COUNTY OF LOS ANGELES

DEPARTMENT OF PUBLIC WORKS

"To Enrich Lives Through Effective and Caring Service"

GAIL FARBER, Director

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February 17, 2009

IN REPLY PLEASE REFER TO FILE: MP-6
181-30.042

The Honorable Board of Supervisors
County of Los Angeles
383 Kenneth Hahn Hall of Administration
500 West Temple Street
Los Angeles, CA 90012

Dear Supervisors:

STORM DRAIN BOND ISSUE PROJECT NO. 30
DUARTE DRAIN - PARCELS 211 AND 212
LEASE AGREEMENT BETWEEN
THE LOS ANGELES COUNTY FLOOD CONTROL DISTRICT
AND THE CITY OF HOPE
IN THE CITY OF DUARTE
(SUPERVISORIAL DISTRICT 5)
(3 VOTES)

SUBJECT

This action is to approve a 30-year Lease Agreement with the City of Hope for the use of a portion of the Los Angeles County Flood Control District's right of way for Storm Drain Bond Issue Project No. 30, Duarte Drain, for vehicular and pedestrian bridge purposes in the City of Duarte.

IT IS RECOMMENDED THAT YOUR BOARD ACTING AS THE GOVERNING BODY OF THE LOS ANGELES COUNTY FLOOD CONTROL DISTRICT:

1. Find that the City of Hope's Roadway and Bridge Project is exempt from the provisions of the California Environmental Quality Act.

2. Find that the 30-year Lease Agreement between the Los Angeles County Flood Control District and the City of Hope will not interfere with any purposes of the Los Angeles County Flood Control District.

3. Approve the 30-year Lease Agreement between the Los Angeles County Flood Control District and the City of Hope for constructing and maintaining a vehicular and pedestrian bridge over Storm Drain Bond Issue Project No. 30, Duarte Drain, Parcels 211 and 212, for an initial rent of $2,500 per year.

4. Instruct the Chairman to sign the 30-year Lease Agreement to be effective upon Board approval and authorize delivery to the City of Hope.

PURPOSE/JUSTIFICATION OF RECOMMENDED ACTION

The purpose of the recommended action is to obtain your Board's approval of a 30-year Lease Agreement (Lease) between the Los Angeles County Flood Control District (LACFCD) and the City of Hope for the use of a portion of Storm Drain Bond Issue Project No. 30, Duarte Drain (Duarte Drain), for vehicular and pedestrian bridge purposes in the City of Duarte. The City of Hope requested this lease to provide access to their adjacent properties.

Implementation of Strategic Plan Goals

The Countywide Strategic Plan directs the provision of Fiscal Responsibility (Goal 4). The revenues received from the Lease will be used for flood control purposes and the leasing of the property will enhance future revenues.

FISCAL IMPACT/FINANCING

There will be no impact to the County General Fund.

The first year's rent is $2,500. This amount has been paid and deposited into the Flood Control District Fund. Subsequent years' rent shall be adjusted annually based on the Consumer Price Index for All Urban Consumers. The adjusted rent shall never be an amount less than the current rent.

FACTS AND PROVISIONS/LEGAL REQUIREMENTS

Duarte Drain, Parcels 211 and 212, are located north of Tuckaway Lane and east of Buena Vista Street in the City of Duarte, as shown on the attached map Attachment B.

The Lease has an initial term of 30 years, commencing on the date of Board approval. At the end of the 30-year term, the City of Hope will have a right to renew with prior notification to and approval of the LACFCD.

The Lease is authorized by Section 2, Paragraph 13 of the Los Angeles County Flood Control Act. Paragraph 13 authorizes the Flood Control District "To lease...any property (or any interest therein) whenever in the judgment of said board of supervisors of said property or any interest therein, ...or may be leased for any purpose without interfering with the use of the same for the purposes of said district..."

The Lease will not hinder the use of Duarte Drain for possible transportation, utility, or recreational corridors or flood control purposes. The attached Lease has been reviewed and approved by County Counsel as to form and a Memorandum of Lease will be recorded.

ENVIRONMENTAL DOCUMENTATION

The City of Hope's Roadway and Bridge Project is categorically exempt from the provisions of the California Environmental Quality Act (CEQA). The project involves the new construction of accessory appurtenant structures and, therefore, is within a class of projects that have been determined not to have a significant effect on the environment, meeting the criteria of Section 15303(e) of the State CEQA Guidelines and Class 3(b) of the Los Angeles County Environmental Reporting Procedures and Guidelines, Apendix G. The City of Duarte is the lead agency for this project and a Notice of Exemption was prepared by the City and filed with the Registrar-Recorder/County Clerk on December 4, 2008.

IMPACT ON CURRENT SERVICES (OR PROJECTS)

This action allows for the joint use of the LACFCD right of way without interfering with the primary mission of the LACFCD.

CONCLUSION

Please return one adopted copy of this letter and two executed originals of the Lease to the Department of Public Works, Mapping & Property Management Division. Retain one original for your files.

Respectfully submitted,

GAIL FARBER
Director of Public Works

GF:PAP:hp

Attachment

c: Auditor-Controller (Accounting Division-Asset Management)
Chief Executive Office (Lari Sheehan)
County Counsel

FILE WITH:
Lease Agreement No.
Project/Stream: Duarte Drain
Right of Way Map No.: 7-RW18.1
Right of Way Parcel No.: 211 and 212
Assessor Parcel No.: 2473-013-901 (Portion)
Thomas Brother Page and Grid No.: 568 A7

LEASE AGREEMENT

Dated as of February 17, 2009

By and between

LOS ANGELES COUNTY FLOOD CONTROL DISTRICT

and

CITY OF HOPE

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LEASE AGREEMENT

THIS LEASE AGREEMENT (Lease) is entered into and is effective this 17th day of February, 2008,19 by and between the LOS ANGELES COUNTY FLOOD CONTROL DISTRICT, a body corporate and politic (hereinafter referred to as DISTRICT), and the CITY OF HOPE, a California non-profit public benefit corporation (hereinafter referred to as LESSEE).

RECITALS

WHEREAS, DISTRICT holds fee title to the property known as Duarte Drain, including certain open channel improvements constructed thereon, located in the City of Duarte, County of Los Angeles, State of California; and

WHEREAS, LESSEE desires to lease a portion of the Duarte Drain right of way for pedestrian and vehicular bridge purposes, which property is more particularly shown in Exhibit A, attached hereto (hereinafter referred to as the Premises); and

WHEREAS, LESSEE desires to lease the Premises for the terms and conditions set forth in this Lease;

NOW THEREFORE in consideration of the covenants and conditions set forth herein, DISTRICT and LESSEE agree as follows:

76947

ARTICLE 1.
DESCRIPTION AND ACCEPTANCE OF PREMISES

A. Description

DISTRICT, leases to LESSEE, and LESSEE leases and hires from DISTRICT, the Premises shown in Exhibit A under the terms and conditions herein below.

B. Acceptance

LESSEE accepts the Premises in the condition existing as of the date this Lease is executed by DISTRICT's Board of Supervisors, subject to all matters of record.

ARTICLE 2.
USE

A. Description

LESSEE has the right to construct, reconstruct, repair, improve maintain and operate a pedestrian and vehicular bridge (collectively, the Bridge Improvements) over the Premises, provided that the construction shall not be done or commenced until the plans and specifications for such construction or reconstruction shall have first been submitted to and been approved in writing by the Chief Engineer of the DISTRICT.

LESSEE acknowledges that neither DISTRICT nor DISTRICT's agent has made any representation or warranty as to the present or future suitability of the Premises for LESSEE's proposed use or the conduct of LESSEE's business: LESSEE hereby acknowledges that the proposed Improvements are not necessary to allow LESSEE to comply with zoning or building laws or requirements.

B. Access Rights / Temporary Construction Area

LESSEE's use of the Premises pursuant to this Lease shall include pedestrian and vehicular ingress and egress through the Bridge Improvements. LESSEE shall also have the right to temporarily use and occupy portions of DISTRICT's property adjacent to the Premises as may be reasonably necessary for the construction, reconstruction, maintenance, repair, improvement and removal of LESSEE's Bridge Improvements, subject to written approval by DISTRICT.

C. Interference with Flood Control

Notwithstanding any other provision in this Lease, LESSEE agrees that its use of the Premises shall not adversely affect DISTRICT's flood control facilities and/or operations. If DISTRICT determines, in its sole discretion, that the use of the Premises adversely affects flood control or if such use has not been approved in accordance with the provisions of this Lease, LESSEE shall, upon receipt of notice thereof from DISTRICT, immediately cease such use. LESSEE shall bear any expenses associated with the cessation of such use, and shall have no rights or claims therefore against DISTRICT.

ARTICLE 3.
LEASE TERM

A. Term

This term (Term) of this Lease shall be effective for 30 years, beginning on execution by the DISTRICT's Board of Supervisors, also referred to as the Effective Date, and ending thirty (30) years thereafter; provided, however, DISTRICT may extend the term of this Lease at the end of the thirtieth year, subject to such terms and conditions as it deems

appropriate, upon receipt of a written request from LESSEE, no earlier than twelve (12) months or later than six (6) months prior to the end of the Lease term.

B. Cancellation

DISTRICT shall have the right to cancel this Lease if DISTRICT, in its sole discretion, determines that LESSEE's use will be substantially incompatible with a future project for flood control, watershed management and/or water conservation purposes by giving LESSEE at least one hundred eighty (180) days prior written notice. LESSEE shall have the right to cancel this Lease by giving DISTRICT at least one hundred eighty (180) days prior written notice.

ARTICLE 4.
RENT

Rent is due annually and payable on each anniversary of the Effective Date (referred to herein as "Anniversary Date") to:

Los Angeles Flood Control District
c/o County of Los Angeles Department of Public Works
P.O. Box 7437, Alhambra, California 91802-7437
Attention: Fiscal Division.

All payments shall state the name of LESSEE and Lease No. _____.

A. First Year Rent

LESSEE shall pay DISTRICT as initial annual rent for the Premises an amount of Two Thousand Five Hundred Dollars ($2,500.00).

B. Rent Adjustment Based on Consumer Price Index For All Urban Consumers-(CPI-U)

Every Anniversary Date that this Lease is in full force and effect, the Rent for the current 12-month period (Current Rent) shall be adjusted by the Consumer Price Index for All Urban Consumers (base year 1982-84=100) for the Los Angeles County, California area, published by the United States Department of Labor, Bureau of Labor Statistics (Index) as follows:

Current Rent x (Current Index /Previous Index) = New Rent

The Current Rent shall be adjusted by that percentage increase reported in the Index for that twelve (12) month period taken ninety (90) days prior to the Anniversary Date. The Current Rent plus the product of the Current Rent and the Applicable Percentage is the amount payable to DISTRICT. The Rent shall never be adjusted to an amount less than the Current Rent.

If the described Index is no longer published, another index generally recognized as authoritative shall be substituted as selected by the Chief Officer of the Bureau of Labor Statistics or its successor. If no such government index or computation is offered as a replacement, the DISTRICT and LESSEE shall mutually select a percentage for calculating future annual adjustments.

C. Late Payment

Any Rent payable under the Lease by LESSEE to DISTRICT and not paid within ten (10) days of the due date shall be delinquent and subject to interest charged from the date payment is due at the rate of ten percent (10%) per annum. The interest charge shall be compounded monthly and shall be computed by applying one-twelfth (1/12) of the interest rate to the sum owing. For each month that the sum is past due, interest shall be charged on the unpaid balance plus accrued interest until such time that the amount fully owed is received by DISTRICT. The interest rate shall not exceed the then existing legal limit in California.

D. Net Lease

Unless stated otherwise herein, it is the purpose and intent of DISTRICT and LESSEE under this Lease that all Rent paid by LESSEE to DISTRICT shall be absolutely net to DISTRICT. All costs, expenses and obligations of all and every kind relating to the use, occupancy and maintenance of the Premises by LESSEE, which may be incurred and become due during or subsequent to the Lease Term, shall be paid by LESSEE.

E. Proration

In the event of cancellation or early termination of this Lease other than on an Anniversary Date, prepaid rent shall be pro-rated to reflect the actual date of tenancy.

ARTICLE 5.
SITE ASSESSMENT

LESSEE AGREES TO ACCEPT THE PREMISES IN ITS CURRENT CONDITION WITHOUT PERFORMING A PHASE I OR PHASE II ENVIRONMENTAL SITE ASSESSMENT AND LESSEE ACKNOWLEDGES THAT THE PREMISES ARE FREE FROM CONTAMINANTS AT THE COMMENCEMENT OF THIS LEASE.

DISTRICT'S initials LA ____ **LESSEE'S initials** DM _____

ARTICLE 6.
SECURITY DEPOSIT

A. Amount and Acceptable Forms of Security Deposit

1. LESSEE shall provide DISTRICT, prior to the Effective Date, a security deposit which shall at all times thereafter be maintained by LESSEE. The initial amount shall Five Thousand Dollars ($5,000).

2. If DISTRICT deems at any time that said amount is insufficient, in view of inflation and other factors, DISTRICT shall set a new amount that will provide DISTRICT with the same level of protection to the DISTRICT stated in ARTICLE A(1) above, but at no time will that amount be less than the initial security deposit.

a. The security deposit shall guarantee LESSEE's full and faithful performance of all the terms, covenants, and conditions of this Lease.

b. The security deposit shall be in the form of a cashier's check payable to the LOS ANGELES COUNTY FLOOD CONTROL DISTRICT.

(i) The security deposit shall be delivered to the DISTRICT prior to the execution of this Lease by LESSEE.

(ii) Any interest earned on the Security Deposit shall be reinvested and accumulated. The tax liability on the interest earned shall be reported to the Internal Revenue Service using the taxpayer identification number of the LESSEE.

3. LESSEE may not change the form of security deposit. DISTRICT, at its sole discretion, may change the form of security deposit at any time during the Lease Term. Should DISTRICT change the form of security deposit, DISTRICT shall so notify LESSEE in writing as to the amount, the new form and the date upon which the new security deposit is due to DISTRICT.

B. Availability and Uses of Security Deposit

1. All or any portion of the security deposit shall be available unconditionally to DISTRICT to correct any default or breach of this Lease by LESSEE, its successors or assigns, or for payment of expenses incurred by DISTRICT as a result of the failure of LESSEE, its successors or assigns, to faithfully perform any of the terms, covenants, and conditions of this Lease.

2. If at any time during the term of this Lease, any rent or any other sum payable to DISTRICT shall be overdue and unpaid, DISTRICT may, at DISTRICT's option, apply that portion of the security deposit to the payment of any overdue rent or any other sums due and payable to DISTRICT under this Lease.

a. Should the entire security deposit or any portion thereof, be appropriated and applied by DISTRICT for the payment of overdue rent or any such other sum due and payable to DISTRICT by LESSEE, then LESSEE shall within thirty (30) days after written demand by DISTRICT, restore said security deposit to the required amount.

b. LESSEE shall maintain the required security deposit throughout the Lease Term. Failure to maintain the proper amount of security deposit shall be deemed a default and may, at DISTRICT'S sole discretion, be grounds for termination of this Lease.

c. The security deposit shall be rebated, reassigned, released, or endorsed to LESSEE, as applicable, at the end of the Lease Term, provided LESSEE is not then in default and has performed its obligations as required upon termination of this Lease.

ARTICLE 7.
FLOOD CONTROL, WATER CONSERVATION AND WATERSHED MANAGEMENT PRIORITY

Use of the Premises by LESSEE for those purposes so stated in Article 2 herein shall be subordinate to DISTRICT's use thereof for present and future flood control, water conservation, and watershed management purposes as determined by the DISTRICT and shall not interfere or conflict with DISTRICT's use.

A. Priority of Premises

1. It is understood by the parties hereto that since construction projects of DISTRICT and others authorized by DISTRICT may be carried on within the Premises, LESSEE, its officers, agents, employees and its contractors, permittees, licensees and their employees shall not unreasonably hinder or delay any of them or their actions.

2. DISTRICT may request LESSEE in writing to make required modifications, additions or relocation of LESSEE's facilities within the Premises due to DISTRICT's work for flood control, water conservation or watershed management purposes, when in the sole discretion of DISTRICT, such work cannot be accommodated practically or economically with LESSEE's existing improvements. LESSEE shall be obligated to make such modifications, additions or relocation upon its receipt of notice thereof, subject to obtaining applicable governmental permits and approvals, shall perform such obligations at its expense and shall complete them prior to commencement of DISTRICT's work.

a. Should LESSEE fail to make said modifications, additions or relocation within one hundred eighty (180) days from the later of receipt of notice from DISTRICT, or receipt of applicable governmental permit and approvals, DISTRICT may perform the required work itself or engage an independent contractor and charge

LESSEE for any and all expenses incurred.

b. LESSEE shall reimburse DISTRICT for any and all costs DISTRICT incurred in making said modifications, additions or relocation together with interest calculated in conformance with Article 4.D.(1) until such payment is received in full by DISTRICT.

ARTICLE 8.
CONSTRUCTION AND ALTERATION

A. LESSEE's Right to Construct and Alter

1. LESSEE shall have the right to construct (or cause to be constructed) the Bridge Improvements on and over the Premises. The costs of all permits, licenses, and other costs of any nature in connection with the construction of the Bridge Improvements and the use of the surface of the Premises shall be borne by LESSEE, and LESSEE indemnifies and holds DISTRICT and the Premises harmless in connection therewith.

2. The construction, reconstruction, alteration, remodeling or removal of any Bridge Improvements on the Premises shall not commence until final plans and specifications thereto have been submitted to and approved by DISTRICT's Chief Engineer or designee, and are in accordance with the terms and conditions of this Lease. In accordance with Article 8.C., LESSEE shall obtain and bear costs of permits (Permits) for such work, including, without limitation from the Construction Division of the Los Angeles County Department of Public Works (Construction Division), in the form prescribed by said Construction Division

MINOR REPAIRS, as defined in Article 36, are exempt from the requirements of Sections 8.A. (2) and 8.C.

3. It is understood by LESSEE that such approval by DISTRICT does not imply, confer or constitute any entitlement as to what is permitted and may be constructed on the Premises. Such entitlement(s) must be obtained by the LESSEE from the jurisdiction in which the Premises are located.

4. Such written approval for construction, reconstruction, remodeling, or alteration, with the exception of removal, shall not be unreasonably withheld unless DISTRICT, at its sole discretion, determines that the proposed construction, reconstruction, remodeling, or alteration, will interfere with the operation and maintenance of said DISTRICT facility or any of DISTRICT's other affected properties or facilities.

5. LESSEE shall submit, to DISTRICT, As Built Construction Drawings for the Bridge Improvements within thirty (30) days from Notice of Completion as executed by the Head, Permits and Subdivision Section, Construction Division of the Los Angeles County Department of Public Works. Failure to submit As Built

Construction Drawings, as required herein, shall constitute a breach of this Lease. The sum of One Thousand Dollars ($1,000) is hereby agreed upon as the amount of damages that will be assessed to LESSEE and paid to DISTRICT for each business day, following the fifth business day of such breach. Said amount has been agreed to by both parties in recognition of the difficulty in finding actual damages arising from a breach hereof.

DISTRICT's initials LS **LESSEE's initials** DM

6. LESSEE, when undertaking any construction, reconstruction, remodeling, or alteration, except for minor repairs as defined herein, shall procure payment and performance bonds as specified in Article 10 - Surety Bonds.

B. Approval by DISTRICT As to Compatibility

Approval by DISTRICT of plans and specifications submitted by LESSEE shall be as to compatibility with DISTRICT's facilities and shall not be interpreted or inferred as an endorsement or approval as to the design, accuracy, correctness or authenticity of the information shown thereon. LESSEE shall comply with all requirements, rules, regulations, and ordinances pertaining to the construction of LESSEE's improvement on the Premises.

C. Responsibility of LESSEE to Obtain Permits

LESSEE shall arrange for, obtain and bear costs of all Permits, including plan check and inspection fees, licenses, environmental impact reports, site preparation, surface treatment, relocation of any facilities, and enclosure of the Premises as necessary or required for health or safety in the construction, operation, and maintenance of the Premises as used by LESSEE.

D. Incorporation of Permit by Reference

As a condition of this Lease, LESSEE agrees to perform the covenants and conditions contained in any permit issued or to be issued to LESSEE by DISTRICT's Chief Engineer or his designees. In the event of any inconsistencies or ambiguities between the terms of the Lease and any permit issued, the terms of this Lease shall prevail.

E. Loading and Materials Stockpiling Limitations

LESSEE by this Article is aware that the use of heavy equipment in excess of H-10 highway loading, as specified in the Standard Specifications for Highway Bridges of the American Association of State Highway Officials (current Edition), or the stockpiling of materials on land within or adjoining DISTRICT facilities may damage such facilities by excessive loading or surcharge. LESSEE agrees that no entry, use of heavy equipment or materials stockpiling on or adjacent to DISTRICT's property will be made by LESSEE without the proposed use having been requested and

submitted in writing by certified mail to DISTRICT and only upon DISTRICT's written approval. Failure of DISTRICT to respond within thirty (30) days of receipt of the notice for the proposed use shall be deemed as disapproval.

ARTICLE 9.
OWNERSHIP AND DISPOSITION OF IMPROVEMENTS

A. Ownership

The Bridge Improvements constructed or installed on the Premises by LESSEE or acquired by LESSEE during the Term, as approved by DISTRICT pursuant to this Lease, shall remain LESSEE's property during the Term.

B. Termination and Removal

1. LESSEE shall remove all of its Bridge Improvements on the Premises, prior to the Lease expiring or termination, at LESSEE's sole cost and expense and restore the Premises to the DISTRICT's full and complete satisfaction.

2. LESSEE may request DISTRICT in writing no more than twelve (12) months but not less than six (6) months prior to the Lease expiration date, or upon sooner termination of this Lease, to leave all or a portion of said Bridge Improvements on the Premises.

3. Should DISTRICT, at its sole discretion, decide that LESSEE need not remove all or any part of the Bridge Improvements, DISTRICT shall notify LESSEE in writing that it shall leave some or all of the Bridge Improvements as is. LESSEE shall be obligated to remove only those Bridge Improvements that DISTRICT does not request in writing to remain on the Premises in accordance with this Article 9.

C. Testing and Remediation to Perform at Lease Termination

1. Unless otherwise agreed to by the parties, LESSEE shall perform or have performed, at its sole cost and expense, the following Phase 1 and Phase 2 environmental site assessments between twelve (12) and six (6) months prior to the termination date of this Lease:

a. LESSEE shall perform or cause to be performed a Phase I Site Assessment, a non-invasive site investigation, in accordance with ASTM E1527 or Replacement Requirement Standard Practice for Environmental Site Assessment: Phase 1 Environmental Site Assessment Process as published by the American Society for Testing and Materials (hereinafter referred to as Phase 1).

b. DISTRICT may require LESSEE to perform or cause to be performed a site assessment in accordance with ASTM 1903 Standard Guide for Environmental Site Assessments: Phase 2 Environmental Assessment Process or replacement requirement as published by the American Society for Testing and

Materials (hereinafter referred as Phase 2) if the Phase 1 recommends such Phase 2 testing as a result of the presence of a recognized environmental condition (hereinafter as REC) as defined by the ASTM. DISTRICT shall notify LESSEE within ten (10) business days following DISTRICT's receipt of the Phase 1 results if the Phase 2 will be required. The scope of the Phase 2 assessment shall be determined by the nature of the REC(s) indicated in the Phase 1.

c. LESSEE shall not sample on or below the surface of the Premises until first allowing DISTRICT to inspect the Premises. After DISTRICT's inspection has been completed, LESSEE shall then secure a permit (if required by applicable law), in accordance with Article 3.A.(3), prior to commencing any sampling.

2. Copies of all documentation of Phase 1 and Phase 2 and results shall be given to DISTRICT by LESSEE upon the receipt thereof by LESSEE.

3. LESSEE shall remediate all hazardous substances located or found on or under the Premises except that LESSEE shall have no obligation to remediate hazardous substances, to the extent LESSEE is able to prove to the DISTRICT's full and complete satisfaction that they were caused or released by DISTRICT or its agents, representatives, employees or invitees.

4. Should LESSEE fail to perform such remediation, DISTRICT may perform said actions as needed. LESSEE shall be charged for all such costs, together with interest on the total amount of the costs incurred as of the date of demand by DISTRICT, at a rate of ten percent (10%) per annum, but not exceeding the then legal limit in California as of the date DISTRICT commenced work. The interest charge shall be compounded monthly and shall be computed by applying one twelfth (1/12) of the interest rate to the sum owing. For each month that the sum is past due, interest shall be charged on the unpaid balance plus accrued interest, until such time that the sum owed is received in full by DISTRICT.

ARTICLE 10.
SURETY BONDS

A. Performance and Payment Bonds

1. On each occasion LESSEE constructs, reconstructs or removes any approved Bridge Improvements within the Premises, except for minor repairs as defined in Article 36, LESSEE shall at its own cost and expense furnish DISTRICT two (2) separate surety bonds, in all respects satisfactory to DISTRICT as follows:

Performance Bond: Within thirty (30) days prior to commencement of any construction, reconstruction or removal, LESSEE shall furnish a corporate surety Performance Bond issued by a surety company licensed to transact business in the State of California, in an amount equal to one hundred fifteen percent (115%) of the contract price of such construction, reconstruction or removal. Said bond and said company shall be in the form prescribed by the DISTRICT and in all respects

satisfactory to DISTRICT, naming LESSEE as principal, said company as surety, and DISTRICT as obligee, to assure full and satisfactory performance by LESSEE of its construction, reconstruction or removal of said Bridge Improvements.

Payment Bond: Within thirty (30) days prior to commencement of any construction, reconstruction or removal hereunder, LESSEE shall furnish a corporate surety Payment Bond (Material and Labor Bond), in the form prescribed by the DISTRICT, and issued by a surety company licensed to transact business in the State of California, with LESSEE as principal, said company as surety, and DISTRICT as obligee. Payment Bond shall be issued in a sum equal to one hundred fifteen percent (115%) of the aforesaid contract price of such construction, reconstruction, or removal guaranteeing payment for all material, provisions, supplies and equipment, used in, upon, for or about the performance of said construction work and for labor done thereon of any kind whatsoever and protecting DISTRICT from any and all liability, loss or damages arising from failure to make such payment.

2. In addition to any and all other remedies available to DISTRICT by law, in equity or under this Lease, should LESSEE not complete any or all the work connected with construction, reconstruction or removal its Bridge Improvements on the Premises, then the bond(s) may be used by DISTRICT for any and all such costs and payments. Any amount in excess of the DISTRICT's costs to complete or pay for such work shall be returned to LESSEE promptly upon the completion of the applicable construction, reconstruction or removal work by DISTRICT.

In the event surety bonds are required as a condition to, or in connection with, the issuance of permits by the Construction Division that would insure identical work, for the construction, reconstruction or removal work to be performed at the Premises by LESSEE, then LESSEE shall only be obligated to maintain those surety bonds required as a condition of, or in connection with, the issuance of such permits and the preceding provisions of this Article 10 shall not be applicable for such identical work.

ARTICLE 11.
REPAIRS AND MAINTENANCE

A. LESSEE Responsible for Repairs and Maintenance

1. LESSEE, at its sole cost and expense, shall maintain the Premises, including but not limited to, all facilities, structures, landscaping and Bridge Improvements constructed thereon by LESSEE, in good repair and in compliance with all requirements of law. Not withstanding the foregoing, LESSEE shall not interfere with or affect the DISTRICT's improvements or facilities that are located under or nearby the Bridge Improvements to be constructed by LESSEE on and over the Premises.

2. LESSEE shall promptly remove from and keep Bridge Improvements and surrounding areas within the Premises free of any graffiti, except within the channel bottom itself, whether LESSEE or DISTRICT owned, free of any graffiti, in accordance with the following time periods:

a. Vulgar graffiti (i.e. profane, obscene, or racist) shall be removed within 24 hours, Monday through Friday.

b. All other graffiti shall be removed within 72 hours, Monday through Friday.

3. LESSEE shall take all reasonable steps necessary to protect all DISTRICT owned improvements and property from damage and to prevent any interference with the flow of water in the channel all at LESSEE's sole cost and expense. LESSEE shall be responsible and liable for damage to all DISTRICT owned improvements and property resulting from or attributable to the use and occupancy of the Premises or Bridge Improvements by LESSEE or any person entering thereon.

4. LESSEE shall promptly repair or remove any and all damage to the Bridge Improvements on the Premises, at LESSEE's sole cost and expense. Notwithstanding the foregoing, should damages be caused by the presence of hazardous substances, LESSEE shall take remedial actions as specified herein in Article 23.

a. LESSEE shall evidence such repairs or removal within thirty (30) days of the later of the incident causing the damage or DISTRICT approval, if required herein. Concurrently with LESSEE's repair or removal of said damage, LESSEE shall notify DISTRICT in writing. Where DISTRICT owned improvements or property are affected, LESSEE shall first obtain DISTRICT's approval, which shall not be unreasonably withheld, conditioned or delayed. If LESSEE fails to repair said damages or remove damaged structures or other improvements in accordance with Section 11.A.4 above, DISTRICT may enter the Premises with or without notice and repair said damage.

b. Should DISTRICT repair or remove said damages, LESSEE shall reimburse DISTRICT for any and all actual expenses incurred, together with interest at a rate of ten percent (10%) per annum, but not to exceed the then existing legal limit in California as of the date of demand by DISTRICT. For each month that the sum is past due, interest shall be charged on the unpaid balance plus accrued interest, until the amount fully owed is received by DISTRICT.

5. Notwithstanding the above, DISTRICT shall not be obligated to make any repairs, alterations, additions or improvements in, on or to Premises or in, on or to any structure or other improvements hereinafter erected or installed thereon by LESSEE, whether structural or nonstructural, ordinary or extraordinary, foreseen or unforeseen.

B. <u>Emergency Conditions</u>

In the event of an emergency affecting LESSEE's use or occupancy of the Premises, LESSEE shall take all steps necessary to abate the emergency condition. Emergency conditions are defined as situations in which lives are endangered or

material or substantial environmental damage will result if required work is delayed pending approval by DISTRICT. LESSEE agrees that if work is done under emergency conditions, LESSEE shall within seven (7) days from the occurrence of the emergency, request approval in writing from DISTRICT for the work performed as required herein.

C. Approvals by DISTRICT

For all repairs, LESSEE shall comply with each and every condition of Article 8, except for repairs to the interior of structures and for minor repairs as defined in Article 36, which shall conform with local building codes. DISTRICT's Chief Engineer or designee may release LESSEE from any such condition only upon prior written Request for Release from Construction Conditions setting forth each and every condition from which LESSEE seeks release.

ARTICLE 12.
TAXES AND ASSESSMENTS

A. Payment of Taxes

1. LESSEE shall have sole responsibility to pay promptly without abatement, deduction, or offset, any personal and real property taxes, rental and excise taxes, business and occupation taxes and all general and special assessments, taxes or any other charges (hereinafter taxes) levied or assessed upon the Premises, LESSEE's operations thereon or against LESSEE's possessory interest by any governmental entity.

2. Should this Lease create a possessory interest, which may be subject to a property tax levy, LESSEE agrees to pay any property tax levied on such interest.

3. If notice of such taxes is received by DISTRICT from a governmental agency or any other persons or entity, DISTRICT shall communicate such notice to LESSEE; however, DISTRICT's failure to communicate such notice shall not impose liability on DISTRICT or excuse LESSEE from payment of the taxes.

B. Fees

In the event that during the Term fees or amounts are placed upon DISTRICT by any governmental agency whether, city, state, federal or special district, as a part of a requirement to obtain a license or pay a sum for the renting or leasing of real property or any interest therein, measured in whole or in part upon the sums received by DISTRICT from LESSEE under this Lease, LESSEE shall either pay directly on behalf of DISTRICT or at DISTRICT's request, reimburse DISTRICT for any sums paid by DISTRICT.

C. Payment by DISTRICT

In the event LESSEE fails to pay such fees or amounts within thirty (30) days after the due date, DISTRICT may, at its option, pay any and all such sums together with all penalties and interest added thereto by reason of any such delinquency or default, and may likewise redeem the Premises or any part thereof, from any tax sale or sales.

Any such fees or amounts so paid by DISTRICT shall become due and payable within thirty (30) days of receipt of notice by LESSEE from DISTRICT, together with interest at the rate of ten percent (10%) per annum or five percent (5%) per annum above the Federal Reserve discount rate, whichever is greater, but not to exceed the then existing legal limit in California as of the date of demand by DISTRICT, and such interest shall be compounded on a monthly basis until the amount owed to DISTRICT is paid in full.

D. Commencement and Expiration

All taxes and assessments against Premises during the first and last years of this Lease shall be pro rated between DISTRICT and LESSEE. LESSEE shall have no obligation for payment of installments of taxes on assessments that become due before the commencement of the Term of this Lease or that may be assessed after the expiration or sooner termination of the Term.

E. LESSEE's Right to Contest Taxes

Notwithstanding anything to the contrary herein contained, LESSEE shall have the right to contest the amount or validity of any taxes payable pursuant to this Lease. If LESSEE shall in good faith contest the amount or validity of any taxes, then LESSEE shall, at its expense, defend itself and DISTRICT against the same and shall pay and satisfy any final adverse judgment that may be rendered therein before the enforcement thereof against DISTRICT or the PREMISES.

ARTICLE 13.
LIENS AND CLAIMS

A. LESSEE agrees to keep the Premises and the improvement(s) hereinafter constructed or placed thereon, and every part hereof, and any and every estate, right, title. and interest therein, at all times during the term of this Lease, free and clear of mechanic's liens and other liens for labor, service, supplies, equipment and materials arising from or relating to any work performed by or for LESSEE on the Premises.

B. LESSEE will at all times fully pay and discharge and wholly protect, defend and hold harmless DISTRICT and all and every part of the estate, right, title, and interest of DISTRICT in and to all and every part of the Premises and such Improvements, or any of them, against; (a) any and all demands or claims which may or could become such liens or labor claims, (b) all attorney's fees and costs and; (c) any

and all expenses, damages, or outlays which may or might be incurred by DISTRICT or LESSEE by reason of, or on account of any such liens or claims or the assertion thereof.

C. If any lien shall be filed, or if any suit, action or proceeding shall be commenced, affecting the Premises or Bridge Improvements thereon, LESSEE shall promptly, upon obtaining information thereof, give notice in writing to DISTRICT.

D. Should LESSEE allow a final judgment of foreclosure of any mechanic's lien, or any other judgment arising out of any claim or demand in connection with any construction or Improvements made upon the Premises to remain unsatisfied for more than a period of ten (10) days, DISTRICT may, at its option, pay any and all such claims or demands. LESSEE covenants and agrees to pay to DISTRICT all such sums incurred or expended by DISTRICT, including all reasonable attorney's fees, with the maximum interest allowed by law on the total amount incurred or expended by DISTRICT from the date DISTRICT incurred or expended costs, until such time that the amount fully owed is received by DISTRICT.

E. DISTRICT shall have the right to post, record, and maintain on the Premises such Notices of Nonresponsibility as provided for under the laws of the State of California.

F. Notwithstanding anything to the contrary herein contained, if LESSEE shall contest the validity of any lien, claim or demand, then LESSEE shall, at its expense, defend itself and DISTRICT against the same and shall pay and satisfy any final adverse judgment that may be rendered therein before enforcement thereof against DISTRICT or the Premises.

G. LESSEE shall name DISTRICT as additional obligee under any surety bond furnished in the contested proceedings.

ARTICLE 14.
INDEMNITY AND INSURANCE

A. Indemnity

1. LESSEE agrees to indemnify, defend and hold harmless DISTRICT, its governing board, officers, employees, engineers, contractors, or agents against any claims of third parties for injuries to, or loss or death of, persons or damage to property arising from the construction, reconstruction, maintenance, operation or removal of any Bridge Improvements constructed or maintained by LESSEE on or under the Premises or use of the Premises by LESSEE.

2. DISTRICT shall not be liable for any loss occurring to the operation of the Premises; any injury, loss, death to any person whomsoever; any damage or destruction to the Premises, at any time, occasioned by or arising out of, indirectly, solely, or contributorily by: (a) any act, activity or omission of LESSEE or anyone

holding under LESSEE, or; (b) the occupancy or use of the Premises or any party thereof, by or under LESSEE, or; (c) any state or condition of the Premises or any part thereof, unless directly caused by the DISTRICT.

3. LESSEE shall not be responsible for injuries to the person of DISTRICT, DISTRICT's agents, or others who may be on the Premises, arising from or incidental to the use of the Premises by the DISTRICT or flood control or water conservation activities, or anyone acting under, through or by the DISTRICT. DISTRICT agrees to indemnify, defend and hold the LESSEE harmless from any and all such claims, including defense costs and legal fees.

4. LESSEE releases DISTRICT and waives all right to damages for any loss, costs, or expenses LESSEE may sustain as a result of damage to or destruction of LESSEE's facilities or improvements attributable to DISTRICT's flood control or water conservation function or flooding caused by inadequacy or failure of DISTRICT's facilities or improvements, unless such damage or destruction is caused by the active negligence or willful misconduct of DISTRICT, its employees, engineers, contractors or agents. LESSEE grants the foregoing release not withstanding the Provision of California Code Section 1542, which states: "A GENERAL RELEASE DOES NOT EXTEND TO CLAIMS WHICH THE CREDITOR DOES NOT KNOW OR SUSPECT EXIST IN HIS OR HER FAVOR AT THE TIME OF EXECUTING THE RELEASE, WHICH IT KNOWN TO HIM OR HER MUST HAVE MATERIALLY AFFECT HIS OR HER SETTLEMENT WITH THE DEBTOR." Lessee hereby waives its rights under California Civil Code Section 1542.

B. <u>Insurance</u>

As of the Effective Date of this Lease and during the entire Term hereof, LESSEE shall pay all premiums required to maintain and keep in force the following insurance coverage herein, with insurance carrier(s) reasonably acceptable to DISTRICT.

1. Comprehensive Commercial General Liability Insurance. LESSEE shall procure such policy with coverage of not less than Five Million Dollars ($5,000,000) combined single limit for third party liability and One Million Dollars ($1,000,000) per occurrence.

2. Automobile Liability Insurance: LESSEE shall procure such policy with coverage of not less than One Million Dollars ($1,000,000) per accident.

3. Other Insurance Requirements:

a. LESSEE shall name the LOS ANGELES COUNTY FLOOD CONTROL DISTRICT and the COUNTY OF LOS ANGELES, ITS GOVERNING BOARD, OFFICERS, AND EMPLOYEES, as additional insured on each and every policy of insurance procured by LESSEE as required herein.

b. LESSEE shall furnish DISTRICT, thirty (30) days prior to each anniversary of the Effective Date, Certificates of all insurance policies required herein, as proof that they are in full force and effect, and the limits thereof.

c. LESSEE shall pay any and all premiums or other expenses arising in connection with the furnishing of the insurance.

d. All insurance policies shall contain a provision that said policies shall not be canceled or terminated without thirty (30) days prior written notice from the insurance company to DISTRICT. On or before ten (10) days prior to the expiration of any insurance policy, LESSEE will deliver to DISTRICT either written notice in the form of a receipt or other similar document from the applicable insurance company that said policy or policies have been renewed, or a copy of a new insurance policy from another responsible and solvent insurance company acceptable to DISTRICT for such coverage.

e. LESSEE shall procure an appropriate clause or an endorsement on any policy of fire, lightning, vandalism, malicious mischief, or extended coverage insurance covering the Premises, the improvement(s) and any personal property, fixtures and equipment located in or on the Premises, pursuant to which the insurance companies waive subrogation or consent to a waiver of right of recovery against DISTRICT. LESSEE does hereby agree that it shall not make any claim against or seek to recover from DISTRICT any loss or damage to LESSEE's property or the property of others, resulting from and covered by fire or other hazard insurance.

f. Any loss shall be payable by LESSEE notwithstanding any act or negligence of DISTRICT, its officers, agents and employees that may otherwise result in a forfeiture of the insurance.

g. The policies required herein are primary and non-contributing with any insurance that may be carried by DISTRICT.

h. LESSEE shall, at all times prior to a loss thereon, be entitled to surrender any insurance policy or policies of fire or extended coverage insurance and to receive the allowable rebate of unearned premiums thereon; however, the LESSEE first shall substitute an acceptable policy(s) for an equal amount of coverage.

i. At any time during the Lease Term, should DISTRICT require any other reasonable types of insurance policies, LESSEE shall conform with DISTRICT's requirement to the extent commercially practicable.

j. DISTRICT agrees that LESSEE (so long as LESSEE is the City of Hope and not an assignee thereof) may self-insure all of the risks and liabilities to be covered by the insurance policies described in subsections B.1, B.2 and B.3.e above. In the event LESSEE elects to self-insure pursuant to this subsection B.3.j, LESSEE shall notify DISTRICT of such self-insurance in writing and shall deliver to DISTRICT a certificate of self-insurance at the times and in the manner described in subsection B.3.b., above.

4. Use of Funds for Repair and Restoration

DISTRICT shall, at LESSEE's sole cost and expense, cooperate fully with LESSEE to obtain the largest possible recovery following any damage or loss due to an incident covered by insurance. All policies of fire and extended coverage insurance required by this Lease shall provide that the proceeds shall be held in trust by the Insurance Trustee, as provided for in Article 14.B.(5) below for the uses and purposes prescribed by this Lease. All costs and charges by the Insurance Trustee to discharge related duties shall be borne and paid by LESSEE.

5. Insurance Trustee

a. Prior to the commencement of this Lease, LESSEE shall designate an Insurance Trustee, as defined in Article 36. In the absence of a designation by LESSEE or approval by DISTRICT, the Los Angeles County Flood Control District Chief Engineer or designee shall serve as the Insurance Trustee.

b. In the case of loss or damage to the Premises, all proceeds payable pursuant to the provision of any insurance policy or policies of fire insurance or extended coverage shall be expressly made payable to the Insurance Trustee for DISTRICT and LESSEE. Insurance Trustee shall disperse proceeds as follows:

If the proceeds do not exceed the amount defined in Article 36. DEFINITION as minor repairs, such proceeds shall be paid to LESSEE and shall be applied by LESSEE for the repair, restoration, or reconstruction of any improvement damaged or destroyed by casualty giving rise to the insurance claim.

All proceeds received by the Insurance Trustee from any insurance policies of fire insurance or extended coverage shall first be used, subject to any other conditions contained in this Lease, by such Insurance Trustee to fund the restoration and repair of the Improvements and equipment located on the Premises, which have been destroyed or damaged.

Such proceeds shall be paid out by the Insurance Trustee to persons furnishing labor or materials, or both, including architect fees and contractors compensation for the construction work, based on vouchers or invoices approved by a licensed architect or engineer contracted by LESSEE to superintend the work.

Any proceeds not disbursed by the Insurance Trustee, as provided above, and which remains in the Insurance Trust fund after the completion of and payment for the restoration or repair work, shall within thirty (30) days after written demand made by LESSEE or DISTRICT upon the Insurance Trustee and accompanied by reasonable proof of such completion and payment, be distributed to LESSEE.

If the insurance proceeds are insufficient to pay the actual cost of reconstruction, repair, or rehabilitation, Insurance Trustee shall request such deficiency from LESSEE, who shall bear and provide deficient amount by depositing same with the Insurance Trustee within ninety (90) days following the request.

DISTRICT at its option, may pay for such repairs. All actual costs incurred by DISTRICT shall be repaid to DISTRICT by LESSEE along with interest, at the rates stipulated below in Article 14.B.(7)b. below.

If the Insurance Trustee shall for any reason resign, be unable or unwilling to act or continue to act, the LESSEE shall designate another Insurance Trustee in and under the same manner and conditions as provided for in Article 14.B.(4)(a) above.

6. Right of DISTRICT to Insure

a. Subject to subsection B.3.j., above, if for any reason LESSEE shall neglect or fail to insure or cause to insure and keep insured the improvements on Premises as required by this Lease, or to pay the premiums therefore, DISTRICT may at its option, procure or renew such insurance and pay the premiums thereon.

b. Any amount paid for insurance by DISTRICT shall become immediately due and payable by LESSEE to DISTRICT. The premiums paid by DISTRICT shall accrue interest at ten percent (10%) per annum, but not to exceed the then legal rate in California, from the date the premium is paid by DISTRICT. The interest charge shall be the maximum allowed by law, but not to exceed the then existing legal limit in California. For each month that the sum is past due, interest shall be charged on the unpaid balance plus accrued interest, until the amount fully owed is received by DISTRICT.

c. DISTRICT is not required to carry any public liability, public damage or extended coverage insurance on any improvements on the Premises.

C. <u>Uninsured Casualty</u>

An uninsured casualty is a loss for which insurance is not required under this Lease. At any time during the Term of this Lease should destruction or damage occur to all or any part of LESSEE's Bridge Improvements caused by an uninsured casualty, LESSEE shall have no obligation to rebuild those improvements and may terminate this Lease by giving DISTRICT one hundred eighty (180) days written notice, within forty five (45) days after such damage or destruction occurs. Should LESSEE terminate this Lease, LESSEE shall, at its own expense, and at DISTRICT's sole discretion, remove the Improvements from the Premises to DISTRICT's satisfaction in accordance with Article 9. In any event, LESSEE shall leave no damaged or destroyed Improvements thereon.

D. <u>Effect of Destruction</u>

Destruction of any of LESSEE's Bridge Improvements upon the Premises shall not effect abatement or reduction in rent, except in the event of termination as provided in Section 4.E.

E. LESSEE Option to Not Restore

Notwithstanding any provision of this Lease to the contrary, upon the occurrence of any insured or uninsured damage or destruction of the Premises or any of LESSEE's Bridge Improvements thereon, LESSEE shall have the right to elect, in its sole discretion, whether to continue this Lease or not. LESSEE shall make such election within forty-five (45) days after any damage or destruction by delivering written notice to DISTRICT. If LESSEE elects to continue this Lease in effect, then the remaining provisions of this Article 14 shall apply to the repair and restoration of LESSEE's Bridge Improvements and the Premises. If LESSEE elects instead to terminate this Lease, all insurance proceeds relating to such damage or destruction shall be paid solely to LESSEE, this Lease shall terminate and LESSEE shall have no obligation to repair or restore any Bridge Improvements or the Premises except to remove any Bridge Improvements that DISTRICT requests be removed in accordance with Section 9.3.

F. Waiver

Both LESSEE and DISTRICT waive the provisions of Section 1932, Subdivision 2, and Section 1933, Subdivision 4, of the California Civil Code, and the provisions of any similar law hereinafter enacted.

ARTICLE 15.
ASSIGNMENT AND SUBLETTING

LESSEE shall not assign this Lease or any interest herein or the Bridge Improvement(s) on the Premises or any part thereof or any right or privilege appurtenant thereto without the prior written approval of the DISTRICT's Chief Engineer or designee, which approval shall not be unreasonably withheld, conditioned or delayed.

A. Conditions for Assignment of Leasehold

The legal classification of LESSEE as of the Effective Date is a California non-profit corporation.

1. Any change in the legal classification of the LESSEE, including without limitation, sole proprietorship, partnership, corporation, joint venture, or any other entity, natural or artificial, or any transfer of or alteration in the ratio of the evidences of ownership interests in the LESSEE (including without limitation shares of stock equal to or greater than ten percent (10%) of the total shares of stock), shall be deemed an assignment prohibited by this Article, unless the prior written consent of DISTRICT is obtained.

2. Any transfer of this Lease or any interest therein from LESSEE by corporate reorganization, merger, consolidation, or liquidation shall be deemed an assignment prohibited by this Article, unless the prior written consent of DISTRICT is obtained.

3. Notwithstanding anything to the foregoing, any assignment, transfer or corporate reorganization, merger or consolidation which results in an assignee or surviving entity that controls, is controlled by or is under common control with the City of Hope, a California non-profit public benefit corporation, shall be a permitted assignment or transfer and shall not require DISTRICT's prior approval.

B. Procedure for Assignment

LESSEE shall not assign this lease, or any interest herein, the Premises, or any part hereof, or any right or privilege appurtenant thereto, without first obtaining the written approval of DISTRICT's Chief Engineer or designee, which approval shall not be unreasonably withheld, conditioned or delayed. Any approved assignee must agree in writing to be bound by the covenants, conditions, and agreements contained herein, and a copy of any such agreement shall be furnished to DISTRICT prior to the effective date of any assignment. DISTRICT's consent to one assignment shall not be consent to any subsequent assignment, by another party. Any unauthorized assignment shall be voidable and shall terminate this Lease at DISTRICT's option. The charge to process an approved assignment shall be Twenty-Five Hundred Dollars ($2,500).

In the event of attachment, garnishment, or execution against LESSEE, or voluntary or involuntary bankruptcy proceedings, or insolvency or receivership taken or against LESSEE, neither this Lease not any interest herein shall be assignable or transferable. Possession of the whole or any part of the Premises shall not be divested from LESSEE in such proceedings without the written consent of DISTRICT. Any breach of the provisions of the Article shall cause this Lease to terminate immediately at the option of the DISTRICT.

C. Subletting

LESSEE shall not have the right to sublease any portion of the Premises or its improvements thereon without the prior written approval of the DISTRICT's Chief Engineer or designee, which approval shall not be unreasonably withheld, conditioned or delayed.

D. Authorized Users

Nothing in this Article 15 shall prohibit or restrict LESSEE from allowing its employees, customers, patients, invitees, contractors and vendors (hereinafter referred to as LESSEE Parties) from using the Premises and any improvements thereon, so long as such use is consistent with the terms of this Lease.

ARTICLE 16.
NO SUBORDINATION

DISTRICT shall not subordinate its fee interest in the Premises to any lien or encumbrance created by LESSEE.

ARTICLE 17.
RIGHT TO HYPOTHECATE LEASEHOLD

LESSEE shall have no right to hypothecate this Lease or any interest thereof.

ARTICLE 18.
BANKRUPTCY OR INSOLVENCY

A. Breach

LESSEE shall be deemed to have repudiated its obligations and to have breached this Lease if, during the term of this Lease either of the following occurs:

1. A petition to have LESSEE adjudged bankrupt or a petition for reorganization, arrangement or relief under the Bankruptcy Act as now in force or hereafter amended, is filed by or against LESSEE, and if so filed against LESSEE, is not dismissed within sixty (60) days from the date of such filing or;

2. In any judicial action or proceeding pursuant to any composition of creditors, a receiver or other officer or agent (including LESSEE as a debtor in possession) is appointed to take charge of the Premises or the business conducted therein, and not removed within sixty (60) days of the occurrence.

B. Lease Termination

LESSEE expressly agrees that DISTRICT may at its election terminate this Lease in the event of the occurrence of either of the events described above by giving not less than thirty (30) days notice to LESSEE, and when so terminated, DISTRICT may reenter the Premises and relet to another.

ARTICLE 19.
CONDEMNATION

A. Total Take

If the entire Premises shall be taken by condemnation or other proceedings pursuant to law, or sold in avoidance of such condemnation or other proceedings, which is sufficient to render the remaining portion thereof unusable by LESSEE in the sole judgment of LESSEE (hereinafter taking), then LESSEE shall give notice to DISTRICT of its intention to terminate this Lease not more than ninety (90) days after the date of such taking, and this Lease shall terminate as of this date. In the event the Lease is terminated as a result of such taking, the award, settlement or payment resulting from such taking (including any award, settlement or payment as compensation by way of severance damage suffered by such portion of the Premises not taken), shall be distributed between the parties as follows:

1. LESSEE shall participate in such award, settlement or payment as compensation for the depreciated market value of LESSEE's Bridge Improvements on the Premises, the loss of LESSEE's use of the Premises and any relocation expenses and any other compensation or benefits payable by law to LESSEE as a consequence of the interruption in LESSEE's business and the other costs and expenses incurred by LESSEE as a consequence of such taking.

2. The complete residue of said award, settlement or payment shall be awarded to DISTRICT.

B. Partial Take

If a lesser portion of Premises shall be taken, by condemnation or otherwise, not giving rise to the termination of this Lease, this Lease shall continue in full force and effect, and LESSEE shall promptly repair any damage to said improvement caused by any such taking. In the event of such lesser taking the award, settlement or payment for such taking shall be divided between the parties hereto as follows:

1. LESSEE shall participate in such award, settlement, or payment so as to be compensated for the portion of LESSEE's improvements on the Premises taken, the cost of repair of the LESSEE's improvements remaining on the Premises not taken, the damage suffered by LESSEE's Improvements on the Premises by virtue of the taking of a portion thereof and the depreciation to and cost of removal of LESSEE's improvements on the Premises through the thirtieth (30th) year of the Lease, after which the LESSEE will not participate in nor receive any portion of such award, settlement, or payment attributable to the leasehold value or improvements on the Premises.

2. The residue of such award, settlement, or payment shall be awarded to DISTRICT. In the event of such lesser taking not giving rise to termination of this Lease, the Rent payable by LESSEE to DISTRICT after such taking shall be reduced by an amount equal to the product of the multiplication of the rent payable at the time of such taking by a fraction, the numerator of which shall be the number of square feet so taken and the denominator shall be the total number of square feet of the Premises existing immediately prior to such taking. Such Rent reduction shall be effective as of the date of such taking. In no event shall rent be less than the DISTRICT's minimum rent requirement of $2,500 per year. The DISTRICT hereby reserves the right to adjust its minimum rent, as provided herein, according to DISTRICT's requirements. In the event DISTRICT's minimum rent requirement increases, the DISTRICT shall notify LESSEE not less than thirty (30) days prior to the increase.

C. Temporary Take

1. If the use or occupancy of all or any part of the Premises shall be temporarily requisitioned by any governmental authority, civil or military, this Lease shall continue in full force and effect, and LESSEE shall promptly repair any damage caused by any such taking or requisition to LESSEE's improvements on the Premises.

2. In the event of such temporary requisition, there shall be an equitable abatement of Rent, to be determined solely by DISTRICT.

D. Applicability of Article

This Article shall apply only to condemnation or other proceedings or sales in avoidance of condemnation which are instituted by a public agency other than DISTRICT.

E. Waiver

LESSEE hereby waives all rights to so take any or all of Premises or other DISTRICT property by condemnation or other similar action.

ARTICLE 20.
DEFAULT

Any and all of the following actions shall constitute an event of default under this Lease on the part of LESSEE:

a. Failure to pay any installment of Rent when due and continuation of such failure to pay for five (5) business days after written demand by DISTRICT.

b. Failure to pay any other monies due DISTRICT under this Lease within fifteen (15) days after receipt of written notice by LESSEE (unless a longer time period is provided herein).

c. Failure to pay any insurance premiums, liens, claims, demands, judgments, or other charges when due for which LESSEE is responsible under this Lease.

d. LESSEE maintaining, committing or permitting the maintenance or commission of a nuisance upon Premises or using the same for an unlawful purpose.

e. Failure to repair or maintain the Premises as provided in this Lease.

f. Failure to perform or a breach of any other covenant, condition or restriction provided in this Lease, which failure or breach is not cured within thirty (30) days after written notice from DISTRICT (provided that if the default in question cannot be cured within such thirty (30) day period, then LESSEE shall have such additional period of time as may be necessary to cure such default so long as LESSEE commences such cure within such thirty (30) day period and thereafter diligently prosecutes such cure to completion).

g. The presence, use, storage or disposal of any hazardous substance on or about the Premises in violation of the provisions of this Lease.

ARTICLE 21.
REMEDIES FOR DEFAULT

A. DISTRICT Rights Arising from LESSEE Default

In addition to any other remedies available by law, DISTRICT shall have the non-exclusive right, at its sole election, to pursue any or all of the following remedies in the event of default by LESSEE:

1. To notify LESSEE in writing identifying the event of default and allowing a reasonable period of time, at the sole discretion of DISTRICT, for LESSEE to cure such default in addition to the cure periods provided in Article 20. This notice may be accompanied by a notice of termination, setting a date for termination of the Lease in the event the default is not cured within the time granted. Such notice of termination may not set a date for termination of the Lease of less than thirty (30) days from the date notice is given.

2. To enter and take possession of the Premises, without terminating this Lease and take any action necessary to preserve or maintain the Premises and rent the Premises at the best price obtainable by reasonable effort and for any term and on such conditions as DISTRICT deems proper.

Upon each such reletting, all rentals received by DISTRICT shall be applied first to the payment of rent due and unpaid hereunder; second to the payment of any loss and actual expense of such reletting, including administrative fees and costs of any alterations or repairs; third to the payment of any indebtedness due. The residues, if any, shall be held by DISTRICT and applied to payment of future rent as the same may become due and payable hereunder. LESSEE shall remain liable to DISTRICT for the deficiency if any, between LESSEE's rent hereunder and rent obtained by DISTRICT on reletting.

3. To terminate this Lease upon thirty (30) days written notice, and to enter into and upon the Premises and take possession of the same. Upon termination of this Lease, in addition to any other remedies DISTRICT may have at law, in equity or under this Lease, DISTRICT may recover without limitation, any unpaid rent and charges equivalent to rent having accrued, all actual costs associated with recovering and/or reletting the Premises, all actual costs associated with performing LESSEE's obligations hereunder, and the worth at the time of such termination of all rent and charges equivalent to rent lost over the remainder of the Term of this Lease, plus interest at the maximum allowed by law, but not to exceed the then existing legal limit in California.

B. Rent Due and Rights Not Waived In Event of Default

1. Pursuit of any of the foregoing remedies shall not preclude pursuit of any of the other remedies herein provided or others as provided by law, nor shall pursuit of any remedy herein provided constitute a forfeiture or waiver of any Rent due to DISTRICT hereunder or of any damages accruing to DISTRICT by reason of the violation of any of the terms, provisions and covenants herein contained.

2. Forbearance by DISTRICT to enforce one or more of the remedies herein provided upon an event of default shall not be deemed or construed to constitute a waiver of any of DISTRICT's rights hereunder.

ARTICLE 22.
SALE OF THE PREMISES BY DISTRICT

In the event of a sale of the Premises by DISTRICT, DISTRICT shall be entirely freed and relieved of all liability under any and all of its covenants and unaccrued obligations contained in or derived from this Lease arising out of any act, occurrence or omission after the consummation of such sale, provided that the purchaser at such sale, shall in writing covenant to and with LESSEE to carry out any and all of the covenants and obligations of DISTRICT under this Lease.

ARTICLE 23.
HAZARDOUS SUBSTANCES

A. Definition

For purposes of this Lease, the term hazardous substances shall be deemed to include:

1. Hazardous, toxic or radioactive substances as defined in California Health and Safety Code Section 25316 as amended from time to time, or the same or a related defined term in any successor or companion statutes, crude oil or byproducts of crude oil other than which exists on the property as a natural formation, and those chemicals and substances identified pursuant to Health and Safety Code Section 25249.8;

2. Substances which require investigation or remediation under any federal, state or local statute, regulation, ordinance, order, policy or common law;

3. That which is or becomes defined as hazardous waste, hazardous substances, pollutant or contaminant under any federal, state or local statute, regulation, ordinance or amendment thereto, including without limitation, the Federal Comprehensive Environmental Response, Compensation and Liability Act (CERCLA) and/or the Resource Conservation and Recovery Act (RCRA);

4. That which is toxic, explosive, corrosive, flammable, infectious, radioactive, carcinogenic, mutagenic, or likewise hazardous and is or may become

regulated by any governmental authority, agency, department, commission, board of instrumentality of the United States, the State of California or any political subdivision thereof;

5. Substances, present on or about the Premises which cause or threaten to cause a nuisance thereupon or to adjacent properties or pose or threaten to pose a hazard to the health or safety of persons on or about such property;

6. Without limitation, substances containing gasoline, diesel fuel or other petroleum hydrocarbon;

7. Without limitation, substances containing polychlorinated bipheynols (PCBs), asbestos or urea formaldehyde foam insulation.

B. Warranties and Representations

1. LESSEE hereby warrants and represents that it will not cause or allow to be caused the presence, use, storage or disposal of any hazardous substances on or about the Premises without the prior written consent of the DISTRICT.

2. LESSEE hereby warrants and represents that it shall comply with all federal, state, DISTRICT and local laws and regulations concerning the use, release, storage and disposal of hazardous substances on the Premises.

C. Notice

LESSEE agrees to immediately notify DISTRICT when hazardous substances have been released on the Premises.

D. Damage/Spillage

1. In the event of spillage, leakage, or escape (release) of any hazardous substances onto the Premises by LESSEE or any LESSEE Parties, LESSEE shall (i) immediately notify DISTRICT at (800) 675-4357 or (800) 675-HELP, (ii) make necessary repairs and erect necessary restraints and impoundments to prevent discharge into any property, channel, ocean drainage system or underground reservoirs, and (iii) promptly remove any and all hazardous substances that may have leaked, spilled or escaped and restore the Premises and all other affected properties and/or facilities to their former condition or equivalent, to the DISTRICT's full and complete satisfaction.

2. LESSEE further agrees that no pollutants or water carried pollutants may be used to pressure test a pipeline, or to be discharged into DISTRICT's property, channel, underground reservoir, drainage system or the ocean unless the LESSEE receives written approval by DISTRICT. In the event such pollutants are inadvertently discharged into any such system, LESSEE shall immediately notify DISTRICT by telephone and take the appropriate action to prevent further such discharge.

3. In addition to removing any hazardous substances that are released onto the Premises by LESSEE or any LESSEE Parties, LESSEE shall be liable for and reimburse DISTRICT for any and all costs and expenses that DISTRICT may incur or suffer by reason of the escape of such substances from LESSEE'S improvement(s). Such responsibility shall include costs or expenses as DISTRICT may incur by reason of Federal, State, DISTRICT, local or other authoritative agency's laws and regulations.

E. Indemnity

In addition, LESSEE agrees to indemnify, defend and save harmless DISTRICT, from and against all liability, expenses (including defense costs, legal fees, and response costs) and claims for damages of any nature whatsoever which arise out of the presence or release of hazardous substances on the Premises, which is caused by LESSEE's or LESSEE Party's.

F. Default

The release of hazardous substances on the Premises in violation of this Article 23 shall constitute an event of default as defined in Article 20. Default shall be subject to the remedies set forth in Article 21.

G. Survival

The provisions, warranties and representations set forth in this Article shall survive the termination of this Lease without limiting the survival of any other provisions of this Lease.

ARTICLE 24.
ESTOPPEL CERTIFICATES

DISTRICT and LESSEE shall, respectively, within thirty (30) days after receipt of written request by the other, deliver to the requesting party an executed and acknowledged written statement referred to as an Estoppel Certificate, certifying that (1) this Lease is unmodified and in full force and effect (or if there has been any modification(s) thereof that the same is in full force and effect as modified, and stating the nature of the modification or modifications), (2) to its knowledge the requesting party is not in default under this Lease (or if any such default exists, the specific nature and extent thereof), and (3) any date(s) to which Rent and other charges have been paid in advance. Each certificate delivered pursuant to this Article may be relied upon by any prospective purchaser or transferee of the Premises or of DISTRICT's or LESSEE's interest hereunder or by any fee or leasehold mortgagee of Premises or of DISTRICT's or LESSEE's interest hereunder or by any assignee of any such mortgage.

ARTICLE 25.
JOINDER IN INSTRUMENTS; LOT SPLIT, ZONING

Upon request of the other, DISTRICT and LESSEE shall join in any instruments of conveyance, dedication, grant of easement or license, or other instrument as shall be reasonably necessary or convenient to provide public utility service and/or public roadway access to the Premises or any portion(s) thereof or to obtain proper zoning, lot splits, etc., covering the Premises. DISTRICT shall not be required to incur any cost or expense by virtue of the provisions of this Article.

ARTICLE 26.
EXCUSABLE DELAYS

If either Party is delayed, prevented or hindered from the performance of any covenant or condition of this Lease due to acts of the other party, acts of God, action of the elements, war, invasion, insurrection, acts of a public enemy, riot, mob violence, civil commotion, sabotage, labor disputes, laws, moratoriums, financial inability excepted, such performance shall be excused for the period of the delay (and the period for such performance shall be extended for a period equivalent to the period of such delay). Nothing herein, however, shall excuse LESSEE from the obligation to pay Rent hereunder.

ARTICLE 27.
NON DISCRIMINATION

A. Use of The Premises

LESSEE doing business with any person, club, business, contractor or organization involved on the Premises, agrees that in the use of the Premises, persons or prospective persons shall not be denied or selected because of race, religion, ancestry, national origin or sex, and shall comply with all Federal and State laws prohibiting discrimination including, but not limited to, the Federal Civil Rights Act of 1964; the Unruh Civil Rights Act; the Cartwright Act; and the State Fair Employment Practices Act.

B. Employees

LESSEE agrees that all persons employed thereby shall be treated equally without regard to or because of race, religion, ancestry, national origin or sex, and in compliance with all Federal and State laws prohibiting discrimination in employment, including, but not limited to, the Federal Civil Rights Act of 1964; the Unruh Civil Rights Act; the Cartwright Act; and the State Fair Employment Practices Act.

C. Subcontractors

LESSEE agrees that subcontractors, bidders and vendors thereof are and shall

be selected without regard to or because of race, religion, ancestry, national origin or sex.

D. Records

All contracting and construction records relating to work performed by or for LESSEE at the Premises shall be open for inspection and reinspection at any reasonable time upon advance notice from DISTRICT during the term of this Lease for the purpose of verifying the practice of non-discrimination by LESSEE in the areas heretofore described.

E. Breach

The breach of the promises of non-discrimination shall constitute an event of default.

ARTICLE 28.
QUIET ENJOYMENT

Subject to the Provision of Article 3 above and Article 29 below, DISTRICT covenants that LESSEE upon timely and properly performing LESSEE's obligations herein shall have the quiet and undisturbed possession of the Bridge Improvements throughout the Term of this Lease.

ARTICLE 29.
RESERVATIONS

A. Reservation to Use of The Premises

1. DISTRICT reserves the right to use the Premises (but not LESSEE's Bridge Improvements located thereon without prior written approval from LESSEE) for any and all lawful purposes in addition to flood control, water conservation, and watershed management, including but without limitation, public transportation, utilities, roads, parks and recreation, parking, public/private development and/or other related uses together with incidental rights of construction and installation of facilities, ingress and egress, operation, and maintenance. The exercise of the rights reserved herein shall not be inconsistent with LESSEE's use or constitute unreasonable interference.

2. Interruption of LESSEE's use, for a temporary period at DISTRICT's sole discretion, to permit construction and installation of other facilities, shall not be deemed unreasonable interference.

a. LESSEE shall be notified at least ninety (90) days prior to the commencement of any such construction or alteration. Rent for that portion affected shall abate in proportion during such periods that LESSEE is denied use thereof.

b. No utilities or support structures shall be attached to, built upon, or otherwise unreasonably interfere with LESSEE's use without the written approval of LESSEE.

c. The period of such interruption shall be as short as possible to permit DISTRICT's construction and installation of facilities.

d. At all times, DISTRICT shall use its best efforts to keep the Bridge Improvements open to at least one (1) lane of vehicle traffic.

B. Right of Entry for Inspection, Emergencies, etc.

1. Notwithstanding any other provision in this Lease, DISTRICT reserves the right to enter the Premises by its authorized personnel, employee(s), contractor(s), or agent(s) in order to inspect the Premises for any purposes incidental to the rights or duties of DISTRICT, and for the protection, maintenance, construction, reconstruction and operation of DISTRICT's facilities. The right to inspect reserved to DISTRICT shall not obligate DISTRICT to make inspections to ascertain the condition of the Premises and shall not impose liability upon DISTRICT for failure to inspect.

2. Notwithstanding any other provision in this Lease, DISTRICT shall have the right, as it deems necessary, to immediately possess the Premises for the purpose of preventing sabotage, for the protection of DISTRICT's facilities, to carry out any of its duties or function (Flood Control Functions) set forth in the Los Angeles County Flood Control Act, California Water Code, Uncodified Acts, Act 4463, to protect human health and safety, and in an emergency where DISTRICT has cause to believe that lives or excessive property or environmental damage are threatened. The Flood Control Functions of the DISTRICT shall be deemed paramount to the Lessee's right under this Lease.

ARTICLE 30.
WARRANTIES

A. No Warranty of Title

DISTRICT makes no warranties as to whether the Premises delivered to LESSEE are free and clear of any claims, obligations, mortgages, tax assessments, liens and encumbrances. LESSEE may, at its sole cost and expense, procure a policy of title insurance.

B. No Warranty of Soil

DISTRICT makes no covenants or warranties with respect to the condition of the soil, subsoil or any other condition of the Premises either as existing, or as may be discovered by specific tests as delineated in Article 9.C.

C. No Warranty of Use

DISTRICT makes no representations or covenants or warranties as regards LESSEE'S proposed or actual use of the Premises or Bridge Improvements thereon.

ARTICLE 31.
OPERATIONS AND SUPERVISION

A. Operations

LESSEE shall operate all its improvements on and adjacent to the Premises comparable with other such operations and in a manner similar with those prevailing in the area and other areas in Southern California furnishing the same services and amenities. LESSEE shall at all times during the Term of this Lease provide adequate security measures to reasonably protect persons and property on the Premises.

B. Supervision by LESSEE

LESSEE's management shall be personally experienced and skilled in management of operations as described herein. LESSEE shall ensure and provide efficient supervision of LESSEE's operations, using its best skill, and shall keep employed at all times, during any construction activities on the Premises, a competent supervisor and any necessary assistants.

LESSEE's supervisor shall represent LESSEE in its absence for the operation of the facility upon the Premises, and all directions given to LESSEE'S supervisor shall be as binding as if given to LESSEE; provided, however, if LESSEE's supervisor does not comply with said request, DISTRICT may serve notice pursuant to Article 32.A.

ARTICLE 32.
MISCELLANEOUS

A. Notices

1. Any notice to be given or other document to be delivered by either party to the other hereunder may be delivered in person to either party or by private courier or may be deposited in the United States mail, duly registered or certified, with postage prepaid, and addressed to the party for whom intended as follows:

To DISTRICT:

Los Angeles County Flood Control District
P.O. Box 1460
900 South Fremont Avenue
Alhambra, California 91802 1460
Phone: 626-458-7072 Fax: 626-979-5322
Attn: Mapping & Property Management Division

To LESSEE: City of Hope
1500 East Duarte Road
Duarte, California 91010
Phone: _____ Fax: _____
Attn: Director, Corporate Real Estate

Copy to: City of Hope
1500 East Duarte Road
Duarte, California 91010
Attn: General Counsel

2. Either party hereto may from time to time by written notice to the other party designate a different address which shall be substituted for the one above specified, except that LESSEE shall always provide a California address. If any notice or other document is sent by registered or certified mail, as aforesaid, the same shall be deemed served or delivered twenty four (24) hours after the mailing therefore as above provided.

B. Waiver

No waiver by either party of any breach by the other party of any term, covenant or condition of this Lease shall be deemed a waiver of any other breach of the same or any other term, covenant or condition of the Lease. The payment or acceptance of Rent hereunder shall not be deemed a waiver of any breach of any term, covenant or condition of this Lease.

C. Holding Over

1. If LESSEE shall hold over Premises after the expiration of the terms hereof with the consent of DISTRICT, either expressed or implied, such holding over shall be construed to be a month to-month tenancy only, subject to all the covenants, conditions and obligations hereof.

2. LESSEE hereby agrees to pay to DISTRICT the rental at a rate equal to double the sum of the annual rent paid by LESSEE during the last year of tenancy, prorated on a monthly basis however, nothing herein contained shall be construed to give LESSEE any rights to so hold over and to continue in possession of the Premises after the expiration of the terms hereof.

D. Lease Binding Upon Successors and Assigns

Subject to the limitations on assignment, each of the terms, covenants and conditions of this Lease extend to, bind and inure to the benefit of not only DISTRICT and LESSEE, but each of their successors and assigns. Whenever reference is made to either DISTRICT or LESSEE in this Lease, the reference shall be deemed to include, wherever applicable, the successors and assigns of such parties the same as if in every

case expressed.

E. Covenants

All provisions of this Lease, whether covenants or conditions, on the part of LESSEE, shall be deemed to be both covenants and conditions.

F. Negation of Partnership

Nothing in this Lease shall be construed to render DISTRICT in any way or for any purpose a partner, joint venturer, or associate in any relationship with LESSEE other than that of landlord and tenant, nor shall this Lease be construed to authorize either to act as agent for the other unless expressly provided in this Lease.

G. Quitclaim

At the expiration or earlier termination of this Lease, LESSEE shall execute, acknowledge and deliver to DISTRICT within thirty (30) days after written demand from DISTRICT to LESSEE, any quitclaim deed or other document as may be required by and on a form acceptable to any reputable title company, including DISTRICT's Title Officer, to remove the cloud of this Lease from the title of the real property subject to this Lease. The quitclaim deed shall also confirm title in LESSEE's improvement(s) to DISTRICT, which DISTRICT has elected to retain pursuant to Article 9, herein.

H. Number and Inclusion, Joint and Several

Whenever the singular number is used in this Lease and when required by the context, the same shall include the plural, and the word person shall include corporation, firm or association.

If there is more than one LESSEE, the obligations imposed under this Lease upon LESSEE shall be joint and several.

I. Headings and Titles

The marginal headings or titles to the paragraphs of this Lease are not a part of this Lease and shall have no effect upon the construction or interpretation of any part herein.

J. Compliance with Governmental Regulations

LESSEE shall, at its own cost and expense, promptly and properly observe, comply with and execute, including the making of any alteration, addition or change to the Premises, all present and future orders, regulations, directions, rules, laws, ordinances and requirements of all governmental authorities (including but not limited to state, municipal, DISTRICT and federal governments and their departments, bureaus, boards and officials), arising from the use or occupancy of, or applicable to, the Premises, or the vaults, franchises, or privileges appurtenant to or connected with the

enjoyment of the Premises. LESSEE shall have the right to contest or review, by legal procedure or in such other manner as LESSEE may deem suitable, at its own expense, any such order, regulation, direction, rule, law, ordinance or requirement and if able, may have the same canceled, removed, revoked or modified, provided that DISTRICT is not subjected to a criminal prosecution and that DISTRICT's title to the Premises is not subject to forfeiture, and LESSEE hereby agrees to indemnify, defend and hold DISTRICT harmless from and against any civil liability as a result of any such contest of review. Any such proceedings shall be conducted promptly and shall include, if LESSEE so decides, appropriate appeals. Whenever requirements become absolute after a contest, LESSEE shall diligently comply with the same or so much thereof as shall have been judicially sustained.

K. Ineligibility for Relocation Assistance

LESSEE expressly acknowledges that LESSEE is a post acquisition tenant, and termination by reasons of an exercise of the rights herein reserved to DISTRICT, breach of the Lease terms by LESSEE, expiration of the term hereof, or termination for any other reason shall not entitle LESSEE to a claim of status as a displaced person as such is defined in Section 7260 (b)(c)(d) of the Government Code of the State of California. LESSEE hereby disclaims such status and hereby acknowledges its ineligibility for relocation assistance as provided in Government Code Sections 7260 through 7277, as it exists or as it may be amended.

L. Storage of Materials

LESSEE shall not use the Premises for the temporary or permanent storage of excavated materials, rock, sand, cement, or other material or any equipment except as specifically approved in writing from DISTRICT.

M. Entire Lease

This Lease contains the entire Lease of the parties and of matters covered hereby, and no other previous agreement, statement or promise made by any party hereto which is not contained herein shall be binding or valid unless in writing and properly executed by both parties.

N. Time of Essence

Time is of the essence with respect to obligations to be performed under this Lease.

O. Claims and Protest

1. During reasonable hours, DISTRICT, its agents or employees shall have the right, but not the obligation, to enter upon and inspect the Premises and operations and to make written Demand to Perform upon LESSEE to perform its obligations under this Lease. Such Demand shall specify the obligations to be performed. LESSEE shall immediately perform its obligations placed upon LESSEE by

DISTRICT. If LESSEE disputes such Demand, within thirty (30) days after any such Demand is given, LESSEE shall file a written Protest of Demand with DISTRICT stating clearly and in detail its objections and reasons.

2. If LESSEE does not file such protest within thirty (30) days, LESSEE shall be deemed to have waived and does hereby waive all claims for damages and adjustments against DISTRICT arising out of the Demand.

P. Monetary Obligations as Rent

All monetary obligations owed by LESSEE to DISTRICT shall be deemed to be Rent.

Q. Savings Clause

If any provision or provisions of this Lease are for any reason adjudged to be unenforceable or invalid, it is the specific intent of the parties that the remainder shall subsist, be, and remain in full force and effect.

R. Protection of The Premises

LESSEE shall maintain its facilities in such a manner as to protect DISTRICT's property from damage, injury, loss or liability arising from rainfall or other action(s) of the elements.

S. Authority to Enter Lease

LESSEE and DISTRICT individually and severally attest that they are duly authorized to execute this Lease.

T. Laws

LESSEE shall otherwise observe and comply with any and all public laws, ordinances and regulations, applying to Premises during the term of this Lease.

ARTICLE 33.
RECORDATION OF LEASE

This Lease or a Memorandum of Lease shall be properly acknowledged by the parties in recordable form and shall be recorded by DISTRICT. As a condition precedent to the recordation, the recording fee and the costs of all municipal and DISTRICT documentary transfer taxes as established by the office of the Registrar-Recorder/County Clerk of Los Angeles County, California, shall be paid by LESSEE.

ARTICLE 34.
COUNTY LOBBYIST

LESSEE shall be familiar with and adhere to Los Angeles County Code Section 2.160.010, County Lobbyist. Each County Lobbyist as defined by Los Angeles County Code Section 2.160.010 retained by LESSEE and/or LESSEE'S representative or agent shall fully comply with provisions set forth therein. Failure on the part of any Lobbyist retained by LESSEE or LESSEE'S representative or agent to fully comply with said County Code shall constitute a material breach of this Lease upon which the DISTRICT may immediately suspend or terminate this Lease.

ARTICLE 35.
DECLARATION OF KNOWLEDGE BY LESSEE

LESSEE warrants that LESSEE has carefully examined this Lease and by investigation of the site and of all matters relating to the Lease arrangements has fully informed itself as to all existing conditions and limitations affecting the construction of improvements thereon and business practices required in the operation and management of the uses contemplated hereunder.

ARTICLE 36.
DEFINITIONS

ADDITIONAL RENT: Any and all amounts other than annual Rent, including late fees and interest required to be paid by LESSEE under this Lease.

AFFILIATED ENTITY: Any subsidiary corporation, joint venture, partnership or other relationship where LESSEE or any of its principals or owners are officers, shareholders or otherwise interested.

CONSUMER PRICE INDEX-ALL URBAN CONSUMERS (CPI-U): The Index published by the US Department of Labor, Bureau of Labor Statistics that tracks change in the cost of living for all urban consumers in the Los Angeles County area.

DAYS: All references to days shall be in calendar days unless otherwise noted.

INSURANCE TRUSTEE: The Los Angeles County Flood Control District or any California or federally chartered savings and loan association, a federally chartered bank, or trust company, preferably with an office or branch located within twenty miles of the Premises as shall be approved by DISTRICT.

MINOR REPAIR: Any routine repairs and maintenance, including graffiti removal, which does not include any penetration of the soils' surface, to the Premises and/or improvements thereon.

SECURITY INTEREST: A form of interest in property, which provides that the property may be sold on default in order to satisfy the obligation for which the security interest is given. A mortgage or a deed of trust may be used to grant a security interest in real property.

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ACKNOWLEDGMENTS

IN WITNESS WHEREOF, the said LOS ANGELES COUNTY FLOOD CONTROL DISTRICT, a body corporate and politic, by order of its Board of Supervisors, has caused the Lease to be subscribed by the Chairman of the Board and the seal of said DISTRICT to be affixed hereto and attested by its Executive Officer of the Board of Supervisors, and the LESSEE has hereunto subscribed their names, the day and year first above written.

LESSEE

CITY OF HOPE
California non-profit public benefit corporation

By: Dennis J Rusch

By: _____

ADOPTED
BOARD OF SUPERVISORS
COUNTY OF LOS ANGELES

25 FEB 17 2009

Sachi A. Hamai
SACHI A. HAMAI
EXECUTIVE OFFICER

DISTRICT

LOS ANGELES COUNTY FLOOD CONTROL DISTRICT, a body corporate and politic

By: Mark Ridley-Thomas
Chairman, Board of Supervisors

76947

ATTEST:

SACHI A. HAMAI, Executive Officer
of the Board of Supervisors
of the County of Los Angeles

By: LaChelle Smitherman
Deputy

LOS ANGELES COUNTY FLOOD CONTROL DISTRICT

I hereby certify that pursuant to Section 25103 of the Government Code, delivery of this document has been made.

SACHI A. HAMAI
Executive Officer
Clerk of the Board of Supervisors

By LaChelle Smitherman
Deputy

APPROVED AS TO FORM:
RAYMOND G. FORTNER, JR.,
County Counsel

By: _____
Deputy

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

On January 6, 1987, the Board of Supervisors for the County of Los Angeles and ex officio the governing body of all other special assessment and taxing districts, agencies, and authorities for which said Board so acts adopted a resolution pursuant to Section 25103 of the Government Code that authorized the use of facsimile signatures of the Chairman of the Board on all papers, documents, or instruments requiring the Chairman's signature.

The undersigned hereby certifies that on this 17th day of February, 2009, the facsimile signature of DON KNABE, Chairman of the Board of Supervisors of the LOS ANGELES COUNTY FLOOD CONTROL DISTRICT, was affixed hereto as the official execution of this document. The undersigned further certifies that on this date a copy of the document was delivered to the Chairman of the Board of Supervisors of the LOS ANGELES COUNTY FLOOD CONTROL DISTRICT.

In witness whereof, I have also hereunto set my hand and affixed my official seal the day and year above written.

SACHI A. HAMAI, Executive Officer
of the Board of Supervisors
of the County of Los Angeles

By LaChelle Smitherman
Deputy

(LACFCD-SEAL)

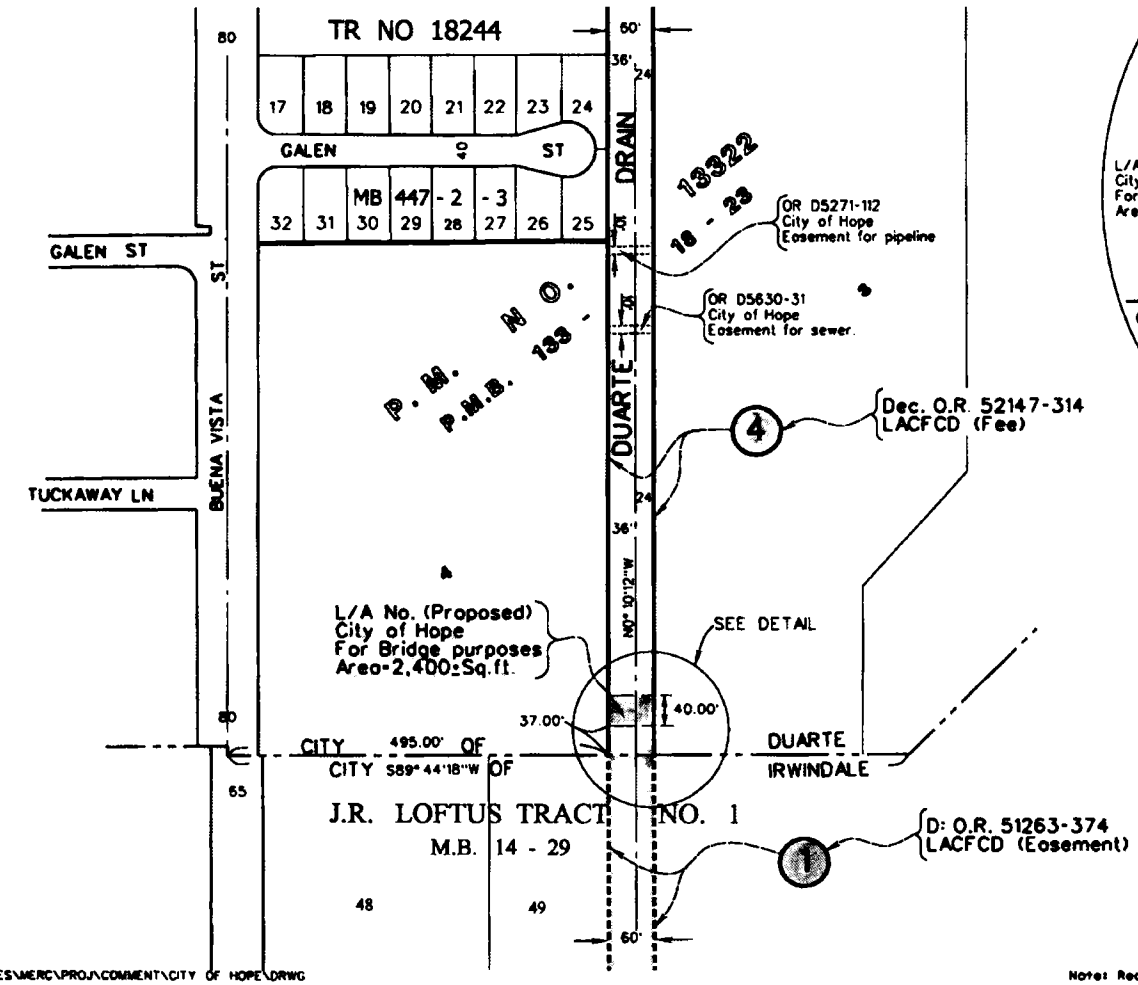
APPROVED AS TO FORM

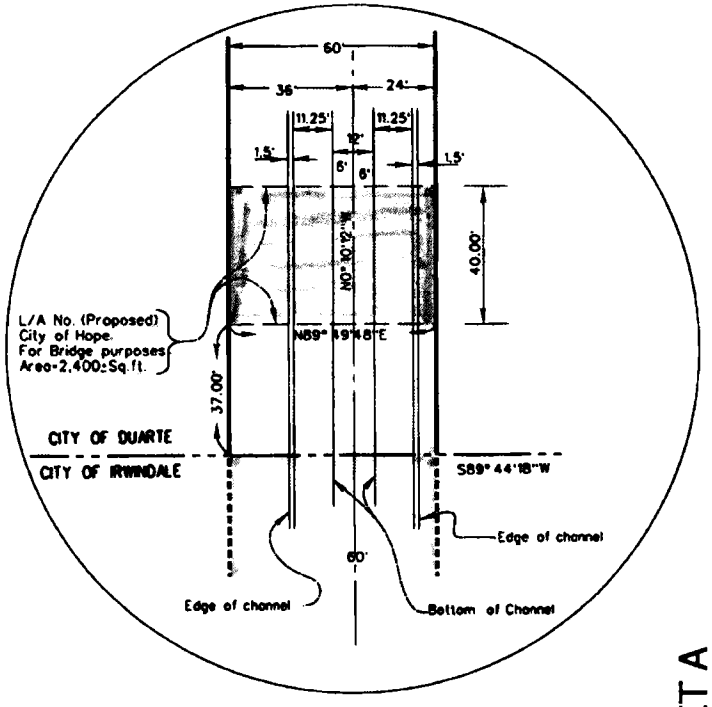
RAYMOND G. FORTNER, JR.,
County Counsel

By _____
Deputy

SUBDIVISION OF THE RANCHO AZUSA DE DUARTE

M.R. 6 - 80 - 82





DETAIL
NOT TO SCALE

PROJECT 30 - DUARTE DRAIN
REFERENCE: 181-30-RW 1

Not To Scale

EXHIBIT A
Lease Agreement No. _____

C:\MYFILES\MERC\PROJ\COMMENT\CITY OF HOPE.DWG

Note: Record distances shown in ( )

ACKNOWLEDGMENT FORM

STATE OF CALIFORNIA)
) ss.
COUNTY OF _____)

On _____, before me, _____ Notary Public,
(insert name of the officer) (insert title of the officer)

personally appeared _____

_____
(insert name(s) and title(s))

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

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

WITNESS my hand and official seal.

Signature_____

(Seal)

ACKNOWLEDGMENT FORM

STATE OF CALIFORNIA)
) ss.
COUNTY OF Los Angeles)

On November 20, 2008, before me, Vivian J. THACHER, Notary Public,
(insert name of the officer) (insert title of the officer)

personally appeared Dennis F. Rusch, Chief Financial Officer

_____
(insert name(s) and title(s))

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/s~~he/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 Vivian J. Thacher

(Seal)

VIVIAN J. THACHER
Commission # 1721249
Notary Public - California
Los Angeles County
My Comm. Expires Jan 27, 2011

RECORDING REQUESTED BY AND
WHEN RECORDED MAIL TO:

City of Hope
1500 East Duarte Road
Duarte, California 91010
Attn: Director, Corporate Real Estate

Document is exempt from documentary transfer tax
pursuant to Los Angeles County Code 4.60.120

MEMORANDUM OF LEASE

THIS MEMORANDUM OF LEASE is made as of between the LOS ANGELES COUNTY FLOOD CONTROL DISTRICT, a body corporate and politic (hereinafter referred to as DISTRICT), and the CITY OF HOPE, a California non-profit public benefit corporation (hereinafter referred to as LESSEE).

1. DISTRICT has leased to LESSEE and LESSEE has hired from DISTRICT all of that certain land located in the City of Los Angeles, County of Los Angeles, State of California, as more particularly described in Exhibit A, attached hereto (the Land), together with all improvements now or hereafter located on the Land, pursuant to the terms of that certain unrecorded Lease dated February 17, 2009, (the Lease).

2. The initial term of the Lease (the Initial Term) commenced on the _____ (as defined in the Lease) and shall expire on the last day prior to the thirtieth (30th) anniversary thereof, unless sooner terminated or extended.

3. The rentals to be paid by LESSEE and all of the rights and obligations of the parties with respect to the above described property are set forth in the Lease.

4. The Anniversary Date, as defined in the Lease is February 17, 2009.

5. This instrument is a Memorandum of the Lease and is solely for recording purposes and shall not be construed to alter, modify or supplement the Lease.

ACKNOWLEDGMENTS

IN WITNESS WHEREOF, the said LOS ANGELES COUNTY FLOOD CONTROL DISTRICT, a body corporate and politic, by order of its Board of Supervisors, has caused the Lease to be subscribed by the Chairman of the Board and the seal of said DISTRICT to be affixed hereto and attested by its Executive Officer of the Board of Supervisors, and the LESSEE has hereunto subscribed their names, the day and year first above written.

ADOPTED
BOARD OF SUPERVISORS
COUNTY OF LOS ANGELES

25 FEB 17 2009

Sachi A. Hamai
SACHI A. HAMAI
EXECUTIVE OFFICER

I hereby certify that pursuant to Section 25103 of the Government Code, delivery of this document has been made.

SACHI A. HAMAI
Executive Officer
Clerk of the Board of Supervisors

By LaChelle Smitherman
Deputy

ATTEST:

SACHI A. HAMAI, Executive Officer
of the Board of Supervisors
of the County of Los Angeles

By LaChelle Smitherman
Deputy

APPROVED AS TO FORM:

RAYMOND G. FORTNER, JR.
County Counsel

LESSEE

CITY OF HOPE
California non-profit public benefit corporation

By: _____

By: Dennis J Rusch

DISTRICT

LOS ANGELES COUNTY FLOOD CONTROL DISTRICT, a body corporate and politic

Don Knabe
Chairman, Board of Supervisors

By _____
Deputy

APPROVED AS TO FORM
RAYMOND G. FORTNER, JR., COUNTY COUNSEL

BY _____
DEPUTY

ACKNOWLEDGMENT FORM

STATE OF CALIFORNIA)
) ss.
COUNTY OF _____)

On _____, before me, _____, Notary Public,
(insert name of the officer) (insert title of the officer)
personally appeared _____

_____
(insert name(s) and title(s))

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

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

WITNESS my hand and official seal.

Signature_____

(Seal)

ACKNOWLEDGMENT FORM

STATE OF CALIFORNIA)
) ss.
COUNTY OF Los Angeles)

On November 20, 2008, before me, VIVIAN J. THACHER, Notary Public,
(insert name of the officer) (insert title of the officer)
personally appeared DENNIS F. RUSCH, Chief Financial Officer

(insert name(s) and title(s))

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 Vivian J. Thacher

(Seal)

VIVIAN J. THACHER
Commission # 1721249
Notary Public - California
Los Angeles County
My Comm. Expires Jan 27, 2011

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

On January 6, 1987, the Board of Supervisors for the County of Los Angeles and ex officio the governing body of all other special assessment and taxing districts, agencies, and authorities for which said Board so acts adopted a resolution pursuant to Section 25103 of the Government Code that authorized the use of facsimile signatures of the Chairman of the Board on all papers, documents, or instruments requiring the Chairman's signature.

The undersigned hereby certifies that on this 17th day of February, 2009, the facsimile signature of DON KNABE, Chairman of the Board of Supervisors of the LOS ANGELES COUNTY FLOOD CONTROL DISTRICT, was affixed hereto as the official execution of this document. The undersigned further certifies that on this date a copy of the document was delivered to the Chairman of the Board of Supervisors of the LOS ANGELES COUNTY FLOOD CONTROL DISTRICT.

In witness whereof, I have also hereunto set my hand and affixed my official seal the day and year above written.

SACHI A. HAMAI, Executive Officer
of the Board of Supervisors
of the County of Los Angeles

By LaChelle Smitherman
Deputy

(LACFCD-SEAL)

APPROVED AS TO FORM

RAYMOND G. FORTNER, JR.,
County Counsel

By _____
Deputy