BOARD REPORT	NO	18-047
DATE_March 21, 2018	C.D	7

BOARD OF RECREATION AND PARK COMMISSIONERS

SUBJECT: WEST LAKESIDE STREET PARK - RECISSION OF PREVIOUS BOARD ACTION AND REVISED LEASE AGREEMENT WITH LOS ANGELES CITY DEPARTMENT OF WATER AND POWER (LADWP) FOR THE USE OF THE DWP PROPERTY FOR THE DEVELOPMENT, OPERATION AND MAINTENANCE OF A NEW PARK, CONSIDERATION OF FINAL IMPACT REPORT (FEIR) ADOPTED AND CERTIFIED ON JULY 10, 2013 (REPORT NO. 13-191)

AP Diaz		V. Israel			
* R. Barajas	Con f	S. Piña-Cortez _			
H. Fujita		N. Williams _		1At Game	Manager
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Approved			Disapproved		Withdrawn

RECOMMENDATIONS

- 1. Rescind approval of Recommendations No. 1, No. 2, and No. 3 of Report No. 15-165, approved by the Board of Recreation and Park Commissioners (Board) on July 24, 2015, which granted approval of a proposed Twenty (20) Year Lease Agreement between the City of Los Angeles, Department of Recreation and Parks (RAP) and the City Los Angeles, Department of Water and Power (LADWP) for the use of 6.16 acres of DWP property for the development, operation and maintenance of the proposed West Lakeside Street Park;
- 2. Approve a proposed revised Thirty Year (30) Lease Agreement, substantially in the form on file in the Board Office, LADWP for the use of 6.16 acres of LADWP property for the development, operation and maintenance of the proposed West Lakeside Street Park; and,
- 3. Authorize the Board President and Secretary to execute the Lease Agreement subject to the City Attorney's Office approval as to form.

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<u>SUMMARY</u>

On July 10, 2013, the Board, through Report No. 13-191, adopted and certified the Final Environmental Impact Report (FEIR) for the proposed West Lakeside Street Park project. The proposed project envisioned the development of a park that would provide baseball and/or soccer fields, restrooms, an amphitheater, a picnic area, walking trails, landscaping and a parking lot. The same report authorized RAP's staff to pursue and negotiate a Lease Agreement with LADWP for the use of a portion of the LADWP's Lakeside Debris Basin property for the development of the proposed park.

The Lakeside Debris Basin property is located just east of the interchange of the Interstate 5 and Interstate 405 freeways, in the Sylmar community of the City. The entire site measures approximately sixty-eight (68) acres and is bound in the north, east, and south by residential neighborhoods and on the west by the Interstate 5 freeway. The property address is 15275 Lakeside Street, Los Angeles, California 91342 (Exhibit A).

As originally presented in Report No. 13-191, the proposed park was to occupy approximately eleven (11) acres of the Lakeside Debris Basin property. But after considering the limitations of the basin that include overhead transmission lines and available funding from Proposition 84, it was decided to limit the size of the proposed park to 6.16 acres (Exhibit B). The proposed park will service an estimated 1,404 residents who live within a one-half (1/2) mile walking distance (Exhibit C). RAP received Four Million Nine Hundred Sixty-One Thousand Dollars (\$4,961,000.00) from the State of California's Proposition 84 Statewide Park Program for the development of the proposed park.

On July 24, 2015, the Board, through Report No. 15-165, approved a proposed Lease Agreement with LADWP. Subsequent to Board approval of the proposed Lease Agreement, the State of California (State) determined that they had several issues with the Lease Agreement. The State required that the term of the lease be increased from twenty (20) to thirty (30) years to mirror the service payback period of the development grant. The State also objected to the termination at will provision and the absence of a "non-binding" option to extend the term past the initial thirty (30) year term of the Lease Agreement. Initial requests to amend the Lease Agreement to address the State's issues were rejected by LADWP on the grounds that previous agreements for projects utilizing Proposition 84 Grant Funds contained the same provisions. However, with the full cooperation of LADWP, RAP, and the Office of City Attorney staff, alternative provisions were crafted that satisfied both the LADWP and the State. These are included in the proposed revised Lease Agreement.

ENVIRONMENTAL IMPACT STATEMENT

The West Lakeside Street Park project was evaluated in a Final Environmental Impact Report (FEIR) that was adopted and certified on July 10, 2013 (Report No. 13-191). Board action on the Lease Agreement as amended will result in no additional environmental impacts, and therefore, is covered by the existing California Environmental Quality Act (CEQA) exemption. No additional CEQA documentation is required.

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FISCAL IMPACT STATEMENT

There is some fiscal impact to RAP's General Fund with the approval of the proposed Lease Agreement. As indicated in the Lease Agreement, RAP is required to pay LADWP One Dollar (\$1.00) per year for the life of the agreement. The total lease payment will be Thirty Dollars (\$30.00). There are sufficient funds in the Real Estate Leasing Account to pay amount.

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

List of Attachments

Exhibit A – Site Aerial Photograph Exhibit B – Site Map Exhibit C – Park Analysis Report

LEASE AGREEMENT

THIS LEASE AGREEMENT ("Lease") is made and entered into this _____day of_____, 2018, by and between THE LOS ANGELES DEPARTMENT OF WATER AND POWER, (hereinafter referred to as "Lessor" or alternatively "LADWP"), and LOS ANGELES DEPARTMENT OF RECREATION AND PARKS (hereinafter referred to as "Recreation and Parks" or "Lessee") for and in consideration of the keeping and performance by Lessee of the terms and conditions hereof. Lessor and Lessee may collectively be referred to as the "Parties".

WHEREAS, the City of Los Angeles owns and LADWP has jurisdiction and control over the approximately 68.4 acre Lakeside Debris Basin property (hereafter "Lakeside"); and

WHEREAS, Recreation and Parks desires to lease from LADWP an approximately 6.16 acre portion of Lakeside, more particularly described and defined as the Subject Premises in Section 1 below, and thereafter, construct public park recreational amenities thereon; and

WHEREAS, Recreation and Parks would like to make portions of the Lakeside property available for recreational use by inhabitants of the City of Los Angeles; and

WHEREAS, the Board of Water and Power Commissioners finds that: (1) the Subject Premises, to be used as permitted under and conditioned by this Lease, are not presently needed for LADWP purposes; and (2) the entering into of this Lease will not interfere with LADWP's current purposes or uses of the Subject Premises;

NOW THEREFORE, in consideration of the promises and covenants made herein, the Parties to this Lease do hereby agree as follows:

1. Lessor does hereby lease to Lessee for public park purposes an approximately 6.16 acre portion of the Lakeside property as shown on Drawing RW134422-AE, marked Exhibit A, attached hereto and made a part hereof (hereinafter referred to as "Subject Premises").

2. Lessor desires to lease the Subject Premises to Lessee and Lessee desires to lease same from Lessor upon all of the terms and conditions contained herein.

3. <u>TERM</u>

This Lease shall commence upon the Effective Date and terminate 30 years thereafter ("Term"). "Effective Date" shall mean the date upon which all of the following shall have occurred: (a) this Lease has been signed by the persons authorized by the Board of Water and Power Commissioners to sign on its behalf and also signed by the persons authorized by the Board of Recreation and Park Commissioners to sign on its behalf; (b) this Lease has been approved by the Boards of the respective parties; and (c) the Office of the City Attorney has indicated in writing its approval of this Lease as to form.

The Lessee shall have the option to extend the term of this Lease for one additional period of five years subject to the prior approval of the Board of Water and Power Commissioners and the City Council. Lessee shall notify Lessor of Lessee's desire to exercise its option to extend the term under this section during the 28th year of this Lease. Upon notice of exercise of this option to extend, the Parties shall cooperate in seeking the approval of the Board of Water and Power Commissioners and City Council.

Lessee shall have the right to terminate this Lease by giving LADWP not less than sixty (60) days notice. Any termination by Lessee shall be in accordance with all terms and conditions in this Lease, including but not limited to Sections 17 and 21 herein.

4. <u>USE</u>

The uses of the Subject Premises specifically allowed pursuant to this Lease are:

- a. The construction of landscaping and park facilities, the details of which shall be subject to the approval of LADWP, and in addition, any subsequent modifications, changes or alterations thereto as agreed to in writing between the Parties hereto.
- b. All necessary administrative and program activities in conjunction with the Subject Premises' use as a park including any and all recreational, educational and community programs involved therewith.
- c. All necessary and related administrative, security and maintenance activities associated therewith.

5. RENT

Upon commencement of this Lease, Lessee agrees to pay to Lessor the sum of One Dollar (\$1) per year for the first five-year period of the Term, which sum is payable in a lump sum of \$5 for the first 5-year period within 60 days of execution of this Lease. Pursuant to Charter Section 607, the General Manager of LADWP shall review the rent for adjustments each five-year period thereafter. All payments subsequent to the initial payment shall reference LADWP File J-84428, and be sent to the following address:

Department of Water and Power Attention General Accounting, I.C. Section P. O. Box 51212 - Room 434 Los Angeles, California 90051-0100

6. SUBORDINATION

The rights granted under this Lease are subject to and subordinate to the prior and continuing rights and obligations of LADWP to use the Subject Premises in the exercise of its power and in the performance of its duties, including those as a City-owned water and electric power utility. Accordingly, there is reserved and retained unto LADWP the right to use the Subject Premises to construct, reconstruct, maintain, repair, and use, among other things, existing and future waterworks or power distribution facilities, and appurtenances in, upon, over, under, across and along the entire Subject Premises. LADWP will make reasonable efforts to restore affected or disturbed improvements as a result of such activities.

7. LADWP USE OF SUBJECT PREMISES

Regardless of the manner or duration of use or occupancy of the Subject Premises by Lessee, and regardless of the permanent character of any works or structures constructed or installed therein or thereon by Lessee, if LADWP determines that the Subject Premises or any part thereof is necessary for use for departmental purposes, LADWP shall have the right to enter upon the Subject Premises to maintain, improve or install facilities necessary for the provision of water or electric power utility service ("LADWP Work"). LADWP shall use reasonable efforts to plan and locate any future LADWP facilities so as to minimize disturbance to Lessee's improvements and use of the Subject Premises. Additionally, LADWP shall notify and coordinate with Lessee prior to commencing any LADWP Work on the Subject Premises. If the LADWP Work requires the removal or relocation of Lessee's improvements on the Subject Premises, LADWP shall be responsible for replacing and/or relocating Lessee's improvements. Any notice hereunder to Lessee shall be given by delivering the same to Lessee personally, or by mailing the same addressed to Lessee at the address below given, or to such address as Lessee may in writing, from time to time, direct, and the giving of notice by mail shall be complete at the time of mailing.

8. <u>UTILITIES</u>

Lessee shall pay the appropriate suppliers for all water, gas, electricity, light, heat, telephone, power, and other utilities and communications services used by Lessee on the Subject Premises during the Term, whether or not such services are billed directly to Lessee. Lessee will also procure, or cause to be procured, without cost to Lessor, any and all necessary permits, licenses, or other authorizations required for the lawful and proper installation and maintenance upon the Subject Premises of wires, pipes, conduits, tubes, and other equipment and appliances for use in supplying any such service to and upon the Subject Premises. Lessor, upon request of Lessee, and at the sole expense and liability of Lessee, will join with Lessee in any application required for obtaining or continuing any such services.

9. Lessee shall pay for all costs, fees, or charges for the application, installation, maintenance, use, or removal of any utilities or services required in the exercise of its rights under the terms and conditions of this Lease.

10. Lessee shall make all arrangements for and pay for all services furnished to or used by it in the ordinary course of its use of the Subject Premises, including, without limitation, maintenance, weed abatement, security, trash collection, and pest extermination.

11. NOTICES

Any notices, correspondence or other communication given between the parties herein shall also reference LADWP File J-84428 and be given as follows:

To: Department of Water and Power Attention: Real Estate Business Group 221 North Figueroa Street, Suite 1600 Los Angeles, California 90012 Phone Number: 213.367.0564 Fax Number: 213.367.0746 To: Department of Recreation and Parks Attention: Real Estate & Asset Mgmt. 221 North Figueroa Street, Suite 400 Los Angeles, California 90012 Phone Number: 213.202.2608 Fax Number: 213.202.2612

12. [THIS SECTION INTENTIONALLY OMITTED]

13. PERMITS, PLANS, AND EXHIBITS

As of the Effective Date, Lessee has <u>not</u> prepared plans and specifications for the construction of the park improvements nor has any plans, conceptual or otherwise been approved by LADWP. Lessee shall be solely responsible for preparing all such plans and specifications, and when completed, shall submit them to LADWP for its approval no later than 180 days prior to the commencement of construction. Approval of Lessee's plans shall be in writing and any other approvals, verbal or otherwise, will be null and void. In addition to LADWP's approval, Lessee shall obtain all certificates, permits, licenses and other authorizations of governmental bodies or authorities necessary to permit the construction of the improvements on the Subject Premises and shall keep same in full force and effect at Lessee's cost.

14. Upon mutual agreement of the Parties, additional Exhibits, including for example, site plans, park improvement plans and specifications and landscaping plans may be attached to this Lease and thereafter, be automatically incorporated herein.

15. All work done, pursuant to the terms of this Lease, shall be done in accordance with the terms and conditions specified in ordinances and statutes governing such instances; and the provisions of such ordinances and statutes are, by reference, made a part hereof as though incorporated verbatim herein. Moreover, Lessee shall be responsible for applying for and obtaining all necessary permits, Leases or other authorization as well as appropriate inspections required for the lawful and proper construction and installation of the improvements and parking facilities constructed on the Subject Premises.

16. Lessee shall comply with all valid laws, ordinances, statutes, rules, orders, or regulations of any agencies, departments, districts, or commissions of the State, County, or City having jurisdiction thereof. The provisions of such laws, ordinances, statutes, rules, orders, or regulations are, by reference, made a part hereof as though incorporated herein.

17. RESTORATION

Upon any termination of this Lease, Lessee shall surrender the Subject Premises in a

neat and clean condition, normal wear and tear excepted. Lessee shall complete restoration of the Subject Premises to its original condition or better prior to termination of this Lease. Restoration of the Subject Premises shall include, but not be limited to, removal of all of the Lessee's equipment, vehicles, trailers, containers, signs, litter, and debris. Lessee shall remove all improvements unless otherwise instructed in writing by the LADWP. Lessee shall call the LADWP's Real Estate Business Group, (213) 367-0564, to arrange for a field inspection of Lessee's improvements on the Subject Premises in order to determine which improvements, if any, will be allowed to remain. All improvements existing upon the Subject Premises at the conclusion of this Lease shall become the property of LADWP.

a. Upon expiration or termination of this Lease, the LADWP will expeditiously conduct an inspection of the Subject Premises to determine if Lessee has completed restoration. If the LADWP determines that restoration has not been completed upon expiration or termination of this Lease, the LADWP may restore said Subject Premises entirely at the risk and expense of the Lessee.

18. [THIS SECTION INTENTIONALLY OMITTED]

19. INDEMNIFICATION

(a) Lessee has inspected the Subject Premises, knows the condition thereof, and on behalf of itself and its successors, assigns, permitees and sub-lessee undertakes and agrees to indemnify and hold harmless the City of Los Angeles, the LADWP, the Board of Water and Power Commissioners of the City of Los Angeles, and all of its officers, agents, successors in interest, insurers, assigns and/or employees (individually and collectively, "Indemnitees"), and at the option of the LADWP, defend by counsel satisfactory to the LADWP, the Indemnitees from and against any and all liens and claims of liens, suits, causes of action, claims, administrative proceedings, charges, damages (including but not limited to indirect, consequential, and incidental), demands, judgments, civil fines, penalties, or losses of any kind or nature whatsoever that are incurred by or asserted against the Indemnitees, for death, bodily injury or personal injury to any person, including but not limited to Lessee's employees, customers, invitees and agents, or persons who enter onto the Subject Premises, or damage or destruction or loss of use of any property of either party hereto, or third persons in any manner arising by reason of, incidental to, or connected in any manner to: 1) this Lease; 2) the Subject Premises; or 3) the acts or omissions of Lessee or its employees, contractors, agents, or invitees, covered under this Lease, regardless of any negligence on the part of Indemnitees, except for the sole negligence or willful misconduct of LADWP. This indemnity shall apply whether occurring during the term of this Lease and any time thereafter, and shall be in addition to any other rights or remedies which Indemnitees have under law or under this Lease.

(b) Lessee on behalf of itself and its successors, assigns, and sub-Lessees further undertakes and agrees to indemnify and hold harmless the City of Los Angeles, the LADWP, the Board of Water and Power Commissioners of the City of Los

Angeles, and all of their officers, agents, successors in interest, insurers, assigns and/or employees (individually and collectively, "Indemnitees"), and at the option of the Licensor, defend by counsel satisfactory to the Licensor, the Indemnitees from and against any and all liens and claims of lien, suits, causes of action, claims, administrative proceedings, charges, damages, demands, judgments, civil fines, penalties, (including but not limited to costs, expenses, and legal liability for environmental investigations, monitoring, containment, abatement, removal, repair, cleanup, restoration, remediation, penalties and fines arising from the violation of any local, regional, state, or federal law, or regulation, disbursements, and other environmental response costs), or losses of any kind or nature whatsoever that are incurred by or asserted against the Indemnitees, for death, bodily injury or personal injury to any person, including Lessee's employees and agents, or damage or destruction or loss of use of any property of either party hereto, or third persons in any manner arising by reason of, incident to, or connected in any manner to the acts, errors, omissions to act, willful misconduct, or non-performance or breach by Lessee of any term and/or condition of this Lease, relating directly or indirectly to the release or spill of any legally designated hazardous material or waste, resulting from or incident to the presence upon or performance of activities by Lessee or its personnel with respect to the Subject Premises/property covered under this Lease, on the part of the Lessee, or the Lessees officers, agents, invitees, employees, or sub-Lessee of any tier, regardless of any negligence on the part of Indemnitees, except for the sole negligence or willful misconduct of LADWP. This indemnity shall apply whether occurring during the term of this Lease and any time thereafter, and shall be in addition to any other rights or remedies which Indemnitees have under law or under this Lease.

20. <u>HAZARDOUS SUBSTANCES</u>

Lessee shall be responsible for the training of personnel under all applicable laws including, but not limited to, training with regard to the operation of equipment and the handling and disposal of hazardous materials and wastes. Lessee shall be responsible if any hazardous material is discharged by Lessee, or Lessee's officers, agents, contractors, or employees onto the Subject Premises or Lakeside.

21. Upon termination of the Lease for whatever reason, the Lessee shall be responsible, to the extent caused by or introduced onto the Subject Premises or Lakeside as a result of the use of the Subject Premises by Lessee, for all cleanup costs and expenses including, but not limited to, any fines, penalties, judgments, litigation costs, and attorneys' fees incurred as a result of any and all discharge, leakage, spillage, emission of material which is, or becomes, defined as any pollutant, contaminant, hazardous waste or hazardous substance, under all federal, state, local, or municipal laws, rules, orders, regulations, statutes, ordinances, codes, decrees, or requirements of any government authority regulating, or imposing liability or standards of conduct concerning any hazardous substance on, under, or about the Subject Premises. as now or may at any later time be in effect, including without limitation, the Comprehensive Environmental Response, Compensation and Liability Act of 1980 [42 USCS §§9601 et. seq.]; the Resource Conservation and Recovery Act of 1976 [42 USCS §§6901 et. seq.]; the Clean Water Act, also known as the Federal Water Pollution Control Act [33 USCS §§1251 et. seq.]; the Toxic Substances Control Act [15 USCS

§§2601 et. seq.]; the Hazardous Materials Transportation Act (49 USCS §§5101 et. seq.]; the Federal Insecticide, Fungicide, Rodenticide Act [7 USCS §§136 et. seq.]; the Superfund Amendments and Reauthorization Act [42 USCS §§9601 et. seq.]; the Clean Air Act [42 USCS §§7401 et. seq.]; the Safe Drinking Water Act [42 USCS §§300f et. seq.]; the Solid Waste Disposal Act [42 USCS §§6901 et. seq.]; the Surface Mining Control and Reclamation Act (30 USCS §§1201 et. seq.]; the Emergency Planning and Community Right to Know Act 42 (USCS §§11001 et. seq.]; the Occupational Safety and Health Act [29 USCS §§651 et seq.]; the California Underground Storage of Hazardous Substances Act [H&SC §§25280 et. seq.] the Carpenter-Presley-Tanner Hazardous Substance Account Act [H&SC §§25300 et. seq.]; the California Hazardous Waste Control Act (H&SC §§25100 et. seq.]; the California Safe Drinking Water and Toxic Enforcement Act (H&SC §§25249.5 et. seq.]; the Porter-Cologne Water Quality Control Act [Wat. C. §§13000 et. seq.] together with any amendments of or regulations promulgated under the statutes cited above and any other federal, state, or local law, statute, ordinance, or regulation now in effect or later enacted that pertains to hazardous substances on, under, or about the Subject Premises, including ambient air, soil, soil vapor, groundwater, surface water, or land use. Said cleanup shall be accomplished to the satisfaction of LADWP and any governmental body having jurisdiction there over.

22. ASSIGNMENTS OR SUBLEASES

This Lease and all of the rights hereunder given are personal to Lessee and is not assignable, and any attempt to do so shall be void and shall confer no right of any third party. Lessee shall not assign, sublease or otherwise transfer all or any part of its interest in this Lease or the Subject Premises without the prior written consent of LADWP's General Manager or her/his designee at her/his sole discretion. Lessee shall require that any approved assignment, sublease or permit shall incorporate the terms and conditions of this Lease and shall require any assignee, sublessee or permittee to comply with the City-mandated ordinance provisions set forth in Sections 23 through 30 below.

23. Lessee, by executing this Lease and accepting the benefits hereof, understands that a property right pursuant to applicable ordinances and codes under tax law, may be created known as "possessory interest" and may be subject to property taxation. Lessee will be responsible for payment of any property taxes upon such right. Lessee herewith acknowledges that notice required by Revenue and Taxation Code, Section 107.6 has been provided.

24. For information about a specific Possessory Interest assessment, please contact the Assessor's Office, Possessory Interest Section at (213) 974-3108, Los Angeles County Assessor, c/o Possessory Interest Section, Room 180, 500 W. Temple St., Los Angeles, CA 90012, or via the internet at http://assessor.lacounty.gov/extranet/overview/possint.aspx.

25. This Lease is subject to Section 10.10, Article 1, Chapter 1, Division 10, as amended, of the Los Angeles Administrative Code related to Child Support Assignment Orders. Said ordinance is incorporated by reference as though fully set forth herein. Failure to comply with this ordinance shall constitute a default of the Lease

subjecting the Lease to termination where such failure shall continue for more than 90 days after such notice of such failure to Lessee by Lessor or City.

26. This Lease is subject to Section 10.8.2.1, Article 1, Chapter 1, Division 10 of the Los Angeles Administrative Code ("Equal Benefits Provisions') related to equal benefits to employees. Lessee agrees to comply with the provisions of Section 10.8.2.1. By way of specification but not limitation, pursuant to practices provisions of this Lease may be deemed to be a material breach of this Lease. No such finding shall be made or penalties assessed except upon a full and fair hearing after notice and an opportunity to be heard have been given to Lessee. Upon a finding duly made that Lessee has failed to comply with the Equal Employment Practices provisions of this Lease may be forthwith terminated.

27. This Lease is a contract with or on behalf of the City of Los Angeles for which the consideration is \$1,000.00 or more. Accordingly, during the performance of this Lease, Lessee further agrees to comply with Section 10.8.3 of the Los Angeles Administrative Code ("Equal Employment Practices"). By way of specification but not limitation, pursuant to Sections 10.8.3E and 10.8.3F of the Los Angeles Administrative Code, the failure of Lessee to comply with the Equal Employment Practices provisions of this Lease may be deemed to be a material breach of this Lease. No such finding shall be made or penalties assessed except upon a full and fair hearing after notice and an opportunity to be heard have been given to Lessee. Upon a finding duly made that Lessee has failed to comply with the Equal Employment Practices provisions of this Lease may be forthwith terminated.

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

29. The Lessee, sub lessees, and their principals (if any) are obligated to fully comply with City of Los Angeles Charter Section 470(c)(12) and related ordinances, regarding limitations on campaign contributions and fundraising for certain elected City officials or candidates for elected City office if the License is valued at \$100,000 or more and requires approval of a City elected official. Additionally, the Lessee is required to provide and update certain information to the City as specified by law. Any Lessee subject to Charter Section 470(c)(12), shall include the following notice in any contract with a subcontractor or sub lessee expected to pay at least \$100,000 in rent under this Lease:

Notice Regarding Los Angeles Campaign Contribution and Fundraising Restrictions.

As provided in Charter Section 470(c)(12) and related ordinances, you are a sub lessee on LADWP File W-84428. Pursuant to City Charter Section 470(c)(12), sub lessee and its principals are prohibited from making campaign contributions and fundraising for certain elected City officials or candidates for elected City office for 12 months after the LADWP Lease is signed. Sub lessee is required to provide to Lessee names and addresses of the sub lessee's principals and contact information and shall update that information if it changes during the 12 month time period. Sub lessee's information included must be provided to Lessee within five business days. Failure to comply may result in termination of the Lease or any other available legal remedies including fines. Information about the restrictions may be found at the City Ethics Commission's website at http://ethics.lacity.org or by calling (213) 978-1960.

Lessee, sub lessee, and their Principals shall comply with these requirements and limitations. Violation of this provision shall entitle the LADWP/City to terminate this Lease and pursue any and all legal remedies that may be available.

30. This Section is applicable where Lessee engaged in business within the City of Los Angeles and Lessee is required to obtain a Tax Registration Certificate ("TRC") pursuant to one or more of the following articles (collectively "Tax Ordinances") of Chapter II of the Los Angeles Municipal Code: Article 1 (Business Tax Ordinance) [section 21.00, et seq.], Article 1.3 (Commercial Tenant's Occupancy Tax) [section 21.3.1, et seg.], Article 1.7 (Transient Occupancy Tax) [Section 21.7.1, et seg.], Article 1.11 (Payroll Expense Tax) [section 21.11.1, et seq.], or Article 1.15 (Parking Occupancy Tax) [Section 21.15.1, et seq.]. Prior to the execution of this Lease or the effective date of any extension of the term or renewal of this Lease, Lessee shall provide to the Lessor proof satisfactory to the LADWP's Real Estate Division that Lessee has the required TRCs and that Lessee is not then currently delinguent in any tax payment required under the Tax Ordinances. Lessor may terminate this Lease if Lessor determines that Lessee failed to have the required TRCs or was delinquent in any tax payments required under the Tax Ordinances at the time of entering into. extending the term of, or renewing this Lease. Lessor may also terminate this Lease at any time during the term of this Lease if Lessee fails to maintain required TRCs or becomes delinguent in tax payments required under the Tax Ordinances and Lessee fails to cure such deficiencies within the 30-day period.

31. Lessor reserves the right to cross the Subject Premises to access its adjoining property as necessary. Lessee shall maintain access, including existing roads, to allow the LADWP 24-hour access to its facilities. Lessee agrees to allow LADWP to install and maintain its locks on all gates necessary to access its facilities.

32. The Subject Premises, if graded, must be graded to drain to an approved drainage facility. Ponding or flooding conditions shall not be allowed.

33. "Record Drawings" showing all plans and profiles of any Lessee project (including, but not limited to paving and improvements) shall be furnished to the Real Estate Business Group, Department of Water and Power, 221 North Figueroa Street, Suite 1600, Los Angeles, CA 90012, within 30 days after completion of Lessee's project.

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34. Lessee shall keep the Subject Premises free and clear of all liens during the construction of any improvements initiated by Lessee or any operator, or subtenant, etc. of Lessee. Should Lessee fail to do so, or to have any liens removed from the Subject Premises within 30 days of notification to do so by the Lessor, in addition to all other remedies available to the Lessor, Lessor shall have the right but not the obligation to take action to remove each lien, Lessee shall indemnify and hold Lessor harmless for all costs and expenses, including attorney's fees, actually incurred by Lessor in having any liens removed from the Subject Premises.

35. Lessee shall have sole authority to negotiate, let and supervise all contracts for the furnishing of services, labor, and materials for the construction or maintenance of Lessee's leasehold improvements on the Subject Premises at its cost. Lessee shall cause all contracts to be fully and completely performed in a good and workman-like manner, all to the effect that the improvements shall be fully and completely constructed and installed in accordance with good engineering and construction practice.

36. Lessees shall require all contractors performing work under this Lease to include Lessor as an additional insured on any insurance policies, when applicable, are required.

37. Subject to the provisions of Sections 13 to 16 hereof, Lessee shall have the right, at its sole expense, from time to time, to make changes to the Subject Premises as Lessee shall deem expedient or necessary for its purposes; provided, however, that such alteration and changes shall not impair the geological soundness of the Subject Premises.

a. Lessee shall also be responsible to make all necessary repairs to the Subject Premises including necessary maintenance keeping the Subject Premises and improvements in good order and condition.

38. Lessor shall have the right at all times to post and keep posted on the Subject Premises any notices permitted or required by law, or which Lessor shall deem proper for the protection of Lessor and the Subject Premises, and any other party having an interest therein, from liens, and Lessee shall give to Lessor at least three business days prior written notice of the expected date of commencement of any work relating to alterations or additions to the Subject Premises.

39. Lessee hereby acknowledges that this Lease is a Lease only and does not constitute any interest or ownership in the Subject Premises.

40. <u>General Maintenance</u>

Lessee shall be responsible for security and maintenance of the entire Subject Premises in a neat, clean, and weed-free condition, including landscaping and parkways between fences and public streets.

Brush Clearance

Lessee shall further be responsible for all brush clearance activities on the Subject Premises. Lessee will at all times remain in compliance with brush clearance

requirements of the Los Angeles Municipal Code, or as directed by the Los Angeles Fire Department.

Overnight Parking

Lessee shall further prohibit any persons or vehicles from remaining on the Subject Premises overnight and shall be responsible for evicting any squatters or tenants from the Subject Premises. Lessee shall post signage prohibiting overnight camping or parking and shall include a phone number for the public to contact Lessee to report any illegal or prohibited activities on the Subject Premises.

41. Lessee shall take all reasonable measures to minimize disturbances to neighboring businesses or residences, including control of dust from their activities, and shall assume the responsibility to resolve any complaints/disputes from adjacent property owners or the public.

42. Storage of flammable liquids is not permitted on the Subject Premises.

43. No structures or improvements shall be installed on the Subject Premises without prior written approval of LADWP. Please send requests to:

Los Angeles Department of Water and Power Attention: Real Estate Business Group 221 North Figueroa Street, Suite 1600 Los Angeles, California 90012

44. If LADWP determines at any time during construction of Lessee improvements on the Subject Property that Lessee's efforts are hazardous or detrimental to LADWP's property or facilities, LADWP shall have the right to immediately stop said construction until further notice.

45. LADWP shall not be responsible for any damage to the irrigation system, plants/trees and containers, or other facilities placed on the Subject Premises, because of LADWP's operation and maintenance.

46. Lessee is hereby notified that facilities of the LADWP and the Los Angeles County Flood Control District may exist on or in the immediate vicinity of the Subject Premises. Lessee shall take reasonable precautions and actions to avoid infringing, interfering or damaging any installations by itself, its employees and/or agents.

47. Any provision of this Lease may be amended only by written document signed by the Parties hereto.

48. This Lease constitutes the full and complete agreement of the Parties regarding its subject matter and any prior agreements or arrangements are hereby superseded.

49. All pronouns and any variations thereof in this Lease shall be deemed to refer to the masculine, feminine or neuter and the singular shall include the plural and the plural shall include the singular, as the context and /or the identity of the person,

assigns, employees, officers, and/or directors.

50. If any of the provisions of this Lease are determined to be invalid or unenforceable, those provisions shall be deemed severable from the remainder of this Lease and shall not cause the invalidity or unenforceability of the remainder of this Lease.

51. This Lease may be executed in several counterparts, each of which shall be deemed to be an original and all of which shall constitute one agreement or contract, binding on all the Parties hereto, notwithstanding that all the parties have not signed the same counterpart.

52. This Lease was prepared by both Parties and shall not be strictly construed against any party hereto as the drafter.

53. Each Party will do such further acts, including executing and delivering additional agreements or instruments as the other may reasonably require to consummate, evidence, or confirming the agreements contained in this Lease.

54. Except as expressly provided herein, nothing in this Lease, expressed or implied, is intended to confer upon any party, other than the parties hereto, any rights, remedies, obligations or liabilities under of by reason of this Lease.

55. During the term of this Lease, Lessee shall comply with Los Angeles Municipal Code Section 121, relating to water conservation on the Subject Premises.

Dated

DEPARTMENT OF WATER AND POWER OF THE CITY OF LOS ANGELES BY BOARD OF WATER AND POWER COMMISSIONERS OF THE CITY OF LOS ANGELES

APPROVED:

ANSEL MO G. COLLINS Director of Water Operations

Ву: _____

DAVID H. WRIGHT General Manager

And: _____

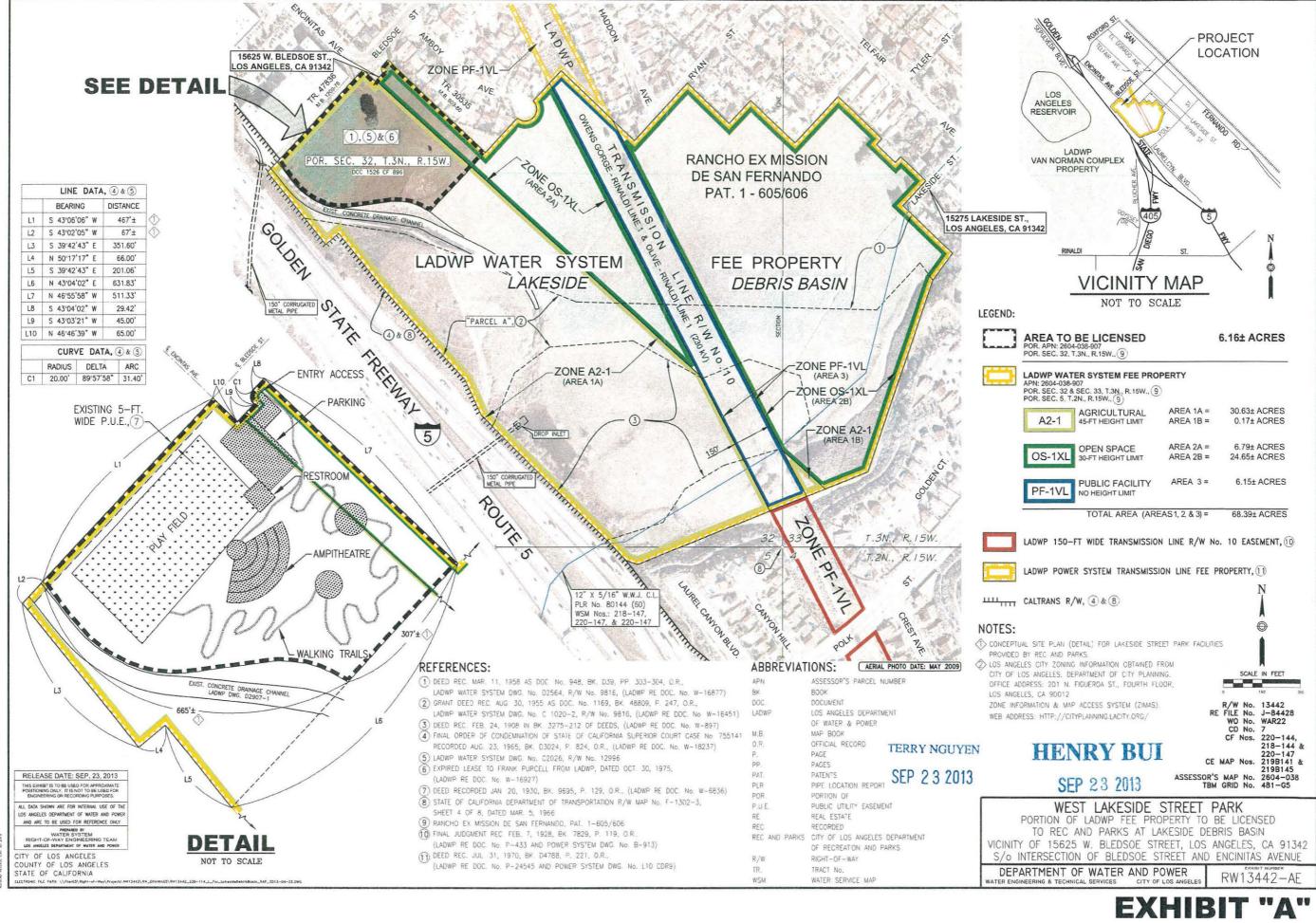
BARBARA E. MOSCHOS Secretary LESSOR CITY OF LOS ANGELES, a municipal, corporation, acting by and through its BOARD OF RECREATION AND PARK COMISSIONERS

By:_____ President By:_____ Secretary

DATE:_____

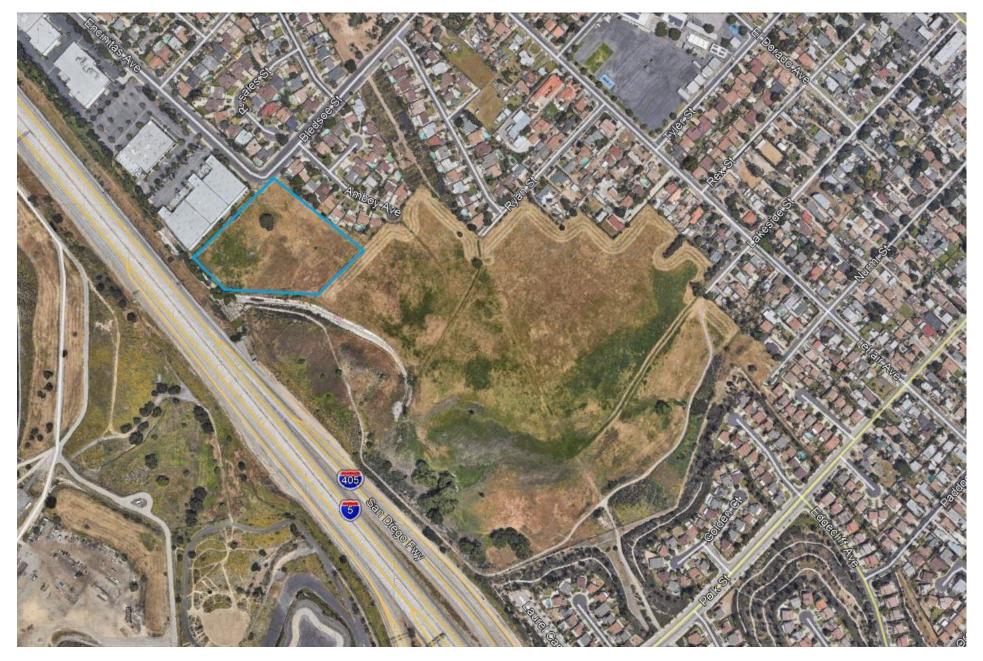
LESSEE





West Lakeside Street Park

Aerial Photograph



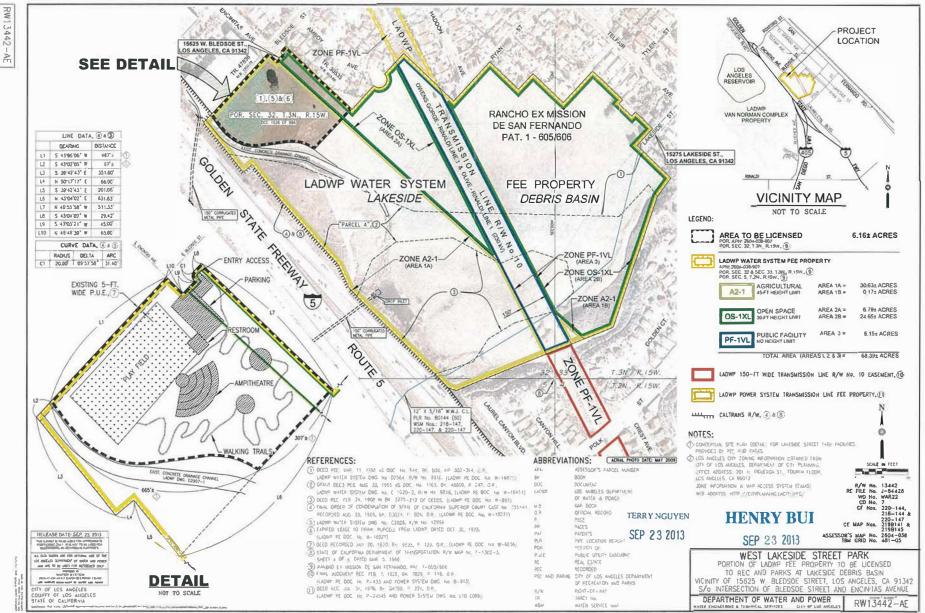


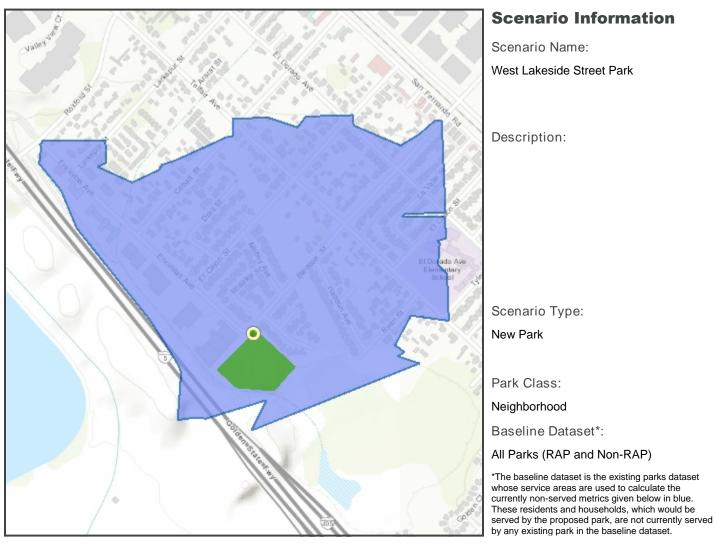
Exhibit B

1





Park Analysis Report



Population and Age Breakdown

Household and Income Breakdown

-	-				
	Total Residents Served:	Currently Non-Served Residents Served:	Tot	al Households Served:	Currently Non-Served Households Served:
Residents Served:	1,404	284	Households Served:	336	70
Residents Served by Age			Households S	erved by Ann	nual Income
Under Age 5:	107	13	Under \$25,000:	38	15
Age 5 to 9:	87	22	\$25,000 to \$34,999:	101	22
Age 10 to 14:	130	24	\$35,000 to \$49,999:	25	1
Age 15 to 17:	70	14	\$50,000 to \$74,999:	95	15
Age 18 to 64:	861	185	\$75,000 and Over:	77	17
Age 65 and Over:	149	26			Source: Census/ACS 2010

City of Los Angeles Department of Recreation and Parks Date Generated: 03/12/2018 Disclaimer: This report is for informational purposes only and relies on data from a variety of sources, which may or may not be accurate or current. The City of Los Angeles assumes no responsibility arising from the use of this report. The map and associated data are provided "as is" without warranty of any kind.

LEASE AGREEMENT

THIS LEASE AGREEMENT is made and entered into this _____day of _____, 2014, by and between THE LOS ANGELES DEPARTMENT OF WATER AND POWER, (hereinafter referred to as "Lessor" or alternatively "LADWP"), and LOS ANGELES DEPARTMENT OF RECREATION AND PARKS (hereinafter referred to as "Recreation and Parks" or "Lessee") for and in consideration of the keeping and performance by Lessee of the terms and conditions hereof. Lessor and Lessee may collectively be referred to as the "Parties".

WHEREAS, LADWP has the approximately 68.4 acre Lakeside Debris Basin (hereafter "Lakeside") property under its jurisdiction and control; and

WHEREAS, Recreation and Parks desires to lease the approximately 6.16 acres of the Lakeside and thereafter construct public park recreational amenities; and

WHEREAS, the LADWP would like to make portions of the Lakeside property available for recreational use by its power and water customers and the inhabitants of the City of Los Angeles; and

WHEREAS, the Board of Water and Power Commissioners finds that: (1) the use of the property permitted under and conditioned by this Lease Agreement is not presently needed for LADWP purposes; and (2) the entering into of this Lease Agreement will not interfere with LADWP's current purposes or uses of the property;

THEREFORE, in consideration of the promises and covenants made herein, the Parties to this Lease Agreement do hereby agree as follows:

1. Lessor does hereby lease to Lessee that certain real property which is owned by the City of Los Angeles and under the control and jurisdiction of LADWP for public park purposes over a portion of LADWP's property as shown on Drawing RW134422-AE, marked Exhibit A, attached hereto and made a part hereof (hereinafter referred to as "Subject Premises"). The gross leased area is estimated to be 6.16 acres.

2. Lessor desires to lease the Subject Premises to Lessee and Lessee desires to lease same from Lessor upon all of the terms and conditions contained herein.

3. <u>TERM</u>

This Lease shall commence upon the Effective Date and terminate twenty (20) years thereafter. "Effective Date" shall mean the first date upon which all of the following shall have occurred: (1) this Agreement has been signed by the persons authorized by the Board of Water and Power Commissioners to sign on its behalf and also signed by the persons authorized by the Board of Recreation and Park Commissioners; (2) this Agreement has been approved by the Board of the respective parties; and (3) the Office of the City Attorney has indicated in writing its approval of this Lease Agreement as to form.

4. <u>USE</u>

The uses of the Subject Premises specifically allowed pursuant to this Lease Agreement are:

- a. The construction of landscaping and park facilities the details of which shall be subject to the approval of LADWP, and in addition, any subsequent modifications, changes or alterations thereto as agreed to in writing between the Parties hereto.
- b. All necessary administrative and program activities in conjunction with the Subject Property's use as a park including any and all recreational, educational and community programs involved therewith.
- c. All necessary and related administrative and maintenance activities associated therewith.

5. RENT

Upon commencement of this Lease, Lessee agrees to pay to Lessor the sum of one dollar (\$1) for the first five-year period of the lease agreement which sum is payable in a lump sum of \$5 within 60 days of execution of this Lease. <u>Pursuant to Charter Section</u> 607, the Board of Water and Power Commissioners shall set the rent for each five year period thereafter. All payments subsequent to the initial payment shall reference LADWP File J-84428, and be sent to the following address:

Department of Water and Power Attention General Accounting, I.C. Section P. O. Box 51212 - Room 434 Los Angeles, California 90051-0100

6. SUBORDINATION

The rights granted under this lease are subject to and subordinate to the prior and continuing rights and obligations of LADWP to use the Subject Premises in the exercise of its power and in the performance of its duties, including those as a City-owned water and electric power utility. Accordingly there is reserved and retained unto LADWP the right to use the Subject Premises to construct, reconstruct, maintain, repair, and use, among other things, existing and future waterworks or power distribution facilities, and appurtenances in, upon, over, under, across and along the entire leased premise. LADWP will make reasonable efforts to restore affected or disturbed improvements as a result of such activities.

7. TERMINATION

Regardless of the manner or duration of use or occupancy of said lease areas by Lessee, and regardless of the permanent character of any works or structures constructed or installed therein or thereon by Lessee, if LADWP determines that the leased property or any part thereof is necessary for use for departmental purposes, this lease may be terminated by LADWP at any time by giving 3 years notice of termination. Any notice hereunder to Lessee shall be given by delivering the same to Lessee personally, or by mailing the same addressed to Lessee at the address below given, or to such address as Lessee may in writing, from time to time, direct, and the giving of notice by mail shall be complete at the time of mailing.

8. UTILITIES

Lessee shall pay the appropriate suppliers for all water, gas, electricity, light, heat, telephone, power, and other utilities and communications services used by Lessee on the Subject Premises during the Term, whether or not such services are billed directly to Lessee. Lessee will also procure, or cause to be procured, without cost to Lessor, any and all necessary permits, licenses, or other authorizations required for the lawful and proper installation and maintenance upon the Subject Premises of wires, pipes, conduits, tubes, and other equipment and appliances for use in supplying any such service to and upon the premises. Lessor, upon request of Lessee, and at the sole expense and liability of Lessee, will join with Lessee in any application required for obtaining or continuing any such services.

9. Lessee shall pay for all costs, fees, or charges for the application, installation, maintenance, use, or removal of any utilities or services required in the exercise of its rights under the terms and conditions of this Lease Agreement.

10. Lessee shall make all arrangements for and pay for all services furnished to or used by it in the ordinary course of its use of the Subject Premises, including, without limitation, security, trash collection, and pest extermination.

11. NOTICES

Any notices, correspondence or other communication given between the parties herein shall also reference LADWP File J-84428 and be given as follows:

To: Department of Water and Power Attention: Real Estate Business Group P. O. Box 51111, Room 1031 Los Angeles, California 90051-0100 Phone Number: 213.367.0579 Fax Number: 213.367.0746 To: Department of Recreation and Parks Attention: Real Estate & Asset Mgnt. 221 North Figueroa Street, Suite 100 Los Angeles, California 90012 Phone Number: 213.202.2608 Fax Number: 213.202.2612 12. Lessee shall notify the LADWP of any changes in Lessee's mailing address and daytime telephone number within ten (10) days of any changes. Any notice to LADWP shall be given by delivering such notice to the Real Estate Business Group of said LADWP or by sending such notice by mail addressed to the Real Estate Business Group, Department of Water and Power, P. O. Box 51111, Room 1031, Los Angeles, California 90051-0100.

13. PERMITS, PLANS, & EXHIBITS

Lessee has <u>not</u> at present prepared plans and specifications for the construction of the park improvements nor has any plans, conceptual or otherwise been approved by LADWP. Lessee shall be solely responsible for preparing all such plans and specifications, and when completed, shall submit them to LADWP for its approval no later then 180 days prior to the commencement of construction. Approval of Lessee's plans shall be in writing and any other approvals, verbal or otherwise will be null and void. In addition to LADWP's approval, Lessee shall obtain all certificates, permits, licenses and other authorizations of governmental bodies or authorities necessary to permit the construction of the improvements on the Subject Premises and shall keep same in full force and effect at Lessee's cost.

14. Upon mutual agreement of the Parties, additional Exhibits, including for example, site plans, park improvements plans & specifications, landscaping plans, etc. may be attached to this lease and thereafter, be automatically incorporated herein.

15. All work done, pursuant to the terms of this agreement, shall be done in accordance with the terms and conditions specified in ordinances and statutes governing such instances; and the provisions of such ordinances and statutes are, by reference, made a part hereof as though incorporated verbatim herein. Moreover, Lessee shall be responsible for applying for and obtaining all necessary permits, licenses or other authorization as well as appropriate inspections required for the lawful and proper construction and installation of the improvements and parking facilities constructed on the Subject Premises.

16. Lessee shall comply with all valid laws, ordinances, statutes, rules, orders, or regulations of any agencies, departments, districts, or commissions of the State, County, or City having jurisdiction thereof. The provisions of such laws, ordinances, statutes, rules, orders, or regulations are, by reference, made a part hereof as though incorporated herein.

17. <u>RESTORATION</u>

Upon any termination of this Lease, Lessee shall surrender the leased area in a neat and clean condition, normal wear and tear excepted. Lessee shall complete restoration of the Subject Premises to its original condition or better prior to termination of this Lease. Restoration of the Subject Premises shall include, but not be limited to, removal of all of the Lessee's equipment, vehicles, trailers, containers, signs, litter, and debris. Lessee shall remove all improvements unless otherwise instructed in writing by the LADWP. Lessee shall call the LADWP's Real Estate Business Group, (213) 367-0564, to arrange for a field inspection of Lessee's improvements on the right of way in order to determine which improvements, if any, will be allowed to remain. All improvements existing upon the Subject Premises at the conclusion of this Lease shall become the property of LADWP.

a. Upon expiration or termination of this Lease, the LADWP will expeditiously conduct an inspection of the property to determine if Lessee has completed restoration. If the LADWP determines that restoration has not been completed upon expiration or termination of this Lease, the LADWP may restore said leased area entirely at the risk and expense of the Lessee.

18. INDEMNIFICATION

Lessee will hold harmless, defend and indemnify Lessor from any and all claims of any type or nature whatsoever that may come against Lessor arising by reason of or incident to this lease with the exception of claims alleging or asserting that a third party suffered injury and/or death, or property damage resulting directly from Lessor's maintenance or operation of its public utility facilities, and appurtenances on the Subject Premises Lessor will hold harmless, defend and indemnify Lessee from any and all claims of any type or nature whatsoever that may come against Lessee alleging or asserting that a third party suffered injury and/or death, or property damage resulting directly from Lessor's maintenance or operation of its public utility facilities, and appurtenances on the Subject Premises Lessor will hold harmless, defend and indemnify Lessee from any and all claims of any type or nature whatsoever that may come against Lessee alleging or asserting that a third party suffered injury and/or death, or property damage resulting directly from Lessor's maintenance or operation of its public utility facilities and appurtenances on the Subject Premises.

19. HAZARDOUS SUBSTANCES

Lessee shall be responsible for the training of personnel under all applicable laws including, but not limited to, training with regard to the operation of equipment and the handling and disposal of hazardous materials and wastes. Lessee shall be responsible if any hazardous material is discharged by Lessee, or Lessee's officers, agents, contractors or employees onto the premises.

20. Upon termination of the agreement for whatever reason, the Lessee shall be responsible, to the extent caused by or introduced onto the property as a result of the use of the property by Lessee, for all cleanup costs and expenses including, but not limited to, any fines, penalties, judgments, litigation costs, and attorneys' fees incurred as a result of any and all discharge, leakage, spillage, emission of material which is, or becomes, defined as any pollutant, contaminant, hazardous waste or hazardous substance, under all federal, state, local, or municipal laws, rules, orders, regulations, statutes, ordinances, codes, decrees, or requirements of any government authority regulating, or imposing liability or standards of conduct concerning any hazardous substance on, under, or about the property, as now or may at any later time be in effect, including without limitation, the Comprehensive Environmental Response, Compensation and Liability Act of 1980 [42 USCS §§9601 et. seq.]; the Resource Conservation and Recovery Act of 1976 [42 USCS §§6901 et. seq.]; the Clean Water Act, also known as the Federal Water Pollution Control Act [33 USCS §§1251 et. seq.]; the Toxic Substances Control Act [15 USCS §§2601 et. seq.]; the Hazardous Materials Transportation Act (49 USCS §§1801 et. seq.]; the Insecticide, Fungicide, Rodenticide Act [7 USCS §§136 et. seq.]; the Superfund Amendments and Reauthorization Act [42 USCS §§6901 et. seq.]; the Clean Air Act [42 USCS §§7401 et. seq.]; the Safe Drinking

Water Act [42 USCS §§300f et. seq.]; the Solid Waste Disposal Act [42 USCS §§6901 et. seq.]; the Surface Mining Control and Reclamation Act (30 USCS §§1201 et. seq.]; the Emergency Planning and Community Right to Know Act 42 (USCS §§11 001 et. seq.]; the Occupational Safety and Health Act [29 USCS §§655 and 657]; the California Underground Storage of Hazardous Substances Act [H&SC §§25280 et. seq.] the California Hazardous Substances Account Act {H&SC §§25300 et. seq.]; the California Hazardous Substances Account Act {H&SC §§25300 et. seq.]; the California Hazardous Waste Control Act (H&SC §§25100 et. seq.]; the California Safe Drinking Water and Toxic Enforcement Act (H&SC §§24249.5 et. seq.]; the Porter-Cologne Water Quality Act {Wat. C. §§13000 et. seq.] together with any amendments of or regulations promulgated under the statutes cited above and any other federal, state, or local law, statute, ordinance, or regulation now in effect or later enacted that pertains to hazardous substances on, under, or about the property, including ambient air, soil, soil vapor, groundwater, surface water, or land use. Said cleanup shall be accomplished to the satisfaction of LADWP and any governmental body having jurisdiction there over.

21. <u>OTHER</u>

Lessor reserves the right to cross the Subject Premises to access its adjoining property as necessary. Lessee shall maintain access, including existing roads, to allow the LADWP to 24 hour access its facilities. Lessee agrees to allow LADWP to install and maintain its locks on all gates necessary to access its facilities.

22. The Subject Premises, if graded, must be graded to drain to an approved drainage facility. Ponding or flooding conditions shall not be allowed.

23. "Record Drawings" showing all plans and profiles of the Lessee's project shall be furnished to the Retail Estate Business Group, Department of Water and Power, P.O. Box 51111, Room 1031, Los Angeles, CA 90051-0100, within thirty days after completion of Lessee's project.

24. Lessee shall keep the property free and clear of all liens during the construction of any improvements initiated by Lessee or any operator, concessionaire or subtenant, etc. of Lessee. Should Lessee fail to do so, or to have any liens removed from the property within thirty (30) days of notification to do so by the Lessor, in addition to all other remedies available to the Lessor, Lessor shall have the right but not the obligation to take action to remove each lien, Lessee shall indemnify and hold Lessor harmless for all costs and expenses, including attorney's fees, actually incurred by Lessor in having any liens removed from the Subject Premises.

25. Lessee shall have sole authority to negotiate, let and supervise all contracts for the furnishing of services, labor, and materials for the construction or maintenance of the leasehold improvements on the Subject Premises at its cost. Lessee shall cause all contracts to be fully and completely performed in a good and workmanlike manner, all to the effect that the improvements shall be fully and completely constructed and installed in accordance with good engineering and construction practice.

26. Subject to the provisions of Section 14, Lessee shall have the right, at its sole expense, from time to time, to make changes to the Subject Premises as Lessee shall deem expedient or necessary for its purposes; provided, however, that such alteration and changes shall not impair the geological soundness of the Subject Premises.

a. Lessee shall also be responsible to make all necessary repairs to the Subject Premises including necessary maintenance keeping the Subject Premises and improvements in good order and condition. Lessee shall not be responsible for reasonable wear and tear or any maintenance or replacement necessitated as the result of the acts or omissions negligence of Lessor, its employees, agents, or contractors.

27. Lessor shall have the right at all times to post and keep posted on the Subject Premises any notices permitted or required by law, or which Lessor shall deem proper for the protection of Lessor and the Subject Premises, and any other party having an interest therein, from liens, and Lessee shall give to Lessor at least three (3) business days prior written notice of the expected date of commencement of and work relating to alterations or additions to the Subject Premises.

28. This Lease and all of the rights hereunder given are personal to Lessee and is not assignable, and any attempt to do so shall be void and shall confer no right of any third party.

29. Lessee hereby acknowledges that this agreement is a Lease only and does not constitute any interest or ownership in the Subject Premises.

30. Lessee shall be responsible for maintenance of the entire Subject Premises in a neat, clean, and weed-free condition, including landscaping and parkways between fences and public streets. Lessee shall further be responsible for all brush clearance activities on the Subject Premises. Lessee will at all times remain in compliance with brush clearance requirements of the Los Angeles Municipal Code, or as directed by the Los Angeles Fire Department.

31. Lessee shall take all reasonable measures to minimize disturbances to neighboring businesses or residences, including control of dust from their activities, and shall assume the responsibility to resolve any complaints/disputes from adjacent property owners or the public.

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7

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8

45. During the term of this Lease, Lessee shall comply with Los Angeles Municipal Code Section 121, relating to water conservation as to the property.

Dated	DEPARTMENT OF WATER AND POWER OF THE CITY OF LOS ANGELES BY
	BOARD OF WATER AND POWER COMMISSIONERS
APPROVED:	OF THE CITY OF LOS ANGELES
JAMES B. McDANIEL Senior Assistant General	Ву:
Manager - Water System	And:
÷.	LESSOR
	CITY OF LOS ANGELES, a municipal, corporation

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

By:___

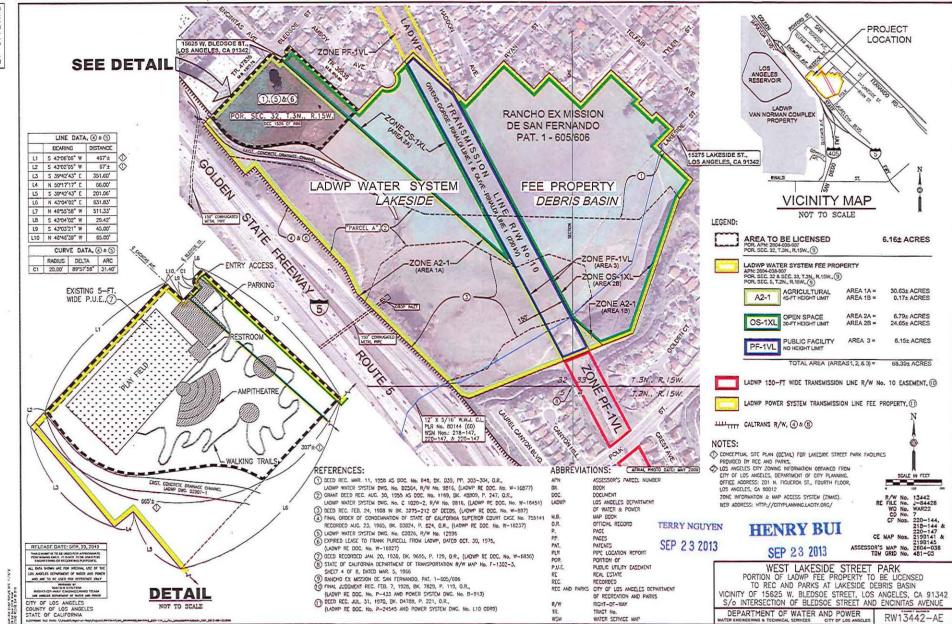
President

By:__

Secretary

DATE:

LESSEE



RW13442-Æ

EXHIBI