each party, as stipulated in this Lease, and make such adjustments as they deem necessary.

ARTICLE 6 MAINTENANCE AND REPAIR OF CENTER

6.1 HOLA's Responsibilities. HOLA shall keep and maintain, at HOLA's sole cost and expense, the Premises and Center and all other improvements on the Premises in good condition and repair during the entire Term of this Lease. HOLA shall be responsible for providing all security, maintenance, and custodial services as are required in the Premises. HOLA shall pay the cost of all such services. Security, maintenance, and custodial services shall be maintained at a customary and usual level for similar facilities in the Los Angeles area, except where specific levels of service are provided in this Lease or are reasonably imposed by the General Manager, in which case those levels of service shall apply. The condition and state of repair covering the entire Premises, the buildings or other structures on the Premises, interior, exterior, and all access areas thereto, shall at all times be, without limitation, as follows: safe and free from hazard; free of rodents, insects and other pests; free from unsightly signs, displays, markings, and graffiti; free from litter and debris; free from abandoned personal items or personal items left longer than twenty-four (24) hours; all plumbing, electrical, heating, cooling and other systems in good operating condition and free from hazard of obstruction of any kind; sidewalks, fencing, landscaping, and play and parking areas in neat and safe condition; all areas adequately illuminated; and all areas well painted and in such condition as not to detract from the surrounding neighborhood. CITY shall have the right to inspect the Premises for compliance under this Section 6.1 pursuant to Section 9.3.

6.2 CITY Not Obligated To Repair. Except as provided expressly in this Lease, in no event shall CITY be required or obligated to perform any maintenance or to make any repairs, changes, alterations, additions, improvements or replacements of any nature whatsoever, on the Premises or the improvements thereon, or any part thereof, at any time during the Term. Moreover, nothing contained in this Lease shall be construed as requiring CITY to make any repairs or to do any maintenance necessitated by reason of the negligence of HOLA or anyone claiming under HOLA, or by reason of the failure of HOLA to observe or perform any conditions, covenants or agreements contained in this Lease, or by reason of any damage to or destruction of other property caused by any improvements, alterations or additions made by HOLA or anyone claiming through HOLA.

6.3 Refuse and Trash. HOLA shall keep the Premises clean and sanitary at all times. No refuse matter, nor any substance constituting an unnecessary, unreasonable or unlawful fire hazard, or material detrimental to the public health, shall be permitted or allowed to remain thereon, and HOLA shall take all reasonable precautions to prevent any such matter or material from being or accumulating upon the Premises. HOLA shall provide for the collection and removal of all garbage and/or refuse and abandoned personal items or personal items left longer

than twenty-four (24) hours from the Premises as often as is necessary and in no case less than twice weekly. HOLA shall furnish all equipment and materials therefor, including trash receptacles of a size, type and number approved by CITY for use by the public. Such approval shall not be unreasonably withheld. HOLA shall provide an enclosed area concealing trash storage from public view. HOLA shall, during the Term of this Lease or any extension thereof and at HOLA's sole cost and expense, conduct a recycling program on the Premises in conjunction with the CITY Facilities Recycling Program of the City of Los Angeles, or any similar program subsequently implemented. Such program will include all materials which may be reasonably recycled (e.g., white paper, mixed paper, newspaper, aluminum cans, and plastic and glass containers).

6.4 Safety Deficiencies. HOLA shall promptly correct all safety deficiencies and violations of safety practices of which it has or should have knowledge and shall cooperate fully with CITY in the investigation of accidents occurring on the Premises. In the event of injury to a patron, HOLA shall use its best efforts to provide or cause to be provided prompt and qualified medical attention to the injured person; provided, however, that nothing in this Section is intended to confer any third-party beneficiary status on any person not a party to this Lease. As soon as possible thereafter, HOLA shall submit to CITY a "Non-Employee Accident or Illness Report" on the then-current standard form specified by the CITY or make such other report as CITY may reasonably require.

6.5 Failure to Perform Maintenance. In the event HOLA does not perform maintenance or repairs such that the improvements on the Premises, or any portion thereof, are no longer suitable for use by the public or other occupancy, as determined by either CITY or HOLA, or that the improvements on the Premises, or any portion thereof, are not in compliance with applicable federal, state, or local laws on or after the date provided for such compliance, in each case beyond applicable notice and cure periods, CITY, at its sole discretion, may:

6.5.1 Perform or have performed the necessary remedial work at HOLA's expense;

6.5.2 Terminate this Lease in accordance with Paragraph 15.2.1; or

6.5.3 Require the immediate vacation of all of the improvements on the Premises or, at the sole discretion of CITY, a portion of the improvements on the Premises until such time as such maintenance or repairs are complete or such time as the improvements on the Premises are in compliance with such laws, as the case may be. The remedy provided in this Paragraph 6.5.3 may be used independently or in conjunction with the remedies provided in either Paragraph 6.5.1 or Paragraph 6.5.2.

6.6 Effect of Inspections or Approvals. Wherever in this Lease inspections or approvals are required from CITY in its role as Landlord under this Lease, including from the General Manager, such inspections or approvals are additional to, and are not in lieu of, any inspections or approvals otherwise required under any applicable ordinance, regulation, or statute. Such inspections or approvals by CITY are discretionary acts and shall not impose any liability on CITY to third persons nor to HOLA, and, in addition, shall not obligate CITY for any costs or

expenses related to the construction, improvement, or maintenance of any building or other structure at the Premises.

ARTICLE 7 UTILITIES, SEWERS AND STORM DRAINS

7.1 **Utilities.** HOLA shall install and pay all charges associated with the installation of electricity, natural gas, sewer, water, telephone services, and other services and utilities as well as all periodic fees for said services. HOLA shall, at its sole cost and expense, provide all above-ground and underground utility lines, and related improvements, required for the successful operation of the Center. CITY shall assist HOLA in obtaining such utility easements and connections as may be necessary to provide any utility service, provided that the obtaining of said easements and connections shall be at no cost to the CITY.

7.2 **Sewers and Storm Drains.** Sewage lines and storm drainage lines which were constructed in connection with the improvements on the Premises are the responsibility of HOLA, which shall maintain and repair such sewage lines and storm drainage lines at HOLA's sole cost and expense. To the extent that there are sewage lines and storm drainage lines within the boundaries of the Premises which predate this Lease or which were installed by CITY (other than for exclusive use of the Center): (i) CITY retains an easement across the Premises for such sewage lines and storm drainage lines, including the right to access such lines for the purpose of inspection, repair, and relocation, and HOLA shall not construct any improvements over such sewage lines or storm drainage lines without the prior written consent of the General Manager, which shall be at the General Manager's sole discretion, and (ii) CITY shall maintain and repair such sewage lines and storm drainage lines. In the event that sewer and/or drainage lines (if any) within the boundaries of the Premises are replaced, repaired or relocated as an element of a City of Los Angeles project not related to the Center, CITY agrees to restore, at its sole cost and expense, any landscaping and ground conditions to the state existing prior to such activity.

ARTICLE 8 REPORTS AND AUDITS

8.1 **Report to CITY.** Not later than twelve (12) months following the Effective Date, and thereafter annually, HOLA shall provide a copy of its annual report, which includes the financial, organizational, and programmatic activities of HOLA to the General Manager. HOLA shall provide such additional information as the General Manager may reasonably request.

8.2 **Business Records.** CITY maintains an interest in assuring that the facilities it provides at no or minimal rent are being operated in a manner consistent with CITY's intent. Accordingly, HOLA shall maintain to the City's reasonable satisfaction a method of accounting of all the receipts and disbursements in connection with the Premises and other facilities, if any, operated by HOLA jointly with the Premises which shall correctly and accurately reflect the gross receipts and disbursements received or made by HOLA (and, where feasible, which indicate the gross receipts and disbursements received or made by HOLA from the operation of the Center and other activities on the Premises). Nothing in this Section shall require HOLA to maintain separate accounts or business records from its operations at the Premises or any other location which HOLA may operate during the Term of this Lease.

8.3 **Inspection and Audit of Records by CITY.** All documents, books and accounting records required to be maintained or retained under this Article shall be open for inspection and re-inspection by CITY with reasonable prior notice during regular operating hours during the Term of this Lease and for a period of ten (10) years thereafter. In addition, CITY may from time to time conduct, at CITY's sole cost and expense, an audit or re-audit of the books and business conducted by HOLA with respect to HOLA's operations from the Premises and observe the operation of business so that accuracy of the above records can be confirmed.

ARTICLE 9 COMPLIANCE WITH ALL LAWS AND REGULATIONS

9.1 **Federal, State and Local Laws.** HOLA agrees that in achieving its goals as set forth in this Lease, it will comply with all applicable laws, ordinances, rules and regulations enacted or promulgated or which are enacted or promulgated in the future by the City of Los Angeles, the County of Los Angeles, the State of California, and the Federal Government. HOLA shall also adhere to all rules and regulations that have been adopted or that may be adopted by the BOARD or any successor department, board or commission having jurisdiction over the Premises.

9.2 **Compliance with Americans with Disabilities Act.** HOLA agrees that as between HOLA and CITY, HOLA shall be responsible for compliance, including all costs of compliance, with the Americans with Disabilities Act of 1990 (42 U.S.C. § 12101, *et seq.*) and any and all other federal, state, and local laws related to the accessibility of the Premises to persons with disabilities.

9.3 **Right of Entry.** CITY and the General Manager, their authorized representatives, agents and employees shall have the right to enter upon the Premises at any and all reasonable times within operating hours for the purposes of inspection and observation of HOLA's operations. CITY shall endeavor to conduct such inspections and observations in a manner calculated to minimize disruption to the use and enjoyment of the Premises by HOLA, its employees, and patrons. Said inspections may be made by persons identified to HOLA as CITY employees or by independent contractors engaged by CITY. Inspections of areas not open to the general public shall be made with reasonable prior notice (except in the case of emergency, where no notice is required).

9.4 **Operating Permits and Licenses.** HOLA shall obtain, at its sole cost and expense, any and all permits or licenses that may be required in connection with its operations including, but not limited to, tax permits, business licenses, and health permits.

ARTICLE 10 INSURANCE

10.1 **Insurance.** Prior to the occupancy of the Premises, under the provisions and conditions of this Lease, HOLA shall furnish CITY with evidence of insurance from insurers (i) reasonably acceptable to CITY, and (ii) approved to write surplus lines in the State of California or licensed to do business in the State of California, on a form reasonably acceptable to the CITY, CAO, Risk Management for the following coverages and minimum limits of insurance specified on the 146R Forms attached hereto as Attachment 1 to **Exhibit E**, or successor form that the CITY

might provide. The following coverages shall be maintained by HOLA at its sole cost and expense throughout the Term of this Lease. Evidence of such coverage shall be provided to CITY by HOLA on an Insurance Industry Certificate of Insurance (such as an ACORD Certificate), which includes the following:

10.1.1 General Liability Insurance. HOLA shall obtain Commercial General Liability insurance with coverage for Premises and Operations, Products and Completed Operations, Blanket Contractual Liability, Broad Form Property Damage, and Personal Injury coverages included and shall provide for total limits, subject to adjustments as provided for below, of not less than \$1,000,000 Combined Single Limit, per occurrence, for bodily injury and property damage (during the construction phase of the Center, Umbrella or Excess Liability coverages may be used to supplement primary coverages to meet required limits). Evidence of such coverage shall provide:

10.1.1.1 That CITY, its boards, officers, agencies, and employees are included as additional insureds with HOLA for the development and operation of the Center at the Premises and all HOLA's activities and insured risks related thereto.

10.1.1.2 That the insurance is primary and not contributing with any other insurance maintained by the City of Los Angeles.

10.1.1.3 That the policy include a Severability of Interest or Cross-Liability clause such as "The policy to which this endorsement is attached shall apply separately to each insured against whom a claim is brought, except with respect to the limits of the company's liability."

10.1.1.4 That with respect to the interests of CITY, if an insurance company elects to cancel insurance before the stated expiration date; or declines to renew in the case of a continuous policy, or materially reduces the coverage period by changing the retroactive date (if any), or the extended discovery period (if any), or reduces the stated limits other than by impairment of an aggregate limit, or materially reduces the scope of coverage which affects CITY's interest, the company will provide CITY at least thirty (30) days prior written notice of such election. In addition, notice will be made by receipted delivery addressed as follows: City of Los Angeles, CAO, Risk Management, 200 North Main Street, 12th Floor, Los Angeles, California 90012, or at such address as CITY may, from time to time, specify by written notice. It is understood, however, that such notice to CITY shall not affect the company's right to give a lesser notice to HOLA in the event of nonpayment of premium.

10.1.2 Property Coverage. At all times during the Term of the Lease or any extension of the Lease, with respect to any improvements on the Premises, including, without limitation, the building containing the Center, HOLA shall, at its sole cost and expense, cause to be provided and kept in force and effect insurance policies, protecting CITY and HOLA as their interests may appear, against loss or damage to the improvements on the Premises, in an amount consistent with what a prudent operator of a comparable

building would carry providing replacement cost coverage for perils typically insured against in a California standard form fire insurance policy. The replacement cost of the improvements shall be determined in accordance with the standard practices of the insurance industry and evidenced by the certificate of the insurance company or companies issuing such insurance at the time the policy or policies are obtained.

10.1.3 Builder's Risk Insurance. Prior to the commencement of any construction or expansion of the Center, or major internal or external improvements to the Center's structure, HOLA shall, at its sole cost and expense, cause to be provided and kept in full force and effect "All Risks Builder's Risk" insurance, including vandalism and malicious mischief, covering improvements in place, and all materials and equipment at the job site. Said insurance shall remain in full force and effect until the improvements shall have been completed and fully insured as provided in this Article.

10.1.4 Workers' Compensation. HOLA shall comply with the provisions of section 3700, *et seq.*, of the California Labor Code and shall be insured (and shall require that each of its contractors and subcontractors comply with such Code and be insured) against liability for workers' compensation and employers' risk in accordance with the provisions of such Code before commencing the performance of any work on or about the Premises or otherwise in relation to this Lease. A Waiver of Subrogation in favor of CITY is required.

10.1.5 Adjustment of Insurance Levels. CITY reserves the right at any time during the Term of this Lease, applying generally accepted Risk Management principles, to change the amounts and types of insurance required hereunder effective at the renewal date of insurance then in effect (in no case more than one year from the written notice) by giving HOLA ninety (90) days written notice provided that such amounts and/or types shall be reasonably available to HOLA at commercially reasonable premiums.

10.1.6 Reduction of Insurance Protection. If any of the required insurance coverages contain aggregate limits, or apply to other operations or tenancies of HOLA outside of this Lease, HOLA shall give CITY prompt, written notice of any incident, occurrence, claim, settlement, or judgment against such insurance which in HOLA's best judgment may diminish the protection such insurance affords CITY. HOLA shall further take immediate steps to restore such aggregate limits or shall provide other insurance protection for such aggregate limits.

10.1.7 Leasehold Mortgage Insurance. Notwithstanding the foregoing, while any Leasehold Mortgage remains outstanding, in the event of any conflict between the insurance coverage requirements hereunder and those set forth in any Leasehold Mortgage (and any documents related to such Leasehold Mortgage), the requirements in this Lease shall control, provided that nothing in this section shall prevent HOLA from providing more insurance coverage than is required pursuant to this Lease so that HOLA may satisfy the terms of any Leasehold Mortgage.

10.2 Self-Insurance Programs. Self-insurance programs and self-insured retention in insurance policies are subject to separate approval by CITY upon review of evidence of financial

capacity to respond. Additionally, such programs or retention must provide CITY with at least the same protection from liability and defense of suits as would be afforded by first-dollar insurance.

10.3 Failure to Maintain Insurance. HOLA's failure to procure or maintain required insurance shall constitute a material breach of this Lease under which CITY may immediately terminate this Lease, or, at its discretion, procure or renew such insurance to protect CITY's interest and pay any and all premiums in connection therewith, and recover all monies so paid from HOLA. If CITY elects to terminate this Lease, HOLA agrees to immediately cease all operations and activities under this Lease and to peacefully surrender the Premises.

10.4 Indemnification/Hold Harmless. Except for the gross negligence or willful misconduct of CITY, or any of its Boards, Officers, Agents, Employees, Assigns and Successors in Interest, HOLA undertakes and agrees to defend, indemnify and hold harmless CITY and any of its Boards, Officers, Agents, Employees, Assigns, and Successors in Interest from and against all suits and causes of action, claims, losses, demands and expenses, including, but not limited to, attorney's fees and cost of litigation, damage or liability of any nature whatsoever, for death or injury to any person, including HOLA's employees and agents, or damage or destruction of any property of either party hereto or of third parties, arising in any manner incident to the performance of this Lease by HOLA or its subcontractors of any tier. The provisions of this paragraph shall survive expiration or termination of this Lease.

ARTICLE 11 IMPROVEMENTS

11.1 Improvements. All improvements constructed on the Premises by HOLA at any time and from time to time during the Term shall be owned by HOLA during the Term (including any extension thereof). Upon the expiration or termination of this Lease, HOLA shall surrender the improvements in accordance with the terms and provisions of Article 16 below.

ARTICLE 12 DAMAGE

12.1 Damage. Except as otherwise provided in this Lease, if the improvements located on the Premises are damaged and such damage was caused by fire or other peril covered by HOLA's insurance, HOLA agrees to repair such damage to the extent set forth in this Section, and this Lease shall continue in full force and effect. If (1) such improvements are damaged as the result of any cause other than perils covered by HOLA's insurance, or (2) during the last ten (10) years of the Term of this Lease such improvements are damaged as a result of fire or other peril covered by HOLA's insurance, and the cost to repair such damage (as determined by HOLA in good faith) shall exceed fifteen percent (15%) of the full replacement cost of the improvements, then HOLA may, at HOLA's option, either (i) repair such damage as soon as reasonably practicable at HOLA's sole cost and expense, in which event this Lease shall continue in full force and effect, or (ii) give written notice to CITY within ninety (90) days after the date of occurrence of such damage of HOLA's intention to cancel and terminate this Lease thirty (30) days after written notice of the intention to cancel and terminate. Upon such termination, HOLA shall, at HOLA's sole cost and expense, if requested by CITY, complete demolition of the damaged Center or other damaged improvement and re-landscape the Premises to match the then current design

and operations of the park. All plans for the re-landscaping shall be prepared by HOLA and must be submitted to the BOARD for prior approval. Notwithstanding the foregoing, while any Leasehold Mortgage remains outstanding, the use of insurance proceeds following a casualty and the determination to replace any damaged improvements shall be governed by the Leasehold Mortgage and any documents related to such Leasehold Mortgage.

ARTICLE 13 DESIGN AND CONSTRUCTION OF CENTER

13.1 Design and Construction of Center. HOLA shall design and construct the Center in conformance with all the applicable federal, state, county, and city laws in force at the time of design. All plans shall be prepared by HOLA and must be submitted to the BOARD for approval. The BOARD may direct HOLA to submit the plans to other City of Los Angeles agencies for approval, including, without limitation, the Cultural Affairs Commission of the City of Los Angeles, the Department of Public Works of the City of Los Angeles and the Department of Building and Safety of the City of Los Angeles. Such approvals shall be at the sole discretion of the BOARD and agencies involved.

13.2 Design Submission Requirements. During the design phase, HOLA shall provide DEPARTMENT with various submittals for approval. These include but are not limited to the following:

13.2.1 Schematic Plans. Schematic plans shall include at least the following: analysis of requirements and proposed uses including site utilization and computation of required floor, parking, yard and other areas necessary to the proposed uses; single-line drawings illustrating appropriate floor areas and arrangement of the various uses, and site utilization; specifications indicating construction methods, concepts and materials, including mechanical and electrical concepts; and approximate estimates of construction costs.

13.2.2 Preliminary Plans. Preliminary plans shall include at least the following: drawings illustrating in greater detail than the schematic plans, floor area relationship, the various requirements of different occupancies, elevations, sections, and architectural, structural, civil, mechanical, electrical, landscaping and other design aspects; preliminary specifications for the project arranged in Construction Specification Institute form; preliminary estimate cost of construction; and a colored perspective Delineation or Rendering of the project.

13.2.3 Working Drawings. Working drawings shall include at least the following: computations and specifications, in accordance with the approved preliminary plans, including necessary drawings in sufficient detail to provide adequate information for accurate minimum bids; a detailed final estimate of cost of construction of the project; and complete checking and coordination of all architectural, structural, civil, landscape, mechanical and electrical drawings.

13.2.4 Final Plans. Final plans shall include at least working drawings and specifications that have been processed through plan check review and other required corrections.

13.3 Construction of Center. HOLA shall construct the Center in conformance with all the applicable federal, state, county, and city laws in force at the time of construction and in conformance with the site and building plans prepared by HOLA and approved by the BOARD, and such other City of Los Angeles agencies as the BOARD may designate for approval. From the Construction Commencement Date through the Opening Date, HOLA shall repair, or cause to be repaired, any damage to the parking lot or other areas adjacent to the Premises which are damaged in the course of construction of the Center.

13.3.1 Progress Report. If requested by CITY, HOLA shall submit a construction progress report on a monthly basis.

13.3.2 As Built Drawings. HOLA shall submit to the BOARD reproducible "As Built" drawings of all improvements constructed on the Premises with the exception of the security system. Such plans shall also include plans for landscaping and other outdoor improvements related to the Center. "As Built" drawings of the security system shall be retained by HOLA until such time as the Lease is terminated or expires, at which time the security system "As Built" drawings shall be submitted to the BOARD.

13.4 Demolition and Hazardous Materials Disposal. HOLA shall, at HOLA's sole cost and expense, be responsible for the demolition and disposal of any improvements on the Premises as of the Effective Date not needed or desired by HOLA for the Center. HOLA shall also, at HOLA's sole cost and expense, be responsible for any remediation of Hazardous Materials (as defined in Paragraph 14.1.3) required during site preparation or construction of improvements on the Premises; provided, however, that in the event HOLA determines, prior to the Opening Date, that such remediation renders the contemplated Center project economically unfeasible, HOLA may terminate this Lease upon written notice to CITY and restoration of the Premises, at HOLA's sole cost and expense, to substantially the same condition existing prior to any site preparation or construction. All plans for the reconditioning of the Premises shall be prepared by HOLA and must be submitted to the BOARD for prior approval.

13.5 No CITY Liability. Nothing contained in this Lease shall be construed or deemed to construe or deemed to create any obligation or liability, including, without limitation, liability as a guarantor or surety, on the part of CITY with respect to the Center or any other improvements constructed from time to time, or any plans or specifications, construction contracts, financing or other matter, instrument or document of any nature whatsoever relating to such improvements. CITY is not and shall at no time be liable to any creditor of HOLA or any other persons occupying any part of the Premises or the improvements thereon as a sublessee, licensee or otherwise or to any claimant against the estate or property of HOLA or such other occupants for any of their debts, losses, contracts or other obligations. The relationship between CITY and HOLA is solely that of lessor and lessee and is not and shall not be deemed a partnership or joint venture.

13.6 Mortgages; Mechanic's And Materialmen's Liens. During the Term, other than as set forth in Section 17.2, the real property underlying the Premises shall not be used as security

for any loans or mortgages or otherwise have any liens placed on it. By way of specification without limitation, HOLA shall keep the Premises free from any liens arising out of work performed, materials furnished, or obligations incurred by HOLA and shall indemnify, hold harmless and defend CITY from any liens and encumbrances arising out of any work performed or materials furnished by or at the direction of HOLA. In the event that HOLA shall not, within thirty (30) calendar days following the imposition of any such lien, cause such lien to be released of record by payment or posting of a proper bond, CITY shall have in addition to all other remedies provided herein and by law, the right, but no obligation to cause, upon five (5) business days prior written notice to HOLA, the same to be released by such means as it shall deem proper, including payment in satisfaction of the claim giving rise to such lien. All such sums paid by CITY and all expenses incurred by it in connection therewith, including costs and attorneys' fees, shall be paid by HOLA to CITY on demand.

13.7 Performance and Payment Bond. HOLA shall require its general contractor to provide both a construction performance bond and a payment bond. The performance bond shall name the CITY as an additional loss payee, in the amount of its contract sum. HOLA or any contractor of HOLA shall pay all bond premiums, costs and incidentals. The bonds shall be in an amount equal to one hundred percent (100%) of the construction contract price, subject to proportional decrease as construction progresses, so as to be available to ensure completion in the event of a default by the contractor and to satisfy claims of material suppliers and of mechanics and laborers employed by the construction firm on the work. In the event HOLA utilizes a separate contractor or contractors for construction of the interior improvements of the Center, HOLA shall require said contractor or contractors to provide their own bond(s) in the amount of their respective contracts, with the performance bond naming the CITY as additional loss payee. Said bond(s) shall be in an amount equal to one hundred percent (100%) of the respective construction contract price, subject to proportional decrease as construction progresses, to be sufficient to ensure completion in the event of a default by the contractor and to satisfy claims of material suppliers and of mechanics and laborers employed by the construction firm on the work. All bonds referred to in this paragraph shall be maintained in full force and effect until the work as shown on the approved plans is completed and accepted by HOLA and CITY, and until all claims for materials and labor are paid, and shall otherwise comply with the California Civil Code.

13.8 Prevailing Wages. HOLA understands that the construction of the Center may be considered "public work" within the meaning of section 1720.2 of the California Labor Code, and therefore agrees, to the extent that the construction of the Center is determined to be "public work," that all on-site workers employed on the construction of the Center shall be paid not less than the general prevailing rate of wages for work of a similar nature in the Los Angeles area.

ARTICLE 14 HAZARDOUS MATERIALS

14.1 Hazardous Materials. CITY and HOLA agree as follows with respect to the existence or use of Hazardous Material (as defined in Paragraph 14.1.3) on the Premises:

14.1.1 Prohibition. HOLA shall not cause or permit any Hazardous Material to be brought upon, kept or used in or about the Premises by HOLA, its agents, employees, contractors or invitees in violation of law or in quantities which would require reporting to

a governmental entity, without the prior written consent of the General Manager, acting at the General Manager's sole discretion. If HOLA breaches the obligations stated in the preceding sentence, or if the presence of Hazardous Material on the Premises caused or permitted by HOLA results in contamination of the Premises, or if contamination of the Premises by Hazardous Material otherwise occurs for which HOLA is legally liable to CITY for damage resulting therefrom, then, HOLA shall indemnify, hold CITY harmless, and defend CITY (with counsel reasonably acceptable to CITY) from any and all claims, judgments, damages, penalties, fines, costs, liabilities or losses (including, without limitation, diminution in value of the Premises, damages for the loss or restriction on use of rentable or usable space or of any amenity of the Premises, damages arising from any adverse impact on marketing of space on the Premises, and sums paid in settlement of claims, attorneys' fees, consultant fees and expert fees) which arise during or after the Term as a result of such contamination. This indemnification of CITY by HOLA includes, without limitation, costs incurred in connection with any investigation of site conditions or any cleanup, remedial, removal or restoration work required by any federal, state or local governmental agency or political subdivision because of Hazardous Material present in the soil or ground water on or under the Premises. Without limiting the foregoing, if the presence of any Hazardous Material on the Premises caused or permitted by HOLA results in any contamination of the Premises, HOLA shall promptly take all actions at its sole cost and expense as are necessary to return the Premises to the condition existing prior to the introduction of any such Hazardous Material to the Premises; provided that CITY's approval of such actions shall first be obtained, which approval shall not unreasonably be withheld so long as such actions would not potentially have any material adverse long-term or short-term effect on the Premises. However, the foregoing provisions shall not prohibit HOLA from transportation to and from, and the use, storage, maintenance, and handling within, the Premises of substances customarily used in connection with normal office or recreational center use provided: (a) such substances shall be used and maintained only in such quantities as are reasonably necessary for the permitted use of the Premises set forth in Section 5.1 of this Lease, strictly in accordance with applicable laws and the manufacturers' instructions therefor; (b) such substances shall not be disposed of, released, or discharged at the Premises, and shall be transported to and from the Premises in compliance with all applicable laws, and as CITY shall reasonably require; (c) if any applicable law or the trash removal contractor requires that any such substances be disposed of separately from ordinary trash, HOLA shall make arrangements at HOLA's expense for such disposal directly with a qualified and licensed disposal company at a lawful disposal site, and shall ensure that disposal occurs frequently enough to prevent unnecessary storage of such substances on or around the Premises; and (d) any remaining such substances shall be completely, properly, and lawfully removed from the Premises upon expiration or earlier termination of this Lease. The provisions of this paragraph survive expiration or termination of this Lease.

14.1.2 Compliance Costs. CITY and HOLA acknowledge that CITY may become legally liable for the costs of complying with laws relating to Hazardous Material which are not the responsibility of HOLA pursuant to Paragraph 14.1.1, including the following: (1) Hazardous Material present in the soil or ground water; (2) a change in Laws which relate to Hazardous Material which make such Hazardous Material which is present on the Premises as of the Effective Date, whether known or unknown to CITY, a

violation of such new laws; (3) Hazardous Material that migrates, flows, percolates, diffuses or in any way moves on to or under the land; (4) Hazardous Material present on or under the land as a result of any discharge, dumping or spilling (whether accidental or otherwise) on the land by other owners of the Premises or their agents, employees, contractors or invitees, or by others. Accordingly, CITY and HOLA agree that the cost of complying with laws relating to Hazardous Material on the Premises for which CITY may be legally liable shall be borne by CITY unless the cost of such compliance, as between CITY and HOLA, is made the responsibility of HOLA pursuant to this Lease (see, for example, Section 13.4).

14.1.3 **“Hazardous Material” – Definition.** As used herein, the defined term “Hazardous Material” means any chemical, substance, material, or waste or component thereof the presence of which requires investigation or remediation under any federal, state, or local statute, regulation, ordinance, order, action, policy, or common law, or which is now or hereafter listed, defined, or regulated as a flammable explosive, radioactive material, hazardous or toxic chemical, substance, material or waste or component thereof (whether injurious by themselves or in conjunction with other materials) by any federal, state, or local governing or regulatory body having jurisdiction, or which would trigger any employee or community “right-to-know” requirements adopted by such body, or for which any such body has adopted any requirements for the preparation or distribution of a material safety data sheet. “Hazardous Material” includes, without limitation, any material or substance which is: (e) defined as a “hazardous waste,” “extremely hazardous waste” or “restricted hazardous waste” under Sections 25115, 25117 or 25122.7, or listed pursuant to Section 25140, of the California Health and Safety Code, Division 20, Chapter 6.5 (Hazardous Waste Control Law); (f) defined as a “hazardous substance” under Section 25316 of the California Health and Safety Code, Division 20, Chapter 6.8 (Carpenter-Presley-Tanner Hazardous Substance Account Act, California Health and Safety Code Section 25300, *et seq.*); (g) defined as a “hazardous material,” “hazardous substance,” or “hazardous waste” under Section 25501 of the California Health and Safety Code, Division 20, Chapter 6.95 (Hazardous Materials Release Response Plans and Inventory, California Health and Safety Code Section 25500, *et seq.*); (h) defined as a “hazardous substance” under Section 25281 of the California Health and Safety Code, Division 20, Chapter 6.7 (Underground Storage of Hazardous Substances, California Health and Safety Code Section 25280, *et seq.*); (i) petroleum; (j) asbestos; (k) defined as a “hazardous constituent,” “hazardous material,” “hazardous waste,” or “toxic waste” under Article 2 of Chapter 10 (Section 66260.10) or defined as a “hazardous waste” under Article 1 of Chapter 11 (Section 66261.3) of Title 22 of the California Code of Regulations, Division 4.5 (Environmental Health Standards for the Management of Hazardous Waste, 22 C.C.R. Section 66001, *et seq.*); (l) designated as a “hazardous substance” pursuant to Section 311 (33 U.S.C. § 1321) of the Clean Water Act of 1977, as amended (Federal Water Pollution Control Act, 33 U.S.C. § 1251, *et seq.*); (m) defined as a “hazardous waste” pursuant to Section 1004 (42 U.S.C. § 6903) of the Federal Resource Conservation and Recovery Act of 1976, as amended (RCRA, 42 U.S.C. § 6901, *et seq.*); (n) defined as a “hazardous substance” pursuant to Section 101 (42 U.S.C. § 9601) of the Comprehensive Environmental Response, Compensation and Liability Act of 1980, as amended (CERCLA, 42 U.S.C. § 9601, *et seq.*); or (o) defined as “hazardous material” under Section 103 (49 U.S.C. § 1802) of the Hazardous Materials Transportation Act (49

U.S.C. § 1801, *et seq.*); or as such laws may be amended from time to time, and the regulations adopted and publications promulgated pursuant to such laws.

14.1.4 Disposal of Hazardous Material. If HOLA disposes of any soil, material or groundwater contaminated with hazardous material, HOLA shall provide CITY copies of all records including a copy of each uniform hazardous waste manifest indicating the quantity and type of material being disposed of, the method of transportation of the material to the disposal site and the location of the disposal site. Except where presence of Hazardous Material predated this Lease, CITY shall not appear on any manifest document as a generator of such material disposed of by HOLA.

14.1.5 Hazardous Material Tests. Any tests required of HOLA by this Article shall be performed by a State of California Department of Health Services (or successor entity) certified testing laboratory satisfactory to CITY. By signing this Lease, HOLA hereby irrevocably directs any such laboratory to provide CITY, upon written request from CITY, copies of all of its reports, test results, and data gathered. As used in this Article, the term “HOLA” includes agents, employees, contractors, subcontractors, and/or invitees of HOLA.

14.1.6 Notice of Hazardous Substances. California Health and Safety Code section 25359.7(a) requires any owner of nonresidential real property who knows, or has reasonable cause to believe, that any release of hazardous substance has come to be located on or beneath that real property to, prior to the lease or rental of that real property or when the presence of such release is actually known, give written notice of that condition to the lessee or renter. California Health and Safety Code section 25359.7(b) requires any tenant of real property who knows, or has reasonable cause to believe, that any release of hazardous substance has come to be located on or beneath that real property to give written notice of such condition to the owners. HOLA and CITY shall comply with the requirements of section 25359.7 and any successor statute thereto and with all other statutes, laws, ordinances, rules, regulations and orders of governmental authorities with respect to hazardous substances.

ARTICLE 15 DEFAULT AND CANCELLATION

15.1 Events of Default. The following occurrences are “Events of Default”:

15.1.1 Breach of Lease. HOLA materially breaches or fails in the performance of any of the provisions or conditions of this Lease; or

15.1.2 Failure to Conform to Laws. HOLA fails to conform to applicable laws, rules or regulations.

15.2 Default – CITY’s Remedies. If any one or more Events of Default set forth in Section 15.1 occurs, then CITY may, at its election, without any further notice to or authorization from HOLA, and without waiving its rights at any time to select any other remedy provided in this Section, elsewhere in this Lease, if applicable, or under law, do any one or more of the following:

15.2.1 Termination of Lease. CITY may give HOLA written notice of such Event of Default. If HOLA does not cure said default within thirty (30) days after notice, subject to Force Majeure, CITY may deliver a second written notice to HOLA, after which, if HOLA fails to cure said default within an additional thirty (30) days, subject to Force Majeure, or such longer period as is reasonably necessary to remedy such default, but, in no case longer than an additional ninety (90) days, provided that HOLA shall continuously and diligently pursue such remedy at all times until such default is cured, CITY may terminate this Lease and HOLA shall vacate the Premises and comply with Section 16.1. If HOLA does not cure said default within the initial thirty (30) days after notice, HOLA shall owe to the CITY then-current fair-market monthly rent as determined by the CITY in its good faith and reasonable discretion for each month until such default is cured; and/or

15.2.2 Recovery at Law. CITY may recover at law any and all claims which may be due CITY; and/or

15.2.3 Self-help. CITY may perform such work as it deems necessary to cure said Event of Default and charge HOLA for the cost of labor and materials expended. The General Manager may exercise this option immediately in an Event of Default involving sanitary or safety considerations. Otherwise, the General Manager may exercise this option within thirty (30) days after giving HOLA written notice of default involving Premises' maintenance. CITY shall provide HOLA with reasonably detailed invoice for the labor and materials expended, plus administrative overhead, and HOLA shall pay the full sum of the invoice within sixty (60) days of HOLA's receipt of the invoice. In the event HOLA disputes any of the charges on the invoice or HOLA's obligation to pay for any or all of the items, HOLA shall pay the full sum of the invoice within the sixty (60) day period, subject to prompt reimbursement from CITY to the extent HOLA prevails on any items in dispute.

The specified remedies to which CITY may resort under the provisions of this Lease are cumulative and not intended to be exclusive of any other remedies afforded by law.

15.3 No Waiver. The conduct of either party or the acceptance of all or part of any payment by CITY after an Event of Default for any period after an Event of Default shall not be deemed a waiver of any rights and remedies, nor a waiver of the default of the same or any other provision, covenant or condition. Waiver by either CITY or HOLA of any breach by the other of any covenant, condition or obligation herein contained or failure by either CITY or HOLA to exercise any right or remedy in respect of any such breach shall not constitute a waiver or relinquishment for the failure of any such covenant, condition or obligation or of any subsequent breach of any such covenant, condition or obligation nor bar any right or remedy of CITY or HOLA in respect of any such subsequent breach.

15.4 Default by CITY. In the event CITY defaults in the performance of any of the provisions or conditions of this Lease, and if a written notice of such default is issued to CITY by HOLA, and if CITY does not commence to cure said default within sixty (60) days of receipt of said notice, subject to Force Majeure, HOLA may immediately terminate this Lease and/or obtain specific performance.

ARTICLE 16

SURRENDER OF PREMISES

16.1 **Surrender of Premises.** Except as noted in Sections 12.1 and 13.4 above, upon termination of this Lease, should HOLA and the CITY not enter into a new lease of the Premises, HOLA shall quit and surrender possession of the Premises to CITY in good and usable condition, subject to normal wear and tear, including surrender of the improvements (without representation or warranty, on an “as is, where is” basis); provided, however, that the BOARD, at the BOARD’s sole discretion, may require HOLA to demolish and remove all or a portion of the improvements on the Premises. Any improvements which have been constructed or erected on the Premises shall, upon termination of this Lease, become the property of CITY. HOLA’s personal property and fixtures related thereto, and all property described in Section 11.1 shall remain the property of HOLA or its assigns and may be removed by HOLA from the Premises upon termination of this Lease. Should HOLA fail to remove such property, improvements, or fixtures after the termination of this Lease, CITY may, at CITY’s option: (1) retain all or any of such property, and title thereto shall thereupon vest in CITY; or (2) remove the same, in which event HOLA shall pay to CITY upon demand the reasonable costs of such removal.

16.2 **No Implied Surrender.** HOLA agrees on the last day of the Term, or on the earlier termination of this Lease, to surrender the Premises, including all then existing improvements. No act or thing done by CITY during the Term shall be deemed an acceptance of a surrender of the Premises, and no agreement to accept such surrender shall be valid unless in writing and signed by CITY.

16.3 **Failure to Surrender.** If HOLA fails to surrender the Premises, together with the improvements thereon, upon the termination of this Lease, HOLA agrees to indemnify and hold harmless CITY from and against any loss or liability, including costs and reasonable attorney’s fees, resulting from such failure to surrender, including, but not limited to, any claims made by any succeeding tenant based on or resulting from such failure to surrender. Nothing herein contained shall be construed as consent to any occupancy or possession of any portion of the Premises and the improvements thereon by HOLA beyond the expiration of the Term or the earlier termination of this Lease.

ARTICLE 17

ASSIGNMENT AND BANKRUPTCY

17.1 **Assignment and Subletting.** HOLA shall have the right, subject to the consent of the BOARD, which consent may not be unreasonably withheld, conditioned, or delayed, to sublet the Premises, or any part thereof, or allow the same to be used or occupied by a 501(c)(3) non-profit organization or other similar group or organization for any community-oriented purpose consistent with or complementary to the park purpose use of the Premises, as defined in Article 5 herein provided, however, that CITY hereby approves a sublease to HEART OF LA, in the form of the Sublease Agreement attached hereto as **Exhibit D**. Such consent shall not be required for subleases of no more than five (5) days in duration involving uses of portions of the Premises consistent with the provisions of this Lease and consistent with park purposes under the City Charter. Short term and occasional use of the Premises for other activities such as location filming, special events, rehearsals, performances, and projects with artists or other non-profit or

governmental agencies shall not be considered as assignments or subletting and HOLA may allow such use without the prior consent of CITY as long as those occasional uses are consistent with park purposes under the City Charter (however, net income, if any, from such activities is subject to the provisions of Section 5.8). HOLA shall not rent, lease, or offer any space for storing any article or articles unrelated to HOLA or HOLA's mission, within or on the Premises, without the prior written consent of the General Manager. Any attempt to sublease, assign, or transfer without the consent required by this Section shall be void and shall transfer no rights to the Premises. If HOLA believes that CITY has abused its discretion in denying consent, HOLA's sole remedy will be to seek a declaratory judgment that CITY has abused its discretion or an order of specific performance. HOLA will not have any right to damages.

17.2 Right to Encumber; Mortgagee Protection. Provided HOLA is not in default under this Lease, HOLA may, at any time and from time to time during the term hereof, encumber to any Lender by deed of trust or mortgage or other security instrument ("Leasehold Mortgage"), all of HOLA's right, title, and interest under this Lease and the leasehold estate hereby created in HOLA or any of the improvements or personal property of HOLA on the Center ("Personal Property") for any purpose or purposes without the consent of the CITY. HOLA has no authority to and, therefore, shall not, under any circumstance, encumber CITY's fee interest in the Premises, and CITY shall have no obligation to encumber its fee interest in the Premises or otherwise pledge its fee interest in the Premises as collateral for any debt in connection with the development, maintenance, and/or operation of the Center. The Leasehold Mortgage and all rights acquired under it shall be subject to each and all of the provisions, covenants, conditions, and restrictions stated in this Lease and to all rights and interest of the CITY except as otherwise specifically provided in this Lease and that certain Consent to Leasehold Deed of Trust and Modification of Lease, by and among CITY, HOLA, New Markets Community Capital XXI, LLC, a Delaware limited liability company, and LADF XIII, LLC, a California limited liability company. HOLA's right to enter into a Leasehold Mortgage transaction shall be at HOLA's sole cost and expense. As used herein, the term "Lender" shall mean any lender or lenders advancing funds to HOLA to assist HOLA in the construction, operation and/or maintenance of the Center.

17.2.1 In the event the Lender exercises its remedies under the Leasehold Mortgage and Lender acquires HOLA's interest in the Premises through foreclosure or otherwise, so long as no default has occurred or occurs and is continuing beyond any cure periods provided in this Lease as would entitle the City, as landlord, to terminate the Lease or would entitle the City to dispossess HOLA thereunder, City (including any successor to City) shall not terminate the Lease, nor interfere or disturb the Lender's use, possession or enjoyment of the Premises pursuant to the terms of the Lease.

17.2.2 If the interests of HOLA under the Lease shall be transferred to the Lender or a third party by exercise of power of sale, foreclosure or otherwise (a "Foreclosure Transferee"), the City shall be bound to the Foreclosure Transferee and shall recognize the Foreclosure Transferee as the tenant under the Lease for the balance of the term thereof entitled to all rights provided and obligations required thereunder. Following any such transfer, the Foreclosure Transferee shall perform all obligations of lessee under this Lease for the remaining term hereof. These provisions shall become effective immediately upon receipt of written notice from the Foreclosure Transferee that such party has succeeded to the interest of HOLA hereunder, provided that the parties hereto agree to execute such

further instruments to confirm or effectuate the same as may be reasonably requested by any party. Lender, and its successors and assigns, shall be an express third-party beneficiary of this Section 17.2.

17.3 Bankruptcy. To the extent permitted by law, neither this Lease nor the rights herein granted shall be assignable or transferable by any process or proceedings in any court, or by attachment, execution, proceedings in insolvency or bankruptcy either voluntary or involuntary, or receivership proceedings. To the extent the previous sentence is not permitted by law, in the event that HOLA shall be adjudicated a bankrupt, or become involved in any proceedings under the bankruptcy laws of the United States or the receivership laws of the State of California, or if the leasehold interest created by this Lease or any improvements constructed pursuant to this Lease are transferred due to operations of law, including, without limitation, the enforcement of a judgment, the trustee in bankruptcy, the receiver, the assignee, or the judgment purchaser shall be bound by all provisions of this Lease, including, without limitation, the requirement that the Premises be operated as a nonprofit arts and recreation center (Section 5.1).

ARTICLE 18 CONDEMNATION

18.1 Condemnation. Should any or all of the Premises be acquired for public use under the power of eminent domain or by purchase in lieu thereof, CITY shall be entitled to all compensation and severance damages attributable to the land. HOLA shall receive any compensation and severance damages which may be paid for damage or loss of buildings, other improvements, and personal property. Notwithstanding the foregoing, while any Leasehold Mortgage remains outstanding, any condemnation proceeds shall be governed by the Leasehold Mortgage and any documents related to such Leasehold Mortgage.

ARTICLE 19 NOTICES

19.1 Notices. All notices and demands which may or are to be required or permitted to be given by either party to the other hereunder shall be in writing. All notices and demands shall be personally delivered (including by means of professional messenger service), sent by United States mail, postage prepaid, return receipt requested, or transmitted by telecopier (*e.g.*, Fax) or electronic mail (upon mutual agreement of participating parties), in which case the receiving party shall immediately confirm receipt of such telecopied or e-mailed notice. All notices are effective upon receipt. For the purposes of such notices, the addresses for the parties are set forth in Section 19.2 below. In the event CITY is unable to give notice to HOLA at the address(es) provided to CITY by HOLA, notice shall be deemed effective when addressed to HOLA at the Premises. Either party may from time to time designate another person or place in a notice.

19.2 Notices – Where Sent. All notices given under this Lease which are mailed or telecopied shall be addressed (unless re-designated as provided above) to the respective parties as follows:

To CITY or General Manager: City of Los Angeles
Board of Recreation and Parks Commissioners
221 N. Figueroa Street, Suite 350
Los Angeles, CA 90012
Telecopier: (213) 202-2614

with a copy of any notice to General Manager
Department of Recreation and Parks
221 N. Figueroa Street, Suite 350
Los Angeles, CA 90012
Telecopier: (213) 202-2614

with a copy of any notice to Office of the City Attorney
Real Property/Environment Division
700 City Hall East
200 North Main Street
Los Angeles, California 90012-4130
Telecopier: (213) 978-8090

To HOLA: Chairman of the Board
HOLA Community Partners
2701 Wilshire Boulevard, Ste. 100
Los Angeles, California 90057
Telephone: (213) 389-1148

with a copy of any notice to Gibson, Dunn & Crutcher LLP
333 South Grand Avenue, Suite 4900
Los Angeles, California 90071
Attention: Douglas M. Champion, Esq.
Telephone: (213) 229-7128

ARTICLE 20

STANDARD PROVISIONS FOR CITY CONTRACTS

The provisions of Exhibit E attached hereto are incorporated herein by reference as if fully restated herein.

ARTICLE 21

MISCELLANEOUS PROVISIONS

21.1 Amendment of Lease. No amendment, modification, supplement or mutual termination of any provision of this Lease shall in any event be effective unless the same shall be in writing and signed by CITY and HOLA.

21.2 Binding Effect. Subject to the provisions of this Lease relative to assignment (Section 17.1), this Lease shall be binding upon and inure to the benefit of the heirs, executors, administrators, transferees, successors and assigns of the respective parties hereto.

21.3 Captions, Table of Contents, and Index. The captions and table of contents of this Lease are inserted only as a matter of convenience and reference, and they in no way define, limit, or describe the scope of any provisions of this Lease, or the intent of any provision of this Lease, and shall not be used with respect to the interpretation of any provision of this Lease.

21.4 Conflict of Laws and Venue. This Lease shall be governed by and construed under the laws of the State of California. Venue on any action arising out of this Lease will be proper only in the County of Los Angeles, State of California.

21.5 Corporate Resolution. HOLA shall provide to CITY a current copy of its Corporate Resolution depicting the names and legal signatures of the officers of the corporation authorized to execute legal documents, including this Lease, on behalf of HOLA. Within thirty (30) days of any change in such names, HOLA shall provide to CITY the updated Corporate Resolution.

21.6 Counterparts. This Lease may be executed in one or more counterparts, each of which may be deemed an original, but all of which together shall constitute one and the same instrument.

21.7 Force Majeure. Whenever either party hereto shall be required by the provisions of this Lease or by law to perform any contract, act, work, construction, labor or services (excepting only the obligation to pay rent due hereunder), or to discharge any lien against the Premises, or to perform and comply with any laws, rules, orders, ordinances, regulations or zoning regulations, said party shall not be deemed to be in default herein and the other party shall not enforce or exercise any of its right under this Lease, if and so long as nonperformance or default herein shall be directly caused by strikes, nonavailability of materials, war or national defense preemptions, governmental restrictions, acts of God or other similar causes beyond the reasonable control of the nonperforming party; (it is understood and agreed by the Parties hereto that financial capacity and availability of funding shall not constitute force majeure); provided, however, that notwithstanding any of the provisions of the foregoing, the nonperforming party shall commence such performance and continue the same with diligence and continuity immediately after the removal of any of the causes hereinabove specified.

21.8 Gender. As used herein, the neuter gender includes the feminine and masculine, the masculine includes the feminine and the neuter and feminine includes the masculine and the neuter, and each includes corporations, limited liability companies, partnerships or other legal entities when the context so requires.

21.9 No Prior Agreements. This Lease contains all of the agreements of the parties hereto with respect to the matters covered hereby, and no prior agreements, oral or written, or understandings or representations of any nature whatsoever pertaining to any such matters shall be effective for any purpose unless expressly incorporated in the provisions of this Lease.

21.10 No Relocation Assistance. HOLA acknowledges that it is not entitled to relocation assistance or any other benefits under the California Relocation Assistance Act (Government Code section 7260, *et seq.*), the Uniform Relocation Assistance and Real Property Acquisition Policies

Act of 1970, as amended (42 U.S.C.A. § 4601, *et seq.*), or any other provisions of law upon termination of this Lease.

21.11 Quiet Enjoyment. If HOLA is not in default as provided herein, HOLA shall and may peaceably and quietly have, hold, and enjoy the Premises with necessary ingress and egress in accordance with the provisions hereof.

21.12 Possessory Interest Tax. By executing this Lease and accepting the benefits thereof, HOLA may be creating a property interest known as “possessory interest” which may be subject to property taxation. HOLA, as the party in whom the possessory interest is vested, shall be responsible for the payment of all property taxes, if any, levied upon such interest. HOLA acknowledges that the notice required under California Revenue and Taxation Code Section 107.6 has been provided.

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

21.14 Sole Discretion. In those instances in this Lease where it is provided that CITY or the General Manager or other City of Los Angeles agency may approve a request in the exercise of “sole discretion” or words of like import, the parties expressly agree that CITY or the General Manager or other City of Los Angeles agency, as the case may be, has the absolute unfettered discretion to grant or withhold approval, either arbitrarily or otherwise, and with or without reason, and neither HOLA nor any other party or tribunal shall have any right or power to inquire into or review the granting or withholding of such approval or the reasons or lack of reasons therefor.

21.15 Time. Time is of the essence with respect to the performance or observance of each of the obligations, covenants and agreements under this Lease. Except where expressly stated to be “business days” or “working days,” the word “days” shall mean “calendar days.”

21.16 Exhibits – Incorporation in Lease. The following documents are attached and incorporated into and are fully enforceable as part of this Lease.

Exhibit A Map and Legal Description

Exhibit B Access Easement

Exhibit C Memorandum of Lease

Exhibit D Form of Sublease Agreement

Exhibit E Standard Provisions for City Contracts

In the event of a conflict between this Lease and the terms of the documents incorporated into this Lease, this Lease shall control.

[SIGNATURES FOLLOW ON NEXT PAGE]

IN WITNESS WHEREOF, the CITY OF LOS ANGELES, a municipal corporation, acting by and through its Board of Recreation and Park Commissioners, Landlord herein, and HOLA COMMUNITY PARTNERS, INC., a California public benefit corporation, Tenant herein, have caused this Lease to be executed as of the date of the attestation by the City Clerk.

**APPROVED AS TO FORM AND
LEGALITY.**



By: Michael Andas
City Attorney

DATE: 8/29/17

CITY:

CITY OF LOS ANGELES, a municipal corporation, acting by and through its BOARD OF RECREATION AND PARK COMMISSIONERS:

By: Alfonso Robles
President

By: Ann Davis Hughes
Secretary

Date: 8/29/17

ATTEST:

HOLLY WOLCOTT,

City Clerk

By: 
Deputy



DATE: 8/31/17
C-129943

TENANT:

HOLA COMMUNITY PARTNERS, a California public non-profit corporation

By: _____

Name: Alison Whalen

Its: President

Date: _____

IN WITNESS WHEREOF, the CITY OF LOS ANGELES, a municipal corporation, acting by and through its Board of Recreation and Park Commissioners, Landlord herein, and HOLA COMMUNITY PARTNERS, INC., a California public benefit corporation, Tenant herein, have caused this Lease to be executed as of the date of the attestation by the City Clerk.

**APPROVED AS TO FORM AND
LEGALITY:**

By: _____
City Attorney

DATE: _____

ATTEST:

City Clerk

By: _____
Deputy

DATE: _____

CITY:

CITY OF LOS ANGELES, a municipal
corporation, acting by and through its BOARD
OF RECREATION AND PARK
COMMISSIONERS:

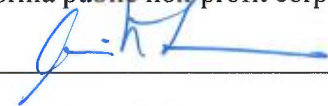
By: _____
President

By: _____
Secretary

Date: _____

TENANT:

HOLA COMMUNITY PARTNERS, a
California public non-profit corporation

By:  _____

Name: Alison Whalen

Its: President

Date: 8-25-17

EXHIBIT "A"

MAP AND LEGAL DESCRIPTION

THE LAND REFERRED TO IS SITUATED IN THE COUNTY OF LOS ANGELES, STATE OF CALIFORNIA, AND IS DESCRIBED AS FOLLOWS:

BEGINNING AT THE MOST EASTERLY CORNER OF LOT 3, BLOCK 25 OF HANCOCK'S SURVEY, IN THE CITY OF LOS ANGELES, COUNTY OF LOS ANGELES, STATE OF CALIFORNIA, AS PER MAP RECORDED IN BOOK 2 PAGE 108 OF MISCELLANEOUS RECORDS, IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY; THENCE SOUTH 28°42'14" WEST ALONG THE SOUTHEASTERLY LINE OF LOT 3, SAID LINE ALSO BEING THE NORTHWESTERLY LINE OF LA FAYETTE PARK PLACE, A DISTANCE OF 64.95 FEET; THENCE NORTH 61°17'46" WEST PERPENDICULAR TO SAID SOUTHWESTERLY LINE OF LOT 3 A DISTANCE OF 82.12 FEET TO THE TRUE POINT OF BEGINNING; THENCE SOUTH 28°52'30" WEST A DISTANCE OF 144.00 FEET TO A POINT THAT IS 82.55 FEET NORTHWESTERLY OF SAID NORTHWESTERLY LINE OF LA FAYETTE PARK PLACE AT RIGHT ANGLES; THENCE NORTH 61°07'30" WEST A DISTANCE OF 163.50 FEET; THENCE NORTH 28°52'30" EAST A DISTANCE OF 144.00 FEET; THENCE SOUTH 61°07'30" EAST A DISTANCE OF 163.50 TO THE TRUE POINT OF BEGINNING.

THE ABOVE DESCRIBED LAND CONTAINS 23,544 SQUARE FEET, MORE OR LESS.

EXHIBIT “B”
ACCESS EASEMENT

[See attached.]

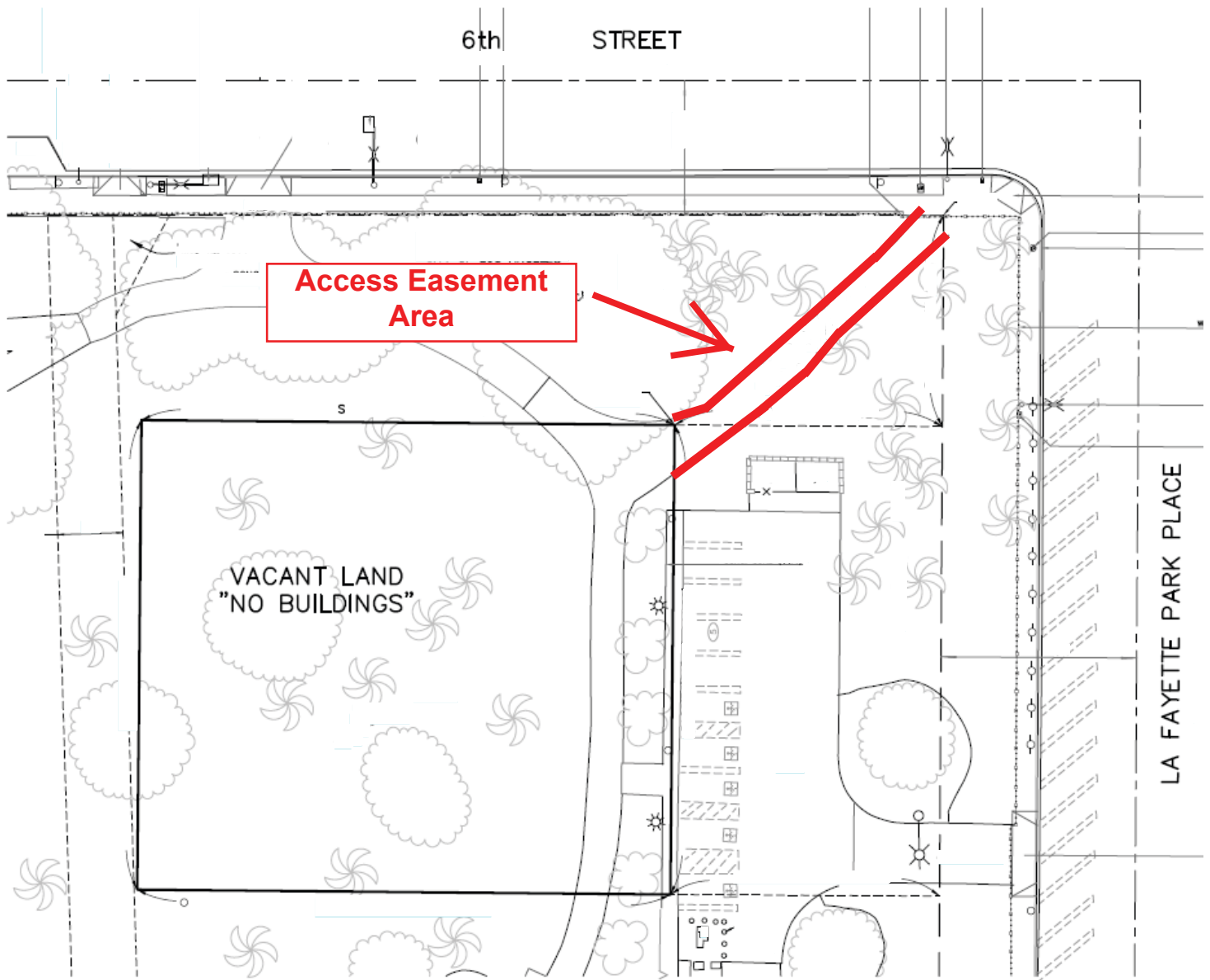


EXHIBIT "C"

MEMORANDUM OF LEASE

RECORDING REQUESTED BY
AND WHEN RECORDED MAIL TO:

CITY OF LOS ANGELES
DEPARTMENT OF RECREATION AND PARKS
c/o Office of the City Attorney
Real Property/Environment Division
700 City Hall East
200 North Main Street
Los Angeles, California 90012

THE UNDERSIGNED TENANT DECLARES:
County Documentary Transfer Tax is \$2,589.95
City Documentary Transfer Tax is \$10,595.25
Documentary Transfer Tax is \$13,185.20

Computed on full value of property conveyed.

**Free recording in accordance with
California Government Code section 6103**

MEMORANDUM OF LEASE

THIS MEMORANDUM OF LEASE ("Memorandum") is made as of September __, 2017, by and between the CITY OF LOS ANGELES, a municipal corporation, acting by and through its Board of Recreation and Parks Commissioners, as Landlord ("CITY") and the HOLA COMMUNITY PARTNERS, a California public benefit non-profit corporation ("HOLA"), with a principal mailing address at 2701 Wilshire Boulevard, Suite 100, Los Angeles, California 90057, as Tenant, who agree as follows:

1. **Term and Premises.** CITY leases to HOLA, and HOLA leases from CITY, the real property located in the City of Los Angeles, County of Los Angeles, State of California, described as:

See Exhibit A attached here.

commonly known as the Lafayette Park Area, for a term of Fifty (50) Years, commencing on or about the date of this Memorandum or the transfer of title for Lafayette Park from the State of California to the City of Los Angeles, whichever is later, on the provisions of the lease between the parties, which lease ("Lease") is dated on the same date as this Memorandum. These provisions are incorporated into this Memorandum by reference.

3. **Provisions Binding on HOLA.** The provisions of the Lease to be performed by HOLA, whether affirmative or negative in nature, are intended to and shall bind Tenant and its successors and assigns at any time, and shall inure to the benefit of City and its successors and assigns.

4. **Provisions Binding on CITY.** The provisions of the Lease to be performed by CITY, whether affirmative or negative in nature, are intended to and shall bind CITY and its successors and assigns at any time, and shall inure to the benefit of HOLA and its successors and assigns.

5. **Purpose of Memorandum.** This Memorandum is prepared for the purpose of recordation, and it in no way modifies the provisions of the Lease.

6. **Reference to Lease for All Purposes.** Reference is hereby made to the entire Lease for any and all purposes. A true copy of the Lease is on file with the City Clerk of the City of Los Angeles, whose office is Room 360, City Hall, 200 North Spring Street, Los Angeles, California 90012.

APPROVED AS TO FORM:

_____, City Attorney

By: SPECIMEN – DO NOT SIGN
City Attorney

DATE: _____

ATTEST:

_____, City Clerk

By: SPECIMEN – DO NOT SIGN
Deputy

DATE: _____

CITY:

CITY OF LOS ANGELES, a municipal corporation, acting by and through its BOARD OF RECREATION AND PARK COMMISSIONERS:

By: SPECIMEN – DO NOT SIGN
President

By: SPECIMEN – DO NOT SIGN
Secretary

DATE: _____

TENANT:

HOLA COMMUNITY PARTNERS, a California public non-profit corporation

By: SPECIMEN – DO NOT SIGN

Name: Alison Whalen

Its: President

DATE: _____

**EXHIBIT A TO MEMORANDUM OF LEASE
LEGAL DESCRIPTION**

THE LAND REFERRED TO IS SITUATED IN THE COUNTY OF LOS ANGELES, STATE OF CALIFORNIA, AND IS DESCRIBED AS FOLLOWS:

BEGINNING AT THE MOST EASTERLY CORNER OF LOT 3, BLOCK 25 OF HANCOCK'S SURVEY, IN THE CITY OF LOS ANGELES, COUNTY OF LOS ANGELES, STATE OF CALIFORNIA, AS PER MAP RECORDED IN BOOK 2 PAGE 108 OF MISCELLANEOUS RECORDS, IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY; THENCE SOUTH 28°42'14" WEST ALONG THE SOUTHEASTERLY LINE OF LOT 3, SAID LINE ALSO BEING THE NORTHWESTERLY LINE OF LA FAYETTE PARK PLACE, A DISTANCE OF 64.95 FEET; THENCE NORTH 61°17'46" WEST PERPENDICULAR TO SAID SOUTHWESTERLY LINE OF LOT 3 A DISTANCE OF 82.12 FEET TO THE TRUE POINT OF BEGINNING; THENCE SOUTH 28°52'30" WEST A DISTANCE OF 144.00 FEET TO A POINT THAT IS 82.55 FEET NORTHWESTERLY OF SAID NORTHWESTERLY LINE OF LA FAYETTE PARK PLACE AT RIGHT ANGLES; THENCE NORTH 61°07'30" WEST A DISTANCE OF 163.50 FEET; THENCE NORTH 28°52'30" EAST A DISTANCE OF 144.00 FEET; THENCE SOUTH 61°07'30" EAST A DISTANCE OF 163.50 TO THE TRUE POINT OF BEGINNING.

THE ABOVE DESCRIBED LAND CONTAINS 23,544 SQUARE FEET, MORE OR LESS.

**EXHIBIT B TO MEMORANDUM OF LEASE
ACCESS EASEMENT**

[See attached.]

EXHIBIT “D”
FORM OF SUBLEASE AGREEMENT

[Attached.]

SUBLEASE AGREEMENT
BY AND BETWEEN
HOLA COMMUNITY PARTNERS
AND
HEART OF LOS ANGELES YOUTH, INC.
FOR THE OPERATION OF
AN ARTS AND RECREATION CENTER IN LAFAYETTE PARK

ARTICLE 1
BASIC SUBLEASE PROVISIONS

1.1 **Parties.** This SUBLEASE AGREEMENT (“Sublease”) is entered into as of September __, 2017 (the “**Effective Date**”), by and between HOLA COMMUNITY PARTNERS, a California nonprofit public benefit corporation, with a principal mailing address at 2701 Wilshire Boulevard, Suite 100, Los Angeles, California 90057, as Sublandlord (“**HOLA**”), and HEART OF LOS ANGELES YOUTH, INC., a California nonprofit public benefit corporation with a principal mailing address at 2701 Wilshire Boulevard, Suite 100, Los Angeles, California 90057, as Subtenant (“**HEART OF LA**”).

1.2 **Recitals.**

1.2.1 HOLA, as Tenant thereunder, and the CITY OF LOS ANGELES, a municipal corporation, acting by and through its Board of Recreation and Parks Commissioners (“**CITY**”), as Landlord thereunder, are parties to that certain Lease Agreement dated as of September __, 2017 (as may be amended from time to time, the “**Lease**”) for the use of certain land within the northwest corner of Lafayette Park, and located on the corner of West Sixth Street and South Lafayette Park Place, Los Angeles, California 90057, as more particularly described in Exhibit A attached hereto and incorporated herein by reference (the “**Premises**”). Capitalized terms used but not otherwise defined herein shall have the meanings ascribed to them in the Lease.

1.2.2 Following the Effective Date, and pursuant to the Lease, HOLA intends to construct on the Premises an arts and recreation center that emphasizes community enrichment, recreation programs and activities for the inner-city youth of Los Angeles (the “**Center**”).

1.2.3 HOLA now desires to enter into this Sublease whereby HEART OF LA, upon the Commencement Date (defined below) shall occupy, operate and manage the Premises and the Center in accordance with the Lease and this Sublease.

1.3 **Relationship to Lease.** HEART OF LA hereby acknowledges that it has received and reviewed the Lease and that the City would not enter into the Lease with HOLA but for HEART OF LA and HOLA entering into this Sublease. HEART OF LA agrees to be bound to the terms of this Sublease and to perform its obligations hereunder as if failure to do so would also

cause HOLA to be in default under the Lease. HOLA and HEART OF LA hereby agree that this Sublease shall be subordinate to, and subject to, the terms of the Lease.

1.4 Definitions in Sublease. When used in this Sublease, or any Exhibits to this Sublease, except where a different definition is clearly and expressly given, the following words or phrases, capitalized as shown, shall mean:

1.4.1 City. The defined term “CITY” shall mean the City of Los Angeles, as Landlord pursuant to the Lease. Except where clearly and expressly provided otherwise in the Lease, any action to be taken by CITY may be taken for CITY by the General Manager as defined in Paragraph 1.4.3. Except where clearly and expressly provided otherwise in the Lease, the capacity of the City of Los Angeles pursuant to the Lease shall be as Landlord, and any benefits, obligations, or restrictions conferred or imposed by the Lease on CITY shall be limited to that capacity and shall not relate to or otherwise affect any activity of the City of Los Angeles in its governmental capacity, including, but not limited to, enacting laws, inspecting structures, reviewing and issuing permits, and all other legislative, administrative, or enforcement functions of the City of Los Angeles pursuant to federal, state, or local law.

1.4.2 Department. The defined term “DEPARTMENT” shall mean the Department of Recreation and Parks of the City of Los Angeles.

1.4.3 General Manager. The defined term “General Manager” shall mean the General Manager of the Department of Recreation and Parks of the City of Los Angeles, or such successor position as the City Council of the City of Los Angeles may designate. The defined term “General Manager” shall also include any person designated by the General Manager to act on behalf of the General Manager.

1.4.4 HEART OF LA. The defined term “HEART OF LA” shall mean Heart Of Los Angeles Youth, Inc., a California nonprofit public benefit corporation

1.4.5 HOLA. The defined term “HOLA” shall mean HOLA Community Partners, a California nonprofit public benefit corporation.

ARTICLE 2

TERM

2.1 Term. This Sublease shall be for an initial term of thirty (30) years (the “**Initial Term**”) beginning on the Commencement Date (as defined herein) and expiring at midnight on the day immediately prior to the thirtieth (30th) anniversary of the Effective Date. HEART OF LA shall have two (2) options to renew this Sublease. The first option to renew shall be for ten (10) years from the date of expiration of the Initial Term (the “**First Renewal Term**”) and the second option to renew shall be from the expiration of the First Renewal Period through the date of expiration of the Lease (the “**Second Renewal Term**,” and collectively with the Initial Term and the First Renewal Term, the “**Term**”). HEART OF LA shall deliver to HOLA written notice that HEART OF LA is exercising its option to renew the Sublease at least one hundred eighty (180) days prior to the expiration of the Initial Term or the First Renewal Term, as applicable. In the event the Lease is cancelled or terminated for any reason, or involuntarily surrendered by operation

of law before the end of the Term hereof, this Sublease shall automatically and concurrently terminate. As soon as practicable following the Effective Date, HOLA and HEART OF LA shall execute and record a memorandum of sublease substantially in the form attached hereto as Exhibit B.

2.2 Delivery of Possession and Commencement Date. Notwithstanding Section 2.1 hereof, HOLA shall not provide HEART OF LA with possession of the Premises until construction of the Center is substantially complete in accordance with the plans and specifications approved by the City and a certificate of occupancy or its substantial equivalent is issued with respect thereto by the governmental authority having jurisdiction for such issuance (the date on which the Premises are so delivered, the “**Commencement Date**”); provided, however, if HOLA fails to commence construction (the “**Construction Commencement Date**”) within thirty-six (36) months after the Effective Date, subject to any extension for Force Majeure, HOLA may terminate this Sublease at any time on or after the thirty-sixth (36th) month following the Effective Date upon sixty (60) days prior written notice to HEART OF LA (which notice may be given only after the end of such thirty-sixth (36th) month), and provided that if HOLA thereafter has commenced good faith construction of the Center prior to the effective date of such notice and diligently pursues such construction thereafter, then such right to terminate shall expire and this Sublease shall remain in full force and effect. Construction shall be deemed to commence on the date HOLA starts physical work on the Premises pursuant to a valid Building Permit from the City of Los Angeles. HEART OF LA’s occupancy of the Premises and the Center on the Commencement Date shall constitute acceptance of the Premises and the Center in its then condition and, from and after the Commencement Date, such occupancy shall be on an “as is” basis.

2.3 Early Termination by Heart of LA. In the event that at any time HEART OF LA is no longer able to carry out the purposes of this Sublease as set forth in this Sublease because of (i) corporate incapacity, (ii) lack of funds, or (iii) changed conditions in general, then HEART OF LA shall have the right to terminate this Sublease upon one (1) year’s prior written notice to HOLA. In the event of the early termination of this Sublease, the provisions of Section 16.1 of this Sublease shall pertain regarding termination.

2.4 Termination – Non-conforming Use. Should the Premises cease to be used for the purpose of an Arts and Recreation Center, or should HEART OF LA cease to operate or exist or maintain its nonprofit corporate status (temporary suspension of status for a period not exceeding one hundred eighty (180) days shall not be considered a failure to maintain status), or should the operations conducted not be in accordance with the statutes of the United States, State of California, the County of Los Angeles, or the City of Los Angeles, or should the Premises, at the reasonable discretion of the BOARD, not be used for purposes of this Sublease as set forth in Article 5, then HOLA may terminate this Sublease pursuant to Paragraph 15.2.1. HOLA’s right to cure pursuant to Paragraph 15.2.1 shall be applicable to this Section 2.4. Should said termination be ordered, HOLA will peaceably surrender the Premises and will comply with all of the requirements of this Sublease with regard to termination.

ARTICLE 3 CONSIDERATION AND FINANCING

3.1 **Consideration.** The consideration for this Sublease shall be the operation of an Arts and Recreation Center as set forth in Article 5 of this Sublease at the Premises, together with the attendant benefits to the youth of the City of Los Angeles and their families, plus the annual rent set forth on Schedule 1 attached hereto (the “**Annual Rent**”). Annual Rent shall be payable on the first business day of each calendar year during the Term of this Sublease.

ARTICLE 4 PREMISES

4.1 **Premises.** Subject to the terms and conditions of this Sublease including, but not limited to Section 2.2 hereof, HEART OF LA hereby subleases from HOLA, and HOLA hereby subleases to HEART OF LA, the Premises. The Premises are subject to all existing easements and any other restrictions of record. The Premises are also subject to future easements or rights-of-way for utilities and uses in accordance with section 594(c)(1) of the City Charter.

4.2 **Reservation of Mineral Rights and Air Rights.** Pursuant to the Lease, CITY has reserved all right, title, and interest in any and all gas, oil, minerals, and water beneath the Premises, below a plane five hundred (500) feet below the surface of the Premises, but without the right to use the surface of the Premises, or any area above a plane five hundred (500) feet below the surface of the Premises, for the extraction of such gas, oil, minerals, and water. CITY also has reserved all right, title, and interest in any and all air rights above the Premises; provided, however, that any use of air rights by CITY shall not interfere with the public’s and HEART OF LA’s ingress and egress to or HEART OF LA’s operation of the Center on the Premises

4.3 **Access Easement.** HOLA hereby grants to HEART OF LA a non-exclusive easement appurtenant to the Premises, as depicted on Exhibit D attached hereto and incorporated herein by reference, for pedestrian access, ingress, and egress by HOLA and its agents, representatives, employees, invitees, visitors, successors and assigns, for the Term of the Sublease.

ARTICLE 5 USE OF PREMISES FOR CENTER

5.1 **Use of Premises.** From and after the Commencement Date, the Premises shall be used in any way that is consistent with HEART OF LA’s current mission of providing enrichment and recreational activities for youth and their families, including for the purpose of an Arts and Recreation Center on a non-profit basis and for operations and functions related to or incidental to such Center, including storage and office space for use by HEART OF LA’s onsite staff members. No offices for CITY or DEPARTMENT will be provided.

5.2 **Operation.** As partial consideration for the use of City-owned property, the Center shall be operated as an Arts and Recreation Center conducted on a nonprofit basis. The facilities of the Center at the Premises shall be open a minimum of five (5) days per week for forty-six (46) weeks per year and will serve the public with the overall operation schedule to be developed by mutual agreement of the General Manager, HOLA, and HEART OF LA (see Section 12.1, regarding obligation after damage or destruction). HEART OF LA shall post its operating

schedule in a conspicuous place near the entrance to the Center and shall adhere to the posted hours of operation. Any changes in said operating schedule shall be posted for a reasonable period in advance of the date on which such changes are to take effect. HEART OF LA shall operate the Center, develop recreational programming, volunteer training, seminars, workshops, special programs, athletics, community outreach programs, special artistic displays, and similar programs and events for the benefit of Los Angeles youth and residents.

5.2.1 Hours of Operation. The overall operating schedule shall be developed by mutual agreement of the General Manager, HOLA, and HEART OF LA. Hours of Operation shall reflect normal park operating hours of Sunrise to 10 p.m., except under such circumstances and conditions as may be approved in writing in advance by the General Manager. HEART OF LA reserves the right to open after normal operating hours, on weekday evenings and/or Sundays for special events with prior permission from HOLA.

5.3 Consideration for DEPARTMENT Programs. HEART OF LA shall give consideration to groups sponsored by the DEPARTMENT that wish to use the Center as a location for meetings or programs when the Center is not open to the public. Members of such groups would be participants of programs at DEPARTMENT facilities. HEART OF LA shall reasonably accommodate DEPARTMENT requests for use of the meeting space in accordance with standard reservation procedures, provided the parties hereby expressly acknowledge and agree, that the following activities shall be prohibited by any occupant of the Premises, including, without limitation the City, Tenant or Department: any trade or business, that is an excluded business under Treasury Regulations 1.45D-1(d)(5)(ii) or (iii), including without limitation, any one or more of the following: any private or commercial golf course, country club, massage parlor, hot tub facility, suntan facility, racetrack or other facility used for gambling, or any store the principal business of which is the sale of alcoholic beverages for consumption off premises, the ownership or operation of “residential rental property” (as defined in Section 168(e)(2)(A) of the Code, any trade or business consisting predominantly of the development or holding of intangibles for sale or license, and any trade or business the principal activity of which is farming (within the meaning of section 2032A(e)(5)(A) or (B) of the Code).

5.4 Security. HEART OF LA shall, at its sole cost and expense, provide for reasonable precautions to protect the security and safety of the Premises, contents contained therein, and all those who enter the Premises. In the event of an injury to a person on said Premises or in the event of an emergency situation, HEART OF LA shall make reasonable efforts to ensure that the injured person or emergency receives prompt and qualified attention. Neither HOLA nor CITY shall be obligated under this Sublease to provide any security for the Premises, contents contained therein, or persons who enter the Premises. No person may live on the Premises (*i.e.*, use Center or Premises as a home or living quarters) except during declared emergencies.

5.5 Alcoholic Beverages. The dispensing of beer, wine, or other intoxicating liquors shall not be permitted, except under such circumstances and conditions as may be approved in writing in advance by the General Manager.

5.6 Signs and Advertising. Signage on the Premises and advertising shall be governed as follows:

5.6.1 Commercial Signs. No commercial advertising signs of any kind or type may be displayed at the Premises without the prior written approval of the General Manager in his or her discretion.

5.6.2 Donor and Related Signage. Donor signage and signs denoting building/area names shall be allowed. The cooperation between HEART OF LA and CITY shall be recognized in a mutually agreed to manner in all signage and promotions relating to the facilities at the Premises.

5.7 Special Events. HEART OF LA may conduct certain special program-related, fundraising, or community events outside normal operating hours with the prior written approval of the General Manager, which shall not be unreasonably withheld or delayed, and in compliance with all policies and procedures heretofore and hereafter adopted by the CITY. HEART OF LA shall provide for and assume all costs and expenses for additional personnel and/or facilities that the General Manager deems necessary to accommodate said special event. For the avoidance of doubt, special events conducted pursuant to this Section 5.7 shall not include “rental events” such as weddings, quinceañeras, bar mitzvahs, birthday parties, or other events that are unrelated to HEART OF LA’s programs and services.

5.8 Ancillary Income. During the Term, in the event HEART OF LA obtains income from uses of the Premises which are ancillary to the uses contemplated under this Sublease (*e.g.*, uses contemplated in Section 5.1 herein), HEART OF LA shall use such income only for such purposes as are consistent with the nonprofit activities permitted with respect to the use of the Premises. Any receipt of such income shall be reported to HOLA and CITY in the annual report required pursuant to Section 8.1, and HEART OF LA, if requested by HOLA or the General Manager, shall provide HOLA or the General Manager, as applicable, with such accountings as HOLA or the General Manager shall reasonably require to demonstrate compliance with this Section 5.8. Nothing in this Section shall be construed to permit uses of the Premises not otherwise allowed under the provisions of this Sublease, nor shall anything in this Section be construed to negate or modify any requirement for prior approval of activities.

5.9 Review of Functions and Operations. On an annual basis, or as deemed reasonably necessary by either HEART OF LA or HOLA, HOLA may request that representatives of the parties confer to evaluate adequacy of the functional, operational and maintenance responsibilities of each party, as stipulated in this Sublease, and make such adjustments as they deem necessary.

ARTICLE 6 MAINTENANCE AND REPAIR OF CENTER

6.1 HEART OF LA’s Responsibilities. HEART OF LA shall keep and maintain, at HEART OF LA’s sole cost and expense, the Premises and Center and all other improvements on the Premises in good condition and repair during the entire Term of this Sublease. HEART OF LA shall be responsible for providing all security, maintenance, and custodial services as are required in the Premises. HEART OF LA shall pay the cost of all such services. Security, maintenance, and custodial services shall be maintained at a customary and usual level for similar facilities in the Los Angeles area, except where specific levels of service are provided in this

Sublease or are reasonably imposed by HOLA or the General Manager, in which case those levels of service shall apply. The condition and state of repair covering the entire Premises, the buildings or other structures on the Premises, interior, exterior, and all access areas thereto, shall at all times be, without limitation, as follows: safe and free from hazard; free of rodents, insects and other pests; free from unsightly signs, displays, markings, and graffiti; free from litter and debris; free from abandoned personal items or personal items left longer than twenty-four (24) hours; all plumbing, electrical, heating, cooling and other systems in good operating condition and free from hazard of obstruction of any kind; sidewalks, fencing, landscaping, and play and parking areas in neat and safe condition; all areas adequately illuminated; and all areas well painted and in such condition as not to detract from the surrounding neighborhood. HOLA and CITY shall have the right to inspect the Premises for compliance under this Section 6.1 pursuant to Section 9.3.

6.2 HOLA Not Obligated To Repair. Except as provided expressly in this Sublease, in no event shall HOLA be required or obligated to perform any maintenance or to make any repairs, changes, alterations, additions, improvements or replacements of any nature whatsoever, on the Premises or the improvements thereon, or any part thereof, at any time during the Term. Moreover, nothing contained in this Sublease shall be construed as requiring HOLA to make any repairs or to do any maintenance necessitated by reason of the negligence of HEART OF LA or anyone claiming under HEART OF LA, or by reason of the failure of HEART OF LA to observe or perform any conditions, covenants or agreements contained in this Sublease, or by reason of any damage to or destruction of other property caused by any improvements, alterations or additions made by HEART OF LA or anyone claiming through HEART OF LA.

6.3 Refuse and Trash. HEART OF LA shall keep the Premises clean and sanitary at all times. No refuse matter, nor any substance constituting an unnecessary, unreasonable or unlawful fire hazard, or material detrimental to the public health, shall be permitted or allowed to remain thereon, and HEART OF LA shall take all reasonable precautions to prevent any such matter or material from being or accumulating upon the Premises. HEART OF LA shall provide for the collection and removal of all garbage and/or refuse and abandoned personal items or personal items left longer than twenty-four (24) hours from the Premises as often as is necessary and in no case less than twice weekly. HEART OF LA shall furnish all equipment and materials therefor, including trash receptacles of a size, type and number approved by CITY for use by the public. HEART OF LA shall provide an enclosed area concealing trash storage from public view. HEART OF LA shall, during the Term of this Sublease or any extension thereof and at HEART OF LA's sole cost and expense, conduct a recycling program on the Premises in conjunction with the CITY Facilities Recycling Program of the City of Los Angeles, or any similar program subsequently implemented. Such program will include all materials which may be reasonably recycled (*e.g.*, white paper, mixed paper, newspaper, aluminum cans, and plastic and glass containers).

6.4 Safety Deficiencies. HEART OF LA shall promptly correct all safety deficiencies and violations of safety practices of which it has or should have knowledge and shall cooperate fully with HOLA and CITY in the investigation of accidents occurring on the Premises. In the event of injury to a patron, HEART OF LA shall use its best efforts to provide or cause to be provided prompt and qualified medical attention to the injured person; provided, however, that nothing in this Section is intended to confer any third-party beneficiary status on any person not a party to this Sublease. As soon as possible thereafter, HEART OF LA shall submit to HOLA and

to CITY a “Non-Employee Accident or Illness Report” on the then-current standard form specified by the CITY or make such other report as CITY may reasonably require.

6.5 Failure to Perform Maintenance. In the event HEART OF LA does not perform maintenance or repairs such that the improvements on the Premises, or any portion thereof, are no longer suitable for use by the public or other occupancy, as determined by either CITY, HOLA or HEART OF LA, or that the improvements on the Premises, or any portion thereof, are not in compliance with applicable federal, state, or local laws on or after the date provided for such compliance, in each case beyond applicable notice and cure periods, HOLA, at its sole discretion, may:

6.5.1 Perform or have performed the necessary remedial work at HEART OF LA’s expense;

6.5.2 Terminate this Sublease in accordance with Paragraph 15.2.1; or

6.5.3 Require the immediate vacation of all of the improvements on the Premises or, at the sole discretion of HOLA, a portion of the improvements on the Premises until such time as such maintenance or repairs are complete or such time as the improvements on the Premises are in compliance with such laws, as the case may be. The remedy provided in this Paragraph 6.5.3 may be used independently or in conjunction with the remedies provided in either Paragraph 6.5.1 or Paragraph 6.5.2.

6.6 Effect of Inspections or Approvals. Wherever in this Sublease inspections or approvals are required from HOLA in its role as Sublandlord under this Sublease or by CITY in its role as Landlord under the Lease (including from the General Manager), such inspections or approvals are additional to, and are not in lieu of, any inspections or approvals otherwise required under any applicable ordinance, regulation, or statute. Such inspections or approvals by HOLA or CITY are discretionary acts and shall not impose any liability on HOLA or CITY to third persons nor to HEART OF LA, and, in addition, shall not obligate HOLA nor CITY for any costs or expenses related to the construction, improvement, or maintenance of any building or other structure at the Premises.

ARTICLE 7 UTILITIES, SEWERS AND STORM DRAINS

7.1 Utilities. HEART OF LA shall install and pay all charges associated with the installation of electricity, natural gas, sewer, water, telephone services, and other services and utilities as well as all periodic fees for said services.

7.2 Sewers and Storm Drains. Sewage lines and storm drainage lines which were constructed in connection with the improvements on the Premises are the responsibility of HEART OF LA, which shall maintain and repair such sewage lines and storm drainage lines at HEART OF LA’s sole cost and expense. To the extent that there are sewage lines and storm drainage lines within the boundaries of the Premises which predate this Sublease or which were installed by CITY (other than for exclusive use of the Center): (i) CITY retains an easement across the Premises for such sewage lines and storm drainage lines, including the right to access such lines for the purpose of inspection, repair, and relocation, and HEART OF LA shall not construct any

improvements over such sewage lines or storm drainage lines without the prior written consent of the General Manager, which shall be at the General Manager's sole discretion, and (ii) CITY shall maintain and repair such sewage lines and storm drainage lines pursuant to Section 7.2 of the Lease. In the event that sewer and/or drainage lines (if any) within the boundaries of the Premises are replaced, repaired or relocated as an element of a City of Los Angeles project not related to the Center, pursuant to Section 7.2 of the Lease, CITY shall restore, at its sole cost and expense, any landscaping and ground conditions to the state existing prior to such activity.

ARTICLE 8 REPORTS AND AUDITS

8.1 **Report to HOLA and CITY.** Not later than twelve (12) months following the Effective Date, and thereafter annually, HEART OF LA shall provide a copy of its annual report, which includes the financial, organizational, and programmatic activities of HEART OF LA to HOLA and to the General Manager. HEART OF LA shall provide such additional information as HOLA or the General Manager may reasonably request.

8.2 **Business Records.** HOLA and CITY maintain an interest in assuring that the facilities it provides at no or minimal rent are being operated in a manner consistent with HOLA and CITY's intent. Accordingly, HEART OF LA shall maintain to HOLA and to the City's reasonable satisfaction a method of accounting of all the receipts and disbursements in connection with the Premises and other facilities, if any, operated by HEART OF LA jointly with the Premises which shall correctly and accurately reflect the gross receipts and disbursements received or made by HEART OF LA (and, where feasible, which indicate the gross receipts and disbursements received or made by HEART OF LA from the operation of the Center and other activities on the Premises). Nothing in this Section shall require HEART OF LA to maintain separate accounts or business records from its operations at the Premises or any other location which HEART OF LA may operate during the Term of this Sublease.

8.3 **Inspection and Audit of Records by HOLA and CITY.** All documents, books and accounting records required to be maintained or retained under this Article shall be open for inspection and re-inspection by HOLA and CITY with reasonable prior notice during regular operating hours during the Term of this Sublease and for a period of ten (10) years thereafter. In addition, HOLA and CITY may from time to time conduct, at HOLA or CITY's sole cost and expense, as applicable, an audit or re-audit of the books and business conducted by HEART OF LA with respect to HEART OF LA's operations from the Premises and observe the operation of business so that accuracy of the above records can be confirmed.

ARTICLE 9 COMPLIANCE WITH ALL LAWS AND REGULATIONS

9.1 **Federal, State and Local Laws.** HEART OF LA agrees that in achieving its goals as set forth in this Sublease, it will comply with all applicable laws, ordinances, rules and regulations enacted or promulgated or which are enacted or promulgated in the future by the City of Los Angeles, the County of Los Angeles, the State of California, and the Federal Government. HEART OF LA shall also adhere to all rules and regulations that have been adopted or that may

be adopted by the BOARD or any successor department, board or commission having jurisdiction over the Premises.

9.2 **Compliance with Americans with Disabilities Act.** HEART OF LA agrees that as between HEART OF LA and HOLA, HEART OF LA shall be responsible for compliance, including all costs of compliance, with the Americans with Disabilities Act of 1990 (42 U.S.C. § 12101, *et seq.*) and any and all other federal, state, and local laws related to the accessibility of the Premises to persons with disabilities (“**Accessibility Laws**”); provided, however, that HOLA agrees it shall be responsible for designing and constructing the Center in compliance with all Accessibility Laws.

9.3 **Right of Entry.** Each of CITY, the General Manager, and HOLA, and each of their authorized representatives, agents and employees shall have the right to enter upon the Premises at any and all reasonable times within operating hours for the purposes of inspection and observation of HEART OF LA’s operations. CITY and HOLA shall endeavor to conduct such inspections and observations in a manner calculated to minimize disruption to the use and enjoyment of the Premises by HEART OF LA, its employees, and patrons. Said inspections may be made by persons identified to HEART OF LA as CITY or HOLA employees or by independent contractors engaged by CITY or HOLA. Inspections of areas not open to the general public shall be made with reasonable prior notice (except in the case of emergency, where no notice is required).

9.4 **Operating Permits and Licenses.** HEART OF LA shall obtain, at its sole cost and expense, any and all permits or licenses that may be required in connection with its operations including, but not limited to, tax permits, business licenses, and health permits.

ARTICLE 10 INSURANCE

10.1 **Insurance.** From and after the Commencement Date, HEART OF LA shall furnish HOLA and CITY with evidence of insurance as required to be procured and maintained by HOLA under Section 10.1 of the Lease.

10.2 Intentionally deleted.

10.3 **Failure to Maintain Insurance.** HEART OF LA’s failure to procure or maintain required insurance shall constitute a material breach of this Sublease under which HOLA may immediately terminate this Sublease, or, at its discretion, procure or renew such insurance to protect HOLA’s interest and pay any and all premiums in connection therewith, and recover all monies so paid from HEART OF LA. If HOLA elects to terminate this Sublease, HEART OF LA agrees to immediately cease all operations and activities under this Sublease and to peacefully surrender the Premises.

10.4 **Indemnification/Hold Harmless.** Except for the gross negligence or willful misconduct of HOLA, or any of its Boards, Officers, Agents, Employees, Assigns and Successors in Interest, HEART OF LA undertakes and agrees to defend, indemnify and hold harmless HOLA and City and any of their Boards, Officers, Agents, Employees, Assigns, and Successors in Interest from and against all suits and causes of action, claims, losses, demands and expenses, including,

but not limited to, attorney's fees and cost of litigation, damage or liability of any nature whatsoever, for death or injury to any person, including HEART OF LA's employees and agents, or damage or destruction of any property of either party hereto or of third parties, arising in any manner incident to the performance of this Sublease by HEART OF LA or its subcontractors of any tier. The provisions of this paragraph survive expiration or termination of this Sublease.

ARTICLE 11 IMPROVEMENTS

11.1 Improvements. All improvements constructed on the Premises by HEART OF LA at any time and from time to time during the Term shall be owned by HEART OF LA during the Term (including any extension thereof). Upon the expiration or termination of this Sublease, HEART OF LA shall surrender the improvements in accordance with the terms and provisions of Article 16 below.

11.2 Equipment. The Center contains certain furniture, fixtures and equipment, including trade fixtures and audio visual equipment owned by HOLA as described on Exhibit C attached hereto (the "**Equipment**"). As an inducement to entering into this Sublease on the terms and conditions set forth herein, on the Effective Date, HOLA shall make available to HEART OF LA the Equipment, as necessary for HEART OF LA to operate the Center as set forth in this Sublease. HOLA makes no representations or warranties of any kind, including without limitation, as to performance, condition, existence, fitness or suitability for HEART OF LA's purposes of any Equipment and upon payment of the first installment of rent hereunder, HEART OF LA shall be deemed to have accepted and approved the Equipment. The Equipment shall, at all times, be property of HOLA. HOLA shall replace Equipment owned by HOLA as the Equipment wears out and is no longer economically useful, as reasonably determined by HOLA. With respect to the Equipment, this Sublease is and is intended to be a lease of personal property for all purposes. HEART OF LA does not acquire any right, title or interest in or to any Equipment, except the right to use and possess the same under the terms of this Sublease. HEART OF LA shall be responsible for any repairs and maintenance of its own furniture, fixtures and equipment and shall not be responsible for the repair or maintenance of the Equipment. In consideration for the leasing of the Equipment by HOLA, HEART OF LA agrees to pay rent for the Equipment as specified on Schedule 1.

ARTICLE 12 DAMAGE

12.1 Damage. Except as otherwise provided in this Sublease, if the improvements located on the Premises are damaged and such damage was caused by fire or other peril covered by HEART OF LA's insurance, HEART OF LA agrees to repair such damage to the extent set forth in this Section, and this Sublease shall continue in full force and effect. If (1) such improvements are damaged as the result of any cause other than perils covered by HEART OF LA's insurance, or (2) during the Second Renewal Term of this Sublease such improvements are damaged as a result of fire or other peril covered by HEART OF LA's insurance, and the cost to repair such damage (as determined by HEART OF LA in good faith) shall exceed fifteen percent (15%) of the full replacement cost of the improvements, then HEART OF LA may, at HEART OF LA's option, either (i) repair such damage as soon as reasonably practicable at HEART OF LA's

sole cost and expense, in which event this Sublease shall continue in full force and effect, or (ii) give written notice to HOLA within ninety (90) days after the date of occurrence of such damage of HEART OF LA's intention to cancel and terminate this Sublease thirty (30) days after written notice of the intention to cancel and terminate. Upon such termination, HEART OF LA shall, at HOLA's sole cost and expense, if requested by HOLA, complete demolition of the damaged Center or other damaged improvement and re-landscape the Premises to match the then current design and operations of the park. All plans for the re-landscaping shall be prepared by HOLA and must be submitted to the BOARD for prior approval. Notwithstanding the foregoing, while any Leasehold Mortgage remains outstanding, the use of insurance proceeds following a casualty and the determination to replace any damaged improvements shall be governed by the Leasehold Mortgage and any documents related to such Leasehold Mortgage. Notwithstanding the foregoing, while any Leasehold Mortgage remains outstanding, the use of insurance proceeds following a casualty and the determination to replace any damaged improvements shall be governed by the Leasehold Mortgage and any documents related to such Leasehold Mortgage.

ARTICLE 13 INTENTIONALLY DELETED

ARTICLE 14 HAZARDOUS MATERIALS

14.1 Hazardous Materials. HOLA and HEART OF LA agree as follows with respect to the existence or use of Hazardous Material (as defined in Paragraph 14.1.3) on the Premises:

14.1.1 Prohibition. HEART OF LA shall not cause or permit any Hazardous Material to be brought upon, kept or used in or about the Premises by HEART OF LA, its agents, employees, contractors or invitees in violation of law or in quantities which would require reporting to a governmental entity, without the prior written consent of the General Manager, acting at the General Manager's sole discretion. If HEART OF LA breaches the obligations stated in the preceding sentence, or if the presence of Hazardous Material on the Premises caused or permitted by HEART OF LA results in contamination of the Premises, or if contamination of the Premises by Hazardous Material otherwise occurs for which HEART OF LA is legally liable to HOLA for damage resulting therefrom, then, HEART OF LA shall indemnify, hold HOLA harmless, and defend HOLA (with counsel reasonably acceptable to HOLA) from any and all claims, judgments, damages, penalties, fines, costs, liabilities or losses (including, without limitation, diminution in value of the Premises, damages for the loss or restriction on use of rentable or usable space or of any amenity of the Premises, damages arising from any adverse impact on marketing of space on the Premises, and sums paid in settlement of claims, attorneys' fees, consultant fees and expert fees) which arise during or after the Term as a result of such contamination. This indemnification of HOLA by HEART OF LA includes, without limitation, costs incurred in connection with any investigation of site conditions or any cleanup, remedial, removal or restoration work required by any federal, state or local governmental agency or political subdivision because of Hazardous Material present in the soil or ground water on or under the Premises. Without limiting the foregoing, if the presence of any Hazardous Material on the Premises caused or permitted by HEART OF LA results in any contamination of the Premises, HEART OF LA shall promptly take all actions at its sole cost and expense

as are necessary to return the Premises to the condition existing prior to the introduction of any such Hazardous Material to the Premises; provided that HOLA's approval of such actions shall first be obtained, which approval shall not unreasonably be withheld so long as such actions would not potentially have any material adverse long-term or short-term effect on the Premises. However, the foregoing provisions shall not prohibit HEART OF LA from transportation to and from, and the use, storage, maintenance, and handling within, the Premises of substances customarily used in connection with normal office or recreational center use provided: (a) such substances shall be used and maintained only in such quantities as are reasonably necessary for the permitted use of the Premises set forth in Section 5.1 of this Sublease, strictly in accordance with applicable laws and the manufacturers' instructions therefor; (b) such substances shall not be disposed of, released, or discharged at the Premises, and shall be transported to and from the Premises in compliance with all applicable laws, and as HOLA shall reasonably require; (c) if any applicable law or the trash removal contractor requires that any such substances be disposed of separately from ordinary trash, HEART OF LA shall make arrangements at HEART OF LA's expense for such disposal directly with a qualified and licensed disposal company at a lawful disposal site, and shall ensure that disposal occurs frequently enough to prevent unnecessary storage of such substances on or around the Premises; and (d) any remaining such substances shall be completely, properly, and lawfully removed from the Premises upon expiration or earlier termination of this Sublease. The provisions of this paragraph survive expiration or termination of this Sublease.

14.1.2 Intentionally deleted.

14.1.3 **"Hazardous Material" – Definition.** As used herein, the defined term "Hazardous Material" means any chemical, substance, material, or waste or component thereof the presence of which requires investigation or remediation under any federal, state, or local statute, regulation, ordinance, order, action, policy, or common law, or which is now or hereafter listed, defined, or regulated as a flammable explosive, radioactive material, hazardous or toxic chemical, substance, material or waste or component thereof (whether injurious by themselves or in conjunction with other materials) by any federal, state, or local governing or regulatory body having jurisdiction, or which would trigger any employee or community "right-to-know" requirements adopted by such body, or for which any such body has adopted any requirements for the preparation or distribution of a material safety data sheet. "Hazardous Material" includes, without limitation, any material or substance which is: (e) defined as a "hazardous waste," "extremely hazardous waste" or "restricted hazardous waste" under Sections 25115, 25117 or 25122.7, or listed pursuant to Section 25140, of the California Health and Safety Code, Division 20, Chapter 6.5 (Hazardous Waste Control Law); (f) defined as a "hazardous substance" under Section 25316 of the California Health and Safety Code, Division 20, Chapter 6.8 (Carpenter-Presley-Tanner Hazardous Substance Account Act, California Health and Safety Code Section 25300, *et seq.*); (g) defined as a "hazardous material," "hazardous substance," or "hazardous waste" under Section 25501 of the California Health and Safety Code, Division 20, Chapter 6.95 (Hazardous Materials Release Response Plans and Inventory, California Health and Safety Code Section 25500, *et seq.*); (h) defined as a "hazardous substance" under Section 25281 of the California Health and Safety Code, Division 20, Chapter 6.7 (Underground Storage of Hazardous Substances, California

Health and Safety Code Section 25280, *et seq.*); (i) petroleum; (j) asbestos; (k) defined as a “hazardous constituent,” “hazardous material,” “hazardous waste,” or “toxic waste” under Article 2 of Chapter 10 (Section 66260.10) or defined as a “hazardous waste” under Article 1 of Chapter 11 (Section 66261.3) of Title 22 of the California Code of Regulations, Division 4.5 (Environmental Health Standards for the Management of Hazardous Waste, 22 C.C.R. Section 66001, *et seq.*); (l) designated as a “hazardous substance” pursuant to Section 311 (33 U.S.C. § 1321) of the Clean Water Act of 1977, as amended (Federal Water Pollution Control Act, 33 U.S.C. § 1251, *et seq.*); (m) defined as a “hazardous waste” pursuant to Section 1004 (42 U.S.C. § 6903) of the Federal Resource Conservation and Recovery Act of 1976, as amended (RCRA, 42 U.S.C. § 6901, *et seq.*); (n) defined as a “hazardous substance” pursuant to Section 101 (42 U.S.C. § 9601) of the Comprehensive Environmental Response, Compensation and Liability Act of 1980, as amended (CERCLA, 42 U.S.C. § 9601, *et seq.*); or (o) defined as “hazardous material” under Section 103 (49 U.S.C. § 1802) of the Hazardous Materials Transportation Act (49 U.S.C. § 1801, *et seq.*); or as such laws may be amended from time to time, and the regulations adopted and publications promulgated pursuant to such laws.

14.1.4 Disposal of Hazardous Material. If HEART OF LA disposes of any soil, material or groundwater contaminated with hazardous material, HEART OF LA shall provide HOLA and CITY copies of all records including a copy of each uniform hazardous waste manifest indicating the quantity and type of material being disposed of, the method of transportation of the material to the disposal site and the location of the disposal site. Except where presence of Hazardous Material predated this Sublease, HOLA and CITY shall not appear on any manifest document as a generator of such material disposed of by HEART OF LA.

14.1.5 Hazardous Material Tests. Any tests required of HEART OF LA by this Article shall be performed by a State of California Department of Health Services (or successor entity) certified testing laboratory satisfactory to CITY. By signing this Sublease, HEART OF LA hereby irrevocably directs any such laboratory to provide HOLA and CITY, upon written request from HOLA or CITY, as applicable, copies of all of its reports, test results, and data gathered. As used in this Article, the term “HEART OF LA” includes agents, employees, contractors, subcontractors, and/or invitees of HEART OF LA.

14.1.6 Notice of Hazardous Substances. California Health and Safety Code section 25359.7(a) requires any owner of nonresidential real property who knows, or has reasonable cause to believe, that any release of hazardous substance has come to be located on or beneath that real property to, prior to the lease or rental of that real property or when the presence of such release is actually known, give written notice of that condition to the lessee or renter. California Health and Safety Code section 25359.7(b) requires any tenant of real property who knows, or has reasonable cause to believe, that any release of hazardous substance has come to be located on or beneath that real property to give written notice of such condition to the owners. HEART OF LA and HOLA shall comply with the requirements of section 25359.7 and any successor statute thereto and with all other statutes, laws, ordinances, rules, regulations and orders of governmental authorities with respect to hazardous substances.

ARTICLE 15

DEFAULT AND CANCELLATION

15.1 Events of Default. The following occurrences are “Events of Default”:

15.1.1 Breach of Sublease. HEART OF LA materially breaches or fails in the performance of any of the provisions or conditions of this Sublease, except for failure to pay the Annual Rent as required in Section 3.1, which shall not be considered an Event of Default; or

15.1.2 Failure to Conform to Laws. HEART OF LA fails to conform to applicable laws, rules or regulations.

15.1.3 Mortgages, Mechanics’ and Materialmen’s Liens. HEART OF LA fails to keep the Premises and the Center free from mortgage liens or other liens arising out of work performed, materials furnished or obligations incurred by HEART OF LA, including, but not limited to mechanics’ or materialmen’s liens.

15.2 Default – HOLA’s Remedies. If any one or more Events of Default set forth in Section 15.1 occurs, then HOLA may, at its election, without any further notice to or authorization from HEART OF LA, and without waiving its rights at any time to select any other remedy provided in this Section, elsewhere in this Sublease, if applicable, or under law, do any one or more of the following:

15.2.1 Termination of Sublease. HOLA may give HEART OF LA written notice of such Event of Default. If HEART OF LA does not cure said default within thirty (30) days after notice, subject to Force Majeure, HOLA may deliver a second written notice to HEART OF LA, after which, if HEART OF LA fails to cure said default within an additional thirty (30) days, subject to Force Majeure, or such longer period as is reasonably necessary to remedy such default but, in no case longer than an additional ninety (90) days, provided that HEART OF LA shall continuously and diligently pursue such remedy at all times until such default is cured, HOLA may terminate this Sublease and HEART OF LA shall vacate the Premises and comply with Section 16.1. If HOLA does not cure said default within the initial thirty (30) days after notice, HOLA shall owe CITY then-current fair-market monthly rent as determined by CITY in its good faith and reasonable discretion for each month until such default is cured; and/or

15.2.2 Recovery at Law. HOLA may recover at law any and all claims which may be due HOLA; and/or

15.2.3 Self-help. HOLA may perform such work as it deems necessary to cure said Event of Default and charge HEART OF LA for the cost of labor and materials expended. HOLA shall provide HEART OF LA with reasonably detailed invoice for the labor and materials expended, plus administrative overhead, and HEART OF LA shall pay the full sum of the invoice within sixty (60) days of HEART OF LA’s receipt of the invoice. In the event HEART OF LA disputes any of the charges on the invoice or HEART OF LA’s obligation to pay for any or all of the items, HEART OF LA shall pay the full sum

of the invoice within the sixty (60) day period, subject to prompt reimbursement from HOLA to the extent HEART OF LA prevails on any items in dispute.

The specified remedies to which HOLA may resort under the provisions of this Sublease are cumulative and not intended to be exclusive of any other remedies afforded by law.

15.3 Failure to Pay Annual Rent. If HEART OF LA fails to pay Annual Rent in accordance with Section 3.1, then HOLA may, after giving HEART OF LA written notice and at least thirty (30) days to cure at its election, without any further notice to or authorization from HEART OF LA, and without waiving its rights at any time to select any other remedy provided in this Section, do any one of the following:

15.3.1 Specific Performance. HOLA may file with the appropriate court of competent jurisdiction an action for specific performance under this Sublease. In the event HOLA pursues this remedy, and if HOLA prevails in such action for specific performance, then HOLA shall be entitled to recover from HEART OF LA any and all costs and attorney's fees incurred by the HOLA in connection with such action, including without limitation costs of in-house attorneys.

15.3.2 Other Remedies. HOLA is entitled to pursue any other remedies afforded by law, provided that, notwithstanding any remedy to the contrary afforded by law, so long as the Center is being operated by HEART OF LA in accordance with Article 5 of this Sublease, HOLA shall not terminate this Sublease as a result of or as a remedy for the failure to pay Annual Rent, unless it has identified a replacement tenant to assume the obligations of HEART OF LA under this Sublease, which replacement tenant satisfies the following requirements:

15.3.2.1 such replacement tenant is a non-profit organization or other similar group or organization for any community-oriented mission consistent with or complementary to the park purpose mandated by this Sublease; and

15.3.2.2 such replacement tenant has been approved by the BOARD.

15.4 No Waiver. The conduct of either party or the acceptance of all or part of any payment by HOLA after an Event of Default for any period after an Event of Default shall not be deemed a waiver of any rights and remedies, nor a waiver of the default of the same or any other provision, covenant or condition. Waiver by either HOLA or HEART OF LA of any breach by the other of any covenant, condition or obligation herein contained or failure by either HOLA or HEART OF LA to exercise any right or remedy in respect of any such breach shall not constitute a waiver or relinquishment for the failure of any such covenant, condition or obligation or of any subsequent breach of any such covenant, condition or obligation nor bar any right or remedy of HOLA or HEART OF LA in respect of any such subsequent breach.

15.5 Default by HOLA. In the event HOLA defaults in the performance of any of the provisions or conditions of this Sublease, and if a written notice of such default is issued to HOLA by HOLA, and if HOLA does not commence to cure said default within sixty (60) days of receipt of said notice, subject to Force Majeure, HEART OF LA may immediately terminate this Sublease and/or obtain specific performance.

ARTICLE 16

SURRENDER OF PREMISES

16.1 Surrender of Premises. Except as noted in Sections 12.1 and 13.4 above, upon termination of this Sublease, should HEART OF LA and the HOLA not enter into a new Sublease of the Premises, HEART OF LA shall quit and surrender possession of the Premises to HOLA in good and usable condition, subject to normal wear and tear, including surrender of the improvements (without representation or warranty, on an “as is, where is” basis). Any improvements which have been constructed or erected on the Premises shall, upon termination of this Sublease, become the property of HOLA. HEART OF LA’s personal property and fixtures related thereto, and all property described in Section 11.1 shall remain the property of HEART OF LA or its assigns and may be removed by HEART OF LA from the Premises upon termination of this Sublease. Should HEART OF LA fail to remove such property, improvements, or fixtures after the termination of this Sublease, HOLA may, at HOLA’s option: (1) retain all or any of such property, and title thereto shall thereupon vest in HOLA; or (2) remove the same, in which event HEART OF LA shall pay to HOLA upon demand the reasonable costs of such removal.

16.2 No Implied Surrender. HEART OF LA agrees on the last day of the Term, or on the earlier termination of this Sublease, to surrender the Premises, including all then existing improvements. No act or thing done by HOLA during the Term shall be deemed an acceptance of a surrender of the Premises, and no agreement to accept such surrender shall be valid unless in writing and signed by HOLA.

16.3 Failure to Surrender. If HEART OF LA fails to surrender the Premises, together with the improvements thereon, upon the termination of this Sublease, HEART OF LA agrees to indemnify and hold harmless HOLA from and against any loss or liability, including costs and reasonable attorney’s fees, resulting from such failure to surrender, including, but not limited to, any claims made by any succeeding tenant based on or resulting from such failure to surrender. Nothing herein contained shall be construed as consent to any occupancy or possession of any portion of the Premises and the improvements thereon by HEART OF LA beyond the expiration of the Term or the earlier termination of this Sublease.

ARTICLE 17

ASSIGNMENT AND BANKRUPTCY

17.1 Assignment and Subletting. HEART OF LA shall not have a right to assign or to sub-sublet the Premises, or any part thereof, except in HOLA’s sole and absolute discretion subject to CITY’s prior written consent of the BOARD, which consent may not be unreasonably withheld, conditioned, or delayed.

17.2 Bankruptcy. To the extent permitted by law, neither this Sublease nor the rights herein granted shall be assignable or transferable by any process or proceedings in any court, or by attachment, execution, proceedings in insolvency or bankruptcy either voluntary or involuntary, or receivership proceedings. To the extent the previous sentence is not permitted by law, in the event that HEART OF LA shall be adjudicated a bankrupt, or become involved in any proceedings under the bankruptcy laws of the United States or the receivership laws of the State of California, or if the subleasehold interest created by this Sublease or any improvements constructed pursuant

to this Sublease are transferred due to operations of law, including, without limitation, the enforcement of a judgment, the trustee in bankruptcy, the receiver, the assignee, or the judgment purchaser shall be bound by all provisions of this Sublease, including, without limitation, the requirement that the Premises be operated as a nonprofit arts and recreation center (Section 5.1).

ARTICLE 18 CONDEMNATION

18.1 **Condemnation.** Should any or all of the Premises be acquired for public use under the power of eminent domain or by purchase in lieu thereof, CITY shall be entitled to all compensation and severance damages attributable to the land. HOLA shall receive any compensation and severance damages which may be paid for damage or loss of buildings, other improvements, and its personal property. Notwithstanding the foregoing, while any Leasehold Mortgage remains outstanding, any condemnation proceeds shall be governed by the Leasehold Mortgage and any documents related to such Leasehold Mortgage. Notwithstanding the foregoing, while any Leasehold Mortgage remains outstanding, any condemnation proceeds shall be governed by the Leasehold Mortgage and any documents related to such Leasehold Mortgage.

ARTICLE 19 NOTICES

19.1 **Notices.** All notices and demands which may or are to be required or permitted to be given by either party to the other hereunder shall be in writing. All notices and demands shall be personally delivered (including by means of professional messenger service), sent by United States mail, postage prepaid, return receipt requested, or transmitted by telecopier (*e.g.*, Fax) or electronic mail (upon mutual agreement of participating parties), in which case the receiving party shall immediately confirm receipt of such telecopied or e-mailed notice. All notices are effective upon receipt. For the purposes of such notices, the addresses for the parties are set forth in Section 19.2 below. In the event HOLA is unable to give notice to HEART OF LA at the address(es) provided to HOLA by HEART OF LA, notice shall be deemed effective when addressed to HEART OF LA at the Premises. Either party may from time to time designate another person or place in a notice.

19.2 **Notices – Where Sent.** All notices given under this Sublease which are mailed or telecopied shall be addressed (unless re-designated as provided above) to the respective parties as follows:

<u>To CITY or General Manager:</u>	City of Los Angeles Board of Recreation and Parks Commissioners 221 N. Figueroa Street, Suite 350 Los Angeles, CA 90012 Telecopier: (213) 202-2633
with a copy of any notice to	General Manager Department of Recreation and Parks 221 N. Figueroa Street, Suite 350 Los Angeles, CA 90012

Telecopier: (213) 202-2633

with a copy of any notice to

Office of the City Attorney
Real Property/Environment Division
700 City Hall East
200 North Main Street
Los Angeles, California 90012-4130
Telecopier: (213) 978-8090

To HOLA:

Chairman of the Board
HOLA Community Partners
2701 Wilshire Boulevard, Ste. 100
Los Angeles, California 90057
Telephone: (213) 389-1148

with a copy of any notice to

Gibson, Dunn & Crutcher LLP
333 South Grand Avenue, Ste. 4900
Los Angeles, California 90071
Attn: Douglas M. Champion, Esq.
Telecopier: (213) 229-6128

To HEART OF LA:

Anthony M. Brown, Executive Director
Heart of Los Angeles Youth, Inc.
2701 Wilshire Boulevard, Ste. 100
Los Angeles, California 90057
Telephone: (213) 389-1148

with a copy of any notice to

Gibson, Dunn & Crutcher LLP
333 South Grand Avenue, Ste. 4900
Los Angeles, California 90071
Attn: Douglas M. Champion, Esq.
Telecopier: (213) 229-6128

ARTICLE 20

STANDARD PROVISIONS FOR CITY CONTRACTS

The provisions of Exhibit E of the Lease are incorporated herein by reference as if fully restated herein.

ARTICLE 21

MISCELLANEOUS PROVISIONS

21.1 **Amendment of Sublease.** No amendment, modification, supplement or mutual termination of any provision of this Sublease shall in any event be effective unless the same shall be in writing and signed by HOLA and HEART OF LA, as consented to in writing by CITY.

21.2 **Binding Effect.** Subject to the provisions of this Sublease relative to assignment (Section 17.1), this Sublease shall be binding upon and inure to the benefit of the heirs, executors, administrators, transferees, successors and assigns of the respective parties hereto.

21.3 **Captions, Table of Contents, and Index.** The captions and table of contents of this Sublease are inserted only as a matter of convenience and reference, and they in no way define, limit, or describe the scope of any provisions of this Sublease, or the intent of any provision of this Sublease, and shall not be used with respect to the interpretation of any provision of this Sublease.

21.4 **Conflict of Laws and Venue.** This Sublease shall be governed by and construed under the laws of the State of California. Venue on any action arising out of this Sublease will be proper only in the County of Los Angeles, State of California.

21.5 **Corporate Resolution.** HEART OF LA shall provide to HOLA a current copy of its Corporate Resolution depicting the names and legal signatures of the officers of the corporation authorized to execute legal documents, including this Sublease, on behalf of HEART OF LA. Within thirty (30) days of any change in such names, HEART OF LA shall provide to HOLA the updated Corporate Resolution.

21.6 **Counterparts.** This Sublease may be executed in one or more counterparts, each of which may be deemed an original, but all of which together shall constitute one and the same instrument.

21.7 **Force Majeure.** Whenever either party hereto shall be required by the provisions of this Sublease or by law to perform any contract, act, work, construction, labor or services (excepting only the obligation to pay rent due hereunder), or to discharge any lien against the Premises, or to perform and comply with any laws, rules, orders, ordinances, regulations or zoning regulations, said party shall not be deemed to be in default herein and the other party shall not enforce or exercise any of its right under this Sublease, if and so long as nonperformance or default herein shall be directly caused by strikes, nonavailability of materials, war or national defense preemptions, governmental restrictions, acts of God or other similar causes beyond the reasonable control of the nonperforming party (it is understood and agreed by the Parties hereto that financial capacity and availability of funding shall not constitute force majeure); provided, however, that notwithstanding any of the provisions of the foregoing, the nonperforming party shall commence such performance and continue the same with diligence and continuity immediately after the removal of any of the causes hereinabove specified.

21.8 **Gender.** As used herein, the neuter gender includes the feminine and masculine, the masculine includes the feminine and the neuter and feminine includes the masculine and the neuter, and each includes corporations, limited liability companies, partnerships or other legal entities when the context so requires.

21.9 **No Prior Agreements.** This Sublease contains all of the agreements of the parties hereto with respect to the matters covered hereby, and no prior agreements, oral or written, or understandings or representations of any nature whatsoever pertaining to any such matters shall be effective for any purpose unless expressly incorporated in the provisions of this Sublease.

21.10 No Relocation Assistance. HEART OF LA acknowledges that it is not entitled to relocation assistance or any other benefits under the California Relocation Assistance Act (Government Code section 7260, *et seq.*), the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970, as amended (42 U.S.C.A. § 4601, *et seq.*), or any other provisions of law upon termination of this Sublease.

21.11 Quiet Enjoyment. If HEART OF LA is not in default as provided herein, HEART OF LA shall and may peaceably and quietly have, hold, and enjoy the Premises with necessary ingress and egress in accordance with the provisions hereof.

21.12 Possessory Interest Tax. Under the Lease, a property interest known as “possessory interest” may be created, which interest may be subject to property taxation. HEART OF LA, as the party in whom the possessory interest is vested, shall be responsible for the payment of all property taxes, if any, levied upon such interest. HOLA and HEART OF LA acknowledge that the notice required under California Revenue and Taxation Code Section 107.6 has been provided.

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

21.14 Sole Discretion. In those instances in this Sublease where it is provided that HOLA may approve a request in the exercise of “sole discretion” or words of like import, the parties expressly agree that HOLA has the absolute unfettered discretion to grant or withhold approval, either arbitrarily or otherwise, and with or without reason, and neither HEART OF LA nor any other party or tribunal shall have any right or power to inquire into or review the granting or withholding of such approval or the reasons or lack of reasons therefor.

21.15 Time. Time is of the essence with respect to the performance or observance of each of the obligations, covenants and agreements under this Sublease. Except where expressly stated to be “business days” or “working days,” the word “days” shall mean “calendar days.”

21.16 Exhibits – Incorporation in Sublease. The following documents are attached and incorporated into and are fully enforceable as part of this Sublease.

<u>Exhibit A</u>	Map and Legal Description
<u>Exhibit B</u>	Memorandum of Sublease
<u>Exhibit C</u>	Schedule of Equipment
<u>Exhibit D</u>	Access Easement

In the event of a conflict between this Sublease and the terms of the documents incorporated into this Sublease, this Sublease shall control.

[SIGNATURES FOLLOW ON NEXT PAGE]

IN WITNESS WHEREOF, HOLA COMMUNITY PARTNERS, a California nonprofit public benefit corporation, Sublandlord herein, and HEART OF LOS ANGELES YOUTH, INC., a California nonprofit public benefit corporation, Subtenant herein, have caused this Sublease to be executed as of the Effective Date.

HOLA:

HOLA COMMUNITY PARTNERS, a
California public non-profit corporation

By: _____

Name: Alison Whalen

Title: President

Date: _____

HEART OF LA:

HEART OF LOS ANGELES YOUTH, INC., a
California public non-profit corporation

By: _____

Name: Anthony M. Brown

Title: Chief Executive Officer

Date: _____

EXHIBIT "A"

MAP AND LEGAL DESCRIPTION

THE LAND REFERRED TO IS SITUATED IN THE COUNTY OF LOS ANGELES, STATE OF CALIFORNIA, AND IS DESCRIBED AS FOLLOWS:

BEGINNING AT THE MOST EASTERLY CORNER OF LOT 3, BLOCK 25 OF HANCOCK'S SURVEY, IN THE CITY OF LOS ANGELES, COUNTY OF LOS ANGELES, STATE OF CALIFORNIA, AS PER MAP RECORDED IN BOOK 2 PAGE 108 OF MISCELLANEOUS RECORDS, IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY; THENCE SOUTH 28°42'14" WEST ALONG THE SOUTHEASTERLY LINE OF LOT 3, SAID LINE ALSO BEING THE NORTHWESTERLY LINE OF LA FAYETTE PARK PLACE, A DISTANCE OF 64.95 FEET; THENCE NORTH 61°17'46" WEST PERPENDICULAR TO SAID SOUTHWESTERLY LINE OF LOT 3 A DISTANCE OF 82.12 FEET TO THE TRUE POINT OF BEGINNING; THENCE SOUTH 28°52'30" WEST A DISTANCE OF 144.00 FEET TO A POINT THAT IS 82.55 FEET NORTHWESTERLY OF SAID NORTHWESTERLY LINE OF LA FAYETTE PARK PLACE AT RIGHT ANGLES; THENCE NORTH 61°07'30" WEST A DISTANCE OF 163.50 FEET; THENCE NORTH 28°52'30" EAST A DISTANCE OF 144.00 FEET; THENCE SOUTH 61°07'30" EAST A DISTANCE OF 163.50 TO THE TRUE POINT OF BEGINNING.

THE ABOVE DESCRIBED LAND CONTAINS 23,544 SQUARE FEET, MORE OR LESS.

EXHIBIT "B"

MEMORANDUM OF SUBLEASE

RECORDING REQUESTED BY
AND WHEN RECORDED MAIL TO:

Chairman of the Board
HOLA Community Partners
2701 Wilshire Boulevard, Ste. 100
Los Angeles, California 90057

The undersigned Grantor declares:
County Documentary Transfer Tax is \$0.
City Documentary Transfer Tax is \$0.
Documentary Transfer Tax is \$0.

The value of the property in this conveyance, exclusive of liens and encumbrances is \$100 or less, and there is no additional consideration received by the Grantor. R&T § 11911.

MEMORANDUM OF SUBLEASE

THIS MEMORANDUM OF SUBLEASE ("Memorandum") is made as of September ___, 2017, by and between the HOLA COMMUNITY PARTNERS, a California public benefit non-profit corporation ("HOLA"), with a principal mailing address at 2701 Wilshire Boulevard, Suite 100, Los Angeles, California 90057, as Sublandlord, and HEART OF LOS ANGELES YOUTH, INC., a California public benefit corporation ("HEART OF LA"), with a principal mailing address at 2701 Wilshire Boulevard, Suite 100, Los Angeles, California 90057, as Subtenant, who agree as follows:

1. **Term and Premises.** Notice is hereby given that, pursuant to that certain Sublease Agreement dated as of even date herewith (the "**Sublease**"), HOLA subleases to HEART OF LA, and HEART OF LA subleases from HOLA, certain land located within the northwest corner of Lafayette Park and located on the corner of West Sixth Street and South Lafayette Park Place, Los Angeles, California 90057, as more particularly described in Exhibit 1 attached hereto and incorporated herein by reference (the "**Premises**").

2. **Access.** HOLA has granted to HEART OF LA a non-exclusive easement appurtenant to the Premises depicted on Exhibit 2 attached hereto and incorporated herein by reference for pedestrian access, ingress and egress, for the term of the Sublease.

3. **Provisions Binding on HEART OF LA.** The provisions of the Sublease to be performed by HEART OF LA, whether affirmative or negative in nature, are intended to and shall bind HEART OF LA and its successors and assigns at any time, and shall inure to the benefit of HOLA and its successors and assigns.

5. **Reference to Sublease for All Purposes.** Reference is hereby made to the entire Sublease for any and all purposes.

6. **Restrictions on Assignment or Sublease.** The terms of the Sublease restrict HEART OF LA's assignment of the Sublease or sublease of any part of the Premises without the written consent of HOLA and the City of Los Angeles, by and through the Board of Recreation and Park Commissioners.

[SIGNATURES AND ACKNOWLEDGEMENTS FOLLOW ON NEXT PAGES]

HOLA:

HOLA COMMUNITY PARTNERS, a
California public non-profit corporation

By: _____

Name: Alison Whalen

Title: President

Date: _____

HEART OF LA:

HEART OF LOS ANGELES YOUTH, INC., a
California public non-profit corporation

By: _____

Name: Anthony M. Brown

Title: Chief Executive Officer

Date: _____

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

STATE OF CALIFORNIA)

COUNTY OF)

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

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

WITNESS my hand and official seal.

Signature _____

(Seal)

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

STATE OF CALIFORNIA)

COUNTY OF)

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

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

WITNESS my hand and official seal.

Signature _____

(Seal)

EXHIBIT 1 TO MEMORANDUM

LEGAL DESCRIPTION

THE LAND REFERRED TO IS SITUATED IN THE COUNTY OF LOS ANGELES, STATE OF CALIFORNIA, AND IS DESCRIBED AS FOLLOWS:

BEGINNING AT THE MOST EASTERLY CORNER OF LOT 3, BLOCK 25 OF HANCOCK'S SURVEY, IN THE CITY OF LOS ANGELES, COUNTY OF LOS ANGELES, STATE OF CALIFORNIA, AS PER MAP RECORDED IN BOOK 2 PAGE 108 OF MISCELLANEOUS RECORDS, IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY; THENCE SOUTH 28°42'14" WEST ALONG THE SOUTHEASTERLY LINE OF LOT 3, SAID LINE ALSO BEING THE NORTHWESTERLY LINE OF LA FAYETTE PARK PLACE, A DISTANCE OF 64.95 FEET; THENCE NORTH 61°17'46" WEST PERPENDICULAR TO SAID SOUTHWESTERLY LINE OF LOT 3 A DISTANCE OF 82.12 FEET TO THE TRUE POINT OF BEGINNING; THENCE SOUTH 28°52'30" WEST A DISTANCE OF 144.00 FEET TO A POINT THAT IS 82.55 FEET NORTHWESTERLY OF SAID NORTHWESTERLY LINE OF LA FAYETTE PARK PLACE AT RIGHT ANGLES; THENCE NORTH 61°07'30" WEST A DISTANCE OF 163.50 FEET; THENCE NORTH 28°52'30" EAST A DISTANCE OF 144.00 FEET; THENCE SOUTH 61°07'30" EAST A DISTANCE OF 163.50 TO THE TRUE POINT OF BEGINNING.

THE ABOVE DESCRIBED LAND CONTAINS 23,544 SQUARE FEET, MORE OR LESS

EXHIBIT 2 TO MEMORANDUM
ACCESS EASEMENT

[See attached.]

EXHIBIT “C”
SCHEDULE OF EQUIPMENT

[See attached.]

Smart Start Elementary	
ITEM	QUANTITY
Desks: Huddle 8 #01266 Fusion Maple	25
Chairs: Intuit Stack Chair # 00562 Persian Blu	25
Teacher Desk: Cascade Teacher Desk #26176 Persian Blue, Fusion Maple	1
Teacher Chair: XL041P_P_LR UXL Adjustable Stool w/ Arms	1
Teacher File Cabinet: Staples 2 Drawer Letter Size	1
White Board: Quartet Nano – Magnetic White Board 8 x 4 ft	1
Rug – 7'6" x 12'	1
Storage Units/ Book Cases	1
Storage Units/ Book Cases	2
Storage Units/ Book Cases	1
Storage Units/ Book Cases	1
Modular Lounge Seating - Leather Armless Club Chair - 94-04739 Faux Leather Tango	1
Modular Lounge Seating - Leather 30 Bench - 94-04740 Faux Leather Tango	2
Modular Lounge Seating - Leather Connecting Table - 94-0471 Faux Leather, Tango/ Wood, Natural Maple	1
Bulletin Board 48" x 72"	1
Bulletin Board 36" x 60"	1
Bulletin Board 36" x 48"	1
Bulletin Board 36" x 48"	1
STEAM workshop *1	
Furniture	
Student Work Table (36" x 48")	9
Workbenches (36" x 120")	2
Workbenches (36" x 48")	1
Electronics Workstation (36" x 96")	1
Shelf	1
Bin Rail	1
Louvered Panels	2
Peg Board	2
Bookcases	3
Shop Stools	27
Shelving Units (48" x 24" x 84")	6
Mobile Dry-Erase Board (8' x 4')	1
Power Tools	
9" Bandsaw	1
Belt Sander	1
Baby Drill Press	1
Floor Drill Press	1
Oscillating Spindle Sander	1
Compressor	1
Jigsaw	2
Shop-Vac	2
Cordless Drill	2
Handheld Sander	2
Tools	
Steel Rulers	12
Clamps (Various)	1
Boxcutters	12
Speed Square (5 pack)	1
Digital Calipers	3
Screwdriver Set	2
Safety Goggles (12 pack)	2
Files	3
Rasps	3

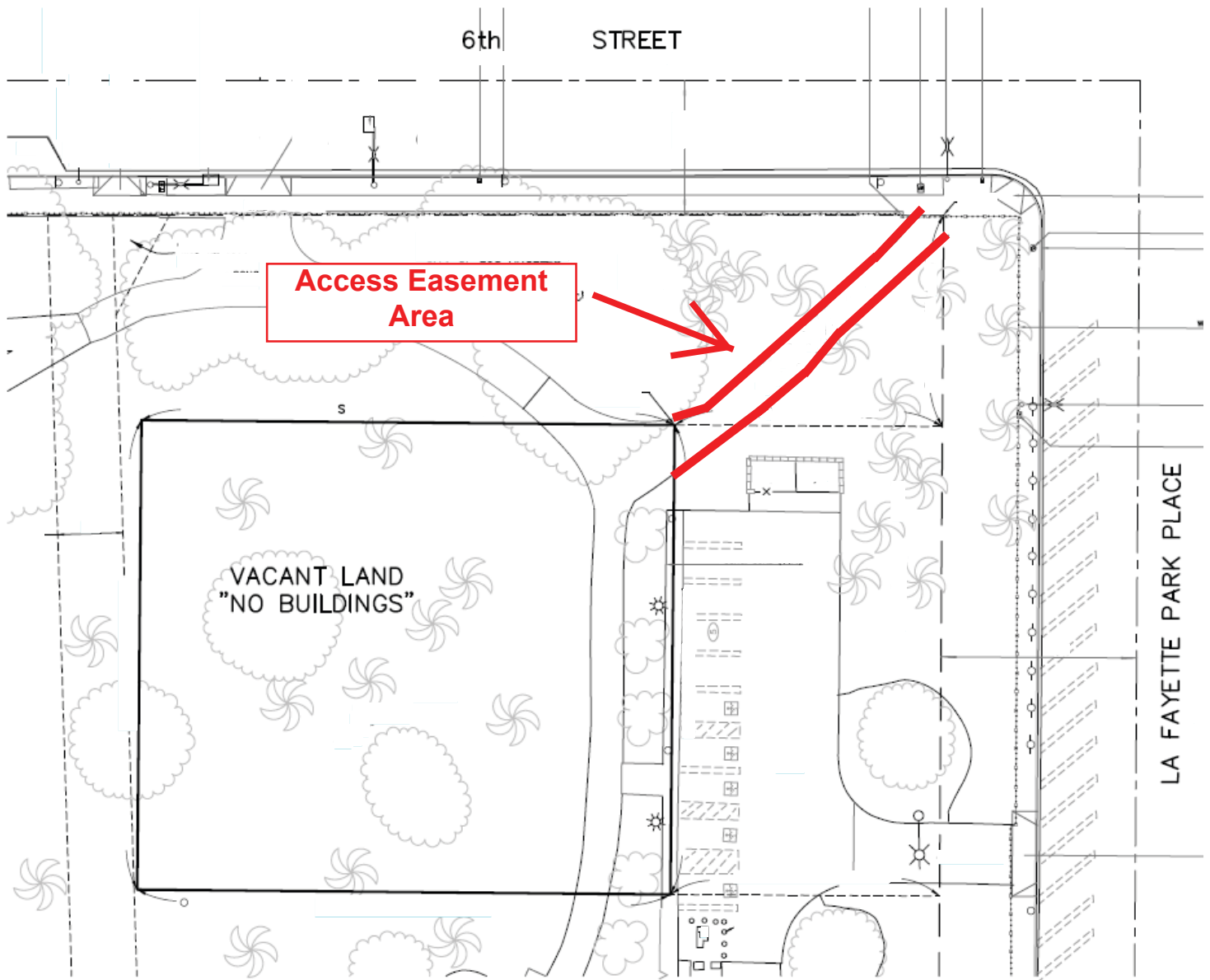
Coping Saw	3
Hacksaw	3
Vice	1
Drill Press Vice	2
Rubber Mallets	5
Glue Guns	5
Cutting Mats	4
Needle Nose Pliers	4
Pliers	4
Socket Set and Wrenches	1
iFixit Toolset	1
Storage Equipment	
Bins	1
Clear Totes	12
Consumables	
Drill Bits	\$50
Sand Paper	\$25
Wood Glue	\$15
Vacuum Filters	\$25
Saw Blades	\$50
Razor Blades	\$25
Shop Towels	\$50
Tape	\$25
Dry-Erase Markers	\$50
MUSIC	
Chairs	400
Music Stands	250
White Board: Quartet Nano – Magnetic White Board 8 x 4 ft	10
Chair Racks Dolly (12-18 chairs fit on it)	20
Cello Racks Mobile (6) 76-inches wide 6.3 feet per 6 Cellos (30 cellos approx along each wall) 24 cellos	4
Bass Racks Mobile (4) 82-inches wide	3
Desk/Table	8
Classroom Cabinet	8
Music Stand Dolly (20)	10
Music Stand Dolly (10)	8
Music Shelves	12
Office Desks - track top tables (4)	4
Music and Smart Start Office File Cabinets	4
Racks with Wheels in Percussion Room	4
Smart Start Office Chairs	4
Racks in Storage Space 1 (Instrument Library)	10
Racks in Storage Space 2 (Overnight Storage)	10
Drums Dolly	1
Common and Non-Designated Pages	
White Board: Quartet Nano – Magnetic White Board 8 x 4 ft	10
Reception Desk	1
Reception Furniture	4
Founders Room Conference Table	2
Founders Room Chairs	30
3rd Floor Office Space -- 2 Desks with Cabinets/File	3
3rd Floor Office Space -- 3 Chairs	3
3rd Floor Office Space -- Modular Table with Chairs (6-8)	1
AV/IT/SECURITY(Card Access, Cameras, AV, Cabling)	1
GREEN ROOF @ ENTRY	1
Acoustic (Lg. Ensemble \$65,000, Classrooms 15,000 - 35,000)	1
Smart Start Office Desks	4
Smart Start File Cabinets	2
Smart Start Office Chairs	4

Smart Start Office Armoire	1
Bleachers (165 seats, deluxe @ 500)	1

EXHIBIT “D”

ACCESS EASEMENT

[See attached.]



SCHEDULE 1
ANNUAL RENT

[See attached.]

ANNUAL RENT

	Annual Building Lease Payments	Annual Equipment Lease Payments	Total Lease Payments
2017	\$ -	\$ -	\$ -
2018	55,364	16,667	72,030
2019	83,045	25,000	108,045
2020	83,045	25,000	108,045
2021	83,045	25,000	108,045
2022	83,045	25,000	108,045
2023	83,045	25,000	108,045
2024	429,487	8,333	437,821
2025	767,596	-	767,596
2026	772,896	-	772,896
2027	772,896	-	772,896
2028	772,896	-	772,896
2029	772,896	-	772,896
2030	772,896	-	772,896
2031	772,896	-	772,896
2032	772,896	-	772,896
2033	772,896	-	772,896
2034	772,896	-	772,896
2035	772,896	-	772,896
2036	772,896	-	772,896
2037	772,896	-	772,896
2038	772,896	-	772,896
2039	772,896	-	772,896
2040	772,896	-	772,896
2041	772,896	-	772,896
2042	772,896	-	772,896
2043	772,896	-	772,896
2044	772,896	-	772,896
2045	772,896	-	772,896
2046	772,896	-	772,896
2047	579,672	-	579,672
	<u>\$ 18,478,165</u>	<u>\$ 150,000</u>	<u>\$ 18,628,165</u>

EXHIBIT “E”

STANDARD PROVISIONS FOR CITY CONTRACTS

[Attached.]

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STANDARD PROVISIONS FOR CITY CONTRACTS

PSC-1. CONSTRUCTION OF PROVISIONS AND TITLES HEREIN

All titles, subtitles, or headings in this Lease have been inserted for convenience, and shall not be deemed to affect the meaning or construction of any of the terms or provisions hereof. The language of this Lease shall be construed according to its fair meaning and not strictly for or against the **CITY** or **CONTRACTOR**. The word "**CONTRACTOR**" herein in this means HOLA. The singular shall include the plural; if there is more than one **CONTRACTOR** herein, unless expressly stated otherwise, their obligations and liabilities hereunder shall be joint and several. Use of the feminine, masculine, or neuter genders shall be deemed to include the genders not used.

PSC-2. NUMBER OF ORIGINALS

The number of original texts of this Lease shall be equal to the number of the parties hereto, one text being retained by each party. At the **CITY'S** option, one or more additional original texts of this Lease may also be retained by the City.

PSC-3. APPLICABLE LAW, INTERPRETATION AND ENFORCEMENT

Each party's performance hereunder shall comply with all applicable laws of the United States of America, the State of California, and the **CITY**, including but not limited to, laws regarding health and safety, labor and employment, wage and hours and licensing laws which affect employees. This Lease shall be enforced and interpreted under the laws of the State of California without regard to conflict of law principles. **CONTRACTOR** shall comply with new, amended, or revised laws, regulations, and/or procedures that apply to the performance of this Lease.

In any action arising out of this Lease, **CONTRACTOR** consents to personal jurisdiction, and agrees to bring all such actions, exclusively in state or federal courts located in Los Angeles County, California.

If any part, term or provision of this Lease is held void, illegal, unenforceable, or in conflict with any law of a federal, state or local government having jurisdiction over this Lease, the validity of the remaining parts, terms or provisions of the Lease shall not be affected thereby.

PSC-4. TIME OF EFFECTIVENESS

Unless otherwise provided, this Lease shall take effect when all of the following events have occurred:

- A. This Lease has been signed on behalf of **CONTRACTOR** by the person or persons authorized to bind **CONTRACTOR** hereto;
- B. This Lease has been approved by the City Council or by the board, officer or employee authorized to give such approval;
- C. The Office of the City Attorney has indicated in writing its approval of this Lease as to form; and
- D. This Lease has been signed on behalf of the **CITY** by the person designated by the City Council, or by the board, officer or employee authorized to enter into this Lease.

PSC-5. INTEGRATED CONTRACT

This Lease sets forth all of the rights and duties of the parties with respect to the subject matter hereof, and replaces any and all previous agreements or understandings, whether written or oral, relating thereto. This Lease may be amended only as provided for in paragraph PSC-6 hereof.

PSC-6. AMENDMENT

All amendments to this Lease shall be in writing and signed and approved pursuant to the provisions of PSC-4.

PSC-7. EXCUSABLE DELAYS

In the event that performance on the part of any party hereto is delayed or suspended as a result of circumstances beyond the reasonable control and without the fault and negligence of said party, none of the parties shall incur any liability to the other parties as a result of such delay or suspension. Circumstances deemed to be beyond the control of the parties hereunder include, but are not limited to, acts of God or of the public enemy; insurrection; acts of the Federal Government or any unit of State or Local Government in either sovereign or contractual capacity; fires; floods; earthquakes; epidemics; quarantine restrictions; strikes; freight embargoes or delays in transportation, to the extent that they are not caused by the party's willful or negligent acts or omissions, and to the extent that they are beyond the party's reasonable control.

PSC-8. BREACH

Except for excusable delays as described in PSC-7, if any party fails to perform, in whole or in part, any promise, covenant, or agreement set forth herein, or should any representation made by it be untrue, any aggrieved party may avail itself of all rights and

remedies, at law or equity, in the courts of law. Said rights and remedies are cumulative of those provided for herein except that in no event shall any party recover more than once, suffer a penalty or forfeiture, or be unjustly compensated.

PSC-9. WAIVER

A waiver of a default of any part, term or provision of this Lease shall not be construed as a waiver of any succeeding default or as a waiver of the part, term or provision itself. A party's performance after the other party's default shall not be construed as a waiver of that default.

PSC-10. INTENTIONALLY DELETED

PSC-11. INDEPENDENT CONTRACTOR

CONTRACTOR is acting hereunder as an independent contractor and not as an agent or employee of the **CITY**. **CONTRACTOR** shall not represent or otherwise hold out itself or any of its directors, officers, partners, employees, or agents to be an agent or employee of the **CITY**.

PSC-12. CONTRACTOR'S PERSONNEL

Unless otherwise provided or approved by the **CITY**, **CONTRACTOR** shall use its own employees to perform the services described in this Contract. The **CITY** shall have the right to review and approve any personnel who are assigned to work under this Contract. **CONTRACTOR** agrees to remove personnel from performing work under this Lease if requested to do so by the **CITY**.

CONTRACTOR shall not use subcontractors to assist in performance of this Lease without the prior written approval of the **CITY**. If the **CITY** permits the use of subcontractors **CONTRACTOR** shall remain responsible for performing all aspects of this Contract. The **CITY** has the right to approve **CONTRACTOR'S** subcontractors, and the **CITY** reserves the right to request replacement of subcontractors. The **CITY** does not have any obligation to pay **CONTRACTOR'S** subcontractors, and nothing herein creates any privity between the **CITY** and the subcontractors.

PSC-13. PROHIBITION AGAINST ASSIGNMENT OR DELEGATION

CONTRACTOR may not, unless it has first obtained the written permission of the **CITY**:

- A. Assign or otherwise alienate any of its rights under this Lease, including the right to payment; or
- B. Delegate, subcontract, or otherwise transfer any of its duties under this Lease.

PSC-14. PERMITS

CONTRACTOR and its directors, officers, partners, agents, employees, and subcontractors, to the extent allowed hereunder, shall obtain and maintain all licenses, permits, certifications and other documents necessary for **CONTRACTOR'S** performance hereunder and shall pay any fees required therefor. **CONTRACTOR** certifies to promptly notify the **CITY** of any suspension, termination, lapses, non-renewals, or restrictions of licenses, permits, certificates, or other documents.

PSC-15. CLAIMS FOR LABOR AND MATERIALS

CONTRACTOR shall promptly pay when due all amounts payable for labor and materials furnished in the performance of this Lease so as to prevent any lien or other claim under any provision of law from arising against any **CITY** property (including reports, documents, and other tangible or intangible matter produced by **CONTRACTOR** hereunder), against **CONTRACTOR'S** rights to payments hereunder, or against the **CITY**, and shall pay all amounts due under the Unemployment Insurance Act with respect to such labor.

PSC-16. CURRENT LOS ANGELES CITY BUSINESS TAX REGISTRATION CERTIFICATE REQUIRED

If applicable, **CONTRACTOR** represents that it has obtained and presently holds the Business Tax Registration Certificate(s) required by the **CITY'S** Business Tax Ordinance, Section 21.00 *et seq.* of the Los Angeles Municipal Code. For the term covered by this Contract, **CONTRACTOR** shall maintain, or obtain as necessary, all such Certificates required of it under the Business Tax Ordinance, and shall not allow any such Certificate to be revoked or suspended.

PSC-17. RETENTION OF RECORDS, AUDIT AND REPORTS

CONTRACTOR shall maintain all records, including records of financial transactions, pertaining to the performance of this Lease, in their original form, in accordance with requirements prescribed by the **CITY**. These records shall be retained for a period of no less than three years following final payment made by the **CITY** hereunder or the expiration date of this Lease, whichever occurs last. Said records shall be subject to examination and audit by authorized **CITY** personnel or by the **CITY'S** representative at any time during the term of this Lease or within the three years following final payment made by the **CITY** hereunder or the expiration date of this Contract, whichever occurs last. **CONTRACTOR** shall provide any reports requested by the **CITY** regarding performance of this Lease. Any subcontract entered into by **CONTRACTOR**, to the extent allowed hereunder, shall include a like provision for work to be performed under this Lease.

PSC-18. FALSE CLAIMS ACT

CONTRACTOR acknowledges that it is aware of liabilities resulting from submitting a false claim for payment by the **CITY** under the False Claims Act (Cal. Gov. Code §§ 12650 *et seq.*), including treble damages, costs of legal actions to recover payments, and civil penalties of up to \$10,000 per false claim.

PSC-19. BONDS

All bonds which may be required hereunder shall conform to **CITY** requirements established by Charter, ordinance or policy, and shall be filed with the Office of the City Administrative Officer, Risk Management for its review and acceptance in accordance with Sections 11.47 through 11.56 of the Los Angeles Administrative Code.

PSC-20. INTENTIONALLY DELETED

PSC-21. INTENTIONALLY DELETED

PSC-22. INTELLECTUAL PROPERTY WARRANTY

CONTRACTOR represents and warrants that its performance of all obligations under this Lease does not infringe in any way, directly or contributorily, upon any third party's intellectual property rights, including, without limitation, patents, copyrights, trademarks, trade secrets, rights of publicity and proprietary information.

PSC-23. INTENTIONALLY DELETED

PSC-24. INSURANCE

During the term of this Lease and without limiting **CONTRACTOR'S** indemnification of the **CITY**, **CONTRACTOR** shall provide and maintain at its own expense a program of insurance having the coverages and limits customarily carried and actually arranged by **CONTRACTOR**, but not less than the amounts and types listed on the Required Insurance and Minimum Limits sheet (Form General 146 in Attachment 1 hereto), covering its operations hereunder. Such insurance shall conform to **CITY** requirements established by Charter, ordinance or policy, shall comply with the Insurance Contractual Requirements (Form General 133 in Exhibit 1 hereto) and shall otherwise be in a form acceptable to the Office of the City Administrative Officer, Risk Management. **CONTRACTOR** shall comply with all Insurance Contractual Requirements shown on Exhibit 1 hereto. Exhibit 1 is hereby incorporated by reference and made a part of this Contract.

PSC-25. DISCOUNT TERMS

CONTRACTOR agrees to offer the **CITY** any discount terms that are offered to its best customers for the goods and services to be provided hereunder and apply such discount to payments made under this Lease which meet the discount terms.

PSC-26. WARRANTY AND RESPONSIBILITY OF CONTRACTOR

CONTRACTOR warrants that the work performed hereunder shall be completed in a manner consistent with professional standards practiced among those firms within **CONTRACTOR'S** profession, doing the same or similar work under the same or similar circumstances.

PSC-27. NON-DISCRIMINATION

Unless otherwise exempt, this Lease is subject to the non-discrimination provisions in Sections 10.8 through 10.8.2 of the Los Angeles Administrative Code, as amended from time to time. The **CONTRACTOR** shall comply with the applicable non-discrimination and affirmative action provisions of the laws of the United States of America, the State of California and the **CITY**. In performing this Lease **CONTRACTOR** shall not discriminate in its employment practices against any employee or applicant for employment because of such person's race, religion, national origin, ancestry, sex, sexual orientation, age, disability, domestic partner status, marital status or medical condition. Any subcontract entered into by **CONTRACTOR**, to the extent allowed hereunder, shall include a like provision for work to be performed under this Contract.

Failure of **CONTRACTOR** to comply with this requirement or to obtain the compliance of its subcontractors with such obligations shall subject **CONTRACTOR** to the imposition of any and all sanctions allowed by law, including but not limited to termination of **CONTRACTOR'S** contract with the **CITY**.

PSC-28. EQUAL EMPLOYMENT PRACTICES

Unless otherwise exempt, this Lease is subject to the equal employment practices provisions in Section 10.8.3 of the Los Angeles Administrative Code, as amended from time to time.

- A. During the performance of this Lease, **CONTRACTOR** agrees and represents that it will provide equal employment practices and **CONTRACTOR** and each subcontractor hereunder will ensure that in his or her employment practices persons are employed and employees are treated equally and without regard to or because of race, religion, ancestry, national origin, sex, sexual orientation, age, disability, marital status or medical condition.
 - 1. This provision applies to work or service performed or materials manufactured or assembled in the United States.
 - 2. Nothing in this section shall require or prohibit the establishment of new classifications of employees in any given craft, work or service category.
 - 3. **CONTRACTOR** agrees to post a copy of Paragraph A hereof in conspicuous places at its place of business available to employees and applicants for employment.
- B. **CONTRACTOR** will, in all solicitations or advertisements for employees placed by or on behalf of **CONTRACTOR**, state that all qualified applicants will receive consideration for employment without regard to their race, religion, ancestry, national origin, sex, sexual orientation, age, disability, marital status or medical condition.

- C. As part of the **CITY'S** supplier registration process, and/or at the request of the awarding authority, or the Board of Public Works, Office of Contract Compliance, **CONTRACTOR** shall certify in the specified format that he or she has not discriminated in the performance of **CITY** contracts against any employee or applicant for employment on the basis or because of race, religion, national origin, ancestry, sex, sexual orientation, age, disability, marital status or medical condition.
- D. **CONTRACTOR** shall permit access to and may be required to provide certified copies of all of his or her records pertaining to employment and to employment practices by the awarding authority or the Office of Contract Compliance for the purpose of investigation to ascertain compliance with the Equal Employment Practices provisions of **CITY** contracts. On their or either of their request **CONTRACTOR** shall provide evidence that he or she has or will comply therewith.
- E. The failure of any **CONTRACTOR** to comply with the Equal Employment Practices provisions of this Lease may be deemed to be a material breach of **CITY** contracts. Such failure shall only be established upon a finding to that effect by the awarding authority, on the basis of its own investigation or that of the Board of Public Works, Office of Contract Compliance. No such finding shall be made or penalties assessed except upon a full and fair hearing after notice and an opportunity to be heard has been given to **CONTRACTOR**.
- F. Upon a finding duly made that **CONTRACTOR** has failed to comply with the Equal Employment Practices provisions of a **CITY** contract, the Lease may be forthwith canceled, terminated or suspended, in whole or in part, by the awarding authority, and all monies due or to become due hereunder may be forwarded to and retained by the **CITY**. In addition thereto, such failure to comply may be the basis for a determination by the awarding authority or the Board of Public Works that the **CONTRACTOR** is an irresponsible bidder or proposer pursuant to the provisions of Section 371 of the Charter of the City of Los Angeles. In the event of such a determination, **CONTRACTOR** shall be disqualified from being awarded a contract with the **CITY** for a period of two years, or until **CONTRACTOR** shall establish and carry out a program in conformance with the provisions hereof.
- G. Notwithstanding any other provision of this Lease, the **CITY** shall have any and all other remedies at law or in equity for any breach hereof.
- H. Intentionally blank.
- I. Nothing contained in this Lease shall be construed in any manner so as to require or permit any act which is prohibited by law.

- J. At the time a supplier registers to do business with the **CITY**, or when an individual bid or proposal is submitted, **CONTRACTOR** shall agree to adhere to the Equal Employment Practices specified herein during the performance or conduct of **CITY** Contracts.
- K. Equal Employment Practices shall, without limitation as to the subject or nature of employment activity, be concerned with such employment practices as:
 - 1. Hiring practices;
 - 2. Apprenticeships where such approved programs are functioning, and other on-the-job training for non-apprenticeable occupations;
 - 3. Training and promotional opportunities; and
 - 4. Reasonable accommodations for persons with disabilities.
- L. Any subcontract entered into by **CONTRACTOR**, to the extent allowed hereunder, shall include a like provision for work to be performed under this Lease. Failure of **CONTRACTOR** to comply with this requirement or to obtain the compliance of its subcontractors with all such obligations shall subject **CONTRACTOR** to the imposition of any and all sanctions allowed by law, including but not limited to termination of the **CONTRACTOR'S** Lease with the **CITY**.

PSC-29. AFFIRMATIVE ACTION PROGRAM

Unless otherwise exempt, this Lease is subject to the affirmative action program provisions in Section 10.8.4 of the Los Angeles Administrative Code, as amended from time to time.

- A. During the performance of a **CITY** contract, **CONTRACTOR** certifies and represents that **CONTRACTOR** and each subcontractor hereunder will adhere to an affirmative action program to ensure that in its employment practices, persons are employed and employees are treated equally and without regard to or because of race, religion, ancestry, national origin, sex, sexual orientation, age, disability, marital status or medical condition.
 - 1. This provision applies to work or services performed or materials manufactured or assembled in the United States.
 - 2. Nothing in this section shall require or prohibit the establishment of new classifications of employees in any given craft, work or service category.

3. **CONTRACTOR** shall post a copy of Paragraph A hereof in conspicuous places at its place of business available to employees and applicants for employment.
- B. **CONTRACTOR** will, in all solicitations or advertisements for employees placed by or on behalf of **CONTRACTOR**, state that all qualified applicants will receive consideration for employment without regard to their race, religion, ancestry, national origin, sex, sexual orientation, age, disability, marital status or medical condition.
- C. As part of the **CITY'S** supplier registration process, and/or at the request of the awarding authority or the Office of Contract Compliance, **CONTRACTOR** shall certify on an electronic or hard copy form to be supplied, that **CONTRACTOR** has not discriminated in the performance of **CITY** contracts against any employee or applicant for employment on the basis or because of race, religion, ancestry, national origin, sex, sexual orientation, age, disability, marital status or medical condition.
- D. **CONTRACTOR** shall permit access to and may be required to provide certified copies of all of its records pertaining to employment and to its employment practices by the awarding authority or the Office of Contract Compliance, for the purpose of investigation to ascertain compliance with the Affirmative Action Program provisions of **CITY** contracts, and on their or either of their request to provide evidence that it has or will comply therewith.
- E. The failure of any **CONTRACTOR** to comply with the Affirmative Action Program provisions of **CITY** contracts may be deemed to be a material breach of contract. Such failure shall only be established upon a finding to that effect by the awarding authority, on the basis of its own investigation or that of the Board of Public Works, Office of Contract Compliance. No such finding shall be made except upon a full and fair hearing after notice and an opportunity to be heard has been given to **CONTRACTOR**.
- F. Upon a finding duly made that **CONTRACTOR** has breached the Affirmative Action Program provisions of a **CITY** contract, the Lease may be forthwith cancelled, terminated or suspended, in whole or in part, by the awarding authority, and all monies due or to become due hereunder may be forwarded to and retained by the **CITY**. In addition thereto, such breach may be the basis for a determination by the awarding authority or the Board of Public Works that the said **CONTRACTOR** is an irresponsible bidder or proposer pursuant to the provisions of Section 371 of the Los Angeles City Charter. In the event of such determination, such **CONTRACTOR** shall be disqualified from being awarded a contract with the **CITY** for a period of two years, or until he or she shall establish and carry out a program in conformance with the provisions hereof.

- G. In the event of a finding by the Fair Employment and Housing Commission of the State of California, or the Board of Public Works of the City of Los Angeles, or any court of competent jurisdiction, that **CONTRACTOR** has been guilty of a willful violation of the California Fair Employment and Housing Act, or the Affirmative Action Program provisions of a **CITY** contract, there may be deducted from the amount payable to **CONTRACTOR** by the **CITY** under the contract, a penalty of ten dollars (\$10.00) for each person for each calendar day on which such person was discriminated against in violation of the provisions of a **CITY** contract.
- H. Notwithstanding any other provisions of a **CITY** contract, the **CITY** shall have any and all other remedies at law or in equity for any breach hereof.
- I. Intentionally blank.
- J. Nothing contained in **CITY** contracts shall be construed in any manner so as to require or permit any act which is prohibited by law.
- K. **CONTRACTOR** shall submit an Affirmative Action Plan which shall meet the requirements of this chapter at the time it submits its bid or proposal or at the time it registers to do business with the **CITY**. The plan shall be subject to approval by the Office of Contract Compliance prior to award of the contract. The awarding authority may also require contractors and suppliers to take part in a pre-registration, pre-bid, pre-proposal, or pre-award conference in order to develop, improve or implement a qualifying Affirmative Action Plan. Affirmative Action Programs developed pursuant to this section shall be effective for a period of twelve months from the date of approval by the Office of Contract Compliance. In case of prior submission of a plan, **CONTRACTOR** may submit documentation that it has an Affirmative Action Plan approved by the Office of Contract Compliance within the previous twelve months. If the approval is 30 days or less from expiration, **CONTRACTOR** must submit a new Plan to the Office of Contract Compliance and that Plan must be approved before the Lease is awarded.
1. Every contract of \$5,000 or more which may provide construction, demolition, renovation, conservation or major maintenance of any kind shall in addition comply with the requirements of Section 10.13 of the Los Angeles Administrative Code.
 2. **CONTRACTOR** may establish and adopt as its own Affirmative Action Plan, by affixing his or her signature thereto, an Affirmative Action Plan prepared and furnished by the Office of Contract Compliance, or it may prepare and submit its own Plan for approval.
- L. The Office of Contract Compliance shall annually supply the awarding authorities of the **CITY** with a list of contractors and suppliers who have

developed Affirmative Action Programs. For each contractor and supplier the Office of Contract Compliance shall state the date the approval expires. The Office of Contract Compliance shall not withdraw its approval for any Affirmative Action Plan or change the Affirmative Action Plan after the date of contract award for the entire contract term without the mutual agreement of the awarding authority and **CONTRACTOR**.

- M. The Affirmative Action Plan required to be submitted hereunder and the pre-registration, pre-bid, pre-proposal or pre-award conference which may be required by the Board of Public Works, Office of Contract Compliance or the awarding authority shall, without limitation as to the subject or nature of employment activity, be concerned with such employment practices as:
1. Apprenticeship where approved programs are functioning, and other on-the-job training for non-apprenticeable occupations;
 2. Classroom preparation for the job when not apprenticeable;
 3. Pre-apprenticeship education and preparation;
 4. Upgrading training and opportunities;
 5. Encouraging the use of contractors, subcontractors and suppliers of all racial and ethnic groups, provided, however, that any contract subject to this ordinance shall require the contractor, subcontractor or supplier to provide not less than the prevailing wage, working conditions and practices generally observed in private industries in the contractor's, subcontractor's or supplier's geographical area for such work;
 6. The entry of qualified women, minority and all other journeymen into the industry; and
 7. The provision of needed supplies or job conditions to permit persons with disabilities to be employed, and minimize the impact of any disability.
- N. Any adjustments which may be made in the contractor's or supplier's workforce to achieve the requirements of the **CITY'S** Affirmative Action Contract Compliance Program in purchasing and construction shall be accomplished by either an increase in the size of the workforce or replacement of those employees who leave the workforce by reason of resignation, retirement or death and not by termination, layoff, demotion or change in grade.
- O. Affirmative Action Agreements resulting from the proposed Affirmative Action Plan or the pre-registration, pre-bid, pre-proposal or pre-award

conferences shall not be confidential and may be publicized by the contractor at his or her discretion. Approved Affirmative Action Agreements become the property of the **CITY** and may be used at the discretion of the **CITY** in its Contract Compliance Affirmative Action Program.

- P. Intentionally blank.
- Q. All contractors subject to the provisions of this section shall include a like provision in all subcontracts awarded for work to be performed under the Lease with the **CITY** and shall impose the same obligations, including but not limited to filing and reporting obligations, on the subcontractors as are applicable to the contractor. Failure of the contractor to comply with this requirement or to obtain the compliance of its subcontractors with all such obligations shall subject the contractor to the imposition of any and all sanctions allowed by law, including but not limited to termination of the contractor's contract with the **CITY**.

PSC-30. CHILD SUPPORT ASSIGNMENT ORDERS

This Lease is subject to the Child Support Assignment Orders Ordinance, Section 10.10 of the Los Angeles Administrative Code, as amended from time to time. Pursuant to the Child Support Assignment Orders Ordinance, **CONTRACTOR** will fully comply with all applicable State and Federal employment reporting requirements for **CONTRACTOR'S** employees. **CONTRACTOR** shall also certify (1) that the Principal Owner(s) of **CONTRACTOR** are in compliance with any Wage and Earnings Assignment Orders and Notices of Assignment applicable to them personally; (2) that **CONTRACTOR** will fully comply with all lawfully served Wage and Earnings Assignment Orders and Notices of Assignment in accordance with Section 5230, *et seq.* of the California Family Code; and (3) that **CONTRACTOR** will maintain such compliance throughout the term of this Lease.

Pursuant to Section 10.10(b) of the Los Angeles Administrative Code, the failure of **CONTRACTOR** to comply with all applicable reporting requirements or to implement lawfully served Wage and Earnings Assignment Orders or Notices of Assignment, or the failure of any Principal Owner(s) of **CONTRACTOR** to comply with any Wage and Earnings Assignment Orders or Notices of Assignment applicable to them personally, shall constitute a default by the **CONTRACTOR** under this Contract, subjecting this Lease to termination if such default shall continue for more than ninety (90) days after notice of such default to **CONTRACTOR** by the **CITY**.

Any subcontract entered into by **CONTRACTOR**, to the extent allowed hereunder, shall include a like provision for work to be performed under this Contract. Failure of **CONTRACTOR** to obtain compliance of its subcontractors shall constitute a default by **CONTRACTOR** under this Contract, subjecting this Lease to termination where such default shall continue for more than ninety (90) days after notice of such default to **CONTRACTOR** by the **CITY**.

CONTRACTOR certifies that, to the best of its knowledge, it is fully complying with the Earnings Assignment Orders of all employees, and is providing the names of all new employees to the New Hire Registry maintained by the Employment Development Department as set forth in Section 7110(b) of the California Public Contract Code.

PSC-31. LIVING WAGE ORDINANCE AND SERVICE CONTRACTOR WORKER RETENTION ORDINANCE

- A. Unless otherwise exempt, this Lease is subject to the applicable provisions of the Living Wage Ordinance (LWO), Section 10.37 *et seq.* of the Los Angeles Administrative Code, as amended from time to time, and the Service Contractor Worker Retention Ordinance (SCWRO), Section 10.36 *et seq.*, of the Los Angeles Administrative Code, as amended from time to time. These Ordinances require the following:
1. **CONTRACTOR** assures payment of a minimum initial wage rate to employees as defined in the LWO and as may be adjusted each July 1 and provision of compensated and uncompensated days off and health benefits, as defined in the LWO.
 2. **CONTRACTOR** further pledges that it will comply with federal law proscribing retaliation for union organizing and will not retaliate for activities related to the LWO. **CONTRACTOR** shall require each of its subcontractors within the meaning of the LWO to pledge to comply with the terms of federal law proscribing retaliation for union organizing. **CONTRACTOR** shall deliver the executed pledges from each such subcontractor to the **CITY** within ninety (90) days of the execution of the subcontract. **CONTRACTOR'S** delivery of executed pledges from each such subcontractor shall fully discharge the obligation of **CONTRACTOR** with respect to such pledges and fully discharge the obligation of **CONTRACTOR** to comply with the provision in the LWO contained in Section 10.37.6(c) concerning compliance with such federal law.
 3. **CONTRACTOR**, whether an employer, as defined in the LWO, or any other person employing individuals, shall not discharge, reduce in compensation, or otherwise discriminate against any employee for complaining to the **CITY** with regard to the employer's compliance or anticipated compliance with the LWO, for opposing any practice proscribed by the LWO, for participating in proceedings related to the LWO, for seeking to enforce his or her rights under the LWO by any lawful means, or otherwise asserting rights under the LWO. **CONTRACTOR** shall post the Notice of Prohibition Against Retaliation provided by the **CITY**.
 4. **Any** subcontract entered into by **CONTRACTOR** relating to this Contract, to the extent allowed hereunder, shall be subject to the

provisions of PSC-31 and shall incorporate the provisions of the LWO and the SCWRO.

5. **CONTRACTOR** shall comply with all rules, regulations and policies promulgated by the **CITY'S** Designated Administrative Agency which may be amended from time to time.
- B. Under the provisions of Sections 10.36.3(c) and 10.37.6(c) of the Los Angeles Administrative Code, the **CITY** shall have the authority, under appropriate circumstances, to terminate this Lease and otherwise pursue legal remedies that may be available if the **CITY** determines that the subject **CONTRACTOR** has violated provisions of either the LWO or the SCWRO, or both.
- C. Where under the LWO Section 10.37.6(d), the **CITY'S** Designated Administrative Agency has determined (a) that **CONTRACTOR** is in violation of the LWO in having failed to pay some or all of the living wage, and (b) that such violation has gone uncured, the **CITY** in such circumstances may impound monies otherwise due **CONTRACTOR** in accordance with the following procedures. Impoundment shall mean that from monies due **CONTRACTOR**, **CITY** may deduct the amount determined to be due and owing by **CONTRACTOR** to its employees. Such monies shall be placed in the holding account referred to in LWO Section 10.37.6(d)(3) and disposed of under procedures described therein through final and binding arbitration. Whether **CONTRACTOR** is to continue work following an impoundment shall remain in the sole discretion of the **CITY**. **CONTRACTOR** may not elect to discontinue work either because there has been an impoundment or because of the ultimate disposition of the impoundment by the arbitrator.
- D. **CONTRACTOR** shall inform employees making less than Twelve Dollars (\$12.00) per hour of their possible right to the federal Earned Income Credit (EIC). **CONTRACTOR** shall also make available to employees the forms informing them about the EIC and forms required to secure advance EIC payments from **CONTRACTOR**.

PSC-32. AMERICANS WITH DISABILITIES ACT

CONTRACTOR hereby certifies that it will comply with the Americans with Disabilities Act, 42 U.S.C. §§ 12101 *et seq.*, and its implementing regulations. **CONTRACTOR** will provide reasonable accommodations to allow qualified individuals with disabilities to have access to and to participate in its programs, services and activities in accordance with the provisions of the Americans with Disabilities Act. **CONTRACTOR** will not discriminate against persons with disabilities nor against persons due to their relationship to or association with a person with a disability. Any subcontract entered into by **CONTRACTOR**, relating to this Lease, to the extent allowed hereunder, shall be subject to the provisions of this paragraph.

PSC-33. CONTRACTOR RESPONSIBILITY ORDINANCE

Unless otherwise exempt, this Lease is subject to the provisions of the Contractor Responsibility Ordinance, Section 10.40 *et seq.*, of the Los Angeles Administrative Code, as amended from time to time, which requires **CONTRACTOR** to update its responses to the responsibility questionnaire within thirty calendar days after any change to the responses previously provided if such change would affect **CONTRACTOR'S** fitness and ability to continue performing this Contract.

In accordance with the provisions of the Contractor Responsibility Ordinance, by signing this Contract, **CONTRACTOR** pledges, under penalty of perjury, to comply with all applicable federal, state and local laws in the performance of this Lease, including but not limited to, laws regarding health and safety, labor and employment, wages and hours, and licensing laws which affect employees. **CONTRACTOR** further agrees to: (1) notify the **CITY** within thirty calendar days after receiving notification that any government agency has initiated an investigation which may result in a finding that **CONTRACTOR** is not in compliance with all applicable federal, state and local laws in performance of this Lease; (2) notify the **CITY** within thirty calendar days of all findings by a government agency or court of competent jurisdiction that **CONTRACTOR** has violated the provisions of Section 10.40.3(a) of the Contractor Responsibility Ordinance; (3) unless exempt, ensure that its subcontractor(s), as defined in the Contractor Responsibility Ordinance, submit a Pledge of Compliance to the **CITY**; and (4) unless exempt, ensure that its subcontractor(s), as defined in the Contractor Responsibility Ordinance, comply with the requirements of the Pledge of Compliance and the requirement to notify the **CITY** within thirty calendar days after any government agency or court of competent jurisdiction has initiated an investigation or has found that the subcontractor has violated Section 10.40.3(a) of the Contractor Responsibility Ordinance in performance of the subcontract.

PSC-34. MINORITY, WOMEN, AND OTHER BUSINESS ENTERPRISE OUTREACH PROGRAM

CONTRACTOR agrees and obligates itself to utilize the services of Minority, Women and Other Business Enterprise firms on a level so designated in its proposal, if any. **CONTRACTOR** certifies that it has complied with Mayoral Directive 2001-26 regarding the Outreach Program for Personal Services Contracts Greater than \$100,000, if applicable. **CONTRACTOR** shall not change any of these designated subcontractors, nor shall **CONTRACTOR** reduce their level of effort, without prior written approval of the **CITY**, provided that such approval shall not be unreasonably withheld.

PSC-35. EQUAL BENEFITS ORDINANCE

Unless otherwise exempt, this Lease is subject to the provisions of the Equal Benefits Ordinance (EBO), Section 10.8.2.1 of the Los Angeles Administrative Code, as amended from time to time.

- A. During the performance of the Contract, **CONTRACTOR** certifies and represents that **CONTRACTOR** will comply with the EBO.

- B. The failure of **CONTRACTOR** to comply with the EBO will be deemed to be a material breach of this Lease by the **CITY**.
- C. If **CONTRACTOR** fails to comply with the EBO the **CITY** may cancel, terminate or suspend this Contract, in whole or in part, and all monies due or to become due under this Lease may be retained by the **CITY**. The **CITY** may also pursue any and all other remedies at law or in equity for any breach.
- D. Failure to comply with the EBO may be used as evidence against **CONTRACTOR** in actions taken pursuant to the provisions of Los Angeles Administrative Code Section 10.40 *et seq.*, Contractor Responsibility Ordinance.
- E. If the **CITY'S** Designated Administrative Agency determines that a **CONTRACTOR** has set up or used its contracting entity for the purpose of evading the intent of the EBO, the **CITY** may terminate the Contract. Violation of this provision may be used as evidence against **CONTRACTOR** in actions taken pursuant to the provisions of Los Angeles Administrative Code Section 10.40 *et seq.*, Contractor Responsibility Ordinance.

CONTRACTOR shall post the following statement in conspicuous places at its place of business available to employees and applicants for employment:

“During the performance of a Contract with the City of Los Angeles, the Contractor will provide equal benefits to its employees with spouses and its employees with domestic partners. Additional information about the City of Los Angeles’ Equal Benefits Ordinance may be obtained from the Department of Public Works, Office of Contract Compliance at (213) 847-1922.”

PSC-36. SLAVERY DISCLOSURE ORDINANCE

Unless otherwise exempt, this Lease is subject to the Slavery Disclosure Ordinance, Section 10.41 of the Los Angeles Administrative Code, as amended from time to time. **CONTRACTOR** certifies that it has complied with the applicable provisions of the Slavery Disclosure Ordinance. Failure to fully and accurately complete the affidavit may result in termination of this Lease.

EXHIBIT 1

INSURANCE CONTRACTUAL REQUIREMENTS

CONTACT For additional information about compliance with City Insurance and Bond requirements, contact the Office of the City Administrative Officer, Risk Management at (213) 978-RISK (7475) or go online at www.lacity.org/cao/risk. The City approved Bond Assistance Program is available for those contractors who are unable to obtain the City-required performance bonds. A City approved insurance program may be available as a low cost alternative for contractors who are unable to obtain City-required insurance.

CONTRACTUAL REQUIREMENTS

CONTRACTOR AGREES THAT:

1. Additional Insured/Loss Payee. The CITY must be included as an Additional Insured in applicable liability policies to cover the CITY'S liability arising out of the acts or omissions of the named insured. The CITY is to be named as an Additional Named Insured and a Loss Payee As Its Interests May Appear in property insurance in which the CITY has an interest, e.g., as a lien holder.

2. Notice of Cancellation. All required insurance will be maintained in full force for the duration of its business with the CITY. By ordinance, all required insurance must provide at least thirty (30) days' prior written notice (ten (10) days for non-payment of premium) directly to the CITY if your insurance company elects to cancel or materially reduce coverage or limits prior to the policy expiration date, for any reason except impairment of an aggregate limit due to prior claims.

3. Primary Coverage. CONTRACTOR will provide coverage that is primary with respect to any insurance or self-insurance of the CITY. The CITY'S program shall be excess of this insurance and non-contributing.

4. Modification of Coverage. The CITY reserves the right at any time during the term of this Lease to change the amounts and types of insurance required hereunder by giving CONTRACTOR ninety (90) days' advance written notice of such change. If such change should result in substantial additional cost to CONTRACTOR, the CITY agrees to negotiate additional compensation proportional to the increased benefit to the CITY.

5. Failure to Procure Insurance. All required insurance must be submitted and approved by the Office of the City Administrative Officer, Risk Management prior to the inception of any operations by CONTRACTOR.

CONTRACTOR'S failure to procure or maintain required insurance or a self-insurance program during the entire term of this Lease shall constitute a material breach of this Lease under which the CITY may immediately suspend or terminate this Lease or, at its discretion, procure or renew such insurance to protect the CITY'S interests and pay any and all premiums in connection therewith and recover all monies so paid from CONTRACTOR.

6. Workers' Compensation. By signing this Contract, CONTRACTOR hereby certifies that it is aware of the provisions of Section 3700 *et seq.*, of the California Labor Code which require every employer to be insured against liability for Workers' Compensation or to undertake self-insurance in accordance with the provisions of that Code, and that it will comply with such provisions at all time during the performance of the work pursuant to this Contract.

7. California Licensee. All insurance must be provided by an insurer admitted to do business in California or written through a California-licensed surplus lines broker or through an insurer otherwise acceptable to the CITY. Non-admitted coverage must contain a **Service of Suit** clause in which the underwriters agree to submit as necessary to the jurisdiction of a California court in the event of a coverage dispute. Service of process for this purpose must be allowed upon an agent in California designated by the insurer or upon the California Insurance Commissioner.

8. Aggregate Limits/Impairment. If any of the required insurance coverages contain annual aggregate limits, CONTRACTOR must give the CITY written notice of any pending claim or lawsuit which will materially diminish the aggregate within thirty (30) days of knowledge of same. You must take appropriate steps to restore the impaired aggregates or provide replacement insurance protection within thirty (30) days of knowledge of same. The CITY has the option to specify the minimum acceptable aggregate limit for each line of coverage required. No substantial reductions in scope of coverage which may affect the CITY'S protection are allowed without the CITY'S prior written consent.

9. Commencement of Work. For purposes of insurance coverage only, this Lease will be deemed to have been executed immediately upon any party hereto taking any steps that can be considered to be in furtherance of or towards performance of this Contract. The requirements in this Section supersede all other sections and provisions of this Contract, including, but not limited to, PSC-4, to the extent that any other section or provision conflicts with or impairs the provisions of this Section.

Attachment 1 (Continued)
Required Insurance and Minimum Limits

Name: _____ Date: _____

Agreement/Reference: _____

Evidence of coverages checked below, with the specified minimum limits, must be submitted and approved prior to occupancy/start of operations. Amounts shown are Combined Single Limits ("CSLs"). For Automobile Liability, split limits may be substituted for a CSL if the total per occurrence equals or exceeds the CSL amount.

Limits

____ **Workers' Compensation – Workers' Compensation (WC) and Employer's Liability**
EL)

WC
Statutory

EL

☐ Waiver of Subrogation in favor of City

☐ Longshore & Harbor Workers
☐ Jones Act

____ **General Liability**

☐ Products/Completed Operations
☐ Fire Legal Liability _____
☐

☐ Sexual Misconduct _____

____ **Automobile Liability** (for any and all vehicles used for this Contract, other than commuting to/from work) _____

____ **Professional Liability** (Errors and Omissions)

Property Insurance (to cover replacement cost of building – as determined by insurance company)

☐ All Risk Coverage
☐ Flood _____
☐ Earthquake _____

☐ Boiler and Machinery
☐ Builder's Risk
☐ _____

____ **Pollution Liability**



___ **Surety Bonds** – Performance and Payment (Labor and Materials) Bonds 100 % of Contract Price
___ **Crime Insurance Other:**

Other: _____

LEGAL DESCRIPTION
MAINTENANCE BOUNDARY

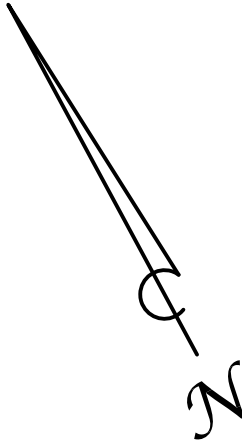
THAT PORTION OF LOT 3, BLOCK 25 OF HANCOCK'S SURVEY, IN THE CITY OF LOS ANGELES, COUNTY OF LOS ANGELES, STATE OF CALIFORNIA, AS PER MAP RECORDED IN BOOK 2, PAGE 108 OF MISCELLANEOUS RECORDS, IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY, DESCRIBED AS FOLLOWS:

BEGINNING AT THE INTERSECTION OF THE SOUTHWEST LINE OF 6TH STREET, 82.5 FEET WIDE, WITH THE NORTHWEST LINE OF LA FAYETTE PARK PLACE, 120 FEET WIDE, AS SHOWN ON RECORD OF SURVEY RECORDED IN BOOK 287, PAGES 28 AND 29; THENCE ALONG THE NORTHWEST LINE OF SAID LA FAYETTE PARK PLACE SOUTH 28° 41' 49" WEST 70.50 FEET; THENCE LEAVING SAID NORTHWEST LINE, NORTH 61° 39' 33" WEST 51.18 FEET; THENCE SOUTH 28° 20' 27" WEST 3.00 FEET; THENCE NORTH 61° 39' 33" WEST 50.50 FEET; THENCE SOUTH 28° 20' 27" WEST 137.00 FEET; THENCE NORTH 61° 39' 33" WEST 23.09 FEET TO THE BEGINNING OF A NON-TANGENT CURVE CONCAVE TO THE NORTHWEST HAVING A RADIUS OF 130.00 FEET, A RADIAL BEARING SOUTH 42° 22' 58" EAST TO SAID POINT; THENCE SOUTHWESTERLY ALONG SAID CURVE, THROUGH A CENTRAL ANGLE OF 26° 59' 25", AN ARC DISTANCE OF 61.24 FEET TO THE BEGINNING OF A COMPOUND CURVE CONCAVE TO THE NORTHWEST HAVING A RADIUS OF 637.00 FEET; THENCE SOUTHWESTERLY ALONG SAID CURVE, THROUGH A CENTRAL ANGLE OF 7° 23' 51", AN ARC DISTANCE OF 82.24 FEET; THENCE NORTH 61° 39' 33" WEST 139.50 FEET; THENCE NORTH 5° 24' 52" WEST 14.00 FEET; THENCE NORTH 28° 20' 27" EAST 49.22 FEET TO THE BEGINNING OF A TANGENT CURVE CONCAVE TO THE SOUTHEAST HAVING A RADIUS OF 30.00 FEET; THENCE NORTHEASTERLY ALONG SAID CURVE, THROUGH A CENTRAL ANGLE OF 26° 35' 52", AN ARC DISTANCE OF 13.93 FEET; THENCE NORTH 54° 56' 19" EAST 117.34 FEET TO THE BEGINNING OF A TANGENT CURVE CONCAVE TO THE NORTHWEST HAVING A RADIUS OF 113.00 FEET; THENCE NORTHERLY ALONG SAID CURVE, THROUGH A CENTRAL ANGLE OF 37° 41' 14", AN ARC DISTANCE OF 74.33 FEET TO THE BEGINNING OF A NON-TANGENT CURVE CONCAVE TO THE SOUTH HAVING A RADIUS OF 157.00 FEET, A RADIAL BEARING NORTH 10° 17' 12" WEST TO SAID POINT; THENCE EASTERLY ALONG SAID CURVE, THROUGH A CENTRAL ANGLE OF 27° 48' 01", AN ARC DISTANCE OF 76.18 FEET TO THE BEGINNING OF A NON-TANGENT CURVE CONCAVE TO THE WEST HAVING A RADIUS OF 125.00 FEET, A RADIAL BEARING SOUTH 68° 03' 41" EAST TO SAID POINT; THENCE NORTHERLY ALONG SAID CURVE, THROUGH A CENTRAL ANGLE OF 14° 48' 28", AN ARC DISTANCE OF 32.31 FEET TO THE SOUTHWEST LINE OF SAID 6TH STREET; THENCE SOUTHEAST ALONG SAID SOUTHWEST LINE SOUTH 61° 39' 33" EAST 241.87 FEET TO THE POINT OF BEGINNING.



Maintenance Boundary Exhibit

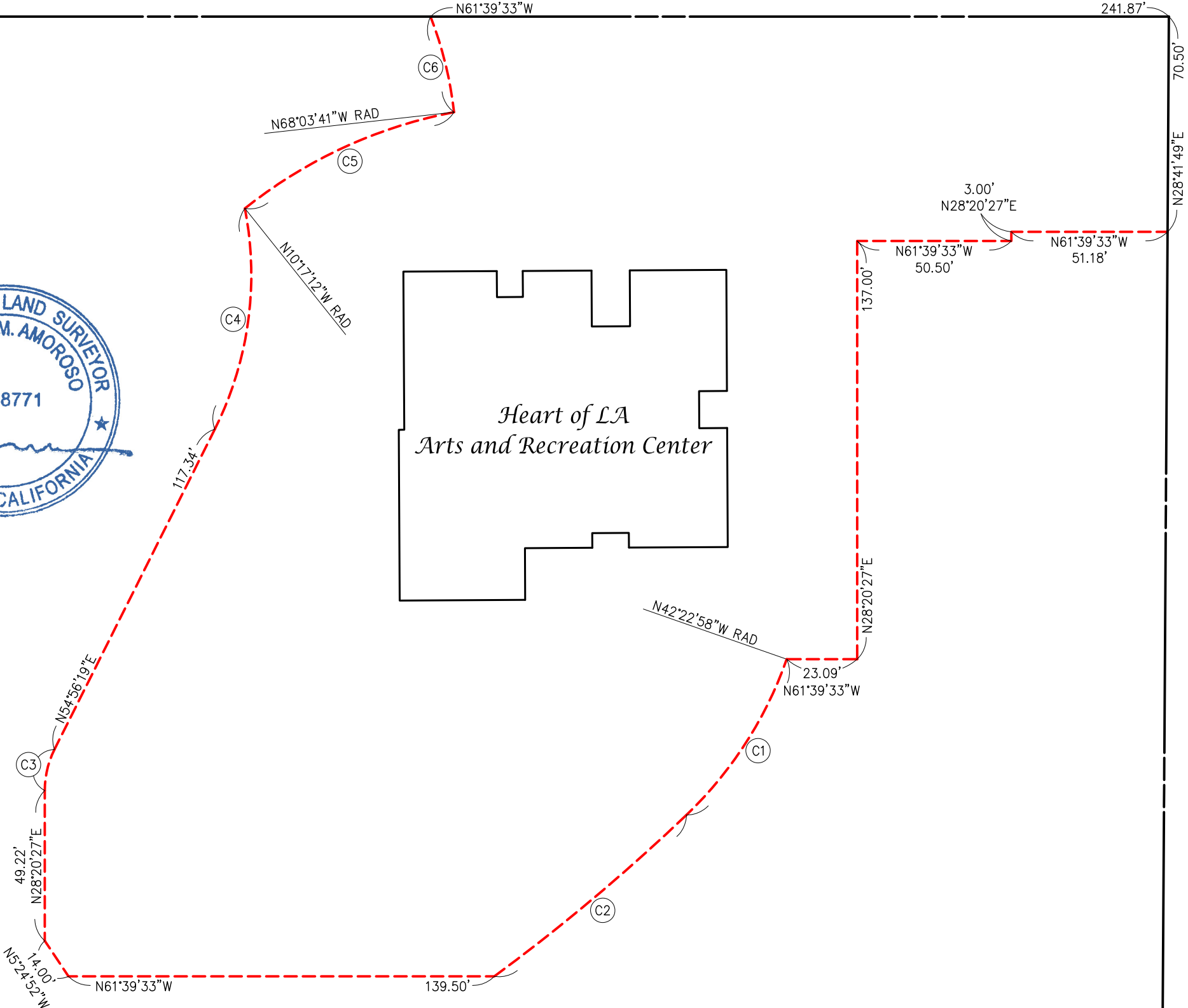
6th Street



Not to Scale



Curve Table			
No.	Delta	Radius	Length
C1	26°59'25"	130.00'	61.24'
C2	7°23'51"	637.00'	82.24'
C3	26°35'52"	30.00'	13.93'
C4	37°41'14"	113.00'	74.33'
C5	27°48'01"	157.00'	76.18'
C6	14°48'28"	125.00'	32.31'



La Fayette Park Place