

BOARD REPORTNO. 25-133DATE August 07, 2025C.D. 1**BOARD OF RECREATION AND PARK COMMISSIONERS**

SUBJECT: LA TIERRA DE LA CULEBRA PARK – APPROVAL OF LEASE AGREEMENT WITH LOS ANGELES NEIGHBORHOOD LAND TRUST – CATEGORICAL EXEMPTION FROM THE PROVISIONS OF THE CALIFORNIA ENVIRONMENTAL QUALITY ACT (CEQA) PURSUANT TO ARTICLE 19, SECTION 15301 [OPERATION, REPAIR, MAINTENANCE, 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	<u>DF</u>
C. Stoneham	_____	N. Williams	_____



General Manager

Approved _____ Disapproved _____ Withdrawn X

RECOMMENDATIONS

1. Approve the proposed thirty-year Lease Agreement (Lease) with the Los Angeles Neighborhood Land Trust (LANLT) for the operation and maintenance of La Tierra de La Culebra Park, substantially in the form attached to this Report as Attachment 3, subject to approval of the Mayor, the City Council, and the City Attorney as to form;
2. Direct the Board of Recreation and Park Commissioners (Board) Secretary to forward the Lease to the Mayor and, concurrently, to the City Council for approval and the City Attorney for review and approval as to form;
3. Determine that approval of the Lease (Project) is categorically exempt from the provisions of the California Environmental Quality Act (CEQA) pursuant to Article 19, Section 15301 [Operation, repair, maintenance, 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, 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;

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4. Authorize RAP's Chief Accounting Employee to prepare a check to the Los Angeles County Clerk in the amount of \$75.00 for the purpose of filing an NOE;
5. Authorize the Board President and Board Secretary to execute the Lease upon receipt of the necessary approvals; and,
6. Authorize RAP staff to make technical corrections as necessary to carry out the intent of this Report.

SUMMARY

La Tierra de La Culebra Park (Park), identified with APN: 5468-031-901 is located at 240 South Ave 57 in the Northeast community of the City, in Highland Park. The site was previously used by the Arts Corps L.A. for the purpose of operating and maintaining an educational art center. This is a .57-acre, multi-leveled property furnished with mosaic benches and landscaped open space containing indigenous plants, walkways, terraced patios, and a large mural garden. The art monument at ground level, resembling a rattlesnake, gives the park its name, as "culebra" is Spanish for snake.

The Park is the result of a long history of activism. Community members demanded more park space and took it upon themselves to acquire a blighted vacant lot and convert it into an art-driven community gathering space. Over the years there have been several stories written on the success of the site, from news outlets like NPR and others, showing its growth from a blighted vacant lot to its current form as a community congregation space. One of those initial community-driven efforts was the construction of the aforementioned stone snake monument which became the symbol and name of the Park – La Tierra de La Culebra (the land of the snake). The establishment of this Park has enhanced community health and support by allowing a space for recreation, reflection, and learning in a densely populated area that serves seniors and children alike. RAP staff evaluated the site and determined that continued, focused assistance in raising funds is necessary to operate and maintain the Park, ensuring it meets the community's needs while saving departmental costs. RAP staff with the support of the Council Office is looking towards entering into an agreement with a non-profit that can assist with the future development of the Park as well as its maintenance and operation.

LANLT is a non-profit that has experience in working with communities to develop equitable green spaces through grassroots practices. LANLT engages residents from the beginning of a design process, through construction and ultimately the stewardship of the park through maintenance and operations management. This non-profit values sustainability, environmental justice, equity, inclusivity, and collaboration with community members, ensuring a long-term positive relationship with the community it serves. RAP staff believes that LANLT will help RAP achieve its goals of maintaining a safe and accessible open space park that serves the community's needs by entering into a thirty-year Lease. This term length will provide sufficient time to accomplish these goals while reducing RAP's operation and maintenance costs, allowing funds to be allocated to other areas of need.

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An estimated 6,814 community residents ranging from 5 to 65 years old are served by the Park; its facilities, features, programs, and services meet the standard for a Neighborhood Park as defined in the City's Public Recreation Plan.

On February 20, 2002, the Board approved the Park's previous lease agreement (Attachment 2) with the ARTSCORPSLA through Board Report No. 02-70. That agreement was entered for the operation of a proposed arts center at La Tierra De La Culebra Park with an art/cultural education program, along with recreational, and community activities. On May 1, 2001, RAP acquired lot 6. On March 26, 2003, RAP acquired lots 4, 5, and 7 resulting in the Park's current state as a .57-acre passive use park.

TREES AND SHADE

The approval of this Report will have no impact on existing trees or shade at La Tierra de La Culebra Park.

ENVIRONMENTAL IMPACT

The proposed Project consists of the leasing of an existing public facility, involving negligible or no expansion of existing or former use.

According to the parcel profile report retrieved on May 6, 2025, this area is included in the Highland Park – Garvanza Historic Preservation Overlay Zone, but does not reside in a liquefaction, methane, coastal zone. The Lease will not create conditions that could affect the nature of the historic preservation zone, so there is no reasonable possibility that the proposed Project may impact 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 May 6, 2025, 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 or 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 Project site. Furthermore, the proposed Project is not located in proximity of a known historical resource and will not cause a substantial adverse change in the significance of any historical resource.

Based on this information, 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 as well as 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 Board's approval.

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FISCAL IMPACT

The approval of this Report will have no fiscal impact to RAP's General Fund.

This Report was prepared by RAP's Real Estate Unit, Planning, Maintenance and Construction Branch.

LIST OF ATTACHMENTS/EXHIBITS

- 1) Board Report No. 02-70
- 2) Previous Agreement with Arts Corps LA
- 3) Lease Agreement with LANLT

REPORT OF GENERAL MANAGER

NO. 02-70

DATE February 20, 2002

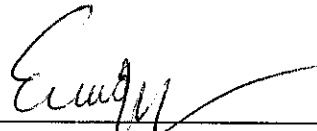
C.D. _____

BOARD OF RECREATION AND PARK COMMISSIONERS

SUBJECT: LA TIERRA DE LA CULEBRA PARK - LEASE AGREEMENT WITH
ARTSCORPSLA

J. Combs _____
A. Corrales _____
J. Duggan _____
J. Kolb _____

H. Fujita _____
*M. Tamuri _____
M. Matthews _____



General Manager

Approved _____

Disapproved _____

Withdrawn _____

RECOMMENDATION:

It is recommended that the Board:

1. Approve the proposed Lease Agreement, on file in the Board Office, between the Department and ArtsCorpsLA for the use of La Tierra de la Culebra Park as the site for an educational Art Center to be operated by ArtsCorpsLA;
2. Adopt the draft Resolution, on file in the Board Office, authorizing approval of the proposed Lease Agreement;
3. Direct the Board Secretary to transmit the proposed Lease Agreement to the Mayor in accordance with Executive Directive No.16 for review and recommendation, and concurrently to the City Attorney for review as to form; and,
4. Upon obtaining all required approvals, authorize the President and Secretary of the Board to execute the Lease Agreement.

SUMMARY:

On June 2, 1999, the Board of Recreation and Park Commissioners granted preliminary approval to acquire three (3) contiguous property parcels, consisting of four (4) lots, located on Avenue 57 in the Highland Park area of Los Angeles (map attached). The Department, with the support of the First Council District, is acquiring these properties for the purpose of developing an art park to be called La Tierra de la Culebra Park.

On October 6, 1999, the Board granted final approval to acquire one of these property parcels from ArtsCorpsLA, a non-profit organization which for several years has been operating an art park on the property for the benefit of the community.

REPORT OF GENERAL MANAGER

PG. 2

NO. 02-70

The owner of the two (2) remaining parcels rejected the City's fair market offer. Since attempts to negotiate the sale of these two (2) parcels were unsuccessful, the Board authorized this acquisition through condemnation. On October 11, 2000, City Council approved Ordinance No.173563, authorizing the City Attorney to commence an action in eminent domain to acquire the properties. The City Attorney has filed the condemnation action and served an order of possession with the Superior Court.

The Department has prepared a lease agreement which provides for the continuation of the educational art program operated by ArtsCorpsLA at the City's La Tierra de la Culebra Park. This lease specifies the park as premises for use by ArtsCorpsLA, as tenant, to operate and maintain an educational art center. As consideration for the use of the premises, the art center and its programming shall be open to the general public and operated on a non-profit basis to serve the community. The lease term shall be ten (10) years, with an option to extend the term for an additional ten (10) years.

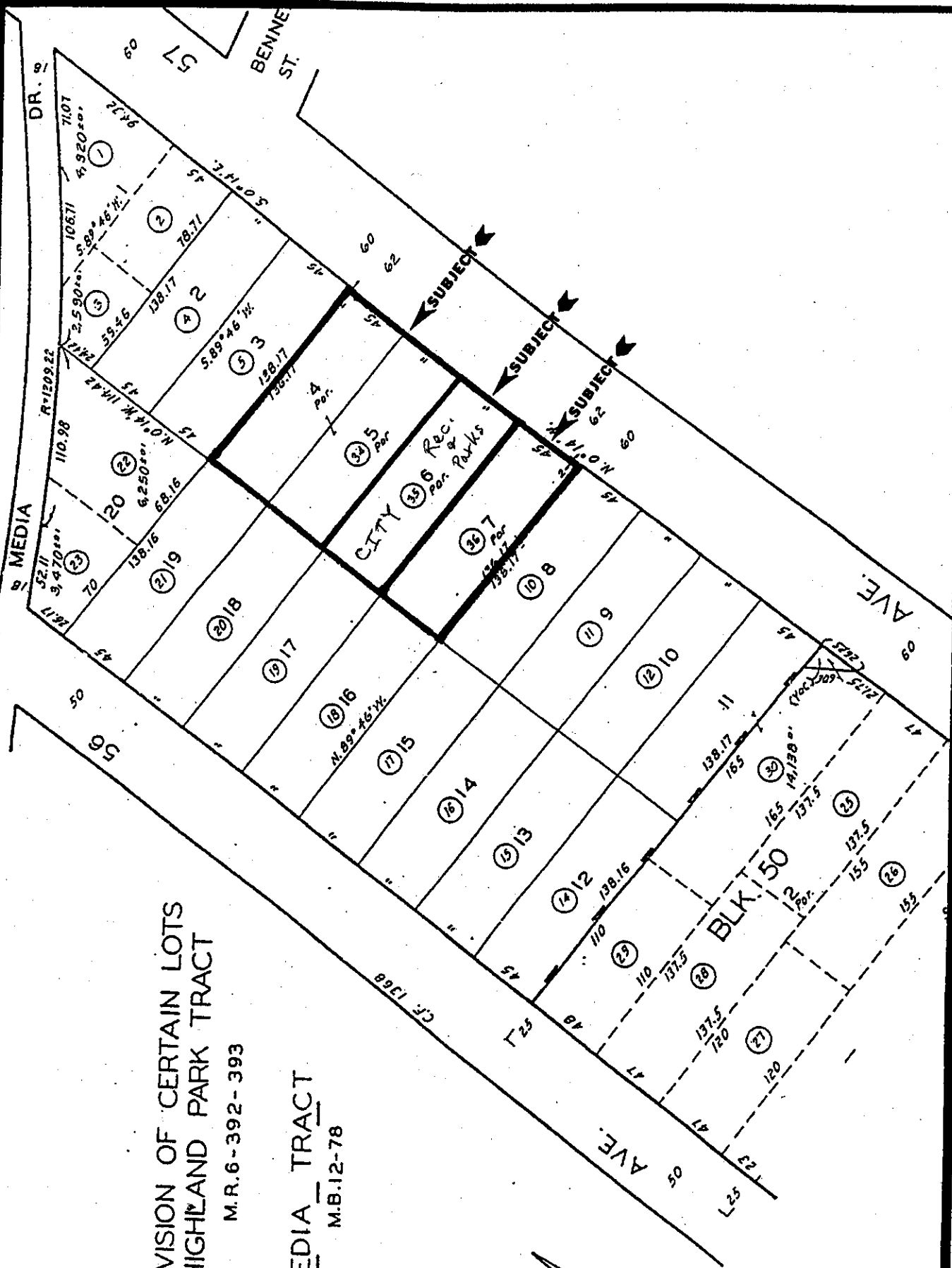
Once the City has obtained legal possession of the two (2) properties adjoining La Tierra de la Culebra Park, these properties shall become part of the premises under the provisions of the lease agreement. It is the understanding of the Department, as provided for in the lease, that ArtsCorpsLA shall design and construct a structure on the premises necessary to carry out the functions of the educational art center. All improvements and alterations to the premises shall be paid for by ArtsCorpsLA and approved by the General Manager of the Department of Recreation and Parks. The lease provisions specify that the tenant shall be responsible for securing any approvals, permits, and inspections required for any improvements, and comply with all relevant City, State, and Federal laws and regulations.

The Environmental Management Division has determined that the property acquisition in connection with La Tierra de la Culebra Park is exempt from the provisions of the California Environmental Quality Act (CEQA) pursuant to Article VII, Section 1, Class 25 of the CEQA Guidelines. Future park development will be the subject of further environmental review and Board action.

The First Council District has been consulted concerning this lease agreement and supports the use of La Tierra de la Culebra park as the site for an educational art center.

Report prepared by Drew Tolliffe, Real Estate and Asset Management Division.

MEDIA TRACT
M.B.12-78



Plat Map

LEASE AGREEMENT SUMMARY

BETWEEN THE DEPARTMENT OF RECREATION AND PARKS
OF THE CITY OF LOS ANGELES AND ARTSCORPSLA
FOR THE USE OF LA TIERRA DE LA CULEBRA PARK
AS THE SITE FOR AN EDUCATIONAL ART CENTER
240 S. AVENUE 57, LOS ANGELES, CALIFORNIA

For information purposes only - not part of Lease

COMMISSION

REPORT NO.: 02-70

COMMISSION APPROVAL DATE: February 20, 2002

CF NO: 02-1861

COUNCIL APPROVAL DATE: October 29, 2002

LWO STATUS: Exempt

EBO STATUS: Exempt

CITY ATTORNEY

SIGNATURE

DATE: January 7, 2003

PREMISES: La Tierra De La Culebra Park

ADDRESS: 240 S. Avenue 57

Los Angeles, California 90042 [Section 3.1, 3.2, 5.5, page 2, 4]

TENANT: ARTScorpsLA, a California nonprofit public benefit corporation

936 Mei Ling Way, Los Angeles, California 90012

Telephone: (213) 617-3877 Fax: (213) 617-3878

Corporate Number: C1976148

Registered Agent: Tricia Ward

President: Tricia Ward

LANDLORD: THE CITY OF LOS ANGELES, a municipal corporation, acting by and through its Board of

Recreation and Park Commissioners

City Attorney/ANDREW J. NOCAS

Department of Recreation and Parks/DREW TOLLIFFE

Client: Department of Recreation and Parks

TERM: Ten years commencing on the Lease Commencement Date and terminating on the last day of
the calendar month containing the tenth anniversary of the Lease Commencement Date
[Section 5.1, page 4]

One (1) ten-year (10-year) option to extend [Section 5.7, page 5]

Commencing on the Execution Date [Section 5.2, page 4]

ARTSCORPSLA LEASE

LA TIERRA DE LA CULEBRA PARK

240 S. AVENUE 57

SSCHE03-74254
AVENUE57 240.001

RENT: Operation and maintenance of an educational art park at the Department's La Tierra de la Culebra Park on a nonprofit basis [Section 6.1, page 5 and Section 4.1, page 3]

FORM: GENERIC.129 (10/19/00)

LEASE AGREEMENT

BETWEEN THE DEPARTMENT OF RECREATION AND PARKS
OF THE CITY OF LOS ANGELES AND ARTSCORPSLA
FOR THE USE OF LA TIERRA DE LA CULEBRA PARK
AS THE SITE FOR AN EDUCATIONAL ART CENTER
240 S. AVENUE 57, LOS ANGELES, CALIFORNIA

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LEASE AGREEMENT
BETWEEN THE DEPARTMENT OF RECREATION AND PARKS
OF THE CITY OF LOS ANGELES AND ARTSCORPSLA
FOR THE USE OF LA TIERRA DE LA CULEBRA PARK
AS THE SITE FOR AN EDUCATIONAL ART CENTER
240 S. AVENUE 57, LOS ANGELES, CALIFORNIA

ARTICLE 1. BASIC LEASE PROVISIONS

1.1. **Parties.** This Lease Agreement ("Lease") is dated, for reference purposes only, January 22, 2007 and is between the CITY OF LOS ANGELES, a municipal corporation, acting by and through its Board of Recreation and Park Commissioners, as Landlord ("City"), and ARTSCORPSLA, a California nonprofit public benefit corporation, with a principal mailing address at 936 Mei Ling Way, Los Angeles, California 90012 ("Tenant").

1.2. **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:

1.2.1. **City.** The defined term "City" shall mean the City of Los Angeles, as Landlord of 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 Board as defined in Paragraph 1.2.3 and the General Manager as defined in Paragraph 1.2.4. 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, 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.

1.2.2. **Department.** The defined term "Department" shall mean the Department of Recreation and Parks for the City of Los Angeles, as landlord of this Lease.

1.2.3 **Board.** The defined term "Board" shall mean the Board of Recreation and Park Commissioners of the City of Los Angeles, which is the citizen board that presides over the Department of Recreation and Parks.

1.2.4. **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.

1.2.5. **Premises.** The defined term "Premises" shall mean real property, buildings, and other improvements within that portion of Department's La Tierra De La Culebra Park as described in Section 3.1, 3.2, 5.5 of this Lease.

1.2.6. **Execution Date.** The defined term "Execution Date" shall mean the date this Lease is attested by the City Clerk on page 27.

1 1.3. **Prior Tenancy.** Tenant is continuing in possession of the Premises on a month-to-month holdover
2 basis after sale of the Premises by Tenant to City. This Lease replaces any prior agreements relating to such
3 tenancy and they are hereby terminated.

4 ARTICLE 2. NOTICES

5 2.1. **Notices.** All notices and demands which may or are to be required or permitted to be given by either
6 party to the other hereunder shall be in writing. All notices and demands shall be personally delivered (including by
7 means of professional messenger service), sent by United States registered or certified mail, postage prepaid, return
8 receipt requested, or transmitted by telecopier (e.g. Fax), in which case the receiving party shall immediately confirm
9 receipt of such notice. All notices are effective upon receipt. For the purposes of such notices, the addresses for
10 the parties are set forth in Section 2.2, below. In the event City is unable to give notice to Tenant at the address(es)
11 provided to City by Tenant, notice shall be deemed effective when addressed to Tenant at the Premises. Either party
12 may from time to time designate another person or place in a notice.

13 2.2. **Notices - Where Sent.** All notices given under this Lease which are mailed or telecopied shall be
14 addressed to the respective parties as follows:

15 **To Department:**

16 Department of Recreation and Parks
17 Real Estate and Asset Management Division
18 Room 709, City Hall East
19 200 N. Main Street
20 Los Angeles, California 90012
21 Telecopier: (213) 617-0439

with a copy of all notices to:

Office of the Los Angeles City Attorney
Real Property Division
1800 City Hall East, 200 N. Main Street
Los Angeles, California 90012
Telecopier: (213) 847-0399

22 **To Tenant:**

23 ARTScorpsLA
24 936 Mei Ling Way
25 Los Angeles, California 90012
26 Telecopier: (213) 617-3878

27 ARTICLE 3. PREMISES

28 3.1. **Premises.** City leases to Tenant and Tenant leases from City that real property located at 240 South
29 Avenue 57, Highland Park, in Los Angeles and legally described as Lot 6 of the Media Tract, in the City of Los
30 Angeles, as per map recorded in Book 12, Page 78 of Maps, in the Office of the Los Angeles County Recorder
31 (together with all appurtenances, easements, and rights of way applicable to the Premises) and as shown on the plot
32 plan attached to this Lease as Exhibit A (and by this reference incorporated into this Lease as though fully set forth).

33 3.2. **Future Addition to the Premises.** City is in the process of acquiring three lots surrounding the
34 Premises, described as Lots 4, 5 and 7 in Media Tract, in the City of Los Angeles, County of Los Angeles, State of
35 California, as per map recorded in Book 12, page 78 of Maps, in the Office of the County Recorder of said County
36 (A.P.N. 5468-031-034 and A.P.N. 5468-031-036). Upon the City's obtaining legal possession of said lots, they shall
37 become part of the Premises under this lease and continue as such throughout the term of this Lease.

38 3.3. **Reservation Of Mineral Rights And Air Rights.** City hereby reserves all right, title, and interest in
39 any and all gas, oil, minerals, and water beneath the Premises, below a plane five hundred (500) feet below the
40 surface of the Premises, but without the right to use the surface of the Premises, or any area above a plane five
41 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 Tenant's ingress and egress to the Premises.

3.4. **Communication Sites.** City shall retain the exclusive right without compensation to Tenant to place, or to grant a license for others to place, one or more cellular or other communications equipment systems anywhere upon the Premises. City shall consult with Tenant with respect to the location and appearance of such equipment, but final determination shall be made by the City in its sole and absolute discretion; provided that any equipment shall not interfere with the public's and Tenant's ingress and egress to the Premises, or Tenant's operation of the Center. Nothing in this Section shall be construed to limit or prohibit Tenant's use of the Premises for Tenant's communication equipment for Tenant's personal use, and City shall require that any subsequently installed cellular or other communications equipment systems to be installed and operated in a manner which does not interfere with Tenant's equipment. All such equipment shall be installed and operated in compliance with all applicable laws and regulations. City shall have the sole and exclusive right to collect and use any revenue or fees generated from the placement of such equipment. All costs related to the installation, maintenance, or operation of such equipment shall be the responsibility of City or City's licensee, including without limitation electrical power and other necessary utilities. City or City's licensee shall be financially responsible for and shall immediately commence and diligently pursue to completion any repair of damage to the Premises or the areas adjoining the Premises, or any contents thereof, caused by the installation, maintenance, or operation of such equipment. City or City's licensee shall have access to the Premises upon twenty-four (24) hour notice to Tenant for installation or maintenance purposes. In the event of an emergency requiring immediate access to the Premises, Tenant shall make every effort to accommodate the needs of City or City's licensee.

3.5. **Acceptance Of Premises.** Tenant represents that Tenant has inspected the Premises, and accepts the Premises in the condition that existed as of the Execution Date of this Lease.

ARTICLE 4. USE

4.1. **Use.** The Premises shall be used by Tenant exclusively for the purpose of operating and maintaining an Educational Art Center at the Department's La Tierra de la Culebra Park. Attached hereto as Exhibit D is a general description of the operation and goals of the Educational Art Center. Attached hereto as Exhibit E are conceptual drawings of the buildings and site development. The premises shall be operated on a non-profit basis. Ancillary uses may include (.1) offices, store rooms, and work rooms; (.2) lunch rooms and public food service; and (.3) a shop for the sale of books, works of art, and art park related items. Nothing in this Section shall be construed as limiting or mandating Tenant to provide or maintain any specific activity at the Premises, so long as the overall use of the Premises is reasonably consistent with this Section and Exhibits D and E. Nothing in this Section shall be construed as limiting or mandating action by the City of Los Angeles in its governmental capacity (e.g. zoning, conditional use permits) (see Paragraph 1.2, page 1).

4.2. **Art Center Functions and Operations.** As partial consideration for the use of City-owned property, the Premises shall be open to the general public. The Premises shall be open not less than five (5) days each week (excepting national holidays), except for brief periods necessary to change or alter exhibitions. The days of the week and hours open to the general public shall be selected in good faith by Tenant. By mutual agreement, General Manager and Tenant may amend the operating hours where such change is determined to be in the public interest; provided, however, that any such amendments may not necessarily invalidate or change more rigorous conditions imposed by other funding sources.

4.3. **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 by the General Manager. The General Manager may, at the General Manager's sole discretion, give blanket approval for the sale or dispensing of beer and wine at Tenant functions of the type generally held by other non-profit organizations or cultural centers where alcohol is served (for example, without limitation, art exhibition openings and fund-raising events). To the

1 extent consent for the dispensing of beer, wine, or other intoxicating liquors is given, Tenant shall be responsible for
2 obtaining all licenses or permits required for such dispensing, including, without limitation, from the state Alcoholic
3 Beverages Control Board, and copies of all such licenses or permits shall be provided in a timely manner to the
4 General Manager.

5 4.4. **Ancillary Income.** During the Term, in the event Tenant obtains income from uses of the Premises
6 which are ancillary to the uses contemplated under this Lease, Tenant shall use such income on only such purposes
7 as are consistent with the activities permitted with respect to the use of the Premises and for the Art Center on the
8 Premises. Any receipt of such income shall be reported to City in the annual report required pursuant to Section 7.1
9 (page 5), and Tenant, if requested by General Manager, shall provide General Manager with such accountings as
10 General Manager shall reasonably require to demonstrate compliance with this Section. Nothing in this Section shall
11 be construed to permit uses of the Premises not otherwise allowed under the provisions of this Lease, nor shall
12 anything in this Section be construed to negate or modify any requirement for prior approval of activities.

13 4.5. **Filming on Premises.** It is the policy of City to facilitate the use of City properties as film locations
14 when appropriate. Department has established a Park Film Office to coordinate use of Park property for film
15 production purposes. All fees for use of Park property by film production companies shall be established and
16 collected in accordance with City and Department policies. Tenant shall not charge any fees for film production
17 conducted on Premises.

18 ARTICLE 5. TERM

19 5.1. **Term.** The Term of this Lease shall be for TEN (10) years, commencing on the Lease Commencement
20 Date as provided in Section 5.2 and terminating on the date which is the last day of the calendar month containing
21 the TENTH (10th) anniversary of the Lease Commencement Date ("**Term**"), unless terminated earlier or extended
22 in accordance with the provisions of this Lease.

23 5.2. **Lease Commencement Date.** The "**Lease Commencement Date**" shall be the Execution Date of
24 this Lease, as defined in Paragraph 1.2.6 (page 1).

25 5.3. **Insurance Approval.** Tenant shall, within 30 days of execution of the Lease, provide to City proof of
26 insurance required in Article 11 (page 11). Such insurance shall be kept in force for the Lease Term and shall be for
27 coverages and limits acceptable to the City Attorney of Los Angeles. City may terminate Lease if Tenant fails to
28 provide proof of required insurance within 30 days of the Lease Execution Date.

29 5.4. **Termination - Non-conforming Use.** Should the Premises cease to be used for the purpose as an
30 educational art center as set forth in Section 4.1 and Exhibits D and E of this Lease, or should the operations
31 conducted not be in accordance with the statutes of the United States, State of California, the County of Los Angeles,
32 or the City of Los Angeles, or should the Premises, at the reasonable discretion of the City, not be used for the
33 purposes of this Lease (Section 4.1, page 3, and Exhibit D), then City may terminate this Lease pursuant to
34 Paragraph 14.2.1 (page 13). Failure of Tenant to promptly and diligently pursue funding, planning and completion
35 of construction of improvements consistent with Exhibits D and E of this Lease after acquisition of the additional lots
36 described in Section 3.2 of this Lease shall constitute an additional Event of Default under Section 14.1 of this Lease
37 and City may exercise any of the remedies under Article 14 of this Lease. Tenant's right to cure pursuant to
38 Paragraph 14.2.1 shall be applicable to this Section 5.4, and any inconsequential or technical violation of any statute,
39 which violation would not constitute a basis for termination, shall not in and of itself alone result in termination of this
40 Lease. Should termination be ordered, Tenant's will peaceably surrender the Premises and will comply with all of
41 the requirements of this Lease with regard to termination.

5.5. **Termination - Failure to Obtain Additional Lots.** Should the City for any reason not obtain the three additional lots described in Section 3.2, either party to this Lease may terminate this Lease on 60 days notice. Promptly upon determining that it will not obtain said lots, City shall give Tenant notice of such determination. Any notice of termination of this Lease must be served within 120 days of service of the notice of City's determination that it will not obtain said lots. In the event of the early termination of this Lease, the provisions of Section 15.1 (page 13) of this Lease shall pertain. There shall be no liability on the part of City to Tenant for not obtaining said additional lots.

5.6. **Early Termination By Tenant.** In the event that at any time Tenant 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 Tenant shall have the right to terminate this Lease upon sixty (60) day's prior written notice to the other party. In the event of the early termination of this Lease, the provisions of Section 15.1 (page 14) of this Lease shall pertain.

5.7. **Option To Extend.** Tenant shall have one (1) extension option of ten years (10-years) ("**Option Term**") to extend the Term of this Lease for the Premises ("**Extension Option**"). Tenant may exercise this Option by giving written notice to City at least ninety (90) days prior to the expiration of the original term. This Extension Option shall be personal to Tenant.

5.8. **Holdover.** If Tenant, with City's written consent, remains in possession of the Premises after the expiration or termination of this Lease, such possession shall be deemed to be a month-to-month tenancy terminable on thirty (30) days' prior written notice given at any time by either party. All provisions of this Lease except those pertaining to Term (Section 5.1) shall apply to the month-to-month tenancy. If Tenant holds over without City's written consent, or after the date in any notice given by City to Tenant terminating this Lease, Tenant shall be deemed to be a tenant at sufferance.

5.9. **Development of Site.** Tenant acknowledges that the Premises are within or adjoin areas which may be scheduled to be physically developed or are likely to be developed during the Term of this Lease. Tenant recognizes that due to the nature of the Premises, inconveniences, including, without limitation, vibration, noise, dust, and other conditions associated with heavy construction may occur. Disruptions to access to the Premises, or portions of the Premises, may also occur from time to time. Tenant agrees to take those necessary steps at Tenant's own expense to protect existing and future exhibits and other important materials within the Premises from damage which may result from dust, vibration, or any condition normally encountered during major building construction. Tenant also waives any claims against the City, directly or indirectly, for damages, including losses in revenue, associated with any standard construction practices in the development of the Premises.

ARTICLE 6. CONSIDERATION

6.1. **Consideration.** City Leases Premises to Tenant in exchange for Tenant's promise to use the Premises at no expense to City and for purposes set forth in Section 4.1 (page 3) and Exhibit D and for no other purposes and in exchange for Tenant's promise to abide by the other provisions and conditions of this Lease including, without limitation, compliance with the provisions of Section 3.2 (page 2).

ARTICLE 7. REPORTS AND AUDITS

7.1. **Reports To City.** Not later than twelve (12) months following the Lease Commencement Date, and thereafter annually, Tenant shall provide a report, which includes the financial, organizational, and programmatic activities of Tenant, to the General Manager. Tenant shall provide such additional information as the General Manager may reasonably request. If requested by General Manager, Tenant shall submit an audit report, not more often than annually, prepared in a form and by a company approved by the General Manager, which approval shall not be unreasonably withheld or delayed, within one hundred twenty (120) days of the close of Tenant's fiscal year during the Term of this Lease. Tenant shall pay the cost of the audit.

7.2. **Business Records.** Tenant shall maintain a method of accounting of all the receipts and disbursements in connection with activities related to the Premises which shall correctly and accurately reflect the gross receipts and disbursements received or made by Tenant. The method of accounting, including bank accounts, established for the activities related to the Premises shall be separate from the accounting systems used for any other business operated by Tenant which are not related to the Premises or for recording Tenant's other financial affairs. Such method shall include the keeping of the following documents:

7.2.1. Regular books of accounting such as general ledgers.

7.2.2. Journals including any supporting and underlying documents such as vouchers, checks, tickets, bank statements, etc.

7.2.3. State and Federal income tax returns and sales tax returns and checks and other documents proving payment of sums shown.

7.2.4. Cash register tapes shall be retained so that day to day sales can be identified.

7.2.5. Any other accounting records that General Manager, in General Manager's sole discretion, deems necessary for proper accounting.

Tenant shall obtain and install a point of sale accounting procedure such as ticket dispensing machines or cash registers acceptable to the General Manager and Tenant, through which Tenant shall record all gross sales. Such machine(s) shall be non-resettable and sufficient to supply an accurate recording of all sales on tape. Tenant shall not purchase or install the machines before obtaining the General Manager's written approval of the specific equipment to be purchased, such approval not to be unreasonably withheld or delayed. All such equipment shall have a counter which is visible to the public.

7.3. **Inspection And Audit Of Records By City.** This Section is additional to, not in lieu of, City's general access rights contained in Section 8.3 (page 7). All documents, books and accounting records required to be maintained or retained under this Article shall be open for inspection and reinspection by City with reasonable prior notice at a place mutually agreed upon between City and Tenant or, otherwise, at a place designated by Tenant within the City of Los Angeles during regular operating hours during the Term of this Lease and for a reasonable period, not to exceed two (2) years, thereafter. In addition to the audit described in Section 7.1, City may from time to time conduct, at City's sole cost and expense, an audit or reaudit of the books and business conducted by Tenant with respect to Tenant's operations from the Premises and observe the operation of business so that accuracy of

1 the above records can be confirmed. In addition, whether or not in connection with any audit, City shall have the right
2 to inspect Tenant's federal and state income tax returns as filed along with any amendments or supplemental filings
3 related thereto for the past two fiscal years.

4 **ARTICLE 8. COMPLIANCE WITH LAWS AND REGULATIONS**

5 8.1. **Federal, State And Local Laws.** Tenant agrees that in achieving its goals set forth in this Lease, it
6 will comply with all applicable laws, ordinances, rules and regulations enacted or promulgated by the City of Los
7 Angeles, County of Los Angeles, the State of California and the Federal Government.

8 8.2. **Compliance With Americans With Disabilities Act.** Tenant agrees that, as between the Tenant and
9 City, Tenant shall be responsible for compliance, including all costs of compliance, with the American With
10 Disabilities Act of 1990 (42 U.S.C. § 12101, et seq.) and any other federal, state, and local laws related to the
11 accessibility of the Premises to persons with disabilities.

12 8.3. **Right of Entry.** City and General Manager, their authorized representatives, agents and employees
13 shall have the right at their sole expense to enter upon the Premises at any reasonable times within operating hours
14 for the purposes of inspection and observation of Tenant's operations. City shall endeavor to conduct such
15 inspections and observations in a manner calculated to minimize disruption to the use and enjoyment of the Premises
16 by Tenant, its employees, and patrons. Said inspections may be made by persons identified to Tenant as City
17 employees or by independent contractors engaged by the City. Inspection of areas not open to the general public
18 shall be made available with reasonable prior notice (except in the case of emergency, where no notice is required
19 with respect to the facility).

20 8.4. **Operating Permits and Licenses.** Tenant shall be required to obtain, at its sole expense, any and
21 all permits or licenses that may be required in connection with its operations including, but not limited to, tax permits,
22 business licenses, health permits, etc.

23 **ARTICLE 9. MAINTENANCE, REPAIR, AND UTILITIES**

24 9.1. **Maintenance, Repair, And Utilities.** Tenant shall maintain the Premises in good condition and repair
25 during the entire Term of this Lease. Tenant shall be responsible for providing all maintenance and utility services,
26 including custodial service as needed, gas, water and electricity as required in the Premises. Tenant will pay cost
27 of all such services. City shall grant such utility easements and connections as may be necessary to provide any
28 utility service, provided that the granting of said easements and connections shall be at no cost to City. Maintenance
29 and utility services shall be maintained at a customary and usual level for similar facilities in the Los Angeles area,
30 except where specific levels of service are provided in this Lease or other agreements applicable to Premises, in
31 which case those provisions shall apply. City shall have the right to inspect the Premises for compliance under this
32 Section pursuant to Section 8.3.

33 9.2. **Exterior Walls, Roof, And Structural Members.** By way of specification, without limitation, Tenant
34 shall keep and maintain the exterior walls, roof and structural members of any buildings constructed on the Premises
35 in good condition and repair at Tenant's sole cost and expense. Prior to making any major repairs to exterior walls,
36 roofs, and structural members of any buildings on the Premises (except in the event of an emergency where the
37 repairs or work needs to be done and prior consent from City is not feasible), Tenant shall at Tenant's sole cost and

1 expense, obtain the written consent and approval of the plans by the General Manager, which approval shall not be
2 unreasonably withheld or delayed. Furthermore, Tenant shall, at its sole cost and expense, obtain all licenses,
3 permits and inspections necessary for said repairs of Premises. Copies of all plans, permits and licenses shall be
4 provided to City.

5 9.3. **City Not Obligated To Repair.** Except as may be expressly provided in this Lease, in no event shall
6 City be required or obligated to perform any maintenance or to make any repairs, changes, alterations, additions,
7 improvements or replacements of any nature whatsoever, on the Premises or the improvements thereon, or any part
8 thereof, at any time during the Term. Moreover, nothing contained in this Lease shall be construed as requiring the
9 City to make any repairs or to do any maintenance necessitated by reason of the negligence of Tenant or anyone
10 claiming under Tenant, or by reason of the failure of Tenant to observe or perform any conditions, covenants or
11 agreements contained in this Lease, or by reason of any damage to or destruction of other property caused by any
12 improvements, alterations or additions made by Tenant or anyone claiming through Tenant.

13 9.4. **Refuse And Trash; Recycling.** Tenant shall keep the Premises clean and sanitary at all times. No
14 refuse matter, nor any substance constituting an unnecessary, unreasonable or unlawful fire hazard, or material
15 detrimental to the public health, shall be permitted or allowed to remain thereon, and Tenant shall take all reasonable
16 precautions to prevent any such matter or material from being or accumulating upon the Premises. Tenant shall
17 provide for the collection and removal of all garbage and/or refuse from the Premises as often as necessary and in
18 no case less than twice weekly. Tenant shall furnish all equipment and materials therefor, including trash receptacles
19 of a size, type and number approved by City for use by the public. Such approval shall not be unreasonably
20 withheld. Tenant shall provide an enclosed area concealing trash storage from public view. Tenant shall, during the
21 Term of this Lease or any extension thereof and at Tenant's sole expense, conduct a recycling program on the
22 Premises in conjunction with the City Facilities Recycling Program of the City of Los Angeles, or any similar program
23 subsequently implemented. Such program will include all materials which may be reasonably recycled (e.g. white
24 paper, mixed paper, newspaper, aluminum cans, and plastic and glass containers).

25 9.5. **Security.** City is not obligated under this Lease to provide any security for the Premises or contents
26 contained herein.

27 9.6. **Safety Deficiencies.** Tenant shall promptly correct all safety deficiencies and violations of safety
28 practices of which it has knowledge and shall cooperate fully with City in the investigation of accidents occurring on
29 the Premises. In the event of injury to a patron or customer, Tenant shall use its best efforts to provide prompt and
30 qualified medical attention to the injured person; provided, however, that nothing in this Lease is intended to confer
31 any third-party beneficiary status on any person not a party to this Lease.

32 9.7. **Repairs By City.** If Tenant requests City to provide any repairs, services or maintenance and City,
33 at its sole discretion, agrees to provide such repairs, service or maintenance, Tenant shall pay for such repairs,
34 services or maintenance at actual cost, including indirect costs incurred by City as determined by the Department
35 of Recreation and Parks. City may require a cash deposit in advance if the Department of Recreation and Parks so
36 determines. Failure to pay the costs of such repairs within 45 days of receipt of the City's statement shall constitute
37 an Event of Default under Article 14 (page 13) and subject to the terms of that Article and the remedies thereunder.
38 It is not contemplated under this Lease that City will perform any such repairs, services or maintenance, but rather
39 that such will be provided by Tenant's employees or by contract between Tenant and one more non-City agencies,
40 all at Tenant's expense. The provisions of this Section are in addition to the "self-help" rights of City contained in
41 Paragraph 14.2.3 (page 13).

1 9.8. **Failure To Perform Maintenance.** In the event Tenant does not perform maintenance or repairs such
2 that any of the buildings or improvements on the Premises, or any portion thereof, are no longer suitable for use by
3 the public or other occupancy, as determined by either the City or Tenant, or that any of the buildings or
4 improvements on the Premises, or any portion thereof, are not in compliance, City may, at its sole discretion:

5 9.8.1. Perform or have performed the necessary remedial work at Tenant's expense, with costs and
6 payments in accordance with Section 9.7;

7 9.8.2. Terminate this Lease in accordance with Paragraph 14.2.1 (page 13). Tenant shall repair any
8 damages it has caused the Premises; or

9 9.8.3. Require the immediate vacation of the effected portion of the Premises until such time as such
10 maintenance or repairs are complete or such time as the Premises are in compliance with such laws, as the
11 case may be. The remedy provided in this Paragraph 9.8.3 may be used independently or in conjunction with
12 the remedies provided in Paragraph 9.8.1 and/or Paragraph 9.8.2.

13 9.9. **Effect Of Inspections Or Approvals.** Wherever in this Lease inspections or approvals are required
14 from City in its role as Landlord under this Lease, including from the General Manager, such inspections or approvals
15 are additional to, and are not in lieu of, any inspections or approvals otherwise required under any applicable
16 ordinance, regulation, or statute. Such inspections or approvals by City are discretionary acts and shall not impose
17 any liability on City to third persons nor to Tenant, and, in addition, shall not obligate City for any costs or expenses
18 related to the construction, improvement, or maintenance of any building or other structure at the Premises.

19 **ARTICLE 10. ALTERATIONS AND IMPROVEMENTS**

20 10.1. **Alterations.** Consistent with Section 3.2 (page 2) and Article 4 (page 3), Tenant may make any
21 improvements, alterations, and additions (collectively "**Alterations**") which are necessary to carry out the functions
22 of the Educational Art Center. All such Alterations on the Premises, including ones made to implement the concepts
23 set forth in Exhibit E, must be in accordance with plans and specification prepared by Tenant and approved prior to
24 such renovation or alteration by the General Manager, whose consent shall not be unreasonably withheld or delayed.
25 The entire cost of such Alterations shall be paid by Tenant, including design costs and fees related thereto. In
26 granting approval, City may require the Alterations to be so designed and constructed to allow either the Premises
27 to be restored to its previous condition at the termination of this Lease or to allow the structures to be usable by City
28 or a subsequent tenant, at the City's sole discretion. It is anticipated that all buildings and structures will be required
29 to be designed and constructed in a manner allowing their use for 30 years from the date of completion. Any other
30 approval, permit, or inspection requirements, including, without limitation, approvals from the Cultural Heritage
31 Commission of the City of Los Angeles or the Department of Building and Safety of the City of Los Angeles, are in
32 addition to the approval of the General Manager and shall be obtained where required by law. Before starting any
33 work, Tenant or Tenant's contractor shall obtain a bond or other security satisfactory to City in compliance with
34 Section 12.1 (page 12).

35 10.2. **"As Built" Drawings.** For any Alterations requiring building plans to be prepared and approved, after
36 completion thereof, Tenant shall submit to City reproducible "as built" drawings of all Alterations constructed on the
37 Premises with the sole exception of any security systems.

1 10.3. **Removal Of Fixtures.** Subject to Section 10.6, all Alterations and fixtures installed by Tenant which
2 are not to be removed from the Premises shall become the property of City upon the surrendering of the Premises
3 upon termination of this Lease (other than improvements which reasonably were expected to be removed during this
4 Term or at the termination of this Lease, display cases and cabinets for Tenant's artworks and memorabilia, Tenant's
5 computers and other office equipment, and other personal property, all of which shall remain the property of Tenant
6 and may be removed from the Premises from time to time and upon termination of the Lease, provided Tenant
7 repairs any and all damage to Premises caused by such removal). Alterations which will become the property of the
8 City upon termination include, but are not limited to, all permanent buildings and fences. Any fixtures installed by
9 Tenant without the consent of City shall be removed within thirty (30) days of notice by City, but in no event later than
10 the termination of this Lease. Should Tenant fail to remove such Alterations or fixtures after the termination of this
11 Lease, City may, at City's option: (.1) retain all or any of such property, and title thereto shall thereupon vest in City;
12 or (.2) remove the same, in which event Tenant shall pay City upon demand the reasonable costs of such removal,
13 plus the cost to restore the Premises to an acceptable condition as approved by the Department of Recreation and
14 Parks.

15 10.4. **No Creation Of Liability.** Nothing contained herein shall be construed or deemed to create any
16 obligation or liability, including without limitation liability as a guarantor or surety, on the part of the City with respect
17 to any other Alterations constructed from time to time on the Premises, or any plans or specifications, construction
18 contracts, financing or other matter, instrument or document of any nature whatsoever relating to such Alterations.
19 City is not and shall at no time be liable to any creditor of Tenant or any other persons occupying any part of the
20 Premises or the Alterations thereon as a sublessee, licensee or otherwise or to any claimant against the estate or
21 property of Tenant or such other occupants for any of their debts, losses, contracts or other obligations. The
22 relationship between the City and Tenant is solely that of landlord and tenant and is not and shall not be deemed
23 a partnership or joint venture. Nothing in this Section shall be construed to prevent or limit City from entering into
24 any joint responsibility agreements with Tenant regarding the development and maintenance of the Premises, and
25 the creation of such agreements, except to the extent specified in such agreements, shall not limit or expand the
26 applicability of the provisions of this Section.

27 10.5. **Signs.** Tenant shall have the right to place, construct, and maintain in, on, or about the Premises one
28 or more signs and graphics installations, advertising Tenant's name or any other matter germane to Tenant's use
29 of the Premises. No signs or other graphics shall be installed in public view without the advance approval of the
30 General Manager, which approval shall not be unreasonably withheld or delayed.

31 10.6. **Waiver Of Landlord Lien.** City, within ten (10) business days after receipt of a written demand from
32 Tenant, shall execute and deliver any reasonable document required by any supplier, lessor, or lender in connection
33 with the installation of Tenant's personal property or trade fixtures in the Premises in which City waives any rights
34 it might have or acquire with respect to such personal property or trade fixtures, if such supplier, lessor, or lender
35 agrees in writing that:

36 10.6.1. Supplier, lessor, or lender will remove such property or trade fixtures from the Premises before
37 the expiration of the Term or within thirty (30) days after termination of the Term. Where supplier, lessor, or
38 lender does not remove the property or trade fixture within such period, such supplier, lessor, or lender shall
39 have waived any rights it may have had to the property or trade fixture.

40 10.6.2. Supplier, lessor, or lender will make whatever restoration to the Premises that is required by
41 the removal, provided that such restoration is approved by City.

ARTICLE 11. INSURANCE

11.1. **Insurance.** Prior to the occupancy of the Premises, under the provisions and conditions of this Lease, Tenant shall furnish the 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 Los Angeles City Attorney for the following coverages and minimum limits of insurance which shall be maintained by Tenant at its sole cost and expense throughout the Term of this Lease:

11.1.1. **General Liability Insurance.** Tenant 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 of not less than TWO MILLION DOLLARS (\$2,000,000) Combined Single Limit for bodily injury and property damage. Umbrella or Excess Liability coverages may be used to supplement primary coverages to meet required limits. Evidence of such coverage shall be on the City's Additional Insured endorsement form provided to Tenant by City or on an endorsement to the policy reasonably acceptable to the Los Angeles City Attorney and provide for the following:

11.1.1.1. Include City, its boards, officers, agents and employees as additional insureds with Tenant for the development and operation of the Educational Art Center and all activities and insured risks related thereto, including , without limitation, insurance for any loss or damage to works of art.

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

11.1.1.3. 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."

11.1.1.4. 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 to the persons and addresses required notice pursuant to Section 2.2 (page 2), notice will be made by receipted delivery addressed as follows: City Attorney, Insurance and Bonds, 1225 City Hall, 200 North Spring Street, 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 Tenant in the event of nonpayment of premium.

11.1.2. **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, Tenant shall, at its sole cost and expense, cause to be provided and kept in force and effect insurance policies, protecting City and Tenant as their interests appear, against loss or damage to the improvements on the Premises, in amount consistent with what a prudent operator of comparable improvements 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

1 shall be determined in accordance with the standard practices of the insurance industry and evidenced by the
2 certificate of the insurance company or companies issuing such insurance at the time the policy or policies are
3 obtained. The General Manager shall have the ability, from time to time, to redetermine the valuation of the
4 improvements on the Premises. Tenant further covenants and agrees, at its sole cost and expense, to provide
5 and keep in full force and effect Boiler and Machinery insurance on all air conditioning equipment, boilers, and
6 other pressure vessels and systems, whether fired or unfired, serving the improvements on the Premises.

7 **11.1.3. Builder's Risk Insurance.** Prior to the commencement of any construction or expansion of
8 the Premises, Tenant shall, at its sole cost and expense, cause to be provided and kept in full force and effect
9 "All Risks Builder's Risk" insurance, including vandalism and malicious mischief, covering improvements in
10 place, and all materials and equipment at the job site. Said insurance shall remain in full force and effect until
11 the improvements shall have been completed and fully insured as provided in this Article.

12 **11.1.4. Insurance On Collection.** Tenant may obtain insurance covering its artifacts, memorabilia,
13 and other personal property in its sole discretion. City, as Landlord, shall have no right to require such
14 insurance nor shall City be deemed a beneficiary thereof. Nothing in this Paragraph, however, shall be
15 construed to restrict the right of the City of Los Angeles, or any of its Departments, Boards, Commissions, or
16 officers, or any other person or organization, to require Tenant to obtain insurance on any artifacts or other
17 property loaned or otherwise provided to the Art Park or Tenant by the City of Los Angeles for display or other
18 purposes.

19 **11.1.5. Workers' Compensation.** Tenant shall comply with the provisions of section 3700, et seq.,
20 of the California Labor Code and shall be insured (and shall require that each of its contractors and
21 subcontractors comply with such Code and be insured) against liability for workers' compensation and
22 employers' risk in accordance with the provisions of such Code before commencing the performance of any
23 work on or about the Premises or otherwise in relation to this Lease. A Waiver of Subrogation in favor of City
24 is required.

25 **11.1.6. Adjustment Of Insurance Levels.** City reserves the right at any time during the Term of this
26 Lease, at its sole discretion applying generally accepted Risk Management principles, to change the amounts
27 and types of insurance required hereunder effective at the renewal date of insurance then in effect (in no case
28 more than one year from the written notice) by giving Tenant ninety (90) days written notice provided that such
29 amounts and/or types shall be reasonably available to Tenant at commercially reasonable premiums.

30 **11.1.7. Reduction Of Insurance Protection.** If any of the required insurance coverages contain
31 aggregate limits, or apply to other operations or tenancies of Tenant outside this Lease, Tenant shall give City
32 prompt, written notice of any incident, occurrence, claim, settlement, or judgment against such insurance in
33 which Tenant's best judgment may diminish the protection such insurance affords City. Tenant shall further
34 take immediate steps to restore such aggregate limits or shall provide other insurance protection for such
35 aggregate limits.

36 **11.1.8. Third-Party Insurance.** Tenant shall be responsible for requiring indemnification and
37 insurance as it deems appropriate from its employees receiving mileage allowance, consultants, and agents,
38 if any, to protect Tenant's and City's interests, and for ensuring that they comply with any applicable insurance
39 statutes. Tenant is encouraged to seek professional advice in this regard.

1 11.2. **Self-Insurance Programs.** Self-insurance programs and self-insured retention in insurance policies
2 are subject to separate approval by City upon review of evidence of financial capacity to respond. Additionally, such
3 programs or retention must provide City with at least the same protection from liability and defense of suits as would
4 be afforded by first-dollar insurance.

5 11.3. **Failure To Maintain Insurance.** Tenant's failure to procure or maintain required insurance or self-
6 insurance program shall constitute a material breach of this Lease under which City may immediately terminate this
7 Lease, or, at its discretion, procure or renew such insurance to protect City's interest and pay any and all premiums
8 in connection therewith, and recover all monies so paid from Tenant. If City elects to terminate this Lease, Tenant
9 agrees to immediately cease all operations and activities under this Lease and to peacefully surrender the Premises.

10 ARTICLE 12. BONDS

11 12.1. **Bonds.** With respect to any construction or development project for which the General Manager
12 reasonably has concerns about Tenant's ability to complete such a project, the General Manager may require, prior
13 to the initiation of construction for any phase of development, expansion, internal or external improvements, or any
14 other work associated with the development of the Premises, Tenant shall file with City a surety bond reasonably
15 satisfactory to City in amounts and for the purposes noted herein. The surety bond shall be duly executed by a
16 responsible corporate Surety, authorized to issue such bonds in the State of California and secured through an
17 authorized agent with an office in California. Tenant or any contractor of Tenant shall pay all surety bond premiums,
18 costs and incidentals. The bond shall be signed by both Tenant or Tenant's contractor and the Surety and the
19 signature of the authorized agent of the Surety shall be notarized. Tenant shall provide sufficient surety, in an
20 amount equal to one hundred percent (100%) of the construction contract price, to satisfy claims of material suppliers
21 and of mechanics and laborers employed by the construction firm on the work. The surety bond shall be maintained
22 in full force and effect until the work as shown on the approved plans is substantially completed and accepted by
23 Tenant and City, and until all claims for materials and labor are paid, and shall otherwise comply with the California
24 Civil Code.

25 12.2. **Insufficient Surety.** Where a surety bond is required by the General Manager pursuant to
26 Section 12.1, should any such surety bond become insufficient, Tenant or Tenant's contractor shall make such surety
27 bond sufficient within ten (10) days after receiving notice from City. Should any Surety at any time be unsatisfactory
28 to City, notice will be given Tenant to that effect. Changes in the work, or extensions of time, made pursuant to any
29 construction contract, shall in no way release Tenant or Tenant's contractor from their obligations. Notice of such
30 changes or extensions shall be waived by any Surety.

31 ARTICLE 13. INDEMNIFICATION

32 13.1. **Indemnification.** During the Term of this Lease, Tenant agrees to indemnify and hold City, its officers,
33 agents and employees harmless from and against any and all loss, liability, claim or damage, including damage to
34 Tenant's property, that may arise out of or result from the activities or negligent acts or omissions of Tenant, and its
35 officers, agents, employees, contractors, and invitees, or the use of the Premises for the development and operation
36 of the Educational Art Center or related activities. Tenant shall, at its own cost, expense and risk, pay all legal costs
37 and reasonable attorney fees connected with defending any and all legal proceedings that may be brought against
38 City, its officers, agents and employees, on any liability, claim or demand and satisfy any and all settlements and
39 judgements that may be made by or rendered against any of them arising from activities or negligent acts or
40 omissions of Tenant, and its officers, agents, employees, contractors, and invitees, or from the use of property;
41 provided that City shall promptly notify Tenant in writing of any such liability, claims, or demands and provide Tenant

1 the opportunity to participate in any litigation and/or settlements. Tenant's indemnification under this Lease shall not
2 be applicable to any loss, liability, claim or damage, including damage to Tenant's property, which may arise out of
3 willful or negligent acts of City's officers, agents, or employees.

4 ARTICLE 14. DEFAULT AND TERMINATION

5 14.1. **Events Of Default.** The following occurrences are "Events of Default":

6 14.1.1. **Breach Of Lease.** Tenant materially breaches or fails in the performance of any of the
7 provisions of conditions of this Lease.

8 14.1.2. **Failure To Conform To Laws.** Tenant fails to conform to applicable laws, rules or
9 regulations.

10 14.1.3. **Failure To Follow Instructions.** Tenant fails to substantially follow or substantially conform
11 to any of the directions or instructions that may be properly made by the City.

12 14.1.4. **Incapacity To Perform.** Tenant becomes unable through corporate or other incapacity to
13 fulfill its obligations under this Lease.

14 14.2. **Default - City's Remedies.** If any one or more Events of Default set forth in Section 14.1 occurs, then
15 City may, at its election, without any further notice to or authorization from Tenant, and without waiving its rights at
16 any time to select any other remedy provided in this Section, elsewhere in this Lease, or under law, do any one or
17 more of the following:

18 14.2.1. **Termination Of Lease.** City may give Tenant written notice of such Event of Default. If
19 Tenant does not cure such Event of Default within thirty (30) days after notice (within three (3) days for an
20 Event of Default involving sanitary or safety conditions) or, if the Event of Default cannot reasonably be cured
21 within such time period, if Tenant fails to commence to cure such Event of Default within the applicable time
22 period and diligently and in good faith continue to cure the Event of Default to completion, City may, by
23 delivering an additional five (5) calendar day written notice to Tenant, terminate this Lease and Tenant shall
24 vacate the Premises. The language of the previous sentence notwithstanding, City may terminate this Lease
25 if Tenant fails to cure within sixty (60) days, or such additional period as City may, in its sole discretion, grant.

26 14.2.2. **Recovery At Law.** City may recover at law any and all claims which may be due City.

27 14.2.3. **Self-help.** City may perform such work as it deems necessary to cure said Event of Default
28 and charge Tenant for the full cost of labor and materials expended, plus thirty percent (30%) of said cost for
29 administrative overhead. The General Manager may exercise this option immediately for an Event of Default
30 involving sanitary or safety considerations. Otherwise, the General Manager may exercise this option within
31 thirty (30) days after giving Tenant written notice of the Event of Default involving Premises' maintenance.
32 City's rights under this Paragraph are in addition to the maintenance and repairs provided in Section 9.7
33 (page 8).

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

3 14.3. **No Waiver.** The conduct of either party for any period after an Event of Default shall not be deemed
4 a waiver of any rights and remedies, nor a waiver of an Event of Default of the same or any other provision, covenant
5 or condition. Any waiver by one party of an Event of Default on the part of the other party shall not be construed as,
6 or constitute, a waiver of any subsequent Event of Default of the same or any other provision, covenant or condition.

7 14.4. **Default By City.** In the event City defaults in the performance of any of the provisions or conditions
8 of this Lease, and if a written notice of such default is issued to City by Tenant, and if City does not commence to
9 cure said default within sixty (60) days of receipt of said notice, Tenant may immediately terminate this Lease and/or
10 obtain specific performance.

11 ARTICLE 15. SURRENDER OF PREMISES

12 15.1. **Surrender Of Premises.** Upon termination of this Lease, Tenant shall quit and surrender possession
13 of the Premises to City in good and usable condition, subject to normal wear and tear. Except as provided in
14 Section 10.3 (page 9), any improvements which have been constructed or erected on the Premises shall, upon
15 termination of this Lease, become the property of City. Tenant's collections and all personal property and fixtures
16 related thereto shall remain the property of Tenant or its assigns and may be removed by Tenant from the Premises
17 upon termination of this Lease, along with such property as may be removed by Tenant pursuant to Section 10.3.

18 15.2. **No Implied Surrender.** No act or thing done by City during the Term shall be deemed an acceptance
19 of a surrender of the Premises, and no agreement to accept such surrender shall be valid unless in writing and
20 signed by the City.

21 15.3. **Failure To Surrender Premises.** If Tenant fails to surrender the Premises, together with the
22 improvements thereon, upon the termination of this Lease, Tenant agrees to indemnify and hold harmless City from
23 and against any loss or liability, including costs and reasonable attorney's fees, resulting from such failure to
24 surrender, including, but not limited to, any claims made by any succeeding tenant based on or resulting from such
25 failure to surrender. Nothing herein contained shall be construed as a consent to any occupancy or possession of
26 any portion of the Premises and the improvements thereon by Tenant beyond the expiration of the Term or earlier
27 termination of this Lease.

28 ARTICLE 16. ASSIGNMENT AND BANKRUPTCY

29 16.1. **Assignment And Subletting.** Tenant shall not sublet the Premises or any part thereof or allow the
30 same to be used or occupied by any other person, group or organization for any other use than that herein specified,
31 nor assign this Lease, nor transfer, assign or in any manner convey any of the rights or privileges herein granted
32 without the consent of the City, which may give or deny consent at its sole discretion (provided that Tenant shall have
33 the right to sublease or contract for the operation of a food service enterprise, gift shop, or other related undertaking
34 relating to Tenant's permitted use of the Premises with the prior consent of City, and such consent or approval shall
35 not be unreasonably withheld or delayed). Short term and occasional use of the Premises for activities such as
36 location filming, special events, and projects with artists or other non-profit or governmental agencies shall not be
37 considered as assignments or subletting and Tenant may allow such use without the need for the prior consent of

1 City (however, net income, if any, from such activities is subject to the provisions of Section 4.4, 4.5, page 4). Tenant
2 shall not rent, lease, or offer any space for storing any article or articles unrelated to Tenant within or on the
3 Premises, without the prior written consent of the General Manager (which consent shall not be reasonably withheld
4 or delayed). Any attempt to sublease, assign, or transfer without the consent required by this Section shall be void
5 and shall transfer no rights to the Premises. If Tenant believes that City has abused its discretion in denying consent,
6 Tenant's sole remedy will be to seek a declaratory judgment that City has abused its discretion or an order of specific
7 performance. Tenant will not have any right to damages.

8 16.2. **Bankruptcy.** To the extent permitted by law, neither this Lease nor the rights herein granted shall be
9 assignable or transferable by any process or proceedings in any court, or by attachment, execution, proceedings
10 in insolvency or bankruptcy either voluntarily or involuntarily, or receivership proceedings. To the extent the previous
11 sentence is not permitted by law, in the event that Tenant shall be adjudicated a bankruptcy, or become involved
12 in any proceedings under the bankruptcy laws of the United States or receivership laws of the State of California,
13 or if the leasehold interest created by this Lease or any improvements constructed pursuant to this Lease are
14 transferred due to operations of law, including, without limitation, the enforcement of a judgment, the trustee in
15 bankruptcy, the receiver, the assignee, or the judgment purchaser shall be bound by all provisions of this Lease,
16 including, without limitation, the requirement that the Premises be operated as an educational Art Center
17 (Section 4.1, page 3).

18 ARTICLE 17. HAZARDOUS MATERIALS

19 17.1. **Hazardous Materials.** City and Tenant agree as follows with respect to the existence or use of
20 Hazardous Materials (as defined in Paragraph 17.1.3) on the Premises:

21 17.1.1. **Prohibition.** Tenant shall not cause or permit any Hazardous Material to be brought upon,
22 kept or used in or about the Premises by Tenant, its agents, employees, contractors or invitee in violation of
23 law or in quantities which would require reporting to a governmental entity, without the prior written consent
24 of City, which consent shall not be unreasonably withheld. If Tenant breaches the obligations stated in the
25 preceding sentence, or if the presence of Hazardous Material on the Premises caused or permitted by Tenant
26 results in contamination of the Premises, or if contamination of the Premises by Hazardous Material otherwise
27 occurs for which Tenant is legally liable to City for damage resulting therefrom, then, Tenant shall indemnify,
28 hold City harmless, and defend City (with counsel reasonably acceptable to City) from any and all claims,
29 judgments, damages, penalties, fines, costs, liabilities or losses (including without limitation, diminution in value
30 of the Premises, damages for the loss or restriction on use of rentable or usable space or of any amenity of
31 the Premises, damages arising from any adverse impact on marketing of space on the Premises, and sums
32 paid in settlement of claims, attorneys' fees, consultant fees and expert fees) which arise during or after the
33 Lease Term as a result of such contamination. This indemnification of City by Tenant includes, without
34 limitation, cost incurred in connection with any investigation of site conditions or any cleanup, remedial,
35 removal or restoration work required by any federal, state or local governmental agency or political subdivision
36 because of Hazardous Material present in the soil or ground water on or under the Premises. Without limiting
37 the foregoing, if the presence of any Hazardous Material on the Premises caused or permitted by Tenant
38 results in any contamination of the Premises, Tenant shall promptly take all actions at its sole expense as are
39 necessary to return the Premises to the condition existing prior to the introduction of any such Hazardous
40 Material to the Premises; provided that City's approval of such actions shall first be obtained, which approval
41 shall not unreasonably be withheld so long as such actions would not potentially have any material adverse
42 long-term or short-term effect on the Premises. However, the foregoing provisions shall not prohibit Tenant
43 from transportation to and from, and the use, storage, maintenance, and handling within, the Premises of
44 substances customarily used in connection with normal office or center use provided: (1) such substances

1 shall be used and maintained only in such quantities as are reasonably necessary for the permitted use of the
2 Premises set forth in Section 4.1 (page 3) of this Lease, strictly in accordance with applicable laws and
3 manufacturers' instructions therefor; (2) such substances shall not be disposed of, released, or discharged
4 at the Premises, and shall be transported to and from the Premises in compliance with all applicable laws, and
5 as City shall reasonably require; (3) if any applicable law or the trash removal contractor requires that any such
6 substances be disposed of separately from ordinary trash, Tenant shall make arrangements at Tenant's
7 expense for such disposal directly with a qualified and licensed disposal company at a lawful disposal site, and
8 shall ensure that disposal occurs frequently enough to prevent unnecessary storage of such substances on
9 or around the Premises; and (4) any remaining such substances shall be completely, properly, and lawfully
10 removed from the Premises upon expiration or earlier termination of this Lease.

11 17.1.2. **Compliance Cost.** City and Tenant acknowledge that City may become legally liable for the
12 costs of complying with laws relating to Hazardous Material which are not the responsibility of Tenant pursuant
13 to Paragraph 17.1.1, including the following: (1) Hazardous Material present in the soil or ground water; (2)
14 a change in Laws which relate to Hazardous Material which make such Hazardous Material which is present
15 on the Premises as of the Lease Commencement Date, whether known or unknown to City, a violation of such
16 new laws; (3) Hazardous Material that migrates, flows, percolates, diffuses or in any way moves on to or under
17 the land; (4) Hazardous Material present on or under the land as a result of discharge, dumping or spilling
18 (whether accidental or otherwise) on the land by other owners of the Premises or their agents, employees,
19 contractors or invitee, or by others. Accordingly, City and Tenant agree that the cost of complying with the
20 laws relating to Hazardous Material on the Premises for which City may be legally liable shall be borne by City
21 unless cost of such compliance, between City and Tenant, is made the responsibility of Tenant pursuant to
22 this Article.

23 17.1.3. **"Hazardous Material" - Definition.** As used herein, the defined term "**Hazardous Material**"
24 means any chemical, substance, material, or waste or component thereof the presence of which requires
25 investigation or remediation under any federal, state, or local statute, regulation, ordinance, order, action,
26 policy, or common law, or which is now or hereafter listed, defined, or regulated as a flammable explosive,
27 radioactive material, hazardous or toxic chemical, substance, material or waste component thereof (whether
28 injurious by themselves or in conjunction with other materials) by any federal, state or local governing or
29 regulatory body having jurisdiction, or which would trigger any employee or community "right-to-know"
30 requirements adopted by such body, or for which such body has adopted any requirements for the preparation
31 or distribution of a material safety data sheet. "Hazardous Material" includes, without limitation, any material
32 or substance which is: (1) defined as a "hazardous waste," "extremely hazardous waste" or "restricted
33 hazardous waste" under Sections 25115, 25117 or 25122.7, or listed pursuant to Section 25140, of the
34 California Health and Safety Code, Division 20, Chapter 6.5 (Hazardous Waste Control Law); (2) defined as
35 a "hazardous substance" under Section 25316 of the California Health and Safety Code, Division 20, Chapter
36 6.8 (Carpenter-Presley-Tanner Hazardous Substance Account Act, California Health and Safety Code Section
37 25300, et seq.); (3) defined as a "hazardous material," hazardous substance," or "hazardous waste" under
38 Section 25501 of the California Health and Safety Code, Division 20, Chapter 6.95 (Hazardous Materials
39 Release Response Plans and Inventory, California Health and Safety Code Section 25500, et seq.); (4)
40 defined as a "hazardous substance" under Section 25282 of the California Health and Safety Code, Division
41 20, Chapter 6.7 (Underground Storage of Hazardous Substances, California Health and Safety Code Section
42 25280, et seq.); (5) petroleum; (6) asbestos; (7) defined as "hazardous constituent," "hazardous material,"
43 "hazardous waste," or "toxic waste" under Article 2 of Chapter 10 (Section 66260.10) or defined as a
44 "hazardous waste" under Article 1 of Chapter 11 (Section 66261.3) of Title 22 of the California Code of
45 Regulations, Division 4.5 (Environmental Health Standards for the Management of Hazardous Waste, 22
46 C.C.R. Section 66001, et seq.); (8) designated as a "hazardous substance" pursuant to Section 311 (33 U.S.C.
47 § 1321) of the Clean Water Act of 1977, as amended (Federal Water Pollution Control Act, 33 U.S.C. § 1251,

et seq.); (9) 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.); (10) 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.); (11) 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.), as such laws may be amended from time to time, and the regulations adopted and publications promulgated pursuant to such laws.

17.1.4. **Disposal Of Hazardous Material.** If Tenant disposes of any soil, material or groundwater contaminated with hazardous material, Tenant 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. City shall not appear on any manifest document as a generator of such material disposed of by Tenant.

17.1.5. **Hazardous Material Test.** Any tests required of Tenant by this Article shall be performed by a State of California Department of Health Services certified testing laboratory satisfactory to City. By signing this Lease, Tenant 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 defined term "Tenant" includes agents, employees, contractors, subcontractors, and/or invitee of Tenant.

17.2. **Notice of Hazardous Substances.** California Health and Safety Code section 25359.7(a) requires any owner of nonresidential property who knows, or has reasonable cause to believe, that any 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. Tenant 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 order of governmental authorities with respect to hazardous substances.

ARTICLE 18. DAMAGE

18.1. **Damage.** Except as otherwise provided in this Lease, if the buildings and other improvements located on the Premises are damaged and such damage was caused by fire or other peril covered by Tenant's insurance, Tenant agrees to repair such damage to the extent set forth hereafter, and this Lease shall continue in full force and effect. If (18.1.1.) such buildings and other improvements are damaged as the result of any cause other than perils covered by Tenant's insurance, or (18.1.2.) such buildings and other improvements are damaged as the result of fire or other perils covered by Tenant's insurance, and the cost to repair such damages (as determined by Tenant in good faith) shall exceed thirty-five percent (35%) of the full replacement cost of the buildings and other improvements, then Tenant may, at Tenant's option, either (A) repair such damage as soon as reasonably practicable at Tenant's sole cost and expense, in which event this Lease shall continue in force and effect, or (B) give written notice to City within ninety (90) days after the date of occurrence of such damage. Upon such termination, Tenant shall, if requested by City, and if covered by Tenant's insurance, complete demolition of the damaged building or improvement at Tenant's sole cost and expense and shall transfer any remaining proceeds received from Tenant's insurance that are attributable to damage to the real property underlying the Premises, if any, to City.

1 18.2. **Repair Of Damage.** If this Lease is not terminated pursuant to any of the provisions of this Article 18,
2 Tenant shall, as soon as reasonably practicable and to the extent of available insurance proceeds, restore and repair
3 the buildings and other improvements to the same condition, to the extent possible, they were in immediately prior
4 to the occurrence of the damage.

5 ARTICLE 19. CONDEMNATION

6 19.1. **Condemnation.** Should any or all of the Premises be acquired for public use under the power of
7 eminent domain or by purchase in lieu thereof, City shall be entitled to all compensation attributable to the buildings,
8 land and severance damages. Tenant shall receive any compensation which may be paid for damage or loss of
9 personal property.

10 ARTICLE 20. ORDINANCE MANDATED PROVISIONS

11 20.1. **Child Support Assignment Orders.** This Lease is subject to Section 10.10, Article 1, Chapter 1,
12 Division 10 of the Los Angeles Administrative Code related to Child Support Assignment Orders, a copy of which
13 is attached hereto beginning on page B-1 in Exhibit B and by this reference incorporated herein. Pursuant to this
14 Section, Tenant (and any subcontractor of Tenant providing services to City under this Lease) shall (.1) fully comply
15 with all State and Federal employment reporting requirements for Tenant's or Tenant's subcontractor's employees
16 applicable to Child Support Assignment Orders; (.2) certify that the principal owner(s) of Tenant and applicable
17 subcontractors are in compliance with any Wage and Earnings Assignment Orders and Notices of Assignment
18 applicable to them personally; (.3) fully comply with all lawfully served Wage and Earnings Assignment Orders and
19 Notices of Assignment in accordance with California Family Code section 5230, et seq.; and (.4) maintain such
20 compliance throughout the Term of this Lease. Pursuant to Section 10.10.b of the Los Angeles Administrative Code,
21 failure of Tenant or an applicable subcontractor to comply with all applicable reporting requirements or to implement
22 lawfully served Wage and Earnings Assignment Orders and Notices of Assignment or the failure of any principal
23 owner(s) of Tenant or applicable subcontractors to comply with any Wage and Earnings Assignment Orders and
24 Notices of Assignment applicable to them personally shall constitute a default of this Lease subjecting this Lease
25 to termination where such failure shall continue for more than ninety (90) days after notice of such failure to Tenant
26 by City (in lieu of any time for cure provided in Paragraph 14.2.1 (page 13)).

27 20.2. **Service Contract Worker Retention Ordinance.** This Lease is subject to the Service Contract Worker
28 Retention Ordinance ("SCWRO") (Section 10.36, et seq. of the Los Angeles Administrative Code), a copy of which
29 is attached hereto starting on page B-2 in Exhibit B. The SCWRO requires that, unless specific exemptions apply,
30 all employers (as defined) under contracts primarily for the furnishing of services to or for the City of Los Angeles
31 and that involves an expenditure or receipt in excess of \$25,000 and a contract term of at least three (3) months shall
32 provide retention by a successor contractor for a ninety-day (90-day) transition period, the employees who have been
33 employed for the preceding twelve (12) months or more by the terminated contractor or subcontractor, if any, as
34 provided for in the SCWRO. Under the provisions of Section 10.36.3(c) of the Los Angeles Administrative Code,
35 CITY shall have the authority, under appropriate circumstances, to terminate this Lease and otherwise pursue legal
36 remedies that may be available if CITY determines that the subject contractor violated the provisions of the SCWRO.

37 20.3. **Living Wage Ordinance.**

38 20.3.1. **Living Wage Coverage Determination.** The Department of Recreation and Parks has made
39 the initial determination that this Lease is not covered under the Living Wage Ordinance ("LWO") (Section

1 10.37, et seq, of the Los Angeles Administrative Code). The Living Wage Coverage Determination Form
2 reflecting that initial determination is attached to this Lease on page B-7 in Exhibit B. Determinations as to
3 whether this contract is covered by the LWO are not final, but are subject to review and revision as additional
4 facts are examined and/or other interpretations of the law are considered. City shall notify Landlord in writing
5 about any redetermination by City of coverage or exemption status. Notwithstanding any other provision in
6 this Lease to the contrary, in the event it is determined that this Lease is covered by the LWO, Tenant may
7 terminate this lease on 60 days notice. Whether or not subject to the LWO, Landlord shall not retaliate against
8 any employee claiming non-compliance with the provisions of the LWO, and, in addition, pursuant to
9 section 10.37.6(c), Landlord agrees to comply with federal law prohibiting retaliation for union organizing. To
10 the extent Tenant claims non-coverage or exemption from the provisions of the LWO, the burden shall be on
11 Tenant to prove such non-coverage or exemption, and, where applicable, renew such exemption.

12 20.3.2. **Compliance; Termination Provisions And Other Remedies: Living Wage Policy.** If
13 Tenant is not initially exempt from the LWO, Tenant shall comply with all of the provisions of the LWO,
14 including payment to employees at the minimum wage rates, effective the Lease Commencement Date, and
15 shall execute the Declaration of Compliance Form attached to this Lease on page B-9 in Exhibit B
16 contemporaneously with the execution of this Lease. If Tenant is initially exempt from the LWO, but later no
17 longer qualifies for an exemption, Tenant shall, at such time as Tenant is no longer exempt, comply with the
18 provisions of the LWO and execute the then currently used Declaration of Compliance Form, or such form as
19 the LWO requires. Under the provisions of Section 10.37.6(c) of the Los Angeles Administrative Code,
20 violation of the LWO shall constitute a material breach of this Lease and City shall be entitled to terminate this
21 Lease and otherwise pursue legal remedies that may be available, including those set forth in the LWO, if City
22 determines that Tenant violated the provisions of the LWO. The procedures and time periods provided in the
23 LWO are in lieu of the procedures and time periods provided in Paragraph 14.2.1 (page 13) of this Lease.
24 Nothing in this Lease shall be construed to extend the time periods or limit the remedies provided in the LWO.

25 20.4. **Non-Discrimination.**

26 20.4.1. **Non-Discrimination In Use Of Premises.** There shall be no discrimination against or
27 segregation of any person, or group of persons, on account of race, religion, national origin, ancestry, sex,
28 sexual orientation, age, physical handicap, marital status, domestic partner status, or medical condition in the
29 lease, sublease, transfer, use, occupancy, tenure, or enjoyment of the Premises or any part of the Premises
30 or any operations or activities conducted on the Premises or any part of the Premises, nor shall Tenant or any
31 person claiming under or through Tenant establish or permit any such practice or practices of discrimination
32 or segregation with reference to the selection, location, number, use of occupancy of tenants, subtenants, or
33 vendees of the Premises. Any sublease or assignment which may be permitted under this Lease shall also
34 be subject to the non-discrimination clauses contained in this Section 20.4.

35 20.4.2. **Non-Discrimination In Employment** Tenant agrees and obligates itself in the performance
36 of this Lease not to discriminate against any employee or applicant for employment because of the employee's
37 or applicant's race, religion, national origin, ancestry, sex, sexual orientation, age, physical handicap, marital
38 status, domestic partner status, or medical condition.

39 20.4.3. **Equal Employment Practices.** This Lease is a contract with or on behalf of the City of
40 Los Angeles for which the consideration is \$1000.00 or more. Accordingly, during the performance of this
41 Lease, Tenant further agrees to comply with Section 10.8.3 of the Los Angeles Administrative Code ("**Equal
42 Employment Practices**"), a copy of which is attached hereto beginning on page B-20 in Exhibit B and by this

1 reference incorporated herein. By way of specification but not limitation, pursuant to Sections 10.8.3.E and
2 10.8.3.F of the Los Angeles Administrative Code, the failure of Tenant to comply with the Equal Employment
3 Practices provisions of this Lease may be deemed to be a material breach of this Lease. No such finding shall
4 be made or penalties assessed except upon a full and fair hearing after notice and an opportunity to be heard
5 has been given to Tenant. Upon a finding duly made that Tenant has failed to comply with the Equal
6 Employment Practices provisions of this Lease, this Lease may be forthwith terminated.

7 20.4.4. **Affirmative Action Program.** This Lease is a non-construction contract with or on behalf
8 of the City of Los Angeles for which the consideration is \$100,000.00 or more. Accordingly, during the
9 performance of this Lease, Tenant further agrees to comply with Section 10.8.4 of the Los Angeles
10 Administrative Code ("**Affirmative Action Program**"), a copy of which is attached hereto beginning on page B-
11 21 in Exhibit B and by this reference incorporated herein. By way of specification but not limitation, pursuant
12 to Sections 10.8.4.E and 10.8.4.F of the Los Angeles Administrative Code, the failure of Tenant to comply with
13 the Affirmative Action Program provisions of this Lease may be deemed to be a material breach of this Lease.
14 No such finding shall be made or penalties assessed except upon a full and fair hearing after notice and an
15 opportunity to be heard has been given to Tenant. Upon a finding duly made that Tenant has breached the
16 Affirmative Action Program provisions of this Lease, this Lease may be forthwith terminated.

17 20.4.5. **Equal Benefits Provisions.** This Lease is subject to Section 10.8.2.1, Article 1, Chapter 1,
18 Division 10 of the Los Angeles Administrative Code ("**Equal Benefits Provisions**") related to equal benefits
19 to employees, a copy of which is attached hereto beginning on page B-17 in Exhibit B and by this reference
20 incorporated herein. Pursuant to this Section, during the Term of this Lease:

21 20.4.5.1. Tenant certifies and represents that Tenant will provide equal benefits to its
22 employees with spouses and its employees with domestic partners at any of Tenant's operations within
23 the City of Los Angeles (Tenant agrees to post a copy of this Subsection 20.4.5.1 in conspicuous
24 places at its place of business available to employees and applicants for employment);

25 20.4.5.2. Tenant shall permit access to and may be required to provide certified copies of all
26 of its records pertaining to employment and to its employment practices to the Department of General
27 Services or the City Administrative Officer, for the purpose of investigation to ascertain compliance with
28 the Equal Benefits Provisions of this Lease, and on City's request to provide evidence that it has
29 complied or will comply with the Equal Benefits Provisions;

30 20.4.5.3. The failure of Tenant to comply with the Equal Benefits Provisions of this Lease
31 shall constitute a material breach of this Lease. Such failure shall only be established upon a finding
32 to that effect by the City, on the basis of an investigation by the Department of General Services or that
33 of the City Administrative Officer. No such finding shall be made except upon a full and fair hearing
34 after notice and an opportunity to be heard has been given to Tenant.

35 20.4.5.4. Upon a finding duly made that Tenant has breached the Equal Benefits Provisions
36 of this Lease, this Lease may be forthwith canceled, terminated or suspended, in whole or in part, by
37 the City. In addition, such breach may be the basis for a determination by the Department of General
38 Services or the City Administrative Officer that Tenant is an irresponsible bidder pursuant to the
39 provisions of Section 386 of the Los Angeles City Charter (Section 371 after July 1, 2000). In the event
40 of such determination, Tenant shall be disqualified from being awarded a lease or other contract with

1 the City of Los Angeles for a period of two years, or until it shall establish and carry out a program in
2 conformance with the Equal Benefits Provisions.

3 20.4.5.5. Notwithstanding any other provisions of this Lease, City shall have any and all other
4 remedies at law or in equity for any breach of the Equal Benefits Provisions of this Lease.

5 20.4.5.6. Nothing contained in this Lease shall be construed in any manner so as to require
6 or permit any act which is prohibited by law.

7 20.4.5.7. The equal benefits requirements of this Section shall not apply to collective
8 bargaining agreements in effect prior to January 9, 2000. Amendments, extensions or other
9 modifications of such collective bargaining agreements, occurring subsequent to January 9, 2000, shall
10 incorporate the equal benefits requirements of this Section.

11 20.4.5.8. Tenant shall include the Equal Benefits Provisions in all subcontracts awarded for
12 work to be performed for City under this Lease and shall impose the same obligations, including but
13 not limited to filing and reporting obligations, on the subcontractors as are applicable to Tenant. Failure
14 of Tenant to comply with this requirement or to obtain the compliance of its subcontractors with all such
15 obligations shall subject Tenant to the imposition of any and all sanctions allowed by law, including, but
16 not limited to, termination of this Lease.

17 **20.5. Contractor Responsibility Ordinance.**

18 20.5.1. **General Provisions; Contractor Responsibility Policy.** This Lease is subject to the Contractor
19 Responsibility Ordinance ("CRO") (Section 10.40, et seq, of the Los Angeles Administrative Code "LAAC"), a copy
20 of which is attached hereto starting on page 24 in Exhibit B and the rules and regulations promulgated pursuant thereto
21 as they may be updated. The CRO requires that, unless specific exemptions apply as specified in LAAC 10.37.1(i)(b)
22 or LAAC 10.40.4, lessees or licensees of City property who render services on the leased or licensed premises are
23 covered by the CRO if any of the following applies: (1) the services are rendered on premises at least a portion of which
24 are visited by substantial numbers of the public on a frequent basis, (2) any of the services could feasibly be performed
25 by City employees if the awarding authority had the requisite financial and staffing resources, or (3) designated
26 administrative agency of the City has determined in writing that coverage would further the proprietary interests of the
27 City. Lessees or licensees of City property who are not exempt pursuant to LAAC 10.40.4 (a) or (b), unless subject to
28 the CRO solely due to an amendment to an existing lease or license, are required to have completed a questionnaire
29 ("Questionnaire") signed under penalty of perjury designed to assist the City in determination that the lessee or licensee
30 is one that has the necessary quality, fitness and capacity to perform the work set forth in the contract. All lessees or
31 licensees of City property who are covered by the CRO, including those subject to the CRO due to an amendment, are
32 required to complete the following Pledge of Compliance ("POC"):

33 (1) comply with all applicable federal state, and local laws and regulations in the performance of the contract,
34 including but not limited to laws regarding health and safety, labor and employment, wage and hour, and licensing laws
35 which affect employees;

36 (2) notify the awarding authority within thirty (30) calendar days after receiving notification that any government
37 agency has initiated an investigation that may result in a finding that the lessee or licensee did not comply with
38 subparagraph (1) above in the performance of the lease or license;

(3) notify the awarding authority within thirty (30) calendar days of all findings by a government agency or court of competent jurisdiction that the lessee or licensee has violated subparagraph (1) above in the performance of the lease or license;

(4) ensure within thirty (30) days (or such shorter time as may be required by the awarding authority) that subcontractors working on the lease or license submit a POC to the awarding authority signed under penalty of perjury; and

(5) ensure that subcontractors working on the lease or license abide by the requirements of the POC and the requirement to notify the awarding authority within thirty (30) calendar days that any government agency or court of competent jurisdiction has initiated an investigation or has found that the subcontractor has violated subparagraph (1) above in the performance of the lease or license.

Tenant shall ensure that their subcontractors meet the criteria for responsibility set forth in the CRO and any rules and regulations promulgated thereto. Tenants may not use any subcontractor that has been determined or found to be a non-responsible contractor by City. Subject to approval by the awarding authority, Tenant may substitute a non-responsible subcontractor with another subcontractor with no change in the consideration for this Lease. Tenant shall submit to City a Pledge of Compliance, as attached hereto on page 28 of Exhibit B, for each subcontractor listed by the Tenant in its Questionnaire, as performing work on this Lease within thirty (30) calendar days of execution of this Lease, unless the Department of General Services requires in its discretion the submission of a Pledge of Compliance within a shorter time period. The signature of Tenant on page 25 of this Lease shall constitute a declaration under penalty of perjury that Tenant shall comply with the POC.

20.5.2. Determination of Coverage. An initial determination by the Department of General Services that this Lease as a public lease or license, is subject to the LWO and where no exemption specified thereon is applicable, on the Living Wage Coverage Determination Form attached to this Lease on page 7 of Exhibit B shall also constitute a determination that this Lease is covered by the CRO unless any of the exemptions specified in LAAC section 10.40.4 (a) apply. Determinations as to whether an public lease or license is exempt from coverage under the LWO are not final, but are subject to review and revision as additional facts are examined and/or other interpretations of the law are considered. In some circumstances, applications for exemption from the LWO (which would also exempt the applicant from the CRO) must be reviewed periodically (e.g. ever two (2) years for public leases or licenses claiming exemption due to annual gross revenues of less than \$200,000 and with less than seven (7) employees (LAAC section 10.37.1(i)). To the extent Tenant claims non-coverage or exemption from the provisions of the LWO, the burden shall be on Tenant to prove such non-coverage or exemption, and, where applicable, renew such exemption.

20.5.3. Update of Information. Tenant shall:

(1) notify the awarding authority within thirty (30) calendar days after receiving notification that any governmental agency has initiated an investigation that may result in a finding that Tenant did not comply with any applicable federal, state, or local law in the performance of this Lease including but not limited to laws regarding health and safety, labor and employment, wage and hour, and licensing laws which affect employees;

(2) notify the awarding authority within thirty (30) calendar days of receiving notice of any findings by a government agency or court of competent jurisdiction that Tenant violated any applicable federal, state, or local law in the performance of this Lease including but not limited to laws regarding health and safety, labor and employment, wage and hour, and licensing laws which affect employees; and

(3) notify the awarding authority within thirty (30) calendar days of becoming aware of any information regarding its subcontractors and investigations or findings regarding the subcontractor's violations of any applicable federal, state, or local law in the performance of this Lease, including but not limited to laws regarding health and safety, labor and employment, wage and hour, and licensing laws which affect employees.

1 Updates of information contained in Tenant's responses to the Questionnaire must be submitted to the awarding authority within
2 thirty (30) days of any changes to the responses if the change would affect Tenant's fitness and ability to continue performing
3 this Lease. Notwithstanding the above, Tenant shall not be required to provide updates to the Questionnaire if Tenant became
4 subject to the CRO solely because of an amendment to the original lease or license. Tenant shall cooperate in any investigation
5 pursuant to CRO by providing such information as shall be requested by City. Tenant agrees that City may keep the identity
6 of any complainant confidential. Tenant shall ensure that subcontractors who perform work on this Lease abide by these same
7 updating requirements including the requirement to:

8 (1) notify the awarding authority within thirty (30) calendar days after receiving notification that any government
9 agency has initiated an investigation which may result in a finding that the subcontractor did not comply with any
10 applicable federal, state, or local law in the performance of this Lease, including but not limited to laws regarding health
11 and safety, labor and employment, wage and hour, and licensing laws which affect employees; and

12 (2) notify the awarding authority within thirty (30) calendar days of all findings by a government agency or court
13 of competent jurisdiction that the subcontractor violated any applicable federal, state, or local law in the performance
14 of this Lease, including but not limited to laws regarding health and safety, labor and employment, wage and hour, and
15 licensing laws which affect employees.

16 The requirement that Tenant provide Questionnaires and updates to Questionnaire responses does not apply to subcontractors.

17 **20.5.4. Compliance; Termination Provisions and Other Remedies.** If Tenant is not initially exempt from
18 the CRO, Tenant shall comply with all of the provisions of the CRO and this Lease. If Tenant is initially exempt from
19 the CRO, but later no longer qualifies for such exemption, Tenant shall, at such time Tenant is no longer exempt, comply
20 with the provisions of the CRO and this Lease. Failure to comply with the provisions of the CRO, including without
21 limitation the requirements that all responses to the Questionnaire are complete and accurate, to provide updates as
22 provided therein and to correct any deficiencies within ten (10) days of notice by City, or failure to comply with the
23 provisions of this Lease shall constitute a material breach of this Lease and City shall be entitled to terminate this Lease
24 and otherwise pursue any legal remedies that may be available, including those set forth in the CRO. Nothing in this
25 Lease shall be construed to extend the time periods or limit the remedies provided in the CRO.

26 **20.6. Tax Registration Certificates And Tax Payments.** This Section is applicable where Tenant is engaged in
27 business within the City of Los Angeles and Tenant is required to obtain a Tax Registration Certificate ("TRC") pursuant to
28 one or more of the following articles (collectively "Tax Ordinances") of Chapter II of the Los Angeles Municipal Code:
29 Article 1 (Business Tax Ordinance) [section 21.00, et seq.], Article 1.3 (Commercial Tenant's Occupancy Tax) [section 21.3.1,
30 et seq.], Article 1.7 (Transient Occupancy Tax) [section 21.7.1, et seq.], Article 1.11 (Payroll Expense Tax) [section 21.11.1,
31 et seq.], or Article 1.15 (Parking Occupancy Tax) [section 21.15.1, et seq.]. Prior to the execution of this Lease, or the effective
32 date of any extension of the Term or renewal of this Lease, Tenant shall provide to the Department of General Services proof
33 satisfactory to the General Manager of the Department of General Services that Tenant has the required TRCs and that Tenant
34 is not then currently delinquent in any tax payment required under the Tax Ordinances. City may terminate this Lease upon
35 thirty (30) days' prior written notice to Tenant if City determines that Tenant failed to have the required TRCs or was delinquent
36 in any tax payments required under the Tax Ordinances at the time of entering into, extending the Term of, or renewing this
37 Lease. City may also terminate this Lease upon ninety (90) days prior written notice to Tenant at any time during the Term
38 of this Lease if Tenant fails to maintain required TRCs or becomes delinquent in tax payments required under the Tax
39 Ordinances and Tenant fails to cure such deficiencies within the ninety (90) day period (in lieu of any time for cure provided
40 in Section 14.1 (page 13)).

20.7. **Ordinance Language Governs.** Exhibit B is provided as a convenience to the parties only; in the event of a discrepancy between Exhibit B and the applicable ordinance language, as amended, the language of the ordinance shall govern. Tenant shall comply with all subsequent applicable amendments to said ordinances.

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 Tenant.

21.2. **Entire Agreement.** 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.

21.3. **Exhibits - Incorporation In Lease.** All exhibits referred to are attached to this Lease and incorporated by reference.

21.4. **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, non-availability of materials, war or national defense preemptions, governmental restrictions, acts of God or other similar causes beyond the reasonable control of the nonperforming party; 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 herein above specified.

21.5. **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, partnerships or other legal entities when the context so requires.

21.6. **Memorandum Of Lease.** A Memorandum of Lease, substantially in the form as that attached to this Lease as Exhibit C, 3, 3, shall be completed and executed by both parties concurrently with the execution of this Lease. City may record such Memorandum of Lease. Tenant understands that this Lease may be considered a public document and, therefore, may be made available to members of the general public.

21.7. **No Relocation Assistance.** Tenant 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.

21.8. **Possessory Interest Tax.** The execution of this Lease and the acceptance of the benefits of this Lease may create a property interest known as "**possessory interest**" and such property interest will be subject to

1 property taxation. Tenant, as the party in whom the possessory interest is vested, shall be responsible for the
2 payment of all property taxes, if any, levied upon such interest. Tenant acknowledges that the notice required under
3 California Revenue and Taxation Code section 107.6 has been provided. Tenant shall include such possessory
4 interest in its existing property tax exemption.

5 21.9. **Quiet Enjoyment.** If Tenant is not in default as provided herein, Tenant shall and may peaceably and
6 quietly have, hold, and enjoy the Premises with necessary ingress and egress in accordance with the provisions
7 hereof.

8 21.10. **Severability.** If any provision of this Lease or the application thereof to any person or circumstance
9 shall to any extent be invalid or unenforceable, the remainder of this Lease, or the application of such term or
10 provision to persons or circumstances other than those as to which it is invalid or unenforceable, shall not be affected
11 thereby, and each term and provision of this Lease shall be valid and be enforced to the fullest extent permitted by
12 law. This Lease shall be governed by and construed under the laws of the State of California.

13 21.11. **Sole Discretion.** In those instances in this Lease where it is provided that City may approve a request
14 in City's "sole discretion" or words of like import, the parties expressly agree that City has the absolute unfettered
15 discretion to grant or withhold approval, either arbitrarily or otherwise, and with or without reason, and neither Tenant
16 nor any other party or tribunal shall have any right or power to inquire into or review the granting or withholding of
17 such approval or the reasons or lack of reasons therefor.

18 21.12. **Successors In Interest.** Subject to the provisions hereof relative to assignment, this Lease shall be
19 binding upon and inure to the benefit of the heirs, executors, administrators, transferees, successors and assigns
20 of the respective parties hereto.

21 21.13. **Time.** Time is of the essence with respect to the performance or observance of each of the obligations,
22 covenants and agreements under this Lease. Except where expressly stated to be "business days" or "working
23 days," the word "days" shall mean "calendar days."

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 ARTSCORPSLA, a California nonprofit public benefit corporation, caused this Lease to be executed as of the date of signature by the City Clerk. If the space provided in Section 1.1 (page 1) of this Lease is blank, such date shall be entered in such space, although such date shall be deemed to be the date of this Lease in any case.

APPROVED AS TO FORM AND LEGALITY:

ROCKARD J. DELGADILLO, City Attorney

By: _____

ANDREW J. NOCAS

Deputy City Attorney

DATE: January 7, 2003

CITY (LANDLORD):

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

By: _____

MIKE ROOS

Board President

ATTESTED:

By: _____

MARY E. ALVAREZ

Board Secretary

DATE: _____

1/22/03

ATTEST:

J. MICHAEL CAREY, City Clerk

By: _____

Deputy

DATE: _____

1-22-03

C-104293



TENANT:

ARTSCORPSLA, a California nonprofit public benefit corporation

By: _____

TRICIA WARD

President

By: _____

Barla Fantozzi
Executive Director

DATE: _____

1/22/03

Board Report No: 02-70

CF No.: 02-1861 (10/28/02)

ARTSCORPSLA LEASE
LA TIERRA DE LA CULEBRA PARK
240 S. AVENUE 57

EXHIBIT A: PLOT PLAN AND LEGAL DESCRIPTION

ASSESSOR PLAT MAP

5468 31 1998
SCALE 1" = 80'

SUBDIVISION OF CERTAIN LOTS
IN HIGHLAND PARK TRACT
M.R. 6-392-393

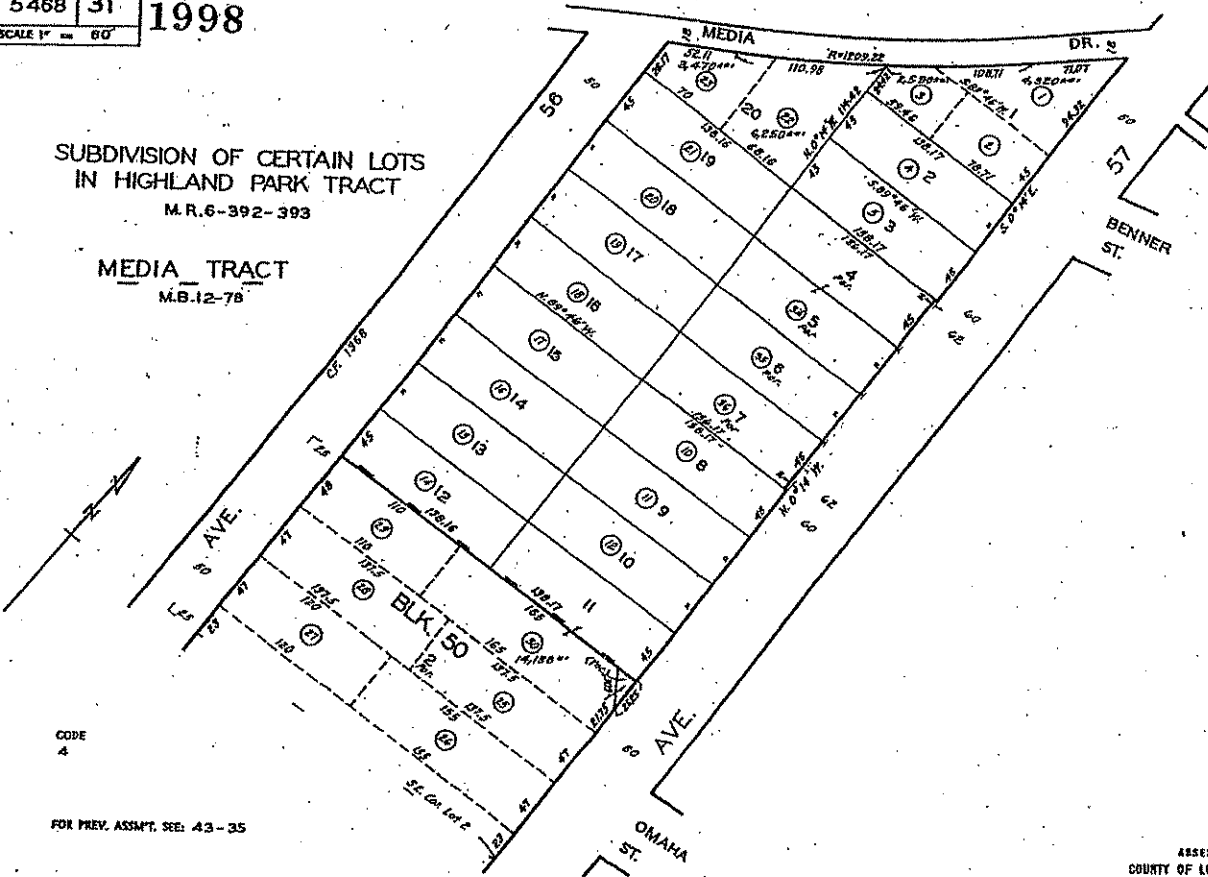
MEDIA TRACT
M.B. 12-78

CODE
4

FOR PREV. ASSM'T. SEE: 43-35

REVISED
12-14-82

REPLACEMENT OF
SUBDIVISIONAL
MAPS



MAR 27 1999

ASSESSOR'S MAP
COUNTY OF LOS ANGELES, CALIF.

Lots 4, 5, 6, and 7 of the Media Tract in the City of Los Angeles, as per map recorded in Book 12, page 78, of Maps, in the office of the County Recorder of Los Angeles County, excepting therefrom those portions within public streets and subject to all easements of record.

ARTSCORPSLA LEASE
LA TIERRA DE LA CULEBRA PARK
240 S. AVENUE 57.

PLOT PLAN
EXHIBIT A
Page A-1

SSCHE03-74254
AVENUE57 240.001

LAAC SEC. 10.10 - CHILD SUPPORT

EXHIBIT B: CITY ORDINANCES

CHILD SUPPORT ASSIGNMENT ORDERS ORDINANCE

Los Angeles Administrative Code

(Applicable portions)

Sec. 10.10 Child Support Assignment Orders.

a. Definitions.

1. **Awarding Authority** means a subordinate or component entity or person of the City (such as a City department or Board of Commissioners) that has the authority to enter into a contract or agreement for the provision of goods or services on behalf of the City of Los Angeles.

2. **Contract** means any agreement, franchise, lease or concession including an agreement for any occasional professional or technical personal services, the performance of any work or service, the provision of any materials or supplies, or the rendering of any service to the City of Los Angeles or to the public which is let, awarded, or entered into with, or on behalf of, the City of Los Angeles or any awarding authority thereof.

3. **Contractor** means any person, firm, corporation, partnership or any combination thereof which submits a bid or proposal or enters a contract with any awarding authority of the City of Los Angeles.

4. **Subcontractor** means any person, firm, corporation, partnership or any combination thereof who enters into a contract with a contractor to perform or provide a portion of any contract with the City.

5. **Principal Owner** means any person who owns an interest of 10 percent or more in a contractor or subcontractor as defined herein.

b. Mandatory Contract Provisions.

Every contract that is let, awarded or entered into with or on behalf of the City of Los Angeles shall contain a provision obligating the contractor or subcontractor to fully comply with all applicable State and Federal employment reporting requirements for the contractor or subcontractor's employees. The contractor or subcontractor will

also be required to certify that the principal owner(s) thereof are in compliance with any Wage and Earnings Assignment Orders and Notices of Assignment applicable to them personally, that the contractor or subcontractor will fully comply with all lawfully served Wage and Earnings Assignment Orders and Notices of Assignments in accordance with California Family Code Section 5230 et seq. and that the contractor or subcontractor will maintain such compliance throughout the term of the contract.

Failure of a contractor or subcontractor to comply with all applicable reporting requirements or to implement lawfully served Wage and Earnings Assignments or Notices of Assignment or failure of the principal owner(s) to comply with Wage and Earnings Assignments or Notices of Assignment applicable to them personally shall constitute a default under the contract. Failure of the contractor or subcontractor or principal owner thereof to cure the default within 90 days of notice of such default by the City shall subject the contract to termination.

c. Notice to Bidders.

Each awarding authority shall be responsible for giving notice of the provisions of this ordinance to those who bid on, or submit proposals for, prospective contracts with the City.

d. Current Contractor Compliance.

Within 30 days of the operative date of this ordinance, the City, through its operating departments, shall serve upon existing contractors a written request that they and their subcontractors (if any) comply with all applicable State and Federal employment reporting requirements for the contractor and subcontractor's employees, that they certify that the principal owner(s) of the contractor and any subcontractor are in compliance with any Wage and Earnings Assignment Orders and Notices of

LAAC SEC. 10.36 - WORKER RETENTION

Assignment applicable to them personally, that the contractor and subcontractor will fully comply with all lawfully served Wage and Earnings Assignment Orders and Notices of Assignments in accordance with California Family Code Sec. 5230 et seq. and that the contractor and subcontractor will maintain such compliance throughout the term of the contract.

ARTICLE HISTORY

Added by Ord. No. 172,401, eff. 2-13-99

SERVICE CONTRACT WORKER RETENTION ORDINANCE

LOS ANGELES ADMINISTRATIVE CODE

ARTICLE 10 SERVICE CONTRACT WORKER RETENTION

*Article added by Ord. No. 170,784, Eff. 1-13-96; amended by Ord. No. 171,004, Eff. 5-18-96;
amended by Ord. No. 172,337, Eff. 1-14-99; amended by Ord. No. 172,843, Eff. 11-4-99.*

Sec. 10.36 Findings and Statement of Policy.

The City awards many contracts to private firms to provide services to the public and to City government. The City also provides financial assistance and funding to others for the purpose of economic development or job growth. At the conclusion of the terms of a service contract with the City or with those receiving financial assistance from the City, competition results in the awarding of a service contract to what may be a different contractor. These new contracts often involve anticipated changes in different managerial skills, new technology or techniques, new themes or presentations, or lower costs.

The City expends grant funds under programs created by the federal and state governments. Such expenditures serve to promote the goals established for those programs by such governments and similar goals of the City. The City intends that the policies underlying this article serve to guide the expenditure of such funds to the extent allowed by the laws under which such grant programs are established.

Despite desired changes through the process of entering into new contracts, it is the experience of the City that reasons for change do not necessarily include

a need to replace workers presently performing services who already have useful knowledge about the workplace where the services are performed.

Incumbent workers have already invaluable knowledge and experience with the work schedules, practices, and clients. The benefits of replacing these workers without such experiences decreases efficiency and results in a disservice to City and City financed or assisted projects.

Retaining existing service workers when a change in contractors occurs reduces the likelihood of labor disputes and disruptions. The reduction of the likelihood of labor disputes and disruptions results in the assured continuity of services to citizens who receive services provided by the City or by City financed or assisted projects.

It is unacceptable that contracting decisions involving the expenditure of City funds should have any potential effect of creating unemployment and the consequential need for social services. The City, as a principal provider of social support services, has an interest in the stability of employment under contracts with the City or by those receiving financial assistance

LAAC SEC. 10.36 - WORKER RETENTION

from the City. The retention of existing workers benefits that interest.

SECTION HISTORY

Article and Section Added by Ord. No. 170,784, Eff. 1-13-96. Article and Section Amended by: Ord. No. 171,004, Eff. 5-18-96.

Sec. 10.36.1. Definitions.

The following definitions shall apply throughout this article:

(a) "Awarding authority" means that subordinate or component entity or person of the City (such as a department) or of the financial assistance recipient that awards or is otherwise responsible for the administration of a service contract or, if none, then the City or the City financial assistance recipient.

(b) "City" means the City of Los Angeles and all awarding authorities thereof, including those City departments which exercise independent control over their expenditure of funds, but excludes the Community Redevelopment Agency of the City of Los Angeles.

(c) "City financial assistance recipient" means any person that receives from the City in any twelve-month period discrete financial assistance for economic development or job growth expressly articulated and identified by the City totaling at least one hundred thousand dollars (\$100,000); provided, however, that corporations organized under Section § 501(c)(3) of the United States Internal Revenue Code of 1954, 26 U.S.C. § 501(c)(3), with annual operating budgets of less than five million dollars (\$5,000,000) or that regularly employ homeless persons, persons who are chronically unemployed, or persons receiving public assistance, shall be exempt.

Categories of such assistance include, but are not limited to, bond financing, planning assistance, tax increment financing exclusively by the City, and tax credits, and shall not include assistance provided by the Community Development Bank. City staff assistance shall not be regarded as financial assistance for the purposes of this article. A loan shall not be regarded as

financial assistance. The forgiveness of a loan shall be regarded as financial assistance. A loan shall be regarded as financial assistance to the extent of any differential between the amount of the loan and the present value of the payments thereunder, discounted over the life of the loan by the applicable federal rate as used in 26 U.S.C. Sections 1274(d), 7872(f). A recipient shall not be deemed to include lessees and sublessees. Service contracts for economic development or job growth shall be deemed such assistance once the \$100,000 threshold is reached.

(d) "Contractor" means any person that enters into a service contract with the City or a City financial assistance recipient.

(e) "Employee" means any person employed as a service employee of a contractor or subcontractor earning less than fifteen dollars (\$15.00) per hour in salary or wage whose primary place of employment is in the City on or under the authority of a service contract and including but not limited to: hotel employees, restaurant, food service or banquet employees; janitorial employees; security guards; parking attendants; nonprofessional health care employees; gardeners; waste management employees; and clerical employees; and does not include a person who is (1) a managerial, supervisory, or confidential employees, or (2) required to possess an occupational license.

(f) "Person" means any individual, proprietorship, partnership, joint venture, corporation, limited liability company, trust, association, or other entity that may employ individuals or enter into contracts.

(g) "Service contract" means a contract let to a contractor by the City or a City financial assistance recipient primarily for the furnishing of services to or for the City or financial assistance recipient (as opposed to the purchase of goods or other property) and that involves an expenditure or receipt in excess of twenty-five thousand dollars (\$25,000) and a contract term of at least three months.

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(h) "Subcontractor" means any person not an employee that enters into a contract with a contractor to assist the contractor in performing a service contract and that employs employees for such purpose.

(i) "Successor service contract" means a service contract where the services to be performed are substantially similar to a service contract that has been recently terminated.

SECTION HISTORY

Added by Ord. No. 170,784, Eff. 1-13-96. Amended by: Ord. No. 171,004, Eff. 5-18-96. Subsec. (c) Amended by: Ord. No. 172,843, Eff. 11-4-99.

Sec. 10.36.2. Transition Employment Period.

(a) Where an awarding authority has given notice that a service contract has been terminated, or where a service contractor has given notice of such termination, upon receiving or giving such notice, as the case may be, the terminated contractor shall within ten (10) days thereafter provide to the successor contractor the name, address, date of hire, and employment occupation classification of each employee in employment, of itself or subcontractors, at the time of contract termination. If the terminated contractor has not learned the identity of the successor contractor, if any, by the time that notice was given of contract termination, the terminated contractor shall obtain such information from the awarding authority. If a successor service contract has not been awarded by the end of the ten (10)-day period, the employment information referred to earlier in this subsection shall be provided to the awarding authority at such time. Where a subcontract of a service contract has been terminated prior to the termination of the service contract, the terminated subcontractor shall for purposes of this article be deemed a terminated contractor.

(1) Where a service contract or contracts are being let where the same or similar services were rendered by under multiple service contracts, the City or City financial aid recipient shall pool the employees, ordered by seniority within job classification, under such prior contracts.

(2) Where the use of subcontractors has occurred under the terminated contract or where the use of subcontractors is to be permitted under the successor contract, or where both circumstances arise, the City or City financial assistance recipient shall pool, when applicable, the employees, ordered by seniority within job classification, under such prior contracts or subcontracts where required by and in accordance with rules authorized by this article.

(b) A successor contractor shall retain, for a ninety (90)-day transition employment period, employees who have been employed by the terminated contractor or its subcontractors, if any, for the preceding twelve (12) months or longer. Where pooling of employees has occurred, the successor contractor shall draw from such pools in accordance with rules established under this article. During such ninety (90)-day period, employees so hired shall be employed under the terms and conditions established by the successor contractor (or subcontractor) or as required by law.

(c) If at anytime the successor contractor determines that fewer employees are required to perform the new service contract than were required by the terminated contractor (and subcontractors, if any), the successor contractor shall retain employees by seniority within job classification.

(d) During such ninety (90)-day period, the successor contractor (or subcontractor, where applicable) shall maintain a preferential hiring list of eligible covered employees not retained by the successor contractor (or subcontractor) from which the successor contractor (or subcontractor) shall hire additional employees.

(e) Except as provided in Subsection (c) of this section, during such ninety (90)-day period the successor contractor (or subcontractor, where applicable) shall not discharge without cause an employee retained pursuant to this article. "Cause" for this purpose shall include, but not be limited to, the employee's conduct while in the employ of the terminated contractor or subcontractor that contributed to any decision to terminate the contract or subcontract for fraud or poor performance.

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(f) At the end of such ninety (90)-day period, the successor contractor (or subcontractor, where applicable) shall perform a written performance evaluation for each employee retained pursuant to this article. If the employee's performance during such ninety (90)-day period is satisfactory, the successor contractor (or subcontractor) shall offer the employee continued employment under the terms and conditions established by the successor contractor (or subcontractor) or as required by law. During such ninety (90)-day period, the successor contractor shall maintain a preferential hiring list of eligible covered employees not retained by the successor contractor from which the successor contractor shall hire additional employees.

(g) If the City or a City financial assistance recipient enters into a service contract for the performance of work that prior to the service contract was performed by the City's or the recipient's own service employees, the City or the recipient, as the case may be, shall be deemed to be a "terminated contractor" within the meaning of this section and the contractor under the service contract shall be deemed to be a "successor contractor" within the meaning of this section and Section 10.36.3.

SECTION HISTORY

Added by Ord. No. 170,784, Eff. 1-13-96. Amended by: Ord. No. 171,004, Eff. 5-18-96; Subsec. (g) Added, Ord. No. 172,349, Eff. 1-29-99.

Sec. 10.36.3. Enforcement.

(a) An employee who has been discharged in violation of this article by a successor contractor or its subcontractor may bring an action in the Municipal Court or Superior Court of the State of California, as appropriate, against the successor contractor and, where applicable, its subcontractor, and may be awarded:

(1) Back pay for each day during which the violation continues, which shall be calculated at a rate of compensation not less than the higher of:

(A) The average regular rate of pay received by the employee during the last 3 years of the

employee's employment in the same occupation classification; or

(B) The final regular rate received by the employee.

(2) Costs of benefits the successor contractor would have incurred for the employee under the successor contractor's (or subcontractor's, where applicable) benefit plan.

(b) If the employee is the prevailing party in any such legal action, the court shall award reasonable attorney's fees and costs as part of the costs recoverable.

(c) Compliance with this article shall be required in all City contracts to which it applies, and such contracts shall provide that violation of this article shall entitle the City to terminate the contract and otherwise pursue legal remedies that may be available.

(d) Notwithstanding any provision of this Code or any other ordinance to the contrary, no criminal penalties shall attach for any violation of this article.

SECTION HISTORY

Added by Ord. No. 170,784, Eff. 1-13-96. Amended by: Ord. No. 171,004, Eff. 5-18-96.

Sec. 10.36.4. Exemption for Successor Contractor or Subcontractor's Prior Employees.

An awarding authority shall upon application by a contractor or subcontractor exempt from the requirements of this article a person employed by the contractor or subcontractor continuously for at least twelve (12) months prior to the commencement of the successor service contract or subcontract who is proposed to work on such contract or subcontract as an employee in a capacity similar to such prior employment, where the application demonstrates that (a) the person would otherwise be laid off work and (b) his or her retention would appear to be helpful to the contractor or subcontractor in performing the successor contract or subcontract. Once a person so exempted

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commences work under a service contract or subcontract, he or she shall be deemed an employee as defined in Section 10.36.1(e) of this Code.

SECTION HISTORY

Added by Ord. No. 170,784, Eff. 1-13-96. Amended by: Ord. No. 171,004, Eff. 5-18-96.

Sec. 10.36.5. Coexistence with Other Available Relief for Specific Deprivations of Protected Rights.

This article shall not be construed to limit an employee's right to bring legal action for wrongful termination.

SECTION HISTORY

Added by Ord. No. 170,784, Eff. 1-13-96. Amended by: Ord. No. 171,004, Eff. 5-18-96.

Sec. 10.36.6. Expenditures Covered by this Article.

This article shall apply to the expenditure, whether through service contracts let by the City or by its financial assistance recipients, of funds entirely within the City's control and to other funds, such as federal or state grant funds, where the application of this article is consonant with the laws authorizing the City to expend such other funds. City financial assistance recipients shall apply this article to expenditure of non-City funds for service contracts to be performed in the City by complying themselves with § 10.36.2(g) and by contractually requiring their service contractors to comply with this article. Such requirement shall be imposed by the recipient until the City financial assistance has been fully expended.

SECTION HISTORY

Added by Ord. No. 171,004, Eff. 5-18-96. Amended by: Ord. No. 172,337, Eff. 1-14-99. Amended by: Ord. No. 172,843, Eff. 11-4-99.

Sec. 10.36.7. Timing of Application of Ordinances Adding and then Amending this Article.

The provisions of this article as set forth in City Ordinance No. 171,004 shall apply to contracts

consummated and financial assistance provided after May 18, 1996 (the effective date of City Ordinance No. 171,004). As for contracts consummated and financial assistance provided after the original version of this article took effect on January 13, 1996 (by City Ordinance No. 170,784) and through May 18, 1996, the City directs its appointing authorities and urges others affected to use their best efforts to work cooperatively so as to allow application City Ordinance No. 171,004 rather than City Ordinance No. 170,784 to service contracts let during such period. No abrogation of contract or other rights created by City Ordinance No. 170,784, absent consent to do so, shall be effected by the retroactive application of City Ordinance No. 171,004.

SECTION HISTORY

Added by Ord. No. 170,784, Eff. 1-13-96. Amended by: Ord. No. 171,004, Eff. 5-18-96; Ord. No. 172,337, Eff. 1-14-99.

Sec. 10.36.8. Promulgation of Implementing Rules.

The City Council shall by resolution designate a department or office, which shall promulgate rules for implementation of this article and otherwise coordinate administration of the requirements of this article.

SECTION HISTORY

Added by Ord. No. 171,004, Eff. 5-18-96.

Sec. 10.36.9. Severability.

If any severable provision or provisions of this article or any application thereof is held invalid, such invalidity shall not affect other provisions or applications of the article that can be given effect notwithstanding such invalidity.

SECTION HISTORY

Added by Ord. No. 171,004, Eff. 5-18-96.

LIVING WAGE ORDINANCE

DEPARTMENTAL DETERMINATION OF COVERAGE UNDER THE LIVING WAGE ORDINANCE

This form must be completed by the department and attached to the proposed contract, lease, license, or Authority for Expenditure that includes a Letter of Agreement, in the review process (e.g., CAO Budget Analyst, City Attorney; etc.). If the contract/agreement is "subject" to the LWO, a signed Declaration of Compliance must also be attached; or, if the contract/agreement is "not covered" or "exempt," an Exemption form approved by the CAO. Upon contract execution, these documents must be provided to the CAO, Living Wage Section and the City Controller (see exceptions below). Payment to the contractor will not be processed unless the required documents are on file.

Department Department of Recreation and Parks Dept. Rep. DREW TOLLIFFE
Date (1/7/2003) Phone (213) 978-0187
CITY OF LOS ANGELES
Contractor ARTScorpsLA Contract # _____

This is a: New Contract ☒ X Other(explain) _____
Renewal Contract _____ Amended Contract _____ Successor Contract _____

If this is a Successor Contract, with employees paid less than \$15 per hour, did the department comply with the Service Contract Worker Retention Ordinance? Yes _____ No _____

Contracts, Leases and Licenses Subject to the Living Wage Ordinance

	<u>LAAC</u>	<u>Covered</u>	<u>Not Covered</u>
Service contract (at least 3 months <u>and</u> over \$25,000)	10.37.1(j)	_____	_____ *
Proprietary leases or licenses	10.37.1(i)	_____	_____ *
Other leases or licenses	10.37.1(i)	_____	_____ *
City financial assistance recipient (see below)	10.37.1(c)	_____	_____
Child care workers with non-profit organization	10.37.1(g)	_____	_____
Non-profit organization under IRS 501(c)(3) w/ chief executive officer salary <u>greater than</u> 8 times lowest paid worker		10.37.1(g)	_____
Business Improvement Districts (BIDs), City or grant funds		Reg. 11	_____

Contracts, Leases and Licenses Exempt from the Living Wage Ordinance

An Awarding Authority or Bidder Request for Non-Coverage or Exemption must be attached to all of the following contracts, leases, licenses or AFE's that the Awarding Department has determined to be exempt from coverage:

		<u>Exempt</u>	<u>Term</u>	<u>Amount</u>
Service contract (less than 3 months <u>or</u> \$25,000 or less)	10.37.1(j)	_____ ♦	_____	_____
Other governmental entity	10.37.1(g)	_____ ♦	_____	_____
Purchase or rental of goods, equipment, property	10.37.1(j)	_____ ⊕	_____	_____
Construction contract	10.37.1(j)	_____ ⊕	_____	_____
Occupational license required	10.37.1(f)	_____	_____	_____
Collective bargaining agreement w/ LWO supersession		_____	_____	_____

ARTSCORPSLA LEASE
LA TIERRA DE LA CULEBRA PARK
240 S. AVENUE 57

LIVING WAGE COVERAGE
EXHIBIT B
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SSCHE03-74254
AVENUE57 240.001

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language	10.37.12	_____	
Financial assistance recipient	10.37.1(c)	_____	
Below \$1,000,000 in 12 months		_____	
At least \$100,000 assistance/year (non-continuing)		_____	
First year of operation		_____	* Complete Exemption
Form.		_____	
Other than economic development or job growth		_____	
Economic hardship		_____	❖ No Exemption Form is
(only applicable to employers of long-term unemployed, or provide training		_____	required.
for preparation for permanent employment; requires Council approval)		_____	
Non-profit organization under IRS 501(c)(3) w/ chief executive officer salary			
<u>less than</u> 8 times lowest paid worker	10.37.1(g)	X	⊗ This Form Does NOT
Proprietary lessee or licensee w/ less than \$200,000 gross revenue		_____	
need to be completed for		_____	
and no more than 7 employees	10.37.1(i)	_____	these contracts.
One person contractors, lessee, licensee, financial assistance		_____	
recipient with no workers	10.37.1(f)	_____	
Business Improvement Districts (BIDs), assessment monies	Reg. 11	_____	

Form CAO/LW-1 Rev. 7/22/99 CAO & Controller

LAAC SEC. 10.37 - LIVING WAGE

CITY OF LOS ANGELES

Office of Administrative and Research Services
Contractor Enforcement Section
200 North Main Street, Room 606
Los Angeles, CA 90012
Phone: (213) 485-3514 - Fax: (213) 485-0672

DECLARATION OF COMPLIANCE

Service Contract Worker Retention Ordinance and the Living Wage Ordinance

Los Angeles Administrative Code (LAAC) Sections 10.36 et seq. and 10.37 et seq. provide that all employers (except where specifically exempted) under contracts primarily for the furnishing of services to or for the City and that involve an expenditure in excess of \$25,000 and a contract term of at least three months; leases; licenses; or certain recipients of City financial assistance shall comply with all applicable provisions of the Ordinances.

During the performance of this agreement, the contractor, lessee, licensee, or City financial assistance recipient certifies that it shall comply and require each subcontractor hereunder to comply with the provisions of the above referenced Ordinances. The contractor shall provide to the City a list of all subcontractors and a list of all employees under the agreement (including employees of subcontractors) within 10 days after execution. The list of employees shall include the name, position classifications and rate of pay for each employee. An updated list shall be submitted upon demand and upon termination of the contract. A completed Declaration of Compliance from each subcontractor subject to the Living Wage Ordinance must be provided to the Office of Administrative Research Services within 90 days of execution of the subcontract. In case of a successor service contract, a successor contractor shall retain for a 90-day transition employment period employees who have been employed by the terminated contractor or its subcontractor, if any, for the preceding 12 months or longer, pursuant to Section 10.36.2.

The contractor, lessee, licensee, or City financial assistance recipient further agrees:

- (a) To pay covered employees a wage no less than the minimum initial compensation of \$7.72 per hour (adjusted July 1, 2000) with health benefits, as referred to in (c) below, or otherwise \$8.97 per hour (adjusted July 1, 2000), pursuant to Section 10.37.2(a). Such rates shall be adjusted annually and shall become effective July 1;
- (b) To provide at least 12 compensated days off per year for sick leave, vacation, or personal necessity at the employee's request, and at least 10 additional days per year of uncompensated time off pursuant to Section 10.37.2(b) and Regulation 4(e)(3);
- (c) Where so elected under (a) above, to pay at least \$1.25 per hour per employee toward the provision of health benefits for the employees and their dependents pursuant to Section 10.37.3;
- (d) To inform employees making less than \$12 per hour of their possible right to the federal Earned Income Tax Credit (EITC) and make available the forms required to secure advance EITC payments from the employer pursuant to Section 10.37.4;
- (e) To permit access to work sites for authorized City representatives to review the operation, payroll and related documents, and to provide certified copies of the relevant records upon request by the City; and
- (f) Not to retaliate against any employee claiming non-compliance with the provisions of these Ordinances and to comply with federal law prohibiting retaliation for union organizing.

Failure to complete and submit this form to the Awarding Authority and to the Office of Administrative and Research Services may result in withholding of payments by the City Controller, or contract termination.

Check box only if applicable: ☐ I certify under penalty of perjury that I do not have any employees earning less than \$15 per hour working on this City agreement.

Company Name

ARTScorpsLA

Signature of Officer or Authorized Representative

ARTSCORPSLA LEASE
LA TIERRA DE LA CULEBRA PARK
240 S. AVENUE 57

LIVING WAGE COVERAGE
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SSCHE03-74254
AVENUE57 240.001

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Company Address and Phone Number		Type or Print Name and Title	
936 Mei Ling Way, Los Angeles, CA 90012; Telecopies: (213) 617-3878			
Date	Contract Number	Awarding City Department	Type of Service
		Recreation and Parks	Lease

Form OARS/LW-5 Rev. 7/6/00

ARTSCORPSLA LEASE
LA TIERRA DE LA CULEBRA PARK
240 S. AVENUE 57

LIVING WAGE COVERAGE
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AVENUE57 240.001

LAAC SEC. 10.37 - LIVING WAGE

LOS ANGELES ADMINISTRATIVE CODE

ARTICLE 11 LIVING WAGE

Article added by Ord. No. 171,547, Eff. 5-5-97; amended by Ord. No. 172,337, Eff. 1-14-99.

Sec. 10.37. Legislative Findings.

The City awards many contracts to private firms to provide services to the public and to City government. The City also provides financial assistance and funding to others for the purpose of economic development or job growth. The City expends grant funds under programs created by the federal and state governments. Such expenditures serve to promote the goals established for those programs by such governments and similar goals of the City. The City intends that the policies underlying this article serve to guide the expenditure of such funds to the extent allowed by the laws under which such grant programs are established.

Experience indicates that procurement by contract of services has all too often resulted in the payment by service contractors to their employees of wages at or slightly above the minimum required by federal and state minimum wage laws. Such minimal compensation tends to inhibit the quantity and quality of services rendered by such employees, to the City and to the public. Underpaying employees in this way fosters high turnover, absenteeism, and lackluster performance. Conversely, adequate compensation promotes amelioration of these undesirable conditions. Through this article the City intends to require service contractors to provide a minimum level of compensation that will improve the level of services rendered to and for the City.

The inadequate compensation typically paid today also fails to provide service employees with resources sufficient to afford life in Los Angeles. It is unacceptable that contracting decisions involving the expenditure of City funds should foster conditions placing a burden on limited social services. The City, as a principal provider of social support services, has an interest in promoting an employment environment that protects such limited resources. In requiring the payment of a higher minimum level of compensation, this article benefits that interest.

Nothing less than the living wage should be paid by the recipients of City financial assistance themselves. Whether they be engaged in manufacturing or some other line of business, the City does not wish to foster an economic climate where a lesser wage is all that is

offered to the working poor. The same adverse social consequences from such inadequate compensation emanate just as readily from manufacturing, for example, as service industries. This article is meant to protect these employees as well.

The City holds a proprietary interest in the work performed by many employees employed by lessees and licensees of City property and by their service contractors and subcontractors. In a very real sense, the success or failure of City operations may turn on the success or failure of these enterprises, for the City has a genuine stake in how the public perceives the services rendered for them by such businesses. Inadequate compensation of these employees adversely impacts the performance by the City's lessee or licensee and thereby does the same for the success of City operations. By the 1998 amendment to this article, recognition is given to the prominence of this interest at those facilities visited by the public on a frequent basis, including but not limited to, terminals at Los Angeles International Airport, Ports O'Call Village in San Pedro, and golf courses and recreation centers operated by the Department of Recreation and Parks. This article is meant to cover all such employees not expressly exempted.

Requiring payment of the living wage serves both proprietary and humanitarian concerns of the City. Primarily because of the latter concern and experience to date regarding the failure of some employers to honor their obligation to pay the living wage, the 1998 amendments introduce additional enforcement mechanisms to ensure compliance with this important obligation. Non-complying employers must now face the prospect of paying civil penalties, but only if they fail to cure non-compliance after having been given formal notice thereof. Where non-payment is the issue, employers who dispute determinations of non-compliance may avoid civil penalties as well by paying into a City holding account the monies in dispute. Employees should not fear retaliation, such as by losing their jobs, simply because they claim their right to the living wage, irrespective of the accuracy of the claim. The 1998 amendments strengthen the prohibition against retaliation to serve as a critical shield against such employer misconduct.

LAAC SEC. 10.37 - LIVING WAGE

Sec. 10.37.1. Definitions.

The following definitions shall apply throughout this article:

(a) "Awarding authority" means that subordinate or component entity or person of the City (such as a department) or of the financial assistance recipient that awards or is otherwise responsible for the administration of a service contract or proprietary lease or license, or, where there is no such subordinate or component entity or person, then the City or the City financial assistance recipient.

(b) "City" means the City of Los Angeles and all awarding authorities thereof, including those City departments which exercise independent control over their expenditure of funds, but excludes the Community Redevelopment Agency of the City of Los Angeles ("CRA"). The CRA is urged, however, to adopt a policy similar to that set forth in this article.

(c) "City financial assistance recipient" means any person who receives from the City discrete financial assistance for economic development or job growth expressly articulated and identified by the City, as contrasted with generalized financial assistance such as through tax legislation, in accordance with the following monetary limitations. Assistance given in the amount of one million dollars (\$1,000,000) or more in any twelve-month period shall require compliance with this article for five years from the date such assistance reaches the one million dollar (\$1,000,000) threshold. For assistance in any twelve-month period totaling less than one million dollars (\$1,000,000) but at least one hundred thousand dollars (\$100,000), there shall be compliance for one year if at least one hundred thousand dollars (\$100,000) of such assistance is given in what is reasonably contemplated at the time to be on a continuing basis, with the period of compliance beginning when the accrual during such twelve-month period of such continuing assistance reaches the one-hundred thousand dollar (\$100,000) threshold.

Categories of such assistance include, but are not limited to, bond financing, planning assistance, tax increment financing exclusively by the City, and tax credits, and shall not include assistance provided by the Community Development Bank. City staff assistance shall not be regarded as financial assistance for purposes of this article. A loan shall not be regarded as financial assistance. The forgiveness of a loan shall be regarded as financial assistance. A loan shall be regarded as financial assistance to the extent of any differential between the amount of the loan and the

present value of the payments thereunder, discounted over the life of the loan by the applicable federal rate as used in 26 U.S.C. §§1274(d), 7872(f). A recipient shall not be deemed to include lessees and sublessees.

A recipient shall be exempted from application of this article if (1) it is in its first year of existence, in which case the exemption shall last for one (1) year, (2) it employs fewer than five (5) employees for each working day in each of twenty (20) or more calendar weeks in the current or preceding calendar year, or (3) it obtains a waiver as provided herein. A recipient — who employs the long-term unemployed or provides trainee positions intended to prepare employees for permanent positions, and who claims that compliance with this article would cause an economic hardship — may apply in writing to the City department or office administering such assistance, which department or office shall forward such application and its recommended action on it to the City Council. Waivers shall be effected by Council resolution.

(d) "Contractor" means any person that enters into (1) a service contract with the City, (2) a service contract with a proprietary lessee or licensee or sublessee or sublicensee, or (3) a contract with a City financial assistance recipient to assist the recipient in performing the work for which the assistance is being given. Vendors, such as service contractors, of City financial assistance recipients shall not be regarded as contractors except to the extent provided in subsection (f).

(e) "Designated administrative agency (DAA)" means that City department or office designated by Council resolution to bear administrative responsibilities under section 10.37.7. The City Clerk shall maintain a record of such designations.

(f) "Employee" means any person — who is not a managerial, supervisory, or confidential employee and who is not required to possess an occupational license — who is employed (1) as a service employee of a contractor or subcontractor on or under the authority of one or more service contracts and who expends any of his or her time thereon, including but not limited to: hotel employees, restaurant, food service or banquet employees; janitorial employees; security guards; parking attendants; nonprofessional health care employees; gardeners; waste management employees; and clerical employees; (2) as a service employee — of a proprietary lessee or licensee, of a sublessee or sublicensee — who works on the leased or licensed premises; (3) by a City financial assistance recipient

LAAC SEC. 10.37 - LIVING WAGE

who expends at least half of his or her time on the funded project, or (4) by a service contractor or subcontractor of a City financial assistance recipient and who expends at least half of his or her time on the premises of the City financial assistance recipient directly involved with the activities funded by the City.

(g) "Employer" means any person who is a City financial assistance recipient, contractor, subcontractor, proprietary lessee, proprietary sublessee, proprietary licensee, or proprietary sublicensee and who is required to have a business tax registration certificate by Los Angeles Municipal Code §§21.00-21.198 or successor ordinance or, if expressly exempted by the Code from such tax, would otherwise be subject to the tax but for such exemption; provided, however, that corporations organized under §501(c)(3) of the United States Internal Revenue Code of 1954, 26 U.S.C. §501(c)(3), whose chief executive officer earns a salary which, when calculated on an hourly basis, is less than eight (8) times the lowest wage paid by the corporation, shall be exempted as to all employees other than child care workers.

(h) "Person" means any individual, proprietorship, partnership, joint venture, corporation, limited liability company, trust, association, or other entity that may employ individuals or enter into contracts.

(i) "Proprietary lease or license" means a lease or license of City property on which services are rendered by employees of the proprietary lessee or licensee or sublessee or sublicensee, or of a contractor or subcontractor, but only where any of the following applies: (1) the services are rendered on premises at least a portion of which is visited by substantial members of the public on a frequent basis (including, but not limited to, airport passenger terminals, parking lots, golf courses, recreational facilities), (2) any of the services could feasibly be performed by City employees if the awarding authority had the requisite financial and staffing resources, or (3) the DAA has determined in writing that coverage would further the proprietary interests of the City; provided, however, that a proprietary lessee or licensee having annual gross revenues of less than two-hundred thousand dollars (\$200,000) from business conducted on the premises and employing no more than seven (7) employees will be exempt from this article, except that for proprietary leases or licenses having a term of more than two (2) years, the exemption shall expire after two (2) years but shall be renewable in two-year increments upon meeting the requirements therefor at the time of the renewal application. To qualify for this exemption, the proprietary lessee or licensee must provide proof of its

gross revenues and number of employees to the awarding authority of the proprietary lease or license as required by regulation. The determination of whether annual gross revenues are less than two-hundred thousand dollars (\$200,000) shall be based on the gross revenues for the last tax year prior to application or such other period as may be established by regulation. Such annual gross revenue ceiling of two-hundred thousand dollars (\$200,000) shall be adjusted annually at the same rate and at the same time as the living wage is adjusted under section 10.37.2(a). A proprietary lessee or licensee shall be deemed to be employing no more than seven (7) employees if its workforce worked an average of no more than one-thousand, two-hundred, and fourteen (1214) hours per month for at least three-fourths of the time period upon which the revenue limitation is measured. Proprietary "leases" and "licenses" shall be deemed to include subleases and sublicenses. Proprietary "lessees" and "licensees" shall be deemed to include their sublessees and sublicensees.

(j) "Service contract" means a contract let to a contractor by the City primarily for the furnishing of services to or for the City (as opposed to the purchase of goods or other property or the leasing or renting of property) and that involves an expenditure in excess of twenty-five thousand dollars (\$25,000) and a contract term of at least three (3) months; but only where any of the following applies: (1) at least some of the services rendered are rendered by employees whose work site is on property owned by the City, (2) the services could feasibly be performed by City employees if the awarding authority had the requisite financial and staffing resources, or (3) the DAA has determined in writing that coverage would further the proprietary interests of the City.

(k) "Subcontractor" means any person not an employee that enters into a contract (and that employs employees for such purpose) with (1) a contractor or subcontractor to assist the contractor in performing a service contract or (2) a contractor or subcontractor of a proprietary lessee or licensee or sublessee or sublicensee to perform or assist in performing services on the leased or licensed premises. Vendors, such as service contractors or subcontractors, of City financial assistance recipients shall not be regarded as subcontractors except to the extent provided in subsection (f).

(l) "Willful violation" means that the employer knew of his, her, or its obligations under this article and deliberately failed or refused to comply with its provisions.

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Sec. 10.37.2. Payment of Minimum Compensation to Employees.

(a) Wages.

Employers shall pay employees a wage of no less than the hourly rates set under the authority of this article. The initial rates were seven dollars and twenty-five cents (\$7.25) per hour with health benefits, as described in this article, or otherwise eight dollars and fifty cents (\$8.50) per hour. With the annual adjustment effective July 1, 1998, such rates were adjusted to seven dollars and thirty-nine cents (\$7.39) per hour with health benefits and eight dollars and sixty-four cents (\$8.64) without. Such rates shall continue to be adjusted annually to correspond with adjustments, if any, to retirement benefits paid to members of the City Employees Retirement System ("CERS"), made by the CERS Board of Administration under §4.1040. The City Administrative Office shall so advise the DAA of any such change by June 1 of each year and of the required new hourly rates, if any. On the basis of such report the DAA shall publish a bulletin announcing the adjusted rates, which shall take effect upon such publication.

(b) Compensated days off.

Employers shall provide at least twelve compensated days off per year for sick leave, vacation, or personal necessity at the employee's request. Employers shall also permit employees to take at least an additional ten days a year of uncompensated time to be used for sick leave for the illness of the employee or a member of his or her immediate family where the employee has exhausted his or her compensated days off for that year.

Sec. 10.37.3. Health Benefits.

Health benefits required by this article shall consist of the payment of at least one dollar and twenty-five cents (\$1.25) per hour towards the provision of health care benefits for employees and their dependents. Proof of the provision of such benefits must be submitted to the awarding authority to qualify for the wage rate in section 10.37.2(a) for employees with health benefits.

Sec. 10.37.4. Notifying Employees of their Potential Right to the Federal Earned Income Credit.

Employers shall inform employees making less than twelve dollars (\$12) per hour of their possible right to the federal Earned Income Credit ("EIC") under §32 of the Internal Revenue Code of 1954, 26 U.S.C. §32, and shall make available to employees forms informing them about the EIC and forms required to secure advance EIC payments from the employer.

Sec. 10.37.5. Retaliation Prohibited

Neither an employer, as defined in this article, nor any other person employing individuals shall 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 this article, for opposing any practice proscribed by this article, for participating in proceedings related to this article, for seeking to enforce his or her rights under this article by any lawful means, or for otherwise asserting rights under this article.

Sec. 10.37.6. Enforcement.

(a) An employee claiming violation of this article may bring an action in the Municipal Court or Superior Court of the State of California, as appropriate, against an employer and may be awarded:

(1) For failure to pay wages required by this article -- back pay for each day during which the violation continued.

(2) For failure to pay medical benefits -- the differential between the wage required by this article without benefits and such wage with benefits, less amounts paid, if any, toward medical benefits.

(3) For retaliation -- reinstatement, back pay, or other equitable relief the court may deem appropriate.

(4) For willful violations, the amount of monies to be paid under (1) - (3) shall be trebled.

(b) The court shall award reasonable attorney's fees and costs to an employee who prevails in any such enforcement action and to an employer who so prevails if the employee's suit was frivolous.

(c) Compliance with this article shall be required in all City contracts to which it applies, and such contracts shall provide that violation of this article shall constitute a material breach thereof and entitle the City to terminate the contract and otherwise pursue legal remedies that may be available. Such contracts shall also include a pledge that there shall be compliance with federal law proscribing retaliation for union organizing.

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(d) An employee claiming violation of this article may report such claimed violation to the DAA which shall investigate such complaint. Whether based upon such a complaint or otherwise, where the DAA has determined that an employer has violated this article, the DAA shall issue a written notice to the employer that the violation is to be corrected within ten (10) days. In the event that the employer has not demonstrated to the DAA within such period that it has cured such violation, the DAA may then:

(1) Request the awarding authority to declare a material breach of the service contract, proprietary lease or license, or financial assistance agreement and exercise its contractual remedies thereunder, which are to include, but not be limited to, termination of the service contract, proprietary lease or license, or financial assistance agreement and the return of monies paid by the City for services not yet rendered.

(2) Request the City Council to debar the employer from future City contracts, leases, and licenses for three (3) years or until all penalties and restitution have been fully paid, whichever occurs last. Such debarment shall be to the extent permitted by, and under whatever procedures may be required by, law.

(3) Request the City Attorney to bring a civil action against the employer seeking:

(i) Where applicable, payment of all unpaid wages or health premiums prescribed by this article; and/or

(ii) A fine payable to the City in the amount of up to one hundred dollars (\$100) for each violation for each day the violation remains uncured.

Where the alleged violation concerns non-payment of wages or health premiums, the employer will not be subject to debarment or civil penalties if it pays the monies in dispute into a holding account maintained by the City for such purpose. Such disputed monies shall be presented to a neutral arbitrator for binding arbitration. The arbitrator shall determine whether such monies shall be disbursed, in whole or in part, to the employer or to the employees in question. Regulations promulgated by the DAA shall establish the framework and procedures of such arbitration process. The cost of

arbitration shall be borne by the City, unless the arbitrator determines that the employer's position in the matter is frivolous, in which event the arbitrator shall assess the employer for the full cost of the arbitration. Interest earned by the City on monies held in the holding account shall be added to the principal sum deposited, and the monies shall be disbursed in accordance with the arbitration award. A service charge for the cost of account maintenance and service may be deducted therefrom.

(e) Notwithstanding any provision of this Code or any other ordinance to the contrary, no criminal penalties shall attach for any violation of this article.

Sec. 10.37.7. Administration.

The City Council shall by resolution designate a department or office, which shall promulgate rules for implementation of this article and otherwise coordinate administration of the requirements of this article ("designated administrative agency" - DAA). The DAA shall monitor compliance, including the investigation of claimed violations, and shall promulgate implementing regulations consistent with this article. The DAA shall also issue determinations that persons are City financial assistance recipients, that particular contracts shall be regarded as "service contracts" for purposes of section 10.37.1(j), and that particular leases and licenses shall be regarded as "proprietary leases" or "proprietary licenses" for the purposes of section 10.27.1(j), when it receives an application for a determination of non-coverage or exemption as provided for in section 10.37.13. The DAA shall also establish employer reporting requirements on employee compensation and on notification about and usage of the federal Earned Income Credit referred to in §10.37.4. The DAA shall report on compliance to the City Council no less frequently than annually.

During the first, third, and seventh years of this article's operation since May 5, 1997, and every third year thereafter, the Chief Administrative Officer and the Chief Legislative Analyst shall conduct or commission an evaluation of this article's operation and effects. The evaluation shall specifically address at least the following matters: (a) how extensively affected employers are complying with the article; (b) how the article is affecting the workforce composition of affected employers; (c) how the article is affecting productivity and service quality of affected employers; (d) how the additional costs of the article have been distributed among workers, their employers, and the City. Within ninety days of the adoption of this article, these offices

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shall develop detailed plans for evaluation, including a determination of what current and future data will be needed for effective evaluation.

Sec. 10.37.8. Exclusion of Service Contracts from Competitive Bidding Requirement.

Service contracts otherwise subject to competitive bid shall be let by competitive bid if they involve the expenditure of at least two million dollars (\$2,000,000). Charter §387 shall not be applicable to service contracts.

Sec. 10.37.9. Coexistence with Other Available Relief for Specific Deprivations of Protected Rights.

This article shall not be construed to limit an employee's right to bring legal action for violation of other minimum compensation laws.

Sec. 10.37.10. Expenditures Covered.

This article shall apply to the expenditure — whether through aid to City financial assistance recipients, service contracts let by the City, or service contracts let by its financial assistance recipients — of funds entirely within the City's control and to other funds, such as federal or state grant funds, where the application of this article is consonant with the laws authorizing the City to expend such other funds.

Sec. 10.37.11 Timing of Application.

(a) Original 1997 ordinance.

The provisions of this article as enacted by City ordinance no. 171,547, effective May 5, 1997, shall apply to (1) contracts consummated and financial assistance provided after such date, (2) contract amendments consummated after such date and before the effective date of the 1998 ordinance which themselves meet the requirements of former section 10.37.1(h) (definition of "service contract") or which extended contract duration, and (3) supplemental financial assistance provided after such date which itself met the requirements of section 10.37.1(c).

(b) 1998 amendment.

The provisions of this article as amended by the 1998 ordinance shall apply to (1) service contracts, proprietary leases or licenses, and financial assistance agreements consummated after the effective date of such ordinance and (2) amendments, consummated after the effective date of such ordinance, to service contracts, proprietary leases or licenses, and financial

assistance agreements that provide additional monies or which extend term.

Sec. 10.37.12. Supersession by Collective Bargaining Agreement.

Parties subject to this article may by collective bargaining agreement provide that such agreement shall supersede the requirements of this article.

Sec. 10.37.13. Liberal Interpretation of Coverage; Rebuttable Presumption of Coverage.

The definitions of "City financial assistance recipient" in section 10.37.1(c), of "proprietary lease or license" in section 10.37.1(i), and of "service contract" in section 10.37.1(j) shall be liberally interpreted so as to further the policy objectives of this article. All recipients of City financial assistance meeting the monetary thresholds of section 10.37.1(c), all City leases and licenses (including subleases and sublicenses) where the City is the lessor or licensor, and all City contracts providing for services that are more than incidental, shall be presumed to meet the corresponding definition just mentioned, subject, however, to a determination by the DAA of non-coverage or exemption on any basis allowed by this article, including, but not limited to, non-coverage for failure to satisfy such definition. The DAA shall by regulation establish procedures for informing persons engaging in such transactions with the City of their opportunity to apply for a determination of non-coverage or exemption and procedures for making determinations on such applications.

Sec. 10.37.14. Severability.

If any provision of this article is declared legally invalid by any court of competent jurisdiction, the remaining provisions shall remain in full force and effect.

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NON-DISCRIMINATION IN EMPLOYMENT

LOS ANGELES ADMINISTRATIVE CODE

Division 10, Chapter 1, Article 1

Sec. 10.8.1. Definitions.

The following definitions shall apply to the following terms used in this article:

"Awarding Authority" means any Board or Commission of the City of Los Angeles, or any authorized employee or officer of the City of Los Angeles, including the Purchasing Agent of the City of Los Angeles, who makes or enters into any contract or agreement for the provision of any goods or services of any kind or nature whatsoever for or on behalf of the City of Los Angeles.

"Contract" means any agreement, franchise, lease, or concession, including agreements for any occasional professional or technical personal services, for the performance of any work or service, the provision of any materials or supplies, or the rendition of any service to the City of Los Angeles or to the public, which is let, awarded or entered into with, or on behalf of, the City of Los Angeles or any awarding authority thereof.

"Contractor" means any person, firm, corporation, partnership, or any combination thereof, who submits a bid or proposal or enters into a contract with any awarding authority of the City of Los Angeles.

"Employment Practices" means any solicitation of, or advertisement for, employees, employment, change in grade or work assignment, assignment or change in place or location of work, layoff, suspension, or termination of employees, rate of pay or other form of compensation including vacation, sick and compensatory time, selection for training, including apprenticeship programs, any and all employee benefits and activities, promotion and upgrading, and any and all actions taken to discipline employees for infractions of work rules or employer requirements.

"Office of Contract Compliance" is that office of the Department of Public Works of the City of Los Angeles created by Article X of Chapter 13 of Division 22 of the Los Angeles Administrative Code.

"Subcontractor" means any person, firm or corporation or partnership, or any combination thereof who enters into a contract with a

contractor to perform or provide a portion or part of any contract with the City.

SECTION HISTORY

Amended by: Ord.No. 147,030, Eff. 4-28-75; Definition, "Affirmative Action", Ord.No. 164,516, Eff. 4-13-89; Definition, "Affirmative Action", Ord.No. 168,244, Eff. 10-18-92; Ord.No. 173,186, Eff. 5-22-00.

Sec. 10.8.1.1. Summary of Thresholds.

The following thresholds will be used to determine the non-discrimination and affirmative action requirements set forth in this Chapter for each type of contract.

Non-discrimination Practices as outlined in Section 10.8.2 of this Code, apply to all contracts.

Equal Employment Practices as outlined in Section 10.8.3 of this Code, apply to all construction contracts of \$1,000 or more and all non-construction contracts of \$1,000 or more.

Affirmative Action Program as outlined in Sections 10.8.4. and 10.13 of this Code, applies to all Construction Contracts of \$5,000 or more and all non-Construction Contracts of \$100,000 or more.

SECTION HISTORY

Added by: Ord. No. 173,186, Eff. 5-22-2000.

Sec. 10.8.2. All Contracts: Non-discrimination Clause.

Notwithstanding any other provision of any ordinance of the City of Los Angeles to the contrary, every contract which is let, awarded, or entered into with or on behalf of the City of Los Angeles, shall contain by insertion therein a provision obligating the contractor in the performance of such contract not to discriminate in his or her employment practices against any employee or applicant for employment because of the applicant's race, religion, national origin, ancestry, sex, sexual orientation, age, disability, marital status, domestic partner status, or medical condition. All contractors who enter into such contracts with the City shall include a like provision in all subcontracts awarded for work to be performed under the contract with the City. Failure of the contractor to comply with this requirement or to obtain the compliance of its subcontractors with such obligations shall subject the

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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.

SECTION HISTORY

Amended by: Ord. No. 147,030, Eff. 4-28-75; Ord. No. 164,516, Eff. 4-13-89; Ord. No. 168,244, Eff. 10-18-92; Ord. No. 172,910, Eff. 1-9-00; Ord. No. 173,186, Eff. 5-22-00.

Sec. 10.8.2.1. Equal Benefits Ordinance.

Legislative Findings.

The City awards many contracts to private firms to provide services to the public and to City government. Many City contractors and subcontractors perform services that affect the proprietary interests of City government in that their performance impacts the success of City operations. The City holds a proprietary interest in the work performed by many employees employed by City contractors and subcontractors. In a very real sense, the success or failure of City operations may turn on the success or failure of these enterprises, for the City has a genuine stake in how the public perceives the services rendered for them by such businesses.

Discrimination in the provision of employee benefits between employees with domestic partners and employees with spouses results in unequal pay for equal work. Los Angeles law prohibits discrimination based on marital status and/or sexual orientation. The City's departments and contracting agents are required to place in all City contracts a provision that the company choosing to do business with the City agrees to comply with the City's nondiscrimination laws.

It is the City's intent, through the contracting practices outlined in this Ordinance, to assure that those companies choosing to do business with the City will equalize the total compensation between similarly situated employees with spouses and with domestic partners. The provisions of this Ordinance are designed to insure that the City's contractors will maintain a competitive advantage in recruiting and retaining capable employees, thereby improving the quality of the goods and services the City and its people receive, and insuring protection of the City's property.

a. All Contracts: Equal Benefits Clause. No awarding authority of the City, shall execute or amend any contract with any contractor that discriminates in the provision of bereavement leave, family medical leave, health benefits, membership or membership discounts, moving expenses, pension and retirement benefits or travel benefits as well as any other benefits between employees with domestic partners and employees with spouses, and/or between the domestic partners and spouses of such employees, where the domestic partnership has been registered with a

governmental entity pursuant to state or local law authorizing such registration, or an internal registry maintained by the contractor, subject to the provisions of this section. In the event that the contractor's actual cost of providing a certain benefit for the domestic partner of an employee exceeds that of providing it for the spouse of an employee, or the contractor's actual cost of providing a certain benefit for the spouse of an employee exceeds that of providing it for the domestic partner of an employee, the contractor shall not be deemed to discriminate in the provision of benefits if the contractor conditions providing such benefit upon the employee agreeing to pay the excess costs. In addition, the contractor shall not be deemed to discriminate in the provision of benefits if the contractor provides the employee with a cash equivalent to the direct expense to the employer of providing the benefit payment to a spouse or domestic partner, as applicable.

b. Applicability. The requirements of this section shall apply to

(i) any of a contractor's operations within the City of Los Angeles; and

(ii) a contractor's operations on real property outside of the City of Los Angeles owned by the City or which the City has a right to occupy if the contractor's presence at that location is connected to a contract with the City;

(iii) a contractor's operations elsewhere in the United States where the work is being performed for the City.

c. Mandatory Provisions Pertaining to Equal Benefits. Every contract with or on behalf of the City of Los Angeles for which the consideration is in excess of \$5,000 shall contain the following provisions which shall be designated as the Equal Benefits Provisions of such contract:

"A. During the performance of this contract, the contractor certifies and represents that the contractor will provide equal benefits to its employees with spouses and its employees with domestic partners.

1. The 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. The 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 to the awarding authority or the City Administrative Officer, for the purpose of investigation to ascertain compliance with the Equal Benefits Provisions of this contract, and on their or either of their request to provide evidence that it has complied or will comply therewith.

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"C. The failure of any contractor to comply with the Equal Benefits Provisions of this contract may be deemed to be a material breach hereof. 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 City Administrative Officer. 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 the contractor.

"D. Upon a finding duly made that the contractor has breached the Equal Benefits Provisions of this contract, this contract 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 of Los Angeles. 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 pursuant to the provisions of Section 386 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 of Los Angeles for a period of two years, or until it shall establish and carry out a program in conformance with the provisions hereof.

"E. Notwithstanding any other provisions of this contract, the City of Los Angeles shall have any and all other remedies at law or in equity for any breach hereof.

"F. Nothing contained in this contract shall be construed in any manner so as to require or permit any act which is prohibited by law.

"G. The equal benefits requirements of this section shall not apply to collective bargaining agreements in effect prior to the effective date of Section 10.8.2.1 of the Los Angeles Administrative Code. Amendments, extensions or other modifications of such collective bargaining agreements, occurring subsequent to the effective date of that section, shall incorporate the equal benefits requirements of that section."

"H. 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 contract 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."

d. **Enforcement.** In accordance with Division 22, Chapter 13, Article 10, of this Code, the City Administrative Officer is responsible for the enforcement of the equal benefits requirements, as referenced in this section, or as otherwise required, of all City contracts. In enforcing this requirement, the City Administrative Officer will monitor, inspect, and investigate to insure that the contractor is acting in compliance with the equal benefits requirements of such City contracts. The City Administrative Officer shall promulgate rules and regulations and forms for the implementation of the Equal Benefits Provisions of this contract. No other rules, regulations or forms may be used by an awarding authority of the City to accomplish this contract compliance program. Each awarding authority shall cooperate to the fullest extent with the City Administrative Officer in their enforcement activities. The failure of any contractor to comply with the equal benefits provisions of a contract may be deemed to be a material breach of the contract.

e. **Non-applicability, Exceptions and Waivers.**

(1) The City Administrative Officer shall waive the requirements of this section under the following circumstances:

A. Whenever the City Administrative Officer finds, upon the advice of the awarding authority, that there is only one prospective contractor willing to enter into a contract with the City for use of City property on the terms and conditions established by the City, or that the needed goods, services, construction services for a public work or improvement, or interest in or right to use real property are available only from a sole source, and the prospective contractor is not currently disqualified from doing business with the City, or from doing business with any governmental agency based on any contract compliance requirements;

B. If the awarding authority certifies in writing to the City Administrative Officer that the contract is necessary to respond to an emergency which endangers the public health or safety and no entity which complies with the requirements of this section capable of responding to the emergency is immediately available; provided that such certification must be made prior to the final approval of the contract.

C. Where the City Attorney certifies in writing to the City Administrative Officer that the contract involves specialized litigation requirements such that it would be in the best interests of the City to waive the requirements of this section.

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(2) This section shall not apply where the prospective contractor is a public entity and the City Administrative Officer finds that goods, services, construction services for a public work or improvement or interest in or right to use real property of comparable quality or accessibility as are available under the proposed contract are not available from another source, or that the proposed contract is necessary to serve a substantial public interest;

(3) This section shall not apply where the awarding authority finds that the requirements of this section will violate or are inconsistent with the terms or conditions of a grant, subvention or agreement with a public agency or the instructions of an authorized representative of any such agency with respect to any such grant, subvention or agreement, provided that the awarding authority has made a good faith attempt to change the terms or conditions of any such grant, subvention or agreement to authorize application of this section.

(4) Upon the request of a potential contractor or upon the awarding authority's own initiative, after taking all reasonable measures to find an entity that complies with the law, and subject to the provisions of Paragraph (5) below, the awarding authority may waive any or all of the requirements of this section for any contract or bid package advertised and made available to the public, or any competitive or sealed bids received by the City as of the date of the enactment of this ordinance under the following circumstances:

A. Where the awarding authority determines that there are no qualified responsive bidders or prospective contractors who could be certified as being in compliance with the requirements of this section and that the contract is for goods, a service or a project that is essential to the City or City residents; or

B. Where the awarding authority determines that transactions entered into pursuant to bulk purchasing arrangements through federal, state or regional entities which actually reduce the City's purchasing costs would be in the best interests of the City; or

C. Where the awarding authority determines that the requirements of this section would result in the City's entering into a contract with an entity that was set up, or is being used, for the purpose of evading the intent of this section, which is to prohibit the City from entering into contracts with entities that discriminate based on the criteria set forth in this section.

(5) The waiver authority granted to awarding authorities in this section shall be subject to the requirements that:

A. All proposed waivers must be submitted to the City Administrative Officer and the City Clerk. All proposed waivers must set forth the reasons the contracting officer is requesting the waiver, what steps were taken to find an entity that complies with this section and why the waiver does not defeat the intent of this section, which is to prohibit the City from entering into contracts with entities that discriminate based on the criteria set forth in this section. Such waivers shall be subject to the prior approval of the City Administrative Officer, which shall take action approving or denying a proposed waiver within 30 days of receiving a notification of a proposed waiver from a contracting officer. If after 30 days the City Administrative Officer has taken no action on the proposed waiver the waiver shall be deemed approved. The City Clerk shall notify all Council members of the proposed waiver.

B. For any contract subject to approval by the Council, the awarding authority shall state in the approving resolution or other action whether any waiver under this section has been or is proposed to be granted for that contract; and

C. The City Administrative Officer shall conduct quarterly comprehensive reviews of the use of the waiver authority by awarding authorities and shall make a report to the Council. Awarding authorities which have exercised their waiver authority under this section in the previous quarter must appear before the Council Committee before which the matter is calendared and report on the use of such waiver authority. If the Council finds abuse of waiver authority by an awarding authority under this section, either as a result of a report of the City Administrative Officer or upon its own initiative, the Council may by resolution transfer that waiver authority for that awarding authority to the City Administrative Officer, to be exercised by the City Administrative Officer upon recommendation of the awarding authority under any or all of the circumstances enumerated in this section.

(6) Nothing in this section shall limit the right of the City to waive the provisions of this article.

(7) This section shall not apply to

(i) the investment of trust moneys or agreements relating to the management of trust assets,

(ii) City moneys invested in U.S. government securities or under pre-existing investment agreements, or

(iii) the investment of City moneys where the Treasurer finds that:

A. No person, entity or financial institution doing business in the City which is in

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compliance with this section is capable of performing the desired transaction(s); or

B. The City will incur a financial loss which in the opinion of the Treasurer would violate his or her fiduciary duties.

This subparagraph shall be subject to the requirement that City moneys shall be withdrawn or divested at the earliest possible maturity date if deposited or invested with a person, entity or financial institution other than the U.S. government which does not comply with this section.

(8) The General Manager of the Department of Water and Power may waive the requirements of this section where the contractor is providing wholesale or bulk water or power, the conveyance or transmission of same, or ancillary services such as spinning reserve, voltage control, or load scheduling, as required for assuring reliable services in accordance with good utility practice, to or on behalf of the Department of Water and Power; provided that the purchase of same may not practically be accomplished through the City's standard competitive bidding procedures; and further provided that this exemption shall not apply to contractors or franchisees providing direct, retail services to end users within the City of Los Angeles.

(9) The equal benefits requirements of this section shall not apply to any contracts, executed or amended prior to January 1, 2000 or to bid packages advertised and made available to the public, or any competitive or sealed bids received by the City, prior to January 1, 2000, unless and until such contracts are amended after January 1, 2000, and would otherwise be subject to this section.

f. The provisions of this section shall not apply where the application of these provisions would violate or be inconsistent with the laws, rules or regulations of the United States of America.

g. Severability.

If any provision of this section is declared legally invalid by any court of competent jurisdiction, the remaining provisions shall remain in full force and effect.

SECTION HISTORY

Added by Ord. No. 172,908, Eff. 1-9-2000; amended by: Ord. No. 173,054, Eff. 2-27-00; Para. Preceding Subdiv. (a) Added, Ord. No. 173,058, Eff. 3-4-00; Sec. Number, Ord. No. 173,142, Eff. 3-30-00.

Sec. 10.8.3. Equal Employment Practices Provisions.

Every non-construction contract with or on behalf of the City of Los Angeles for which the consideration is \$1,000 or more, and every construction contract for which the consideration is \$1,000 or more, shall contain the following provisions, which shall be designated as

the EQUAL EMPLOYMENT PRACTICES provision of such contract:

A. During the performance of this contract, the contractor certifies and represents that it will provide equal employment practices and the 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. The 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. The contractor will, in all solicitations or advertisements for employees placed by or on behalf of the 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, the contractor shall certify in the specified format that her 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. The 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 the 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 contract 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,

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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 the contractor.

F. Upon a finding duly made that the contractor has failed to comply with the Equal Employment Practices provisions of a City contract, the contract 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 of Los Angeles. In addition thereto, such failure 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 Charter of the City of Los Angeles. In the event of such a determination, such contractor shall be disqualified from being awarded a contract with the City of Los Angeles for a period of two years, or until the contractor shall establish and carry out a program in conformance with the provisions hereof.

G. Notwithstanding any other provision of this contract, the City of Los Angeles shall have any and all other remedies at law or in equity for any breach hereof.

H. The Board of Public Works shall promulgate rules and regulations through the Office of Contract Compliance, and provide necessary forms and required language to the awarding authorities to be included in City Request for Bids or Request for Proposal packages or in supplier registration requirements for the implementation of the Equal Employment Practices provisions of this contract, and such rules and regulations and forms shall, so far as practicable, be similar to those adopted in applicable Federal Executive Orders. No other rules, regulations or forms may be used by an awarding authority of the City to accomplish this contract compliance program.

I. Nothing contained in this contract 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, the 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 nonapprenticeable occupations;

3. Training and promotional opportunities; and

4. Reasonable accommodations for persons with disabilities.

L. 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 contract 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.

SECTION HISTORY

Amended by Ord. No. 147,030, Eff. 4-28-75; Paragraphs A., B., C., Ord. No. 164,516, Eff. 4-13-89; Paragraph C., Ord. No. 168,244, Eff. 10-18-92; Ord. No. 173,186, Eff. 5-22-00..

Sec. 10.8.4. Affirmative Action Program Provisions.

Every non-construction contract with or on behalf of the City of Los Angeles for which the consideration is \$100,000 or more and every construction contract with or on behalf of the City of Los Angeles for which the consideration is \$5,000 or more shall contain the following provisions which shall be designated as the AFFIRMATIVE ACTION PROGRAM of such contract:

A. During the performance of a City contract, the contractor certifies and represents that the 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. The 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. The contractor will, in all solicitations or advertisements for employees placed by or on behalf of the contractor, state that all qualified applicants will receive consideration for employment without regard to their race, religion,

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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, the contractor shall certify on an electronic or hardcopy form to be supplied, that the 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. The 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 of this contract, 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 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 the contractor.

F. Upon a finding duly made that the contractor has breached the Affirmative Action Program of a City contract, the contract 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 of Los Angeles. 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 of Los Angeles for a period of two years, or until he shall establish and carry out a program in conformance with the provisions hereof.

G. In the event of a finding by the Fair Employment Practice 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 the 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 the contractor by the City of Los Angeles 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 of Los Angeles shall have any and all other remedies at law or in equity for any breach hereof.

I. The Public Works Board of Commissioners shall promulgate rules and regulations through the Office of Contract Compliance and provide to the awarding authorities electronic and hardcopy forms for the implementation of the Affirmative Action Program provisions of City contracts, and rules and regulations and forms shall, so far as practicable, be similar to those adopted in applicable Federal Executive Orders. No other rules, regulations or forms may be used by an awarding authority of the City to accomplish this contract compliance program.

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. The 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, the 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, the contractor must submit a new Plan to the Office of Contract Compliance and that Plan must be approved before the contract 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) A contractor may establish and adopt as its own Affirmative Action Plan, by affixing

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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 the 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 nonapprenticeable 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 work force 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 work force or replacement of those employees who leave the work force by reason of resignation, retirement or

death and not by termination, lay-off, 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. This ordinance shall not confer upon the City of Los Angeles or any Agency, Board or Commission thereof any power not otherwise provided by law to determine the legality of any existing collective bargaining agreement and shall have application only to discriminatory employment practices by contractors or suppliers engaged in the performance of City contracts.

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 contract 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.

SECTION HISTORY

Amended by Ord.No. 147,030, Eff. 4-28-75; Paragraphs A., B., C.,
Ord.No. 164,516, Eff. 4-13-89; Paragraphs B. and C., Ord.No. 168,244, Eff. 10-18-92; Ord.No. 173,186, Eff. 5-22-00.

LAAC SEC. 10.40 - CONTRACTOR RESPONSIBILITY

CONTRACTOR RESPONSIBILITY

LOS ANGELES ADMINISTRATIVE CODE

Division 10, Chapter 1, Article 14

Sec. 10.40. Purpose.

Each year the City spends millions of dollars contracting for the delivery of products and services from private sector contractors. The prudent expenditure of public dollars requires that the City's procurement process result in the selection of qualified and responsible contractors who have the capability to perform the contract. Further, many lessees or licensees of City property perform services that affect the proprietary interests of City government in that their performance impacts the success of City operations. The City also provides financial assistance and funding to others for a variety of purposes. The City expends grant funds under programs created by federal and state government. The City intends that the procurement procedures set forth in this article guide the expenditure of federal and state grant funds to the extent permitted by federal or state procurement regulations.

SECTION HISTORY

Article and Section Added by Ord. No. 173,677, Eff. 1-14-01

Sec. 10.40.1. Definitions.

(a) "Awarding Authority" means any Board or Commission of the City of Los Angeles, or any employee or officer of the City of Los Angeles, that is authorized to award or enter into any contract as defined herein, on behalf of the City of Los Angeles, and shall include departments having control of their own funds and which adopt policies consonant with the provisions of this article.

(b) "Contract" means any agreement for the performance of any work or service, the provision of any goods, equipment, materials or supplies, or the rendition of any service to the City or to the public, or the grant of City financial assistance or a public lease or license, which is let, awarded or entered into by, or on behalf of, the City of Los Angeles. Contracts for services which are less than three months and less than Twenty-Five Thousand Dollars (\$25,000.00) are not covered by this article. Contracts for purchasing goods and products which are less than One Hundred Thousand Dollars (\$100,000.00) are not covered by this article, unless they are contracts for the purchase of garments such as uniforms or other apparel, in which case they are only exempt from this article if they are less than Twenty-Five Thousand Dollars (\$25,000.00). Construction contracts are covered by this article without regard to threshold amount.

(c) "Contractor" means any person, firm, corporation, partnership, association or any combination thereof, which enters into a Contract with any awarding authority of the City of Los Angeles and includes a recipient of City financial assistance and a public lessee or licensee.

(d) "Subcontractor" means any person not an employee who enters into a contract with a contractor to

assist the contractor in performing a contract, including a contractor or subcontractor of a public lessee or licensee or sublessee or sublicensee, to perform or assist in performing services on the leased or licensed premises. The term subcontractor does not include vendors or suppliers to City purchasing contractors, unless the purchasing contract is for the purchase of garments such as uniforms or other apparel.

(e) "Bidder" means any person or entity that applies for any contract whether or not the application process is through an Invitation for Bid, Request for Proposal, Request for Qualifications or other procurement process.

(f) "Bid" means any application submitted by a bidder in response to an Invitation for Bid, Request for Proposal or Request for Qualifications or other procurement process.

(g) "Invitation for Bid" means the process through which the City solicits Bids including Requests for Proposals and Requests for Qualifications.

(h) "City Financial Assistance Recipient" means any person who receives from the City discrete financial assistance in the amount of One Hundred Thousand Dollars (\$100,000.00) or more for economic development or job growth expressly articulated and identified by the City, as contrasted with generalized financial assistance such as through tax legislation.

Categories of such assistance shall include, but are not limited to, bond financing, planning assistance, tax increment financing exclusively by the City, and tax credits, and shall not include assistance provided by the Community Development Bank. City staff assistance shall not be regarded as financial assistance for purposes of this article. A loan shall not be regarded as financial assistance. The forgiveness of a loan shall be regarded as financial assistance. A loan shall be regarded as financial assistance to the extent of any differential between the amount of the loan and the present value of the payments thereunder, discounted over the life of the loan by the applicable federal rate as used in 26 U.S.C. Sections 1274(d), 7872(f). A recipient shall not be deemed to include lessees and sublessees.

(i) "Public Lease or License" means a lease or license of City property as defined in the Living Wage Ordinance, Section 10.37 et seq. of Article 11, Chapter 1 of Division 10 of the Los Angeles Administrative Code.

(j) "Designated Administrative Agency (DAA)" means the City department(s), board(s), or office(s) designated by City Council to bear administrative responsibilities under this article. The City Clerk shall maintain a record of such designation.

SECTION HISTORY

Added by Ord. No. 173,677, Eff. 1-14-01

LAAC SEC. 10.40 - CONTRACTOR RESPONSIBILITY

Sec. 10.40.2. Determination of Contractor Responsibility

(a) Prior to awarding a contract, the City shall make a determination that the prospective contractor is one that has the necessary quality, fitness and capacity to perform the work set forth in the contract. Responsibility will be determined by each awarding authority from reliable information concerning a number of criteria, including but not limited to: management expertise; technical qualifications; experience; organization, material, equipment and facilities necessary to perform the work; financial resources; satisfactory performance of other contracts; satisfactory record of compliance with relevant laws and regulations; and satisfactory record of business integrity.

(b) Every bidder for a City contract must complete and submit with its bid a questionnaire developed by the DAA which will provide information the awarding authority needs in order to determine if the bidder meets the criteria set forth in Paragraph (a) of this section. If no bid is required, the prospective contractor must submit a questionnaire. The response to the questionnaire must be signed under penalty of perjury. If, after execution of a contract, the City learns that the contractor submitted false information on the questionnaire, the City may terminate the contract and pursue the remedies set forth in Section 10.40.6 of this article. The contractor shall be obligated to update its responses to the questionnaire during the term of the contract 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 the contract. The City may consider failure of the contractor to update the questionnaire with this information as a material breach of the contract and invoke the remedies set forth in Section 10.40.6 of this article.

(c) There shall be a period of no fewer than fourteen calendar days between the date for receipt of bids and the award of the contract in order to allow full review of questionnaires submitted by bidders. If no bid is required, the prospective contractor must submit a questionnaire no fewer than fourteen calendar days prior to execution of the contract in order to allow full review of the questionnaire. Questionnaires will be public records and information contained therein will be available for public review, except to the extent that such information is exempt from disclosure pursuant to applicable law. The awarding authority may rely on responses to the questionnaire, information from compliance and regulatory agencies and/or independent investigation to determine bidder responsibility.

(d) Before being declared non-responsible, a bidder shall be notified of the proposed determination of non-responsibility, served with a summary of the information upon which the awarding authority is relying and provided with an opportunity to be heard in accordance with applicable law. At the responsibility hearing, the bidder will be allowed to rebut adverse information and to present evidence that it has the necessary quality, fitness and capacity to perform the work. The bidder must exercise its right to request a hearing within five calendar days after

receipt of such notice. Failure to submit a written request for a hearing within the time frame set forth in this section, will be deemed a waiver of the right to such a hearing and the awarding authority may proceed to determine whether or not the award of the contract should be made to another bidder or whether or not the bidder is non-responsible for this and future contracts. The determination by an awarding authority that the bidder is non-responsible shall be final and constitute exhaustion of the bidder's administrative remedies.

(e) A list of individuals and entities which have been determined to be non-responsible by the City shall be maintained by the DAA. After two years from the date the individual or entity has been determined to be non-responsible, the individual or entity may request removal from the list by the awarding authority. If the individual or entity can satisfy the awarding authority that it has the necessary quality, fitness, and capacity to perform work in accordance with the criteria set forth in Paragraph (a) of this section, its name shall be removed from the list. Unless otherwise removed from the list by the awarding authority, names shall remain on the list for five years from the date of being declared non-responsible.

(f) Contractors shall ensure that their subcontractors meet the criteria for responsibility as set forth in Paragraph (a) of this section, unless the subcontract is below the threshold requirements for contracts contained in Section 10.40.1(b).

SECTION HISTORY

Added by Ord. No. 173,677, Eff. 1-14-01

Sec. 10.40.3. Compliance with all laws.

(a) Contractors shall comply with all applicable federal, state and local laws in the performance of the contract, including but not limited to laws regarding health and safety, labor and employment, wage and hours, and licensing laws which affect employees.

(b) Contractors shall notify the awarding authority within thirty calendar days after receiving notification that any government agency has initiated an investigation which may result in a finding that the contractor is not in compliance with Paragraph (a) of this section. Initiation of an investigation is not, by itself, a basis for a determination of non-responsibility by an awarding authority.

(c) Contractors shall notify the awarding authority within thirty calendar days of all findings by a government agency or court of competent jurisdiction that the contractor has violated Paragraph (a) of this section.

(d) Upon award of a contract, contractors shall complete a Pledge of Compliance attesting under penalty of perjury to compliance with Paragraph (a) of this section. Whenever any contract, which was not initially subject to this article is amended, the contractor shall complete a Pledge of Compliance attesting under penalty of perjury to compliance with Paragraph (a) of this section.

(e) Contractors shall ensure that their subcontractors complete a Pledge of Compliance attesting under penalty of perjury to compliance with Paragraph (a) of this section,

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unless the subcontract is below the threshold requirements for Contracts contained in Section 10.40.1(b).

(f) Contractors shall ensure that their subcontractors comply with Paragraphs (b) and (c) of this section, unless the subcontract is below the threshold requirements for contracts contained in Section 10.40.1(b).

SECTION HISTORY

Added by Ord. No. 173,677, Eff. 1-14-01

Sec.10.40.4. Exemptions.

(a) In order to promote the purposes of this article and to protect the City's interests, the following contracts are exempt from its application:

(1) Contracts with a governmental entity such as the United States of America, the State of California, a county, city or public agency of such entities, or a public or quasi-public corporation located therein and declared by law to have such public status.

(2) Contracts for the investment of trust moneys or agreements relating to the management of trust assets.

(3) Banking contracts entered into by the Treasurer pursuant to California Government Code Section 53630 *et seq.*

(b) In order to promote the purposes of this article and to protect the City's interests, the following contracts are exempt from application of Section 10.40.2 of this article:

(1) Contracts awarded on the basis of exigent circumstances whenever any awarding authority finds that the City would suffer a financial loss or that City operations would be adversely impacted unless exempted from the provisions of Section 10.40.2 of this article. This finding must be approved by the DAA prior to contract execution.

(2) Contracts awarded on the basis of urgent necessity in accordance with Charter Section 371(e)(5).

(3) Contracts entered into pursuant to Charter Section 371(e)(6).

(4) Contracts entered into pursuant to Charter Section 371(e)(7).

(5) Contracts entered into pursuant to Charter Section 371(e)(8).

(6) Contracts where the goods or services are proprietary or only available from a single source.

SECTION HISTORY

Added by Ord. No. 173,677, Eff. 1-14-01

Sec.10.40.5. Administration

(a) The DAA shall promulgate rules and regulations for implementation of this article. Said rules shall be submitted to City Council for consideration within sixty days after the effective date of this Ordinance.

(b) The DAA shall develop a questionnaire to be used by awarding authorities for determining bidder responsibility within sixty days after the effective date of this Ordinance.

(c) The DAA shall monitor compliance with this article including investigation of alleged violations.

SECTION HISTORY

Added by Ord. No. 173,677, Eff. 1-14-01

Sec.10.40.6. Enforcement

(a) Contracts shall provide that violation of this article shall constitute a material breach thereof and entitle the City to terminate the contract and otherwise pursue legal remedies that may be available.

(b) Compliance with Section 10.40.3 of this article shall be required in contract amendments, if the initial contract was not subject to the provisions of this article. Contract amendments shall provide that violation of Section 10.40.3 shall constitute a material breach thereof and entitle the City to terminate the contract and otherwise pursue legal remedies that may be available.

(c) Violations of this article may be reported to the DAA which shall investigate such complaint. Whether based upon such complaint or otherwise, if the DAA has determined that the contractor has violated any provision of this article, the DAA shall issue a written notice to the contractor that the violation is to be corrected within ten calendar days from receipt of notice. In the event the contractor has not corrected the violation, or taken reasonable steps to correct the violation within ten calendar days, then the DAA may:

1. Request the awarding authority to declare a material breach of the contract and exercise its contractual remedies thereunder, which are to include but not be limited to termination of the contract.

2. Request the awarding authority to declare the contractor to be non-responsible in accordance with the procedures set forth in Section 10.40.2 of this article.

SECTION HISTORY

Added by Ord. No. 173,677, Eff. 1-14-01

Sec. 10.40.7. Application of This Article.

(a) This article shall be applicable to Invitations for Bids issued after the rules and regulations have been adopted by City Council.

(b) This article shall be applicable to contracts entered into after the rules and regulations have been adopted by City Council, unless the contract is awarded pursuant to an Invitation for Bid issued prior to adoption of the rules and regulations by City Council. (c) Section 10.40.3 of this article shall be applicable to contract amendments, entered into after the rules and regulations have been adopted by City Council if the initial contract was not subject to the provisions of this article.

SECTION HISTORY

Added by Ord. No. 173,677, Eff. 1-14-01

Sec. 10.40.8. Consistency with Federal or State Law

The provisions of this article shall not be applicable to those instances in which its application would be prohibited by federal or state law or where the application would violate or be inconsistent with the terms or condition of a grant or contract with an agency of the United States, the State of California or the instruction of an authorized representative

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of any such agency with respect to any such grant or contract.

SECTION HISTORY

Added by Ord. No. 173,677, Eff. 1-14-01

Sec. 10.40.9. Severability

If any provision of this article is declared legally invalid by any court of competent jurisdiction, the remaining provisions shall remain in full force and effect.

SECTION HISTORY

Added by Ord. No. 173,677, Eff. 1-14-01

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CITY OF LOS ANGELES
Office of the City Administrative Officer
Contractor Enforcement Section
200 North Main Street, Room 606
Los Angeles, CA 90012
Phone: (213) 485-3514 - Fax: (213) 485-0672

SUBCONTRACTOR'S PLEDGE OF COMPLIANCE with the Contractor Responsibility Ordinance

Los Angeles Administrative Code (LAAC) Section 10.40 (Contractor Responsibility Ordinance) provides that all public lessees and public licensees shall comply with all applicable provisions of the Ordinance. Upon award of such public lease or public license, the lessee or licensee, by signing the public lease or public license, has pledged to comply with the Contractor Responsibility Ordinance. Within thirty (30) days of execution of such public lease or public license, the public lessee or public licensee shall submit to City the following Pledge of Compliance from each subcontractor who has been listed or will be performing work pursuant to the public lease or public license.

The subcontractor agrees to comply with the Contractor Responsibility Ordinance and the following provisions:

- (a) To comply with all federal, state, and local laws in the performance of the contract, including but not limited to laws regarding health and safety, labor and employment, wage and hours, and licensing laws, which affect employees.
- (b) To notify the awarding authority within 30 calendar days after receiving notification that any governmental agency has initiated an investigation which may result in a finding that the contractor did not comply with any federal, state, or local law in the performance of the contract, including but not limited to laws regarding health and safety, labor and employment, wage and hours, and licensing laws, which affect employees.
- (c) To notify the awarding authority within 30 calendar days of all findings by a governmental agency or court of competent jurisdiction that the contractor has violated any federal, state, or local law in the performance of the contract, including but not limited to laws regarding health and safety, labor and employment, wage and hours, and licensing laws which affect employees.
- (d) If applicable, to provide the awarding authority, within 30 calendar days, updated responses to the Responsibility Questionnaire if any change occurs which would change any response contained within the Responsibility Questionnaire and such change would affect the contractor's fitness and ability to continue the contract.
- (e) To ensure that subcontractors working on the City agreement (including contractors or subcontractors of a public lessee, licensee, sublessee, or sublicensee that perform or assist in performing services on the leased or licensed premises) shall comply with all federal, state, and local laws in the performance of the contract, including but not limited to laws regarding health and safety, labor and employment, wage and hours, and licensing laws, which affect employees.
- (f) To ensure that subcontractors working on the City agreement (including contractors or subcontractors of a public lessee, licensee, sublessee, sublicensee that perform or assist in performing services on the leased or licensed premises) submit a Pledge of Compliance.
- (g) To ensure that subcontractors working on the City agreement (including contractors or subcontractors of a public lessee, licensee, sublessee, or sublicensee that perform or assist in performing services on the leased or licensed premises) shall comply with paragraphs (b) and (c).

Failure to complete and submit this form to the Awarding Authority and to the Office of City Administrative Officer may result in withholding of payments by the City Controller, or contract termination.

Subcontracting Company Name			Signature of Officer or Authorized Representative		
Company Address and Phone Number			Type or Print Name and Title		
Date	Contract Number	Awarding City Department	Type of Service		
		Department of Recreation and Parks	Lessee		

Form CAO/CRO Rev. 9/13/01

ARTSCORPSLA LEASE
LA TIERRA DE LA CULEBRA PARK
240 S. AVENUE 57

CONTRACTOR RESPONSIBILITY
EXHIBIT B
Page B-29 of B-29

SSCHE03-74254
AVENUE57 240.001

EXHIBIT C: MEMORANDUM OF LEASE

RECORDING REQUESTED BY AND WHEN
RECORDED MAIL TO:

CITY OF LOS ANGELES
DEPARTMENT OF GENERAL SERVICES
c/o Office of the City Attorney
ROCKARD J. DELGADILLO, City Attorney
ANDREW J. NOCAS, Deputy City Attorney
Real Property/Environment Division
1800 City Hall East
200 North Main Street
Los Angeles, California 90012

Free recording in accordance with California
Government Code section 6103

MEMORANDUM OF LEASE

THIS MEMORANDUM OF LEASE ("Memorandum") is made as of the date of attestation by the City Clerk of the City of Los Angeles of page 2 of this Memorandum, by and between the CITY OF LOS ANGELES, a municipal corporation, as Landlord ("City") and ARTSCORPSLA, a California nonprofit public benefit corporation ("Tenant"), who agree as follows:

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

Lots 4, 5, 6, and 7 of Media Tract, in the City of Los Angeles, County of Los Angeles, State of California, as per map recorded in Book 12 Page 78 of Maps, in the office of the County Recorder of Los Angeles County, excepting therefrom those portions within public streets and subject to all easements of record,

and commonly known as 226, 230, and 240 South Avenue 57, Highland Park, in the City of Los Angeles, State of California, for a term of Ten (10) years with one (1) option to extend the term of the lease by Ten (10) years, commencing on or about the date of this Memorandum, 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.

2. **Provisions Binding On Tenant.** The provisions of the Lease to be performed by Tenant, 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.

3. **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 Tenant and its successors and assigns.

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

CONCEPTUAL DRAWINGS

5. **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 395, City Hall, 200 North Spring Street, Los Angeles, California 90012.

APPROVED AS TO FORM AND LEGALITY:

ROCKARD J. DELGADILLO, City Attorney

By: _____

ANDREW J. NOCAS
Deputy City Attorney

DATE: January 7, 2003

ATTEST:

J. MICHAEL CAREY, 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: _____

MIKE ROOS
Board President

ATTESTED:

By: _____

MARY E. ALVAREZ
Board Secretary

DATE: _____

TENANT:

ARTSCORPSLA, a California nonprofit public benefit corporation

By: _____

TRICIA WARD
President

By: _____

DATE: _____

Board Report No.: 02-7-
Board Approval Date: 2-20-02
CF No.: 02-1861 (10-29-02)
SSCHE03-66246
(1/9/2003)

CONCEPTUAL DRAWINGS

EXHIBIT D: PROJECT DESCRIPTION

La Tierra de la Culebra ARTScorpsLA Art Center

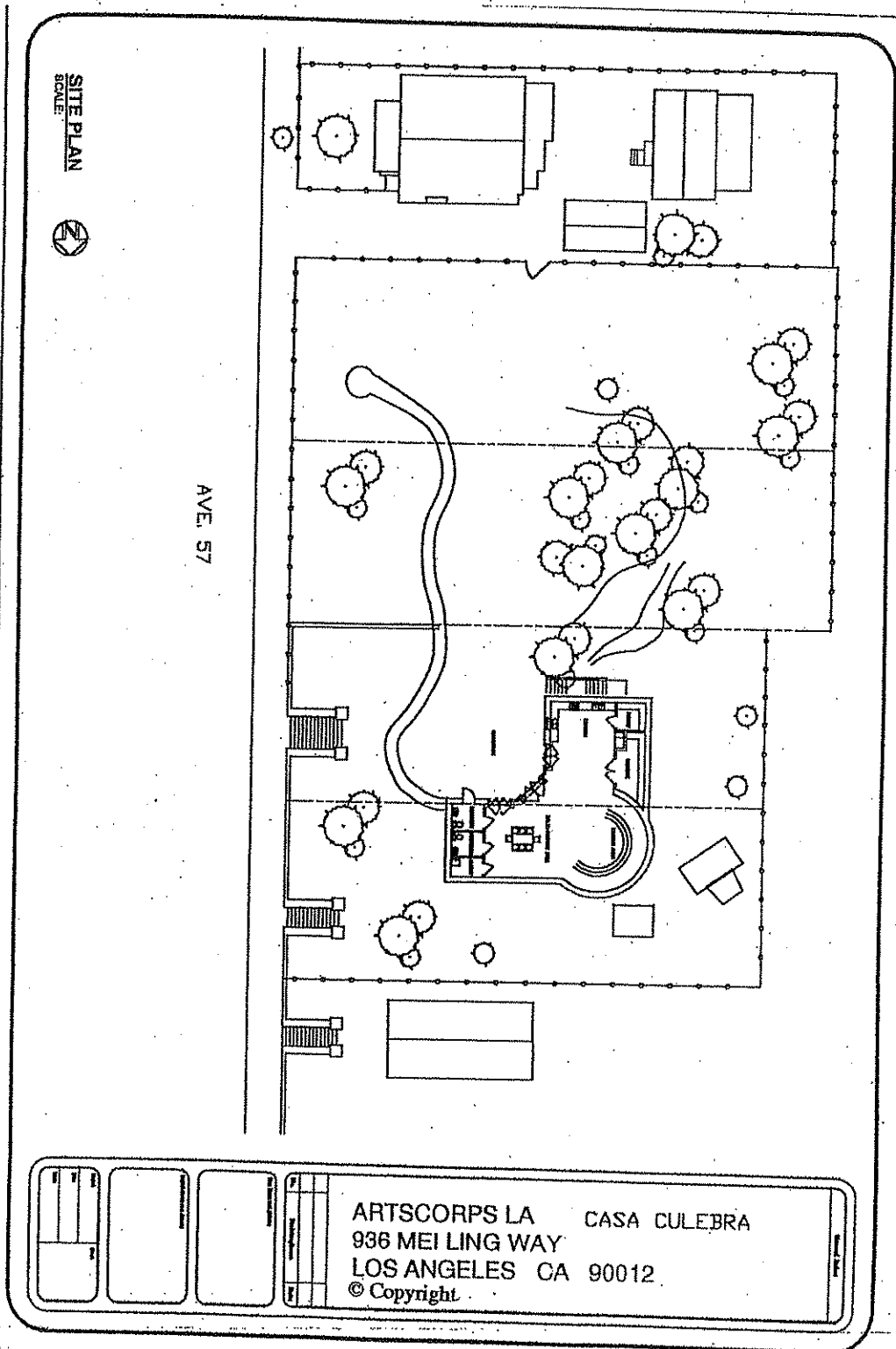
ARTScorpsLA has produced the designs for the construction of the community arts center. The center would include a classroom/multi-purpose room with computer stations, a kitchen and an artist-in-residence live/work space. The center would be fully integrated into the landscape and be partially subterranean. The construction would take place over a period of 12 to 18 months and would use professional contractors who will mentor and train neighborhood youth in constructing the center.

All design and construction plans shall be subject to the prior approval of the Board of Recreation and Park Commissioners. During the proposed construction and landscaping, arts education and other youth programs at the Culebra will continue within the park. Once the building is completed, it is anticipated that additional programs would commence, including regularly scheduled arts classes in ceramics, painting, drawing, computer graphics, mural making, etc. The center would be open daily. In the mornings, programs would range from school visits to mother/child classes. In the afternoons, homework help and tutoring would be available, in addition to arts classes, instruction in landscaping and gardening, job training programs, and community meetings for the local residents.

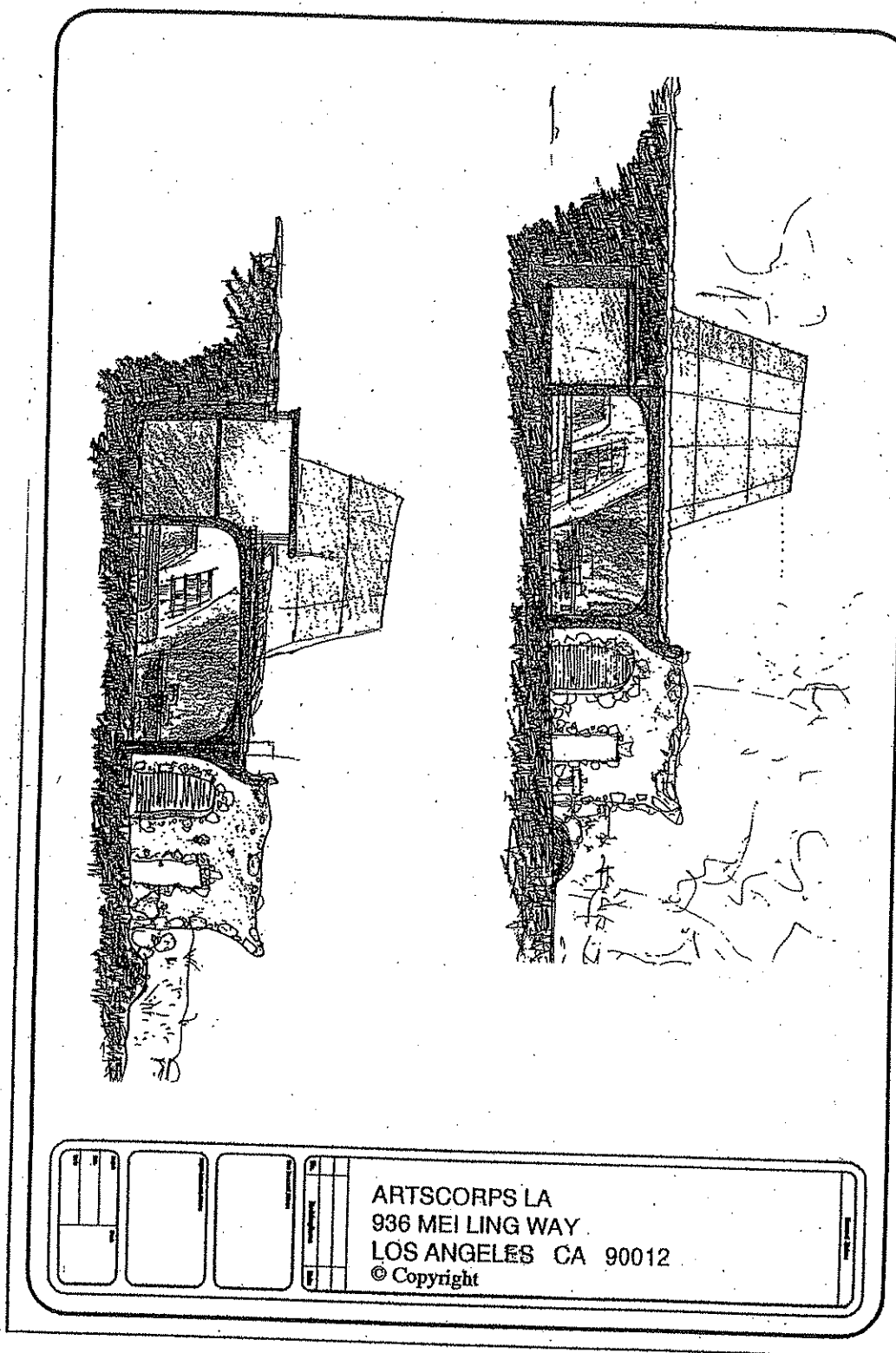
CONCEPTUAL DRAWINGS

EXHIBIT E: CONCEPTUAL DRAWINGS

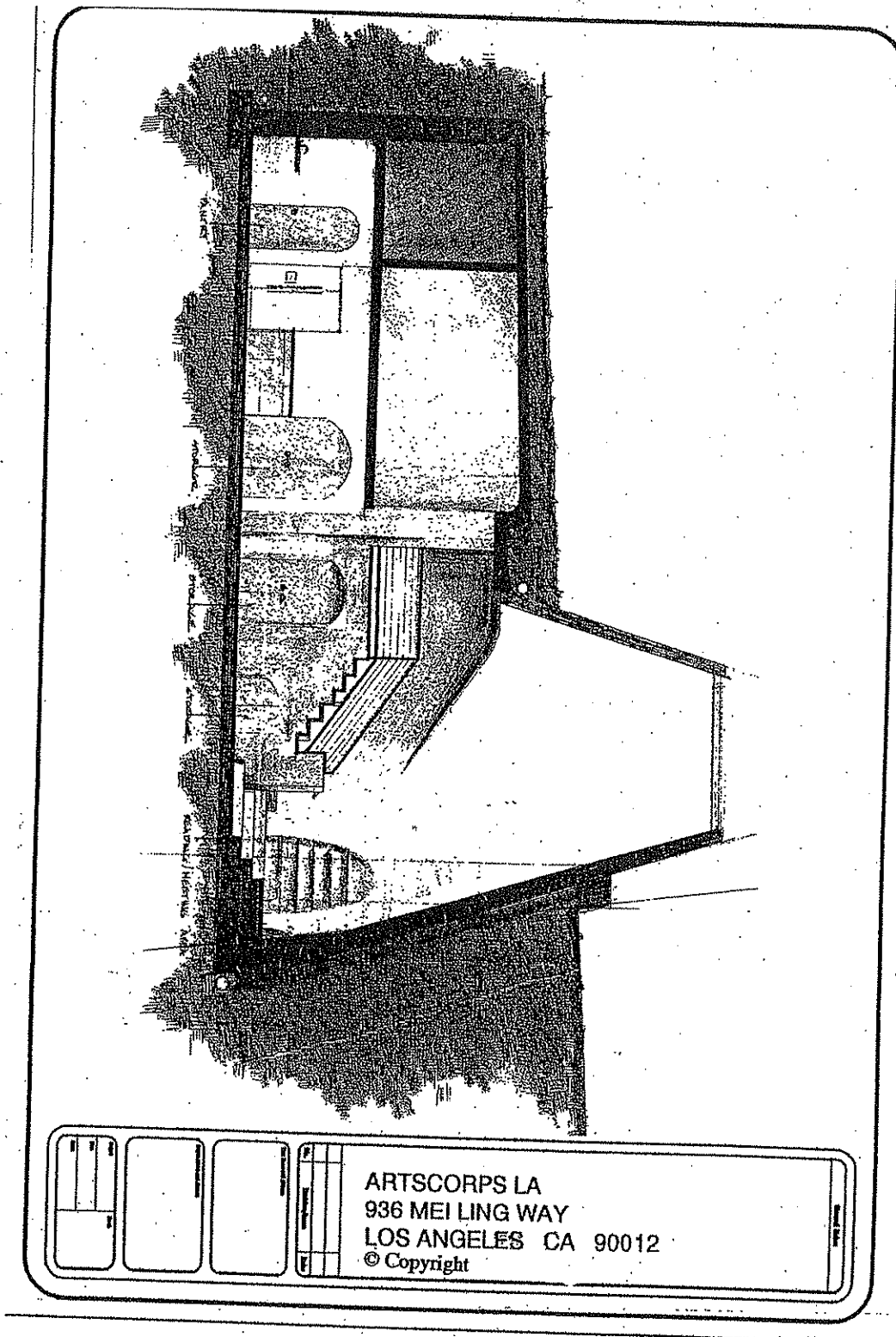
La Tierra de la Culebra Park - ARTScorpsLA Art Center



CONCEPTUAL DRAWINGS



CONCEPTUAL DRAWINGS



**GROUND LEASE SUMMARY
BETWEEN
THE CITY OF LOS ANGELES,
DEPARTMENT OF RECREATION AND PARKS, LANDLORD,
AND
THE LOS ANGELES NEIGHBORHOOD LAND TRUST, TENANT,
FOR
LA TIERRA DE LA CULEBRA PARK**

For information purposes only - not part of Lease

REPORT NO: 00-000

APN NO: 5468-031-901,900,902: see Exhibit A in

CF NO:

COUNCIL
APPROVAL DATE

PREMISES La Tierra De La Culebra Park
ADDRESS: 240 S. Avenue 57 Los Angeles, California 90042

CITY ATTORNEY
SIGNATURE:

City Attorney/Laura Cadogan Hurd

LANDLORD: Department of Recreation and Parks/ Darryl Ford
THE CITY OF LOS ANGELES, a municipal corporation, acting by and
through its Board of Recreation and Park Commissioners

TENANT: Los Angeles Neighborhood Land Trust, a California nonprofit public
benefit corporation
Corporation No. 2491936

TERM: The period commencing upon execution of this Lease, and expiring on
the date that is (30) years from the date of Execution.

RENT: No monetary rent is required to be paid by the Los Angeles Neighborhood
Land Trust to the City of Los Angeles for the use of the Park. It is
understood and agreed that the sole consideration for this Lease will be
the public benefit to be realized by the maintenance and recreational
programs provided by Los Angeles Neighborhood Land Trust, on a non-
profit basis and in accordance with this Lease.

**GROUND LEASE
BETWEEN
THE CITY OF LOS ANGELES,
DEPARTMENT OF RECREATION AND PARKS, LANDLORD,
AND
THE LOS ANGELES NEIGHBORHOOD LAND TRUST, TENANT,
FOR
LA TIERRA DE LA CULEBRA**

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**GROUND LEASE
BETWEEN
THE CITY OF LOS ANGELES,
DEPARTMENT OF RECREATION AND PARKS, LANDLORD,
AND
THE LOS ANGELES NEIGHBORHOOD LAND TRUST, TENANT,
FOR
LA TIERRA DE LA CULEBRA PARK**

ARTICLE 1. BASIC LEASE PROVISIONS

1.1. **Parties.** This Ground Lease ("Lease") is entered into on _____, 20____, by and between the CITY OF LOS ANGELES, a municipal corporation, acting by and through its Board of Recreation and Park Commissioners, as Landlord ("City"), and THE LOS ANGELES NEIGHBORHOOD LAND TRUST, a California nonprofit public benefit corporation, as Tenant ("LANLT").

1.2. **Recitals.**

1.2.1. The City of Los Angeles owns and controls certain park land, known as the La Tierra De La Culebra Park ("**Park**"), more specifically described in as "the attached legal description in Council District One" and identified herein as Exhibit A, which is under the jurisdiction of the Department of Recreation and Parks (RAP). The purpose of the agreement is to increase the number of functional and useful neighborhood parks and playgrounds in areas of the City that are underserved by existing parks and playgrounds. Such Park lands are under the management and control of the Los Angeles City Board of Recreation and Park Commissioners ("**Board**"); and

1.2.3. LANLT is a California nonprofit public benefit corporation formed for the purpose of establishing, developing, maintaining and operating community parks and park programs in under-served areas of the City of Los Angeles; and

1.2.4. LANLT has special abilities in the areas of maintenance, operations and community outreach with respect to park programs. LANLT agrees to provide certain maintenance and operations services that City's Department of Recreation and Parks ("**Department**") would otherwise provide and, therefore, is providing valuable consideration and will continue to provide such services to the City; and

1.2.5. City and LANLT desire to enter into this ground lease for the provision of maintenance, operations and community services at the La Tierra de La Culebra Park and this Lease shall set forth the duties, obligations, responsibilities, aims, and goals of the parties, for the aforementioned purpose of providing maintenance, operations and community services for the La Tierra De La Culebra Park; and

1.2.6. LANLT agrees to provide said services as a public service so that the La Tierra de La Culebra Park will be used for the term hereof as a neighborhood park and to provide for the construction of improvements, maintenance and operation of the La Tierra de La Culebra Park in accordance with the standards set forth herein.

1.2.7. NOW, THEREFORE, in consideration of the above recitals and the covenants herein, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties agree as follows:

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 of 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 1.3.3. Except where clearly and expressly provided otherwise in this Lease, the capacity of the City in this Lease shall be as landlord, and any benefits, obligations, or restrictions conferred or imposed by this Lease on the City shall be limited to that capacity and shall not relate to or otherwise affect any activity of the City 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 pursuant to federal, state, or local law.

1.3.2. **Execution Date.** The defined term "Execution Date" shall mean the date the Office of the City Clerk of Los Angeles attests this Lease.

1.3.3. **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 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.

1.3.4. **Department.** The defined term "Department" shall mean the Department of Recreation and Parks of the City of Los Angeles.

1.3.5. **La Tierra de La Culebra.** The defined term "La Tierra de La Culebra Park" shall mean the neighborhood park to be constructed on certain real property located in the City of Los Angeles, County of Los Angeles, State of California, and more particularly described in Exhibit A, also known in this Lease as the "Premises".

1.3.6. **LANLT.** The defined term "LANLT" shall mean the Los Angeles Neighborhood Land Trust, a California nonprofit public benefit corporation. LANLT's mission is to encourage the development and maintenance of parks and open space in underserved areas of the City of Los Angeles and the surrounding community.

1.3.7. **Consideration.** *No monetary rent is payable under this Lease, but consideration for this Lease is provided by use of the Premises for the uses set forth in this Lease (Section 4.1) and for other obligations undertaken by Tenant pursuant to this Lease (see Section 3.1, 5.1, and 6., for further provisions.)*

ARTICLE 2. TERM

2.1. **Term.** The term of this Lease shall commence upon execution of this Lease ("**Effective Date**") and expire at midnight on the day immediately prior to the (30th) year anniversary of date of the execution of this lease for the Premises ("**Term**").

2.2. **Holdover.** LANLT has no right to retain possession of the Premises or any part thereof beyond the expiration or earlier termination of this Lease unless approved by the Board and upon early notification and or request by the Permittee/LANLT to extend the term by submitting in writing a request for an extension and or amendment to this lease 6 months prior to the agreed upon expiration date.

ARTICLE 3. CONSIDERATION

3.1. **Consideration.** The consideration for this Lease shall be the provision by LANLT of maintenance and operations, design process, construction and or development and ultimately the stewardship of the park and its gardens at the Premises as described on Exhibit B, at no cost to the City, as set forth in this Lease, together with the attendant benefits to the people of the City of Los Angeles.

ARTICLE 4. PREMISES

4.1. **Premises.** City hereby leases to LANLT and LANLT 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 are subject to all existing easements and any other restrictions of record, including the deed by which the City owns the Premises. Use of Premises conditioned on making improvements and or development subject to RAP Board approval.

4.2. **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 LANLT's ingress and egress to the Premises.

ARTICLE 5. USE OF PREMISES

5.1. **Use.** The Premises shall be used solely as a public park and conditioned on making improvements to landscaping and or other construction and or development subject to Review by RAP staff. Programs and functions directly related to or ancillary to parks and recreational purposes shall be permitted. No residential uses of any kind are permitted. Any ongoing or permanent concession operations, including the sale of food and/or beverages, gifts, materials and supplies (other than in connection with special events), shall be subject to prior approval by the General Manager.

5.1.1. This Lease is entered into by LANLT with the acknowledgment that the site is to be preserved and respected. LANLT shall not use any portion of land assigned to it under this Lease, or any rights or privileges herein provided for, beyond the extent necessary for the purposes of this Lease, and it shall faithfully observe and obey, and require its employees, co-operators, contractors, and all other groups or individuals under its control and supervision to observe and obey, each and every provision in this Lease and any City Charter provision, City ordinance, law, rule, order, or regulation concerning the use, care, management, or governance of the Premises.

5.1.2. LANLT agrees that it shall not use the premises for any purpose which would interfere with the health, safety, welfare, or quiet enjoyment of the patrons at the Premises, or the surrounding environs. LANLT further agrees not to use the Premises in any manner, which may cause cancellation of the insurance policies covering the Premises required by this Lease.

5.1.3. LANLT agrees to not allow any offensive or refuse matter, or any substance constituting an unnecessary, unreasonable, or unlawful fire hazard or material detrimental to the public health, to remain at any time on the Premises. LANLT further agrees not to keep on the Premises or allow be keeping, using or selling thereupon, anything prohibited by the policy of fire insurance covering the Premises or any structure located or constructed therein.

5.2 **Nonprofit Status.** During the term of this Lease, LANLT must retain its nonprofit status pursuant to the General Nonprofit Corporation Law of the State of California.

5.3 **Admission Fees.** Admission fees shall not be charged by LANLT.

5.4. **Ancillary Income.** During the Term, in the event LANLT obtains income from uses of the Premises which are ancillary to the uses contemplated under this Lease, LANLT shall use such income only for such purposes as are consistent with the non-profit activities permitted with respect to the use of the Premises and only for activities on the Premises. Any receipt of such income shall be reported to City, and LANLT, if requested by General Manager, shall provide General Manager with such accountings as General Manager shall reasonably require to demonstrate compliance with this Section. 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.

5.5. **Filming on Premises.** It is the policy of City to facilitate the use of City properties as film locations when appropriate, and for these Premises, subject to approval by LANLT. Department has established a Park Film Office to coordinate use of Park property for film production purposes. All fees for use of Park property by film production companies shall be established and collected in accordance with City and Department policies LANLT shall not collect any fees for film production conducted on Premises.

5.6. **Services and Programs.** LANLT may develop and sponsor programs to involve the public in community and recreational experiences, encouraging the participation of community groups in the development and execution of such programs. The services and programs to be provided shall be as described on Exhibit C to this Lease.

5.7. **Authorized and Non-authorized Use.** Programs and uses provided and performed by LANLT, in carrying out the terms, conditions, and covenants of this Lease, shall be designed to develop, maintain and administer a neighborhood park and related community programming.

5.7.1. LANLT will comply with City's rules and regulations with respect to filming, radio broadcasting, televising, recording, publishing or any other form of reproduction of whatsoever nature on City land and/or relating to La Tierra de La Culebra Park, including obtaining temporary permits whenever applicable.

5.7.2. LANLT shall not use the name "La Tierra de La Culebra Park" in conjunction with any other activity during or after the term of this Lease. LANLT shall have no proprietary interest in any name that is or includes "La Tierra de La Culebra Park".

5.7.3. No commercial advertising signs of any kind or type may be displayed at the Premises.

5.8. **Use as Neighborhood Park; No Subleases.** Revocable permits or licenses may be issued to the public for their use of the public park for certain events. If permits are issued, the form of such permits or licenses shall be subject to City review and approval. Such permits or licenses shall not create any third-party beneficiary rights in permittees or licensees, and the permits shall expressly so state.

ARTICLE 6. IMPROVEMENTS

6.1 **Improvements.** LANLT shall to the best of their abilities work to fundraise through public grants to improve the Premises and add additional amenities appropriate for a neighborhood park that include a design process, construction and/or development components. LANLT must submit all proposed plans to the General Manager for review and written approval prior to performance of any work at the Park. In addition, modifications of approved proposals shall be submitted for review and approved in the same manner prior to construction. LANLT will not make, nor permit to be made, any alterations, modifications or improvements to or of the Park, nor construct any structures on the Park without first obtaining the written consent of the General Manager.

6.1.1 **Green Space.** A passive recreation green space; and,

6.1.2 **Garden Area.** Drought tolerant plants in the garden area; and,

6.1.3 **Park Accessories.** Park furniture and accessories including permanent garbage cans.

6.1.4 Restroom and or other community need

6.2 **"As Built" Drawings.** *For any Major Alterations, after completion thereof, Tenant shall submit to City reproducible "as built" drawings of all such Major Alterations constructed on the Premises with the sole exception of any security systems.*

ARTICLE 7. COMPLIANCE WITH ALL LAWS AND REGULATIONS

7.1. **Federal, State And Local Laws.** LANLT 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 and the requirements of the deed under which the City owns the Premises. LANLT shall also adhere to all rules and regulations that have been adopted or that may be adopted by the Board or any successor board or commission having jurisdiction over the Premises, which includes ensuring that each employee and volunteer of LANLT working on the Premises shall have first been registered as a City volunteer and passed a fingerprint background check if the individual has supervisory or disciplinary authority over any minor.

7.2. **Compliance With Americans With Disabilities Act.** LANLT agrees that as between LANLT and City, City 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.

7.3. **Right Of Entry.** City, General Manager, and 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, and for determining LANLT's compliance with Article 9 of this Lease. 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 LANLT, its employees, and patrons. Said inspections may be made by persons identified to LANLT 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 during operating hours (except in the case of emergency, where no notice is required).

7.4. **Operating Permits And Licenses.** LANLT shall obtain, at its sole 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, health permits, building permits, use permits, fire permits, police permits, and any other permits required by applicable governmental agencies.

7.5. **Compliance with State and Local Laws.** LANLT will call upon the aid of peace officers to assist in maintaining peaceful conditions on the Premises, including the arrest and removal of any person who creates a public nuisance, who violates park rules and regulations or who commits any crime including without limitation, infractions or misdemeanors in or around the Premises.

ARTICLE 8. INSURANCE

8.1. **Insurance.** Prior to the occupancy of the Premises, LANLT shall furnish the 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 Administrative Officer, Risk Management for the following coverages and minimum limits of insurance (as summarized on Exhibit D attached to this Lease) which shall be maintained by Tenant at its sole cost and expense throughout the Term of this Lease.

8.1.1. General Liability Insurance. LANLT 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 of not less than ONE MILLION DOLLARS (\$1,000,000) Combined Single Limit for bodily injury and property damage. Umbrella or Excess Liability coverages may be used to supplement primary coverages to meet required limits. Such insurance shall conform to City requirements established by Charter, ordinance or policy and be in a form acceptable to City Administrative Officer, Risk Management and provide for the following:

8.1.1.1. Include City, its boards, officers, agents and employees as additional insureds with LANLT for the development and operation of the neighborhood park and all activities and insured risks related thereto.

8.1.1.2. That the insurance is primary and not contributing with any other insurance maintained by the City of Los Angeles. 8.1.1.3. 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."

8.1.1.4. 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 to the persons and addresses required notice pursuant to Section (page), notice will be made by receipted delivery addressed as follows: City Administrative Officer, Risk Management, City Hall East, Room 1240, 200 North Main Street, 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 Tenant in the event of nonpayment of premium.

8.1.2. 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 (if any), LANLT shall, at its sole cost and expense, cause to be provided and kept in force and effect insurance policies, protecting City and LANLT as their interests appear, against loss or damage to the improvements on the Premises, in 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. The General Manager shall have the ability, from time to time, to redetermine the valuation of the building on the Premises. LANLT further covenants and agrees, at its sole cost and expense, to provide and keep in full force and effect Boiler and

Machinery insurance on all air conditioning equipment, boilers, and other pressure vessels and systems, whether fired or unfired, serving the improvements on the Premises. Notwithstanding any contrary provision of this Lease, the City and LANLT hereby acknowledge that at the time of the execution of this Lease there are no improvements located on the Premises, and LANLT shall have no obligation to maintain the insurance described in this Subsection unless and until improvements are erected on the Premises.

8.1.3. Builder's Risk Insurance. Prior to the commencement of any construction or expansion of the Premises, LANLT 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.

8.1.4. Workers' Compensation. LANLT 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.

8.1.5 Adjustment Of Insurance Levels. City reserves the right at any time during the Term of this Lease, at its sole discretion 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 LANLT ninety (90) days written notice provided that such amounts and/or types shall be reasonably available to LANLT at commercially reasonable premiums.

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

8.1.7. Third-Party Insurance. LANLT shall be responsible for requiring indemnification and insurance as it deems appropriate from its employees receiving mileage allowance, consultants, and agents, if any, to protect LANLT's and City's interests, and for ensuring that they comply with any applicable insurance statutes. LANLT is encouraged to seek professional advice in this regard.

8.2. 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.

8.3. **Failure To Maintain Insurance.** LANLT's failure to procure or maintain required insurance or self-insurance program 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 LANLT. If City elects to terminate this Lease, LANLT agrees to immediately cease all operations and activities under this Lease and to peacefully surrender the Premises.

8.4. **Indemnification.** Except for the active negligence or willful misconduct of City, or any of its Board, Officers, Agents, Employees, Assigns and Successors in Interest, and except to the extent covered by insurance carried by City, LANLT 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 LANLT's employees and agents, or damage or destruction of any property of either party hereto or of third parties, arising in any manner by reason of the negligent acts, errors, omissions or willful misconduct incident to the performance of this Lease by LANLT or its subcontractors of any tier. The provisions of this paragraph survive expiration or termination of this Lease.

ARTICLE 9. MAINTENANCE, OPERATION AND SECURITY

9.1. **Maintenance and Operation of Premises.** LANLT agrees to operate and maintain, or cause others to operate and maintain, at LANLT's sole cost and expense, the Premises in a condition that at a minimum conforms to the standard of maintenance described in Paragraph 9.2 of this Lease, during the entire Term of this Lease. LANLT Maintenance and Operation responsibilities are to include tree maintenance and pruning as well as brush clearance responsibilities. Operation and maintenance duties shall include but are not limited to maintenance and repair of the landscaping, irrigation system, electrical systems, lighting, electronic equipment, park structures and playground equipment, trash collection, graffiti removal and security (as applicable), all as set forth in Exhibit B, Maintenance Standards and Security Plan, attached hereto and incorporated herein by reference. LANLT agrees to keep the premises open for public use each day of the week between the hours of 7:00 am and dusk, provided, however, that evening hours may be extended for special events, subject to the prior approval of either the General Manager or the Superintendent for the Region. LANLT shall post its operating schedule in a conspicuous place near the entrance to La Tierra de La Culebra Park and shall adhere to the posted hours of operation. Any changes in the operating schedule shall be posted for a reasonable period in advance of the date on which such changes are to take effect. LANLT shall also post signage indicating the consequences for trespassing during closed hours and a telephone number to call to report suspicious activity. Unless otherwise agreed upon by the parties, should a fence, or other enclosure be installed, LANLT shall be responsible for opening and closing the entrance to the Premises each day and shall keep the entrance locked other than during operating hours. Unless otherwise agreed upon by the parties, LANLT shall maintain (or cause to be maintained) La Tierra de La Culebra Park, develop community activities, such as volunteer training, seminars and workshops, outreach programs, and similar programs and events for the benefit of the general public. LANLT shall further comply with all applicable legal requirements and the insurance requirements set forth in Article 8 of this Lease.

9.2. **Standards.** City and LANLT desire the Premises to be operated and maintained in a condition so they can be safely used as a neighborhood park. The condition and state of

repair covering the entire Premises, shall at all times be, without limitation, as follows: safe and free from hazard; free from unsightly signs, displays, markings, and graffiti; free from litter and debris; walkways, fencing and landscaping in neat and safe condition; and all areas in such condition as not to detract from the surrounding neighborhood. Further, the Premises shall be maintained in accordance with the standards specified in Exhibit B, "Maintenance Standards and Security Plan," which are attached to this Lease. In case of any inconsistency between Exhibit B and the Lease, the provisions of the Maintenance Standards and Security Plan shall prevail.

9.3. **Repairs.** Prior to making any repairs on the Premises which cost in excess of Two Thousand, Five Hundred Dollars (\$2,500.00) (except in the event of an emergency where repairs or work needs to be done and prior consent from City is not feasible), LANLT shall, at LANLT's sole cost and expense, obtain the written consent and approval of the plans by the General Manager, which approval shall not be unreasonably withheld or delayed. Furthermore, LANLT shall, at its sole cost and expense, obtain all licenses, permits and inspections necessary for said repairs of Premises. Copies of all plans, permits and licenses shall be provided to City.

9.4. **Safety Requirements and Correction of Deficiencies.** LANLT shall provide for the safety of its employees, co-operators, and the general public in their use of the facilities assigned to LANLT under this Lease. LANLT shall promptly correct all safety deficiencies and violations of safety practices of which it has knowledge and shall cooperate fully with City in the investigation of accidents occurring on the Premises.

9.4.1. LANLT shall designate a staff person with authority to represent and to carry out LANLT's responsibilities for health and safety under this Lease. Such designation shall be in writing with notification to General Manager within thirty (30) days from the date of execution of this Lease.

9.4.2. LANLT shall take steps to ensure that all accidents involving personal injury and/or property damage and fires occurring within the facilities assigned to LANLT under this Lease are reported immediately to General Manager. In the event of injury to a patron or customer, LANLT shall use its best efforts to provide 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, LANLT shall submit to City, a City Form General No. 87 ("**Non-Employee Accident or Illness Report**") or make such other report as City may reasonably require.

9.4.3. LANLT shall provide and maintain adequate first aid equipment to serve the potential needs of employees, it's contractors and co-operators, and the general public in their use of any facilities assigned to LANLT under this Lease.

9.4.4. LANLT shall, in consultation with General Manager, and other appropriate inspection officials, participate in a regular program of Fire and Safety Inspections covering all facilities and programs assigned and authorized under this Lease. As a minimum, all facilities shall be inspected on an annual basis, provided however that General Manager may require more frequent inspections.

9.4.5. LANLT shall provide and maintain portable fire extinguishers of appropriate size, type, and distribution to adequately protect all facilities assigned to LANLT under this Lease.

9.5. **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 LANLT, 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.

9.6. **Modifications and/or Alterations.** Other than the improvements described in Paragraph 6.1 of this Lease, LANLT shall not at any time during the Term make any changes, alterations or additions to the Premises, including the construction or removal of permanent structures or improvements ("Alterations") to the Premises or any part thereof, and shall ensure that no modifications, alterations, or construction work is performed on the Premises under this Lease by any group or individual, without obtaining City's prior written consent, which consent shall not be unreasonably withheld.

ARTICLE 10. UTILITIES

10.1. **Utilities.** City shall pay or cause to be paid all service charges for water, sewer, electricity, power and all other utilities or services used rendered or supplied to, upon or in connection with the Premises. City and LANLT agree to establish a utility utilization plan to provide for LANLT's efficient and energy conscious use of electricity and other utilities. Subject to the limitation that adequate lighting must be provided to ensure adequate security and as necessary for Public Events, Special Events and Filming, LANLT agrees to accommodate City's reasonable request to modify utilization of utilities so as to reduce cost of utilities.

ARTICLE 11. DAMAGE

11.1. **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 insurance, LANLT agrees to repair such damage and the Lease shall continue in full force and effect. If such improvements are damaged as the result of any cause other than perils required to be covered by insurance, then LANLT may, at LANLT's option, either (a) repair such damage as soon as reasonably practicable at LANLT's sole cost and expense, in which event this Lease shall continue in full force and effect, or (b) give written notice to City within ninety (90) days after the date of occurrence of such damage of LANLT's intention to cancel and terminate this Lease as of the date of occurrence of such damage, in which event City shall rebuild the improvements and release LANLT from the provisions of this Lease.

11.2. **Obligation To Restore.** If this Lease is not terminated pursuant to any of the provisions of this Article 11, LANLT shall, to the extent of available insurance proceeds plus any deductible LANLT elected to carry, promptly and diligently restore and repair the improvements to substantially the same condition, to the extent possible, they were in immediately prior to the occurrence of the damage, except for modifications required by building codes and other laws and except for any other modifications to the improvements considered desirable by LANLT and approved by the General Manager. LANLT's obligation to restore is subject to reasonable delays for insurance adjustment and other matters beyond LANLT's reasonable control.

ARTICLE 12. HAZARDOUS MATERIALS

12.1. **Hazardous Materials.** City and LANLT agree as follows with respect to the existence or use of Hazardous Material (as defined in Paragraph 12.1.3) on the Premises:

12.1.1. **Prohibition.** LANLT shall not cause or permit any Hazardous Material to be brought upon, kept or used in or about the Premises (other than common gardening products typically used in connection with the operation of parks and community gardens, which such gardening products are subject to review and approval by the City) by LANLT, its agents, employees, tenants, sub-tenants, contractors or invitees in violation of law or in quantities which would require reporting to a governmental entity, without the prior written consent of General Manager, acting at General Manager's sole discretion. If LANLT breaches the obligations stated in the preceding sentence, or if the presence of Hazardous Material on the Premises caused or permitted by LANLT results in contamination of the Premises, or if contamination of the Premises by Hazardous Material otherwise occurs for which LANLT is legally liable to City for damage resulting therefrom, then, LANLT 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, 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 LANLT 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, which was caused or permitted by LANLT. Without limiting the foregoing, if the presence of any Hazardous Material on the Premises caused or permitted by LANLT results in any contamination of the Premises, LANLT shall promptly take all actions at its sole 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.

12.1.2. **Compliance Costs.** City and LANLT acknowledge that City may become legally liable for the costs of complying with laws relating to Hazardous Material which may not be the responsibility of LANLT, 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 date LANLT initially occupied the Premises, 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 occupiers of the Premises or their agents, employees, contractors or invitees, or by others. Accordingly, City and LANLT agree that the cost of complying with laws relating to Hazardous Material on the Premises for which City is legally liable shall be borne by City.

12.1.3. "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: (1) 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); (2) 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.); (3) 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.); (4) 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.); (5) petroleum; (6) asbestos; (7) 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.); (8) 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.); (9) 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.); (10) 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 (11) 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.), as such laws may be amended from time to time, and the regulations adopted and publications promulgated pursuant to such laws.

12.1.4. Disposal of Hazardous Material. If LANLT or its tenants and/or subtenants, dispose of any soil, material, chemicals, fluids, or groundwater contaminated with hazardous material, LANLT shall provide City copies of all permits, certificates, and records relating to such disposal, 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 LANLT's occupation of the Premises or is caused by the activities of City or its officers, employees, contractors, agents or invitees, City shall not appear on any manifest document as a generator of such material disposed of by LANLT.

12.1.5. Hazardous Material Tests. Any tests required of LANLT by this Article shall be performed by a State of California Department of Health Services certified testing laboratory satisfactory to City. By signing this Lease, LANLT 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 "LANLT" includes agents, employees, contractors, subcontractors, and/or invitees of LANLT.

12.1.6. 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. LANLT 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 13. DEFAULT, CANCELLATION AND TERMINATION

13.1 **Events Of Default**. The following occurrences are "Events of Default":

13.1.1. Breach Of Lease. LANLT materially breaches or fails in the performance of any of the provisions or conditions of this Lease, including without limitation, failure to maintain required insurance coverages, and failure to perform or comply with any of the other agreement, terms, covenants or conditions hereof on LANLT's part to be performed or complied with, including without limitation, its obligation to maintain and operate the premises in accordance with Article 9 hereof or Exhibit B, Security Plan and Maintenance Standards and its obligation to use the Premises for the purposes stated in Section 5.1, **and its obligation to comply with the provisions of Article 18 (Ordinance Mandated Provisions)**, or should LANLT cease to operate or exist or maintain its nonprofit corporate status; or

13.1.2. Failure To Conform To Laws. LANLT fails to conform to statutes and regulations of the United States, State of California, the County of Los Angeles, or the City of Los Angeles, and any other applicable law, or the deed by which the City holds the Premises; or

13.1.3. Attempted Transfer. LANLT participates in any transfer or attempted transfer of this Lease which is not expressly permitted under the terms of this Lease; or

13.1.4. Incapacity To Perform. LANLT becomes unable through corporate or personal incapacity to fulfill its obligations under this Lease; or

13.2. **Default - City's Remedies.** If any one or more Events of Default set forth in Section 13.1 occurs, then City may, at its election, without any further notice to or authorization from LANLT, and without waiving its rights at any time to select any other remedy provided in this Section, elsewhere in this Lease, or under law, do any one of the following:

13.2.1. **Termination and Substitution of Successor.** City may give LANLT written notice of such Event of Default. If LANLT does not cure said default within thirty days after notice (or forthwith for a default involving sanitary or safety conditions and maintaining insurance required under this Lease or such longer period as is reasonably necessary to remedy such default, provided that LANLT shall continuously and diligently pursue such remedy at all times until such default is cured), City may, upon delivering written notice to LANLT, terminate this Lease and enter into a new lease on substantially the same terms as this Lease, with a nonprofit, with suitable experience and mission, to occupy the lessee position, so as to ensure the ability to enforce the maintenance standards and other provisions of the Lease. Should said termination be ordered, LANLT will peaceably surrender and vacate the Premises and will comply with all of the requirements of this Lease with regard to termination;

13.2.2. **Specific Performance.** Either party may compel the specific performance under this Lease which may be due that party;

13.2.3. **Remedies Exclusive.** The specified remedies of Termination and Substitution of Successor and Specific Performance are exclusive of any other remedies afforded by law.

13.3. **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 LANLT of any breach by the other of any covenant, condition or obligation herein contained or failure by either City or LANLT 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 LANLT in respect of any such subsequent breach.

13.4. **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 LANLT, and if City does not commence to cure said default within sixty (60) days of receipt of said notice, LANLT may immediately terminate this Lease or obtain specific performance, the sixty (60) day period does not apply and LANLT may immediately obtain specific performance.

ARTICLE 14. SURRENDER OF PREMISES

14.1. **Surrender Of Premises.** Upon termination of this Lease for any reason whatsoever, LANLT shall quit and surrender possession to City the Premises in good and usable condition, reasonable wear and tear and damage by fire or other casualty excepted.

14.2. **Failure To Surrender.** If LANLT fails to surrender the Premises, together with the improvements thereon, upon the termination of this Lease, LANLT 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 a consent to any occupancy or possession of any portion of the Premises and the improvements thereon by LANLT beyond the expiration of the Term or the earlier termination of this Lease.

14.3. **Uninterrupted Service.** To avoid interrupted service to the public upon the expiration or termination of this Lease for any reason, LANLT, at the General Manager's sole discretion, will either: 1) continue to conduct operations authorized hereunder for a reasonable time to allow General Manager to select a successor; or 2) consent to the use of LANLT's improvements and personal property by a temporary operator designated by General Manager, used in the operations authorized hereunder upon fair terms and conditions.

ARTICLE 15. ASSIGNMENT AND BANKRUPTCY

15.1. **Assignment And Subletting.** LANLT shall not sublet the Premises or any part thereof or allow the same to be used or occupied by any other person, group or organization for any other use than that herein specified, nor assign this Lease, in whole or in part, nor transfer, assign or in any manner convey any of the rights or privileges herein granted to any other entity without the prior written approval of City, which approval shall not be unreasonably withheld. Short term and occasional use of the Premises for other activities such as location filming, special events, and projects with artists or other non-profit or governmental agencies shall not be considered as assignments or subletting and LANLT may allow such use without the need for the prior consent of City (however, net income, if any, from such activities is subject to the provisions of Section 5.4). The issuance of revocable permits or short-term licenses to use portions of the Premises for community garden or related purposes shall not be considered assignment and subletting. Upon prior approval of the form of permit or license by the City, LANLT may allow such use without the need for further prior approval by the City of the issuance of such permits or licenses.

15.2. **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 LANLT 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 by a nonprofit entity.

ARTICLE 16. CONDEMNATION

16.2. **Eminent Domain.** Should the Property be taken for public use under the power of eminent domain or by negotiated sale and purchase in lieu thereof, LANLT shall not be entitled to any portion of the award in condemnation or price for the land which is the subject of this Lease, and the entire award or price shall belong to City. This Lease shall immediately terminate upon acquisition of said property for public use. If a portion only of the Property is taken and the remainder is suitable for continued use under the provisions of this Lease, the Lease shall not

terminate but the entire award including severance damages to land and improvements shall belong to City except such funds as are needed and actually used to repair, reconstruct or to "cure" any such damages.

ARTICLE 17. NOTICES

17.1. **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, 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 17.2 below. In the event City is unable to give notice to LANLT at the address(es) provided to City by LANLT, notice shall be deemed effective when addressed to LANLT at the Premises. Either party may from time to time designate another person or place in a notice.

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

To City:

City of Los Angeles
Board of Recreation and Park Commissioners
221 North Figueroa Street, Suite 300
Los Angeles, California 90012

Telephone: (213) 202-2640
Fax: (213) 202-2610

with a copy of any notice to

General Manager
Department of Recreation and Parks
221 North Figueroa Street, Suite 350
Los Angeles, California 90012

Telephone: (213) 202-2633
Fax: (213) 202-2614

City of Los Angeles
Real Estate Unit
221 North Figueroa Street, Suite 400
Los Angeles, California 90012

and with another copy of any notice to

Office of the City Attorney
Real Property/Environment Division
200 North Main Street, CHE Room 800
Los Angeles, California 90012

Telephone: (213) 978-8237
Fax: (213) 978-2614

To LANLT:

Los Angeles Neighborhood Land Trust
Tori Kjer Executive Director
1689 Beverly Boulevard
Los Angeles, California 90026

Telephone: (213) 572-0188

ARTICLE 18. ORDINANCE MANDATED PROVISIONS

18.1. **Child Support Assignment Orders.** This Lease is subject to Section 10.10, Article 1, Chapter 1, Division 10 of the Los Angeles Administrative Code related to Child Support Assignment Orders. Pursuant to this Section, LANLT (and any subcontractor of LANLT providing services to City under this Lease) shall (1) fully comply with all State and Federal employment reporting requirements for LANLT's or LANLT's subcontractor's employees applicable to Child Support Assignment Orders; (2) certify that the principal owner(s) of LANLT and applicable subcontractors are in compliance with any Wage and Earnings Assignment Orders and Notices of Assignment applicable to them personally; (3) fully comply with all lawfully served Wage and Earnings Assignment Orders and Notices of Assignment in accordance with California Family Code section 5230, et seq.; and (4) maintain such compliance throughout the Term of this Lease. Pursuant to Section 10.10.b of the Los Angeles Administrative Code, failure of LANLT or an applicable subcontractor to comply with all applicable reporting requirements or to implement

lawfully served Wage and Earnings Assignment Orders and Notices of Assignment or the failure of any principal owner(s) of LANLT or applicable subcontractors to comply with any Wage and Earnings Assignment Orders and Notices of Assignment applicable to them personally shall constitute a default of this Lease.

18.2. **Service Contract Worker Retention Ordinance.** This Lease is subject to the Service Contract Worker Retention Ordinance ("SCWRO") (Section 10.36, et seq, of the Los Angeles Administrative Code). The SCWRO requires that, unless specific exemptions apply, all employers (as defined) under contracts that are primarily for the furnishing of services to or for the City of Los Angeles and that involve an expenditure or receipt in excess of \$25,000 and a contract term of at least three (3) months shall provide retention by a successor contractor for a ninety-day (90-day) transition period of the employees who have been employed for the preceding twelve (12) months or more by the terminated contractor or subcontractor, if any, as provided for in the SCWRO. Under the provisions of Section 10.36.3(c) of the Los Angeles Administrative Code, City has the authority, under appropriate circumstances, to terminate this Lease and otherwise pursue legal remedies that may be available if City determines that the subject contractor violated the provisions of the SCWRO.

18.3. **Living Wage Ordinance.**

18.3.1. **General Provisions: Living Wage Policy.** This Lease is subject to the Living Wage Ordinance ("LWO") (Section 10.37, et seq, of the Los Angeles Administrative Code). The LWO requires that, unless specific exemptions apply, any employees of tenants or licensees of City property who render services on the leased or licensed premises are covered by the LWO if any of the following applies: (1) the services are rendered on premises at least a portion of which are visited by substantial numbers of the public on a frequent basis, (2) any of the services could feasibly be performed by City of Los Angeles employees if the awarding authority had the requisite financial and staffing resources, or (3) the designated administrative agency of the City of Los Angeles has determined in writing that coverage would further the proprietary interests of the City of Los Angeles. Employees covered by the LWO are required to be paid not less than a minimum initial wage rate, as adjusted each year (July 1, 2004, levels: \$8.78 per hour with health benefits of at least \$1.25 per hour or otherwise \$10.03 per hour). The LWO also requires that employees be provided with at least twelve (12) compensated days off per year for sick leave, vacation, or personal necessity at the employee's request, and at least ten (10) additional days per year of uncompensated time pursuant to Section 10.37.2(b). The LWO requires employers to inform employees making less than twelve dollars (\$12) per hour of their possible right to the federal Earned Income Tax Credit ("EITC") and to make available the forms required to secure advance EITC payments from the employer pursuant to Section 10.37.4. LANLT shall permit access to work sites for authorized City representatives to review the operation, payroll, and related documents, and to provide certified copies of the relevant records upon request by the City. Whether or not subject to the LWO, LANLT shall not retaliate against any employee claiming non-compliance with the provisions of the LWO, and, in addition, pursuant to section 10.37.6(c), LANLT agrees to comply with federal law prohibiting retaliation for union organizing.

18.3.2. Living Wage Coverage Determination. The Board of Recreation and Parks Commissioners and the Office of the City Administrative Officer have made an initial determination as to whether this Lease is a proprietary lease or a proprietary license under the LWO, and, if so, whether it is exempt from coverage by the LWO. If the determination has been made that the LWO is applicable to LANLT with respect to this Lease, a Declaration of Compliance, must be executed by LANLT prior to or contemporaneously with this Lease. Determinations as to whether this Lease is a proprietary lease or license covered by the LWO, or whether an employer or employee are exempt from coverage under the LWO are not final, but are subject to review and revision as additional facts are examined and/or other interpretations of the law are considered. In some circumstances, applications for exemption must be renewed periodically (e.g., every two (2) years for proprietary lessees or licenses claiming exemption due to annual gross revenues of less than \$200,000 and with less than seven (7) employees (section 10.37.1(l)). City shall notify LANLT in writing about any redetermination by City of coverage or exemption status. To the extent LANLT claims non-coverage or exemption from the provisions of the LWO, the burden shall be on LANLT to prove such non-coverage or exemption.

18.3.3. Termination Provisions And Other Remedies: Living Wage Policy. Under the provisions of Section 10.37.6(c) of the Los Angeles Administrative Code, violation of the LWO shall constitute a material breach of this Lease.

18.4. Non-Discrimination. There shall be no discrimination against or segregation of any person, or group of persons, on account of race, religion, national origin, ancestry, sex, sexual orientation, age, physical handicap, marital status, or medical condition in the lease, sublease, transfer, use, occupancy, tenure, or enjoyment of the Premises or any part of the Premises or any operations or activities conducted on the Premises or any part of the Premises, nor shall LANLT or any person claiming under or through LANLT establish or permit any such practice or practices of discrimination or segregation with reference to the selection, location, number, use of occupancy of tenants, subtenants, or vendees of the Premises. Any sublease or assignment which may be permitted under this Lease shall also be subject to the non-discrimination clauses contained in this Section 18.4.

18.4.1 Non-Discrimination In Employment. During the Term of this Lease LANLT agrees not to discriminate against any employee or applicant for employment because of race, religion, national origin, ancestry, sex, sexual orientation, age, physical handicap, marital status or medical condition. LANLT shall take affirmative action to insure that applicants for employment are treated during the Term of this Lease without regard to the aforementioned factors and shall comply with the affirmative action requirements of the Los Angeles Administrative Code sections 10.8, et seq., or any successor ordinances or law concerned with discrimination.

18.5. **Contractor Responsibility Ordinance.**

18.5.1. **General Provisions; Contractor Responsibility Policy.** This Lease is subject to the **Contractor Responsibility Ordinance** ("CRO") (Section 10.40, et seq, of the Los Angeles Administrative Code "LAAC") and the rules and regulations promulgated pursuant thereto as they may be updated. The CRO requires that, unless specific exemptions apply as specified in LAAC 10.37.1(l)(b) or LAAC 10.40.4, lessees or licensees of City property who render services on the leased or licensed premises are covered by the CRO if any of the following applies: (1) the services are rendered on premises at least a portion of which are visited by substantial numbers of the public on a frequent basis, (2) any of the services could feasibly be performed by City employees if the awarding authority had the requisite financial and staffing resources, or (3) designated administrative agency of the City has determined in writing that coverage would further the proprietary interests of the City. Lessees or licensees of City property who are not exempt pursuant to LAAC 10.40.4 (a) or (b), unless subject to the CRO solely due to an amendment to an existing lease or license, are required to have completed a questionnaire ("Questionnaire") signed under penalty of perjury designed to assist the City in determination that the lessee or licensee is one that has the necessary quality, fitness and capacity to perform the work set forth in the contract. All lessees or licensees of City property who are covered by the CRO, including those subject to the CRO due to an amendment, are required to complete the following Pledge of Compliance ("POC"):

(1) comply with all applicable federal state, and local laws and regulations in the performance of the contract, including but not limited to laws regarding health and safety, labor and employment, wage and hour, and licensing laws which affect employees;

(2) notify the awarding authority within thirty (30) calendar days after receiving notification that any government agency has initiated an investigation that may result in a finding that the lessee or licensee did not comply with subparagraph (1) above in the performance of the lease or license;

(3) notify the awarding authority within thirty (30) calendar days of all findings by a government agency or court of competent jurisdiction that the lessee or licensee has violated subparagraph (1) above in the performance of the lease or license;

(4) ensure within thirty (30) days (or such shorter time as may be required by the awarding authority) that subcontractors working on the lease or license submit a POC to the awarding authority signed under penalty of perjury; and

(5) ensure that subcontractors working on the lease or license abide by the requirements of the POC and the requirement to notify the awarding authority within thirty (30) calendar days that any government agency or court of competent jurisdiction has initiated an investigation or has found that the subcontractor has violated subparagraph (1) above in the performance of the lease or license.

LANLT shall ensure that its subcontractors meet the criteria for responsibility set forth in the CRO and any rules and regulations promulgated thereto. LANLT may

not use any subcontractor that has been determined or found to be a non-responsible contractor by City. Subject to approval by the awarding authority, LANLT may substitute a non-responsible subcontractor with another subcontractor with no change in the consideration for this Lease. LANLT shall submit to City a Pledge of Compliance, for each subcontractor listed by the LANLT in its Questionnaire, as performing work on this Lease within thirty (30) calendar days of execution of this Lease, unless the Department of General Services requires in its discretion the submission of a Pledge of Compliance within a shorter time period. The signature of LANLT shall constitute a declaration under penalty of perjury that LANLT shall comply with the POC.

18.5.2. Update of Information. LANLT shall:

(1) notify the awarding authority within thirty (30) calendar days after receiving notification that any governmental agency has initiated an investigation that may result in a finding that LANLT did not comply with any applicable federal, state, or local law in the performance of this Lease, including but not limited to laws regarding health and safety, labor and employment, wage and hour, and licensing laws which affect employees;

(2) notify the awarding authority within thirty (30) calendar days of receiving notice of any findings by a government agency or court of competent jurisdiction that LANLT violated any applicable federal, state, or local law in the performance of this Lease, including but not limited to laws regarding health and safety, labor and employment, wage and hour, and licensing laws which affect employees; and

(3) notify the awarding authority within thirty (30) calendar days of becoming aware of any information regarding its subcontractors and investigations or findings regarding the subcontractor's violations of any applicable federal, state, or local law in the performance of this Lease, including but not limited to laws regarding health and safety, labor and employment, wage and hour, and licensing laws which affect employees.

Updates of information contained in LANLT's responses to the Questionnaire must be submitted to the awarding authority within thirty (30) days of any changes to the responses if the change would affect LANLT's fitness and ability to continue performing this Lease. Notwithstanding the above, LANLT shall not be required to provide updates to the Questionnaire if LANLT became subject to the CRO solely because of an amendment to the original lease or license. LANLT shall cooperate in any investigation pursuant to CRO by providing such information as shall be requested by City. LANLT agrees that City may keep the identity of any complainant confidential. LANLT shall ensure that subcontractors who perform work on this Lease abide by these same updating requirements including the requirement to:

(1) notify the awarding authority within thirty (30) calendar days after receiving notification that any government agency has initiated an investigation which may result in a finding that the subcontractor did not comply with any applicable federal, state, or local law in the performance of this Lease, including but not limited to laws regarding health and safety, labor and employment, wage and hour, and licensing laws which affect employees; and

(2) notify the awarding authority within thirty (30) calendar days of all findings by a government agency or court of competent jurisdiction that the subcontractor violated any applicable federal, state, or local law in the performance of this Lease, including but not limited to laws regarding health and safety, labor and employment, wage and hour, and licensing laws which affect employees.

18.5.3. Compliance; Termination Provisions and Other Remedies. If LANLT is not initially exempt from the CRO, LANLT shall comply with all of the provisions of the CRO and this Lease. If LANLT is initially exempt from the CRO, but later no longer qualifies for such exemption, LANLT shall, at such time LANLT is no longer exempt, comply with the provisions of the CRO and this Lease. Failure to comply with the provisions of the CRO, including without limitation the requirements that all responses to the Questionnaire are complete and accurate, to provide updates as provided therein and to correct any deficiencies within ten (10) days of notice by City, or failure to comply with the provisions of this Lease shall constitute a material breach of this Lease.

18.6. Slavery Disclosure Ordinance. This Lease is subject to the applicable provisions of the Slavery Disclosure Ordinance. ("SDO") (Section 10.41, et seq, of the Los Angeles Administrative Code). Unless otherwise exempt in accordance with the provision of this Ordinance, Landlord certifies that it has complied with the applicable provisions of the Ordinance. Under the provisions of Section 10.41.2(b) of the Los Angeles Administrative Code, City has the authority, under appropriate circumstances, to terminate this Lease and otherwise pursue legal remedies that may be available to City if City determines that the Landlord failed to fully and accurately complete the SDO affidavit or otherwise violated any provision of the SDO.

18.7. Equal Benefits Provisions. This Lease is subject to Section 10.8.2.1, Article 1, Chapter 1, Division 10 of the Los Angeles Administrative Code ("Equal Benefits Provisions") related to equal benefits to employees. LANLT agrees to comply with the provisions of Section 10.8.2.1. By way of specification but not limitation, pursuant to Section 10.8.2.1.c of the Los Angeles Administrative Code, the failure of LANLT to comply with the Equal Employment Practices provisions of this Lease may be deemed to be a material breach of this Lease. 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 LANLT. Upon a finding duly made that LANLT has failed to comply with the Equal Employment Practices provisions of this Lease, this Lease may be forthwith terminated.

18.8. **Tax Registration Certificates And Tax Payments.** This Section is applicable where LANLT is engaged in business within the City of Los Angeles and LANLT is required to obtain a Tax Registration Certificate ("TRC") pursuant to one or more of the following articles (collectively "Tax Ordinances") of Chapter II of the Los Angeles Municipal Code: Article 1 (Business Tax Ordinance) [section 21.00, et seq.], Article 1.3 (Commercial Tenant's Occupancy Tax) [section 21.3.1, et seq.], Article 1.7 (Transient Occupancy Tax) [section 21.7.1, et seq.], Article 1.11 (Payroll Expense Tax) [section 21.11.1, et seq.], or Article 1.15 (Parking Occupancy Tax) [section 21.15.1, et seq.]. Prior to the execution of this Lease, or the effective date of any extension of the Term or renewal of this Lease, LANLT shall provide to the Department of General Services proof satisfactory to the General Manager of the Department of General Services that LANLT has the required TRCs and that LANLT is not then currently delinquent in any tax payment required under the Tax Ordinances. City may terminate this Lease upon thirty (30) days' prior written notice to LANLT if City determines that LANLT failed to have the required TRCs or was delinquent in any tax payments required under the Tax Ordinances at the time of entering into, extending the Term of, or renewing this Lease. City may also terminate this Lease upon ninety (90) days prior written notice to LANLT at any time during the Term of this Lease if LANLT fails to maintain required TRCs or becomes delinquent in tax payments required under the Tax Ordinances and LANLT fails to cure such deficiencies within the ninety (90) day period (in lieu of any time for cure provided in Section 15).

ARTICLE 19. MISCELLANEOUS PROVISIONS

19.1. **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 LANLT.

19.2. **Binding Effect.** Subject to the provisions of this Lease relative to assignment (Article 15), 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.

19.3. **Captions, Table Of Contents, And Index.** The captions, table of contents, and index 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.

19.4. **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.

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

19.6. **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.

19.7. **Exhibits - In Lease.** All exhibits referred to are attached to this Lease and incorporated by reference.

19.8. **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, non-availability of materials, war or national defense preemptions, governmental restrictions, acts of God or other similar causes beyond the reasonable control of the nonperforming party; 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.

19.9. **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 LANLT, limited liability companies, partnerships or other legal entities when the context so requires.

19.10. **Memorandum Of Lease.** A Memorandum of Lease, substantially in the form as that attached to this Lease as Exhibit F, shall be completed and executed by both parties concurrently with the execution of this Lease. City shall record such Memorandum of Lease at its sole cost and expense immediately after the recordation of the deed conveying title to the Premises to the City in accordance with that certain Purchase Agreement for the Premises dated even date herewith.

19.11. **Integration.** 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.

19.12. **No Relocation Assistance.** LANLT 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.

19.13. **Possessory Interest Tax.** By executing this Lease and accepting the benefits thereof, LANLT may be creating a property interest known as "possessory interest" which may be subject to property taxation. LANLT, 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. LANLT acknowledges that the notice required under California Revenue and Taxation Code section 107.6 has been provided.

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

19.15. **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.

19.16. **Sole Discretion.** Except as otherwise expressly provided herein, all approvals, elections, consents, agreements, determinations, options and actions of City required pursuant to this Lease shall be granted in City's sole and absolute discretion. The parties expressly agree that City or 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 without or without reason, and neither LANLT 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.

19.17. **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."

[Signatures on following 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 the LOS ANGELES NEIGHBORHOOD LAND TRUST, a California nonprofit public benefit corporation, Tenant herein, have caused this Lease to be executed as of the date of the attestation by the City Clerk.

Executed this _____ day
of _____, 20__

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

By signing below, the signatory attest that
They have no personal, financial, beneficial,
Or familial interest in this Agreement.

By _____
PRESIDENT

By _____
SECRETARY

Executed this _____ day
of _____, 20__

LOS ANGELES NEIGHBORHOOD LAND TRUST, a California nonprofit public benefit corporation

By _____
Tori Kjer, Executive Director

Approved as to Form:

Date: _____
HYDEE FELDSTEIN SOTO
City Attorney

By _____
ANNETTE R. BOGNA
Deputy City Attorney

ATTEST:
Date: _____
HOLLY L. WOLCOTT
Acting City Clerk

By _____
DEPUTY CITY CLERK

Council File Number: 12-1902 Date of Approval: _____
Said Agreement is Number _____ of City Contracts

EXHIBIT A: LEGAL DESCRIPTION

THOSE PORTION OF LOTS 2 THROUGH 7 OF THE BLOCK "C" OF THE STRONG AND DICKINSON'S ASCOT SOUTH PARK TRACT, IN THE CITY OF LOS ANGELES, COUNTY OF LOS ANGELES, STATE OF CALIFORNIA, AS PER MAP RECORDED IN BOOK 9 PAGE 1 OF MAPS, IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY, TOGETHER WITH THAT PORTION ON THE ALLEY BOUNDED BY LOTS 4, 5, 5 AND THE RIGHT OF WAY LINES OF GAGE AVENUE, ALSO TOGETHER WITH THAT CERTAIN STRIP OF LAND INSIDE THE RIGHT OF WAY OF GAGE AVENUE PARALLEL WITH AND DISTANT 26 FEET NORTHERLY AND MEASURED AT THE RIGHT ANGLE FROM THE NORTHERLY LINE OF SAID LOTS 5 AND 6, OF THE ABOVE MENTIONED TRACT, MORE PARTICULARLY DESCRIBED AS FOLLOWS:

BEGINNING AT THE INTERSECTION OF A LINE PARALLEL WITH AND DISTANT 15 FEET WESTERLY MEASURED AT THE RIGHT ANGLE FROM THE EASTERLY LINE OF SAID LOTS 2, 3, 4 AND 5, OF SAID TRACT AND ITS NORTHERLY MEASURED AT RIGHT ANGLE FROM THE NORTHERLY LINE OF SAID LOT 5; THENCE EASTERLY ALONG SAID LAST MENTIONED PARALLEL LINE 2 FEET TO THE BEGINNING OF A TANGENT CURVE CONCAVE TO THE SOUTHWEST, HAVING A RADIUS OF 10 FEET AND BEING TANGENT MEASURED AT THE RIGHT ANGLES FROM SAID EASTERLY LINE AND ITS NORTHERLY PROLONGATION; THENCE SOUTHEASTERLY ALONG SAID CURVE TO SAID POINT OF ENDING IN SAID LAST MENTIONED PARALLEL LINE; THENCE SOUTHERLY ALONG SAID LAST MENTIONED PARALLEL LINE 87.77 FEET TO A BEGINNING OF A TANGENT CURVE; THENCE SOUTHWESTERLY ALONG A TANGENT CURVE CONCAVING TO THE NORTHEAST AND HAVING A RADIUS OF 15 FEET, THROUGH A CENTRAL ANGLE OF $113^{\circ}13'52''$ AN ARCH DISTANCE OF 28.64 FEET; THENCE NORTHWESTERLY ALONG COMPOUND CURVE CONCAVE TO THE NORTHEAST AND HAVING A RADIUS OF 406 FEET, THROUGH A CENTRAL ANGLE OF $6^{\circ}56'15''$ AN ARC DISTANCE OF 49.16 FEET; THENCE NORTHWESTERLY ALONG A TANGENT CURVE CONCAVE TO THE SOUTHWEST AND HAVING A RADIUS OF 556.38 FEET, THROUGH A CENTRAL ANGLE OF $10^{\circ}44'28''$ AND ARC DISTANCE OF 104.30 FEET TO A POINT OF INTERSECTION WITH A LINE PARALLEL WITH AND DISTANT 26 FEET NORTHERLY MEASURED AT THE RIGHT ANGLE FROM THE NORTHERLY LINE OF SAID LOTS 5 AND 6; THENCE EASTERLY ALONG SAID PARALLEL LINE A DISTANCE OF 223.50 FEET MORE OR LESS TO THE POINT OF BEGINNING

THIS DESCRIPTION IS NOT TO BE USED FOR INSURANCE PURPOSES NOR IS IT TO BE USED FOR THE PURPOSE OF SALE, LEASE OR FINANCING THAT MAY BE A VIOLATION OF THE STATE MAPS ACT OR LOCAL ORDINANCES. SAID LEGAL DESCRIPTION WILL HAVE TO BE RE-WRITTEN BASED ON ACTUAL LAND SURVEY AND MATHEMATICAL CLOSURE OR/AND APPROVED BY THE LICENSED LAND SURVEYOR:

EXHIBIT B: SECURITY PLAN AND MAINTENANCE STANDARDS

SECURITY:

City may require the Park to be encircled by a gated perimeter fence which shall be closed and locked during the hours the Park is closed (sunset to sunrise). Signage with emergency telephone numbers shall be posted.

MAINTENANCE SERVICES:

- A. Scope of Work: Furnish all supervision, labor, material, equipment and transportation required to maintain the Park in a first-class condition pursuant to the standards provided in this Exhibit B, "Maintenance Standards & Security Plan". All work and/or workers shall comply with applicable state, Federal, and local laws. LANLT shall be responsible for all Maintenance and Operations Costs including Tree Maintenance and brush clearance. "Any tree work required must be approved first and said work is to be under the supervision of RAP Forestry Div." Maintenance shall include the following:

1. Landscape planting and irrigation system.
2. Pavement cleaning and repair.
3. Trash pick-up.
4. Site lighting.
5. Site furnishing
6. Tree Maintenance
7. Brush Clearance

- B. Work Force: Workers are to be personably presentable at all times.

- C. Materials: All materials used shall be of the highest quality and shall be compatible with the materials used to construct the Park. The County Agricultural Commissioner's Office must be given a list of the control chemicals used. Any maintenance contractor shall also provide records and copies of all fertilizers, herbicides, insecticides, fungicides, and other materials, applied to the Park premises. Records shall indicate dates, amount applied and person making the application. All waste products must be disposed legally offsite.

- D. General Tree and Shrub Care: Maintain trees, vines and shrubs in a healthy growing condition by performing all necessary operations, including the following:

1. Watering:

Plants should not be watered until a moisture check has been made of representative plants in the landscape. Use of a probe or other tool to check the moisture in the root ball as well as the soil surrounding the root ball. Maintain a large enough water basin around plants so that enough water can be applied to establish moisture through the major root zone. In the rainy season, open basins to allow surface drainage away from the root crown where excess water may accumulate. Use mulches to reduce evaporation and frequency of watering. Plants in terra cotta planters, if any, shall be hand irrigated.

2. Pruning Trees:

- a. All pruning of trees shall be performed under supervision of a certified arborist. Pruning standards shall conform to ISA standards which are specified in the Department of Recreation and Parks Urban Forest Program. Prune trees to select and develop permanent scaffold branches that are smaller in diameter than the trunk or branch to which they are attached, which have vertical spacing of from 18 to 48 inches and radial orientation so as to not overlay one another; to eliminate diseased or damaged growth; to eliminate narrow, V-shaped branch forks that lack strength; to reduce toppling and wind damage by thinning out crowns; to maintain growth within space limitations; to maintain a natural appearance; to balance crown with roots.
- b. Under no circumstances should stripping of lower branches (raising up) of young trees be permitted. Lower branches shall be retained in a "tipped back" or pinched condition with as much foliage as possible to promote caliper trunk growth [tapered trunk]. Lower branches can be cut flush with the trunk only after the tree is able to stand erect without staking or other support.
- c. Evergreen trees shall be thinned out and shaped when necessary to prevent wind and storm damage.
- d. The primary pruning of deciduous trees shall be done during the dormant season.
- e. Damaged trees or those that constitute health or safety hazards shall be pruned at any time of the year as required. All pruning cuts shall be made to lateral branches or buds or flush with the trunk. "Stubbing" will not be allowed. Use of tree seal procedure should follow RAP Forestry Division recommendation.

3. Pruning Shrubs and Vines:

The objectives of shrub and vine pruning are the same as for the trees. Shrubs or vines shall be trimmed or clipped as needed to maintain a desirable shape.

4. Trees, vines and shrubs should be checked for possible pruning a minimum of once per month. All waste products must be legally disposed off site.

5. Staking and Guying:

When trees attain a trunk caliper of 4" consider removal of existing stakes and guys. If unstable at this time, replacement should be considered. Stakes and guys are to be inspected at least twice per year to prevent girdling of trunks or branches, and to prevent rubbing that causes bark wounds. Eye-screws in specimen tree trunks are preferred to protective looped wire and hose.

6. Weed Control:

Keep basins and areas between plants free of weeds. This will reduce damage to tree trunks and roots by machinery and by excess water. Use recommended, legally approved herbicides wherever possible to control growth in this open area. Avoid frequent soil cultivation that destroys shallow roots and breaks the seal of pre-emergent herbicides. Great care must be employed when using systematic herbicides not to damage plantings. Any plantings destroyed must be replaced with material of the same specific type and size as the dead plantings within a four-week period or when (seasonally) recommended by accepted horticultural methods and practices. Weeds with spreading underground rootstocks, must be hand dug to remove all invading roots. All waste products must be legally disposed off site.

7. Fertilization and Spraying:

- a. Apply fertilizer for shrubs and ground cover with no less than 18-8-4 two times yearly between early Spring and early Fall at rate of 10 lbs. per 1,000 square feet Lawns shall be fertilized every 90 days at rate of 8 lbs per 1,000 square feet with 16-6-8 or approved equivalent. Slow-release materials may also be used per manufacturer's specifications if a good, healthy vigorous growth and good color are maintained.
- b. Apply insecticides as needed to protect all plant materials from damage, including slug and snail control.
- c. Apply the proper fungicide, herbicide and pesticides for the control of pests, weeds and plant diseases. Also treat cuts and breaks on exposed surfaces of trees.
- d. Chemicals and insecticides used shall conform to City standards.

E. Ground Cover Care:

1. Control weeds with pre-emergent weed herbicides and hand weeding. Do not damage plantings.
2. Apply four pounds of actual nitrogen per 1000 square foot per year in two to four applications during the first year of a new planting or if ground cover is nitrogen starved. One application should be in early Spring when growth begins. Reduce to three pounds actual nitrogen in following years or as needed to maintain vigorous growth and good color. Complete fertilizers are not desired unless soil test shows specific nutrient deficiencies.
3. Water enough that moisture penetrates throughout root zone, and only as frequently as necessary to maintain healthy growth.
4. A cleared circle 18 inches to 24 inches in diameter should be maintained at the base of trees to reduce competition for nutrients by ground cover. A cleared strip 12 inches to 18 inches in width should be maintained at base of the palms.

5. Edge ground cover to keep in bounds and trim tip growth as necessary to achieve an overall even appearance. Great care should be taken not to damage adjacent plantings when mowing. Debris generated must be legally disposed off site.
6. Control rodents, insects and diseases as necessary, using legally approved materials.
7. Replace dead and missing plants. Plantings should be replaced with a time period of four weeks. All materials shall be of the same specific types and sizes as the ones destroyed. All dead plants shall be legally disposed of off-site.

F. Lawn Care:

1. The lawns will be kept weed free at all times.
2. Mowing and edging: Mow, edge and trim lawns weekly or as required to maintain an even, well-groomed appearance.
3. Renovation: Renovate lawns by verticuting and serating as required.
4. Excessive lawn clippings shall not be left on grass and shall be legally disposed of off-site.

G. Vine Care:

1. Pruning
 - a. Vines and espalier plants shall be checked and re-tied as required.
 - b. Do not use nails to secure vines.
 - c. Prune all vines on an annual basis using accepted horticultural practices.
 - d. Vines shall be pruned and maintained so as not to obstruct fixtures, signs, windows, etc.
2. Fertilize all vines with 1/4 lb. of 10-10-5, a minimum of two times per year.
3. Water as necessary to provide optimum growth.

H. Irrigation Systems:

1. Check and adjust sprinkle valves and heads as necessary.
2. Program or reprogram irrigation controller as necessary.
3. The irrigation system (if any) shall be kept in good working order and condition at all times. Any damages to the system caused by any contractor's operation shall be repaired without charge by that contractor. Repairs shall be made within one watering period.
4. Faulty electrical controllers should be replaced as soon as possible.

5. In late Winter, all systems should be checked for proper operations. Lateral lines shall be flushed out after removing the last sprinkler head or two at each end of the lateral. All heads are to be adjusted as necessary for unimpeded covered.
6. Set and program automatic controllers for seasonal water requirements. Watering schedule shall be arranged so as not to interfere with the public's use of the Park.
7. An accurate up-to-date log must be maintained of all irrigation repairs, starting date of repairs, specific location, and nature of repair.

I. Paving:

1. Keep all paved areas free from foreign matter, wastes and trash on a daily basis.
2. All paved areas should be cleaned of debris caused by maintenance operations or silting.
3. All plant growth should be prevented in cracks in walks or along paved areas within limits of service area.
4. Drains: All subsurface drains should be periodically flushed with clean water to avoid building of silt and debris. Keep all inlets to subsurface drains clear of leaves, paper, and other debris to ensure unimpeded passage of water.
5. Patch, repair or replace damaged paving as necessary to keep the area safe and suitable for children at play.
6. No blowers are allowed.

J. Trash Pick-up:

1. Pick-up litter throughout the park and empty trash containers at least once a day. Trash shall be legally disposed of off-site.

K. Site Lighting:

1. Maintain site lighting.
2. Replace lamps as necessary.
3. Repair and replace damaged poles and luminaries.

L. Site Furnishing:

1. Clean and wipe benches as often as necessary to keep clean and tidy, but no less than once a week. Maintain all site furnishings including but not limited to drinking fountains, play equipment, seating, bollards, pergolas, gateways, trash containers in a clean condition.

M. Debris Removal:

1. All debris accumulated as a result of maintenance operations should be removed from the site.
2. All leaves, branches, paper and litter shall be removed from the premises on a daily basis.

N. Graffiti Removal and Vandalism: All graffiti shall be removed from the Park within forty-eight (48) hours. Subject to applicable Lease provisions, vandalism shall be repaired as quickly as is practicable.

O. Corrective Action:

1. Weed control - Corrective actions shall be made within five working days of receipt by the maintenance supervisor of such complaint.
2. Plant Material Pruning - Within the limitations of these specifications, corrective action on complaints shall be made within five working days of receipt by the maintenance contractor of such complaint.
3. Plant Material Replacement - Dead and missing plants shall be promptly replaced. Damages due to any contractor's negligence shall be made without charge. Wherever possible planting should be replaced within a time period of no more than two weeks. All materials shall be of the same specific types and, where reasonably feasible, sizes as the ones destroyed.

P. Other Equipment: Unless otherwise set forth herein, other park equipment shall be maintained in accordance with manufacturers' warranties, manuals, and product specifications.

Q. Licenses, Taxes and Bonds: Any landscaping contractor must have a C-27 State Landscape Contractor's License if more than \$250.00 of replacement landscaping is to be done. Any landscaping or maintenance contractor shall purchase all licenses required by applicable Federal, state and local laws. The contractor shall pay all applicable taxes, including sales taxes on materials supplied. Where required by Tenant, the contractor shall provide performance and payment bonds.

Notwithstanding any contrary provisions of this Exhibit B, LANLT shall be allowed to conduct onsite composting and organic gardening practices on the Premises, subject to the approval of the General Manager.

EXHIBIT C: COMMUNITY SERVICES

Community Services to be provided by LANLT shall be subject to the Proposition K Grant Agreement that will be made a part of this Agreement as soon as it is executed.

EXHIBIT D: INSURANCE REQUIREMENTS

Attached.

EXHIBIT E: STEPS TO FILMING AT LOS ANGELES CITY PARKS

1. Determine the location that suits the look you want and decide on the approximate dates and times you need.
2. Call the Park Film Office at (323) 644-6220 to request information on your location and reservation procedure. We will inform you of any rules, procedures and/or restrictions that may apply to your request.
3. Film LA, Inc issues permits and collects fees on behalf of the City & County of Los Angeles, call them at (213) 977-8600 to arrange for your permit. Currently, the fees charged to use City parkland for filming are as follows:

Prep days:	\$150/day/park
Film days:	\$450/day/park (includes base camp & crew parking)
Wrap/Clean-up days:	\$150/day/park
Equipment base camp:	\$450/day/park
Crew Parking:	\$100/day/park (1-15 vehicles) \$300/day/park (16+ vehicles)
Location Hold:	\$450/day/park
Still Photo:	\$75/day/park for 1-14 persons*
Still Photo:	\$150/day/park for 15+ persons*
Catering:	\$225/day/park (1-74 persons) \$450/day/park (75+ persons)
Water/Electricity:	\$75/day/utility (invoiced after shoot)
Spot Check	\$150

*Includes all that are present to facilitate or observe the project both in front and behind the camera (parents, trainers, clients, talent, etc.).

4. A Park Monitor may be required depending on what you are doing and where you are filming. Currently, the rate for a Park Monitor is \$38/hr. The monitor will facilitate your filming while protecting park resources.
5. If there are any changes or cancellations keep the Park Film Office informed. If no one answers at the time you call, leave a message on the answering machine. We will return your call as soon as possible. In addition, you must contact your monitor to give them call time changes or cancellations.

The Park use fee may be waived for students, press (with valid I.D.), non-profit organizations with proper documentation, government entities, and those producing programming for broadcast over public access channels in the City of Los Angeles provided they do not require the area to be expressly reserved for their use and are willing to work around all other park activities. Film LA, Inc will determine fee waiver requirements in addition to any other permit (Fire, Police, etc.) and insurance needs.

Thank you for considering the City of Los Angeles, Department of Recreation & Parks.

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
200 North Main Street, Room 700, City Hall East
Los Angeles, California 90012

Free recording in accordance with California Government Code section 6103
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MEMORANDUM OF LEASE

THIS MEMORANDUM OF LEASE ("Memorandum") is made as of the date of attestation by the City Clerk of the City of Los Angeles of page 2 of this Memorandum, by and between the City OF LOS ANGELES, a municipal corporation, as Landlord ("City") and the LOS ANGELES NEIGHBORHOOD LAND TRUST, a California nonprofit corporation ("Tenant"), who agree as follows:

1. Term and Premises. City leases to Tenant, and Tenant leases from City, the real property located in the City of Los Angeles, County of Los Angeles, State of California, commonly known as Tierra de la Culebra Park, for a term expiring on the date that is (30) years from the date of Execution.
2. Provisions Binding On Tenant. The provisions of the Lease to be performed by Tenant, 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.
3. 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 Tenant and its successors and assigns.
4. Purpose of Memorandum. This Memorandum is prepared for the purpose of recordation, and it in no way modifies the provisions of the Lease.

5. 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.

Executed this _____ day
of _____, 20__

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

By signing below, the signatory attest that
They have no personal, financial, beneficial,
Or familial interest in this Agreement.

By _____
PRESIDENT

By _____
SECRETARY

Executed this _____ day
of _____, 20__

LOS ANGELES NEIGHBORHOOD LAND
TRUST, a California nonprofit public benefit
corporation

By _____
Tori Kjer, Executive Director

Approved as to Form:

Date: _____
HYDEE FELDSTEIN SOTO
City Attorney

By _____
ANNETTE R. BOGNA
Deputy City Attorney

ATTEST:
Date: _____
HOLLY L. WOLCOTT
Acting City Clerk

By _____
DEPUTY CITY CLERK

Council File Number: 12-1902 Date of Approval: _____
Said Agreement is Number _____ of City Contracts