

MEETING AGENDA

BOARD OF RECREATION AND PARK COMMISSIONERS OF THE CITY OF LOS ANGELES

Wednesday, March 15, 2017 at 9:30 a.m.

**Balboa Sports Complex Gymnasium
17015 Burbank Boulevard
Encino, CA 91316**

SYLVIA PATSAOURAS, PRESIDENT
LYNN ALVAREZ, VICE PRESIDENT
MELBA CULPEPPER, COMMISSIONER
PILAR DIAZ, COMMISSIONER
MISTY M. SANFORD, COMMISSIONER

EVERY PERSON WISHING TO ADDRESS THE COMMISSION MUST COMPLETE A SPEAKER'S REQUEST FORM AT THE MEETING AND SUBMIT IT TO THE COMMISSION EXECUTIVE ASSISTANT PRIOR TO THE BOARD'S CONSIDERATION OF THE ITEM.

PURSUANT TO COMMISSION POLICY, COMMENTS BY THE PUBLIC ON AGENDA ITEMS WILL BE HEARD ONLY AT THE TIME THE RESPECTIVE ITEM IS CONSIDERED, FOR A CUMULATIVE TOTAL OF UP TO FIFTEEN (15) MINUTES FOR EACH ITEM. ALL REQUESTS TO ADDRESS THE BOARD ON PUBLIC HEARING ITEMS MUST BE SUBMITTED PRIOR TO THE BOARD'S CONSIDERATION OF THE ITEM. COMMENTS BY THE PUBLIC ON ALL OTHER MATTERS WITHIN THE SUBJECT MATTER JURISDICTION OF THE BOARD WILL BE HEARD DURING THE "PUBLIC COMMENTS" PERIOD OF THE MEETING. EACH SPEAKER WILL BE GRANTED TWO MINUTES, WITH FIFTEEN (15) MINUTES TOTAL ALLOWED FOR PUBLIC PRESENTATION.

1. CALL TO ORDER AND SPECIAL PRESENTATIONS

- Special Introduction and Opening Remarks by Councilwoman Nury Martinez' Office, Sixth Council District
- Introduction of Balboa Sports Complex Staff

2. APPROVAL OF THE MINUTES

- Approval of Minutes for the Regular Meeting of March 1, 2017

3. NEIGHBORHOOD COUNCIL COMMENTS

- Discussion with Neighborhood Council Representatives on Neighborhood Council Resolutions or Community Impact Statements Filed with the City Clerk Relative to Any Item Listed or Being Considered on this Board of Recreation and Park Commissioners Meeting Agenda (Los Angeles Administrative Code 22.819; Ordinance 184243)

4. BOARD REPORTS

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| 17-065 | Cabrillo Marine Aquarium – Renovation and Expansion (PRJ21119) Project; Allocation of Quimby Fees |
| 17-066 | El Sereno Recreation Center – Club House Demolition (PRJ90001) Project – Allocation of Quimby Fees – Modification of Scope of Work |

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- 17-067 109th Street Recreation Center – Pool and Bathhouse Replacement (PRJ1501P) (W.O. #E1906464) Project – Final Acceptance
- 17-068 Sepulveda Basin Recreation Area – Mark Taper Intergenerational Center – Approval of Proposed Childcare Facility Expansion Project; Categorical Exemption from the California Environmental Quality Act (CEQA) Pursuant to Article III, Section 1, Class 3(17) (Projects Involving Less than 15,000 Square Feet of Institutional Floor Space Not on a Hillside, or in a Mapped Area of Severe Geological Hazard, or in a Paleontological, Historical, Archeological or Seismic Study Area) and Class 14 (Minor Additions to Existing Schools) of City CEQA Guidelines
- 17-069 Griffith Observatory – Donation from Friends of The Observatory to Support the Griffith Observatory School Program in School Year 2016-2017
- 17-070 Lincoln Park Recreation Center – Acceptance of Donation from University of California Los Angeles (UCLA) Volunteer Center
- 17-071 MacArthur Park – Memorandum of Understanding with Youth Policy Institute to Implement an Evidence-Based Byrne Criminal Justice Innovation Planning and Implementation Grant Project within the Los Angeles Promise Zone
- 17-072 Transfer of Appropriations within Fund 302 in the Department of Recreation and Parks for Budgetary Adjustments
- 17-073 Gaffey Street Pool – Pool and New Bathhouse Restoration (PRJ20726) (W.O. #E1907453F) Project – Acceptance of Stop Payment Notice and Release of Stop Payment Notice on Construction No. 3514 with AWI Builders, Inc.
- 17-074 Chatsworth Park South – Rehabilitation Project (PRJ20361) (W.O. #E170331F) – Release of Stop Payment Notice on Construction Contract No. 3528 with American Integrated Services, Inc.
- 17-075 Whitsett Fields Park – Synthetic Turf Improvements (PRJ20757) (W.O. #E170150F) Project – Release of Stop Payment Notice on Construction Contract No. 3542 with Horizons Construction Co., Int'l, Inc.
- 17-076 Consideration of Draft Ordinance That Would Amend Los Angeles Municipal Code Section 63.44 In Order to Protect the Rights of Transgender Persons
- 17-077 Lafayette Park – Proposed Heart of Los Angeles (HOLA) Arts and Recreation Center – Lease Agreement with HOLA Community Partners for the Construction and Operation of an Arts and Recreation Center; Final Construction Plans; Exemption from the California Environmental Quality Act Pursuant to Section 15332 of the State CEQA Guidelines (Urban In-Fill)

5. BOARD REPORT PUBLIC COMMENT

Members of the Public Who Wish to Comment on Matters Relevant to the Board Reports

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6. COMMISSION TASK FORCE UPDATES

- Commission Task Force on Concessions Report – President Patsouras and Commissioner Diaz
- Commission Task Force on Facility Repair and Maintenance Report – Commissioners Sanford and Alvarez

7. GENERAL MANAGER'S DEPARTMENT REPORT AND UPDATES

- Various Communications Report
- Informational Report on Department Activities and Facilities
- Verbal Report on Golf Division Strategic Plan and Operations Update
- Verbal Report on Aquatics Division Policy Regarding Swim Instruction
- Verbal Report on National Recreation and Parks Association (NRPA) Innovation Lab – Homelessness Conference and Department Responsibilities

8. GENERAL PUBLIC COMMENT

Members of the Public Who Wish to Comment on Other Matters Not Listed on the Agenda and under the Jurisdiction of the Department of Recreation and Parks

9. COMMISSION BUSINESS

Comments from Commissioners on Matters within the Board's Jurisdiction and Requests by Commissioners to Schedule Specific Future Agenda Items

10. NEXT MEETING

The Regular Meeting of the Board of Recreation and Park Commissioners will be held on Wednesday, April 5, 2017, 9:30 a.m., at EXPO Center Comrie Hall, 3980 South Bill Robertson Lane, Los Angeles, CA 90037.

11. ADJOURNMENT

Under the California State Ralph M. Brown Act, those wishing to make audio recordings of the Commission Meetings are allowed to bring tape recorders or camcorders in the Meeting.

Sign language interpreters, assistive listening devices, or any auxiliary aides and/or services may be provided upon request. To ensure availability, you are advised to make your request at least 72 hours prior to the meeting you wish to attend. For additional information, please contact the Commission Office at (213) 202-2640.

Finalization of Commission Actions: In accordance with City Charter, actions that are subject to Section 245 are not final until the expiration of the next five meeting days of the Los Angeles City Council during which the Council has convened in regular session and if Council asserts jurisdiction during this five meeting day period the Council has 21 calendar days thereafter in which to act on the matter.

Commission Meetings may be heard live over the telephone through the Council Phone system, depending on technological capabilities at the Meeting location. To listen to a Meeting that can be broadcasted live over the telephone, please call one of the following numbers:

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from Downtown Los Angeles
from West Los Angeles
from San Pedro
from Van Nuys

(213) 621-CITY (2489)
(310) 471-CITY (2489)
(310) 547-CITY (2489)
(818) 904-9450

For information, please go to the City's website: <http://ita.lacity.org/ForResidents/CouncilPhone/index.htm>
Information on Agenda items and audio recordings may be obtained by calling the Commission Office at (213) 202-2640.
Copies of the Agenda and Reports may be downloaded from the Department's website at www.laparks.org.

REGULAR MEETING MINUTES

BOARD OF RECREATION AND PARK COMMISSIONERS OF THE CITY OF LOS ANGELES

Wednesday, March 1, 2017

The Board of Recreation and Park Commissioners of the City of Los Angeles convened the Regular Meeting at EXPO Center Comrie Hall at 9:30 a.m. Present were President Patsouras, Vice President Lynn Alvarez, Commissioner Melba Culpepper, and Commissioner Pilar Diaz. Also present were Vicki Israel, Assistant General Manager, Recreation Services Branch, and Deputy City Attorney IV Mike Dundas.

The following Department staff members were present:

Sophia Pina-Cortez, Superintendent of Metro Region, Recreation Services Branch
Cathie Santo Domingo, Superintendent of Planning, Maintenance and Construction Branch
Eleanor Chang, Department Chief Accountant IV, Finance and Administrative Services Division

CALL TO ORDER AND APPROVAL OF MINUTES

Commissioner Culpepper moved that the Board approve the Minutes of the February 15, 2017 Meeting, which was seconded by Commissioner Diaz. There being no objections, the Motion was unanimously approved.

NEIGHBORHOOD COUNCIL COMMENTS

There were no comments from the Neighborhood Council Representatives relative to the Agenda Items being considered.

BOARD REPORTS

17-039

CHATSWORTH PARK SOUTH - REHABILITATION PROJECT
(PRJ20361) (W.O. #E170331F) - ACCEPTANCE OF STOP
PAYMENT NOTICE ON CONSTRUCTION CONTRACT NO. 3528
WITH AMERICAN INTEGRATED SERVICES, INC.

Cathie Santo Domingo, Superintendent of Planning, Maintenance and Construction Branch, presented Board Report No. 17-039 for direction to Department staff to withhold \$3,647.14 claimed in the Stop Payment Notice filed by Robertson's on Construction Contract No. 3528 against American Integrated Services, Inc., plus an additional sum equal to 25% thereof, to defray any costs of litigation in the event of court action, if said amount of said funds are available; and to notify the contractors, sureties, and other interested parties regarding the withheld funds for the Chatsworth Park South – Rehabilitation Project.

17-040

WHITSETT FIELDS PARK SYNTHETIC TURF IMPROVEMENTS
(PRJ20757) (W.O. #E170150F) PROJECT - ACCEPTANCE OF
STOP PAYMENT NOTICE ON CONSTRUCTION CONTRACT NO.
3542 WITH HORIZONS CONSTRUCTION CO. INT'L, INC.

March 1, 2017

Cathie Santo Domingo, Superintendent of Planning, Maintenance and Construction Branch, presented Board Report No. 17-040 for direction to Department staff to withhold \$19,215.00 claimed in the Stop Payment Notice, plus an additional sum equal to 25% thereof, to defray any costs of litigation in the event of court action, if said amount of said funds are available; and to notify contractors, sureties, and other interested parties regarding the withheld funds.

17-041

DANIELS FIELD SPORTS CENTER – RENOVATE RESTROOMS
(PRJ20534) (W.O. #E170104F) PROJECT – FINAL ACCEPTANCE

Cathie Santo Domingo, Superintendent of Planning, Maintenance and Construction Branch, presented Board Report No. 17-041 for final acceptance of the work completed under the Memorandum of Understanding, executed on June 28, 2012 and amended on July 13, 2016, between the Department of Recreation and Parks, Department of Public Works Bureau of Engineering, and the Department of General Services Construction Forces for the Daniels Field Sports Center – Renovate Restrooms Project.

Board Report No. 17-041 was corrected to accurately reflect the total appropriation amount in the second paragraph of Page 2 as follows:

The CPR was approved by the City and the Mayor on May 27, 2016 (Council File No. 15-1240-S2) (Appropriation amount on this Council File Is Eighty-Four Thousand Dollars (\$84,000.00) making a total of ~~Five Hundred Seventy-Five Thousand, Two Hundred Seventy-one Dollars (\$575,271.00)~~ Five Hundred Ninety-Five Thousand, Two Hundred Seventy-One Dollars (\$595,271.00).

17-042

PIO PICO LIBRARY PARK – PARK DEVELOPMENT (PRJ20934)
PROJECT; PRELIMINARY AUTHORIZATION TO NEGOTIATE A
MEMORANDUM OF AGREEMENT WITH THE LIBRARY
DEPARTMENT FOR THE USE OF A PORTION OF THE PIO
PICO KOREATOWN LIBRARY FOR THE DEVELOPMENT OF A
PARK; AND ALLOCATION OF QUIMBY FEE INTEREST

Cid Macaraeg, Senior Management Analyst II of the Planning, Maintenance and Construction Branch, presented Board Report No. 17-042 for preliminary authorization of Department staff to begin negotiations with the Library Department for a Memorandum of Agreement to use a portion of the Pio Pico Koreatown Library for the development of a park; authorization of the Department's Chief Accounting Employee to establish new Quimby Fees Account No. 89460K-B3 with Pio Pico Library Park as the Account Name, transfer \$2,980,482.00 in Quimby Fees from the Quimby Fees Account No. 89460K-00 to the Pio Pico Library Park Account No. 89460K-B3, transfer \$1,100,000.00 in Quimby Fee Interest from the Quimby Fees Interest Account No. 89460K-01 to the Pio Pico Library Park Account No. 89460K-B3; and approval of the total allocation of \$4,080,482.00 in Quimby Fees and Quimby Fee Interest from Pio Pico Library Park Account No. 89460K-B3 for the Pio Pico Library Park - Park Development Project.

March 1, 2017

17-043

MACARTHUR PARK – SYNTHETIC MEADOW RENOVATION (PRJ21107) PROJECT; ALLOCATION OF QUIMBY FEE INTEREST; CATEGORICAL EXEMPTION FROM THE CALIFORNIA ENVIRONMENTAL QUALITY ACT (CEQA) PURSUANT TO ARTICLE III, SECTION 1, CLASS 1(1) OF THE CITY CEQA GUIDELINES (MINOR ALTERATIONS TO EXISTING FACILITIES) – NEW BOATHOUSE (PRJ21108) PROJECT; ALLOCATION OF QUIMBY FEE INTEREST

Darryl Ford, Senior Management Analyst I of the Planning, Maintenance and Construction Branch, presented Board Report No. 17-043 for approval of the scope of the MacArthur Park – Synthetic Meadow Renovation Project (Meadow Project); authorization of the Department's Chief Accounting Employee to transfer \$400,000.00 in Quimby Fee Interest from the Quimby Fees Interest Account No. 89460K-01 to the MacArthur Park Account No. 89460K-MD for the Meadow Project; approval of the allocation of \$400,000.00 in Quimby Fees from MacArthur Park Account No. 89460K-MD for the Meadow Project; approval of the finding that the Meadow Project is categorically exempt from the California Environmental Quality Act (CEQA); approval of the scope of the MacArthur Park – New Boathouse Project (Boathouse Project); authorization of the Department's Chief Accounting Employee to transfer \$400,000.00 in Quimby Fee Interest from the Quimby Fee Interest Account No. 89460K-MD for the Boathouse Project; and approval of the allocation of \$400,000.00 in Quimby Fees from MacArthur Park Account No. 89460K-MD for the Boathouse Project.

Recommendation No. 1.E. of Board Report No. 17-043 was corrected to accurately reflect the following authorization of the Chief Accounting Employee for the Meadow Project:

Authorize the RAP Chief ~~Financial Officer~~ Accounting Employee to prepare a check to the Los Angeles County Clerk in the amount of ~~Seven-Five~~ Seventy-Five Dollars (\$75.00) for the purpose of filing a Notice of Exemption for the Project.

17-044

VALLEY PLAZA PARK – WHITSETT SPORTS FIELD IMPROVEMENTS PHASE II (PRJ21057) PROJECT; ALLOCATION OF QUIMBY FEE INTEREST

Darryl Ford, Senior Management Analyst I of the Planning, Maintenance and Construction Branch, presented Board Report No. 17-044 for authorization of the Department's Chief Accounting Employee to transfer \$1,900,000.00 in Quimby Fee Interest from the Quimby Fees Interest Account No. 89460K-01 to the Valley Plaza Park Account No. 89460K-VA; and approval of the allocation of \$1,900,000.00 in Quimby Fee Interest from Valley Plaza Park Account No. 89460K-VA for the Valley Plaza Park – Whitsett Sports Field Improvements Phase II Project.

17-045

GRIFFITH PARK – ROADWAY AND TRAFFIC IMPROVEMENTS (PRJ21111) PROJECT; ALLOCATION OF QUIMBY FEE INTEREST; CATEGORICAL EXEMPTION FROM THE CALIFORNIA ENVIRONMENTAL QUALITY ACT (CEQA) PURSUANT TO ARTICLE III, SECTION 1, CLASS 1(1,3) OF THE CITY CEQA

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GUIDELINES (MINOR ALTERATIONS TO EXISTING FACILITIES
AND MINOR ALTERATIONS TO EXISTING STREETS)

Darryl Ford, Senior Management Analyst I of the Planning, Maintenance and Construction Branch, presented Board Report No. 17-045 for authorization of the Department's Chief Accounting Employee to transfer \$500,000.00 in Quimby Fee Interest from the Quimby Fees Interest Account No. 89460K-01 to the Griffith Park Account No. 89460KGB; approval of the allocation of \$500,000.00 in Quimby Fee Interest from Griffith Park Account No. 89460K-GB for the Griffith Park – Roadway and Traffic Improvements Project (Project); and approval of the finding the Project is categorically exempt from the California Environmental Quality Act.

The Board and Department staff discussed the current Project status and anticipated construction timeline, landscape and irrigation design, immediate roadway improvements, and implementation of the Griffith Park and Observatory Circulation Plan. The Board and Department staff also discussed the process in which Quimby Fees are reallocated to other projects upon Board approval based on service mile radius, as well as the reallocation of Quimby Fee Interest upon Board approval without any geographic restrictions. Senior Management Analyst Ford provided an overview of the Department's capital improvement plan in which high-priority projects are identified with input from the community and each respective Council District Office, and the utilization of available funding sources such as Quimby Fees, Quimby Fee Interest, and Department Funds.

17-046

ROBERTSON RECREATION CENTER – MODERN GYMNASIUM
(PRJ20021) PROJECT; ALLOCATION OF QUIMBY FEE
INTEREST

Darryl Ford, Senior Management Analyst I of the Planning, Maintenance and Construction Branch, presented Board Report No. 17-046 for authorization of the Department's Chief Accounting Employee to transfer \$2,900,000.00 in Quimby Fee Interest from the Quimby Fees Interest Account No. 89460K-01 to the Robertson Recreation Center Account No. 89460K-RG; and approval of the allocation of \$2,900,000.00 in Quimby Fee Interest from Robertson Recreation Center Account No. 89460K-RG for the Robertson Recreation Center – Modern Gymnasium Project.

17-047

SHELDON ARLETA PARK – BASEBALL FIELD AND PICNIC
AREA PHASE IIIC (PRJ20817) PROJECT; ALLOCATION OF
QUIMBY FEE INTEREST

Darryl Ford, Senior Management Analyst I of the Planning, Maintenance and Construction Branch, presented Board Report No. 17-047 for authorization of the Department's Chief Accounting Employee to transfer \$700,000.00 in Quimby Fee Interest from the Quimby Fees Interest Account No. 89460K-01 to the Sheldon Arleta Park Account No. 89460K-AV; and approval of the allocation of \$700,000.00 in Quimby Fee Interest from Sheldon Arleta Park Account No. 89460K-AV for the Sheldon Arleta Park - Baseball and Picnic Area Phase IIIC Project.

March 1, 2017

17-048

WEST LAKESIDE STREET PARK – PARK DEVELOPMENT
(PRJ20398) PROJECT; ALLOCATION OF QUIMBY FEE
INTEREST

Darryl Ford, Senior Management Analyst I of the Planning, Maintenance and Construction Branch, presented Board Report No. 17-048 for authorization of the Department's Chief Accounting Employee to transfer \$1,050,000.00 in Quimby Fee Interest from the Quimby Fees Interest Account No. 89460K-01 to the Lakeside Park Account No. 89460K-LK; and approval of the allocation of \$1,050,000.00 in Quimby Fee Interest from Lakeside Park Account No. 89460K-LK for the Lakeside Park – Park Development Project.

17-049

SOUTH PARK RECREATION CENTER – NEW MAINTENANCE
YARD (PRJ21104) PROJECT; ALLOCATION OF QUIMBY FEE
INTEREST

Darryl Ford, Senior Management Analyst I of the Planning, Maintenance and Construction Branch, presented Board Report No. 17-049 for authorization of the Department's Chief Accounting Employee to transfer \$250,000.00 in Quimby Fee Interest from the Quimby Fees Interest Account No. 89460K-01 to the South Park Account No. 89460K-SO; and approval of the allocation of \$250,000.00 in Quimby Fee Interest from South Park Account No. 89460K-SO for the South Park – New Maintenance Yard Project (Project). The Board and Department staff discussed the current status and phases of the Project.

17-050

WESTCHESTER RECREATION CENTER – GYMNASIUM
BLEACHER IMPROVEMENTS (PRJ21086) PROJECT –
ALLOCATION OF QUIMBY FEES – CATEGORICAL EXEMPTION
FROM THE CALIFORNIA ENVIRONMENTAL QUALITY ACT
(CEQA) PURSUANT TO ARTICLE III, SECTION 1, CLASS 1(1)
OF THE CITY CEQA GUIDELINES (INTERIOR ALTERATIONS
INVOLVING REMODELING WHERE THERE IS NO EXPANSION
OF USE)

Darryl Ford, Senior Management Analyst I of the Planning, Maintenance and Construction Branch, presented Board Report No. 17-050 for approval of the scope of the Westchester Recreation Center – Gymnasium Bleacher Improvements Project (Project); authorization of the Department's Chief Accounting Employee to transfer \$35,000.00 in Quimby Fees from the Quimby Fees Account No. 89460K-00 to the Westchester Recreation Center Account No. 89460K-WR; approval of the allocation of \$35,000.00 in Quimby Fees from Westchester Recreation Center Account No. 89460K-WR for the Project; and approval of the finding that the proposed Project is categorically exempt from the California Environmental Quality Act.

17-051

CHATSWORTH PARK SOUTH – REHABILITATION (PRJ20361)
(W.O. #E170331F) PROJECT – ALLOCATION OF QUIMBY FEE
INTEREST

March 1, 2017

Darryl Ford, Senior Management Analyst I of the Planning, Maintenance and Construction Branch, presented Board Report No. 17-051 for authorization of the Department's Chief Accounting Employee to transfer \$500,000.00 in Quimby Fee Interest from the Quimby Fees Interest Account No. 89460K-01 to the Chatsworth Park South Account No. 89460K-CT; approval of the allocation of \$500,000.00 in Quimby Fee Interest from Chatsworth Park South Account No. 89460K-CT for the Chatsworth Park South – Rehabilitation Project.

The Board and Department staff discussed the Project site damage caused by erosion due to inclement weather conditions, recent negotiations between the City and the General Contractor to determine which party is responsible for repairing the damages, and the explanation for the Change Orders for the Project.

17-052

GRANADA HILLS PARK – POOL AND BATHHOUSE REPLACEMENT (PRJ21109) PROJECT; ALLOCATION OF QUIMBY FEES; ALLOCATION OF QUIMBY FEE INTEREST

Darryl Ford, Senior Management Analyst I of the Planning, Maintenance and Construction Branch, presented Board Report No. 17-052 for authorization of the Department's Chief Accounting Employee to transfer \$2,508,148.00 in Quimby Fees from the Quimby Fees Account No. 89460K-00 to the Granada Hills Park Account No. 89460K-GR, transfer \$1,000,000.00 in Quimby Fee Interest from the Quimby Fees Interest Account No. 89460K-01 to the Granada Hills Park Account No. 89460K-GR, reallocate \$468,229.21 in Quimby Fees currently allocated to the Granada Hills Park - Building and Outdoor Park Improvements Project to the Granada Hills Park - Pool and Bathhouse Replacement Project (Project); and approval of the allocation of \$3,976,377.21 in Quimby Fees and Quimby Fee Interest from Granada Hills Park Account No. 89460K-GR for the Project.

17-053

ECHO PARK – NEW SKATE PARK (PRJ20837) PROJECT; ALLOCATION OF QUIMBY FEE INTEREST

Darryl Ford, Senior Management Analyst I of the Planning, Maintenance and Construction Branch, presented Board Report No. 17-053 for authorization of the Department's Chief Accounting Employee to transfer \$300,000.00 in Quimby Fee Interest from the Quimby Fees Interest Account No. 89460K-01 to the Echo Park Account No. 89460K-EC; and approval of the allocation of \$300,000.00 in Quimby Fee Interest from Echo Park Account No. 89460K-EC for the Echo Park – New Skate Park Project (Project).

The Board and Department staff discussed that the Project was initiated as a Proposition K competitive grant project in collaboration with the Council District Office and the community, the community engagement process undertaken for the development of the Project design, increased costs due to changes in the initial Proposition K Project design and location, and limitations in building an Americans with Disabilities (ADA) compliant bathhouse at the Project site which resulted the closure of the existing shallow pool. Commissioner Alvarez requested that the Project design address the ability to have Department staff monitor the Skate Park upon Project completion.

March 1, 2017

17-054

HOLLYWOOD RECREATION CENTER – MODERN GYMNASIUM
(PRJ21112) PROJECT; ALLOCATION OF QUIMBY FEES;
ALLOCATION OF QUIMBY FEE INTEREST

Darryl Ford, Senior Management Analyst I of the Planning, Maintenance and Construction Branch, presented Board Report No. 17-054 for authorization of the Department's Chief Accounting Employee to transfer \$4,197,495.50 in Quimby Fees from the Quimby Fees Account No. 89460K-00 to the Hollywood Recreation Center Account No. 89460K-HF, and to transfer \$2,800,000.00 in Quimby Fee Interest from the Quimby Fees Interest Account No. 89460K-01 to the Hollywood Recreation Center Account No. 89460K-HF; and approval of the allocation of \$6,997,495.50 in Quimby Fees and Quimby Fee Interest from Hollywood Recreation Center Account No. 89460K-HF for the Hollywood Recreation Center - Modern Gymnasium Project (Project).

The Project Funding Section on Page 2 of Board Report No. 17-054 was corrected to accurately reflect the service mile radius as follows:

The Quimby Fees were collected within ~~two~~ five (5) miles of Hollywood Recreation Center, which is the standard distance for the allocation of the Quimby Fees to neighborhood recreational facilities pursuant to Los Angeles Municipal Code Section 12.33 E.3.

The Board and Department staff discussed that an architectural firm has to be engaged for the Project design to determine the budget for the new gymnasium, and identify potential funding sources to cover funding shortfalls.

17-055

PERSHING SQUARE – PERSHING SQUARE RENEW
(PRJ21113) PROJECT; ALLOCATION OF QUIMBY FEE
INTEREST

Darryl Ford, Senior Management Analyst I of the Planning, Maintenance and Construction Branch, presented Board Report No. 17-055 for authorization of the Department's Chief Accounting Employee to transfer \$2,500,000.00 in Quimby Fee Interest from the Quimby Fees Interest Account No. 89460K-01 to the Pershing Square Account No. 89460K-PS; and approval of the allocation of \$2,500,000.00 in Quimby Fee Interest from Pershing Square Account No. 89460K-PS for the Pershing Square – Pershing Square Renew Project (Project).

The Board and Department staff discussed that the aforementioned funds allocated for the Project will remain in the Pershing Square Account No. 89460K-PS until the Project scope has been determined and substantial funding from other sources are available to begin Project implementation. The Department will return to the Board with a plan as to how the Project will be funded and implemented with the assistance of the Bureau of Engineering to monitor the Project design.

17-056

VENICE BEACH – PIER REFURBISHMENT PROJECT;
ALLOCATION OF QUIMBY FEE INTEREST

March 1, 2017

Darryl Ford, Senior Management Analyst I of the Planning, Maintenance and Construction Branch, presented Board Report No. 17-056 for authorization of the Department's Chief Accounting Employee to transfer \$1,000,000.00 in Quimby Fee Interest from the Quimby Fees Interest Account No. 89460K-01 to the Venice Beach Account No. 89460K-VE; and approval of the allocation of \$1,000,000.00 in Quimby Fee Interest from Venice Beach Account No. 89460K-VE for the Venice Beach – Pier Refurbishment Project. The Board and Department staff discussed the installation of signage to indicate that the Venice Beach Pier is owned and operated by the Department.

17-057

VENICE HIGH SCHOOL POOL – SWIMMING POOL REPLACEMENT (PRJ21110) PROJECT – ALLOCATION OF QUIMBY FEE INTEREST

Darryl Ford, Senior Management Analyst I of the Planning, Maintenance and Construction Branch, presented Board Report No. 17-057 for authorization of the Department's Chief Accounting Employee to transfer \$2,500,000.00 in Quimby Fee Interest from the Quimby Fees Interest Account No. 89460K-01 to the Venice High School Pool Account No. 89460K-VH; and approval of the allocation of \$2,500,000.00 in Quimby Fee Interest from Venice High School Pool Account No. 89460K-VH for the Venice High School Pool - Swimming Pool Replacement Project.

17-058

VENICE BEACH – ROSE AVENUE RESTROOMS (PRJ20882) PROJECT; ALLOCATION OF QUIMBY FEES

Darryl Ford, Senior Management Analyst I of the Planning, Maintenance and Construction Branch, presented Board Report No. 17-057 for authorization of the Department's Chief Accounting Employee to transfer \$628,845.00 in Quimby Fees from the Quimby Fees Account No. 89460K-00 to the Venice Beach Account No. 89460K-VE; and approval of the allocation of \$628,845.00 in Quimby Fees from Venice Beach Account No. 89460K-VE for the Venice Beach - Rose Avenue Restrooms Project.

17-059

ALBION RIVERSIDE PARK – WATER QUALITY AND PARK IMPROVEMENTS (PRJ20647) (W.O. #EW40060F) PROJECT; ALLOCATION OF DEPARTMENT OF RECREATION AND PARKS CAPITAL IMPROVEMENT FUNDS

Darryl Ford, Senior Management Analyst I of the Planning, Maintenance and Construction Branch, presented Board Report No. 17-059 for authorization of the Department's Chief Accounting Employee to transfer \$1,500,000.00 in Interest Income from the Interest Income Account in Fund 205, Department 88, Account 88000H to Account 205/88/Account TBD; and approval of the allocation of \$1,500,000.00 in Interest Income from Account 205/88/Account TBD for the Albion Riverside Park - Water Quality and Park Improvements Project.

March 1, 2017

17-060

ALGIN SUTTON RECREATION CENTER – SWIMMING POOL REPLACEMENT (PRJ21117) PROJECT; ALLOCATION OF DEPARTMENT OF RECREATION AND PARKS CAPITAL IMPROVEMENT FUNDS

Darryl Ford, Senior Management Analyst I of the Planning, Maintenance and Construction Branch, presented Board Report No. 17-060 for authorization of the Department's Chief Accounting Employee to transfer \$2,080,185.98 in Interest Income from the Interest Income Account in Fund 205, Department 88, Account 88000H to Account 205/88/Account TBD; transfer \$151,812.30 in Department Funds from the Echo Park Deep Pool Account 302/89/89801M to Account 205/88/Account TBD; transfer \$620,516.25 in Department Funds from the Harvard Pool Account 302/89/89802M to Account 205/88/Account TBD; transfer \$3,911.16 in Department Funds from the Reseda Park Pool Account 302/89/89845M to Account 205/88/Account TBD; transfer \$143,574.31 in Department Funds from the Algin Sutton Repairs Account 302/89/89240K to Account 205/88/Account TBD; and approval of the allocation of \$3,000,000.00 in Interest Income and Department Funds from Account 205/881/Account TBD.

17-061

DENKER RECREATION CENTER – BETTY HILL SENIOR CENTER FACILITY IMPROVEMENTS (PRJ21115) PROJECT; ALLOCATION OF DEPARTMENT OF RECREATION AND PARKS CAPITAL IMPROVEMENT FUNDS

Darryl Ford, Senior Management Analyst I of the Planning, Maintenance and Construction Branch, presented Board Report No. 17-061 for authorization of the Department's Chief Accounting Employee to transfer \$1,500,000.00 in Interest Income from the Interest Income Account in Fund 205, Department 88, Account 8800H to Account 205/88/Account TBD; and approval of the allocation of \$1,500,000.00 in Interest Income from Account 205/88/Account TBD for the Denker Recreation Center – Betty Hill Senior Center Facility Improvements (PRJ21115) Project.

17-062

VAN NESS RECREATION CENTER – SWIMMING POOL REPLACEMENT (PRJ20330) PROJECT; ALLOCATION OF DEPARTMENT OF RECREATION AND PARKS CAPITAL IMPROVEMENT FUNDS

Darryl Ford, Senior Management Analyst I of the Planning, Maintenance and Construction Branch, presented Board Report No. 17-062 for authorization of the Department's Chief Accounting Employee to transfer \$500,000.00 in Interest Income from the Interest Income Account in Fund 205, Department 88, Account 88000H to Account 205/88/Account TBD; and approval of the allocation of \$500,000.00 in Interest Income from Account 205/88/Account TBD for the Van Ness Recreation Center – Swimming Pool Replacement Project.

March 1, 2017

17-063

SLAUSON RECREATION CENTER – SENIOR CENTER IMPROVEMENTS (PRJ21116) PROJECT; ALLOCATION OF DEPARTMENT OF RECREATION AND PARKS CAPITAL IMPROVEMENT FUNDS

Darryl Ford, Senior Management Analyst I of the Planning, Maintenance and Construction Branch, presented Board Report No. 17-063 for authorization of the Department's Chief Accounting Employee to transfer \$1,500,000.00 in Interest Income from the Interest Income Account in Fund 205, Department 88, Account 88000H to Account 205/88/Account TBD; and approval of the allocation of \$1,500,000.00 in Interest Income from Account 205/88/ Account TBD for the Slauson Recreation Center – Senior Center Facility Improvements Project.

17-064

CENTRAL RECREATION CENTER – BALLFIELD IMPROVEMENT (PRJ21118) PROJECT – ALLOCATION OF ZONE FEE CHANGES – CATEGORICAL EXEMPTION FROM THE CALIFORNIA ENVIRONMENTAL QUALITY ACT (CEQA) PURSUANT TO ARTICLE III, SECTION 1, CLASS 3(6) AND CLASS 4(1) OF THE CITY CEQA GUIDELINES (NEW CONSTRUCTION OF ACCESSORY STRUCTURES, AND GRADING ON LAND WITH A SLOPE OF LESS THAN 10%)

Darryl Ford, Senior Management Analyst I of the Planning, Construction and Maintenance Branch, presented Board Report No. 17-064 for approval of the scope of the Central Recreation Center – Ballfield Improvement Project; authorization of the Department's Chief Accounting Employee to reallocate \$70,000.00 in Zone Change Fees currently allocated to the Central Recreation Center - Pool Rehabilitation Project, to the Central Recreation Center - Ballfield Improvement Project (Project); approval of the allocation of \$70,000.00 in Zone Change Fees from the Central Recreation Center Account No. 89440K-CR for the Project; and approval of finding that the proposed Project is categorically exempt from the California Environmental Quality Act (CEQA).

The title of Board Report No. 17-064 was corrected to accurately reflect the applicable CEQA provisions as follows:

CENTRAL RECREATION CENTER – BALLFIELD IMPROVEMENT (PRJ21118) PROJECT – ALLOCATION OF ZONE FEE CHANGES – CATEGORICAL EXEMPTION FROM THE CALIFORNIA ENVIRONMENTAL QUALITY ACT (CEQA) PURSUANT TO ARTICLE III, SECTION 1, CLASS ~~4(3)~~ 3(6) AND CLASS ~~4(3)~~ 4(1), OF THE CITY CEQA GUIDELINES (~~LANDSCAPING AND PLACING OF MINOR STRUCTURES ACCESSORY TO EXISTING FACILITIES~~) (NEW CONSTRUCTION OF ACCESSORY STRUCTURES, AND GRADING ON LAND WITH A SLOPE OF LESS THAN 10%)

The Project Scope on Page 2 of Board Report No. 17-064 was corrected as follows:

The Central Recreation Center Ballfield Improvement (PRJ21118) Project proposes the installation of new ~~outdoor fitness equipment~~ ballfield near the existing children's play area.

March 1, 2017

The Environmental Impact Statement on Page 3 of Board Report No. 17-064 was corrected to accurately reflect the applicable CEQA provisions as follows:

The subject proposed project will consist of ~~minor alterations to land including new landscaping and modifications to existing park facilities involving placement of new accessory structures~~ of the new construction of accessory structure to an existing facility and in the grading on land with a slope of less than 10%.

BOARD REPORT PUBLIC COMMENT

Public comments were invited for the Board Reports; however, no requests for public comment were submitted.

President Patsouras requested a Motion to approve the Board Reports as presented, and Board Report Nos. 17-041, 17-043, 17-054, and 17-064 as corrected. Commissioner Diaz moved that the Board Reports be approved, and that the Resolutions recommended in the Reports be thereby approved. Commissioner Culpepper seconded the Motion. There being no objections, the Motion was unanimously approved.

COMMISSION TASK FORCE UPDATES

- Commission Task Force on Concessions Report (Commissioners Patsouras and Diaz)

There was no report for the Commission Task Force on Concessions.

- Commission Task Force on Facility Repair and Maintenance (Commissioners Sanford and Alvarez)

Commissioner Alvarez reported on the Facility Repair and Maintenance Task Force Meeting held on March 1, 2017 prior to the Board Meeting, in which the Task Force discussed the concept approval for the Eagle Rock Dog Park and potential innovations for surfacing dog parks in lieu of grass, renaming of the Gaffey Street Pool as Hey Rookie Pool which has historical significance, and approval of the proposed design and a Lease/Sub-Lease Agreement for the Lafayette Park – Heart of Los Angeles (HOLA) Arts and Recreation Center Project.

GENERAL MANAGER'S DEPARTMENT REPORT AND UPDATES

- The Various Communications Report was noted and filed.
- Assistant General Manager Vicki Israel reported on Department activities, facilities, and upcoming events. The Westwood Recreation Center Dog Park Groundbreaking Ceremony was held on February 28, 2017. The National Women and Girls HIV/AIDS Awareness Festival is scheduled on March 10, 2017 at Jim Gilliam Recreation Center. The Boise UP Tree Planting Event is scheduled on March 11, 2017 in Elysian Park. The 2nd Annual Wattles Mansion Designer Showcase is scheduled on March 23, 2017 through April 16, 2017.

March 1, 2017

PUBLIC COMMENTS

Public comments on matters within the Board's jurisdiction were invited. One request was submitted for public comment, and such comments were made to the Board.

COMMISSION BUSINESS

Commissioner Culpepper requested a follow-up report on the National Recreation and Parks Association (NRPA) Innovation Lab – Homelessness Conference. Commissioner Alvarez requested a report on Golf concession operations. Commissioner Diaz requested a report on the Golf Division Strategic Plan and implementation timeline, and an update on the Department's policy that may restrict swim instructors from entering the pool while conducting swim lessons. Commissioner Diaz also acknowledged Bureau of Engineering staff for their involvement in Department projects.

NEXT MEETING

The next scheduled Regular Meeting of the Board of Recreation and Park Commissioners was scheduled to be held on Wednesday, March 15, 2017, 9:30 a.m., at Balboa Sports Complex Gymnasium, 17015 Balboa Boulevard, Encino, CA 91316.

ADJOURNMENT

There being no further business to come before the Board, President Patsouras adjourned the Meeting at 10:25 a.m.

ATTEST

PRESIDENT

BOARD SECRETARY

BOARD REPORT

NO. 17-065

DATE March 15, 2017

C.D. 15

BOARD OF RECREATION AND PARK COMMISSIONERS

SUBJECT: CABRILLO MARINE AQUARIUM – RENOVATION AND EXPANSION (PRJ21119) PROJECT; ALLOCATION OF QUIMBY FEES

AP Diaz _____

V. Israel _____

for

R. Barajas (SD)

N. Williams _____

H. Fujita _____



General Manager

Approved _____

Disapproved _____

Withdrawn _____

RECOMMENDATIONS

1. Approve the scope of the Cabrillo Marine Aquarium – Renovation and Expansion (PRJ21119) Project, as described in the Summary of the Report;
2. Authorize the Department of Recreation and Parks' (RAP) Chief Accounting Employee to reallocate Two Hundred Thousand Dollars (\$200,000.00) in Quimby Fees, currently allocated to the Cabrillo Marine Aquarium – Building Renovations (PRJ20666) Project, to the Cabrillo Marine Aquarium – Renovation and Expansion (PRJ21119) Project;
3. Authorize the RAP's Chief Accounting Employee to make technical corrections as necessary to carry out the intent of this Report.

SUMMARY

Cabrillo Beach is located at 3800 Stephen M. White Drive in the San Pedro area of the City. This 40.07 acre park provides beach access, a bathhouse, a children's play area, picnic areas, and a fishing pier for the surrounding community. Approximately 1,727 residents within a half mile walking distance from Cabrillo Beach. Cabrillo Beach is also home to the Cabrillo Marine Aquarium, a public aquarium that engages visitors in education, recreation, and research of the marine life of Southern California. Due to the facilities, features, programs, and services it provides, Cabrillo Beach meets the standard for a Regional Park, as defined in the City's Public Recreation Plan.

BOARD REPORT

PG. 2 NO. 17-065

On May 7, 2014, the Recreation and Parks Board of Commissioners approved an Interpretative Master Plan for the Cabrillo Marine Aquarium (Report No. 14-113).

The Master Plan proposed to improve the visitor experience by:

1. Developing an Experience Hub as a dramatic and welcoming public entrance to the facility.
2. Redesigning and remodeling the Susanne Lawrenz-Miller Exhibit Hall.
3. Developing a strong presence in the Cabrillo Beach Coastal Park and on the Los Angeles waterfront
4. Developing a presence at AltaSea in the Port of Los Angeles.

PROJECT SCOPE

The Cabrillo Marine Aquarium – Renovation and Expansion (PRJ21119) Project proposes renovate and expand the aquarium and its exhibits as a part of the overall Master Plan.

PROJECT FUNDING

Upon approval of this Report, Two Hundred Thousand Dollars (\$200,000.00) in Quimby Fees currently allocated to the Cabrillo Marine Aquarium – Building Renovations (PRJ20666) Project can be reallocated Cabrillo Marine Aquarium – Renovation and Expansion (PRJ21119) Project.

The total funding available for the Cabrillo Marine Aquarium – Renovation and Expansion (PRJ21119) Project would be Two Hundred Thousand Dollars (\$200,000.00).

RAP's staff recommends that these funds be allocated to initiate the design process of the Cabrillo Marine Aquarium – Renovation and Expansion (PRJ21119) Project.

FUNDING SOURCE MATRIX

Source	Fund/Dept/Acct	Amount	Percentage
Quimby Fees	302/89/89460K-CQ	\$200,000.00	100%
Total		\$200,000.00	100%

PROJECT CONSTRUCTION

RAP's staff has determined that sufficient funding has not yet been identified for the construction of the Cabrillo Marine Aquarium – Renovation and Expansion (PRJ21119) Project.

It is unknown at this time when construction of this project can commence.

BOARD REPORT

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ENVIRONMENTAL IMPACT STATEMENT

RAP's staff has determined that California Environmental Quality Act (CEQA) will be addressed when the complete project scope has been determined and sufficient funds have been identified to begin the project.

FISCAL IMPACT STATEMENT

The approval of this allocation of Quimby Fees will have no fiscal impact and the estimated costs for the design, development, and construction of the Cabrillo Marine Aquarium – Building Renovations PRJ21119) Project are anticipated to be funded by Quimby Fees or funding sources other than RAP's General Fund.

This Report was prepared by Meghan Luera, Management Assistant, Planning, Construction and Maintenance Branch.

BOARD REPORT

NO. 17-066

DATE March 15, 2017

C.D. 14

BOARD OF RECREATION AND PARK COMMISSIONERS

SUBJECT: EL SERENO RECREATION CENTER – CLUB HOUSE DEMOLITION (PRJ90001) PROJECT – ALLOCATION OF QUIMBY FEES – MODIFICATION OF SCOPE OF WORK

AP Diaz

V. Israel

for R. Barajas

CSD

N. Williams

H. Fujita



General Manager

Approved _____

Disapproved _____

Withdrawn _____

RECOMMENDATIONS

1. Approve the modified scope of work for El Sereno Recreation Center – Club House Building Improvements (PRJ90001) Project and change the name of the project to the El Sereno Recreation Center – Club House Demolition (PRJ90001) Project, as described in the Summary of this Report;
2. Authorize the Department of Recreation and Parks' (RAP) Chief Accounting Employee to transfer Two Hundred Twenty Five Thousand Dollars (\$225,000.00) in Quimby Fees from Quimby Account No 89460K-00 to El Sereno Recreation Center Account No 89460K-EG;
3. Approve the allocation of Two Hundred Twenty Five Thousand Dollars (\$225,000.00) in Quimby Fees from El Sereno Recreation Center Account No 89460K-EG for the El Sereno Recreation Center – Club House Demolition (PRJ90001) Project;
4. Authorize the RAP's Chief Accounting Employee to make technical corrections as necessary to carry out the intent of this Report.

SUMMARY

El Sereno Recreation Center is located at 4721 Klamath Street in the El Sereno community of the City. This 13.94 acre park provides a recreation center, swimming pool, senior center, baseball fields, skate park, and basketball courts for the use of the surrounding community. Approximately 3,762 City residents live within a one half mile walking distance of El Sereno Recreation Center. Due to the size of the park, and the facilities, features and programs it provides, El Sereno

BOARD REPORT

PG. 2 NO. 17-066

Recreation Center meets the standard for a Community Park, as defined in the City's Public Recreation Plan.

PROJECT SCOPE

Previously, the Recreation and Parks Board of Commissioners (Board) approved the El Sereno Recreation Center – Club House Building Improvements (PRJ90001) Project (Report No. 05-135). The approved scope of work was for various interior and exterior building improvements, including plumbing, electrical work, ceiling tiles, flooring and related improvements.

However, upon further evaluation of the site, RAP's staff has determined that the demolition of the existing historic club house would be necessary for the safety of park patrons and to benefit the surrounding community. This would result in a potentially unavoidable adverse effect on a significant historic resource, and required the preparation of an Environmental Impact Report (EIR). On June 15, 2016, the Board certified the Final EIR (FEIR) with mitigations measures and a Statement of Overriding Considerations of significant unavoidable impacts, and approved the demolition of the historic El Sereno Clubhouse, the construction of a basketball court and batting cage on the building footprint of the Clubhouse, and the installation of a jogging path, fitness equipment, picnic tables, benches, and drinking fountains north of the clubhouse (Report No. 16-143).

RAP's staff recommends that the scope of El Sereno Recreation Center – Club House Building Improvements (PRJ90001) Project be modified to: demolition of the existing clubhouse, the construction of a basketball court, accessibility improvements, and the installation of a jogging path, fitness equipment, picnic tables, benches, and drinking fountains north of the clubhouse. Staff also recommends that the name of the project be changed from of El Sereno Recreation Center – Club House Building Improvements (PRJ90001) Project to the El Sereno Recreation Center – Club House Demolition (PRJ90001) Project.

PROJECT FUNDING

Previously, the Board approved the allocation of Seventy-Seven Thousand Forty-Six Dollars and Ninety-Five Cent (\$77,046.95) to the El Sereno Recreation Center – Club House Demolition (PRJ90001) Project (Report Nos. 05-135 and 12-006).

Upon approval of this Report, Two Hundred Twenty-Five Thousand Dollars (\$225,000.00) in Quimby Fees from Quimby Account No 89460K-00 can be transferred to El Sereno Recreation Center Account No 89460K-EG and allocated to the El Sereno Recreation Center – Club House Demolition (PRJ90001) Project.

Upon the approval of this Report, a total of Three Hundred Two Thousand Forty-Six Dollars and Ninety-Five Cents (\$302,046.95) will be allocated to the El Sereno Recreation Center – Club House Demolition (PRJ90001) Project.

BOARD REPORT

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These Quimby Fees were collected within five (5) miles of El Sereno Recreation Center, which is the standard distance for the allocation of the Quimby Fees for community recreational facilities pursuant to Los Angeles Municipal Code Section 12.33 E.3.

FUNDING SOURCE MATRIX

Source	Fund/Dept/Acct	Amount	Percentage
Quimby Fees	302/89/89460K-EG	\$302,046.95	100%
Total		\$302,046.95	100%

PROJECT CONSTRUCTION

Staff has determined that sufficient funding has been identified for the construction of the El Sereno Recreation Center – Club House Demolition (PRJ90001) Project.

Construction of the El Sereno Recreation Center – Club House Demolition (PRJ90001) Project is currently anticipated to begin in April 2017.

TREES AND SHADE

No existing trees at El Sereno Recreation Center will be removed as part of this project. The project proposes to install three (3) twenty-four inch box goldenrain trees (Koelreuteria paniculata) at El Sereno Recreation Center.

ENVIRONMENTAL IMPACT STATEMENT

RAP's staff has determined that the subject project was previously evaluated for environmental impacts in accordance with the California Environmental Quality Act (CEQA). On June 15, 2016 (Report No. 16-143), the Board adopted the Findings of Facts, Mitigation and Monitoring Plans, and a Statement of Overriding Considerations, and certified the Final Environmental Impact Report (FEIR) (State Clearinghouse No. 20140310041 and City Document No. EIR-15-012-RP). A Notice of Determination (NOD) was filed with the Los Angeles County Clerk on June 21, 2016. The change in the project scope by the current Board action is not substantial enough to result in any additional environmental impacts or mitigation measures, and therefore, is covered by the June 2016 NOD. No additional CEQA documentation is required.

FISCAL IMPACT STATEMENT

The approval of this allocation of Quimby Fees will have no fiscal impact on RAP's General Fund.

The estimated costs for the design, development, and construction of the proposed park improvements are anticipated to be funded by Quimby Fees or funding sources other than the RAP's General Fund.

BOARD REPORT

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At this time, there is no fiscal impact to RAP for the maintenance of the Project. Once the final Project design is completed, operational maintenance costs will be determined. Upon Project completion, a request for funding will be submitted in future RAP's General Fund.

This Report was prepared by Meghan Luera, Management Assistant, Planning, Maintenance and Construction Branch.

BOARD REPORT

NO. 17-067

DATE March 15, 2017

C.D. 15

BOARD OF RECREATION AND PARK COMMISSIONERS

SUBJECT: 109th STREET RECREATION CENTER – POOL AND BATHHOUSE REPLACEMENT (PRJ1501P) (W.O. #E1906494) PROJECT – FINAL ACCEPTANCE

AP Diaz	_____	V. Israel	_____
<i>for</i> R. Barajas	<u>USD</u>	N. Williams	_____
H. Fujita	_____		



 General Manager

Approved _____ Disapproved _____ Withdrawn _____

RECOMMENDATIONS

1. Accept the work performed by Simgel Co., Inc., under Contract No. 3462 for the 109th Street Recreation Center – Pool and Bathhouse Replacement (PRJ1501P) (W.O. #E1906494) Project, as outlined in the Summary of this Report;
2. Authorize the Department of Recreation and Parks' (RAP) Chief Accounting Employee to release all retention monies held under Contract No. 3462 after deducting for any remaining Stop Payment Notices and/or penalties if any, to Simgel Co., Inc., upon acceptance by the Board; and,
3. Authorize the Board Secretary to furnish Simgel Co., Inc., with a Letter of Completion.

SUMMARY

The construction contract for the 109th Street Recreation Center – Pool and Bathhouse Replacement (PRJ1501P) (W.O. #E1906494) project (Project) was awarded to Simgel Co., Inc., on August 14, 2013 (Report No. 13-200), in the amount of Three Million, Nine Hundred Twenty Thousand Dollars (\$3,920,000.00). The Project, which is located at 1431 East 110th Street, Los Angeles, California 90059, provided for the demolition of the existing deteriorated swimming pool and bathhouse; construction of a new 45 foot by 75 foot swimming pool and a new 860 square foot activity pool (kidney-shaped splash pad) along with a new 2,500 square foot bathhouse, new pool deck, pathways, perimeter fencing, landscaping, irrigation and Americans with Disabilities Act parking lot.

BOARD REPORT

PG. 2 NO. 17-067

Simgel Co., Inc., started construction on October 11, 2013. Construction is one hundred percent (100%) complete. The Department of Building & Safety issued the Certificate of Occupancy on August 16, 2016. The Department of Public Works, Bureau of Contract Administration, issued the Statement of Completion for the Project on January 5, 2017 after the contractor completed all punch list items.

The Department of Public Works, Bureau of Engineering (BOE), Architectural Division performed the project management while the Construction Management Division performed the construction management tasks. BOE has informed RAP that this Project was completed with a total of Eighty-Four (84) Change Orders (Attachment No. 1) issued, for a total of One Million, Three Hundred Four Thousand, Two Hundred Forty-Eight Dollars (\$1,304,248.00) or 33.27% of the base contract amount. The Project required a supplemental agreement, which was approved by the Board on February 3, 2016 in which the original contingency of 25% was increased to 35% (Report No. 16-040). The breakdown for the change orders is Three Hundred Eighty-Eight Thousand, Twelve Dollars (\$388,012.00) (9.90%) scope changes, Three Hundred One Thousand Seventy-Six Dollars (\$301,076.00) (7.68%) errors and omissions, and Six Hundred Fifteen Thousand, One Hundred Sixty Dollars (\$615,160.00) (15.69%) unforeseen conditions. The final contract amount is Five Million, Two Hundred Twenty-Four Thousand, Two Hundred Forty-Eight Dollars (\$5,224,248.00).

Of particular note is a substantial change to the contract that was made when the Los Angeles County Department of Public Works required modifications to the previously approved pool deck and perimeter tube-steel fence design to avoid surcharging an existing storm drain. A new structural support system for the pool deck and perimeter fencing to bridge over the storm drain had to be designed and constructed, resulting in a change order of Two Hundred Twenty-Seven Thousand and Eighty-Six Dollars (\$227,086.00) or 5.79% of the construction award amount. This change order was discussed in detail in Report No. 16-040.

The construction of the Project was funded by RAP's General Capital and Proposition K funds. The details of funding sources utilized for this Project were outlined in Report No. 13-200 that was previously approved for the award of the construction contract.

BOE has consulted with the Office of Contract Compliance concerning the status of the labor compliance requirements and Affirmative Action requirements on the Project. The Office of Contract Compliance reported that Simgel Co., Inc., is in compliance.

TREES AND SHADE

As a part of the project design, the construction of shade canopies over existing structure was implemented.

FISCAL IMPACT STATEMENT

There is no fiscal impact to RAP's General Fund for this Report, however operational maintenance cost will be determined and a request for funding will be submitted in future RAPs General Fund requests.

BOARD REPORT

PG. 3 NO. 17-067

This Report was prepared by Gary Lam, Project Manager, BOE Architectural Division, and reviewed by Neil Drucker, Program Manager, Mahmood Karimzadeh, Architectural Division Manager; Deborah Weintraub, BOE, Chief Deputy City Engineer; and Cathie Santo Domingo, Superintendent, Planning, Maintenance and Construction Branch.

LIST OF ATTACHMENTS

1. Change Order Log

RFI #	COR #	CO #	DESCRIPTIONS	Proposal \$	CITY EST \$	Apprvd \$	Days Extend	FCO Date	
2 22		1	Modification of Irrigation at Southeast area	\$15,812.00	\$15,500.00	\$15,500.00	7	4/30/14	Unforeseen Conditions
		2	Time Extension for DWP Power Connection	\$0.00	\$0.00	\$0.00	40	5/15/14	Unforeseen Conditions
112A A1 131		3	Install Conduits/Jboxes for Security System	\$58,008.00	\$46,000.00	\$46,000.00	14	9/15/14	Changing in Scope
25 25R1 26 26R1 29	3	4	Excavation, Backfill & Compaction	\$93,875.00	\$78,735.00	\$78,735.00	23	9/15/14	Unforeseen Conditions
86 87 88	10	5	Purchase & Install MS, LCP, L1, & P1	\$36,983.00	\$34,437.00	\$34,437.00	0	9/22/14	Errors and Omissions
56R1 73R1	9	6	Modification to the Surge Chamber Elev. & Access Hatch	\$23,695.00	\$21,298.00	\$21,298.00	0	9/23/14	Errors and Omissions
36	23	7	DWP Elec Charges	\$8,801.82	\$7,854.00	\$7,854.00	0		Changing in Scope
		8	Rain Delay	\$0.00	\$0.00	\$0.00	30	2/18/15	Unforeseen Conditions
80	13	9	Replacing Windows with Glass Blocks	\$26,357.94	\$22,000.00	\$22,000.00	15	7/30/15	Changing in Scope
230 230R1	29	10	Plan Check Fees	\$4,321.12	\$3,928.00	\$3,928.00	0	4/2/15	Unforeseen Conditions
101	15	11	Certified Deputy Inspector	\$5,868.00	\$5,868.00	\$5,868.00	0	4/2/15	Changing in Scope
001 023	2R1	12	Install 3 Extra Elec Pull Boxes	\$10,325.00	\$25,000.00	\$25,000.00	0	4/16/15	Unforeseen Conditions
256 256R1	24	13	Apply Seal Coat Over CMU	\$37,323.00	\$24,000.00	\$24,000.00	0	4/27/15	Changing in Scope
248 249 256 257	25	14	Apply Epoxy Coating & Anti Grraffitti	\$73,042.00	\$34,049.00	\$34,049.00	0	5/6/15	Changing in Scope
224 224R1	34	15	Modification to High Roof	\$57,285.87	\$56,287.00	\$56,287.00	20	5/6/15	Errors and Omissions

RFI #	COR #	CO #	DESCRIPTIONS	Proposal \$	CITY EST \$	Apprvd \$	Days Extend	FCO Date	
263 263R1	3R1 R	16	Install Elec. Weatherhead T&M Work	\$102,251.40	81,439.00	81,439.00	45	11/9/15	Changing in Scope
248		17	Void	Void	Void	Void	0	Void	Void
	31	18	Upgrade Chemical Controllers	\$30,668.02	\$22,809.00	\$22,809.00	0	6/23/15	Changing in Scope
284	60	19	Install Variable Frequency Drive for Pumps	\$19,281.74	\$18,190.00	\$18,190.00	0	6/24/15	Changing in Scope
35R2 35R3		20	Overtime Work on Pre-Approved Saturdays	\$12,082.00	\$12,100.00	\$8,900.00	0	9/20/16	Changing in Scope
	41	21	Tree Trimming	\$5,423.54	\$5,120.00	\$5,120.00	0	7/15/15	Errors and Omissions
222 243 275 288	37	22	Modifications to Roof Drains and Cabinets	\$21,811.07	\$20,112.00	\$20,112.00	7	7/16/15	Unforeseen Conditions
38	3A BC	23	Modification to the Westside Picket Fence	\$320,055.99	\$227,086.00	\$227,086.00	55	2/22/16	Changing in Scope
228 228R1 228R2	38	24	Modification to Vegetated Swale	\$25,262.71	\$24,800.00	\$24,800.00	20	8/3/15	Unforeseen Conditions
70R1 Thru &70R10	12	25	Modification to Canopy Pilaster Foundations & Base plates	\$11,809.05	\$10,532.00	\$10,532.00	7	8/4/15	Errors & Omissions
82	48	26	Modification to Window Grillis	\$8,306.69	\$8,110.00	\$8,110.00	0	8/10/15	Errors & Omissions
102R2 104- 104R4	58	27	Additional CMU Pilasters	\$25,116.50	\$18,554.00	\$18,554.00	20	10/1/15	Errors & Omissions
289	54	28	Additional Ceiling Light	\$4,360.67	\$4,098.00	\$4,098.00	5	10/1/15	Changing in Scope
280	36	29	Shift the Southside Fence at Visitor Parking	\$11,857.85	\$8,572.00	\$8,572.00	0	10/1/15	Unforeseen Conditions

RFI #	COR #	CO #	DESCRIPTIONS	Proposal \$	CITY EST \$	Apprvd \$	Days Extend	FCO Date		
SD#173	62	30	Upgrade Thermostatic Mixing Valve	\$3,030.39	\$3,030.00	\$3,030.00	0	10/1/15	Changing Scope	in
	16	31	Modification to Picket Fence Installation @ Sprayground	\$105,663.02	\$79,000.00	\$79,000.00	30	1/7/16	Changing Scope	in
288R1	66	32	Relocated Roof Drain @ High Roof	\$14,817.00	\$14,817.00	\$14,817.00	10	12/7/15	Changing Scope	in
264R1 328	68	33	Additional Gutter Drain	\$44,168.22	\$42,000.00	\$42,000.00	18	1/7/16	Changing Scope	in
326 326R1		34	Increase in Budget Contingency	\$0.00	\$0.00	\$0.00	0		Changing Scope	in
36	23R1	35	DWP Elec Charges	\$7,371.54	\$6,230.00	\$6,230.00	0	2/1/16	Changing Scope	in
238 239 R1	45	36	Additional Welding @ High Roof Tower	\$34,017.85	\$9,577.00	\$9,577.00	20	3/15/16	Errors & Omissions	
346R1 R2		37	Replace Window's Steel Mesh	\$5,274.72	\$5,274.00	\$5,274.00	0	3/15/16	Changing Scope	in
326 326R1	67	38	Replace Existing Walkway	\$13,195.21	\$11,845.00	\$11,845.00	10	3/15/16	Changing Scope	in
	61	39	Trenching for Main Gasline	\$3,842.26	\$3,789.00	\$3,789.00	0	3/15/16	Changing Scope	in
232	44	40	Install Missing Metal Deck Supports	\$6,535.09	\$5,240.00	\$5,240.00	10	3/15/16	Errors & Omissions	
251	47	41	Install Cap on top of the CMU Wall	\$1,723.74	\$1,569.00	\$1,569.00	0	3/15/16	Errors & Omissions	
261	55	42	Install Perforated Sheet Metal Vs. Gyp	\$9,206.16	\$9,200.00	\$9,200.00	0	4/26/16	Errors & Omissions	
306 306 R1 R2	64	43	Install Ball Bearing Hinges for all Gates	\$12,379.47	\$5,908.00	\$5,908.00	0	4/26/16	Errors & Omissions	
14 14R2 14R3	14R1	44	Concrete Encasement for Security Conduits	\$8,483.03	\$8,480.00	\$8,480.00	0	4/26/16	Changing Scope	in

RFI #	COR #	CO #	DESCRIPTIONS	Proposal \$	CITY EST \$	Apprvd \$	Days Extend	FCO Date	
331	69	45	Replace Exis. Underground Elec. Conduits	\$6,663.58	\$5,122.00	\$5,122.00	0	4/26/16	Unforeseen Conditions
4		46	Remove Existing Underground Concrete Footing	\$4,501.94	\$4,500.00	\$4,500.00	0	4/26/16	Unforeseen Conditions
11	89	47	Add Additional Rebars Around all Pipes Penetrating Surge Chamber Walls	\$9,595.03	\$8,126.00	\$8,126.00	6	5/26/16	Errors & Omissions
40 40R1		48	Repair Existing Underground Irrigation Lines	\$9,332.78	\$11,921.00	\$12,500.00	7	5/26/16	Unforeseen Conditions
5	57	49	Plan Check & Permits for Plumbing Inside the Pool	\$3,229.13	\$3,030.00	\$3,030.00	0	5/26/16	Changing in Scope
	79R1	50	Job Site Security	\$103,520.18	\$68,094.00	\$68,094.00	0	6/27/16	Changing in Scope
		51	Additional Rain Delay	\$0.00	\$0.00	\$0.00	45	5/18/16	Unforeseen Conditions
167		52	Sidewalk Repair	\$10,000.00		\$5,665.00		8/11/16	Changing in Scope
379	86	53	Replace Light Fixtures in Changing Rooms	\$11,097.20	\$10,700.00	\$10,700.00	12	8/3/16	Changing in Scope
	88	54	Modification to Existing Sidewalk	\$0.00		\$10,771.00		8/11/16	Errors and Omissions
		55	Credit for Cosmetic Roofing Deficiency			-\$1,000.00	0	9/20/16	Unforeseen Conditions
350	76	56	Modification to Existing Fence Footing	\$3,953.18	\$3,185.00	\$3,185.00	9	8/12/16	Unforeseen Conditions
See C.O.#036		57	Additional Welding @ High Roof Tower (To Adjust the Cost of Change Order#036)		\$4,528.00	\$4,528.00	0	8/3/16	Errors & Omissions

RFI #	COR #	CO #	DESCRIPTIONS	Proposal \$	CITY EST \$	Apprvd \$	Days Extend	FCO Date	
346R3	78	58	Installation of Mesh at Windows	\$4,837.20	\$2,000.00	\$2,000.00	0	8/3/16	Changing in Scope
375	90	59	Installation of new signage	\$1,626.13	\$1,626.13	\$1,626.00	0	8/3/16	Errors & Omissions
372 372r2	89	60	Additional Bike Racks	\$4,040.57	\$4,040.00	\$4,040.00	0	8/11/16	Errors & Omissions
384	84	61	Gate Modification for hardware fitment	\$3,658.08	\$3,500.00	\$3,500.00	0	8/11/16	Unforeseen Conditions
361	82	62	Modification to Electrical room door and fence on 110th st for security	\$3,274.88	\$3,078.00	\$3,078.00	0	8/11/16	Unforeseen Conditions
367 367r1	83	63	Changing door hardware	\$4,138.02	\$3,705.00	\$3,705.00	0	8/11/16	Changing in Scope
383	85	64	Self Illuminating Exit Signs	\$2,531.86	\$2,500.00	\$2,500.00	0	8/11/16	Unforeseen Conditions
224r3	81	65	Channel to close gap to prevent birds from nesting at high roof	\$6,424.02	\$5,933.00	\$5,933.00	0	8/11/16	Unforeseen Conditions
330 330r1	72	66	Bridging electrical conduit for baseball field across the bioswale	\$13,652.37	\$12,500.00	\$12,500.00	0	8/11/16	Unforeseen Conditions
294	43	67	Flashing under windows at lobby clerestory	\$1,991.84	\$1,991.00	\$1,991.00	0	8/11/16	Errors & Omissions
255 255r1	39	68	New catch basin	\$2,252.70	\$2,252.00	\$2,252.00	0	8/4/16	Changing in Scope
341	73	69	Mesh above Canopy plumbing chase	\$3,838.32	\$2,349.00	\$2,349.00	0	8/11/16	Changing in Scope
262	50	70	Ceiling utility access doors	\$2,486.48	\$2,323.00	\$2,323.00	0	8/11/16	Changing in Scope

RFI #	COR #	CO #	DESCRIPTIONS	Proposal \$	CITY EST \$	Apprvd \$	Days Extend	FCO Date	
345r2	74	71	Roof Drain Cleanout	\$2,199.89	\$2,199.00	\$2,199.00	0	8/11/16	Errors & Omissions
N/A	70	72	Potholing to locate access to the storm drain	\$1,293.49	\$1,088.00	\$1,088.00	0	8/11/16	Unforeseen Conditions
N/A	71	73	Unforeseen waterline break at bioswale	\$1,590.98	\$1,500.00	\$1,500.00	0	8/11/16	Unforeseen Conditions
115	52	74	New 6" Curb for overflow roof drain spout	\$2,963.40	\$2,862.00	\$2,862.00	0	8/4/16	Errors & Omissions
N/A	7	75	Expediting Compaction Report from LADBS	\$2,677.74	\$2,224.00	\$2,224.00	0	8/22/16	Unforeseen Conditions
N/A	59	76	Deputy inspector from outside	\$617.76	\$618.00	\$618.00	0	8/4/16	Unforeseen Conditions
N/A	87	77	Exterior Utility Enclosure Pad	\$7,536.67	\$6,940.00	\$6,940.00	0	8/29/16	Unforeseen Conditions
N/A	80R2	78	Deck Crack Repair - Expansion Joints	\$16,040.98	\$15,000.00	\$15,000.00	0	9/20/16	Unforeseen Conditions
307R1,2,3	65	79	Expansion Joints	\$37,184.00	\$35,000.00	\$32,500.00	0	9/22/16	Unforeseen Conditions
	75	80	Scaffolding on Roof	\$2,143.34	\$1,450.00	\$1,535.00	0	8/11/16	Unforeseen Conditions
	91	81	Waterproof receptacles	\$1,881.00	\$1,881.00	\$1,881.00	0	8/11/16	Errors & Omissions
	92	82	Roof Deck Closure	\$900.29	\$901.00	901.00	0	8/29/16	Errors & Omissions
		83	Credit for benches and canopies	-\$6,585.00	-\$24,500.00	(21,260.00)	0	9/20/16	Unforeseen Conditions

RFI #	COR #	CO #	DESCRIPTIONS	Proposal \$	CITY EST \$	Apprvd \$	Days Extend	FCO Date	
		84	FINAL	\$52,650.00	\$31,400.00	\$34,005.00	20	12/16/16	FINAL

Total \$1,659,432.71 \$1,288,003.13 \$1,304,248.00 505

\$3,920,000.00

\$5,224,248.00

33.27%

25% of the Contract:\$980,000.00

\$0.00

28 of the Contract:\$1,097,600

\$67,752.00

30% of the Contract:\$1,176,000

35% of the Contract:\$1,372,000

1372000

Remaining \$67,752.00

BOARD REPORT

NO. 17-068

DATE March 15, 2017

C.D. 6

BOARD OF RECREATION AND PARK COMMISSIONERS

SUBJECT: SEPULVEDA BASIN RECREATION AREA – MARK TAPER INTERGENERATIONAL CENTER – PROPOSED CHILDCARE FACILITY EXPANSION PROJECT; CATEGORICAL EXEMPTION FROM THE CALIFORNIA ENVIRONMENTAL QUALITY ACT (CEQA) PURSUANT TO ARTICLE III, SECTION 1, CLASS 3(17) (PROJECTS INVOLVING LESS THAN 15,000 SQUARE FEET OF INSTITUTIONAL FLOOR SPACE NOT ON A HILLSIDE, OR IN A MAPPED AREA OF SEVERE GEOLOGICAL HAZARD, OR IN A PALEONTOLOGICAL, HISTORICAL, ARCHAEOLOGICAL OR SEISMIC STUDY AREA) AND CLASS 14 (MINOR ADDITIONS TO EXISTING SCHOOLS) OF CITY CEQA GUIDELINES

AP Diaz	<u> </u>	V. Israel	<u> </u>
*R. Barajas	<u><i>mf</i></u>	N. Williams	<u> </u>
H. Fujita	<u> </u>		



 General Manager

Approved _____ Disapproved _____ Withdrawn _____

RECOMMENDATIONS

1. Approve ONEgeneration (ONE), proposed Childcare Facility Expansion Project (Project), on a portion of the Sepulveda Basin Recreation Area, currently under lease from the United States Army Corps of Engineers (USACE) and sub-leased to ONE's in accordance with Article 9 of the Lease Agreement;
2. Find that granting approval of the proposed Project is categorically exempt from California Environmental Quality Act (CEQA) pursuant to Article III, Section 1, Class 3(17) (projects involving less than 15,000 square feet of institutional floor space not on a hillside, or in a mapped area of severe geological hazard, or in a paleontological, historical, archaeological or seismic study area) and Class 14 (minor additions to existing schools) of City CEQA guidelines;
3. Direct Department of Recreation and Parks' (RAP) staff to prepare and file a Notice of Exemption (NOE) within five (5) working days of approval; and,
4. Authorize the RAP's Chief Accounting Employee to issue a check to the Los Angeles, County Clerk in the amount of Seventy-Five Dollars (\$75.00) for the fee to file the NOE.

BOARD REPORT

PG. 2 NO. 17-068

SUMMARY

On August 11, 2004, the Board of Recreation and Park Commissioners (Board), through Report No. 04-231, approved a ten (10) year lease agreement with ONE a California 501 (c) (3) non-profit corporation, authorizing ONE's continued occupancy and use of the Mark Taper Intergenerational Center (Center), located within the Sepulveda Basin Recreation Area at 17400 Victory Boulevard in Van Nuys. ONE has occupied the Center since 1991, successfully serving the San Fernando Valley senior and youth population through its many senior and young children based recreational programs and services. Over the years, ONE has expanded its operations with additional services and programs to better serve the needs of seniors and young children in the community. ONE currently provides a place for seniors and young children, and their families, to enhance their quality of life by congregating and socializing at the Center through various classes, services, and recreational programs. ONE provides a variety of comprehensive services for seniors, adults, and young children, such as, but not limited to, childcare, adult daycare, health services, senior advocacy, support groups, volunteer opportunities, legal assistance, counseling, hot lunches, and other programs specifically designed to "empower" seniors, parents, and families.

On May 4, 2011, the Board, through Report No. 11-122, approved a First Amendment to the Lease Agreement, extending the term of the Lease through 2025.

On May 16, 2012, the Board, through Report No. 12-159, approved ONE's Child Care Center Expansion project to install two (2) above ground modular structures that are used as classrooms at the Center.

On December 10, 2014, the Board, through Report No. 14-310, approved a Second Amendment to the Lease Agreement, extending the term of the Lease through 2035.

Due to the growth in the number of families in the community, in correlation with the increase in the demand for quality childcare and pre-school programs, and in order to continue to accommodate the children enrolled in its childcare program at the Center, ONE has submitted a proposal to expand its program. ONE's proposal of the Project to install one (1) pre-fabricated above ground modular structure for use as a classroom within the area ONE leases at the Center, which will be used in conjunction with the two existing above ground modular classroom structures. ONE anticipates the need to accommodate and make available twenty (20) to twenty-four (24) spaces for children in order for them to transition to their next age class in the upcoming July 2017 term. Without the addition of this classroom space, ONE would be forced to displace the currently enrolled twenty (20) to twenty-four (24) children from its program. This Project is vital to ONE in continuing to meet one of its service objectives at the Center, to provide for the needs of the growing community it serves with a high quality childcare program.

BOARD REPORT

PG. 3 NO. 17-068

The proposed Project involves the installation of one (1) above ground modular structure on the existing childcare paved parking area. The structure measures about sixty-five feet by twenty-four feet (65'x24') and will have full electrical, water, and sewer hookups. All utilities will be paid by ONE. At the end of the Lease term, ONE will remove the temporary structure and restore the property to its original condition.

In accordance with Article 9, Alterations and Improvements, of the lease agreement between City and ONE, any proposed improvements are subject to approval of the Board. The design plans has been reviewed by RAP's staff and has been found to be acceptable. It should be noted that ONE is required to obtain approval from the City's Department of Building and Safety (LADBS) before moving forward with the proposed Project.

USACE, who owns the property that the Center is located on, has granted its approval to proceed with the Project. RAP's staff recommends that the Board approve the proposed Project.

TREES AND SHADE

This Project will not add or affect any trees or shade canopy.

ENVIRONMENTAL IMPACT STATEMENT

Approval of the proposed Project would allow the installation of less than 15,000 square feet of institutional floor space not on a hillside, or in a mapped area of severe geological hazard, or in a paleontological, historical, archaeological or seismic study area. Furthermore, it would consist of a minor addition to an existing school that does not increase original student capacity by more than 25%. Therefore, RAP's staff recommends that the Board determine that the Project is categorically exempt from the provisions of the California Environmental Quality Act (CEQA) pursuant to Article III, Section 1, Class 3(17) and Class 14 of the City CEQA Guidelines. A Notice of Exemption will be filed with the Los Angeles County Clerk.

FISCAL IMPACT STATEMENT

There will be no fiscal impact to RAP's General Fund associated with the proposed Project, as all costs and expenses associated with the Project and its future operation will be the responsibility of ONE, with no financial obligation imposed on RAP.

This Report was prepared by Ian Kim, Management Analyst II, Planning, Maintenance and Construction Branch.

LIST OF ATTACHMENTS

- 1) Aerial Photograph of the Mark Taper Intergenerational Center
- 2) Project Plans

Attachment 1

Mark Taper Intergenerational Center
17400 Victory Boulevard
Van Nuys CA 91406

Aerial View



Addition Of Pre-Fabricated Modular Classroom **ONE**generation Van Nuys, California



KUDRAVEARCHITECTS

P. O. Box BB
Pasadena, CA 91102
213-955-0005

GENERAL NOTES & CONDITIONS

1. Contractor shall carefully review these plans, visit the Project site, inspect existing conditions, determine access and staging areas. Prepare a fixed price Contract for owner's representative approval; including all labor, materials, equipment, tools, permits, fees, etc. to execute a complete, finished and habitable Project site.
2. General Scope of Project shall consist of but not limited to: obtaining all permits; inspecting site, verifying dimensions & existing conditions; preparation of immediate area for construction; furnishing & installation of modular classroom; setting modular unit including decking, stairs, ramps, skirts, etc. all on structurally calculated supports (including securing City permits), providing required utilities to the classroom, removal, modification and/or demolition of existing fencing, paving, landscaping, etc. to facilitate a completed Project. Notwithstanding this informational scope, Contractor's work shall also include a written detailed Contract prepared for and accepted by Owner in writing.
3. All work shall be performed in full compliance with the California Building Code and City of Los Angeles regulations.
4. Prepare weekly task based schedule for execution and completion of the Project.
5. Perform work in accordance with latest edition of General Conditions as defined in the American Institute of Architects, Form A201, by reference.
6. Verify all related dimensions and existing conditions to facilitate construction of new improvements.
7. Provide evidence of current Worker's Compensation and General Liability insurance.
8. Furnish, install and make operable complete, sewer, water, power, lighting, exist, smoke detection illumination systems. Prepare and submit design-build proposals of such for owner's representative approval. Secure permits for such scope of work.
9. At completion, remove all construction tools, equipment, temporary facilities, refuse, etc. from Project site. Clean and prepare Project area for occupancy.
10. Arrange for City inspection at appropriate intervals. Secure notice of completion and certificate of occupancy permit.
11. The finished scope of work shall be all inclusive except as noted here facilitating an operable Childcare Classroom, similar to two adjacent previously installed modular units constructed several years prior.

DRAWING INDEX

Sheet	Title
1.	General Notes & Specifications
2.	Legal Description & Green Compliance
3.	Site & Code Compliance
4.	Project Site Plan
5.	Floor Plan
6.	Deck Floor Plan & Elevation
A-1 Walden Structures Modular Floor Plan - Reference Only	

PROJECT ADDRESS

17400 Victory Boulevard
Van Nuys, California 91406

Project

Addition of Pre-Fabricated Modular Classroom

ONEgeneration

17400 Victory Boulevard
Van Nuys, California 91406

Revisions

--	--

Drawing Title

GENERAL NOTES & SPECIFICATIONS

Design concepts, details, drawings, specifications and all related documents, including those in electronic form, prepared by the Architect are the property of the Architect. No part of this drawing shall be reproduced, stored in a retrieval system, or transmitted in any form or by any means, electronic, mechanical, photocopying, recording, or by any information storage and retrieval system, without the prior written permission of the Architect. The design concepts, details, drawings, specifications and other related documents shall be used as other Plans or as part of any other project without the expressed written permission of the Architect and additional compensation for such by Owner to the Architect.

Drawing Number

1

Date: 7-22-16



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Project

Addition of Pre-Fabricated
Modular Classroom

ONEgeneration

17400 Victory Boulevard
Van Nuys, California 91406

Revisions

Drawing Title

LEGAL DESCRIPTION
GREEN BUILDING CODE
COMPLIANCE

Design concepts, details, drawings, specifications and all related documents, including those to electronic files, prepared by the Architect are instruments of service for use solely with respect to the Project under Contract. KudosArchitects shall be deemed the author and sole owner of such Instruments of Service, retaining all economic, legal, ownership and other reserved rights, including copyrights. Architect's consent in this Office is a non-exclusive license to reproduce the Architect's Instruments of Service solely for purposes of coordinating improvements of the Project. These include concepts, details, drawings, specifications and other related documents created in and for other Projects or used in any way without the express written permission of the Architect and without compensation, for use by Owner or the Architect.

Drawing Number

2

Date: 9.22.16

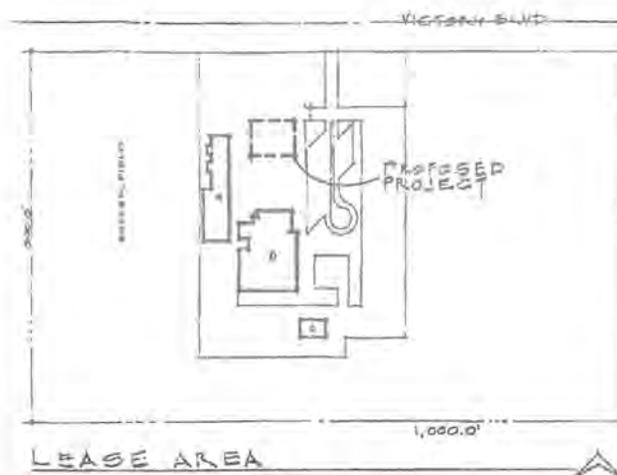
LEGAL DESCRIPTION & LEASE LINES

LEGAL

PORTION OF RANCHO ENCINO, PER DEED RECORDED IN BOOK 4232, PAGES 124 & 125, IN THE CITY OF LOS ANGELES.

LEASING LINES

ALL THAT PORTION OF THE RANCHO EL ENCINO AS PER DEED MAP RECORDED IN BOOK 4232, PAGES 124 AND 125 OF DEEDS, IN THE OFFICE OF THE COUNTY RECORDER OF LOS ANGELES, BOUNDED AND DESCRIBED AS FOLLOWS: FROM THE POINT OF INTERSECTION OF THE SOUTHERLY LINE OF VICTORY BOULEVARD, 125 FT. WIDE, WITH THE WESTERLY LINE OF THAT PORTION OF LOUISE AVENUE, 60 FT. WIDE, EXTENDING ALONG SAID SOUTHERLY LINE 1,300 FT. TO THE POINT OF BEGINNING; THENCE SOUTHERNLY 600 FT. AT RIGHT ANGLES TO SAID SOUTHERLY LINE TO A POINT IN A LINE PARALLEL TO THE SOUTHERLY LINE OF VICTORY BOULEVARD; THENCE EASTERLY ALONG SAID PARALLEL LINE TO A POINT IN A LINE PARALLEL WITH AND DISTANT 300 FT. WESTERLY, MEASURED ALONG SAID SOUTHERLY LINE OF VICTORY BOULEVARD, FROM SAID WESTERLY LINE OF LOUISE AVENUE; THENCE NORTHERLY ALONG SAID LAST MENTIONED PARALLEL LINE TO SAID SOUTHERLY LINE; THENCE WESTERLY ALONG SAID SOUTHERLY LINE 1,000 FT. TO THE POINT OF BEGINNING.



PROJECT ADDRESS

17400 VICTORY BOULEVARD • VAN NUYS, CA 91406

GREEN BUILDING CODE COMPLIANCE

- CONSTRUCTION WASTE SHALL BE REDUCED BY 50% AND HANDLED BY CITY LOS ANGELES CERTIFIED HAULER.
- ARCHITECTURAL PAINTS, COATINGS, ADHESIVES, CAULKINGS AND SEALANTS SHALL COMPLY WITH THE VOLITILE ORGANIC COMPOUNDS (VOC) LIMITS LISTED IN 5.504.4.1 – 5.504.4.3.
- VOC CONTENT VERIFICATION CHECKLIST, FORM GRN2 SHALL BE COMPLETED AND VERIFIED PRIOR TO FINAL INSPECTION APPROVAL. THE MANUFACTURER'S SPECIFICATIONS SHOWING VOC CONTENT FOR ALL APPLICABLE PRODUCTS SHALL BE READILY AVAILABLE AT JOBSITE AND PROVIDED TO FIELD INSPECTOR'S VERIFICATION.
- NEW HARDWOOD PLYWOOD, PARTICLEBOARD AND MEDIUM DENSITY FIBREBOARD COMPOSITE WOOD PRODUCTS USED IN THE INTERIOR OR EXTERIOR OF BUILDING SHALL MEET WITH FORMALDEHYDE LIMITS LISTED 5.504.4.5.
- FORMALDEHYDE EMISSIONS VERIFICATIONS CHECKLIST, FORM GRN3, SHALL BE COMPLETED PRIOR TO FINAL INSPECTION APPROVAL. THE MANUFACTURER'S SPECIFICATIONS SHOWING FORMALDEHYDE FOR ALL APPLICABLE WOOD PRODUCTS SHALL BE READILY AVAILABLE AT JOBSITE AND PROVIDED TO FIELD INSPECTOR'S VERIFICATION.

BUILDING CODE COMPLIANCE

ORIGINALLY DEVELOPED AND OPERATED BY LOS ANGELES DEPARTMENT OF PARKS & RECREATION, ONEGENERATION NOW LEASES THE ENTIRE PROPERTY, ITS PREVIOUSLY CONSTRUCTED BUILDINGS (A, B & C) ALONG WITH ALL SITE IMPROVEMENTS INCLUDING LANDSCAPING, PAVING, PARKING, SITE DRAINAGE.

THE SUBJECT PROJECT IS LIMITED TO MOVING ONE SEPARATE PREFABRICATED "TRAILER-LIKE" STRUCTURE, SET ON STRUCTURAL SUPPORTING "PADS" DIRECTLY ONTO EXISTING ASPHALT PAVING SURFACE. NO EXCAVATION FOR STANDARD BUILDING FOUNDATION WOULD BE REQUIRED TO SUPPORT THIS STRUCTURE. EXISTING CONCRETE PAVING SURFACE WOULD NOT BE DISTURBED OR ALTERED. PROPOSED STRUCTURE WOULD BE ELEVATED APPROXIMATELY 30" ABOVE PAVEMENT SURFACE, THUS MAINTAINING EXISTING FLOW OF WATER RUNOFF UNDERNEATH AND AWAY FROM BUILDING. AS SUCH, THERE WOULD BE NO NEED FOR NEW STORM WATER POLLUTION CONTROL (SWPPP). REFER TO PLANS FOR EXISTING, PREVIOUSLY APPROVED SITE DRAINAGE (TO REMAIN UNALTERED).

INSTALLATION OF NEW STRUCTURE WITH RELATED COMPONENTS ARE PRE-FABRICATED, THUS ELIMINATING ON-SITE CONSTRUCTION WASTE AND HAULING. EXTERIOR DECKING, STAIRS, HANDRAILS AND RAMPS SHALL BE OF PREFABRICATED WOOD-POLYMER PRODUCTS AND INSTALLED BY RELOCATEABLE STRUCTURES' CONTRACTOR ON A DESIGN/BUILD BASIS. STRUCTURAL INSTALLATION WOULD NOT REQUIRE ANY LAND CLEARING, EXCAVATION OF SOILS OR VEGETATION, ALLEVIATING NEED FOR RECYCLING. ACCORDINGLY, VOC AND FORMALDEHYDE LIMITS AS REQUIRED BY FORM GRNS OR GRN11 WOULD NOT APPLY IN SUCH INSTANCE.

LAND USE ANALYSIS

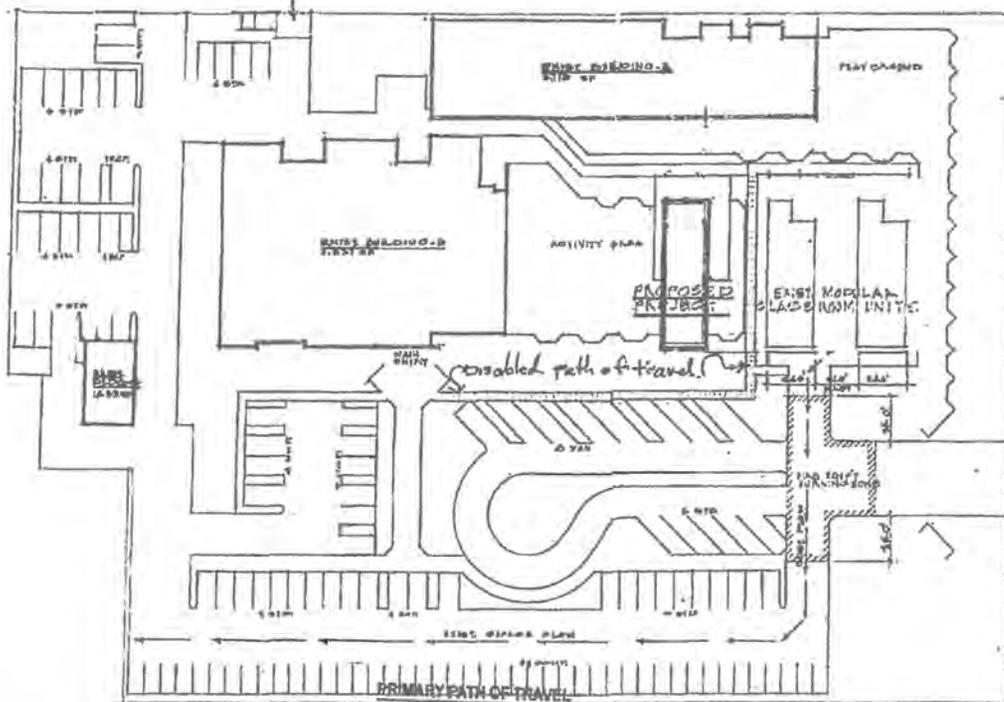
• Site Area	13.77 acres
• Existing Structures	
Building A	5,773 sf
Building B	11,327 sf
Building C	1,232 sf
Building D	1,452 sf
Building E	1,452 sf
Total Existing	21,236 sf
• Proposed New Relocatable Structure	1,452 sf
Total Building Area	22,688 sf

PARKING ANALYSIS

	Standard	Compact	Disabled	Subtotal
Existing Req	54	34	5	93 spaces
Existing Prov.	55	53	26	134
Excess Provided				41
New Required Structure F (1 space/500 s.f.)				3
Excess Spaces Provided On Site				38 spaces
Additional Required				None

OCCUPANCY & CONSTRUCTION TYPE

E (4-6 Yr. Old), Type V N



I certify that "the primary path of travel to the area of alteration from the public way and accessible parking spaces as indicated on the plans does not include steps or a slope exceeding 1:20 except where access is provided by a ramp with a maximum slope of 1:12 or a certified accessible elevator. I understand that if the primary path of travel is found to be inaccessible, significant delays may result."

Signature: *[Handwritten Signature]* Position: Architect

SITE PLAN

(1" = 50')



P. O. Box BB
Pasadena, CA 91102
213-955-0005

Project

Addition of Pre-Fab
Modular Classroom

ONEgeneration

17400 Victory Boulevard
Van Nuys, California 91411
Revisions

Drawing Title

SITE & CODE COMPLIANCE

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Drawing Number

3

Date: 9-22-14



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Project

Addition of Pre-Fabricated
Modular Classroom

ONEgeneration

17400 Victory Boulevard
Van Nuys, California 91406

Revisions

Drawing Title

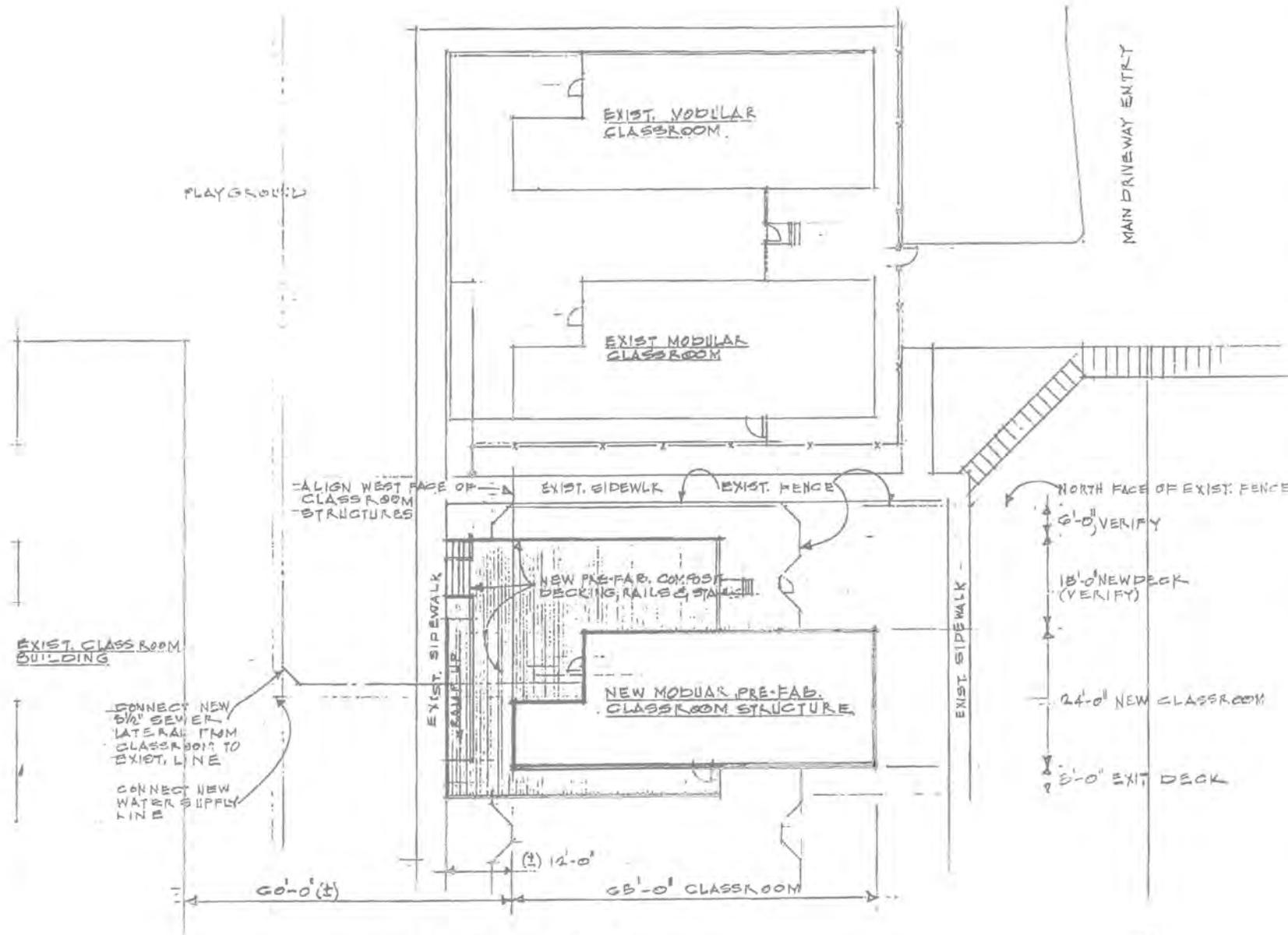
PROJECT SITE PLAN

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Drawing Number

4

Date: 9.22.16



SITE PLAN
SCALE 1/16" = 1'-0"





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Project

Addition of Pre-Fabricated
Modular Classroom

ONEgeneration

17400 Victory Boulevard
Van Nuys, California 91406

Revisions

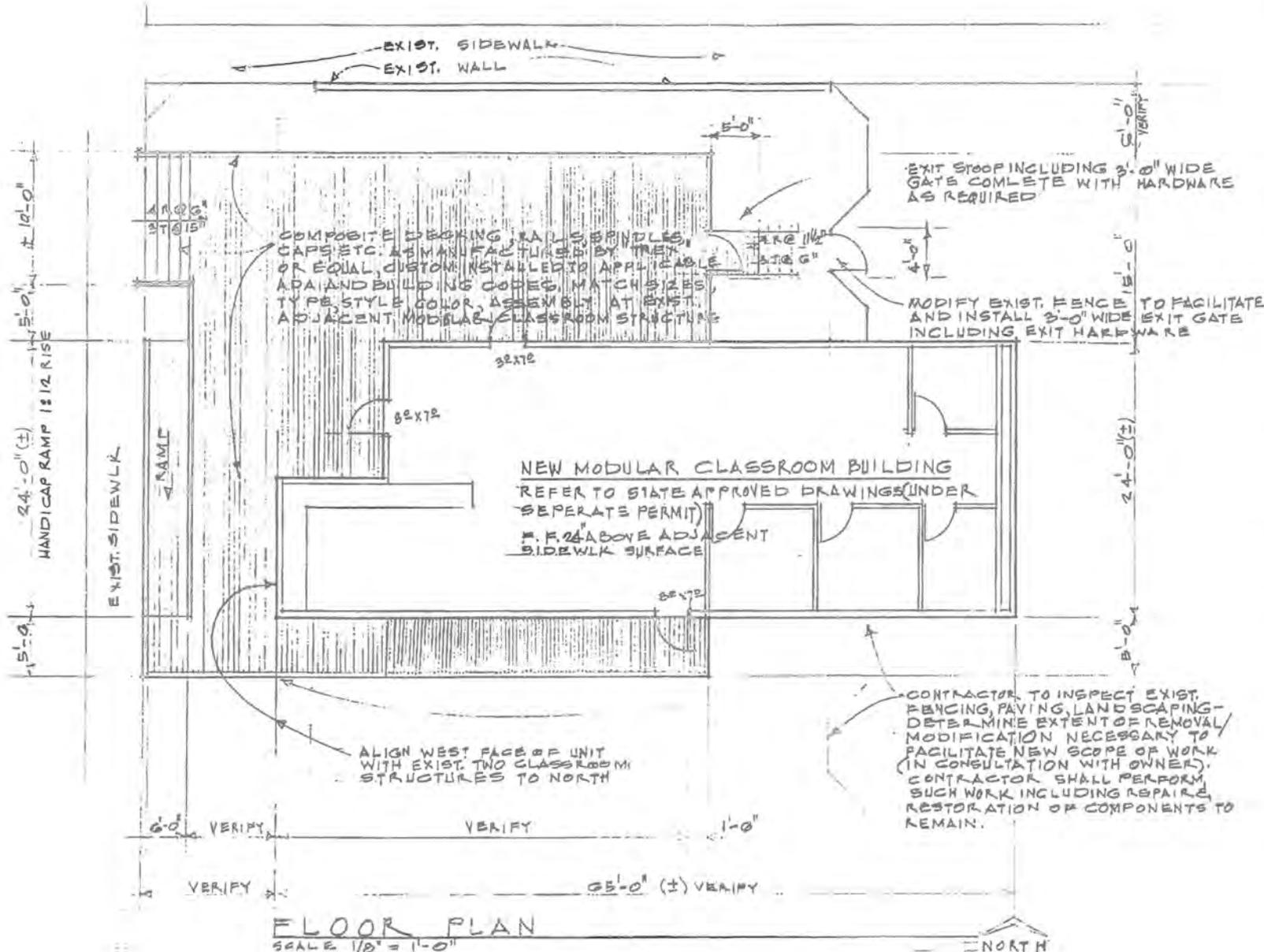
Drawing Title

FLOOR PLAN

Drawing Number

5

Date: 9.22.16



FLOOR PLAN
SCALE 1/8" = 1'-0"



Design concepts, details, drawings, applications and all related documents, including those in electronic form, prepared by the Architect are Instruments of Service for use solely with respect to this Project under Contract. Kudrave Architects shall be deemed the author and sole owner of such Instruments of Service, including all common law, statutory and other reserved rights, including copyrights. Architect grants to the Owner a non-exclusive license to reproduce the Architect's Instruments of Service solely for the purposes of administering implementation of the Project. These design concepts, details, drawings, specifications and other related documents cannot be used on other Projects or copied in any form without the expressed written permission of the Architect and additional compensation for such by Owner on the approved

1. ALL DIMENSIONS ARE TO FACE UNLESS NOTED OTHERWISE.
 2. ALL DIMENSIONS ARE TO FACE UNLESS NOTED OTHERWISE.
 3. ALL DIMENSIONS ARE TO FACE UNLESS NOTED OTHERWISE.
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 9. ALL DIMENSIONS ARE TO FACE UNLESS NOTED OTHERWISE.
 10. ALL DIMENSIONS ARE TO FACE UNLESS NOTED OTHERWISE.

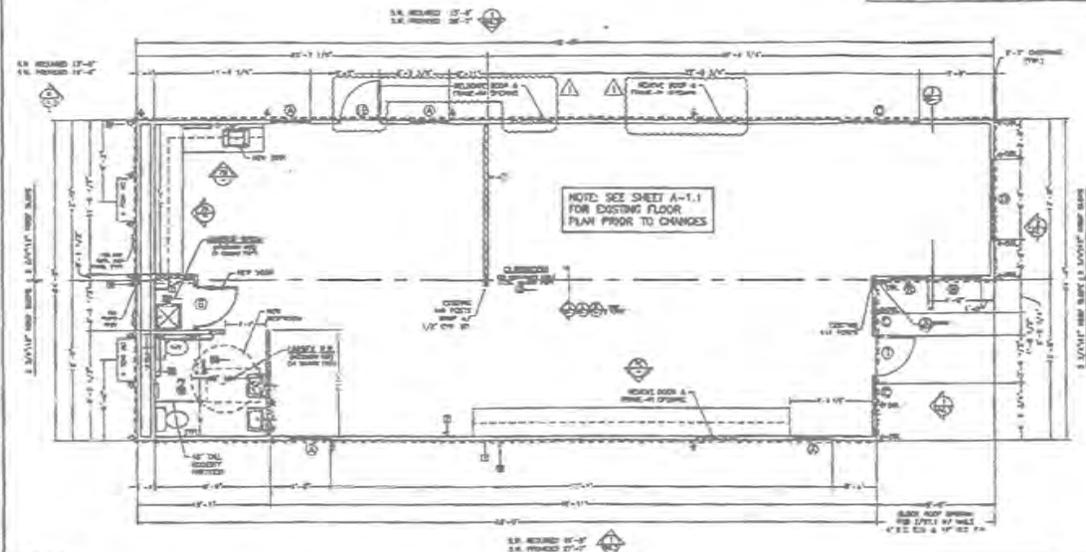
NOTE: POINTS FOR OVER HEIGHT & OVER WIDTH ARE BY DEALER.
 NOTE: ALL DIMENSIONS ARE TO EDGE OR FACE OF STUD (TYP.)

SCOPE OF WORK NOTES:
 1. VERIFY FLOOR INSULATION AND SEALING AS NECESSARY.
 2. ALL FLOORING SHALL BE TO POWER GRABBLE SHALL BE FILLED BY OTHER CONTRACTOR, NOT SILL.
 3. PATCH, PAINT AND FINISH ALL EXTERIOR/INTERIOR WALLS AND CEILING.
 4. CLEAN AND REPAIR ALL DOORS AND WINDOWS.
 5. REPLACE MECHANICAL FILTERS.

NOTES:
 1. POINTS FOR OVERWIDTH & OVERHEIGHT SHIPPING ARE BY DEALER.
 2. ALL METAL, WOOD, TAPE, TEXTURE, AND FINISHING OF ROOF SYSTEM PANELS & CEILING TO BE BY S/S CONTRACTOR.
 3. HOLD BACK CHYRAN WALL (TYP) AT 500 LBS 1" DOOR USE THE FLOOR PLAN.



APPROXIMATE SHIPPING HEIGHT: 14'-0"
 SHIPPING HEIGHT NOTE:
 SHIPPING HEIGHT DOES NOT INCLUDE SLUICING HOLES AND ROOF CURBS. REVISION COMPANY TO VERIFY OVERALL HEIGHT PRIOR TO SHIPPING.



LEGEND
 1. INSULATED CONCRETE SLAB (TYP) WITH REINFORCING BARS (TYP) AND STAY-IN-PLACE CONCRETE (TYP) NOT SILL.
 2. INSULATED CONCRETE ON EXTERIOR WALLS.
 3. 1/2" X 1/2" REINFORCING BARS (TYP) ON INTERIOR WALLS.
 4. 1/2" X 1/2" REINFORCING BARS (TYP) ON CEILING SLAB.
 5. 1/2" X 1/2" REINFORCING BARS (TYP) ON FLOOR SLAB.
 6. 1/2" X 1/2" REINFORCING BARS (TYP) ON ROOF SLAB.

1 NEW FLOOR PLAN - BUILDING 'E'

- 1.1 EXTERIOR WALLS & ROOF
 (Specify material of selection)
 1.1.1 1/2" X 1/2" REINFORCING BARS (TYP) ON EXTERIOR WALLS.
 1.1.2 1/2" X 1/2" REINFORCING BARS (TYP) ON ROOF SLAB.
 1.1.3 1/2" X 1/2" REINFORCING BARS (TYP) ON CEILING SLAB.
- 1.2 INTERIOR WALLS & CEILING
 (Specify material of selection)
 1.2.1 1/2" X 1/2" REINFORCING BARS (TYP) ON INTERIOR WALLS.
 1.2.2 1/2" X 1/2" REINFORCING BARS (TYP) ON CEILING SLAB.
- 1.3 FLOORING
 (Specify material of selection)
 1.3.1 1/2" X 1/2" REINFORCING BARS (TYP) ON FLOOR SLAB.
- 1.4 ROOFING
 (Specify material of selection)
 1.4.1 1/2" X 1/2" REINFORCING BARS (TYP) ON ROOF SLAB.
- 1.5 MECHANICAL
 (Specify material of selection)
 1.5.1 1/2" X 1/2" REINFORCING BARS (TYP) ON MECHANICAL ROOM.
- 1.6 ELECTRICAL
 (Specify material of selection)
 1.6.1 1/2" X 1/2" REINFORCING BARS (TYP) ON ELECTRICAL ROOM.
- 1.7 FINISHES
 (Specify material of selection)
 1.7.1 1/2" X 1/2" REINFORCING BARS (TYP) ON FINISHES.

3 FINISH SCHEDULE

4 PAINT (SHERWIN WILLIAMS) SCHEDULE
 5 DOOR LEG

2 SHEAR WALL LEGEND

- 2.1 EXTERIOR SHEAR WALLS
 (Specify material of selection)
 2.1.1 1/2" X 1/2" REINFORCING BARS (TYP) ON EXTERIOR SHEAR WALLS.
- 2.2 INTERIOR SHEAR WALLS
 (Specify material of selection)
 2.2.1 1/2" X 1/2" REINFORCING BARS (TYP) ON INTERIOR SHEAR WALLS.
- 2.3 ROOF SHEAR WALLS
 (Specify material of selection)
 2.3.1 1/2" X 1/2" REINFORCING BARS (TYP) ON ROOF SHEAR WALLS.
- 2.4 CEILING SHEAR WALLS
 (Specify material of selection)
 2.4.1 1/2" X 1/2" REINFORCING BARS (TYP) ON CEILING SHEAR WALLS.
- 2.5 FLOOR SHEAR WALLS
 (Specify material of selection)
 2.5.1 1/2" X 1/2" REINFORCING BARS (TYP) ON FLOOR SHEAR WALLS.
- 2.6 ROOF CURBS
 (Specify material of selection)
 2.6.1 1/2" X 1/2" REINFORCING BARS (TYP) ON ROOF CURBS.
- 2.7 SLUICING HOLES
 (Specify material of selection)
 2.7.1 1/2" X 1/2" REINFORCING BARS (TYP) ON SLUICING HOLES.

6 WINDOW LEGEND

- 6.1 WINDOW TYPES
 (Specify material of selection)
 6.1.1 1/2" X 1/2" REINFORCING BARS (TYP) ON WINDOW TYPES.
- 6.2 WINDOW SIZES
 (Specify material of selection)
 6.2.1 1/2" X 1/2" REINFORCING BARS (TYP) ON WINDOW SIZES.
- 6.3 WINDOW FINISHES
 (Specify material of selection)
 6.3.1 1/2" X 1/2" REINFORCING BARS (TYP) ON WINDOW FINISHES.

7 CABINET ELEVATIONS



PREFINISHED CABINETS



B GENERAL NOTES

GENERAL NOTES:
 1. ALL DIMENSIONS ARE TO FACE UNLESS NOTED OTHERWISE.
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 10. ALL DIMENSIONS ARE TO FACE UNLESS NOTED OTHERWISE.

STATE OF CALIFORNIA

STATE OF CALIFORNIA
 COUNTY OF _____
 I, _____, of the County of _____, do hereby certify that the above is a true and correct copy of the _____ of _____, California.
 My Commission Expires _____
 My Office is _____
 My Title is _____
 My Signature _____
 My Date _____

WALDEN
 MANUFACTURING & CONSTRUCTION
 10000 100TH AVE., SUITE 100
 WILSON, CA 94094
 (415) 947-1000
 FAX: (415) 947-1001
 WWW.WALDENMFG.COM

REVISIONS
 NO. DATE DESCRIPTION
 1. _____
 2. _____
 3. _____
 4. _____
 5. _____
 6. _____
 7. _____
 8. _____
 9. _____
 10. _____

PROJECT NAME
 SUBMITTANT
 CONSULTANT
 DATE

PROJECT NAME
 1100 BURNING RD.
 WINDY VALLEY, CA 92585
 FLOOR PLAN & GENERAL NOTES

DATE
 PROJECT NUMBER
 SHEET NUMBER
 SHEET TOTAL

NO. OF SHEETS IN SET
 SHEETS APPROVED
 (NO CHANGES)

PRELIMINARY NO.
 OR CORRECTIVE

NO. OF SHEETS IN SET
 SHEETS APPROVED
 (AS NOTED HEREON)

SHEET NO.
 A-1

BOARD REPORT

NO. 17-069

DATE March 15, 2017

CD 4

BOARD OF RECREATION AND PARK COMMISSIONERS

SUBJECT: GRIFFITH OBSERVATORY – DONATION FROM FRIENDS OF THE OBSERVATORY TO SUPPORT THE GRIFFITH OBSERVATORY SCHOOL PROGRAM IN SCHOOL YEAR 2016-2017

AP Diaz	_____	*V. Israel	_____
R. Barajas	_____	N. Williams	_____
H. Fujita	_____		



 General Manager

Approved _____ Disapproved _____ Withdrawn _____

RECOMMENDATIONS

That the Board:

1. Accept, with gratitude, a donation from Friends Of The Observatory (FOTO) of One Hundred Seventy-Five Thousand Dollars (\$175,000.00) to support the Griffith Observatory School Program during the 2016-17 school year, and that appropriate recognition be given to FOTO; and,
2. Direct the Department of Recreation and Parks' (RAP) Chief Accounting Employee to deposit the funds in the existing special account in Fund 302, Department 89, Account 89843M (Observatory School Program) upon receipt of the funds from FOTO.

SUMMARY

For a ninth year, FOTO has generously agreed to donate One Hundred Seventy-Five Thousand Dollars (\$175,000.00) to the Griffith Observatory (the Observatory), located at 2800 East Observatory Road, Los Angeles, California 90027. The money for this donation was granted to FOTO by Burberry as part of a partnership between Burberry, Friends Of The Observatory, and the Department of Recreation and Parks (RAP). The donation is intended to continue FOTO's support for the Observatory School Program through the 2016-17 school year.

The Griffith Observatory School Program serves fifth grade students from across the

BOARD REPORT

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NO. 17-069

region, with roughly half coming from the Los Angeles Unified School District. Due to significant reductions in the Observatory's staffing and expense budgets in Fiscal Year 2008-09, the Observatory sought FOTO's assistance in supporting the continuation of the Griffith Observatory School Program for the 2008-09 school year. FOTO provided support again for the 2009-10, 2010-11, 2011-12, 2012-13, 2013-14, 2014-15, and 2015-16 school years. FOTO is continuing to seek a multi-year private sponsor for the program.

The donation funds will be deposited into the existing interest-bearing account in Fund 302, Department 89, Account 89843M (Observatory School Program), and used solely and exclusively for costs associated with the implementation of the Griffith Observatory School Program including reimbursements for part-time staffing, program expenses, and other related activities. RAP will continue to provide regular reports to FOTO on the disposition of the funding and status of the funds in the account.

FISCAL IMPACT STATEMENT

Acceptance of the donation will have no fiscal impact on the RAP's General Fund, as the General Fund would not have been used for the program in the 2016-17 school year. Without the funds contributed by FOTO, the Griffith Observatory School Program would have been canceled for the 2008-09, 2009-10, 2010-11, 2011-12, 2012-13, 2013-14, 2014-15, 2015-16, and 2016-17 school years.

This Report was prepared by Mark A. Pine, Deputy Director, Griffith Observatory.

BOARD REPORT

NO. 17-070

DATE March 15, 2017

C.D. 1

BOARD OF RECREATION AND PARK COMMISSIONERS

SUBJECT: LINCOLN PARK RECREATION CENTER – ACCEPTANCE OF DONATION FROM UCLA VOLUNTEER CENTER

AP Diaz	_____	*V. Israel	_____
R. Barajas	_____	N. Williams	_____
H. Fujita	_____		



General Manager

Approved _____ Disapproved _____ Withdrawn _____

RECOMMENDATIONS:

Accept the following donation as noted in the Summary of this Report, and that appropriate recognition be given to the donor.

SUMMARY:

The UCLA Volunteer Center (Center) organizes various service activities on the UCLA Campus and in the Greater Los Angeles community. Its participants include UCLA students, faculty, staff and alumni, as well as community members. The Center strives to make a positive impact on the community through all its volunteer projects.

On September 19, 2016, the Center hosted an improvement project at Lincoln Park Recreation Center. Approximately 300 Center volunteers were transported in to make various improvements to the Park. The project included graffiti removal, painting, trash removal, raking, and pulling weeds. The result was a safer, cleaner, and more attractive space for patrons to enjoy. The total estimated amount of this donation is Two Thousand Seven Hundred Sixty-Seven Dollars (\$2,767.00) in materials, in addition to approximately 1,200 volunteer hours for the one day, four hour project.

FISCAL IMPACT STATEMENT:

There is no fiscal impact to the Department of Recreation and Park's General Fund, except for unknown savings, as the donations may offset some expenditures.

This Report was prepared by Bertha Calderon, Management Analyst, Metro Region.

BOARD REPORT

NO. 17-071

DATE: March 15, 2017

C.D. 1

BOARD OF RECREATION AND PARK COMMISSIONERS

SUBJECT: **MACARTHUR PARK – MEMORANDUM OF UNDERSTANDING WITH YOUTH POLICY INSTITUTE TO IMPLEMENT AN EVIDENCE-BASED BYRNE CRIMINAL JUSTICE INNOVATION PLANNING AND IMPLEMENTATION GRANT PROJECT WITHIN THE LOS ANGELES PROMISE ZONE**

AP Diaz	_____	*V. Israel	_____
R. Barajas	_____	N. Williams	_____
H. Fujita	_____		



General Manager

Approved _____ Disapproved _____ Withdrawn _____

RECOMMENDATIONS

1. Retroactively approve the Memorandum of Understanding (MOU) herein included as Attachment 1, between the Department of Recreation and Parks (RAP) and Youth Policy Institute (YPI), for a proposed three-year project period, from October 1, 2017 to September 30, 2020, to be implemented in Years Two and Three of the MOU project period through supplemental grant funding provided to RAP by YPI for youth programs and services at MacArthur Park, after the Year One planning phase is completed;
2. Retroactively authorize the RAP General Manager to execute the MOU;
3. Authorize RAP's Chief Accounting Employee to establish the necessary account and/or to appropriate funding received within "Recreational Program Grant" Fund 205 to accept the YPI funds through this MOU for MacArthur Park; and
4. Authorize RAP's Chief Accounting Employee to make any technical corrections as necessary to effectuate the intent of these funds.

SUMMARY

The Youth Policy Institute, a non-profit organization (YPI) has been awarded a grant through the Byrne Criminal Justice Innovation (BCJI) grant program, which is focused on implementing a crime reduction strategy within the Promise Zone of Los Angeles, which includes the community of MacArthur Park located at 2230 West 6th Street, Los Angeles. YPI wishes to collaborate with RAP, along with the Los Angeles Police Department, and use the grant funds to address public safety and revitalize MacArthur Park. The Los Angeles Promise Zone consists of five diverse

BOARD REPORT

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neighborhoods including Hollywood, East Hollywood, Koreatown, Pico-Union, and Westlake. With a population of approximately 165,000 residents within this Zone, 35% of these residents live in poverty, and 25% have a household income of less than \$15,000 per year. The goals of the Los Angeles Promise Zone are to promote jobs, improve educational opportunities, address public safety, preserve affordable housing, and provide livable communities.

The term of the MOU is three years, from October 1, 2017 through September 30, 2020, with the first year being the planning phase, and the second and third years being the implementation phase. Its purpose is to establish a commitment to work with YPI and BCJI and to support the Byrne program's overall goal of reducing crime and improving community safety. The Byrne grant funding provided to RAP by YPI is anticipated to increase community participation in existing recreational programs at MacArthur Park, with the intent of reducing crime and addressing other socio-economic issues.

RAP has previously collaborated with YPI on grant related projects, including another Byrne grant to address crime and public safety issues at Lemon Grove Recreation Center in East Hollywood, which will serve as a successful model for the MacArthur Park project. YPI will be the Lead Agency and Fiscal Agent for this BCJI grant and will be responsible for all grant administration, coordination with involved agencies, and reporting as required to BCJI.

YPI provides education, training, and technology services for low-income families and communities. Developed from the Robert F. Kennedy Memorial Fund and incorporated as a 501(c)(3) nonprofit agency in 1983, YPI was originally headquartered in Washington, D.C., but moved operations to California in 1996. YPI has an annual budget of \$41 million (including affiliated charter schools) and offers families early childhood education, parenting services, college preparation, computer technology training, physical education, nutrition services, financial literacy, job training, and summer youth employment. Each year, YPI helps more than 100,000 youth and adults through these programs. In 2014, YPI became the lead implementation partner for the Los Angeles Promise Zone initiative targeting high-poverty neighborhoods in East Hollywood, Pico-Union, and Koreatown. YPI is also the only agency in Los Angeles operating City-funded Youth Source, Family Source, and Work Source Centers.

The MacArthur Park community and residents gain access to a variety of cultural, educational, fitness, and sports programs provided by RAP and its partners, including Senior Bingo, After-School Club, Kid's Zone Program, Aztec Dancing, Piano, Summer Day Camp, Adult Zumba, and 50 Summer Concerts in the Park at the Levitt Pavilion Band Shell, as well as annual events such as the Spring Egg Hunt, Fishing Derby, Halloween, and Winter Holiday. Many of the programs are free or offered at minimal cost to patrons. These programs give children, youth, and their families affordable recreational pursuits for their leisure, and enhances their quality of life in a historical and highly dense area of Los Angeles.

RAP staff and existing programs at MacArthur Park have a great opportunity to interact with the YPI/Byrne grant by collaborating programs and staff in order to enhance the existing programs with additional qualified instructors and additional programs during after-school and evening timeframes, as well as on Saturdays.

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FISCAL IMPACT STATEMENT

Retroactive approval of the MOU to provide supplemental funding for youth programs and services at MacArthur Park will result in no impact to the RAP General Fund.

This Report was prepared by Jennifer Sapone, Senior Management Analyst I, Partnership Division.

LIST OF ATTACHMENT(S)

1. MOU with the Youth Policy Institute and Partners

Memorandum of Understanding
With The Youth Policy Institute and Partners
(MacArthur Park in the Zone)

This Memorandum of Understanding (MOU) is hereby entered into for the purpose of implementing an evidence-based Byrne Criminal Justice Innovation (BCJI) Planning and Implementation Project within the Los Angeles Promise Zone in the City of Los Angeles. The proposed project area is also served by the Los Angeles Promise Neighborhood in the Promise Zone, and will offer a wide array of place-based cradle to college and career services in support of the overall Byrne program goal to reduce crime, increase trust, and improve community safety as part of a comprehensive strategy to advance neighborhood revitalization.

The broad cross-sector partnership team described here and in the proposal consists of Lead Agency Youth Policy Institute (YPI), a community-based nonprofit organization in Los Angeles, law enforcement partners that include the Los Angeles Police Department (LAPD), cross sector partners such as the City of Los Angeles Department of Recreation and Parks, public sector partners, public safety and community revitalization leaders, research partners, and additional community-based organizations committed to improve the MacArthur Park neighborhood targeted by the project.

The cross-sector partnership proposed to support MacArthur Park is new, but flows directly from existing cross sector partnerships that Lead Agency Youth Policy Institute administers with current partners to support place-based neighborhood strategies in initiatives such as the Los Angeles Promise Zone and LA Promise Neighborhood. YPI is the Lead Implementation Partner of the City of Los Angeles for the Los Angeles Promise Zone as well as the Lead Agency and Fiscal Agent for the LA Promise Neighborhood in the Promise Zone project serving this same community. Proposed BCJI services will be implemented through the Promise Zone Public Safety Working Group led by the YPI Chief Community Development Officer Angelica Solis, who has worked with the core partners to address public safety issues in the LA Promise Zone of which the proposed project is a part for the past three years. She works in coordination with the Promise Neighborhood and its extensive array of partners and subcontractors led by YPI Senior Director of School Impact and Integration Karina Favela-Barreras.

All collaborative partners signing this MOU will join the Byrne Leadership Council (a component of the existing and ongoing LA Promise Zone Public Safety Working Group) to provide oversight of all strategies, services, and activities in the proposed MacArthur Park in the Zone project.

All collaborative partners signing below agree to support the Byrne Criminal Justice Innovation (BCJI) model by fully participating in implementation of services and in management/oversight of all services as needed throughout the proposed three-year project period (October 1, 2017- September 30, 2020). Each partner signing this Memorandum of Understanding and participating in the MacArthur Park in the Zone

project fully agrees to the following partner services and activities in order to implement a successful program:

- Share all client and program data gathered in the course of providing services and provide access to relevant data sources to the U.S. Department of Justice. All partners further agree to work closely with the Bureau of Justice Assistance (BJA) competitively selected TTA partner as permitted by governing bodies of State and Federal Law. This will potentially include participation in information sharing sessions, facilitation of peer-to-peer exchanges of information, and administration of subject matter expertise relevant to BCJI neighborhood efforts.
- Attend all applicable planning and implementation partner meetings of the Byrne Leadership Council and provide feedback on services throughout the three-year planning and implementation period. Each Partner signing this document agrees to attend quarterly Leadership meetings regarding BCJI services to assess planning and implementation services, review program data, and provide oversight of evaluation and ongoing public safety initiatives implemented in the project as required by the Lead Agency and the U.S. Department of Justice.
- Implement agreed upon programs and services (further identified in Agency Roles, below), recruit residents, area businesses, and other stakeholders to participate in program activities, and take an active role in assessing services while working with YPI (and partner) staff.
- Facilitate quality improvement processes and evaluation by participating in related activities and providing access to and integration with data and data systems as needed during the three-year planning and implementation grant period (October 1, 2017- September 30, 2020).
- Work with YPI to create a system of accountability to monitor, maintain and measure performance in accordance with this MOU.
- Continue to work on sustainability with YPI during the term of the BCJI grant and afterwards.

Youth Policy Institute (YPI)- Lead Agency and Fiscal Agent

The Youth Policy Institute will be the Lead Agency and Fiscal Agent for the proposed BCJI Grant. YPI will be responsible for grant administration and for reporting and gathering of information, while coordinating services of all partners in the program. YPI personnel will attend required conferences related to grant services. The vision and mission of YPI is to transform Los Angeles neighborhoods using a holistic approach to reduce poverty by ensuring families have access to high quality schools, wrap-around education and technology services, enabling a successful transition from cradle to college and career. Relevant programs and support services for youth and families in support of proposed BCJI services include direct leadership of place-based initiatives targeting neighborhood revitalization, such as the LA Promise Zone, the LA Promise Neighborhood in the Promise Zone that is serving the same community as Byrne, and the LA Choice Neighborhood planning grant.

The YPI programmatic commitment to the proposed Byrne project through education and community revitalization efforts in place through Promise Neighborhoods includes full

time staffing space for the LA Promise Zone and VISTA AmeriCorps member provided by the City of Los Angeles for BCJI planning and implementation services throughout the three-year project period (2017-20). As well, it will include ongoing Promise Neighborhood support services, including early childhood education, K-12 academic supports (intake and assessment, tutoring, health and nutrition education, gang prevention, before and afterschool programs; college and career services such as one-on-one college advising, college field trips, and summer jobs and internships; and family and community supports that include workforce development, family case management, financial capability programs, and adult education). The financial commitment of these resources will total \$X over the three-year program period.

As Lead and Fiscal Agent for Byrne funding, YPI will ensure meaningful engagement of residents and other partners in the planning and implementation of a comprehensive and coordinated strategic plan. Our agency demonstrates commitment and a clear history of strong partnerships, including the local law enforcement agency and a research partner, to support the data collection and analysis throughout the life of the grant. YPI will hire and support a skilled BCJI Manager under the supervision of the YPI Chief Community Development Officer who will oversee and facilitate coordination and collaboration among criminal justice and service providers. YPI commits to facilitate collaboration with relevant local, state, or federal initiatives (e.g., National Forum on Youth Violence Prevention, Project Safe Neighborhoods, other Promise Zones, National Initiative for Building Community Trust and Justice, anti-gang programs, or other neighborhood revitalization programs) located in, adjacent, or overlapping the jurisdiction that addresses issues that relate to the crime issues identified. YPI will support the planning and sustainment of the program through proactive program management tied to rigorous research and data analysis, program assessment, and leveraging other funding and resources.

City of Los Angeles Recreation and Parks Department - Cross Sector partner

The City of Los Angeles Recreation and Parks (RAP) Department oversees MacArthur Park, the focus for the Byrne Criminal Justice Innovation project. RAP manages core park services at MacArthur Park- as well as over 16,000 acres of parkland in the City of Los Angeles. We offer recreational, social and cultural programs at 444 park sites. This includes hundreds of athletic fields, 422 playgrounds, 321 tennis courts, 184 recreation centers, 72 fitness areas, 62 swimming pools and aquatic centers, 30 senior centers, 26 skate parks, 13 golf courses, 12 museums, 9 dog parks, and 187 summer youth camps throughout the City of Los Angeles. Our Department is pleased to build on our existing partnership with YPI, in which we addressed crime and public safety issues at Lemon Grove Recreation Center in East Hollywood, and which will serve as a successful model for proposed BCJI project.

Programmatic and financial commitments from existing services and resources will be aligned with the BCJI program at MacArthur Park. These will include providing an afterschool program five days per week for children ages 5-12; offering a morning preschool program; facilitating youth sports programs such as soccer or basketball; and providing full-day summer camps for children ages 5-12. In addition, RAP partners with

Levitt Pavilion to offer an annual summer concert series at MacArthur Park, which includes 50 shows and diverse variety of artists and genres. RAP also provides staffing at MacArthur Park, which includes one full-time Director, plus part-time recreation assistants and instructors, and seasonal summer camp staff. The financial commitment of these resources is \$X for the project period.

We commit to working with the Byrne partnership and participating in quarterly Leadership Council meetings during planning and implementation to support strategies and align the above resources with grant-funded activities to address public safety and revitalize MacArthur Park and the surrounding neighborhood.

MacArthur Park in the Zone

Memorandum of Understanding (MOU)

I have reviewed this Memorandum of Understanding, including the specific roles and duties for my organization, and commit to these roles and duties as described.

AGREED TO:



Vicki Israel, Assistant General Manager
City of Los Angeles Department of Recreation and Parks

BOARD REPORT

NO. 17-072

DATE March 15, 2017

C.D. _____

BOARD OF RECREATION AND PARK COMMISSIONERS

SUBJECT: TRANSFER OF APPROPRIATIONS WITHIN FUND 302 IN THE DEPARTMENT OF RECREATION AND PARKS FOR BUDGETARY ADJUSTMENTS

AP Diaz _____
R. Barajas _____
H. Fujita _____

V. Israel _____
*N. Williams EC



General Manager

Approved _____

Disapproved _____

Withdrawn _____

RECOMMENDATIONS

- 1. Subject to approval by the Mayor, authorize the transfers of appropriations within Recreation and Parks Fund 302, as follows:

FROM:

Fund 302/88, Account 1010 – Salaries, General \$3,200,000.00

TO:

Fund 302/88, Account 1070 – Salaries, As Needed	\$2,150,000.00
Fund 302/88, Account 1100 – Salaries, Hiring Hall	200,000.00
Fund 302/88, Account 1120 – Fringe Benefits, Hiring Hall	150,000.00
Fund 302/88, Account 3040 – Contractual Services	500,000.00
Fund 302/88, Account 8620 – Children’s Play Equipment	<u>200,000.00</u>
	<u>\$3,200,000.00</u>

- 2. Authorize the General Manager, or Designee, to make technical corrections as necessary to carry out the intent of the transfers as stated in the Summary of this Report.

SUMMARY

The Department of Recreation and Parks (RAP) anticipates additional appropriations needed in Salaries, As-Needed (Account 1070), Salaries, Hiring Hall (Account 1100), and Fringe Benefits, Hiring Hall (Account 1120) due to shortage of full-time employees, fire watches, extreme weather, as well as other unexpected program and event needs. Although RAP has been working hard and aggressively to hire critically needed full-time employees, the shortage in full-time personnel persists as a result of retirements, transfers, promotions, etc. Since Fiscal Year

BOARD REPORT

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NO. 17-072

2015-16, RAP has hired approximately 205 full-time employees but gained only a net increase of 54 as of January 2017.

Therefore, RAP requests additional appropriations to cover the shortages in the following labor accounts. The funding is made available from the projected savings in Salaries, General (Account 1010) mostly due to the underfill of full-time positions.

- Salaries, As-Needed (Account 1070) – \$2,150,000.00
- Salaries, Hiring Hall (Account 1100) – \$200,000.00
- Fringe Benefits, Hiring Hall (Account 1120) – \$150,000.00

In addition, a total of Five Hundred Thousand Dollars (\$500,000.00) in Contractual Services (Account 3040) is needed to cover costs incurred for veterinarian services for Park Ranger horses and bus rentals enabling fieldtrips for under-served children.

- Equine Services (Account 3040) – \$50,000.00
- Bus Rental (Account 3040) – \$450,000.00

Lastly, appropriation in the amount of Two Hundred Thousand Dollars (\$200,000.00) in Children's Play Equipment (Account 8620) is needed to cover play equipment installation and/or repairs for safety and aesthetic purposes.

The aforementioned appropriations will be needed to cover anticipated costs through the end of the current Fiscal Year.

FISCAL IMPACT STATEMENT

These transfers between accounts are for budgetary adjustments and have a net zero impact on RAP's General Fund.

This Report was prepared by Sondra Fu, Senior Management Analyst II, Finance Division.

BOARD REPORT

NO. 17-073

DATE March 15, 2017

C.D. 15

BOARD OF RECREATION AND PARK COMMISSIONERS

SUBJECT: GAFFEY STREET POOL — POOL AND NEW BATHHOUSE RESTORATION (PRJ20726) (W.O. #E1907453F) PROJECT — ACCEPTANCE OF STOP PAYMENT NOTICES AND RELEASE OF STOP PAYMENT NOTICE ON CONSTRUCTION CONTRACT NO. 3514 WITH AWI BUILDERS, INC.

for

AP Diaz
R. Barajas
H. Fujita

[Signature]

V. Israel _____
N. Williams _____

[Signature]
General Manager

Approved _____ Disapproved _____ Withdrawn _____

RECOMMENDATIONS

1. Direct staff to withhold the amounts claimed in the following Stop Payment Notices (Attachment 1), plus an additional sum equal to twenty-five percent (25%) thereof, to defray any costs of litigation in the event of court action, if said amount of said funds are available, and to notify contractors, sureties, and other interested parties that the amount of said claims plus twenty-five percent (25%) will be withheld; and,
2. Direct the Department of Recreation and Parks' (RAP) Chief Accounting Employee to release Five Thousand, Four Hundred Fifty-Six Dollars, Thirty-Four Cents (\$5,456.34) of the amount withheld on Construction Contract No. 3514 with AWI Builders, Inc. in accordance with the Request for Release of Stop Notice dated February 24, 2017 from Foundation Building Materials, LLC., herein included as Attachment 2, for the Gaffey Street Pool — Pool and New Bathhouse Restoration (PRJ20726) (W.O. #E1907453F) Project.

BOARD REPORT

PG. 2 NO. 17-073

STOP PAYMENT NOTICE

The RAP is in receipt of a Stop Payment Notice to withhold construction funds, pursuant to California Civil Code Sections 9350 et seq. on the following contract:

Contract 3514 CD 15

Gaffey Street Pool — Pool and New Bathhouse
Restoration (PRJ20726) (W.O. #E1907453F)
Construction Status: Construction

General Contractor: AWI Builders, Inc.
Claimant: Foundation Building
Materials, LLC. - Pico
Rivera
Amount: \$5,456.34

Project Impact: none

RELEASE OF STOP PAYMENT NOTICE

RAP is in receipt of Release of Stop Payment Notice filed by the claimant below, which releases the Board from any and all liability for withholding funds from the general contractors or the sureties:

Contract 3514 CD 15

Gaffey Street Pool — Pool and New Bathhouse
Restoration (PRJ20726) (W.O. #E1907453F)
Construction Status: Construction

General Contractor: AWI Builders, Inc.
Claimant: Foundation Building
Materials, LLC. - Pico
Rivera
Amount: \$5,456.34

Project Impact: none

FISCAL IMPACT STATEMENT

Acceptance of Stop Payment and Release of Stop Notices has no impact on RAP's General Fund.

This Report was prepared by Iris Davis, Commission Executive Assistant I.

LIST OF ATTACHMENTS

- 1) Stop Payment Notice filed by Foundation Building Materials, LLC. - Pico Rivera
- 2) Release of Stop Payment Notice filed by Foundation Building Materials, LLC. - Pico Rivera

Cont 3514

Attachment 1

STOP NOTICE - PUBLIC WORKS PROJECTS
(California Civil Code § 9350 et seq.)

RECEIVED
FEB 23 11:02 AM
FOUNDATION BUILDING MATERIALS, LLC

TO THE OWNER OR REPUTED OWNER
CITY OF LOS ANGELES
221 N FIGUEROA ST STE 1510
DEPT OF RECREATION AND PARKS
LOS ANGELES, CA 90012

TO THE DIRECT OR REPUTED CONTRACTOR
AWI BUILDERS INC.
1027 SHERLOCK DR
BURBANK, CA 91501
323-589-5111

TO THE LENDER/SURETY OR REPUTED
CONTRACTORS AND DEVELOPERS BONDING
534 E BADILLO ST
COVINA, CA 91723
Bond/Loan #

TO THE CUSTOMER OR BUYER
LEGACY INTERIOR WALL SYSTEMS
14489 MIRADA PL.
APPLE VALLEY, CA 92307

PLEASE TAKE NOTICE THAT Foundation Building Materials, LLC. - Pico Rivera has a claim in connection with the public work known as GAFFEY STREET POOL RESTORATION PROJECT, located at 3351 SOUTH GAFFEY ST., SAN PEDRO, CA 90731, in the County of Los Angeles. The specific contract information is for Our Job/Invoice 708162.

The claimant furnished the following kind of labor, services, equipment, materials or service charges: Drywall, stucco, tile, grid, metal framing, doors, locks and related material.. The name of the party to whom the material was furnished or supplied, or for whom the labor was done or performed, is LEGACY INTERIOR WALL SYSTEMS, 14489 MIRADA PL., APPLE VALLEY, CA 92307.

WHEREFORE, the claimant prays that the public entity, upon receipt of this Stop Payment Notice, withhold from the original contractor, or from any person acting under his authority, sufficient money due or to become due to such contractor to answer this claim stated in such stop notice and to provide for reasonable cost of any litigation thereunder.

The total value of labor, services, equipment and materials furnished by claimant or agreed to be performed was \$9,505.96. That the value of labor, service, equipment, materials and service charges so performed or furnished as of the date of this notice is \$9,505.96. That such claim has not been paid in full except that there has been paid against the balance due the sum of \$4,049.62. The unpaid balance is now \$5,456.34, including service charges or interest at the rate of 18.00% per annum.

Dated 2/17/2017 for Foundation Building Materials, LLC. - Pico Rivera, 8542 Slauson Avenue Pico Rivera, CA 90660.

By: Claudia Martinez
Claudia Martinez, Credit Manager, for Foundation Building Materials, LLC. - Pico Rivera

VERIFICATION

I declare that I am authorized to file this Stop Payment Notice on behalf of the claimant. I have read the foregoing document and know the contents thereof; the same is true of my own knowledge. I declare under penalty of perjury that the foregoing is true and correct. Executed at PICO RIVERA, CA on 2/17/2017 for Foundation Building Materials, LLC. - Pico Rivera.

By: Claudia Martinez
Claudia Martinez, Credit Manager, for Foundation Building Materials, LLC. - Pico Rivera

PROOF OF SERVICE BY MAIL AFFIDAVIT

I declare that I served a copy of the above document, and any related documents, by (as required by law) first-class, certified or registered mail, postage prepaid, addressed to the above named parties, at the addresses listed above, on 2/17/2017. I declare under penalty of perjury that the foregoing is true and correct. Executed at PICO RIVERA, CA on 2/17/2017.

By: Claudia Martinez
Claudia Martinez, Credit Manager, for Foundation Building Materials, LLC. - Pico Rivera

RELEASE OF STOP PAYMENT NOTICE - Public Work
Legal Notice To Release Construction Funds
(California Civil Code § 9350 et seq.)

TO THE OWNER OR REPUTED OWNER
CITY OF LOS ANGELES
221 N FIGUEROA ST STE 1510
DEPT OF RECREATION AND PARKS
LOS ANGELES, CA 90012

TO THE DIRECT OR REPUTED CONTRACTOR
AWI BUILDERS INC.
1027 SHERLOCK DR
BURBANK, CA 91501
323-589-5111

TO THE LENDER/SURETY OR REPUTED
CONTRACTORS AND DEVELOPERS BONDING
534 E BADILLO ST
COVINA , CA 91723
Bond/Loan #

TO THE CUSTOMER OR BUYER
LEGACY INTERIOR WALL SYSTEMS
14489 MIRADA PL.
APPLE VALLEY, CA 92307

The undersigned hereby withdraws and releases the Stop Payment Notice filed on 2/17/17 with the following owner(s) or reputed owner(s): CITY OF LOS ANGELES , 221 N FIGUEROA ST STE 1510, DEPT OF RECREATION AND PARKS , LOS ANGELES, CA 90012 for claims against LEGACY INTERIOR WALL SYSTEMS, 14489 MIRADA PL., APPLE VALLEY, CA 92307.

The claimant has been PAID IN FULL for labor, services, equipment, materials or service charges performed or furnished for the performance or construction of the public work commonly known as GAFFEY STREET POOL RESTORATION PROJECT, located at 3351 SOUTH GAFFEY ST., SAN PEDRO, CA 90731, in the County of Los Angeles.

The specific contract information is for Our Job/Invoice 708162.

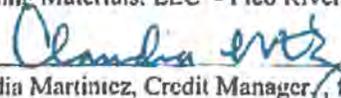
The undersigned also hereby releases from the above said public entity, and its subdivisions and agents, any further duty under the laws of this State to withhold money or bonds in response to the Stop Payment Notice, and waives any right of action against them that might accrue thereunder.

Dated 2/24/2017 for Foundation Building Materials, LLC. - Pico Rivera, 8542 Slauson Avenue Pico Rivera, CA 90660.

By: 
Claudia Martinez, Credit Manager, for Foundation Building Materials, LLC. - Pico Rivera

VERIFICATION

I declare that I am authorized to file this Release of Stop Payment Notice on behalf of the claimant. I have read the foregoing document and know the contents thereof; the same is true of my own knowledge. I declare under penalty of perjury that the foregoing is true and correct. Executed at Pico Rivera, CA on 2/24/2017 for Foundation Building Materials, LLC - Pico Rivera.

By: 
Claudia Martinez, Credit Manager, for Foundation Building Materials, LLC. - Pico Rivera

BOARD REPORT

NO. 17-074

DATE March 15, 2017

C.D. 12

BOARD OF RECREATION AND PARK COMMISSIONERS

SUBJECT: CHATSWORTH PARK SOUTH – REHABILITATION PROJECT (PRJ20361)
(W.O. #E170331F) – RELEASE OF STOP PAYMENT NOTICE ON
CONSTRUCTION CONTRACT NO. 3528 WITH AMERICAN INTEGRATED
SERVICES, INC

AP Diaz	_____	V. Israel	_____
<i>feb</i> R. Barajas	<i>CS</i> _____	N. Williams	_____
H. Fujita	_____		

[Signature]

 General Manager

Approved _____ Disapproved _____ Withdrawn _____

RECOMMENDATION

Direct the Department of Recreation and Parks' (RAP) Chief Accounting Employee to release Three Thousand, Six Hundred Forty-Seven Dollars, Fourteen Cents (\$3,647.14) of the amount withheld on Construction Contract No. 3528 with American Integrated Services, Inc. in accordance with the Request for Release of Stop Notice dated February 16, 2017 from Robertson's, herein included as Attachment 1, for the Chatsworth Park South – Rehabilitation (PRJ20361) (W.O. #E170331F) Project..

SUMMARY

RAP is in receipt of a Release of Stop Payment Notice filed by the claimant below, which releases the Board from any and all liability for withholding funds from the General Contractor or the Surety.

Contract 3528 CD 12

Chatsworth Park South – Rehabilitation
(PRJ20361) (W.O. #E170331F) Project

General Contractor: American Integrated Services, Inc.

Project Status: Construction

Claimant: Robertson's

Project Impact: None

Amount: \$3,647.14

BOARD REPORT

PG. 2 NO. 17-074

FISCAL IMPACT STATEMENT

Acceptance of Release of Stop Payment Notice has no impact on RAP's General Fund.

This Report was prepared by Iris Davis, Commission Executive Assistant I.

LIST OF ATTACHMENT(S)

- 1) Release of Stop Payment Notice filed by Robertson's

3528

RECEIVED REGISTRATION
NUMBER 00000000000000000000

RELEASE OF STOP NOTICE

2017 FEB 27 AM 11:26

TO: CITY OF LOS ANGELES
221 N FIGUEROA ST LOS ANGELES

You are hereby notified that the undersigned claimant releases that certain Stop Notice dated 01/20/17, in the amount of 3,647.14 against CITY OF LOS ANGELES as owner or public body and American Integrated Services as prime contractor in connection with the work of improvement known as 22360 W DEVONSHIRE ST in the City of CHATSWORTH County of LOS ANGELES State of California.
Date 02/16/17

Name of Claimant Robertson's

By [Signature]
Authorized Agent

VERIFICATION

I, the undersigned, state: I am the Agent of the claimant named in the foregoing Release; I have read said Release of Stop Notice and know the contents thereof, and I certify that the same is true of my own knowledge.

I certify (or declare) under penalty of perjury under the laws of the State of California that the foregoing is true and correct.

Executed on 02/16/17, at Corona, California.

[Signature]
(Signature of Claimant or Authorized Agent)

61704/091314

BOARD REPORT

NO. 17-075

DATE March 15, 2017

C.D. 2

BOARD OF RECREATION AND PARK COMMISSIONERS

SUBJECT: WHITSETT FIELDS PARK – SYNTHETIC TURF IMPROVEMENTS (PRJ20757) (W.O. #E170150F) PROJECT – RELEASE OF STOP PAYMENT NOTICE ON CONSTRUCTION CONTRACT NO. 3542 WITH HORIZONS CONSTRUCTION CO. INT'L, INC

fus

AP Diaz _____
*R. Barajas *CBP*
H. Fujita _____

V. Israel _____
N. Williams _____

M. Allen
General Manager

Approved _____

Disapproved _____

Withdrawn _____

RECOMMENDATION

Direct the Department of Recreation and Parks' (RAP) Chief Accounting Employee to release Nineteen Thousand, Two Hundred Fifteen Dollars (\$19,215.00) of the amount withheld on Construction Contract No. 3542 with Horizons Construction Co. Int'l, Inc. in accordance with the Request for Release of Stop Notice dated February 23, 2017 from Henrik A. Trucking, Inc., herein included as Attachment 1, for the Whitsett Fields Park – Synthetic Turf Improvements (PRJ20757) (W.O. #E170150F) Project.

SUMMARY

RAP is in receipt of a Release of Stop Payment Notice filed by the claimant below, which releases the Board from any and all liability for withholding funds from the general contractor or the surety.

Contract 3542 CD 2

Whitsett Fields Park – Synthetic Turf Improvements (PRJ20757) (W.O. #E170150F)

General Contractor: Horizons Construction Co. Int'l, Inc.

Project Status: Construction

Claimant: Henrik A. Trucking, Inc.

Project Impact: None

Amount: \$19,215.00

FISCAL IMPACT STATEMENT

Acceptance of Release of Stop Notice has no impact on RAP's General Fund.

BOARD REPORT

PG. 2 NO. 17-075

This Report was prepared by Iris Davis, Commission Executive Assistant I.

LIST OF ATTACHMENT(S)

- 1) Release of Stop Payment Notice filed by Henrik A. Trucking, Inc.

RELEASE OF STOP PAYMENT NOTICE

To: City of Los Angeles
Attn: Board of Recreation & Parks
221 North Figueroa Street, #300
Los Angeles, CA 90012

You are hereby notified that the undersigned claimant releases that certain Stop Payment Notice dated February 6, 2017, in the amount of \$19,215.00^{**} against City of Los Angeles, Attn: Board of Recreation & Parks, 221 North Figueroa Street, #300, Los Angeles, CA 90012 as owner or public body and Horizons Construction Co. International,* 432 West Meats Avenue, Orange, CA 92865 as direct contractor in connection with the work of improvement known as: Co# 3542/Whitsett Fields Park-, Synthetic Turf Improvements, 6900 Whitsett Street, North Hollywood, CA in the County of Los Angeles, State of California.

*Inc.
**includes fees

Dated: 2/23/17

Name of Claimant:
Henrik A. Trucking, Inc.

By


owner
2017 FEB - 2 AM 9:32

VERIFICATION

I, the undersigned, say: I am the owner of the claimant of the foregoing Release of Stop Payment Notice; I have read said Release of Stop Payment Notice and know the contents thereof; the same is true of my own knowledge.

I declare under penalty of perjury that the foregoing is true and correct.

Executed on 2/23/17, at Sylmar, CA



BOARD REPORT

NO. 17-076

DATE March 15, 2017

C.D. All

BOARD OF RECREATION AND PARK COMMISSIONERS

SUBJECT: CONSIDERATION OF DRAFT ORDINANCE THAT WOULD AMEND LOS ANGELES MUNICIPAL CODE SECTION 63.44 IN ORDER TO PROTECT THE RIGHTS OF TRANSGENDER PERSONS

AP Diaz _____	V. Israel _____
R. Barajas _____	N. Williams _____
*H. Fujita _____	



 General Manager

Approved _____

Disapproved _____

Withdrawn _____

RECOMMENDATION

1. Review the attached report by the Office of the City Attorney and attached draft ordinance on this subject in preparation for presenting comments, if any, to the City Council when the matter is considered.
2. Consider requesting that the City Council, when it meets to consider the draft ordinance, add language to mitigate the fiscal impact of the draft ordinance on the Department of Recreation and Parks (RAP) should the Council act to adopt the draft ordinance.

SUMMARY

Subsection F of Section 63.44 of the Los Angeles Municipal Code (LAMC) states "No person over eight (8) years of age shall enter or use any restroom in a park designated for persons of the other sex."

At the request of the City Council (Council File 17-0228), the Office of the City Attorney has submitted a draft ordinance to Council which, if adopted, would amend Subsection F of LAMC Section 63.44 as follows: "In any bathroom, locker room, changing or dressing area in a Park or Park building or structure, no Person over eight years of age shall enter or use any facilities designated exclusively for a Person of the other gender except that a transgender Person has the right to use any bathroom, including a gender-segregated multi-occupancy bathroom, locker room, changing or dressing area consistent with his or her gender identity, regardless of the transgender Person's assigned sex." The draft ordinance also contains an "urgency clause" whereby the Council would, upon adoption, declare the ordinance necessary "in order for the City of Los Angeles to protect the civil rights of transgender Persons."

In early March the Office of the City Attorney requested that, pursuant to Council Rule 38, the Board of Recreation and Park Commissioners review the draft ordinance in order to present comments, if any, directly to Council at such time it considers the matter.

BOARD REPORT

PG. 2 NO. 17-076

The draft ordinance will expand upon existing legislation with respect to the use of toilet facilities, restrooms, or bathrooms.

Assembly Bill (AB) 1732, effective March 1, 2017, mandates that all single-user toilet facilities in any local government agency be identified as an all-gender toilet facility. The author of AB 1732 sponsored this bill, in part, because he believes restricting access to single-user restrooms by gender disproportionately burdens the LGBT community and others. While AB 1732 is specific to single-user toilet facilities (the draft ordinance addresses multi-occupancy restrooms), there is other existing legislation.

Section 51(b) of the State of California Civil Code, also known as the Unruh Civil Rights Act, outlaws discrimination in business establishments of every kind on numerous bases, including on the basis of "sex"; states that "sex" includes a person's gender; states that "gender" includes a person's gender identity and gender expression; and defines "gender expression" as a person's gender-related appearance and behavior whether or not stereotypically associated with the person's assigned sex at birth. This legislation makes prohibiting transgender people from using a restroom for the gender with which they identify discriminatory.

It is noted that Civil Code Section 51 specifies no construction, alteration, repair, structural or otherwise, or modification of any sort whatsoever, beyond what is otherwise required by other provisions of law, to any new or existing establishment, facility, building, improvement, or any other structure, was contemplated or intended to be required by Civil Code Section 51. Staff recommends the Board consider requesting the Council to incorporate such language into the draft ordinance for the purpose of ensuring the draft ordinance, if adopted by Council, can be implemented without significant monetary cost to RAP.

This Report was prepared by Harold T. Fujita, Director, Human Resources Division.

FISCAL IMPACT STATEMENT

The draft ordinance amending Subsection F of Section 63.44 of the Los Angeles Municipal Code is not anticipated to have a significant impact on RAP's General Fund if the Council incorporates the above recommended language.

LIST OF ATTACHMENTS

1. Report by the City Attorney dated February 27, 2017, regarding a draft ordinance amending Subsection F of Section 63.44 of Chapter VI of the Los Angeles Municipal Code to allow for transgender rights in any bathroom, locker room, changing or dressing room in a park (City Attorney Report No. R17-0063)
2. Draft Ordinance amending Subsection F of Section 63.44 of the Los Angeles Municipal Code which was approved as to form and legality by the Office of the City Attorney on February 27, 2017



MICHAEL N. FEUER
CITY ATTORNEY

REPORT NO. R 17 - 0 0 6 3

FEB 27 2017

REPORT RE:

**DRAFT ORDINANCE AMENDING SUBSECTION F OF SECTION 63.44 OF
CHAPTER VI OF THE LOS ANGELES MUNICIPAL CODE TO ALLOW FOR
TRANSGENDER RIGHTS IN ANY BATHROOM, LOCKER ROOM, CHANGING OR
DRESSING AREA IN A PARK**

The Honorable City Council
of the City of Los Angeles
Room 395, City Hall
200 North Spring Street
Los Angeles, California 90012

Honorable Members:

Pursuant to your request, this Office has prepared and now transmits for your consideration the enclosed draft ordinance, approved as to form and legality. This draft ordinance amends Subsection F of Section 63.44 of the Los Angeles Municipal Code to protect the civil rights of transgender individuals when using public bathrooms, locker rooms and changing or dressing areas in parks.

Council Rule 38 Referral

A copy of the draft ordinance was sent, pursuant to Council Rule 38, to the Department of Recreation and Parks, the Los Angeles Police Department and the Department of Public Works with a request that all comments, if any, be presented directly to the City Council when this matter is considered.

The Honorable City Council
of the City of Los Angeles
Page 2

If you have any questions regarding this matter, please contact Senior Assistant City Attorney Valerie Flores at (213) 978-8130. She or another member of this Office will be present when you consider this matter to answer any questions you may have.

Very truly yours,

MICHAEL N. FEUER, City Attorney

By 

DAVID MICHAELSON
Chief Assistant City Attorney

DM:VLF:ac
Transmittal

ORDINANCE NO. _____

An ordinance amending Subsection F of Section 63.44 of the Los Angeles Municipal Code to allow for transgender rights in any bathroom, locker room, changing or dressing area in a park.

**THE PEOPLE OF THE CITY OF LOS ANGELES
DO ORDAIN AS FOLLOWS:**

Section 1. Subsection F of Section 63.44 of the Los Angeles Municipal Code is amended to read as follows:

F. In any bathroom, locker room, changing or dressing area in a Park or Park building or structure, no Person over eight years of age shall enter or use any facilities designated exclusively for a Person of the other gender except that a transgender Person has the right to use any bathroom, including a gender-segregated public multi-occupancy bathroom, locker room, changing or dressing area consistent with his or her gender identity, regardless of the transgender Person's assigned sex.

Sec. 2. Urgency Clause. The City Council finds and declares that this ordinance is required for the immediate protection of the public peace, health and safety for the following reason: in order for the City of Los Angeles to protect the civil rights of transgender Persons. The Council, therefore, with the Mayor's concurrence, adopts this ordinance to become effective upon publication pursuant to Los Angeles City Charter Section 253.

Sec. 3. The City Clerk shall certify to the passage of this ordinance and have it published in accordance with Council policy, either in a daily newspaper circulated in the City of Los Angeles or by posting for ten days in three public places in the City of Los Angeles: one copy on the bulletin board located at the Main Street entrance to the Los Angeles City Hall; one copy on the bulletin board located at the Main Street entrance to the Los Angeles City Hall East; and one copy on the bulletin board located at the Temple Street entrance to the Los Angeles County Hall of Records.

I hereby certify that this ordinance was passed by the Council of the City of Los Angeles, **by a vote of not less than three-fourths** of all its members, at its meeting of _____

HOLLY L. WOLCOTT, City Clerk

By _____ Deputy

Approved _____

Mayor

Approved as to Form and Legality

MICHAEL N. FEUER, City Attorney

By 
VALERIE L. FLORES
Senior Assistant City Attorney

Date 2/27/17

File No. _____

BOARD REPORT

NO. 17-077

DATE March 15, 2017

C.D. 10

BOARD OF RECREATION AND PARK COMMISSIONERS

SUBJECT: LAFAYETTE PARK – PROPOSED HEART OF LOS ANGELES ARTS AND RECREATION CENTER – LEASE AGREEMENT WITH HOLA COMMUNITY PARTNERS FOR THE CONSTRUCTION AND OPERATION OF AN ARTS AND RECREATION CENTER, FINAL CONSTRUCTION PLANS AND CATEGORICAL EXEMPTION FROM THE CALIFORNIA ENVIRONMENTAL QUALITY ACT (CEQA) PURSUANT TO SECTION 15332 OF THE STATE CEQA GUIDELINES [URBAN IN-FILL]

AP Diaz	<u> </u>	V. Israel	<u> </u>
*R. Barajas	<u><i>RB</i></u>	N. Williams	<u> </u>
H. Fujita	<u> </u>		



 General Manager

Approved _____ Disapproved _____ Withdrawn _____

RECOMMENDATIONS

1. Approve a proposed Lease Agreement (Lease), herein included as Attachment 1, between the City of Los Angeles and the Heart of Los Angeles Community Partners (HOLA-CP) for the construction and operation of a Proposed Arts and Recreation Center at Lafayette Park to be called the "HOLA Arts and Recreation Center", subject to the approval of the Mayor, City Council, and City Attorney as to form;
2. Approve a proposed Consent to Leasehold Deed of Trust and Modification of Lease (Lender Consent), herein included as Attachment 2, between the City of Los Angeles, HOLA-CP, and New Markets Community Capital XXI, LLC, a Delaware limited liability company (NMCC), in order to obtain financing secured by HOLA-CP's leasehold interest in the proposed project site under the New Markets Tax Credit (NMTC) program further described in the Summary of this Report, subject to the approval of the Mayor, City Council, and City Attorney as to form;
3. Direct the Board Secretary to transmit the proposed Lease and Lender Consent concurrently to the Mayor in accordance with Executive Directive No. 3 (Villaraigosa Series), and to the City Attorney for review and approval as to form;
4. Authorize the Board President and Secretary to execute the proposed Lease Agreement upon receipt of the necessary approvals;

BOARD REPORT

PG. 2 NO. 17-077

5. Pursuant to Section 17.1 of the proposed Lease Agreement, request that the City Council consent to HOLA-CP entering into a proposed Sub-Lease Agreement with Heart of Los Angeles Youth, Inc. (HOLA-Youth), herein included as Attachment 3, to effectuate the subletting of the improvements described in Section 11.1 of the proposed Lease Agreement in order to allow HOLA-CP to obtain NMTC financing under Internal Revenue Code Section 45;
6. Approve the final construction plans as described in the Summary of this Report;
7. Upon approval of the construction plans, issue a temporary Right-of-Entry Permit to HOLA-CP and/or HOLA-Youth for the proposed construction area depicted in Exhibit H to allow for the construction of the proposed Arts and Recreation Center Project (Project);
8. Adopt the California Environmental Quality Act (CEQA) exemption determination previously made by the Department of City Planning for the Project, and independently find that the Project is categorically exempt from the provisions of CEQA pursuant to Section 15332 of the State CEQA Guidelines; and
9. Adopt the Notice of Determination (NOE) prepared and filed by the Department of City Planning as the CEQA documentation for the Project.

SUMMARY

Lafayette Park is a 9.72-acre park located at 625 South Lafayette Park Place, Los Angeles (see Exhibit A). The facility contains a multi-purpose building with an auditorium and various community rooms, basketball courts, a children's play area, picnic tables, a lighted soccer field and several lighted tennis courts. It offers aerobics, day care, preschool and after school programs, and summer camps, among other things. The park serves approximately 32,020 people within a ½ mile walking radius.

Background

In 2007, HOLA-Youth contributed over Seven Hundred Thousand Dollars (\$700,000) for the completion of the Lafayette Park (Park) Multi-purpose Building and the enhancement of youth recreational programs at the Park. Since the completion of the multi-purpose building, HOLA-Youth, in partnership with the Department of Recreation and Parks (RAP), has provided various athletic, art, enrichment and camp programs to over 2,000 families. Some of the activities that HOLA-Youth has provided include basketball and soccer leagues and clinics; summer camps; homework clubs, limited enrichment classes, karate and beginning ballet classes, and a quarterly Science, Technology, Engineering, and Mathematics (STEM) class. These activities are offered year round. Additionally, through a coordinated effort with RAP staff, monthly meetings are held with neighborhood stakeholders, Law Enforcement, Park Rangers, and Council staff that coordinate safety measures and services with the intent to keep the Park active with supervised activities that include neighborhood safety plans and drills.

BOARD REPORT

PG. 3 NO. 17-077

Due to the success of the programs provided and the fact that the neighborhood where the Park is located is composed of largely low income families, the RAP/HOLA-Youth programs fill up quickly with most filling up on the same day enrollment begins. There are on average waiting lists of up to 300 families and as many as 500 children waiting to access the programs, most especially, for after school activities when most juvenile crime occurs.

In order to meet the demand, HOLA-Youth submitted a proposal in early 2015 to expand the HOLA-Youth program through the construction of a new arts and recreation center on a portion of the park. The proposed building would be modular, built from single use shipping containers that have been converted by a local manufacturer to custom designed club rooms, activity rooms, walkways, offices, common areas, and bathrooms. On August 12, 2015, the Board of Recreation and Park Commissioners (Board), after consideration by the Board's Facility Repair and Maintenance Task Force, approved the conceptual plan to expand the HOLA-Youth program at the Park (Report No. 15-189).

Prior to the Board's approval of the conceptual plan, HOLA-Youth attended two MacArthur Neighborhood Council Meetings to present the proposed Project. These meetings occurred on June 15, 2015 and July 20, 2015. Additionally, HOLA-Youth presented the Project to the Rampart Neighborhood Village Council on July 21, 2015, which granted its unanimous approval at a second meeting held on October 25, 2015. It should be noted that letters of support for the Project were received from Council President Herb Wesson, Jr. and LAPD Chief Charlie Beck.

Proposed Arts and Recreation Center Project

The Project is to measure approximately 24,860 square feet and have a height of no more than 41 feet, 6 inches at its highest point. The new building will be a modular, sustainable design, built from single-use shipping containers that have been recycled and converted into custom-designed club rooms, activity rooms, walkways, offices, common areas, and bathrooms. It will be visually compatible with the existing multi-purpose building/recreation center, with exterior facades softened by student art, rooftop green spaces and patios, and various landscaping elements. The building's proposed floor plan is made up of three levels, which will include music and enrichment program rooms, practice rooms, and two smaller ensemble rooms. The building is designed to fit in with the natural slope of the Park, as such, only two stories are visible from La Fayette Park Place. However, the heart of the building will be its large ensemble room and performance space, a west-facing two-story room that will open out onto the Park for public performances of music, theater, and other community events (see Exhibit B).

The Project would increase HOLA-Youth's capacity to provide services and allow HOLA-Youth to serve over 4,000 members of the community annually by 2020. This building will house programming that will complement the other programs that HOLA-Youth and RAP conduct in the Park. Further, HOLA-Youth will move its entire music program into the building. The music program consists of youth leadership classes, big bands and rock bands, and orchestral instruction for youth aged six to eighteen (6-18) years, including HOLA-Youth's much-lauded program with LA Philharmonic Orchestra.

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Existing Site Conditions

As indicated on Exhibit A and B, the Project is to be constructed on an approximately 23,544 square feet portion of the north side of the Park just south of 6th Street. This area currently contains picnic tables and a number of trees as can be seen in the pictures shown on Exhibit C. It is expected that we will lose approximately eighteen (18) palm trees and five (5) canopy trees (2 Jacaranda, 1 Large Chorisia, 1 Ash, and 1 Tipuana) as shown on Exhibit D-1. These trees are found in and around the picnic area that will require approximately ten (10) picnic tables to be relocated. A new picnic area will be placed near and under a large mature ficus tree near the soccer field. The picnic area that remains will receive twenty-eight (28) new trees that will replace the shade canopy lost by construction of the building as shown on Exhibit D-2. Although, the Park will be losing open space in this portion of the Park, it's staff recommendation that the public benefit of being able to reach out and provide services to twice as many members of the community and the requisite increase in the activity within the Park outweigh the loss of open space.

In addition, the department supported the location of this new facility inside the park mainly due to the types of programs being offered and the added activation to the park. The new facility will double the number of families with children in the park and as a result of this significant activation, we believe will add to the safety and opportunities of more families coming to the park.

Tree Replacement

As indicated above, it is expected that we will lose approximately twenty-three (23) trees. A tree canopy analysis was completed and recommended the following replacement plan:

No. & Type of Trees Removed	No. of Trees Recommended	Proposed Tree Box Size for Canopy Replacement
2 Large Jacarandas	4	72" Box Trees
1 Large Chorisia	2	72" Box Trees
1 Ash	2	60" Box Trees
1 Tipuana	1	36" Box Trees
0	6	48" Box Trees
	9	36" Box Trees
	4	24" Box Trees
Total Replacement Trees	28	

This plan provides a 2:1 replacement of mature canopy trees with mature trees available in nurseries. Three (3) mature canopy trees (2 Jacaranda and 1 Chorisia) will be replaced with six (6) 72" box canopy shade trees. Final specie types will be determined, in consultation the RAP's staff and input from the "Tree Cabinet". But considerations will include nursery availability to provide moderate to fast growing canopy trees that are available in large, healthy condition at nurseries at the time of procurement. Possible species include Tipuana Tipu, Podocarpus or other species resistant to known pests and diseases.

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Funding Sources

HOLA-Youth has proposed an approximately \$12 million Dollars (\$12,000,000.00) budget, of which about \$6 million Dollars (\$6,000,000.00) will be spent on the Project. This amount is inclusive of contingencies and subject to reductions if cost savings are identified through value engineering, in-kind donations, or other means. Funds for the Project come from the following sources: (1) Capital Campaign Donations received from individual and institutional donors in the amount of Two Million, Nine Hundred Thousand Dollars (\$2,900,000.00); (2) Bridge Loan funds from U.S. Bank in the amount of about Three Million, Six Hundred Thousand Dollars (\$3,600,000.00) to Four Million, Six Hundred Thousand Dollars (\$4,600,000.00); (3) City of Los Angeles Proposition K grant funds in the amount of about One Million, Three Hundred Sixty Thousand Dollars (\$1,360,000.00); (4) financing through the New Markets Tax Credit (NMTC) program in the amount of approximately Three Million, Six Hundred Thousand Dollars (\$3,600,000.00) to Three Million, Nine Hundred Thousand Dollars (\$3,900,000.00), subject to pending finalization of the lender's financial model and minor adjustments being made to the overall Project budget.

The Bridge Loan described in Item (2) is a short-term loan to provide up-front funds in the amount of pledges from donors that have not yet been funded, including payments over time. As donor funds are received, they will be used to reduce the balance of the bridge loan until fully repaid.

The NMTC program referenced in Item (4) is administered by the United States Treasury Department, through its Community Development Financial Institutions (CDFI) Fund that offers funding resources to economically disadvantaged communities. Under the NMTC program, HOLA-Youth can use a combination of funds already raised and NMTC investor equity to raise approximately twenty percent to twenty-five percent (20%-25%) more capital for the Project. US Bank Community Development Corporation (USBCDC), a national NMTC investor, and New Markets Community Capital (NMCC), a certified community development entity, will provide NMTC financing for the Project. NMCC will make a long-term, low interest rate loan to a newly formed affiliate of HOLA-Youth, HOLA Community Partners (HOLA-CP), a special purpose entity that will meet the requirements for a qualified borrower under the NMTC program.

HOLA-CP will enter into a Lease and develop the Project. When the Project is complete, HOLA-CP will sublease the building to HOLA-Youth, who has the operational and programmatic capacity to fulfill all of the non-monetary obligations under the Lease.

Various Agreements

Lease

As described above, a portion of the funding for the development of the Project will come from NMTC. And as required, HOLA-Youth has formed an affiliate called HOLA-CP which is a special purpose entity that meets the requirements for a qualified borrower under the NMTC program. HOLA-CP will be the lessee of the Lease. This leasehold interest will be used to secure the funding being applied for.

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The Lease includes the following terms and conditions:

1. Premises area measures approximately 23,554 square feet as depicted in Exhibit E.
2. Lessee shall construct a new three-story Arts and Recreation Center that measures approximately 24,860 square feet with a height of no more than 41 feet, 6 inches at its highest point.
3. Term shall be fifty (50) years from the effective date of the Lease.
4. Lessee agrees to secure necessary funding for the construction of the Project within twelve (12) months following the execution date of the Lease. Failure to secure the necessary funding shall be grounds for automatic termination of the Lease unless extended in writing by the City.
5. Rent shall be the consideration of all costs for the construction, operation, and maintenance of the Project.
6. Lessee shall comply with all legal requirements applicable to the property for use, operation or occupation of the Project. Lessee shall maintain the Project at its sole cost and expense.

Sub-Lease

All operational and maintenance responsibilities will be performed by HOLA-Youth. These responsibilities will be passed to HOLA-Youth through the Sub-Lease. The Sub-Lease essentially contains the same terms and conditions that are in the Lease.

Consent to Leasehold Deed of Trust and Modification of Lease:

As already discussed, a portion of the Project funding will come from NMTC and in order to qualify for said funding, the leasehold interest on the Project site will be used to secure the financing being sought. The Consent to Leasehold Deed of Trust and Modification of Lease is intended as an acknowledgement from RAP that it consents to use of the leasehold interest for financing purposes and that in the event HOLA-CP can no longer fulfill the requirements of the Lease, NMCC will be allowed to take HOLA-CP's place or find a qualified replacement entity.

ENVIRONMENTAL IMPACT STATEMENT

The subject Project involves a Lease Agreement to allow the construction of a new arts and recreation center at Lafayette Park. The Department of City Planning (DCP) has determined that the Project is consistent with the General Plan policies as urban in-fill; will be located on a site that is less than five acres with no value for habitat for endangered, rare or threatened species; will not result in any significant environmental effects related to traffic noise, air quality, or water

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quality; and, is adequately served by required utilities and public services. Therefore, the Director of Planning has determined that the Project is categorically exempt from the California Environmental Quality Act (CEQA) pursuant to Section 15332 of the State CEQA Guidelines. RAP staff recommends that the Board adopt the CEQA exemption determination by DCP, and independently determine that the Board's approval is consistent with this CEQA determination. A Notice of Exemption (NOE) will be filed with the Los Angeles County Clerk on or shortly after the Board's approval when the Director of Planning has issued the final Decision Letter. Upon the filing of the NOE, no additional CEQA documentation will be required.

FISCAL IMPACT STATEMENT

There is no impact to RAP's General Fund. All costs associated with the design, construction, and maintenance of the Project will be the responsibility of HOLA-CP and/or HOLA-Youth.

This Report was prepared by Cid Macaraeg, Sr. Management Analyst II in Real Estate and Asset Management, Planning, Maintenance, and Construction Branch.

LIST OF ATTACHMENTS/EXHIBITS

- 1) Proposed Lease Agreement
- 2) Proposed Lender Consent
- 3) Proposed Sub-Lease Agreement
- 4) Exhibit A: Lafayette Park – Existing Site Conditions Aerial Photo
- 5) Exhibit B: Site Rendering in Park Context
- 6) Exhibit C: Existing Site at Various Angles
- 7) Exhibit D-1: Existing Tree Diagram
- 8) Exhibit D-2: Proposed Tree Diagram
- 9) Exhibit E: Lease Line Exhibit

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

ARTICLE 1
BASIC LEASE PROVISIONS

1.1 **Parties.** This LEASE AGREEMENT (“Lease”) is entered into as of March __, 2017, by and between the CITY OF LOS ANGELES, a municipal corporation, acting by and through its Board of Recreation and Parks Commissioners, as Landlord (“CITY”), and HOLA COMMUNITY PARTNERS, a California public benefit corporation (“HOLA”), with a principal mailing address at 2701 Wilshire Boulevard, Suite 100, Los Angeles, California 90057, as Tenant.

1.2 **Recitals.**

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

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

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

1.2.4 CITY and HOLA desire to enter into this Lease for the use of certain land within Lafayette Park (as shown in **Exhibit A** of this Lease), which Lease shall set forth

the duties, obligations, responsibilities, aims, and goals of the parties, for the specific purpose of constructing, operating, and maintaining the Center.

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

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

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

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

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

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

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

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

ARTICLE 2 TERM

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

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

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

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

2.5 **Termination – Commencement of Center Construction.** If HOLA fails to commence construction (the “Construction Commencement Date”) within thirty-six (36) months after the Effective Date, subject to any extension for Force Majeure, CITY may terminate this Lease at any time on or after the thirty-sixth (36th) month following the Effective Date upon sixty (60) days prior written notice to HOLA (which notice may be given only after the end of such thirty-sixth (36th) month), and provided that if HOLA thereafter has commenced good faith construction of the Center prior to the effective date of such notice and diligently pursues such construction thereafter, then such right to terminate shall expire and this Lease shall remain in

full force and effect. Construction shall be deemed to commence on the date HOLA starts physical work on the Premises pursuant to a valid Building Permit from the City of Los Angeles. Upon a showing of good cause, HOLA may request in writing that the deadline for the Construction Commencement Date be extended by CITY, which request may be granted or withheld in City's sole but good faith discretion.

2.6 Termination – Failure to Obtain Funding. HOLA shall be responsible for raising Six Million Dollars (\$6,000,000.00) in funds for the development of the Center at the Premises (the "Fundraising Milestone Date") within one (1) year after the Effective Date, subject to any extension for Force Majeure. If HOLA fails to provide the General Manager with satisfactory proof that the \$6,000,000.00 is in a lender-secured bank account or the subject of an executed pledge agreement or the subject of a governmental appropriation for the Center at the Premises, by such date, this Lease will automatically terminate, unless extended in writing by the CITY not less than fifteen (15) days prior to one (1) year after the Effective Date, and HOLA will peacefully surrender the Premises and will comply with all of the requirements of this Lease with regard to termination. The sufficiency of the proof submitted will be at the sole discretion of the General Manager subject to appeal to the BOARD whose decision shall be final. Upon a showing of good cause, HOLA may request in writing that the deadline for the Fundraising Milestone Date be extended by CITY, which request may be granted or withheld in City's sole but good faith discretion.

2.7 Holdover. If HOLA, with CITY's written consent, remains in possession of the Premises after the expiration or termination of this Lease, such possession by HOLA 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 2.1) and rent owed shall apply to the month-to-month tenancy. If HOLA holds over without CITY's written consent, or after the date in any notice given by CITY to HOLA terminating this Lease, HOLA shall be deemed to be a tenant at sufferance and HOLA shall owe to the City then-current fair-market rent as determined by City in its good faith and reasonable discretion.

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

ARTICLE 3 CONSIDERATION AND FINANCING

3.1 Consideration. The consideration for this Lease shall be the operation of an Arts and Recreation Center as set forth in Article 5 of this Lease at the Premises, together with the attendant benefits to the youth of the City of Los Angeles and their families, plus the annual

payment during the Term of this Lease of One Dollar (\$1.00) by HOLA. As of the Effective Date, HOLA has pre-paid to the City the sum of Fifty Dollars (\$50.00), representing full payment of the monetary consideration set forth in the preceding sentence, which sum shall be non-refundable to HOLA in the event that this Lease is terminated for any reason in accordance with its terms.

3.2 **Funding.** HOLA shall be required to fund the development, construction and operation of an Arts and Recreation Center for the uses set forth in Article 5 of this Lease at the Premises.

ARTICLE 4 PREMISES

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

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

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

ARTICLE 5 USE OF PREMISES FOR CENTER

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

5.2 **Operation.** As partial consideration for the use of City-owned property, the Center shall be operated as an Arts and Recreation Center conducted on a nonprofit basis. The facilities of the Center at the Premises shall be open a minimum of five (5) days per week for forty-six (46) weeks per year and will serve the public with the overall operation schedule to be developed by mutual agreement of the General Manager and HOLA (see Section 12.2, regarding obligation after damage or destruction). HOLA shall post its operating schedule in a conspicuous place near the entrance to the Center and shall adhere to the posted hours of

operation. Any changes in said operating schedule shall be posted for a reasonable period in advance of the date on which such changes are to take effect. HOLA shall operate the Center, develop recreational programming, volunteer training, seminars, workshops, special programs, athletics, community outreach programs, special artistic displays, and similar programs and events for the benefit of Los Angeles youth and residents, all to the extent that HOLA's fundraising and staff commitments shall allow (nothing in this sentence shall be construed to modify HOLA's obligation to operate an Arts and Recreation Center with a major focus on arts and recreation for a specified minimum number of hours per week, or the right of CITY to terminate this Lease for the failure to so operate).

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

5.2.2 Entry. CITY and HOLA acknowledge the safety and security concerns associated with the operation of a public park facility. Accordingly, CITY shall allow HOLA, in its sole discretion, the right to limit public entry into its Premises to only those individuals present in connection with HOLA or other community-related programming recognized by HOLA.

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

5.4 Security. HOLA shall, at its sole cost and expense, provide for reasonable precautions to protect the security and safety of the Premises, contents contained therein, and all those who enter the Premises. In the event of an injury to a person on said Premises or in the event of an emergency situation, HOLA shall make reasonable efforts to ensure that the injured person or emergency receives prompt and qualified attention. CITY is not obligated under this Lease to provide any security for the Premises, contents contained therein, or persons who enter

the Premises. No person may live on the Premises (*i.e.*, use Center or Premises as a home or living quarters) except during declared emergencies.

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

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

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

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

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

5.8 **Ancillary Income.** During the Term, in the event HOLA obtains income from uses of the Premises which are ancillary to the uses contemplated under this Lease (*e.g.*, uses contemplated in Section 17.1 herein), HOLA shall use such income only for such purposes as are consistent with the nonprofit activities permitted with respect to the use of the Premises. Any receipt of such income shall be reported to CITY in the annual report required pursuant to Section 8.1, and HOLA, if requested by the General Manager, shall provide the General Manager with such accountings as the General Manager shall reasonably require to demonstrate compliance with this Section 5.8. Nothing in this Section shall be construed to permit uses of the Premises not otherwise allowed under the provisions of this Lease, nor shall anything in this Section be construed to negate or modify any requirement for prior approval of activities.

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

ARTICLE 6
MAINTENANCE AND REPAIR OF CENTER

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

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

6.3 **Refuse and Trash.** HOLA shall keep the Premises clean and sanitary at all times. No refuse matter, nor any substance constituting an unnecessary, unreasonable or unlawful fire hazard, or material detrimental to the public health, shall be permitted or allowed to remain thereon, and HOLA shall take all reasonable precautions to prevent any such matter or material from being or accumulating upon the Premises. HOLA shall provide for the collection and removal of all garbage and/or refuse and abandoned personal items or personal items left longer than twenty-four (24) hours from the Premises as often as is necessary and in no case less than twice weekly. HOLA shall furnish all equipment and materials therefor, including trash receptacles of a size, type and number approved by CITY for use by the public. Such approval shall not be unreasonably withheld. HOLA shall provide an enclosed area concealing trash storage from public view. HOLA shall, during the Term of this Lease or any extension thereof and at HOLA's sole expense, conduct a recycling program on the Premises in conjunction with the CITY Facilities Recycling Program of the City of Los Angeles, or any similar program subsequently implemented. Such program will include all materials which may be reasonably

recycled (e.g., white paper, mixed paper, newspaper, aluminum cans, and plastic and glass containers).

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

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

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

6.5.2 Terminate this Lease in accordance with Paragraph 15.2.1; or

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

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

ARTICLE 7 UTILITIES, SEWERS AND STORM DRAINS

7.1 Utilities. HOLA shall install and pay all charges associated with the installation of electricity, natural gas, sewer, water, telephone services, and other services and utilities as well as all periodic fees for said services. HOLA shall, at its sole cost and expense, provide all above-ground and underground utility lines, and related improvements, required for the

successful operation of the Center. CITY shall assist HOLA in obtaining such utility easements and connections as may be necessary to provide any utility service, provided that the obtaining of said easements and connections shall be at no cost to the CITY.

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

ARTICLE 8 REPORTS AND AUDITS

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

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

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

**ARTICLE 9
COMPLIANCE WITH ALL LAWS AND REGULATIONS**

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

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

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

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

**ARTICLE 10
INSURANCE**

10.1 **Insurance.** Prior to the occupancy of the Premises, under the provisions and conditions of this Lease, HOLA shall furnish CITY with evidence of insurance from insurers (i) reasonably acceptable to CITY, and (ii) approved to write surplus lines in the State of California or licensed to do business in the State of California, on a form reasonably acceptable to the CITY, CAO, Risk Management for the following coverages and minimum limits of insurance specified on the 146R Forms attached hereto as Attachment 1 to **Exhibit E**, or successor form that the CITY might provide. The following coverages shall be maintained by HOLA at its sole cost and expense throughout the Term of this Lease. Evidence of such coverage shall be provided to CITY by HOLA on an Insurance Industry Certificate of Insurance (such as an ACORD Certificate), which includes the following:

10.1.1 **General Liability Insurance.** HOLA shall obtain Commercial General Liability insurance with coverage for Premises and Operations, Products and Completed

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

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

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

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

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

10.1.2 Property Coverage. At all times during the Term of the Lease or any extension of the Lease, with respect to any improvements on the Premises, including, without limitation, the building containing the Center, HOLA shall, at its sole cost and expense, cause to be provided and kept in force and effect insurance policies, protecting CITY and HOLA as their interests may appear, against loss or damage to the improvements on the Premises, in an amount consistent with what a prudent operator of a comparable building would carry providing replacement cost coverage for perils typically insured against in a California standard form fire insurance policy. The replacement cost of the improvements shall be determined in accordance with the standard practices of the insurance industry and evidenced by the certificate of the insurance company or companies issuing such insurance at the time the policy or policies are obtained.

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

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

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

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

10.1.7 Leasehold Mortgage Insurance. Notwithstanding the foregoing, while any Leasehold Mortgage remains outstanding, in the event of any conflict between the insurance coverage requirements hereunder and those set forth in any Leasehold Mortgage (and any documents related to such Leasehold Mortgage), the requirements in such Leasehold Mortgage (and any documents related to such Leasehold Mortgage) shall control.

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

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

from HOLA. If CITY elects to terminate this Lease, HOLA agrees to immediately cease all operations and activities under this Lease and to peacefully surrender the Premises.

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

ARTICLE 11 IMPROVEMENTS

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

ARTICLE 12 DAMAGE

12.1 Damage. Except as otherwise provided in this Lease, if the improvements located on the Premises are damaged and such damage was caused by fire or other peril covered by HOLA's insurance, HOLA agrees to repair such damage to the extent set forth in this Section, and this Lease shall continue in full force and effect. If (1) such improvements are damaged as the result of any cause other than perils covered by HOLA's insurance, or (2) during the last twenty (20) years of the Term of this Lease such improvements are damaged as the result of fire or other perils covered by HOLA's insurance, and the cost to repair such damages (as determined by HOLA in good faith) shall exceed thirty-five percent (35%) of the full replacement cost of the improvements, or (3) during the last ten (10) years of the Term of this Lease such improvements are damaged as a result of fire or other peril covered by HOLA's insurance, and the cost to repair such damage (as determined by HOLA in good faith) shall exceed fifteen percent (15%) of the full replacement cost of the improvements, then HOLA may, at HOLA's option, either (i) repair such damage as soon as reasonably practicable at HOLA's sole cost and expense, in which event this Lease shall continue in full force and effect, or (ii) give written notice to CITY within ninety (90) days after the date of occurrence of such damage of HOLA's intention to cancel and terminate this Lease thirty (30) days after written notice of the intention to cancel and terminate. Upon such termination, HOLA shall, if requested by CITY, complete demolition of the damaged Center or other damaged improvement. Notwithstanding the foregoing, while any Leasehold Mortgage remains outstanding, the use of insurance proceeds following a casualty and the determination to replace any damaged improvements shall be governed by the Leasehold Mortgage and any documents related to such Leasehold Mortgage.

ARTICLE 13
DESIGN AND CONSTRUCTION OF CENTER

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

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

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

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

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

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

13.3 **Construction of Center.** HOLA shall construct the Center in conformance with all the applicable federal, state, county, and city laws in force at the time of construction and in conformance with the site and building plans prepared by HOLA and approved by the BOARD, and such other City of Los Angeles agencies as the BOARD may designate for approval.

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

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

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

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

13.6 **Mortgages; Mechanic's And Materialmen's Liens.** During the Term, other than as set forth in Section 17.2, the real property underlying the Premises shall not be used as security for any loans or mortgages or otherwise have any liens placed on it. By way of specification without limitation, HOLA shall keep the Premises free from any liens arising out of work performed, materials furnished, or obligations incurred by HOLA and shall indemnify, hold harmless and defend CITY from any liens and encumbrances arising out of any work performed or materials furnished by or at the direction of HOLA. In the event that HOLA shall not, within thirty (30) calendar days following the imposition of any such lien, cause such lien to be released of record by payment or posting of a proper bond, CITY shall have in addition to all other remedies provided herein and by law, the right, but no obligation to cause, upon five (5) business days prior written notice to HOLA, the same to be released by such means as it shall deem proper, including payment in satisfaction of the claim giving rise to such lien. All such sums paid by CITY and all expenses incurred by it in connection therewith, including costs and attorneys' fees, shall be paid by HOLA to CITY on demand.

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

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

ARTICLE 14 HAZARDOUS MATERIALS

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

14.1.1 **Prohibition.** HOLA shall not cause or permit any Hazardous Material to be brought upon, kept or used in or about the Premises by HOLA, its agents, employees, contractors or invitees in violation of law or in quantities which would require reporting to a governmental entity, without the prior written consent of the General Manager, acting at the General Manager's sole discretion. If HOLA breaches the obligations stated in the preceding sentence, or if the presence of Hazardous Material on the Premises caused or permitted by HOLA results in contamination of the Premises, or if contamination of the Premises by Hazardous Material otherwise occurs for which HOLA is legally liable to CITY for damage resulting therefrom, then, HOLA shall indemnify, hold CITY harmless, and defend CITY (with counsel reasonably acceptable to CITY) from any and all claims, judgments, damages, penalties, fines, costs, liabilities or losses (including, without limitation, diminution in value of the Premises, damages for the loss or restriction on use of rentable or usable space or of any amenity of the Premises, damages arising from any adverse impact on marketing of space on the Premises, and sums paid in settlement of claims, attorneys' fees, consultant fees and expert fees) which

arise during or after the Term as a result of such contamination. This indemnification of CITY by HOLA includes, without limitation, costs incurred in connection with any investigation of site conditions or any cleanup, remedial, removal or restoration work required by any federal, state or local governmental agency or political subdivision because of Hazardous Material present in the soil or ground water on or under the Premises. Without limiting the foregoing, if the presence of any Hazardous Material on the Premises caused or permitted by HOLA results in any contamination of the Premises, HOLA shall promptly take all actions at its sole expense as are necessary to return the Premises to the condition existing prior to the introduction of any such Hazardous Material to the Premises; provided that CITY's approval of such actions shall first be obtained, which approval shall not unreasonably be withheld so long as such actions would not potentially have any material adverse long-term or short-term effect on the Premises. However, the foregoing provisions shall not prohibit HOLA from transportation to and from, and the use, storage, maintenance, and handling within, the Premises of substances customarily used in connection with normal office or recreational center use provided: (a) such substances shall be used and maintained only in such quantities as are reasonably necessary for the permitted use of the Premises set forth in Section 5.1 of this Lease, strictly in accordance with applicable laws and the manufacturers' instructions therefor; (b) such substances shall not be disposed of, released, or discharged at the Premises, and shall be transported to and from the Premises in compliance with all applicable laws, and as CITY shall reasonably require; (c) if any applicable law or the trash removal contractor requires that any such substances be disposed of separately from ordinary trash, HOLA shall make arrangements at HOLA's expense for such disposal directly with a qualified and licensed disposal company at a lawful disposal site, and shall ensure that disposal occurs frequently enough to prevent unnecessary storage of such substances on or around the Premises; and (d) any remaining such substances shall be completely, properly, and lawfully removed from the Premises upon expiration or earlier termination of this Lease. The provisions of this paragraph survive expiration or termination of this Lease.

14.1.2 Compliance Costs. CITY and HOLA acknowledge that CITY may become legally liable for the costs of complying with laws relating to Hazardous Material which are not the responsibility of HOLA pursuant to Paragraph 14.1.1, including the following: (1) Hazardous Material present in the soil or ground water; (2) a change in Laws which relate to Hazardous Material which make such Hazardous Material which is present on the Premises as of the Effective Date, whether known or unknown to CITY, a violation of such new laws; (3) Hazardous Material that migrates, flows, percolates, diffuses or in any way moves on to or under the land; (4) Hazardous Material present on or under the land as a result of any discharge, dumping or spilling (whether accidental or otherwise) on the land by other owners of the Premises or their agents, employees, contractors or invitees, or by others. Accordingly, CITY and HOLA agree that the cost of complying with laws relating to Hazardous Material on the Premises for which CITY may be legally liable shall be borne by CITY unless the cost of such compliance, as between CITY and HOLA, is made the responsibility of HOLA pursuant to this Lease (see, for example, Section 13.4).

14.1.3 **“Hazardous Material” – Definition.** As used herein, the defined term “Hazardous Material” means any chemical, substance, material, or waste or component thereof the presence of which requires investigation or remediation under any federal, state, or local statute, regulation, ordinance, order, action, policy, or common law, or which is now or hereafter listed, defined, or regulated as a flammable explosive, radioactive material, hazardous or toxic chemical, substance, material or waste or component thereof (whether injurious by themselves or in conjunction with other materials) by any federal, state, or local governing or regulatory body having jurisdiction, or which would trigger any employee or community “right-to-know” requirements adopted by such body, or for which any such body has adopted any requirements for the preparation or distribution of a material safety data sheet. “Hazardous Material” includes, without limitation, any material or substance which is: (e) defined as a “hazardous waste,” “extremely hazardous waste” or “restricted hazardous waste” under Sections 25115, 25117 or 25122.7, or listed pursuant to Section 25140, of the California Health and Safety Code, Division 20, Chapter 6.5 (Hazardous Waste Control Law); (f) defined as a “hazardous substance” under Section 25316 of the California Health and Safety Code, Division 20, Chapter 6.8 (Carpenter-Presley-Tanner Hazardous Substance Account Act, California Health and Safety Code Section 25300, *et seq.*); (g) defined as a “hazardous material,” “hazardous substance,” or “hazardous waste” under Section 25501 of the California Health and Safety Code, Division 20, Chapter 6.95 (Hazardous Materials Release Response Plans and Inventory, California Health and Safety Code Section 25500, *et seq.*); (h) defined as a “hazardous substance” under Section 25281 of the California Health and Safety Code, Division 20, Chapter 6.7 (Underground Storage of Hazardous Substances, California Health and Safety Code Section 25280, *et seq.*); (i) petroleum; (j) asbestos; (k) defined as a “hazardous constituent,” “hazardous material,” “hazardous waste,” or “toxic waste” under Article 2 of Chapter 10 (Section 66260.10) or defined as a “hazardous waste” under Article 1 of Chapter 11 (Section 66261.3) of Title 22 of the California Code of Regulations, Division 4.5 (Environmental Health Standards for the Management of Hazardous Waste, 22 C.C.R. Section 66001, *et seq.*); (l) designated as a “hazardous substance” pursuant to Section 311 (33 U.S.C. § 1321) of the Clean Water Act of 1977, as amended (Federal Water Pollution Control Act, 33 U.S.C. § 1251, *et seq.*); (m) defined as a “hazardous waste” pursuant to Section 1004 (42 U.S.C. § 6903) of the Federal Resource Conservation and Recovery Act of 1976, as amended (RCRA, 42 U.S.C. § 6901, *et seq.*); (n) defined as a “hazardous substance” pursuant to Section 101 (42 U.S.C. § 9601) of the Comprehensive Environmental Response, Compensation and Liability Act of 1980, as amended (CERCLA, 42 U.S.C. § 9601, *et seq.*); or (o) defined as “hazardous material” under Section 103 (49 U.S.C. § 1802) of the Hazardous Materials Transportation Act (49 U.S.C. § 1801, *et seq.*); or as such laws may be amended from time to time, and the regulations adopted and publications promulgated pursuant to such laws.

14.1.4 **Disposal of Hazardous Material.** If HOLA disposes of any soil, material or groundwater contaminated with hazardous material, HOLA shall provide CITY copies of all records including a copy of each uniform hazardous waste manifest indicating the quantity and type of material being disposed of, the method of transportation of the material to the disposal site and the location of the disposal site. Except where presence

of Hazardous Material predated this Lease, CITY shall not appear on any manifest document as a generator of such material disposed of by HOLA.

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

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

ARTICLE 15 DEFAULT AND CANCELLATION

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

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

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

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

15.2.1 Termination of Lease. CITY may give HOLA written notice of such Event of Default. If HOLA does not cure said default within thirty (30) days after notice, subject to Force Majeure, CITY may deliver a second written notice to HOLA, after which, if HOLA fails to cure said default within an additional thirty (30) days, subject to Force Majeure, or such longer period as is reasonably necessary to remedy such default, provided that HOLA shall continuously and diligently pursue such remedy at all times

until such default is cured, CITY may terminate this Lease and HOLA shall vacate the Premises and comply with Section 16.1; and/or

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

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

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

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

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

ARTICLE 16 SURRENDER OF PREMISES

16.1 **Surrender of Premises.** Upon termination of this Lease, should HOLA and the CITY not enter into a new lease of the Premises, HOLA shall quit and surrender possession of the Premises to CITY in good and usable condition, subject to normal wear and tear, including surrender of the improvements (without representation or warranty, on an "as is, where is" basis); provided, however, that the BOARD, at the BOARD's sole discretion, may require HOLA to demolish and remove all or a portion of the improvements on the Premises. Any

improvements which have been constructed or erected on the Premises shall, upon termination of this Lease, become the property of CITY. HOLA's personal property and fixtures related thereto, and all property described in Section 11.1 shall remain the property of HOLA or its assigns and may be removed by HOLA from the Premises upon termination of this Lease. Should HOLA fail to remove such property, improvements, or fixtures after the termination of this Lease, CITY may, at CITY's option: (1) retain all or any of such property, and title thereto shall thereupon vest in CITY; or (2) remove the same, in which event HOLA shall pay to CITY upon demand the reasonable costs of such removal.

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

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

ARTICLE 17 ASSIGNMENT AND BANKRUPTCY

17.1 Assignment and Subletting. HOLA shall have the right to sublet the Premises, or any part thereof, or allow the same to be used or occupied by a 501(c)(3) non-profit organization or other similar group or organization for any community-oriented purpose consistent with or complementary to the use of the Premises, as defined in Article 5 herein. HOLA shall not sublet or assign this Lease without the consent of the BOARD, which consent may not be unreasonably withheld, conditioned, or delayed; provided, however, that CITY hereby approves a sublease to HEART OF LA, in the form of the Sublease Agreement attached hereto as Exhibit D. Such consent shall not be required for subleases of no more than five (5) days in duration involving uses of portions of the Premises consistent with the provisions of this Lease. Short term and occasional use of the Premises for other activities such as location filming, special events, rehearsals, performances, and projects with artists or other non-profit or governmental agencies shall not be considered as assignments or subletting and HOLA may allow such use without the prior consent of CITY (however, net income, if any, from such activities is subject to the provisions of Section 5.8). HOLA shall not rent, lease, or offer any space for storing any article or articles unrelated to HOLA or HOLA's mission, within or on the Premises, without the prior written consent of the General Manager. Any attempt to sublease, assign, or transfer without the consent required by this Section shall be void and shall transfer no rights to the Premises. If HOLA believes that CITY has abused its discretion in denying consent, HOLA's sole remedy will be to seek a declaratory judgment that CITY has abused its discretion or an order of specific performance. HOLA will not have any right to damages.

17.2 Right to Encumber; Mortgagee Protection. Provided HOLA is not in default under this Lease, HOLA may, at any time and from time to time during the term hereof, encumber to any Lender by deed of trust or mortgage or other security instrument (“Leasehold Mortgage”), all of HOLA’s right, title, and interest under this Lease and the leasehold estate hereby created in HOLA or any of the improvements or personal property of HOLA on the Center (“Personal Property”) for any purpose or purposes without the consent of the CITY. The Leasehold Mortgage and all rights acquired under it shall be subject to each and all of the provisions, covenants, conditions, and restrictions stated in this Lease and to all rights and interest of the CITY except as otherwise specifically provided in this Lease and that certain Consent to Leasehold Deed of Trust and Modification of Lease, by and among CITY, HOLA and New Markets Community Capital XXI, LLC, a Delaware limited liability company. HOLA’s right to enter into a Leasehold Mortgage transaction shall be at HOLA’s sole cost and expense. As used herein, the term “Lender” shall mean any lender or lenders advancing funds to HOLA to assist HOLA in the construction, operation and/or maintenance of the Center.

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

17.2.2 If the interests of HOLA under the Lease shall be transferred to the Lender or a third party by exercise of power of sale, foreclosure or otherwise (a “Foreclosure Transferee”), the City shall be bound to the Foreclosure Transferee and shall recognize the Foreclosure Transferee as the tenant under the Lease for the balance of the term thereof entitled to all rights provided thereunder. Following any such transfer, the Foreclosure Transferee shall perform all obligations of lessee under this Lease for the remaining term hereof. These provisions shall become effective immediately upon receipt of written notice from the Foreclosure Transferee that such party has succeeded to the interest of HOLA hereunder, provided that the parties hereto agree to execute such further instruments to confirm or effectuate the same as may be reasonably requested by any party. Lender, and its successors and assigns, shall be an express third-party beneficiary of this Section 17.2.

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

**ARTICLE 18
CONDEMNATION**

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

**ARTICLE 19
NOTICES**

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

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

<u>To CITY or General Manager:</u>	City of Los Angeles Board of Recreation and Parks Commissioners 1200 W. 7th Street, 7th Floor Los Angeles, California 90017 Telecopier: (213) 928-9048
with a copy of any notice to	General Manager Department of Recreation and Parks 1200 W. 7th Street, 7th Floor Los Angeles, California 90017 Telecopier: (213) 928-9031

with a copy of any notice to

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

To HOLA:

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

ARTICLE 20 STANDARD PROVISIONS FOR CITY CONTRACTS

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

ARTICLE 21 MISCELLANEOUS PROVISIONS

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

- Exhibit A Map and Legal Description
- Exhibit B Intentionally Deleted.
- Exhibit C Memorandum of Lease
- Exhibit D Form of Sublease Agreement
- Exhibit E Standard Provisions for City Contracts

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

[SIGNATURES FOLLOW ON NEXT PAGE]

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

APPROVED AS TO FORM AND LEGALITY:

By: _____
City Attorney

DATE: _____

ATTEST:

City Clerk

By: _____
Deputy

DATE: _____

CITY:

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

By: _____
President

By: _____
Secretary

Date: _____

TENANT:

HOLA COMMUNITY PARTNERS, a California public non-profit corporation

By: _____
Chairperson

By: _____
Secretary

Date: _____

EXHIBIT "A"
MAP AND LEGAL DESCRIPTION

EXHIBIT "B"

INTENTIONALLY DELETED

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
_____, City Attorney
_____, Deputy City Attorney
Real Property/Environment Division
700 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, acting by and through its Board of Recreation and Parks Commissioners, as Landlord ("CITY") and the HOLA COMMUNITY PARTNERS, a California public benefit non-profit corporation ("HOLA"), with a principal mailing address at 2701 Wilshire Boulevard, Suite 100, Los Angeles, California 90057, as Tenant, who agree as follows:

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

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

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

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 HOLA 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.

APPROVED AS TO FORM:

_____, City Attorney

By: SPECIMEN – DO NOT SIGN
City Attorney

DATE: _____

CITY:

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

By: SPECIMEN – DO NOT SIGN
President

By: SPECIMEN – DO NOT SIGN
Secretary

DATE: _____

ATTEST:

_____, City Clerk

By: SPECIMEN – DO NOT SIGN
Deputy

DATE: _____

TENANT:

HOLA COMMUNITY PARTNERS, a California public non-profit corporation

By: SPECIMEN – DO NOT SIGN

By: SPECIMEN – DO NOT SIGN

DATE: _____

EXHIBIT "D"
FORM OF SUBLEASE AGREEMENT

EXHIBIT "E"

STANDARD PROVISIONS FOR CITY CONTRACTS

[Attached.]

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STANDARD PROVISIONS FOR CITY CONTRACTS**PSC-1. CONSTRUCTION OF PROVISIONS AND TITLES HEREIN**

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

PSC-2. NUMBER OF ORIGINALS

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

PSC-3. APPLICABLE LAW, INTERPRETATION AND ENFORCEMENT

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

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

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

PSC-4. TIME OF EFFECTIVENESS

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

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

PSC-5. INTEGRATED CONTRACT

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

PSC-6. AMENDMENT

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

PSC-7. EXCUSABLE DELAYS

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

PSC-8. BREACH

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

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

PSC-9. WAIVER

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

PSC-10. INTENTIONALLY DELETED

PSC-11. INDEPENDENT CONTRACTOR

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

PSC-12. CONTRACTOR'S PERSONNEL

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

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

PSC-13. PROHIBITION AGAINST ASSIGNMENT OR DELEGATION

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

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

PSC-14. PERMITS

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

PSC-15. CLAIMS FOR LABOR AND MATERIALS

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

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

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

PSC-17. RETENTION OF RECORDS, AUDIT AND REPORTS

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

PSC-18. FALSE CLAIMS ACT

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

PSC-19. BONDS

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

PSC-20. INTENTIONALLY DELETED**PSC-21. INTENTIONALLY DELETED****PSC-22. INTELLECTUAL PROPERTY WARRANTY**

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

PSC-23. INTENTIONALLY DELETED**PSC-24. INSURANCE**

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

PSC-25. DISCOUNT TERMS

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

PSC-26. WARRANTY AND RESPONSIBILITY OF CONTRACTOR

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

PSC-27. NON-DISCRIMINATION

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

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

PSC-28. EQUAL EMPLOYMENT PRACTICES

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

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

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

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

PSC-29. AFFIRMATIVE ACTION PROGRAM

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

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

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

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

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

- O. Affirmative Action Agreements resulting from the proposed Affirmative Action Plan or the pre-registration, pre-bid, pre-proposal or pre-award conferences shall not be confidential and may be publicized by the contractor at his or her discretion. Approved Affirmative Action Agreements become the property of the **CITY** and may be used at the discretion of the **CITY** in its Contract Compliance Affirmative Action Program.
- P. Intentionally blank.
- Q. All contractors subject to the provisions of this section shall include a like provision in all subcontracts awarded for work to be performed under the Lease with the **CITY** and shall impose the same obligations, including but not limited to filing and reporting obligations, on the subcontractors as are applicable to the contractor. Failure of the contractor to comply with this requirement or to obtain the compliance of its subcontractors with all such obligations shall subject the contractor to the imposition of any and all sanctions allowed by law, including but not limited to termination of the contractor's contract with the **CITY**.

PSC-30. CHILD SUPPORT ASSIGNMENT ORDERS

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

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

Any subcontract entered into by **CONTRACTOR**, to the extent allowed hereunder, shall include a like provision for work to be performed under this Contract. Failure of **CONTRACTOR** to obtain compliance of its subcontractors shall constitute a default by **CONTRACTOR** under this Contract, subjecting this Lease to termination where such

default shall continue for more than ninety (90) days after notice of such default to **CONTRACTOR** by the **CITY**.

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

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

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

4. **Any** subcontract entered into by **CONTRACTOR** relating to this Contract, to the extent allowed hereunder, shall be subject to the provisions of PSC-31 and shall incorporate the provisions of the LWO and the SCWRO.
 5. **CONTRACTOR** shall comply with all rules, regulations and policies promulgated by the **CITY'S** Designated Administrative Agency which may be amended from time to time.
- B. Under the provisions of Sections 10.36.3(c) and 10.37.6(c) of the Los Angeles Administrative Code, the **CITY** shall have the authority, under appropriate circumstances, to terminate this Lease and otherwise pursue legal remedies that may be available if the **CITY** determines that the subject **CONTRACTOR** has violated provisions of either the LWO or the SCWRO, or both.
 - C. Where under the LWO Section 10.37.6(d), the **CITY'S** Designated Administrative Agency has determined (a) that **CONTRACTOR** is in violation of the LWO in having failed to pay some or all of the living wage, and (b) that such violation has gone uncured, the **CITY** in such circumstances may impound monies otherwise due **CONTRACTOR** in accordance with the following procedures. Impoundment shall mean that from monies due **CONTRACTOR**, **CITY** may deduct the amount determined to be due and owing by **CONTRACTOR** to its employees. Such monies shall be placed in the holding account referred to in LWO Section 10.37.6(d)(3) and disposed of under procedures described therein through final and binding arbitration. Whether **CONTRACTOR** is to continue work following an impoundment shall remain in the sole discretion of the **CITY**. **CONTRACTOR** may not elect to discontinue work either because there has been an impoundment or because of the ultimate disposition of the impoundment by the arbitrator.
 - D. **CONTRACTOR** shall inform employees making less than Twelve Dollars (\$12.00) per hour of their possible right to the federal Earned Income Credit (EIC). **CONTRACTOR** shall also make available to employees the forms informing them about the EIC and forms required to secure advance EIC payments from **CONTRACTOR**.

PSC-32. AMERICANS WITH DISABILITIES ACT

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

into by **CONTRACTOR**, relating to this Lease, to the extent allowed hereunder, shall be subject to the provisions of this paragraph.

PSC-33. CONTRACTOR RESPONSIBILITY ORDINANCE

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

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

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

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

PSC-35. EQUAL BENEFITS ORDINANCE

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

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

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

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

PSC-36. SLAVERY DISCLOSURE ORDINANCE

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

EXHIBIT 1**INSURANCE CONTRACTUAL REQUIREMENTS**

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

CONTRACTUAL REQUIREMENTS**CONTRACTOR AGREES THAT:**

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

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

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

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

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

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

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

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

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

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

**Attachment 1 (Continued)
Required Insurance and Minimum Limits**

Name: _____ Date: _____

Agreement/Reference: _____

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

	Limits
<hr/>	
___ Workers' Compensation – Workers' Compensation (WC) and Employer's Liability (EL)	WC
<input type="checkbox"/> Waiver of Subrogation in favor of City <input type="checkbox"/> Longshore & Harbor Workers	_____
<input type="checkbox"/> Jones Act	
<hr/>	

___ General Liability	_____
<input type="checkbox"/> Products/Completed Operations <input type="checkbox"/> Sexual Misconduct	_____
<input type="checkbox"/> Fire Legal Liability	
<input type="checkbox"/> _____	
<hr/>	

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

___ Professional Liability (Errors and Omissions) _____

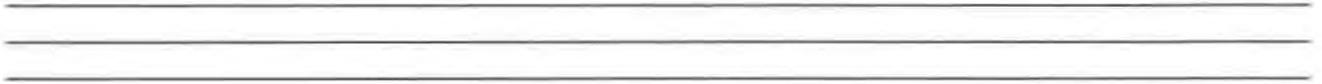
Property Insurance (to cover replacement cost of building – as determined by insurance company)

- | | |
|--|---|
| <input type="checkbox"/> All Risk Coverage | <input type="checkbox"/> Boiler and Machinery |
| <input type="checkbox"/> Flood _____ | <input type="checkbox"/> Builder's Risk |
| <input type="checkbox"/> Earthquake _____ | <input type="checkbox"/> _____ |

___ Pollution Liability	_____
<input type="checkbox"/> _____	
<hr/>	

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

Other: _____



RECORDING REQUESTED BY
AND WHEN RECORDED MAIL TO:

Gregory Doran
Nixon Peabody LLP
799 9th Street NW
Suite 500
Washington, DC 20001-4501

SPACE ABOVE LINE FOR RECORDER'S USE ONLY

CONSENT TO LEASEHOLD DEED OF TRUST AND MODIFICATION OF LEASE

THIS CONSENT TO LEASEHOLD DEED OF TRUST AND MODIFICATION OF LEASE (this "Consent") is made and entered into as of this ___ day of March, 2017, by and among HOLA Community Partners, a California nonprofit public benefit corporation ("Lessee"), New Markets Community Capital XXI, LLC, a Delaware limited liability company ("Lender"), and the City of Los Angeles, a municipal corporation, acting by and through its Board of Recreation and Parks Commissioners ("Lessor").

WHEREAS, Lessor owns and/or controls certain lands known as Lafayette Park under the management and control of the Board of Recreation and Parks Commissioners, which are more particularly described on Exhibit A attached hereto and by this reference made a part hereof (the "Premises"); and

WHEREAS, Lessor and Lessee have entered into that certain Lease Agreement, dated on or about the date hereof, pursuant to which Lessor has leased to Lessee the Premises (such lease, as modified by the terms of this Consent, referred to hereinafter as the "Lease"); and

WHEREAS, a memorandum of the Lease is recorded in the office of the Recorder of Deeds of the County of Los Angeles, California in Book _____ at Page _____; and

WHEREAS, Lender has committed to Lessee to make certain loans to Lessee upon certain terms and conditions; and

WHEREAS, the Lender's loan will be secured, inter alia, by a [Leasehold Deed of Trust and Security Agreement] (the "Deed of Trust") on Lessee's rights in and to the Premises pursuant to the Lease and certain property located thereon; and

WHEREAS, to induce Lender to make the loans to Lessee, Lessor has agreed to review and consent to the Lender's Deed of Trust, and Lessor and Lessee have further agreed to modify and amend the Lease in order to accommodate the Lender.

NOW, THEREFORE, for and in consideration of the Premises and the mutual covenants and promises herein contained, and for other good and valuable consideration, the receipt and sufficiency of which is acknowledged by the parties hereto, the parties hereby agree as follows:

1. Consent to Deed of Trust. Lessor hereby acknowledges and agrees that it has full right, power and authority to lease the Premises to Lessee. Lessor hereby consents to Lessee's execution of the Deed of Trust, pursuant to which Lessee grants to Lender a first lien on, inter alia, Lessee's right, title and interest in and to the Premises under the Lease (the "Tenancy"). Lessor hereby acknowledges and agrees that Lessee's grant of the Deed of Trust will not be deemed to violate any of the terms of the Lease or cause a default thereunder.

2. Modification of Lease. Lessor and Lender agree that the Lease is hereby modified, as between Lessor and Lender, as of the date hereof as hereinafter provided in this Consent. As between Lessor and Lender, the terms of this Consent shall supersede any inconsistent provisions of the Lease and any rights and remedies granted to Lender under this Consent shall, to the extent inconsistent therewith, supersede any rights and remedies of Lessor and Lessee under said Lease. Except as expressly and specifically set forth in this Consent, nothing contained herein shall be deemed to alter or modify any of the terms, conditions, or provisions of the Lease, and Lessor shall have the right to insist upon and receive strict performance of all the terms, conditions and provisions of the Lease and of all the obligations of Lessee under the Lease. It is expressly understood that Lessor shall not, by virtue of its execution of this Consent, be deemed to be a grantor under the Deed of Trust or to have subjected to the lien of the Deed of Trust, any of its right, title or interest in and to the said Premises. Lessor and Lessee agree that they will not further modify or amend the Lease without the prior written consent of Lender. Lessor hereby agrees to subordinate any lien Lessor may have on the assets of Lessee (including, but not limited to, the landlord's lien under the Lease) to any lien and/or security interest Lender may now or hereafter have upon Lessee's assets such that Lessor's liens and/or security interests in Lessee's assets shall be subordinate and inferior to the liens and/or security interests Lessee now or hereafter grants in favor of Lender. Lessor and Lessee hereby represent and warrant that as of the date hereof there is no existing default under the Lease.

3. Notices to Lender and Lessor.

(a) Lessor agrees to give notice of default or the nonperformance by Lessee of its obligations under the Lease to Lender in the manner hereinafter provided, concurrently with the giving of such notice to Lessee. Lessor and Lessee each further agree to provide Lender with a copy of any notice given to the other party under the Lease, concurrently with the giving of such notice.

(b) Lender agrees to give Lessor notice of default or the nonperformance by the Lessee of its obligations under the Lender's loan secured by Deed of Trust, concurrently with the giving of such notice to Lessee.

4. Right of Lender to Perform Obligations of Lessee. At all times while the Lease is in effect, Lender shall have the right, but not the obligation, to perform on behalf of Lessee any and all of the obligations of Lessee under the Lease in accordance with the terms of the Lease, and Lessor shall accept any such performance by Lender on behalf of Lessee as performance by Lessee without any prejudice to the rights of Lessee under the Lease.

5. Lender's Right to Cure Prior to Termination of the Lease. Lender shall have the right, but not the obligation, to cure any default by Lessee under the Lease upon the terms and conditions set forth therein, but Lender's right to effect such cure shall extend from the date notice of default is given to Lender, and if the default is cured by Lender within such period or periods as is permitted by the Lease, the Lease shall remain in full force and effect.

6. Lender's Rights Upon Termination of the Lease. In the event that Lessee's rights under the Lease are terminated by reason of Lessee's default, Lender shall, nonetheless, have the right, but shall not be obligated, to reinstate the Lease by curing Lessee's default(s) thereunder (irrespective of whether or not Lessee is given the right to cure such default under the Lease) within ten (10) days after notice of termination of the Lease is given by Lessor to Lender if such default is a monetary default; or thirty (30) days, extended for such additional reasonable periods as may be necessary to permit cure to be effected if efforts to cure are being made and cure is not possible within said thirty (30) days, if such default(s) involve matters other than the payment of money. In any such event, the Lease shall be reinstated and remain thereafter in full force and effect provided that the obligations of Lessee thereunder are performed in accordance with the terms of the Lease. If Lessee's rights under the Lease are terminated by reason of any Noncurable Defaults (hereinafter defined), then, at the option of Lender, the Lease shall be reinstated and remain thereafter in full force and effect and all events constituting Noncurable Defaults shall be deemed to be permanently and fully remedied, provided that (i) Lender assumes all obligations of Lessee under the Lease; provided, however, Lender shall not be required to indemnify Lessor for any acts of Lessee or Lessee's employees, agents, invitees, or officers while Lessee has possession of the Premises, (ii) no other defaults which do not constitute Noncurable Defaults remain unremedied, and (iii) the obligations of Lessee under the Lease are performed in accordance with the terms of the Lease.

7. Noncurable Defaults. For the purposes hereof, the term "Noncurable Defaults" shall refer to the following events: (i) the abandonment of the Premises by Lessee, (ii) the insolvency or bankruptcy of Lessee, (iii) any other event constituting an event of default under the Lease which, by virtue of the fact that the event is triggered upon the passage of a stated date or period of time which has elapsed prior to the time that is allotted to the Lender for cure of the same, is not susceptible of cure by Lender (it being understood that upon subsequent assumption of Lessee's obligations under the Lease, the Lender shall be obligated thereafter to cure such event).

8. Lender's Rights Upon Lessee's Default Under Loan Documents. In the event of Lessee's default under the Deed of Trust or promissory note secured thereby, or under any other agreement further evidencing or securing the Lender's loans to Lessee or any other future obligations or indebtedness of Lessee to Lender including all extensions and renewals thereof (all of such obligations are herein collectively referred to as "Lessee's Obligations"), the Lender may, at its option, upon giving written notice to Lessor, enter upon the Premises and exercise all of Lessee's rights under the Lease, provided that Lender during any such time assumes and performs the obligations of Lessee under the Lease. Irrespective of any limitations on subletting set forth in the Lease, Lender shall have the right to sublet the Premises, subject to the terms of the Lease, or any part thereof and collect the rents therefrom which are due or to become due, and apply the same after payment of all charges and expenses, to Lessee's Obligations, without the need to seek Lessor's consent thereto or otherwise to satisfy any applicable provision of the Lease relating to subletting.

9. Lender's Right to Assign the Tenancy. After any default by Lessee under Lessee's Obligations, and provided the Lease is then in effect, Lender shall have the right to sell and assign the Tenancy without the consent of Lessor and without the necessity of complying with any other provisions of the Lease relative to such an assignment, provided that (i) Lender's assignee as part of such assignment agrees to assume and perform all of the obligations of Lessee under the terms of the Lease, (ii) Lender gives written notice to Lessor of a proposed sale and assignment of the Tenancy at least thirty (30) days prior to making such assignment and (iii) Lender has given effect to Lessor's Purchase Option. In connection with any proposed

sale or assignment of this Tenancy, following the exercise of Lender's remedies following a default in Lessee's Obligations, Lessor shall have the option to purchase either (a) Lessee's Obligations and all security therefor at a price equal to the then outstanding amount of Lessee's Obligations (or such lesser amount agreed to by Lender and Lessor), said right to be exercised and purchase to be consummated within thirty (30) days after Lessor receives notice of Lender's intention to sell or transfer the Tenancy, or (b) the Tenancy and those items covered by Lender's lien which are proposed to be sold on the same terms and conditions as have been offered to and accepted by the proposed purchaser, which terms shall be stated in the Lender's notice thereof to Lessor, said right to be exercised by Lessor within said thirty (30) day period after receipt of Lender's notice to Lessor (the "Purchase Option"). In the event that Lender sells and assigns the Tenancy and has complied with the terms set forth in this paragraph related to Lessor's Purchase Option, Lender shall have no liability to Lessor or any other person under the Lease after the effective date of any such sale and assignment.

10. Special Cure Period. Lessor and Lender agree that, for purposes of effectuating a cure with respect to a default in Lessee's obligation to operate an Arts and Recreation Center on the Premises pursuant to Section 5 in the Lease, as is Lender's right under Section 5 of this consent, and as is required under Section 6 and Section 7 of this Consent, Lessor shall have a period of up to 120 days to effectuate such a cure, provided Lender shall work diligently and in collaboration with Lessor to identify a non-profit reasonably acceptable to Lessor to operate such Arts and Recreation Center on the Premises.

11. Subordination. Notwithstanding the provisions of the Lease to the contrary, Lessee shall neither be obligated nor permitted to execute any instrument on or after the date hereof which subordinates the Lease to a deed of trust or mortgage on Lessor's fee interest in and to the Premises (a "Fee Deed of Trust") unless such subordination instrument is in form and substance satisfactory to Lender and provides that the foreclosure of the Fee Deed of Trust will not extinguish the Lease or the lien of the Lender's Deed of Trust or in any way impair the Lender's security interest in its collateral for Lessee's obligations, provided that all obligations of Lessee under the Lease have been satisfied. If the subordination instrument is in a form satisfactory to Lender, Lender shall be obligated to sign such instrument in its capacity as well.

12. Notice to Parties. Any notice provided for hereunder shall be in writing and shall be deemed given if delivered by personal service or by certified or registered mail, return receipt requested, postage prepaid, addressed to the party to whom said notice is directed, at the following addresses:

If to Lender:

New Markets Community Capital XXI, LLC
 c/o New Markets Community Capital, LLC
 5400 East Olympic Boulevard, Suite 300
 Los Angeles, CA 90022
 Attention: Jose Villalobos
 Facsimile: 323-721-3560

with a copy to:

Manatt, Phelps & Phillips, LLP
 7 Times Square
 New York, NY 10036
 Attention: Neil S. Faden, Esq.

Facsimile: 212-790-4545

If to Lessee:

with a copy to:

U.S. Bancorp Community Development Corporation
1307 Washington Avenue, Suite 300
Saint Louis, Missouri 63103
Attn: Director of Asset Management – NMTC
Project Reference # 24989
Facsimile: 314-335-2602

with a copy to:

Nixon Peabody LLP
401 9th Street NW
Suite 900
Washington, DC 20004-2128
Attention: Gregory Doran
Facsimile: (202) 585-8080

If to Lessee:

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

with a copy to:

Gibson, Dunn & Crutcher LLP
333 South Grand Avenue,
Los Angeles, CA 90071-3197
Attention: Douglas Champion
Facsimile: (213) 229-6128

with a copy to:

Bocarsly Emden Cowan Esmail & Arndt LLP
633 West Fifth Street, 64 Floor
Los Angeles, CA 90071
Attention: Robert F. Cowan
Facsimile: (213) 239-0410

If to Lessor:

City of Los Angeles
Board of Recreation and Parks Commissioners
1200 W. 7th Street, 7th Floor

Los Angeles, California 90017
Facsimile: (213) 928-9048

with a copy to:

General Manager
Department of Recreation and Parks
1200 W. 7th Street, 7th Floor
Los Angeles, California 90017
Facsimile: (213) 928-9031

with a copy to:

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

or at such other address as any party may from time to time designate by notice given as provided herein. All notices given as provided herein shall be deemed given on the date of personal service or the date of postmark.

13. Liability of Lender. Nothing contained herein shall be held or construed to transfer or pass to or impose upon Lender any liability, obligation, warranty, duty, or undertaking of any kind or nature which has been or is imposed upon, agreed to, or assumed by Lessee under the Lease, unless Lender assumes such obligation for the purpose of maintaining the Lease in effect or curing a default or defaults by Lessee as provided herein, whether prior to or after termination of the Lease. The Lender shall be released and discharged from any liability it assumes with respect to the Lease at such time as the Lender sells and assigns the tenancy.

14. Liability of Lessee. Nothing contained herein shall affect, modify, release, or relieve Lessee from any obligations, warranties, liabilities, duties, or undertakings under the terms of the Lease, all of which shall be and remain enforceable against Lessee. Lessee hereby consents to the provisions hereof.

15. Successors and Assigns. This Consent shall be binding upon and inure to the benefit of the parties hereto and their successors and assigns. For the purposes hereof, the terms "Lessor," "Lessee" and "Lender" shall be deemed to include the respective successors and assigns of each of said parties.

16. Recordation. Lender shall be entitled to record this Consent.

17. Satisfaction and Release of Deed of Trust. Upon satisfaction of all the obligations under the loan secured by Deed of Trust, Lender agrees to execute, record and deliver to Lessor such documents as may be reasonably necessary to effectuate satisfaction and release of Deed of Trust.

[Remainder of Page Intentionally Left Blank-Signature Page Follows]

IN WITNESS WHEREOF, this Consent to Leasehold Deed of Trust and Modification of Lease is executed as of the day and year first above written.

APPROVED AS TO FORM AND LEGALITY:

By: _____
City Attorney

DATE: _____

ATTEST:

City Clerk

By: _____
Deputy

DATE: _____

LESSOR:

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

By: _____
President

By: _____
Secretary

Date: _____

LESSEE:

HOLA COMMUNITY PARTNERS, a California
public non-profit corporation

By: _____
Chairperson

By: _____
Secretary

Date: _____

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

STATE OF CALIFORNIA)
) ss.
COUNTY OF LOS ANGELES)

On _____, before me, _____, personally appeared _____ who, being first duly sworn, did say that _____ of _____, who proved to me on the basis of satisfactory evidence to be the person whose name is subscribed to the within instrument and acknowledged to me that he executed the same in his authorized capacity, and that by his signature on the instrument the person, or the entity upon behalf of which the person acted, executed the instrument.

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

WITNESS my hand and official seal.

_____ (Seal)

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

STATE OF CALIFORNIA)
) ss.
COUNTY OF LOS ANGELES)

On _____, before me, _____, personally appeared _____ who, being first duly sworn, did say that _____ of _____, who proved to me on the basis of satisfactory evidence to be the person whose name is subscribed to the within instrument and acknowledged to me that he executed the same in his authorized capacity, and that by his signature on the instrument the person, or the entity upon behalf of which the person acted, executed the instrument.

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

WITNESS my hand and official seal.

_____ (Seal)

IN WITNESS WHEREOF, this Consent to Leasehold Deed of Trust and Modification of Lease is executed as of the day and year first above written.

LENDER:

NEW MARKETS COMMUNITY CAPITAL XXI, LLC,
a Delaware limited liability company

By: New Markets Community Capital, LLC,
a Delaware limited liability company,
its Managing Member

By: _____
Name: José Villalobos
Title: Senior Vice President

EXHIBIT A

(Attached)

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

ARTICLE 1
BASIC SUBLEASE PROVISIONS

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

1.2 **Recitals.**

1.2.1 HOLA, as Tenant, and the CITY OF LOS ANGELES, a municipal corporation, acting by and through its Board of Recreation and Parks Commissioners (“CITY”), as Landlord, are parties to that certain Lease Agreement dated as of March __, 2017 for the use of certain land within Lafayette Park, as shown in Exhibit A attached thereto (as may be amended from time to time, the “Lease”).

1.2.2 HOLA now desires to sublease the same Premises that is described in the Lease to HEART OF LA, for the purpose of operating an Arts and Recreation Center as required by the terms and conditions of the Lease.

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

1.3.1 **City.** The defined term “CITY” shall mean the City of Los Angeles, as Landlord pursuant to the Lease. Except where clearly and expressly provided otherwise in the Lease, any action to be taken by CITY may be taken for CITY by the General Manager as defined in Paragraph 1.3.5. Except where clearly and expressly provided otherwise in the Lease, the capacity of the City of Los Angeles pursuant to the Lease shall be as Landlord, and any benefits, obligations, or restrictions conferred or imposed by the Lease on CITY shall be limited to that capacity and shall not relate to or otherwise affect any activity of the City of Los Angeles in its governmental capacity, including, but not limited to, enacting laws, inspecting structures, reviewing and issuing permits, and all other

legislative, administrative, or enforcement functions of the City of Los Angeles pursuant to federal, state, or local law.

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

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 of Los Angeles may designate. The defined term “General Manager” shall also include any person designated by the General Manager to act on behalf of the General Manager.

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

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

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

ARTICLE 2 TERM

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

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

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

to cure pursuant to Paragraph 15.2.1 shall be applicable to this Section 2.3. Should said termination be ordered, HOLA will peaceably surrender the Premises and will comply with all of the requirements of this Sublease with regard to termination.

2.4 Termination – Commencement of Operations. If HEART OF LA does not commence the on-going operation of the Center to members of the general public pursuant to the terms of use in Article 5 of this Sublease (the “Opening Date”) within sixty (60) months after the Effective Date, subject to any extension for Force Majeure, HOLA may terminate this Sublease at any time on or after the end of the sixtieth (60th) month following the Effective Date upon sixty (60) days prior written notice to HEART OF LA (which notice may be given only after the end of such sixtieth (60th) month), and provided that if HEART OF LA thereafter has commenced good faith operation of the Center prior to the effective date of such notice, then such right to terminate shall expire and this Sublease shall remain in full force and effect.

2.5 Termination – Commencement of Center Construction. If HOLA fails to commence construction (the “Construction Commencement Date”) within thirty-six (36) months after the Effective Date, subject to any extension for Force Majeure, HOLA may terminate this Sublease at any time on or after the thirty-sixth (36th) month following the Effective Date upon sixty (60) days prior written notice to HEART OF LA (which notice may be given only after the end of such thirty-sixth (36th) month), and provided that if HOLA thereafter has commenced good faith construction of the Center prior to the effective date of such notice and diligently pursues such construction thereafter, then such right to terminate shall expire and this Sublease shall remain in full force and effect. Construction shall be deemed to commence on the date HOLA starts physical work on the Premises pursuant to a valid Building Permit from the City of Los Angeles.

2.6 Intentionally deleted.

2.7 Holdover. If HEART OF LA, with HOLA’s written consent, remains in possession of the Premises after the expiration or termination of this Sublease, such possession by HEART OF LA 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 Sublease except those pertaining to Term (Section 2.1) and rent owed shall apply to the month-to-month tenancy. If HEART OF LA holds over without HOLA’s written consent, or after the date in any notice given by HOLA to HEART OF LA terminating this Sublease, HEART OF LA shall be deemed to be a tenant at sufferance and HEART OF LA shall owe to HOLA then-current fair-market rent as determined by HOLA in its good faith and reasonable discretion.

2.8 Intentionally deleted.

ARTICLE 3 CONSIDERATION AND FINANCING

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

representing full payment of the monetary consideration set forth in the preceding paragraph, which sum shall be non-refundable to HEART OF LA in the event that this Sublease is terminated for any reason in accordance with its terms.

3.2 **Funding.** HOLA shall be required to fund the development, construction and operation of an Arts and Recreation Center for the uses set forth in Article 5 of the Lease at the Premises.

ARTICLE 4 PREMISES

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

4.2 **Acceptance of Premises.** HEART OF LA accepts the Premises on an "as is" basis as of the Effective Date of this Sublease.

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

ARTICLE 5 USE OF PREMISES FOR CENTER

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

5.2 **Operation.** As partial consideration for the use of City-owned property, the Center shall be operated as an Arts and Recreation Center conducted on a nonprofit basis. The facilities of the Center at the Premises shall be open a minimum of five (5) days per week for forty-six (46) weeks per year and will serve the public with the overall operation schedule to be developed by mutual agreement of the General Manager, HOLA, and HEART OF LA (see Section 12.2, regarding obligation after damage or destruction). HEART OF LA shall post its operating schedule in a conspicuous place near the entrance to the Center and shall adhere to the posted hours of operation. Any changes in said operating schedule shall be posted for a reasonable period in

advance of the date on which such changes are to take effect. HEART OF LA shall operate the Center, develop recreational programming, volunteer training, seminars, workshops, special programs, athletics, community outreach programs, special artistic displays, and similar programs and events for the benefit of Los Angeles youth and residents, all to the extent that HEART OF LA's fund-raising and staff commitments shall allow (nothing in this sentence shall be construed to modify HEART OF LA's obligation to operate an Arts and Recreation Center with a major focus on arts and recreation for a specified minimum number of hours per week, or the right of HOLA to terminate this Sublease for the failure to so operate).

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

5.2.2 Entry. HOLA and HEART OF LA acknowledge the safety and security concerns associated with the operation of a public park facility. Accordingly, HOLA shall allow HEART OF LA, in its sole discretion, the right to limit public entry into its Premises to only those individuals present in connection with HEART OF LA or other community-related programming recognized by HEART OF LA.

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

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

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

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

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

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

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

5.8 **Ancillary Income.** During the Term, in the event HEART OF LA obtains income from uses of the Premises which are ancillary to the uses contemplated under this Sublease (*e.g.*, uses contemplated in Section 17.1 herein), HEART OF LA shall use such income only for such purposes as are consistent with the nonprofit activities permitted with respect to the use of the Premises. Any receipt of such income shall be reported to HOLA and CITY in the annual report required pursuant to Section 8.1, and HEART OF LA, if requested by HOLA or the General Manager, shall provide HOLA or the General Manager, as applicable, with such accountings as HOLA or the General Manager shall reasonably require to demonstrate compliance with this Section 5.8. Nothing in this Section shall be construed to permit uses of the Premises not otherwise allowed under the provisions of this Sublease, nor shall anything in this Section be construed to negate or modify any requirement for prior approval of activities.

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

ARTICLE 6
MAINTENANCE AND REPAIR OF CENTER

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

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

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

implemented. Such program will include all materials which may be reasonably recycled (e.g., white paper, mixed paper, newspaper, aluminum cans, and plastic and glass containers).

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

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

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

6.5.2 Terminate this Sublease in accordance with Paragraph 15.2.1; or

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

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

ARTICLE 7
UTILITIES, SEWERS AND STORM DRAINS

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

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

ARTICLE 8
REPORTS AND AUDITS

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

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

8.3 **Inspection and Audit of Records by HOLA and CITY.** All documents, books and accounting records required to be maintained or retained under this Article shall be open for inspection and re-inspection by HOLA and CITY with reasonable prior notice during regular

operating hours during the Term of this Sublease and for a period of ten (10) years thereafter. In addition, HOLA and CITY may from time to time conduct, at HOLA or CITY's sole cost and expense, as applicable, an audit or re-audit of the books and business conducted by HEART OF LA with respect to HEART OF LA's operations from the Premises and observe the operation of business so that accuracy of the above records can be confirmed.

ARTICLE 9 COMPLIANCE WITH ALL LAWS AND REGULATIONS

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

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

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

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

ARTICLE 10 INSURANCE

10.1 Insurance. Prior to the occupancy of the Premises, under the provisions and conditions of this Sublease, HEART OF LA shall furnish HOLA and CITY with evidence of insurance as required to be procured and maintained by HOLA under Section 10.1 of the Lease.

10.2 Intentionally deleted.

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

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

ARTICLE 11 IMPROVEMENTS

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

ARTICLE 12 DAMAGE

12.1 **Damage.** Except as otherwise provided in this Sublease, if the improvements located on the Premises are damaged and such damage was caused by fire or other peril covered by HEART OF LA's insurance, HEART OF LA agrees to repair such damage to the extent set forth in this Section, and this Sublease shall continue in full force and effect. If (1) such improvements are damaged as the result of any cause other than perils covered by HEART OF LA's insurance, or (2) during the last twenty (20) years of the Term of this Sublease such improvements are damaged as the result of fire or other perils covered by HEART OF LA's insurance, and the cost to repair such damages (as determined by HEART OF LA in good faith) shall exceed thirty-five percent (35%) of the full replacement cost of the improvements, or (3) during the last ten (10) years of the Term of this Sublease such improvements are damaged as a result of fire or other peril covered by HEART OF LA's insurance, and the cost to repair such damage (as determined by HEART OF LA in good faith) shall exceed fifteen percent (15%) of the full replacement cost of the improvements, then HEART OF LA may, at HEART OF LA's option, either (i) repair such damage as soon as reasonably practicable at HEART OF LA's sole cost and expense, in which event this Sublease shall continue in full force and effect, or (ii) give written

notice to HOLA within ninety (90) days after the date of occurrence of such damage of HEART OF LA's intention to cancel and terminate this Sublease thirty (30) days after written notice of the intention to cancel and terminate. Upon such termination, HEART OF LA shall, if requested by HOLA, complete demolition of the damaged Center or other damaged improvement. Notwithstanding the foregoing, while any Leasehold Mortgage remains outstanding, the use of insurance proceeds following a casualty and the determination to replace any damaged improvements shall be governed by the Leasehold Mortgage and any documents related to such Leasehold Mortgage.

ARTICLE 13 DESIGN AND CONSTRUCTION OF CENTER

13.1 Intentionally deleted.

13.2 Intentionally deleted.

13.3 Intentionally deleted.

13.4 Intentionally deleted.

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

13.6 **Mortgages; Mechanic's And Materialmen's Liens.** During the Term, other than as set forth in Section 17.2, the real property underlying the Premises shall not be used as security for any loans or mortgages or otherwise have any liens placed on it. By way of specification without limitation, HEART OF LA shall keep the Premises free from any liens arising out of work performed, materials furnished, or obligations incurred by HEART OF LA and shall indemnify, hold harmless and defend HOLA from any liens and encumbrances arising out of any work performed or materials furnished by or at the direction of HEART OF LA. In the event that HEART OF LA shall not, within thirty (30) calendar days following the imposition of any such lien, cause such lien to be released of record by payment or posting of a proper bond, HOLA shall have in addition to all other remedies provided herein and by law, the right, but no obligation to cause, upon five (5) business days prior written notice to HEART OF LA, the same to be released by such means as it shall deem proper, including payment in satisfaction of the claim giving rise to such lien. All such sums paid by HOLA and all expenses incurred by it in connection therewith, including costs and attorneys' fees, shall be paid by HEART OF LA to HOLA on demand.

13.7 Intentionally deleted.

13.8 Intentionally deleted.

ARTICLE 14 HAZARDOUS MATERIALS

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

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

company at a lawful disposal site, and shall ensure that disposal occurs frequently enough to prevent unnecessary storage of such substances on or around the Premises; and (d) any remaining such substances shall be completely, properly, and lawfully removed from the Premises upon expiration or earlier termination of this Sublease. The provisions of this paragraph survive expiration or termination of this Sublease.

14.1.2 Intentionally deleted.

14.1.3 **“Hazardous Material” – Definition.** As used herein, the defined term “Hazardous Material” means any chemical, substance, material, or waste or component thereof the presence of which requires investigation or remediation under any federal, state, or local statute, regulation, ordinance, order, action, policy, or common law, or which is now or hereafter listed, defined, or regulated as a flammable explosive, radioactive material, hazardous or toxic chemical, substance, material or waste or component thereof (whether injurious by themselves or in conjunction with other materials) by any federal, state, or local governing or regulatory body having jurisdiction, or which would trigger any employee or community “right-to-know” requirements adopted by such body, or for which any such body has adopted any requirements for the preparation or distribution of a material safety data sheet. “Hazardous Material” includes, without limitation, any material or substance which is: (e) defined as a “hazardous waste,” “extremely hazardous waste” or “restricted hazardous waste” under Sections 25115, 25117 or 25122.7, or listed pursuant to Section 25140, of the California Health and Safety Code, Division 20, Chapter 6.5 (Hazardous Waste Control Law); (f) defined as a “hazardous substance” under Section 25316 of the California Health and Safety Code, Division 20, Chapter 6.8 (Carpenter-Presley-Tanner Hazardous Substance Account Act, California Health and Safety Code Section 25300, *et seq.*); (g) defined as a “hazardous material,” “hazardous substance,” or “hazardous waste” under Section 25501 of the California Health and Safety Code, Division 20, Chapter 6.95 (Hazardous Materials Release Response Plans and Inventory, California Health and Safety Code Section 25500, *et seq.*); (h) defined as a “hazardous substance” under Section 25281 of the California Health and Safety Code, Division 20, Chapter 6.7 (Underground Storage of Hazardous Substances, California Health and Safety Code Section 25280, *et seq.*); (i) petroleum; (j) asbestos; (k) defined as a “hazardous constituent,” “hazardous material,” “hazardous waste,” or “toxic waste” under Article 2 of Chapter 10 (Section 66260.10) or defined as a “hazardous waste” under Article 1 of Chapter 11 (Section 66261.3) of Title 22 of the California Code of Regulations, Division 4.5 (Environmental Health Standards for the Management of Hazardous Waste, 22 C.C.R. Section 66001, *et seq.*); (l) designated as a “hazardous substance” pursuant to Section 311 (33 U.S.C. § 1321) of the Clean Water Act of 1977, as amended (Federal Water Pollution Control Act, 33 U.S.C. § 1251, *et seq.*); (m) defined as a “hazardous waste” pursuant to Section 1004 (42 U.S.C. § 6903) of the Federal Resource Conservation and Recovery Act of 1976, as amended (RCRA, 42 U.S.C. § 6901, *et seq.*); (n) defined as a “hazardous substance” pursuant to Section 101 (42 U.S.C. § 9601) of the Comprehensive Environmental Response, Compensation and Liability Act of 1980, as amended (CERCLA, 42 U.S.C. § 9601, *et seq.*); or (o) defined as “hazardous material” under Section 103 (49 U.S.C. § 1802) of the Hazardous Materials Transportation Act (49 U.S.C. § 1801, *et seq.*); or as such laws may be amended from time to time, and the regulations adopted and publications promulgated pursuant to such laws.

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

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

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

ARTICLE 15 DEFAULT AND CANCELLATION

15.1 Events of Default. The following occurrences are "Events of Default":

15.1.1 Breach of Sublease. HEART OF LA materially breaches or fails in the performance of any of the provisions or conditions of this Sublease; or

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

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

15.2.1 Termination of Sublease. HOLA may give HEART OF LA written notice of such Event of Default. If HEART OF LA does not cure said default within thirty (30) days after notice, subject to Force Majeure, HOLA may deliver a second written notice to HEART OF LA, after which, if HEART OF LA fails to cure said default within an additional thirty (30) days, subject to Force Majeure, or such longer period as is reasonably necessary to remedy such default, provided that HEART OF LA shall continuously and diligently pursue such remedy at all times until such default is cured, HOLA may terminate this Sublease and HEART OF LA shall vacate the Premises and comply with Section 16.1; and/or

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

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

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

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

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

ARTICLE 16 SURRENDER OF PREMISES

16.1 Surrender of Premises. Upon termination of this Sublease, should HEART OF LA and the HOLA not enter into a new Sublease of the Premises, HEART OF LA shall quit and

surrender possession of the Premises to HOLA in good and usable condition, subject to normal wear and tear, including surrender of the improvements (without representation or warranty, on an “as is, where is” basis). Any improvements which have been constructed or erected on the Premises shall, upon termination of this Sublease, become the property of HOLA. HEART OF LA’s personal property and fixtures related thereto, and all property described in Section 11.1 shall remain the property of HEART OF LA or its assigns and may be removed by HEART OF LA from the Premises upon termination of this Sublease. Should HEART OF LA fail to remove such property, improvements, or fixtures after the termination of this Sublease, HOLA may, at HOLA’s option: (1) retain all or any of such property, and title thereto shall thereupon vest in HOLA; or (2) remove the same, in which event HEART OF LA shall pay to HOLA upon demand the reasonable costs of such removal.

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

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

ARTICLE 17 ASSIGNMENT AND BANKRUPTCY

17.1 Assignment and Subletting. HEART OF LA shall not have a right to assign or to sub-sublet the Premises, or any part thereof, except in HOLA’s sole and absolute discretion.

17.2 Intentionally deleted.

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

**ARTICLE 18
CONDEMNATION**

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

**ARTICLE 19
NOTICES**

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

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

<u>To CITY or General Manager:</u>	City of Los Angeles Board of Recreation and Parks Commissioners 1200 W. 7th Street, 7th Floor Los Angeles, California 90017 Telecopier: (213) 928-9048
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with a copy of any notice to	General Manager Department of Recreation and Parks 1200 W. 7th Street, 7th Floor Los Angeles, California 90017 Telecopier: (213) 928-9031
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HOLA Draft 3/6/17

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

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

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

ARTICLE 20 STANDARD PROVISIONS FOR CITY CONTRACTS

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

ARTICLE 21 MISCELLANEOUS PROVISIONS

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

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

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

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

21.5 Corporate Resolution. HEART OF LA shall provide to HOLA a current copy of its Corporate Resolution depicting the names and legal signatures of the officers of the corporation

authorized to execute legal documents, including this Sublease, on behalf of HEART OF LA. Within thirty (30) days of any change in such names, HEART OF LA shall provide to HOLA the updated Corporate Resolution.

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

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

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

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

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

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

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

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

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

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

Exhibit A Map and Legal Description

Exhibit B Memorandum of Sublease

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

[SIGNATURES FOLLOW ON NEXT PAGE]

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

HOLA:

HOLA COMMUNITY PARTNERS, a
California public non-profit corporation

By: _____
Chairperson

By: _____
Secretary

Date: _____

HEART OF LA:

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

By: _____
Chairperson

By: _____
Secretary

Date: _____

EXHIBIT "A"

MAP AND LEGAL DESCRIPTION

EXHIBIT "B"

MEMORANDUM OF SUBLEASE

RECORDING REQUESTED BY
AND WHEN RECORDED MAIL TO:

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

MEMORANDUM OF SUBLEASE

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

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

commonly known as the Lafayette Park Area, for a term of Fifty (50) Years, commencing on or about the date of this Memorandum on the provisions of the Sublease between the parties, which Sublease ("Sublease") is dated on the same date as this Memorandum. These provisions are incorporated into this Memorandum by reference.

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

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

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

HOLA:

HOLA COMMUNITY PARTNERS, a
California public non-profit corporation

By: _____
Chairperson

By: _____
Secretary

Date: _____

HEART OF LA:

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

By: _____
Chairperson

By: _____
Secretary

Date: _____

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

STATE OF CALIFORNIA)

COUNTY OF)

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

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

WITNESS my hand and official seal.

Signature _____

(Seal)

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

STATE OF CALIFORNIA)

COUNTY OF)

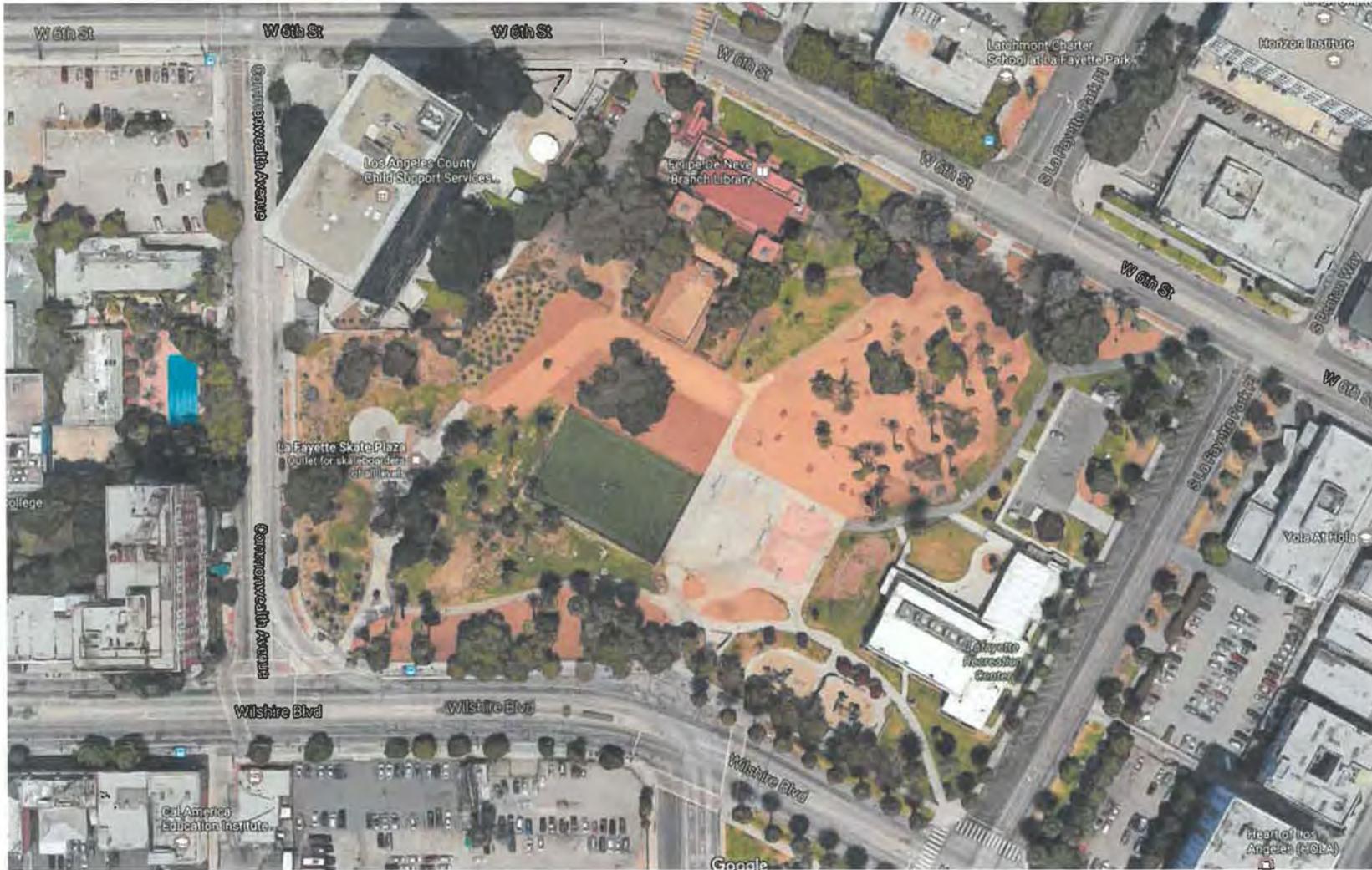
On _____ before me, _____, a Notary Public, personally appeared _____, who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies),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

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

WITNESS my hand and official seal.

Signature _____

(Seal)



**Heart of Los Angeles Performing Arts and Enrichment Center
625 S. La Fayette Park Place, Los Angeles, Ca.**

**Existing Site Conditions Aerial Photo
March 8, 2017
Berliner Architects
Office of the Designed Landscape**



Heart of Los Angeles Performing Arts and Enrichment Center
625 S. La Fayette Park Place, Los Angeles, Ca.

Site Rendering in Park Context
March 8, 2017
Berliner Architects B
Office of the Designed Landscape

Exhibit B



Existing Site Looking North towards 6th Street



Existing Site Looking West near 6th Street



Existing Site Looking West from Parking Lot



Existing Site Looking North towards 6th Street

**Heart of Los Angeles Performing Arts and Enrichment Center
625 S. La Fayette Park Place, Los Angeles, Ca.**

March 8, 2017
Berliner Architects
Office of the Designed Landscape



Proposed Trees

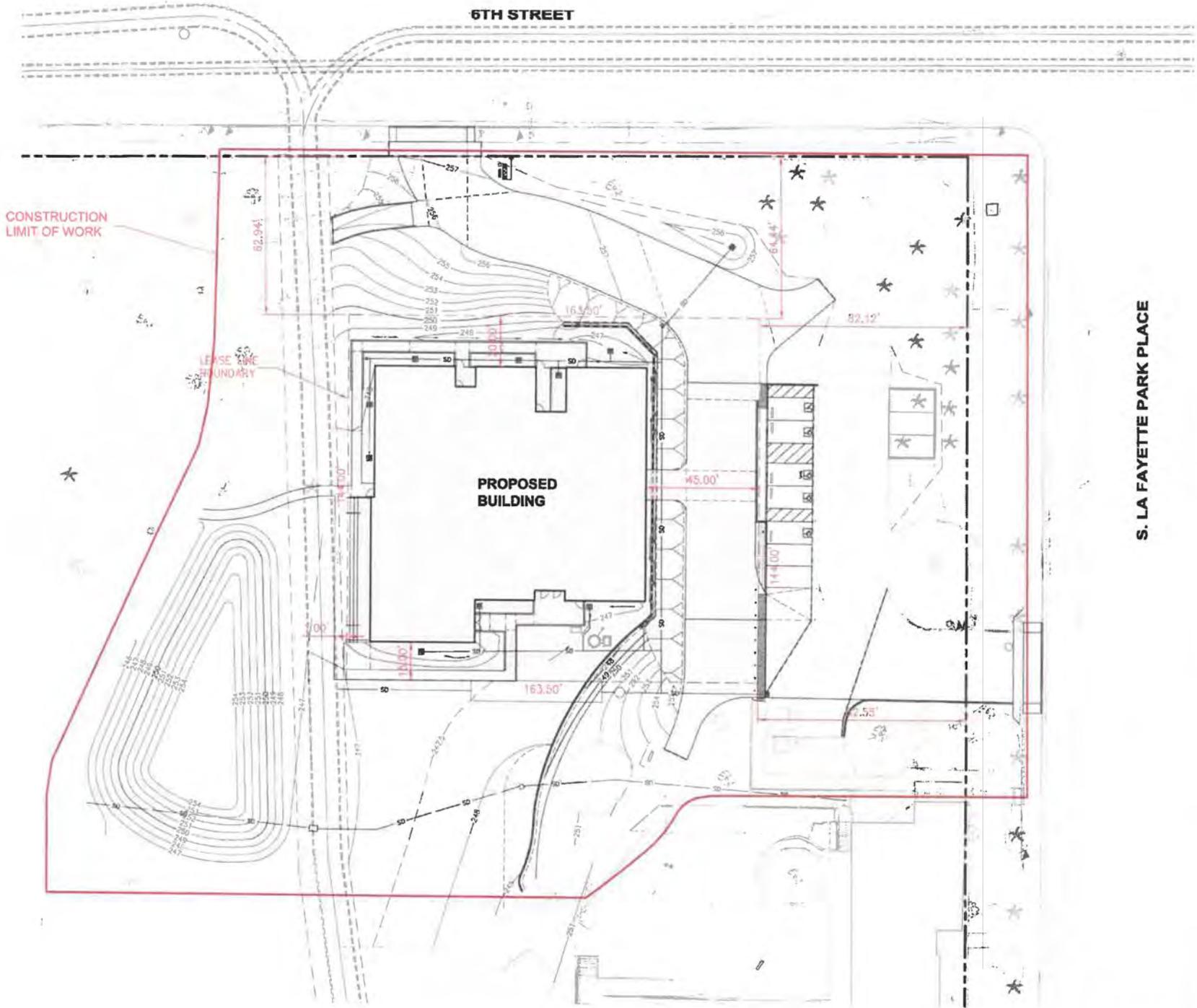
- 10 Trees to replace 5 Canopy Trees
- 18 Trees to replace 18 Palm Trees
- 28 Total Trees to be planted
- 1 Tree to be transplanted



LAFAYETTE PARK PLACE

Heart of Los Angeles Performing Arts and Enrichment Center
625 S. La Fayette Park Place, Los Angeles, Ca.

Proposed Tree Diagram
 March 8, 2017
 Berliner Architects
 Office of the Designed Landscape



S. LA FAYETTE PARK PLACE



LEASE LINE EXHIBIT



MATTERS PENDING

Matters Pending will be carried for a maximum of six months, after which time they will be deemed withdrawn and rescheduled whenever a new staff report is received.

GENERAL MANAGER'S REPORTS:

<u>ORIGINALLY PLACED ON BOARD AGENDA</u>	<u>PLACED ON MATTERS PENDING</u>	<u>DEEMED WITHDRAWN</u>
None		

BIDS TO BE RECEIVED:

None

PROPOSALS TO BE RECEIVED:

4/6/17 CON-G17-002 - Golf Management and Reservation System

QUALIFICATIONS TO BE RECEIVED:

3/28/17 Entertainment Production