

# APPROVED

Sept 19 2021

## BOARD OF RECREATION AND PARK COMMISSIONERS

**BOARD REPORT**

NO. 24-200

DATE September 19, 2024

C.D. 9

### BOARD OF RECREATION AND PARK COMMISSIONERS

SUBJECT: SOUTH LOS ANGELES WETLANDS PARK – TERMINATION OF LEASE WITH MUSEUM ASSOCIATES DBA THE LOS ANGELES COUNTY MUSEUM OF ART

B. Aguirre	_____	M. Rudnick	_____
B. Jones	_____	for * C. Santo Domingo	<u>DF</u>
C. Stoneham	_____	N. Williams	_____

General Manager

Approved   X  

Disapproved \_\_\_\_\_

Withdrawn \_\_\_\_\_

### RECOMMENDATIONS

1. Approve the termination of the executed Lease Agreement (Attachment 2) between the Department of Recreation and Parks (RAP) and Museum Associates dba the Los Angeles County Museum of Art (LACMA), approved by the Board of Recreation and Park Commissioners (Board) on May 23, 2017;
2. Approve the proposed Termination Agreement, substantially in the form as attached to this Report as Attachment 3;
3. Authorize the General Manager to execute the Termination Agreement, upon receipt of approval of the City Attorney as to form; and,
4. Authorize RAP staff to make technical corrections as necessary to carry out the intent of this Report.

### SUMMARY

South Los Angeles Wetlands Park (Park) is located at 5413 South Avalon Boulevard in the South Los Angeles community of the City. The site was previously used by the Metropolitan Transit Agency (MTA) as a bus maintenance and storage yard. This 9.01-acre property provides landscaped open space, walkways, and a constructed wetland for the use and enjoyment of the surrounding community. There is also an 84,000 square foot building known as Building 71, a remnant from the previous bus maintenance and storage yard as shown in Exhibit A of Attachment 1. An estimated 14,392 City residents live within a one-half mile walking distance of the Park. Due to the facilities, features, programs, and services it provides, the Park meets the standard for a Neighborhood Park, as defined in the City's Public Recreation Plan.

## BOARD REPORT

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On May 23, 2017, the Board approved a Lease Agreement (Attachment 2) with Museum Associates dba the Los Angeles County Museum of Art (LACMA) for the use of a portion of the Park for a proposed museum, as further described in Report No. 17-134 (Attachment 1). LACMA proposed to provide programming for organized museum, cultural, recreational, and community activities in the leased portion of the Park; the proposal also included an offer to repair, retrofit, and provide improvements to Building 71 at no cost to RAP.

Since 2017, LACMA has been attempting to repair and retrofit Building 71, but the geotechnical and structural engineering studies conducted as a part of this process have shown that the cost to repair and retrofit Building 71 will far exceed what LACMA had initially estimated. As such, on July 12, 2024, LACMA submitted a Termination Agreement in the form of a letter to RAP (Attachment 3) requesting that the previously approved Lease Agreement between RAP and LACMA be terminated. In this letter, LACMA cites Section 13.5 of the Lease Agreement (Attachment 2), which states "Either party may terminate the Lease upon sixty days' prior written notice to the other party in the event that Tenant has not commenced construction prior to the date that is twelve months from the Execution Date". LACMA desires to terminate the Lease Agreement effective as of September 12, 2024, at which time the Lease Agreement shall be null and void and of no further force or effect except to the extent otherwise set forth in the Termination Agreement or as expressly set forth in the Lease.

As part of its due diligence, RAP staff reviewed the Preliminary Title Report and confirmed that LACMA has not encumbered the property with any liens, covenants, or other obligations.

### TREES AND SHADE

The approval of this Report will have no impact on existing trees or shade at South Los Angeles Wetlands Park.

### ENVIRONMENTAL IMPACT

When approving the Lease Agreement between RAP and LACMA on May 23, 2017 (Report No. 17-134), the Board of Recreation and Park Commissioners (Board) found that the lease was adequately assessed in the previously certified Final Environmental Impact Report (EIR), Findings, Statement of Overriding Considerations and accompanying mitigation measures, and Mitigation Monitoring and Reporting Program for the South Los Angeles Wetlands Park Project (SCH No. 2007051122) and that no subsequent EIR, negative declaration, addendum or other environmental analysis was required for the approval of the Lease Agreement.

Article 20, Section 15378 of the California Environmental Quality Act (CEQA) Guidelines define a project subject to CEQA as "the whole of an action, which has a potential for resulting in either a direct physical change in the environment, or a reasonably foreseeable indirect physical change in the environment"<sup>1</sup> when it is undertaken directly or supported in whole or in part by a public agency or when it involves the lease, permit or other entitlement for use by a public agency.

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<sup>1</sup> Association of Environmental Professionals. 2024 CEQA California Environmental Quality Act Statutes and Guidelines. Palm Desert, CA. 2024

BOARD REPORT

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The proposed Board action consists of the termination of a lease agreement and does not have the potential for a direct or indirect physical change on the environment. Based on these considerations, staff recommends that the Board take no further CEQA action on this matter.

FISCAL IMPACT

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

STRATEGIC PLAN INITIATIVES AND GOALS

Approval of this Board Report advances RAP's Strategic Plan by supporting:

<b>Goal No. 6</b>	Build Financial Strength and Innovative Partnerships
<b>Outcome No. 2</b>	The Department's operating budget meets the needs of the park system for all Angelenos
<b>Result:</b>	The rehabilitation of Building 71 at South Los Angeles Wetlands Park far exceeds RAP's budget, as well as LACMA's. In order to be fiscally responsible, RAP will not be pursuing this any further.

This Report was prepared by Angela Wang, Management Assistant, Planning, Maintenance and Construction Branch.

LIST OF ATTACHMENTS/EXHIBITS

- 1) Board Report No. 17-134
- 2) Memorandum of Ground Lease
- 3) Termination Agreement

**BOARD REPORT**

NO. 17-134

DATE May 23, 2017

C.D. 9

**BOARD OF RECREATION AND PARK COMMISSIONERS**

**SUBJECT: SOUTH LOS ANGELES WETLANDS PARK – LEASE AGREEMENT WITH MUSEUM ASSOCIATES DBA THE LOS ANGELES COUNTY MUSEUM OF ART FOR THE USE OF A PORTION OF THE SOUTH LOS ANGELES WETLANDS FOR A PROPOSED MUSEUM**

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

  
 \_\_\_\_\_  
 General Manager

Approved \_\_\_\_\_ Disapproved \_\_\_\_\_ Withdrawn \_\_\_\_\_

**RECOMMENDATIONS**

1. Authorize the Department of Recreation and Parks' (RAP) General Manager or designee to negotiate and execute a thirty-five (35) year Lease (Lease) with Museum Associates dba the Los Angeles County Museum of Art (LACMA) for the use of a portion of the RAP's South Los Angeles Wetlands Park for the renovation and rehabilitation of Building 71 and operation of a proposed Museum in accordance with Charter Sections 594(a) and 595 and consistent with the terms, improvements, and uses set forth in this Report;
2. Authorize RAP staff and the City Attorney to make any necessary changes to the Lease consistent with the terms, improvements, and uses set forth in this Report;
3. Direct the Board Secretary to transmit forthwith the proposed Lease 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; and,
5. Find, pursuant to State California Environmental Quality Act (CEQA) Guidelines, in consideration of the whole of the administrative record, that the project was adequately assessed in the previously certified Final Environmental Impact Report (EIR), Findings, Statement of Overriding Considerations and accompanying mitigation measures, and Mitigation Monitoring and Reporting Program for the South Los Angeles Wetlands Park Project EIR (SCH No. 2007051122); and no subsequent EIR, negative declaration, addendum or other CEQA analysis is required for approval of the project.

## BOARD REPORT

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### SUMMARY

On January 21, 2009, the Board approved the acquisition of a nine-acre parcel located at 5413 South Avalon Boulevard for the South Los Angeles Wetlands Park (Park) through Report No. 09-003. The site was previously used by the Metropolitan Transit Agency (MTA) as a bus maintenance and storage yard. The Park currently includes a pocket park, parking lot, and wetlands area which were completed in 2012. There is also an 84,000 square foot Building 71 which was a remnant from the previous bus maintenance and storage yard as shown in Exhibit A. Building 71 has been sealed off from the public as RAP searches for funds to complete a hazardous materials abatement and seismic retrofit of the building.

### Proposal

Recently, Museum Associates dba the Los Angeles County Museum of Art (LACMA) met with RAP staff to discuss a proposal to manage and operate a museum program at the Park. LACMA is proposing to provide programming for organized museum, cultural, recreational, and community activities. The proposal also includes an offer to repair, retrofit and provide improvements to Building 71 at no cost to RAP. RAP has reviewed the terms offered by LACMA and finds such terms to be acceptable. LACMA has a strong desire to execute a long term Lease as soon as possible.

### Term and Premises

The proposed Lease with LACMA would have a term of not more than thirty-five (35) years. The premises area shall include the entire 84,000 square foot Building 71 and portions of the Park immediately adjacent to the building and the east side parking lot.

### Repair, Retrofit and Improvements

LACMA proposes to initially improve up to 10,000 square feet of space in the building for use for public programming within eighteen (18) months of the execution of the Lease. An additional 13,000 square feet of space in the building (8,500 square feet for additional public programming and 4,500 square feet for a Ranger Station) will be improved within five (5) years after the completion of the initial 10,000 square foot improvement. LACMA may elect to improve another 12,000 square feet of space in the building within ten (10) years of the execution of the Lease.

Improvements include the repair and retrofit of the building to meet current code requirements for seismic, structural, mechanical, electrical, and plumbing systems, and to otherwise accommodate the museum needs, including the installation of a loading dock. LACMA's obligation to retrofit and repair shall be limited to the building and has no obligation to retrofit and repair any portion of the Park that is not the building.

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### Uses and Operations

LACMA shall use the premises area for the operation of art and culture-related and instructional public programs and ancillary or related uses, including the storage of LACMA's art collection, operation of a restaurant or café, operation of a retail space, and providing recreational and instructional programs to the surrounding communities. Additionally, within one year of the execution date of the Lease, LACMA shall provide certain public programming at several recreation centers within the surrounding communities. Within eighteen (18) months of the execution of the Lease, LACMA will begin public programming on the premises area.

LACMA's proposed public programming strategy's goal is to realize LACMA's vision of engaging the local community both through compelling public art programs and training initiatives that support residents in becoming paid staff. These programs include Social Justice-themed School Tour and Art-Making; Teen Tour Guide Programs; Intergenerational Weekday and Weekend Programs; and Teaching Assistant Training Programs.

### Park Ranger Station

As indicated above, LACMA will improve 4,500 square feet of building space for the installation of a Park Ranger Station. Improvements shall be limited to providing utility (gas, electricity and water) hookups and in ensuring that RAP is able to connect its internal information and technology systems to the electrical and data cable connections of the building. RAP shall be responsible for any additional capital and other improvements it deems necessary or desires.

### LA Philharmonic and Youth Orchestra Los Angeles

LACMA is currently in discussions with the Los Angeles Philharmonic (Philharmonic) concerning the possibility of bringing its Youth Orchestra Los Angeles program to the Park. Should this occur, LACMA proposes to sublease a portion of the building to the Philharmonic.

### ENVIRONMENTAL IMPACT STATEMENT

Staff has determined that the proposed lease agreement for the use of Building 71 is a continuation of the original Park project previously evaluated for environmental impacts in the certified Final Environmental Impact Report (FEIR-SCH No. 2007051122), Findings, Statement of Overriding Considerations, Mitigation Monitoring and Reporting Program (MMRP), and supporting technical studies (Environmental Documents). On April 8, 2008, City Council certified the Final EIR for the Park project and adopted the MMRP. A Notice of Determination was filed with the Los Angeles County Clerk on April 11, 2008. Pursuant to State CEQA Guidelines Sections 15162, 15163, and 15164, there are no substantial changes in the proposed project and the circumstances under which the project will be undertaken that require revisions of the previous EIR, nor any new information of substantial importance showing any new significant environmental effects not identified or an increase in the severity of significant effects previously examined in the EIR. In addition, there are no mitigation measures or alternatives to the project considerably different than those analyzed in the previous EIR. Therefore, no subsequent EIR, negative declaration, addendum or other CEQA analysis is required for approval of the project.

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FISCAL IMPACT STATEMENT

There are no anticipated fiscal impacts to RAP's General Fund should the Board authorize the execution of the Lease. All costs, with the exception to any additional improvements to the aforementioned Park Ranger Station, will be the responsibility of LACMA. Any costs for the future Park Ranger Station will be requested through the regular budget process.

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) Exhibit A – Los Angeles County Property Assessment Information System







# CONTRACT SUMMARY SHEET

TO: THE OFFICE OF THE CITY CLERK,  
COUNCIL/PUBLIC SERVICES DIVISION  
ROOM 395, CITY HALL

DATE: March 29, 2018

FROM (DEPARTMENT): Recreation and Parks

CONTACT PERSON: Iris L. Davis PHONE: (213) 202-2640

CONTRACT NO.: C-131091 COUNCIL FILE NO.: 18-0033

ADOPTED BY COUNCIL: 01/26/2018

APPROVED BY BPW: N/A

DATE

- NEW CONTRACT
- AMENDMENT NO. \_\_\_\_\_
- ADDENDUM NO. \_\_\_\_\_
- SUPPLEMENTAL NO. \_\_\_\_\_
- CHANGE ORDER NO. \_\_\_\_\_

CONTRACTOR NAME: Museum Associates dba The Los Angeles County Museum of Art (LACMA)

TERM OF CONTRACT: 03/29/2018 THROUGH: 03/29/2053

TOTAL AMOUNT: \$0

## PURPOSE OF CONTRACT:

Memorandum of Ground Lease for a portion of the South Los Angeles Wetlands Park, the renovation and rehabilitation of Building 71, and operation of a proposed museum, in accordance with Charter Section 594(a) and 595, located at 5413 South Avalon Boulevard, Los Angeles, California 90003

**NOTE: CONTRACTS ARE PUBLIC RECORDS - SCANNED AND UPLOADED TO THE INTERNET**

LEASE SUMMARY  
BETWEEN THE CITY OF LOS ANGELES,  
DEPARTMENT OF RECREATION AND PARKS, LANDLORD,  
AND  
MUSEUM ASSOCIATES, DBA THE LOS ANGELES COUNTY  
MUSEUM OF ART, TENANT  
FOR A PORTION OF THE SOUTH LOS ANGELES WETLANDS PARK

For information purposes only - not part of Lease

REPORT NO: 17-134  
APN NO.: Current APN is 5101-002-900 (portion of)  
CF NO.: 18-0033  
Council  
Council  
Approval Date: January 26, 2018

PREMISES ADDRESS: A building located in the South Los Angeles Wetlands Park  
5413 S. Avalon Boulevard  
Los Angeles, California 90003

CITY  
ATTORNEY  
SIGNATURE: \_\_\_\_\_  
City Attorney/

LANDLORD: \_\_\_\_\_  
Department of Recreation and Parks/Cid Macaraeg

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

TENANT: Museum Associates, dba The Los Angeles County Museum of Art, a 501(c)(3) nonprofit corporation  
Corporation No. C0175622

TERM: 35 Years, commencing upon execution of Lease.

RENT: Museum Associates dba The Los Angeles County Museum of Art (LACMA) will pay no monetary rent to the City of Los Angeles for the exclusive use of a building located in the South LA Wetlands Park and the nonexclusive use of Shared Spaces (as defined in the Lease) in the

South LA Wetlands Park. It is understood and agreed that the consideration for this Lease will be the public benefit to be realized from the retrofit and repair of the existing South LA Wetlands building; the design, development and maintenance of a museum within the South LA Wetlands building; museum programs to be created and provided by LACMA, on a non-profit basis, at this location, and, prior to the completion of Space A (as defined in the Lease), several other nearby recreation centers, in accordance with this Lease. It is also understood LACMA will bear the costs of all considerations indicated.

LEASE SUMMARY  
 BETWEEN THE CITY OF LOS ANGELES,  
 DEPARTMENT OF RECREATION AND PARKS, LANDLORD,  
 AND  
 MUSEUM ASSOCIATES, DBA THE LOS ANGELES COUNTY  
 MUSEUM OF ART, TENANT  
 FOR A PORTION OF THE SOUTH LOS ANGELES WETLANDS PARK

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LEASE AGREEMENT  
BETWEEN THE CITY OF LOS ANGELES,  
DEPARTMENT OF RECREATION AND PARKS, LANDLORD,  
AND  
MUSEUM ASSOCIATES, DBA THE LOS ANGELES COUNTY  
MUSEUM OF ART, TENANT  
FOR A PORTION OF THE SOUTH LOS ANGELES WETLANDS PARK

*please*

ARTICLE 1. BASIC LEASE PROVISION

1.1 Parties. This Lease ("Lease") is \_\_\_\_\_, 20\_\_, by and between the City of Los Angeles, a municipal corporation, acting by and through its BOARD OF RECREATION AND PARK COMMISSIONERS, as Landlord ("City"), and Museum Associates, dba the Los Angeles County Museum of Art, a 501 (c)(3) nonprofit corporation, as Tenant ("Tenant").

*DON'T  
DATE*

1.2 Recitals.

1.2.1 The City of Los Angeles controls a portion of land, known as South Los Angeles Wetlands Park ("Park"). The entire Park measures approximately nine (9) acres and is comprised of a pocket park area, a wetlands area and an 84,000 gross square foot building (the "Building"), to be used for park and recreational purposes only. This Lease expressly authorizes the lease of a portion of the Building, and the license of a portion of the Park (the "Shared Spaces"), each as more specifically described in Exhibit A, to the Tenant in accordance with the terms and conditions contained herein. The Park is under the management and control of the Board of Recreation and Park Commissioners ("Board") of the City of Los Angeles; and

1.2.2 Tenant is a nonprofit public benefit corporation formed for the purpose of serving the public through the collection, conservation, exhibition, and interpretation of significant works of art from a broad range of cultures and historical periods, and the translation of these collections into meaningful educational, aesthetic, intellectual, and cultural experiences for the widest array of audiences; and

1.2.3 Tenant has been devoted to collecting works of art that span both history and geography, in addition to representing Los Angeles's uniquely diverse population. It is a museum of international stature as well as a vital part of Southern California that shares its vast collections through exhibitions, public programs, and research facilities that attract over a million visitors annually, in addition to serving millions through digital initiatives, such as online collections, scholarly catalogues, and interactive engagement through its website. Tenant agrees to share its collection and programs with the residents that are served by the Park, and, therefore, is providing

valuable consideration and will continue to provide such services to the City during the term of this Lease; and

1.2.4 City and Tenant desire to enter into this Lease for the lease, retrofit, design, development and maintenance of the Building; which will house museum programs to be created and provided by Tenant to the general public at this location. This Lease shall set forth the duties, obligations, responsibilities, aims, and goals of the parties, for the aforementioned purposes at the Park; and

1.2.5 Tenant agrees to provide said services as a public service such that Tenant will use the Premises (as defined below) for the Term as a museum (including any use incidental or ancillary thereto), and to provide for the construction of improvements, maintenance and operation of the Museum in accordance with the standards set forth herein.

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

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

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

1.3.2 City. The defined term "City" shall mean the City of Los Angeles, as Landlord of this Lease. Except where clearly and expressly provided otherwise in this Lease, any action to be taken by City may be taken for City by the General Manager as defined in Paragraph 1.3.5. 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.

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

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

1.3.5 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.

1.3.6 Premises. The defined term "Premises" shall mean, as of the Execution Date until the date that the shell of the Ranger Station is completed (as described in Section 5.2 below), the Building. Following such date, the defined term "Premises" shall be all portions of the Building other than the Ranger Station.

1.3.7 LACMA. The defined term "LACMA" shall mean Museum Associates dba the Los Angeles County Museum of Arts, the lessee of the Premises.

## ARTICLE 2. TERM

2.1 Term. The term of this Lease (the "Term") shall be for thirty-five (35) years, commencing on the Execution Date and ending on the 35<sup>th</sup> anniversary of the Execution Date.

2.2 Holdover. Tenant has no right to retain possession of the Premises or any part thereof beyond the expiration or earlier termination of this Lease.

## ARTICLE 3. CONSIDERATION

3.1 Consideration. The consideration for this Lease shall be (a) the Tenant's promise to retrofit and repair the Building and to use, operate, and maintain the Premises at no expense to the City for the purposes set forth in Article 5 and for no other purposes, and (b) Tenant's promise to abide by and fully comply with the other provisions and conditions of this Lease.

## ARTICLE 4. DEMISE OF PREMISES

4.1 Demise and Acceptance of Premises. The City hereby leases the Premises to the Tenant in accordance with the terms and conditions contained herein. Tenant represents that Tenant has inspected the Premises, and accepts the Premises in the condition that exists as of the Execution Date of this Lease, excepting all of the historical items currently stored on the Premises, including without limitation those identified on Exhibit E attached hereto, which the City agrees to remove, at the City's sole cost and expense, no later than thirty days following the Execution Date.

4.2 License of Shared Spaces. The City hereby licenses to Tenant the Shared Spaces (as defined below) for Tenant's non-exclusive use. The City will be solely responsible for the maintenance of the Shared Spaces, but agrees to consult with Tenant in relation to any reconfiguration of, material repair to or renovation of the Shared Spaces. As depicted on Exhibit A attached hereto, the Shared Spaces explicitly include the parking lot adjacent to the Building and all areas within a twenty-foot radius of the Building. Parking shall be shared between visitors and employees of both the City and Tenant on a first-come, first-serve basis and may be used by Tenant to access the loading dock depicted on Exhibit A. During the construction of the Improvements

(defined below), Tenant may use the parking lot adjacent to the Building as reasonably necessary for construction staging purposes. However, the park and parking lot must have reasonable accommodations for public access during construction.

## ARTICLE 5. USE OF PREMISES

5.1 Use. City grants Tenant permission to repair, retrofit and provide improvements to the Building as set forth herein, and to maintain, manage and operate the Premises for organized museum, cultural, recreational and community activities. The Premises shall be used for park and recreational uses only. Such use shall be consistent with the purposes of this Lease and shall be compatible with the Department's use and requirements for the Premises.

5.1.1 Retrofit and repair of the Building. The Building dates from 1911 and has been variously called "the bus maintenance building", "the paint shop", and "building 71". The structure was built using a technique called "tilt up" wall construction. This was the first structure built in the West using this technique and may have been the largest one built in the country for that era. Tenant shall retrofit and repair the Building to (a) meet current code requirements for seismic, structural, mechanical, electrical, and plumbing systems, (b) remediate any lead-based paint and/or asbestos-containing materials ("LPA") in accordance with applicable laws but only to the extent expressly set forth in Section 12.1 hereof, and (c) otherwise accommodate Tenant's needs, including the installation of a loading dock. All plans to retrofit and repair the Building shall be subject to the General Manager's prior written consent and approval, in accordance with Article 6. Tenant's obligation to retrofit and repair shall be limited to the Building. Tenant shall have no obligation to retrofit or repair any portion of the Park which is not the Building, including, but not limited to: the Shared Spaces, sewer or drainage systems extending beyond the hook-ups for the plumbing of the Building, exterior lighting or electrical systems, landscaping, or parking areas, unless upgrade of those systems is required as a result of Tenant's or Tenant's contractors' negligent acts in connection with the construction of the Improvements. All capital costs and all other costs related to the retrofit and repair of the Building shall be borne by the Tenant. The date on which Tenant commences operations within the Building following such retrofit and repair (i.e., the date on which the Tenant begins the delivery of artworks for storage in the Building) shall be the "Initial Retrofit Completion Date".

5.1.2 Improvements. In addition to the retrofit and repair of the Building, Tenant shall construct the following improvements (together with the retrofit and repair of the Building, the "Improvements"), as approved by the General Manager in accordance with Article 6, to be completed within the following time periods:

5.1.2.1 Tenant will improve up to 10,000 gross square feet of space in the Building for use for Public Programming, as defined below ("Space A"). Tenant will open Space A to the public by the date which is eighteen (18) months from the Execution Date;

5.1.2.2 Tenant will improve an additional 13,000 gross square feet (8,500 square feet for Tenant's Public Programming and 4,500 square feet for the Ranger Station as described in Section 5.2, below), in the Building for use for Public Programming ("Space B"). Tenant will open Space B (excluding the Ranger Station, as described in Section 5.2, below) to the public by the date which is five (5) years from the Initial Retrofit Completion Date (the "Space B Outside Date").

5.1.2.3 Following the Space B Outside Date, Tenant, at Tenant's option, may elect to improve an additional 12,000 gross square feet, or more, in the Building for use for Public Programming ("Space C") within ten (10) years from the Execution Date.

5.1.2.4 The programming to be provided in Space A, Space B and Space C may include, at Tenant's option, museum gallery space, art-related public programming, performing arts and/or other cultural programming and may be provided by Tenant or other nonprofit organizations, subject to the requirements in Section 5.1.3 below.

5.1.3 Museum Operations and Use. Tenant (and, if applicable, other nonprofit cultural organizations that might use or share the Premises) shall use the Premises for the operation of art- and culture-related and instructional public programs and ancillary or related uses, including the storage of Tenant's art collection, operation of a restaurant or café, operation of a retail space and as a staging facility for the provision of recreational and instructional programs to the surrounding communities (the "Public Programming"). The Public Programming shall be free of charge to the public (other than retail and/or any restaurant or café sales), provided that Tenant may charge for access to special events or exhibitions. It is Tenant's current intention that the Premises shall be open to the public, and the Public Programming shall be made available, six days a week, six hours per day, subject to closures for holidays, maintenance, or emergencies. Open and closing times will be mutually agreed between the parties, provided that Tenant may, from time to time, modify such schedule based on its experience and demand, in each case subject to review and approval of the City, such approval not to be unreasonably withheld, conditioned or delayed. The Public Programming will, after the completion of, and as a part of, Space A, include a permanent display that describes the history of the Building and its relationship with transportation infrastructure in Los Angeles with images and text, which could include photographs, drawings and pertinent artworks (the "Transportation Element"). The City agrees that the Transportation Element satisfies the City's obligation to comply with that certain Environmental Impact Report (SCH No. 2007-05-1122) (the "EIR"), including, but not limited to a portion of Mitigation Measure CUL-7. The City will bear sole responsibility for compliance with all other elements of the EIR (provided that Tenant complies with the provisions of Section 12.1 hereof and otherwise agrees to reasonably cooperate with the City regarding such compliance, at no cost or expense to Tenant and with no impact on Tenant's use of the Premises, excepting the Transportation Element and excepting Tenant's obligations pursuant to Section 12.1 hereof). Until the date that construction of Space A is completed, and commencing no later than one (1) year following the Execution Date, Tenant shall provide certain Public Programming at

several recreation centers within the surrounding communities at least once a month. Tenant and City will cooperate to schedule the use of such recreation centers for programming. Public Programming shall begin to be provided at the Premises within eighteen (18) months from the Execution Date. The Public Programming described herein shall be consistent with the Preliminary Public Programming Strategy attached as Exhibit D, as such may be amended by Tenant with the prior written consent and approval of the General Manager, such consent and approval not to be unreasonably withheld, conditioned or delayed. Nothing in this Section shall be construed as limiting or mandating action by the City of Los Angeles in its governmental capacity (e.g., zoning, conditional use permits) (see Paragraph 1.3.2).

5.2 Additional Uses. The following must be observed by Tenant in any plans for the use of the Premises:

5.2.1 Park Ranger Program. Tenant will improve 4,500 square feet of Space A and/or Space B for use as a Park Ranger Station (the "Ranger Station"). The final location of the Ranger Station shall be agreed upon between Tenant and the City and approved in writing by the General Manager prior to construction of Space A as part of the General Manager's plan approval in accordance with Article 6. The Ranger Station will be reflected in the plans submitted by Tenant in accordance with Article 6 only to the extent that Tenant is responsible for the construction or improvement thereof. Tenant's responsibility to improve the Ranger Station will be limited to delivering the Ranger Station to the City in warm shell condition, including providing utility (gas, electricity, and water) hookups for the Ranger Station and ensuring that the City is able connect its internal information and technology systems in the Ranger Station to the electrical and data cable connections of the Building. City shall be solely responsible for any additional capital and other improvements it deems necessary or desirable in connection with the Ranger Station space, and all costs and expenses associated therewith. Upon the completion of the Ranger Station, but in any event no later than the Space B Outside Date, Tenant will deliver the Ranger Station to the City, Tenant will have no further responsibility for any additional improvements or on-going maintenance of the Ranger Station, and the Premises will no longer be deemed to include the Ranger Station.

5.2.2 LA Philharmonic and YOLA. If the Los Angeles Philharmonic (the "Philharmonic") elects to bring its Youth Orchestra Los Angeles ("YOLA") program to the Park by delivering written notice of its election to Tenant and the City no later than November 30, 2017, Tenant will sublease up to 17,000 gross square feet of the Building (the "Sublease Space"), which sublease shall be approved in writing by the General Manager, to the Philharmonic (which Sublease Space may include space shared by the Philharmonic and Tenant and which Sublease Space shall be included in the square footage of Spaces A, B, and C, that Tenant is required to provide pursuant to Section 5.1.2 hereof), provided that (1) the Philharmonic will not open such space to the public earlier than September 1, 2019, and (2) Tenant and the Philharmonic mutually agree to the terms of a sublease, including the payment by the Philharmonic of an allocable share of capital costs incurred by Tenant hereunder, the payment of any costs required to modify the Premises for YOLA's program and operations in the Premises, and the



recurring payment of a portion of the expenses incurred in the operation of the Premises.

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

5.4 Ancillary Income. During the Term, in the event the Tenant obtains income from uses of the Premises which are ancillary to the uses contemplated under this Lease, including but not limited to any retail or restaurant use, as well as special exhibition ticket sales, Tenant shall use such income only for such purposes as are consistent with the non-profit activities permitted with respect to the use of the Premises and only for activities on the Premises. Any receipt of such income shall be reported to City, and the Tenant, if requested by General Manager, shall provide General Manager with such accountings as General Manager shall reasonably be required to demonstrate compliance with this Section. Nothing in this Section shall be construed to permit uses of the Premises not otherwise allowed under the provisions of this Lease, nor shall anything in this Section be construed to negate or modify any requirement for prior approval of activities.

## ARTICLE 6. ALTERATIONS AND IMPROVEMENTS

6.1 Alterations. No structure or improvement shall be constructed or maintained, nor shall Tenant make any improvements, alterations or additions (including the Improvements and the LPA Remediation, defined below, collectively "Alterations") to the Premises without the prior written consent and approval of the plans by the General Manager. The entire cost of such Alterations shall be paid by Tenant, including design costs and fees related thereto. In granting approval, City may require in writing that the Alterations to be so designed and constructed to allow either the Premises to be restored to its previous condition at the termination of this Lease or to allow the structures to be usable by City or subsequent tenant. Unless the City has required restoration at the time of the City's approval, no Alteration, Improvement, or any work done in connection with the retrofit and repair of the Building will be required to be removed or restored by Tenant at the expiration or earlier termination of the Lease. Any other approval, permit, or inspection requirements for any Alteration, including, without limitation, approvals from the Department of Building and Safety of the City of Los Angeles, are in addition to the approval of the General Manager and shall be obtained for Alterations where required by law.

Notwithstanding the foregoing, the following shall not be considered Alterations: (i) cosmetic or aesthetic improvements to the interior of the Premises; (ii) regular maintenance of the Premises; and (iii) improvements to the Premises costing less than twenty-five thousand dollars (\$25,000).

6.2 "As Built" Drawings. For any Alterations requiring building plans to be prepared and approved, after completion thereof, Tenant shall submit to City

reproducible "as built" drawings of all Alterations constructed on the Premises with the sole exception of any security systems.

6.3 No Creation Of Liability. Nothing contained herein shall be construed or deemed to create any obligation or liability, including without limitation liability as a guarantor or surety, on the part of the City with respect to any Alterations constructed from time to time on the Premises, or any plans or specifications, construction contracts, financing or other matter, instrument or document of any nature whatsoever relating to such Alterations. City is not and shall at no time be liable to any creditor of Tenant or any other persons occupying any part of the Premises or the Alterations thereon as a sublessee, licensee or otherwise or to any claimant against the estate or property of Tenant or such other occupants for any of their debts, losses, contracts or other obligations except under this Lease. The relationship between the City and Tenant is solely that of landlord and tenant and is not and shall not be deemed a partnership or joint venture.

## ARTICLE 7. COMPLIANCE WITH ALL LAWS AND REGULATIONS

7.1 Federal, State And Local Laws. Tenant 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. The City shall be responsible for such compliance with respect to the Ranger Station and its operations. Tenant shall also adhere to all rules and regulations that have been adopted or that may be adopted by the Board or any successor board or commission having jurisdiction over the Premises. Tenant will ensure that each employee and volunteer of Tenant working on the Premises shall have passed the Tenant's background check if the individual has supervisory or disciplinary authority over any minor. In the case that the Board, or any successor board or commission having jurisdiction over the Premises adopts any rule or regulation which restricts, limits, or otherwise impedes Tenant's ability to operate in the Premises, Tenant may terminate this Lease by delivering written notice to the City.

7.2 Operating Hours. Notwithstanding Tenant's operating hours, the Premises shall be closed to the public between the hours of 10:30 p.m. and 5:00 a.m. of the following day, except that the Tenant's supervising employee may extend the 10:30 p.m. closing time for up to one and one-half hours to accommodate any event upon approval of the General Manager, such approval not to be unreasonably withheld, conditioned or delayed.

7.3 Compliance With Americans With Disabilities Act. Tenant agrees that as between Tenant and City, Tenant 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; provided that the City shall be responsible for such compliance with respect to the Ranger Station.

7.4 Right Of Entry. City, General Manager, and their authorized representatives, agents and employees shall have the right to enter upon the Premises at any and all reasonable times within operating hours for the purposes of inspection and observation, and for determining Tenant's compliance with Article 9 of this Lease. City shall endeavor to conduct such inspections and observations in a manner calculated to minimize disruption to the use and enjoyment of the Premises by Tenant, its employees, and patrons. Said inspections may be made by persons identified to Tenant as City employees or by independent contractors engaged by City. Inspections shall be made with two (2) days' prior notice during operating hours (except in the case of emergency, where no notice is required).

7.5 Operating Permits And Licenses. Tenant shall obtain, at its sole expense, any and all permits or licenses that may be required in connection with its operations including, but not limited to, tax permits, business licenses, health permits, building permits, use permits, fire permits, police permits, and any other permits required by applicable governmental agencies.

7.6 Maintaining the Peace. Tenant will use reasonable efforts to maintain peaceful conditions in the Premises, including, if necessary in Tenant's reasonable discretion, calling upon the aid of peace officers (including Park Rangers) to assist in maintaining peaceful conditions on the Premises, including the arrest and removal of any person who creates a public nuisance, who violates park rules and regulations or who commits any crime including without limitation, infractions or misdemeanors in the Premises.

## ARTICLE 8. INSURANCE

8.1 Tenant's Insurance. Prior to the occupancy of the Premises, Tenant shall furnish the City with evidence of insurance from insurers (i) reasonably acceptable to City, and (ii) approved to write surplus lines in the State of California or licensed to do business in the State of California, on a form reasonably acceptable to the City Administrative Officer, Risk Management for the following coverages and minimum limits of insurance (as summarized on Exhibit B attached to this Lease) which shall be maintained by Tenant at its sole cost and expense throughout the Term of this Lease.

8.1.1 General Liability Insurance. Tenant shall obtain Commercial General Liability insurance with coverage for Premises and Operations, Products and Completed Operations, Blanket Contractual Liability, Broad Form Property Damage, and Personal Injury coverages included and shall provide for total limits of not less than FIVE MILLION DOLLARS (\$5,000,000) Combined Single Limit for bodily injury and property damage. Umbrella or Excess Liability coverages may be used to supplement primary coverages to meet required limits. Such insurance shall conform to City requirements established by Charter, ordinance or policy and be in a form reasonably acceptable to City Administrative Officer, Risk Management and provide for the following:

8.1.1.1 Include City, its boards, officers, agents and employees as additional insureds for the development, operation and maintenance of a museum and all activities and insured risks related thereto.

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

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

8.1.1.4 With respect to the interests of City, if an insurance company elects to cancel insurance before the stated expiration date, or declines to renew in the case of a continuous policy, or materially reduces the coverage period by changing the retroactive date (if any), or the extended discovery period (if any), or reduces the stated limits other than by impairment of an aggregate limit, or materially reduces the scope of coverage which affects City's interest, the insurer will provide City at least thirty (30) days prior written notice of such election. In addition to the persons and addresses required notice pursuant to Section (page), notice will be made by receipted delivery addressed as follows: City Administrative Officer, Risk Management, City Hall East, Room 1240, 200 North Main Street, Los Angeles, California 90012, or at such address as City may, from time to time, specify by written notice. It is understood, however, that such notice to City shall not affect the insurer's right to give a lesser notice to Tenant in the event of nonpayment of premium.

8.1.1.5 Coverage of Tenant's Personal Property. At all times during the Term of the Lease or any extension of the Lease, with respect to any personal property or removable improvements to the Premises ("Personal Property"), Tenant shall, at its sole cost and expense, cause to be provided and kept in force and effect insurance policies, naming City as an additional insured, against loss or damage to the Personal Property, in amount consistent with what a prudent operator of a comparable building would carry providing replacement cost coverage for perils typically insured against in a California standard form fire insurance or other applicable policy. The replacement cost of the Personal Property 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.

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

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

8.1.1.8 Adjustment of Insurance Levels. City reserves the right at any time during the Term of this Lease, at its sole discretion applying generally accepted Risk Management principles, to change the amounts and types of insurance required hereunder (other than the amounts of insurance covering Tenant's Personal Property as set forth in Section 8.1.1.5) effective at the renewal date of insurance then in effect (in no case more than one year from the written notice) by giving ninety (90) days written notice provided that such amounts and/or types shall be reasonably available to at commercially reasonable premiums.

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

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

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

8.4 City Insurance Obligations. At all times during the Term of the Lease or any extension of the Lease, City shall, at its sole cost and expense, cause to be provided and kept in force and effect the following insurance policies, each of which shall name Tenant as an additional insured:

8.4.1 General Liability Insurance. The City shall obtain Commercial General Liability insurance with coverage for Premises and Operations, Products and Completed Operations, Blanket Contractual Liability, Broad Form Property Damage,

and Personal Injury coverages included and shall provide for total limits of not less than FIVE MILLION DOLLARS (\$5,000,000) Combined Single Limit for bodily injury and property damage. Umbrella or Excess Liability coverages may be used to supplement primary coverages to meet required limits. Such insurance shall be in a form reasonably acceptable to Tenant and provide for the following:

8.4.1.1 Include Tenant, its boards, officers, agents and employees as additional insureds for the development, operation and maintenance of a museum and all activities and insured risks related thereto.

8.4.1.2 That the insurance is primary and not contributing with any other insurance maintained by Tenant.

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

8.4.1.4 That, to the extent City elects not to self-insure (as provided in Section 8.4.5) and with respect to the interests of Tenant, should the insurer elect to cancel insurance before the stated expiration date, or decline to renew in the case of a continuous policy, or materially reduce 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 Tenant's interest, the insurer will provide Tenant at least thirty (30) days prior written notice of such election. It is understood, however, that such notice to Tenant shall not affect the insurer's right to give a lesser notice to the City in the event of nonpayment of premium.

8.4.2 Coverage of the Property. At all times during the Term of the Lease or any extension of the Lease, the City shall, at its sole cost and expense, cause to be provided and kept in force and effect insurance policies insuring against loss or damage to the Park, including the Shared Spaces, and the Premises (excluding the Personal Property), in an amount consistent with what a prudent operator of a comparable property would carry providing replacement cost coverage for perils typically insured against in a California standard form fire insurance policy, which in no event shall be less than those perils covered by ISO Causes of Loss-Special Form property insurance (formerly known as "All-Risk"). The replacement cost of the Park, including the Shared Spaces, and the Premises, shall be determined in accordance with the standard practices of the insurance industry and evidenced by the certificate of the insurance company or companies issuing such insurance at the time the policy or policies are obtained. The City reserves its right to self-insure.

8.4.3 Coverage of the Tenant's Personal Property. City shall have no obligation to obtain or maintain insurance coverage against loss or damage of Tenant's Personal Property that is in the care, custody and control of Tenant, including, without limitation, any artworks located at the Premises.

8.4.4 Workers' Compensation. The City shall comply with the provisions of section 3700, et seq., of the California Labor Code and shall be insured or self-insure (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.

8.4.5 Reduction of Insurance Protection. If any of the required insurance coverages contain aggregate limits, then, in the event of any incident, occurrence, claim, settlement, or judgment against such insurance which in the City's reasonable judgment may diminish the protection such insurance affords Tenant, the City shall take reasonable steps to restore such aggregate limits or shall provide other insurance protection for such aggregate limits.

8.4.6 Self-Insurance. Notwithstanding the foregoing provisions of this Article 8 – Insurance to the contrary, City shall have the right to maintain the insurance required of this Section through a program composed of any combination of self-insurance, risk retention, commercial insurance, risk transfer, and/or risk pooling authorized by California law, all at City's sole option, provided that the program or programs provide at least the same protection from liability and defense of suits as would be afforded by first-dollar insurance.

8.5 Mutual Release and Waiver of Subrogation.

8.5.1 Mutual Waiver of Claims. Notwithstanding Section 8.6 below, each of the City and Tenant, on its own behalf and on behalf of anyone claiming under or through it by way of subrogation, hereby releases and waives all rights of recovery and causes of action against the other from any and all liability for any loss or damage to property or resulting from damage to such property (and, in either case, any resulting loss of business or rental income), whether caused by the negligence or fault of the other party, which loss or damage arises from the perils typically insured against in a California standard form fire insurance policy (which in no event shall be less than those perils covered by ISO Causes of Loss-Special Form property insurance (formerly known as "All-Risk")) or any insurance required to be maintained hereunder. In the event either the City or Tenant is a self-insurer or maintains a deductible (as either may be permitted hereunder), then the self-insuring party or the party maintaining the deductible hereby releases the other party from any liability arising from any event which would have been covered had the required insurance been obtained and/or the deductible not been maintained. This waiver shall be in addition to any other waiver or release contained in this Lease.

8.5.2 Waiver of Subrogation. To the maximum extent permitted by law, each party hereto hereby waives its rights of recovery against the other for any physical damage the first party may sustain to the extent that such damage is covered, or is required to be covered under this Agreement, by valid and collectible property insurance (including any combination of self-insurance, risk retention, commercial insurance, risk transfer, and/or risk pooling). Each party will notify its respective insurers of such



agreement. Further, each party hereby waives its insurer's rights of subrogation against the other to the extent that its insurance policies so permit. For clarity, and without limiting the foregoing, all loss or damage resulting from risks that a party is required or has elected to insure (including any combination of self-insurance, risk retention, commercial insurance, risk transfer, and/or risk pooling) shall be subject to this waiver of subrogation.

#### 8.6 Indemnification.

8.6.1 Except for the negligence or willful misconduct of the City or any of its Boards, Officers, Agents, Employees, Assigns and Successors in Interest, Tenant undertakes and agrees to defend, indemnify and hold harmless the 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, reasonable attorney's fees (outside counsel) and cost of litigation (including all actual litigation costs incurred by the City, including but not limited to, costs of experts and consultants), damages or liability of any nature whatsoever, for death or injury to any person, including Tenant'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 Tenant or its subcontractors of any tier. Rights and remedies available to the City under this provision are cumulative of those provided for elsewhere in this Lease and those allowed under the laws of the United States, the State of California, and the City. The provisions of this paragraph shall survive expiration or termination of this Lease.

8.6.2 Except for the negligence or willful misconduct of Tenant or any of its Boards, Officers, Agents, Employees, Assigns and Successors in Interest, City undertakes and agrees to defend, indemnify and hold harmless the Tenant 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, reasonable attorney's fees (outside counsel) and cost of litigation (including all actual litigation costs incurred by Tenant, including but not limited to, costs of experts and consultants), damages or liability of any nature whatsoever, for death or injury to any person, including City'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 City or its subcontractors of any tier. Rights and remedies available to Tenant under this provision are cumulative of those provided for elsewhere in this Lease and those allowed under the laws of the United States, the State of California, and the City. The provisions of this paragraph shall survive expiration or termination of this Lease.

### ARTICLE 9. MAINTENANCE, OPERATION AND SECURITY

9.1 Maintenance and Operation of Premises. Tenant agrees to operate and maintain, or cause others to operate and maintain, at Tenant's sole cost and expense,

the Premises in a condition that at a minimum conforms to the standard of maintenance described in Paragraph 9.2 of this Lease, during the entire term of this Lease. Operation and maintenance duties shall include but are not limited to maintenance and repair of the electrical systems, lighting, electronic equipment, structures, trash collection, and security within the Premises (as applicable). Tenant shall be responsible for opening and closing the entrance to the Premises each day and shall keep the entrance locked other than during operating hours. Tenant shall further comply with all applicable legal requirements and the insurance requirements set forth in Article 8 of this Lease. City agrees to operate and maintain, or cause others to operate and maintain, at City's sole cost and expense, the Park, including the Ranger Station and the Shared Spaces, excluding the Premises, in a condition that at a minimum conforms to the standard of maintenance described in Paragraph 9.2 of this Lease, during the entire term of this Lease, including providing reasonable security personnel.

9.2 Standard. City and Tenant desire the Premises and the Park to be operated and maintained in a condition so they can be safely used for the operation of art- and culture-related public programs and museum related uses. Tenant shall use all reasonable efforts to ensure that the condition and state of repair of the Premises, shall at all times be, without limitation, as follows: secured and watertight and safe and free from known and reasonably foreseeable hazards; free from unsightly signs, displays, markings, and graffiti; free from litter and debris; and that the exterior of the Premises shall be kept in such condition as not to detract from the surrounding neighborhood.

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

Tenant shall take steps to ensure that all accidents involving personal injury and/or property damage and fires occurring within the Premises of which Tenant has actual knowledge are reported promptly to General Manager. In the event of injury to a patron or customer, Tenant shall use its best efforts to contact the appropriate first responders to attend 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, Tenant shall submit to City, Tenant's Incident Report (the form of which has been reviewed and approved by the City) or a City Form General No. 87 ("Non-Employee Accident or Illness Report") or make such other report as City may reasonably require.

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

9.3.2 Tenant shall provide and maintain adequate first aid equipment to serve the potential needs of employees, its contractors and co-operators, and the general public in their use of the Premises.

9.3.3 Tenant shall, in consultation with General Manager, and other appropriate inspection officials, participate in a regular program of Fire and Safety Inspections covering the Premises and the Shared Spaces.

9.3.4 Tenant shall provide and maintain portable fire extinguishers of appropriate size, type, and distribution to adequately protect the Premises.

9.4 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, and, in addition, shall not obligate City for any costs or expenses related to the construction, improvement, or maintenance of any building or other structure at the Premises.

9.5 Refuse and Trash; Recycling. Tenant shall keep the Premises neat, 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 Tenant shall take all reasonable precautions to prevent any such matter or material from being or accumulating upon the Premises. Tenant shall provide for the collection and removal of all garbage and/or refuse from the Premises as often as necessary. Tenant shall, during the Term of this Lease or any extension thereof, 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). City shall be responsible for such matters with respect to the Park, including the Ranger Station and the Shared Spaces, other than the Premises.

9.6 Security. City is not obligated under this Lease to provide any special security for the Premises, but shall be responsible for security for the Ranger Station, the Shared Spaces and the Park. Tenant shall be responsible to provide all security for the Premises. In addition, Tenant shall not permit unauthorized persons on the Premises. Tenant shall ensure that all children on the Premises are adequately supervised.

## ARTICLE 10. UTILITIES, SEWERS, AND STORM DRAINS

10.1 Utilities. Tenant shall pay or cause to be paid all service charges for water, sewer, electricity, power and all other utilities or services used rendered or supplied to, upon or in connection with the Premises.

## ARTICLE 11. DAMAGE

11.1 Damage. If the Park, Building or Premises (including the Improvements) are damaged by fire or other casualty (a "Casualty"), the City shall use good faith efforts to deliver to Tenant within thirty (30) days after such Casualty a good faith estimate of the time needed to repair the damage caused by such Casualty (the "Damage Notice"). If (a) the City and Tenant mutually agree in good faith that the estimated cost to repair the damage caused by the Casualty exceeds the insurance proceeds available under the insurance policies required to be maintained by the City under Section 8.4 (or the self-insurance program or programs permitted by Section 8.4.5) and, if applicable, the Tenant under Section 8.1.1.6, (b) the City and Tenant mutually agree in good faith that the damage caused by the Casualty cannot be repaired within one (1) year after the Casualty or (c) the Casualty occurs within the last five (5) years of the Lease term, then either party may terminate this Lease by delivering written notice to the other of its election to terminate within thirty (30) days following the Damage Notice.

11.2 Repair Obligation. If neither party elects to terminate this Lease following a Casualty in accordance with Section 11.1, above, then the City shall, within a reasonable period of time after the occurrence of such Casualty, begin to repair the damaged portion of the Park, Building and/or Premises (including the Improvements) and shall proceed with reasonable diligence to restore such damaged portion(s) to substantially the same condition as they existed immediately before such Casualty; provided, however, that the City shall not be required to repair or replace any furniture, equipment, trade fixtures or Personal Property of Tenant located within the Premises. If the Casualty occurs during any period in which Tenant is required to maintain Builder's Risk insurance on the Improvements pursuant to Section 8.1.1.6, then Tenant will assign the entire proceeds of such Builder's Risk insurance to the City for the purpose of completing the required repairs. The parties agree to cooperate in good faith to collect any insurance proceeds which may be applicable in the case of a Casualty and to prosecute any and all repairs to the Park, Building and Premises (including the Improvements) to completion.

## ARTICLE 12. HAZARDOUS MATERIALS

12.1 LPA Remediation. City and Tenant agree that Tenant will, at Tenant's sole cost and expense, contract with a remedial contractor ("LPA Consultant") for the remediation of any LPA existing within the Building (the "LPA Remediation"). Tenant will cause the LPA Consultant to review the survey of all LPA in the Building, which identifies all known or suspect LPA in the Building and, provide detailed recommendations for the removal, repair or abatement of the LPA with special attention to programming areas planned for occupation by children and the general public (the "LPA Remediation Proposal"). The LPA Consultant will prepare such recommendations working collaboratively with the City's appropriate department, which will be indicated by the General Manager. Tenant will deliver the LPA Remediation Proposal to the City.

12.1.1 The City will approve or disapprove the LPA Remediation Proposal, in the City's sole discretion, by delivering written notice thereof to Tenant

within thirty (30) days following the City's receipt of the LPA Remediation Proposal. In the event that the City does not deliver such notice to Tenant within such thirty (30) day period, the LPA Remediation Proposal will be deemed approved.

12.1.2 If the City disapproves the LPA Remediation Proposal in writing, the City's notice of such disapproval will be accompanied by a detailed description of the reasons for such disapproval and the specific modifications that the LPA Consultant would need to make to the LPA Remediation Proposal to render the LPA Remediation Proposal acceptable to the City. Tenant may then, at Tenant's sole election, (a) revise and resubmit the LPA Remediation Proposal to the City, in which case the process described in Section 12.1.1 and this Section 12.1.2 will repeat, or (b) terminate this Lease.

12.1.3 If the City approves the LPA Remediation Proposal, then Tenant will, at Tenant's sole cost and expense, cause the LPA Consultant to perform the LPA Remediation as recommended in the LPA Remediation Proposal. The City agrees that any waste disposal, transportation and/or management documentation pertaining to the LPA Remediation shall be in name of and on behalf of the City, and the City shall execute waste manifests and other documentation as may be necessary under applicable law for waste management and disposal relating to the LPA using the City's identification number. The Tenant will be responsible for the payment of all hazardous waste and manifest fees associated with LPA Remediation.

12.1.4 The City agrees that the completion of the LPA Remediation in accordance with the LPA Remediation Proposal as approved by the City will entirely satisfy any obligation of Tenant to assist the City in complying with the EIR regarding mitigation of Hazardous Materials (including but not limited to LPA) within the Building, and that upon such completion, Tenant will bear no further responsibility or liability for any LPA in the Building or at the Park, the Shared Spaces or the Premises, either under the EIR or any applicable laws, except to the extent that Tenant newly introduces LPA or any other Hazardous Materials to the Building or to the extent that any subsequent alterations by Tenant require additional remediation of LPA in the Building due to a change in use (i.e., in the event a storage area is converted to a public gallery or program space and such portion of the Building was not sufficiently remediated in the initial LPA Remediation), in which case the provisions of Section 12.2.1 will apply. The City agrees that, upon completion of the LPA Remediation in accordance with the LPA Remediation Proposal, and subject to the provisions of Section 12.2.1, the City shall indemnify, defend, and hold Tenant harmless (with counsel reasonably acceptable to Tenant) from any and all claims, judgments, damages, penalties, fines, costs, liabilities or losses (including, without limitation, any sums paid in settlement of claims, reasonable attorneys' fees, consultant fees and expert fees) which arise during or after the Term as a result of any LPA.

12.2 Hazardous Materials. In addition to the provisions of Section 12.1, City and Tenant agree as follows with respect to the existence or use of Hazardous Material (as defined in Paragraph 12.2.3) on the Premises:

12.2.1 Prohibition. Tenant shall not cause or permit any Hazardous Material to be brought upon, kept or used in or about the Premises (other than common products typically used in connection with the operation of museums) by its agents, employees, tenants, sub-tenants, contractors or invitees in violation of law or in quantities which would require reporting to a governmental entity, without the prior written consent of General Manager, acting at General Manager's sole discretion. If Tenant breaches the obligations stated in the preceding sentence, or if the presence of Hazardous Material on the Premises caused by Tenant results in contamination of the Premises, or if contamination of the Premises by Hazardous Material otherwise occurs for which Tenant is legally liable to City for damage resulting therefrom, then, Tenant shall indemnify, hold City harmless, and defend City (with counsel reasonably acceptable to City) from any and all claims, judgments, damages, penalties, fines, costs, liabilities or losses (including, without limitation, diminution in value of the Premises, and sums paid in settlement of claims, attorneys' fees, consultant fees and expert fees) which arise during or after the Term as a result of such contamination, except to the extent such contamination is related to the negligence or willful misconduct of the City. This indemnification of City by Tenant includes, without limitation, costs incurred in connection with any investigation of site conditions or any cleanup, remedial, removal or restoration work required by any federal, state or local governmental agency or political subdivision because of Hazardous Material present in the soil or ground water on or under the Premises, which was caused by Tenant. Without limiting the foregoing, if the presence of any Hazardous Material on the Premises caused by Tenant results in any contamination of the Premises, Tenant shall promptly take all actions at its sole expense as are necessary to return the Premises to the condition existing prior to the introduction of any such Hazardous Material to the Premises; provided that City's approval of such actions shall first be obtained.

12.2.2 Compliance Costs. Notwithstanding anything to the contrary in Section 12.2.1 above, City and Tenant acknowledge that City is legally liable for the costs of complying with laws relating to Hazardous Material under the following circumstances: (1) Hazardous Material present in the Building, soil or ground water which was not introduced to the Building, soil or ground water by Tenant (excepting LPA within the Building only until the LPA Remediation is completed in accordance with the LPA Remediation Proposal); (2) a change in laws which relate to Hazardous Material which make such Hazardous Material which is present on the Premises as of the date Tenant initially occupied the Premises, whether known or unknown to City, a violation of such new laws; (3) Hazardous Material that migrates, flows, percolates, diffuses or in any way moves on to or under the land and was not introduced to the Premises by Tenant; (4) Hazardous Material present on or under the land as a result of any discharge, dumping or spilling (whether accidental or otherwise) on the land by other occupiers of the Park or the Premises or their agents, employees, contractors or invitees, or by others. Accordingly, City and Tenant agree that any loss by City related to such Hazardous Materials, including, but not limited to, any claims, judgments, damages, penalties, fines, liabilities or costs of complying with laws shall be borne by City.

12.2.3 "Hazardous Material" - Definition. As used herein, the defined term "Hazardous Material" means any chemical, substance, material, or waste or component thereof the presence of which requires investigation or remediation under any federal, state, or local statute, regulation, ordinance, order, action, policy, or common law, or which is now or hereafter listed, defined, or regulated as a flammable explosive, radioactive material, hazardous or toxic chemical, substance, material or waste or component thereof (whether injurious by themselves or in conjunction with other materials) by any federal, state, or local governing or regulatory body having jurisdiction, or which would trigger any employee or community "right-to-know" requirements adopted by such body, or for which any such body has adopted any requirements for the preparation or distribution of a material safety data sheet. "Hazardous Material" includes, without limitation, any material or substance which is: (1) defined as a "hazardous waste," "extremely hazardous waste" or "restricted hazardous waste" under Sections 25115, 25117 or 25122.7, or listed pursuant to Section 25140, of the California Health and Safety Code, Division 20, Chapter 6.5 (Hazardous Waste Control Law); (2) defined as a "hazardous substance" under Section 25316 of the California Health and Safety Code, Division 20, Chapter 6.8 (Carpenter-Presley-Tanner Hazardous Substance Account Act, California Health and Safety Code Section 25300, et seq.); (3) defined as a "hazardous material," "hazardous substance," or "hazardous waste" under Section 25501 of the California Health and Safety Code, Division 20, Chapter 6.95 (Hazardous Materials Release Response Plans and Inventory, California Health and Safety Code Section 25500, et seq.); (4) defined as a "hazardous substance" under Section 25281 of the California Health and Safety Code, Division 20, Chapter 6.7 (Underground Storage of Hazardous Substances, California Health and Safety Code Section 25280, et seq.); (5) petroleum; (6) asbestos; (7) defined as a "hazardous constituent," "hazardous material," "hazardous waste," or "toxic waste" under Article 2 of Chapter 10 (Section 66260.10) or defined as a "hazardous waste" under Article 1 of Chapter 11 (Section 66261.3) of Title 22 of the California Code of Regulations, Division 4.5 (Environmental Health Standards for the Management of Hazardous Waste, 22 C.C.R. Section 66001, et seq.); (8) designated as a "hazardous substance" pursuant to Section 311 (33 U.S.C. § 1321) of the Clean Water Act of 1977, as amended (Federal Water Pollution Control Act, 33 U.S.C. § 1251, et seq.); (9) defined as a "hazardous waste" pursuant to Section 1004 (42 U.S.C. § 6903) of the Federal Resource Conservation and Recovery Act of 1976, as amended (RCRA, 42 U.S.C. § 6901, et seq.); (10) defined as a "hazardous substance" pursuant to Section 101 (42 U.S.C. § 9601) of the Comprehensive Environmental Response, Compensation and Liability Act of 1980, as amended (CERCLA, 42 U.S.C. § 9601, et seq.); or (11) defined as "hazardous material" under Section 103 (49 U.S.C. § 1802) of the Hazardous Materials Transportation Act (49 U.S.C. § 1801, et seq.), as such laws may be amended from time to time, and the regulations adopted and publications promulgated pursuant to such laws.

12.2.4 Disposal of Hazardous Material. If Tenant and/or its subtenants, dispose of any soil, material, chemicals, fluids, or groundwater contaminated with Hazardous Material, Tenant shall provide City copies of all permits, certificates, and records relating to such disposal, including a copy of each uniform hazardous waste



manifest indicating the quantity and type of material being disposed of, the method of transportation of the material to the disposal site and the location of the disposal site.

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

12.4 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. Tenant and City shall comply with the requirements of Section 25359.7 and any successor statute thereto and with all other statutes, laws, ordinances, rules, regulations and orders of governmental authorities with respect to hazardous substances.

## ARTICLE 13. DEFAULT, CANCELLATION AND TERMINATION

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

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

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

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

13.2 Default - City's Remedies. If any one or more Events of Default set forth in Section 13.1 occurs, then City may, at its election, without any further notice to or

authorization from Tenant, and without waiving its rights at any time to select any other remedy provided in this Section, elsewhere in this Lease, or under law, do any one of the following:

13.2.1 Termination and Substitution of Successor. City may give Tenant written notice of such Event of Default. If Tenant does not cure said default within thirty (30) days after notice (or forthwith for a default involving sanitary or safety conditions and maintaining insurance required under this Lease, or such longer period as is reasonably necessary to remedy such default, provided that Tenant shall continuously and diligently pursue such remedy at all times until such default is cured), City may, upon delivering written notice to Tenant, terminate this Lease. Should said termination be ordered, Tenant will peaceably surrender and vacate the Premises and will comply with all of the requirements of this Lease with regard to termination.

13.2.2 Specific Performance. City may give file with the appropriate court of competent jurisdiction an action for specific performance under this Lease;

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

13.3 No Waiver. The conduct of either party or the acceptance of all or part of any payment by City after an Event of Default for any period after an Event of Default shall not be deemed a waiver of any rights and remedies, nor a waiver of the default of the same or any other provision, covenant or condition. Waiver by either City or Tenant of any breach by the other of any covenant, condition or obligation herein contained or failure by either City or Tenant 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 Tenant in respect of any such subsequent breach.

13.4 Default By City. In the event City defaults in the performance of any of the provisions or conditions of this Lease, and if a written notice of such default is issued to City by Tenant, and if City does not commence to cure said default within sixty (60) days of receipt of said notice, Tenant may terminate this Lease or obtain specific performance, except that where immediate action is reasonably required, Tenant may immediately obtain specific performance.

13.5 Termination by Either Party. Either party may terminate this Lease upon 60 days' prior written notice to the other party in the event that Tenant has not commenced construction prior to the date that is twelve months from the Execution Date.

## ARTICLE 14. SURRENDER OF PREMISES

14.1 Surrender Of Premises. Upon termination of this Lease for any reason whatsoever, Tenant shall quit and surrender possession to City the Premises in good

and usable condition, reasonable wear and tear and damage by fire or other casualty excepted.

14.2 Failure To Surrender. If Tenant fails to surrender the Premises, together with the Improvements thereon, upon the termination of this Lease, Tenant 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 Tenant beyond the expiration of the Term or the earlier termination of this Lease.

14.3 Uninterrupted Service. To avoid interrupted service to the public upon the expiration or termination of this Lease for any reason, Tenant will consent to the use of the Improvements by a temporary operator designated by General Manager, used in the operations authorized hereunder upon fair terms and conditions.

## ARTICLE 15. ASSIGNMENT AND BANKRUPTCY

15.1 Assignment And Subletting. Except to the Philharmonic (or, in the event that the Philharmonic does not elect to sublease space in the Premises, to one or more other cultural nonprofit organizations, reasonably satisfactory to the City, that agree to provide public programming reasonably acceptable to the City), Tenant shall not sublet the Premises or any part thereof or allow the same to be used or occupied by any other person, group or organization for any other use than that herein specified, nor assign this Lease, in whole or in part, nor transfer, assign or in any manner convey any of the rights or privileges herein granted to any other entity without the prior written approval of City, which approval shall not be unreasonably withheld. Any attempt to sublease, assign or transfer without the written consent required by this Section shall be void and shall transfer no rights to the Premises. Notwithstanding the foregoing, Tenant may assign this Lease to an affiliate of Tenant without the prior consent of City. The use of the Premises by other non-profit organizations which provide programming in the Premises pursuant to Section 5.1.2.4 and/or the short term and occasional use of the Premises for other activities such as location filming, special events, and projects with artists or other non-profit or governmental agencies shall not be considered assignments or subletting and Tenant may allow such use without the prior written consent of City (however, net income, if any, from such activities is subject to the provisions of Section 5.4).

15.2 Bankruptcy. To the extent permitted by law, neither this Lease nor the rights herein granted shall be assignable or transferable by any process or proceedings in any court, or by attachment, execution, proceedings in insolvency or bankruptcy either voluntary or involuntary, or receivership proceedings. To the extent the previous sentence is not permitted by law, in the event that Tenant shall be adjudicated a bankrupt, or become involved in any proceedings under the bankruptcy laws of the United States or the receivership laws of the State of California, or if the leasehold

interest created by this Lease or any improvements constructed pursuant to this Lease are transferred due to operations of law, including, without limitation, the enforcement of a judgment, the trustee in bankruptcy, the receiver, the assignee, or the judgment purchaser shall be bound by all provisions of this Lease, including, without limitation, the requirement that the Premises be operated by a nonprofit entity.

## ARTICLE 16. CONDEMNATION

16.1 Eminent Domain. Should the Premises be taken for public use under the power of eminent domain or by negotiated sale and purchase in lieu thereof, this Lease shall immediately terminate upon acquisition of said property for public use, and any compensation, sums, or anything of value awarded, paid, or received for or on account of the Premises shall be allocated to the parties in accordance with their respective interests in the Premises. If a portion only of the Premises is taken and the remainder is suitable for continued use under the provisions of this Lease, Tenant may, at Tenant's option, terminate the Lease by delivering written notice of Tenant's election to City within forty-five (45) days following such taking. In the case Tenant elects not to terminate the Lease, the City will perform any repair, reconfiguration, or restoration of the Premises necessary, in Tenant's reasonable discretion, to ensure the Premises are in substantially the same condition as prior to the taking (excepting the taken portion of the Premises) and that Tenant may continue to operate therein, and the entire award including severance damages to land and improvements shall belong to City, provided that the City will apply such award to the costs of such repair, reconfiguration, or restoration of the Premises.

To the extent permitted by Law, the City, for itself and for any entity controlled by or related to the City, hereby agrees that a total taking of the Tenant's interest in this Lease or a partial taking that would give Tenant a right to terminate this Lease pursuant to this section shall only be effected if the City reasonably determines that (a) the overriding public interest or necessity requires the City to take possession of the Premises, (b) the City's proposed use of the Premises is planned and located in a manner that will be most compatible with the greatest public good and least private injury and (c) the Premises is necessary for the City's overriding proposed use. Further, if the taking results in a termination of this Lease, the City and the Tenant stipulate to an award for Tenant's interest in the Lease, which will be paid solely to Tenant, that is the greater of (i) the award determined by a court for such taking or (ii) the "Unamortized Improvement Value," the amount of which shall be calculated in accordance with the following:

As used herein, the term "Cost of Improvements" shall mean the sum of (i) all amounts expended by Tenant for the Improvements, including all hard and soft costs and (ii) all amounts subsequently expended by Tenant for other improvements and Alterations to the Premises, including all hard and soft costs.

The Cost of Improvements shall be amortized over a number of years equal to the number of remaining lease years at a rate of interest equal to the prime rate of interest as published in the Wall Street Journal plus two percent (2%) in effect as of the date of

each completion of such Improvement. The Unamortized Improvement Value shall be equal to the sum obtained by adding the unamortized values calculated in accordance with the foregoing two sentences as of the date of condemnation.

#### ARTICLE 17. NOTICES

17.1 Notices. All notices and demands which may or are to be required or permitted to be given by either party to the other hereunder shall be in writing. All notices and demands shall be personally delivered (including by means of professional messenger service), sent by United States mail, postage prepaid, return receipt requested, or transmitted by telecopier (e.g., Fax) or electronic mail, in which case the receiving party shall promptly confirm receipt of such telecopied or e-mailed notice. All notices are effective upon receipt. For the purposes of such notices, the addresses for the parties are set forth in Section 17.2 below. In the event City is unable to give notice to Tenant at the address(es) provided to City by Tenant, notice shall be deemed effective when addressed to Tenant at the Premises. Either party may from time to time designate another person or place in a notice.

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

**To City:**

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

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

**with a copy of any notice to:**

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

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

and with another copy of any notice to

Office of the City Attorney  
Real Property/Environment Division  
200 North Main Street, Room 700 City  
Hall East  
Los Angeles, California 90012-4130

Facsimile: (213) 978-8090

**To Tenant:**

Museum Associates, dba The Los Angeles  
County Museum of Art  
c/o  
5905 Wilshire Boulevard  
Los Angeles, California 90036

Manatt, Phelps & Phillips, LLP  
Attention: Michael Polentz, Esq.  
1841 Page Mill Road  
Suite 200  
Palo Alto, CA 94304

Telephone: (323) 857-6000

Telephone: (650) 251-1440  
Facsimile: (650) 213-0269

Email Address:

**ARTICLE 18. ORDINANCE MANDATED PROVISIONS**

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

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

otherwise pursue legal remedies that may be available if City determines that the subject contractor violated the provisions of the SCWRO.

### 18.3 Living Wage Ordinance.

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

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



non-coverage or exemption from the provisions of the LWO, the burden shall be on Tenant to prove such non-coverage or exemption.

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

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

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

#### 18.5 Contractor Responsibility Ordinance

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

lessees or licensees of City property who are covered by the CRO, including those subject to the CRO due to an amendment, are required to complete the following Pledge of Compliance (“POC”):

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

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

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

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

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

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

#### 18.5.2 Update of Information. Tenant shall:

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

health and safety, labor and employment, wage and hour, and licensing laws which affect employees;

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

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

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

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

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

**18.5.3 Compliance; Termination Provisions and Other Remedies.** If Tenant is not initially exempt from the CRO, Tenant shall comply with all of the provisions of the CRO and this Lease. If Tenant is initially exempt from the CRO, but later no longer qualifies for such exemption, Tenant shall, at such time Tenant is no longer exempt, comply with the provisions of the CRO and this Lease. Failure to comply with the provisions of the CRO, including without limitation the requirements that all responses to the Questionnaire are complete and accurate, to provide updates as

provided therein and to correct any deficiencies within ten (10) days of notice by City, or failure to comply with the provisions of this Lease shall constitute a material breach of this Lease.

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

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

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

## ARTICLE 19. MISCELLANEOUS PROVISIONS

19.1 Amendment Of Lease. No amendment, modification, supplement or mutual termination of any provision of this Lease shall in any event be effective unless the same shall be in writing and signed by City and Tenant.

19.2 Binding Effect. Subject to the provisions of this Lease relative to assignment (Article 15), this Lease shall be binding upon and inure to the benefit of the heirs, executors, administrators, transferees, successors and assigns of the respective parties hereto.

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

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

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

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

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

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

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

19.10 Memorandum Of Lease. A Memorandum of Lease, substantially in the form as that attached to this Lease as Exhibit C, shall be completed and executed by both parties concurrently with the execution of this Lease. City shall record such Memorandum of Lease at its sole cost and expense immediately after execution of the Lease.

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

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

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

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

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

19.16 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."

19.17 Consent. Unless expressly stated to the contrary, wherever consent or approval is requested pursuant to this Lease, such consent or approval shall not be unreasonably withheld, conditioned or delayed.

[Signature Page to Follow]



IN WITNESS WHEREOF, the CITY OF LOS ANGELES, a municipal corporation, acting by and through its BOARD OF RECREATION AND PARK COMMISSIONERS, Landlord herein, and the MUSEUM ASSOCIATES DBA THE LOS ANGELES COUNTY MUSEUM OF ART, a 501C(3) non-profit corporation, Tenant herein, have caused this Lease to be executed as of the date of the attestation by the City Clerk.

Executed this 21 day  
of MARCH, 2018

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

By [Signature]  
PRESIDENT

By [Signature]  
SECRETARY

Executed this 8<sup>th</sup> day  
of March, 2018

MUSEUM ASSOCIATES DBA THE LOS ANGELES COUNTY MUSEUM OF ART, a 501C(3) non-profit corporation

By [Signature]  
MICHAEL GOVAN, CEO

By [Signature]  
FRED GOLDSTEIN,  
SENIOR VICE PRESIDENT AND  
GENERAL COUNSEL

Approved as to Form:

Date: March 14, 2018

MICHAEL N. FEUER  
City Attorney

By [Signature]  
LAURA CADOGAN HURD  
Deputy City Attorney

ATTEST:

Date:

HOLLY WOLCOTT, City Clerk

By [Signature]  
DEPUTY CITY CLERK



Council File Number: \_\_\_\_\_ Date of Approval: \_\_\_\_\_

Said Agreement is Number C-131091 - 3/29/18 of  
City Contracts

**ACKNOWLEDGMENT**

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 LA

On 3/12/18 before me, Kimberly J. Henderson, Notary Public  
(insert name and title of the officer)

personally appeared Sylvia Pat. Sauras, Iris Thiersgood  
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 Kimberly J. Henderson (Seal)



EXHIBIT A: PLOT PLAN AND LEGAL DESCRIPTION

CURRENT APN: ON A PORTION OF 5101-002-900

STREET ADDRESS 5413 S. AVALON BOULEVARD, LOS ANGELES, CA 90003



**EXHIBIT B**  
**INSURANCE REQUIREMENTS**

Attached.

# Required Insurance and Minimum Limits

Name: Museum Associates dba The Los Angeles County Museum of Art

Date: 01/18/2018

Agreement/Reference: for a portion of the South Los Angeles Wetlands Park, CD9

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

Limits

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

WC Statutory

EL \$1,000,000

Waiver of Subrogation in favor of City

Longshore & Harbor Workers

Jones Act

**General Liability** The City of Los Angeles must be named as an additional insured

\$5,000,000

Products/Completed Operations

Sexual Misconduct \_\_\_\_\_

Fire Legal Liability \_\_\_\_\_

\_\_\_\_\_

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

\$1,000,000

**Professional Liability** (Errors and Omissions)

Discovery Period 12 Months After Completion of Work or Date of Termination

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

All Risk Coverage

Boiler and Machinery

Flood \_\_\_\_\_

Builder's Risk

Earthquake \_\_\_\_\_

\_\_\_\_\_

**Pollution Liability**

Contractor's Pollution Liability \_\_\_\_\_

**Surety Bonds - Performance and Payment (Labor and Materials) Bonds**

100% of the contract price

**Crime Insurance**

Other: Provided to Cid Macaraeg @ RAP

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

**EXHIBIT C  
MEMORANDUM OF LEASE**

RECORDING REQUESTED BY AND WHEN RECORDED MAIL TO:

CITY OF LOS ANGELES  
DEPARTMENT OF RECREATION  
AND PARKS  
c/o Office of the City Attorney  
Real Property/Environment Division  
Room 700, James K. Hahn 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 on page 2 of this Memorandum, by and between the CITY OF LOS ANGELES, a municipal corporation, as Landlord ("City") and the MUSEUM ASSOCIATES, DBA THE LOS ANGELES COUNTY MUSEUM OF ART, a nonprofit corporation ("Tenant"), who agree as follows:

1. Term and Premises. City leases to Tenant, and Tenant leases from City, a portion of that real property located in the City of Los Angeles, County of Los Angeles, State of California, at 5413 S. Avalon Boulevard, Los Angeles, California 90003 ; also known as South Los Angeles Wetlands Park, for a term of thirty-five (35) years, on or about the date of execution of this Memorandum, on the provisions of the lease between the parties ("Lease"). These provisions are incorporated into this Memorandum by reference.
2. Provisions Binding On Tenant. The provisions of the Lease to be performed by Tenant, whether affirmative or negative in nature, are intended to and shall bind Tenant and its successors and assigns at any time, and shall inure to the benefit of City and its successors and assigns.
3. Provisions Binding on City. The provisions of the lease to be performed by City, whether affirmative or negative in nature, are intended to and shall bind City and its successors and assigns at any time, and shall inure to the benefit of Tenant and its successors and assigns.

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

[Signature Page to Follow]



Executed this 7th day  
of MARCH, 2018

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


By   
PRESIDENT

By   
SECRETARY

Executed this 8th day  
of March, 2018

MUSEUM ASSOCIATES DBA THE  
LOS ANGELES COUNTY MUSEUM  
OF ART, a 501C(3) non-profit  
corporation

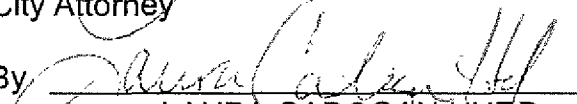
By   
MICHAEL GOVAN, CEO

By   
FRED GOLDSTEIN,  
SENIOR VICE PRESIDENT AND  
GENERAL COUNSEL

Approved as to Form:

Date: March 16, 2018

MICHAEL N. FEUER  
City Attorney

By   
LAURA CADOGAN HURD  
Deputy City Attorney

ATTEST:

Date:

HOLLY WOLCOTT, City Clerk

By \_\_\_\_\_  
DEPUTY CITY CLERK

Council File Number: \_\_\_\_\_ Date of Approval: \_\_\_\_\_

Said Agreement is Number \_\_\_\_\_ of  
City Contracts

# ACKNOWLEDGMENT

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 LA

On 3/12/18 before me, Kimberly J. Henderson, Notary Public  
(insert name and title of the officer)

personally appeared Sylvia Patsouras, Iris Thiergood  
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 Kimberly J. Henderson (Seal)



## EXHIBIT D

### Preliminary Public Programming Strategy

LACMA has conceived of a tailored slate of public programs that leverage the unique assets of the South Park neighborhood to fulfill the needs of the community. The museum's two-pronged approach serves residents by not only delivering programs that adults, families, and youth can participate in, but by also offering training opportunities for residents to lead and facilitate programs. This strategy enables LACMA to cultivate a truly collaborative relationship between the museum and neighborhood, one in which the perspectives of residents as both program participants and paid front-line staff help shape this satellite space into a responsive, site-specific organization built for and with the community.

The museum has a long history of working off-site in communities and is cognizant of the sensitivity, care, and expertise required in successfully establishing a presence in a neighborhood that residents embrace and utilize. South Park is an important Los Angeles neighborhood where LACMA can make a tremendous impact. First, it is populous. At over 21,000 people per square mile, it is one of the densest neighborhoods in the County, and the abundance of schools, churches, and community centers in the area reflect this. It is also home to a significant immigrant population. Almost half of the total residents are foreign born and about 30 percent of residents 25 years and older did not graduate high school.

The density, demographic make-up, and challenges of the area have attracted a plethora of programs that community members have access to, such as free health screenings, tax preparation, English language classes, and various drug, alcohol, and domestic violence support groups. While services aimed at addressing basic needs are plentiful, there is a dearth of arts and culture programming. If it does exist, it resembles "arts and crafts-type activities" (in the words of a resident) versus high-quality art programs. Formative feedback from other locals echoes a desire for innovative art programming and access to original works of art, as logistical barriers prohibit easy access to LACMA's main campus.

Additionally, there is an identified need for safe spaces free of gang association where diverse people from the surrounding area can gather. While gang activity in South Los Angeles has diminished from what it once was pre-1992, the existence of gangs is palpable and a factor in how and where residents spend their leisure time. It may not be safe to cross certain boundaries; therefore, community members tend to stay within a narrow radius surrounding their home.

The Wetlands site is largely perceived to be neutral, where people of diverse backgrounds already feel comfortable converging to run, walk, or enjoy a picnic. By implementing best practices in relationship-building, offering a dynamic menu of art programs for all ages, and enlisting residents as partners in delivering these offerings,

LACMA is poised to form a strong bond with the residents and fill in the gaps of services in the community.

The suite of programs below realizes the museum's vision in engaging locals both through compelling public art programs and via training initiatives that support residents in becoming paid staff. This cohesive educational strategy will enable regular two-way dialogue between LACMA and the community that will be critical to the site becoming an essential resource responsive to its constituents.

- Free Social Justice-themed School Tour and Art-making Program

To serve the 9,500 students within a mile of the Wetlands, LACMA will design a program model in which students visit the site multiple times, engaging in close looking at artworks and related art-making. LACMA will develop a thematic social justice curriculum for middle and high school students. By analyzing examples of art from the museum's collection that have been employed as tools for social critique, students will engage in provocative discussion and debate before creating their own artwork that addresses inequalities or injustices that matter most to them or that, perhaps, have personally affected them. This approach aligns with the curriculum at many of the local schools, which currently focuses on social justice themes. Through participating in the program, students will develop a greater understanding of art as a powerful communication tool that can shine a light on silenced issues.

\*In the first twelve months following execution of the Lease, LACMA will develop the curriculum of the program and solidify relationships with nearby schools. LACMA will launch the program once Space A (as defined in the Lease) is completed.

- Teen Tour Guide Program

The Teen Tour Guide Program is an iteration of LACMA's long-running, successful High School Internship Program. Each year a cohort of teens from the neighborhood will participate, for free, in an intensive training program focused on learning about the museum's collection and art history, strategies for facilitating conversations about art, and public speaking. LACMA considers these teens to be part-time museum paid interns who will receive compensation for their time in the form of a stipend for training and tours given. Upon graduation from the program, these students may then become the site's paid guides, ready to give tours to their peers and the public. Each year, a new cohort of teens will begin their training program and, over time, LACMA will develop a corps of guides from the neighborhood that will serve as the public face of the institution. Through participating in the program, teens gain vital leadership

skills, feel a sense of productivity, accomplishment, and contribution to their community, and help audiences personally connect to the artwork on view.

\* In the first twelve months following execution of the Lease, LACMA will develop the curriculum of the program. LACMA will recruit applicants to commence training once Space A is completed.

- Intergenerational Weekday and Weekend Programs

LACMA will develop a series of free public programs designed for caregivers and their children to make and discuss art together. Weekday programs will consist of formal workshops for caregivers of toddler and pre-school age children focused on strategies for engaging with art at the critical early childhood stage. Weekend programs will serve all ages with a drop-in format that encourages families to stay as long as they like and choose their activities. The art projects are open-ended to promote creativity and scalable to allow older children to take it in a direction a younger participant may not. An emphasis on interesting art-making materials, not accessible at stores in the neighborhood (feedback we heard from locals), will ignite wonder in the artistic process and expand creative possibilities. In addition to art-making, families may also attend tours led by graduates from the Teen Tour Guide Program. Many of the activities offered on these days will give participants an opportunity to discover art as a means to give voice to issues in their community or social issues that are of concern to residents.

\*LACMA will begin these offerings no later than the date which is the one-year anniversary of the execution of the Lease. These offerings will be provided no less frequently than twice a month via a rotating schedule of programs held at one of six Recreation and Parks Centers surrounding the Wetlands site. Conducting these initial workshops off-site using reproductions of artworks from the collection is a strategic way for LACMA to form meaningful relationships with residents and demonstrate the museum's value during construction. These offerings at the six Recreation and Parks centers will continue until Space A is completed, at which time LACMA will shift the location of this programming to the Premises, where original artworks will be the springboard for the activities.

- Teaching Assistant Training Program

Each year LACMA will train a cohort of young adults, at no cost to those individuals, to serve as teaching assistants for programs. Trainees will learn about the museum, art-making methods and materials, techniques for engaging program participants, and strategies for anticipating visitor needs. As part-time museum employees, they will receive compensation for their time. Through

participating in the program, young adults gain valuable professional skills, contribute to their community, and serve as front line representatives of LACMA.

\* In the first twelve months following execution of the Lease, LACMA will develop the curriculum of the program, recruit and train the first cohort of applicants at one of the six neighboring Recreation and Parks centers. The inaugural cohort will begin assisting programs at the Premises upon the completion of Space A.

## EXHIBIT E

<b>South Los Angeles Wetlands Park Project: Salvaged/Historical Items Inventory Update – June 9, 2011</b>
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Item	Original Provenience	Catalog No.	Status
Lighting Fixtures	Building 71, various	n/a	See revised nos. below
Lighting Fixtures	Building 72	SPS-01	Two fixtures present – Storage Bay (7) (boxed)
Lighting Fixtures	Building 195	SPS-02	One fixture present – Storage Bay (boxed)
Steel Fire Doors	Building 71, various	n/a	All present
Wooden Work Benches	Building 71, Bays 3 & 5	SPS-03	All present
Steel Work/Layout Tables	Building 71, Bay 5	SPS-04 and SPS-05	All removed by MTA
36" Box and Pan Break	Building 71, Bay 5	SPS-06	Removed by MTA
Arbor Press	Building 71, Bay 5	SPS-07	Removed by MTA
Shipping-Receiving Office	Building 71, Bay 6	SPS-08	Present
Shipping-Receiving Floor Scale	Building 71, Bay 6	SPS-09	Present, floor plate partially removed
Shipping-Receiving Overhead Track	Building 71, Bay 6	SPS-10	Present
Hydraulic Freight Elevator	Building 71, Bay 8	SPS-11	Present
Stencil Cutting Machines w/ Tables	Building 71, Bay 8, upper level	SPS-12 and SPS-13	Removed by MTA
Wooden Flat File Drawing Cabinet	Building 71, Bay 8, upper level	SPS-14	Removed by MTA
Wooden Benches	Building 71, Bay 8, upper level	SPS-15	Removed by MTA
Air Pressure Gauges	Building 195	SPS-16	Present – Storage Bay (boxed)
Wooden Cabinet/Desk	Building 195	SPS-17	Present – Storage Bay. Drawer damaged, door missing.
Steel Workbench	Building 78	SPS-18	Present - Storage Bay
Emory and Wire Wheel Pedestal Grinder	Building 78	SPS-19	Present - Storage Bay
Do-all	Building 78	SPS-20	Present - Storage Bay
Horizontal Band Saw	Building 78	SPS-21	Missing
Vertical Belt Sander	Building 78	SPS-22	Missing
Emory and Wire Wheel Pedestal Grinder	Building 78	SPS-23	Present - Storage Bay
24" Bench top Box and Pan Break	Building 78	SPS-24	Present - Storage Bay
Freight Carts (2)	Building 78	SPS-25	Missing

Item	Original Provenience	Catalog No.	Status
The following items were collected by SWCA/contractor and are not on the 'official' list of items to be salvaged. (New SPS numbers created.)			
2-Ton Hoist with Truss Post	Building 78	SPS-29	Hoist motor, truss post and hardware in Storage Bay, cross arm and base plate missing.
Steel Railroad Rail Sections, 9 ft (2)	??	None	Missing
Wood Wainscot Wall Panel	Building 78	SPS-27	Present - Storage Bay
Deluge Shower	Building 78?	None	Missing
Riveted Steel Column	Building 78, basement	SPS-30	Present - Storage Bay
Electrical Breaker Box Array	Building 78	None	Boxes missing, mounting panel remains (non-historic)
Two-panel Wooden Door	Building 78	SPS-31	Present - Storage Bay
Emery Wheel Pedestal Grinder	Building 78	None	Missing
Steel Railroad Rail Section, 5 ft	??	None	Missing
Electrical Breaker Box Array (8 boxes)	Building 78, basement	None	Missing
Two wheeled Freight Cart/Dolly	Building 78, basement	None	Missing
The following are items added by Greenwood and Associates, or previously listed items with new SPS numbers.			
Gooseneck wall mounted task light	Building 71, Bay 2	SPS-26	Present
Three steel-tipped wooden 'pikes'	Building 71, various	SPS-28	Present - Storage Bay
Dust Collector	Building 71, exterior	SPS-32	Present - Storage Bay
Hydraulic Elevator Compressor	Building 71, exterior	SPS-33	Present - currently in Building 71, Bay 8
Concrete Railroad Ties (2)	Found buried in former Transfer Table area near mid-pt. Building 71	SPS-34	Present - Storage Bay (tagged, not wrapped)
Concrete Slab with Wood Railroad Ties Embedded	Building 72	SPS-35	Present - Storage Bay (tagged, not wrapped)
Steel Shade Ceiling Light Fixtures (3)	Building 71, Bay 8, upper level	SPS-36	Present
Steel Shade Wall Mounted Light Fixtures (9)	Building 71, Bay 5	SPS-37	Present
Steel Shade Ceiling Fixtures (2)	Building 71, Bay 4	SPS-??	Present (not wrapped or tagged)
Steel Shade Ceiling Fixtures (7)	Building 71, Bay 3	SPS-??	Present (not wrapped or tagged)
*Unless otherwise noted, items have been protected per the revised Treatment Plan.			



July 12, 2024

**VIA EMAIL AND U.S. MAIL**

Jimmy Kim, General Manager  
Department of Recreation and Parks  
221 N. Figueroa St., Suite 350  
Los Angeles, CA 90012

Re: Termination of Lease Agreement for a portion of the  
South Los Angeles Wetlands Park (the "Park")

Dear Mr. Kim:

This letter agreement ("Termination Agreement") is in regard to that certain Lease Agreement (the "Lease"), dated as of March 29, 2018 (the "Execution Date"), by and between the City of Los Angeles, a municipal corporation, acting by and through its Board of Recreation and Park Commissioners, as Landlord ("City") and Museum Associates, dba the Los Angeles County Museum of Art, a 501(c)(3) nonprofit corporation, as Tenant ("Tenant") for a portion of the 84,000 gross square feet building (the "Building") within the Park. Capitalized terms used but not defined herein shall have the same meaning as in the Lease.

As you are aware, Section 13.5 of the Lease provides that either party may terminate the Lease upon sixty days' prior written notice to the other party in the event that Tenant has not commenced construction prior to the date that is twelve months from the Execution Date. This Termination Agreement will confirm that Tenant has never occupied the Building and has not commenced any work or construction therein. Furthermore, Tenant previously advised City that it does not intend to move forward with the retrofit and remodeling of the Building following Tenant's receipt of its consultants' geotechnical, soil, and structural engineering studies. Tenant has provided copies of all of such studies to the Department of Recreation and Parks.

Pursuant to the terms of the Lease and this Letter Agreement, Tenant desires to terminate the Lease effective as of September 12, 2024, at which time the Lease shall be null and void and of no further force or effect except to the extent otherwise set forth in this Termination Agreement or as expressly set forth in the Lease. While not required by the terms of the Lease, enclosed herewith is a title report from First American Title Insurance Company referencing that Tenant has not recorded directly, nor caused to be recorded indirectly, any liens or other encumbrances against the Building or the Park.

Please confirm City's agreement with the above terms by counter-signing a copy of this Termination Agreement and returning it electronically to me via email and by delivery at your earliest convenience.

Sincerely,



Michael Govan  
CEO and Wallis Annenberg Director

cc: City of Los Angeles (via U.S. mail)  
Office of the City Attorney (via U.S. mail)  
Michael Polentz, Esq. (via email)

ACKNOWLEDGED AND CONFIRMED:

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

By: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_

Date: \_\_\_\_\_